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USAID AGRIFUTURO PROJECT QUARTERLY PERFORMANCE MONITORING REPORT OCTOBER 2010 – DECEMBER 2010



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USAID AGRIFUTURO PROGRAM QUARTERLY PERFORMANCE MONITORING REPORT

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ACRONYMS

ACA	African Cashew Alliance
ACAFANA	Associação de Camponeses das Famílias de Nawotxe
ACi	African Cashew Initiative
AGRA	Alliance for Green Revolution in Africa
AgCLIR	Agriculture Enabling Environment- Commercial Legal and Institutional Reform
AICAJU	<i>Instituto do Cajú</i>
ALIMI	<i>Empresa De Comercialização De Produtos Agrícolas</i>
AMPCM	<i>Associação Moçambicana para Promoção do Cooperativismo Moderno</i>
AMPIA	<i>Associação Moçambicana de Provedores de Insumos</i>
APAC	<i>Associação de Promoção de Agricultura Comercial</i>
ASAM	Commercial Farmers Association of Manica Province
ASC	Agribusiness Service Clusters
BAGC	Beira Agriculture Growth Corridor
BCI	Banco Comercial Internacional
BDS	Business Development Services
BMGF	Bill and Melinda Gates Foundation
BOM	<i>Banco de Oportunidade de Moçambique</i>
CAL	Corredor Agro lda.
CDN	<i>Corredor de Desenvolvimento de Nacala</i>
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
DSV	<i>Departamento de Sanidade Vegetal</i>
DUAT	Direito de Uso e Aproveitamento de Terra
EAM	<i>Empreendimentos Agrários de Moçambique</i>
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
GIZ	German International Cooperation
IIAM	Agrarian Research Institute of Mozambique
IKURU	Mozambican Farmer Owned Company
INCAJU	<i>Instituto do Cajú</i>
MAP	<i>Molocué Agro Processamento</i>
MINAG	<i>Ministério da Agricultura</i>
MOU	Memorandum of Understanding
ORAM	<i>Organização Rural de Ajuda Mutua</i>
RDI	Research Development Implementation
SANA	Clusa, Africare, and Save the Children Consortium
SNV	Dutch Development Aid
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

INTRODUCTION

1.1 BACKGROUND ON AGRIFUTURO FY11 ACTIVITIES

This progress report for the AgriFUTURO project covers the period from October to December 2010. This period is the first quarter of the second year work plan of the project. The project was awarded in May 1, 2009 to a consortium led by Abt Associates and including Technoserve, CLUSA and Wingerts Consults. During the quarter the project has encountered several difficulties starting from the resignation of BDS director, also changes in the management team in Mozambique as well as at the home office in Bethesda. Also the project started with the new recruitment for home office backstopping, COP, BDS director, grant manager, among some. However, the project has made progress in the reporting quarter, as is later detailed in the report.

Following, is presented an overview of the project's objectives and outcomes, then the project approach with the basic context of the project to guide the reading of the report. The others sections presents the four components of project, Performance indicator reporting (M&E), Communication and Project management related achievements.

1.2 OVERVIEW OF PROJECT OBJECTIVES AND EXPECTED OUTCOMES

The AgriFUTURO projects primary objective is to increase Mozambique's private sector competitiveness by strengthening targeted agricultural value chains, in order to bring changes in the overall business environment, agribusiness development services, in access to finance for agribusiness development and in relation between public and private partnership.

1.3 PROJECT APPROACH

- **Targeted value chains:** For the FY 2011 the project will have a focus on the value chain approach - as well as an increased emphasis on cross-cutting themes. Our target value chains are now more clearly defined as:
 - Fruits and Nuts, which includes mango, pineapple, banana and cashew, and leaving an open space for new potential fruits and nuts.). Both groups of products face similar cross-cutting themes of SPS and fruit fly, certifications issues, lack of inputs due lack of service providers, market linkages as well as quality assurance.

- Forestry value chain: This value chain includes plantation forest product as well as high-value and non-traditional forestry initiatives which complement our cross-cutting theme focus on biodiversity. The main issue under this value chain is processing and the project will assist the sector to establish a training center, another challenging area is the establishment of the forestry development group.
- Oilseeds and Cereals (including groundnuts, sesame, maize and soya, among others): This value chain encompasses a number of closely related products with similar supply chains, financing issues, and (to a lesser extent) growing areas. Of these products each corridor emphasizes more in one than other products, for instance soybean value chain is more developed in Nacala Corridor because there a project also trying to promote and also has a wide number of uses being the most prominent animal feeding industry.
- **Selected corridors:** The Project approach is focused on Nacala and Beira Corridors. The Nacala Corridor covers 5 provinces namely: Nampula, Zambézia, Niassa and Cabo Delgado. The Beira includes: Sofala, Manica, Tete and part of Zambézia. Each corridor focused in specific activities responding to specific value chain needs. To be more specific the corridors focused on:
 - Nacala Corridor: During this quarter, the project focused on preparation of the upcoming agricultural season, linked various clients to access finance and market across the value chains.
 - Beira Corridor: The project directed its activities special of ASCs establishment thru provision of grants, to support production activities with the corridor.
- **Partnerships in implementation:** For the success of the project, AgriFUTURO is working with CLUSA (Cereals and Oil seeds) and Technoserve (fruits and nuts, forestry) and Wingerts Consults providing support to the M&E component. Also in specific cases AgriFUTURO is working with other USAID project to leverage coordination to achieve expected results this is the case of Prosoja Project and Sana, both in Nacala Corridor.

2. KEY HIGHLIGHTS AND ACHIEVEMENTS

2.1 USAID/AGRIFUTURO PROMOTING CONTRACT FARMING APPROACH

AgriFUTURO worked with the Emerging Farmers groups trying to respond to various challenges faced by farmers such as: market linkages, financial access, access to inputs (mainly good seeds), and improvement on productivity. This program was implemented by AgriFUTURO in partnership with ADIPSA (providing 60% of the guarantee fund) and *Banco Terra* (providing loan and 30% of guarantee fund through Rabo Foundation and 10% of guarantee fund from its own risk). During this quarter the project undertook the following activities under this program: Link producers to market; ensure future contracts with specific standards; assisted farmers on the design of bankable business plans to access working capital loan through the banks; and assisted producers with technical production expertise and management of the loans.

Last crop season 2009/2010 the Project worked with 33 Emergent Farmers in Nampula Province, and the total amount of loan received was US\$132,508 (4.637.776,00 Mts) and they produced approximately 386.104 tons of different products, valued at US\$196, (873 6.890.564,00 Mts). The farmers over produced, which resulted in a big problem for the company to honor the compromises. As a result the growers started to sell aside as an alternative to obtain cash, this situation affected the loan payments.

As a result of AgriFUTURO intervention, for the crop season 2010/11 model of Emergent Farmer Program will be managed by a service provider Corredor Agro to multiply the good experience from last season. The advantages of this model are: knowing its minimal price at the beginning of the season – price agreed at the production contract and the contract price is usually higher than the average market price, and way higher than the starting price applied by the Indian Traders. For example, the minimal maize price agreed with Corredor Agro Lda was 4.5 Mt/kg, the starting price at trading season in Monapo was around 3.5 Mt/kg. The higher price is around 7 Mt/kg, and it is an off-season price and only growers with good storage facilities can take advantages of trading on off-season. Besides the price, growers get other advantages from the contractors, namely: Technical assistance from the contractors, input credit supplied by contractors, maize shelling and cleaning services and market and transport to the market.

Although there are problems on commercialization and loan payback, it had not affected all participants. Corredor Agro Lda (CAL) was one of the subcontracting companies on the program, in season 2009/2010, and had benefited from the production alliance with the growers – they had a premium production quality –

and are assuming the contracting farming as a working model within the company. For the season 2010/2011, CAL will manage its own Emerging Farmer program, they have negotiated loan for the growers, with *Banco Comercial de Investimentos*, and had negotiating with local market for the maize and international market for sesame and beans. CAL had also invested on machinery to support its Emerging Farmer program; they purchased four tractors with its implement. Table 1 presents the 2010/2011 CAL plan.

TABLE I. CAL PRODUCTION PLAN FOR THE EMERGING PROGRAM – SEASON 2010/2011

<i>Items</i>	<i>Number</i>
Number of groups	12
Total number of growers	60 (5 producers in each group)
Total Area (ha)	900
Area per Grower (ha)	15
Crops	3 (maize, sesame, and beans)
Investment on Mechanization (Mts)	9.750.000,00
Finance to producers (80% of the production cost)	6.000.000,00 (BCI-60% & CAL 20%)
Average Credit per grower (Mts)	100.000,00
Gross Profit per Grower (Mt)	68.865,00

Source: AgriFUTURO, October 2010

This Project approach is attracting more companies such as CISTER, OLINOTU and ALIMMI which are willing to experiment the model. At the moment AgriFUTURO is supporting these companies to access finance and shifting from its old role of direct coordination.

2.2 AGRIFUTURO LEVERAGING COORDINATION TO PROMOTE FRUITS VALUE CHAIN

AgriFUTURO is promoting the establishment of Fruiticentro an agribusiness association on fruits by funding a the design of a strategy document with a aim to serve as a guiding document for the development of the Beira Corridor Fruit (& Nut) sub-sector of the Agricultural Sector of the Mozambican economy as seen from a private sector (farmer) perspective. The strategy was developed by RDI, and the document seeks to add value to setting the fruit sub-sector on a stable and appropriate course to getting the basics right. This document aims to propose the most appropriate actions that should be taken by the sub-sector in order to ensure that: viable fruit and nuts farms are developed; appropriate technology is employed to ensure up to

date packaging and processing options are employed; the most attractive markets are engaged and appropriate quality protocols are achieved.

Where outside support or is engaged, *FrutiCentro* will urge timeout decision making.

In setting out to define a basic ground level strategy, the component parts of the strategy matrix need to be identified and blended together in the most beneficial manner possible to ensure that a holistic approach to developing the sub-sector is adopted. Holistic in that it considers everything from technical production issues to packaging, marketing and logistics issues to social inclusivity (in terms of production unit sizes) to the financing environment, government role, donor and NGO roles and appropriate collective representation.

This document in its final form will represent the views and desires of *FrutiCentro*, the Beira Corridor Fruit and Nut producers association. To that end, ownership of this document will be assumed by *FrutiCentro* in that the aim is that the final version will be adopted by *FrutiCentro* as the associations guiding strategic document.

In the last several years, there have been an increasing in areas of all tropical and sub-tropical fruits planted in the Beira Corridor by small, medium and large scale farmers to the extent that one could now say that Beira Corridor has the beginnings of a potentially large and competitive fruit and nut sub-sector. Government has in the last few years included some fruits (Mango, Pineapple and Banana in particular) in their list of priorities for agricultural development. Also increasing over the last five years has been the interest of donors in intervening to aid the private sector and government in the development of the Beira Corridor fruit sub-sector. In particular, Technoserve, the EMPRENDIA and AgriFUTURO programs funded by USAID and SNV (Dutch development aid) have put resources into the development of the sub-sector.

In order to bring the fruit sub-sector into perspective in the corridor, one needs to see it as a component of the greater Agricultural sector. Fruit production in the corridor is likely to grow into a major export earnings contributor to the corridor's agricultural output; however it must also be seen for the value it adds to diversification of farming enterprises and communities which will ultimately also lend well to risk management.

Fruit sub-sector leaders and interveners should consider the sub-sector as a whole and that although in some cases, particular focus is on certain fruit crops, generally speaking, interventions should be approached from the perspective that each crop is a component part of a whole sub-sector and that decisions made regarding particular fruit crops may have an effect on the whole. The most appropriate developmental road is more likely to be travelled if this approach is adopted.

3. AGRIFUTURO COMPONENTS AND FY10 ACTIVITIES

3.1 IMPROVE THE ENABLING ENVIRONMENT FOR AGRIBUSINESS

Most of the activities under this component focused on establishing links between actors within the nine project value chains.

ACTIVITY I: DEVELOP A STAKEHOLDER BASE FOR CHANGE

- AgriFUTURO engaged with GIZ to agree on the STTA to work with FRUTISUL and FRUTICENTRO on capacity develop to help it become a Fruit Federation. As results, a consultant has been identified, assigned and has initiated work.
- AgriFUTURO has partnered with the Malonda Foundation to develop a plan of action for the formation of the general assembly for a new forestry business association
- In Beira Corridor, *FrutiCentro* constitution, structure and proposed budget was finalized and the association registration process is now underway.
- A meeting with Commercial Farmers Association of Manica Province (ASAM) was held to agree upon a way forward regarding the relationship between ASAM and *FrutiCentro*. It was agreed that *FrutiCentro* would become a commodity association under the umbrella of ASAM, but the discussion is not yet closed
- The Project received the consultant proposal to work with: (i) FRUTISUL and FRUTICENTRO on the capacity building development action plan for 5 years and (ii) development of the Mozambican Fruit Federation.
- With the Project's coordination a task force was created to work on the establishment of the new forestry business association, the members are: AgriFUTURO, Fundação Malonda, Green Resources, Ntacia and Florestas de Niassa.

ACTIVITY 2: DEVELOP A NATIONAL COMPETITIVENESS STRATEGY

- The Cashew Master Plan is under development and will be presented at the national Cashew Forum in November.
- During the period under review AgCLIR process started with design of the terms of reference, finalize and sent to USAID EGAT Washington for input and discussion on implementation issues. On the same period the team of consultants to undertake the Agriculture Enabling Environment- Commercial Legal and Institutional Reform (AgCLIR) was identified. The Biodata verification process was completed and submitted to USAID for approval. The assessment task will begin on the first week of February 2011.
- AgriFUTURO started the discussion with CEPAGRI on the development of the National Agribusiness Strategy.

ACTIVITY 3: DEVELOP A NATIONAL COMPETITIVENESS REFORM AGENDA

- Regarding the MDII study, the following process took place: Identification of consultants, approval by USAID. The MD2 pineapple study initiated by the consultant Dermont Cassidy and a plan of work was submitted and approved and the team did the first exploratory visit in Maputo City and Nampula Province. The MDII pineapple study was completed, progress reports submitted to AgriFUTURO.
- The recruitment of STTA for the establishment of three cooperatives took place and the Association for the Promotion of the Modern Cooperatives (AMPCM) submitted the proposal to assist the process of establishment of four cooperatives. The team of consultants to undertake the process of establishment of four cooperatives was identified and biodata verification process completed.
- The fruit fly surveillance activity continues and AgriFUTURO assisted the Ministry of Agriculture (MINAG) to prepare a Fruit Fly stakeholders' workshop that involved phytosanitary organizations at regional and international levels.

3.2 EXPAND AND STRENGTHEN AGRIBUSINESS DEVELOPMENT SERVICES

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

GRANTS ACTIVITIES

- Grants executed: The money was used to buy mechanization machinery for grantees Phoenix and Vinson G&G were procured and are being delivered to the field.
 - Phoenix Lda. with \$75,000;
 - Cooperative KKU for \$57,372; and
 - G&G Vinson for \$75,000.
 - Okalihera \$5,000; and
 - EAM for \$75,000 for a pack-house.
- Concepts submission for ASC establishment: Positively evaluated and have moved to the full proposal stage and positively reviewed by the evaluation committee and sent to USAID for approval.
 - Pinto Matavel and two other more are in pipeline.
 - SOGIZA (for soy processing),
 - ALIMMI (for warehousing) and
 - PRIO Foods (mechanization for maize, grains, soy and seeds)
 - CAL (Tractor purchase)
- Discretionary Grants: All four proposals were not approved.
 - OLINOTU – For funding for cashew seedling distribution program;
 - IPCCM – For funding for cashew seedling distribution program within Murrupula district;
 - COPSA – Tractor maintenance;
 - IKURU – Certification process for fair trade market.

BEIRA CORRIDOR

- **Dengo Comercial:** a service provider and local agro-dealers signed a two purchase contracts to buy maize (seed) at 7 Mts/kg and sesame at 35 Mts/kg under the emergent farmers program.

NACALA CORRIDOR

- The Project is working on the SOW to contract a STTA to assist SOGIZA on management issues. SOGIZA is also a potential grantee.
- Corredor Agro (CAL) signed a contract of production with 60 ECF to produce maize, sesame, beans. Apart of its own production is going to farm 900 ha. CAL received a US\$128,571 (4.500.000,00 Mts) from *Banco Comercial Internacional* (BCI) to finance the ECF. CAL purchased 4 tractors with the respective implements.

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

BEIRA CORRIDOR

NACALA CORRIDOR

- AgriFUTURO is providing assistance to IKURU for seed production program under emergent commercial farming and with farmers associations. The plan is to use 1014 ha to produce 800 tons of different seeds (soybean, groundnuts, maize, sesame, pigeon peas and cowpea beans). The Project was engage on financial access to fund the producers under contract and presented a plan to IKURU.
- The *Associação Moçambicana para Promoção do Cooperativismo Moderno* (AMPCM) presented a plano of work to convert COPSA into a cooperative. The plan was shared with CLUSA and Prosoja and its being analyzed.
- The Project and ADRA within their partnership will be working on conversion of groups of associations into cooperatives and then to become later autonomous cooperative of savings and credits to established in partnership with *Banco de Oportunidade de Moçambique* (BOM). Next steps are to contact with CDP-AMPCM to request a plan of conversion into cooperative.

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

BEIRA CORRIDOR

- **BOM/Clubs:** Under this agreement the Project is providing technical assistance to BOM clients supporting on the formation of the clubs and technology transfer. This initiative includes a total of 431 smallholder producers and 839 hectares considering that each farmer has an average 2 ha. (See Table 2)

TABLE 2. BOM-AGRIFUTURO PROJECT COVERAGE

<i>Distric</i>	<i>Locality</i>	<i>Number of Clubs</i>	<i>Number of members</i>		<i>Area of Maize (ha)</i>
Báruè	Cruzamento Macossa	7	41	5	110
	Honde	9	101	5	121
Manica	Mavonde	19	120	35	200
	Manica Sede	10	83	27	131
Sussudenga	Tsetsera	8	86	23	277
Total		53	431	95	839

Source: AgriFUTURO, December 2010.

Training provided: The Project facilitated a two days the training delivered by *Instituto de Investigação Agronómica* (IIAM) for 20 ECT and 5 service providers on production of soybean and maize seeds. More specifically the training (seed multiplication, quality control, seed distribution, rural extension, maize and soybean production system and norms, seed legislation, seed selection, harvesting and processing and storage).

NACALA CORRIDOR

- The Project assisted Gett Frango Lda on the process of selection of a new production area to establish a production contract program with individual farmers to produce maize and soybean as well as their own production. This will reduce the price paid to intermediaries by Gett Frango, also cover part of the needs in terms of soybean which is approximately 4.000 tons/year and mainly used for animal feeding. *Gett Frango* wants to install approximately 1.000 ha and two silos with capacity of 2.000 tons each being one for each of the crops. AgriFUTURO established a linkage between Gett and Prosoja a soybean promoter within the corridor.
- AgriFUTURO is leveraging coordination with IIAM/AGRA program that aims at research and introduction of improved seed thru demonstration plots. The Project will link IIAM/AGRA with the

market for seed of high quality. As a result, the Project already identified MAP as potential market of maize. In addition the Project is assisting Lozane Farms with its partner IIAM/AGRA to release two hybrids of maize and Lozane intend to promoted soybeans and maize this crop season and will involve 100 producers under contract. The soybean and maize promotion program will receive technical assistance from Prosoja and market and financial linkages from AgriFUTURO.

- To assess the condition of production of fruits, AgriFUTURO visited the following production units:
 - Gastão and José Fortes both fruit and cashew producer. It was agreed that AgriFUTURO will provide technical assistance for the establishment a cashew program with both, instead of fruits. One of the big constraints with Gastão farm is because is farm is located in Mogovolas and the access is difficult, thus fruits would get spoiled before getting to the last destination. While José Fortes is already producing seedlings of fruits (mangoes and citrus) and forestry but he needs a technical expertise for production as well as good material for crafting;
 - In the same line AgriFUTURO is already assisting OLINOTU (Teotónio) on the establishment of nurseries for production of cashew seedlings;
 - ADPP Ituculo, owns approximately 200 ha of cashew plants in production. The hold a small processing plant of juices where they process mango and cashew. The Project is assessing the possibility of supporting ADPP on business plan design for the juice processing plant, integrated management of the actual plantation, quality aspects specially on processing plant of cashew and other fruits.
- The Project undertook a gender needs assessment in Mogovolas and Nacaroa districts of Nampula Province. The objective was to evaluate the actual constraints faced by the minorities (in this case woman) in production process. The assessment identified three women entrepreneurs with potential to assist them the Project is putting together a plan of action for each of them.
- Interventions of CISTER a Project client:
 - Will start to buy groundnuts of type Spanish (variety Nametil) besides Virginia type after being tested for aflatoxin several times and not detected in Portugal and Spanish. To be more competitive CISTER installed a processing unit of groundnuts in Nampula with capacity of 3.000 tons/year;
 - CISTER is also interested on cashew and chickpeas (feijão frade) besides groundnuts but AgriFUTURO will support the groundnuts program thru CLUSA/SANA Project wich is going to provide technical assistance to producers in Monapo, Meconta, Nacaroa and Muecate districts of Nampula.

- CISTER will be the market for all produce and will be buying from farmers association and intends to sign production contracts.
- The Project linked CISTER with OLINOTU working with Associação de Camponeses das Familias de Nawotxe (ACAFANA) a legal association with 150 members. OLINOTU will sign a production contract with CISTER to produce 100 ha of beans and 50 ha for groundnuts. OLINOTU business plan is in progress to be submitted to banks for loan request to support part of the operational costs.
- The Project assisted Intelimoz with market study for the instalation of the fertilizer factory, current he company is seeking for funding to pursue with the project. AgriFUTURO linked Intelimoz with CEPAGRI to analyse the possibilities to benefit from the guaranty funds from AGRA. Next step include MoU signature between CEPAGRI and Intelimoz.
- The Project is assisting the fruit producer Miquidade on redoing the production plan of seedling, as well as his business plan to assess a loan to establish a nursery for fruits and cashew. Current, Mr. Miquidade owns approximately 3.000 plants of mangoes and 2.000 plant are already sold to Aga Khan Fundation.
- The local Government of Nampula approached the Project to request for assistance to train 50 extension officers agricultural techniques and management of micro enterprises. The Project is in process contacting partners to deliver the training.

3.3 HELP AGRIBUSINESS FIRMS ACCESS FINANCING

ACTIVITY I: HELP AGRIBUSINESS FIRMS ACCESS FINANCING

BEIRA CORRIDOR:

- Banco Terra approved 21 credits to Emergent Commercial Farmers working within the Project ASCs approach (See Table 3).The plan was 34 with late arrival of the tractors for the implementation of the plan changed and also farmers could not crop maize because it was later.

TABLE 3. AMOUNT APPROVED BY BANCO TERRA

ASCs	Number of producers approved	Amount approved in MZN	Amount approved in US\$	Area of production (ha)
Vinson G&G	13	9.717.981	278,000	395
Phoenix	8	3.989.246	113,978	149
Total	21	13.707.227	391,635	544

Source: AgriFUTURO, December 2010

NACALA CORRIDOR:

- The Project meet with *Banco Terra* to negotiate a loan of US\$57,143 for IKURU to purchase the seeds produced from emergent farmers. The bank committed to fund them continuously as long as IKURU offers the Nacololo sesame possessing plant as collateral. With the amount received, IKURU paid the first nine group of emergent farmers an amount of US\$14,167 (495.842,00 Mts)
- To minimize the default rates on the loans processed for emerging farmers last agricultural season, *Banco Terra* and AgriFUTURO undertook an assessment mission. As result, a term of commitment was negotiated and signed between the bank and emergent farmers. As a result, some ECF already paid US\$2,286 (80.000 Mts), this was possible because farmers did side sales. It is worth to mention that two of the ECF that made payments to the bank and to service provider had a profit of US\$1,143 (40.000 Mts).

ACTIVITY 2: DEVELOP INSTITUTIONAL INNOVATIONS

Nothing relevant to report.

ACTIVITY 3: PROMOTE PROJECT LINKAGES TO NEW AGRIBUSINESS INVESTMENT FUND

Nothing relevant to report.

3.4 INCREASE AND STRENGTHEN PUBLIC/PRIVATE PARTNERSHIPS

BEIRA CORRIDOR:

- **Partnership with AMU:** The Project signed a MoU with *Associação Moyo Umhe* (AMU) a banana producer. The cooperation includes quality improvement on bananas.
- **Partnership with Prio Foods:** The Project signed a MoU with Prio Food that aims at providing services on production, processing, of soybeans and sunseeds.
- **Contact with ORAM:** AgriFUTURO contacted ORAM to assess their possibility of service provision on land delimitation, land titles (DUATs) for the Project clients. The discussion is not yet closed.

NACALA CORRIDOR:

- **Partnership with MAP:** The Project signed MoU with *Molocué Agro Processamento* (MAP) with aim to establish the quality control system, replanting program of 1.000 ha (from which 200 ha will be organic cashew). In addition MAP installed a maize processing plant with capacity of 24 tons/day and

the Project will be promoting new improved varieties of maize.

- **Partnership with AICAJU:** The Project signed a MoU with AICAJU to build the capacity within the cashew sector and for the replanting program. This partnership include assistance thru a STTA specialized in organizational development of economic associations, that is going to work under supervision of the AgriFUTURO Enabling Environment Director, in Coordination with African Cashew Initiative (ACi). The consultant shall support the AICAJU members all the necessary processes to establish the management of the association. The follow up next quarter.
- **Partnership with Matanuska:** During the period under review, AgriFUTURO signed a MoU with Matanuska in November 2010. This partnership aims mainly at (i) create a more competitive Mozambican agricultural Private sector specially on fruits sector thru the improvement of enabling environmental areas, expand and strengthen private sector service provision and build linkages with financial institutions; (ii) AgriFUTURO will assist Matanuska on the relation with a community (engage local community under its social corporate responsibility) to achieve production of banana to export markets with acceptable world standards; (iii) Within the banana value chain, both partners are committed to ensure provision of inputs, technical assistance, skill transfer, logistic and storage market linkages and financing in Mozambique; (iv) Another area which is not stated in the MoU is implementation of quality system following international standards.
- **Partnership with Ussumane Miquidade:** Thru this partnership the Project aimed at establishing a nursery program for mangoes and cashew to respond at the needs as well as introduction of good material in the market.
- **Contacts with CETA and Jacaranda:** During the October – December quarter, the Project contacted with these two companies but clear interventions were not established.

4. DISSEMINATION AND OUTREACH

4.1 AGRIFUTURO WEBSITE

An update on the website took place recently. News stories and information were feed into the AgriFUTURO website as to revive the old information posted in the last quarter. From website statistics generator, in the last quarter more than 300 people worldwide visited the website, as per table below.

4.2 AGRIFUTURO NEWSLETTER

In the current quarter AgriFUTURO managed to release its bilingual newsletter, AgriNews issue VI. The Newsletter was circulated through more than 300 emails addresses linked to our communication contacts database were reached. As result there is huge demand on the project information the searching for AgriFUTURO related information, in the last quarter reached a peak of 300. This number is led by US's audience.

4.3 MEDIA CLIPPINGS AND COVERAGE

During this quarter, there is no a special event that took place within a project or partner that could be relevant to external audience and where the media could be contacted to cover.

4.4 PRODUCTION AND PUBLICITY

Assuming the current quarter as the last quarter of the year, AgriFUTURO looked to address strategically to the stakeholder, partners and Government. Awareness Materials were produced and shared trough the all key intervenient in the agribusiness in Mozambique. The communication strategy adopted were to thank partners for their support and endorsement of the Program efforts and a pledge to work even more closely with them as it work to increase Mozambique's private sector competitiveness by strengthening targeted agricultural value chains though the Beira and Nacala Corridors. Different and innovative communication items were developed. See the table below:

TABLE 4. COMMUNICATION AND OUTREACH MATERIALS

<i>Item</i>	<i>Quantity</i>	<i>Location</i>	<i>Objective</i>
Folders	200	Ongoing utilization	Visibility of the program goals and objectives
Handouts	500	Ongoing utilization	Raise awareness and knowledge of the VCs and their market potential
Leaflets	200	Ongoing utilization	Brief description of the program statement and components
AgriNews Print out in off set	3	Programa at all level	Increase the broad visibility of the program by sharing the mais events and out comes
Branded Flash Drive	100	Beira and Nacala Corridor	Raise awareness and knowledge about the program
Intervention Scheme in the Corridor	6	Awareness raising for Beira and Nacala Corridors	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in policy reform initiatives in Mozambique
T-Shirts	150	Beira and Nacala Corridor	Institutional visibility and marketing in the agribusiness sector
Caps	150	Beira and Nacala Corridor	Institutional visibility and marketing in the agribusiness sector
Sticker for cars	6	Project cars	Institutional visibility and marketing in the agribusiness sector
Pens	200	Program at all level	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in promoting agribusiness in Mozambique
Agenda	200	Program at all level	Visibility at highest level for USAID AgriFUTURO as key strategic government partner in promoting agribusiness in Mozambique
Website updates	3	Maputo Office	Posting the Port Suty and other erecent Information to allow easy access to information

Source: AgriFUTURO, January 2011

5. ADMINISTRATIVE AND FINANCE ISSUES

- **LTTA Recruitments:**
 - Approved a packaged for Randolph Fleming, Business Development Director Candidate and
 - Charlene McKoin, COP candidate and submitted to USAID for approval.
 - The grants manager positions continued.
 - In Beira Corridor the recruitment of field staff is was process.
- **STTA Recruitments:**
 - The project identified two Fruit Production Specialists to assist establishment of MD2 material to Mozambique. A request for approval for this assignment was submitted to USAID.
 - Identified a 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. Approval for the consultant has been sent to USAID.

6. UPCOMING EVENTS/ACTIONS FOR THE NEXT QUARTER

Enabling environment component:

- During the period of October the following activities took place:
 - Initiate MD2 pineapple variety introduction study, and submitted to AgriFUTURO the preliminary report and implementation plan for the introduction of pineapple MD2 variety. Which culminated with the presentation of the MD II pineapple study to AgriFUTURO team;
 - Identify consultants for AgCLIR assessment and initiate approval process, finalize contacts and submit to USAID for approval.
 - Finalize the process of selection of the consultants for the establishment of the cooperatives in Beira and Nacala Corridors and submitted to USAID for approval.

- Complete work plans for FRUTISUL and FRUTICENTRO .
- In partnership finalize the identification process to contract the consultants for the National Agribusiness Strategy.

BDS component:

BEIRA CORRIDOR

- Continue with RDI contract to assist the fruit value chain specifically:
 - On the registration of *FrutiCentro* as an agribusiness association
 - On provision of technical assistance for banana and mango producers.

NACALA CORRIDOR

- Quality Assurance on cashew and fruits value chains, the Project will undertake the:
 - Preparation of the quality plan with Matanuska – specific topics and accountability areas TBD;
 - Start with implementation process for MAP, which will include: Selection of HACCP quality team leader and the implementation group, establish a local quality awareness meetings and quality trainings as per program;
 - With IPCCM the Quality specialists will monitor the cashew nursery program, and preparedness of the factory needs for HACCP implementation.
- Meet the leader of “*Promoção e Desenvolvimento de Cooperativas*”(CDP) to define areas of cooperation and implementation plans, visit and evaluate COPSA and Inions working with ADRA in the context of promotion to modern cooperatives.
- Provide assistance :
 - SOGIZA on the business plan design;
 - To draft and present the implementation plan for the *Agro-Mecânica* (a mobile workshop);
 - Jacaranda Lda. on soil analysis.
- Define a work plan with Lozane Farm for the introduction of improved maize variety;
- MoU to be signed with: The Project will sign agreements with, Teotónio on cashew seedling production program and Jacaranda and OLINOTU.
- Organize a meeting between CISTER to ALIMI to assist the plan for groundnut production.

Communications:

AgriFUTURO will release the Sixth AgriNews issue in which remarks will be on program outcomes through the ending year of 2010 and special thanking for stakeholder.

7. PERFORMANCE INDICATOR REPORTING

7.1 INTRODUCTION

The Monitoring and Evaluation (M&E) specialist, responsible overall for all data collection and compilation. He coordinates monitoring activities at all levels of project implementation and across the four components. This section, presents the performance indicators from October to December 2010, and is equivalent to the first quarter of USAID FY2011. The indicators are collected by corridor following the Project approach but they are presented together reflect the overall project interventions. The Project focuses its intervention in five categories of values chains more specifically, grains (maize and soybean) and oilseeds (groundnuts and sesame), fruits (bananas, mangoes and pineapples), cashew nuts and forestry.

In terms of geographical zones the Project is intervening in the following areas:

Beira Corridor: The focus is in Manica, Sofala and Tete Provinces. Manica Province is divided in North (Manica, Vanduzi and Barué), Central (Gondola and Chimoio) and South (Sussudenga); Sofala (Gorongosa) and Tete (Angónia).

TABLE 5. PROJECT INTERVENTION AND SITES IN BEIRA CORRIDOR

<i>Provinces</i>	<i>District</i>	<i>Site name</i>	<i>Activity discription</i>
Manica	Manica	Vila de Manica	AgriFUTURO/BOM project (Clubs), ASC AGRIZA, ADAMA
Manica	Manica	Mavonde	AgriFUTURO/BOM project (Clubs)
Manica	Manica	Timba	AgriFUTURO/BOM project (Clubs)
Manica	Manica	Tetsetsera	AgriFUTURO/BOM project (Clubs)
Manica	Barué	Honde	AgriFUTURO/BOM project (Clubs)
Manica	Barué	Chiwale	AgriFUTURO/BOM project (Clubs)
Manica	Barué	Nhampassa	AgriFUTURO/BOM project (Clubs)
Manica	Barué	Cruzamento- Macossa	AgriFUTURO/BOM project (Clubs)
Manica	Barué	Pandira	AgriFUTURO/BOM project (Clubs)
Manica	Barué	Cruzamento-Macossa	AgriFUTURO/BOM project (Clubs)
Manica	Manica	Vandúzi North	AgriFUTURO/BOM project (Clubs), and ASC PHOENIX
Manica	Manica	Vanduzi South	Agrifuturo/BOM project (Clubs)
Manica	Manica	Munhinga	Agrifuturo/BOM project (Clubs)
Manica	Manica	Muessessa	Agrifuturo/BOM project (Clubs)
Manica	Gondola	Gondola Sede	ASC Njerenje, Cooperative KKU

Manica	Gondola	Macate	FOSC AMU
Manica	Sussundenga	Sussudenga Sede	ASC Prio, Cooperative Mwoyo Umwe,
Manica	Sussundenga	Dombe	Mango producer (EAM, Pinto Matavele, Gaspar) and Associacao de Dombe
Manica	Sussundenga	Muda Serração	Mango producer (Sergio Y, Joaquim Langa, Pedro Paulino)
Manica	Sussundenga	Rotanda	Associação de Rotanda
Tete	Angónia	Vila de Ulongué	Unizambezia and Missão Fonte Boa

Nacala Corridor: The Project interventions are in Niassa Province (Cuamba), Zambézia Province (Gurué – Ruace and Lioma, Alto Molocué and Nampula (Monapo, Mogovolas, Angoche, Moma, Murrupula and Malema).

Table 6 presents the project sites as well as the activity description by partners during Oct-Dec/2010.

TABLE 6. PROJECT INTERVENTION AND SITES IN NACALA CORRIDOR

<i>Provinces</i>	<i>District</i>	<i>Site name</i>	<i>Activity discription and partners</i>
Niassa	Cuamba	Cuamba sede	ALIMI potencial fosc, maize, groundnuts, soybeans and sesame
Zambézia	Gurué	Ruace	COPSA, service provider
Zambézia	Gurué	Lioma	IKURU/AgriFUTURO seed production (soybean and maize) and carlos santos (BDS provider)
Zambézia	Alto Molocué	Vacha	CISTER (ASC participant), groundnuts
Zambézia	Alto Molocué	Sede	FEDDAMOZ em Molocué
Nampula	Monapo	Sede	Corredor Agro Lda, a ACS participant and Intelimoz on maize and sesame
Nampula	Monapo	Namialo	Emergent farmer program (sesame, maize, soybeans)
Nampula	Monapo	Nacaroa	Emergent farmer program and ikuru/agrifuturo seed production project (maize , cowpea beans and sesame seeds)
Nampula	Mogovolas	Sede	Incamobal (BDS provider for machinary production)
Nampula	Mogovolas	Nanhupo rio	Emergent farmer program (sesame, maize, soybeans)
Nampula	Angoche	Nametoria	Emergent farmer program (sesame, maize, soybeans)
Nampula	Angoche	Nametil	Emergent farmer program, ikuru/agrifuturo seed production program (groundnuts and pigeon peas)
Nampula	Moma	Chalaua	Emergent farm program and teotonio(fruit producer)
Nampula	Malema	Mutuale	SOGIZA (ASC participant) soybean
Nampula	Ribaué	sede	OLIMA (seed production program for maize, sesame and beans)
Nampula	Murrupula	Sede	IPCCM (cashew producer and nursery)
Nampula	Mecubúri	Muite	IKURU/AgriFUTURO on production of seeds (maize and cowpea beans)
Nampula	Monapo		Matanuska on banana production

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

The indicator in this value chain reflects the project interventions in both corridors, and the partner are presented by corridor:

Beira Corridor: There are mixture of actors in terms of approaches, for instance Vinson G&G, Phoenix, Prio Foods (they promoting ECFs within ASCs model) , KKU, *Associações de Dombe*, Angónia, Rotanda, BOM/Clubes (are more oriented to FOSCs model). Additionally, the Project facilitated contracts with following buyers: *Dengo Comercial* and Progene to buy maize (seeds) by 7 Mts/kg in Vanduzi, WFP to buy with *Associações de Angónia* maize (grain), DECA and Abilio Antunes are potential buyers.

TABLE 7. ACTORS AND PROCESS INDICATORS , OCTOBER – DECEMBER 2010

Actors in the Chain	Number of producers		Area (in Ha)
	Total	Women	
BOM/Clubes	431	95	839
KKU	357	50	1161
Associação de Dombe	1385	507	3007
Total	2173	652	5007

Source: AgriFUTURO, December 2010.

Nacala Corridor: Corredor Agro (ASCs model) and ALIMI (FOSC model) are the main actors in this value chain. Both are engaged on production of maize yellow and white respectively. The white maize is for human consumption and yellow for animal feeding industry.

Smallholder Families' benefitted: The Project provided technical assistance on the design of business plans for 4.731 producers for 2010/2011 crop season and among these 60 producers are ECF . The expected production is 3.500 tons to be commercialized thru AgriFUTURO facilitation.

Value of purchases from small holders: The project identified Corredor Agro as main market for emergent commercial farmers with stocks in warehouse. As result, 77 ECF sold approximately 110.9 tons of maize and received 20,548 US\$. Its worth to mention that for the value and volumes of sales is only reflected the Nacala Corridor due to the fact that within Beira the produce was lost.

Number of jobs generated: Later on, Corredor Agro sold these volumes locally to poultry producers. Under

this process, it was generated 105 total new jobs where 96 are from Beira Corridor. These jobs included: transport of the product, processing and storage activities.

Finance mobilized: Farmers did mobilize approximately US\$72,020 to pay service provision (land preparation and inputs), this value is only the contribution of Beira Corridor.

Private sector investment: The group of emerging farmers (60 producers) that will be working with Corredor Agro (in Nacala Corridor) will be funded by *Banco Comercial de Investimento* (BCI) thru Corredor Agro Lda. as a result of the Project intervention. As part of its private sector investment Corredor Agro also, invested 114, 285 US\$ money used to purchase two tractor to provide services to ECF.

7.3 GROUNDNUTS VALUE CHAIN

During Oct – Dec/2010 the Project assisted the producers to do the production plan for the crop season 2010/11 using existing partners intervening on this value chain. It was provided technical assistance for production. The main actors in this chain are: IKURU, assisting farmers on seed production and multiplication to ensure that farmers get access to good seeds; CISTER, participating on identification and organization of the producers and located in Alto Molocué (Zambézia Province) and some districts of Nampula Province; ALIMI, identifying and organizing producers within Niassa Province (South).

Smallholder Families' benefitted: The value chain involved approximately 19.622 producers and the expected production is 8.700 tons. AgriFUTURO role was to link these producers to the market and encourage farmers to sign buying contracts at fair price.

Number of jobs generated: In this quarter this value chain generated approximately 16 jobs and 3 of them occupied by women. The main activities were land preparation provision and transport of inputs.

Value of purchases from small holders: Between October and December, 77.7 tons groundnuts were sold to IKURU valued at 57,889 US\$. This product was produced within the agriculture season 2009/2010 but due delays on payments from IKURU farmers kept the product.

Finance mobilized: Farmers to pay service provision (land preparation and inputs) mobilized approximately 30,533 US\$ from the commercialization companies IKURU and ALIMI.

Value of new regional exports: The majority of the buyers sold their product within the region, and there still more product to be sold to other markets.

7.4 SOYBEAN VALUE CHAIN

The main activities under this value chain were land preparation and input provision. The main actors identified within this value chain in both corridors are:

Beira Corridor: Vinson G&G, Phoenix, Prio Foods, KKU, *Associações de Dombe*, Angónia, Rotanda, BOM/Clubes, however the most active are presented in Table 8. The main buyer includes: TNS, Abilio Antunes, JAM and Novos Horizontes.

TABLE 8. ACTORS AND PROCESS INDICATOR , OCTOBER – DECEMBER 2010

Actors in the Chain	Number of producers		Area (in Ha)	Quantity of seeds (Kg)	Amount paid (in US\$)
	Total	Women			
ASCs Phoenix e G&G	21	No women in soybean	201	10.000	10,000
Associação de Dombe	167	35	179	7.800	7,800
Associação de Angónia	3.420	1169	3.252	80.000	80,000
Total	3.608	1204	3.632	97.000	97,000

Source: AgriFUTURO, December 2010.

Nacala Corridor: COPSA, which provide land preparation in Ruace region (Gurué district); ALIMI, identification of producers and input provision to the members. SOGIZA, also participated on the producers identification; MAP, in Alto Molocué and IKURU on seed multiplication. Other partners like Prosoja in Gurué and Gates Project in Alto Molocué, Milange and Namarói (Zambézia Province). AgriFUTURO assisted the producer of this value chain on the design of the production plans and leverage linkages among the actors of the value chain. The performance indicators are presented as following:

Smallholder Families' benefitted: This VC involved approximately 6.731 producers (3,023 are women), assisted on access to inputs, services, land preparation and business plan design in both corridors.

Number of jobs generated: This VC generated 130 new jobs (78 in Nacala Corridor), the main activities that created new jobs are: land preparation and input distribution.

Finance mobilized: Farmers mobilized approximately US\$ 118,006 amount used for land preparation, input purchases within both corridors.

Private sector investment: The total amount of private investments is US\$7,027 this was possible thru loans from banks as a result of the effort leverage by the Project which assisted most of the cooperatives and other project clients on business plan design to be submitted to the banks.

7.5 SESAME VALUE CHAIN

The main activity observed during this quarter was land preparation and input provision to producers involved in the VC. Following the actors are presented by corridor.

Beira Corridor: The most important actors in VC are represented by: Vinson G&G, Phoenix, Prio Foods, KKU, Associações de Dombe, Angónia, Rotanda, BOM/Clubes. Table 9, shows the main actors, producer involved, area, quantity and amount of money spent during the production phase. At the end of harvesting season more companies will be involved as market namely: Sunsmail, *Dengo Comercial*, OLAM and KKU

TABLE 9. ACTORS AND PROCESS INDICATOR , OCTOBER – DECEMBER 2010

Actors in the Chain	Number of producers involved	Area (in Ha)	Quantity of seeds (Kg)	Amount paid (in US\$)
ASCs Phoenix e G&G	19	111	1.500	2,142
Associação de Dombe	1.385	2.760	7.800	8,674
BOM/Clubes	53	219	1.533	2,190
Total	1.457	3.090	10.833	13,006

Source: AgriFUTURO, December 2010.

Nacala Corridor: ALIMI, Corredor Agro, SANA Project, IKURU, and producers are the principal partners. This value chain had a huge impact in terms on number of producers involved.

The performance indicators are presented as following:

Smallholder Families' benefitted: The sesame value chain is benefiting 20.986 producers (with 9.132 women among the group) organized in associations and groups which received technical assistance from the Project on the revision of the production plans. Between October and December, 6.023 producers were involved in commercialization in Nacala Corridor.

Number of jobs generated: During this quarter, in total 60 more jobs (8 women) were generated locally hired by the group of Ecf involved in this value chain. The number of jobs are calculated based on number of hours and then converted to a days.

Value of purchases from small holders: This quarter was the end of commercialization period. The total volume purchase was about 137 tons valued at US\$91,300. These sales come from the association and unions of producers in south Niassa which stocked the product waiting for a good price in the market. These sales were possible due to the Project interventions. It's worth to mention that for the value and volumes of

sales is only reflected the Nacala Corridor due to the fact that within Beira the all production was lost with lack of rain and producers had to change the crop instead they produced beans in some cases.

Finance mobilized: During this period farmers association mobilized US\$27,318, this money paid cash to producers during the sales.

Value of new international exports: Cooperative ALIMI sold about 71 tons to OLAM valued at US\$ 127,800 and it was exported to India and other markets in south Asia.

7.6 FRUIT VALUE CHAIN

The Project intervention within this value chain needs to be analyzed by Corridor, because most of the interventions focused in Beira Corridor.

BEIRA CORRIDOR

In Beira Corridor there range of investments up to date and the potential is growing day after day. Therefore the Project identified the need to assist directly the clients of the corridor with dedicated support. As a result the Project sub-contracted RDI - Monty Hunter (**Sub-Contract No. MOZATC02**) as business development services technical assistance of the tropical fruit value chain. During this period the following activities were performed:

- Second mango technical field visit by Pete Caminada (who provided the agronomic support).
- Submission of soil samples for four Mango farmers for analysis and subsequent interpretation and practical recommendations. RDI has coordinated the extraction of soil samples from four mango farmers. Other farmers did not take up the offer of assistance. Soil samples were submitted to RDI office in Chimoio from where they were sent to a regional laboratory for analysis. A full analysis will be conducted on the soil samples including the following (PH, N-P-K, and trace elements such as boron). Results should be available by the beginning of December. The relevance of the soil samples is that the farmers who submitted samples for analysis have to date not taken any scientific approach to improving soil performance. The analyses will provide accurate information on what to do in terms of PH and nutrition to improve soil/plant performance. The results could save farmers thousands of dollars in fertilization practices. Pete Caminada will interpret the results and make recommendations to the farmers.
- Completion of Macate demonstration plot plan – being implemented over the next few days
- Completion of *FrutiCentro* draft 5 year budget which was presented at last meeting held on 28 October

at RDI offices in Chimoio where a fully operational association was discussed at the top of this list was the fruit fly issues. RDI has been working on the association constitution, structure and proposed budget. The association registration process is now underway and although running about 2 weeks behind schedule, should be complete within the next two weeks of November.

- Agreement with ASAM (Manica Commercial Farmers Association) on relationship between *FrutiCentro* and ASAM. The idea is that *FrutiCentro* being the first legally registered commodity association under the ASAM umbrella, will be automatically allocated a position on the ASAM board, issues to be discussed at next ASAM board meeting.
- RDI - Monty Hunter accompanied Pete on the visit to the 3 farmers on the Lower Revue farms that do not have irrigation. The result of this visit: It was identified a critical need for irrigation system to ensure the success of the mango farmers. It is imperative that the farmers without irrigation find ways to install it as soon as possible. Orchard health is sub-optimal on the farms where there is no irrigation. Considering the circumstances, however, Pete was pleased with the farmer's progress and under the dryland conditions; the trees are surviving well. It was decided that RDI would escalate the drive to secure funding for irrigation, primarily through the AgriFUTURO grant program.

During this quarter the project intervened on mangoes and bananas value chains and the indicators are reflected in Table 10.

TABLE 10. INDICATORS ON FRUITS, OCTOBER – DECEMBER 2010

Value chain	Value purchased smallholders	Families' benefitted	Number of jobs	Value regional exports	Volume New Exports (in Tons)	Financing Mobilized	Private sector investment
Mangoes	own production	70	132 Total	US\$104,200	141	US\$501,849	US\$370,012
			17 Women				
Banana	own production	113	99	US\$22,630	51.4	US\$150,000	US\$80,000
			21 Women				

Source: AgriFUTURO, December 2010.

Number of jobs: The fruit sector is contributed with a total 231 jobs between October and December 2010. These include 99 jobs from bananas VC for processing, production and transport and 132 jobs (17 are women) from mangoes VC on processing and production.

Value of purchases and volumes from smallholders: AMU sold approximately 51.4 tons of bananas locally valued at US\$ 22,630.

Families' benefitted: Approximately 183 smallholder families benefitted from this sector, which means that considering that each family has 5 members the intervention in this sector may have impacted approximately 1000 people.

Value and Volume of regional exports: Majority of mangoes volumes were exported to South Africa and EAM exported 126 tons (valued at 764,000 ZAR equivalents to approximately US\$100,000). Additionally Pinto Matavele sold 15 tons valued at US\$4,200. In total were sold 141 tons valued at US\$104,200.

AMU could not export bananas to Zambia as result that the sample send to laboratory analysis was rejected due to lower quality of Potassium, which reduce the shelf life of the bananas. They will be a second trial during drought season to see if there are improvements.

Financing Mobilized: The Project continued to leverage coordination to increase financial capacity of the clients. As a results, it was possible to mobilize approximately US\$651,849 only for mangoes and bananas, where 501,849 went for mangoes divided among (EAM, Pinto and LUCITE) and the rest for bananas. Part of this resources came from AgriFUTURO partners like BAGC, which funded a banana company - AGRIZA with US\$150,000 to expand their area under outgrower scheme (for this project 15 producer were identified to produce 20 ha of bananas). This funding is soft loan and will be reimbursed in five years. AGRIZA has been identified as service provider and market for the smallholder producers and the production is going to be exported. Another Project client is Lucite *Empreendimentos* a mango producer, and potential grantee of AgriFUTURO funds, received a loan of US\$50,000 from BAGC.

Private sector investment: Both fruits contributed with an investment of approximately US\$450,021 from which (US\$370, 012 comes from mangoes investments in one quarter), the rest of US\$80,000 is attributed to banana.

NACALA CORRIDOR

The Project interventions in Nacala Corridor was focused on identification and establishment of partnership with potential clients and assess from them what areas the Project can support to help the creation of a competitive fruit sector within this corridor. Within this corridor there few but huge investments made by big companies like Matanuska/Chiquita, CETA, Jacaranda and some small and median individual producers, the challenge for all is service provision. Another big challenge is the logistics and cost of the transport from the Nacala Port.

7.7 CASHEW VALUE CHAIN

NACALA CORRIDOR

This value chain only report data from Nacala Corridor. During the period of reference, the Project focuses was on identification of partners to facilitate the seedling distribution. Three partners were identified waiting the procedures to undertake the task. The cashew data is only collected within Nacala Corridor.

Smallholder Families' benefitted: 2.977 producers (and 1.149 are women) organized in association and forums, were involved on commercialization of cashew with IKURU. AgriFUTURO thru its partner SANA project provided technical assistance on production techniques and organization capacity.

Number of jobs generated: This value chain generated 19 jobs which includes drivers, guards and managers of the activity.

Value of purchases from smallholders: IKURU purchased from the smallholders organized in association about 80 tons of raw cashews to be processed locally and sold later to the international markets. This volume was valued at US\$ 58,824. This year the price of cashew was good compared to last year.

Finance mobilized: IKURU mobilized US\$30,000 which was used to purchase cashew from smallholder.

7.8 FORESTRY VALUE CHAIN

To analyze the performance within this value chain a sector approach is used. This mean that all the data used in this report shall reflect the contribution of the forestry sector. During October – December 2010, most of the companies where engaged on opening new areas, cleaning,, land preparation and plantation of new trees and most of activities of the activities are done by man. This value chain at the moment only contributes with number of jobs and private investment.

Number of jobs generated: There was no new jobs, in terms of cumulative the sector remained with same number 6.000 jobs achieved last FY10. This numbers reflects the contribution of the five companies base in Niassa : Chikweti and Floresta de Massangulo, Floresta de Niassa, Treefarms, New forest. Next quarter with the Project assistance to the development the *Grupo De Desenvolvimento Industrial De Plantações Florestais* (GDI) we will collect data from the other companies (see Figure 1)

Private investment: There is no new data on new investment during this quarter.

FIGURE 1. EXISTING FOREST COMPANIES IN MOZAMBIQUE



8. ANNEX A: USAID MOZAMBIQUE AGRIFUTURO PERFORMANCE INDICATORS

TABLE II. TARGETS VERSUS QUARTERLY RESULTS FOR ALL VALUE CHAINS

Performance Indicator		Fiscal Year 2011				
		Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
Value of purchases from Smallholders (US\$)	Target					\$18,200,000
	Actual	\$228,561	\$0	\$0	\$0	\$228,561
% change in purchases from Smallholders	Target					32.8%
	Actual					N/A
Volumes of purchases from Smallholders (Tons)	Target					0
	Actual	406	0	0	0	406
New Jobs Created (cumulative)	Target					16.345
	Actual	413	0	0	0	413
- men	Target					11.747
	Actual	344	0	0	0	344
- women	Target					4.598
	Actual	69	0	0	0	69
Rural Households Benefited (cumulative)	Target					49.504
	Actual	55.169	0	0	0	55.169
- male head of household	Target					30.243
	Actual	30.858	0	0	0	30,858
- female head of household	Target					19.262
	Actual	24.311	0	0	0	24.311
Total New Exports	Target					\$50,905,000
	Actual	\$254,630	\$0	\$0	\$0	254,630
% change in total new exports	Target					77%
	Actual					N/A
- International (outside of	Target					\$43,975,000

Performance Indicator		Fiscal Year 2011				
		Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
Southern Africa)	Actual	\$127,800	\$0	\$0	\$0	\$ 127,800
- Regional (Southern Africa)	Target					\$6,930,000
	Actual	\$126,830	\$0	\$0	\$0	126,830
Private Sector Investment	Target					\$31,800,000
	Actual	\$571,324	\$0	\$0	\$0	571,324
Policy Reform Proposals Submitted	Target					2
	Actual	0	0	0	0	0
Agricultural Firms Benefiting (cumulative)	Target					200
	Actual	140	0	0	0	140
Agri. Firms Revenues Generated	Target					\$44,293,000
	Actual	\$0	\$0	\$0	\$0	0
Financing Mobilized	Target					30,000,000
	Actual	\$851,706	\$0	\$0	\$0	851,706
New financial mechanisms adopted	Target					2
	Actual	0	0	0	0	0
Number of PPPs Established	Target					7
	Actual	0	0	0	0	0
Resources Leveraged (PPPs)	Target					\$430,000
	Actual	\$0	\$0	\$0	\$0	0

Source: AgriFUTURO, December 2010

9. ANNEX B: LISTS OF TRIPS

TABLE 12. TRIPS BETWEEN OCTOBER AND DECEMBER 2010

	Date of Travel	Countries/Province	Travelers	Purpose
October 2010				
1	10/06/2010	Nampula	Rachide	Travelling to Nampula
2	10/17/2010	Nampula	Carlos Costa	Travel with Gordon Straub
3	10/20/2010	Angónia	Octavio Machado	Prepare draft plans for production and MOUs
4	10/24/2010	Nampula	Carlos Moamba	Traveling to Nampula
5	10/25/2010	Nampula	Carlos Costa	Travel with Carol Yee
6	10/25/2010	Nampula	Rachide	Travelling to Nampula
November 2010				
1	11/04/2010	Nampula	Carlos Costa	Travel to Nampula
2	11/08/2010	Chimoio	Carlos Moamba	Traveling to Chimoio
3	11/29/2010	Nampula	Carlos Moamba	Traveling to Nampula
4	11/29/2010	Nampula	Rachide	Travelling to Nampula
December 2010				
1	12/13/2010	Chimoio	Dercio Matala	Traveling with USAID mission
2	12/13/2010	Chimoio	Carlos Moamba	Traveling to Chimoio
3	12/14/2010	Nampula	Rachide	Travelling to Nampula