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THE AGRIBUSINESS PROJECT

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Quarterly Progress Report - X (January 1, 2014 to March 31, 2014)

April 29, 2014

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ABBREVIATIONS AND ACRONYMS

ASF	Agribusiness Support Fund
BDSPs	Business Development Services Providers
BRC	British Retail Consortium
COP	Chief of Party
DAP	Detailed Activity Plan
EA	Environmental Assessment
EGA	Economic Growth and Agriculture
EMMP	Environmental Monitoring and Mitigation Plan
EPA	Environmental Protection Agency
FEG	Farmer Enterprise Group
FSC	Farm Services Center
GAP	Good Agricultural Practices
GB	Gilgit Baltistan
GEC	Grants Evaluation Committee
GIS	Geographic Information System
HACCPs,	Hazard Analysis Critical Control Points
HV/OSV	High Value Off-Seasons Vegetables
ICT	Islamabad Capital Territory
IFS	International Featured Standards
IMIS	Integrated Management Information System
IP	Implementing Partner
ISO	International Standard Organization,
JAA	J.E.Austin Associates
KPK	Khyber PakhtunKhwa
LOP	Life of Project
M&E	Monitoring and Evaluation
MSMEs	Micro, small and medium enterprises
MSU	Management Support Unit
NGO	Non-Government Organization
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PRC	Planning and Review Committee
PRHA	Participatory Rural Horticultural Appraisal
PRLA	Participatory Rural Livestock Appraisal
SME	Small and Medium Enterprises
TA	Technical Assistance
TAP	The Agribusiness Project
USAID	United States' Agency for International Development
USG	United States Government
UVAS	University of Veterinary and Animal Sciences
VCP	Value Chain Platform

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1 EXECUTIVE SUMMARY

The following is a summary of the most significant achievements during quarter-2 of FY 2014 that will contribute toward the achievement of the development assistance objectives and objectives of the project.

- i. As of previous quarter, the project supported ten companies had exported horticulture and livestock products worth USD 11.11 million. During the second quarter, the project supported participation of 29 companies in international marketing events (Fruit Logistica 2014, Gulf Food 2014, and a Pakistani Kinnow delegation marketing visit to Malaysia) for fruits, vegetables and meat. Seven companies that participated in the project supported events and held b2b meetings with international buyers reported export of fruit, vegetables and meat worth USD 6.76 million during the reporting quarter, making the total export value of USD 17.87 million as of March 2014.
- ii. The incremental sales encompass the value of exports as a result of USG assistance. The agribusinesses that participated in project activities, achieved incremental sales worth USD 6.76 million during quarter-2 and cumulative sales of USD 8.9 in first two quarter of FY 2014. The incremental sales will significantly increase during subsequent quarters of the project as a result of provision of technical assistance and transformation support to beneficiaries in the targeted value chains.
- iii. A total of 328 new full time equivalent (FTE) jobs were created as a result of implementation of activities in the high value off-seasons vegetables (HVOSV), grapes and apricot value chains. The activities include establishment of grapes orchards/vineyards, apricot orchards and construction of high tunnels for production of HV/OSV.
- iv. 349 micro and small enterprises were linked to larger-scale firms as a result of USG assistance while 591 micro small, medium enterprises received business development services BDS from USG assisted sources.
- v. A total of 513 persons were trained in technical and enterprise development trainings in HV/OSV, Seed Potato and Banana value chains, whereas a total of 2218 rural households directly benefited bringing a total of 96 hectare of new land under improved technologies and management practices as a result of project interventions in selected value chains.
- vi. Under the international certification program, an enterprise was certified; audits of nine enterprises were completed while audit preparations for six enterprises were completed. As of March 31, 2014, status of 22 enterprises received certification, 24 enterprises successfully completed audit and waiting for issuance of certificates by certification body, while 5 enterprises completed preparation and are waiting for audit by certification body. The female beneficiaries account for 19% of total project beneficiaries in the reporting quarter.
- vii. The following key results were achieved in the reporting quarter in prioritized value chains
 - a. **Apricot VC**
 - Completed construction of 18 out of 20 Apricot orchards on 25 acres of land at Gilgit Baltistan,
 - Initiated establishment of 800 solar tunnel dryers for drying of apricot.
 - b. **Banana VC**
 - Trained 20 producers/processors in a 2 day technical training on “Banana pre and post-harvest management”. The participants were provided with Banana toolkits.
 - Grant support package approved for 54 FECS (800 farmers).

- The selection of participants for exposure visit was finalized while necessary documentation is in progress.
- c. **Red Chillies VC**
- The revised proposal for grant support to 1445 farmers in drying of Chiili was approved and implementation initiated.
 - The second meeting of Chili Value Chain Platform was held at Kunri and attended by 25 members.
 - The USAID and project staff met the office bearers of Red Chili growers association and farmers.
- d. **HV/OSV VC**
- The additional 210 high tunnels approved by USAID while 80 percent structure work on completed on already approved 91 high tunnels.
 - 275 farmers for HV/OSVs from Gilgit were supported through provision of improved HV/OSV seed.
 - 135 female famers HV/OSVs from Mansehra trained in a 2 day training on Enterprise Dev.:
 - 79 farmers of high tunnels trained on Enterprise Development with an exposure visits to local market.
 - The USAID team visited the project-supported newly constructed high tunnels and expressed their satisfaction over the pace and quality of work.
- e. **Meat VC**
- 30 mangers from meat industry Lahore trained in a 21 day training course on meat processing under the 3-tier modular training program, while 95 workers (65 from Karachi and 30 from Lahore) were trained in meat processing in collaboration with University of Animal and Veterinary Sciences (UVAS) Lahore and International Carcass Specialist, engaged by the project.
 - The development of SOPs for Buffalo veal production trial program is in progress.
- f. **Seed Potato VC**
- 23 participants of Potato VC from Gilgit trained on Seed Potato Production Technologies
 - In pursuance to b2b meeting between Seed potato producers and Potato buyers organized by the Project, M/S Zamindara Seed Corporation (ZSC) signed an MoU with 6 FEGs of Yasin valley-District Ghizer for production of seed potato over an area of 50 acres.
- g. **Grapes:**
- Grapes included as 8th VC in project scope focusing on establishment of vineyards on 201 acres of land. 67 applicants finalized for vineyards establishment on receiving their feasibility report
 - 22 grape growers participated in field day on winter pruning and vineyards management practices. They were provided with fact sheet on management and were also handed over pruning kits.
 - 11 grape growers participated in the planning workshop on summer management practices.

2 PROJECT OVERVIEW

2.1 INTRODUCTION

This quarterly performance 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 January 01, 2014 to March 31, 2014. In addition to the preliminaries and an executive summary, the report comprised of three sections and five Annexures.

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

The report encompasses success story of the project beneficiary, demonstrating increase in their 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 quarter.

2.2 BACKGROUND

The Agribusiness Project, funded by USAID, commenced on 10th November, 2011 with the overall goal of "increased competitiveness and productivity of horticulture and livestock sub-sectors in collaboration with all stakeholders". The project was conceived based on the potential the agriculture sector represented in the country owing to its size, structure and relevance to poverty reduction. Although the agriculture sector has considerable contribution to national economy and employment generation, yet it is characterized by a narrow structure with overwhelming dependence on few major crops. The national strategies have been pursuing diversification into horticulture and livestock sector as a way to increase economic growth and eradicate poverty. Being relatively neglected, horticulture and livestock sub-sectors are constrained by low productivity, high rates of post-production losses, low levels of value addition, and inability of chain actors to ensure compliance to quality standards. The lack of value chain linkages between stakeholders (input suppliers, farmers, service providers, traders, processors) is a demonstration of market failures and has resulted in slow growth in export products.

The growth of high-value and value added products in the horticultural and livestock value chains is positively influenced by market opportunities, while at the same time is limited by various constraints from start to the end of each value chain. Major emphasis of the project approach is the appropriate emphasis on enhancing competitiveness, through market orientation, improving efficiency of agribusinesses within the targeted value chains, increasing profitability and ensuring sustainability.

2.3 GOAL

The overall goal of the Project is to support improved conditions for broad-based economic growth, enhanced profitability, employment opportunities and will contribute to poverty alleviation through product and process transformation of selected value chains in horticulture and livestock sub-sectors."

2.4 OBJECTIVES

The three specific objectives of the project are ;

- To strengthen capacities in horticultural and livestock value chains to increase sales to domestic and foreign markets;
- To strengthen the capacity of smallholders (through farmer enterprise groups-FEGs), individual farmers and agribusinesses to operate effectively and efficiently; and,
- To increase productivity and profitability through adoption of new techniques and technological innovations (among farmers, agribusinesses and business development services providers).

2.5 TARGETED VALUE CHAINS AND PRIORITIES

The Project plan contemplates working in 8 VCs prioritized through multiple indicators based criteria:

- **Economic Potential** (Value of Production; Pakistan 's Vs. Global Yields Ratio; Percent changes in Production (past five years); Current Value of Exports; Percent change in Export Volume (past five years); Revealed Comparative Advantage (RCA); and Relative trade balance.
- **Distribution of Benefits** (Number of acres harvested or dedicated to animal production; Net income, Farm size, Share of household income provided by the value chain, and, The percent of value chain farms belonging to small producers).
- **Geographic location – focus on areas of high production**

The targeted value chains identified on the basis of an evaluation of the characteristic of each with respect to its potential for achieving quantitative impact on income and employment, as well as with respect to the distribution of benefit with respect to impacting small producers and enterprises.

2.6 PROJECT COMPONENTS

The project components are (i) technical assistance and (ii) value chain transformation support. However, as opposed to the traditional component led project, the project design places primary focus on the target value chains and clusters and will use the sub-components as a means to an end. Project components will serve as a framework for operational ease only and group the activities as a package of assistance. Within the technical assistance, there are several sub-components that aim to strengthen market linkages between stakeholders; catalyze value chains; and, maximize the participation of small farmers in the formal value chains. The components will complement each other and are graphically illustrated in Figure-1 below:

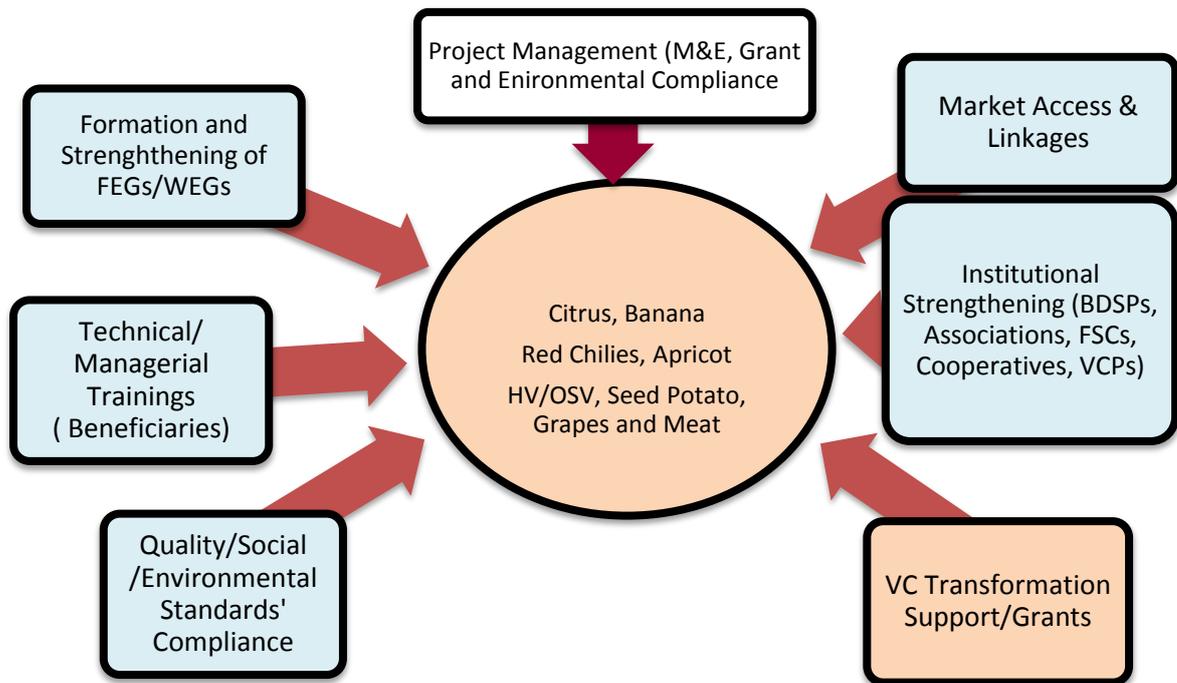


Figure 1: Project approach and components

2.6.1 TECHNICAL ASSISTANCE (TA) FOR VALUE CHAIN SUPPORT

This component of the project provides the basis for the transformation support and includes a number of sub-components. The technical assistance is an integral part of the value chain transformational support and addresses various systemic and functional gaps in the target value chains. The technical assistance include:

- Technical and Managerial Training and Market Access and Linkages;
- Formation and Strengthening of Farmer Enterprise Groups/Women Enterprise Groups;
- Institutional Strengthening (Value Chain Facilitators and Service Providers FSC, VCPs, Associations & Cooperatives) ; and, Standard Compliance

2.6.2 VALUE CHAIN TRANSFORMATION SUPPORT

The value chain transformation support provides assistance to eligible agribusinesses and farmer enterprise groups for undertaking capital and capacity investments to strengthen and expand prioritized value chains. It is designed to identify and support innovative ideas such as, expansion of product lines, increase market access and marketability of existing and new products, raise level of productivity, facilitate effective management/operation of enterprises and organizations/associations, and raise the level of investment in the agribusiness sector.

The transformation support is provided within targeted value chains as a complement to the technical assistance, training and market intervention package that the projects provides to participants of VC clusters. Transformation support will cover gaps at the individual agribusiness level and fund proposals of associations and service providers only, for commercial activities.

2.7 FINANCIAL SUMMARY

Duration of the Project:	November 10, 2011 to November 09, 2015
Total amount:	USD 39,947,421
Amount obligated to date:	USD, 27,300,000
Expenditures during reporting quarter:	USD 2,878,860
Cumulative expenditures to date:	USD 19,112,137

The detail financial progress is placed at **Annexure-1**.

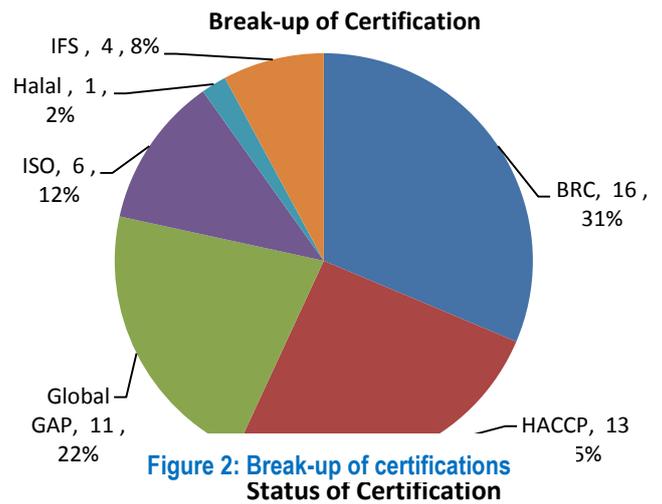
3 PROJECT PROGRESS

A. TECHNICAL ASSISTANCE

3.1 STANDARDS COMPLIANCE

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; the acquisition of export certifications is thus a minimum requirement for exporters.

The project selected fifty one companies for 53 internationally accepted certifications. Two consulting firms¹ and a certifying body² were engaged to facilitate preparation and certification process. The consultation and certification process for 53 certifications of British Retail Consortium³ (BRC), International Features Standards (IFS)⁴, Global GAP, ISO, Halal, and HACCP was initiated over the last two years, out of which two enterprises for Global GAP and one for IFS were dropped out. The break-up of the number of certifications in each category is given in **Figure-2**.



During the reporting quarter, one enterprise was certified; audits of nine enterprises were completed and audit preparations for six enterprises were completed. As of March 31, 2014, status of certification is given below:

- 22 enterprises completed the certification requirements and received certifications.
- 24 enterprises successfully completed audit and are waiting for certifications.
- 5 enterprises completed preparation and are waiting for audit by certification body. The status of certification is given in Figure-3 and Figure-4.

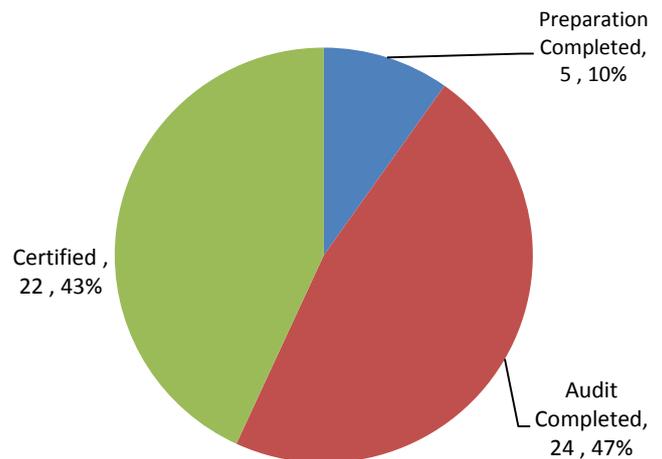


Figure 3: Status of Certification

¹Quality Systems and Star Farms

²BureauVeritas

³ 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.

⁴ IFS is a case standard in Europe & all major retailers in Germany, France, Italy & other EU countries require suppliers to be certified to IFS.

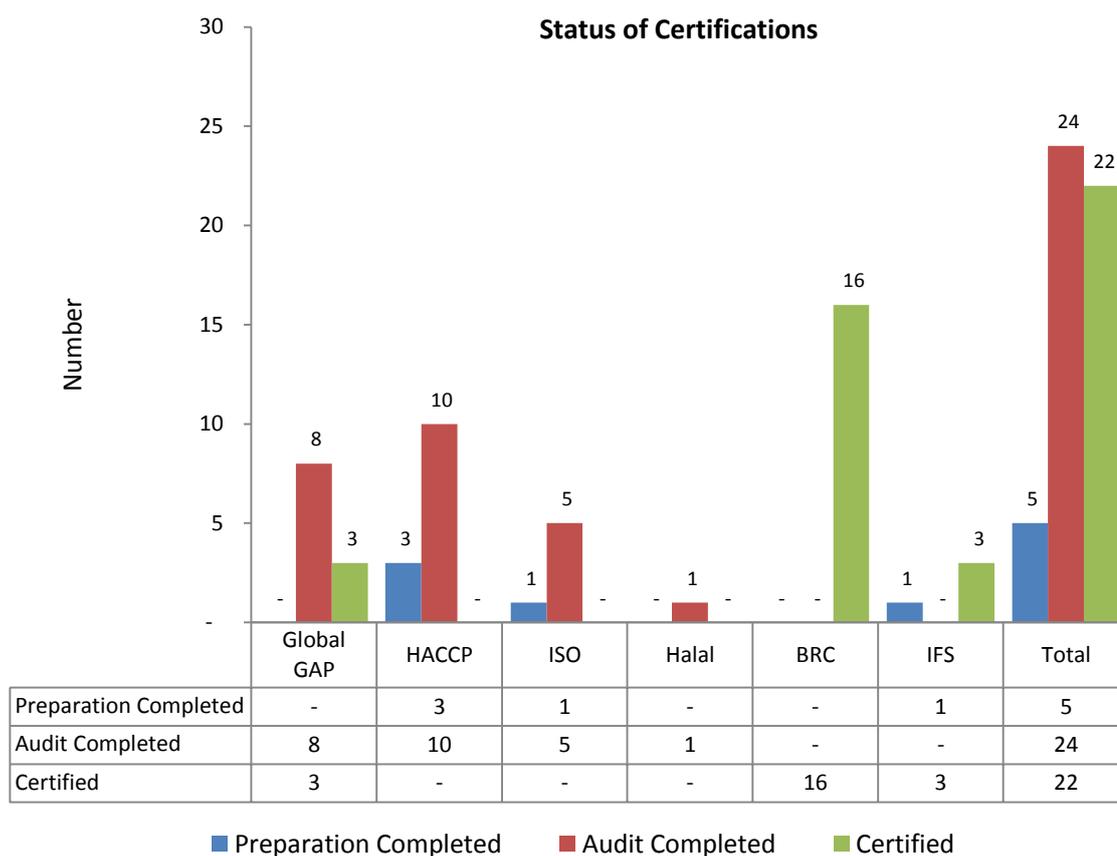


Figure 4: Detailed Status of Certification

The certification wise explanations are given below.

- **BRC:** 16 enterprises certified.
- **HACCP:** 13 enterprises have successfully completed audit and they are waiting for issuance of certificates by certification body, while audit of 3 enterprises by the certification body is pending.
- **Global GAP:** 3 enterprises have received certification; audits of 8 enterprises (6 citrus, 1 banana and 1 fish) have been completed by certification body and they are waiting for issuance of certificates, while 2 enterprises were dropped out.
- **ISO:** 5 enterprises have completed audit and are waiting for issuance of certificates by certification body, while audit of one enterprise by the certification body is pending.
- **IFS:** 3 enterprises have completed certification and are waiting for issuance of certificates by the certification body, while certification of one enterprise could not be completed due to non-availability of relevant expertise with the certification body in Pakistan.
- **Halal:** 01 enterprise completed audit and is waiting for receiving certification.

The successful completion of above mentioned certification will enable the relevant enterprises to access international markets, complement project interventions during third and fourth year and result in increased exports of horticultural products from Pakistan.

3.2 MARKET ACCESS AND LINKAGES PROGRAM

Under the International Market Access Program (IMAP), the Agribusiness Project as of previous quarter supported participation of 31 horticulture and meat enterprises in four international marketing events for fruit, vegetables and meat. As a result of their participation and Business to Business (b2b) meetings with buyers at the events, 10 companies achieved export sales of USD 11.11 million till December 2013. 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. During the reporting quarter, the project supported participation of 29 companies in following marketing events resulting in an export value of USD 7.6 million achieved by seven companies during the reporting quarter.

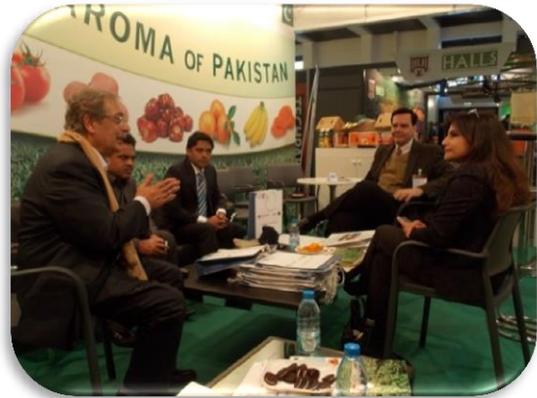


Figure 5: B2B meeting at Fruit Logistica, Berlin

The Agribusiness Project supported participation of eight private sector enterprises in Fruit Logistica held from February 5-7, 2014 in Berlin. The enterprises attended business to business meeting and post-event information indicated that the participating companies received nine tentative purchase orders for potatoes, kinnow and mangoes. A questionnaire will be sent out to participants to determine final results.

The project supported participation of eleven private sector enterprises at Gulf Food, Dubai from February 23-27, 2014. In order to showcase Pakistani meat, samples of Pakistani beef and veal were provided by Abedin International and prepared by International Carcass Specialist Wayne Murtagh. An introductory tasting event was arranged in collaboration with the Pakistani High Commission in Dubai on February 25, which was attended by 95 prospective importers from different parts of the world.



Figure 6: Participation at Gulf Food, Dubai.

The project supported a 10-member Pakistani Kinnow delegation on an exploratory marketing visit to Kuala Lumpur, Malaysia from March 7-12, 2014. The delegation held a series of meetings with major importers of fruits and met with the Pakistani High Commission in Malaysia and discussed the marketing strategy for export of Pakistani Kinnows to Malaysia. The delegation also met with the Chairman of ASEAN Business Council, Mr. Datur Ramesh, who assured his full support in getting access to major Malaysian importers of Kinnow, Meat, Chili and Potato. As a consequence of the visit, members of the delegation initially received orders for export of 5 containers of Kinnows to Malaysia.



Figure 7: TAP stall at Dawn Agri Expo.

The Agribusiness Project participated in the DAWN Agri Expo held on March 13-14, 2014 at Lahore. Five beneficiaries of the project, representing the Banana, Chili, Apricot, HV/OSV and Meat Value Chains, participated and displayed their products. The project shared communication material including leaflets, brochure on the upcoming meat festival and standees for dissemination of project related information. The DAWN Agri Expo is promoted as one of the largest agricultural expositions in Pakistan and attracts participants from all the agricultural business circles in the country. It was a significantly important event that helped promote the project, as well as give an opportunity to the participating farmers to project their business. TAP consultant, Mathew Brown, presented a paper on 'Meat-The Potential for Growth'. The event-wise of the export value achieved by the project supported enterprises as of March 31, 2014 is placed at **Annexure-2** and summarized in Figure-5 below.

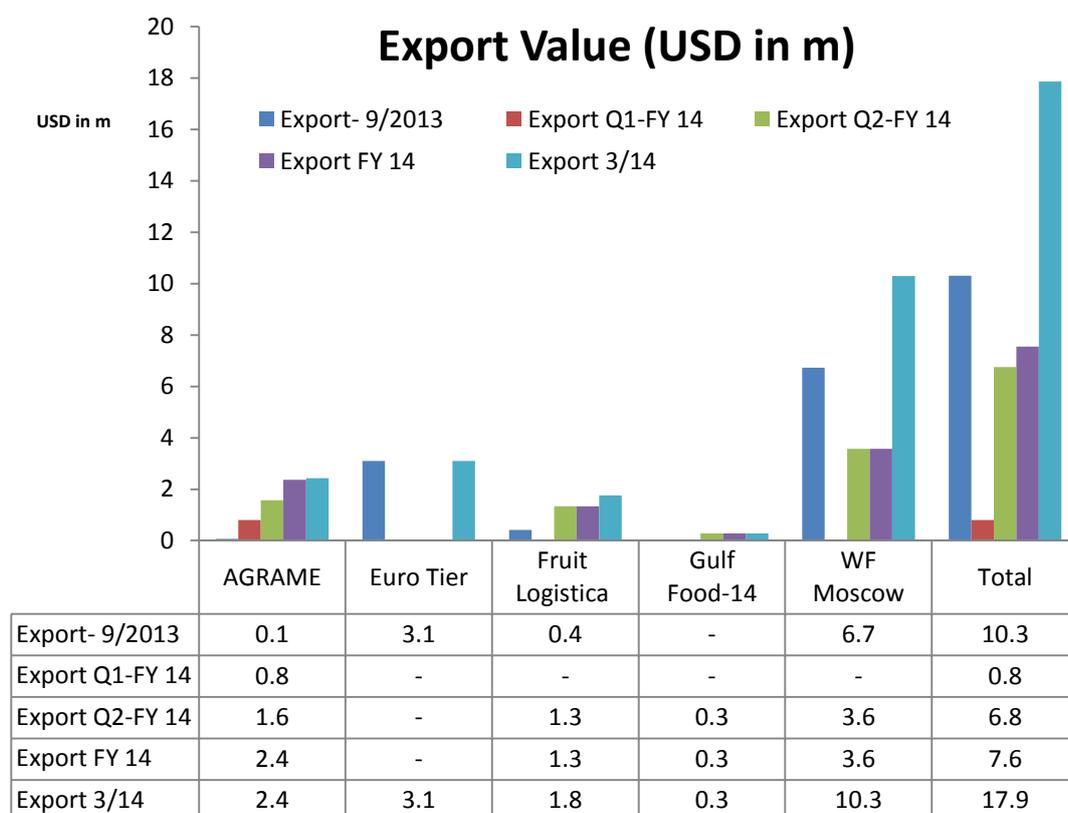


Figure 8: IMAP data - Export value

The Agribusiness Project facilitated a meeting with a 15-member delegation of business leaders and members of the regulatory/business development body from the Xinjiang Province, China, who visited Pakistan to explore opportunities for export of Halal meat from Pakistan to China. The project made a presentation to the visiting delegation on “Pakistan as a hub for Halal meat” and accompanied the delegation during visits to various components of meat value chain.

The Agribusiness Project and Trade Development Authority (TDAP) jointly signed a Memorandum Of Understanding (MOU) to increase private sector participation in value addition in the horticulture and livestock sectors in Pakistan. The ceremony was held at Karachi and attended by TDAP, TAP and USAID representatives. Through a multi-pronged strategy, and with particular emphasis on small and medium enterprises and women, TDAP is making special efforts to improve the effectiveness of agriculture-related trade development, advancing employment opportunities and supporting change in the targeted sectors.



Figure 9: Signing of MOU - TAP & TDAP

The following progress was achieved during the reporting period:

- 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 field work and consultative meetings for value chain and competitiveness assessments was completed by local and international consultants.
- ii. **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 consultant completed international field work at Malaysia, Singapore, Indonesia, Dubai, Abu Dhabi, Kazakhstan and Uzbekistan.

iii. **Market Positioning/Brand Development:**

The project conducted several consultative meetings with major processors/exporters, members of academia, certification bodies and major public sector players to develop a marketing strategy for all prioritized value chains. In the reporting period, meetings were held with Al-Raaziq (major transport / logistics Company), Jango Farms (Fruit and Vegetables exporter), Bio Foods (Banana, Chili and seed potato exporter), Izhar Group of Companies (Grapes), Roshan Traders (Major Fruit and Vegetables Exporter) and Jawad Commission Shop (Grower and local merchant of Chili). IMLP has reached out to the Pakistan Turkey (Pak-Turk) Business Council to prioritize the list of major Apricot buyers from Turkey. The list will be used to invite a delegation of potential key apricot buyers from Turkey to visit Pakistan. Several major players including Roshan Traders, Bio Foods and Jawad Commission Shop have also agreed to sign MOUs with TAP IMLP&MAP.

3.3 INSTITUTIONAL STRENGTHENING (VC FACILITATORS, SERVICE PROVIDERS, FSC, VCP, ASSOCIATIONS AND COOPERATIVES):

The second meeting of the Chili Value Chain Platform was held on March 3, 2014 at Kunri and attended by 25 stakeholders, including chili growers, traders and exporters, as well as representatives of the public sector and research institutions. The meeting reviewed the progress achieved/ status of the decisions of first meeting, discussed the number of FEGs formed for red chili and support being provided to them. The project also shared a manual on “Red Chili Cultivation” prepared in Urdu and Sindhi languages for capacity building of chili growers. The Red Chili Growers Association (RCGA) informed that the area under chili cultivation is reducing due to an unidentified disease, and there is a need to remove the infected plants identified through laboratory testing. The



Figure 10: Chili VC Platform Meeting

project was requested to facilitate testing samples of infected planted plants. RCGA will send a proposal to the Sindh Government requesting a TAP-supported lease to operate the Kunri Aflatoxin Testing Laboratory.

3.4 TECHNICAL AND MANAGERIAL TRAINING

The following technical and managerial trainings were carried out during the reporting period;

- a. 23 participants (seed producers, multipliers, dealers) of Seed Potato value chain from Gilgit Baltistan project region were trained in a 5 day training on Seed Potato Production Technologies, held from March 24-28, 2014 at Horticulture Research Institute, National Agriculture Research Center (NARC), Islamabad. The closing session of the training was also attended by USAID staff.
- b. 20 participants (producers and processors) of Banana VC were trained in a 2 day technical training on “improving proper quality of Banana through pre and post-harvest management” organized from February 3-4, 2014 in collaboration with the Sindh Agriculture University, Tandojam. The closing ceremony of the training was attended by USAID EGA official.
- a. 79 farmers from KPK, ICT and Lahore were trained in a 5-day Enterprise Development Training (EDT) in four batches. As part of the training, the participants also attended an exposure visit to local markets for establishment of linkages with buyers/large scale firms for purchase of inputs and marketing of their produce.
- b. 135 female farmers of HV/OSVs from Mansehra district were trained in batches of 2 day training on EDT. Technical training was also imparted to another 9 FEG members by another implementing partner.

B. TRANSFORMATIONAL GRANTS

The value chain wise progress achieved on transformation grants support during the reporting quarter is discussed below:

3.5 ESTABLISHMENT OF APRICOT ORCHARDS

The project is supporting establishment of 20 Apricot orchards on 25 acres of land in Gilgit Baltistan. The layout, pits digging, poles fixing and fencing, tree plantation and tree top working of 18 Apricot Orchards have been completed, while fencing and pit making for remaining 2 Apricot orchards are in progress and will be completed before the start of Apricot planting season in the respective areas. A technical expert for establishment of new varieties of apricot commercial orchards visited different nurseries in the public and private sector, and finalized the variety of apricot for orchard establishment.

The technical expert has also finalized materials for Apricot orchards owners were created with Mountain Area Research Center (MARC) Jaglote Gilgit from where the Apricot farmers purchased rootstock plants.



Figure 11: Apricot VC- Installed Pole and Barbed wire

Provision of Small Solar Tunnel Dryers up to 800 famers in Gilgit-Baltistan: The transformational support for establishment of small tunnel dryers to 80 FEGS (800 famers) was approved USAID. The small solar tunnel dryer uses advanced drying technology for Apricot processing and would support improved quality of dried Apricot, which will result in increased sales revenue, beneficiaries' income, and creating new jobs, besides minimizing post-harvest losses.

3.6 BANANA VC

Banana Technical and Managerial Training:

20 participants representing Banana producers and processors were trained in a 2-day technical training on "improving proper quality of Banana through pre and post-harvest management" organized from February 3-4, 2014 in collaboration with the Sindh Agriculture University, Tandojam. The participants were provided with Banana toolkits consisting of Tyvek bags, perforated bags, hand gloves, and de-handing knife followed by a practical demonstration on its use. The training also provided an opportunity to the participants to discuss issues of their mutual interest. The closing ceremony of training was attended by USAID staff.



Figure 12: Banana Training at Sindh Agriculture

3.7 CITRUS VALUE CHAIN:

The project supported a 10-member Pakistani Kinnow delegation on an exploratory marketing visit to Kuala Lumpur, Malaysia from March 7-12, 2014. The delegation held a series of meetings with major importers of fruits and met with the Pakistani High Commission in Malaysia and discussed the marketing strategy for export of Pakistani Kinnows to Malaysia. The delegation also met with the Chairman of ASEAN Business Council, Mr. Datur Ramesh, who assured support in getting access to major Malaysian importers of Kinnow, Meat, Chili and Potato.

As a consequence of the visit, members of the delegation initially received orders for the export of 5 containers of Kinnows to Malaysia.

The model for Citrus value chain was finalized and a review meeting on the model was conducted on March 15 with the Sargodha Kinnow Growers Association. The meeting was attended by 10 participants in which the salient features of the Kinnow model farm was discussed. The role of Cooperatives was also discussed in detail and the meeting concluded with members from the Sargodha Cooperatives proposing to give a detailed presentation by first week of April.

3.8 RED CHILI VALUE CHAIN

The second meeting of the Chili Value Chain Platform was held on March 3, 2014 at Kunri and attended by 25 stakeholders, including chili growers, traders and exporters, as well as representatives of the public sector and research institutions. The meeting reviewed the progress achieved/ status of the decisions of first meeting, discussed the number of FEGs formed for red chili and support being provided to them. The project also shared a manual on “Red Chili Cultivation” prepared in Urdu and Sindhi languages for capacity building of the chili farmers.



Figure 13: Chili VC Platform Meeting

The Red Chili Growers Association (RCGA) informed that the area under chili cultivation is reducing due to an unidentified disease and there is a need to remove the infected plants identified through laboratory testing. The project was requested to facilitate testing samples of infected planted plants. RCGA will send a proposal to the Sindh Government requesting a TAP-supported lease to operate the Kunri Aflatoxins Testing Laboratory.

The Agriculture Specialist, USAID accompanied the project staff during the visit to Kunri area, where the team met the President and office bearers of the RCGA and farmers.

The transformational grant support to FEG members enabling them to adopt good agriculture practices and efficient technology of chili drying for reducing level of Aflatoxins was approved by USAID . The project has already initiated implementation of the Grant.

3.9 HIGH VALUE OFF-SEASONS VEGETABLES (HV/OSV)

Establishment of High Tunnels for HV/OSV

There is a growing trend of high value and off-season vegetables production throughout Pakistan. This is among the fastest growing sub-sectors owing to its relatively high profitability and increasing market demand. The project is supporting the production of high value off-season vegetables in KPK, ICT/Potohar and Lahore regions through construction of high tunnels and adoption of plastic culture.

Ninety-one (91) high tunnel grantees (31 from KP/FATA, 36 from ICT/Potohar/Hazara and 24 from Lahore) have completed 80 percent structure work

Additional 210 grants for establishment of high tunnels approved by USAID for corporate farmers from ICT/Potohar, FATA, KPK and Lahore clusters Subagreement signed with 205 grantees and implementation is in progress.

High Value/Off Season Vegetables – 98 FEGs

275 farmers/FEG members for HV/OSVs from Gilgit Baltistan were supported through provision of capsicum seed. Another 1035 farmers for HV/OSV and Seed Potato from Swat, Dir Lower, Malakand, Charsadda and Gilgit Baltistan were provided with First aid kits with an orientation on its use.

One hundred and thirty five (135) female famers from nine female FEGs of HV/OSVs from Mansehra district were trained in a 2-day training on Enterprise Development, organized by the implementing partner through the Training Service Provider. 9 FEG members were also trained in technical training.

The training curriculum for Enterprise Development Training (EDT) was developed in collaboration with the Training Service Provider. 79 farmers from KPK, ICT and Lahore were trained in a 5 day EDT in four batches. The training assessments showed marked improvement in knowledge of training participants on enterprise development. As part of the training, the participants also attended an exposure visit to the local markets for establishment of linkages with buyers/large scale firms for purchase of inputs and marketing of their produce.

99 new FEGs in HV/OSV were formed by implementing partners in Swat, Dir, Peshawar and Nowshera, Mansehra, and Lahore districts during reporting quarter.

Orientation meetings were held with the Directors/ Deputy Directors Agriculture Extension and local farmers of various districts of Punjab and KPK and briefed them on project support for establishment of high tunnels for production of high value off-seasons vegetables. The USAID team visited the project-supported, newly constructed high tunnels in Charsadda, Nowshera, Fateh Jang and Hazro areas and expressed their satisfaction over the pace and quality of work completed at these sites.



Figure 14: High Tunnel for HV/OSV production



Figure 15 Capsicum seed distribution at Diamer



Figure 16: AOR visit to a high tunnel site at Hazro

3.10 ESTABLISHMENT OF GRAPE ORCHARDS:

Grape value chain in the Pothohar Region presents a unique opportunity for both producers and buyers to earn high incomes. Before its de-scoping, The Agribusiness Project (TAP) did significant work in this value chain in the region and helped farmers establish vineyards on 90 acres. During the de-scoping exercise, grape value chain was dropped because the Project wanted to work on fewer value chains but the demand from the potential producers and the existing ones continued to be enormous. The aspect which makes the grape value chain unique in the Pothohar Region is the two varieties, i.e. Kings Ruby and Seedless Flame. These varieties mature in June, i.e. before the monsoon rains start and are thus not affected by the rainy season at all. The window during which these grapes are available is the last two weeks of June when no other grapes are available in the market. Thus they face zero competition and fetch high incomes to those involved in the sector. TAP has therefore decided to introduce grape production in the Pothohar Region as the 8th value chain of the Project. The project will focus on establishment of new orchards in partnership with the potential growers. It will also focus on capacity building of vineyard owners, especially in orchard establishment and its management. The Project will also work at the higher end of the chain, i.e. processing and marketing.

The Request for Application (RFA) for establishment of grapes orchards was advertised on the project's website. Sixty seven (67) applicants were selected from ICT/Pothohar, Attock and Chakwal districts. The selected 67 grants for establishment of orchards on 201 acres were approved by USAID. The agreements with selected beneficiaries signed in April 2014 and implementation of the activity is in progress

22 grape growers participated in the field day on winter pruning and vineyards management practices held on February 19, 2014 in Phulgran village. The participants were provided with fact sheet on management and were also handed over pruning kits. USAID officials also participated in the event. 11 grape growers also participated in the planning workshop on summer management practices held on March 31, 2014.

3.11 SEED POTATO VC

Twenty three (23) participants of Potato value chain (seed producers, multipliers, dealers) from Gilgit Baltistan project region were trained in a 5 day training on Seed Potato Production Technologies, held from March 24-28, 2014 at Horticulture Research Institute, National Agriculture Research Center (NARC), Islamabad. The closing session of the training workshop was also attended by USAID staff.



Figure 17: Seed Potato Training at NARC. IBD

In pursuance to the b2b meeting between Seed potato producers from GB and large Potato buyers organized by The Agribusiness Project, M/S Zamindara Seed Corporation (ZSC) signed MoU with 6 FEGs of Yasin valley-District Ghizer–GB for production of seed potato over an area of 50 acres during 2014. ZSC will provide seed to the FEGs/farmers on credit basis for sowing and will buy back the entire production at a guaranteed price.

The proposal for construction of 15 seed potato cellars for storage of seed potato was approved by Grants Evaluation Committee (GEC). Request for Application was advertised in the national and local newspapers as well as through project's website. In response to RFA 73 applications were received by grants department selected/finalized 15 and submitted for approval to USAID.

3.12 MEAT VALUE CHAIN:

As part of implementation of Meat Value Chain, M/S University of Veterinary and Animal Sciences (UVAS), Lahore, was engaged for training of 200 trainees from the meat industry on implementation of best practices in meat supply chain production process for three levels of the meat sector viz-a-viz Managers, Supervisors and Workers. The training aims at strengthening the ability of Pakistani meat processors and exporters to meet international quality standards and hygiene for halal and traceable meat and meat by-products to the Middle East and other markets.

During the reporting quarter, 30 Managers (28 from Lahore and 2 from Karachi) and 95 “Workers” (30 from Lahore and 65 from Karachi) from different meat abattoirs, processors, retailers and exporters trained on Meat processing training held at Lahore and Karachi for the benefit meat abattoirs, processors, retailers and exporters. The details of the trainings conducted for meat industry during the reporting period is placed at Annexure-3.

The first batch of three tier modular training program’ for members (Managers) of meat industry was successfully completed. 30 participants from meat industry were trained in a 21-day three-tier modular training course in collaboration with the University of Veterinary and Animal Sciences (UVAS). The topics covered in the training include Halal certification, Red meat production operations, Meat biochemistry and quality, Animal welfare, Meat hygiene and public health, HACCP for meat industry, Meat refrigeration and further processing/ value addition, Meat processing plant design and construction, Quality assurance and traceability in meat processing.



Figure 18: 3 tier modular training for meat industry

The training for workers of meat industry were conducted in batches at Lahore and Karachi in collaboration with UVAS and attended by 95 workers from meat industry (meat abattoirs, processors, retailers and exporters). The Project’s Consultant/ International Carcass Specialist conducted three advanced butchery techniques training sessions and trained 20 workers in Lahore and Karachi as Master Butcher. In addition, the UVAS has also conducted two awareness workshops, one each at Lahore and Karachi, which were attended by large number of stakeholders from the meat industry.

The UVAS will also conduct an advanced training for workers upon completion of three tiers training program. The participants for advanced training will be selected based on their performance after being trained in the three tier modular trainings.

Development of Standard Operating Procedures (SOPs) for Buffalo veal Production in collaboration with University of Veterinary and Animal Sciences (UVAS)

The project intends to explore the viability of veal/beef calf farming as a profitable and sustainable industry by commercially raising buffalo calves for the production of high quality veal. For this purpose project has signed contract with UVAS for development of Standard Operating Procedures (SOPs) for raising buffalo calves to veal which will include treatment protocols, calf rearing parameters, calf carcass parameters and statistical analysis of animals growth/health at different intervals. The SOPs for production of veal from buffalo animals is aimed at developing a model for encouraging commercial veal production. The procurement of SOPs will be based on the rearing of 100 buffalo calves during a six months period to establish the procedures for quality production of pink veal; at the village level and subsequently at the commercial level to tap export market under the compliance of international standards, ultimately triggering development of a sophisticated meat

supply chain as part of an integrated approach to the transformation of the sector in the economy. The TAP in collaboration with M/S University of Veterinary and Animal Sciences (UVAS), Lahore is implementing the SOPs for production of veal from buffalo animals.

3.13 SUMMARY OF GRANT COMPONENT:

The summary of the progress achieved on the grant component is as under:

- i. Provided support to 91 individual farmers of various Districts from KPK, ICT/Potohar and Punjab for establishment of high tunnels for production of high value off-seasons vegetables.
- ii. Under the Grant support to, Hoslamand Khawateen Network trained 75 Local farmers on Improvement of Livestock Shelters and extension services.
- iii. The following grant proposals were approved by Grants Evaluation Committee;
 - Implementation of good agriculture practices & quality improvement of Banana through transformational support of harvesting tools for 54 Banana FEGs in Sindh
 - Establishment of 15 Seed Potato Cellars in Northern Areas.
 - Promotion of High Value / Off-Season Vegetables for 25 FEGS at Mansehra district.
 - Structure Farming for HV/OSV in District Peshawar and Nowshera for 24 FEGs.
 - 210 high tunnels for production of HV/OSV approved by GEC/USAID.
 - Promotion of Grape Production for sixty seven (67) farmers in ICT/Pothwar region.
- iv. 109 grant agreements were signed with 109 FEGs (comprising over 1600 farmers) for production and promotion of HV/OSV as per below details.
 - 60 FEGs formed by RCDS from Sheikhpura, Nankana and Kasur districts
 - 25 FEGs formed by Hashoo Foundation from Mansehra district
 - 24 FEGs of SRSP from Nowshera and Peshawar.
 - 45 FEGs of LASOONA from Malakand division.
- v. 80 grant agreements were signed with FEGs (800 farmers) from Gilgit formed by AKRSP for establishment of Small Tunnel Dryers in Gilgit, Hunza, Ghizer and Ghanche districts.
- vi. 100 grant agreements were signed with 100 FEGs (1445 farmers) formed by SAFWCO in Kunri for support to the chilli farmers in Post-Harvest Drying Technology for Chilies.
- vii. Request for applications were issued for establishment of 15 Seed potato cellar in Northern Areas and for Promotion of Grape Vineyards in ICT/Pothohar.
- viii. The project selected the following four horticultural and livestock companies in dairy, vegetable and fruit processing sectors for providing them transformational support.
 - a. Farmers Dairy, Lahore.
 - b. Fresh Pack, Lahore.
 - c. Global Social Enterprises, Swat

The sub agreement with the above three grantees signed and RFPs for procurement of machinery and other components initiated.

3.14 MANAGEMENT SUPPORT UNIT (MONITORING AND EVALUATION)

The vision of MSU is that of an internal third party source of presenting credible, scientific, and unbiased information to the Management and the Program/Value Chain on their processes, inputs, outputs, and outcomes, for determining their course of action, to meet the objectives of TAP. The abstract of M&E activities during the reporting quarter are presented below.

- i) **Monitoring, Evaluation and Reporting System:** The MSU/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 execution and posting it to database. The standardized activity based data collection forms support the progress reviews, reporting and decision making requirements. The project developed causal chains for each activity for each Value Chain, stemming from activity - output - series of outcomes - and leading to results as per Detailed Implementation Plan.
- ii) **Monitoring Project Activities:** The MSU/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. Validation visits were carried out by visiting 128 sites of high tunnels and 50 applicants for Grape orchards. This verification resulted in screening out of some applicants whose particulars did not support their application. Also carried out monitoring visits to evaluate meat value chain trainings in Karachi, Lahore, enterprise development training for grantees, and technical training for seed potato growers.
- iii) **Quarterly Monitoring and Validation Work Plan:** The quarterly monitoring and validation work plan for all the field staff was developed. The plan covers sample validation of all grants so far disbursed by TAP, along with validation of data reported in the monthly and Quarterly Progress Reports (QPRs). A communication channel was devised that focused on flow of data from the field to the Project Office.
- iv) **Support to Project Management:** MSU provided support to project management in development of plans, detailed activity plans and presentations of project activities/achievements. The progress review meetings were held on weekly basis, providing input for important decisions relating to program planning, implementation and monitoring. The progress review meetings were also facilitated with USAID team, Deputy Mission Director and Dy. Director USAID Peshawar office, Internal Monitoring Unit of USAID on Pak Info Database, hosted M&E Working Group meeting of USAID and more frequent meetings were held with AOR.
- v) **Reporting of Project activities:** The MSU team provided continued support to the project management in preparation of periodic progress reports, briefs including monthly and quarterly performance reports for submission to ASF, USAID. The progress reports were uploaded on USAID Pak Info, Micro Enterprise Results Reporting databases, Trainet etc.
- vi) **Revision of Targets for EGA Indicators:** The targets for EGA Indicators were revised (mostly upward) in consultation with relevant VC leads and USAID counterparts. It will form part of the project document under revision.

vii) **Staff Capacity Building:**

A four day M&E training was organized from January 27-30, 2014 at NARC training facility in Islamabad. This training was attended by MSU staff, representatives from IPs. The field teams presented the findings, conclusion and recommendations in the training workshop.

- a) Evaluation of female participation in project activities
- b) Evaluation of Farmer Enterprise Group (FEG) formation



Figure 19: M&E Training

3.15 BRANDING, MARKING AND COMMUNICATION

The Communications Section provided support to the project activities in targeted value chains, 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 i) Branding and marking of project activities ii) Publications (supportive and promotional materials of USAID and ASF) iii) Matching selected communication tools iv) Highlight success stories of beneficiaries v) Field visits and picture archiving and vi) Appropriate and timely media coverage (press and electronic) Website management and social media updates.

3.16 ENVIRONMENTAL COMPLIANCE

Environmental Compliance has been recognized as an integral part of TAP implementation as required under 22CFR216. Various tasks conducted by the Environment Compliance during reporting period are explained below:

- **Quarterly Environmental Monitoring;** The project carried out quarterly environmental monitoring of 94 completed grants/sites and developed reports. The grantees were trained on EMMP, safe use of pesticides as per PERSUAP, solid waste management and on health and safety issues including training on quarterly monitoring plan.
- **Development of Environmental Documentation Forms:** The environmental assessments of various grants were conducted and 564 EDFs were developed by conducting 1096 sites in 23 districts as per details placed at **Annexure-4**. The environment database has been developed and maintained that provides information on environmental compliance activities and documentation including EDFs and quarterly environmental monitoring reports. The environmental monitoring of completed grants as per requirement of EMMP was carried out for 94 sites during the reporting quarter. The grantees were also provided guidance on EMMP, safe use of pesticides as per PERSUAP, solid waste management and on health and safety issues during the monitoring visit.



Figure 20: Meeting with FEG on EMMP

3.17 CNFA SUPPORT TO THE AGRIBUSINESS PROJECT

- CNFA continued its support to the project by providing technical assistance to project in areas of M&E, IT/GIS, and Environment. The CNFA staff contributed to development of 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 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 MSU function, the team developed quarterly monitoring and validation work plan for all the field staff. The plan spanned to cover sample validation of all grants so far disbursed by TAP, along with validation of data reported in the monthly and Quarterly Progress Reports (QPRs). Accordingly the recording and reporting templates were also revised. Areas of further focus were identified that included improvement in quality of instructions to the field staff, need for gender integration in all data collection tools, need for assessing data credibility / data quality assessment, identification of Critical Control Points in data transmission, regularity of staff assessments, and impact evaluation. MSU team also conducted the pre-award validation of the various grant activities in the field.

3.18 IMPLEMENTATION CHALLENGES AND ISSUES REQUIRING MANAGEMENT ATTENTION

- The complex nature of the project targeting large number of agribusinesses across the country is a challenge. The scattered location of project sites warrant increased resources for M&E, environmental monitoring and mitigation. This is a daunting challenge for timely completion and closure of project.
- The project activities are time and season bound, whereas the execution of these activities requires upfront beneficiary's contribution, which at times is not forthcoming. This adversely affects implementation of activities and disbursement targets, which might end up with time extension in project end date.
- The project is expected to speed up implementation of activities across the country, however, the prevailing poor law and order situation in project areas, has been a major challenge for travelling of staff working with the project. The delays in startup of activities may result in late completion.
- Lack of cooperation from the grantees, especially in the post grant award phase, where some of grantees often do not provide complete and accurate information of their activities and outcomes. This could be offset by adopting a case study based approach for extrapolation of the project results.

4 PROGRESS AGAINST EGA INDICATORS DURING REPORTING QUARTER

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-based 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-intermediate results:

4.2 **Data collection**

The project activities and transformational grant support approved are in different stages of outsourcing, implementation and completion phases. The monitoring, evaluation and reporting 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.

With the roll out of project activities and identification of beneficiaries, the Project is collecting 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 summarized position is reproduced below, which shows progress achieved against targets for EGA indicators during the reporting quarter and overall up to the end of reporting quarter. 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 as per approved project document and implementation plan for targeted value chains. An overview of the progress achieved against targets of EGA indicators as of March 31, 2014 is paced at **Annexure-5**.



SUCCESS STORY

Agriculture partnerships-from farms to market

**TRANSFORMATION FROM
SUBSISTANCE TO COMMERCIAL
FARMING THROUGH ADOPTION
OF IMPROVED TECHNOLOGY
(STRUCTURED FARMING)**



“Through the transformational grant and high tunnels provided by The Agribusiness Project, my farm’s productivity and profits have increased six-fold,” said Zoheb Shaukat, a farmer from Nankana Sahab, Punjab.

Nankana Sahib, a district in the Punjab province, is primarily an agricultural economy. The local communities are mostly small-scale farmers. One such farmer is Zoheb Shaukat, a young man with big dreams. A student of Horticulture, Zoheb had great ideas to maximize the potential of his farm but lacked the resources to implement those ideas. The produce in his farm consists mainly of High-Value Off-Season vegetables such as capsicum, cucumber and chili.

Mr. Zohaib Successfully implemented the tunnel farming at his field (for growing tomatoes, cucumber & capsicum). Tunnel farming is a concept that promotes the production of off-season vegetable by extending the cropping cycle and providing more favorable growing conditions. Mr. Zohaib Shaukat is a prime example of how The Agribusiness Project has helped traditional farmers to switch to progressive farming through trainings, grants & market linkages thus enabling them to convert their farming to commercial enterprises. The initiative taken by Mr. Zohaib is a role model for the surrounding farmers and they are now taking interest to replicate the same practices on their farms.

Mr. Zohaib describes this transformation through the assistance of The Agribusiness Project in these words. “The Agribusiness Project has enabled me to successfully convert my traditional farming practice into commercial farming enabling me to get better yield and income through increased quantity and better quality of the produce. Now my earning from the same piece of land has increased manifolds.”

The Agribusiness Project through these interventions aims to create new jobs, increase their income and help in developing linkages with domestic and international market .



SUCCESS STORY

Aquaculture booms with installation of aero tubes

**INCREASED PROFITABILITY
THROUGH INSTALLATION OF
AERO-TUBES IN FISH PONDS**



Photo: credit Imran Khan

“Reduced mortality through USAID-TAP assistance in installation of Aero-Tube Technology in Fish Ponds”

Ghulam Murtaza, fish pond owner from Naushero Feroze

Nothing disheartens a pond owner more than witnessing hundreds of dead fish floating in his pond. Ghulam Murtaza has been in the fishing business since 2007 and a sight like this is not unusual for him. Like others, he incurred losses every year. Some years were worse than others. A native of Naushero Feroze – a district in the province of Sindh, with temperatures soaring up to 54 degrees Celsius, he would often find his fish swimming to the surface, struggling for gasps of air so they may survive in the hot water. The severe weather conditions throughout the year resulted in low dissolved oxygen in the water affecting the growth and size of the fish. Adding fresh water further contributed to the problem as the fish would die from thermal shock due to rapid fluctuation in water temperatures. Disheartened by the grave situation, Murtaza believed there was no solution to the problem.

The Agribusiness Project (TAP) funded-by USAID, responded to this problem by offering cost-sharing support for aero-tubes, a technological application that most are unaware of. Murtaza saw a ray of hope when he saw a TAP advertisement about support for fish farmers through aero-tube installations and he applied for it. In mid-2013 with the financial and technical assistance of TAP; he successfully installed 3 aero-tubes in his pond. The aero-tube produces continuous bubble aeration delivering oxygen in volumes for fish to breath. This resulted in drastic reduction of mortality rate from approximately 10% to almost zero. The reduced mortality rate increased the sales volume and maximized his profitability.

Before the USAID-TAP intervention, Murtaza cultivated 0.96 tons of fish per hectare, while after the project support i the production rose to 4 tons per hectares, resulting in incremental sales of USD 4,864, and additional income of USD 2,184. Based on these results he reinvested the earned income to install 3 additional units of aero-tubes, bringing three additional hectares of pond under improved technology and practices. Murtaza is very excited about this year’s turnover. “A few years ago if somebody asked us if we could sell so much fish, we would’ve said it’s impossible” said Murtaza.

The project provided matching grant support for supply/ installation of 87 aero-tube technology units to 43 fish farmers in Multan, Faisalabad, Karachi and Sukkur. 57 aero-tube units were installed in Multan and 24 Sukkur, while 3 aero-tube units each were installed in Faisalabad and Karachi regions. This support will increase the efficiency and productivity of the fishery sector through adaption of new farming techniques.

ANNEXURE-1: FINANCIAL PROGRESS

Head	Total Expenses Till Dec 31, 2013	Total Expenses Jan-Mar 2014	CUMULATIVE TOTAL As of March 31, 2014
Salary, Wages & STTA	3,349,702	380,571	3,730,273
Fringe Benefits	685,394	102,61	788,065
Travel	651,444	71,562	723,006
Equipment	501,404	7,852	509,256
Supplies	607,098	3,158	610,256
Communication	40,139	59,880	100,019
Security Cost	268,576	23,914	292,491
Training	12,388	5,504	17,893
Sub-Contracts	2,897,814	992,948	3,890,762
VC Transformation Support	2,360,583	670,568	3,031,151
Others Direct Costs	4,858,735	560,230	5,418,965
TOTAL	16,233,277	2,878,860	19,112,137

ANNEXURE-2: EXPORT VALUE ACHIEVED DURING THE REPORTING QUARTER

**Export of Fruits, Vegetables and Meat through participation in
USG Assisted International Marketing Events**

Amount in USD

No.	Name of Event	Name of Company	Exports as of Sep. 2013	Exports Q1 FY 14	Exports Q2 FY 14	Exports FY 14 (Q1+Q2)	Total Exports as of March 14
1	AGRAME, Dubai	Seven Star International, Karachi	-	5,670	-	5,670	5,670
2	AGRAME, Dubai	MeatTech, Lahore	-	56,925	-	56,925	56,925
3	AGRAME, Dubai	Imtiaz Enterprises, Karachi	-	125,000	1,575,000	1,700,000	1,700,000
4	AGRAME, Dubai	Haji Noor Ellahi & Sons, Peshawar	5,670	600,000	-	600,000	605,670
5	AGRAME, Dubai	New Shan Enterprises Peshawar	56,925	10,711	-	10,711	67,636
	Sub-Total		62,595	798,306	1,575,000	2,373,306	2,435,901
6	Euro Tier	Tazij Meats and Foods, Lahore	3,106,250	-	-	-	3,106,250
7	Fruit Logistica 2013	Asia Mega Foods, Karachi	418,775	-	1,075,000	1,075,000	1,493,775
8	Fruit Logistica 2014	FA International, Karachi	-	-	247,500	247,500	247,500
9	Fruit Logistica 2014	Sunny International	-	-	11,377	11,377	11,377
	Sub-Total		418,775	-	1,333,877	1,333,877	1,752,652
10	Gulf Food 2014	Seven Stars International	-	-	276,050	276,050	276,050
11	World Food Moscow	Chase International, Karachi	4,252,500	-	3,393,325	3,393,325	7,645,825
12	World Food Moscow	FA International, Karachi	1,275,000	-	180,000	180,000	1,455,000
13	World Food Moscow	Shehzad Asia Intl. , Islamabad	1,200,000	-	-	-	1,200,000
	Sub-Total		6,727,500	-	3,573,325	3,573,325	10,300,825
	Total		10,315,120	798,306	6,758,252	7,556,558	17,871,678

ANNEXURE-3: TRAINING OF MANAGERS & WORKERS OF MEAT INDUSTRY ON MEAT PROCESSING

Training Category	Target (persons trained)	Progress achieved (persons trained)	Balance/ Deviation	Remarks
Manger Level	20	30	-10	Participants included 4 from PAMCO 2 from Engro Pak, 1 from FFC and others meat processing plants located in and around Lahore.
Supervisor Level	60	-	60	Training planned for April 2014.
Workers Level	120	95	25	95 participants from Seven Star International, Tata Best Foods, Al Shaheer, M/S Abedin International, Tazij Meats, PAMCO, Metro, Hyper-Star, Bio-Vet, Dawood Meat, Meat One/ Khaas Meat and Fauji Foods.
Total	200	120	85	

ANNEXURE-4 LIST OF EDF DEVELOPED DURING THE REPORTING QUARTER.

No.	Activity	No. of EDFs	Sites Visited	Locations (Districts)
1	Small Tunnel Dryers for Apricot FEGs	59	590	Gilgit, Ghizer, Hunza and Ghanche
2	High tunnels (individual)	223	211	Swabi, Mansehra, Abbottabad, Haripur, Chakwal, Attock, Peshawar, Nowshera, Charsadda, Swat, Malakand, Lower Dir, Lahore and FATA
3	Chili FEGs by SAFWCO	100	100	Umerkot
4	Grape Orchards (individual)	67	41	Attock, Chakwal, Islamabad, Rawalpindi
5	HVOSV FEGs by RCDS	60	60	Lahore, Shaikhupura and Nankana Sahib
6	HVOSV FEGs by SRSP	24	24	
7	HVOSV WEGs by HASHOO	25	25	Mansehra
8	HVOSV FEGs by LASOONA	45	45	Swat and Lower Dir
	Total	603	1096	23 districts

ANNEXURE-5: PROGRESS ACHIEVED AGAINST KEY RESULTS /EGA INDICATORS

Sr. No	Indicator	Unit of Measure	LOP Targets -	Revised LOP Target	Achievements as of Sep 2013	Achievements during FY-2014			Contributing activities during the reporting quarter
						Q-1	Q-2	Total	
1	2a. Number of jobs attributed to program implementation (4.5-2)	FTE Jobs	13,100	13,135	5,604	12	328	340	328 jobs created as a result of implementation of following activities. - 100 jobs on a/c of HV/OSV production through structure farming - 98 jobs on a/c of 91 high tunnels for HV/OSV production - 107 jobs on a/c of Grapes Orchards establishment on 90 acres - 23 jobs on a/c of establishment of 20 Apricot Orchards at GB
2	2c. Project-related household incomes of USG targeted beneficiaries	Change in HHs Income	2,908,000	11,944,886	689,383	138,560	-	138,560	Data on households' income will be reported on annual basis as recommended by the USAID Internal Monitoring Unit.
3	2.1a. Value of incremental sales attributed to program implementation (4.5.2-23 & custom)	USD	13,953,096	39,468,788	11,644,966	2,152,521	6,758,252	8,910,773	The incremental sales include value of export. TAP supported participation of seven companies in AGRAME, Dubai, Fruit Logistica 2013/14, Gulf Food 2014 and World Food Moscow and achieved exports valued at USD 6,758,252 during the reporting quarter. Details at Annexure-
4	2.1b. Value of exports of targeted commodities as a result of USG assistance (4.5.2-36-mod)	USD	-	27,145,926	10,315,120	798,306	6,758,252	7,556,558	TAP supported participation of seven companies in AGRAME, Dubai, Fruit Logistica 2013/14, Gulf Food 2014 and World Food Moscow and achieved exports valued at USD 6,758,252 during the reporting quarter. Details at Annexure-
5	2.1c. Number of micro and small enterprises linked to larger-scale firms as a result of USG assistance to VCs	Enterprises	840	8,244	2,255	870	348	1,218	349 micro and small enterprises linked to larger firms for provision of construction materials, pipes and plants as a result of USG assistance. The contributing activities are Grapes Orchards (238), High Tunnels-HV/OSV (91), and Apricot Orchards (20).
6	2.1.1b. Number of MSMEs, including farmers, receiving BDS from USG assisted sources (4.5.2-37)	Enterprises/Farmers	2,660	13,333	7,339	870	591	1,461	591 MSMEs received BDS from USG assisted sources. These include beneficiaries of Apricot and Grapes orchards, High tunnels, Livestock Extension Services, Banana, Seed potato and Meat Processing trainings.
7	2.1.1c. Value of new private sector investment leveraged with USG resources	USD	43,700,000	22,062,336	1,393,499	-	746,921	746,921	

Sr. No	Indicator	Unit of Measure	LOP Targets -	Revised LOP Target	Achievements as of Sep 2013	Achievements during FY-2014			Contributing activities during the reporting quarter
						Q-1	Q-2	Total	
8	2.1.2b. Number of persons receiving training on skill development	Persons	6,280	12,440	2,480	1,471	513	1,984	During the reporting quarter, 513 farmers/professionals/processors/industry people were trained in production of HV/OSV, production of Banana, Seed potato and meat processing.
9	2.1.3b. Number of entities (e.g., farmers or enterprises) that have applied new technologies or management practices as a result of USG assistance (4.5.2-5 & 4.5.2-42)	Entities	18,220	19,813	7,341	1,133	554	1,687	554 entities applied new technologies or management practices. These include beneficiaries of Apricot orchards, high tunnels, HV/OSV quality seed received and sown, livestock extension services, and meat processing trainings.
10	2.1.3c. Number of hectares under improved technologies or management practices as a result of USG assistance (4.5.2-2)	No. of Hectares	6,761	5,737	1,947	19	96	115	96.4 hectares of land was brought under cultivation for establishment of Apricot and grape orchards, high tunnels and structure farming for vegetable production.
11	2.2.2a. Number of USG-assisted organizations that participate in legislative proceedings and/or engage in advocacy at all levels	Organizations	10	7	6	1	-	1	Red Chili VCP meeting held.
12	2.2.3a. Number of rural households benefiting directly from USG interventions (4.5.2-13)	Households	24,640	28,209	9,478	3,175	2,218	5,393	2218 Rural HHs benefited directly which includes beneficiaries of Apricot & Grape Orchards, high tunnels, structure farming & technical training on production of Banana, Seed potato and Meat Processing.
13	2.2.3b. Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (GNDR-2)	%age	22%	20%	42%	7%	19%	13%	Female beneficiaries' account for 19% of project beneficiaries in reporting quarter, while its overall ratio as of March 31, 2014 was 13%. The contributing activities for female participation include Apricot orchards, high tunnels, & HV/OSV FEGs (Women).