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# MONTHLY REPORT— SEPTEMBER 2014

**INCENTIVES DRIVING ECONOMIC ALTERNATIVES FOR THE NORTH,  
EAST AND WEST (IDEA-NEW)**

**SEPTEMBER 1-30, 2014**

**OCTOBER 2014**

This publication was produced for review by the United States Agency for International Development. It was prepared by Development Alternatives, Inc.

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**INCENTIVES DRIVING ECONOMIC ALTERNATIVES FOR THE NORTH,  
EAST AND WEST (IDEA-NEW)**

**SEPTEMBER 1 - 30, 2014**

<b>Program Title:</b>	<b>Incentives Driving Economic Alternatives for the North, East and West</b>
<b>Sponsoring USAID Office:</b>	<b>Office of Agriculture</b>
<b>Cooperative Agreement #:</b>	<b>306-A-00-09-00508</b>
<b>Contractor:</b>	<b>Development Alternatives, Inc.</b>
<b>Date of Publication:</b>	<b>October 2014</b>

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.

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# ACRONYMS

B2B	Business-to-Business
DAI	Development Alternatives, Inc.
DAIL	Department of Agriculture, Irrigation and Livestock
DoWA	Directorate of Women Affairs
EOI	Expression of Interest
FOG	Fixed Obligation Grant
GIRoA	Government of the Islamic Republic of Afghanistan
IDEA-NEW	Incentives Driving Economic Alternatives for the North, East and West
LFSC	Logar Farm Services Center
NATC	Nangarhar Afghan Agriculture Training Center
NWBC	Nangarhar Women Business Center
PGC	Prosperity Group of Companies
USAID	United States Agency for International Development
ABC	Afghan Business Center
AMA	Afghanistan Micro Finance Association
PPA	Public Private Alliance
TNA	Training Need Assessment
ACCI	Afghanistan Chamber of Commerce and Industries
AAS	Afghan Agro Services
AGC	Aslamzada Agriculture Company
PBISC	Parwan Bastan Improved Seed Company
SAB	Solidarity Afghan Belgium
RSSAO	Reconstruction & Social Services for Afghanistan Organization
GAALO	Green Agriculture and Livestock Organization

MAIL	Ministry of Agriculture, Irrigation and Livestock
MoCI	Ministry of Commerce and Industries
DoC	Department of Communication
MIS	Micro Irrigation System

# MONTHLY REPORT—SEPTEMBER 2014

## PROGRAM DESCRIPTION

The U.S. Agency for International Development's (USAID) Afghanistan country strategy includes the promotion of long-term agricultural development and alternative livelihoods for farmers that results in "a sustainable, thriving agricultural economy" and contributes to the U.S. Government's stabilization and counter narcotics policy goals. USAID's Office of Agriculture launched the Incentives Driving Economic Alternatives for the North, East and West (IDEA-NEW) program in March 2009. Its mission is to expand the licit agricultural economy in northern, eastern and western Afghanistan. Its activities support agribusinesses at different points of each value chain in order to improve their market access, increase processing capacity and catalyze investments into Afghanistan's agricultural sector.

## EXECUTIVE SUMMARY

IDEA-NEW continued project activities during the month of September, signing grant agreements with eight input suppliers (promotional grants) and seven food processors (four promotional grants, three matching grants). In addition, one SMS grant was signed during the period and two Fixed Obligation Grants (FOG) were awarded for "Basic Food Safety" and "Accounting/Marketing" training. One of the major activities for the month was the participation of 22 IDEA-NEW supported businesses in the 14<sup>th</sup> Annual International Agriculture Fair held at Badam Bagh Fairgrounds in Kabul from September 24 - 26, 2014. Green Afghanistan Agriculture and Livestock Organization (GAALO) started "safe usage of pesticides" training on September 28, 2014 for employees of 10 input suppliers in Kabul, Parwan and Kapisa. Bakhtar Afghan Agriculture Company conducted two farmer field days in Kama and Bihsud districts of Nangarhar province as part of its SMS grant cost share. A total of 126 farmers and two government staff participated in the field days. Similarly, Al-Roheed Agro Service Company conducted two field days in Kama and Behsud districts of Nangarhar province in which 77 farmers and retailers participated.

## PROGRAM ACTIVITY UPDATES

### ACTIVITY 1: STRENGTHENING AGRICULTURAL INPUT SUPPLIERS

#### *Sub-Activity 1.1: Train input suppliers to identify and respond to the technical needs of their customers*

In August 2014, a Fixed Obligation Grant (FOG) was awarded to the Green Afghanistan Agriculture and Livestock Organization (GAALO) to provide pesticide safety and handling training to IDEA-NEW selected ag-input dealers. The goal of the training is to improve the knowledge of these dealers in safe pesticide usage, environmental risk mitigation methods, and hazard-free pesticide handling storage.

The training for 15 employees of 10 input suppliers (6 from Kabul, 2 from Parwan and 2 from Kapisa) began on September 28, 2014. The five-day training consisted of three days in the classroom and two days of on-site field training at the Badam Bagh research farm. The curriculum for the training was based on training needs assessment (TNA) conducted by IDEA-NEW in August.



*Ag. Input suppliers participate in pesticides training - Kabul.*

This training will increase input suppliers' sales and profitability from marketing pesticides approved under the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP). GAALO will provide classroom and on-site field trainings on pesticide usage and safety that will:

- Expand agricultural input dealers' knowledge of MAIL's pesticide regulatory process;
- Reduce the environmental risks of agricultural pesticide use;
- Introduce new and safe pesticides that conform to PERSUAP guidelines.

GAALO will conduct this same training for ag-input dealers in Jalalabad during the month of October.

#### ***Sub-Activity 1.2: Improve the business management, administration and marketing capacities of input suppliers***

IDEA-NEW received USAID Vetting Support Unit (VSU) approval for the Reconstruction and Social Services for Afghanistan Organization (RSSAO) to provide classroom and on-the-job training to participants in basic business accounting and marketing that will:

- Expand trainees' knowledge in accounting procedures that will improve operations, transparency, and decision making abilities;
- Enable trainees to create and implement a simple marketing strategy that shows reasonable promises of increasing sales of the key products of the company.

On September 14, 2014, IDEA-NEW signed an FOG agreement with RSSAO for "Marketing and Basic Business Accounting for Agribusinesses" (ag-input dealers and food processors) in Central and Eastern Afghanistan. Target beneficiaries for the training will be staff from sixty (60) commercial input suppliers, processors and traders from IDEA NEW targeted provinces<sup>1</sup>.

#### ***Sub-Activity 1.3: Matching and promotional activity grants to assist agriculture input dealers in improving their business image, extension capabilities and profits***

***A total of eight promotional grants were signed with input dealers during the month of September, the details of grants with the dealers are the following:***

***Afghan Agro Services (AAS):*** Afghan Agro Services was established in 2006 as an agricultural products and services provider (input supplier) with the intention of supporting the government, farmers, buyers

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<sup>1</sup> IDEA-NEW's targeted provinces are Kabul, Kapisa, Parwan, Panjshir, Nangarhar, Laghman and Kunar.

and sellers through the provision of high quality agricultural services and products. The core products/services of the company include agricultural chemicals, seeds and fertilizers, irrigation systems, drip irrigation, training and consultancy services. On September 03, 2014, IDEA-NEW signed a promotional grant agreement with the company. Under the grant agreement, IDEA-NEW will assist AAS by providing promotional materials including pens (3000), brochures (3000), business cards (1000), table calendars (1000), stand banners (10), wall calendars (1000), wall clocks (200), caps (1000), product racks (20) and posters (1000). As part of the grantee's contribution, AAS will organize and conduct field days on the safe usage of pesticides for 100 farmers in four provinces. [REDACTED]

On September 28, 2014, AAS conducted its first farmer field day in Qarghayee district of Laghman province. A total of 35 farmers attended the field day on the safe use of pesticides and herbicides.

**Aslamzada Agriculture Company (AGC):** The Aslamzada Agriculture Company (AGC) has twenty years of experience in nursery and flower production. The company has three main nursery sites in Kabul and Parwan provinces.

On September 29, 2014, IDEA-NEW signed a promotional grant agreement with the company. Through this grant, IDEA-

NEW will provide promotional materials including logo design, pens (1000), brochures (1000), key chains (500), table calendars (500), wall calendars (500), business cards (2000), billboards (2), wall clocks (50), caps (500) and posters (1000). Aslamzada's cost-share will include paying salaries for four new full-time equivalent (FTE) staff for six months. [REDACTED]



*Noor Agha Aslamzada receives the signed grant contract in IDEA-NEW Kabul Office.*

**Helal Hadawal Agro-Services Company:** Helal Hadawal Co. started its business in 1998 with a team of professional agriculturists having broad knowledge of vegetable seeds, soil science, plant protection and product marketing. Helal Hadawal introduced new open-pollinated varieties and hybrids to local markets. It produces vegetable seed and has a significant share of the afghan's vegetable seed market. On September 17, 2014 IDEA-NEW signed grant agreement with Helal Hadawal, [REDACTED]



*Helal Hadawal signs grant agreement in IDEA-NEW Jalalabad office.*

[REDACTED] The grant includes designing and printing of table calendar (500), wall calendar (3,000), signboard (20), posters (5,000), POP products racks (50), wall clocks (500), pens (5,000), caps (800) and key chains (5,000) as IDEA-NEW's contribution and conducting four farmer field days, designing and printing business cards (5,000), brochures (1,000) and company profiles (500) as part of Helal Hadawal's grant contribution.

**Laghman Medical Store:** This input dealer started its operation in Jalalabad in 2002. It sells a variety of agricultural products including herbicides, fungicides, insecticides, fertilizers and seeds. Laghman Medicine Store imports seeds of high-yielding, pest- and disease-resistant varieties and hybrids from Japan, Korea, China, and India. Laghman Medicine Store has an exclusive distribution agreement with Suraj Seed Production Company in Pakistan to distribute Suraj seed in Afghanistan. Laghman Medicine Store sells seed and pesticide in Nangarhar, Kunar, Laghman, Kunduz, Balkh, Takhar and Parwan provinces.



*Grant signing agreement with Laghman Medicine Store representative on Sep 17, 2014 in IDEA-NEW Jalalabad office.*

On Sep 17, 2014, Laghman Medical Store signed a grant agreement with IDEA-NEW to promote Laghman Medicine Store products, increase brand awareness, attract new customers and create demand for its products. ■■■

■■■■■ The promotional items include pens (30,000), product racks (20), signboards (20), caps (1000), wall clocks (500) and business cards (20,000). Laghman Medicine Store will conduct four field days and print small seed packages (10,000), large seed packages (10,000) and branded writing pads (300). The purpose of this grant is to promote Laghman Medicine Store products, build brand awareness, attract new customers and increase demand for its products among wholesalers, retailers and farmers. ■■■■

**Bakhtar Afghan Azizi Agro Service Company:** This input wholesaler was established in Jalalabad in 2010 to sell agricultural inputs to farmers in Nangarhar, Kunar, Laghman, Kunduz, Balkh and Takhar provinces.



*Bakhtar Afghan Azizi Agro Service Company signs grant agreement in IDEA-NEW Jalalabad office.*

On Sep 17, 2014, IDEA-NEW signed a promotional grant agreement with the company. The promotional items include pens (20,000), product racks (30), caps (500), wall clocks (500) and key chains (10000). Bakhtar Afghan Azizi will conduct four field days and print one signboard, banners (10), kg promotional shopping bags (130) and business cards (5000). This IDEA-NEW grant will promote Bakhtar Afghan Azizi products, increase brand awareness, attract new customers and increase the demand for its products to other wholesaler/retailer customers and to farmers. ■■■■

**Wajid Zaman Agriculture Company:** Wajid Zaman is located in Jalalabad city of Nangarhar province where it has sold fungicides, insecticides, fertilizers, veterinary medicines and agricultural machinery in eastern provinces for 15 years. It also provides product information and training to farmers.

IDEA-NEW signed a grant agreement with Wajid Zaman on September 17, 2014. Wajid Zaman will conduct two field days, print business cards (10,000), brochures (2,000), writing pads (50) and company profiles (500). IDEA-NEW in-kind contribution will be to design and print wall calendars (1,000), table calendars (500), signboards (20), posters (3,000), products racks (30), wall clocks (500), key chains (10,000), pens (10,000) and caps (500).

**Falak Niaz Barakzai Agriculture Services Company:** Falak Niaz Barakzai started its business in 2010 in Jalalabad city. It provides agriculture inputs and technical advice to the farmers. The company provides pesticides, herbicides, fungicides, insecticides, miticides, poultry equipment and veterinary medicines to retailers and farmers. Falak Niaz Barakzai imports its products from Pakistan and China. On September 17, 2014 IDEA-NEW signed a grant agreement with Falak Niaz Barakzai. IDEA-NEW will design and print wall clocks



*Grant signing agreement with Falak Niaz Barakzai in IDEA-NEW Jalalabad office.*

(500), key chains (5,000), pens (5,000), caps (1,000), table calendars (500), posters (1,000) and products racks (10). Falak Niaz will conduct two farmer field days and design and print business cards (10,000) and wall calendars (2,000).

**Omaid Irfan Nisar:** It is a fresh fruit and vegetable wholesaler which was established in 2000 and is registered with the Ministry of Commerce and Industries (MoCI). It sells fresh products to Afghan retailers and food processors, and exports fresh vegetables to Pakistan. On September 23, 2014, IDEA-NEW signed a grant agreement

Under this contract IDEA-NEW will procure product racks (20), banners (1), pens (10,000), key chains (500), wall clocks (100) and caps (300) and Omaid Irfan Nisar will print writing pads (1,000), business cards (20,000) and establishment of farm contracts with farmers in IDEA-NEW-covered provinces as part of his contribution.

**The following input suppliers continued their activities under their grant agreements with IDEA-NEW during the month of September:**

**Amini Sadri Ltd.:** Amini Sadri Ltd. exports fruits and vegetables to foreign market, including the UAE, India, Pakistan and Bahrain. The company also produces plastic packaging materials for exporting fruit and vegetables, which protects the produce from damage during transportation. These plastic baskets/packaging materials are branded as “Amini Sadri Ltd.”



*ASL export quality apricots ready to be exported to Bahrain*

On July 15, 2014, IDEA-NEW signed a promotional grant agreement with the company. During the month of September, IDEA-NEW finalized most of the promotional materials (logo design, business cards, brochures, caps and posters) and delivered them to Amini Sadri Ltd. The rest

of the materials will be produced and delivered to the grantee during October. [REDACTED]

***Parwan Bastan Improved Seed Company (PBISC):*** PBISC signed a grant agreement with IDEA-NEW for a promotional grant on July 15, 2014. As its cost-share, PBISC will conduct field days to train local farmers on PBISC products and services.

On September 1, 2014 PBISC conducted a one-day training in Parwan province on grafting and budding techniques, in which 38 farmers participated. The training included both theoretical and practical sessions. [REDACTED]



*Theoretical session of budding and grafting training arranged by PBISC in Kapisa.*

During September, most of PBISC's promotional materials—brochures, posters, signboards, pens, calendars, key chains, caps, business cards and banners—were completed by vendors in Kabul.

***Royan Agricultural Services Company:*** IDEA-NEW awarded a promotional grant to Royan on July 15, 2014. During September, the logo design, business cards, and brochures were finalized and delivered to the grantee. These materials were distributed by the company to new customers during the 14<sup>th</sup> Annual International Agriculture Fair during September 24 - 26, 2014. The remaining promotional materials will be produced and delivered to the grantee in October. [REDACTED]

***Prosperity Group of Companies (PGC):*** On June 25, 2014, IDEA-NEW signed a matching grant agreement with PGC, an agricultural input supplier located in Kabul. PGC will demonstrate modern agricultural tools and equipment particularly drip irrigation systems, in IDEA-NEW targeted provinces throughout the project performance period to stimulate demand for these products. This grant activity involves linking and strengthening of business relationship between PGC and Indian agricultural input retailer Jain Irrigation System Limited (JISL).

A key component of this grant is the procurement of ninety (90) drip irrigation units from JISL. Based on the agreement between JISL and PGC, JISL will donate thirty (30) drip irrigation units and IDEA NEW will provide an in-kind grant for an additional sixty (60) units. These units will be used by PGC demonstration plots throughout the IDEA NEW area of operations. PGC will identify 90 “model” or “lead farmers” in cooperation with local MAIL/DAIL offices. PGC will install the drip irrigation systems on the farms of lead farmers. These demonstration plots will be used to train/demonstrate the drip irrigation technology to other local farmers. During the reporting period IDEA NEW delivered the water storage tanks and PGC finalized logistics and arrangements with DAIL/DAIL for location and identification of lead farmers for the demonstrations. [REDACTED]

**Samsoor Ban Agriculture Company:** During the reporting period, the solar frames for Samsoor Ban Agriculture Company were installed. Samsoor Ban, as a part of its contribution to the grant activity, provided a comprehensive training in Nursery Management to 30 nursery growers and two DAIL staff on September 11, 2014 in Mehterlam district of Laghman. The major topics discussed in the training are plant propagation, nursery classification, seed transplanting and plantation, compost making and fertilizer application.



*Samsoor Ban provides training to 30 nursery growers in Mehterlam district of Laghman.*

**Kama Green Agriculture Company:** Kama Green’s application for a promotional grant, including business cards, brochures, wall calendars, billboards, product racks, wall clocks and key chains, was approved in July 2014 and implemented in August and September. During the reporting period, Kama Green, as its contribution to the grant activity, provided training in greenhouse management to 20 off-season and open field vegetable producers on September 15, 2014. The training took place in Behsud district, Nangarhar. During the reporting period a billboard for Kama Green was installed on Kabul-Jalalabad highway at Qarghayee district, Laghman province.



*A View of Kama Green Agriculture company billboard installed in Kabul-Jalalabad highway.*

**Hayatullah Nursery Farm:** Hayatullah Nursery Farm is located in Behsud district of Nangarhar. It has extensive experience in fruit sapling production. During the reporting period, IDEA NEW received the USAID DoC branding approval for the promotional grant materials. No there are no other activity updates to report for this period.

**Nangarhar Agriculture Training Center (NATC):** NATC (Nangarhar Agriculture Training Center) is a private owned business that is located in Behsud district of Nangarhar. NATC’s primary products are off-season vegetables (cucumber, pepper and tomato). It also produces seedlings and saplings of stone, citrus and pome fruits. NATC offers training for nursery growers, farmers and Agriculture Institute students as part of its cost-share contribution.

During the reporting period, NATC conducted a field day in Behsud district of Nangarhar in which a total of 29 farmers, 11 professional high school students and two DAIL staff participated. Under the grant in-kind contribution, NATC purchased a tractor, trolley, compressor and disk, which are currently used in the fields and greenhouses.

**Tasal Jawad Limited:** This fruit and vegetable wholesaler is located in Jalalabad, Nangarhar. During the reporting IDEA NEW received the USAID DoC branding approval for the promotional grant materials. No there are no other activity updates to report for this period.

**Wasiq Imran Limited:** Wasiq Imran Ltd is a wholesale fruits and vegetable trading business located in Jalalabad of Nangarhar. It supplies fresh fruit and vegetables to wholesalers in eastern provinces as well as in Kabul, Mazar, Kunduz, Kandahar and Herat provinces. IDEA NEW received the USAID DoC

branding approval for the promotional grant materials. No there are no other activity updates to report for this period.

***Kunar Fruits and Vegetable Wholesaler Association:*** Kunar Fruits and Vegetable Wholesaler Association is located in Asadabad district of Kunar province. The Association has got eleven members and supplies fresh fruits and vegetables to wholesale markets in eastern and central provinces. During the reporting period, one billboard was completely installed for the Association. IDEA NEW received the USAID DoC branding approval for the other promotional grant materials.

***Abdul Wakil Agriculture Company:*** The Matching grant agreement was signed in July 2014. During the reporting period, the vendor installed the frames for solar panels and awaits the final procurements from IDEA NEW.

***Al-Roheed Agro-Services Company:*** During the reporting period Al-Roheed conducted two field days in Kama and Behsood districts of Nangarhar province in which 77 farmers and retailers participated. These field days were arranged to transfer the technical knowledge to farmers and to attract new customers.

***Sub-Activity 1.4: Introduce pilot SMS marketing strategy for input wholesalers***

IDEA-NEW's SMS initiative is an innovative way to ensure that commercially sustainable agricultural information is delivered to farmers in a timely, cost-effective and efficient manner. The program helps farmers gain access to reliable sources of information and inputs, and strengthens the linkages between farmers and input suppliers. The system benefits the input suppliers by providing easy and effective marketing and advertising to increase sales and profitability. IDEA-NEW provides SMS grants to local ag input wholesalers. As part of the sustainable cost-share arrangements in SMS grant agreements, ag input suppliers will cover the entire cost of SMS messaging when IDEA-NEW assistance ends.

During the reporting period, 20 targeted messages were sent to 11,095 farmers.

***During the month of September, One SMS grant agreement was signed in September, as detailed below:***

***Now Bahar Salarzai Agriculture Company:*** Now Bahar Salarzai signed an SMS grant agreement with IDEA-NEW on September 6, 2014. [REDACTED]

[REDACTED] The SMS grant includes the salaries of the Marketing and Agriculture Officer and Database Officer, transportation cost for site visits, SMS bulk cost, monthly fee, monthly internet cost, mobile smart phone, and three field days. In addition, a desktop computer will be provided to Now Bahar Salarzai. Overall, 75% of the cost of this grant will be provided by IDEA-NEW, whereas Now Bahar will contribute 25% of the total cost.



*Ag-SMS operating platform training in Kabul PAYWAST office for Now Bahar Salarzai Agriculture Company.*

Under its grant agreement, Now Bahar Salarzai signed contract with Paywast Communication Company for six months and hired a Marketing and Agriculture Officer and a Database Officer. It participated in training on the Ag. SMS operating platform training in Kabul conducted by PYWAST and It also participated in the PERSUAP training conducted by IDEA-NEW in Jalalabad.

***The following current SMS grantees continued their activities under their respective agreements during the month of September:***

***Hussain Zada:*** During the month of September, Hussain Zada, one of the country's largest agricultural input dealers/wholesalers, sent eight messages to different farmer groups in IDEA-NEW targeted areas. One of these messages informed farmer groups of Hussain Zada's participation in the 14<sup>th</sup> Annual International Agriculture Fair, providing the dates of the Ag Fair as well as the company's booth location for potential buyers of their seeds and other inputs. Another message sent by Hussain Zada provided promotional information for their supplier (Interchemie Holland) to two groups in the Eastern provinces.

***Hamesha Bahar Agriculture Company:*** During the reporting period, Hamesha Bahar hired two technical employees (Database Officer, and Agriculture and Marketing Officer) who were trained by Paywast on September 10, 2014. IDEA-NEW's agribusiness advisor also provided half-day training to Hamesha Bahar on PERSUAP. The Company also took part in the Ag-fair. It panned out a resounding success. Hamesha Bahar established commercial linkages with two businesses during the Ag-Fair. (See details under Activity #3.2)

***Wajid Zaman Agriculture Company:*** During the Reporting period, Wajid Zaman Company sent five messages to 530 farmers and five retailers at Kama, Behsood, Surkhrod and Sherzad districts of Nangarhar province. In response to these messages, more than 40 farmers replied by phone to Wajid Zaman retailers in these districts and asked where they can find Wajid Zaman products and how to use them. The Agriculture and Marketing Officer made frequent field visits to collect data on crop conditions and farmer needs. Wajid Zaman also conducted two field days at Kama and Behsood districts of Nangarhar province in which 99 farmers and two retailers participated. These field days were arranged to transfer technical knowledge to farmers and attract new customers.

***Bakhtar Afghan Agriculture Company:*** The Company conducted two farmer field days in Kama and Bihsoud districts of Nangarhar province under SMS grant contribution. Totally, 126 farmers and two government staff participated in the Field Day. The primary objective of the field day was to disseminate crop management information to farmers on a



*Bakhtar Afghan SMS Grant field day in Kama district of Nangarhar on September 04, 2014*

timely basis. The secondary objective was to promote Bakhtar Afghan products and services to farmers and retailers. The SMS system was also be used to disseminate information to farmers to increase productivity. In September, Bakhtar Afghan sent seven SMS to 2,560 farmers in Nangarhar, Laghman and Kunar provinces. As an immediate result, 30 farmers asked retailers for Bakhtar Afghan products.

## **ACTIVITY 2: SUPPORTING FOOD PROCESSORS**

### *Sub-Activity 2.1: Train food processing companies in basic food safety and hygiene*

On September 14, 2014, IDEA-NEW signed a FOG grant agreement with the Reconstruction and Social Services for Afghanistan Organization (RSSAO) for training) in "Basic Food Safety and Hygiene" for 40 employees of 40 food processing companies from IDEA NEW targeted provinces. IDEA-NEW conducted a training needs assessment and submitted the results to RSSAO to provide the basis for its training curriculum. As soon as the curriculum is developed and approved by IDEA-NEW, RSSAO will begin the trainings.

This training for selected food processors will improve their knowledge of food hygiene safety through classroom and on-the-job training covering the following topics:

- Basic food safety and hygiene for food processors based on Hazard Analysis and Critical Control Points (HACCP) principles;
- Consulting and mentorship services to trainees on HACCP principles;
- Preparation of a Hazard Analysis (HA) for each firm to determine the food safety hazards and identify the preventive measures to control these hazards;
- Identification of Critical Control Points (CCP) in food processing facilities and controls to prevent, eliminate, or reduce risks to acceptable levels;
- Developing a complete HACCP plan for each applicant firm during the on-site training/mentorship.

The training program will consist of three Phases with specific activities and deliverables. RSSAO will use the data provided by IDEA-NEW to develop a training package tailored to the strengths and weaknesses of the selected agribusinesses. Classroom activities will be interactive in nature and moderated in a way as to assist participants with the development of food safety and quality techniques.

### *Sub-Activity 2.2: Train food processing companies in basic business accounting and marketing*

See Sub-Activity 1.2 above.

*Sub-Activity 2.3: Matching and promotional activity grants to assist food processors in improving their business image, extension capabilities and profits*

**A total of three matching and four promotional grants were signed with food processors during the month of September, the details of grants with the companies are the following:**

**Barna Chips Production Company (BGCP):** BGCP, newly established in Puli Charkhi Industrial Park produces flavored potato chip snacks. The company recently purchased the rights to a locally famous potato chips brand, known as Mr. Kachalu. BGCP intends to use Kachalu's name recognition and popularity in local markets to promote its new brand of chips.

On September 28, 2014, IDEA-NEW signed a promotional grant agreement with BGCP. Under the grant agreement, IDEA-NEW will provide promotional materials including pens (2000), brochures (2000), business cards (1000), table calendars (1000), wall calendars (1000), stand banners (10), wall clocks (100), caps (200), key chains (1000), posters (1000) and product racks (10). BGCP, as part of its contribution, will design 30-second television clips and pay for TV advertising for one month.



*Ramin Rastin signs the promotional grant contract in IDEA-NEW, Kabul Office.*

**Farah Farhat Faizi (3F):** 3F is a woman-owned fruit and vegetable processing company based in Kabul. 3F produces different types of food products such as pickles, jams, chilies, and chutneys in addition to fresh fruits and vegetables.

On September 28, 2014, 3F signed a promotional grant agreement with IDEA-NEW to help them achieve their goal of increased customer awareness and publicity for their local products. IDEA-NEW, under the cost-share arrangement, will assist in designing a company logo, product labels, and packaging. 3F will be responsible for printing the materials. IDEA-NEW will also provide promotional materials, including pens (2000), key chains (2000), table calendars (500), wall calendars (200), product racks (20), business cards (4000), posters (500), brochures (3000), billboards (4), signboards (4), stand banners (5), and hanging banners (3). 3F will hire four employees (one marketer, three production staff) for three months. It will pay the billboard rents and purchase stand banners (400). It will also cover the cost of transporting promotional materials.



*Kobra Dastagirzada signs the promotional grant contract at IDEA-NEW, Kabul Office*

**Mahan Ferdos Food Production Company:** The Mahan Ferdos Food Production Company was established in 2012. It produces lemon juice and concentrate. The owner invested [REDACTED] in his company to purchase modern machinery for producing lemon juice and concentrate. Mahan Ferdos intends to start production of fresh apple and grape juices soon, and has submitted two applications to IDEA-NEW for matching and promotional grants.

On September 30, 2014, IDEA-NEW signed a promotional grant agreement with Mahan Ferdos. As part of its in-kind contribution, IDEA-NEW will design and print pens (2,000), key chains (1,000), wall calendars (1,000), table calendars (1,000), wall clocks (100), product racks (20), business cards (3,000), stand banners (6) and posters (3,000). Mahan Ferdos will develop and pay for radio advertisements and transport costs for promotional items. [REDACTED]



*Reza Jafari signs the promotional grant contract at IDEA-NEW, Kabul Office*

**Afghanistan Industrial Association (AIA):** The AIA was founded in 2002, and is located in Pul-e-Charkhi, Kabul. AIA's mission is to defend the legal rights of processing member factories, develop industries, attract foreign investment and facilitate the flow of business deals and activities between different stakeholders.

On September 04, 2014, IDEA-NEW signed a promotional grant agreement with the association. Under this agreement, IDEA-NEW will provide pens (1000), caps (200), key chains (2000), table calendars (500), wall clocks (200), wall calendars (500), posters (1000), and brochures (1000). The grantee will provide stand banners (30) and will also cover transportation costs for all of the promotional materials. [REDACTED]

**Faisal Kohistani Food Processing Company (FKFPC):** FKFPC is a woman-owned food processing company located in Kohistan, Kapisa. It produces pickles, chutney, jams and tomato paste. FKFPC wants to replace pickles with tomato paste, as the shelf life of tomato paste is approximately twice that of pickles. The company also plans to shift from a manual to an automatic processing line. In its application for a matching grant, the company requested a tomato pulping machine, a lid-sealing machine, an electricity generator, a refractometer, filling drums/containers and a freezer.

On September 17, 2014, IDEA-NEW signed a matching grant agreement with Faisal Kohistani. IDEA-NEW's contribution to this grant activity includes a pulper, lid sealer and generator. The grantee's cost-share contribution under the grant agreement includes the construction of two rooms in their factory area, which will improve hygiene and product quality. Faisal Kohistani will also hire a local trainer for ten days to train its employees to operate the new equipment. It will also provide a two-day training to 20 local women in



*Zarifa Ahmadi signing the matching grant in IDEA-NEW Kabul Office.*

tomato paste processing. [REDACTED]

***Khalid Faizan Food Production Company:*** Khalid Faizan was established in 2003 in Peshawar. It exported its products to Afghanistan. Seeing improvements in the Afghan business environment, Khalid Faizan relocated to Jalalabad in 2013. It produces jams, pickles and bottled juices year-round and distributes through wholesalers to Kabul, Kunduz, Nangarhar, Laghman and Kunar provinces.



*Grant signing with Khalid Faizan food production Company*

On Sep 23, 2014, IDEA-NEW signed a matching grant agreement with the company. The matching in-kind grant includes a slicing machine, cooking dishes, packing machine, and automatic capping machine for glass jars. Khalid Faizan will provide a filling machine, lids, cardboard trays, product labels, date stamper for product lids, plastic coating materials and storage drums. All raw materials will be produced and sorted by local farmers. Under this activity, Khalid Faizan will establish contracts and provide training to farmers on tomato sorting . These contracts will guarantee a market for their products and a premium over wholesale market prices. [REDACTED]

***Khalid Laziz Non-Alcoholic beverages Making Company:*** Khalid Laziz was established in Jalalabad in 2013. It produces apple and mango juices, and sells through wholesalers in Nangarhar, Kunar, Laghman, Kabul, Samangan, Balkh and Kunduz provinces.



*Grant signing with Khalid Laziz Non-alcoholic Beverages Company.*

On Sep 17, 2014, IDEA-NEW signed a matching grant agreement with the company. The matching grant items are a storage drums, dishes and plastic pots. Khalid Laziz will provide a pulping machine and hire a trainer to teach employees how to operate and maintain the pulper. It will also establish production contracts with fruit farmers and train them to sort fruit. These contracts will provide farmers a guaranteed market for Grade C fruit. Farmers will sort fruit on their farms and sell Grades A and B in wholesale markets. The total value of their fruit harvests will increase. [REDACTED]

***The following food processors continued their activities under their promotional grant agreements with IDEA-NEW during the month of September:***

***Farah Farhat Faizi Ltd. (3F):*** On June 25, 2014, IDEA-NEW signed a matching grant agreement with 3F, a woman-owned fruit and vegetable processing company based in Kabul. As part of their contribution, 3F conducted its first 30-day session of skill training from September 1 - 30, 2014. During this training, 30 women were trained in straw basket weaving, which 3F plans to use as packaging for its fresh fruits and vegetables. This training for a total of 90 women in the art of straw basket weaving will continue for the next two months. Once it completes the training, 3F plans to purchase the straw baskets woven by the newly trained women.

***Faisal Kohistani Food Processing Company (FKFPC):*** On July 15, 2014, IDEA-NEW signed a promotional grant agreement with FKFPC. During the reporting period most of the promotional materials were delivered to the grantee.

***Haidar Rafat Ltd.:*** On August 18, 2014, IDEA-NEW signed a matching grant agreement with Haidar Rafat Ltd., one of the leading fruit processors and exporters in Afghanistan. During the reporting period, and as part of the cost share, the company trained 63 individuals including 45 women in apricot sorting, grading, drying and packaging for export. Previously unskilled, these individuals now have sufficient processing skills to assist in responding to foreign demand for Afghan dried fruits.

***Gift to Zest Food Production Company:*** During the reporting period, Gift to Zest Company's promotional designs were approved by the USAID DOC office, and were sent to a vendor for printing.

### **ACTIVITY 3: SUPPORT DOMESTIC AGRIBUSINESSES' EFFORTS TO IMPORT KEY INPUTS AND FACILITATE MARKET ENTRY FOR REGIONAL AND/OR INTERNATIONAL AGRIBUSINESS RETAILERS**

#### ***Sub-Activity 3.1: Identify key product needs of domestic food processors and input suppliers and match them with regional/international retailers***

Amini Sadri manufactures plastic packaging material and exports locally produced fresh fruits and vegetables to India, UAE, Bahrain, and Saudi Arabia. Royan Agriculture Service Company produces peppers, tomatoes, cucumbers and chilies. IDEA-NEW facilitated the initial meeting between Amini Sadri and Royan at the 2014 Agricultural Fair in Kabul, where they discussed the strengths and weaknesses of Royan products. IDEA-NEW suggested that Amini Sadri should use product samples to measure the interest of foreign buyers.

Amini Sadri plans to export Royan products to Bahrain. Amini Sadri will pack samples of Royan products. If the samples are accepted in the Bahrain market, Amini and Royan will sign a formal agreement.

*Sub-Activity 3.2: Promote partnerships between domestic input suppliers, processors, distributors, retailers and financing bodies*

**2014 Annual Agriculture Fair:** The 14<sup>th</sup> International Ag-Fair was held at the Badam Bagh Fairground in Kabul City from September 24-26, 2014. This year's participants included high-ranking national and international government and non-governmental officials, as well as the agribusiness and farming community from the provinces. The annual Ag-Fair is Afghanistan's largest fair for agricultural and industrial products, with importers, suppliers, manufacturers and service providers showcasing products and services over a three-day period. Farmers, local agribusinesses and international traders attend the fair to learn about new technologies available on the market, as well as to sell their products to attendees.

For this year's Ag-Fair, IDEA-NEW supported a total of 24 booths for 22 businesses, including two woman-owned businesses, from its targeted central and eastern provinces. They displayed products including potato chips, jams, pickles, juices, honey, crop protection products, agricultural equipment, seeds and perfumes. In addition to showcasing a wide range of products and services, IDEA-NEW facilitated commercial linkages between businesses during business-to-business (B2B) meetings organized at the Ag-Fair.

A total of 24,477 people, including 3,428 visitors to IDEA-NEW's information center, visited the booths of businesses supported by IDEA-NEW. At the end of the fair, these businesses reported total sales of nearly four million Afs. (See the 2014 Agriculture Fair Report in Annex V for further details.)

**B2B Meeting between Zarin Wholesaler, and Food Processing Companies:** IDEA-NEW conducted a B2B meeting between eight processing companies and Zarin, a distributor of Afghan processed foods at IDEA-NEW office in Jalalabad on September 10, 2014. Zarin has operated as a

wholesaler for eight years. It sold imported products before specializing in Afghan processed foods two years ago. The nine companies participating in the B2B meeting introduced their businesses and discussed terms and conditions including delivery schedules, sales targets, prices, and payment terms.



*General discussion among participants in IDEA-NEW Jalalabad office, September 10, 2014.*

*Sub-Activity 3.3: Assist regional/international agriculture suppliers to realize the potential of the Afghan market*

**Aishwaria Seeds Production Company** is based in Andhra Pradesh in India, produces quality vegetable seeds and is exploring ways of entering the Afghan market. Based upon connections made during the 2014 Ag. Fair, Aishwaria sent information and seed samples to IDEA NEW. IDEA NEW will organize preliminary *market interest* meetings in October with Afghan Input suppliers to determine interest in partnering with Aishwaria.

## ACTIVITY 4: CROSS CUTTING

### *Sub-Activity 4.1: Mentoring support to all beneficiaries*

As stated in Activities 1 and 2 above, the primary role of IDEA-NEW is to facilitate and coordinate interactions between buyers and sellers, GIROA and agribusinesses. IDEA-NEW engages in the following activities to fulfill this role:

- Attend farmer field days and ensure coordination with and participation of MAIL/DAIL, which is sometimes overlooked by the input suppliers hosting the field days;
- Work with grantees when organizing trainings and activities—helping them bridge the gap for MAIL/DAIL participation;
- Work with the training providers GAALO and RSSAO—providing them with client information and company bios to increase the effectiveness of training programs and ensure curriculum is tailored to the specific needs of the trainees;
- Attend Provincial Development Council (PDC), Technical Working Group (TWG) and other coordination-level meetings to share information and avoid duplication of efforts;
- Facilitate and organize B2B linkages between input suppliers and processors;
- Provide technical assistance for all IDEA-NEW grantees (2014 and prior) on specific issues faced by grantees and invite them to trade fairs and training programs sponsored by IDEA-NEW or other implementing partners;
- Provide information to other implementing partners to avoid duplication of efforts and ensure that grantees are able to avail themselves of other services provided by the public and private sector in Afghanistan.

### *Sub-Activity 4.2: Continued IDEA-NEW and GIROA Collaboration*

In an effort to promote coordination and minimize duplication of efforts with other national and international organizations, NGOs and firms, IDEA-NEW regularly and actively organizes and participates in coordination meetings across its target provinces, including Provincial Development Council (PDC) and Technical Working Group (TWG) meetings. During the month of September, IDEA-NEW representatives attended meetings in Kabul, Kapisa, Laghman, and Kunar provinces, as described below:



*IDEA-NEW member provides information on monthly activities carried out by IDEA-NEW.*

On September 01, 2014, IDEA-NEW attended MAIL's Women's Empowerment Working Group Meeting (MWEWG). The Deputy Minister of Administration and Finance at MAIL stated that the main purpose of the meeting was to share information and strengthen coordination among MAIL implementing partners/stakeholders on issues regarding gender equity and empowerment of women in agriculture and natural resources management. In addition, he said that MAIL seeks to increase understanding of the importance of gender dynamics at the community level, both among partners as well as within MAIL's programs. The full meeting notes were shared with USAID on September 11, 2014.

On September 03, 2014, IDEA-NEW participated in the Agriculture Strengthening Strategic Technical Working Group (ASTWG) held at the Laghman DAIL. During the meeting, the Laghman DAIL representative said that with the assistance of Nutrition Education International (NEI), the DAIL distributed five metric tons of soybean seed to 200 members of the soybean association. The Laghman DAIL also provided four threshers to the association for soybean harvesting. The full meeting notes were shared with USAID on September 11, 2014.

On September 03 and 10, 2014 the IDEA-NEW Agriculture Project Integration Senior Officer participated in the Agriculture Strengthening Technical Working Group (ASTWG) coordination meeting in Laghman and Kunar provinces and explained the activities carried out by IDEA-NEW in the past month.



*RRD sector meeting DAIL Kapisa on September 3, 2014*

On September 03, 2014, IDEA-NEW participated in the Agriculture and Rural Rehabilitation and Development (RRD) monthly meeting at Kabul DAIL. During the meeting, the Director of the Kabul DAIL discussed the 1394 (2015) balanced development plan, noting that it is included in the five-year development plan for Kabul city. The Director also provided an update on monitoring and evaluation of development projects, saying that a team of 11 professionals and specialists in various fields has been formed to travel to 14 districts in Kabul in order to monitor and evaluate the operational circumstances of the projects. The full meeting notes were shared with USAID on September 29, 2014.

On September 10, 2014, IDEA-NEW attended the ASTWG meeting at the Kunar DAIL. During the meeting, the Kunar DAIL representative said that DAIL plans to commence its mango and banana project implementation and will then propagate to the fruit orchard owners. Saplings will be planted in the DAIL Salar Bagh nursery and distributed to Chawki and Khas Kunar districts. RRD said that construction of a 16 km road from Asmar to Shangar village is ongoing, and that a 12 km road in the Badil Valley of Narang district is planned. The full meeting notes were shared with USAID on September 29, 2014.



*Director DAIL Kapisa addressing the floor*

On September 11, 2014, IDEA-NEW participated in the agriculture sector monthly meeting held at the Kapisa DAIL. The DAIL Director stated that the MAIL aims to strengthen the production and productivity of the agriculture sector and to improve the lives of those engaged in the sector, especially the poor and most vulnerable people. He added that the new structure of MAIL for partner organizations and DAILs (including Kapisa) will facilitate and support the process of helping more and more farmers transition from subsistence farming to semi-specialized and semi-intensive systems, and to promote and maintain market-based production. The full meeting notes were shared with USAID on October 02, 2014.

On September 16, 2014, IDEA-NEW attended a meeting at Kabul DAIL regarding the Agriculture Fair held at Badam Bagh Fairgrounds in Kabul September 24 - 26, 2014. During the meeting, the Director of DAIL Kabul delivered some brief information regarding preparations for the upcoming Ag Fair. He stated that since MAIL is planning to conduct the Ag Fair from September 24 - 26 and has a limited budget, his Excellency the Minister of MAIL called a meeting with the Board of Directors on September 13<sup>th</sup> and asked all of the Directors to call upon national and international implementing partners within the Ministry (on-budget) and outside the Ministry (off-budget) for their financial and transportation assistance. The full meeting notes were shared with USAID on October 02, 2014.



*Director Kabul DAIL while briefing regarding preparation of the Ag-fair Sep. 2014*

On September 17, 2014, IDEA-NEW attended three separate meetings with the Afghanistan Investment Support Agency (AISA), the Afghanistan Chamber of Commerce (ACCI) and the Private Sector Directorate (PSD) of MAIL. The purpose of these meetings was to gather information regarding these entities' plans for upcoming events scheduled from September 2014 - July 2015. The full meeting notes were shared with USAID on October 02, 2014.

On September 27, 2014, the Hewad Samoon Construction Company (HSCC) shared a report on the progress of the Abezai Bridge work with IDEA-NEW. The report stated that total completion was at 94%. This report was shared with USAID on September 29, 2014.

## **ACTIVITY 5: MANSFIELD POPPY CULTIVATION STUDY**

David Mansfield of Mansfield International, Inc. travelled to Afghanistan on September 5, 2014 for two weeks to conduct the second phase of fieldwork for the poppy impact cultivation study. Mr. Mansfield visited the IDEA-NEW office in Jalalabad on two separate occasions to meet with project management and staff.

The purpose of the study is to determine the extent to which the project's approach to alternative development helped contribute to poppy reduction in Nangarhar province. The focus of the study will be at the household as well as district and provincial levels, and will include how women have been affected by such approaches.

## Crosscutting Themes

### Gender

Per the Activity Plan, IDEA-NEW strives for a minimum of 10% of program participants to be woman-owned and/or operated businesses. As of the end of September 2014, 8% of IDEA-NEW grantees are woman-owned and/or operated.

As detailed under Sub-activity 4.2, IDEA-NEW attended MAIL's Women's Empowerment Working Group Meeting at MAIL on September 01, 2014.

A number of training activities for women took place during the month of September. Under Farah Farhat Faizi Ltd. (3F)'s matching grant agreement with IDEA-NEW, training for 30 women in straw basket weaving took place September 1 - 30, 2014. 3F plans to establish purchase agreements with the newly trained women and will introduce the product as new product packaging for fruits and vegetables. These baskets will replace shopping bags that are currently used, as the baskets provide more protection for consumables.



*Practical session of Straw Baskets Weaving training arranged by 3F Food Processing Company, at Kabul.*

Haidar Rafat Ltd has also trained 45 women in sorting, grading, drying and packaging apricots for export. Previously unskilled, these women now have sufficient knowledge of these processes and can assist in responding to foreign demand for Afghan dried fruits.

During the month of September, IDEA-NEW also evaluated matching and promotional grant applications submitted by the Prophecy able Women and Social Services Organization (PWCSO), a woman-owned food processing company.

### *Sustainability and Capacity Building*

The IDEA-NEW activities described in previous sections identify leverage points or transactions across the value chain where our interventions will strengthen linkages between farmers, input suppliers, processors, and the GIROA that will continue once IDEA-NEW assistance ends.

The sustainability of IDEA-NEW interventions under **Activity 1** are based upon the premise that when input suppliers view farmers as potential customers, any increase in yields and profits by farmers will increase demand for additional agricultural inputs from suppliers. Under this win-win relationship, the role of IDEA-NEW is to facilitate the linkages between input suppliers and producers through targeted interventions that 1) improve the ability of private commercial input suppliers to provide extension and training to growers; and 2) improve the business management, administration and marketing capacities of input suppliers so that they can reach a broader customer base so that they can sell more product to farmers.

The sustainability of IDEA-NEW interventions under **Activity 2** are based upon two premises: 1) it is the markets - not donor funding - that determines whether or not a particular processor will grow or stay in business; and 2) if Afghan processors cannot compete against imported goods in their home market, they will never be competitive against the same products in foreign markets. The role of

IDEA-NEW is to assist processors in improving business practices, developing realistic marketing plans, improving hygienic practices, facilitating linkages with raw material suppliers, facilitating linkages with domestic retailers, and in facilitating linkages with sources of financing.

The sustainability of IDEA-NEW interventions under **Activity 3** is based upon the premise that the Afghan market possesses viable opportunities for foreign direct investment and partnership. It is not the role of IDEA-NEW to procure new equipment or technologies from abroad, but to assist Afghan input suppliers and processors to forge direct commercial linkages with international clients. Program interventions focus on interventions that increase the capacity of Afghan firms to partner with and source from international suppliers in order to expand their ability to offer goods and services domestically.

### Other

**Coordination with Other Donor Projects:** On September 30, 2014, IDEA-NEW organized and hosted a coordination meeting with the Assistance in Building Afghanistan by Development Enterprises (ABADE) and Commercial Horticulture and Agricultural Marketing Program (CHAMP) staff. Agricultural Development Fund (ADF) and Financial Access for Investing in the Development of Afghanistan (FAIDA) were also invited, but were unavailable for this meeting. Chaired by IDEA-NEW's Agribusiness Development Manager, the purpose of the meeting was to strengthen coordination between USAID-funded projects in order to avoid duplication of activities, and share with each other information on planned activities and support programs in the pipeline.

At the end of the meeting, IDEA-NEW and CHAMP agreed to facilitate agribusinesses, upon their request, to meet with ABADE's representatives based at the IDEA-NEW office in Jalalabad. The meeting participants also agreed to share an updated beneficiary list among participating projects. CHAMP will also arrange for IDEA-NEW's beneficiaries to meet with apple orchard owners in Kunar province to contract for Grade B and C apples. The full meeting notes were shared with USAID on October 02, 2014.

**ABADE program presentation to IDEA-NEW beneficiaries:** On September 1, 2014 IDEA-NEW hosted a Public Private Alliance (PPA) development presentation offered by Mr. Elhamuddin Azimi, PPA Development Specialist at ABADE. IDEA-NEW recognized the growth potential of some agribusinesses that submitted grant applications. Limited to the fruit and vegetable value chains and a short implementation timeframe, however, IDEA-NEW's ability to support innovative business ideas is highly



*Elhamuddin, PPA Specialist – ABADE, offered the presentation to the participants; September 01, 2014*

constrained. Therefore, it asked ABADE to present its program to businesses that submitted EOIs to IDEA-NEW. The objective of this presentation was to create awareness among agribusiness companies about ABADE's assistance. The presentation described ABADE's priorities and what is expected in successful applications.

Ten companies participated in the presentation. Mr. Azimi explained that ABADE does not provide support in primary agriculture or primary health. The presentation resulted in six agribusinesses submitted applications to ABADE. These applications are in ABADE's screening stage.

**Coordination Meeting with ABADE and CHAMP:** On September 30, 2014, IDEA-NEW organized and hosted a coordination meeting with ABADE and CHAMP staff. Chaired by Agribusiness Development Manager, the purpose of the meeting was to strengthen coordination between USAID funded projects in order to avoid duplication of activities, share activity plans and understand their programs in their respective pipelines.

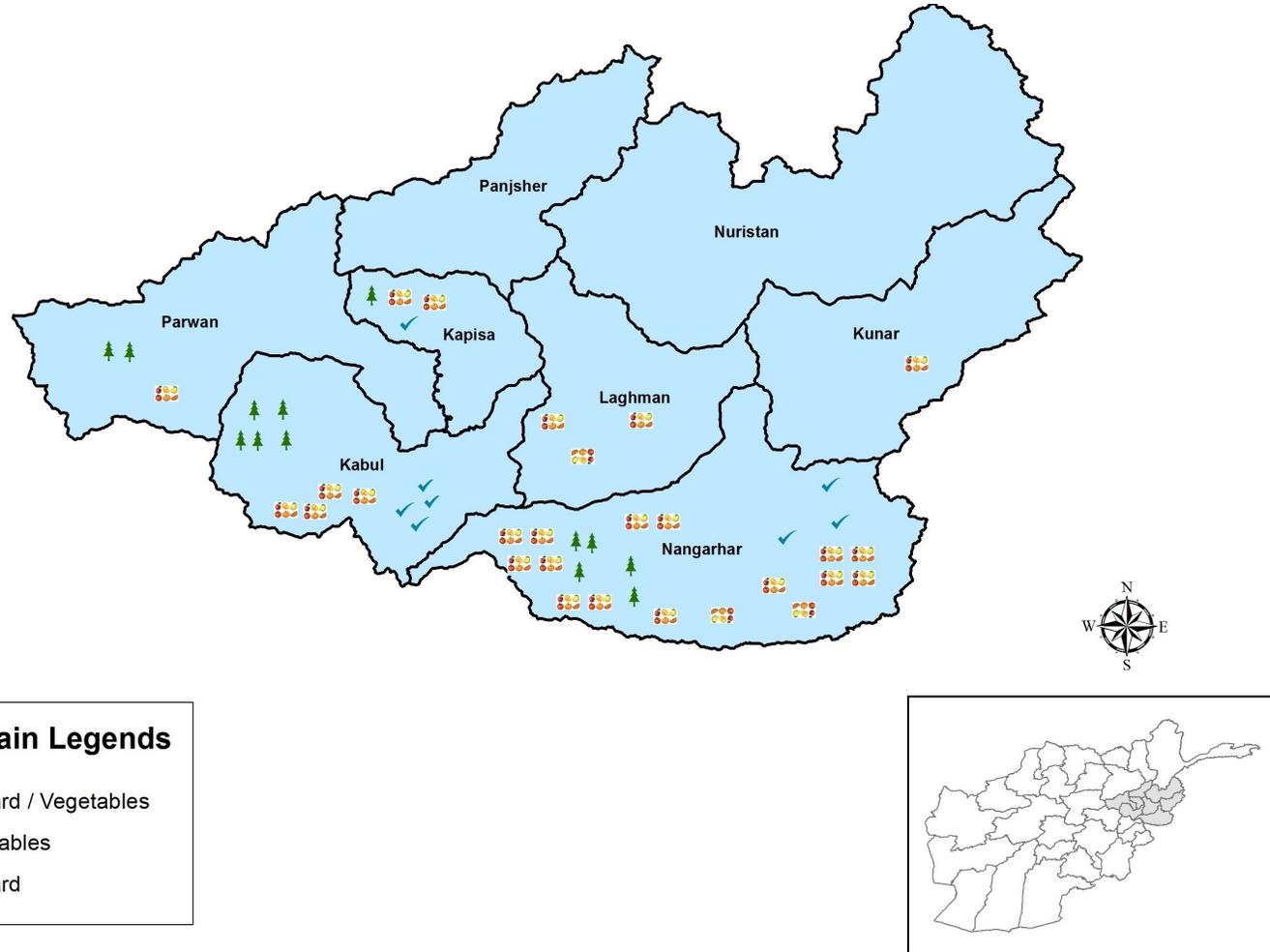
## **PROGRAM CHALLENGES AND CONCERNS**

Due to the limited time period remaining under IDEA-NEW's current no cost extension (NCE) period, the project has recently faced some difficulty in retaining current staff and hiring new and replacement staff. Based on recent conversations with USAID and a mutual interest in extending the current NCE period, IDEA-NEW sees several potential benefits in finalizing this agreement within the next quarterly period.

Extending the NCE period will allow IDEA-NEW to extend the current contract periods of staff, thereby retaining qualified staff for any extension period. Finalization of an extension will also allow IDEA-NEW staff to plan activities well in advance—allowing for a smooth transition of activities that will maximize impact for current and future beneficiaries.

If agreed by USAID, IDEA-NEW will submit a draft NCE Activity Plan for discussion by November 8, 2014.

# ANNEX I: MAP OF IDEA-NEW VALUE CHAINS AS OF SEPTEMBER 30, 2014



### Value Chain Legends

-  Orchard / Vegetables
-  Vegetables
-  Orchard

# **ANNEX II: PERFORMANCE INDICATOR TABLE**

Please see the attached Excel document.

# **ANNEX III: KEY ACTIVITIES ACCOMPLISHED**

Please see the attached Excel document.

# **ANNEX IV: MONTHLY GRANTS REPORT**

Please see the attached Excel document.

# **ANNEX V: AG.FAIR REPORT**

Please see the attached in word and excel documents.



## Annex III - Key Activities Accomplished, September 2014

Activity Type	Activity Name	Activity Plan Sub-Activity	Activity Description	Province	Start Date	End Date	Activity Status	Status Comments
Promotional Grant	Afghan Agro Services	Sub-Activity # 1.3	Matching and promotional activity grants to assist agriculture input dealers	Kabul	03-Sep-14	31-Dec-14	Active	
Matching Grant	Afghan Twesties Chips Production	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul			Cancelled	For more information, refer to the clarification form.
Matching Grant	Afghanistan Industrial Association	Sub-Activity # 1.3	Matching and promotional activity grants to assist agriculture input dealers	Kabul		31-Dec-14	Clarification	
Promotional Grant	Afghanistan Industrial Association	Sub-Activity # 1.3	Matching and promotional activity grants to assist agriculture input dealers	Kabul		31-Dec-14	Approved	
Promotional Grant	Ali Bahar Sabz Fruits Processing Company	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul		31-Dec-14	Approved	
Promotional Grant	Amini Sadri Ltd	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul	15-Jul-14	31-Dec-14	Active	
Promotional Grant	Ashraf Khel Vegetable Processing, Livestock & Agriculture Cooperative	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Parwan			Cancelled	For more information, refer to the clarification form.
Matching Grant	Amini Sadri Ltd	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul		31-Dec-14	Clarification	
Matching Grant	Bagram District Nursery Association	Sub-Activity # 1.3	Matching and promotional activity grants to assist agriculture input dealers	Parwan			Cancelled	For more information, refer to the clarification form.
Promotional Grant	Aslamzada Agriculture Services Provider	Sub-Activity # 1.3	Matching and promotional activity grants to assist agriculture input dealers	Kabul	29-Sep-14	31-Dec-14	Active	
Matching Grant	Bahar Biscuits Production Co	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul	23-Jul-14	28-Oct-14	Active	
Matching Grant	Barna Group (Chips Production)	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul		31-Dec-14	Cancelled	
Promotional Grant	Barna Group (Chips Production)	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul	28-Sep-14	12-Oct-14	Active	
Matching Grant	Dehqan Roz Food Products and Dairy	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul		31-Dec-14	Approved	
Matching Grant	Elyas Abas Ltd	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul		31-Dec-14	Cancelled	For more information, refer to the clarification form.

Activity Type	Activity Name	Activity Plan Sub-Activity	Activity Description	Province	Start Date	End Date	Activity Status	Status Comments
Promotional Grant	Elyas Abas Ltd	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul		31-Dec-14	Cancelled	For more information, refer to the clarification form.
Matching Grant	Faisal Kohistani Food Processing Company	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kapisa	17-Sep-14	31-Dec-14	Active	
Promotional Grant	Faisal Kohistani Food Processing Company	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kapisa	15-Jul-14	31-Dec-14	Active	
Matching Grant	Farah Farhat Faizi (3F) Agriculture products processing company	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul	25-Jun-14	31-Dec-14	Active	
Promotional Grant	Farah Farhat Faizi (3F) Agriculture products processing company	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul	28-Sep-14	31-Dec-14	Active	
Training Grants	GAALO	Sub-activity # 1.1	Train Input Suppliers (Pesticide Safety Training)	Kabul	13-Aug-14	12-Oct-14	Active	
Matching Grant	Haidar Rafat Ltd	Sub-activity # 2.3	Matching and promotional activity grants to assist food processors	Kabul	18-Aug-14	31-Dec-14	Active	

# Annex IV - Grants Report, September 2014

as of September 30, 2014

(CENTRAL REGION)

No.	Grant No.	Company Name	Activity /Sub Activity #	Product /Services	Grant Activity Type	Start Date	End Date	Current Status
1	G-KBL-015	Prosperity Group of Companies	Activity 1 # 1.3	Ag input supplier	Matching Grant	29-Jun-14	28-Oct-14	Active
2	G-KBL-016	Farah Farhat Faizi Agriculture Products Processing Company	Activity 1 # 1.3	Food Processor	Matching Grant	29-Jun-14	28-Oct-14	Active
3	G-KBL-017	Sayed Khail Nursery Grower Association SNGA	Activity 1 # 1.3	Other (Association)	Matching Grant	29-Jun-14	28-Oct-14	Active
4	G-KBL-018	Green Afghanistan Agriculture and Livestock Organization	Activity 1 # 1.2	Pesticide Safety Training	FOG	13-Aug-14	30-Nov-14	Active
5	G-KBL-019	Prosperity Group of Companies	Activity 1 # 1.3	Ag input supplier	Promotional Grant	15-Jul-14	28-Oct-14	Clarification
6	G-KBL-020	Prosperity Group of Companies	Activity 1 # 1.4	Ag input supplier	SMS Grant	22-Jul-13	31-Oct-14	Clarification
7	G-KBL-021	Amini Sadri Ltd	Activity 2 # 1.2	Food Processor	Promotional Grant	15-Jul-14	28-Oct-14	Active
8	G-KBL-022	Hussain Zada Ltd	Activity 1 # 1.4	Ag input supplier	SMS Grant	22-Jul-14	31-Oct-14	Active
9	G-KBL-023	Farah Farhat Faizi Agriculture Products Processing Company	Activity 2 # 1.2	Food Processor	Promotional Grant	28-Sep-14	30-Dec-14	Active
10	G-KBL-024	Faisal Kohistani Food Processing Company	Activity 2 # 1.2	Food Processor	Promotional Grant	15-Jul-14	28-Oct-14	Active
11	G-KBL-025	Parwan Bastan Improved Seed Company	Activity 1 # 1.3	Ag input supplier	Promotional Grant	15-Jul-14	28-Oct-14	Active
12	G-KBL-026	Royan Agriculture Services Company	Activity 1 # 1.3	Ag input supplier	Promotional Grant	15-Jul-14	28-Oct-14	Active
13	G-KBL-027	Bahar Biscuit Manufacturing Company	Activity 2 # 1.2	Food Processor	Matching Grant	22-Jul-14	28-Oct-14	Active
14	G-KBL-028	Haidar Rafat Ltd	Activity 2 # 1.2	Food Processor	Matching Grant	18-Aug-14	28-Oct-14	Active
15	G-KBL-029	Reconstruction & Social Services for Afghanistan	Activity 2 # 2.1	Basic Food Safety Training	FOG	13-Sep-14	22-Jan-15	Active

16	G-KBL-030	Reconstruction & Social Services for Afghanistan	Activity 1 # 1.2	Accounting & Marketing Training	FOG	13-Sep-14	22-Jan-15	Active
17	G-KBL-031	Faisal Kohistani Food Processing Company	Activity 2 # 1.2	Food Processor	Matching Grant	4-Sep-14	4-Dec-14	Active
18	G-KBL-032	Afghan Agro Services	Activity 1 # 1.3	Ag input supplier	Promotional Grant	3-Sep-14	28-Nov-14	Active
19	G-KBL-035	Mahan Ferdous Food Production Company	Activity 2 # 1.2	Food Processor	Promotional Grant	30-Sep-14	31-Dec-14	Active
20	G-KBL-036	Barna Group Chips Production	Activity 2 # 1.2	Food Processor	Promotional Grant	28-Sep-14	29-Dec-14	Active
21	G-KBL-037	Aslamzada Agriculture Services	Activity 1 # 1.3	Ag input supplier	Promotional Grant	29-Sep-14	29-Dec-14	Active
22	G-KBL-033	Afghanistan Industrial Association	Activity 2 # 1.2	Food Processor	Promotional Grant	4-Sep-14	30-Nov-14	Active

## EASTERN REGION

No.	Grant No.	Company Name	Activity /Sub Activity #	Product /Services	Grant Activity Type	Start Date	End Date	Current Status
1	G-JAA-187	Hamisha Bahar Agro Services Company	1:2 and 1:3	Ag input supplier	Matching Grant	6/12/2014	10/12/2014	Active
2	G-JAA-188	Nangarhar Afghan Agriculture Training Center / NATC	1:2 and 1:3	Ag input supplier	Matching Grant	6/12/2014	10/12/2014	Active
3	G-JAA-189	Mamoor Agriculture Company	1:2 and 1:3	Ag input supplier	Matching Grant	6/12/2014	10/12/2014	Canceled
4	G-JAA-190	Bakhtar Afghan Agro Services Company	1.2 and 1.3	Ag input supplier	SMS Grant	7/3/2014	12/3/2014	Active
5	G-JAA-191	Wajid Zaman Agriculture Co	1.2 and 1.3	Ag input supplier	SMS Grant	7/3/2014	12/3/2014	Active
6	G-JAA-192	Hamisha Bahar Agro Services Company	1.2 and 1.3	Ag input supplier	SMS Grant	8/17/2014	2/2/2015	Active
7	G-JAA-193	Al Roheed Agri Service Company	1:2 and 1:3	Ag input supplier	Promotional Grant	7/13/2014	10/13/2014	Active
8	G-JAA-194	Kama Green Agri Development Company	1:2 and 1:3	Ag input supplier	Promotional Grant	7/13/2014	10/13/2014	Active
9	G-JAA-195	Kunar Fruits & Vegetables Wholesaler Association	1:2 and 1:3	Ag input supplier	Promotional Grant	7/13/2014	10/13/2014	Active
10	G-JAA-196	Hayatullah Nursery Farm	1:2 and 1:3	Ag input supplier	Promotional Grant	7/13/2014	10/13/2014	Active
11	G-JAA-197	Khalid Laziz Nonalcoholic Beverages Production	2:1, 2:2 and 2:3	Food Processor	Promotional Grant	7/13/2014	10/13/2014	Active
12	G-JAA-198	Gift to Zest Food Processing Co	2:1, 2:2 and 2:3	Food Processor	Promotional Grant	7/13/2014	10/13/2014	Active
13	G-JAA-199	Now Bahar Salarzai LTD	1:2 and 1:3	Ag input supplier	Promotional Grant	7/13/2014	10/13/2014	Active
14	G-JAA-200	Dr Abdul Wakil Agriculture Company	1:2 and 1:3	Ag input supplier	Matching Grant	7/13/2014	10/13/2014	Active
15	G-JAA-201	Naw Bahar Salarzai LTD	1:2 and 1:3	Ag input supplier	Matching Grant			Canceled
16	G-JAA-202	Samsor Ban Agriculture Company	1:2 and 1:3	Ag input supplier	Matching Grant	7/13/2014	10/13/2014	Active

17	G-JAA-203	Laghman Fruit and Vegetable Wholesaler Association	1:2 and 1:3	Ag-Input Supplier	Promotional Grant	8/14/2014	15-Nov-14	Active
18	G-JAA-204	Tasal Jawad Fruit and Vegetable Wholesaler	1:2 and 1:3	Ag input supplier	Promotional Grant	8/19/2014	18-Nov-14	Active
19	G-JAA-205	Wasiq Imran Fruit and Vegetable Wholesaler	1:2 and 1:3	Ag input supplier	Promotional Grant	8/19/2014	11-Oct-14	Active
20	G-JAA-206	Wahdat Afghan Non Alcoholic Beverage	2.1, 2.2 and 2.3	Food Processor	Promotional Grant	8/14/2014	13-Nov-14	Active
21	G-JAA-207	Manzoor Sahil Fruit and Vegetable Wholesaler	1:2 and 1:3	Ag input supplier	Promotional Grant	8/19/2014	19-Oct-14	Active
22	G-JAA-208	Naw Bahar Salarzai LTD	1:2 and 1:3	Ag input supplier	SMS Grant	9/7/2014	3/7/2015	Active



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## Annex V

# IDEA-NEW 2014 AGRICULTURE FAIR REPORT

INCENTIVES DRIVING ECONOMIC ALTERNATIVES FOR THE NORTH, EAST AND  
WEST (IDEA-NEW)

SEPTEMBER 24-26, 2014

**OCTOBER 2014**

This publication was produced for review by the United States Agency for International Development.  
It was prepared by Development Alternatives, Inc.

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## PROGRAM DESCRIPTION

The U.S. Agency for International Development's (USAID) Afghanistan country strategy includes the promotion of long-term agricultural development and alternative livelihoods for farmers that results in "a sustainable, thriving agricultural economy" and contributes to the U.S. Government's stabilization and counter narcotics policy goals. USAID's Office of Agriculture launched the Incentives Driving Economic Alternatives for the North, East and West (IDEA-NEW) program in March 2009. Its mission is to expand the licit agricultural economy in northern, eastern and western Afghanistan. Its activities support agribusinesses at different points of each value chain in order to improve their market access, increase processing capacity and catalyze investments into Afghanistan's agricultural sector. Intensive value chain development that promotes income generation and job creation in poppy-prone areas is IDEA-NEW's priority through its final year of implementation.

## EXECUTIVE SUMMARY

The 14<sup>th</sup> International Ag-Fair was held at the Badam Bagh Fairground in Kabul City from September 24-26, 2014. This year's participants included high ranking national and international government and non-governmental officials, and a wider farming community from the provinces. The annual Ag-Fair is Afghanistan's largest fair for agricultural and industrial products, with importers, suppliers, manufacturers and service providers showcasing products and services over the three-day period. Farmers as well as local and international traders attend to learn of new technologies available on the market as well as sell their products to attendees.

For this year's Ag-Fair, IDEA-NEW supported a total of 24 booths for 22 businesses in the project's targeted provinces in the Central and Eastern Regions, to include two woman-owned businesses.

The companies supported by IDEA-NEW displayed different types of products including potato chips, jam, pickle, juice, honey, agro-medicines, agro-equipment, seeds and perfume.

Beside a wide range of product and service showcases, IDEA-NEW also facilitated linkages among businesses during business-to-business (B2B) meetings organized throughout the Ag-Fair.

## AGRIBUSINESS UPDATES

### *1. Khalid Faizan Food Production Company*

Based in Jalalabad, this company produces different types of jams, pickles and juices, which are supplied primarily in the Eastern region of Afghanistan, as well as in Kabul province. This is the second time Khalid Faizan has participated in the Ag-Fair, and he expressed his interest in participating in future Ag-Fairs.

**Achievements:** During the Ag-Fair, Khalid Faizan Food Production Company made a deal with the Guzargah Food Store, located near Kabul University. The initial deal included the purchase of 20 cartons of product, with a value of approximately USD 120. They will sign an agreement with each other in the next follow-up meeting, which will most likely take place during the first week of October 2014.

## 2. *Khalid Laziz Food Production Company*

Established in Jalalabad in 2013, Khalid Laziz produces apple and mango juices, and sells to wholesalers in Nangarhar, Kunar, Laghman, Kabul, Samangan, Balkh and Kunduz provinces. This was the first time Khalid Laziz participated in the Ag-Fair, and he stated he would pay to participate in upcoming Ag-Fairs.

### ***Achievements:***

- *Meeting with Al-Musawer Super Market:* Al-Musawer is a super market located in Taimani, Zone #8, Kabul city. Khalid Laziz is interested in supplying products to this super store. In early October, both parties will meet to finalize an agreement and determine the terms of the contract. A verbal agreement has been made.
- *Meeting with Mia Sahib Company:* Mia Sahib, a wholesaler based in Kandahar, expressed interest and verbally agreed to distributing Khalid Laziz's mango and apple juices in Kandahar province. Khalid Laziz is interested in this deal as they do not have any representatives in Kandahar province.
- *Meeting with Abdul Kabir Processed Food Wholesaler:* Abdul Kabir is interested in selling Khalid Laziz's juice products. Abdul Kabir will, as agreed verbally, be the sole distributor of mango and apple juices in Baghlan province. Khalid Laziz is interested in this deal as they do not have any representatives in Baghlan province.
- *Meeting with Haji Meerza Processed Food Wholesaler:* Haji Meerza, a wholesaler in Logar, is interested in selling Khalid Laziz's juice products. Haji Meerza will, under the verbal agreement, be the sole distributor of Khalid Laziz's mango and apple juices in Logar Province. Khalid Laziz is interested in this deal as they do not have any representatives in this province.
- *Meeting with Asim Hayat International Company:* Asim Hayat, a large-scale distributor, wants to solely represent Khalid Laziz's products in Kabul province. Both the parties had initial negotiations on the terms and conditions of the agreement. A follow-up meeting will take place in early September. Khalid Laziz also showed interest in this agreement, as they currently do not have any representatives in Kabul. Asim Hayat added that he can supply Khalid Laziz's products in Kabul.
- *Meeting with Shewa Food Wholesaler:* Shewa is a food wholesaler in Balkh province. They want to be the sole representative of Khalid Laziz Food Production Company in Balkh. Both of the parties came into a verbal agreement. They will have a follow-up meeting in early October. Shewa can supply all of Khalid Laziz's products in Balkh province.

## 3. *Or'zala Essential Oil and Perfume Making Company*

The Or'zala Perfume and Essential Oil Company manufactures essential oils extracted from locally grown orange blossoms, rose petals and cedar sawdust. The company is located in Jalalabad city, and has participated in every Ag-Fair since their inception.

### ***Achievements:***

- A farmer from the Shakardara district of Kabul province requested Or'zala to provide them rose cuttings so he may plant these in his 200 jeribs of land. He also added that he can sell the roses back to Or'zala on a contractual basis.
- Or'zala does not have any representative in Jalalabad. During the Ag-fair, he met with Zarin, an Afghan Wholesaler, to whom he plans to supply rose oils and sprays for distribution in Nangarhar province.

#### 4. *Masroor Food Production Company*

The Company is located in Zone #2, Jalalabad. With increased production capacity, Masroor can meet the demands in the Eastern region. Also, Masroor seeks distributors in Northern and Western provinces. Producing different types of jams, pickles, juices and paste, Masroor regularly participates in the annual Ag-Fair; this year he stated that this year's Ag-Fair was more valuable than previous fairs, and that he engaged in many networking opportunities.

**Achievements:** Masroor participated in meetings with farmers from Maidan Wardak province, and met with the Afghanistan Microfinance Association (see *Additional Meetings*).

#### 5. *Gul-e-Aftab Bottles and Lids Manufacturing Company*

This is the Company's first time participating in the Ag-Fair. Gul-e-Aftab is a newly established company and deals in customized bottles and lids manufacturing for processing and production.

**Achievements:**

- *Meeting with Asal Bahar Kalafgan Beekeeping Cooperative:* Mr. Abdullah, the President of the company, stated that they have more than 100 farmers who have more than 100 honey boxes each. They need plastic bottles which are now imported from Pakistan and Iran. Gul-e-Aftab Bottles and Lids Manufacturing Company and the Cooperative shared contact information and e-mail addresses. A possible deal is going to take place between both parties. Gul-e-Aftab also added that they can provide any type, shape, and size of bottles and lids customized to the buyers' needs.
- *Meeting with CARD-F:* Gul-e-Aftab Company's representative provided detailed information about their products, capacity, and experience to Mr. Hamidullah Wardak – Communications Officer, Kabul. Mr. Wardak also provided information about the honey and dairy associations being supported by CARD-F/MAIL. Mr. Wardak added that he was eagerly looking for such companies so that these associations can be linked with Afghan bottles and lids manufacturers.
- *Meeting with Mahan-e-Firdous Production Company:* Mahan-e-Firdous currently produces lemon concentrate, for which they need plastic bottles. They are currently using the bottles of other brands. Gul-e-Aftab provided detailed information about their company and stated they can provide/manufacture branded bottles for them for future use. Mahan-e-Firdous currently uses up to 50,000 bottles annually, which will be provided by Gul-e-Aftab after they come into a final agreement on price, supply, and quality.
- *Meeting with RADP-South:* Gul-e-Aftab, a bottles and lids manufacturer, met with Mr. Abdul Khabir Kakar – RADP-South. Gul-e-Aftab provided information about his company and the customized bottles and lids that he provides to processing companies. Mr. Kakar was happy to learn about this company. RADP-South is in the start-up phase; they plan to support different food sectors that will require plastic bottles for packing. Mr. Kakar will let us know when the support program has started.

#### 6. *Zarin Processed Food Wholesaler*

Zarin is a wholesaler in Nangarhar that supplies Afghan products – jams, pickles, vinegar, beverages, rose oil, etc. – to six provinces in the country. He has been in the wholesale business for eight years. This was his first time participating in the Ag-Fair, and he is interested in participating in the future at his own expense.

***Achievements:***

- *Meeting with Bahar Biscuits Making Company:* IDEA-NEW facilitated a meeting between Zarin Wholesaler and the Bahar Biscuits Making Company. Zarin is interested in representing Bahar in the Eastern region. Bahar also expressed interest in making Zarin his representative, given his involvement in the market and experience. Currently, Bahar has a representative in Jalalabad to whom all the products are supplied. Zarin and Bahar will negotiate terms or a contract in a follow-up meeting.
- *Meeting with Nazar Mohammad Wholesaler:* Zarin and Nazar Mohammad entered into a verbal agreement. Under this agreement, Zarin will supply pickles to Nazar Mohammad to be solely distributed by Nazar Mohammad in Kabul. Contact information was shared and they will soon have a follow-up meeting to determine the terms of contract.
- *Meeting with Sirajuddin:* Zarin and Sirajuddin entered into a verbal agreement. Sirajuddin is interested in exporting rose water made by Zarin to neighboring countries. Under this agreement, Zarin will supply products to Sirajuddin for export purposes. Zarin will also incorporate any other changes in the design and packaging of the product to comply with export standards.
- Zarin also participated in a meeting with the Afghanistan Microfinance Association (AMA), a Sharia-compliant financial institution (see *Additional Meetings*).

***7. Gift to Zest Food Production Company***

Gift to Zest Food Production Company is an unlimited liability company which is owned and operated by Mr. Sher Mohammad. Established in July 2002, Gift Foods is mainly engaged in the processing of eight products, to include: jams, pickles, ketchup, sauce and corn-flour. Gift Foods regularly participates in the Ag-Fair. He has been impressed with the success of such events, and is eager participate in future Ag-Fairs at his own expense.

***Achievements:***

- *Meeting with Abdul Qayum – Farmer:* Abdul Qayum has 30 jeribs of land in the Behsud district of Nangarhar and grows tomatoes and other vegetables. Gift Foods expressed interest in contracting with Abdul Qayum for tomatoes and other seasonal vegetables. Both parties shared contact details and will meet during the first week of October to determine the terms of contract, supply and prices.
- Gift Foods also met with farmers from Maidan Wardak province and with the Afghanistan Microfinance Association (see *Additional Meetings*).

***8. Bakhtar Afghan Azizi Agro Services Company***

Bathtar Afghan Azizi Agro Services Company is a privately owned company that provides different agriculture services to farmers. The company provides products including seed, fertilizer, pesticides, machinery and other agro-inputs to local farmers. They are also planning to introduce new varieties of seeds and new farming practices like pruning, grafting, marketing, harvesting, packing of fruit and vegetables and other agro-related information to farmers.

***Achievements:*** Bakhtar Afghan met with lead farmers of Kandahar province (see *Additional Meetings*). They also met with Afghanistan Microfinance Association (AMA) (see *Additional Meetings*).

## 9. *Now Bahar Salarzai Ltd*

Now Bahar Salarzai Ltd is a privately owned company that provides both services and products (seeds, pesticides and fertilizers) to local farmers. The company also provides technical training and field days in different villages to various agro fields.

### ***Achievements:***

- Bakhtar Afghan met with lead farmers of Kandahar province (see *Additional Meetings*). They also met with the Afghanistan Microfinance Association (AMA) (see *Additional Meetings*).
- *Meeting with Dost Rahman Trading Company Limited:* Now Bahar and Bost Rahman are both agriculture services companies. Now Bahar represents mostly Pakistani and Chinese products whereas Dost Rahman represents products from other Central Asian countries. Now Bahar has large demand for its products in Kandahar province, but currently they do not have any representation in this province while Dost Rahman has representation in Kandahar province but none in Nangarhar province. Both parties verbally agreed that they will supply products to each other – Now Bahar will supply products to Dost Rahman for sale in Kandahar, and Dost Rahman will supply products to Now Bahar for sale in Nangarhar, Kunar and Laghman Provinces. They plan to schedule follow-up meetings soon.

## 10. *Al-Rohed Agriculture Company*

Al-Roheed Agro Service Company started its business in 2005 with a team of professional agriculturists and a management team with a wide range of experience in the field of agriculture business.

***Achievements:*** Al-Roheed met with lead farmers in Kandahar province (see *Additional Meetings*). They also met with the Afghanistan Microfinance Association (AMA) (see *Additional Meetings*).

## 11. *Hamesha Bahar Ornamental Plants and Agriculture Services Company*

Hamesha Bahar operates across Afghanistan, and deals in inputs, ornamental plants and greenhouse installation, in addition to offering training services for farmers, students and nursery owners. The company also provides saplings to NGOs. Hamesha Bahar has regularly participated in the Ag-Fairs without sponsorship, and plans to continue.

### ***Achievements:***

- *Meeting with FSCAA:* Hamesha Bahar Agriculture Company signed an official agreement with the Farm Service Center Association of Afghanistan (FCSAA) on September 27, 2014. The terms of the contract are flexible; it does not have any quotas. Under the agreement, Hamesha Bahar will solely represent FSCAA in the Eastern region. FSCAA is the sole distributor of small machinery, power sprayers, water soluble fertilizers, and bio-products from NOMADS, a Swiss Company. Hamesha Bahar will be given promotional items to promote these products in the Eastern region.
- *B2B Meeting between Hamesha Bahar Agriculture Company and Royal Group of Companies:* The two companies entered into a contractual agreement during the Ag-Fair. Under this agreement, Hamesha Bahar will provide peat moss, fertilizer, plastic trays and green nets for 20 greenhouses to be erected and installed in Parwan province. [REDACTED]

████████████████████ Also, Royal Group showed interest in making Hamesha Bahar its sole representative in the Eastern region.

- Hamesha Bahar also met with the Afghanistan Microfinance Association (AMA), a Sharia-compliant financial institution (see *Additional Meetings*).

## *12. Farah Farhat Faizi Food Processing Company*

Farah Farhat Faizi is a woman-owned fruit and vegetable processing company in Kabul, and is one of IDEA-NEW's existing/active grantees (matching grant) in 2014. 3F is a fruit and vegetable production and processing company and producing different types of food products such as pickles, jams, chilies, chutneys and at the same time fresh vegetables and fruits.

The company had the advantage to enter Ag-Fair venue for the first-time to introduce their locally processed pickle, chutney and jams. 3F has a sales relationship with the Finest retail superstore chain in Kabul.

**Opportunity 1:** NHLP has kitchen gardens in 22 provinces of Afghanistan and around 25,000 families are being benefited from these kitchen gardens. 3F has recently been awarded with a matching grant by IDEA-NEW. In their cost share, 3F is training 90 women in weaving straw baskets and later on these baskets will be utilized for packing fresh fruits and placed in super markets for sale. Representatives of NHLP, after seeing the woven straw baskets placed by 3F in the Ag Fair, became interested and shared their plan to buy these baskets from 3F and give it to its beneficiaries for collecting fruits and vegetables from kitchen gardens. They also requested the owner of 3F to train its women beneficiaries in weaving straw baskets.

**Achievement 1:** The demand for woven baskets from NHLP was estimated to be around 100,000 baskets. Kabul Agribusiness team plans to invite both parties to IDEA NEW office for second phase of meeting for further advancement.

**Opportunity 2:** 3F has recently been awarded with a matching grant by IDEA-NEW. In their cost share, they will hire a trainer for the lab equipment requested from IDEA-NEW. The trainer will train the concerned employees in food testing. Yasmin Lab provides facilities of soil testing, food testing, certifications and etc. During the B2B meeting, 3F requested Yasmin Lab to train its employees in the food testing. Yasmin Lab accepted the request.

**Achievement 2:** Both of the parties will be called for a meeting to the IDEA-NEW office for the finalization of deal. Moreover, Yasmin Lab will be invited for a presentation to the IDEA-NEW office and food processors from Kabul and Jalalabad will be invited. The presentation will be regarding various food tests and its important and food certification facilities which are provided by Yasmin lab.

## *13. Amini Sadri Limited*

Amini Sadri Ltd. is located in Bagrami district of Kabul. Amini Sadri Ltd. exports fruits and vegetables to foreign markets mainly to UAE, India, Pakistan and Bahrain. The company also produces plastic packaging materials in order to use them for the export of fruits and vegetables. These plastic baskets/packaging materials are branded as "Amini Sadri Ltd" and are a copyright of ASL within the market.

**Opportunity:** HCDP is a project of MAIL, which has 32 cooperatives. Presently, HCDP uses paper cartons for packaging the products of its 32 cooperatives. After seeing the plastic packaging crates of

Amini Sadri Ltd, HCDP showed a keen interest in buying the plastic crates. Moreover, during the meeting HCDP found that the price of paper cartons and plastic crates are almost the same, however, plastic crates are more sustainable in terms of usage.

**Achievements:** During the meeting, HCDP took samples of plastic crates from Amini Sadri Ltd, which will be shown to the donors of HCDP. IDEA-NEW will invite both of the parties for another meeting to finalize the deal. In the meantime, Amini Sadri will be giving a presentation to the cooperatives of HCDP to give an insight of the benefits of plastic crates against paper cartons.

#### ***14. Bahar Biscuits Manufacturing Company***

Bahar Biscuits Company was established in 2012 and has managed to maintain a distinctive position in the Afghanistan biscuits industry. The company is located in Kabul and sells products in Kabul, Parwan, Wardak and Balkh

**Opportunity: Bahar Biscuits and Parwan Bastan Improved Seeds Company:** Both are grantees of IDEA-NEW. Both of them participated in a B2B meeting. PBISC produces wheat flour, which will be purchased by Bahar Biscuits for making biscuits. Moreover, Bahar Biscuits is planning to use soya bean flour in biscuits which is also produced by PBISC.

**Achievements:** Both parties will be called for a meeting to the IDEA-NEW office for the finalization of deal. PBISC is determined to provide wheat flour and soya flour on lower prices than the market prices to Bahar Biscuits.

#### ***15. Royan Agriculture Services Company***

Royan Agriculture Services Company was established in 2013 based in Kabul. The company has greenhouses and produces vegetables. The company also provides training and consulting services to the agricultural actors with a focus on the production of cucumber, tomato, sweet-pepper (capsicum) and spawn of mushroom. Royan currently operates with 6 full time employees.

**Opportunity:** Amini Sadri manufactures plastic packaging material and also exports locally produced fresh fruits and vegetables to foreign markets. Royan Agriculture Service Company produces capsicum, tomato, cucumber, chillies and etc. Amini Sadri will export Royan's products to Bahrain market.

**Achievements:** Amini Sadri will take 10 kg sample of various products of Royan. This sample will be packed and packaged in a standardized way by Amini Sadri. If the sample is accepted in the Bahrain market, Amini and Royan will sign an agreement.

#### ***16. Hussain Zada Ltd***

Hussain Zada is one of the country's known agricultural input dealer/wholesaler, operating within IDEA-NEW targeted provinces and is one of the active SMS grantees in central region. The company is located in Kabul and deals with agriculture inputs and machinery. Hussain Zada reported sales of AFN 3,040,000 during the three days.

### *17. Prosperity Group of Companies (PGC)*

PGC is an agricultural input supplier, located in District 4 of Kabul. This company deals in micro irrigation system (MIS) for the afghan farmers and, supplies high quality Indian made solar systems (lightning, pumps, & heaters), bio-energy and other agricultural technologies. PGC is one of IDEA-NEW's active grantees (matching grant) and requested water analysis kit, soil analysis kit, solar billboard, water tanks and drip kits.

### *18. Mahan Ferdos Food Production Company*

Mahan Ferdos Food Production Company is a lemon juice producer established in 2012 located in Zone 6 of Karta e 3 Kabul. This company was registered with AISA in March 2012. Mahan Ferdos intends to start producing fresh apple and grapes juices in near future. The company participated in the Ag-Fair for the first time with assistance from IDEA-NEW.

### *19. Sadat Ghafoori Ltd*

Sadat Ghafoori is an input supplier who imports several inputs from other countries. They are a registered dealer of CONDOR seeds from USA. They mostly focus on producing and exporting certified to farmers. They import insecticides, herbicides, steel and plastic sprayers, large agro machinery, drip irrigation systems and others. The company also provides quality fertilizers which are newly introduced to the agricultural cultivations they are water soluble fertilizers.

### *20. Barna Chips Production Company*

Barna Chips Production Company (BGCP) is a potato chips production company, newly established in Puli Charkhi Industrial Park. Barna has purchased one of the local famous potato chips brand i.e Mr. Kachalo. The company intends to promote the existing as well as old brand of chips (Mr.Kachalo) as it has good name and reputation in local markets. IDEA-NEW has awarded a promotional grant to the Barna Chips Production Company.

### *21. Faisal Kohistani Food Processing Company(FKFPC)*

Faisal Kohistani is a woman-owned food processing company located in Kohistan, Kapisa. This company produces pickle, chutney, jam and tomato paste. FKFPC wants to replace pickle by tomato paste, because the shelf life pickle is relatively less than that of tomato paste. FKFPC plans to shift from manual to automatic processing line. IDEA-NEW awarded a grant to Faisal Kohistani on July 15, 2014. FKFPC was sponsored by IDEA NEW to participate in the Ag-Fair. Their sales in the Ag Fair days were recorded to be AFN 12560.

## **ADDITIONAL MEETINGS**

As referenced in the above text, Gift, Khalid Faizan, Khalid Laziz and Masroor Food Processing Companies participated in a meeting with Maidan Wardak Agriculture Cooperative representatives. These companies are in need of Grade C fruits, which can be provided by this Cooperative. Each company, on average, needs 8-10 tons of fresh fruit per year. The President of this Cooperative was unavailable to meet with the processing companies to determine prices and details of the agreement., but promised to schedule a meeting during the second week of October. He added that he can supply any quantity the processing companies may order.

IDEA-NEW also facilitated a meeting between farmers and input suppliers. Ten lead farmers from different districts of Kandahar provinces participated in a meeting with Al-Roheed, Bakhtar Afghan and Now Bahar Agriculture Services Companies. They complained about the unavailability of certified quality inputs in their province, and stated that they are not aware of the appropriate use of fertilizers, chemicals and seeds. Also, the farmers stated that their input suppliers do not provide enough information on the use of chemicals, seeds and fertilizers. In response to the farmers' complaints, the input suppliers offered solutions to the farmers' questions by explaining a newly adopted Ag-SMS system funded by IDEA-NEW. At the end of the meeting, lead farmers and input suppliers shared contact information with each other. Also, IDEA-NEW's technical team provided detailed information about the SMS system to the farmers. A comprehensive, detailed list of farmers in Kandahar province is available with these lead farmers, which will be shared with the input suppliers. Input suppliers will send technical staff to the field regularly, and after identification of the problems and alternative solutions, they will send out timely messages to the farmers. Farmers were very happy to learn about the SMS system and expressed that many of their problems can be solved with this system.

The IDEA-NEW support businesses met with Mr. Islam Yari – Networking Manager for the Afghanistan Microfinance Association (AMA). AMA offers USD 20,000 – 500,000 Sharia-Compliant loans in the eastern region, with repayment period ranges between 6 and 36 months and mark-ups from 12 – 14%. Mr. Islam shared that they have a regional office in Jalalabad and that they are available to provide a detailed overview presentation to IDEA-NEW supported businesses in both Kabul and Jalalabad anytime. He also shared that AMA is an institution that provides only *Murabiha* loans (no cash, only purchase of equipment/raw materials). AMA will be invited to a conference or asked to deliver a presentation to all the other grantees of IDEA NEW.

## LESSONS LEARNED

- 1) ***Visitors provided useful advice:*** Many visitors who attended the Ag-Fair were professional retail sellers and distributors. They know best when it comes to what sells and why. These professionals provided constructive criticism on product marketability and attractiveness to the businesses.
- 2) ***Buyers are not the only ones who attend the Ag-Fair—Network!:*** The Ag-Fair is not only a place to sell products, but to network with buyers and suppliers. While most business finished selling their inventory before the third day of Ag-Fair, sales are not the primary focus of the event. The Ag-Fair is an opportunity for businesses to meet with buyers and suppliers from various locations and network.

## NEXT STEPS

- IDEA-NEW is developing a follow-up schedule. Both calls and emails will be sent to schedule follow-up meetings with businesses regarding the discussions that took place during the Ag-Fair.