



## THE AGRIBUSINESS PROJECT



## Annual Progress Report–II (01 October 2012 – 30 September 2013)

December 09, 2013

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DECEMBER 9, 2013

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### **DISCLAIMER**

*The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.*

ABBREVIATIONS AND ACRONYMS

ASF	Agribusiness Support Fund
BDS	Business Development Services
BDSPs	Business Development Services Providers
BRC	British Retail Consortium
EA	Environmental Assessment
COP	Chief of Party
FFA	Fish Farmers Association
FAO	Food and Agriculture Organization of United Nations
FEG	Farmer Enterprise Group
GB	Gilgit Baltistan
GAP	Good Agricultural Practices
ICT	Islamabad Capital Territory
IEE	Initial Environmental Examination
IFS	International Featured Standards
KPK	Khyber PakhtunKhwa
KFS	Kissan Field School
M&E	Monitoring and Evaluation
MFFA	Muzaffargarh Fish Farmers Association
NGO	Non-Government Organization
PTC+	Practical Training Centre
PRC	Planning and Review Committee
PRHA	Participatory Rural Horticultural Appraisal
PRLA	Participatory Rural Livestock Appraisal
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
RSP	Rural Support Programme
SME	Small and Medium Enterprises
SoW	Scope of Work
TA	Technical Assistance
TAP	The Agribusiness Project
USAID	United States' Agency for International Development
VCP	Value Chain Platform

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## 1 SUMMARY OF PROGRESS ACHIEVED IN YEAR-2

The following is a summary of the most significant achievements and impact achieved during FY 2013 that will contribute toward the achievement of the development assistance objectives:

- i. During FY 2013 the income of targeted beneficiaries increased by 32%. Against the planned target of 2,708 jobs creation, a total of 5,234 new jobs were created (193% of target) through the implementation of the following activities:
  - a. 204 individual/corporate grants, including providing 33 Solar Dryers, 87 Aero-tubes, to 43 farmers, 57 milking machines and 54 milk chillers, as well as establishing 17 Grape Orchards,
  - b. Grant support to 6,633 farmers, from approximately 547 FEGs (Complete grant support to 290 FEGs and partial grant support to 254 FEGs), including 268 Female FEGs (nationwide) for Goats, kitchen gardening and pickle production toolkits, 99 FEGs in GB and KPK for Seed Potato, 58 FEGs of KPK for HV/OSV through Structure Farming, 40 FEGs of KPK for HV/OSV (Cucumber), 57 FEGs in GB for HV/OSV (Capsicum and Peas), 20 FEGs in Pothohar for establishment of Grapes orchards and 5 FEGs in Pothohar for Pomegranate Orchards.
- ii. USD 1.39 million new private sector investments leveraged from agribusinesses that participated in project activities during FY2013; of which a total of USD 4.41 million private sector investments were leveraged as counterpart to approved grant products.
- iii. The agribusinesses, who participated in project activities, achieved increase in incremental sales worth USD 1.33 million during the reporting year. The sales revenue will significantly increase during year 3 and 4 of the project as a result of providing technical assistance and matching grant support to the targeted beneficiaries.
- iv. 2,255 micro and small enterprises (FEG members/farmers) linked to larger-scale firms as a result of USG assistance to targeted value chains. This will continue to increase as a result of the program implementation. In addition, 7,339 micro, small and medium enterprises (MSMEs), including farmers (FEG members), received business development services from USG assisted sources.
- v. Against the planned target of benefitting 11,319 rural households, a total of 21,363 rural households (189% above the target) were benefited directly from project interventions during FY 2013, while total of 22,074 rural households benefitted from project interventions by September 30, 2013. A total of 1,777 hectares of land were brought under improved technologies and management practices.
- vi. 21 certifications (3 Global GAP, 17 British Retail Consortium<sup>1</sup> and 1 International Features Standards<sup>2</sup>) have been completed and certified by certification body, while audit of another two companies for IFS is yet to be done. Out of 23, 11 certifications were completed during the reporting period. The consultation and certification process was initiated for another 30 enterprises (10 Global GAP, one Halal, 6 ISO-22000 and 13 HACCP) during reporting period, and have advanced as follows:
  - Seven (7) companies have completed preparation for the Global GAP certifications and are waiting audit by certification body. Another three companies are preparing for Global GAP certifications.
  - Ten (10) companies have completed preparation for one Halal, two ISO and seven HACCPs certifications and are ready for audit by certification body.

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<sup>1</sup> BRC is one of the leading trade associations in the United Kingdom and represent 80% of retail trade in UK by turn over. In order to qualify for export of food products to exporting companies are required to comply with the BRC standards.

<sup>2</sup> IFS is a case standard in Europe and all major retailers in Germany, France, Italy and other EU countries require suppliers to be certified to IFS.

- Ten (10) companies are preparing for four ISO and six HACCP certifications.

543 hectares of land were brought under improved management practices by the participating companies. 78 persons of participating companies were trained. These certifications will enable certified organizations to access international markets and complement project interventions during third and fourth year and will result in increased exports of horticulture products from Pakistan.

- vii. The project supported the participation of 31 companies in international marketing events for fruit, vegetables and meat. 18 companies received purchase orders for USD 28.34 million for export as a result of their attendance at these events and subsequent business to business meetings. Of these eighteen, seven companies have sold product with an export value of USD 10.3 million during FY2013. The event-wise information is as below:
  - a. Ten (10) companies to participate in the World Food Moscow (WFM). The companies reported export purchase orders of fruit and vegetables worth USD 12.58 million, of which they achieved exports worth USD 6.73 million.
  - b. Four (4) companies participated in EuroTier, of which, M/S Tazij Meats & Foods, Lahore reported receipt of export orders for vacuum packed meat from new Middle Eastern buyers worth USD 13.3 million, and succeeded in exporting USD 3.1 million of product.
  - c. Six (6) participated in Fruit Logistica for promotion of horticultural products from Pakistan. One of the companies has realized exports of potato and mangoes worth USD 0.42 million to new buyers from Russia, UAE, Canada, Switzerland and Netherlands.
  - d. Eleven (11) company participation in Dubai's AgraME, an exposition of horticultural and livestock products, technology and inputs. Two companies received fruit and vegetables purchase orders worth USD 2 million from new buyers; of which, only two companies have achieved exports of USD 0.06 million.

The export products include kinnow, potato, dates, lemon, mango, meat, dried fruit, apricots, miscellaneous fresh fruit and vegetables; export destinations, include UAE, Saudi Arabia, Russia, India, Iran, Afghanistan, Ukraine, Spain and Indonesia.

- viii. Female beneficiaries account for approximately 30% of total project beneficiaries in the reporting period. 2,291 female beneficiaries received goats and kitchen gardening/pickle production tools. Another 90 female FEG members received seed for growing of HV/OSV.
- ix. The project, with the support of its implementing partner, launched eight international STTAs for value chain assessments of Meat, Dairy, Cold Chain, Potato, Chili, Cattle Colony Karachi, Horticulture, and Apricot, which guided strategic focus on different interventions and stakeholders in value chains. The assessments identified gaps and suggested interventions to support agribusinesses.
- x. Nine technical and managerial training were conducted and attended by 185 participants (180 male and 5 female) comprised of horticulture and livestock farmers, enterprises, BDS providers, agricultural professionals and other relevant stakeholders. The training were conducted in collaboration with pre-selected institutions, which helped the project in developing training program, contents and materials, followed by the implementation of training. Through the end of FY 2013 a total of 22 technical and managerial training were conducted, imparting training to 511 participants/agribusinesses. The training will provide an opportunity to adopt good agriculture practices to increase their production, sales & income.
- xi. In FY2013 TAP and its implementing partners formed 1,087 FEGs (16,300 FEG members/farmers), in targeted value chain. 5,640 FEG members were trained in 460 enterprise development and technical training organized by implementing partners.

- xii. TAP provided one grant each in support of (1) extension services and (2) strengthening of association. The project supported formation and registration of Muzaffargarh Fish Farmers Association (MFFA) by providing 50% cost of their registration. The project also provided grant support to Pakistan Hoslamand Khawateen Network (PHKN) for execution of six capacity building/extension services training/activities and 50% matching grant support cost for seasonal vaccination and de-worming for 2,500 animals.
- xiii. TAP supported One National Agribusiness Forum, a National Technical Working Group (NTWG) for each of the following value chains: fruits and vegetables and Livestock and small ruminants; and Value Chain Platforms for Red Chili, Banana, potatoes and strawberry..
- xiv. The Project's Environmental Assessment and report were approved by USAID. A total of 1,634 environmental documentation forms (EDFs) for individual/FEGs grants, including 14 EDFs for challenge grants, were developed and approved. The Environment M&E team visited over 60 grant sites for demonstrating the environmental monitoring and mitigation process. Regional Focal persons were trained in conducting EMMP.
- xv. The capacity of 40 business development services providers developed in following cross cutting areas.
- o Global GAP Aquaculture
  - o 2 Weeks Training on Agribusiness Management Training at Thailand for members of National Technical Working Group-Global GAP (Fruits and Vegetables)
  - o Global G.A.P from November 6-8, 2012; at Global GAP Summit, Spain.
  - o Foundation for Food Safety Certification (FFSC) 22000
  - o ISO 9001:2008 & ISO 22000:2005 (Food Safety Management System)
  - o British Retail Consortium (BRC) Global Standard for Packaging Issue 4
  - o BRC Global Standard for Storage and Distribution
  - o Global GAP (Fruit & Vegetables)
  - o Agri-Business Management Training
  - o Services for Off Season/High Value Vegetable Farming Business.
  - o Dairy Management Training
- xvi. Under the International Market Linkages Program the project conducted market assessment for seven prioritized VCs followed by validation workshops, wherein data collected was validated by key stakeholders. The project conducted an assessment of prioritized products in Malaysia, Singapore, Indonesia, Dubai, Abu Dhabi, Kazakhstan & Uzbekistan markets and draft report is expected to be shared by December 2013.
- xvii. The project supported participation of six major stakeholders in the meat value chain<sup>3</sup> in Pakistan's EXPO, organized by TDAP in Karachi. The project facilitated B2B meetings with international delegations headed by the Pakistani commercial counselors from Singapore, Hong Kong, Egypt, Malaysia, China, Saudi Arabia, UAE, Bangladesh, India, Argentina, Japan, Netherland, South Africa.
- xviii. The project contracted 213 staff members, including 31 female staff for the project office and 10 regional offices. However, as a result of downsizing TAP went through a restructuring process, in which services of 83 employees were discontinued. Following this mass restructuring, the turnover of project slightly increased in quarter 4 of financial year in which 9 employees left the project. All these factors have amalgamated and resulted in the drop in staffing levels.

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<sup>3</sup> *Zenith, Al-Anis, Abedin International (exporters/ processors), Meat Tech (exporter), Punjab Agriculture & Meat Company (abattoir/processor) and PHDA (Punjab Halal Development Agency)*



## 2 PROJECT OVERVIEW

### 2.1 INTRODUCTION

This annual report of the project is submitted as per provision of the cooperative agreement signed between USAID Pakistan and ASF. It covers the activities carried out by the project during the period from October 01, 2012 to September 30, 2013. In addition to the preliminaries and an executive summary, the report comprised of three sections and ten Annexures.

- The first section briefly introduces the project's background, goal, objectives, components, staffing, and financial progress during the reporting period.
- The second section provides highlights of the achievements and activities during the second year. It provides narrative information on the progress achieved against the planned targets.
- The third section provides progress update against the Mission Strategic Framework (MSF) indicators in the results framework and the progress achieved against the MSF indicators during the reporting year.

The report encompasses success stories of the project beneficiaries, demonstrating increase in their incremental sales and incomes and strengthening of their business as a result of partnering with the project and availing USG assistance. These sections have been structured with a view to facilitate an essential understanding of the broader achievements of the project in general and, particularly, during reporting year.

### 2.2 BACKGROUND

The Agribusiness Project (TAP) funded by USAID Pakistan is being implemented by Agribusiness Support Fund (ASF) in collaboration with international and national partner organizations. This four years project, commenced on November 10, 2011, aims at increasing competitiveness and productivity of the horticulture and livestock sub-sectors in Pakistan.

The project was designed to address priority problems and constraints impeding development of the agriculture sector in Pakistan. Interventions under the project focus on improving and strengthening off-farm and on-farm activities and enhancing competitiveness of enterprises in domestic and international markets. Keeping in view the diversity and spread of agriculture production in Pakistan, and with a view to ensure effective implementation, a sub-sector cluster approach was adopted by the Project, whereby areas with the greatest potential for value addition, employment creation and outreach were prioritized and targeted. In addition, overlapping with other USAID funded projects was also considered to avoid duplication of effort and attribution issues. The project is serving as a catalyst to leverage private sector investment in agribusinesses and related enterprises.

### 2.3 GOAL

The overall goal of the Project is to support improved conditions for broad-based economic growth, enhanced profitability, employment opportunities and contribute to poverty alleviation through product and process transformation in selected horticultural and livestock value chains in partnership with all stakeholders.

### 2.4 OBJECTIVES

The objectives of the project are to:

- Strengthen the capacity in horticulture & livestock VCs to increase sales to domestic and foreign markets;

- Strengthen the capacity of smallholders and farmer enterprises to operate autonomously & effectively;
- Increase agriculture efficiency and productivity through adoption of new farming techniques and technological innovation among targeted beneficiaries.

## 2.5 PROJECT COMPONENTS

The project activities were initially organized into the following two project components:

### 2.5.1 TECHNICAL ASSISTANCE (TA) FOR CAPACITY BUILDING AND PROGRAM SUPPORT

This component focuses on upgrading and strengthening targeted horticultural and livestock value chains of by providing technical assistance and capacity building support. An abstract of the technical assistance component is given below:-

- International Compliance Certifications Program:** Support is being provided to enterprises for demand based certifications for enhancing capabilities of enterprises for compliance with requirements of high end markets (domestic and export).
- International Markets Access Program (IMAP):** This activity aims to facilitate a significant increase in sales to domestic (high end) and export markets by providing support to key stakeholders, including selected enterprises, processors, market functionaries and exporters to participate international exhibitions, trade shows, trade fairs and other international trade promotion events.
- Establishment of Value Chain Platforms (VCPs):** The activity aims to establish several Value Chain Platforms to develop consensus among key stakeholders to deliberate and address key issues and develop value chain road-maps.
- International Market Linkages Program (IMLP):** It provides TA support for agricultural marketing and brand development, to identify and capitalize on opportunities in competitive markets and to develop linkages for Pakistani agricultural products.
- Technical & Managerial Training:** The project is offering technical and managerial training for farmers, enterprises, agricultural professionals and other relevant stakeholders for building necessary capacities.
- Capacity Building of Business Development Services Providers (BDSP):** It aims to improve provision of business development services for the agribusiness in the horticultural and livestock sectors. It provides a sustainable solution and an opportunity for long term development of the agribusinesses.
- Formation of Farmer Enterprise Groups (FEGs):** This activity is being implemented through implementing partners to establish small farmers into FEGs within identified clusters and value chains. The FEG is facilitating collective action and joint access to services and resources. FEGs are being provided with matching grants for value added activities (processing, grading/packing, storage and marketing) on commercially viable and sustainable basis.

### 2.5.2 PARTNERSHIP WINDOW COST-SHARING GRANTS

A wide range of grant products are being dispersed under component two of the project on cost-sharing basis. Different players of targeted value chains including agribusinesses, farmers, farmer enterprise groups, associations, processors and exporters, transporters, service providers, universities and research institutes, are benefitting from it. The purpose of this component is to address weaknesses and market failures in order to strengthen private sector and market systems. Focus of investments under the project is on up-stream marketing and processing (off-farm) aspects of the value chains for fostering value addition and to capitalize on the strengthened capacities through assistance provided under TA component. A variety of grants are being provided under the project, which includes:

- i. Farmer Enterprise Group (FEG) - Support Grants
- ii. Support to FEG's Clusters, Farmers' Associations, Business Associations and Cooperatives–
- iii. Support to Individual Farmers and Enterprises engaged in Farming
- iv. Research & Development / Private Sector Agriculture Extension Services Grants
- v. Challenge grants
- vi. Lead company grants

## 2.6 STAFFING

The project contracted 213 staff members, including 31 female staff for the project office and 10 regional offices. However, as a result of downsizing TAP went through a restructuring process, in which services of 83 employees were discontinued. Following this mass restructuring, the turnover of project slightly increased in quarter 4 of financial year in which 9 employees left the project. All these factors have amalgamated and resulted in the drop in staffing levels. CNFA and J.E. Austin Associates provided continued support through necessary full time staff together with national and international short term consultants. The diversity of staff capacities in project management, implementation and monitoring and evaluation has enabled the project to achieve progress against the targets. The detail of staff is given in **Annexure-1**

## 2.7 FINANCIAL SUMMARY

Duration of the Project:	Nov. 10, 2011 to Nov. 09, 2015
Total Original Amount:	USD 89,412,942
Amount obligated to date:	USD, 27,300,000
Accrued expenditures reporting year:	USD 9,258,815
Cumulative accrued expenditures to date:	USD 13,557,868

The detail financial progress is placed at **Annexure-2**.

## 2.8 RE-ALIGNED PROJECT SCOPE

Based on the discussions held between The Agribusiness Support Fund and USAID Pakistan during May-September 2013, necessary changes were made into the project scope, size, approach, components and the number of value chains focusing on selected geographic areas famous for the selected value chains. Numerous revisions were made into the revised project document and implementation plan in consultation with the USAID EGA team and finally consensus were reached on the revised project document and implementation plan for the remaining two years of the project. The key features of the re-aligned project include:

- The size of the project reduced from USD 89.4 million to USD 39.95 million.
- The number of value chains reduced from 23 to 7 with focus on transformation and enhancing profitability of the businesses, which will ultimately lead to outcome sustainability.
- The project will target major clusters for production related interventions while TA and transformation support will cover constraints all along chain.
- The project structure and implementation approach has been reorganized with seven VC Leads to lead the program, with the other project components providing the necessary support to the VC teams.
- The scope of work of IPs is being revised to make their role more effective.

## **2.9 SECOND AND THIRD YEAR WORK PLANS**

The second year work plan of the project (October 2012 to September 2013) focused on interventions in seventeen targeted value chains in horticulture and livestock sectors was developed in consultation with AOR-USAID and approved. However, the work plan had to be changed in response to USAID realignment of the project scope.

The Third Year Work Plan (implementation plan for FY 2014 (October 2013 to September 2014) was developed in line with amended project document. The plan went through frequent revisions in the light of discussions between the Project management and USAID and has been approved by USAID.

## **2.10 IMPLEMENTATION ISSUES:**

- i. Complex nature of the project targeting large number of stakeholders including small, medium and large farmers, processors, exporters across the country.
- ii. Implementation of approved grants products and simultaneously initiating new activities in seven value chains in selected areas has been a major challenge.
- iii. Increased resources required for supervision and monitoring of the project activities, including environmental monitoring and mitigation due to scattered locations of the project sites. The project will now be working on seven value chains in selected project clusters, instead of working all over Pakistan; thus enabling the project to better focus and monitor project activities.
- iv. Lack of cooperation from the grantees, especially in the post grant award phase. The grant support is provided upfront, e.g. provision of milk chillers, milking machines, solar dryers etc. Experience shows that the grantees often do not provide progress reports/data of their business information, including incremental sales, incomes, jobs etc.

### 3 PROJECT PROGRESS

#### 3.1 TECHNICAL ASSISTANCE FOR CAPACITY BUILDING AND PROGRAM SUPPORT

##### 3.1.1 INTERNATIONAL COMPLIANCE CERTIFICATIONS PROGRAM

Pakistan has reported significant investment and growth in export of fruit and vegetables, as well as in the meat sector over the recent years. However, despite having tremendous potential, the country still shares negligible portion of the multibillion dollar trade of processed/value added food items. To compete in the international market it has become inevitable to adopt the food quality, safety and hygiene standards set by foreign buyers and consumers; thus the acquisition of export certifications is a minimum requirement for all exporters.

During first year the project, selected twenty companies (exporters/processors/farmers) which would benefit from internationally accepted certifications. Contracts were signed with one certifying body<sup>4</sup> and two consulting firms<sup>5</sup>. The consultation and certification process was initiated for twenty three certifications for British Retail Consortium<sup>6</sup> (BRC), International Features Standards<sup>7</sup> (IFS) and Global GAP certifications. To date, 21 enterprises have met certification requirements and/or received certification. (See details at Annexure-3) and reproduced below.

- 3 companies completed audit of Global GAP certifications and are waiting for certification.
- One company completed IFS-1 requirements and received certification, while audit of another 2 companies are pending.
- 17 companies received BRC certifications

Out of 23, 11 certifications were completed in FY 2013, for a total of 21 certifications completed through FY2013.

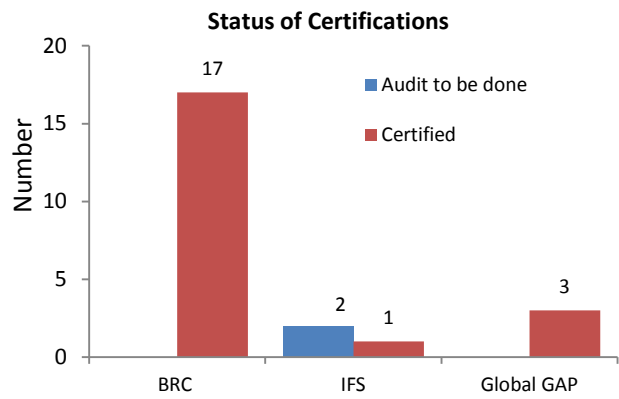


Figure 1: Status of Certification (Batch-1)

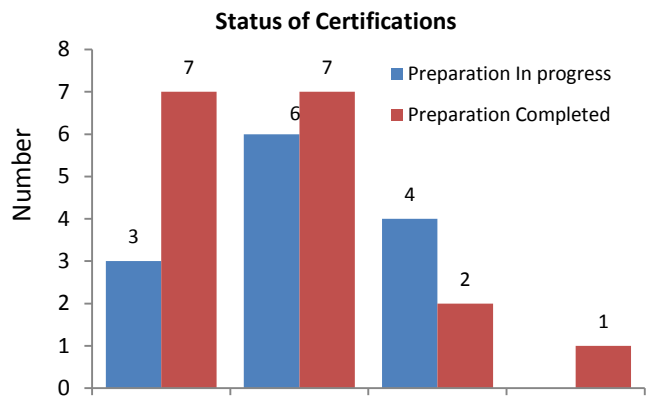


Figure 2: Status of Certification (Batch-2)

<sup>4</sup>BureauVeritas

<sup>5</sup>Quality Systems and Star Farms

<sup>6</sup> BRC is one of the leading trade associations in the United Kingdom and represent 80% of retail trade in UK by turn over. In order to qualify for export of food products to exporting companies are required to comply with the BRC standards.

<sup>7</sup> IFS is a case standard in Europe and all major retailers in Germany, France, Italy and other EU countries require suppliers to be certified to IFS.

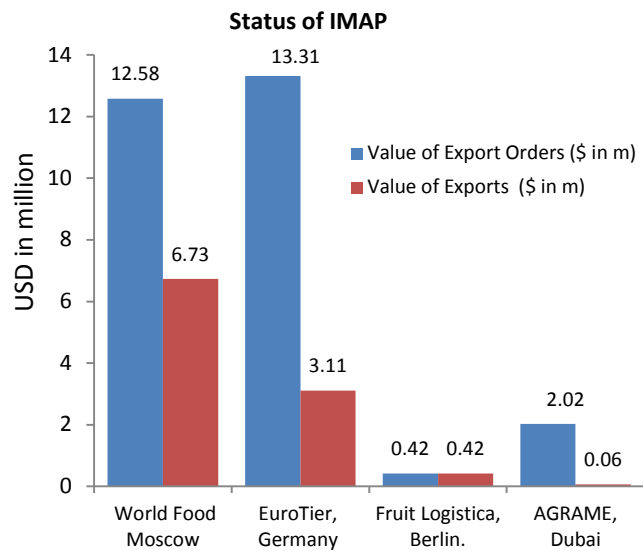
The project supported another 30 enterprises (details placed at **Annexure-4**) for 30 certifications of ISO 22000, HACCP, Halal and Global GAP. The contracts were signed with the above mentioned certifying body and two consulting firms. The consultation and certification process was initiated for 10 Global GAP, one Halal, 6 ISO-22000 and 13 HACCP certifications. The progress achieved so far is:

- Seven companies completed preparation for Global GAP (5 citrus, 1 banana & 1 fish) certifications and are waiting audit by certification body. Another three companies are preparing for Global GAP certifications.
- Ten companies have completed preparation for one Halal, two ISO and seven HACCPs certifications and are ready for audit by certification body.
- Ten companies are preparing for four ISO and six HACCP certifications.

543 hectares of land were brought under improved management practices by the participating companies. 78 persons of the participating companies were also trained. These certifications will enable organizations to access international markets, complement project interventions during third and fourth year and result in increased exports of horticultural products from Pakistan. The visual presentation of the Global GAP process is placed at **Annexure-5**.

### 3.1.2 INTERNATIONAL MARKET ACCESS PROGRAM (IMAP)

3.1.2.1 The project supported 31 companies participation in international marketing events for fruits, vegetables and meat. 18 companies received purchase orders of USD 28.34 million for export of fruits, vegetables and meat as a result of their participation and business to business meetings at the international marketing events. The products include kinnow, potato, dates, lemon, mango, meat, dried fruit, apricots, miscellaneous fresh fruit and vegetables for various export destinations, which include UAE, Saudi Arabia, Russia, India, Iran, Afghanistan, Ukraine, Spain and Indonesia. Of eighteen companies which received work orders, seven companies have exported product with a value of USD10.3 million in FY2013, while 8 companies are yet to report export related information. The event-wise detail in **Annexure- 6** can be summarized as follows:



**Figure 3: Status of IMAP**

The event-wise detail in **Annexure- 6** can be summarized as follows:

- i. **World Food Moscow (September 2012):** The project supported ten companies to participate in World Food Moscow (WFM). The companies reported export purchase orders from new buyers in Russia, Indonesia and the UAE for dates, potato and kinnow worth USD 12.58 million as a result of participation in the event. These companies have executed purchase orders for fruit and vegetables worth USD 6.73 million.
- ii. **Euro Tier, Hanover, Germany (November 13-16, 2012):** The project supported four companies to participate in the EuroTier. One of the participating companies, M/S Tazij Meats and Foods, Lahore

received export orders for vacuum packed meat from new buyers in the Middle East worth USD 13.3 million. Of this preliminary amount the company has exported product worth USD 3.1 million.

- iii. **Fruit Logistica 2013 (Berlin, Germany, February 6-8, 2013):** Six Pakistani processing and exporting companies (fruits and vegetables) were supported for participation in Fruit Logistica to promote horticultural products from Pakistan. As a result of their participation in the event and business to business meetings arranged by the project, these companies exported potato and mangoes worth USD 0.42 million to new buyers from Russia, UAE, Canada, Switzerland and Netherlands.
- iv. **AgraME 2013(Dubai, UAE, March 26-28, 2013):** Eleven participants/companies were supported to participate in AgraME, an exposition for horticultural and livestock products, technology and inputs held at Dubai. These companies received orders worth USD 2.02 million from buyers in Spain, Ukraine, UAE, Jeddah, Saudi Arabia, India, Iran and Afghanistan for butter, jams, lemons, kinnow, dried fruits, fresh fruits and vegetables, mango, meat and dairy, pickles and honey. However, only two companies have succeeded in exporting a total of USD 0.06 million.

3.1.2.2 **Market Access through Trade Shows/Exhibitions:** TAP's work plan identified participation in the Interfood Expo in Indonesia and The World Food Expo in Moscow as possible trade shows for companies of meat, chili, citrus and potato value chains. The participation in Foodex Saudi in KSA (8-11 December 2013) and The Gulfood Expo in Dubai (23-27 February 2014) will provide significant exposure to new and untapped markets. Preparation is in progress for participation of Pakistani exporting companies in these trade shows.

The project supported participation of six major stakeholders of meat value chain<sup>8</sup> in Pakistan EXPO, organized by TDAP in Karachi and sponsored by USG Department of State. The project facilitated B2B meetings with international delegations headed by the Pakistani commercial counselors from Singapore, Hong Kong, Egypt, Malaysia, China, Saudi Arabia, UAE, Bangladesh, India, Argentina, Japan, Netherlands, South Africa.

During the expo, TAP attended Trade Strategy Workshop conducted by the Pakistan Ministry of Commerce on 29<sup>th</sup> September, 2013. All commercial counselors of Pakistan and representatives of major exporters of Pakistan participated in workshop to develop the trade strategy for enhancing Pakistan's exports. TAP highlighted the potential of Pakistan as a hub for Halal meat and concentrated efforts required for export of Halal meat as a priority strategy for Pakistan. The need to work at the governmental level was also stressed to gain market access and approval for Pakistani slaughterhouses for Hong Kong, Singapore, Korea, Vietnam, Indonesia and China markets.

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### 3.1.3 INTERNATIONAL MARKET LINKAGES PROGRAM (IMLP)

J.E. Austin Associates (JAA), sub contracted for the International Market Linkages Program (IMLP), joined the agribusiness project on April 15, 2013. JAA is supporting the agribusiness project by providing international technical assistance support for agriculture marketing and brand development to identify and

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<sup>8</sup> Zenith, Al-Anis, Abedin International (exporters/ processors), Meat Tech (exporter), Punjab Agriculture & Meat Company (abattoir/processor) and PHDA (Punjab Halal Development Agency)

capitalize on opportunities in high price markets to develop linkages for Pakistani agribusiness products. The following progress was achieved on the IMLP.

- i. **Value Chain Analyses and Competitiveness:** The project engaged one international and three national consultants to analyze the meat, fruit and vegetable value chains. The team developed the methodology, tools, and work plan for conducting survey. The consultants completed their field work and prepared draft reports based on analysis of the data collected.
- ii. **Stakeholder Workshops for Value Chain Analyses and Competitiveness:** Stakeholder validation workshops for targeted value chains were conducted in Punjab and Sindh and the data collected was verified. The assessments will be completed by December 2013.
- iii. **Rapid Assessment of Key Markets:** The International Consultant conducted rapid assessment of targeted markets for prioritized products.
  - a. Meat (Halal) (GCC, Malaysia, Indonesia, Iraq and Egypt)
  - b. Veal (Halal) (Jordan and Egypt, Saudi Arabia , Kuwait)
  - c. Potatoes (Russia, Ukraine, Kazakhstan, Tajikistan, Uzbekistan, Sri Lanka, and Malaysia)
  - d. Citrus [Kinnow] (Russia, Canada and GCC)
  - e. Chillies (GCC, Malaysia)The International consultant completed international field work at Malaysia, Singapore, Indonesia, Dubai, Abu Dhabi, Kazakhstan and Uzbekistan. The draft report is expected to be available in December 2013.
- iv. **Market Positioning/Brand Development:** The strategy for promoting halal meat and its traceability is being developed. Meetings were held with major processors/ exporters (Zenith, Al-Anis, Pamco, Abedin, Seven Star International, Tata and Meat tech), members of academia (UVAS), certification bodies (Bureau Veritas) and major public sector players (PHDA, Secretary Livestock- Punjab).
- v. **Cross Cutting Activities:** TAP met with other contemporary projects and agencies (Engro, PLDDB, PHDA, PAMCO and DRDF) which have undertaken efforts in relevant value chains in order to synergize its efforts and augment interventions.
- vi. **Linking Companies and Providing Access to Markets-Domestic and Export:** The project, in collaboration with PHDA, will assist slaughterhouses obtain food safety and export approvals. Five slaughter houses (PAMCO, Tazij, Al-Anis, Zenith and Abedin) will be assisted in obtaining food safety and export approvals from the Government of Malaysia. Inspections required for each slaughterhouse have been scheduled and a delegation for inspection from the Government of Malaysia is expected to be in Pakistan by the end of November 2013.

The project, in collaboration with UVAS, developed a modular training course for implementing a 3-Tier Training Program. This training program will commence in early December 2013 and will improve capacity of the meat processing industry. The MOC between TAP and UVAS will be signed shortly. TAP held meetings with KRO International, importers from Malaysia, and discussed products of mutual interest. The KRO agreed to provide a list of potential products and their volumes with TAP.



### 3.1.4 ESTABLISHMENT OF VALUE CHAIN PLATFORMS

With the objective of developing priority consensus among key value chain stakeholders the following Value Chain Platforms<sup>9</sup> were established and made operational..

- a) National Agribusiness Forum (NAbF)
- b) National Technical Working Group (Fruits and Vegetables)
- c) National Technical Working Group (Livestock and small ruminants)
- d) Value Chain Platform for Banana
- e) Value Chain Platform for Red Chili
- f) Value Chain Platform for Potato



Figure 4: NAbF Meeting, October, 2012, at Islamabad

The Agribusiness Project facilitated meetings of VCPs. The first meeting of Executive Steering Committee of the NAbF was held on October 23, 2012, at Islamabad and attended by members. A list of recommendations for horticulture and livestock sectors, which included industry-academia linkages, standardization and certification issues, lack of information sharing and lack of a regulatory framework to support agribusiness, were suggested by the members of NAbF. Similarly, the discussion in the VCP meeting for Potato revolved around access to market, provision of mobile diagnostic labs for potato farmers, introduction of new varieties, technical training in fertilization and crop protection, market linkages and adopting Global GAP standards. Similarly, members of NAbF highlighted pertinent issues for agribusinesses, mainly access to finance, markets and competitiveness.

### 3.1.5 TECHNICAL AND MANAGERIAL TRAINING

The plan for technical and managerial training was finalized keeping in view the recommendations of the value chain assessments, regional priorities and demands of potential beneficiaries. During the reporting period, the following nine technical and managerial training were conducted and attended by 185 participants (180 male and 5 female) from horticulture and livestock farms, enterprises, BDS providers, agricultural professionals and other relevant stakeholders for their business development

- i. Improved Dairy Farm Management and Marketing Practices
- ii. Banana Supply Chain Management
- iii. Fodder Preservation through Silage Production on Commercial Basis
- iv. Peach & Strawberry Processing on Commercial Basis
- v. Up-gradation of Livestock Extension Services Skills through specialized Artificial Insemination Training to Veterinarians and Para Vets of FATA
- vi. Export procedures for Horticulture products
- vii. Fruits and Vegetables Processing
- viii. Innovative Date Drying Techniques using solar energy

<sup>9</sup>Each platform brings together relevant players from the targeted value chains to address specific or general gaps and to develop a common vision and agreed strategies. The national and regional VCPs facilitates inter-professional consultations among intermediaries and stakeholders including farmers, members of associations, processors and traders, services and technology providers, R&D providers, government agencies, and policy-makers related to the specific value chains.

ix. Halal Foods Lead Auditor course

The details of the training completed during the reporting period are in **Annexure-7**. Some of the training proposed for year-2 was cancelled due to re-alignment of the project size, scope and value chains.

**Global GAP Aquaculture**

For the first time in Pakistan, under its Technical and Managerial training sub-component, The Agribusiness Project organized a training program on 3-5 June 2013 at Islamabad, for the purpose of developing master trainers in the local market in Aquaculture Based Global GAP protocols (Version 4). Global GAP is an international private body that sets standards for the certification of production processes of agricultural (including livestock and aquaculture) products around the globe. Global GAP certified agricultural product is a key for acceptance in the European and other international markets.



Figure 5: Global GAP Aquaculture workshop

Nineteen professionals from private sector participated in the three day training program on train-the-public trainers in Global G.A.P., which included representatives from companies involved in quality assurance, certification bodies and experts from the fisheries sector. At the end of the program an examination was conducted by the trainer. Of 19 participants (list at **Annexure-8**), 16 passed the certification examination. The successful candidates now have an opportunity to become Global GAP approved train-the-public trainers in Pakistan after fulfilling certain documentary requirements. This initiative was the first of its kind in Pakistan and produced local experts in the market, who can provide international level consultancy / advisory services at low cost to the fish farming community. The initiative also helped develop business and job opportunities in the market for the participants.

**Capacity Development for Farm Service Centres KPK and FATA**

The Intervention needs assessment workshops with Farm Service Centres from KPK/FATA were organised at Peshawar and D.I.Khan Project Regions. The workshops enabled the regions to identify gaps and areas of intervention to support the strengthening of Farm Service Centres in these regions.

- i. 80 Participants from Farm Service Centres, Agriculture and Livestock Extension Services of FATA North participated in Capacity needs assessment and strategic way forward workshop on January 23, 2013 at Agriculture University Peshawar. The participants were briefed on the Project activities with focus on interventions in North FATA and Peshawar regions and potential role of Farm Service Centres in implementation of Agribusiness project activities in FATA. Follow-up meetings with six model FCSs were held for the identification of possible interventions for the formation and registration of Association.



Figure 6: Need Assessment Workshop with FSC at Pesh

- ii. 41 Participants from 15 Farm Service Centres, Agriculture and Livestock Extension Services of FATA South and D.I.Khan region participated in Capacity need assessment and strategic way forward workshop held on February 28, 2013 at D.I.Khan. The participants were briefed on the Project with focus on interventions in South FATA and D.I.Khan region.



Figure 7: Need Assessment Workshop with FSC at D.I.Khan

### 3.1.6 CAPACITY BUILDING OF BUSINESS DEVELOPMENT SERVICE PROVIDERS

The capacity of business development service providers (BDSPs) were developed in the following cross cutting areas:-

- i) **Training of National Technical Working Group-Global GAP (Fruits and Vegetables) members from November 5–16, 2012; Agribusiness Management Training, Thailand.**

Four participants from National Technical Working Group-Global GAP (Fruit and Vegetables) formed by The Agribusiness Project were supported to attend Agribusiness Management Training Program at the Asian Institute of Technology in Thailand (AIT). The purpose was to enhance participants' ability and capacities on key horticultural issues and to update their knowledge, skills and abilities for the development and promotion of agribusiness (horticulture). The training course covered modules related to agribusiness development techniques including planning, operations, industrial development, case studies and new technologies. Field visits were also attended by the participants to local businesses, companies, farmers associations and cooperatives, food processing and preservation facilities.



Figure 8: Participants of Agribusiness Management Training, Thailand.

- ii) **Training of National Technical Working Group on Global G.A.P from November 6-8, 2012; at Global GAP Summit, Spain. IMAP**

One representative from National Technical Working Group formed by The Agribusiness Project was supported to attend the Global G.A.P Summit, held in Madrid, Spain. The summit provided a platform to exchange experiences with and learn from top international retailers, manufacturers, producers and certification organizations on issues related to safety, traceability and sustainability. The representative presented update from Pakistan and future courses of action under The Agribusiness Project. The first Global G.A.P



Figure 9: Expert Panel on Traceability issues

update from Pakistan and future courses of action under The Agribusiness Project. The first Global G.A.P

awards ceremony also took place to honor participants who demonstrate a high level of commitment to innovation in agricultural sustainability and integration of Global G.A.P standards in their business models. Maken farms from Sargodha were a Pakistani nominee for these awards.

iii) **Foundation for Food Safety Certification (FFSC) 22000**

M/S United Registrar of Systems (URS Pakistan), Karachi, Pakistan with the support of The Agribusiness Project completed the lead auditor course for FFSC 22000 and is now authorized to provide certification and consultancy services to agribusiness clients for FFSC 22000. This International Standard developed for certification of Food Safety Management Systems for food manufacturers. It combines the requirements of ISO 22000:2005 (Food Safety Management Systems requirements) and PASS220:2008 (prerequisite programs on food safety for food manufacturing). The FSSC 22000:2010 scheme is fully recognized by the Global Food Safety Initiative (GSFI), the benchmarking body for the harmonization of international food safety standards, along with other food safety management schemes like the BRC, IFS and SQF schemes. The strong element of ISO 22000:2005 in the standard makes it align with other generic management systems such as the ISO 9001 and ISO 14001 to enable effective system integration. FSSC 22000:2010 is specifically designed for food manufacturers. Major retailers around the world require this certification.

iv) **ISO 9001:2008 & ISO 22000:2005 (Food Safety Management System)**

M/S ACE Management System Consultants, Karachi, Pakistan, with the support of The Agribusiness Project completed the lead auditor course for ISO 9001:2008 & ISO 22000:2005 and is now authorized to conduct certification and consultancy services to agribusiness clients for ISO 9001:2001 (Quality Management System) and ISO 22000:2005 (Food Safety Management System)

ISO 9001:2008 QMS is a mother of standards and all standards are derived from this standard, whereas ISO 22000:2005 (Food Safety Management System) is a standard specially design for food chain to produce, process, pack and deliver a safe food. By implementing this standard agribusinesses (Horticulture, Livestock) can export their products throughout the world.

v) **British Retail Consortium (BRC) Global Standard for Packaging Issue 4**

M/S RINA SpA, Karachi, Pakistan with the support of The Agribusiness Project completed the lead auditor course for BRC Global Standard for Packaging Issue 4 for the first time in Pakistan. It is now authorized to conduct certification and provide consultancy services to agribusiness clients for the above certification. Moreover, companies supplying packaging material to fruit and vegetable exporters will now be served by BDSP M/S RINA SpA for BRC Global Standard for Packaging Issue 4. This compliments other institutional actions which complete the chain for BRC certification.

vi) **BRC Global Standard for Storage and Distribution**

M/S Star Farm Pakistan Pvt. Ltd., Lahore, with the support of The Agribusiness Project completed the lead auditor course for BRC Global Standard for Storage and Distribution and is now authorized to conduct certification audits and provide consultancy services to logistic companies for this certification. The BRC Global Standard for Storage and Distribution are safety and operational management system standards, applicable to food and non-food products. They are created to ensure supplier compliance in warehousing, transportation and distribution, as well as wholesale and other logistic services. This type of certification will ensure retailers' ability to guarantee the quality and safety of the food products they sell. This support resulted in addressing the complete food supply chain for BRS certification.

vii) **Global GAP (Fruit & Vegetables)**

M/S Agriculture and Animal Services, Peshawar, Pakistan with the support of The Agribusiness Project completed the Global GAP (fruit and vegetable) certification and is now authorized to provide consultancy services to horticultural producers and other relevant stakeholder for Global Gap. This will enable them to access international markets.

viii) **Agri-Business Management Training**

M/S Human Resource Development Centre, Peshawar was supported to attend a two week course on Agribusiness Management Training at the Asian Institute of Technology, Bangkok in November 2012. This training course aimed to enhance participants' ability to plan the development of agribusiness entities, to facilitate the formation of new agribusiness entities and to strengthening existing ones. The training covered topics on agribusiness development planning, operation planning and management, agribusiness promotion and extension techniques, micro-finance and new agriculture/food technologies, and relevant case studies and study visits. The participants also studied cases related to planning and operation of producers and traders in various agribusinesses entities such as vegetables, fruit, poultry, and dairy products. To have first-hand experience of various aspects of agribusiness development opportunities and operations field visits were organized to agribusinesses, farmers' groups, agricultural cooperatives, small and medium-scale contract farms, food processing and preservation groups. With the support of The Agribusiness Project one BDSP in Peshawar is now able to provide agribusiness management consultancy and training services in Peshawar.

ix) **Develop core BDSPs in High Value Vegetable Business.**

With support of The Agribusiness Project 15 BDSPs from different districts of KPK are now able to provide services to farmers who intend to commercially produce off season/ high value vegetables. A recent rapid market assessment revealed that:

- Off season vegetables from KPK are in high demand with buyers from Pakistan, Afghanistan and Central Asia. Peshawar and Charsadda have emerged as a hub for buying off season vegetables.
- A large number of farmers are interested in exploring tunnel-farming. This reflects in high demand for input supplies for tunnels and increased interest to produce off-season vegetables.
- A large number of donor and donor assisted projects are now supporting investment in tunnel farming.

As a result, the demand for BDSPs who can assist in setting up and managing tunnel farming has increased. The specific services required by small landholding farmers include:

- Developing the feasibility and business plans for tunnel farms
- Setting up the tunnels including linking up with vendors who sell required equipment
- Marketing the farm produce

The BDSPs have been receiving increasing number of requests for setting up tunnels on farms in return for a fee. Although they are adept at providing enterprise development services, the BDSPs lack technical know-how of tunnel farming. The training was thereby designed for 15 selected BDSPs to enable them to provide technical as well as entrepreneurial services to farmers seeking tunnel farming solutions. The participants were selected on the basis of education, experience as a farmer and experience as a BDSP.

x) **Dairy Management Training**

M/S Solve AgriPak Pvt. Ltd. from Lahore, was supported to attend a training course on dairy management. The Company is now able to provide consultancy services to the dairy farmers in Pakistan. The training focused on developing a thorough understanding of the economics of dairy farming, including income streams, costs, profit and loss, etc. It also focussed on milk prices and how can farmers influence them,



stock keeping and its importance, milk production's relation with yield, fertility and disease, cost of milk production, costs of diseases, and understanding and influencing feed costs. Furthermore, the second course on principles and practices of feeding dairy cattle focussed on latest knowledge of ruminant nutrition. The emphasis was on problem solving and on gaining experience of diet formulation. This course was specifically designed for those who are involved in giving on-farm advice, including animal nutrition advisors. By the end of the course a BDSP is able to solve practical problems based on knowledge of nutritional theory and prescribe suitable rations for dairy cows. This will greatly help in increasing dairy productivity, in that feeding is the biggest issue of dairy farm management in Pakistan

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### **3.1.7 VALUE CHAIN TECHNICAL ASSISTANCE**

The Agribusiness Project and its implementing partners contracted international experts to conduct eight value chain assessments, viz. Meat, Dairy, Cold Chain, Potato, Chili, Cattle Colony Karachi, Horticulture, and Apricot, to guide the strategic focus of interventions and stakeholders in these value chains. These assessments identified gaps and suggested improvements and short and long term interventions to support agribusinesses. The findings and recommendations that emerged through these assessments were evaluated in the context of various grant activities. The VC assessment reports were uploaded on The Agribusiness Project website for the benefit of the stakeholders.

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#### **3.7.1.1 MEAT VALUE CHAIN ASSESSMENT**

Dr. Michael Bradfield undertook meat value chain assessment in three parts. The main objective of the assessment was to obtain a detailed understanding of the meat sector in Pakistan, which was always considered as bi-product of the dairy sector. The assessment will guide relevant stakeholders in the meat value chain and help identify the opportunities to grow the livestock and meat sector of Pakistan. The consultant submitted his report, entitled "Meat Value Chain Assessment and Seed Stock and Fattening Farms in Pakistan".

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#### **3.7.1.2 LANDI CATTLE COLONY STUDY**

Mr. Derek J. Massey carried out study on Landhi Cattle Colony Karachi which possesses more than four hundred thousand head of livestock in the colony. The consultant met with all the key stakeholders and his findings outline the current situation and recommend initiatives to enhance the livelihood of milk farmers, processors and retailers, primarily through up-gradation of the infrastructure, introduction of innovative methods of farm and feed management and waste disposal. The consultant submitted his report entitled "Karachi Buffalo Colony Assessment for the Agribusiness Project".

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#### **3.7.1.3 HORTICULTURE VALUE CHAIN ASSESSMENT**

Mr. Rupert Knowles was engaged to conduct a Horticulture Value Chain Study with focus on potato, chillies, peach and date value chain sectors and subsectors. The objective of the consultancy was to analyze the four value chains and explore possible interventions and market driven initiatives to enhance competitiveness in the value chain. The study findings were based on meetings with exporters, processors and growers representing the value chains. The consultant submitted his report entitled "Horticulture Value Chain Assessment Report for the Agribusiness Project".

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#### **3.7.1.4 DAIRY VALUE CHAIN ASSESSMENT**

Mr. M. de Jong, assisted the project by undertaking the value chain study of the Dairy sector in Pakistan. The overall objective of the consultancy was to conduct value chain analysis of the Pakistani dairy subsector, including buffalo milk, to identify effective intervention strategies for the project. These strategies would clearly establish the linkages and networks to facilitate the integration of the smallholder producers into commercial value chains. The consultant submitted Dairy Value Chain Report for The Agribusiness Project at end of his mission.

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#### **3.7.1.5 AGRIBUSINESS COLD CHAIN ASSESSMENT**

Mr. Chris Bishop performed a cold chain assessment with a specific focus to study the broken or missing links along the chain. The consultancy's objective aimed to develop linkages among various stakeholders, which would start as soon as possible after harvest and continue, without a break, through cooling, storage, grading, transport, and finally to the foodservice or retail outlet in order to enhance the competitiveness of the overall value chain. The consultant submitted Cold Chain Assessment 1 and Cold Chain Interventions, Assignment # 2.

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#### **3.7.1.6 CHILI VALUE CHAIN ASSESSMENT**

Dr. Bob Richardson carried out a Chili VC assessment focused on the Hyderabad and Multan chili growing areas. The overall objective of the chili pepper post-harvest management and marketing assessment was to recommend realistic interventions based upon international best practices using the value chain approach. The ultimate goal was to develop a strategy to overcome the mycotoxin problem, which was one of the main problems affecting the chili market in Pakistan and abroad. Mr. Richardson submitted the Chili Peppers and Mycotoxin Report for the Agribusiness project.

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#### **3.7.1.7 SEED POTATO ASSESSMENT**

Dr. Carlos Martin completed a Potato Seed assessment focusing on Okara (Punjab) and part of Gilgit area. The overall objective of the consultancy was to understand and assess the seed potato production situation in Pakistan. This study was meant to provide realistic and locally appropriate recommendations for seed potato industry improvements in focused areas. He submitted his report entitled "Seed Potato Assessment for the Agribusiness Project".

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#### **3.7.1.8 APRICOT VALUE CHAIN ASSESSMENT**

Mr. Adam Sendall conducted an Apricot value chain assessment. The objective of appraising the apricot value chain was to recommend specific interventions for funding by The Agribusiness Project to strengthen the entire apricot sector and support achievement of the project's overall goal of broad-based economic growth, employment and poverty alleviation through increased competitiveness of the horticulture value chain. He submitted his report entitled "Apricot Value Chain Assessment for the Agribusiness Project".

### 3.1.8 PARTNER NGOS FOR FORMATION OF FEGS

Eleven (11) implementing partners (non-governmental organizations) are engaged for formation of 2,650 FEGs with a total of 39,750 beneficiary members; and thus, impacting an equal number of households (HH). FEG formation will result in employment creation by engaging these groups in viable agribusiness enterprises, overcome diseconomies of size and enhance bargaining power. Increased market leverage through scale will derive from value addition practices in product grading, packaging, branding, storage, parity in marketing arrangements and long-term equitable relationships with traders, processors and retailers.

1	Agha Khan Rural Support Program
2	Jinnah Welfare Society
3	LASOONA: Society for Human & Natural Resource Development
4	National Rural Support Program
5	Rural Community Development Society
6	Sindh Agricultural & Forestry Workers Coordinating Organization
7	Sarhad Rural Support Program
8	Taraqee Foundation
9	World Wide Fund for Nature – Pakistan
10	Roshni Development Organization
11	Hashoo Foundation

268 FEGs, with a membership of 2,291, that were formed by ASF under a previous project were re-activated by the project.

Applications were received from these FEGs and grant support was provided.



Figure 10: FEG Chaturkhand Ghizer, Gilgit

### 3.1.9 FARMERS ENTERPRISE GROUP (FEG) FORMATION AND TRAINING

In FY 2013 The Agribusiness Project, through its implementing partners (IPs), formed 1,087 Farmer Enterprise Groups (FEGs) in targeted value chains. The IPs registered the FEG and conducted a baseline survey. The FEG database provides information on the registered FEG members/farmers and their production/marketing related information for the last production cycle. The project carried out validation of FEGs formed as per provisions of FEG manual and provided feedback to the IPs on the areas that need improvement. The IPs will continue to form new FEGs and realign existing ones in view of the



Figure 11: FEG Training, Muzaffargarh

reduced number of value chains, geographic clusters and readjusted project approach. The FEGs members were trained in enterprise development and technical aspects of farm management. They were also supported in developing concept notes and applications for the grant support. Moreover, farmers are being facilitated in accessing services and markets with focus on the collaborative purchase of inputs and selling of their produce. A total of 460 FEGs, targeting 7,136 farmers, were trained by IPs during the reporting year.



### 3.2 PARTNERSHIP WINDOW COST-SHARING GRANTS

The cost-sharing grants component of the project is offering a wide range of grant products to all the value chain actors, including input suppliers, farmers, farmer enterprise groups, associations, processors, transporters, cool-chains, exporters, research institutions, agri-extension service providers, etc. The products were developed keeping in view market demand, as well as the recommendations of the value chain studies conducted by the project.

A total of 736 grants under four major grant categories were implemented to strengthen the horticulture and livestock sectors. They consisted of:

- 547 grants to farmer enterprise groups in different value chains,
- 177 grants to individual/corporate farmers for aero-tube technology, milk chillers, portable milking machines and solar dryers
- 10 challenge grants awarded to grantees in dairy, fruit and vegetable processing value chains,
- 2 grants – one each for strengthening dairy sector extension services and association building.

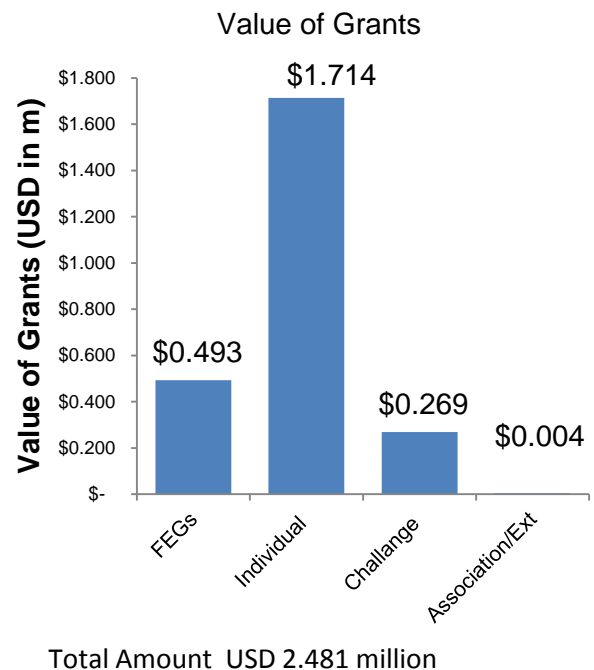
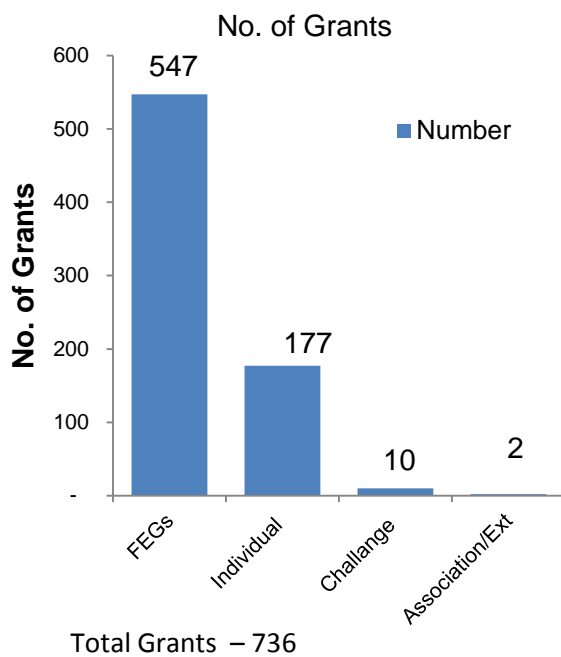


Figure 12: Number of grants approved

Figure 13: Value of grants approved

The total financial value of 736 grants implemented by the project is USD 2.481 million. These grant products and their implementation status is further discussed below.

#### 3.2.1 SUPPORT TO INDIVIDUAL FARMERS AND ENTERPRISES ENGAGED IN FARMING

The following 177 individual/corporate grants worth USD 493,173 were implemented during the FY 2013 as per details given in Figures below

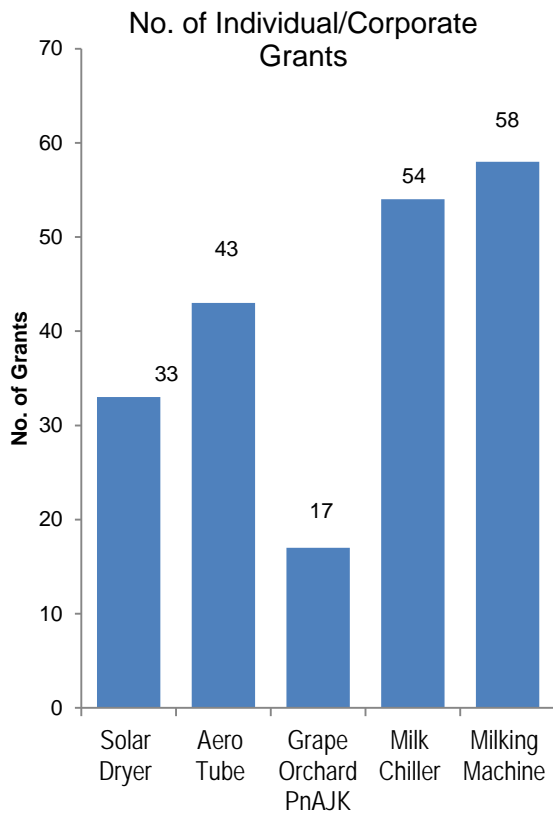


Figure 14: Number of Individual grants

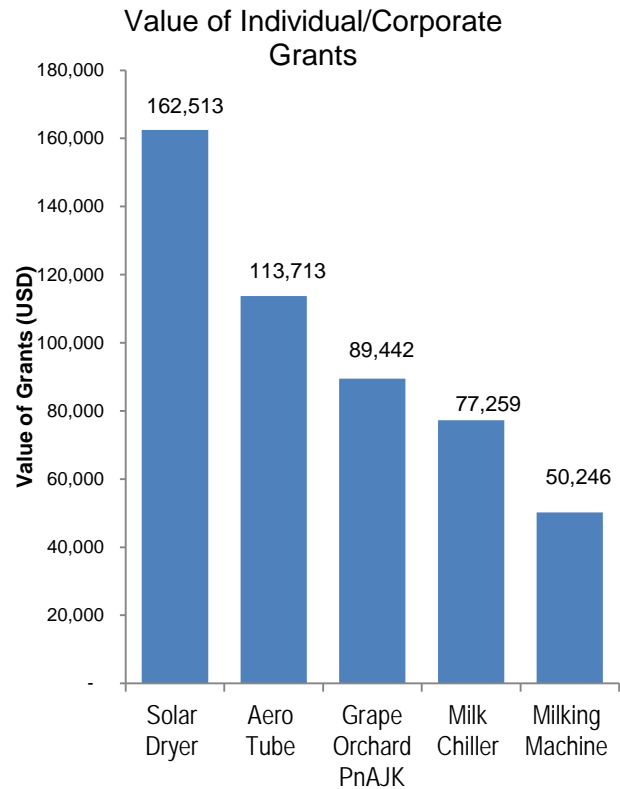


Figure 15: Value of Individual grants (USD)

The following corporate grants were implemented during the reporting period.

**a. Aero tube Technology – 87 Aero-tube Grants to 43 Grantees**

The project provided matching grant support for supply and installation of 87 aero-tube technology units to 43 fish farmers in the Multan, Faisalabad, Karachi and Sukkur regions. Fifty seven and twenty four aero-tube units were installed in Multan and Sukkur regions, respectively, while three aero-tube units each were installed in Faisalabad and Karachi regions. This support will increase the efficiency and productivity of fisheries sector through adaption of new farming techniques. The project, in collaboration with M/S Global Fusion (Pvt) Ltd. (vendor of the aero-tubes), organized a training session at Multan on use of aero-tubes and conducted a grant award ceremony for delivering the aero-tubes.



Figure 16: Aero tunes installation

**b. Portable Milking Machines – 58 Grants**

The Agribusiness Project provided grant support to 58 dairy farmers from Lahore, Faisalabad, Multan, Karachi and D.I.Khan regions in the form of supply and installation of portable milking machines for hygienic milk collection. The milking machines will help milk animals under hygienic conditions, reduce time and labour and milk loss, and contribute toward improved animal, health.



**Figure 17– Milking machines**

**c. Solar Dryer – 33 Grants**

For reducing the wastage and enhance production of quality dried fruit and vegetables, such as dates, apricots, chillies, grapes and green leafy vegetables, the project provided matching grant support for supply and installation of 33 solar dryers in the Peshawar, D.I. Khan, Lahore, Faisalabad, Multan, Karachi and Gilgit Baltistan regions. There is an urgent need for capacity building of these farmers in drying of fruits and vegetables on commercial basis, for which a business plan will be required.



**Figure 18: Dates Drying process**

**d. Establishment of Grape Orchards:**

The Agribusiness Project provided support to 17 individual grape farmers in the Pothohar and AJK regions. Support consisted of shared financing of structures, i.e. stay poles, line post and wire. The project is also providing on-going technical assistance and training on growing of grape varieties suitable for region. The establishment of grape orchards will help in Improving production and quality of grapes and reduce pre/post-harvest losses.



**Figure 19: Grapes Orchards**

**e. Milk Chillers – 54 Grants**

Thirty three 500-liter capacity milk chillers and twenty one 200/300-liter capacity milk chillers were installed in Lahore, Potohar/AJK, Faisalabad, Multan, Peshawar, D.I. Khan, Karachi, Sukkur and Quetta project regions. A number of critical issues were faced by the project. Low voltage and absence of stabilizers at beneficiary premises delayed installation and operationalization of milk chillers in some cases and unreliable delivery of electrical power continues to plague the operators in many areas. The use of milk chillers will help in strengthen milk value chain by improving storage quality and reducing post-milking- losses. Ultimately the impact on milk quality improvement will find its way to the farm household in the form of higher prices and a greater volume of Class A milk, which will combine to increase household income.



**Figure 20: Milk Chiller**

### 3.2.2 FARMERS ENTERPRISE GROUPS – SUPPORT GRANTS

In FY 2013, USD 1.7 million were disbursed through a total of 547 grants to FEG-affiliated producers in seven horticultural and livestock value chains, as shown in Figures 21 and 22, below.

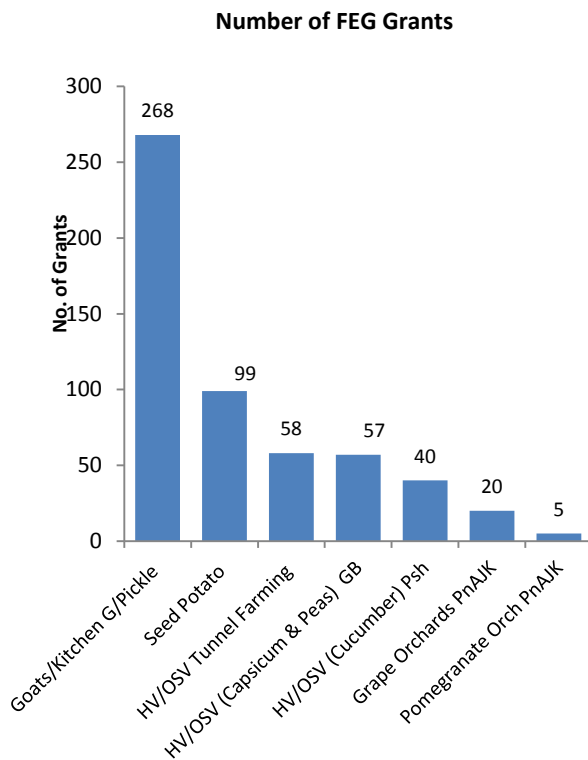


Figure 21: Details on number of FEGs

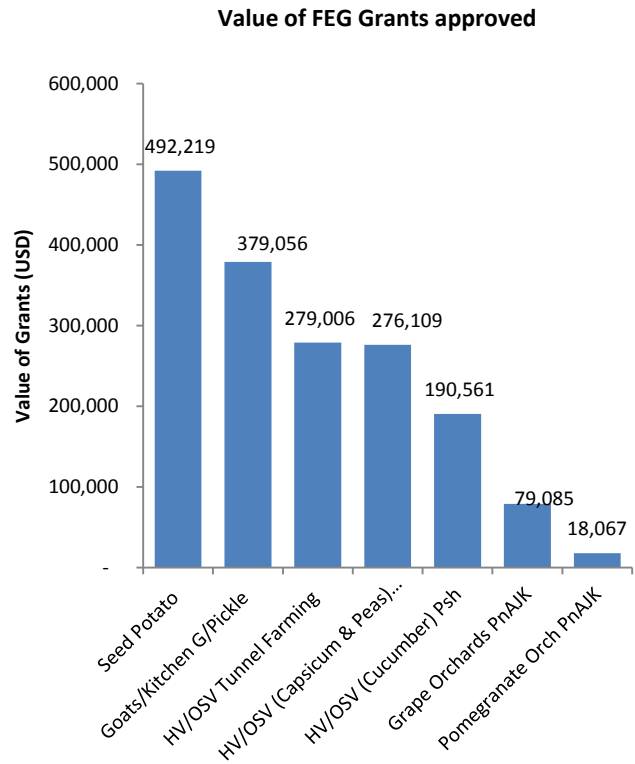


Figure 22: Details on value of FEG grants

The highest number of FEG grants is 268 for goat breed improvement and kitchen gardening kits/pickle production tools, followed by potato seed production. The total and value chain grant dollar amounts are also shown, in descending order, in the above figure. The FEG grants are in various stages of implementation as discussed below.

#### a. Seed Potato Production – 99 EGs

A total of 99 Seed Potato FEGs were formed and supported through provision of seed potatoes (Rocco variety) for sowing in Gilgit Baltistan and Peshawar project regions. Out of 99, 74 FEGs were from four districts of GB namely Gilgit, Diamer, Ghizer and Hunza/Nagar districts, while 25 FEGs were from Chitral and Mansehra districts. The project provided continued follow-up technical assistance and training to FEGs for sowing of seed potato. The FEGs will also be provided tool kits, harvest bins and packing materials. The intervention has resulted in increased production, incremental sales and income of beneficiaries, in addition to creating job opportunities.



Figure 23: Seed Potato provision at Gilgit



**b. High Value/Off Season Vegetables for Gilgit Baltistan–57 FEGs**

A total of 57 FEGs were formed and organized for supporting beneficiaries by providing seed (peas, tomato, capsicum and potato), production and packaging technology, packing materials and extension services. The project supported 37 FEGs and 20 FEGs through provision of peas and cucumber seeds, respectively, in the Diamer district, provided continued follow-up technical assistance and training support to FEGs members. The FEGs will be provided tool kits, harvest bins and packing materials. The support has resulted in increased production, incremental sales revenue and income of the beneficiaries, besides creating new job opportunities.



**Figure 24: Fresh bean production**

**c. High Value/Off Season Vegetables – 40 FEGs**

A total of 40 FEGs were formed and organized for supporting beneficiaries for providing cucumber seed with related packing and packing materials, technology and training on pre and post-harvest losses management of vegetable crops. The project supported 40 FEGs from Malakand, Dir lower, Swat and Mansehra districts through provision of certified peas seed. The project provided continued follow-up technical assistance and training support to FEGs members. The FEGs will be provided tool kits, harvest bins and packing materials. The support has resulted in increased production, incremental sales revenue and income of the beneficiaries, besides creating new job opportunities.



**Figure25: Cucumber Produce**

**d. Grant Support for Goat and Kitchen Gardening/ Pickle Production Tools – 268 FEGs**

268 FEGs, comprised of 2,291 female members, were reactivated and supported through the provision of goats, pickle production kits and kitchen gardening tools. This grant support was provided to FEGs in the Peshawar, Lahore, Faisalabad, Multan, Karachi, Sukkur and Gilgit regions. It was successfully competed and 100% beneficiaries of this intervention are female members. The project is looking forward towards improvement of socio-economic conditions of FEG members through agribusiness businesses development.



**Figure 26: Goats, Kitchen Gardening & Pickle Production**

**e. Grant Support for High Value/Off Seasons Vegetables through structure farming – 58 FEGs**

A total of 870 producers from 58 FEGs in the Peshawar region were provided in-kind support for establishment of tunnel structure during FY 2013. The project provided continued follow-up technical assistance and training support to FEGs for establishment of tunnel structure (open field) and growing of High Value/Off Seasons Vegetables. This support would enable FEG members to adapt good agriculture practices taught to them in the training in cultivating high yielding vegetable varieties with better quality to cater market demand for off-season vegetable. The use of multi-cropping (different vegetables) will increase their production, sales revenue and income, besides creating new job opportunities in market. The support has resulted in increased production, incremental sales revenue and income of the beneficiaries, besides creating new job opportunities.



Figure 27: HV/OSV through structure farming

**f. Establishment of Pomegranate Orchards – 5 FEGs**

The project organized 75 FEG members in 5 FEGs in the Poonch district of AJK and provided them in-kind matching grant support for establishment of five pomegranate orchards. The project provided continued follow-up technical assistance and training support to FEGs members for establishment of orchards. This support would enable FEG members to learn and adopt good agriculture pre- and post-harvest practices for better quality pomegranate, catering to the high market demand for pomegranate. The cultivation of pomegranate will increase sales and income on the land currently under cultivation, and will contribute to creation of new jobs.



Figure 28: Pomegranate Orchards

**g. Establishment of Grape Orchards for ICT and Potohar– 20 FEGs**

The Agribusiness Project initiated support to 300 farmers/FEG members from Chakwal, ICT and Attock districts for establishment of grape orchards. The support will consist of shared financing of structures, i.e. stay poles, line post and wire. The project is also providing on-going technical assistance and training on growing of grape varieties suitable for above mentioned areas. The establishment of grape orchards will help in Improving production and quality of grapes and reduce pre/post-harvest losses.

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### 3.2.3 CHALLENGE GRANTS

Ten challenge grants for strengthening horticultural and livestock value chains were approved for a total TAP investment of USD 268,999. The number and value of grants for each category is given in descending order in Figures 29 and 30 below. There were four challenge grants each for screen houses and in fruit and vegetable processing and strengthening of dairy sector and two grants for on-farm cold storage.(reefers).

The matching grant support in the form of supply and installation of the on-farm cold storage (reefers) in Sukkur and Peshawar regions will help reduce post-harvest losses and maintain the quality of fresh fruits and vegetables.

Also, the project initiated installation of four screen houses (in Hyderabad, Matiari, Lahore districts and Malakand Agency) to facilitate the availability of true-to-type, disease free fruit trees, grown under best horticultural practices conditions. Each screen house is expected to start producing 30,000 to 50,000 true-to-type certified plants to the farmers by the 3rd year of this project. The fruits will include mango, citrus, guava, peach, apple, apricot, dates and grapes. Three out of four screen houses were largely completed; however, there are serious concerns of the quality of materials and construction. The quality of materials used is being tested in trusted testing laboratories. The provision of these grants will help in promoting availability of disease-free fruit trees.

The project selected horticultural and livestock companies as matching grant partners in the dairy, vegetable and fruit processing sectors in Karachi, Peshawar and Lahore. The contract agreement with these grantees is in process and will be completed by start of FY 2014. These interventions will help in the strengthening of these value chains.

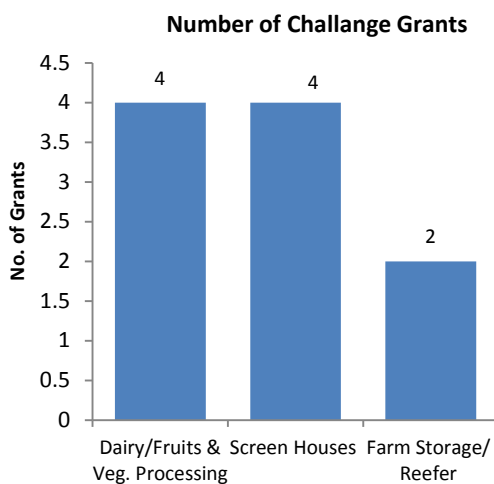


Figure 29: Number of Challenge Grants

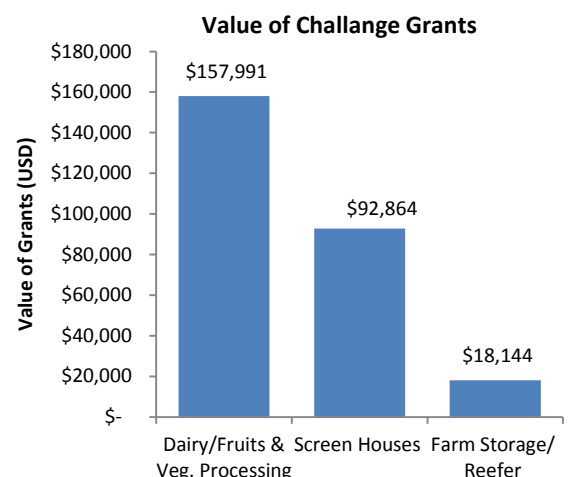


Figure 30: Value of Challenge Grants

### 3.2.4 SUPPORT TO FEG CLUSTERS, FARMERS' ASSOCIATIONS, BUSINESS ASSOCIATIONS AND COOPERATIVES

The project provided grant support for association strengthening to fish farmers in the Multan region when it was realized that they, though numerous, did not have a platform to discuss their problems, exchange their experiences, share the best practices of the sector, voice their concerns to public authorities and develop and leverage benefits of scale. As a result of deliberation sessions, some 25 progressive fish farmers agreed to organize and register their association as Muzaffargarh Fish Farmers Association (MFFA). The project supported the formation and registration of MFFA.

### 3.2.5 RESEARCH & DEVELOPMENT/PRIVATE SECTOR AGRICULTURE EXTENSION SERVICE GRANTS

The project provided grant support to Pakistan Hoslamand Khawateen Network (PHKN) for execution of six capacity building/extension service training activities and 50% matching grant to support the cost for seasonal vaccination and de-worming for 2,500 animals. The activity is projected to reach over 2,000 households as beneficiaries.

### 3.3 PROJECT MONITORING AND EVALUATION

In FY2013 the project developed an M&E and reporting system that would link performance indicators with project activities and targets in the work plan. The M&E system enables the project to make informed decisions and take corrective measures during implementation of activities. The abstract of M&E activities are presented below.

- i) **Monitoring, Evaluation and Reporting System:** The M&E continued support in development of the reporting templates for grant and TA products rolled out by the project. The monitoring formats will help the project field teams collect information on project beneficiaries, activities and indicators at the time of activity executions and post the information to database. The standardized activity based data collection forms support the progress reviews, reporting and decision making requirements.
- ii) **Database Development:** The project continued to further develop and post data into FEGs databases that include data input forms and provide output reports on beneficiary registration, baseline data and progress on training component of FEGs. The beneficiary registration and rolling baseline data are largely complete and provide information on FEG member registration, rolling baseline data and training.
- iii) **Development of IMIS:** The work on design and development of an Integrated Management Information System<sup>10</sup> (IMIS) has continued. The software vendor completed, pre-tested and operationalized Iteration-1 (Finance, human resources, and procurement). The Operational Acceptance Test (OAT) for Iteration 1 verified that the system works as required and validated that the correct functionality has been delivered by the vendor. The M&E team also worked with the software vendor to prepare for development and implementation of Iteration II modules to clarify the processes in Grants, M&E and Program Management functions.
- iv) **Gender Integration Plan:** As one of its cross-cutting themes, the project developed a gender integration plan, which include steps that will be required to incorporate gender during design, planning, implementation and monitoring and evaluation stages of project interventions to achieve the project target of 30% of value chain beneficiaries are women.
- v) **Monitoring Project Activities:** The M&E team continued support for project monitoring activities, grant disbursements, data collection, validation of farmer enterprise groups and other project beneficiaries and provide information to project management.
- vi) **Rapid Market Assessment:** The M&E team supported the regional offices in developing the Repaid Market Assessment (RMA) concept note, methodology, data collection and data entry, and data analysis. It also assisted in providing orientation to regional teams and partner NGOs regarding the RMA. M&E also reviewed and finalized the regional value chain RMA reports.
- vii) **Support to Project Management:** M&E provided support to project management in development of revised work plans, detailed activity plans and presentations of project activities and achievements.

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<sup>10</sup> A standardized technology platform supported by an internet protocol connecting its offices all over Pakistan for the automation and standardizing of its financial, grants, project management, HR/payroll, procurement, inventory management and performance management functions.



The progress review committee meetings were held on fortnightly basis, providing input for important decisions relating to program planning, implementation and monitoring were made.

- viii) **Reporting of Project activities:** The M&E team provided continued support to project management in preparation of periodic progress reports including bi-weekly /monthly, quarterly and annual progress reports for submission to USAID and ASF and other project level meetings. The district-wise project data on USAID's Info website is current through September 2013.
- ix) The project engaged an international M&E Advisor in July-August 2013 to carry out an assessment of the current M&E system, review EGA indicators, provide suggestions for an M&E framework for the revised project scope and expanded M&E function, and provide capacity building to project staff. The consultant also developed a revised Performance Management Plan (PMP).

### 3.4 BRANDING, MARKING AND COMMUNICATION

The Communications Department provided direct support to activities concerning both project components, viz. 1) Technical Training and Capacity Building, and 2) Cost Sharing Window Grants, to ensure that all direct and indirect stakeholders of the project, especially the beneficiaries, are aware that the financial assistance for all grants awarded and capacity building initiatives come from the American people through USAID and the Agribusiness Support Fund (ASF). Developments in this regard were:

- Branding and marking of project activities
- Publication (supportive and promotional material which identifies USAID and ASF)
- Matching selected communication tools and vehicles with intended stakeholders.
- Highlight the success stories of beneficiaries
- Field visits and picture archiving
- Appropriate and timely media coverage (press and electronic) Website management and social media updates

### 3.5 ENVIRONMENTAL ASSESSMENT AND COMPLIANCE

- i) **Environmental Assessment:** The environmental assessment of the project was completed and approved by USAID, allowing the project to move ahead with implementation of large challenge and lead grants. The environmental compliance system was implemented to assist with environmental screening for all project activities that require approval through Environmental Documentation Form (EDF) in accordance with delegation of powers in the approved EA. The project developed and got approval of EDFs as per details placed at **Annexure-9**. In pursuance to the EA report the following documents/manuals were developed.
- a) **Environment Chapter for the Grants manual:** An environmental compliance chapter was developed for inclusion in the TAP Grants Manual so that necessary guidelines and procedures are incorporated into grant management, as required in CFR 216 and the approved EA.
- b) **Health and Safety Manual:** As part of the approved EA a separate manual for human health and safety management was developed. It was extracted from EA and provides guidelines for the management of health and safety issues related to implementation.

- c) **Waste Management Manual:** A manual on waste management was developed which explains the types of wastes that might accumulate while implementing activities under the project. The manual also explains basic principles on how to handle wastes of different types and ensure better environmental compliance standards by the grantees.
- ii) Following the approved EA and local laws, the project initiated the process of conducting IEE of challenge grants. The grantees were appraised on various steps of IEE process. There were four grants designated under this category. Two did not require IEE as per the local laws. Two others conducted IEE of their activities of which one got the approval by the Environmental Protection Agency (EPA) of Punjab whereas approval of the second case is awaited from KP EPA.
- iii) **Field monitoring** is essential for conducting EMMP by the grantees under 22 CFR 216. The Environment M&E team had a hectic visit of over 60 grant sites for demonstrating the EMMP process. Regional Focal persons were trained in conducting EMMP. The first phase of quarterly environmental monitoring of implemented grants has been completed.

### 3.6 CNFA SUPPORT TO THE AGRIBUSINESS PROJECT

During the reporting period, CNFA continued its support to the project by providing technical assistance to project in areas of M&E, IT/GIS, Environment, and value chain studies. CNFA engaged four international consultants to complete value chain assessments for meat, chili, seed potato and cold chain storage, which identified gaps and suggested improvements and interventions for short, medium, and long-terms.

The CNFA also contributed to development of appropriate M&E systems/templates to operationalize performance monitoring plan (PMP), which allows capture of M&E data against performance indicators. The development process of M&E framework included the planning and implementation of data management, monitoring, evaluation and reporting system. The system enables the project to make informed decisions and take corrective measures during implementation of activities. As part of M&E support a Gender Integration Plan was developed to provide a framework to create value chain interventions that would target at least 30% of women beneficiaries throughout the life of project. CNFA assisted ASF in making further progress towards implementation of IMIS through coordination with software vendor for development, pre-testing and operationalization of Iteration-1 and to prepare for development of iteration II to clarify processes in Grant, M&E and Program Management functions.

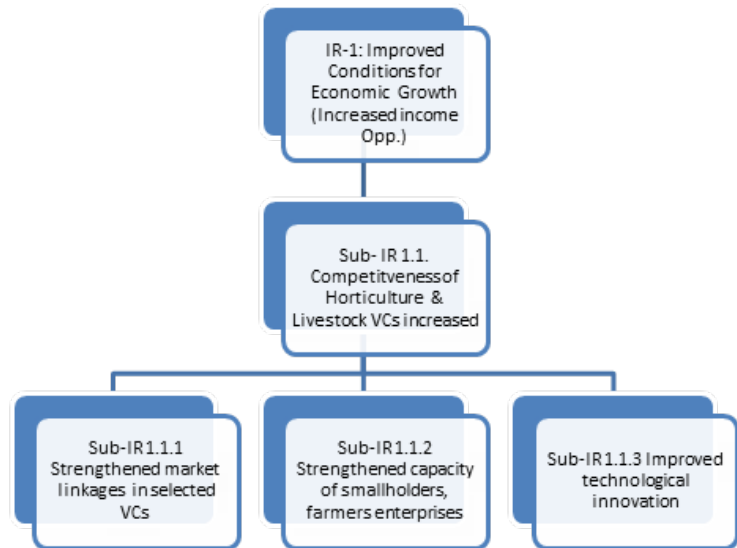
The CNFA continues to support the TAP in developing GIS maps for different value chains and activities. Through the IC Helpdesk staff, the project received support in training of staff on different software applications and databases and assistance in migrating and configuring a new email system.

The CNFA assisted the project's environmental compliance team in achieving several important milestones including approval of EA report by USAID, preparation of manuals for health and safety and waste management and development of EDF for all types of grants during the reporting year.

## 4 ANNUAL PROJECT PROGRESS AGAINST EGA INDICATORS

### 4.1 Results Framework

The project's overall Results Framework (RF) encapsulates the implementation approach of The Agribusiness Project and is used to guide work-planning and results monitoring activities throughout the course of project implementation. At the highest level of the results framework is the assistance objective i.e. improved conditions for broad economic growth. As such this represents the project goal, with the project making its contribution to improving conditions for economic growth. The project will contribute to this goal by facilitating increased income generating opportunities. The project will strive to realize and achieve increased



competitiveness of horticulture and livestock value chains, through the following three sub

The broad result framework of the Project is depicted in Figure 1. In the overall planning effort each of three Sub-Intermediate results is considered as an objective in itself.

- Sub-Intermediate Result 1.1.1: Strengthened market linkages in selected value chains
- Sub-Intermediate Result 1.1.2: Strengthened capacity of smallholders, farmer enterprises
- Sub-Intermediate Result 1.1.3: Improved technological innovation

### 4.2 Data collection

The project activities and matching grant support approved are in the outsourcing and implementation phases. The monitoring system has been put in place for regular data collection, monitoring and assessment of activities against performance indicators of results framework in performance management plan. The Project conducted the baseline study in all the project regions for 22 value chains to assess and benchmark MSF indicators for value chain actors (potential beneficiaries) including producers, processors and markets agents before commencement of project activities. It also provides data on households' level income and percentage share of project targeted value chains/activities in the overall households' income.

With the roll out of project activities and identification of beneficiaries, the Project is collecting the rolling baseline information and periodic progress reports on relevant indicators to monitor the changes in the households' income, creation of jobs etc. However, considering the large scale, diversity and complexity of the project, the Agribusiness Project will continue to develop capacity of its beneficiaries to maintain and report on project related indicators. The project periodically conducts quality assurance of data maintained by the beneficiaries.

#### 4.3 Progress against Indicators

The progress achieved against the targets for Mission Strategic Framework (MSF) Indicators, applicable to The Agribusiness Project, till September 2013, has been uploaded on USAID's Info website. The summarized position is reproduced below, which shows progress achieved against targets for EGA indicators during the reporting year and overall up to the end of reporting year. The targets for FY 2013 were successfully achieved by the project and for some EGA indicators; the achievements during the period were much higher than the planned targets. The targets for the life of the project (LOP) with annual break-up for FY 2013 through FY 2015 were readjusted on USAID Info database in the light of approved project document and implementation plan for targeted value chains. . An overview of the performance indicator for intermediate results, scope of indicators and status of progress achieved as of September 30, 2013, is given as under:-

##### 4.3.1 Intermediate Result 1: Increased income generating opportunities

Performance Indicator 2a. Number of jobs attributed to program implementation (4.5-2)

Performance Indicator 2c. Project-related household incomes of USG targeted beneficiaries

###### **Status:**

The project has carried out assessments for measuring number of newly created jobs and increase in the project-related household incomes of USG targeted beneficiaries as a result of the program implementation.

###### **Update:**

The activities contributing to the achievement of indicators are the TA and matching grant support provided by the project during the reporting year.

- i. During the FY 2013, income of the project related USG targeted beneficiaries was increased by 32%. A total of 5234 new jobs were created as a result of implementation of the following project activities
  - a. 204 individual/corporate grants including 33 Solar Dryers, 87 Aero-tubes to 43 farmers, 17 Grape Orchard establishment, 57 milking machines and 54 milk chillers.
  - b. Grant support to 6,633 farmers approximately from 547 FEGs (Complete grant support to 290 FEGs and partial grant support to 254 FEGs) including
    - o 268 Female FEGs (nationwide) for Goats, kitchen gardening and pickle production toolkits,
    - o 99 FEGs of GB and KPK for Seed Potato,
    - o 58 FEGs of KPK for HV/OSV through Structure Farming,
    - o 40 FEGs of KPK for HV/OSV (Cucumber),
    - o 57 FEGs of GB for HV/OSV (Capsicum and Peas)
    - o 20 FEGs of Potohar for establishment of Grapes orchards and
    - o 05 FEGs of Potohar for Pomegranate Orchards.
- ii. The Agribusiness Project is generating direct and indirect full-time equivalent employment through its various technical assistance and grant support interventions. The centres of job creation are the agribusiness enterprises, including farmer enterprise groups, processing and marketing enterprises that has a triggering effect on job creation in allied industries and service providers. The creation of new jobs remained slow during first year due to preparatory and planning activities, however, the progress on jobs creation was remarkable during year-2. Against the planned target of 2708 new jobs creation for FY 2013, the project through its TA and Grant interventions that were rolled out created 5234 new jobs, which is 193% of the target. The contributing activities for above mentioned indicators are the matching grant support provided by the project for various grant products rolled out by the project.

- iii. Majority of the project beneficiaries are involved in farming activities, which are seasons bound and do not necessarily require eight working hours per day throughout the year. Therefore, the project considers permanent employees including self-employment as full-time employment. Since some of the employees are temporary/ seasonal with intermittent inputs, therefore, the project considers 260 working days of temporary/seasonal employees as one full time equivalent job.
- iv. Increase in households' income is the second indicator, being impacted under the project. The indicator includes increase in all project/USG targeted beneficiary household's income. The beneficiary households will include beneficiaries representing households of project's on-farm and off-farm interventions. The sources of income for USG assisted households include both incomes from project assisted activities and non-project activities. While calculating increase in household's income, the Project should periodically monitor the increase in project assisted beneficiaries' income and compare it with household baseline income being taken as constant. The baseline data on this indicator is available. The project has increased the households' income of beneficiaries of milk chillers, seed potato and HV/OSV vegetables growers by 32% during the reporting year.

**Mission Strategic Framework Summary by Development Objective**  
**The Agribusiness Project**

Sr. No	Indicator	Unit of Measure	Life of Project Target	FY 2012 Result	FY 2013			Total Achievements
					Target	Result	%age to target	
<b>DO 2: Improved Economic Status of Target Populations</b>								
1	2a. Number of jobs attributed to program implementation (4.5-2)	FTE Jobs	18,704	370	2,708	5,234	193%	5,604
2	2c. Project-related household incomes of USG targeted beneficiaries	Change in HHs Income	20.0%	-	31.8%	31.8%	100%	31.8%
3	2.1a. Value of incremental sales attributed to program implementation (4.5.2-23 & custom)	USD	15,282,942	-	1,329,846	1,329,846	100%	1,329,846
4	2.1b. Value of exports of targeted commodities as a result of USG assistance (4.5.2-36-mod)	USD	-	-	-	10,315,120	-	10,315,120
5	2.1c. Number of micro and small enterprises linked to larger-scale firms as a result of USG assistance to the value chain	Enterprises	3,095	-	2,275	2,255	99%	2,255
6	2.1.1b. Number of micro, small and medium enterprises	Enterprises/ Farmers	9,895	-	7,339	7,339	100%	7,339

**Mission Strategic Framework Summary by Development Objective**  
The Agribusiness Project

Sr. No	Indicator	Unit of Measure	Life of Project Target	FY 2012 Result	FY 2013			Total Achievements
					Target	Result	%age to target	
	(MSMEs), including farmers, receiving BDS from USG assisted sources (4.5.2-37)							
7	2.1.1c. Value of new private sector investment leveraged with USG resources	USD	15,900,000	-	1,393,499	1,393,499	100%	1,393,499
8	2.1.2b. Number of persons receiving training on skill development	Persons	13,918	327	7,638	7,311	96%	7,638
9	2.1.3b. Number of entities (e.g., farmers or private enterprises) that have applied new technologies or management practices as a result of USG assistance (4.5.2-5 & 4.5.2-42)	Entities	25,254	410	6,931	6,931	100%	7,341
10	2.1.3c. Number of hectares under improved technologies or management practices as a result of USG assistance (4.5.2-2)	Hectares	8,706	170	1,777	1,777	100%	1,947
11	2.2.2a. Number of USG-assisted organizations that participate in legislative proceedings and/or engage in advocacy at all levels	Organizations	10	-	6	6	100%	6
12	2.2.3a. Number of rural households benefiting directly from USG interventions (4.5.2-13)	Households	46,713	712	11,319	21,362	189%	22,074
13	2.2.3b. Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (GNDR-2)	%age	30.0%	15.0%	30.0%	30.0%	100%	30.0%

#### 4.3.2 Intermediate Result 1.1: Strengthened Market Linkages in Select Value Chains

##### Performance Indicators

- 2.1a. Value of incremental sales attributed to program implementation (4.5.2-23 & custom)
- 2.1b. Value of exports of targeted commodities as a result of USG assistance (4.5.2-36-mod)
- 2.1c. Number of micro & small enterprises linked to larger-scale firms as a result of USG assistance to VC
- 2.1.1c. Value of new private sector investment leveraged with USG resources

**Status:** The project has carried out an assessment of the data collected as of September 30, 2013, and recorded achievement against above mentioned indicators.

**Update:** The contributing activities for above mentioned indicators are the matching grant support provided by the project for various grant products rolled out by the project during the reporting year.

- i. An amount of USD 1.39 million new private sector investments leveraged for agribusinesses that participated in project activities during the reporting year.
- ii. The agribusinesses, who participated in project activities, achieved increase in incremental sales worth USD 1.33 million during the reporting year.
- iii. The project supported 31 companies participation in international marketing events for fruits, vegetables and meat. 18 companies received purchase orders of USD 28.34 million for export of fruits, vegetables and meat as a result of their participation and business to business meetings in international marketing events. Out of these, seven companies have executed purchase orders and achieved export value of USD 10.3 million during reporting year.
- iv. 2,255 micro and small enterprises (FEG members/farmers) linked to larger-scale firms as a result of USG assistance to targeted value chains. This will continue to increase as a result of the program implementation.
- v. Under the International Market Linkages Program, the project conducted market assessment for seven prioritized VCs followed by validation workshops, wherein data collected was validated by key stakeholders. The project also conducted an assessment of prioritized products in Malaysia, Singapore, Indonesia, Dubai, Abu Dhabi, Kazakhstan & Uzbekistan markets and draft report is expected to be ready by end October 2013.
- vi. The project supported participation of six major stakeholders of meat value chain<sup>11</sup> in Pakistan EXPO organized by TDAP in Karachi. The project facilitated B2B meetings with international delegations headed by the Pakistani commercial counselors from Singapore, Hong Kong, Egypt, Malaysia, China, Saudi Arabia, UAE, Bangladesh, India, Argentina, Japan, Netherland, South Africa.

#### 4.3.3 Intermediate Result 1.2: Strengthened Capacity of Small-holders & farmer enterprises

##### Performance Indicators

- 2.1.1b. Number of micro, small and medium enterprises (MSMEs), including farmers, receiving BDS from USG assisted sources (4.5.2-37)
- 2.1.2b. Number of persons receiving training on skill development

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<sup>11</sup> *Zenith, Al-Anis, Abedin International (exporters/ processors), Meat Tech (exporter), Punjab Agriculture & Meat Company (abattoir/processor) and PHDA (Punjab Halal Development Agency)*

- 2.2.2a. Number of USG-assisted organizations that participate in legislative proceedings and/or engage in advocacy at all levels
- 2.2.3a. Number of rural households benefiting directly from USG interventions (4.5.2-13)
- 2.2.3b. Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (GNDR-2)

**Status:** As of Sep. 30, 2013, an assessment of data collected was made to record achievement against indicators.

**Update:** The contributing activities for achievements against above indicators.

- i. 40 BDSPs trained under various capacity development programs.
- ii. Over 16000 farmers organized into 1087 FEGs for prioritized value chains of the project. The FEG members are the rural households benefited directly from USG interventions.
- iii. 460 technical and enterprise development training were conducted for 6900 FEG members/office bearers. Another 9 technical and managerial training were conducted and attended by 185 participants (180 male and 5 female) from horticulture and livestock farmers, enterprises, BDS providers, agricultural professionals and other relevant stakeholders for their business development. The training will provide an opportunity to adopt good agriculture practices to increase their production, sales revenue and income.
- iv. 7339 micro, small and medium enterprises (MSMEs), including farmers (FEG members), received business development services from USG assisted sources (implementing partners of TAP).
- v. The project provided grant support one each for extension services and strengthening of association. The project supported formation and registration of Muzaffargarh Fish Farmers Association (MFFA) by providing 50% cost of their registration. The project also provided grant support to Pakistan Hoslamand Khawateen Network for execution of six capacity building/extension services training/activities and 50% matching grant support cost for seasonal vaccination and de-worming for 2500 animals.
- vi. One National Agribusiness Forum, One each National Technical Working Group (NTWG) for fruits and vegetables and Livestock and small ruminants and Value Chain Platforms for Red Chili, Banana, potatoes and strawberry were established and operationalized.
- vii. 21,363 rural households were benefited directly from the project interventions during the financial year 2013, while total of 22,074 rural households benefited from project interventions by Sep 30, 2013.
- viii. Female beneficiaries' account for approximately 30% of total project beneficiaries in the reporting period. 2291 female beneficiaries received goats and kitchen gardening/pickle production tools. Another 90 female FEG members received seed for growing of HV/OSV. The female also participated in other project activities.

#### **4.3.4 Intermediate Result 1.3: Improved Technological Innovations**

##### **Performance Indicators**

- 2.1.3b. Number of entities (e.g., farmers or private enterprises) that have applied new technologies or management practices as a result of USG assistance (4.5.2-5 & 4.5.2-42)
- 2.1.3c. Number of hectares under improved technologies or management practices as a result of USG assistance (4.5.2-2)

**Status:** As of Sep. 30, 2013, an assessment of data collected was made to record achievement against indicators.

**Update:**



- i. The project provided in-kind support in the form of toolkits, structures, i.e. stay poles, line post and wire and improved quality imported seed potato, seed for high value off-seasons vegetable including cucumber, French beans, peas to FEG members in KPK and Gilgit Baltistan.

S. No.	Description of Grant Products	No of FEGs	Total No of Members
1	Improved Breed of Goats/Kitchen Gardening/Pickle Production	268	2,291
2	Tunnel Farming for High Value/Off Season Vegetables	58	870
3	Seed Potato Production	99	1,636
4	High Value/Off Season Vegetables (Peas) for Gilgit Baltistan	57	861
5	High Value/Off Season Vegetables for KPK	40	600
6	Support for establishment of grapes orchards	20	300
7	Support for establishment of pomegranate orchards	05	75
	Total	547	6,633

- ii. The FEG members were provided technical and enterprise development training for better crop management and use of good agriculture practices. The harvesting of seed potato and vegetables were carried out in September 2013. The data collected showed increased and better quality produce per acre, increase in sales and net income of the farmers from the same piece of land as compared to the last production cycle.
- iii. 21 certifications (3 Global GAP, 17 British Retail Consortium<sup>12</sup> and 1 International Features Standards<sup>13</sup>) have been completed and certified by certification body, while audit of another two companies for IFS is yet to be done. Out of 23, 11 certifications were completed during the reporting period. The consultation and certification process was initiated for another 30 enterprises (10 Global GAP, one Halal, 6 ISO-22000 and 13 HACCP) during reporting period.
- iv. A total of 1,777 hectares of land was brought under improved technologies and management practices as a result of USG assistance during the reporting year.

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<sup>12</sup> BRC is one of the leading trade associations in the United Kingdom and represent 80% of retail trade in UK by turn over. In order to qualify for export of food products to exporting companies are required to comply with the BRC standards.

<sup>13</sup> IFS is a case standard in Europe and all major retailers in Germany, France, Italy and other EU countries require suppliers to be certified to IFS.



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THE AGRIBUSINESS PROJECT

# SUCCESS STORY Business Project—Annual Report—II

## Empowering Dairy Farmers/Processors through provision of Milk Chillers



Figure 4-1: Collection of Milk by Milk Collector



Figure 2: Mr. Azram talking to ASF M&E team regarding his business



Figure 3: Milk Chiling in Progress

*I am very thankful to USAID and TAP for providing me grant support for purchase of Milk Chiller, which resulted in increased profit from my business.*

*Said Muhammad Azram.*

The livestock has been subsistence sector dominated by small holders to meet their needs of milk, food security and daily cash income and is a source of employment generation for rural folk. Livestock sector in Pakistan contributes 55% to agricultural value added and 11.5 percent to GDP (Economic Survey 2011-12). Pakistan is the fifth largest milk producing country in the world however, some of the major problems being faced by livestock owners is limited marketing venues, lack of value addition and high spoilage. Improper milk handling and lack of cooling facility leads to spoilage of milk and increased losses.

The traditional milk collection system often places the quality of milk at risk as unhygienic practices are used which may include adding ice or often unsafe preservatives, which reduces profitability to farmers and is a health hazard to consumers. In order to overcome the constraints, the Agribusiness Project supported dairy farmers/milk collectors/processors throughout Pakistan by providing them matching grant support for provision of milk chillers (500/250 liters capacity).

The case in focus is of Muhammad Azram, 53 years old retired official from Village Mogla Dhok Sattar Shah, Talgang, Chakwal, associated with Dairy Farming since 2000. He used to daily purchase 1000 liters for PRs.38 per liter at farm gate from 144 Dairy farmers (mostly female) and collect milk from villages at 8-10 kilometer radius through 3 milk collectors, who were paid collection and transportation charges of Rs.3 per liter, while cost of chilling including salaries etc. was PRs.1.5 per liter. The entire stored milk was supplied to M/S Cheese and Dairy Factory, Rawalpindi at the rate of Rs.44 per liter at supplier's farm gate. He was earning a net profit of PRs 1.5 per liter or his monthly income from sale of 30000 liters of milk per month was PRs. 45,000.

On receiving another milk chiller of 500 liters capacity from the project, Mr. Azram engaged 29 additional dairy farmers making the total 173 farmers (100 females and 73 males) and a milk collector for supply and collection/transportation of milk respectively, while his daily milk sales has increased from 1000 to 1500 liters, which resulted in over 33% increased profit from business.

This intervention has resulted in creation of a fulltime job for collection, processing and marketing of 500 liters additional milk per day with negligible milk wastages. Mr. Azram now earns an additional income of PRs.22500 per month from milk chiller provided by the project. He has also engaged an expert, who regularly monitors quality of milk. He also advances interest free loans to small farmers registered with him and adjust it from their monthly invoice. This intervention has resulted in involvement of females in milking at the household level.

The project supported provision of 33 milk chillers to dairy farmers/retailers through matching grant for storage of milk. This increased their profitability and gave them a chance to sell milk at better rates. As per grantees prior to provision of milk chillers they had to sell milk immediately to prevent milk from deteriorating. However, since they have been provided with milk chillers they are able to store milk and sell it at better rates. The grantees of milk chillers are highly satisfied with this technological innovation and have mentioned increase in profitability due to these milk chillers.



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# SUCCESS STORY Business Project—Annual Report—II

## Enhancing Capability of Small Farmers to Produce Seed Potato Commercial Basis



*“I am very Happy to state that I have a bumper crop this year mainly because of the improved seed provided by the Project. It gave me almost double production as compared to the previous seasons. Now I am in a position to retain these improved seed for the next crop in addition to the very high return through which I can start other business during winter.*

*I am very thankful to the USAID, The Agribusiness Support Fund and Hashoo Foundation for their kind support making me able to establish my own entrepreneurship”*

**Mohammad Farooq**

**VillageBonse- Batakundi**



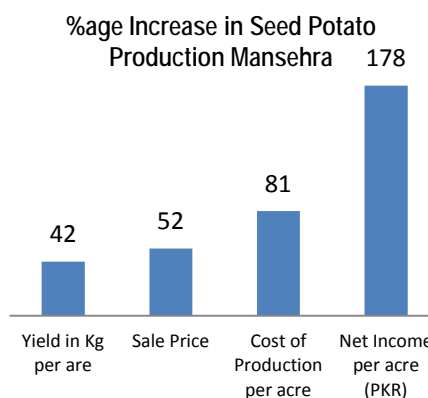
Pakistan is one of the major potatoes producing countries in the world. Potato ranks third among food crops and fifth in total agro-products in Pakistan. The total production of potatoes was 3.492 million tons in 2010-11. The domestic demand of potato is 1.5 million tons, leaving a surplus quantity of 1.992 million tons, thus creating an opportunity for private sector to export potato and make value addition. Pakistan is the major exporter of Potato to Afghanistan, Srilanka, Malaysia, Iran, Singapore and Russia. The climatic conditions in some Districts Chitral, Upper Dir and Mansehra at high altitude are highly suitable for seed potato production with a seasonal compatibility with lower plains i.e. seed produced in October; after passing through the dormancy period of two months, can be used as seed for spring crop in the down Districts.

In addition to several other factors, the potato growers mostly depend on seed provided by the local inputs suppliers, commission agents and traders from Peshawar/Punjab. The quality of seed available to the local farmers objected due to

diseased, not true-to type and sometimes use ration potato from Punjab as seed; which are good carrier of certain viruses and diseases. To fill this gap, the Agribusiness Project funded by the United States Agency for International Development (USAID) supported and awarded Matching Grants on Seed potato production on commercial basis, which included organization of FEGs,

provision of improved seed and imparting of Training on Enterprise Development. In Peshawar region, 375 members of 25 FEGs successfully raised the seed potato crop and marketed collectively, earning about 80% higher than the local seed.

Muhammad Farooq a 50 years old FEG (Friends) member from Village Bonse in Batakundi (Naraan) area of District Mansehra in Peshawar Region is associated with potato production for the last 10 years. Like other FEG members he received 500 kg of Potato seed (Rakko) from the Project and training on Entrepreneurship, bringing a land of 05 kanals under potato cultivation. To undertake various activities like land preparation, sowing, weeding, earthing up, fertilizer application irrigation, harvesting, grading, packing and then marketing, took him to cost Rs. 180,933 per 05 acre. His activity provided full time jobs to 02 self-employees. The yield and price for this year production were found 42% and 52% higher than the last year, respectively, which resulted 178% higher net income as compared to the last year.



Year	Yield per acre	Sale Price	Gross Income per acre	Production Cost per acre	Net Income per acre
	Kg	PKR	PKR	PKR	PKR
This Year (2013)	8,800	38	334,400	180,933	153,467
Last Year (2012)	6,208	25	155,200	100,000	55,200
Difference	2,592	13	179,200	80,933	98,267
%age change	42%	52%	115%	81%	178%

Mr. Farooq is very happy with his crop production and with his sale revenue. He believed that he would be able to start a small business related to Agriculture during Winter season, when they move down.

ANNEXURE-1: LIST OF STAFF AS OF SEPTEMBER 30, 2013

Positions Filled - By Location	Total Staff		
	Male	Female	Total
Project Office-Islamabad	36	8	44
Regional Office-Lahore	13	4	17
Regional Office-Peshawar	20	2	22
Regional Office-DI Khan	0	0	0
Regional Office-Gilgit	9	3	12
Regional Office-Sukkur	0	0	0
Regional Office-Karachi	10	1	11
Regional Office-Multan	9	0	9
Regional Office-Faisalabad	0	0	0
Regional Office – Pothohar AJK	10	1	11
Regional Office-Quetta	3	0	3
<b>Total</b>	<b>110</b>	<b>19</b>	<b>129</b>

Progress By Location	CNFA Staff		Cumulative (Sep 2013)
	Male	Female	
Project Office-Islamabad	7	2	9
Regional Office-Lahore	1	1	2
<b>Total</b>	<b>8</b>	<b>3</b>	<b>11</b>

Progress By Location	JE Austin Staff		Cumulative (Sep 2013)
	Male	Female	
Project Office-Islamabad	4	-	4
<b>Total</b>	<b>4</b>	<b>-</b>	<b>4</b>

ANNEXURE-2: FINANCIAL PROGRESS

No.	Head of Account	Expenditure during Year-2 (October 12 to Sept 2013)	Cumulative Expenditure till Sept 2013
1	Salary, Wages & STTA	1,841,320	3,045,048
2	Fringe Benefits	343,656	554,206
3	Travel	329,384	592,734
4	Equipment	36,082	452,891
5	Supplies	38,494	452,211
6	Communication	28,070	28,858
7	Security Cost	118,953	144,075
8	Training	7,930	13,732
9	Sub-Contracts	1,607,506	1,794,652
10	Sub-Grants	1,851,907	1,919,175
11	Others Direct Costs	3,055,513	4,560,287
	Total expenditure	9,258,815	13,557,868

ANNEXURE-3: LIST OF BENEFICIARIES AWARDED BRC & IFS CERTIFICATIONS

S#	Company Name	Contact Person	Certification	Region	Project Year
1	Saeed Khan Enterprises	Saeed Khan	BRC	Karachi, Sindh	Year-2
2	Get Fresh	Shazia Mateen	BRC	Karachi, Sindh	Year-2
3	Shaikh International	Shahzad Shaikh	BRC	Karachi, Sindh	Year-2
4	Hamza Brothers Impex	Raja Muhammad Ilyas	BRC	Karachi, Sindh	Year-1
5	M.Ilyas & Brothers	Muhammad Naseer	BRC	Karachi, Sindh	Year-1
6	Jehanzeb Muhmand & Co.	Jehanzeb Khan	BRC	Karachi, Sindh	Year-2
7	M.K. Enterprises	Syed Jan Muhammad	BRC	Karachi, Sindh	Year-1
8	Nazir & Sons	Shehzad Waraich	BRC	Karachi, Sindh	Year-1
9	Durrani Associates	Nadir Khan Durrani	BRC, IFS	Karachi, Sindh	Year-1
10	Seabird Fisheries	Masood Pervaiz/Faisal	BRC	Karachi, Sindh	Year-1
11	Imtiaz Enterprises	Imtiaz / Naveed Anwar	IFS	Karachi, Sindh	Year-1
12	Jam Traders	Munawwar Hussain	BRC	Karachi, Sindh	Year-1
13	Anas Tropical Fru & Veg Export Co.	M. Zamman Anas	BRC	Karachi, Sindh	Year-1
14	Khurram Enterprises	Aamir Saeed Khan	BRC	Karachi, Sindh	Year-2
15	Green Overseas	Ghulam Abbass	BRC	Karachi, Sindh	Year-2
16	Asia Megafoods	Mr. Waqar Ahmed	<i>BRC &amp; IFS</i>	Karachi, Sindh	Year-2
17	Tata Best Foods Ltd.	Bilal Shahid Anwer	<i>BRC &amp; IFS</i>	Karachi, Sindh	Year-2
18	KGF Farm - Rabia Sultan	Rabia Sultan	<i>Global GAP</i>	Muzzafargarh, Punjab	Year-2
19	Ghulam Ali Shah Pasha	Ghulam Ali Pasha	Global GAP	Matiari, Sindh	Year-2
20	Syed Raheel Nasir Shah	Syed Raheel Nasir Shah	<i>Global GAP</i>	Matiari, Sindh	Year-2

\* Certifications marked with italic font and underline is yet to be completed.



ANNEXURE-4: LIST OF BENEFICIARIES (FY 2013) UNDER PROCESS FOR CERTIFICATIONS

S.no	Company	Contact Person	Location	Certification
1	Organo Botanica	Emaduddin Ahmed,	Gilgit	HACCP
2	Buffield Private Ltd.	Bilal Ghazi,	Karachi	HACCP
3	Raza Traders	Syed Hasnain Raza,	Karachi	HACCP
4	Imran Qasim Trading Est.	Syed Imran Ali Zaidi,	Karachi	HACCP
5	M. Ansar M. Afsar	M. Afsar, M. Ansar M. Afsar,	Karachi	HACCP
6	NF International	Faisal Rehan	Karachi	HACCP
7	A. Rehman & Sons	M. Rehan	Karachi	HACCP
8	Al Hameed Enterprises	Abdul Hameed	Karachi	HACCP
9	Zulfiqar & Co.	Zulfiqar Ali	Karachi	HACCP
10	M. F. International	Athar Khan	Karachi	HACCP
11	Bilal Traders	Afzal Ahmed	Karachi	HACCP
12	Jan & K Enterprises	M. Javed	Karachi	HACCP
13	SMA Enterprises	Syed Mehmood	Karachi	HACCP
14	Dairyland Private Ltd.	Sulaiman Monnoo	Karachi	Halal
15	Pak Millan Sohan Halwa	Ahmed Mujtaba	D. I. Khan	ISO-22000
16	Virk International Pakistan	Rahat Abbas	Karachi	ISO-22000
17	F. A. International	Sameer Pakhali	Karachi	ISO-22000
18	M. Z. Trading Corp.	Zahida Hameed	Karachi	ISO-22000
19	Hamza Halal Food	Fayaz Ahmad	Peshawar	ISO-22000
20	Pakia Garden Food Products	Kamran Khan	Peshawar	ISO-22000
21	Saddruddin & Company	Saleem Sadruddin	Bhalwal	Global GAP
22	Adeel Mahmood Shah	Adeel Mahmood Shah	Tando Allahyar/Matari	Global GAP
23	Pak Sun Green (Pvt) Ltd.	Nadir Durrani	Karachi	Global GAP
24	Imam Fruit Farm	Syed Fakhar Imam	Kabirwala	Global GAP
25	Gardezi Farms	Syed Mazhar Gardezi	Multan	Global GAP
26	Lutfabad Farms	Tariq Khan	Multan	Global GAP
27	Nawab Sarbuland Farms	Waseem Khan	Multan	Global GAP
28	Qaim Gardezi Farm	Wajahat Hussain	Kabirwala	Global GAP
29	Muzaffarnagar Fruit Farm	Muzaffar H. Khakwani	Multan	Global GAP
30	Tawakkal Fish Hatchery	M. Shahid Iqbal	Muzaffargarh	Global GAP (Aquaculture)



ANNEXURE-5: GLOBAL GAP CERTIFICATION

1. Before System Development – Practices



Figure 0-1: Pesticide storage



Figure 0-2: Fertilizer Store



Figure 0-3: Harvesting



Figure 0-4: Produce Handling

## 2. Training & System Development

### Training of Farm workers on



Figure 0-5: Global GAP Introduction



Figure 0-6: Standard requirements



Figure 0-7: Basic safety



Figure 0-8: Work safety



Figure 0-9: Implementation work



Figure 0-10: Training Feedback



### 3. Audit Preparation



Figure 0-11: Pesticide Store



Figure 0-12: Fertilizer Store



Figure 0-13: IPM Practices



Figure 0-14: On-Farm Infrastructure



Figure 0-15: Work Instructions



Figure 0-16: Work Instructions



Figure 0-17 First-Aid Services and Guidelines



Figure 0-18 Work Instructions



Figure 0-19 Harvesting



Figure 0-20 Harvest Handling



Figure 0-21 Transport



Figure 0-22 Postharvest Handling

ANNEXURE-6: EXPORTING COMPANIES RECEIVED EXPORT ORDERS AND EXPORT VALUE

**USG Assisted International Marketing Events  
Fruits, Vegetables and Meat Export Values**

No.	Name of Event	Name of Company	Value of Export Orders (\$)	Value of Exports (\$)	% Exports to Orders	Remarks
1	World Food Moscow	Chase International, Karachi	4,252,500	4,252,500	100%	
2	As above	FA International, Karachi	2,971,500	1,275,000	43%	
3	As above	Shehzad Asia Intl. , Islamabad	3,577,750	1,200,000	34%	
4	As above	Sardar Foods Karachi	425,000	-	-	Expo Info awaited
5	As above	Zulfiqar and Co., Karachi	1,250,000	-	-	As above
6	As above	Sabri Enterprise, Multan	36,400	-	-	As above
7	As above	Nadeem Dates Factory, Khairpur	70,200	-	-	As above
		Sub-Total	12,583,350	6,727,500	53%	
8	EuroTier, Hanover Germany	Tazij Meats and Foods, Lahore	13,312,500	3,106,250	23%	
9	Fruit Logistica, Berlin.	Asia Mega Foods, Karachi	418,775	418,775	100%	
10	AGRAME, Dubai	Seven Star International, Karachi	5,670	-	-	
11	As above	MeatTech, Lahore	63,075	-	-	
12	As above	Imtiaz Enterprises, Karachi	125,000	-	-	
13	As above	Haji Noor Ellahi & Sons, Peshawar	600,000	5,670	-	
14	As above	New Shan Enterprises, Pesh	10,711	56,925	-	
15	As above	Haji Muhammad Ikram Arain	745,000	-	-	Expo Info awaited
16	As above	Pakistani Hoslamand Khawateen Network	874	-	-	As above
17	As above	Shehzad Asia International	461,500	-	-	As above
18	As above	M.A. Links	11,746	-	-	As above
		Sub-Total	2,023,576	62,595	3%	
		<b>Total</b>	<b>28,338,201</b>	<b>10,315,120</b>	<b>36%</b>	

## ANNEXURE-7: TECHNICAL AND MANGERIAL TRAINING CONDUCTED FOR AGRIBUSINESSES

r. No	Title of Training	No. of Days	Duration of Training		Location	No of Participants of Training		
			From	To		Total	Male	Female
	Improved Dairy Farm Management and Marketing Practices	5	22/4/13	26/4/13	D.I.Khan	25	25	-
	Banana Supply Chain Management	4	18/6/13	21/6/13	Hyderabad	22	21	1
	Fodder Preservation through Silage Production on Commercial Basis	6	29/4/13	04/5/13	Peshawar	21	21	-
	Peach & Strawberry Processing on Commercial Basis	4	20/5/13	23/5/13	Peshawar	25	21	4
	Up-gradation of Livestock Extension Services Skills through specialized Artificial Insemination Training to Veterinarians & Para Vets of FATA	15	27/5/13	10/6/13	Peshawar	10	10	-
6	Export procedures for Horticulture products	5	01.10.2012	05.10.2012	Peshawar	15	15	-
					D.I.Khan	12	12	-
7	Fruits and Vegetables Processing	12	01.10.12	12.10.12	PCSIR Skardu	19	19	-
8	Innovative Dates Drying Techniques using solar energy	6	17.10.12	22.10.12	D.I.Khan	18	18	-
9	Halal Foods Lead Auditor course	5	12-11-12	16-11-12	Faisalabad	18	18	-
					Total:	185	180	5



ANNEXURE-8: LIST OF PARTICIPANTS OF GLOBALGAP (AQUACULTURE) TRAINING.

Sr.#	Name	Designation	Company	City
1	M. Junaid Wattoo	Consultant & Advisor	Fisheries Development Board	Islamabad
2	M. Talha Siddiqui	Auditor & BDE	RI&CA (Pvt) Ltd.	Karachi
3	M. Shahid Iqbal	Assistant Manager	SGS Pakistan (Pvt) Ltd.	Lahore
4	Abdul Razak	Owner & Consultant	Al Razak Fisheries	Larkana
5	M. Aamir Saeed	Mgt. Systems Consultant	Management Systems Consultant	Lahore
6	Dr. Hafiz Mudasser	Training Coordinator	Business Incubation Centre, UVAS	Lahore
7	Sammer Mumtaz	Business Coordinator	Business Incubation Centre, UVAS	Lahore
8	Insha Nadir	Consultant	Free Lance Consultant (BIC)	Lahore
9	Sajid Mahmood	Deputy Manager Mktg.	Oryza Organics (Pvt) Ltd.	Lahore
10	G. M. Wadahar	Director Fisheries	Directorate of Fisheries Sindh	Hyderabad
11	M. Omair Farooqui	Business Dev.: Executive	SGS Pakistan (Pvt) Ltd.	Karachi
12	Junaid Sabir	Business Dev.: Executive	SGS Pakistan (Pvt) Ltd.	Karachi
13	Umar Hayat	Director	Creative Solutions	Peshawar
14	Muhammad Ibrahim	Master Trainer	Star Farm Pakistan (Pvt) Ltd.	Lahore
15	Ghazanfar Hussain	Chief Executive	Kulstr Ejukason Farm	Jehlum
16	Muhammad Ali	Trainer	Star Farm Pakistan (Pvt) Ltd.	Lahore
17	Syed Raza Hussain	Trainer	Star Farm Pakistan (Pvt) Ltd.	Lahore
18	M. Adnan Arshad	Auditor & Trainer	Bureaue Veritas Pakistan (Pvt) Ltd.	Lahore
19	Tariq Qamar	Manager Food Certification	Bureaue Veritas Pakistan (Pvt) Ltd.	Lahore
20	Aimal Khan	Consultant	Pakistan Marine Council	Quetta



## ANNEXURE-9: LIST OF EDF DEVELOPED DURING FY 2012-13

No.	Activity	No. of EDFs
1	Solar Drying Units	54
2	Milk Chiling Units	87
3	Support to 262 Goat FEGs (2291 farmers)	544
4	Establishment of Grape orchards for Individual Farmers	25
5	Establishment of Pomegranate Orchards for Individual Farmers	5
6	Support to Off Season High Value Vegetables (Tunnels)	58
7	Supply and Installation of Reefers	14
8	Supply and Installation Screen houses	10
9	Establishment of Grape Orchards for FEGs	25
10	Supply and Installation Fish Aero Tubes	73
11	Supply and Installation Portable Milking Machines	62
12	Establishment of Animal Feed Mills	12
13	Establishment of Apricot Orchards	27
14	High Value Off Season Vegetables – FEGs in Diamer (LASOONA)	55
15	High Value Off Season Vegetables – FEGs in Gilgit (AKRSP)	2
16	High Value Off Season Vegetables–FEGs in Kaghan (HASHOO Foundation)	11
17	Seed Potato – FEGs in Kaghan (HASHOO Foundation)	10
18	Seed Potato – FEGs in Diamer (LASOONA)	22
19	Seed Potato – FEGs in Chitral (AKRSP)	8
20	Seed Potato – FEGs in Gilgit	11
21	Seed Potato – FEGs in Ghizer	20
22	Seed Potato – FEGs in Hunza	21
23	Dhakki Dates in Multan and D.I Khan regions	48
24	HVOSV in Swat – FEGs by LASOONA	25
25	Tunnel farming – Individual	391
	Grand Total EDFs Prepared and Approved so far	1620

ANNEXURE-10: SUMMARY OF PROGRESS ACHIEVED DURING THE SECOND YEAR OF THE PROJECT

Activities / Outputs	Target Year 2	Achievement as of 30 Sep 2013	Progress Update
<b>PROJECT MANAGEMENT</b>			
Staff Training and Capacity Development (National & International)			
a. International Training (Persons)	5	-	
b. National Training (Persons)	20	57	50 staff members participated in a three-day strategic planning workshop in Islamabad. 5 project staff members participated in 5-day TOT workshop on SME Management from Business Edge, IFC at Islamabad. Two staff member participated in Communication Training at LUMS, Lahore
c. Exposure Visit(s)	2	5	One staff member participated in Fruit Logistica 2013, Germany, February 6-8, 13 Four staff member participated in AgraME 2013 (Dubai, UAE, March 26-28, 2013).
<b>ENVIRONMENTAL COMPLIANCE</b>			
Programmatic Environmental Assessment (PEA)			
a. Programmatic Environmental Assessment	1	1	Environmental assessment of the project conducted and EA report approved by USAID on April 13, 2013.
b. Environmental Manual	1	1	Environmental Manual developed
c. Environmental Documentation Form	1760	1620	1620 EDFs developed & got approved from USAID for various grant activities
d. Environmental Assessment/EDF for challenge grants	59	14	14 EDFs for challenge grant developed and approved. 5 project assisted beneficiary firms facilitated in conducting Environmental Assessments for their agribusinesses. Of 5 applicants for challenge grants, EDFs for 3 applicants developed. One applicant received NoC from EPA Lahore, second applicant's NOC from EPA Peshawar is under approval, while third applicant did not require NOC.
e. Environmental Assessment (lead company grants)	6	-	Not required as no lead company grants approved till-date.
<b>PROGRAM IMPLEMENTATION</b>			
<b>Objective-1 (S-IR 1.1.1): Strengthened Market Linkages in Selected Value Chains</b>			
Technical Assistance and Capacity Building Support under Export, Quality Assurance and Food- Safety Compliance Certifications	30	30	The consultation and certification process for another 30 enterprises for 30 certifications (10 Global GAP, one Halal, 6 ISO-22000 and 13 HACCP) is under process. In addition to this, 21 certifications (3 Global GAP, 17 BRC and 1 IFS) that were initiated in year-1 completed and certified by certification body, while audit of another two -

Activities / Outputs	Target Year 2	Achievement as of 30 Sep 2013	Progress Update
			companies for IFS is yet to be done. Out of 23, 11 certifications were completed during reporting period.
Support under International Markets Access Program (IMAP)	40	39	The project supported 39 participants from 31 companies in international marketing events for fruits, vegetables and meat. 18 companies received purchase orders of USD 28.34 million for export of fruits, vegetables and meat as a result of their participation and business to business meetings in international marketing events. Out of these, 7 companies executed orders & achieved export value of USD 10.3 million
Development and Operation of Value Chain Platforms (VCPs) / Sector Working Groups/Platforms			
a. Value Chain Platforms (VCPs) established	16	3	3 VCPs for Banana, Chili and Potatoes established and Operationalized. Three VCPs established:-National Agribusiness Forum (NabF), i.e. 2 National Technical Working Group F&V & Livestock were previously formed. Further work on VCPs could not be done due to realigned project scope.
b. Meetings of VCP members organized	32		Meetings of NabF, NTWGs and VCPs held and attended by members.
<b>Objective-2 (S-IR 1.1.2): Strengthened Capacity of Smallholders &amp; Farmer Enterprises</b>			
<b>Technical and Managerial Training</b>			
a. Selection of Training themes and priorities for training within the targeted value chain and clusters.	20	9	20 training themes identified. Training plan, calendar and themes developed and SOW for training developed.
b. Training organized			9 training held. Remaining cancelled due to realigned of the project.
<b>Organization of Kisan Field Schools(KFS)</b>			KFS component dropped in the realigned project scope.
a. Participatory curriculum development workshops	5	-	As above
b. Training of facilitators	5		As above
c. Establishment of Kisan Field Schools (KFS)	900		As above
d. Distribution of tools/kits to graduated KFS	22500		As above
<b>Technical Assistance &amp; Capacity Building of BDS providers</b>			
a. BDS providers selected and provided TA and capacity building support	19	27	
<b>Formation of Farmer Enterprise Groups (FEGs)</b>			

Activities / Outputs	Target Year 2	Achievement as of 30 Sep 2013	Progress Update
a. Rapid market assessment <sup>14</sup>			Conducted Rapid Market Assessments of all Value Chains in project regions. The findings of RMAs used to organize FEGs to meet the market demand
b. Meeting with partners to determine market demand and identify number of FEGs			
c. Formation of FEGs initiated by Agribusiness Project through implementing partners	1500	1087	Organized small farmers into 1087 FEGs in targeted value chains of the project.
d. Grants support to FEGs	1500	547	- 273 FEGs received support including 268 FEGs Goats/Kitchen G/Pickle, and 5 FEGs for Pomegranate Orch PnAJK, - Another 274 FEGs received partial support including 99 Seed Potato, 58 HV /OSV through Structure Farming, 57 FEGs for HV/OSV (Capsicum & Peas) GB, 40 FEGs for HV/OSV (Cucumber) Peshawar and 20 FEGs for Grape Orchards.
e. Business Associations/ Cooperatives /FEG Clusters /Farm Services Centers organized	55	1	Two Capacity need assessment workshops held at Peshawar and D.I.Khan project regions and attended by members from Farms Services Centers, Agriculture and Livestock Extension Services of FATA.
f. Grants support provided to Business Associations/ Cooperatives / FEG Clusters/ Farm Services Centres	55	1	Grant support provided for formation and registration of Muzaffargarh Fish Farmers Association (MFFA).
<b>Objective-3 (S-IR 1.1.3): Improved Technological Innovation</b>			
<b>Matching Grant Support to individual farmers &amp; Enterprises</b>			
a. Call for RFPs/RFAs	205	204	204 individual/corporate grants provided including 33 Solar Dryers, 87 Aero-tubes to 43 farmers, 17 Grape Orchard establishment, 57 milking machines and 54 milk chillers. Grant support is in progress for high tunnels.
b. Agribusiness Profiling and Prioritizing Interventions			
c. Grant support provided to individual Farmers / Enterprises			
<b>Matching Grants for Support to Off-farm enterprises (processing, marketing and export)</b>			
a. Call for RFPs/RFAs issued to enterprises	59	10	10 challenge grants approved. 2 Improvised Reefers completed. 3 of 4 Screen houses nearly completion while 1 Grantee has refused to take it. Another 4 challenge grants are in procurement stage.
b. Profiling Agribusinesses and Prioritizing Interventions			
c. Grants support (challenge grants) issued to enterprises as per			

<sup>14</sup> RMA in order to determine who the buyers are, how much quantity is demanded, the quality of product demanded, and the number of FEGs/individual farmers to be organized in order to produce the required product and sell it to the market.

Activities / Outputs	Target Year 2	Achievement as of 30 Sep 2013	Progress Update
prioritized value chains			
d. Grants support process initiated to lead company grants issued	6	-	The process for multiple lead company grants initiated, however, feasibility study and preparatory arrangements require time and resources for Lead companies
<b>SECTION FOUR: MONITORING, EVALUATION &amp; COMMUNICATION</b>			
a. Preparation Work Plan for Year 2 & 3			Work plan approved for year-2 and year-3.
b. Monthly Progress Review Meetings			Fortnightly/Weekly progress review meeting are being held.
c. Quarterly Progress Review Meetings			As above.
<b>Studies and Assessments</b>			
a. Meat Industry (Part 2)		-	Meat VC assessments part-1 and 2 Completed. Reports published.
b. Cattle Colony Karachi			Completed. Report published.
c. Cold Chain Infrastructure			Cold Chain assessment part-1 & 2 completed. Reports published.
d. Studies for each value chain (taking lead from the list of 16 planned VC for FY-13)			Apricot, Chili & Potatoes VC assessments completed. Reports published.
e. Horticulture Value Chain Analysis			Horticulture (potato, peaches, chillies, Banana) VC assessment Completed. Report published.
f. Dairy VC Analysis			Completed. Report published.
g. Fruit Plant Certification Scheme			Pending
h. Beneficiaries Studies (Rolling Benchmarking)			On-going
i. Assessment of Farm Service Centers			Consultative meetings held with FSCs.
j. Other studies			
k. Establishment of M&E database and Software Testing	-	-	On-going.
l. On-going monitoring of program activities as per AWP and PMP	-	Covered from OB	On-going
m. Submission of bi-weekly reports	24	15	12 Bi-weekly and 3 monthly reports submitted as per understanding with USAID.
n. Submission of quarterly progress reports	3	3	Quarterly progress reports submitted.
o. Information communication and dissemination	-	-	Ongoing
p. Outsourcing and development of IMIS Software	4	4	Firm engaged. Iteration-1 developed & training conducted. Development of Iteration-2 is in progress.
q. Project reporting on USAID Pak Info	-	-	Data on Indicators & district wise spending is being updated on quarterly basis.