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USAID AGRIFUTURO PROJECT ANNUAL PERFORMANCE MONITORING REPORT I OCTOBER 2011 – 30 SEPTEMBER 2012



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ACRONYMS

ACIS	Associação Comercial e Industrial de Sofala
ACOF	Agricultura e Comercialização de Olinda Fondo
ADRA	Adventist Development and Relief Agency
AgCLIR	Agriculture Enabling Environment- Commercial Legal and Institutional Reform
AICAJU	Associação dos Industriais do Cajú
AMPCM	Associação Moçambicana para Promoção do Cooperativismo Mo
ASC	Agribusiness Service Cluster
ATB	Agriculture Trade and Business
BDS	Business Development Services
BOM	Banco de Oportunidade de Moçambique
CAL	Corredor Agro Lda.
CEPAGRI	Centro de Promoção de Agricultura
CLUSA	Cooperative League of the USA
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
DCA	Development Credit Authority
DSV	Departamento de Sanidade Vegetal
EAM	Empreendimentos Agrários de Moçambique
EED	Enabling Environment Director
FDD	Fundo de Desenvolvimento Districtal
FEDAMOZ	Federação de Alto Molocué
FNB	First National Bank
FOSC	Farmer Owned Service Center
FRUTICENTRO	Associação dos Fruticultores do Centro de Moçambique
GDA s	Global Development Alliances
GoM	Government of the Republic of Mozambique
GIZ	German International Cooperation
HACCP	Hazard Analysis of Critical Control Point
IFDC	International Fertilizer Development Center
IITA	International Institute of Tropical Agriculture
INCAJU	Instituto do Cajú
ISPM	Instituto Superior Politécnico de Moçambique
KK	Kuguta Kuchanda Cooperative
MAP	Molocue Agro-Processamento
MBFI	Mozambique Bio Fuel Industry
M&E	Monitoring and Evaluation
MINAG	Ministério da Agricultura
MYAP	Title II Multi-Year Activity Program
PPP	Public-Private Partnerships
SANA	Sustainable Agriculture for Associations in Nampula
SATH	Southern Africa Trade Hub
SPEED	Support Program for Economic and Enterprise Development
STTA	Short-term Technical Assistance
SNY	Sementes Nyzara Yaperá
TNS	TechnoServe
UEM	Universidade Eduardo Mondlane
USAID	United State Agency for International Development
VCL	Value Chain Leader
WV	Word Vision

I. EXECUTIVE SUMMARY

IMPLEMENTATION PERIOD: May 1, 2009 – February 28, 2013 (Three years, ten months)

LIFE OF PROJECT FUNDING: \$19,349,006

I.1 PROJECT OBJECTIVES

The AgriFUTURO Project's objective is to increase the competitiveness of Mozambique's private sector through the development of competitive agricultural value chains. By achieving this objective, the AgriFUTURO Project will increase rural household incomes, increase private sector investment and increase job opportunities in rural areas. Focusing on the comprehensive development of eight commodity value chains, from production to marketing, the project includes four major components: a) Improve the Enabling Environment for Agribusiness; b) Expand and Strengthen Agribusiness Development Services; c) Build Linkages to Financing Services for Agribusiness Development; and d) Increase and Strengthen Public-Private Partnerships (PPPs).¹

I.2 GEOGRAPHIC FOCUS:

Nacala Corridor:

Nampula: Angoche, Ilha de Mocambique, Erati, Moma, Mogovolas, Mogincual, Mossuril, Murrupula, Monapo, Meconta, Nacaroa, Nacala-Velha, Nacala-porto, Ribaué and Nampula Rapale
Zambézia: Alto Molocue, Gurué, Mocuba, Nicoadala, Morrumbala, Ile Pebane, Milange and Namarrói.

Beira Corridor:

Manica: Gondola, Manica, Barué, Sussudenga and Mossourize.
Sofala : Gorongoza and Beira.

I.3 LONG TERM IMPACT

During FY12 the AgriFUTURO Project (the Project) continues to implement integrated activities to achieve the following outcomes and project legacies:

- Develop viable Agricultural Service Clusters (ASCs) serving commercial agricultural farms/businesses, and Farmer Owned Service Centers (FOSCs) comprised of farmer cooperatives and other producer organizations providing services to their members.
- Create a sustainable, market based system for access to improved soybean, groundnut, and sesame seeds to increase significantly productivity and incomes of small scale producers.
- Expand and strengthen the groundnut industry in Mozambique.
- Initiate a viable export-oriented pineapple industry.
- Facilitate the consolidation of the banana industry in northern Mozambique.
- Improve the quality standards and practices of cashew processors to increase industry competitiveness.
- Support establishment of certified laboratories based in Nampula and Manica Provinces capable of testing soil, seeds, and for the presence of mycotoxins.

¹ The eight value chains are soybeans, groundnuts, sesame, cashews, bananas, mango, pineapple, and pulses. The M&E plan tracks nine commodities, disaggregating pulses (pigeon peas, cowpeas, and common beans) and omitting pineapples.

I.4 SIGNIFICANT ACHIEVEMENTS IN FY 2012

Table 1, summarizes the actual versus target performance for the AgriFUTURO Feed the Future indicators for FY 2012.

TABLE I. ACTUAL VERSUS TARGET PERFORMANCE FOR AGRIFUTURO FTF INDICATORS FOR FY12

<i>Performance Indicator</i>	<i>End of FY 2012:</i>		<i>% achieved. against target</i>	
	<i>Target</i>	<i>Actual</i>		
Private Investment Mobilized	\$41,477,251	\$8,046,872	19%	
New jobs Created	18,321	27,325	149%	
Value of Targeted Exports	International	\$57,269,925	\$38,265,894	67%
	Regional	\$1,441,571	\$1,118,614	78%
Rural Households Benefitted	86,428	132,326	153%	
Value of Incremental Sales	\$21,817,076	\$36,515,873	167%	
Firms and Producer Organizations Assisted (*)	7,723	4,725	61%	
Value of Agricultural and Rural Loans	\$2,764,552	\$5,540,936	200%	
Number of PPPs Established	13	9	69%	
# of Hectares under Improved Technologies or Management Practices	29,826	44,382	149%	
# of Private Enterprises or Producer Organizations Applying New Technologies (*)	7,381	4,694	64%	
# of Farmers and Others Who Have Applied New Technologies/Management Practices	51,971	115,178	222%	
Members of Legalized Cooperatives and Farmer Associations (*)	NA	37,726	NA	
# of Policies, Regulations, Administrative Procedures	Analyzed	6	4	67%
	Consultations	6	6	100%
	Proposed	4	3	75%
	Approved	2	1	50%
	Implemented	1	3	300%

Source: AgriFUTURO, October 2012

(*) Targets were incorrectly set. See explanation in section 4.

SUMMARY EXPLANATION OF VARIANCE ABOVE OR BELOW TARGETS

Private investment mobilized: Shortfall due to:

- Much slower than anticipated banana field expansion.
- Slower entrance of investment in new banana companies (Enica and Corvus).
- Undecided Higest Poultry expansion in the north due to change in Higest management.
- Most of the \$8mm investment recorded was from soy, sesame and beans.

New jobs created: Target exceeded because:

- Cashew and groundnut value chains in Nacala Corridor and sesame and soybean values chains in the Beira Corridor expanded more rapidly than anticipated.
- Introduction of more productive seeds and cultivation practices and access to new markets.

Exports: Shortfall due to:

- Fruit Fly blocks regional fruit exports and inhibit new investment.
- Export indicator is largely driven by bananas.
- International export volumes of bananas met the target.
- Price per/ton is less than anticipated due to the need to find secondary or tertiary markets.
- There was also a slight shortfall for cashews.
- International exports exceeded targets for sesame, groundnuts, pigeon peas, and cowpeas.
- Regional exports exceeded targets for sesame, groundnuts, bananas, and mangos.

Rural households: Target greatly exceeded:

- In the Nacala Corridor there was an expansion of the number of farmers planting soybeans.
- New areas were opened in Namarroi, Alto Molocue and Milange (all in Zambezia Province).
- Additional farmers also assisted due to the expansion of areas served by OLINOTU in Moma district of Nampula Province.
- OLINOTU received a grant of 2 tractors which contributed to the increase in the number of beneficiaries of its services.
- In Beira Corridor new associations from Mossourize received technical assistance from the project.

Value of sales: Target greatly exceeded:

- Soybeans, sesame, groundnuts, cashew, mangos, domestic pineapple, cowpeas, and butter beans all exceeded targets.
- Sales in Beira fell short of expectations for bananas due to the fruit fly issue.
- Pigeon pea sales short as we had little experience with this crop upon which to base the target.

Firms and producer organizations assisted:

- We discovered that the target for Beira Corridor had incorrectly included the number of members of organizations assisted rather than the number of organizations.
- We corrected the data for each quarter reported but did not change the target.

Value of agricultural and rural loans: Target greatly exceeded:

- In Beira Corridor the banks were *Banco Terra* and *Banco de Oportunidade* (BOM) for DCA, and for non-DCA loans the main clients are private companies (OLAM and Sunsmile).
- In Nacala corridor the loan source for DCA was Standard Bank and for non-DCA it was private companies such as *Gani Comercial*, IKURU, and *Fundo de Desenvolvimento Distrital* (FDD).
- Loans to women: only 3% of the target was met.

Number of PPPs established: Target not met:

- 5 new MOUs for activities in Nacala Corridor, 2 in Beira Corridor, and 2 those are active in both.
- 3 MOUs signed with public or development organizations during FY 2012.
- We project 4 new MOUs in FY2012, making up the shortfall.

New technologies (indicators for # of hectares, # of organizations, and # of farmers):

- Targets exceeded for number of hectares and number of farmers using improved technologies due to the rapid dissemination of improved seeds and farm mechanization services.
- We would also have exceeded the target for number of organization applying new technologies but the target was incorrectly set.
- The work of other USAID supported efforts, particularly by the PL 480 Title II MYAP partners, contributed to this success.

Members of cooperatives and producer organizations:

- Target for this indicator used feed the future indicator reference sheet, which did not require that organizations be legalized. For the Feed the Future indicator we report 98,413 members compared to a target of 61,311.
- The ATB indicator requires that the organizations be legalized, and we report 32,726 members. We do not have a corresponding target.

Number of policies, regulations and administrative procedures: 8 policies at various stages

- Remove distortions in application of VAT law to agriculture.
- Improve the logistics and efficiency of Beira and Nacala ports.
- Address constraints identified in AgCLIR analysis.
- Remove ban on exports of green bananas to SADC countries and from northern to southern Mozambique.
- Revise the Mozambique cashew master plan (INCAJU).
- Increase access to fertilizer and input legislation.
- Improve agriculture sector policies to attract investors for value chains.
- Analysis of economic impact of fruit flies to support policy change.

Gross Margins:

- AgriFUTURO is responsible for reporting on gross margins for assisted emerging farmers growing soybeans, sesame, and groundnuts. (4th crop, pigeon peas, will harvest too late) .
- MSU is responsible for gathering data on gross margins for a broader group of value chains for smallholder farmers – will report by end of December.
- AgriFUTURO will use the same field staff and enumerators used by MSU, although we will contract them directly – will meet same deadline as MSU.
- In the indicator tables we show the targets and will add the actual data as soon as it is available.

Special Initiatives:**Aflatoxin:**

- UNILURIO laboratory to become AflaSafe center for East Africa.
- Additional funding obtained from Ministry of Science and Technology.
- Assistance with post-harvest handling of groundnuts – improved driers for WISSA and GANI private companies.
- Pilot project GrainPro storage unit at *Novos Horizontes*.

Fruit fly:

- Scientific symposium in Greece confirmed research that green banana not susceptible.
- Ministry of Agriculture approving shipment of green bananas within Mozambique.
- Zimbabwean Ministry of Ag technicians visited Mozambique and are recommending removal of import restrictions.
- Support continued surveillance and experimental treatment methods (mangos).
- Study of economic impact of fruit fly presented at senior level meeting to encourage GoM to seek removal of export restrictions.

MD2 pineapple introduction:

- 15,000 seedlings imported by AgriFUTURO February 15 and planted on *Multifrutas* farm near Nampula.
- Initial problems with irrigation and fertilizer access remedied.
- Provincial government funded installation of irrigation system.
- Multiplication: 2,000 seedlings replanted, expect total of 21,000 plants by December.

Assistance to potential investors:

- 17 serious investors met with team and exposed to opportunities in target corridors.
- Process will take time but we expect continued expansion of new agribusinesses.

Following is the detailed summary explaining the variances:

An explanation of variance between targets and achievements is provided in Section 4 of this report and in Annexes A and B. For many value chains, sales were higher than expected due to better yields and increased area in production, resulting from access to improved seeds and mechanized land preparation, enhanced use of inputs, and more effective cultivation practices. The project has achieved a very rapid expansion of jobs created, rural households benefited, smallholder sales, enterprises and farmer organizations assisted, agricultural loans, and both hectares farmed with and number of farmers using improved technologies. We note that these successes were in part due to the work of other USAID supported efforts, particularly by the PL 480 Title II MYAP partners.

The levels of new investments and exports have been disappointing due to stagnant growth of the banana industry resulting from enabling environment and market constraints. However, the AgriFUTURO staff has facilitated a rapidly expanding series of contacts with firms and individuals interested in undertaking significant new agribusiness investments in Mozambique, and there have also been important advances in enabling environment reform. Both of these initiatives should lead to expanded investments and exports in the future.

In fiscal year 2012 AgriFUTURO benefited over 132,000 rural households, created over 27,000 full time equivalent jobs and stimulated \$36.5 million in smallholder agricultural sales. AgriFUTURO has helped increase commercial distribution of improved soybean, groundnut, and sesame seeds that will increase yields and production area, and will result in increased smallholder incomes. It has created permanent links between small farmer organizations and commercial input suppliers that will sustain continued productivity increases. The project has laid the groundwork for the removal of restrictions on export of green bananas to neighboring countries and has brought the world-standard pineapple varietal to Mozambique; actions that will facilitate the creation and consolidation of major new agroindustries in the target regions. The program has funded studies that will guide improved efficiency and lower costs at the Nacala and Beira ports. Finally the program has created or strengthened nearly 5,000 producer organizations and other cooperatives, private firms, trade

associations, port user associations, etc. that provide a permanent organizational network that will lead continuing growth of agribusiness and increased farmer's incomes for years to come.

The next section of this report highlights the FY12 achievements and current status for various Project initiatives that USAID/Mozambique identified as of specific interest. The following section provides information on developments during the 4th quarter for each of the target value chains in each target corridor, as well as a summary of enabling environment reform efforts. This is followed by a section that summarizes the actual versus target results for each of the program's performance indicators, along with a brief explanation of the variances. The rest of the report includes standard sections addressing briefly such topics as major implementation issues, collaboration with other donor projects, key activities planned for next quarter, evaluation/assessment update, administrative update, communications activities, and the financial report.

2. HIGHLIGHTS OF FY12 ACHIEVEMENTS

The following are highlights of project activities in fiscal year 2012 on subjects that the USAID Mozambique Agriculture, Trade, and Business (ATB) Office indicated are of particular interest.

2.1 KEY AGRIBUSINESS GRANTS

Seventy-five percent of the grant fund was fully executed. Some grants previously in the pipeline were recommended to TNS as potential candidates for the local currency grant funds. At the end of this section we present a table showing the grants that are currently in the pipeline (i.e. pending approval), and in Annex C we show the status of all approved grants.

Following are the grants by category of activity:

- **Irrigation Projects:** Three irrigation projects were prepared for 3 potential grantees: *Frutas de Revue*, *Lucite Empreendimentos*, and *Pinto Agro-Pecuaría*. These prospective grantees have been forwarded to TNS to be considered for the local currency fund given the fact that the AgriFUTURO grant funds are reserved for the grants already approved or in pipeline, and due to the link between these interventions and TNS' role in the project. Funds are reserved to establish irrigation systems for four small banana farmers in the Nacala area, and establishment of a nursery irrigation system for *Horfipec/Miquidade*, and the purchase of a center pivot irrigation system for the outgrower scheme of MBFI near Mocuba in Zambezia Province.
- **Farming Equipment:** US\$ 309,719.98 in grants for farming equipment has been fully executed. The grantees awarded are OLINOTU, *Cister*, *Nzara Yapera*, and *Njerenje*. A roll seeder for OLINOTU has not been delivered due to lack of stock from the supplier at the time the grant was executed. Also, ISPM was awarded a grant of US\$100,000, but the procurement requires additional technical justification to proceed.
- **Agro-processing/Seed Enterprises:** US\$194,875.70 was processed and the status of each is as follows:
 - **Discretionary grants of US\$10,000 each:**
 - a) *Corredor Agro* for storage unit for grains – payment in process;
 - b) *Gramiter* for equipment to calibrate and clean grain (procurement in progress);
 - **Nzara Yapera:**
 - a) Seed cleaner already paid for by H.O. Supplier to confirm date of delivery ;
 - b) Payment for the first installment for the warehouse has been halted pending some clarification from grantee;
 - c) Tractor and planter already delivered
 - **EVRETZ:**
 - a) Maize Milling Plant: payment made; supplier to confirm date of delivery;

b) Soya extruder: the grantee has requested that we hold on before making payment so that they can sort out transport arrangements;

- Grants for Construction projects amounting to US\$ 273,579.27:
 - EVRETZ: grantee to send construction project design so that supporting quotes for construction of a shed can be obtained;
 - IKURU: construction of office and warehouse in progress;
 - UNILURIO: advance payment of US\$10,000 was made for the preliminary stage of the laboratory construction (total grant programmed to be \$100,000);
 - Nzara Yapera: First installment to builder to be processed in the coming days (there is some concern because the cost of construction materials is going up);
 - Dengo Construções: waiting for the building to be constructed before purchasing the paint and roofing materials.

TABLE 2. GRANTS IN PIPELINE, FY12

<i>Grantee</i>	<i>Type of grant</i>	<i>Item</i>	<i>Corridor</i>	<i>Status</i>
TBD	Decriptionary \$10,000 each	Small irrigation system	Nacala	BDS and VCL to indentify eligible grantees
Horfipec/Miquidade	\$10,000	Irrigation system for the nursery	Nacala	Waiting for revised concept from VCL in charge
ACOF (Olinda Fondo)	\$50,000	Warehouse - conservation	Nacala	Waiting for final concept paper from VCL in charge
AgroPecuaría de Manica - Mervyn Collyer	\$20,000	Soybean processing equipment	Beira	Concept Paper under evaluations
WISSA	\$25,000	Warehouse – grain processing	Nacala	Concept Paper being prepared with assistance of field tech
Radio Gilé	\$65,000	Radio station	Nacala	Draft concept received. Will be compiled into the grant application for evaluations
MBFI (MOZAMBIQUE BIO FUEL INDUSTRIES Lda)	\$75,000	Center pivot irrigation system	Nacala	VCL in Charge to discuss further details with the grantee
SO.SOJA	\$40,000	building and transformer to house processing equipment	Beira	Concept in process
Dombe Cooperative - Kuchanda Kuguta	\$10,000	Development of a FOOSC, promotion of Conservation Agriculture and use of new farming technology	Beira	Concept submitted for evaluation

Source: AgriFUTURO, October 2012

2.2 ASCS (EXPANSION OF 12 ASCS WHICH SERVE 100 EMERGING FARMERS)

Beira Corridor: Due to inadequate credit repayment, during FY12 only 46 emerging farmers (of whom 4 were women) worked with ASCs in the Beira Corridor. The six (6) ASCs working with the project provided technical assistance, land mechanization and market linkage services. None of the emerging farmers requested a bank loan, but they managed to cultivate approximately 910 hectares. In terms of impact, 46 emerging farmers adopted new production technologies on soil management and use of improved seeds, which resulted in expansion of their production areas as well as more income.

TABLE 3. AREA OF PRODUCTION INVOLVING EMERGING FARMERS IN BEIRA CORRIDOR, FY12

Name of the ASC	EF Sex		Production Area (Hectares)					
	F	M	Maize	Soybeans	Sesame	Groundnuts	Beans	Total
Vinson G&G		9	18.5	244.1	93	19.2	8	382.8
Phoenix	1	6	75	98.8	12	0	0	185.8
Agro-Pecuaria de Manica	1	14	10	90.07	0	7	0	107.07
Sementes NZY	2	9	98	8	0	7	0	113
PrioFood			0	76	0	0	0	76
Njerenje		4	34	11	0	0	0	45
	4	42	235.5	527.97	105	33.2	8	909.67

Source: AgriFUTURO, October 2012

Nacala Corridor: During FY12, 54 emerging farmers got access to land preparation, inputs (improved seeds and inoculants) and market linkages. This group cultivated 275 ha for soybeans and 192 ha of sesame. Their yields were approximately 250 kg/hectare for sesame, which is low. Other sales from the EFs included 300 tons of soybeans worth US\$171,428, and 40 tons of sesame worth US\$35,714. The EFs as a group received loans of US\$25,959.82. The ASC assistance brought improvements to the production system thru new and better technologies that contribute to increases in the income of the participants. Even though yields were low, farmer income was higher due to the switch to more profitable crops and expansion of the area planted.

TABLE 4. AREA OF PRODUCTION INVOLVING EMERGING FARMERS IN NACALA CORRIDOR, FY12

Name of the ASC	EF Sex		Production Area (Hectares)		
	F	M	Soybeans	Sesame	Total
Monapo	6	26	0	192	192
Gurué	3	19	275	0	175
Total	9	45	275	192	367

Source: AgriFUTURO, October 2012

2.3 ACTIVITIES UNDER FOSCS APPROACH

- Beira Corridor: The project reached 4,391 members of farmer's organizations that are organized and legalized (see table 4). The services received by the farmers from their FOSCs included agronomic technical assistance and market linkages with the buyers of the production (WFP, Abilio Antunes, OLAM, Sunsmile). They were also linked to the bank BOM to get access to loans, and the project supported the elaboration of business plans to support their loan applications. Additionally, these groups were assisted with linkages with input providers and other organizations to strengthen their organizational capacity, and training in association leadership, accounting, and information management. During this period the Dombe FOSC became a legal cooperative known as "Kuguta Kuchanda".

As a result of the project intervention within the FOSCs : a) farmers increased their cultivated areas especially for non-traditional crops such as soybeans and sesame; b) technical assistance was delivered in a consistent manner and c) farmers were able to sell via their association which improved their capacity to negotiate a good price based on delivered volumes.

TABLE 5. NUMBER OF FOSC AND FOSC MEMBERS, IN BEIRA CORRIDOR DURING FY12

Name of the FOSC	Sex		Total
	M	F	
Barué	858	173	1031
Dombe	754	458	1212
PrioFood	418	399	817
KKU	412	107	519
Mossurize	561	251	812
Total	3,003	1,388	4,391

Source: AgriFUTURO, October 2012

- Nacala Corridor: A total of 82,599 farmers (of whom 35,277 are women) within associations/FOSCs received training on new production technologies, establishment of demonstration plots, business plan design, linkages with the markets for production, and finance and quality control. Some immediate impact is on the expansion of the production areas, legalization of the basic organizations to be sustainable, and, at the household level, acquisition of assets such as bicycles and house improvements.

The difference between Beira Corridor and Nacala (see tables 5 and 6) are explained by the fact that the organizational capacity dates from 1995's in the area of the Nacala corridor. This means that before the project interventions, CLUSA invested considerably in creating sustainable farmers organizations. In addition, producers in the Nampula area had tradition of association specially growers of cotton.

TABLE 6. NUMBER OF FOSC AND FOSC MEMBERS, IN NACALA CORRIDOR DURING FY12

Name of the FOSC	Sex		Total
	M	F	
IKURU	735	54	789
Prosoja Associations (AM)	3,891	854	4,745
SANA Association	40,465	30,109	70,574
Olinotu-FACANA	325	254	579
Nicoadala-WV	27	28	55
Norade Associations (Gurué)	3,978	1,879	5,857
Total	47,322	35,277	82,599

Source: AgriFUTURO, October 2012

- The total amount of loans mobilized within this Corridor was US\$1,613,638:
 - a) Thru the Project's assistance, the Monapo and Nacarôa associations got funding of US\$4,424 from the "Fundo de Desenvolvimento Distrital – FDD". This is a local Government fund intended to promote district development;
 - b) Buyers such as: IKURU, OLAM, GANI and Export Marketing advanced money to the associations to be able to purchase commodities;
 - c) Additional funds for land preparation and purchase of inputs were advance by Corredor Agro, Lozan Farm, GANI and IKURU ;
 - d) The emerging farmers group receive approximately US\$207,142 in loans.

2.4 PROGRESS ON INDUSTRY ASSOCIATION AND COOPERATIVE DEVELOPMENT

- Formation of cooperatives:
 - AgriFUTURO helped the establishment of two cooperatives (fully registered), one is Kuguta Kuchanda (KK) in Dombe, Manica Province and another one in Angonia, Tete Province. Due to the phase out of activities in Tete Province, follow up on the Angonia cooperative ceased and we are only following up activities of the KK cooperative. KK cooperative is now fully operational and has signed production and sales contracts with Sunsmile, OLAM, and the World Food Program. The project is also supporting KK in assisting members to improve pest management, increase the use of fertilizer, and improve tillage;
 - In the Nacala Corridor the project is partnering with the SANA project and ADRA to promote the establishment of cooperatives, where AgriFUTURO will provide business training and technical assistance. However, these have yet to be legally established.
- Formation of industry associations:
 - One business association, FRUTICENTRO, is fully registered and operational, and is working to increase membership and focusing on field technical issues, through field days on the farms of their members. It also participated actively in the Beira port efficiency analysis and in developing the fruit fly protocol for the Beira corridor;
 - FRUTINORTE's registration is underway, although it already participated in the Nacala port efficiency study. It is engaging students of ISPM in their field days with the aim of preparing farm managers for the region;
 - Work to establish the National Fruit Association is underway. The National Fruit Association will serve as a permanent platform for addressing issues facing the entire fruit industry, and all components of the value chain;
 - AICAJU, the cashew processors' association, has been supported by the project to increase the integration of the processors with smallholder producer groups, as they are the source of the raw material for the industry. During the FY12, the initiative has arranged contracts between processors and farmer groups and credit in kind for operational activities of the groups. Participating processors are: Condor, Caju Nametil, Caju Ilha and OLAM with the participation of 7 farmer groups;
 - Work on establishment of a National Soybean Growers Association was initiated.

2.5 BUSINESS PLAN DEVELOPMENT & MOBILIZATION OF FINANCE

- Enterprises and farmers benefitted: Approximately 4,721 enterprises benefitted with business development services. These enterprises by category includes: emerging farmers group, farmers organizations, processors and input suppliers.
- Business plan support:
 - a) In Nacala Corridor, the project supported the design of 14 business plans which were submitted to Banco Terra and First National Bank (FNB) however, none of them was financed;
 - b) Nacaroa and Monapo Association: Two business plans were designed and submitted to local government funds (FDD);
 - c) Agricultura e Comercialização de Olinda Fundo (ACOF): a potential ASC in Zambezia (Mocuba) working with farmers' associations formed by ADRA. The core business of ACOF is seed production, sale and marketing of agricultural commodities. ACOF is a future ASC whose owner is a woman: AgriFUTURO will assist in the development a

- business plan for the management of the company, and in the development of the viability study for the fruit processing factory in Nicoadala ;
- d) MULTIFRUTAS: Multiplication field of MD2 (pineapple): The business plan is a financial tool very dependable on production results which are still at the 1st year of production. The MD2 planting material purchased was based on the recommendations of the business plan. Additionally, the BP recommends that the fertilizers and other inputs be purchased local market, however for the purchase of Phosphorus and potassium alternative markets. The identification of suppliers of fertilizers is a working in progress. The business plan also recommended a technical and dedicate staff fully dedicated to this project, and this has also been done;
 - e) Fortes: a local private company, producing and selling seedlings. Fortes is part of AgriFUTURO program to develop local banana producers to supply internal market. AgriFUTURO/TNS is supporting in Business Analysis and feasibility, and AgriFUTURO will support in Business organization -
- Associations/FOSCs: thru the association it was possible to mobilize US\$19, 515,950.00 that went to farmer's hands. This money is a result of private linkages with the buyers and input providers all facilitated by the project. Most of this amount was advanced to farmer organizations.
 - ProCampo: an agricultural supplies company. Assistance was provided in the preparation of a business plan to develop an oilseed processing plant in Mocuba, Zambezia Province.
 - The emerging farmers group received approximately US\$207,142 in loans.

2.6 PROGRESS ON AFLATOXIN

- The project assisted *UNILURIO* to establish a multi-faceted laboratory (soil, seed integrity and aflatoxin with most attention being given to the aflotoxin lab, by providing a matching grant to build the lab. With support of the Project, *UNILURIO* is scheduled to receive funds from the USDA (to be managed by IITA) to establish the “AflaSafe” research operation in Nampula province to be an East African counterpart to the West African program based at Ibadan University in Nigeria.
- AgriFUTURO also helped *UNILURIO* to get additional funding from the Ministry of Science and Technology to match the funds for the lab construction.
- AgriFUTURO is providing assistance to improve post-harvest handling of groundnuts to avoid aflotoxin. The project supported the construction of improved groundnut driers for *WISSA* and *GANI Comercial* (private producers).
- The Project provided necessary coordination for the installation of a pilot project using a GrainPro storage unit at *Novos Horizontes* poultry operation in Nampula, purchased by *Corredor Agro* and partially funded (\$10,000) by AgriFUTURO.

2.7 PROGRESS ON INVASIVE FRUIT FLY

- The project supported the participation of Ministry of Agriculture and UEM in a scientific symposium in Greece to present and confirm the conclusion on the host status for fruit flies in green bananas. The conclusion that green bananas do not serve as a host was supported by the scientists, which forms the basis for dialogue on opening borders for commercialization of Mozambican green banana domestically and internationally.
- The Ministry of Agriculture has accepted that circulation for commercialization of green bananas, under certain conditions, can be resumed within Mozambique. A Ministerial memorandum has been issued and will be communicated shortly to open up the circulation of green bananas within the country.
- AgriFUTURO met with Zimbabwean technicians to support removing the ban on green bananas

and additional fruits and vegetables. The Zimbabweans agreed and will inform the Minister of Agriculture in Zimbabwe of their recommendation to remove the ban.

- During FY12, the project concentrated efforts in continued assistance to the Ministry of Agriculture to implement fruit fly surveillance activities in the Centre of Mozambique region, which are very important to maintain the creditability of the surveillance program to the regional/international markets.
- A project to expand surveillance activities and experimental treatment methods for mangos is pending disbursement of funds for this purpose from a local currency account over which USAID has approval (Metical funding is equivalent to US\$ 500,000).
- The Project assisted the DSV in editing the English version of technical instructions pertaining to how to address the presence of fruit fly in the country, including technical instructions on trapping, limiting movement of relevant product, etc.
- A senior level meeting was held in Maputo to present the findings of a study conducted by economists from the *Universidade Eduardo Mondlane* using Project funding to determine the economic impact of the presence of the fruit fly in Mozambique.

2.8 PROGRESS ON MD2 INTRODUCTION (MULTIFRUTAS)

- The shipment of MD2 “Golden” plant materials from South Africa, which was procured by AgriFUTURO, arrived in Nacala Port on February 15, 2012 and they were transferred to land prepared by *Multifrutas*, the company responsible for replicating the seedlings and making them available to commercial nurseries for eventual sale to commercial producers. Only about 15,000 of the expected 20,000 seedlings arrived and some were in weakened condition. However, they recovered well after planting.
- The Provincial Government of Nampula provided an irrigation system to *Multifrutas* as a result of AgriFUTURO encouragement. Early on, the plant material suffered from inadequate water as the operators lacked knowledge of how the system should be operated. AgriFUTURO technical advisors assisted *Multifrutas* to overcome the problem.
- There was an issue concerning availability of the right fertilizer formula but this has also been resolved. The pineapples are doing well and as of the end of September an additional 2,000 suckers had been established. The total number of suckers is expected to reach 21,000 by December. The total area planted initially was about ¼ hectare, and the farm area expanded to about 0.6 hectare as of the end of FY2012. By December it will occupy between 0.8 and 1.0 hectare.

2.9 PROGRESS ON DOMESTIC FRUIT PROCESSING

- The Project has provided assistance to fifty-five producers of domestic pineapple varieties in three producer associations in Zambezia Province. These associations sold 215,000 pineapples in 2012, up from 131,000 in 2011, due to provision of AgriFUTURO technical assistance leading to improved yields.
- The indigenous pineapple variety suffers from short shelf life. AgriFUTURO is working with a local alcohol producer to turn the excess pineapples into industrial alcohol. The Project is also training producers in techniques to increase yields and to control flowering in order to secure pineapple availability all year (required by the industrial processing).

2.10 SIGNIFICANT NEW GDAS OR PPPS

The following table presents the new PPPs executed during FY 2012.

TABLE 7. NEW PPPS EXECUTED DURING FY12

<i>Date</i>	<i>Partner</i>	<i>Corridor</i>	<i>Activity</i>
ASCs (4)			
Oct 2011	Lozane Farms	Nacala	Soybeans and pulses
Nov 2011	MADAL & SAG	Nacala	Introduction of new variety of groundnuts
May 2012	Grupo Soico	Both	Media/Communication
FOSCs (4)			
Nacala Corridor:			
June 2012	Korsho	Nacala	Cashew quality control
June 2012	Fabricas de Grupos Yanuss	Nacala	Cashew quality control
Beira Corridor:			
April 2012	Moz Tea	Beira	Oilseeds
June 2012	IDE	Beira	Pilot small Irrigation initiative
GDAs (1):			
June 2012	CORVUS	Nacala	Bananas
Financial (non-DCA) (1)			
July 2012	ASS Microcredit	Both	Promote access to finance
Public Institutions (not included in total)			
Other donor projects:			
Dec 2011	IFDC	Beira	Strengthening and expanding agro dealers networks
June 2012	PRODEZA	Nacala	Cooperative development
August 2012	World Vision	Nacala	TA to Pineapple producers

Source: AgriFUTURO, October 2012

2.11 REDUCING MARKETING TRANSACTION COSTS AT PORTS

A series of studies have been carried out:

- “Nacala Corridor Assessment: Strategy-Based Transport Logistics and Supply Chain Efficiency”
- “Critical Path Review Port of NACALA, in Northern Mozambique”
- The last one done with USAID Trade Hub including new requirement : “Logistics Review of the Beira and Nacala Corridors

All three of these studies were completed during the fiscal year. The final study was a joint effort between the USAID Southern Africa Trade Hub and AgriFUTURO, where the corridors as a whole were analyzed from a cross-border perspective, although emphasis was given to the port part. The report included operational interventions for improvements for which some investments are already underway.

The “Logistics Review” recommended additional work as follows:

- Integrated, cross-border analysis in Malawi, Zimbabwe and Zambia.
- Manual for the Corridors providing updated procedures for the Corridors, in cooperation with ACIS and the Port User Groups in Nacala. The manual should take into account the procedures at the ports, roads, rails and air borders entering or exiting the Country.
- Pursue more public awareness of already existing initiatives such as the “corruption” and “inefficiency” hotlines offered by Cornelder;

- Pursue regional relevance, one window customs clearance at Zimbabwe, Malawi and Zambia borders with ACIS and the Nacala Port Users Group;
- Pursue strengthening of associations representing actual and potential port and internal logistics system users, taking advantage of technical support offered by ACIS and available from consulting team members, emphasizing the integration of interests not only of Mozambican but also of potential and actual cross border users of the Ports.

A scope of work for these activities has been drafted and contractual administrative procedures are underway to engage a STTA to work closely to ACIS to pursue the above mentioned activities. This follow-on work, if approved, will be funded by AgriFUTURO as it is deemed to be largely if not entirely domestic by SATH, who are not interested in further involvement at this time.

While the port cost and efficiency studies recommendations may result in lower transportation costs for Mozambican exporters, the needed improvements to ports, roads and railway facilities are still underway, so most of these benefits have yet to materialize, and won't depend on AgriFUTURO's input.

2.12 INNOVATIONS IN TECHNOLOGY TRANSFER

- AgriFUTURO linked Lozane Farms in Alto Molocue with the International Institute for Tropical Agriculture (IITA), based in Ibadan, Nigeria to introduce two new varieties of soybeans. Lozane Farms found both varieties superior to local seed and identified one as the best and is working to multiply it to make seed available to over 10,000 producers in the region.
- AgriFUTURO has started a soybean promotion campaign, using local radio. The program is broadcasting information about soybean usage and soybean growing practices. The program was conceived to reach growers from Alto Molocue working in partnership with Lozane Farms, but the field analysis has shown that the radio has targeted a larger audience and is working as an extension service for growers not benefitting from direct technical assistance from Lozane Farms technicians. The local radio station has received phone calls from growers from other districts, requesting more information regarding soybean seed providers, details on growing practices, prices and markets. The local radio station has started broadcasting from Alto Molocue, and the signal is reaching a 70km radius. A planned new activity will be to prepare a new program to be broadcast by the local radio station that will consist of a series of broadcasts on soybeans from field preparation to domestic processing.

2.13 FRIENDS OF AGRIBUSINESS

- The "Friends of Agribusiness" Forum has leverage potential by bringing together members of the donor community and private sector to discuss projects and issues related to agribusiness development. The most recent session recommended the establishment of thematic working groups to discuss selected issues and bring recommendations for discussion by the full Forum in the next session: The groups formed are: 1) Fruit Fly group (already established and achieving some results); 2) Production and Productivity of agribusiness (to be led by SNV), status not yet reported ; 3) Business Development Services; 4) Exchange rate (to be led by SPEED Project)
- Follow up meeting will be held in February to check on the work of the groups.

2.14 QUALITY STANDARDS

- Three cashew companies have been assisted by the Cashew Vale Chain Leader with implementation of a Hazard Analysis of Critical Control Point (HACCP) internal audit of procedures. Reports have been submitted to the senior management of MAP and CONDOR, and Sunshine has formalized 48 new standard operating procedures and 19 implementation procedures.

- The Cashew VCL has begun provision of similar assistance to two additional firms (Caju Ilha and Korocho) in four locations.
- World Vision has requested assistance with training in quality system management for two pineapple associations using GlobalGAP standards.
- The MBFI firm has requested assistance in improving supply planning for the production of commercial alcohol from pineapples in Mocuba, Zambézia.
- Two associations in Manica (Culima Cuacanaca and Agro Pecuária Samora Machel) have requested assistance in meeting GlobalGAP documentation standards, and EAM in Dombe has also requested assistance in improving its quality standards.

2.15 ASSISTANCE TO POTENTIAL INVESTORS

During Fiscal Year 2012 the AgriFUTURO team, and in particular the Business Development Services Advisor, met frequently with representatives of 17 investors interested in potential new agribusiness activities in Mozambique. These included: GrainPro, CORVUS, ODEBRECHT International, Archer Daniels Midland, Grassroots Business Fund, SA Groundnut, Rio Tinto, Silverlands Investments, Phatisa Investment Fund, Carbon Fund, African Century, Cargill, CTH, Rhy's Evens Group, ENICA, United Phosphorous Limited, and RealPM.

3. VALUE CHAIN HIGHLIGHTS – 4TH QUARTER

3.1 SOYBEANS VALUE CHAIN

Nacala Corridor: The Project’s principal interventions are with: Processors: (King Frango, Novos Horizontes), and Input providers: (IKURU, CAL, LOZAN FARMS, SDAEs de Molocue e Gurué).

The Project has linked the input providers, processors, and producers under the soybean value chain with activities such as dissemination of information related to the introduction of high quality seeds. Yields have exceeded expectations, with smallholder sales of US\$11,342,782.

Beira Corridor: Thanks to the Project, nearly 1,031 producers have marketed through their producer association during the year and have benefitted from improved information. The advantage is that the price the farmers receive has been 22.00 Mts/kg on average versus 14.00 to 17.00 Mts/kg received last year from outside buyers. The total value of sales obtained via the Project in Beira Corridor was US\$120,798 for 159.3 tons of soybeans.

The Project in conjunction with its partner MozTea introduced soybeans as a new alternative crop in the district of Mossourize, which has a tradition of cotton and tea farming. As a result of the 49 demonstration plots 184 new members, 16 of whom are women, have joined the producer associations’ “Clubs.” Motivating factors were the presence of soybean buyers, the good prices for soybeans and the low prices being paid for cotton.



3.2 GROUNDNUTS VALUE CHAIN

Nacala Corridor: The production of groundnuts exceeded expectations due to the use of improved technologies, new seed varieties (from Project partner SA Grounnuts), technical assistance (from SMS – of the ESOUKO project, and in particular the associations that work with our partner SANA), and mechanized land preparation services from companies such as *Gani Comercial* and Olinotu.

A total of 45,639 producers, of whom 19,131 are women, adopted groundnut cultivation. The Project has worked to improve processing, and our partner IKURU invested nearly US\$80,000 in the purchase of groundnut sorting equipment. The Project provided a market analysis and a recommendation of the type of equipment to be adopted.

Beira Corridor: For the first time the Project introduced the cultivation of groundnuts in several communities of the Barué region, and has been of great value to the producer associations as an alternative crop. Sales were in the local markets and altogether approximately 13 tons were sold for US\$5,929. This activity involved nearly 242 producers, of whom 53 were women. Yields were 400 kg per hectare in an intercropping production system. We anticipate that in the next crop cycle the company ECA will purchase the production.

3.3 SESAME VALUE CHAIN

Nacala Corridor: The provision of services via the ASCs has expanded the area under cultivation, especially in the areas of the Nampula region where Corredor Agro (CAL) is active. CAL received a grant of 3 tractors and provided land preparation services which increased area in production from 4.500 ha to 5.502 ha.

Beira Corridor: Thanks to the Project's efforts the Dombe Cooperative (Kuguta Kuchanda) received US\$50,089 in financing and marketed its production through partner firms Sunsmile and Olam. Through this partnership the Cooperative sold close to 120 tons of sesame.

Through its partner OLAM the Project supported the introduction of a new sesame variety called Lindy that has a high commercial demand. The advantage of the new variety is its uniformity (see Picture 1)

3.4 BEANS VALUE CHAIN

Nacala Corridor:

Cowpeas: Sales of this crop were in the 3rd quarter and there was no production for sale during the 4th quarter.

Pigeon Peas: Sales of this crop will begin in early October.

Butter beans: As a result of the Project's assistance, 105 producers were linked with Project partner CISTER for input supply. Producer sales exceeded expectations, achieving a total of US\$103,837 as a result of a high market price of 35.00 Mts/kg.

Beira Corridor:

Cowpeas: The project's assistance was basically through linking producers with buyers. Beans big buyers are OLAM, Sunsmile, V&M and Dengo Comercial. The first two are large exporters and the last sells locally. The V&M Company purchased nearly 150 tons at a price of 25.00 Mts/kg, for a total of US\$133,929.

Pigeon Peas: The principal buyer was OLAM which purchased from producer associations in Barué, Dombe, and other parts of the Manica District. In total it purchased nearly 130 tons at an average price of 25 Mts/kg, for a total of US\$116,071. The firm exported to Middle Eastern markets a total of close to 620 tons (including production from OLAM's own farms added to that purchased from smallholders) at an average price of 35 Mts/kg.

Butter beans: The principal partners were SNY, V&W and the Barué Association. Altogether 184 tons were purchased for US\$155,357.

3.5 FRUITS AND NUTS: BANANA, MANGO, PINEAPPLE AND CASHEW NUTS HIGHLIGHTS

Fruit Fly mitigation and enabling environment assistance are the primary activities with fruits, as well as assisting potential new investors find land (Corvus) or existing companies (Enica) find investors. Fruit Fly Activity includes:

- Based on AgriFUTURO-supported research, the GoM Ministry of Agriculture is issuing a determination permitting shipments of green bananas from northern and central Mozambique to the southern region of the country.
- Kenya-based integrated pest management company, RealIPM, visited AgriFUTURO to share their fruit fly control program. A presentation on the topic to FrutiCentro in Chimoio was well received and future collaboration is expected. AgriFUTURO also introduced RealIPM to several Mozambique-based companies (such as Madal whose coconut operations are affected by rhinoceros beetle) that might make use of their services;
- Continued support of GoM's Plant Health Department (DNSV), on fruit fly mitigation/eradication efforts including the Fruit Fly trapping initiative. One-hundred and four new traps were installed in the Beira Corridor;
- FRUTICENTRO has delivered to its members and Ministry of Agriculture the fruit fly protocol designed specifically for the Beira Corridor. This protocol is to be put forward to the Beira Corridor Fruit Fly Implementation Committee to be considered for adoption at the provincial level. If accepted by the Provincial Government, the protocol will likely be put forward to the National Government for adoption as the Fruit Fly response protocol for the Beira Corridor farming community. Funds to implement the protocol are currently pending;
- The University Eduardo Mondlane has submitted to AgriFUTURO and the Ministry of Agriculture's, National Directorate of Agrarian Services a report on the socio-economic impact of the fruit fly in Mozambique. The report was presented in a stakeholder meeting during which next steps were discussed.

NACALA CORRIDOR:

Pineapple:

- Multifrutas has continued the production of suckers expanding the 15,000 imported and planted during the 2nd quarter of the fiscal year. A total of 2,000 additional suckers have now been planted;
- To absorb the excess of local pineapple in Zambézia, AgriFUTURO has started to build capacity of local alcohol producer Mozambique Bio Fuel Industries (MBFI) in order to process the local pineapple into industrial alcohol by: i) linking MBFI to Banco Terra to get finance; ii) training pineapple producers in agricultural practices to increase yields; and iii) training pineapple producers in flowering control – to secure pineapple availability all year round to meet the industry requirement for continuous supply;
- The project visited producers of pineapples in Zambézia Province affiliated to APRONAZ and APROFRUTA associations in the context of supporting the production of the local variety of pineapple. This was a follow-up visit to assess the progress achieved in their trials. The team concluded that producers are implementing the recommendations of the training and the next step will be to establish packaging areas using local materials as well as MOUs with each party.

Banana:

- It is anticipated that the Ministry of Agriculture decision to permit shipments of green bananas from northern Mozambique to the southern region, based on AgriFUTURO-funded research that corroborates that these bananas are not subject to fruit flies, will open new market possibilities;

- Crookes Brothers approved their investment in Enica, subject to validation of certain assumptions.

Mango:

- We are examining an opportunity to establish nurseries for improved mango planting material.

Institutional/organizational development:

- FRUTINORTE's registration is underway, although it has already participated in the Nacala port efficiency study. It is engaging students of ISPM in their field days with the aim of preparing farm managers for the region. Work to establish the National Fruit Association is underway, which will serve as the focal point as a permanent platform for addressing issues facing the entire fruit industry, and all components of the value chain.

BEIRA CORRIDOR:

Banana:

The Zambian market has become an alternative for bananas from AGRIZA Banana Company based in Manica district, in collaboration with Frutas de Ouro. Five-hundred tons of bananas were exported with a total value of \$450,000. As mentioned earlier, efforts are still very much underway to achieve access to the Zimbabwe market for the Manica growers. Such access would provide a very large income boost to Beira corridor banana producers.

Mango:

See grants section above for activities related to mangos.

Institutional/organizational development:

FRUTICENTRO is working to increase membership and focusing on field technical issues, through field days on the farms of its members. It has also participated actively in the Beira port efficiency analysis and in developing the fruit fly protocol for the Beira corridor.

NACALA CORRIDOR

Cashew

- Volume and value of international exports by processors: US\$1,332,163 in exports resulted from the sale of cashew nuts from stocks in the 4th quarter. This amount represents sales receipts from tonnage exported toward the end of the 3rd quarter, as no volume was reported in the 4th quarter. Total FY2012 exports were \$6,665,727, or 84% of the target, and total volume was 898 tons, or 113% of target. These exports went to the Indian market. Price per ton was less than anticipated;
- Volume and value of sales: There were no smallholder sales of cashews in the 4th quarter due to seasonality of the harvest. For FY 2012 total smallholder sales were \$10,438,843, 111% of target. The volume sold in the fiscal year was 20,501 tons, which was also 111% of the target. As noted above, the export price per ton was less than anticipated but this was not reflected in the price paid to the smallholder producers. The cashew harvest occurs in October to December, and exporters set their prices to the producers based on what they expect export prices to be in January through the rest of the year;
- AgriFUTURO is supporting the creation of two associations (future cooperatives) of micro-processors of cashew in the Nacala corridor. Two groups with an average of 50 members are pre-processing cashew nuts. The gains on pre-processed cashew nuts are 25% to 60% higher than raw nuts. Beside the gains on nuts trading, the grower involved in processing also gets a salary from the association. The two groups organized thus far are working under a contract with Condor Nuts (cashew nut processing company).

3.6 ENABLING ENVIRONMENT (COMPONENT I) HIGHLIGHTS

- Fruit Fly – The project supported the participation of Ministry of Agriculture and UEM in a scientific symposium in Greece to present and confirm the conclusion of the green banana host status for fruit fly. The conclusion that green bananas do not serve as a host was supported by the scientists, which forms the basis for dialogue on opening borders for commercialization of Mozambican green banana domestically and internationally.
- The Ministry of Agriculture has accepted that circulation for commercialization of green bananas, under certain conditions, can be resumed within Mozambique. A Ministerial MEMO has been issued and will be communicated shortly to open up the circulation of green bananas within the country.
- An analysis of the economic impact of the fruit fly in Mozambique has been prepared and has been presented in a well-attended workshop in Maputo with the aim to validate the findings and get inputs from participants that includes: MINAG/DSV, UEM, and Civil society organizations work on fruit sector. The final report is going to be sent next quarter.
- AgriFUTURO designed a scope of work for a market research and ‘investment primer’ project in the tropical fruits value chain. This activity builds on previous work in this area, which identified the better agricultural areas in Mozambique for these crops and designed preliminary financial models. Competitors in Central/South America are experiencing market-driven changes and disease-mitigation cost setbacks, so the industry has expressed interest in opportunities in Mozambique, as well as the potential of markets close to Mozambique such as the Middle East, South Asia and the Eastern Mediterranean.
- The proposed market research project will update demand possibilities in the Middle East and confirm assumptions about new markets such as India, parts of the Middle East other than Iran, the Black Sea area and the southern Mediterranean. Together with Corvus Lda the objective is to draft a thorough business plan for presentation to world tropical fruits investors, to encourage them to invest in tropical fruits in Mozambique.

4. PROJECT PERFORMANCE INDICATORS

In the annex A, its presented the Performance Indicator Tables with quarterly and annual results compared, with the targets on a disaggregated basis for all indicators, as well as explanations of the variances. Table 5 shows the summary results for FY 2012.

**TABLE 8. FY2012 SUMMARY OF AGRIFUTURO PERFORMANCE INDICATORS
ACTUAL COMPARED TO TARGETS²**

Performance Indicator		End of FY 2012:		% achieved. against target
		Target	Actual	
Private Investment Mobilized		\$41,477,251	\$8,046,872	19%
New jobs Created		18,321	27,325	149%
Value of Targeted Exports	International	\$57,269,925	\$38,265,894	67%
	Regional	\$1,441,571	\$1,118,614	78%
Rural Households Benefitted		86,428	132,326	153%
Value of Incremental Sales		\$21,817,076	\$36,515,873	167%
Firms and Producer Organizations Assisted (*)		7,723	4,725	61%
Value of Agricultural and Rural Loans		\$2,764,552	\$5,540,936	200%
Number of PPPs Established		13	9	69%
# of Hectares under Improved Technologies or Management Practices		29,826	44,382	149%
# of Private Enterprises or Producer Organizations Applying New Technologies (*)		7,381	4,694	64%
# of Farmers and Others Who Have Applied New Technologies/Management Practices		51,971	115,178	222%
Members of Legalized Cooperatives and Farmer Associations (*)		NA	37,726	NA
# of Policies, Regulations, Administrative Procedures	Analyzed	6	4	67%
	Consultations	6	6	100%
	Proposed	4	3	75%
	Approved	2	1	50%
	Implemented	1	3	300%

Source: AgriFUTURO, October 2012. (*) See explanation below. Targets were incorrectly set.

The following provides a summary explanation of the results for FY 2012. More detailed explanations can be found in the Indicator Tables in the attached Excel sheet in Annex A.

Private investment mobilized: The shortfall for this indicator is the result of much slower than anticipated banana field expansion, slower entrance of investment in new banana companies (Enica and Corvus) and the as yet undecided Higest Poultry expansion in the north due to change in Highest management. Most of the \$8mm investment recorded was from soy, sesame and beans.

New jobs created: The main contributors of jobs are cashew and groundnut value chains in Nacala Corridor and sesame and soybean values chains in the Beira Corridor. Each of these value chains has expanded more rapidly than anticipated due to the introduction of more productive seeds and cultivation practices and access to new markets.

² Targets for gross margins have been included in the indicator tables in Annex A and actual results for FY2012 will be added not later than December 2012.

Exports: Fruit Fly and other international market blockages continue to wreak havoc on international fruit exports and inhibit new investment. The total export indicator is largely driven by bananas. We have had to estimate sales and exports from Matanuska, which refuses to report directly to the project due to “confidentiality”. International export volumes are down as is the price per/kg. There was also a slight shortfall for cashews. International exports exceeded targets for sesame, groundnuts, pigeon peas, and cowpeas. Regional exports exceeded targets for sesame, groundnuts, bananas, and mangos.

Rural households: In the Nacala Corridor the number of rural households benefiting was greater than anticipated due to several factors. First, there was an expansion of the number of farmers planting soybeans beyond the traditional area in Gurue. New areas were opened in Namarroi, Alto Molocue and Milange (all in Zambezia Province). AgriFUTURO Project provided technical assistance on post-harvest activities and market linkages. Additional farmers also were assisted due to the expansion of areas served by OLINOTU in Moma district of Nampula Province. OLINOTU received a grant of 2 tractors which contributed to the increase in the number of beneficiaries of its services. In Beira Corridor new associations from Mossourize received technical assistance from the project, which also increased the number of beneficiaries.

Value of sales: Project results were significantly above expectations for soybeans, sesame, groundnuts, cashew, mangos, domestic pineapple, cowpeas, and butter beans. Sales fell short of expectations for bananas due to the fruit fly issue and for pigeon peas as we had little experience with this crop upon which to base the target.

Firms and producer organizations assisted: During the preparation of the end of fiscal year indicator tables we discovered that the target for one of the corridors for this indicator had incorrectly included the number of members of organizations assisted rather than the number of organizations. We corrected the data for each quarter reported but did not adjust the target.

Value of agricultural and rural loans: In Beira Corridor the banks that worked with the project clients were Banco Terra and BOM for DCA, and for non-DCA loans the main clients are private companies (OLAM and Sunsmile). In Nacala corridor the loan source for DCA was Standard Bank and for non-DCA it was private companies such as Gani Comercial, IKURU, and FDD (Fundo de Desenvolvimento Distrital). It is important to mention that for loans to women only 3% of the target was met. This is because most clients are men and the few women in the groups do not qualify for loans, unless acquired through the associations, which are predominantly male led.

Number of PPPs established: Nine new MOUs were signed with private partners in FY 12, 5 for activities in Nacala Corridor, 2 in Beira Corridor, and 2 that are active in both Corridors. MOUs for 34 PPPs were signed in prior years for a total of 43 for the life of the project. The project also signed 3 MOUs with public or development organizations during FY 2012 (IFDC, PRODEZA, and World Vision) but these are not included in the nine reported above. A list of the new PPPs, their location, and activity is provided in section 2 J of this report.

New technologies (indicators for # of hectares, # of organizations, and # of farmers): We exceeded the targets for number of hectares and number of farmers using improved technologies by considerable margins due to the rapid dissemination of improved seeds and farm mechanization services. We would also have exceeded the target for number of organization applying new technologies but the target was incorrectly set (see explanation above for number of organizations assisted). We note that these successes were in part due to the work of other USAID supported efforts, particularly by the PL 480 Title II MYAP partners.

Members of cooperatives and producer organizations: The target for this indicator was set using the Feed the Future indicator reference sheet, which did not require that organizations be legalized, late requirement requested by ATB team. For the Feed the Future indicator we report 98,413 members compared to a target of 61,311, for an achievement of 161%.

Number of policies, regulations and administrative procedures: Annex B has a detailed table showing what has been accomplished through policy reform efforts.

Gross Margins: AgriFUTURO is responsible for reporting on gross margins for assisted emerging farmers growing soybeans, sesame, and groundnuts. Emerging farmers also grow pigeon peas but we will not report gross margins for this product at this time as the program will end before the next harvest, so it would not be possible to measure impact. MSU is responsible for gathering data on gross margins for a broader group of value chains for smallholder farmers, including both those assisted by AgriFUTURO and other USAID implementing partners. AgriFUTURO will use the same field staff and enumerators used by MSU, although we will contract them directly. MSU anticipates completing its field survey by mid-December 2012 and submitting its data by the end of that month. AgriFUTURO is working to complete the field survey by the end of November 2012, and submitting its data not later than the end of December. In the indicator tables in Annex A we show the targets for gross margins for soybeans, sesame, and groundnuts and will add the actual results as they become available.

5. MAJOR IMPLEMENTATION ISSUES AND LESSON LEARNED

5.1 MAJOR IMPLEMENTATION ISSUES

- Major staff turnover during the FY12: Towards the end of FY, COP Charlene Mckoin has resigned and Jim LaFleur has replaced her; Francisco Junior, Value Chain Leader for the Beira corridor, still to be replaced and Grants Manager, Ana Paula Gabriel, no replacement needed for this one since grants funds are almost finished.
- A delay of contract extension is leading to a continued loss of key staff of the project.
- Delays in allocating the fruit fly local currency funds: under this contract is undermining major efforts by GoM and AgriFUTURO to monitor and mitigate the effects of this pest in the fruit value chain. We have been awaiting the launch of this program for approximately a year.
- ASC's approach: Many of them have failed to comply with the plans due to the problem of lack of funding/credit. The goals were not achieved due to weak capacity in repayment of loans contracted by farmers in the 2010/11 season, therefore, most service providers felt limited in working with them because they could not afford to pay for the services. Still under this program, the high cost of production (plowing, sowing, application of chemical mechanical) may have influenced some producers do not adhere to the program during FY12.
- Corredor Agro had a difficult at the end of 2011/2012 season when some of the farmers to whom they advanced funding they side sell. Learning from experience, they shifted their model and have done a more thorough screening of candidates for participation in their program.
- Grant's areas: Concerning the grants, the delay in late delivery of equipment also caused several constraints' that includes: changes on the production plans which will have an impact on reduction of cultivated areas, change on crops, decrease in number of emerging farmers, resulting on no compliance with targets.

5.2 LESSON LEARNED

- There is strong potential to increase yields and incomes through the dissemination of improved seeds for a variety of crops in northern Mozambique. Increased availability of mechanization services and inoculants will further help farmers take advantage of the yield potential of better seeds.
- Private sector input supply firms are playing a key role in increasing access to improved seeds. They are limited, however, by inadequate access to finance from banks that focus on lower risk urban loans.
- If the thousands of small, subsistence farmers in northern Mozambique are to benefit from modern agricultural practices they must be organized into viable producer organizations. Without these organizations the dissemination of agricultural technologies and access to inputs is simply too costly.
- To be viable, these organizations must achieve economies of scale that will enable them to generate margins that will guarantee their viability, as well as professional management capable of guiding their development. Several different organizational models have been promoted but further innovation is needed.
- Groundwork has been laid for creation of dynamic banana and pineapple agribusinesses that can be expected to create significant employment. Creation of such industries requires considerable time and effort that do not neatly fit within USAID's normal project time horizon.
- Everyone involved in management and support for agricultural projects must be constantly aware of the crop cycle. Failure to mobilize staff, process required approvals, approve financing, etc. in time to impact at the start of this cycle wastes a year.
- Although AgriFUTURO was able to find and employ excellent Mozambican professionals, in general the human resources available in the agricultural sector remain weak. There are very few Mozambican agricultural entrepreneurs, like Bashir Lozane, as professional Mozambicans prefer to work in the cities. Emphasis is needed in supporting and creating new Mozambican agribusiness entrepreneurs.
- While the Feed the Future monitoring and evaluation standards are overly complicated and costly, and have frankly been very frustrating to everyone involved, the AgriFUTURO M&E system served an important role in identifying problems with program implementation and helping to identify remedies.

6. COLLABORATION WITH OTHER DONOR PROJECTS

USAID and other donor partnerships with AgriFUTURO (note: no change from last quarter):

- SATH - the Project completed a comprehensive Logistics Review of the Beira and Nacala Corridors.
- World Vision - Pineapple program in the Quelimane area.
- IFDC - strengthening of fertilizer distribution. (MOU in effect).
- Monitor Group - preparing inputs to the Grow Africa and G8 process.
- IDE - trial plots for smallholder irrigation systems in Manica (MOU in effect).
- SPEED - dissemination of the impact of VAT on Agriculture.
- IITA - introduction of new varieties of Soybean Seeds to Nacala corridor producers.
- SNV - implementation of agricultural productivity improvements and business training for small.
- Embassy of the Netherlands - collaborated on agricultural testing laboratory review.

- Ministry of Science and Technology – lobbied for assistance for UNILURIO lab construction.).
- GIZ - continue to work in partnership to support the Cashew industry.
- World Bank, FAO and USDA – partnership on Fruit Fly mitigation.
- Commercial Attaché at the US Embassy/EXIMBANK - introducing EXIM Bank funding to project beneficiary.
- BAGC – joint support of various beneficiaries and assistance in utilizing DFID funding.
- MYAP Partners, SCIP and SANA, CLUSA, ADRA, World Vision – creating FOSCs, business training, TA for pineapple, and linking MYAP associations to markets development in Zambezia and Manica.

7. KEY ACTIVITIES PLANNED FOR NEXT QUARTER:

- Follow up implementation of dissemination of new cooperative law;
- Follow up phase of the Logistics/Port Efficiency Study;
- Submit the FY13 work plan;
- Realignment of project budget;
- Elaborate the project close-out plan;
- Revise indicator targets for FY13;
- Fully execute the remaining grants funds
- Work in cooperation with the Provincial Director of Agriculture of Nampula Province to launch a +/-300 Ha, diversified fruits planting in that province.
- The Project has coordinated the implementation of an Aflatoxin Workshop in Nampula with Southern Africa Trade Hub (SATH). The Workshop is now to be conducted in late October, 2012.

8. EVALUATION/ASSESSMENT UPDATE:

No relevant information to report.

9. ADMINISTRATIVE UPDATE:

- Former VCL Francisco Junior has not been replaced yet. The hiring process is still pending at CLUSA. This delay is critical as it handicaps the project in the Beira corridor;
- New LTTA: Joana Ledge, Administrative Assistant based in Nampula and CLUSA staff under this program, will be transferred to Maputo office. Her move will result in transferring her to Abt Associates, starting in November 2012;
- Grants and Subcontracts LTTA: Ana Paula Gabriel resigned. The position will be covered by in-house personnel, still to be determined. In the meantime, the Operations Manager is fully responsible for the grants;
- The hiring process of M&E Advisor, Sheila Come, was sent for COTR approval;
- New COP James LaFleur will be starting at beginning of October, with approximately 10 days of orientation at Abt Associates Inc. in Bethesda, Maryland.

10. COMMUNICATIONS DURING FY 2012

- Nine success stories were produced in FY12, of which five have been approved by USAID in FY12 (the other four were submitted for approval in September 2012). We are attaching the three success stories approved by USAID during the 4th quarter 2012.
- AgriFUTURO supported the participation of partners from AMPCM and beneficiaries in the Beira and Nacala corridors in the 48th FACIM event "Broaden business horizons, optimize synergies."
- AgriFUTURO COP was interviewed about the project by TVM for its Economic and Markets program.
- Vol. 9 of AgriNews was released and has been circulated through email and posted at AgriFUTURO new website.
- AgriFUTURO's website has been updated with a new look and menu structure that can accommodate a variety of publication types.
- A photo submitted by AgriFUTURO won third place in an Abt photo contest themed "real-world impact".
- AgriFUTURO activities were featured for a month in USAID's lobby. The success of the display has led AgriFUTURO to be invited to present another display.
- Production of Communication and Awareness Materials for FACIM: AgriFUTURO produced material to address different communication and outreach initiatives within the Program.
- Beira and Nacala Corridors Efficiency Analysis was covered by several media channels through press releases. The meeting had very good impact and started a public debate between the private sector and port managers that resulted in seven articles in the newspaper, two of which were on first page of *Noticias and Savana* newspapers.
- Project organized media coverage of and participated in the launch of the new Unilurio University's lab building that took place in Nampula.
- A video on Lozane Farms and SNY was completed after COTR and staff interviews were completed.

II. FINANCIAL INFORMATION AGRIFUTURO

**TABLE 9. FY2012 SUMMARY OF AGRIFUTURO BUDGET – 7/1/2012 THROUGH 9/30/2012
(IN U.S. DOLLARS)**

		Total Budget	Prior Cost (since beginning of the project)	Current Cost (July-September)	Cumulative Cost	Total Budget Remaining
1	Labor	\$1,844,690	\$2,177,810.73	\$77,174.67	\$2,254,985.40	(\$410,295.40)
2	Fringe Benefits	\$774,770	\$914,680.33	\$32,413.36	\$947,093.69	(\$172,323.69)
3	Overheads	\$579,513	\$784,651.65	\$27,248.56	\$811,900.21	(\$232,387.21)
4	Consultants	\$1,241,302	\$715,988.40	\$23,697.33	\$739,685.73	\$501,616.27
5	Travel and per Diem	\$759,163	\$699,562.75	\$33,161.01	\$732,723.76	\$26,439.24
6	Allowances	\$297,579	\$420,610.64	\$9,945.78	\$430,556.42	(\$132,977.42)
7	Participant Training	\$261,706	-	-	-	\$261,706.00
8	Equipment	\$428,574	\$744,905.29	\$922.67	\$745,827.96	(\$317,254.46)
9	Subcontracts & Contracts	\$9,336,192	\$4,592,831.66	\$121,293.42	\$4,714,125.08	\$4,622,066.62
10	Other Direct Costs	\$1,005,381	\$1,952,137.22	\$63,157.52	\$2,015,294.74	(\$1,009,914.04)
11	Other Indirect Costs	\$1,639,213	\$1,599,712.12	\$48,683.29	\$1,645,630.82	(\$6,418.02)
12	Total Estimated Costs (Exclusive of fee)	\$18,168,082	\$14,602,890.79	\$437,697.61	\$15,037,823.81	\$3,130,257.89
13	Fixed Fee @ 6.5%	\$1,180,925	\$ 949,187.90	\$28,450.34	\$977,458.55	\$203,466.76
	BURDENED SALARY CAP EXCESS	-	(\$1,389.90)	(\$647.98)	(\$2,037.88)	\$2,037.88
	Total Estimated Costs & Fee	\$19,349,007	\$15,550,688.79	\$465,499.97	\$16,013,244.48	\$3,335,763

Source: AgriFUTURO, October 2012

ANNEX A: PERFORMANCE INDICATORS (EXCEL FILE)

TABLE 10. FY2012 PERFORMANCE INDICATOR TABLE

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Private Investment Mobilized (US\$)									
New	\$769,490	\$1,680,970	\$3,871,531	\$1,724,881	\$8,046,872	\$41,477,251	19%	\$20,051,000	The target value of private investment was not achieved during the FY12. The main reason is that the anticipated US\$25 million+ banana investment did not materialize due to reasons well known (fruit fly issues, logistics, and loss of Iran market outlet). It's worth mentioning a new US\$1,200,000 investment done by Abilio Antunes on the purchase a soybean extruder machine.
New Jobs Created									
Total	16,844	17,919	22,473	27,325	27,325	18,321	149%	29,700	The number of new jobs created during the FY12, aggregated across all value chains, was over five times the number anticipated. In addition, the number of new female full time equivalent employees nearly equaled the number of men. The main contributors of jobs are cashew, groundnuts in Nacala Corridor and sesame and soybean value chains in Beira Corridors. The MOU signed with AICAJU resulted in an increment in the number of jobs generated, because AICAJU is working with small processing companies that provide permanent jobs throughout the year.
Male & Female New	731	1,075	4,554	4,852	11,212	2,208	508%	2,418	
Male & Female Contin.	16,113	16,844	17,919	22,473	16,113	16,113	100%	27,325	
<i>Male</i>	12,811	13,460	15,741	18,286	18,286	13,684	134%	20,137	
New	526	649	2,281	2,545	6,001	1,399	429%	1,851	
Continuing	12,285	12,811	13,460	15,741	12,285	12,285	100%	18,286	
<i>Female</i>	4,033	4,459	6,732	9,039	9,039	4,637	195%	9,606	
New	205	426	2,273	2,307	5,211	809	644%	567	
Continuing	3,828	4,033	4,459	6,732	3,828	3,828	100%	9,039	
Value of targeted exports (US\$)									
<i>International Exports</i>									
Soybean	\$0	\$0	\$0	\$0	\$0	\$0	NA	\$0	The soybeans produced in Mozambique are consumed domestically mainly by the poultry industry.

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Sesame	\$891,501	\$60,938	\$0	\$4,129,370	\$5,081,809	\$4,991,111	102%	\$5,278,000	The project results exceeded the target and exports are still taking place, so additional exports will be reported next quarter. In the Beira Corridor the main exporter was OLAM and in Nacala corridor CAL, Export Marketing, OLAM and IKURU.
Groundnut	\$192,690	\$419,040	\$0	\$360,000	\$971,730	\$571,500	170%	\$742,950	Groundnut exports come from the Nacala Corridor. Actual exports were nearly twice the target. AgriFUTURO assisted with post-harvest activities such as cleaning and selection and with market linkages with the international buyers. The main exporter was IKURU and the main destination was England. World groundnut prices have been 30-40% higher than last year due to droughts affecting production in South Africa and the US. Late rains hurt corn production in Mozambique and many farmers replanted with groundnuts (a late season crop), which increased production.
Banana	\$4,612,923	\$7,054,580	\$6,553,698	\$6,347,418	\$24,568,619	\$43,477,263	57%	\$30,319,703	The volume of international exports of bananas met the target, but the value was only 57% of target. Bananas are still precluded from the SA market due to fruit fly. They were exploring the European market but because of logistics constraints (including piracy insurance) that option is not considered feasible at this time. The figures include Matanuska and Jacaranda, and Jacaranda has yet to adopt its marketing strategy and is only exporting small amounts. The value per ton of exports is below expectations because of the need to send product to secondary or tertiary markets.
Mango	\$0	\$100,800	\$0	\$0	\$100,800	\$122,840	82%	\$89,692	Mango exports took place in the 2nd quarter of FY12. The next harvest will be by the end of Dec-Jan and will be counted in FY13. We achieved 82% of the target and anticipate a similar result in FY13. Note that exports to southern Africa region more than made up for this shortfall.
Pigeon peas	\$0	\$13,846	\$0	\$775,000	\$788,846	\$70,350	1121%	\$90,675	Pigeon peas exports started on the Q4 and the major exporter was OLAM in Beira Corridor. The target was surpassed by far, reflecting the fact that this is a new commodity for AgriFUTURO and we had little information available about the prospects when the target was established.
Cow peas	\$0	\$0	\$0	\$88,363	\$88,363	\$0	Infinite	\$0	Export Marketing in Nacala Corridor started to export cowpeas during the Q4. We did not anticipate that cowpeas would be exported.

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Butter Beans	\$0	\$0	\$0	\$0	\$0	\$55,800	No exports reported	\$72,540	The only company (CISTER) that promotes and purchases large volumes did not buy this year due to lack of financing and farmers ended up selling individually, which made it impossible to monitor if any of the butter beans were exported.
Cashews	\$0	\$407,788	\$4,925,776	\$1,332,163	\$6,665,727	\$7,981,061	84%	\$8,517,883	Most Cashew exports occurred during the Q2, Q3 and Q4 quarter of FY12. The main exporters are: IKURU, AICAJU, Condor Nuts and MAP.
TOTAL	\$5,697,114	\$8,056,992	\$11,479,474	\$13,032,314	\$38,265,894	\$57,269,925	67%	\$45,111,000	Some exportable production was held over for export during the following three months (cashew, sesame, groundnuts, and bananas) which, had it been exported during FY12 would have raised the actual to perhaps 80% of the total export goal. Clearly the primary shortfall was in the banana value chain.
<i>Regional Exports</i>									
Soy Bean	\$0	\$0	\$0	\$0	\$0	\$0	NA	\$0	Soybeans are in high domestic demand therefore no exports.
Sesame	\$0	\$0	\$0	\$0	\$0	\$811,111	0%	\$150,000	Sesame demand is strong outside southern Africa region
Groundnut	\$0	\$0	\$0	\$262,857	\$262,857	\$195,000	135%	\$1,224,920	The regional exports of groundnuts happened in Q4 from Nacala Corridor and the main destination was South Africa and the main exporter was IKURU. Drought limited production in South Africa, creating a larger market than anticipated and better prices.
Banana	\$0	\$0	\$0	\$450,000	\$450,000	\$0	Infinite	\$500,000	Exports to Zambia were done by AGRIZA in partnership with Frutas de Ouro. Such imports are difficult to predict as it is not a preferred market. If current efforts to open the Zimbabwe border to exports from the Beira corridor are successful expect this number to jump almost immediately, but we are not able to set a target for this at this time.
Mango	\$0	\$301,829	\$0	\$0	\$301,829	\$151,360	199%	\$296,768	The mango exports occurred in Q2 and were to the regional market of South Africa - from EAM farm. The actual exports were nearly double the target for FY12. During the exercise to establish targets for 2012 there was an uncertainty about what was going to happen with international and regional exports of mangoes. Also, this year was particularly good and there was an increase on the production figures due to good rains. Finally, there was production from new plants (something unexpected).

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Pigeon peas	\$0	\$0	\$0	\$103,928	\$103,928	\$158,100	66%	\$204,750	The company Export Marketing exported pigeon peas to Malawi were in Q4. Pigeon pea exports to the southern Africa region were less than anticipated in part due to the fact that non-regional exports were ten times the anticipated amount. As a new crop we had limited basis upon which to predict results.
Cow Peas	\$0	\$0	\$0	\$0	\$0	\$0	No exports	\$0	
Butter Beans	\$0	\$0	\$0	\$0	\$0	\$126,000	No exports	\$163,800	The one exporting company, CISTER, did not purchase due to lack of financing.
Cashews	\$0	\$0	\$0	\$0	\$0	\$0	No exports	\$0	
TOTAL	\$0	\$301,829	\$0	\$816,785	\$1,118,614	\$1,441,571	78%	\$2,540,000	See crop by crop analysis for explanation of total shortfall.
Volume of targeted exports (in Tons)									
<i>International Exports</i>									
Soybean	0	0	0	0	0	0	0	0	Soybeans are in high domestic demand therefore no exports.
Sesame	0	42	0	4,220	4,262	5,945	72%	4,590	The project did not meet the target on volume of sesame due to late rains that greatly reduced the area planted. However, yields were higher than anticipated which limited the shortfall in volume. Prices received by producers were also higher than anticipated.
Groundnut	0	228	0	200	428	318	135%	413	The volume target was surpassed by 135% for FY12, whereas the value target was nearly doubled. More area planted than anticipated due to late rains causing farmers to replace failed corn with groundnuts, and due to higher prices.
Banana	10,368	11,308	10,715	10,410	42,801	43,157	99%	71,365	Banana volume was approximately equal to projections, which is understandable as the projections were made earlier this year and production capacity was known.
Mango	0	80	0	0	80	56	142%	104	Volume of international exports of mangoes outstrips the target for FY12 although low prices resulted in missing the target for value. Increase in volumes due to good agroclimatic conditions, also the Middle East market requires large volumes. Therefore, there was an effort from EAM (the only mango exporter farm) to take the production of other mango producer to increase the volumes.
Pigeon peas	0	0	0	620	620	70	886%	91	Pigeon peas outstrip the target for FY12 in both volume and value. We had inadequate basis for setting target for this new crop.

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Cow peas	0	29	0	135	164	0	No target	0	We did not anticipate cowpea exports for FY12
Butter Beans	0	0		0	-	41	0%	54	As noted above the one exporting company did not purchase butter beans in FY12.
Cashews	0	109	789	0	898	794	113%	851	Volume the cashew more than 100% met although lower prices resulted in shortfall in value. Note that we report sales value for the 4th quarter but no volume, indicating that volume exported towards the end of the 3rd quarter produced sales being reported in the 4th quarter.
<i>Regional Exports</i>									
Soybean	0	0	0	0	0	0		0	
Sesame	0	0	0	0	0	737	0%	150	Strong sesame demand outside region.
Groundnut	0	0	0	184	184	108	170%	941	Drought in South Africa hurt production there creating larger market for Mozambican groundnuts.
Banana	0	0	0	500	500	0	No target	370	Export volume to Zambia not anticipated.
Mango	0	327	0	0	327	250	131%	330	Volume of regional exports of mangoes exceeds the target but by a smaller percentage than for value. The good agroclimatic conditions contributed to the good production and consequently higher export volumes. The major exporter EAM included volumes of Mr. Pinto Matavel in its exports to South Africa.
Pigeon peas	0	0	0	97	97	158		205	The same explanation used on value of exports for these three crops also applies to volume.
Cow peas	0	0	0	0	-	0		0	
butter Beans	0	0	0	0	-	93		121	
Cashews	0	0	0	0	-	0		0	There are no regional exports of cashew
# of rural HH benefitting directly from USG interventions									
Total RRHHs benefited (FY 2010-2013)	70,593	118,886	131,797	132,326	132,326	86,428	153%	133,500	In the Nacala Corridor the number of rural households benefitting was greater than anticipated due to several factors. First, there was an expansion of the number of farmers planting soybeans beyond the traditional area in Gurue. New areas were opened in Namarroi, Alto Molocue and Milange (all in Zambézia Province). AgriFUTURO Project provided technical assistance on post-harvest activities and market linkages. Additional farmers also were assisted due to the expansion of areas served by OLINOTU in Moma district of Nampula Province. OLINOTU received a grant of 2 tractors which contributed to the increase in the number of beneficiaries of its services. In Beira Corridor new associations

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
									from Mossourize received technical assistance from the project, which also increased the number of beneficiaries.
Male & Female New	2,249	48,293	12,911	529	63,982	18,084	354%	3,131	
Male & Female Contin.	68,344	70,593	118,886	131,797	68,344	68,344	100%	132,326	
Male Total	43,388	57,169	63,552	63,960	63,960	53,511	120%	66,306	
New	1,799	13,781	6,383	408	22,371	11,922	188%	2,346	
Continuing	41,589	43,388	57,169	63,552	41,589	41,589	100%	63,960	
Female Total	27,205	61,717	68,245	68,366	68,366	32,917	208%	69,151	
New	450	34,512	6,528	121	41,611	6,162	675%	785	
Continuing	26,755	27,205	61,717	68,245	26,755	26,755	100%	68,366	
Value of sales (collected at farm level) (US\$)									
Soybean	\$235,213	0	\$11,250,222	\$601,095	\$12,086,530	\$5,943,685	203%	\$8,825,926	The high production this year was due to improvements in yield achieved (1, 8 ton/ha against 600kg/ha last Ag. Cycle). Our target was based on planned distribution of improved seed, but the GOM imported soybean seed and distributed it to our beneficiaries. We increased the supply of technical assistance and achieved dramatic increase in production. Also, there is a big demand driving the price up, these facts contribute to actual results more than 100% above the target. As soybeans are planted every other year, next year production may decrease.
Sesame	\$78,504	0	\$1,662,722	\$5,433,881	\$7,175,107	\$3,867,883	186%	\$2,925,083	Actual is nearly double the sales target and sales of this crop cycle are still taking place, which will result in sales reports for next quarter. Although delayed rains reduced area planted, yields were higher than anticipated as were prices.
Groundnut	\$1,045,636	0	\$4,599,399	\$6,927	\$5,651,962	\$1,771,572	319%	\$2,343,044	This season was great for groundnuts. As noted earlier late rains caused maize planting to fail and farmer's substituted groundnuts. Drought in South Africa and the US increased world prices.
Cashew	\$9,699,000	\$677,333	\$62,510	\$0	\$10,438,843	\$9,409,710	111%	\$10,043,000	Sales of cashew by smallholders also exceeded the target.
Mango	N/A	0	\$300,000	\$0	\$300,000	\$50,000	600%	\$52,500	More than what was expected was sold into domestic markets and if the fruit fly problem continues to restrict exports the local market will still be an alternative for the upcoming harvest.
Pineapple dom.	\$0	\$0	\$0	\$33,929	\$33,929	\$0		\$0	No target was set for sales of pineapples in the domestic market.

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Banana	\$10,285	\$11,852	0	\$30,000	\$52,137	\$129,225	40%	\$156,000	Local sales of bananas only include the contribution from smallholders in Beira corridor. Local sales from Matanuska and Jacaranda not included, although target mistakenly included some such sales.
Pigeon Peas		0	0	\$116,071	\$116,071	\$167,500	69%	\$255,250	Pigeon pea exports were 10 times the target but sales by smallholders did not meet target. The reason is that exports include amounts produced by OLAM. Target was missed because we had limited basis for setting target for this new crop.
Cow peas	0	0	\$268,171	\$133,929	\$402,100	\$311,500	129%	\$437,450	We had limited information upon which to set this target.
Butter Beans	0	0	0	\$259,195	\$259,195	\$166,000	156%	\$255,800	We had limited information upon which to set this target.
TOTAL	\$11,068,638	\$689,185	\$18,143,024	\$6,615,026	\$36,515,873	\$21,817,076	167%	\$15,251,000	See crop by crop analysis for explanation of total result.
Volume of sales (collected at farm level) (in Tons)									
Soybean	288	0	18,924	354	19,566	7,560	259%	11,624	Government supplied seed not anticipated. This seed combined with our TA resulted in higher than anticipated results.
Sesame	60	0	1,442	5,038	6,540	4,882	134%	2,817	Yields were higher than anticipated.
Groundnut	553	0	4,280	14	4,847	1,500	323%	1,990	Larger than anticipated area planted due to substitution of groundnuts for failed maize planting and higher world market prices.
Cashew	19,398	1,016	88	0	20,502	18,480	111%	19,725	Target was exceeded.
Mango	0	0	580	0	580	350	166%	368	Due to the good agro-climatic conditions the production was good for all mango farmers; even those that did not have irrigation systems were successful.
Pineapple dom.	0	0	0	7	7	0		0	No target was set for sales of pineapples in the domestic market.
Banana	14	32	0	120	166	150	111%	240	Note: Previous target for bananas (74,536 metric tons) incorrectly included domestic sales of firms, but should only be smallholders we have substituted as a target the tonnage anticipated from Beira Corridor only.
Pigeon peas	0	0	0	130	130	404	32%	620	We had limited information upon which to set this target.
Cow peas	0	0	636	150	786	723	109%	903	Target was met.
Butter Beans	0	0	0	267	267	429	62%	552	We had limited information upon which to set this target.
# of enterprises receiving business development services									

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Total # of enterprises	4,005	4,410	4,720	4,721	4,721	7,723	61%	4,800	We found that the Beira Corridor incorrectly used number of members rather than number of organizations in setting the target and in reporting during first 3 quarters of FY12. We have corrected the reported figures but have not changed the target. We were asked to provide the names of the processors and input suppliers: 1) Processors in total are 6 from which 4 are in Nacala Corridor (Korosh, Oliva Caju, Gani Comercial and Wissa) and 2 in Beira Corridor (Abilio Antunes and Dengo Comercial); 2) Input suppliers in total are 11 new for FY12 from which 4 are in Beira Corridor (IAV -Insumos Agricolas e Veterinarios), IAP (Insumos Agro-Pecuarios) , Savon Trading, Hortimoc and Solucoes Machamba ; and 10 from Nacala Corridor (IKURU, CAL, Lozane Farm, SDAE de Gure, SDAE de Molocue, Pannar, Acof, Gramiter, Gani Comercial and Madal).
EF Total (new & cont.)	342	410	442	442	442	461	96%	454	
New	0	68	32	0	100	119	84%	12	
Continuing	342	342	410	442	342	342	100%	442	
FA (FA w/i FOOSC) Total (new & cont.)	3,649	3,980	4,251	4,251	4,251	7,239	59%	4303	
New	1,064	331	271	0	1,666	4,654	36%	52	
Continuing	2,585	3,649	3,980	4,251	2,585	2,585	100%	4,251	
Processors Total (new & cont.)	6	6	12	12	12	10	120%	14	
New	0	0	6	0	6	4	150%	2	
Continuing	6	6	6	12	6	6	100%	12	
Input suppliers Total (new & cont.)	8	14	15	16	16	13	123%	19	
New	3	6	1	1	11	8	138%	3	
Continuing	5	8	14	15	5	5	100%	16	
Value Agricultural loans									
Total Value Agricultural loans	\$1,630,451	\$118,143	\$3,731,150	\$61,192	\$5,540,936	\$2,764,552	200%	3,240,000	Over all targets were more than 100% achieved both for "Backed by DCA" and not. However, important to mention that loans to women target only 3% met because most clients are men and the few women in the group do not qualify for loans, unless acquired through the association, which are predominantly male led. In Beira Corridor the banks that worked with the project clients (Banco Terra and BOM) for DCA and for non- DCA loans the main clients are private companies (OLAM and Sunsmile). In Nacala

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
									corridor for DCA (Standard Bank) and non-DCA private companies such as (Gani Comercial, IKURU, FDD (Fundo de Desenvolvimento Distrital). The level of private firm financing to producers was higher than anticipated.
Backed by DCA	\$0	\$0	\$2,241,338	\$1,857	\$2,243,195	\$1,232,484	182%	1,393,552	
Male loan recipient	\$0	\$0	\$2,241,338	\$1,857	\$2,243,195	\$887,770	253%	996,449	
Female loan recipient	\$0	\$0	\$0	\$0	\$0	\$344,714	0%	397,103	
Not backed by DCA	\$1,630,451	\$118,143	\$1,489,812	\$59,335	\$3,297,741	\$1,532,068	215%	1,846,064	
Male loan recipient	N/A	\$111,231	\$1,484,997	\$53,977	\$1,650,205	\$1,029,220	160%	1,240,066	
Female loan recipient	N/A	\$6,912	\$4,815	\$5,358	\$17,085	\$502,848	3%	605,998	
# of public-private partnerships formed as a result of AgrIFUTURO assistance									
Total PPPs (excluding public)	2	0	6	1	9	13	69%	4	Program greatly exceeded expectations in prior periods and has now entered consolidation phase
ASC	2	0	1	0	3	5	60%	1	Nacala: Lozane Farms, MADAL & SAG, Both: Grupo Soico
FOSC	0	0	4	0	4	1	400%	0	Nacala: Korosho, Fabricas de Grupos Yanuss; Beira: Moz Tea, IDE
GDA w/Private Co	0	0	1	0	1	5	20%	0	Nacala: Corvus
Financial: DCA	0	0	0	0	0	0		1	
Financial: non-DCA	0	0	0	1	1	2	50%	2	ASS Microcredit
Public Org	1	0	1	1	3	2	150%	3	Nacala: PRODEZA, World Vision Beira: IFDC
# of hectares under improved technologies or management practices as a result of USG assistance									
<i>Total # of ha improve. Seeds (new & cont.)</i>	19,120	44,046	44,046	44,382	44,382	29,826	149%	50,800	Hectares reported are a result of parallel investments from the local/district government. There was a massive use of improved seeds as credit or at subsidized price. This resulted in an increment of the area using improved seeds.
<i>Male & female new</i>	0	24,926	0	336	25,262	10,706		6,468	
<i>Male & female Contin.</i>	19,120	19,120	44,046	44,046	19,120	19,120		44,382	
Male Total	12,984	30,949	30,949	31,221	31,221	20,248		35,565	
New	0	17,965	0	272.4	18,237	7,264		4,344	
Continuing	12,984	12,984	30,949	30,949	12,984	12,984		31,221	
Female Total	6,136	13,097	13,097	13,161	13,161	9,578		15,285	

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
New	0	6,961	0	63.6	7,025	3,442		2,124	
Continuing	6,136	6,136	13,097	13,097	6,136	6,136		13,161	
<i>Total # of ha mechanization (new & cont.)</i>	4,302	9,135	9,135	9,172	9,172	6,302	146%	10,900	The supply of mechanized services is still very low but is improving. There are more ASC's and FOSC's to provide this type of services. For instance, producers that were involved with ASC's such as CAL (in Nacala Corridor) have expanded their areas.
<i>Male and female new</i>	0	4,833	0	37	4870	2,000		1,746	
<i>Male & female Contin.</i>	4,302	4,302	9,135	9,135	4,302	4,302		9,172	
Male Total	2,921	6,856	6,856	6,884	6,884	4,263		8,197	
New	0	3,935	0	28	3963	1,342		1,313	
Continuing	2,921	2,921	6,856	6,856	2,921	2,921		6,884	
Female Total	1,381	2,279	2,279	2,288	2,288	2,039		2,721	
New	0	898	0	9	907	658		433	
Continuing	1,381	1,381	2,279	2,279	1,381	1,381		2,288	
<i>Total # of ha using inoculants</i>	2,205	3,436	3,436	3,466	3,466	2,912	119%	4,000	This result is due to the massive prevalence of people cultivating soybeans for FY12. This resulted in the expansion of areas using inoculants.
<i>Male and female new</i>	0	1,231	0	30	1,261	707		495	
<i>Male & female Contin.</i>	2,205	2,205	3,436	3,436	2,205	2,205		3,466	
Male Total	1,545	2,637	2,637	2,659	2,659	2,046		3,065	
New	0	1,092	0	22	1,114	501		406	
Continuing	1,545	1,545	2,637	2,637	1,545	1,545		2,659	
Female Total	660	799	799	807	807	865		896	
New	0	139	0	8	147	205		89	
Continuing	660	660	799	799	660	660		807	
<i>Total # of ha with one or more technology/mgmt practice</i>	19,120	44,046	44,046	44,382	44,382	29,826	149%	50,800	It is expected that all farmers will use improved seeds and that some of those will use other technologies.
<i>Male and female new</i>	0	24,926	0	336	25,262	10,706		6,468	
<i>Male and female cont.</i>	19,120	19,120	44,046	44,046	19,120	19,120		44,382	
Male Total	12,984	30,949	30,949	31,221	31,221	20,248		35,565	
New	0	17965	0	272.4	18,237	7,264		4,344	

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Continuing	12,984	12,984	30,949	30,949	12,984	12,984		31,221	
Female Total	6,136	13,097	13,097	13,161	13,161	9,578		15,285	
New	0	6,961	0	63.6	7,025	3,442		2,124	
Continuing	6,136	6,136	13,097	13,097	6,136	6,136		13,161	
# of private enterprises and producers organizations that applied new technologies or management practices									
Total # organizations	4,002	4,391	4,694	4,694	4,694	7,723	61%	4,800	We discovered that the target for farmer associations for Beira Corridor included association members rather than number of associations, so target was not correctly set. We have corrected the numbers in the quarterly reporting but have not changed the target.
EF Total (new & cont.)	342	388	420	420	420	461	91%	438	
New	0	46	32	0	78	119	66%	18	For FY12 Beira corridor worked with 46 new Emerging farmers, while Nacala Corridor with 54. The project did not meet the target because many EF did not have access to finance thru the banks as their proposals were refused and part of the group drop the idea of being an EF.
Continuing	342	342	388	420	342	342	100%	420	
FA (FA w/i FOOSC) Total (new & cont.)	3,649	3,980	4,251	4,251	4,251	7,239	59%	4,303	We have corrected errors in prior reporting of farmer associations.
New	1064	331	271	0	1,666	4,654	36%	52	
Continuing	2,585	3,649	3,980	4,251	2,585	2,585	100%	4,251	
Processors Total (new & cont.)	6	7	7	7	7	10	70%	10	
New	0	1	0	0	1	4	25%	3	
Continuing	6	6	7	7	6	6	100%	7	
Input suppliers Total (new & cont.)	5	16	16	16	16	13	123%	19	Team was able to involve more new input suppliers than anticipated.
New	0	11	0	0	11	8	138%	3	
Continuing	5	5	16	16	5	5	100%	16	
# of farmers and others who have applied new technologies or management practices as a result of USG assistance									

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Total applying tech. (new & cont.)	43,202	114,222	114,222	115,178	115,178	51,972	222%	125,000	Project and the GOM facilitated access to improved seeds for groundnuts, soybeans, white sesame for most members of the farmer associations assisted. Also assistance was given to use of land preparation technology. Considerable training was provided in post-harvest handling. GOM supply of seed was not anticipated. Program worked hard to provide TA to all seed recipients.
<i>Male and female new</i>	0	71,020	0	956	71,976	8,770	821%	9,828	
<i>Male and female cont.</i>	43,202	43,202	114,222	114,222	43,202	43,202	100%	115,178	
Male Total	29,512	72,249	72,249	72,936	72,936	35,010	208%	79,473	
New	0	42,737	0	687	43,424	5,498	790%	6,537	
Continuing	29,512	29,512	72,249	72,249	29,512	29,512	100%	72,936	
Female Total	13,690	41,973	41,973	42,242	42,242	16,962	249%	45,533	
New	0	28,283	0	269	28,552	3,272	873%	3,291	
Continuing	13,690	13,690	41,973	41,973	13,690	13,690	100%	42,242	
# of members of cooperatives and farmers associations (Feed the Future definition)									
Total Male & Female	60,394	21,856	100,939	98,413	98,413	61,311	161%	99,000	We used the FtF definition for this indicator in setting the target and in past reporting, rather than the ATB indicator. The target was exceeded due to expansion in soybean areas in Zambezia Province, new beneficiaries as a result of new areas in Moma (Nampula Province) and additional new groups in partnership with SANA Project.
# Males	41,320	11,070	59,471	60,182	60,182	40,617	148%	60,500	
# Females	19,074	10,786	41,468	38,231	38,231	20,694	185%	38,500	
# of members of legalized cooperatives and farmers associations (ATB definition)									
Total Male & Female	22,854	28,321	28,310	32,726	32,726	0	No target	33,000	This shows the quarterly numbers using the ATB definition but we do not have a corresponding target. However, for the first three quarters we only show the numbers for Nacala corridor. We will obtain the numbers for Beira and include these in the final version of the data tables.
# Males	14,300	17,520	17,347	20,616	20,616	0	No target	21,000	
# Females	8,554	10,801	10,963	12,110	12,110	0	No target	12,000	
Number of policies, regulations, administrative procedures:									
Analyzed	0	2	2	0	4	6	67%	4	See policy table for details.

INDICATORS AND DISAGGREGATION	FY 2012							FY 2013	FY 12 Explanation
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	TOTAL FY2012	Targets FY2012	% Target to Date	Revised Targets (Rounded)	
Presented consult.	1	1	1	3	6	6	100%	4	
Presented enactment	0	1	0	2	3	4	75%	2	
Approved	0	0	0	1	1	2	50%	2	
Implem. begun	1	1	1	0	3	1	300%	4	
Gross margins per hectare for emerging farmer crops									
Soybeans						\$550		\$560	
Groundnuts						\$435		\$440	
Sesame						\$190		\$195	

ANNEX B: POLICY TABLE (EXCEL FILE)

TABLE I. POLICY TABLE, FY2012

of legal instruments in working progress :																	
Partner	Policy , regulation or administrative procedure Name	Description	Legal Instrument Category	FTF Policy Type	Stage achieved during the period (quarter):					Policies Advanced Through CSOs (only those that reached stage 4)	GOM reformed policies with USG support	Sustainable natural resource management	Democracy and Governance	Status	Significance (why is it important for agribusiness enabling environment)	Results Achieved last quarter (Comments, if remains remain on same stage/any other relevant explanation)	
					Analized	Presented for consultation	Presented for legislation	Passed	Implementation begun								
					Stage 1	Stage 2	Stage 3	Stage 4	Stage 5								
Speed/Agrifuturo	VAT in agriculture	Distortions in application of VAT	Regulation	Agricultural sector wide	2012 Q2	2012 Q2					CTA	No	No	Ongoing	reduce distorting economy	SPEEDO is currently discussing with ATM, Autoridade Tributaria de Mocambique the revision of the VAT Law in Agriculture.	
Agrifuturo	Improve the efficiency of the Nacala port	Analyzed port costs to see if excessive	Admin Procedures	Agricultural sector wide	2011 Q2	2011 Q3					IPEXC and UCODIN in Nampula	No	No	Completed	Very significant to competitive exports	Groups established to implement recommendations and implementation of recommendations in progress Note: study completed currently ground work taking place to implement some recommendations.	
Agrifuturo	Improve the logistics and efficiency of both corridors (Beira and Nacala ports)	Analyzed port efficiency to improve it	Admin Procedures	Agricultural sector wide	2012 Q3	2012 Q3					ACIS, FRUCENTRO & FRUTINORTE	No	No	Completed	Very significant to competitive exports	same as above, follow up study on the efficiency of Beira and Nacala Corridors.	
Agrifuturo	Policy constraint analysis and potential mitigation measures	Recommendations of major constraints for agribusiness development from AgCLRIR policy constraint analysis distributed	Policy	Research, extension, information and other public services	2011 Q3	2012 Q1	2012 Q2		2012 Q2		Friends of Agribusiness (FOA) which includes CTA, CPI, CEPAGRI, donors (Embassies Ireland and Denmark), EU and Private sector companies	No	No	Ongoing	Very significant for an action plan for the agriculture enabling environment and investors trust and increase investments in agriculture.	Prioritization of the recommendations of the AgCLRIR assessment for immediate implementation - As well known AgCLRIR is a compas of recommendations and is considered ongoing as well as implementation begun because some of the recommendations are being implemented by other institutions and others still on hold.	
Agrifuturo	Remove the ban on exports of bananas to SADC countries	Analysis to remove non tariff barrier to export. Support MINAG and UEM on the research of banana host status in Pemba	Admin Procedures	Inputs	2011 Q2	2012 Q4	2012 Q4	2012 Q4			FRUTISUL & FRUTICENTRO	2012 Q4	No	No	Ongoing	Increase exports of bananas to the region	Proposal has been accepted and order de svrvice for implementation of the circulation of green banan within the country is being issued and will be communicated shortly.
Agrifuturo	Revise the Mozambique cashew master plan (INCAJU)	Sector Strategy that recommend privatization of cashew nurseries	Policy	Outputs	2011 Q2	2011 Q3	2011 Q3	2011 Q4	2012 Q1		AICAJU	2011 Q3	No	No	Completed	Long term need for cashew replaning	
Agrifuturo	Regulation of coop law	Enable conversion of associations to business cooperatives	Regulation	Agricultural sector wide	2011 Q1	2011 Q2	2011 Q2				AMPFCM		No	No	Ongoing	Needed to create viable farm org.	Regulation in the Council of Minsters to be approved
Agrifuturo	Increase access to financial products	Access to credit by agriculture sector increased by introducing new colateral mechanism to private sector.	Admin Procedures	Agricultural sector wide									No	No	Onhold	Highly significant for credit access	This policy still pending discussions being held with financial institutions (Banco terra), Inventory credit is the topic for this policy.
Agrifuturo	Facilitate access of investors to Mozambican water rights law translated to English (Mozambican Legislation on water usage)	Compilation and distribution of water rights law in hard copies and electronic versions and posting in websites	Policy	Research, extension, information and other public services					2011 Q1		ACIS - Beira		No	No	Completed	Improve irrigation (productivity and income) in agriculture by easy access to water rights for irrigation	
Agrifuturo	Facilitate access of investors to Mozambican fertilizer and inputs legislation translated to English (Mozambican Legislation on Fertilizer and inputs)	Compilation and distribution of fertilizer and inputs legislation in hard copies and electronic versions and posting in websites	Policy	Research, extension, information and other public services					2012 Q3		ACIS - Beira		NO	No	Completed	Improve yields/productivity/income by easy access of fertilizer inputs legislation	
Agrifuturo	Remove SPS ban on lychees shipments to Southern Mozambique	Modify ministry of agriculture administrative procedure (Ordem de Servicio)	Admin Procedures	Outputs			2011 Q3	2011 Q4	2011 Q4		Fruitisul				Completed	Open domestic and export market for litch	
Agrifuturo	Format to attract international investors using policy platforms and government value chain strategies	Analysis of the investment opportunities for the Nacala Corridors	Admin Procedures	Research, extension, information and other public services	2012 Q2	2012 Q4	2012 Q4				MINAG/CEPAGRI				Completed	Increase investments in agriculture	Not presented for legislation, but presented to the Minister of Agriculture as a strategy for value chain development and attraction of investors. Work led by The Monitor group
Agrifuturo	Mitigation on fruit fly to support international exports for Mozambican fruits	Analysis of the economic impact of the fruit fly in Mozambique	Admin Procedures	Research, extension, information and other public services	2012 Q3	2012 Q4					MINAG, UEM				Ongoing	Increase exports of bananas to the region	
												Here only those that pass stage 4					
SUBTOTAL per 2011 Quarter:																	
					2011q1	1	0	0	0	1							
					2011q2	3	1	1	0	0							
					2011q3	1	2	2	0	0							
					2011q4	0	0	0	2	1							
					TOTAL 2011	5	3	3	2	2							
SUBTOTAL per 2012 Quarter:																	
					2012q1	0	1	0	0	1							
					2012q2	2	1	1	0	1							
					2012q3	2	1	0	0	1							
					2012q4	0	3	2	1	0							
					TOTAL Q1+Q2 2012	4	6	3	1	3							
					AF 2012 target by stage	6	6	4	2	1		5	1				

ANNEX C: TABLES SHOWING STATUS OF GRANTS

TABLE 12. GRANTS PERFORMANCE TABLE, FY2012

Grantee	Type of grant	ITEM	USD	Status	Corredor
IKURU	Seed Capital	Office Construction	\$68,225.00	Constr. In progress	Nacala
CORREDOR AGRO/GrainPro	Discretionary Grant	Storage units for grains	\$10,000.00	Payment in process	Nacala
OLINOTU	ASC	Tractor John Deere 5503	\$26,950.00	Delivered	Nacala
		Tractor John Deere 5303	\$20,900	Delivered	
		Row Seeder 9	\$2,900.00	Pending delivery since July 2012	
		Accessories and transport	\$15,577.26	Delivered	
		Total	\$63,427.26		
CISTER	ASC	Tractor John Deere 5503	\$26,300.00	Delivered	Nacala
		Tractor John Deere 5303	\$16,500.00	Delivered	
		Discs (Plough and Hidraulica)	\$20,031.34	Delivered	
		Total	\$62,831.34		
UNILURIO	Seed Capital	Laboratory Construction	\$ 100,000.00	Award fully signed. Paid the installment of US\$10 000.	Nacala
GRAMITER	Discretionary Grant	Equipment to calibrate & clean grains	\$10,000.00	Procurement in progress	Nacala
NZARA YAPERÁ	ASC	Planters JD 1010 2ROW	\$16,500.00	Delivered	Beira
		Tractor JD 5303	\$6,950.00	Delivered	
		Seed Cleaner	\$30,500.00	Seed cleaner paid for and grantee has been advised to apply to CPI for clearance of importation. Supplier to confirm date of delivery shortly.	
		Warehouse construction	\$39,354.27	First installment to constructor to be process in first week of October.	
		Total	\$93,304.27		
AGRO-PECUARIA de MANICA	Seed Capital	Food Processor	\$75,986.60	The grantee has obtained the clearance forms from CPI for importation of the equipment and will advise shortly when the equipment will be transported to Chimoio.	Beira
ISPM	Seed Capital	Laboratory Equipment	\$100,000.00	Pending technical justification from Grantee to complete the procurement process.	Beira
NJERENJE	Seed Capital	Boom- sprayer	\$6,405.69	Delivered	Beira
		Planter	\$22,242.00	Delivered	
		Accessories	\$12,840.00	Paid not delivered	
		Tractor	\$37,769.38	Delivered	
		Total	\$79,257.07		
EVRETZ	Seed Capital	Maize Milling Plant	\$58,389.10	Not purchased	Beira
		Soya Extruder	\$10,000.00	In progress	
		Shed Construction	\$16,000.00	In progress	
		Total	\$84,389.10		
DENGO	Seed Capital	Construction (roof and paint)	\$50,000.00	Waiting for grantee to finalize phase I	Beira

Source: AgriFUTURO, October 2012

ANNEX D: SUCCESS STORIES

Getting the Support They Need

USAID collaborates with the Mozambican Government to improve food security in Nampula Province



Photo: Vina Verman/ Abt Associates

Felicidade Muiocha, Chief Technical Secretary of UCODIN, and Julio Costa of USAID-funded AgriFuturo pose together at UCODIN's office in Nampula. Muiocha says, "USAID is a very important partner at this moment and many activities would not have happened without them".

USAID is supporting and collaborating with the Mozambican Government to ensure that agribusinesses and smallholder farmers receive the assistance they need to grow.

In 1998, a conference tackling the development of Mozambique's northern Nampula Province showed that assistance was scattered and uncoordinated. Funding and activities from the Mozambican government and other organizations were resulting in little impact due to the lack of collaboration among parties. The government created a new pilot office in 2002 called the Unity for a Coordinated Integrated Development of Nampula (UCODIN) to bring about long-term, high impact development in the province. UCODIN had high hopes for their work, but soon enough realized these deemed too ambitious.

USAID began working with UCODIN in 2009, at which time the development of the ten-year strategic plan was underway for 2010-2020. USAID provided technical assistance to develop the fruit value chain component, agreed to conduct a long-desired Nacala port study, and incorporated an emerging farmers program into this plan. USAID also contributed to the improving markets component within this plan.

Since their contributions to the strategic ten-year plan, USAID has been helping to translate plans into action. USAID completed the Nacala port study and presented its findings in October 2011, while providing technical assistance to a growing banana export company. In addition, USAID has worked with this export company to help them understand the importance of collaborating with surrounding communities for sustainable growth. In 2010 USAID helped UCODIN organize the International Fruit Conference in Nampula and sent UCODIN's Chief Technical Secretary, Felicidade Muiocha, to an agribusiness conference in Uganda. Since returning, Muiocha has already received approval from the Governor to organize an Agribusiness Forum in the near future.

"Our strategic plan focuses on developing the private sector. We are putting efforts into commercial agricultural companies and building up smallholder farmers to move away from subsistence farming and start farming as a business. We planned to provide assistance in capacity building, technical guidance, and access to finance. This strategic partnership resulted in: a) development of the fruit value chain, b) more private sector investment reflected in two new commercial farms (Jacaranda and Multifrutas, Lda), c) improved efficiency of Nacala port for fast tracking of fresh fruits for exports and d) development of a model of commercial farm and outgrower schemes as the central model for the Agribusiness expansion in the province.

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