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ASF
THE AGRIBUSINESS PROJECT

THE AGRIBUSINESS PROJECT



Quarterly Progress Report-13
(October 1, 2014 to December 31, 2014)
January 30, 2015

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Cooperative Agreement No. AID-391-A-12-00001

Key Personnel Name	Designation	Contact Number	Email Address
Shad Muhammad	Chief of Party	0092 (344) 4475252	shad.muhammad@asf.org.pk

The Agribusiness Project | Agribusiness Support Fund
House 23, Street 25, Sector F -8/2, Islamabad 44000 Pakistan
Phone No: +92 51 2818305-8 Fax: +92 51 2818309
www.agribusiness.org.pk | www.asf.org.pk
Email: info@asf.org.pk

DISCLAIMER

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

ABBREVIATIONS AND ACRONYMS

ASF	Agribusiness Support Fund
BDSPs	Business Development Services Providers
COP	Chief of Party
EA	Environmental Assessment
EGA	Economic Growth and Agriculture
EMMP	Environmental Monitoring and Mitigation Plan
FEG	Farmer Enterprise Group
GAP	Good Agricultural Practices
GB	Gilgit Baltistan
GEC	Grants Evaluation Committee
HV/OSV	High Value Off-Seasons Vegetables
ICT	Islamabad Capital Territory
IP	Implementing Partner
ISO	International Standard Organization,
JAA	J.E.Austin Associates
KPK	Khyber PakhtunKhwa
LOP	Life of Project
M&E	Monitoring and Evaluation
MSMEs	Micro, small and medium enterprises
MSU	Management Support Unit
NGO	Non-Government Organization
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
SME	Small and Medium Enterprises
TA	Technical Assistance
TAP	The Agribusiness Project
USAID	United States' Agency for International Development
USG	United States Government
UVAS	University of Veterinary and Animal Sciences
VCP	Value Chain Platform

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1 EXECUTIVE SUMMARY

The Agribusiness Project, funded by USAID commenced on 10th November, 2011 with the overall goal of increased competitiveness and productivity of horticulture and livestock sub-sectors in collaboration with all stakeholders. Project is being implemented in collaboration with international and national partners.

During the reporting quarter, the project provided continued support to the beneficiaries for establishment of vineyards, high tunnels for HV/OSV production, small solar dryers, provision of drying materials and seed potato toolkits etc., through the technical assistance, trainings and transformational grant support. Key achievements during the quarter October– December 2014 are given below:

- i. Under the international market access program, the project supported participation of eight exporting companies in two international exhibitions for fruit, vegetables and meat, namely FoodEx Saudi and World Food Kazakhstan. The international STTAs developed marketing and branding strategies for horticulture and meat value chains, in consultative workshops with stakeholders in Lahore, Karachi and Islamabad.
- ii. Technical assistance and trainings were provided in the following areas:
 - a. The project trained 2,257 participants in enterprise development, pre and post-harvest practices, integrated pest management and artificial insemination technicians' trainings.
 - b. a four day exposure visit for 35 vegetable farmers from Malakand Division-KPK to commercial vegetable farms, markets and retail chains in Gujranwala, Daska, Islamabad, Peshawar and Charsadda to develop their market linkages.
 - c. 11 Farmer Field Days in KPK and Punjab, attended by 315 participants, including beneficiaries of high tunnels and representatives of farm services centers, extension and research, service providers and inputs suppliers
 - d. Consultative workshops were conducted at Lahore and Islamabad with 29 stakeholders from meat industry. The project obtained stakeholders' insight on feedlot fattening operations for development of a manual on feedlot fattening for the first time in Pakistan
- iii. During the reporting quarter two of the value chains, Apricot and Chili, showed that project activities have had major impact and started showing excellent results for the beneficiaries businesses:
 - a. The sales revenue of chili farmers increased by 46% due to improved practices leading to better quality of product. The incremental sales revenue touched USD 1.1 million whereas profit margins increased by over 100%, while creating 603 new jobs (50% female).
 - b. Incremental sale revenue for apricot and additional assorted fruit/ vegetables dried worth USD 130,200 was calculated; change in beneficiary income was recorded at USD 129,400, resulting in creation of 62 new jobs.

The following key results against mission strategic framework indicators have been achieved:

- i. 1,148 new full time equivalent jobs created as a result of project activities implemented in apricot, chili, grapes, HV/OSV and seed potato value chains and IMAP export facilitation.
- ii. During the reporting period, 17 companies reported export of fruit, vegetables and meat products worth USD 3.3 million to various export destinations, through participation in various IMAP events
- iii. USD 1.81 million private sector capital leveraged, as a result of participation in project activities.
- iv. Project-supported agribusinesses achieved cumulative incremental sales of USD 4.71 million.
- v. A total of 2,511 micro & small enterprises received business development services from USG assisted resources; 1,099 enterprises were linked to larger-scale firms for input supplies and marketing, whereas 3,710 entities have reportedly applied new technologies and/or management practices.
- vi. The project benefitted 2,498 rural households directly. A total of 1589 hectares of land was brought under improved technologies and/or management practices.
- vii. 20% female beneficiaries are included in various project activities during the reporting quarter.

2 PROJECT OVERVIEW

2.1 INTRODUCTION

This quarterly progress report of the project is submitted as per requirement of the cooperative agreement signed between USAID Pakistan and ASF. It covers the activities carried out by the project during the period from October 01, 2014 to December 31, 2014. In addition to the preliminaries and executive summary, the report comprises of three sections and three Annexures.

- The first section briefly introduces the project's background, goal, objectives, components, and financial progress during the reporting period.
- The second section provides highlights of achievements and activities during the third year of the project. It provides narrative information on the project activities completed and progress achieved on different value chains and project components.
- The third section provides an update on the results achieved against the mission strategic framework (MSF)/EGA indicators during the reporting year and cumulative, up to end of reporting quarter.

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

2.2 BACKGROUND

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

Horticulture and livestock sub-sectors offer potential for increased employment and income generation through diversification into high value production systems, product and process innovation, value addition and greater market orientation. This requires investment in downstream and upstream agribusiness functions. However, the cost to mobilize entire value chains has been prohibitive and beyond the capacity of individual enterprises, thus warranting interventions by Agribusiness Support Fund (ASF) with the financial assistance of USAID.

2.3 GOAL

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

2.4 OBJECTIVES

The three specific objectives of the project are:

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

2.5 PROJECT COMPONENTS

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

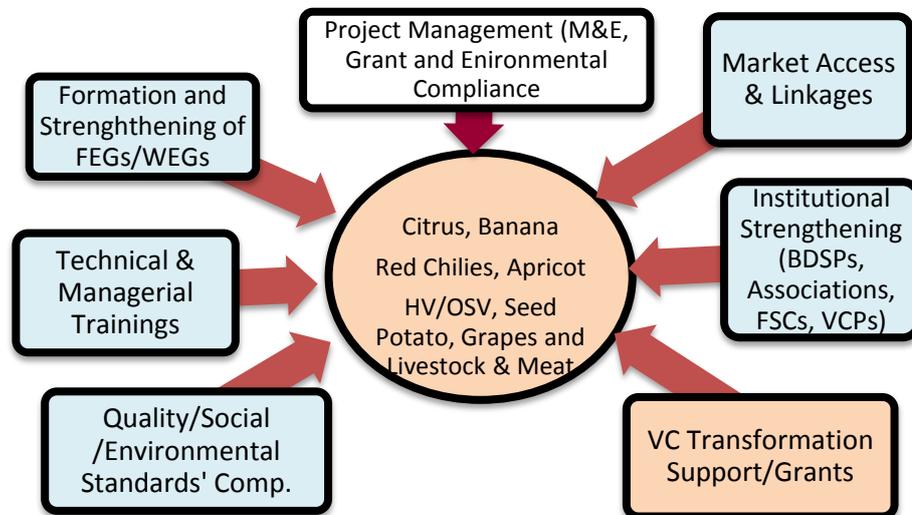


Figure 1: Project approach and components

2.5.1 TECHNICAL ASSISTANCE (TA) FOR VALUE CHAIN SUPPORT

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

- Technical and managerial training and market access and linkages;
- Formation and strengthening of farmer enterprise groups/women enterprise groups;
- Institutional strengthening (business development service providers, farm services centers, value chain platforms, associations and cooperatives); and, certifications standard compliance.

2.5.2 VALUE CHAIN TRANSFORMATION SUPPORT

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

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

2.6 FINANCIAL SUMMARY

The expenditure made during quarter-1 FY 2015 and cumulative up to end of quarter-1 of FY 2015 is given below. The component-wise financial progress is placed at **Annexure-1**.

Total allocation of the project:	USD 39,947,421
Amount obligated to-date:	USD, 34,300,000
Expenditures during quarter-1 of FY 2015:	USD 2,930,092
Total expenditure since start till December 31, 2014	USD 28,359,113

3 PROJECT PROGRESS

3.1 MARKET ACCESS AND LINKAGES PROGRAM (IMAP)

Under the IMAP, the project supported participation of fruit, vegetables and meat processors/exporters in two international marketing events namely FoodEx Saudi and World Food Kazakhstan. As a result of their participation and project facilitated business to business meetings with large buyers, seventeen companies have reported achievement of export sales of USD 3.3 million. The total value of export sales as of December 2014 amounts to USD 23.83 million. The overall products exported include kinnow, potato, dates, lemon, mango, meat, dried fruit, apricots, miscellaneous fresh fruit and vegetables to various export destinations including UAE, Saudi Arabia, Russia, India, Iran, Afghanistan, Ukraine, Spain and Indonesia. The summary of marketing event-wise export value achieved by beneficiaries is shown in Figure-3 below, while details are placed at **Annexure-2**.



Figure 2: Participants at FoodEx, Jeddah, KSA

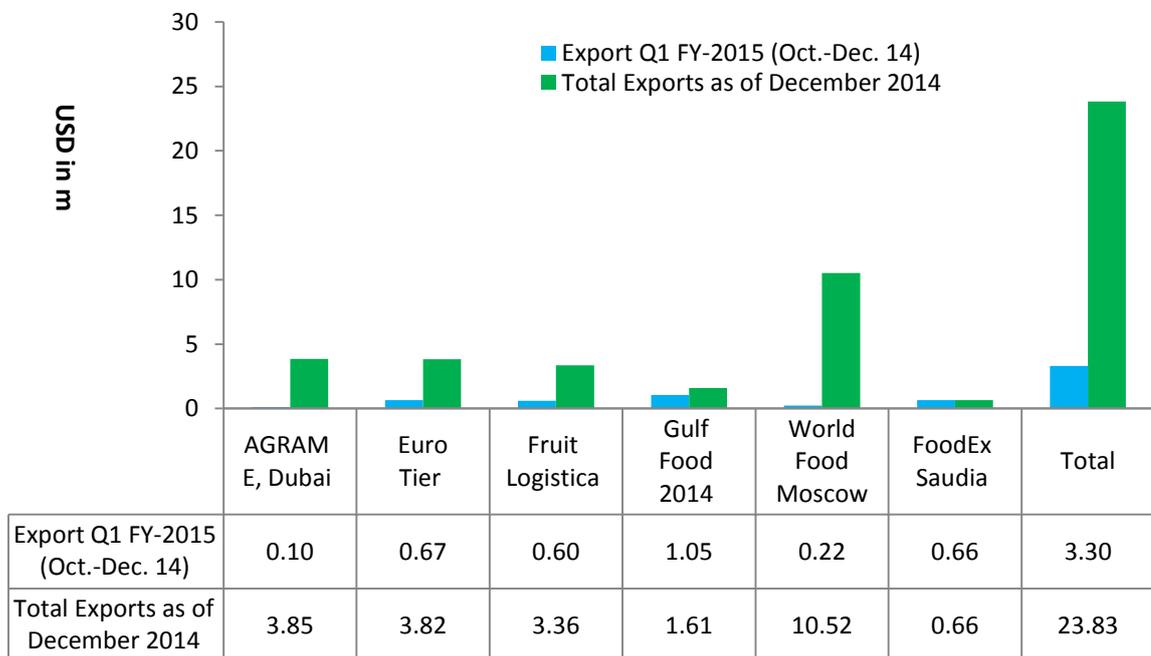


Figure 3: IMAP data - Export value

3.2 TECHNICAL AND MANAGERIAL TRAINING

Enterprise development and technical trainings have been carried out by technical experts and training service providers engaged by the project and implementing partners in selected value chains. The duration of the training varied from 1 day to 5 days. Project beneficiaries have been supported through the following trainings:

- a. Enterprise development
- b. Pre& post-harvest best practices
- c. Integrated pest management (IPM)

During the reporting quarter, a total of 2,257 participants from the value chains have been trained. The value chain-wise break-up is given in Figure-4 below.

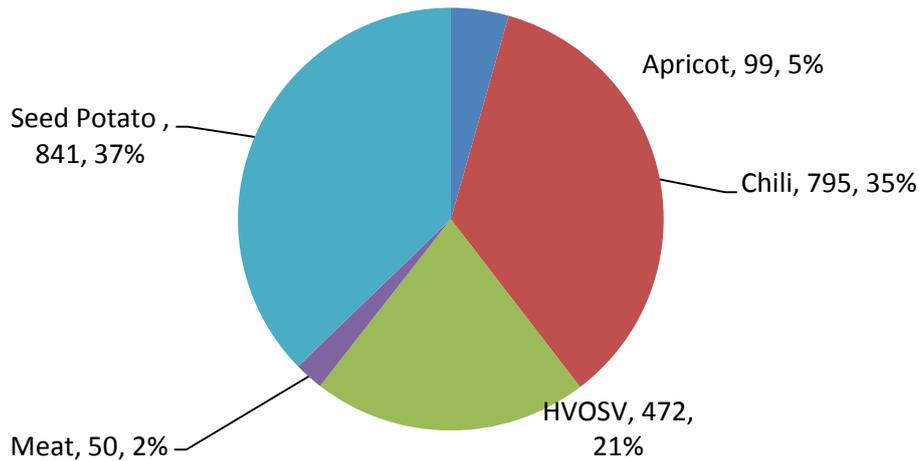


Figure 4: Achievements value chain-wise

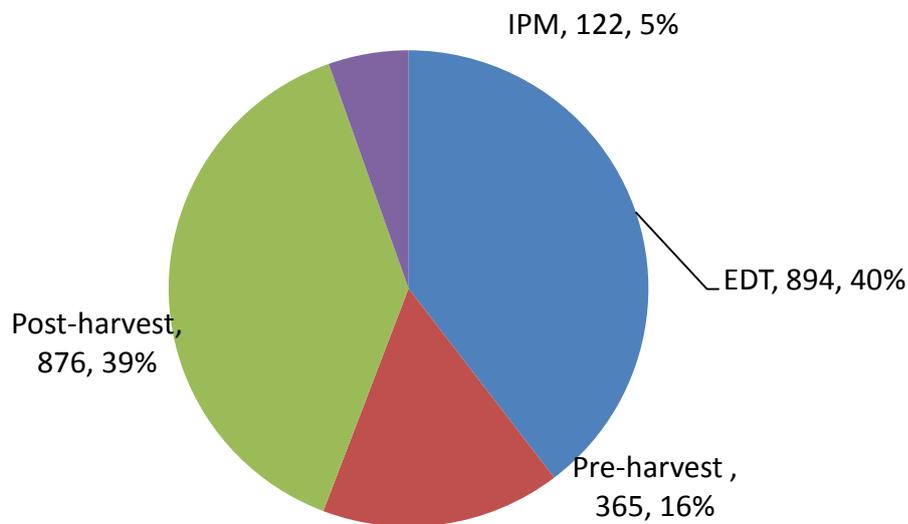


Figure 5: Achievements thematic areas-wise

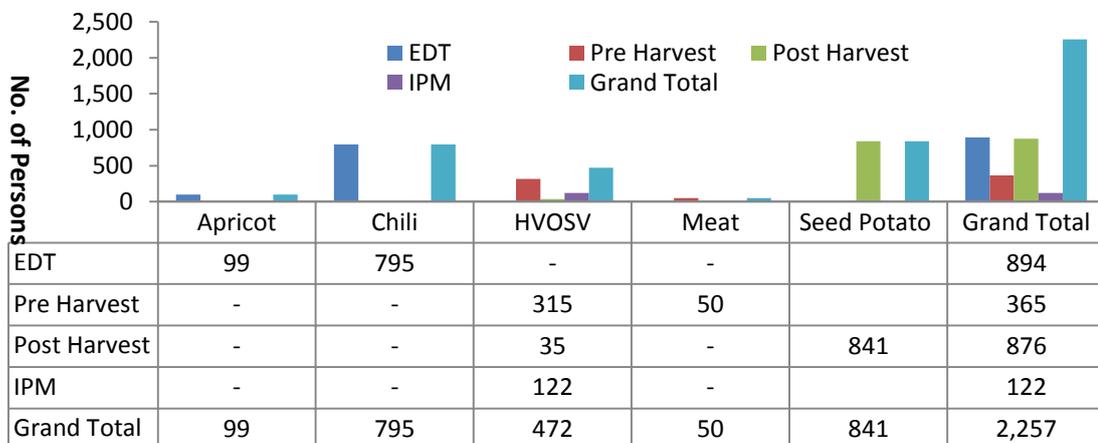


Figure 6: Number of Participants trained

3.3 APRICOT VALUE CHAIN

During the reporting quarter, the project provided continued support to beneficiaries of Apricot Orchards in management, pruning, fertigation and irrigation practices.

As of previous quarter, all the 800 Apricot farmers had established structure of solar dryer for drying of fresh Apricot and other fruit. During the reporting quarter, the project in collaboration with implementing partners trained 99 Apricot farmers in a 2-day enterprise development training.

The project has carried out field monitoring visits and collected data from Apricot farmers on use of solar tunnels for drying of apricot. The analysis shows that 193 tons of apricot and 21 additional tons of various fruit and vegetables have been dried by beneficiaries during last harvest/drying season. One-third of total apricot was dried using solar tunnel while remaining two-thirds were dried as per conventional drying methods. This ratio is likely to increase next year, when these solar tunnels will be fully operationalized by the apricot farmers. On average, farmers dried 17% additional quantity of Apricot during the intervention year (FY-2014) as compared to the baseline year (FY 2013). The production cost of apricot drying has increased by 23% due to the additional quantity dried and adoption of best practices taught in harvest and post-harvest trainings. Total incremental sales revenue from apricot and other assorted dried fruit and vegetables amounts to USD 130,200, an 86% increase over the base year. The change in beneficiary incomes was USD 129,400, an 88% increase. Subsequently, a total of 62 new full time equivalent jobs have also been created.



Figure 7: FEGs drying Apricot in TAP's Solar Tunnel dryers

3.4 BANANA VALUE CHAIN

The project provided continued technical assistance to eight model Banana farms on best agriculture practices in production, harvesting and packaging. Demonstration was also given on use of banana toolkits i.e. harvesting bolo, de leafing knives, selector knives and weed control etc. The project also conducted Banana crop monitoring of model farms. As a result of the best practices adopted by the beneficiaries, some visible improvements were noted in quality and weight of bunches as per international standards.



Figure 8: STTA demonstration of best practices in bunch care

3.5 RED CHILI VALUE CHAIN

During the reporting quarter, the provision of drying material (geo-textile sheet) to 1000 chili farmers has been completed. A total of 795 chili farmers have been trained in 2-day enterprise development session by the project implementing partner at Hyderabad and Kunri. A total of 30 EDT sessions were conducted with the view for transformation from conventional approach to business farming model.



Figure 9: FEG members drying Red chili produce on Geo-Tex sheets

The project has carried out field monitoring visits and collected data from chili farmers (statistically viable sample size) on use of drying material for chili. The data analysis shows that average area under chili

production has reduced from 4.54 acres (base year–FY 2013) to 2.41 acres per farmer (intervention year–FY 2015) due to water shortage, resulting in 25% less quantity of chili product available in market as compared to baseline year, fueling increase in demand for the product.

Sales revenue has increased by 46% due to improved product quality and high price premium for chili in local market during the outgoing harvest season. Incremental sales revenue amounts to USD 1.1 million and profit margins of farmers have increased by over 100% over the baseline year. This intervention has also resulted in creation of over 603 new full time equivalent jobs (50% female) by chili farmers. The project has also established market linkages of chili farmers with buyers/processors for input supplies and marketing of the produce.

3.6 CITRUS VALUE CHAIN:

The project conducted detailed discussions with the Kinnow Processors Cooperative Society Sargodha (KPCSS) and All Pakistan Fruit and Vegetables Exporters Associations (APFVEA) on issues faced by the processors/exporters including harvest and post-harvest of kinnow. As a result of the following interventions are finalized:

- 18 processors/exporters having pack houses in Bhalwal were short-listed for the planned interventions.
- Training program on harvest and post-harvest practices for workers, supervisors and managers of the processing units has been designed. Relevant participants have been identified in consultation with the processors/exporters.
- Mobilized participation of processors and exporters for International exhibitions.
- Developed a database on processing units' business volume, staffing, infrastructure and machinery.
- The project established collaboration with other entities working for the improvements and facilitation of exports e.g. Trade Development Authority Pakistan, Sargodha Chamber of Commerce and Industry and UNIDO



Figure 10: Consultative Dialogue with Citrus Value chain stakeholders in Sargodha

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

During the reporting quarter, the following key activities were carried out:

- 251 grantee farmers' of high tunnels have completed land preparation, mulching, netting and sowing.
- Eleven Farmer Field Day events organized in KPK and Punjab, attended by 315 participants including beneficiaries of high tunnels and representatives of farm services centers, extension and research, services providers and inputs suppliers. The project demonstrated agronomic practices including seed selection, nursery raising & bed preparation, nursery transplantation, temperature, humidity control, pruning, irrigation, and integrated pest management.
- The project organized a four day exposure visit for 35 vegetable farmers representing 18



Figure 11: HVOSV (Cucumber) harvest in Haripur

FEGs from Malakand Division-KPK to commercial vegetable farms, markets and retail chains in Gujranwala, Daska, Islamabad, Peshawar and Charsadda to develop their market linkages.

- The project trained 122 vegetable farmers from Lahore, Sheikhupura and Peshawar regions in a 2 day training on Integrated Pest Management.

3.8 ESTABLISHMENT OF VINEYARDS:

ASF's interventions for the grape value chain produced positive results. A ripple-effect impact can now be observed whereby a large number of vineyards have been established by local farmers (other than ASF's grant beneficiaries) from the surrounding areas. Keeping in view the potential in grapes production, farmers' have replicated and scaled-up activities in the value chain.

The following are the key activities carried out during the reporting quarter:

- 17 Grape farmers (taking the total to 40 farmers) have installed pillars and posts at their vineyards.
- Participants for learning trip to Turkey short-listed
- Finalized the training program and contents for vineyards management and pruning.
- Identification of exotic grapes varieties to be recommended for the upcoming season



Figure 12: Intl. Grapes Expert demonstrating good practices

3.9 SEED POTATO VC

During the reporting quarter, the following key activities were carried out.

- 1621 farmers from 99 FEGs of Gilgit Baltistan and KPK have been supported through provision of seed potato toolkits/implements (comprising of 45 bags, hoe, hand hoe, garden rack and picking bag).
- A total of 841 seed potato farmers from 75 FEGs from Gilgit Baltistan and Mansehra districts have been trained in post-harvest handling by National Agriculture Research Council (NARC).
- Construction of 14 cellars completed.
- One day orientation session held on management, operation, temperature and humidity control usage for the beneficiaries of the cellars.
- The project organized consultative sessions at cluster level for identification of 100 potential seed potato farmers for on-job training and best practices adopted by large growers in Punjab.



Figure 13: Demonstration on Potato Grading,

3.10 MEAT VALUE CHAIN:

During the reporting quarter, the following key activities were carried out:

- 50 artificial insemination technicians (AITs) from KPK have been trained in a six week training session organized in collaboration with the University of Agriculture Peshawar from November 10, 2014 to December 21, 2014. The project has initiated establishment of linkages of these trained AITs with renowned semen distributor of Pakistan for initial support in business establishment.

- The Project, in collaboration with the University of Veterinary and Animal Science, Lahore and Provincial Livestock Departments KPK and Punjab initiated identification of potential feedlot farmers for breed improvement program: 10 livestock farms in KPK and 20 livestock farms in Punjab have been identified. A total of 240 livestock farmers from KPK and Punjab will be selected for participation in breed improvement program.



Figure 14: AI training- Practical demonstration of AI Gun

- The project conducted consultative workshops at Lahore and Islamabad with 29 stakeholders from meat industry to obtain the stakeholders insights for development of a manual on feedlot fattening operation.

- The project held a meeting with 17 meat processors/exporters from Karachi and Lahore on November 20, and shared project activities, especially promotion of Pakistani meat cuts in international market. The Branding Expert presented a framework for branding in meat product markets and documented insights of the stakeholders.



Figure 15: Meat-Consultative workshop at Islamabad

- Project experts and representatives of Pioneer Seed, USA, jointly conducted field visits to Charsadda, Mardan, Nowsehra and Peshawar districts and held a series of meetings with maize growers. 10 potential farmers identified, of which 3 farmers will be supported for establishment of 3 silage production units.

3.11 INTERNATIONAL MARKET LINKAGES AND ACCESS PROGRAM:

During the reporting quarter, the following key activities were carried out:

- The project supported participation of eight fruit and vegetables exporting companies in two Trade Shows, World Food Kazakhstan and FoodEX-Saudi. As a result of their participation, these companies have established linkages with international buyers for fruit, vegetables and meat. The participating companies have reported export of fruit and vegetables worth USD 664,452 by end of reporting quarter.



Figure 16: Participants at FoodEx-Saudi, Jeddah, KSA

- The project trained 23 exporters/beneficiaries on preparatory arrangements for participation in International trade & marketing events. The training imparted guidelines on trade show preparation, professional conduct, business networking and requisite follow-up activities. The training is expected to improve:
 - i. Industry organization and better country ‘brand’ representation at the respective trade shows
 - ii. Sustainable trade opportunities and strategic alliances amongst international trade community
 - iii. Increase in sales through follow-up with potential buyers and importers



Figure 17: Trade Show readiness workshop, Islamabad

The project has developed “Trade Show Participation Manual” for fruit, vegetables and meat exporters.

- An International STTA engaged by the project developed draft marketing and branding strategies for horticulture and meat value chains. The strategy documents were further improved in consultative workshops held in Lahore, Karachi and Islamabad.
- During the period, the project market linkages team approached high end markets in Lahore and Karachi for market development opportunities. Meetings were held with representatives of the following:
 - o PC Hotel,
 - o Imtiaz Super Market Chain,
 - o Hyperstar
 - o Metro Cash & Carry
 - o Al-Fatah Super Market,
 - o PAK Tijarat Trading Company and
 - o Hilton Hotel Karachi.
- The project also linked M/S North Pole (Apricot Processor) with Marhaba Lab Pvt. Ltd, Lahore, for supply of dried apricot. As a result of the IMLP team efforts, several agreements between project beneficiaries and high end market were facilitated.

3.12 CHALLENGE GRANTS:

Progress achieved on the following challenge grants is as follows:

- Milk Pasteurization grantee was unable to submit his due share despite the establishment of milk pasteurization and bio-gas plants; the project has terminated the grant agreement.
- The project has installed Fruit Processing and Solar Drying Unit at Global Social Enterprises at Swat. The beneficiary has dried apples and onion on test basis.
- The project has supported installation of one modified atmosphere packaging unit in Lahore for fruit and vegetables washing, grading and packing facility (MAP Technology). The MAP unit has been imported and is being installed. It will increase the shelf-life of Pakistani products for local and export destinations.

3.13 MANAGEMENT SUPPORT UNIT

During the reporting period, the Management Support Unit performed the following key activities:

- Conducted 524 field visits of various enterprises for monitoring and data collection of project activities in Apricot, Seed Potato, HV/OSV, Grapes, Meat and Red Chili value chains in all the project regions

and provided feedback to respective value chain teams and project management for course correction. The activities monitored include distribution of grant products, establishment of high tunnels and solar tunnels, farmer field days, evaluation of trainings, etc.

- Reviewed and revised MSF indicators (household income and private sector leverage) in consultation with USAID.
- Facilitated a 2 day annual work planning meeting attended by the program staff, value chain teams, and component heads.
- Facilitated trainings' on M&E framework, indicators, data collection and reporting for the regional staff at Karachi, Lahore and Gilgit Baltistan and trained 30 staff members.
- Initiated the data collection of certification component including ISO 22000, HACCP, IFS, and Global GAP and conducted meetings with twelve processors/exporters from Karachi and two processors from Peshawar for data collection.

3.14 ENVIRONMENTAL COMPLIANCE

During the reporting quarter, the following activities were carried out.

- The quarterly environmental monitoring reports of 595 grant sites were prepared. The data analyses of environmental monitoring reports show that 83% of grantees are in compliance with the project EA; 13% achieved partial environmental compliance, while 4% of grantees did not comply with environmental compliance requirements. The team provided guidance to grantees for achieving full environmental compliance.
- The project facilitated AOR's visit to TAP office, to review environmental compliance system.

3.15 SUPPORT OF INTERNATIONAL IMPLEMENTING PARTNERS (CNFA & JE AUSTIN)

During the reporting period, CNFA provided continued technical assistance in monitoring, evaluation, reporting, environmental compliance, capacity development, and operationalization of integrated management information system. A summary of TA to support various TAP interventions is given below:

- Support provided in sourcing of International expertise as per work-plan 4 in consultation with TAP management.
- Meat STTA carried out first phase of his assignment by visiting feedlot fattening farms in Lahore and had consultative dialog with TAP project staff and beneficiaries.
- Provided support in operation and testing of various IT-MIS modules.
- Supported/facilitated the training programs in various VC in coordination with VC leads, IPs and all stakeholders.

J.E. Austin Associates (JAA), supported the agribusiness project by providing international technical expertise for international market linkages and branding of Pakistani products with international brands to identify and capitalize on opportunities in high price markets. The JAA team engaged two international consultants for development of marketing and branding strategies for meat and horticulture value chains. JAA engaged a local marketing expert to reach out to several large buyers based in Lahore and Karachi for marketing of project's value chain products.

4 PROGRESS AGAINST EGA INDICATORS

4.1 Progress against Indicators

With the roll out of project activities and registration of beneficiaries, the Project is collecting rolling baseline information and periodic progress reports of project interventions on relevant indicators to identify changes in sales revenue, household income and new job opportunities creation etc. The progress achieved during the reporting quarter, and cumulative progress as of quarter-1 of FY 2015(October-December 2014) against the targets is placed at **Annexure-3**.

5 PROJECT OBSERVATION

- 5.1 The following are some challenges faced by Project staff and partners, hampering field activity implementation:
- i. The project is expected to speed up implementation of nation-wide activities, however, prevailing poor law and order situation in project areas, has been a major challenge for staff travelling, especially expatriate STTAs, working on the project. The delay in activity startup would result in late completion.
 - ii. Project activities are time and season bound; under Fixed Obligatory Grant mechanism grantees are responsible for implementation including establishment of tunnels and orchards. Completion under this mechanism requires extensive mentoring support to the grantees. This process does results in beneficiaries' ownership and sustainability of interventions, however, it also leads to delays in implementation of project activities on the grantees part.
 - iii. Experience shows that the lack of cooperation from some grantees occurs, especially in post-grant award phase, where some grantees often do not provide complete and accurate information of their activities/ outcomes. This is being offset by collecting sample data and extrapolating the project results.



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SUCCESS STORY



Figure 2: Dried Products of Organo Botanica

I am thankful to USAID and The Agribusiness Project for provision of Solar Dryer and providing me an opportunity to participate in Gulf Food 2014 event held in Dubai”.

*CEO of OrganoBotanica
Mr. Emadudin Sidique*

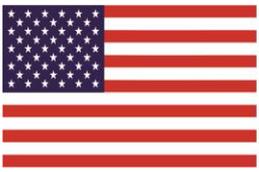
USAID’s assistance enhanced export of Organic Food products

The consumer demand for organic foods is growing rapidly, yet market share remain quite limited. Much of this demand is met by imports, including many product categories from the developing world. The worldwide sale of organic food and drink reached USD 63 billion by 2011 (*Soil Association’s Organic Market Report 2013*). In Pakistan, there is also a niche market for organic food products including fruit and vegetables.

In order to respond to the increasing market demand for organic food, M/S “OrganoBotanica” was established in early 2013 and engaged in fruit processing in Gilgit Baltistan. The company received technical and capacity building support from The Agribusiness Project. The project supported participation of the company’s Chief Executive Officer in Gulf Food 2014, an international marketing event for fruit and vegetables. This event provided him an opportunity for business development and networking. The project also supported the company through provision of solar dryer for drying of fruit and vegetables.

The company has introduced branded organic products in the local high-end market under the company’s own name. The company, during FY 2014, also exported 9.2 tons of dried apricot to Japan at the rate of USD 3.8/kg, earning export sales value of USD 35,000. The company could not meet increasing demand for export of fruit due to lack of cold storage, dehydrator-cum-pasteurizer and organic certification of the products.

The company is planning to scale-up its production and exports of organic fruit, which will result in increased sales, export revenue, household income, create new employment opportunities and contribute to the local economy.



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SUCCESS STORY

Enhancing Capability of Small Entrepreneurs in Fruit and Vegetables Processing on Commercial Scale



Figure 3: Ibrahim talking to TAP representative

I am very happy to state that my business has expanded manifolds because of the technical assistance/training and grant support provided by the Project. I have established two outlets for marketing of produce.

I am thankful to the USAID, The Agribusiness Support Fund, The Agribusiness Project for extending support that increased my sales revenue as well as income.

Muhammad Ibrahim

Mr. Muhammad Ibrahim, belongs to Saling village, district Ghangche. He was running a small business of processing Sea buckthorn using traditional methods for drying and selling it in the local market. Mr. Ibrahim attended the project supported training on “fruit & vegetable processing”, organized in collaboration with Pakistan Council for Scientific and Industrial Research in October 2012 and also managed to establish a solar tunnel dryer with project support in September 2013. He subsequently introduced improved methods for apricot drying and processing at his business and started drying/processing additional quantity of fruit including Sea buckthorn, Mulberry, Apricot, and Apple etc.

- ✓ During FY-2012 (base year), the entrepreneur dried 10 tons of sea buckthorn, earning sales revenue and profit of USD 14,000 and USD 1,240 respectively, and creating 2 full time equivalent jobs.
- ✓ In FY 2013, upon installation of solar tunnel dryer with the project support, the entrepreneur dried 40 tons of sea buckthorn and one tons of mulberry leaf. The entrepreneur earned sales revenue and profit of USD 80,600 and USD 31,440 respectively, creating 5 additional full time equivalent jobs. (3 female). He dried 310% increased quantity of fruit earning 476% increased sales revenue over the base year.
- ✓ In FY 2014, the entrepreneur dried 48 tons of sea buckthorn, 6 tons of Mulberry leaf, and one ton apricot and apple, earning sales revenue and profit of USD 201, 275 and USD 57,495 respectively, creating 27 additional full time equivalent jobs. (15 female). He dried 448% increased quantity of fruit earning 1338% additional sales revenue over the base year. The incremental change in quantity of additional fruit dried comes to 34% resulting in 149% increased sales revenue over the last year (2013).

The entrepreneur earned incremental sales revenue of USD 66,700 and USD 120,575 in FY 2013 and FY 2014 respectively. He also created 32 new full time equivalent jobs in 2 years of the project interventions to meet drying and processing of increased fruit quantity. The entrepreneur has established two outlets in Khaplu Town for marketing of produce. The key to success of Mr. Ibrahim’s work is his tireless efforts in understanding and adopting improved technology and management practices for drying fruit, thus scaling up his business.

The purpose of this grant support was to reduce post-harvest losses and enhance quantity and quality of dried fruit and vegetables. The project supported 33 enterprises in establishment of dryers in various parts of the country. 15 out of 33 solar tunnels have been installed in Gilgit Baltistan region for drying of fruit and vegetables.

The intervention has resulted in increase in sales revenue and income by 350% and over 400% respectively and created 4 additional full time equivalent jobs.

ANNEXURE-1: FINANCIAL PROGRESS

No.	Head of Account	FY 2015, Quarter-1 (Oct-Dec 2014)	Cumulative till December 2014
1	Salary, Wages & STTA	463,614	5,226,637
2	Fringe Benefits	57,130	1,000,847
3	Travel	78,445	977,513
4	Equipment	0	534,790
5	Supplies	236	478,901
6	Communication	16,118	199,692
7	Security Cost	27,713	384,035
8	Training	1,048	24,620
9	Sub-Contracts	408,099	5,339,072
10	Sub-Grants	1,365,184	7,034,066
11	Others Direct Costs	512,505	7,158,940
	Total Cost	2,930,092	28,359,113

ANNEXURE-2: EXPORT OF FRUIT, VEGETABLES & MEAT IN USG ASSISTED EVENTS

No.	Name of Event	Name of Company	Total Exports as of Sep 14	Exports FY 15 Q1	Total Exports as of Dec. 14
1	AGRAME, Dubai	Seven Star Intl., Karachi	5,670	-	5,670
2	AGRAME, Dubai	MeatTech, Lahore	56,925	-	56,925
3	AGRAME, Dubai	Imtiaz Enterprises Karachi	1,882,000	83,475	1,965,475
4	AGRAME, Dubai	Haji Noor Ellahi& Sons, Peshawar	605,670	-	605,670
5	AGRAME, Dubai	New Shan Ent, Peshawar	67,636	-	67,636
6	AGRAME, Dubai	IkramNizam Cold Storage, Lahore	334,200	16,000	350,200
7	AGRAME, Dubai	Maxim Intl., Lahore	129,525	-	129,525
8	AGRAME, Dubai	Meat Tech Pvt Ltd	82,000	-	82,000
9	AGRAME, Dubai	MA Links	44,000	-	44,000
10	AGRAME, Dubai	Hunza Organics	545,333	-	545,333
	Sub-Total		3,752,959	99,475	3,852,434
11	Euro Tier	Tazij Meats & Foods, LHR	3,154,650	665,000	3,819,650
12	Euro Tier	Dairy Solution (Pvt) Ltd. Lahore		-	-
13	Euro Tier	Hamza Halal Foods, Peshawar		-	-
14	Euro Tier	Dairy Solution (Pvt) Ltd. Lahore		-	-
15	Euro Tier	Co Co Traders, Lahore		-	-
	Sub-Total		3,154,650	665,000	3,819,650
16	Fruit Logistica 2013	Asia Mega Foods, Karachi	1,714,575	-	1,714,575
17	Fruit Logistica 2013	Sheikh International		192,000	192,000
18	Fruit Logistica 2013	OrganoBotanica		-	-
19	Fruit Logistica 2013	Mountains Fruits		-	-
20	Fruit Logistica 2014	FA Intl., Karachi	735,000	280,500	1,015,500
21	Fruit Logistica 2014	Sunny International	185,377	2,439	187,816
22	Fruit Logistica 2014	Fresh Pack, Lahore	125,000	-	125,000
23	Fruit Logistica 2014	Aagrow, Lahore	2,190	-	2,190
24	Fruit Logistica 2014	Mairaj Din Muhammad Ramzan& Co.		36,000	36,000
25	Fruit Logistica 2014	ZahidKinow Factory		88,800	88,800
	Sub-Total		2,762,142	599,739	3,361,881

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26	Gulf Food 2014	Seven Stars Intl. ,Karachi	276,050	1,007,250	1,283,300
27	Gulf Food 2014	Abdullah Traders, Multan	50,200	45,000	95,200
28	Gulf Food 2014	Meat Tech Pvt Ltd , LHR	82,000	-	82,000
29	Gulf Food 2014	Taha Trading, Lahore	136,750	-	136,750
30	Gulf Food 2014	Zaiqa Food Industries, KHI	8,822	-	8,822
	Sub-Total		553,822	1,052,250	1,606,072
31	World Food Moscow	Chase Intl., Karachi	7,645,825	-	7,645,825
32	World Food Moscow	FA Intl., Karachi	1,455,000	172,250	1,627,250
33	World Food Moscow	Shehzad Asia Intl. , ISB	1,200,000	51,100	1,251,100
	Sub-Total		10,300,825	223,350	10,524,175
34	FoodExSaudia	Sunny International		61,152	61,152
35	FoodExSaudia	F.A. International		82,500	82,500
36	FoodExSaudia	Farhad Enterprises		24,300	24,300
37	FoodExSaudia	SM Kinnow		12,500	12,500
38	FoodExSaudia	Paracha Enterprises		484,000	484,000
	Sub-Total		-	664,452	664,452
	Total		20,524,398	3,304,266	23,828,664

ANNEXURE-3: PROGRESS ACHIEVED AGAINST KEY RESULTS /EGA INDICATORS AS OF DECEMBER 2014

Sr. No	Indicator	Unit of Measure	Revised LOP Target	Achievements as of Sep 2014	FY - 2015 Targets	During Q1, FY 2015	Cumulative Achievements -Dec. 2014	%age achieved	Contributing activities during the reporting quarter
1	2	3	4	5	6	7	8	9	10
1	2a. Number of jobs attributed to program implementation (4.5-2)	FTE Jobs	13,135	8,085	5,050	1,148	9,233	70%	1148 FTE jobs created during the quarter (603 jobs on a/c of chili drying, 287 jobs on a/c of exports of F&V, 77 jobs on a/c of HV/OSV production, 69 jobs- Apricot Orchards & Solar Dryer, 43 jobs - vineyards estab , 38 Jobs - Seed Potato and 32 jobs-solar dryer GB
2	2c. Project-related household income of USG targeted beneficiaries	Change in HHs Income	2,908,000	1,653,004	1,254,996	946,411	2,599,415	89%	Contributing activities include Apricot &Chili farmers' sales and income data.
3	2.1a. Value of incremental sales attributed to program implementation (4.5.2-23 & custom)	USD	39,468,788	24,044,813	15,423,975	4,711,741	28,756,554	73%	The incremental sale include value of export USD 3,304,266/-. The other contributing activities include Apricot, Chili, and Solar dryer GB
4	2.1b. Value of exports of targeted commodities as a result of USG assistance (4.5.2-36-mod)	USD	27,145,926	20,644,398	6,501,528	3,304,266	23,948,664	88%	17 exporting companies reported achievement of export value of USD 3,304,266/- as a result of their participation in Intl. exhibitions
5	2.1c. Number of micro and small enterprises linked to larger-scale firms as a result of USG assistance to VCs	Enterprises	8,244	7,557	2,794	1,099	8,656	105%	1099 micro and small enterprises linked to larger scale firms. break-up include Chili-1000, HV/OSV-63, Grapes-36
6	2.1.1b. No.of micro, small & medium enterprises including farmers, receiving BDS from USG assisted sources	No.	13,333	14,265	2,849	2,511	16,776	126%	2511 MSMEs received business development services including trainings from USG assisted sources.

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Sr. No	Indicator	Unit of Measure	Revised LOP Target	Achievements as of Sep 2014	FY - 2015 Targets	During Q1, FY 2015	Cumulative Achievements -Dec. 2014	%age achieved	Contributing activities during the reporting quarter
1	2	3	4	5	6	7	8	9	10
7	2.1.1c. Value of new private sector investment leveraged with USG resources	USD	7,600,000	6,275,285	1,324,715	1,810,409	8,085,694	106%	The contributing activities include Apricot, Chili, HV/OSV, Seed potato and Grapes, Solar dryer and IMLP.
8	2.1.2b. Number of persons receiving training on skill development	No.	12,440	12,814	3,259	2,257	15,071	121%	2257 participants from Apricot, Chili, HV/OSV, Seed Potato & Meat VCs trained in EDT, pre & post-harvest trainings, integrated pest management & good practices taught through field days/exposure visits.
9	2.1.3b. No. of entities (e.g., farmers or private enterprises) that have applied new technologies or management practices as a result of USG	No.	19,813	14,073	5,741	3,710	17,783	90%	3710 entities from Apricot, Chili, Grapes, HV/OSV, Meat and Seed Potato VCs, applied new technologies or management practices.
10	2.1.3c. Number of hectares under improved technologies or management practices as a result of USG assistance	No.	5,737	4,002	1,735	1,589	5,591	97%	1,589 hectares of land of Apricot, Chili, Grapes, HV/OSV, and Seed VCs brought under improved technologies and/or management practices.
11	2.2.2a. Number of USG-assisted organizations that participate in legislative proceedings and/or engage in advocacy at all levels	No.	7	7	-	-	7	100%	
12	2.2.3a. Number of rural households benefiting directly from USG interventions	No.	28,209	21,753	6,456	2,498	24,251	86%	Contributing VCs are Apricot, Chili, Grapes, HV/OSV, Seed Potato and Meat VCs.
13	2.2.3b. Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources	%age	20%	34%	10%	20.28%	33.5%	167%	Female beneficiaries of grant products

