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**USAID AGRIFUTURO PROJECT
QUARTERLY PERFORMANCE
MONITORING REPORT
ANNUAL PROGRESS REPORT
OCTOBER 09 – SEPTEMBER 2010**



October 2010

This publication was produced by USAID AgriFUTURO for review by the United States Agency for International Development.

Carlos Costa, September 2010. Quarterly Performance Monitoring Report. Bethesda, MD: USAID AgriFUTURO project, Abt Associates Inc.

Contract/Program No.: EDH-I-00-05-00005-00, Task Order No. 10

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USAID AGRIFUTURO PROGRAM QUARTERLY PERFORMANCE MONITORING REPORT

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ACRONYMS

ACA	African Cashew Alliance
ACi	African Cashew Initiative
AGRA	Alliance for Green Revolution in Africa
AICAJU	<i>Instituto do Cajú</i>
ALIMI	<i>Empresa De Comercialização De Produtos Agrícolas</i>
AMPIA	<i>Associação Moçambicana de Provedores de Insumos</i>
APAC	<i>Associação de Promoção de Agricultura Comercial</i>
ASC	Agribusiness Service Clusters
BDS	Business Development Services
BMGF	Bill and Melinda Gates Foundation
BOM	<i>Banco de Oportunidade de Moçambique</i>
CAL	Corredor Agro Ida.
CDN	<i>Corredor de Desenvolvimento de Nacala</i>
CFPFT	Tropical Fruits Training Center of Mozambique
CEPAGRI	<i>Centro de Promoção de Agricultura</i>
CISTER	Agribusiness Private Company
CLUSA	Cooperative League of the USA
COP	Chief of Party
COPSA	<i>Cooperativa de Prestação de Serviços de Mecanização Agrícola</i>
COTR	Contracting Officer's Technical Representative
CPLD	<i>Centro Polivalente Leão Dehon</i>
CTV	<i>Centro Terra Viva</i>
DNTF	<i>Direcção Nacional de Terras e Florestas</i>
DSV	<i>Departamento de Sanidade Vegetal</i>

EAM	<i>Empreendimentos Agrários de Moçambique</i>
FACIM	<i>Feira Internacional de Maputo</i>
FEFANA	<i>Federação dos Fóruns Agro-pecuários de Nampula</i>
FeMSEDA	Federal Micro & Small Enterprise Development Agency in Ethiopia
FIDG	Forestry Industrial Development Group
FOSCs	Farmer Owned Service Centers
FRUTISUL	<i>Associação dos Fruticultores do Sul de Moçambique</i>
GDI	<i>Grupo de Desenvolvimento Industrial</i>
GoM	Government of the Republic of Mozambique
GTZ	German Technical Cooperation
IIAM	Agrarian Research Institute of Mozambique
IKURU	Mozambican Farmer Owned Company
INBAR	International Network of Bamboo and Rattan
INCAJU	<i>Instituto do Cajú</i>
IPEME	Instituto de Pequenas e Medias Empresas
ISP	Industry Strategic Plan
MIC	<i>Ministério da Industria e Comercio</i>
MINAG	<i>Ministério da Agricultura</i>
MOU	Memorandum of Understanding
RDI	Research Development Implementation
SME	Small and Medium Enterprises
SOGIZA	<i>Sociedade de Gestão e Investimentos da Zambézia</i>
SOW	Scope of Work
STTA	Short Term Technical Assistance
TNS	TechnoServe
ToR	Terms of Reference

USAID	United State Agency for International Development
SANA	Clusa, Africare, and Save the Children Consortium
SDAE	District Directorate of Economic Activities
SNV	Netherland Development Organization
WB	World Bank

INTRODUCTION

This report is the Annual Progress Report for the AgriFUTURO project, implemented by Abt Associates as the prime contractor with CLUSA, Technoserve, and Wingerts Consulting as our subcontractor partners. The report covers the period October 2009 through September 30, 2010. The main activities are reported for the period July 2010 through September 2010, highlighting the main achievements of the project for that period, but with the performance indicators presented encompass the entire FY10.

The Project faced some staffing difficulties that compromised the project's ability to fully implement all planned activities. Specifically, two Key Personal (BDS Director and the Grants Manager) resigned their positions in the middle and end of the last quarter of the FY10, respectively. This caused delays in implementing those project components directly related to the vacated positions. Project management had to assign the responsibilities of those positions temporarily to other senior staff, while recruiting to fill them. The project recruited the M&E Assistant for the Beira Corridor, who received training from the M&E advisor and began working in September, 2010. This should help us better report on activities and results in that corridor.

The following section presents the basic project approach, and provides the context that will guide the reading of the report. The other sections are keyed to the activities of the project's four technical components, M&E, communications, and management of the project.

1.1 PROJECT APPROACH

The project is focusing its intervention in two trade transport Corridors, Beira and Nacala, considered the geographical zones in the country with the greatest potential for increased economic development and trade. In terms of commodity interventions, the AgriFUTURO Project focuses on the Maize, Soybean, Sesame, Groundnut, Mango, Banana, Pineapple, Forestry, and Cashew value chains. Therefore, this report is presented by components and corridors whenever appropriate, and by value chain for specific activities within each of the value chains. Section 2, below, highlights key project achievements within the four project components, namely:

- Enabling environment;
- Business Development Services;
- Financing; and,
- Public and Private Partnerships.

2. KEY HIGHLIGHTS AND ACHIEVEMENTS

2.1 USAID/AGRIFUTURO CO-SPONSORED THE FIFTH ANNUAL ACA CONFERENCE

The African Cashew Alliance (ACA) held its fifth annual conference in Maputo, Mozambique in September 2010 at the Joaquim Chissano Conference Centre. The event was attended by approximately 700 delegates from different countries, and 200 attendees representing industry stakeholders. The principal objective of the conference was to discuss how to “**Empower the Industry**”. The discussions during the various conference sessions focused on the main issues that currently affect the volumes of cashew produced. Principally, the overriding theme of the conference was “the need to improve yields, expand processing and grow the market”. At the conference, success stories of cashew processing in Africa, innovations in cashew cultivation, and new approaches to accessing finance, marketing, and regulations were presented to private sector and cashew experts from more than 20 countries that attended this event and the related Business 2 Business (B2B) forum.

“These conferences gave all stakeholders the opportunity to network and meet their needs, because in doing so, it means increasing the number of jobs and incomes for approximately 2 million cashew farmers across the continent,” Said Carlos Costa, the President of ACA and USAID AgriFUTURO Chief of Party (COP) in Mozambique.

This event was hosted by the Mozambican Government and co-organized by the Institute for Cashew of Mozambique (INCAJU) and the Mozambican Cashew Processors Association (AICAJU). USAID AgriFUTURO co-sponsored the event. Through the ACA platform, AgriFUTURO expects to help the



Todd Amani, the USAID Mission Director, addressing a speech to the delegates at the conference, highlighted the importance of cashew to the growth of the African economy, and also enhanced the role of USAID in supporting the cashew value chain and industry in Africa.

Mozambican cashew industry to become more internationally competitive. Presently, Mozambique occupies a modest position among the cashew-producing countries, and has one of the lowest yields per ha. (200 kg/ha) compared with, for example, (550 kg /ha) in Guinea Bissau. To help address this issue, AgriFUTURO and ACI (African Cashew Initiative program), a four-year project funded by the Bill and Melinda Gates Foundation (BMGF) designed to provide technical assistance along the cashew value chain by focusing on farming, processing and marketing in 5 African countries (including Mozambique in Nampula Province), agreed to partner with INCAJU to help to implement a program of seedling production distribution, and monitoring. The \$25 million ACI program is intended to help to increase the incomes of rural cashew farmers, create more than 5,000 jobs in local processing, and improve the marketing of cashew globally. The project is being managed by German Technical Cooperation (GTZ) and, in addition to Mozambique, is implemented also in Benin, Burkina Faso, Côte d'Ivoire and Ghana. AgriFUTURO's role in this activity is to leverage cooperation among partners, in particular with the ACI and the German Technical Cooperation (GTZ), to help grow the Mozambican cashew sector.

At the ACA Conference, participants developed a set of principles and a document called the “Maputo Declaration”, which will serve as a guide for the African cashew industry's future growth. Through the ACA Business Code of Conduct, another document resulting from the conference, African cashew industry stakeholders committed themselves to produce high-quality products and ensure food safety, while growing their business in a sustainable manner. This means following good financial and corporate governance, valuing human resources, respecting the environment, providing fair compensation for farmers, and working together on growing the industry. AgriFUTURO, in partnership with ACI and INCAJU, will build on those principles.

2.2 AGRIFUTURO PROMOTING AN AGENDA FOR ERGONOMICS DEVELOPMENT IN MOZAMBIQUE

In July 2010, AgriFUTURO, with its subcontractor TNS, held a symposium entitled “**Toward an Agenda for Ergonomic Development in Mozambique: Lessons Learned in Nampula Agro-Industry**”.

The main objective of the symposium was to bring together different actors from multiple sectors to share experiences in practice and demonstrate the need for further ergonomic research within the country’s



From the presentations and discussions in this symposium, participants outlined a possible agenda for future development of ergonomics research and practice in Mozambique.

agribusiness sector. The event was attended by investors, public sector representatives, participants from financial and research institutions, and small producers from the poultry, fruit, soya, cashew, and forestry value chains. The importance of the application of ergonomics in the Mozambican agribusiness sector is high, given that the sector is growing rapidly and in global reach in terms of trade. The country’s global industries must understand the demands of regional and international markets, and the need to meet standards of quality required by buyers. To enter and maintain those markets, dramatic changes will be required in the workplace.

Industries will need to agree to standards that

ensure worker safety, facilitate adoption of technology and increased productivity, and bring about behavioral change (social, psychological, cognitive,) in order to improve the overall quality and marketability of products.

The primary results of the symposium include:

- Recognition from participants of the importance of improved ergonomics in the workplace;
- Agreement on the integration of an ergonomics perspective into monitoring and evaluation activities within the value chains. This will include targeted research into macro- and micro-ergonomic issues surrounding the adoption and adaptation of technologies in development programs; and,
- Agreement on the need to identify a lead institution to follow these issues.

2.3 AGRIFUTURO PROMOTING THE ESTABLISHMENT OF A FORESTRY AGRIBUSINESS ASSOCIATION

The Group of Forestry Plantation Companies and its partners held a national meeting in August 2010 in Maputo with technical and logistical support from AgriFUTURO. The objective of the meeting was to discuss the establishment of a Forestry Plantation Agribusiness Association as a platform of dialogue where interests of the forestry value chain stakeholders can be represented. This type of “hub” or platform will allow stakeholders to address the development and conservation of renewable forest resources, particularly in policy development debates and discussions. With an increased interest in forestry plantation investments, there is an urgent need to address the constraints to the forestry value chain as a sector, especially in the enabling environment, including such topics as land policies (issues related to land use, concessions, licensing, and environmental management) and policy on foreign investments (which includes a package of incentives to investors in areas like forestry with long term investment returns).

The country has several hardwood species that are highly sought after in Asian and Middle Eastern markets. Currently, most exports consist of unprocessed logs, and very little value is added in-country. Additionally, there are significant potential economic benefits to the communities that are located near the centers of forestry activities. A forestry association also would allow stakeholders to discuss strategic plans for sector development and serve as a best practice training center.



The forestry sector employs approximately 200,000 people (excluding charcoal, fuel wood, and village-based hand-sawing for timber) and plays an important role in the economic development of the country, particularly in rural areas.

2.4 PROMOTING AGRIBUSINESS THROUGH THE ANNUAL INTERNATIONAL TRADE FAIR

President Armando Guebuza participated in the opening day of the 46th annual Maputo International Trade Fair (FACIM), held in August and September 2010. President Guebuza visited the numerous national and international delegations that exhibited at the fair, including the USAID AgriFUTURO exhibition, as seen in the photograph on the left.



The President of Mozambique, Armando Guebuza, visiting the USAID AgriFUTURO exhibition during the opening session of the Maputo International Fair (FACIM). Briefing the President on the project activities and the impact of its implementation along the development corridors of Beira and Nacala are Carlos Moamba and Dercio Matala of AgriFUTURO.

The Trade Fair has been an annual event since 1963, and is a well known as a very important event within Southern Africa because it brings together local, regional, and international business entrepreneurs to promote technology innovation and new market opportunities.

AgriFUTURO sponsored the participation of agribusiness partners from Manica Province, Probusola, and SNV to exhibit at the CEPAGRI pavilion which was dedicated exclusively to those agribusiness partners. As a result, the participants were able to interact with similar business groups and begin to identify new market opportunities.

The objective of the Trade Fair is to present and promote enterprises and products to new

markets. In reality, it brings together potential customers and suppliers, both local and from outside of the country, with the ultimate goal being to market more Mozambican products. During the 2008 exhibition, 700 exhibitors participated from 14 countries. In contrast, that number increased to over 900 exhibitors in 2009

2.5 AGRIFUTURO LEVERAGING COORDINATION TO STIMULATE VALUE CHAINS SUPPLY

- **Soybean value chain:** In Mozambique, soybean is a relatively new crop, having been re-launched 4 years ago, many years after commercial production had been abandoned. Soybean is growing considerably in production volume, and is gaining economic importance in rural Mozambique. The country's poultry industry, which processes soybeans for animal feed, represents the principal local soybean market. However, "middle men" have served as the link bringing producers and buyers together. The middle man

purchased prices lower than market (between 7 and 9 Mts/kg) and sold later to the poultry industry at higher price (18 Mts/kg). This caused producers to back away from the market, which cause a reduction in the amount of land dedicated to soybean production.

AgriFUTURO, in partnership with PROSOJA, is now building capacity of approximately 18 small enterprises representing over 4,000 soybean producers to increase their understanding of domestic pricing using the international price as a reference point and to improve their negotiation skills.

As a result:

- Soybean producers were able to negotiate a price directly with the final buyers of 12 Mt/kg at farm gate as compared to the 7 Mt/kg negotiated last year;
- Producers were linked to the market - AgriFUTURO contacted three buyers who committed to pay between 11 and 12 Mts/kg. Because of these commitments, approximately 1,900 tons of soybean were purchased through AgriFUTURO assistance. In total, approximately 4,200 tons were sold, which represents a gain of 5 Mt/kg for each grower, and a total gain of approximately 21.000.000 Mts (US\$ 600,000);
- Approximately 4,000 growers have been assisted in this with project intervention;
- The figures, presented in Table I, show that by simply improving negotiation skills, farmers were able to double their total income, going from US\$380,000 to a total of US\$651,428.

TABLE I. VOLUMES PURCHASE AND PRICES RECEIVED BY SOYBEAN PRODUCER

Buyer	Volume Purchased (Ton)	Price Paid (Mts/kg)	Total Value (Mts)			
			2010		2009 (7 Mts/kg)	
Geet Frango Lda	1,100	12	13.200.000	US\$377,142	7.700.000	US\$220,000
Mercado Ideal	600	12	7.200.000	US\$205,714	4.200.000	US\$120,000
SOGIZA	200	11- 12	2.300.000	US\$5,714	1.400.000	US\$40,000
Total	1900	Avegare price = 12	22.800.000	US\$651,428	13.300.000	US\$380,000

Source: AgriFUTURO, October 2010

- **Sesame value chain:** To promote sesame production in Mozambique, AgriFUTURO met with sesame value chain participants in August 2010 in Nampula Province to: 1) evaluate the volumes of production this commercial year (2010); 2) ensure seed availability for next production season; 3) explore what can be done to improve seed quality; and, 4) develop a common strategy on flea beetle prevention (develop an Integrated Pest Management for Flea Beetle). Participants reached a consensus that the decline in production of approximately 30% compared to last season can be partially attributed to poor quality seed.

As a result, the project established 3 working groups to respond to the different constraints identified within this value chain

- Group 1. This group, coordinated by IKURU, has the responsibility to ensure the availability of fresh seed and seed treatment kits for the coming season. During the meeting, IKURU exhibited nine varieties of seed and products developed by IKURU and a treatment kit and foliar fertilizer.
- Group 2. This group, is coordinated by SANA (a Clusa, Africare, and Save the Children Consortium), which has the responsibility of introducing new seed varieties and improving existing seed stocks. The group understands that introducing new seed varieties is a long process, and that the process is just beginning. The group also agreed to lobby with the Government to advocate for the inclusion of sesame in the list of GoM commodity priorities.
- Group 3. This group, coordinated by DPA Nampula, is responsible for the dissemination of new technologies and training packages.

AgriFUTURO has played an important coordination role by closely linking IKURU to Matanuska and Corridor Agro (CAL). This partnership has resulted in increased availability of seeds for the coming planting season for which CAL has committed to produce approximately 15 tons of sesame seeds on Matanuska-controlled land. As a direct result, approximately 35,000 sesame producers will benefit from AgriFUTURO assistance and will have access to high quality of seed for the coming season. AgriFUTURO provided additional assistance on:

- Production of dissemination material for the promotion of new technologies of sesame. These materials are now ready to be printed and later distributed; and,
 - Activities related to sesame seed production providing assistance to IKURU. Currently, IKURU has approximately 36 tons of sesame seed produced by Emergent Farmers (contracted farms assisted by AgriFUTURO). This amount of seed is sufficient to plant approximately 17,000 has of land.
- **Fruit value chain:** AgriFUTURO is coordinating various efforts and organizations to design, develop and install a “Fruit Center in northern Mozambique. This Center is principally a World Bank investment, but AgriFUTURO has contributed with technical assistance on site survey and on negotiations with companies in the fruit sector and local Government authorities.

3. AGRIFUTURO COMPONENTS AND FY10 ACTIVITIES

3.1 IMPROVE THE ENABLING ENVIRONMENT FOR AGRIBUSINESS

During FY 2010, AgriFUTURO's work in the Enabling Environment focused on developing stakeholder advocacy capacity, completing policy analytical work, and facilitating reform agendas among the project's target value chains. In addition, the project has been engaged heavily on non-tariff barriers for agricultural trade which have resulted in exports bans to South African and Zimbabwean markets for Mozambican mangos and bananas. AgriFUTURO also has addressed issues related to domestic barriers preventing mangos and bananas from the Central region of Mozambique (Manica Province) to be shipped to the south of Mozambique (alternative markets). Specifically, activities included in AgriFUTURO's Enabling Environment are:

Activity 1.1: Develop a stakeholder base for change;

Activity 1.2: Develop a national competitiveness strategy; and,

Activity 1.3: Develop a national competitiveness reform agenda.

ACTIVITY I: DEVELOP A STAKEHOLDER BASE FOR CHANGE

BEIRA CORRIDOR

- **Fruit value chain:** AgriFUTURO helped establish, *FrutiCentro*, the Fruit Value Chain Business Association. Specific AgriFUTURO activities this reporting period that led directly to the establishment of *FrutiCentro* are described below:
 - Activity One, Three meetings have been held since June to begin the process of forming the association. The meetings have been a combination of open (open for anyone to attend) and closed (only for fruit and nut producers and representatives of special interest groups) sessions. The purpose of the meetings was to solicit opinions from producers and from the greater agricultural community concerning the need for such an association and the appropriate form of association.
 - Activity Two. A constitution for the association currently being developed RDI using three concrete example constitutions and information gathered during the meetings. The three

examples being used are: The mango group's previous draft; Subtrop's current constitution; and, that of the Macadamia Producers Association of South Africa. FruitCentro's constitution will be a homegrown product that considers the challenges and external operating environment of the Beira Corridor.

- Activity Three. The name *FrutiCentro* has been registered with the government. The association itself will be officially registered once the constitution is complete and the founding membership finalized.
- Activity Four. *FrutiCentro* has, in the past few months, initiated several activities have "kicked-off" important initiatives that the association will soon be involved in, including:
 - a) banana and Macadamia field day – Macs-In-Moz farm, Sussendenga;
 - b) plant propagation field day – Probusola Nursery, Chicamba dam;
 - c) farmer to farmer litchi visits – Made to Peter and Elizabeth Waziweyi fruit farms in Catandica district;
 - d) participation in the Chimoio show (Feira). Fruticentro received a Diploma for putting on a leading stand. The governor of Manica Province visited the stand and was appraised of the FrutiCentro Initiative and developments to date; and,
 - e) a field trip to Tzaneen to meet with Subtrop's CEO to learn from their experience.
- Activity Five. AgriFUTURO meeting with the leadership of *Frutisul* in Maputo for an alignment exercise.
- Activity Six. The launch of the association is planned for end of November, 2010.

ACTIVITY 2: DEVELOP A NATIONAL COMPETITIVENESS STRATEGY

- AgriFUTURO, through short term technical assistance (STTA) assignments, undertook the first phase of the development of a Mozambican National Competitiveness Strategy. To complete the activity, the following steps will be taken:
 - Step One. Continue review existing sector policies and strategies as the first phase of the competitiveness strategy assessment;
 - Step Two. Consultation process with regional stakeholders to share and verify research findings;
 - Step Three. Share the results of the 1st phase of the competitiveness strategy with stakeholders in Beira and Nacala Corridors and complete and submit report to AgriFUTURO;
 - Step Four. Conduct a stakeholders meeting in Maputo with public and private sector representatives to discuss the draft findings of the review of existing sectoral policies, strategies and recommendations; and,
 - Step Five. Developed the ToRs to proceed with the AgCLIR assessment, to be followed by the Competitiveness Strategy Assessment.

ACTIVITY 3: DEVELOP A NATIONAL COMPETITIVENESS REFORM AGENDA

As part of the Mozambican group of the World Banks Video Conference Initiative, AgriFUTURO undertook the following activities:

- Participation at the 3rd video conference held at the World Bank with topic “Standards and Market Preferences”: Opportunities and Constraints in Mozambique.
- Participated in preparation and at the VC of the 4th Video Conference held in September 15th, 2010 with the theme “Regional Trade: Opportunities and Constraints”.

AgriFUTURO worked with the selected value chains also in the development of the National Competitiveness Reform Agenda.

- **Forestry value chain.** To improve the forestry industry business environment, and to strength the relationship among the Mozambican institutional partners and private investors, AgriFUTURO is assisting the Mozambican Forestry Plantation Group to establish a type of business association which will serve as a dialogue platform to tackle issues related to access to land, community participation in forestry management, etc. Specific activities implemented for the establishment of the business association are described below:
 - Activity one. The first meeting with the forestry companies took place in August 2010, during which the concept of the Business Associations model was presented and validated. The concept is presented in the box below.

Vision: Promote the utilization of resources in a sustainable way, through practices that are environmentally sound, economically viable and socially equitable

Mission: Create favorable conditions for the success of the forest plantations and forest industry.

Name of the association: Forest Plantation Association (AIPF – Associação Industrial de Plantações Florestais)

Members: Commercial forestry plantation companies in the beginning in the future other groups may joint later.

Names of the companies by province: In Niassa Province (Floresta do Niassa, Chikweti and New Forests), in Nampula Province (Green Resources), in Zambézia Province (two new companies Portucel and Sappi and two old tree farmers Tectona and Ntacula) and Manica Province (IFLOMA, MOFLOR).

Activity two. During the meeting, it was decided that the AIPF should be based in Maputo, due to the concentration of government and administrative decisions in Maputo;

- Activity three. The Code of Conduct for members was drafted as well as the budget for the Association. Statutes of the association have been distributed to all members and will be reviewed and approved during the first assembly meeting of the association, scheduled for November 2010;
- Activity four. Assuring that all necessary documentation is available to officially register the association;
- Activity five. This activity includes the following next steps that will formally organize and register the association during the November 2010 General Assembly meeting -
 - a) Selection of the executive board
 - b) Approve the statutes and code of conduct
 - c) Action plan
 - d) Support fund raising activities for operational costs
 - e) Support the selection and hire a National Executive Director (contract basis).
 - f) Support the selection of the provincial focal points
 - g) Support the selection of the location for the office

- **Cashew value chain:** To improve competitiveness of cashew value chain, AgriFUTURO is co-funding the Cashew 5 year Master Plan II, with assistance from Ernest and Young. So far the team has conducted a desk review and paid a field visit to Nampula province to present a concept paper type report to the Steering Committee formed between AgriFUTURO and INCAJU.

- **Port study:** To contribute to the enabling environment reforms based on the previous benchmarking assessment, AgriFUTURO convened a stakeholder meeting in Nampula Province on the in June, 2010. During that meeting, the AgriFUTURO consultant's Nacala Port Assessment was distributed and discussed, and findings, recommendations, and next steps were agreed upon. Those next steps include

-

- CDN and AgriFUTURO shall work together to revise the figures on the Nacala Port Assessment, and
- The assessment has been translated into Portuguese for further distribution among the stakeholders.

- **Fruit fly activities:** AgriFUTURO provided technical assistance and capacity building to MINAG-DSV for the fruit fly surveillance program in Beira and Nacala corridors. At the central level, AgriFUTURO

conducted the following activities -

- Activity One. AgriFUTURO worked with CTA's Agribusiness Portfolio Group to advocate at the highest levels regarding the fruit fly impact on horticulture exports for Mozambique;
- Activity Two. Through CTA, the Minister of Agriculture (MINAG) was contacted and it was agreed to allocate more resources to the fruit fly monitoring program. AgriFUTURO coordinated activities of the various partners; and,
- Activity Three. AgriFUTURO is assisting the Mozambican Department of Plant Protection (DSV) to start the process to conduct a green banana study to confirm whether or not green bananas serve as a host of fruit fly.

The fruit fly monitoring activities are being implemented at provincial level, and AgriFUTURO has provided assistance to the Provincial Directorate of Agriculture of Manica on the process of monitoring the Manica and Sussundenga districts. AgriFUTURO provides transportation, technical assistance, and covers the cost of shipping samples to Maputo for analysis. This is a monthly activity, and presently forty two (42) traps are being monitored. This consists of changing pheromones in the traps regularly, sampling collections, and sending the samples to the UEM for laboratory analysis.

3.2 EXPAND AND STRENGTHEN AGRIBUSINESS DEVELOPMENT SERVICES

ACTIVITY I: DEVELOP VALUE CHAIN-FOCUSED AND, PRIVATE SECTOR-RUN AGRIBUSINESS SERVICE CLUSTERS (ASC)

GRANTS ACTIVITIES

BEIRA CORRIDOR

- AgriFUTURO has made substantial progress in initiating the grant process for ASC development of the Commercial Emergent Farmers Services Provision in Manica Province. Specifically, the project has:
 - received and evaluated concept papers for grant funding from Vinson G&G, Phoenix Lda, Njerenje, and Macs in Moz, all potential Agribusiness Service Clusters (ASC) participants for Co-Financing of Machinery;
 - evaluated and approved three full grant proposals from Cooperative KKU (for machinery), EAM (for fruit packing house) and *Centro Educativa Njerenje* (for machinery for block farming scheme); and,
 - received and evaluated two grant proposals for ASC establishment from Phoenix Lda and G&G Vinson. The committee approved the Phoenix proposal which was forwarded to the USAID COTR for final approval.

As a result, two potential ASCs participants are in the process of being established, Phoenix and Njerenje. Their expertise and know-how has proven very valuable in the development of the supply chain. One example is Phoenix, which is going to provide services (technical advice and mentorship) to sixteen commercial emergent farmers in Vanduzi district, farming each between 10 and 30 ha. Another example is Njerenje, which is promoting the block farming model to better assist 150 smallholder farmers producing maize and sesame.

NACALA CORRIDOR:

- Activity One. One concept for ASC establishment from SOGIZA (for soy processing) was evaluated and approved, and is now going into the second stage and will have to submit a full grant application. SOGIZA will be stimulating the soybean supply chain and providing services to approximately 516 producers (with 111 women) that planted 610 has. of soybean this past crop year. In addition, Corredor Agro Lda, submitted a concept paper for a Machinery investment, but AgriFUTURO returned it to them for more detailed information.

As a result, the project identified SOGIZA and *Corredor Agro* as participants that will form the foundation of new ASCs. Both companies are supporting the development of supply chain of various services, starting from inputs (seeds and fertilizers and pesticides) as well as access to finance demanded by emerging farmers groups. The role of AgriFUTURO has been to leverage coordination among different participants at the value chain level.

- Activity Two. The AgriFUTURO COP together with the Fruit Value Chain leader visited a seedling producer (Mr. Miquidade) to assess his potential as a seedling supplier for mango and cashew. The potential supplier had developed seven varieties of mangoes and produced approximately 4,000 grafting mangoes seedlings. Of these, approximately 2,500 were sold and another 2,000 citrus seedlings will soon be grafted. Mr. Miquidade received training from the AgriFUTURO fruit value chain on new grafting techniques.

As a result of AgriFUTURO intervention, SKIP (USAID-funded project) was able to acquire fruit seedling for its youth clubs program (*Clube de Jovens Agricultores*). In addition, the project team drafted a MoU with Miquidade which provides well defined responsibilities for both Miquidade and AgriFUTURO.

- Activity Three. AgriFUTURO is supporting Teotónio to become a producer and distributor of cashew seedlings in Moma District. Teotónio also provides mechanization and pest management control services for growers located near his farm. Also, he is one of the main trader agents in the area. He is currently in the process of registering his company, and the project will soon develop a MOU to facilitate and coordinate collaboration with the project.

- Activity Four. AgriFUTURO, also facilitated a link between Teotónio and CISTER, to engage him on production of groundnut for CISTER in Moma District. CISTER will provide inputs and will train Teotónio technicians to assure that they are able to meet product quality requirements.
- Activity Five. AgriFUTURO met with Corredor Agro Lda (CAL) to evaluate the crop season 2009/2010, during which CAL produced yellow maize under a contract farming agreement involving 10 Emergent Farmers (EF). CAL has a contract to supply 800 tons of maize to the poultry industry. It has purchased 104 tons of yellow maize from the contracted farmers. This relationship has allowed the EF to assist CAL to establish the link with local producers. As a result, CAL has purchased approximately 460 tons of white maize, in addition to the 200 tons of yellow maize from its own production.

As a result of AgriFUTURO assistance to CAL, the quality of the grain has continued to improve and now has reached acceptable standards. Therefore, CAL decided to increase its production base from 10 producers to 60 for the coming planting season, and to expand production to include 2 additional crops, sesame and beans, also under the contracting farming model. AgriFUTURO linked CAL to CIMPAN (a market) for next season, and they have signed an agreement to produce between 300 and 500 hectares of good quality maize. Currently, CAL is preparing to purchase equipment (tractors, harrows and planters) for the 2010/2011 season program.

ACTIVITY 2: ROLLOUT AND EXPAND FARMER OWNED SERVICE CENTERS (FOSCS)

BEIRA CORRIDOR

- AgriFUTURO received and evaluated concept papers from KKU, a potential FOSC participant. The project team approved the concept paper, and KKU is now in the process of preparing the final proposal.

NACALA CORRIDOR

- Implementation of the agreement between ALIMI and CIMPAN through AgriFUTURO was stalled because *Banco Terra* declined ALIMI's application for loan financing for commercialization purposes. It declined the loan because ALIMI was unable to provide the required loan collateral. To overcome this problem next season, AgriFUTURO will provide a grant to ALIMI to build a warehouse that can be used as collateral in future negotiations.
- ALIMI (cooperative/farmer organization- Potential FOSC) submitted a concept paper for the

construction of a warehouse which was evaluated and approved by the project. ALIMI is in the process of preparing the full application package for submission to AgriFUTURO.

- AgriFUTURO signed a MoU with IKURU (potential FOSC) for collaboration in the following areas:
 - assist in the process of conversion to a agribusiness cooperative;
 - assist in the preparation of IKURU's 2010 – 2015 Strategic Plan.
 - assist in the development of a business plan;
 - assist in the identification of new market opportunities for new products;
 - promote and assist in the production of certified seeds; And,
 - promote and assist activities on product certification for conventional markets and inputs (seeds) from production to market.
- IKURU submitted a request for a discretionary grant to cover the costs related to certification process. The project team is currently reviewing and evaluating the request. In the meantime, AgriFUTURO has agreed to support IKURU as follows:
 - AgriFUTURO met with SANA and IKURU to define responsibilities for promotion of trading and market certification for sesame. IKURU has approximately 324 tons of sesame produced by 818 producers, including 327 women;
 - AgriFUTURO will support organic market certification; and,
 - SANA and IKURU will assist in the development and funding of pursuing new trading partners.
- The *Federação dos Forums Agro-pecuários de Nampula* (FEFANA) is represented in 5 districts of Nampula Province, which represents approximately 2,000 producers. It has 8 fora (each forum has a certain group of associations) that benefited from ADIPSA support to build warehouses. Because FEFANA is not legally registered, it cannot be the official owner of the warehouse. Therefore, it must identify a mechanism for applying for and receiving a commercial loan. AgriFUTURO arranged a meeting between FEFANA and ADIPSA to identify areas of potential collaboration and to assess the possibility of transforming some of the associations into a business cooperative.
- The *Cooperativa de Pestação de Serviços de Mecanização Agrícola* (COPSA) was created in accordance with the cooperative law, and is registered as a nonprofit service provider. Currently, it is facing problems because it is unable to compete in the current market. AgriFUTURO will assist it to be converted into a cooperative under the new law. AgriFUTURO has drafted the necessary ToRs to contract a STTA consultant for that purpose.

Okhalihera is a local BDS provider supporting farmer associations. It submitted a discretionary grant proposal to AgriFUTURO, to get partial financial support to purchase and distribute groundnut decorticators. The machine has 2000 tons of processing capacity. The program consists of distributing the machines to groundnut producers with 8 hectares or more and willing to pay 25 % of the acquisition costs. The machines will be purchased at INCAMOBAL (local BDS provider). They are a new and improved model of the decorticator, developed with AgriFUTURO support. It has proven to be more efficient with less percentage of losses. The machines will benefit approximately 3,000 producers, including 1,190 are women. *Okhalihera* will provide training to producers how to operate the machines; and on business principles to turn this into a profitable business activity for the beneficiaries.

ACTIVITY 3: BUILD THE CAPACITY OF SERVICE PROVIDER IN THE TARGET VALUE CHAINS

BEIRA CORRIDOR

- **Soybean Value Chain:** AgriFUTURO is assisting in activities to promote soybean production within the Beira Corridor. The producers are concentrated in Barué District (Manica Province) and Angónia District (Tete Province), and together, represent approximately 2,400 smallholder producers who received 14.606.899 Mts (about \$429,614) from Sales this year (2010).
- **Forestry Value Chain Activities:** AgriFUTURO has been providing d technical assistance to develop services among the forestry value chain. The project works closely with the entire sector. The forestry sector is disorganized, and working with the sector rather than working with individuals in the sector, is a more efficient approach. To increase the competitiveness of forestry through improvements on production management techniques and technology, AgriFUTURO is supporting the development of the Technological Centre for the Forestry Products (with modern technologies). The following activities were undertaken by the project:
 - Activity One. The ToRs to provide assistance to transform the *Centro Polivalente Leão Dehon* (CPLD) into a training center have been prepared and will be implemented very soon. The design of the new center shall include proposed infrastructure, operation procedures, mechanisms to reach financial sustainability, and specialized training modules.
 - Activity Two. The TORs have been published in local newspapers and the AgriFUTURO staff has selected the most qualified and appropriate consultant to perform the consultancy. AgriFUTURO is supporting the establishment of the Agro-Forestry Village approach to be

implemented in partnership with TNS. The main objective of this approach is to build a relation of trust between communities and the forestry companies. The approach will promote projects which will contribute to community development through activities such as agriculture production (of traditional crops such as maize, soybean and horticulture) and ecotourism.

These activities will be done along the plantations and shall benefit family members of the forestry company's employees, especially women and youth. This approach uses the forestry companies as the anchor for development through the creation of range of service providers.. The needs in terms of training vary by location, but common topics include: handling of agro-chemicals; forestry management; accessibility; and, protection against fires and illegal transport of products. During the reporting period, AgriFUTURO conducted the following activities:

- Activity Three. During the pilot phase of the project, staff identified four forestry companies for attention: 1) Florestas do Niassa (Niassa Province); 2) Green Lurio (Nampula Province); 3) Portucel (Zambezia Province); and, 4) IFLOMA (Manica Province).
- Activity Four. AgriFUTURO staff met with the four identified companies to discuss and explain the objectives of the pilot program of Agro-Forestry Village.

BEIRA CORRIDOR

- **Fruits value chain Activities:** AgriFUTURO contracted a Business Development Services (BDS) consultant for the Tropical Fruit Value Chain. We are providing business support under the program following the AgriFUTURO business development methodology. That is to ensure that all relevant clients have a bankable business plan, and by the end of the project, these business plans must prove to have been beneficial in that the farmer has benefitted in terms of management of the farm business. AgriFUTURO staff conducted the following activities:

- Activity One. Three mango farmers had business plans that were developed by RDI under contract to Technoserve during the EMPRENDIA Program. The project updated these business plans in terms of structure, content, financial modeling and budgeting. Additional business plans were created for the two remaining mango farms. Table 2, presents the summary of business plans developed during the reporting period:

TABLE 2. SUMMARY OF BUSINESS PLANS

Name	Status
Pinto Matavel	Updated
Pedro Paulino	Updated
Gaspar Alves	Updated
Sergio Ye	New Business Plan
Joaquim Langa	New Business Plan

Source, RDI, October 2010

- Activity Two. Further business support was provided to EAM and Pinto Agropecuaria in the preparation of AgriFUTURO grant program concept notes. This was done together with Tricia Wallace, Technoserve. To date, EAM’s concept note has been approved for the second stage, which is a full proposal. EAM is currently preparing the proposal. Pinto Matavel’s concept note will be submitted once the requested quotes for the irrigation system have been received.
- Activity Three. In order to keep in touch with farmers requirements and progress, RDI (Monty Hunter) conducts periodic farm visits to compliment the agronomists’ visits. During the current reporting period, RDI made three farms/sites visits: (i) EAM – Preparing for the November harvest of Mangoes; (ii) UMWE Macate – Ongoing harvest on Banana’s; and, (iii) Irmoa – Preparing to plant 5 hectares of Banana’s under Matanuska program.
- Activity Four. RDI facilitated coordination and planning activities of the fruit group, where RDI played a facilitator and coordinator role wherever necessary for developing the tropical and subtropical fruit and nut value chains. Specific RDI initiatives include:
 - a) Represented *FrutiCentro* in the Government led Provincial Fruit Working Group;
 - b) Coordinated all materials for the Chimoio Trade Fair; and,
 - c) Planned and facilitated two meetings for *FrutiCentro*.
- Activity Five. This activity was the provision of agronomic support to fruit producers within this corridor. The first two technical field visits were conducted by the technical consultants subcontracted by RDI under the AgriFUTURO program:
 - a) Mangoes Value Chain: Peter Caminada’s visit to the Mango producers was very well received by all producers who were very pleased with the visits and found them very useful. The next visit planned for November is expected to build on the advice given in the first visit, and will be a good test for whether advice is being followed and not merely acknowledged;
 - Banana Value Chain: Malcolm Clyde-Wiggins (accompanied by M. Hunter) conducted an

exploratory first field visit to Macate banana producers (Gondola District) and Irmoa Ranch (Catandica). In Macate, the banana growers are organized in an association called A.M.U. with approximately 64 member growers located in 9 different zones producing on approximately 374 hectares. Currently, the association is supplying Shoprite Chimoio with 400kg bananas on a weekly basis.

- This visit had the following objectives: Assess the banana production area, the growing techniques, the quality of fruit and estimate yields and total tonnages from the area; formulate a strategy to enable growers to produce export quality bananas of reasonable yield; and,
- look at their marketing strategies and to find other alternatives.

NACALA CORRIDOR

- **Tropical Fruits Training Center of Mozambique Activities:** The World Bank (WB) is supporting the Agrarian Research Institute of Mozambique (IIAM) on the design of the Business Plan for the Tropical Fruits Training Center of Mozambique (CFPFT). This center provides intensive and practical hands-on training in export agribusiness capabilities that the private sector requires, but which is currently not available.

The center will provide specialized training in production, management, plant health care, monitoring, harvesting standards, post-harvest handling, quality control, transport, storage, ripening and marketing. Training will also be provided on aspects of labor recruitment, building labor morale, activities and assignment management, conflict appraisal, efficiency standards evaluation and many others skills that are not readily available.

AgriFUTURO contribution to the assessment:

- The AgriFUTURO team (Carlos Costa, Jake Walter, Tricia Wallace, and Carlos Moamba) played an important role in providing many suggestions about the nature of the Training Center and some other possibilities to evaluate as alternative sites;
- In Nampula Corridor, two AgriFUTURO technicians, Arlindo Mendonca and Abel Lisboa, assisted Professor Panfilo Tabora (principal consultant and former Professor from EARTH University in Costa Rica) on the assessment for the design of the Business Plan for the Tropical Fruits Training Center of Mozambique (CFPFT) between July/August 2010;
- In Beira Corridor, Prof. Tabora was assisted by Alex Negrão from AgriFUTURO to visit the sites with tropical fruits projects in Gorongosa District (Sofala Province), Chimoio, Dombe and Manica Districts (Manica Province); and,

- At the final presentation of the Business Plan that took place in Maputo in September 2010, Dr. Carlos Costa and Anabela Mabota provided valuable input and advice.

Other specific activities:

- **Activity One.** The AgriFUTURO team worked with Prof. Tabora, the tropical fruit specialist, on the site survey for the new fruit center. The project has also initiated negotiations with government authorities and private sector representatives on site location and availability.
- **Activity Two.** The project also conducted a site survey to identify a suitable area for the establishment of 300 has. of bananas and 10 has. of mangoes for the demonstration plots for the center. Matanuska has also made available 50 has. of land for trials. AgriFUTURO also conducted field surveys to develop strategies for existing mangoes plantation and based on those surveys, Professor Panfilos suggested a renovation of the old mangoes trees and suggested a new technique that will reduce the time between plantation to the harvest.
- **Activity Three.** AgriFUTURO also conducted a field visit to *Centro Polivalente Leon Dion* in Gurué (Zambezia Province) to see an example of an established center in Mozambique which may help on the definition of working model for the fruit center in Mozambique.
- **Activity Four.** The team approached the Nampula Government for support. The local authorities recommended the the old technical school at Namialo become the site of the4 proposed fruit center. There is sufficient space at the proposed site to house both the training center and the demonstrations plots. The site is currently under renovation.
- **Cashew value chain activities:** The AgriFUTURO team met with the International Cashew Association (ICA), which presented current activities on substratum production and training programs for cashew technicians. It was agreed that the AgriFUTURO value chain leader (António Cabral) will follow all the activities closely to ensure that the activities are not duplicative or contradictory. AgriFUTURO will also coordinate the distribution of the cashew seedlings produced with ICA support.
 - **Activity One,** AgriFUTURO has conducted a field survey o define the cashew seedling needs and, the Table below presents seedling requirements for the coming planting season.

TABLE 3. DEMAND FOR CASHEW SEEDLINGS BY DISTRICT

Districts	Quantity of seedlings	Number of producers involved
Moma	320	3,229
Mongicual	2,000	ADPP
Angoche	27,500	368
Mogovolas	80,100	4,418
Murupula	54,000	2,450
Meconta	24,500	5,120
Total		15,584 (men) and 6,256 (women)
Total area: 6,165 ha		

Source: AgriFUTURO, October 2010

- Activity Two. AgriFUTURO met INCAJU and agreed that:
 - a) AgriFUTURO will cooperate with INCAJU in the Southern part of Nampula Province (Murupula, Moma, Mogovolas and Angoche Districts) to distribute the seedlings;
 - b) AICAJU will provide seedlings from Chalaua, Angoche and Nametil nursery for distribution; and, AgriFUTURO will coordinate the distribution; and,
 - c) AgriFUTURO will promote and support private initiatives on seedling production and distribution; and, AgriFUTURO identified two private companies, IPCCM and Teotónio, to become future service providers.

- Potential Service Provider for Laboratory Testing -UniLurio Laboratory Activities:

A short term perspective includes:

- Certification of the current aflatoxin laboratory. Under this component, AgriFUTURO is supporting UniLurio in laboratory management, and is also supporting the identification of a reference laboratory/company to calibrate the aflatoxin unit; and
- Upgrade the seed laboratory. AgriFUTURO is working to get a new germination incubator to improve the seed test quality. The budget for this unit has been developed and a possible partner (ADIPSA) has been identified for cost sharing.

Middle-Long term perspective includes:

- Creation of the new laboratory unit at the new UniLurio's Campus. In order to create the laboratory, the project needs to:
 - a) Work with UniLurio on the laboratory certification process;
 - b) Prepare the Good Laboratory Practices Manual for the laboratory; and,
 - c) Assure that the key steps are followed in order to comply with the requirements for the working structure and laboratory plan.
- UniLurio has agreed to undertake the following steps:
 - a) Define the working structure for CEIL;
 - b) Develop the organigram and responsibilities (mainly for quality responsibility);
 - c) Create it as a Public Private Partnership institution; and,
 - d) Complete the plan/design for the laboratory.

UniLurio requested the following technical assistance from AgriFUTURO:

- One STTA to assist on definition of the management model for the PPP model; and
- One STTA to develop the laboratory plan (Hospital Architect).

3.3 HELP AGRIBUSINESS FIRMS ACCESS FINANCING

ACTIVITY I: HELP AGRIBUSINESS FIRMS ACCESS FINANCING

The following presents the rural finance activities in each corridor.

BEIRA CORRIDOR:

- During the period July – September, 2010, AgriFUTURO signed a MoU with *Banco de Oportunidade de Moçambique* to leverage access to finance for approximately 118 smallholder farmers, including 12 women, organized in 23 Clubs in Mavonde (Manica District) and Honde (Barué District). Through the MoU, the bank will make available 265.600 Mts (US\$7,500) for the coming planting season. These groups have also received technical assistance from AgriFUTURO to design business plans to be submitted to the bank as well as agronomic assistance at field level.
- A group of 15 smallholder producers organized in blocks received assistance from the Nejenrenje/AgriFUTURO partnership. With AgriFUTURO assistance, were able to repay approximately 300.000 Mts (US\$8,500) to *Banco de Oportunidade* despite the drought that compromised maize production during the crop season 2009/2010.

NACALA CORRIDOR:

- **Groundnut value chain.** A producer group received a loan of 1.576.000 Mts (US\$45,028) for production activities through *Banco Terra*. In this case, the producers have not yet paid the loan, because they are waiting for the buyer to complete the purchase of the product, which is valued at 6.000.000 Mts (US\$171,428). Also, an individual emergent farmer who produces seed with IKURU produced about 74 tons of seed, valued at about US\$57,720. A portion of this of this amount has not been paid to the producer because IKURU has encountered some financial problems. As a result, farmers have not yet repaid their loans to *Banco Terra* and AgriFUTURO is working with the bank and producers to solve the problem.
- The request of a loan from ALIMI to *Banco Terra* for commercialization was not approved because of lack of collateral to be used as collateral. To solve the problem next season, AgriFUTURO is supporting ALIMI to build a warehouse that can be used as a collateral guarantee in future negotiations with the Bank.
- AgriFUTURO met *Banco Terra* and *Corredor Agro Lda* to evaluate the 2009/2010 agricultural season and plan the upcoming agricultural season. Based on the results of that evaluation, for the 2009/2010 agricultural season:
 - CAL will increase the number of emergent farmer from 10 to 60 to produce maize and sesame

plus one more new crop (beans). AgriFUTURO and Banco Terra, will work together in order to ensure:

- a) Capital for CAL's program, which includes acquisition of new equipments for mechanization and inputs for farmers under contract. The equipment acquisition is estimated in 9.360.000 Mts (US\$267,429); and,
- b) Production loan (working capital) for emergent farmers, and the grower's working capital is estimated in 4.300.000 Mts (US\$122,857).

ACTIVITY 2: DEVELOP INSTITUTIONAL INNOVATIONS

- The DCA program is already operational for *Banco Terra* and *Banco de Oportunidade (BOM)*. The DCA for Barclays Bank is also underway. AgriFUTURO will continue working with USAID's Office of Development Credit (DCA) to help establish the conditions for the initiation of a DCA in FY11.
- AgriFUTURO is engaged with different microfinance institutions to identify more innovative mechanisms to fund smallholder farmers without collateral, and also to identify suitable mechanisms that help in case of emergency situations. The mechanisms may differ from bank to bank, but there is room for innovation and creation to ensure that our partners are receiving financing at reasonable rates, in some cases even without collateral.

The text box below shows how financial problems can be resolved within the value chains. From the two cases presented in this report, it is clear that there is a need to educate microfinance institutions and private entities on how to change the way they do business. For example, GAPI missed the opportunity to receive financing just by implementing a voucher scheme to benefit smallholders without collateral. Also, IKURU missed the opportunity to access a new mechanism of financing smallholders.

Case 1: New financial mechanism proposed to *Banco Terra*:

AgriFUTURO assisted the emerging farmers to access credit through *Banco Terra* for production of seeds. After producing, the farmers sold to IKURU approximately 30 tons of seeds estimated at 1.434.362 Mts (\$40,981), but the farmers still have in stock approximately 193 Tons of seeds estimated at 4.625.592,50 Mts (\$132, 159.78). Since IKURU was facing problems to a loan to buy the production AgriFUTURO negotiated with *Banco Terra* to transfer the farmer loan to IKURU then growers would pay IKURU the equivalent amount in kind (using seeds). This is new mechanism of payment and *Banco terra* was willing to try but IKURU declined this possibility and is negotiating funds to pay the farmers directly.

Case 2: New financial mechanism proposed to GAPI:

AgriFUTURO approached GAPI, to discuss the possibility of introduction of a voucher system from them, as it was one of the causes for delay on groundnut trading between ALIMI and CISTER. CISTER had trading money and would like to have a third part to manage it, as it was the first time doing business with ALIMI. GAPI is not offering this service yet, but they took the proposal and sent it to the HQ in Maputo. As it was not possible to find a third part offering a voucher service, CISTER had opted to fund the intermediaries that have being working with them.

ACTIVITY 3: PROMOTE PROJECT LINKAGES TO NEW AGRIBUSINESS INVESTMENT FUND

3.4 INCREASE AND STRENGTHEN PUBLIC/PRIVATE PARTNERSHIPS

- **Forestry value chain activities:** AgriFUTURO plays a coordinating role between the *Instituto Para Promoção das Pequenas e Médias Empresas* (IPEME) of Mozambique and the Federal Micro & Small Enterprise Development Agency (FeMSEDA) of Ethiopia to assess and develop a National Strategy for the development of the Bamboo industry in Beira and Nacala Corridors. AgriFUTURO's also provided assistance to interested players through increasing the awareness raise of existing potential of the industry and the possible alternatives for its development and impact in Mozambican rural and household economy. Specific activities included:
 - Activity One. AgriFUTURO staff conducted a field trip to Nampula and Cabo Delgado

Provinces to visit potential areas of bamboo production with the Ethiopian team.

- Activity Two. The project held various meetings to assess areas of collaboration with local Government entities (Provincial Directorate of Agriculture in Nampula and Cabo Delgado), local NGO's like Centro Terra Viva (CTV), private companies (Biomassa Corporation) and research institutes (IIAM/CEF, INBAR e IUCN) and The International Network of Bamboo and Rattan (INBAR).

Next steps include:

- AgriFUTURO and IPEME shall coordinate to setup a meeting with INBAR and IIAM to identify areas of cooperation with FeMSEDA. The results of the meeting will be used as a basis to design the of the industry strategic plan (ISP) to promote and develop the bamboo sector in Mozambique.
- The ToR for the design the of the Industry Strategic Plan (ISP) will occur in the coming quarter..
- This shall be followed by a visit to FeMSEDA in Ethiopia in order to learn from their projects on bamboo.
- **Cashew value chain:** AgriFUTURO approached the *Associação de Industrias de Cajú* (AICAJU) to leverage assistance to AICAJU members and define areas of collaboration with group. As a result, principles of collaboration were agreed and a MoU will be signed. Two areas of collaboration were identified:
 - A replanting program coordinated by INCAJU;
 - Develop quality standards (the adoption of appropriate hygiene and safety systems) to enable processing plants to receive international accreditation.
 - IPCCM is producing and distributing grafted cashew seedlings, but they would like to extend the distribution in to 7 fora representing 52 associations with approximately 9,880 farmers, including 1,122 women. And, they are also interested in developing and implementing a MOU for the Quality Management System.
- **Soybean value chain:** AgriFUTURO is leveraging collaboration between different donor funded programs. The AgriFUTURO team in Nampula met with TNS (Eng. Luis Pereira and Narciso Rodrigues) to analyze the status of partnership on the Soybean program funded by the Bill and Melinda Gates Foundation. It was agreed that AgriFUTURO (Julio Costa) will interact more often with Eng. Narciso Rodrigues, and TNS will send the list of their implementing partners in the field in both corridors, to allow AgriFUTURO to establish areas of intervention and support.

- **Sesame value chain:** The AgriFUTURO and SANA Projects approached ECI – Africa, a Swiss Funded NGO, starting its operations in Nacala Corridor, to discuss areas of cooperation. ECI-Africa just started a 9 years project, and needs to define areas of intervention. ECA-Africa has expressed an interest in collaborating with AgriFUTURO. Next step is a field trip to AgriFUTURO areas of intervention to assess the current work and define action plans as need. As a result, AgriFUTURO leveraged financial support to ensure the import of fresh sesame seeds for the coming season 2010/2011, which is going to be one of the outcomes of the collaboration with ECI-Africa.
- **Agribusiness technology promotion:** AgriFUTURO has leveraged support for INCAMOBAL (an agro-processing machine manufacturer), and has approached ADIPSA and the Ministry of Science and Technology (MCT)/North Delegation to define a strategy to build INCAMOBAL capacity to become a certified service provider. As a result:
 - MCT-North will support INCAMOBAL to find land close to Nampula city in order to be located near input and output markets. Currently INCAMOBAL is located in Nanhupo Rio (approximately 110 km from Nampula City). Another area of AgriFUTURO support is to assist INCAMOBAL obtain legal corporate status;
 - INCAMOBAL is preparing a concept paper to be presented to AgriFUTURO with MCT technical assistance;
 - ADIPSA will assist on constructing the workshop, estimated at US\$20,000 ADIPSA, and is also developing a list of needed equipment; AgriFUTURO, will assist on equipment acquisition and training — the AgriFUTURO support has not been defined in value because the equipment list and price are not available yet;and,

During the next meeting, the parties will draft a tripartite agreement with clear responsibilities for each party well defined.

- AgriFUTURO approached *Vale do Rio Doce* in Monapo to assess the stage of the new Mining Project and to evaluate opportunities for collaboration. One of the entry points for collaboration is under crosscut issues along with provision of technical assistance to reallocation of smallholders farmers to new sites. Also, *Vale do Rio Doce* presented a summary of their intervention plan for both corridors. To make turn this partnership effective AgriFUTURO and Vale will sign a MoU. At this stage of the partnership, there is a need to contract a STTA to make a complete assessment of the Monapo region which should be used as a basis to determine the steps forward to implement an agribusiness plan in Monapo pre-established areas.

4. DISSEMINATION AND OUTREACH

4.1 AGRIFUTURO WEBSITE

The updated AgriFUTURO website will become operational early next quarter. It will possess innovative and dynamic tools that will allow the project to track visitors and number of hits. It will also include a dedicated discussion forum. Ten agribusiness forums have been proposed for discussion For the coming quarter. The expectation is to attract public attention on the issues and contribute to the discussion of highly with the knowledge and expertise for any holistic development of agribusiness

4.2 AGRIFUTURO NEWSLETTER

In the current quarter, AgriFUTURO released its bilingual newsletter, AgriNews issue V. The Newsletter was widely distributed and more than a 200 emails addresses linked to our communication contacts database were reached. As feedback many recipients contacted us to request more information about the project and implemented activities.

4.3 MEDIA CLIPPINGS AND COVERAGE

During this quarter, project activities were covered by both private and public print and electronic media. Local newspapers also reported on specific projects activities and events, increasing the project's visibility. For example, the 5th ACA Annual Conference held in July and September 2010 was widely cover5ed by local media.

All communications materials relative to the project covered by radio, TV and newspapers have been fully documented and archived. Also, papers prepared for workshops or seminars are similarly archived. The Table below presents a comprehensive list of all such material.

TABLE 4. PRESS RELEASE AND MEDIA CLIPPINGS

Media Name	Dates	MANCHETE/ TITLE
A Verdade	10/08/2010	Title: The cashew industry, will it revive?
A Verdade	10/08/2010	Title: Cashew nut: recovering the industry
Zambeze	09/08/2010	Title: Maputo discuss the Cashew industry empowerment
Magazine Independente	09/16/2010	Title: Mozambique hosts the International Cashew Meeting
NOTICIAS	09/15/2010	Title: Weak Industry postpone 300 thousand jobs
O País- Tindzava	09/15/2010	News Covering 5 th ACA Annual Conference
O País Económico	09/17/2010	Title: Cashew: the challenge for Africa is to empower the processing
SAVANA	09/24/2010	Title: The Cashew Industry looking to grow
Media Fax	09/17/2010	News on 5 th ACA Annual Conference
TVM	09/16/2010	News on 5 th ACA Annual Conference
RTP	09/16/2010	News on 5 th ACA Annual Conference
STV	09/16/2010	News on 5 th ACA Annual Conference
RádioMoçambique	09/29/2010	News on 5 th ACA Annual Conference
BBC Radio	09/17/2010	News on 5 th ACA Annual Conference

Source: AgriFUTURO, October 2010

4.4 PRODUCTION AND PUBLICITY

Since the beginning of AgriFUTURO, and particularly during the current quarter, the project has widely disseminated all of the informational, educational, technical, and communication materials produced. As a result, AgriFUTURO is now recognized throughout the country as the major source of assistance to the country's agribusiness sector. During this quarter, AgriFUTURO increased the quantity and quality of the communication and outreach materials to respond to outside demand, and we have hosted several large and special events, such as 5th ACA Annual Conference. See table 5 below:

TABLE 5. COMMUNICATION AND OUTREACH MATERIALS

<i>Item</i>	<i>Quantity</i>	<i>Location</i>	<i>Objective</i>
Folders	200	Ongoing utilization and ACA Annual Conference	Visibility of the program goals and objectives
Handouts	500	Ongoing utilization and ACA Annual Conference	Raise awareness and knowledge of the VCs and their market potential
Leaflets	500	Ongoing utilization and F ACA Annual Conference	Brief description of the program statement and components
Roll Up banners	3	ACA Annual Conference	Increase the broad visibility of the program
Value Chain Crops	9	Exhibitions and special events	Raise awareness and knowledge of the VC and its production and marketing potentials
Street Banners	5	For the Agribusiness Forum to be organized by CEPAGRI	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in policy reform initiatives in Mozambique
T-Shirts	100	Beira and Nacala Corridor	Institutional visibility and marketing in the agribusiness sector during the Cashew week in Nampula
Caps	100	Beira and Nacala Corridor	Institutional visibility and marketing in the agribusiness sector during the Cashew week in Nampula
Sticker for cars	2	Project cars	Institutional visibility and marketing in the agribusiness sector
Pens	200	FACIM	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in promoting agribusiness in Mozambique
T-Shirts	25	FACIM	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in promoting agribusiness in Mozambique
(02) Banner and (4) Roll Ups	5	FACIM	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in promoting agribusiness in Mozambique
VC Boards	9	FACIM	Value Chain awareness raising
Caps	25	FACIM	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in promoting agribusiness in Mozambique
ACA Conference Movies	1	AgriFUTURO	Raise awareness of the cashew Industry potentiality of Mozambique
Website updates	2	Maputo Office	Posting the Grants Manuals and Information to allow easy access to information

Source: AgriFUTURO, October 2010

5. ADMINISTRATIVE AND FINANCE ISSUES

- AgriFUTURO submitted its FY 2011 work plan to USAID, in September 3010, and USAID made comments and recommendations for inclusion. That work plan is currently being completed.
- AgriFUTURO initiated recruitment for the following positions:
 - Grants Writer to assist applicants whose concepts are evaluated favorably;
 - Environmental Specialist to develop pesticide and fertilizer training curricula for grant recipients to make sure that the project is complying with USAID regulations;
 - Business Planner to assist program beneficiaries with updating or completing their business plans to be used to access financing;
 - GIS Specialist to, assist with mapping project activities and opportunities and constrains;
 - Forestry Specialist to design a Forestry Technological Training Center and its curriculum for the for the forest industry;
 - Cooperative Specialist to, assist cooperatives to become legally registered entities;
 - Gender Specialist to assist value chain leaders identify opportunities for gender interventions within their value chain;
 - Senior and Mid-level Value Chain Advisors to update the program's Value Chain Competitiveness Strategy and Action Plans;
 - Financial Advisor to evaluate the access to finance program for emergent farmers and compile lessons learned to guide future activities;
 - LTTA Grants Manager to replace Belito Botha who resigned from the project in August to pursue other opportunities; and,
 - LTTA Director of Business Development Services to replace Rosario Matavele who will depart the project on 9/27.

6. UPCOMING EVENTS/ACTIONS FOR THE NEXT QUARTER

- **Enabling environment component:**
 - Complete the Cashew Value Chain Master Plan;
 - Initiate pineapple MD II variety introduction assessment;
 - Complete the identification and approval process of the AgCLR study team;
 - Initiate Matanuska's assistance plan;
 - Initiate the work towards the establishment of producers cooperatives under the new cooperative law; and,
 - Forestry Value Chain AgriFUTURO will support the establishment of the business forestry association.
- **BDS component:**
 - Forestry Value Chain: Follow up the design of the Technological Centre for the Forestry Products (training center); and,
 - Design of the Bamboo Industry Strategic Plan (ISP), and support the design of the Action plan for the Agro-Forestry Village initiative.
- **Communications:**
 - AgriFUTURO will help to set up at International Cooperative Exhibition Fair to take place in India in December, 2010. The event is being organized by Mozambican Association of Modern Cooperatives (AMPCM) and technically assisted by AgriFUTURO. The exhibition will be an opportunity for AgriFUTURO to show case its achievement on enabling environment for cooperative development in Mozambique;
 - In the context of its outreach initiative, the project will handle distribution of awareness raising material addressed to the programs' stakeholders along the development corridor of Beira and Nacala; and,
 - A special Issue of AgriNews VI will be released before Christmas to highlight the main program achievements and results along the year. This is to share with the program stockholders the impact of AgriFUTURO intervention in the corridor.

Administrative events:

- AgriFUTURO will award three grants approved by USAID (Phoenix Lda. for \$75,000; Cooperative KKKU for \$57,372; and G&G Vinson for \$75,000);
- Evaluate new concepts for ASC establishment from SOGIZA (for soy processing), ALIMI (for warehousing) and EAM (fruit pack house); PRIO Foods (mechanization for maize, grains, soy and seeds);
- Continue recruiting for the Director of Business Development Services and Grants Manager positions;
- The project has identified two Fruit Production Specialists to assist with bringing the MD2 starter material to Mozambique. Request for approval for their assignment was submitted to USAID.
- The project has identified Financial Analyst to perform a review of the lending practices to commercial emergent farmers in the Nacala corridor and provide report of the experience with lessons learned.
- Beira Corridor - Fruit Value Chain – Under RDI Contract The next reporting period covers 2 months (26.09.10 – 25.11.10) -
 - Submission of draft Sector Strategy Plan (Inclusive of organizational roadmap plan),
 - 2nd Mango technical consultancy – Pete Caminada: Prior to this visit, RDI has requested all clients to ensure that soil samples have been taken and results obtained for interpretation by Mr. Caminada, and
 - The Banana technical consultancy to roll out demonstration plot program in Macate – Malcolm Clyde-Wiggins.
- Under the AgriFUTURO grant component:
 - Submission of full proposal for EAM (Second stage);
 - Submission of Pinto Agropecuaria concept note and subsequent follow up;
 - Submission of Lucite Empreendimentos concept note; and,
 - Submission of any other mango/banana concept note proposals where clients take up the offer of assistance.
- Recruitment of STTA for VC Association is in progress, advertisement was made, evaluation of shortlist of candidates by EED;
- Recruitment of STTA for Financial assessment of ASCs and grantees in Beira corridor;
- Recruitment of an administrative assistant.

- Request approval of SoW for Unilurio Lab Assessment;
- Visit of IT from OH regarding the migration of Outlook;
- Operational manager will travel to OH, to attend the 2011 Training Workshop of Admin & Finance between 18 to 20 April.

7. PERFORMANCE INDICATOR REPORTING

7.1 INTRODUCTION

The period covered in this report corresponds to the fourth quarter of the FY10. However, the performance indicator reporting covers activities implemented through the entire fiscal year. Also, it highlights the projects main achievements.

The M&E team, Anabela Mabota and Miguel Mines, visited Manica Province between 5 and 10 of September 2010, with the main objective to follow-up the project interventions within Beira Corridor. Another objective was to train the new M&E officer recruited in September 2010, who has the overall responsibility for data collection and compilation within the Corridor. During the visit to Manica Province, the team visited various project sites to better understand the types of interventions the project is implementing in order establish and organize the monitoring system (data collection and return of data to Chimoio). Also, some M&E tools for data collection were tested in the field and constraints in the process of M&E were discussed.

The monitoring activities are concentrated in both the Beira and Nacala corridors, but it is worth mentioning that for maize, groundnuts, sesame and soybean the Nacala corridor has a great contribution on the indicator due to the factor that most of the smallholder producing these commodities are organized by association with solid structure that allows to capture data and verify whenever is need.

The project uses the corridor approach, which means that we can find interventions all along both corridors without a clear boundary. However, is important to give a context of the geographical location of the AgriFUTURO interventions. In Nacala Corridor, the Project is working in Nampula Province (South - Mogovolas, Angoche, and Moma) and (North- Monapo and Nacaroa), Zambézia Province (Gurué, Alto Molocué districts) and Niassa Province (Cuamba district). In Beira Corridor, the project is working in Manica Province (Manica, Barué, Sussudenga, and Gondola districts), in Tete Province (Angónia and Tsangano Districts) and Sofala Province (Gorongosa district).

The majority of activities were implemented through partnership with private companies, NGO's, and Government entities through MoUs that define areas of collaboration and targets to be achieved. For instance in the soybean value chain AgriFUTURO works with PROSOJA, which coordinates data on

soybean from all forums/associations working with CLUSA in Gurué District. The M&E team visited PROSOJA and trained all the field officer to collecting data on AgriFUTURO indicators.

The information presented in this section has been collected from various types of clients, including private companies (Potential ASC such as Corridor Agro) and smallholders organized in blocks and clubs in case of Manica or other approaches such as emerging farmer model being implemented in Nampula and recently in Manica Provinces. The overall objective of the various approaches is to stimulate a range of services (finance, inputs, machinery, technology transfer, best practices) to smallholder farmers of rural of Mozambique. Among the several approaches, it is important to mention that the emergent farmer model has been one of the best strategies to increase productivity, and consequently production, by improving the delivery of appropriate services to farmers. During the most recent agricultural season (2009/2010), AgriFUTURO worked with 47 emergent farmers.

This section is structured by value chain, and presents and discusses the performance indicators proposed in AgriFUTURO M&E plan.

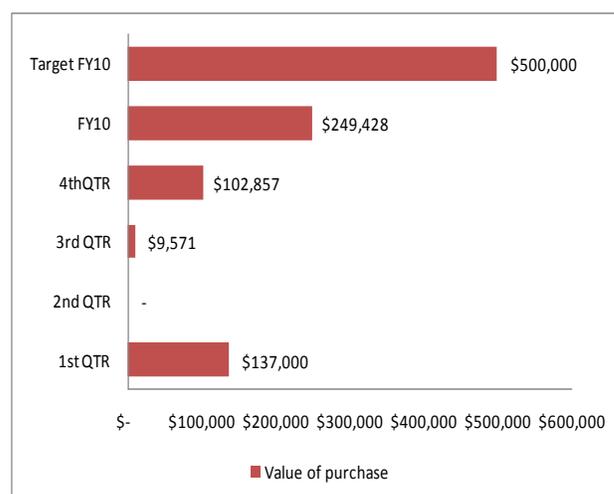
7.2 MAIZE VALUE CHAIN

In the maize value chain, AgriFUTURO, has supported activities since the first quarter of FY10, with the identification of potential producers, followed by strengthening linkages between producers and financial institutions as well as markets for inputs and outputs. To achieve results under this value chain, AgriFUTURO has been working with different models of production. Results are presented by using selected performance indicator to highlight the achievements and impact on beneficiaries.

Value of purchases from small holders:

Figure I show the value of purchases of maize from smallholders from October 2009 to September 2010, where a total of 1.256 tons were sold and valued at US\$ 249,428. This result is approximately 50% below the \$500,000 total value of target for FY10.

FIGURE I: VALUE OF PURCHASE OF MAIZE



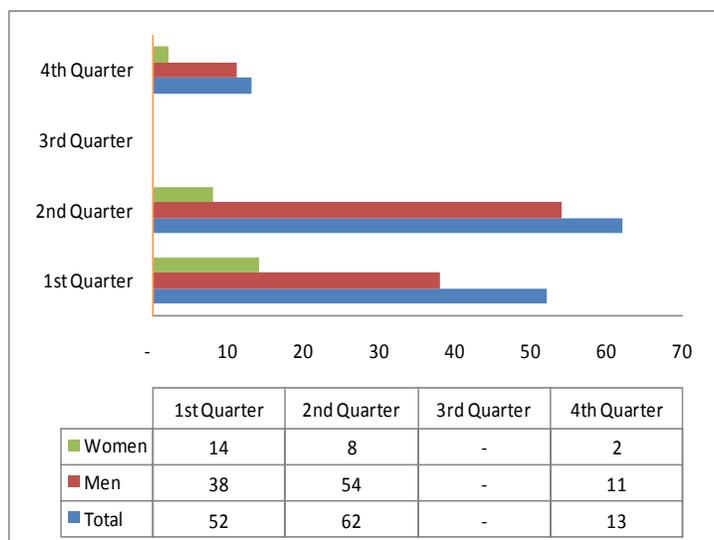
Source: AgriFUTURO, October 2010

There are two important factors that explain this disappointing result. There was an increase in the volume of sales from 67 tons in the third quarter to 800 tons in the subsequent quarter. This increase is traditionally followed by a decrease in prices as a response to the increased market supply. On the positive side and in terms of production, of the recent harvest was much better when compared to the previous harvest which may suggest that in 2009, farmers may have received more total sales value compared to 2010 as result of decrease in supply and high prices observed afterwards.

Families' benefitted: The *Corredor Agro* this FY10 produced yellow maize involving 24 emergent farmers with access to credit through *Banco Terra*. These groups of farmers produced a total of 79.6 tons of yellow maize, and transferred new technologies to approximately 983 indirect farmers in north Nampula. This product is going to be exported to Southern Africa for animal feed companies.

Private investment: The maize value chain only recorded this indicator for the fourth quarter of FY10. Approximately US\$257,153 was mobilized through *Corridor Agro*, which was used primarily for storage and processing activities benefitting 24 emergent farmers directly, and 983 indirectly.

FIGURE 2: NUMBER OF JOBS CREATED



Source: AgriFUTURO, October 2010

Number of jobs generated: Figure 2 shows the number of jobs created during the FY10 in the maize value chain. High demand for labor was registered in the first (October – December) and second quarters (January – March). This is the normal pattern because most agricultural activities are concentrated in these two periods which creates employment. Data indicates that more men were employed compared to women. Most jobs in the third and fourth quarters were in harvesting, post-harvest activities, and transport. In total, the maize value chain generated 127 jobs, including 24 women.

7.3 GROUNDNUTS VALUE CHAIN

Value of purchases from small holders: AgriFUTURO collaborated with CISTER, IKURU, and ALIMI within this value chain, and the data collected in FY10 reflects the contribution of these three partners. The total volume of purchases from smallholder was 2,088 tons valued at US\$1,480,998 with the fourth quarter contributing with about US\$1,205,284 (correspond to about 1,534 tons). This total represents 87% of US\$1,700,000 indicator target for FY10.

Value of new international

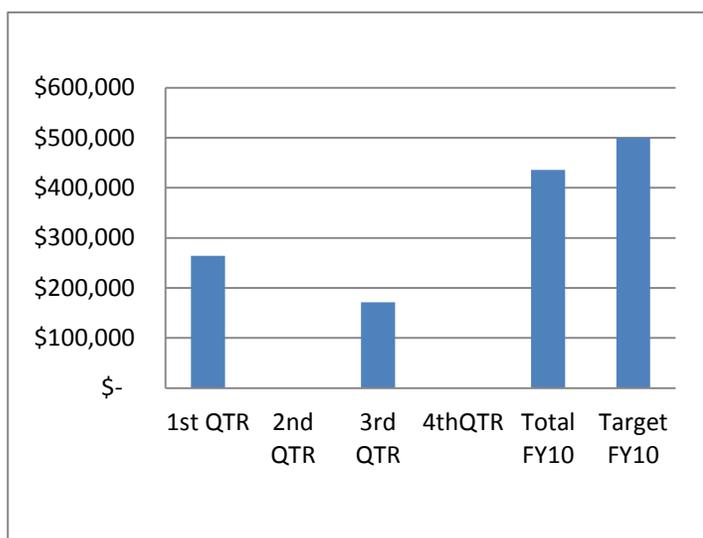
exports: Figure 3 show exports of groundnuts during the first and third quarter of FY10. This represents 87% against the total target for FY10. This result should be expected because exports normally start at the beginning of the new fiscal year, which means that the 2010 harvest will be captured and reported for FY11. Also commercialization of groundnuts stated late in some locations.

Seed production: The project has s also engaged in contract farming for

seed production through its partner IKURU, and this activity involved 34 emergent farmers in the South of Nampula. Those farmers produced an additional volume of 244 tons of seed. This production is currently in storage in the farmer's warehouse, and they plan expect to re-sell back to IKURU for 27.50 Mts (80 Cents/kg). Through this sale, they will receive a approximately 6.710.000 Mts (US\$191,171)

Technical assistance: The Project collaborates with SANA in Nampula Province, another USAID funded Project, to deliver technical assistance to groups of farmer associations on training and mentorship for production and commercialization. Another partner is NOVIB working in the South of Niassa Province that facilitated the commercialization of about 300 tones groundnuts from Nipepe district.

FIGURE 3: VALUE OF NEW INTERNATIONAL EXPORTS



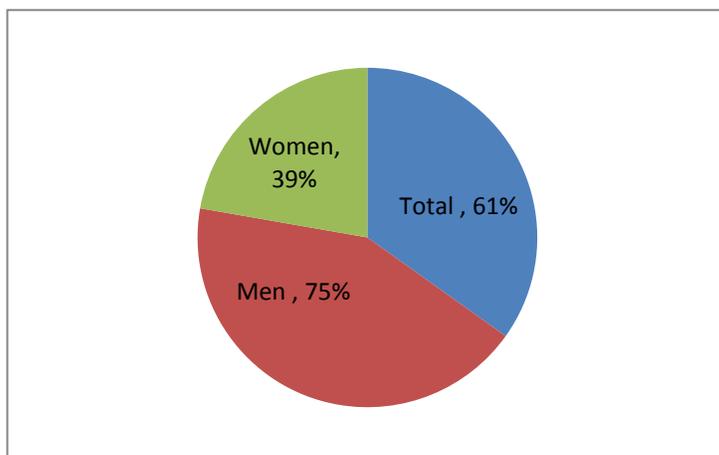
Source: AgriFUTURO, October 2010

Families' benefitted: Table 5 shows the total number of rural households assisted, which was 5, 473 with the last quarter of FY10 benefiting 3, 412 households. Families received inputs (seeds) and technical

TABLE 6. RURAL HOUSEHOLD BENEFITED

	Quarters of Fiscal Year 2010						% achievement
	1st	2nd	3rd	4th	Total	Target	
Total	1.986	75	-	3.412	5.473	9.000	61%
Men	1.309	67	-	2.739	4.115	5.500	75%
Women	677	8	-	673	1.358	3.500	39%

FIGURE 4: LEVEL OF ACHIEVEMENT FOR HH BENEFITED



Source: AgriFUTURO, October 1020

assistance. This represents 61% of indicator target figure of 9,000 which was met only at 61% of the total against the total (see Figure 4). From the total household assisted (61%), there were more men benefited (75%) in all quarters, than women (39%). This value chain employed a greater percentage of women when compared to the maize value chain, especially in the fourth quarter, because there are more activities of post-harvesting (de-shelling, cleaning, and selecting) which are traditionally tasks performed by women.

Private investment: AgriFUTURO involved various financial mechanisms

in working with the groundnut value chain; IKURU, CISTER, Export Marketing and other local organizations. The total amount of financing made available to the value chain by these institutions for was US\$436,429, against the target indicator of US\$200,000. This represents an achievement of 218% of the target, due primarily to the entry of new actors in groundnut production and commercialization.

Number of jobs generated: Under this value chain, 50 new jobs were created, primarily in harvest, post-harvest, storage, transport and management activities.

7.4 SOYBEAN VALUE CHAIN

The main Project partner under this value chain is PROSOJA, which works on promoting soybean in Zambézia Province. The Project facilitated linkages between producers and the main buyers, such as *Novos Horizontes*, *Mercado Ideal* –from poultry sector. AgriFUTURO assisted farmers to negotiate a fair price for their product this year a good price this year. All sales have not been finalized, so there is still some volume of product in storage with producers pending sales

Value of purchases from small holders: 3,642 tons of soybeans were purchased, valued at US\$1,304,565 from smallholder farmers. Of that amount, 548 tons were purchased during the last quarter of FY10, valued at US\$187,920. The project trained farmers on price negotiation skills, resulting in farmers receiving 12 Mts/kg against 9 Mts/kg received in 2009.

Families' benefitted: The Project with its partner PROSOJA, facilitated the introduction of harvester machine in Gurué region to reduce the losses during the post harvest to maximize gains for producers. A total of 9,813 families received assistance and benefited from AgriFUTURO activities. This represents an achievement of 153% against the total indicator target of 6,000 families.

Private investment: The total amount of private investment in the soybean value chain is US\$489,860, which represents an achievement of 163% against the total indicator target of US\$300,000. In the fourth quarter, more resources were mobilized (US\$330,060) for activities related to commercialization and sales.

Number of jobs generated: This value chain generate more 112 jobs in the fourth quarter alone, with the total number of jobs reaching 252, with 96 men and 16 women. Most the jobs were generated during the commercialization period.

7.5 SESAME VALUE CHAIN

BEIRA CORRIDOR

The Project worked with a potential ASC participant (Centro Educational Njerenje) involved with block farming model to assist SUNBIOFUL employees get access to the supply chain for several inputs (seeds, fertilizer, and mechanization). A lack of rain during the production season seriously affected the ability of the producers to meet projected production goals. The Project and its partner CLUSA assisted farmer's organization to produce sesame. The project assisted a total of 1, 251 male producers and 633 female producers from the Administrative Post of Dombe, part of Sussudenga District. This group farmed approximately 777 ha of land and sold 86.8 tons of products on the open market.

TABLE 7. INPUTS USED IN SESAME PRODUCTION

	Number of Producers		Area		Quantity of seeds	Volume of Sales (in Ton)	Value of sales Price=29,00Mts
	Total	Women	Plan	Real			
Dombe	1.884	633	3.156,5	777	2.936	86.7	2.587.913,50 (US\$73,940)

Source: CLUSA, October 2010

NACALA CORRIDOR

Value of purchases from small holders: The Project principal partners in this value chain are ALIMI, SANA, IKURU, and producers. The total volume purchased from smallholder producers was 1,750 tons, valued at US\$1,585,602 for the FY10. This result was possible due to the project intervention on facilitating the sale of 1,179 tons from ALIMI cooperative based in South Niassa Province and 191 tons sold in the Nampula region, valued at US\$173,342. The sales volume represents of achievement of 99% of the target indicator. The value of purchase is also high because the project helped the producers negotiate a favorable sales price.

Value of new regional exports: Most of the producers have not sold to the export market yet, with 957 tones sold to the Southern Africa region valued at US\$1,434,996.

Families' benefitted: The sesame value chain is benefitting a 4,356 in total, with 18, 020 men and 6, 336 women. Demand for labor in this value chain is high crop during the production season (October – December) and harvesting season (July – September).

Private investment: Data for this indicator is unreliable, with many investments not reported or underreported. As of the end of this quarter, we can report only US\$12,970 against the target of US\$400,000, representing a low 3% reported achievement rate. The project is attempting to gather more reliable and accurate data and will report that in the next Quarterly Report.

Number of jobs generated: A total 173 jobs was created in this value chain (158 men and 15 women) during FY10. The majority were employed during the last quarter, with 153 jobs created. Most of these people worked on harvesting, post-harvesting, transport activities and in warehouse management.

7.6 FRUIT VALUE CHAIN

BEIRA CORRIDOR

Banana value chain: AgriFUTURO has supported very few activities in the Beira Corridor in this value chain. However, Table 7 demonstrates a solid potential for the banana sector in Beira to supply both domestic and regional markets. For instance AGRIZA exported about US\$20,800 to Zambia during this last quarter of FY10.

TABLE 8. VOLUMES AND SALES OF BANANA

Clients	Numbers of Job	Market	Quantity (in Tons)	Area (Ha)	Sales
AGRIZA	45	Zambia	104	10	728.000 Mts
					US\$20,800
AMU	18	Goto Market in Beira Shoprite of Chimoio	12	N/A	54.750 Mts
					US\$1,564.28
TOTAL	51		116	N/A	782.750
					US\$22,364

Source: AgriFUTURO, October 2010.

NACALA CORRIDOR

In Nampula Province the fruit value chain can be considered emergent; most of the activities on the value chain were aim at identifying producers interested in becoming suppliers of seedling to be potential service provider. Therefore, there only company that is already producing is Matanuska. The major crop produced by Matanuska is bananas, but since the Project assistance did not contribute to increase new exports of bananas there was no legitimacy to collect the data.

7.7 CASHEW VALUE CHAIN

NACALA CORRIDOR

The indicators on cashew value chain were collected only within Nacala Corridor. During the FY10 the Project concentrated efforts on:

- Identification of producers interested on producing seedlings of cashew;
- Assisting forums and association of producer to maintain the existing orchard.

- Leverage coordination among partners to deliver the sectors needs.

Value of new international exports: For FY10, IKURU exported 95 tons of cashew nuts valued at US\$692,590 to England. This activity involved producers as well as processors receiving assistance on quality control through TNS/AgriFUTURO. The Project assisted on the quality control of about 775 tons of cashew nuts from Condor cajú and Condor nuts valued at US\$5,642,883.

Families' benefitted: The Project provided technical assistance on agronomic techniques to 2,446 producers through SANA and District Directorate of Economic Activities (SDAEs) field officers.

Number of jobs generated: This value chain generated about 1, 213 new jobs during FY10. The fourth quarter was the most dynamic with 1,182 new jobs, including 426 women.

7.8 FORESTRY VALUE CHAIN

Number of jobs generated: The sector generated about 3, 200 new jobs for the entire FY10 (see Table 9). This figure includes data from five companies that compose the exotic forestry (new plantation) sector. The impact in terms of jobs created is significant, even taking into consideration that in some jobs are seasonal.

TABLE 9. NUMBER OF JOB GENERATED FOR FY10

	Quarters of Fiscal Year 2010						Target
	1st	2nd	3rd	4th	Total		
Total	2,812	2,488	0	700	6,000	3,200	
Men	2,165	1,916	0	539	4,620	2,240	
Women	647	572	0	161	1,380	960	

Source: AgriFUTURO, October 2010

Private investment: The forestry sector in general (the new companies) during the two last quarters (See Table 10), started to invest in heavy equipments and means of transport to be able to expand their area of plantation.

TABLE 10. PRIVATE SECTOR INVESTMENT IN FY10

	Quarters of Fiscal Year 2010					
	1st	2nd	3rd	4th	Total	Target
Total	\$15,000,000	\$10,000,000	\$25,500,000	\$42,000,000	\$ 92,500,000	N/A

Source: AgriFUTURO, October 2010

8. ANNEX A: USAID MOZAMBIQUE AGRIFUTURO PERFORMANCE INDICATORS

TABLE II. TARGETS VERSUS QUARTERLY RESULTS FOR ALL VALUE CHAINS

Performance Indicator		Fiscal Year 2010				
		Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Total
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
Value of purchases from Smallholders (US\$)	Target					\$15,500,000
	Actual	\$1,129,242	\$9,571	\$762,359	\$8,382,146	\$10,283,318
% change in purchases from Smallholders	Target					13.1%
	Actual					
Volumes of purchases from Smallholders (Tons)	Target					0
	Actual	2,277	67	2,174	5,027	9,546
New Jobs Created (cumulative)	Target					13,133
	Actual	2,946	2,636	42	1,009	6,633
- men	Target					9,400
	Actual	2,247	2,055	26	817	5,145
- women	Target					3,733
	Actual	699	581	16	192	1,487
Rural Households Benefited (cumulative)	Target					45,000
	Actual	31,280	692	4,685	10,662	47,319
- male head of household	Target					27,440
	Actual	20,614	560	3,056	9,260	33,490
- female head of household	Target					17,560
	Actual	10,666	132	1,629	1,402	13,829
Total New Exports	Target					\$28,795,000
	Actual	\$401,885	\$346,295	\$171,429	\$4,758,891	\$ 5,678,500
% change in total new exports	Target					103%
	Actual					
- International (outside of Southern Africa)	Target					\$22,375,000
	Actual	\$312,285	\$346,295	\$171,429	\$346,295	\$1,176,304

Performance Indicator		Fiscal Year 2010				
		Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
- Regional (Southern Africa)	Target					\$6,420,000
	Actual	\$89,600	0	0	\$4,412,596	\$4,502,195.6
Private Sector Investment	Target					\$25,000,000
	Actual	\$15,057,770	\$10,130,000	\$25,500,000	\$42,837,203	\$93,524,973
Policy Reform Proposals Submitted	Target					1
	Actual	0	0	0	0	0
Agricultural Firms Benefiting (cumulative)	Target					160
	Actual	55	68	10	46	179
Agri. Firms Revenues Generated	Target					\$22,997,000
	Actual	\$1,028,178	0	0	0	\$1,028,178
Financing Mobilized	Target					\$25,000,000
	Actual	\$390,962	\$28,195	0	\$573,535	\$992,692
New financial mechanisms adopted	Target					2
	Actual	1	0	0	0	1
Number of PPPs Established	Target					8
	Actual	3	0	0	0	3
Resources Leveraged (PPPs)	Target					\$505,000
	Actual	\$27,000	0	0	0	\$27,000

Source: AgriFUTURO, October 2010