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# ANNUAL REPORT

FOR THE PERIOD 01 SEPTEMBER 2014 THROUGH 29 JULY 2015

FOSTERING AGRICULTURAL MARKETS ACTIVITY (FARMA)

JULY 2015

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# FOSTERING AGRICULTURAL MARKETS ACTIVITY (FARMA)

Contract No.168-C-00-09-00102-00  
FARMA - Bosnia and Herzegovina (BiH)

United States Agency for International Development (USAID)/BiH Economic Restructuring Office  
Swedish International Development Cooperation Agency (Sida)/Embassy of Sweden

USAID Contracting Officer's Representative:  
Sida Project Officer:

Amira Vejzagić-Ramhorst  
Nataša Miskin

Chief of Party:

Benjamin Toric

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# CONTENTS

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CONTENTS.....	3
LIST OF ACRONYMS .....	4
EXECUTIVE SUMMARY .....	5
ABOUT THE PROJECT.....	8
CONTEXTUAL BACKGROUND.....	9
ANIMAL AND DAIRY SECTOR.....	10
MEDICINAL AND AROMATIC PLANTS (MAPS) & HONEY .....	21
FRUIT AND VEGETABLES (F&V) .....	30
EU INTEGRATION, STANDARDS AND ENVIRONMENT.....	38
ACCESS TO FINANCE.....	47
DEVELOPMENT FUND .....	49
MARKETING SUPPORT .....	51
POST-FLOOD RELIEF AND RECOVERY RESPONSE.....	53
ANNUAL INDICATOR UPDATE.....	62
FLOOD RELIEF AND RECOVERY INDICATORS .....	64
CONTRACTOR SELF-ASSESSMENT .....	65
PROJECT OPERATIONS.....	66

# LIST OF ACRONYMS

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ACED	Agency for Cooperation, Education and Development	MOU	Memorandum of Understanding
B2B	Business-to-Business	NGO	Non-governmental Organization
BAM	Bosnian Convertible Mark	NRMP	National Residue Monitoring Plan
BiH	Bosnia and Herzegovina	OK	Organska Kontrola
CISTA	(Czech) Central Institute for Supervising and Testing in Agriculture	OSCE	Organization for Security and Cooperation in Europe
CzDA	Czech Development Agency	PDF	Partners Development Fund
CRP	Center for Development and Support	PDO	Protected Designation of Origin
DCA	Development Credit Authority	PEA	Programmatic Environmental Assessment
DF	Development Fund	PERSUAP	Pesticide Evaluation Review and Safe Use Action Plan
EC	European Commission	PGI	Protected Geographic Indication
EEC	European Economic Community	PHA	Plant Health Administration (BiH)
EU	European Union	PMP	Performance Management Plan
EUR	Euro	PO	Producer Organization
F&V	Fruit and Vegetable	PT	Proficiency Testing
FARMA	Fostering Agricultural Markets Activity	RCI	Regional Competitiveness Initiative
FBiH	Federation of Bosnia Herzegovina	R&D	Research and Development
FDI	Foreign Direct Investment	REDAH	Regional Development Agency for Herzegovina
FSA	Food Safety Agency (BiH)	ROI	Return on Investment
FTC	Foreign Trade Chamber	RS	Republika Srpska
FVO	EU Food and Veterinary Office	SAA	Stabilization and Association Agreement
GAP	Good Agricultural Practice GAP	Sida	Swedish International Development Cooperation Agency
GBP	Good Beekeeping Practices	SIPPO	Swiss Import Promotion Programme
GHP	Good Hygienic Practice	SMS	Short Message Service (text messaging via cell phone)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	SOP	Standard (or Standing) Operating Procedure
GlobalGAP	Global Good Agricultural Practice	STTA	Short-term Technical Assistance
Ha	Hectare	SVO	State Veterinary Office (BiH)
HACCP	Hazard Analysis and Critical Control Points	TA	Technical Assistance
IEE	Initial Environmental Examination	ToT	Training-of-Trainers
IPA	Instrument for Pre-Accession Assistance	TSG	Traditional Specialty Guaranteed
IPARD	Pre-accession Support for Rural Development	UHT	Ultra-High Temperature
IPM	Integrated Pest Management	UNDP	United Nations Development Program
IRB	RS Investment Development Bank	USAID	United States Agency for International Development
ISO	International Organization for Standardization	USD	U.S. Dollar
JMC	Joint Management Committee	ZZ	Zemljoradnicka zadruga/Agricultural cooperative
LoP	Life of Project		
MAP	Medicinal and Aromatic Plants		
M&E	Monitoring and Evaluation		
MoFTER	Ministry of Foreign Trade and Economic Relations		

NOTE:

All photos used in this report were made by the FARMA project, unless noted otherwise.

# EXECUTIVE SUMMARY

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This is the sixth and final annual report of Fostering Agricultural Markets Activity (FARMA), an agricultural development project in Bosnia and Herzegovina (BiH) that is jointly funded by the U.S. Agency for International Development (USAID) and the Swedish International Development Agency (Sida).

In May 2015, BiH experienced severe floods that severely affected agricultural producers particularly in the north-eastern, east, central, and northern part of the country. To respond to the devastation, USAID and Sida provided an estimated US\$2.26 million for grants to FARMA, and the project invited interested POs to apply for funding for flood relief and recovery. The goal of this assistance was to help restore the production and income of the most affected farmers and to reconnect rural communities and markets. Most of FARMA activities in Year 6, were associated with flood relief and recovery. Sixty nine (69) grants were approved in Year 6 of the project to assist 3,079 flood-affected farms in 23 municipalities including Bijeljina, Bratunac, Brcko, Celic, Doboj, Doboj Istok, Doboj Jug, Domaljevac, Gracanica, Maglaj, Modrica, Novi Grad, Odzak, Orasje, Petrovo, Prijedor, Sanski Most, Samac, Srebrenik, Vukosavlje, Zavidovici, Zvornik, and Zepce. Most of the assistance was in the provision of animal feed concentrates, forage seeds, greenhouses, and irrigation systems. Following grant approval, FARMA monitored the proper disbursement and use of flood relief and recovery provisions and provided continual and comprehensive training to flood affected and other rural communities. Apart from flood relief and recovery support directed to farmers, an additional six grants valued at 80,500 KM to veterinary stations were approved to help reinstate veterinary services to agricultural producers. With these 75 grants valued at over 3.6 million KM, FARMA helped sustain 6764 full time and 2,866 seasonal jobs. All grants were successfully implemented and closed.

Apart from flood relief and recovery efforts, FARMA continued other activities to promote improved competitiveness and increased market access of BiH products. There were some notable successes.

The trade balance (exports/imports) in USAID/Sida FARMA-supported subsectors (Dairy, Fruit and Vegetables and Medicinal and Aromatic Plants and Honey - MAPs) improved by six percentage points between 2009 (52%) and 2014 (58%), indicating the progress in import substitution. During the same period, exports in of products from FARMA-supported subsectors grew by 31% according to official statistics. Further potential for a growth in exports certainly exists. For example, the recent green light for the export of heat-treated milk and dairy products, as well as potatoes, to the EU, is expected to facilitate increased investment in agricultural production and exports of those products.

In 2015, the EU gave a conditional approval for the export of heat treated milk and dairy products to the EU. BiH will have to propose a list of establishments in compliance with the EU export criteria before exports can start<sup>1</sup>. The EU Commission has stated, "BiH has made significant progress towards approval for Bosnia and Herzegovina for the export of dairy products to the EU," and the Action Plan for meeting EU requirements has been rated as satisfactory. Over the last five and half years, FARMA provided comprehensive training, assistance, study tours, and support to dairy producers and processors in good hygiene practices (GHP) and HACCP, respectively. Furthermore, USAID/Sida FARMA and the Czech Development Agency worked together to strengthen the capacity of veterinary laboratories and inspection services in the implementation of the residue monitoring program for products

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<sup>1</sup> <http://europa.ba/?p=32461>

of animal origin. Through a joint project activity, FARMA and the Czech Development project successfully got 11 laboratory methods for residues in products of animal origin accredited. In April 2015, FARMA also provided support to the BiH State Veterinary Office to hold two three-day workshops to prepare a revised Action Plan and draft of the new BiH Veterinary Law in response to EU Food and Veterinary Office's recommendations.

This was a major success as selected BiH dairy products had already been evaluated to be high quality. Three cheeses from Bosnia and Herzegovina won gold medals at the 12<sup>th</sup> International Exhibition of cheese in Austria (Käsiade): Livno cheese (dairy Eko-Pudja), Vlastic cheese (ZZ Eko Vlastic) and Prozor cheese (ZZ ProMilk). BiH cheese competed in the category "Rustic/Peasant cheeses" or non-industrial cheeses. The USAID/Sida FARMA project has supported BiH cheese producers since the project inception to improve cheese production technologies, food safety, introduce new cheese varieties, and marketing and promotion. In the dairy sector, FARMA can also be credited for contributing to import substitution through substantive efforts to improve cheese production technologies, introduction of new cheese varieties, and improved brand and quality recognition. After four years (2010-2013) of increasing imports of cheese, in 2014 the imports declined by 4.2 million KM (7%). Potential for further import substitution is very high as BiH cheese producers continue to experience strong domestic demand for their products.

In addition to dairy and cheese, the EU has given a green light for the export of BiH potatoes to the EU. On July 22, 2014, the European Commission adopted a Decision<sup>2</sup> recognizing Bosnia and Herzegovina as free from potato ring rot. With this Decision, the process of allowing BiH to export potatoes to the EU has therefore been completed and producers from the country can now export potatoes to the EU. The lifting of export prohibition is a result of hard work of the BiH Plant Health Administration, and other competent institutions, helped by continuous and comprehensive support provided by USAID/Sida FARMA. Successful outcome required system-level improvements — in monitoring plan design and management, the work of phytosanitary inspectors, as well as phytodiagnostic laboratories.

The fruit and vegetable sector has a significant growth potential, which can be realized through the introduction of new crops and productivity improvements. For example, exports of frozen raspberries increased from 12.2 million KM in 2009 to 33.9 million in 2014, which indicates strong growth but also further potential as the demand for berries and other products continues to be very strong in neighboring markets such as the EU.

According to official data, MAP exports reached 32.3 million KM in 2014, which is 96 percent higher than 2009. Between 2009 and 2014, exports of essential oils grew by 317 percent, from about 761,000 KM to nearly 3.2 million KM in 2014. Further potential for growth is very strong as the world demand for MAPs, such as immortelle, continues to grow. BiH is well-placed to meet such a demand.

Official FARMA close-out event was on June 4, 2015 (see below). USAID/Sida FARMA project also prepared a "FARMA toolbox" as a legacy of the FARMA project.

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<sup>2</sup> [http://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=uriserv:OJ.L\\_.2015.194.01.0042.01.ENG](http://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=uriserv:OJ.L_.2015.194.01.0042.01.ENG)

# USAID/SIDA FARMA CLOSE OUT

On Thursday June 4, 2015, USAID/Sida FARMA organized its final presentation of results achieved in the period 2009-2015. The final event was a unique exhibition of products and technological innovations, with a multimedia presentation of key results achieved in partnership with producers and institutions in the agricultural sector.

Mr. David Barth, USAID Mission Director, and Ms Marie Bergstrom, Head of International Development Cooperation at the Embassy of Sweden, attended the event and highlighted the impact of the project on agricultural development in BiH.

The event was well covered the local media.

## Završetak USAID/SIDA Farma projekta

# UVEDENO 16 NOVIH VRSTA SIRA, 70 SORTI JAGODASTOG VOĆA

Projekt trajao šest godina, a ukupna vrijednost 22,2 miliona dolara

Poboljšanje konkurentnosti bh. proizvođača poljoprivrednih i prehrambenih proizvoda bio je cilj USAID/SIDA Farma projekta koji je počeo u septembru 2009. i završava u julu 2015. Mljekarstvo, voće i povrće, ljekovito i aromatično bilje i med su sektori u kojima se nastojalo pomoći poljoprivrednim proizvođačima i u kojima su u proteklih godinama ostvareni jako dobri rezultati. Tako je projekt podržao 580 proizvodnih organizacija i na taj način direktno pomogao više od 22.000 ljudi u BiH, a ukupna vrijednost projekta je 22,2 miliona dolara.



Rezultati projekta predstavljeni i na sajmu

### Uspjesi

Povodom završetka projekta, jučer je na platou BBI centra u Sarajevu održan sajam poljoprivrede na kojem su svoje proizvode izložili proizvođači koji su učestvovali u ovom projektu, te su predstavljeni ključni uspjesi projekta.

Tako su, između ostalih, napori Farma projekta ka promociji domaćih, u odnosu na uvozne sireve, rezultirali uvođenjem 16 novih vrsta sira, proizvođači mli-

jeka su poboljšali kvantitet i kvalitet proizvedenog mlijeka, uvođenjem novih kultura, savremenih agro-mjera, prinosi u proizvodnji jagodastog voća povećani su za 30 do 50 posto, uvedeno je 70 novih sorti jagodastog voća, a izvoz ljekovitog i aromatičnog bilja bio je tri puta veći od uvoza.

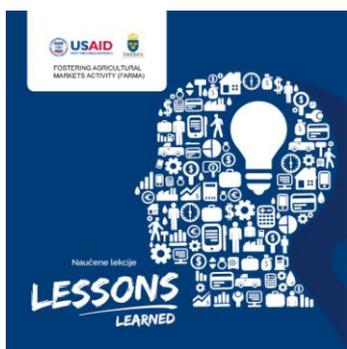
### Nove tehnologije

- Uz pomoć USAID-a i švedske SIDA projekt Farma je uspio da uvede nove tehnologije i na taj način poveća proizvodnju, da uvede

nove vrste prerađene hrane za kojima postoje velika potražnja na tržištu EU. Mi u USAID-u smo posvećeni tome, da osim ovog projekta, uradimo sve da poljoprivredni proizvođači iz BiH budu zastupljeni u svim supermarketima u Evropi i BiH, kazao je, predstavljajući rezultate projekta, David Barth, direktor misije USAID-a u BiH, naglašavajući kako su organizovanjem ovog sajma željeli predstaviti ogroman potencijal koji BiH ima i koji bi mogao otvoriti mnoga radna mjesta.

A. Pe.

Article on USAID/Sida FARMA close out event which appeared in Oslobođenje on 5 June 2015.



USAID/Sida FARMA project also prepared a "FARMA toolbox" as a legacy of the FARMA project. The "toolbox" contains project highlights, success stories, lessons learned, and technical materials related to the agriculture. The toolbox was distributed to donors and key project partners.



# ABOUT THE PROJECT

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FARMA is a \$22.25 million, nearly six-year program co-financed by the U.S. Agency for International Development (USAID) and the Swedish International Development Cooperation Agency (Sida), and implemented by Chemonics International with Orgut Consulting-AB.

Bosnia and Herzegovina is in a unique position in the current global economic environment to spur economic growth and establish a foundation for sustained access to regional and international markets. In this context, FARMA's objective is to achieve rapid, sustainable, and broad-based economic growth through demand-driven technical assistance aimed at improving the competitiveness of BiH agricultural producers, agricultural businesses, and products in targeted subsectors. FARMA is working to expand environmentally sustainable production, processing, domestic sales, export sales, and the production of value-added products.

FARMA's approach focuses on four integrated components:

- Building sustainable market linkages for BiH producers.
- Increasing access to finance.
- Building the capacity of partner organizations and other counterparts.
- Enhancing the policy environment to benefit the competitiveness of BiH agricultural goods.

In FARMA, Sida and USAID have created a program that is helping BiH accomplish several critical objectives: increasing agricultural competitiveness; meeting European Union accession standards; reducing poverty by expanding environmentally sustainable production; and increasing sales, exports, and employment.

However, in mid to late May 2014, Bosnia and Herzegovina (BiH) experienced severe floods, caused by the heaviest rainfall in 120 years of recorded weather measurements. Thousands of people were forced to flee their homes. These devastating floods have severely affected agricultural producers, particularly in the northeastern, eastern, central, and northern parts of BiH. About 70,000 hectares of land were flooded, causing significant damage to agricultural crops – particularly cereals and vegetables.

In response, FARMA has been providing support to farmers who have been affected by floods to help restore the sector's productivity, and the income and employment of the affected population. The project is using small grants to help restore production in municipalities that have experienced the most significant damage to the agricultural sector.

# CONTEXTUAL BACKGROUND

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*The purpose of this section is to describe the wider environment and conditions during the reporting period that affected the project, the country, and the region. Understanding the accomplishments and challenges of FARMA requires this larger context. While these factors can positively or negatively affect FARMA's work, they do not change the project's implementation approach.*

## DOMESTIC DEVELOPMENTS

*Any domestic development may have positive or negative impact on the agricultural economy, thus the FARMA project monitors the local political, social, and economic conditions to identify potential opportunities and problems for project implementation, if possible well before they occur.*

In November and December, 2015, key agricultural associations (dairy and meat producers, which joined later) from both entities, blocked the customs terminals on the Croatian border in protest of alleged increased imports of dairy (and other) products into BiH from the EU, as EU dairies can no longer export to Russia. The protestors demanded greater support and protection of BiH agriculture, improved customs controls, and improved access to EU and other markets (transit of products of animal origin from BiH via EU territory is not allowed by the EU). The protestors also demanded a meeting with the BiH presidency. After several delays, the farmers' representatives are now waiting for confirmation of the new date and time for this meeting with the demand to adopt measures of support for local meat and dairy producers. If there is no visible progress in addressing farmers' concerns, additional protests are likely.

On June 1, 2014, The Stabilisation and Association Agreement (SAA) between the EU and Bosnia and Herzegovina (BiH) entered into force. The SAA establishes a close partnership between the EU and BiH and deepens the political, economic and trade ties between the two parties. It is from now on the main framework for the relations between the EU and BiH, further preparing the country for future EU membership.

"I welcome the entry into force of the SAA as a defining moment in the relations between the EU and Bosnia and Herzegovina as well as an agreement which firmly sets BiH on an EU-accession path. At the same time, the SAA also brings new responsibilities stemming from its implementation and for BiH authorities to deliver upon. The Commission will spare no effort assisting the country's authorities in the implementation of the necessary reform agenda," said Johannes Hahn, Commissioner for European Neighborhood Policy and Enlargement Negotiations.

The SAA will more specifically upgrade the EU-BiH relations through the establishment of a dedicated institutional framework: SAA Council, SAA Committee as well as sectoral Sub-Committees; a SAA Parliamentary Committee will also be established between the European Parliament and BiH Parliamentary Assembly. The entry into force of the SAA will also increase the confidence of investors, domestic and international in the country. It will allow both Bosnian companies and EU companies to access their respective markets. This is conducive to enhanced business opportunities for both the EU and the BiH based companies and would stimulate economic growth and employment.

Finally, the SAA will also contribute to the progressive alignment of BiH norms and legislation with the EU legislation, thus benefiting BiH citizens through better quality, healthier and safer goods. The trade part of the SAA already entered into force on July 1, 2008 with the Interim Agreement. This agreement still needs to be adapted to take into account BiH's traditional trade with Croatia before Croatia's EU accession.

# ANIMAL AND DAIRY SECTOR

*The primary objectives of the dairy program include: (1) improving hygiene and milk quality and reaching EU standards; (2) improving the quality and volume of on-farm forage, while reducing costs; (3) improving dairy herd genetics; (4) improving record keeping; and (5) greater production of higher value products.*

## BACKGROUND

The multi-functionality of the dairy sector, associated with the provision of basic foods for consumers and raw materials for food-processing and leather industries, as well as its contribution to rural development, biodiversity, and employment, makes it a major agricultural sector in BiH. BiH farms are generally small (1–5 cows). These farms have a more social than economic role, providing livelihood and satisfaction of basic needs. In recent years, new economic and institutional realities, accompanied by the EU accession pressures, have begun to change the profile of the dairy sector.

## ANNUAL HIGHLIGHTS

- Forty-four (44) flood relief and recovery grants valued at approximately 2.27 million KM were disbursed to assist 2,381 flood-affected dairy and livestock farms
- Six (6) grants valued at 80,500 KM in total, were provided to veterinary stations to help reinstate veterinary services
- Conditional approval for the export of heat treated milk and dairy products to the EU (see *EU Integration and Standards Section*)
- BiH cheese received three gold medals on the 12th International Exhibition of Cheese in Austria (Die internationale Käsiade)
- Potential access of BiH cheese to Dubai

## YEAR 6 MILESTONES

Milestones	Status	Explanation
At least three promotional events organized where dairy products are sold	Completed	Includes promotion in Serbia and Croatia
Web page and the Facebook page developed for the BiH Association of Cheese Producers	Completed	Facebook page complete and regularly updated
Minimum 10 press releases about the Association of Cheese Producers	Partially completed	
Beneficiaries in Dairy Sector attend at least one international fair	Completed	Serbia, Croatia, UAE
Visible presence of small cheese producers in local markets	Completed	
At least 20 POs attended trainings on business planning / completing loan applications	Completed	
Milestones	Status	Explanation
At least 20 POs attended presentation about new financial products	Completed	
Increased profit of POs and processors through usage of better quality of milk and production of value added products	Completed	
20 farmers obtained AI certificates	Completed for 18 farmers	
At least 10 trainings organized in technical topics and EU standards	Completed	Usually in collaboration with local institutions and

Development of farm gate products	Completed
Improved milk quality in cheese processing facilities	Completed
At least 5 study tours (in-country and abroad) organized and performed	Completed
New farm techniques disseminated and new technologies disseminated	Completed
Veterinary inspectors trained (see details under "EU Integration and Standards" section)	Completed
At least 3 ToTs organized on EU standards	Completed
Networking meetings between dairy cooperatives and associations organized	Completed
Study tour to Slovenia for dairy cooperatives/associations	Completed

## FOOD RELIEF AND RECOVERY

# 2,381

**farms assisted**

Since August 2014, the project has provided flood relief and recovery assistance to 2,381 dairy and livestock farms (cattle, poultry, sheep and hog) with animal feed concentrates and seeds for animal feed. Feed concentrates helped farmers compensate for the low-quality feed available in flooded areas. Most farmers used the seeds during spring planting season.

### Distribution of flood relief and recovery assistance in flood-affected communities



**Association of Agricultural Producers  
Zitoplod, Zepce**



**Association Mlijecni put, Odzak**



**PZ Povrtlarstvo Bijeljina**



**Association Gracanicko keranje, Gracanica**

## Personal stories from families that received assistance



The Copic family has five members and looks after three cows and three heifers. They have prepared enough hay and silage for this year, but it was of lower quality and quantity than in previous years. They appreciate support given by the FARMA project because it helped them during the most critical moment.

Milos Majkic and his three family members look after 15 animals in total. Since the majority of their land lies next to river Japra, the family experienced floods on more than 60 dunums of grasses. To date, the land still has not been completely cleaned. Mr. Majkic is very satisfied with the quality of feed concentrates received through FARMA.



## **U.S. Ambassador visits a dairy farm in Maglaj, one of almost 3,000 BiH farms that received flood relief and recovery assistance through USAID/Sida FARMA**

On February 18, 2015, the U.S. Ambassador to BiH, H.E. Maureen Cormack, visited a dairy farm in Maglaj managed by Mr. Muhamed Sehic – one of 100 farmers in Maglaj municipality who have received flood relief and recovery assistance through USAID/Sida FARMA. Mr. Sehic has 30 cows and is one of the largest dairy farmers in Maglaj. A dozen other beneficiaries of the U.S. government's flood relief and recovery assistance also were on-site during the visit.

The purpose of this visit was to see the benefits of, and highlight U.S. support to, agricultural producers in flood relief and recovery. USAID/Sida FARMA provided two flood relief and recovery grants in the Maglaj municipality (awarded to OZZ Maglajka and UG Kopice), valued at close to 100,000 KM, to benefit 100 farms (dairy/livestock or vegetable production). Mr Muhamed Sehic from Liješnica is one of 60 farmers from OZZ Milk Maglajka who had lost planted animal feed, stored silage, and hay. USAID/Sida FARMA provided assistance to obtain animal feed concentrates.



**Clockwise from top left: U.S. Ambassador Maureen Cormack giving statements to the media. Tasting locally produced food. FARMA dairy specialist Midhat Glavic, USAID Mission Director David Barth, and FARMA Chief of Party Benjamin Toric. FARMA staff and Thomas Rojas, Director of Economic Development Office, USAID.**

In addition, USAID/Sida FARMA awarded 6 grants valued at nearly 80,500 KM in total to veterinary stations to help reinstate veterinary services to agricultural producers. Assistance was provided to the following veterinary stations: Veterinarnska stanica Doboj, Modrica, and Samac; Gallus in Orasje, and Nutritio and Teolab in Bijeljina.



**Delivery of equipment to Teolab in Bijeljina**



**Office equipment in use at Veterinary station in Samac**



Laboratory equipment in use at Veterinary station in Dobož

## IMPROVING THE QUALITY AND VOLUME OF ON-FARM FORAGE AND QUANTITY OF MILK PRODUCED



In addition to the provision of concentrates and seeds, FARMA provided technical assistance to farmers from flooded areas. For example, several trainings were organized in the municipality of Sanski Most (in Vrhpolje, Fajtovici, and the SLUP premises) covering the topics of EU standards in milk production and managing mycotoxins in feed and feed preparation. The same training was also conducted in Gradiska and Pranjavor in cooperation with the Republika Srpska (RS) Extension Service and

Mlijekoprodukt. One-on-one technical trainings in the field were provided in agro technology of crops, best feeding practices, improving health of animals, and management of farms after floods.

FARMA also organized trainings for farmers in Novi Grad in cooperation with the Agriculture department. This training covered standards in milk production and improvement of milk quality, mycotoxins in animal feed and its prevention, and safe and appropriate pesticide use.

Associations of farmers from Ormoz and Ptuj (Slovenia) organized a visit to farms in the Banja Luka region. During the first day of the visit farmers visited two dairy farms - Arifagic farm and farm of Janjic Dragan. At Arifagic farm they saw a reproduction center, innovative approaches to dairy processing, and they established linkages for future cooperation. Janjic Dragan had a smaller capacity, but owner is quite innovative and built everything himself and without outside financing. Farmers from Slovenia were very impressed with the innovative solutions for calf-handling and the barn design.

At the request of the RS Extension Service, a series of trainings on animal feed production and good feeding practices were conducted throughout the RS, including Visegrad (19 participants), Cajnice (15 participants), Sokolac (23 participants), Rogatica (22 participants), Pale (36 participants), Srebrenik (33 participants), Bileca (36 participants), and Nevesinje (6 participants). Additional trainings included training for 20 milk producers for the Association Agrorazvoj in Kalesija on technical matters of corn production and preparation of corn silage.

Several study tours were also organized to help farmers from various parts of BiH learn from farmers employing best practices in BiH. For example, farmers from ZZ Milk Maglajka from Maglaj visited Arifagic farm in Kozarac to learn about dairy farm management, in general, and the possibility of breeding Norwegian Red Cattle in BiH in particular.



**Farmers from ZZ Maglajka visiting Arifagic farm in Kozarac-Prijedor.**



Study tour of farmers from S. Most to Kalesija and Tuzla. Thirty six (36) farmers from Sanski Most visited one of the biggest dairy farms in Bosnia where with the assistance of the lead veterinarian they could learn about different aspects of management of the farms, feed preparations, ratios, etc

Study tour for farmers from Novi Grad. Farmers from flooded area of Novi Grad visited four farms – one in Prijedor, two in Prnjavor and one in Dubica. On all these farmers learned about feeding practices, book keeping, management of dairy herds, reproduction practices, etc.



Study tour for 18 farmers from Modrica, Vukosavlje and Samac to Slovenia. During this study trip farmers had the opportunity to learn about management of dairy farms, feeding practices for animals, preparation of silage and also about processing of milk into dairy products.

In addition, FARMA collaborated with USDA to organize a workshop in Banja Luka on June 15, 2015, on “Raising milk production through nutrition and high quality U.S. genetics”. Guest speaker was Dr. Martin Sieber, representative of U.S. Livestock Genetic Export Inc. (USLGE) who highlighted the importance of genetics for improving milk production and Dr. Midhat Glavic, FARMA Project Representative who spoke about the benefits of good nutrition in dairy cattle and its impact on milk yields. Workshop was held at the Chamber of Commerce Banja Luka and 35 participants were welcomed by Aleksandar Ljuboja, representative of the Chamber and Mr. Ed Gallagher, Head of the U.S. Embassy Branch Office-Banja Luka.

## INTERNATIONAL PROMOTION OF LOCAL DAIRY PRODUCTS



BiH cheeses won **three gold medals** at the 12th International Exhibition of Cheese in Austria (Die internationale Käsiade), held from November 6-8, 2014, in Hopfgarten im Brixental in Austria.

The Cheese Producers Association in Bosnia and Herzegovina, in cooperation with the Faculty of Agriculture, University of Sarajevo and with support from FARMA, exhibited three cheeses from BiH in the “Rustic/Peasant” cheeses (non-industrial cheeses) category. The three cheeses were exhibited among 409 cheeses from Austria,

Switzerland, Germany, The Netherlands, Spain, Hungary, Italy, Luxembourg, Slovenia and Croatia, with 192 cheeses in their category. The 42-member jury, awarded gold medals for three cheeses from Bosnia and Herzegovina: Vlastic cheese from sheep milk by cooperative Eko Vlastic, Livno cheese by Eko-Pudja dairy and Prozor cheese by ZZ ProMilk dairy.

“To win a gold medal against such a strong competition is very good, but to get three is a great promotion for our cheeses” – said Omer Mrakić, President of Cheese Producers Association in BiH. “I must mention that this is the first time we exhibited here, thus our success is even more unexpected and particularly significant.”

“With support from the USAID/Sida FARMA project we have achieved a lot to standardize the quality of our cheese, and the result is confirmed by these gold medals. While it will take some time before cheeses from Bosnia and Herzegovina will be exported to the EU, I believe that the competent institutions are doing everything in their power to resolve this issue” said Mrakić.



During the exhibition, a large number of contacts with cheese manufacturers and distributors in Austria was established. A catalogue of cheese producers from Bosnia and Herzegovina was promoted, with information about 15 producers. Buyers from Turkey already expressed interest in Vlastic cheese, but the issue transporting dairy products through EU territory has yet to be resolved. Sales of Vlastic cheese on the domestic market is remarkable, but export opportunities would increase production and result in employment for more people.

FARMA also supported two representatives of the BiH Cheese Producers Association to explore market opportunities for BiH cheese in the United Arab Emirates (UAE) by traveling to Dubai from February 8-13, 2015. This trip had the potential to result in concrete market linkages, as the BiH Cheese Producers Association had already met an owner of a UAE hotel chain in Sarajevo. The association provided samples of Livno, Prozor, and Travnik cheeses (the three cheeses that received gold medals at the Käsiade competition in Austria) to the hotel. As a result, the hotel has decided to include those cheeses in its offerings. BiH producers (Pudja and Eko Vlastic) are exploring transport options to meet this demand. While in Dubai, the representatives of the association also explored market opportunities in retail

chains. The association also made contacts with Balkan Trading FZE, which distributes products from the former Yugoslavia to the UAE, and the distributor has also requested samples and prices of BiH cheeses.



**Omer Mrakić (left) from the BiH Cheese Producers Association at the Balkan Trading stand at Gulf food fair in Dubai**

The dairy sector has the potential for strong growth as dairy companies will look to recover the lost Croatian market – which used to be worth approximately 40 million KM for BiH exporters of dairy products prior to Croatia joining the EU in mid 2013. This is a very substantial market to recover, considering that total exports of dairy products from BiH in 2014 (mainly to Serbia, Montenegro and Macedonia) were about 65 million KM.

## **DOMESTIC PROMOTION OF LOCAL DAIRY PRODUCTS**

Several BiH cheese producers exhibited products at the FARMA close-out event, including ZZ Zlatna Kap from Tesanj, ZZ Promilk from Prozor, ZZ Eko Vlasic from Travnik, Eko sir Pudja from Livno, Agrocentar from Gornji Vakuf, Padjeni from Bileca, as well as, the BiH Association of Cheese Producers, which included members from throughout BiH. The final event was another opportunity to highlight and promote locally produced cheese to domestic producers.



**Eko Sir Pudja exhibiting its cheese at the FARMA close-out event**

# MEDICINAL AND AROMATIC PLANTS (MAPS) & HONEY

*The primary objectives in this sector include: (1) expanding cultivation of medicinal and aromatic plants (MAPs); (2) moving towards higher value products; (3) bringing the MAPs and honey sector up to EU standards and (4) improving marketing.*

## ANNUAL HIGHLIGHTS

- Four flood relief and recovery grants valued at nearly 175,000 KM in total were disbursed to assist 67 flood-affected beekeepers
- Training provided to flood affected beekeepers and women involved in beekeeping and MAP cultivation
- Five MAP companies (Elmar from Trebinje, Halilovic from Ilijas, Smrcak from Zvornik, Faveda from Sarajevo and Frutti Funghi from Visoko) participated at the Natural Scandinavia Fair. The participation at the fair was organized in cooperation with the BiH Foreign Trade Chamber and participants
- Three MAPs cultivation schools implemented by Women for Women International and ACED were successfully implemented and closed
- The subcontract “Increasing awareness of the importance of bee pollination among beekeepers and fruit growers with an aim to protect bees from pesticide application, and increase yields in honey and fruit production” was also successfully implemented and closed
- One ton of honey exported to Denmark; a first for BiH

## YEAR 6 MILESTONES

Milestones	Status	Explanation
At least five MAPs and Honey POs improved their packaging/design/promotion materials	Completed	
Improved marketing presentation for at least five POs (MAP and Honey)	Completed	
At least 10 POs attended info events on new financial products	Completed	
At least one PO successfully exports honey to EU market	Completed	First exports to Denmark
Assistance provided to at least five Honey POs	Completed	

## FLOOD RELIEF AND RECOVERY

To support recovery, FARMA approved four grants to support beekeepers, valued at nearly 175,000 KM, to the Associations of Beekeepers Maslacak from Samac, Matica from Brcko, Matica from Odzak, and Trut from Orasje. New beehives, bee feed, and small tools were provided. Beekeepers were therefore able to prepare hives for colonization in spring, by preparing frames and coating apiaries with bee-friendly paint for new swarms.

“Thanks to USAID/Sida FARMA, the association of beekeepers, “Maslačak,” successfully implemented this project to recover apiaries that were affected by floods. Thanks to this assistance, the assisted beekeepers now have the same or a higher number of beehives.”  
**Aco Malić, president of the Association of Beekeepers “Maslačak”, Šamac.**



**Delivery of beehives to beekeepers from the Association of Beekeepers, Matica, Brcko.**

USAID/Sida FARMA visited apiaries and provided trainings to flood-affected beekeepers in Samac, Odzak, Orasje, Sanski Most, and Brcko (around 90 beekeepers) and to women beekeepers in Kalosevici, Brijesnica, Ahmici, and Jablanica (40 women in total). Beekeepers had two trainings: (1) how to prevent swarming-out of bees, increase the honey production, and production of swarms; (2) preparation of bees for winter. In addition, training was provided to flood affected communities of MAP producers; two in Zavidovici and one in Istocno Sarajevo. Topics covered included 10 MAPs that are being most frequently cultivated. Small demo plots were also established.



**Training of beekeepers in Brcko**

## **Unfortunate developments at Sezona D.O.O. , a wild mushroom and forest fruit facility, in Foca**

Heavy rains caused a landslide that completely damaged Sezona's recently constructed processing facility in the early morning of February 2, 2015. The damage to the facility has been described as "total damage," a decision recorded in official committee records, by the three-member municipal committee, which conducted a site assessment on February 3, 2015. The landslide caused total damage to the processing facility (550 square meters), including all equipment – cooling chambers, equipment for cutting mushrooms, delivery vehicles, and small equipment – as well as, all stored mushrooms.

The landslide also damaged the roof of the Sezona's old facility (located across the street), where they have a drying kiln and a small cold storage chamber. The damage makes the facility unsafe to use. Fortunately, the family home, next to the old processing facility, was not affected.



**Facility before and after the landslide**

The damage to this facility not only impacted the business owners but also the four full-time, seasonal employees and more than a thousand collectors of mushrooms and other forest products.

The owners are seriously affected, both financially and emotionally; however, as this activity is their only source of income, they are looking at options to continue for rebuilding their business.

In the meantime, Sezona has been able to lease a facility from the municipality and has ordered a small cooling facility that will enable the company to continue its operations this year, albeit at a much smaller scale.

## EXPANDING CULTIVATION AND IMPROVING THE PROCESSING OF MEDICINAL AND AROMATIC PLANTS (MAPs)

The project completed the “Schools for the cultivation of medicinal herbs for women from Bosnia and Herzegovina.” The goal of the program was to provide theoretical and practical training for at least 200 women from rural areas in the cultivation of medicinal and aromatic plants. NGOs ACED (Banja Luka) and Women for Women International (Sarajevo) implemented this program in rural areas of Prijedor, Gradiška, Kozarska Dubica, Srbac, Prnjavor, Drinić, Vojkovići, Teslić, Doboj-Jug, and Zavidovići municipalities. Despite significant difficulties due to this year’s flood destruction, the project was able to establish demonstration plots. In some locations, while seeds and seedlings were destroyed, implementers of the projects were able to reseed and continue operations in all planned locations. After successful completion of the program, the participants were linked to markets for their products to help generate income for themselves and their families.

Implementation of the project “Support to the creation of women entrepreneurship in rural areas through MAP cultivation and processing II” was also completed in this reporting period. The NGO ACED, the implementer of the project, informed us that there were significant losses of parcels, seeds, and seedlings due to this year’s floods. High turnover of women in the program was also experienced. This all contributed to lower than expected results e.g. instead of the initially planned 10 hectares, only 4.7 hectares were cultivated. Although the bad weather conditions impacted the yield of MAPs, there are some positive examples.

Tamara Filipovic, a woman producer from Laktasi, successfully planted basil on 0.2 ha and harvested 134.34 kg in the first year, an excellent yield given the weather conditions. ACED arranged the procurement of 1,100 kg of dried basil and 100 kg of dried marigold in the value of 3,800 KM. Unfortunately, the sunless and wet weather conditions after the floods prevented the third harvest. An additional problem that arose was plant disease in some land plots due to excess water.



FARMA also completed the implementation of the project “Support to creation of women entrepreneurship in rural areas through beekeeping combined with MAPs cultivation,” an intensive practical and theoretical training program for 40 women. Women continued to cultivate MAPs, planting different crops on 6.5 ha, and also received three bee hives each to start honey production. Even though there were difficulties with weather and floods, this project was successfully completed in all project municipalities – Doboj Doboj, Tesanj, Vitez and Jablanica. While income is not generated in the first year of beekeeping, it is expected that each women will earn approximately 1,000 KM of additional income from their hives next year.

FARMA has also continued with individual training on MAP cultivation at the request of beneficiaries throughout BiH. Although the focus of FARMA assistance was on flood affected farmers, training was also provided to other producers. These trainings over the past few years have yielded results. During the period July 2103 to April 2015 technical trainings provided by FARMA STTAs to 420 persons (70percent of whom are women) resulted in almost 100 ha of new areas cultivated under MAPs. An additional 30 ha are expected to be planted under MAPs in 2015. Farmers are especially interested in the cultivation of immortelle.



**Practical training of women in Kalosevici on MAP cultivation**

## **BRINGING THE MAPs AND HONEY SECTOR TO EU STANDARDS**

FARMA also completed the activity “Increasing awareness of the importance of bee pollination among beekeepers and fruit growers in order to protect bees from pesticide application, and increase yields in honey and fruit production” which was implemented through “Kosnica” from Gradiska in Gradacac, Mostar, Prozor, Bugojno, Bratunac, and Gorazde. Additional trainings for beekeepers were held in Samac, Orasje, and Brcko, as these beekeepers were heavily affected by this year’s floods. The results of the project and the importance of coordination between beekeepers and fruit growers were also presented during these trainings. The program’s results, which involved 136 fruit growers and 166 beekeepers, confirmed that bees are essential to fruit growing. Calculations show that bees are responsible for 70percent of plum pollination, 90percent of pear pollination, 43percent of raspberry pollination, 75percent of apple pollination, 92percent of cherry pollination, and 67percent of peach pollination. Cooperation between beekeepers and fruit growers is highly beneficial to both groups.

FARMA also continued its efforts to bring honey processing in line with EU standards. Czech experts prepared reports on HACCP implementation for four companies: Apimed from Sanski Most, Medicom from Grude, HerzegMed, and PZ Zalfija from Trebinje.

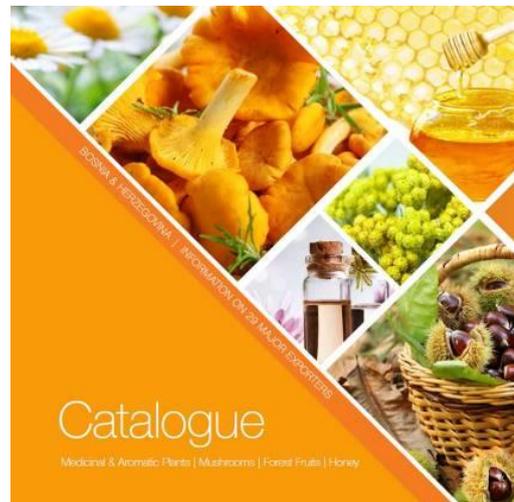
A year after BiH was eligible to export to the EU, BiH exported its first honey to the EU. A Danish-owned company in Konjic exported one ton of honey. Although FARMA did not directly help this producer to export its honey, FARMA has been actively working with the State Veterinary Office and laboratories to enable further exports of BiH honey to the EU.

## IMPROVING MARKETING OF MAP/HONEY PRODUCTS

Five MAP companies – ElmarElmar from Trebinje, Halilovic from Ilijas, Smrcak from Zvornik, Faveda from Sarajevo, and Frutti Funghi from Visoko – participated as exhibitors at the Natural Products Scandinavia fair in Malmo, Sweden (October 25-26, 2014), where they had the opportunity to meet with over 50 companies from Sweden, Norway, Netherlands, Finland, Denmark, United Kingdom, as well as, Bosnian businessmen/women living abroad. Since the fair is smaller in comparison to fairs such as Biofach (2,263 exhibitors from 76 countries and 42,445 trade visitors), the business contacts made during the fair was exceptionally beneficial for the companies.



During the first day of the fair, BiH ambassadors to Sweden and Norway, HE Jadranka Kalmeta and HE Emir Poljo, respectively, visited the BiH stand and promised to help further facilitate contacts between BiH and Scandinavian companies, especially those owned by BiH diaspora. The FARMA project, in cooperation with the BiH Foreign Trade Chamber and exhibiting companies from Bosnia, supported the BiH national stand. In addition to providing grant funds to FTC to organize the exhibit at the fair, FARMA also assisted in the design of the stand and the design and printing of MAP and honey and F&V catalogues that were distributed at the fair. As a result of a contacts established during the fair last year, Faveda has started negotiating with a buyer from Norway.



**Bosnia and Herzegovina stand in Sweden**

At the Natural Products Scandinavia last year, FARMA established initial contacts between potential honey buyer Shamus Ogilvy (Xa Trading Ltd. – OGILVY'S) from England with Elmar Aroma Care and Lamaruz from Bosnia. After a subsequent visit to Bosnia, Mr. Ogilvy now has interest to natural products and has started negotiations with these two Bosnian producers..



**Shamus Ogilvy visit to Bosnia and Herzegovina**

After participating in the GIDA fair in Istanbul, Turkey last year, the Halilovic, a MAP producer was able to establish contact with a Turkish buyer, and it is likely that this will lead to a long term business relationship. Halilovic has already sent two shipments of sage essential oil (50 kg each), and the third order for 200 kg of the same oil has been placed. The value of the first shipment was 15,000 €.

As FARMA has refocused its assistance in flood relief and recovery, it did not support BiH attendance at the Biofach Fair in Nuremberg, Germany, this year. Because of this, there was not a joint BiH stand at the fair. Instead, most BiH companies attended as visitors. Only one company, Halilovic D.O.O., had its own stand at BioFach. While the company still managed to make new business linkages, this came at a significant cost – Halilovic used posters developed with the help of FARMA for attendance in earlier fairs, however, it was clear that this was insufficient to ensure a professional presentation of the single company. As can be seen in the photo below, the walls of the stand were very sparingly populated with posters. It is clear that BiH companies need continued support to attend such fairs and to ensure professional representation of individual business, the sector, and BiH as a country. FARMA believes that this can be best achieved through a joint BiH stand.



**Halilovic D.O.O. stand at BioFach Fair in Germany in 2015.**

FARMA encouraged MAP POs to make their products available on the Made in BiH web portal ([www.madeinbih.ba](http://www.madeinbih.ba)), which will enable them to promote and sell their products on the domestic and international market. The webportal was supported by Embassy of Sweden's Challenge Fund.

On June 4, 2015, FARMA organized its final project presentation in front of the BBI Centre in Sarajevo. Several MAP POs were present, including Alma Derm, Herceg Med, Elmar Aroma Care, Elmar, and Sumski Plod. While this was an opportunity to promote USAID/Sida FARMA achievements, it was also an opportunity to promote BiH producers and products in the sector of Medicinal and Aromatic Plants. In addition, FARMA had a stand with a demonstration of the distillation process using a technology adopted by company Roing, which was supported by FARMA.



**Alma Derm exhibiting products at the final USAID/Sida FARMA event**



**Demonstration of distillation of essential oils in Sarajevo**

## INNOVATIONS AND INITIATIVES

### Real-time monitoring of bee pastures



**Emir Memišević, an IT tech who became a beekeeper at work in his apiary. This 31-year-old native of Sarajevo decided to supplement his income by beekeeping, eventually turning the hobby into a full-time job. He is now one of the largest producers of Royal Jelly in BiH. More information about his business can be found at <http://www.mmm.ba/>. (Photo credits: NAP)**

high yields of the best-quality honey.

As a result of the USAID/Sida FARMA grant to “Matična Mliječ Memišević” to provide beekeepers in BiH with information that will help them better predict flowering cycles and hence plan the movement of their hives, with an aim to promote movable beekeeping among BiH beekeepers to optimize their production, Emir Memišević applied for the U. S. Department of State’s Global Innovation through Science and Technology (GIST) Tech 1 competition.

This initiative empowers young innovators through networking, skills building, mentoring, and access to financing to develop startup solutions that address economic and development challenges. In 2015, the Tech-1 competition received a record 792 applications from 74 countries for the competition. Following initial review, Emir’s Nectar Flow Mapping project for Beekeepers - a project that applies Information Communication Technology (ICT) in agriculture; was selected as a semi-finalist, and subsequently, following a public vote, a finalist.

To increase production, FARMA supported the development of a web portal to allow beekeepers to track the beginning of the blooming season of honey plants and their nectar secretion at 100 BiH locations throughout the year. The project was the result of an original idea of a young beekeeper, Mr. Emir Memišević from Sarajevo (see photo, left), and was supported by a FARMA grant.

With the dedicated web portal, [www.medobar.com](http://www.medobar.com), beekeepers will be able to better plan when and where to move their bees to use natural resources to the maximum possible extent and to attain

# FRUIT AND VEGETABLES (F&V)

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*To achieve FARMA's goals, the project concentrated its activities in three segments: (1) introducing new production technologies and standards in production and processing; (2) introducing new berry varieties to ensure the sector gains a competitive advantage in the long run; and (3) facilitating market linkages, through participation in fairs and direct contacts with potential buyers, to help POs access higher paying markets.*

## ANNUAL HIGHLIGHTS

- Disbursed, managed and closed 14 grants valued at approximately 815,000 KM to POs that were affected by the floods and landslides. These grants helped 452 flood-affected fruit and vegetable producers in flood relief and recovery.
- Technical trainings organized and delivered
- Popovo Polje began exporting fresh apples to Russia. Jaffa Komerc began apple exports to Azerbaijan.
- Export of frozen raspberries for the first 11 months in 2014 was nearly 7,000 tons, valued more than 31.7 million KM. This is significantly higher than in 2013 when less than 4,600 tons were exported valued at just over 20 million KM.

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## YEAR 6 MILESTONES

Milestones	Status	Explanation
Improved branding, packaging, etc., for at least five POs	Completed	
POs are implementing relevant standards	Completed	

## FLOOD RELIEF AND RECOVERY

The fruit and vegetable team has been working intensively on providing flood relief and recovery assistance. The focus of the assistance was on providing support to re-establish greenhouses, plant berries and vegetables, and install irrigation systems. By the end of July 2015, the FARMA project approved, disbursed, and monitored 14 flood relief and recovery grants, totalling approximately 815,000 KM, to POs that were affected by floods and landslides. These grants helped 452 flood-affected fruit and vegetable producers in flood relief and recovery. The team has been actively monitoring committed grants that aim to help in the recovery of fruit and vegetable production, which includes collection of relevant data and cost share documentation. Monitoring was conducted to check what has been done and to collect missing documentation. Assisted farmers were very satisfied and pleased with FARMA assistance.



Damage caused by landslides in Zeljezno Polje (May 2014)



Distribution of support (berry seedlings) in Z.Polje



**Production in newly build greenhouses in Dobož**



**Delivery of irrigation systems to producers in Celic.**

FARMA also participated in inter-agency coordination meetings organized by the OSCE regional office in Tuzla, which regularly provides updates on different donors and NGOs, such as OSCE, Swiss Caritas, IOCC, Red Cross, UNDP, World Vision, etc., that are implementing flood recovery related programs and activities. These coordination meetings were held on a monthly basis.

In addition to grant support, FARMA provided significant training both to flood-affected and other producers in BiH (see below).

## INTRODUCING NEW PRODUCTION TECHNOLOGIES AND STANDARDS IN PRODUCTION AND PROCESSING

FARMA continued to conduct trainings and provide technical assistance on berry, tree fruit, and vegetable production. Trainings were conducted in Orasje, Domaljevac/Samac, Srebrenica, Donji Vakuf, Zivinice, Olovo, Zepce, Visoko, Kakanj, Kladanj, Donji Vakuf, Zenica, Vitez, Brcko, Tuzla, Rudo, Bihac, Novi Grad, Cazin, Tesanj, and Sarajevo. Effort was always made to coordinate such training with local counterparts, such as local extension services or local municipalities. FARMA also cooperated with other international organizations on fruit growing technologies.



School for fruit producers – Sarajevo/N.Grad



Technical training for raspberry producers - Rudo

Upon request of Livno Canton Ministry of Agriculture, TA and practical education on summer tree fruit pruning was delivered to 29 farmers from Livno municipality with request to provide another education for proper raspberry growing technology since the farmers have recently planted 100 dunums of this fruit without any past experience and training in that regard. In collaboration with the municipality Jezersko (RS), training was held for 17 new raspberry producers.

FARMA and GIZ coordinated activities in the fruit growing sector by jointly preparing and printing technical materials for raspberry growers (Meeker and Willamette varieties). GIZ covered the cost of preparing materials, while FARMA covered the cost of the printing. We printed 1,000 copies of this manual to deliver to farmers in the field. FARMA also participated in the GIZ workshop in Banja Luka and Konjic on tree fruit and berry production in Herzegovina and western RS.

In cooperation with the Japanese International Cooperation Agency (JICA), a training on berry production, with a focus on spring planting, protection, and proper fertilization of raspberries, was held on March 9, 2015. JICA procured 45,000 raspberry seedlings for distribution to 30 producers.

FARMA collaborated with CRS in Maglaj to organize trainings for berry producers where there were 51 attendees. In addition to training, networking meetings with two large buyers of berry fruit (Frutti Funghi d.o.o, Visoko and Heko H&H Fruit d.o.o, Bugojno) were held after training to link farmers with potential buyers and market.



**Practical training in Livno**

TA and presentations on berry and production of vegetables in protected area was delivered during the Agriculture Fair “Raspberry days” in Bratunac. There were total 97 attendees. FARMA also had a meeting with MCO Sunrise from Sarajevo and provided advice in support of the design of loans for agriculture production.

In addition, FARMA also attended two conferences/round tables organized by international organizations working in berry production. Within the stakeholder workshop for final design of the Rural Competitiveness Development Project, IFAD organized a meeting focused on new financial loans within BiH’s agriculture sector, with particular focus on berry and vegetable production (FARMA also participated in Swiss Caritas’ annual berry conference held in Sarajevo).

FARMA also assisted POs in meeting requirements of other international donor programs. For example, FARMA provided assistance to Gracanka Ag Coop to complete the final report for the project supported by Sweden Challenge Fund. FARMA also assisted two of their beneficiaries, Agromont d.o.o, Rogatica and ZZ Tarevci, Modriča, in preparing concept papers to the Sweden Challenge Fund, and as a result, these two beneficiaries received funds to improve production technologies. In addition, assistance was provided to several small farmers in the Bratunac/Srebrenica region to prepare business plans for berry production for funding under Care International. Plans have been approved and accepted by Care International, and these farmers will expand their raspberry and blueberry production.

The contract between USAID and Brams and Adriatic Group through USAID DGP program was signed. On June 17, 2015, FARMA collaborated with the Adriatic Group (Agrona, Balatunka, Brams, ZZ Vocar, etc.) to organize training on gherkin production for BiH agronomists. Training was provided by Mr. Laszlo Ragyak from Rijk Zwaan, a successful vegetable nursery from the Netherlands. There were 32 attendees, including a large number of FARMA POs (Bios, BOSPER, TK Chamber of Commerce, Drina ag assn, Plant d.o.o, PMG – VIP, Vocar Promet doo).

## INTRODUCING NEW BERRY VARIETIES

FARMA has been providing continued support to the Faculty of Agriculture, University of Sarajevo for the maintenance of the berry demonstration plot. As a result of strong links between FARMA and the Czech Development Agency (CzDA), CzDa decided to provide additional support in 2015 to ensure the berry plot is maintained for research and development into new varieties and so that production technologies can continue to be transferred to berry growers.

FARMA met with representatives of the English nursery, Meiosis, regarding the status of the berry demonstration plot in Butmir and discussed opportunities for protected berry varieties to be made available for commercial purpose. Following meetings with stakeholders in BiH, Meiosis offered to make an agreement for commercial propagation of protected varieties and also indicated that they are prepared to provide additional varieties for testing. The company also has interest in starting the first wild berry breeding program in BiH.. Overall, Meiosis was very impressed with the demo plot, stating that it was the best demo plot seen in countries with which they have cooperation.



Regular work in Berry Demo Plot, Butmir  
(October 2014)



Children from a primary school in Sarajevo visiting a  
Berry Demo Plot in Butmir

## FACILITATING MARKET LINKAGES

Natura Food D.O.O., a company jointly established by two FARMA-supported POs, ZZ Balatunka and Brams D.O.O., officially opened on October 6, 2014 in Balatun/Bijeljina. Since its opening, the company has already processed and exported final products – pickled products and jams – to EU countries, including Austria, Germany, the Netherlands, and Sweden.

Some FARMA beneficiaries are also exploring markets further east. Popovo Polje started to export fresh apples to Russia, while Jaffa Komerc is exporting to Azerbaijan. Jaffa Komerc has already shipped 80 tons of apples with a plan to ship an additional 20 tons per week.

As a result of FARMA, several new berry producers from the NE region of BiH were linked with suppliers of raspberries and blueberries seedlings, plants, () and other necessary raw materials. Linkage meetings were also held between FARMA beneficiaries Agromont d.o.o, Rogatica and OPPZ Bios, Visoko to purchase, distribute, and install irrigation systems for Agromont's seed potato production. This will be first production of this kind covered with irrigation systems.

FARMA linked OPZ Insieme, a jam and juice producer, with berry producer Vrganj Promet from Buzim to obtain wild blueberries, which OPZ Insieme needed to meet the increased demand from Italian buyers.

Several F&V POs, including Brams/Natura Food, Ein Natural, ZZ Insieme, Bios, and Krompir.ba, were present at the FARMA final event held in front of the BBI in Sarajevo. While this was an opportunity to promote USAID/Sida FARMA achievements, it was also an opportunity to promote BiH producers and products in the F&V sector. In addition, FARMA had a display of new trellising systems and drip irrigation as examples of technological innovations in agriculture that are now being produced in BiH as a result of USAID/Sida FARMA support – namely to the berry demo plot at Butmir.



**Ms Marie Bergstrom, Embassy of Sweden, and Mr David Barth, USAID, sampling ZZ Insieme's organic juices that are exported to Italy**



**New trellising technology for raspberries**

A FARMA-supported beneficiary has made test exports to Dubai of wild strawberries. At this stage, exports were of only a few kilograms to test the market.



**Wild strawberries ready for export to Dubai**

# EU INTEGRATION, STANDARDS AND ENVIRONMENT

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*The project continued intervention in three key areas: (1) improving the quality infrastructure to align with the EU acquis, improve market access and increase competitiveness of the BiH agriculture sector; (2) assisting POs with implementing standards to prepare them for certification so they increase food safety standards and reach desired markets; and (3) ensuring environmental compliance to satisfy the requirements of the project's Initial Environmental Examination (IEE) and promoting sound environmental practices in alignment with environmental sustainability goals.*

## ANNUAL HIGHLIGHTS

- Conditional approval for the export of heat-treated milk and dairy products to the EU
- Eleven laboratory methods accredited under the joint FARMA and CzDA activity
- EU gave a green light for the export of BiH potatoes to the EU
- Training and study tours was held for phytosanitary inspectors under the joint FARMA and CzDA activity "Institutional support for certification and control of planting material (ISCCPM) in accordance with the requirements of the EU"
- Assistance given in implementing a rule book on the official control of seed/seedlings, "Official Gazette of BiH," 14/15, and equipment purchased for certification/control bodies.

## YEAR 6 MILESTONES

Milestones	Status	Explanation
All relevant environment assessments/reviews conducted, reports completed	Completed	
Rulebook on application of pesticide spraying equipment equipment drafted	Completed	
Two meetings with Coordination Body and Advisory Council conducted annually	Completed	
ISO 9001 standard implemented at 3 BiH agricultural institutes	Completed	
Certifications such as GlobalGAP, HACCP, organic, etc., obtained by at least eight POs	Completed	
Training for lab and inspection staff held on systematic official survey for potatoes	Completed	

## IMPROVING THE QUALITY INFRASTRUCTURE AND THE BUSINESS ENVIRONMENT

Throughout the year, FARMA has worked with BiH institutions on meeting international standards. This work included support for the process of legislative alignment and implementation of new legislation; official controls; and education of staff in the food, veterinary and phytosanitary sectors, responsible institutions, and private sector entities. In the final year of the project, BiH met the conditions for the export of potato and dairy products to the EU.

**Overcoming constraints for the exports of products of animal origin to the EU**

**Green light for the export of heat treated milk and dairy products to the EU**

The European Commission has given a conditional approval for the export of heat treated milk and dairy products to the EU, but before exports can start, BiH will have to submit a list of establishments assessed as compliant and proposed for export to the EU<sup>3</sup>. The EU Commission has stated, “BiH has made significant progress towards approval for Bosnia and Herzegovina for

the export of dairy products to the EU,” and the Action Plan for meeting EU requirements has been rated as satisfactory. Over the last 5.5 years, FARMA provided comprehensive training, assistance, study tours and support to dairy producers in good hygiene practices (GHP) and processors in HACCP. USAID/Sida FARMA and the Czech Development Agency worked together to strengthen the capacity of veterinary laboratories and inspection services in the implementation of the residue monitoring program for products of animal origin. Also, FARMA provided support in the drafting of the Action Plan in response to EU FVO recommendations and new Veterinary Law. During April 2015, FARMA provided support to the BiH State Veterinary Office to hold two three-day workshops to prepare a revised Action Plan and draft of the new BiH Veterinary Law.

Earlier, in January 21-31, 2014, the EU Food and Veterinary Office carried out an audit to evaluate the controls over the production and processing of dairy products intended for export to the EU. As a result, BiH made appropriate updates to the Action Plan designed to meet the requirements for exporting dairy products to the EU.

Earlier, in March 2015, the European Commission Directorate-General informed the BiH State Veterinary Office on the updates to the Action Plan submitted by the competent authorities of Bosnia and Herzegovina in response to EU Food and Veterinary Office audit carried out from 21-31 January 2014 to evaluate the controls over the production and processing of dairy products intended for export to the EU. The letter stated, *inter alia*, “This represents significant progress towards approval of Bosnia and Herzegovina for the export of dairy products to the EU.”

**Strengthening capacity of veterinary laboratories and inspection services**

**Eleven laboratory methods accredited**

USAID/Sida FARMA actively implemented the project “Strengthening capacity of veterinary laboratories and veterinary inspection services for implementation of the National Residues Monitoring Plan (NRMP) in accordance with EU standards” – which was implemented in collaboration with the Czech Development Agency (CzDA). The project trained laboratory and inspection services staff on how to implement NRMP. The aim of the trainings was to prepare laboratories for implementation, validation, and accreditation of the laboratory’s methods. In addition, the project provided additional laboratory materials to targeted laboratories in Sarajevo, Banja Luka and Mostar. In addition, the project conducted the following trainings for BiH veterinary laboratory staff:

Residue analysis of B3c group of substances – arsenic and other heavy metals in different matrices, AAS and sample preparation	Oct. 20-24, 2014	Veterinary Institute of RS Dr Vaso Butozan, Banja Luka	Banja Luka
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<sup>3</sup> <http://europa.ba/?p=32461>

Residue analysis B3a, B3b, B2c group of substances (GC-ECD, LC-MS/MS), sample preparation	Nov. 3 -5, 2014	Veterinary Institute of RS Dr Vaso Butozan, Banja Luka	State Veterinary Institute (SVI), Prague
Residue analysis B2a, B2b group of substances – coccidiostats, benzimidazoles (LC-MS/MS), sample preparation	Nov. 24-26, 2014	Veterinary Faculty, Sarajevo	State Veterinary Institute (SVI), Jihlava and Prague
Residue analysis B3a, B3b, B2c group of substances (GC-ECD, GC-NPD), GPC sample preparation, cleaning	Dec. 8-10, 2014	Federal Agromediterranean Institute, Mostar	Mostar
Training on microbiological methods (listeria, clostridium, staphylococcus, sulfite – reducing bacteria)	Dec. 8-10, 2014	Federal Agromediterranean Institute, Mostar	Mostar
Residue analysis B2a, B2b group of substances – coccidiostats, benzimidazoles (LC-MS/MS), sample preparation	Dec. 15-17, 2014	Veterinary Faculty, Sarajevo	Sarajevo
Food adulteration (fish)	Dec. 15-16, 2014	Veterinary Faculty, Sarajevo	Sarajevo
Analysis of pesticide residues	Jan. 2015	Veterinary Institute of RS Dr Vaso Butozan, Banja Luka	Banja Luka

One of the key project results is accreditation of 11 laboratory methods (another eight methods are in the process of accreditation), enabling a larger number of analyses to be conducted in BiH laboratories. More than 90 veterinary inspectors were trained in the sampling of products under the monitoring plan, according to EU standards. The project activity was closed on 17 February 17, 2015.



On February 17, 2015, representatives of the Embassies of the United States, Sweden, and the Czech Republic in BiH, together with the head of the BiH Veterinary Office, presented the results of implementation of the project for capacity building of veterinary laboratories and inspections in BiH.

## Overcoming constraints for the exports of potatoes to the EU

### Green light for the export of potatoes to the EU

On July 22, 2014, the European Commission adopted a Decision<sup>4</sup> recognizing Bosnia and Herzegovina as free from potato ring rot. With this Decision, the process of allowing BiH to export potatoes to the EU has therefore been completed and producers from the country can now export potatoes to the EU.

Prior to this, at its meeting on 26-27 March 2015, the Standing Committee on Plants, Animals, Food and Feed, the body responsible for food safety, evaluated positively data received from Bosnia and Herzegovina and gave a green light to the European Commission to prepare a regulation declaring Bosnia and Herzegovina free from potato ring rot.

This success is a result of hard work of the BiH Plant Health Administration and other competent institutions, with continuous and comprehensive support provided by FARMA. The result is particularly striking considering that the monitoring program for quarantine pests of potatoes was the first monitoring program implemented in plant health at the state level in BiH. Successful implementation of the monitoring program required system-level improvements — in monitoring plan design and management, the work of phytosanitary inspectors, as well as phytodiagnostic laboratories.



During the reporting period, in line with FARMA's objective to help overcome constraints in exporting potatoes to the EU, the BiH Plant Health Administration and FARMA organized a two-day workshop on implementing the National Monitoring Program for Quarantine Pests of Potato in Teslic, on 17-18 December 2014. Entity inspectorates, members from the ministries of agriculture, and nominated institutes that conducted phytodiagnostic tests on potatoes attended the workshop.

The project, in conjunction with the BiH Plant Health Administration, used recommendations from the final EU FVO report to organize the workshop. The EU FVO report, which was completed in March 2014, evaluated the plant health situation and official potato controls for potential export to the EU. The workshop was focused on improvements in the methodology of sampling and an update of the situation, control measures taken and the results of the surveys for the latest production season and the finalization of the 2014 report on the monitoring of quarantine pests of potatoes in BiH. The report was finalized during the workshop and was submitted to FVO so they could make a decision on lifting the prohibition of BiH potato exports to the EU.

## Institutional support for certification and control of plant materials

Between October 20-24, 2014, FARMA, the Czech Central Institute for Supervising and Testing in Agriculture (CISTA), the Plant Health Administration of BiH, and the Czech Development Agency (CzDA) organized a study tour to the Czech Republic as part of the project activity "Institutional support for certification and official control in area of plant materials." Participants of this study tour included the top management of BiH institutions responsible for the control of plant materials, i.e. the BiH Plant Health Administration, chief

<sup>4</sup> <http://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=uriserv:OJ.L .2015.194.01.0042.01.ENG>

agriculture inspectors from both entities, the Directors of Agriculture Institutes from Banja Luka, Sarajevo, and Mostar and the Assistant Minister from the RS Ministry of Agriculture. The main purpose of this visit was to learn how the Czech Republic established a system of official control and certification of plant materials aligned with the EU acquis, with an added focus on issues related to the establishment of the National Variety List. Participants had the opportunity to visit the Ministry of Agriculture of the Czech Republic, CISTA in Brno, Research and Breeding Station in Holovousy, and nurseries. The participants learned about the organization of the plant health control system, the national variety list, and production and maintenance of certified plant materials.

The Central Institute for Control and Testing in Agriculture of the Czech Republic and FARMA held a workshop on "Control and certification of planting material in accordance with the requirements of the European Union." Workshops were held on February 16 and February 18, 2015 in Laktasi and Sarajevo, respectively. The workshops were attended by producers of planting material and relevant institutions – a total of 58 participants. Participants were introduced to the following: public administration and legal background in the process of certification of agricultural plants; the performance of official controls in the field of plant production in the Czech Republic; and producer associations in the Czech Republic and their relationship with the Czech state administration.

FARMA also organized the project activity steering committee meeting with representatives of entity ministries, inspectorates, and the BiH Plant Health Administration (PHA) to present activities and successes during the previous period, as well as, to discuss the obstacles for the establishment of the National Variety List in BiH. Representative of the EU FITO, an EC project were also present at the meeting. Activities and implementation timelines were established for the next six months.

FARMA staff also attended a roundtable titled "Seed and Nursery Production in BiH – Situation, Perspectives, and Challenges," which was held on March 3, 2015 in Bijeljina. During the roundtable, topics discussed included, but were not limited to, the formation of a Joint Committee for Varieties, the Draft Book of Rules and Procedures that would enable this committee to function, and the establishment of Committee for Varieties of RS. This indicated that the professionals in the RS had, in general, contrarian views on the establishment of systems and procedures compared to the established legal framework at the BiH state level.

Three workshops for phytosanitary inspectors were held in Capljina, Srebrenik, and Modrica.

Another study visit to the Czech Republic was organized in late-June/early-July 2015 for 13 participants from Bosnia and Herzegovina, including representatives of the Inspectorate of Republic of Srpska, Federation BiH, and Brcko District, and representatives of the BiH Plant Health Administration. The training was held by experts in the field of production and control of plant material from the Czech Republic and included site visits. This was a practical training for inspectors of nurseries and included site visits. Czech experts presented the process of production by species, varieties, production method, inspection, sampling, and submission of samples of planting materials for analysis, as well as, the issuance of plant passports, to obtain a clear picture of the production and control of plant material and provide guidance for the production and control of plant materials in Bosnia and Herzegovina.



**Training of BiH phytosanitary inspectors in the Czech Republic**

In addition to technical assistance, equipment for printing labels for seed and seedlings for agricultural plants was provided to the Agriculture Institutes in Banja Luka and Sarajevo – two institutions that have been authorized by respective Ministries of Agriculture to issue such labels. The Agriculture Institute in Banja Luka was also supported in the procurement of pertinent equipment and materials that would assist in the flood recovery and reinstate the Institute's important function in the research and production of certified seeds. Assistance was also provided to the Agriculture Faculty in Banja Luka and Sarajevo to improve research and testing. New berry varieties and production technologies are being researched and tested at the Agriculture Faculty, University of Sarajevo berry demonstration plot. New production technologies have been shown to improve yields for berry growers by 30 to 50 percent. Three nurseries, two of which were flood affected, were provided with material assistance to improve production of plant propagation materials in accordance to EU standards.

The ISCCPM steering committee meeting was held in June to discuss progress of the activity post FARMA. CISTA and CzDA plan to continue activities in this area into 2018, with immediate activities being:

- Seminar on registration of suppliers and training in nurseries on the topic: Isolation and the parent plants in BiH, which will be held in August, 2015
- Training in nurseries in BiH, September, 2015
- Site visits, assessing the current situation and laboratory infrastructure in BiH, September-October, 2015
- Drafting of the methodology for official control and inspection in nurseries for the official supervision for both entities; first draft will be produced by the end of 2015
- Seminar on EU legislation and existing legislation in BiH in November, 2015
- Seminar on DUS (Distinctness, Uniformity, and Stability) and VCU (Value for Cultivation and Use) testing and registration of varieties in the National List of Varieties, planned for November

## Other activities

FARMA also implemented the following activities:

- Drafted a brochure on organic production and certification
- Moderated the event “Raising milk production through nutrition and high quality US genetics” organized by USDA, USAID/Sida FARMA, and the RS Chamber of Commerce.
- Supported the participation of a BiH representative at the Euro-Mediterranean Plant Protection Organization (EPPO) Panel “Phytosanitary measures for potatoes,” which was held in Germany in May 2015, whereby the panel discussed new standards, quarantine pests, and control measures
- Participated in the round-tables held in Sarajevo and Banja Luka as preparatory events for the “BiH Rural Parliament,” and participated at the “First Rural Parliament” organized by ACED, UG “Nesto Vise”, and Ruralna mreza BiH
- Facilitated presentation “The US food safety modernization act and its implications for suppliers to the US market” organized by USDA, BiH Food Safety Agency, and the BiH Foreign Trade Chamber
- Provided information on flood relief and recovery efforts to the Entity Ministries of Agriculture
- Conducted a review of veterinary inspection facilities constructed on the BiH border, whose construction was funded by the Governments of Sweden and Cyprus through the project “Construction of Standardized Facilities for the Purposes of the Border Veterinary Inspection of Bosnia and Herzegovina;” FARMA reviewed all six constructed facilities at the border with Croatia (Croatia (Izačić, Gradiška, Orašje, Gorica and Bijača) and Montenegro (Klobuk) and concluded that the facilities have been constructed in accordance to EU standards (some facilities had to make small adjustments, which were undertaken during the review process) with all requisites met for examination of live animals and products of animal origin, as well as, facilities for examination of consignments which are not for human consumption

## **ASSISTING POs TO IMPLEMENT STANDARDS**

This year, FARMA continued helping local POs become more competitive and increase their opportunities to access international markets by assisting them to implement and adhere to international standards and food safety systems. In Year 5, FARMA awarded grants to nine POs for the introduction of international standards. VIP Krajine from Banja Luka and Dars Voće from Derventa attained HACCP and GLOBALG.A.P. certificates, respectively. FARMA also supported participation for three BiH POs to attend the Capacity Building Training for Internal Auditors for quality and food safety management system according to the requirements of the international standard ISO 22000:2005. The training was organized by the USAID Regional Economic Growth (REG) Project in Belgrade.

## **ENVIRONMENTAL COMPLIANCE**

USAID/Sida FARMA continually monitored USAID environmental regulations, namely the IEE, PEA, and PERSUAP pertaining to FARMA activities. Since project inception, FARMA has reviewed grant applications to determine the adverse impact on the environment, in accordance to procedures set forth in the PEA. FARMA Environmental Specialists completed environmental checklists (Annex 3 of the PEA) and assigned a screening determination. A large number of site visits to POs that were recipients of PDF Grants were conducted to document environmental compliance.

As per the PEA, categorical exclusion was assigned for the same types of activities as in the FARMA IEE: education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.) [22 CFR 216.2(c)(2)(i)]. Analyses, studies, academic or research workshops and meetings were also classified as categorical excluded.

A negative determination with conditions was assigned to activities involving physical interventions covered in the PEA, including installation of cooling chambers, drying kilns, and greenhouse construction, for which an Environmental Mitigation and Monitoring Plan (EMMP) has been proposed in the PEA. As physical locations of the potential beneficiary were unknown at the time of the PEA preparation, site-specific assessment, incorporating EDD and PPA, was also conducted using the template in Annex 5 of the PEA. A negative determination with conditions was assigned for activities involving the use or procurement of pesticides provided the activity abides by the FARMA PERSUAP.

Activities not falling under any of the above categories, was deemed 'unclassified' and was further assessed through an environmental review process (Annex 4), which is more detailed than the screening process, and upon which, it may be determined that additional EAs are necessary.

In flood relief and recovery, considering the fact that the nature of this assistance was disaster relief and that all assistance was in the provision of similar goods (namely animal feed, planting materials, greenhouses), FARMA conducted a review of a sample of grant recipients. FARMA conducted site visits of 27 grantee POs (representing more than a third of all grantees) as well as approximately 100 farmers to document environmental compliance. Based on these site visits, FARMA determined that issues associated with FARMA assistance are common across grantees in targeted sectors, hence close-out reports have been prepared based on the information collected from a sample of grantees and farmers. FARMA provided grantees with information related to Good Agricultural Practices. As the project is in close-out phase, there are no further opportunities to provide assistance to improve environmental performance within project lifetime.

FARMA staff joined the USAID Bureau Environmental Officer (BEO) while they conducted site visits to four FARMA project beneficiaries, namely Plant Tuzla, Kiko Bijeljina, Balatunka Balatun and Farm Sanel Odžak. The FARMA staff also joined the BEO to a visit and presentation of the Project titled "Increasing awareness on the importance of pollination and proper application of pesticides in orchards, in order to protect bees and increase yield" that FARMA implemented in cooperation with Košnica from Gradiška. The BEO was satisfied with environmental compliance procedures.

# ACCESS TO FINANCE

*The primary objectives of activities in this cross-cutting component include: (1) increasing the ability of POs to obtain new financing from commercial institutions; (2) increasing the ability of POs to attract new foreign investments; (3) disseminating information on available financial products for agriculture; and (4) preparing local POs to access EU pre- and post-accession agriculture and rural development funds.*

## ANNUAL HIGHLIGHTS

– Three new DCA loans were approved in agriculture, valued at 186, 567 KM in total.

## INCREASING THE ABILITY OF POs TO OBTAIN NEW FINANCING FROM COMMERCIAL INSTITUTIONS

Three new DCA loans were approved in agriculture, valued at 186, 567 KM in total:

PO Name	Value in KM	Value in USD	Purpose
Prirodno bilje	30,000	18,657	Working capital
PIP BiH	200,000	124,378	Working capital
Baso	70,000	43,532	Working capital
<b>Total</b>	<b>300,000</b>	<b>186,567</b>	

## DCA ADMINISTRATION

Due to flood relief and recovery efforts, USAID/Sida FARMA has focused its access to finance activities exclusively on DCA administration. DCA administration was transferred to USAID funded Growth Oriented Local Development (GOLD) activity in May 2015. The below summary related to the last reporting on DCA Administration.

- Raiffeisen and Sberbank updated Financial Information spreadsheets for 2014 for all active DCA loans. Spreadsheets were sent to USAID BiH and USAID Washington.
- Followed-up on Interwork loan with Sberbank – Mrs. Nermina Alic of Sberbank reported that the Bank restructured the loan in order to keep it current; high exposure of KM 3.2 mill need close monitoring; we will contact the Bank on monthly basis.
- Produced analysis of 2014 annual financial information of DCA companies with Raiffeisen and Sberbank comparing to 2013; the analysis sent to USAID.
- Visited UniCredit office in Sarajevo together with Mrs. Amira Ramhorst of USAID to discuss utilization of DCA Guarantee.
- Visited Raiffeisen office in Sarajevo together with Mrs. Amira Ramhorst of USAID to discuss utilization of DCA Guarantee.
- The Quarterly DCA Checklist Form (January - March 2015) on the DCA Portfolio Environmental Changes and Environmental Policy Changes for UniCredit dated April 17, 2015 was completed and filed. The Bank reported that there were no changes related to both environmental issues and environmental policy changes.
- UniCredit submitted Late Payment Report for January – March 2015. Eight non-performing loans were reported with outstanding value of 339,615 KM (six loans have been delinquent more than two years, one has been delinquent for 87 days, and the last was delinquent for one day but the client has since paid the balance).

- UniCredit submitted its 2014 Annual Report, which was sent to USAID/Washington and USAID/BiH.
- All three BiH DCA loan portfolio guarantee partner banks (Raiffeisen Bank BiH, Sberbank BH and UniCredit Bank), submitted semi-annual Loan Schedule Reports (October 1, 2014 – March 31, 2015 period) through the USAID Credit Management System (CMS) database.
- Assisted to DCA bank loan officers in solving dilemmas regarding DCA guarantee for following cases:
  - Qualifying borrower (sector, ownership),
  - Corrected CMS fields (business sector, collateral value);
  - Reached an agreement with DCA banks regarding collateral value of promissory notes taken to secure DCA loans;
- New DCA loans administrated:
  - **LELIĆ-KOMERC doo** in Velika Kladusa, received one-year loan of 50,000 KM (27,487.63 \$) for financing working capital (wood cutting and transportation). Date of placement under coverage April 2, 2015. This is the third DCA guarantee, so the number of employees will not be counted, no new employees expected.

# DEVELOPMENT FUND

*The Development (Grant) Fund (DF) Manual is designed to comply with the European Commission Grant Award Processes and future IPARD funding requirements to the extent feasible. Although there are differences in general funding structures, the FARMA DF fund is similar to IPARD's basic management rules and eligibility criteria. The FARMA DF objective, structure and characteristics reflect key IPARD principles.*

## GRANTS

During the sixth year, the project continued to disburse grants solicited through the Requests for Applications published in 2013.

A total of 9 grants financed from the Development Fund (excluding that for flood relief and recovery) with a value of BAM 205,813.86 disbursed during the year. Majority of these grants were used in procurement of new and essential equipment for agricultural production or processing.

In addition, FARMA has approved and disbursed 69 grants since September 1, 2014, which in addition to 6 grants approved prior to September 1, 2014 is 75 flood relief and recovery grants. These grants provided assistance to flood affected farmers from 23 municipalities heavily hit by flooding. These farmers are from livestock, fruit and vegetable and MAP sectors who lost animal feed both planted and stored, green houses and apiaries during the floods. With these 75 grants valued at over 3.6 million KM, FARMA helped sustain 6764 full time and 2,866 seasonal jobs on 3,079 farms.

### Summary of flood relief and recovery grants

#### Approved Grants per Target Sector

Sector	Number of Grants	Value in KM	Ratio Value KM
Fruit and vegetables	14	814,285	23%
Dairy, Livestock, Poultry	44	2,267,616	63%
MAP & Honey	4	174,751	5%
All sectors	7	274,520	8%
Veterinary Stations	6	80,489	2%
<b>Total</b>	<b>75</b>	<b>3,611,662</b>	<b>100%</b>

Overall, as of the end of July 2015, 3.6 million KM (US\$ 2.26 million) in grant funds available for flood relief and recovery efforts were fully disbursed. Total awardees' contribution amounted to around 5 million KM (roughly 1.4 KM on each 1 KM in grants).

#### Geographic Coverage for Flood Relief and Recovery Grants

Entity	Number of Grants	Value in KM	Ratio Value KM
FBiH	33	1,720,616	48%
RS	38	1,718,585	48%
Brcko District	3	121,321	3%

<b>Both entities</b>	1	51,141	1%
<b>Total</b>	75	<b>3,611,662</b>	100%

At the end of the sixth project year, all approved development and flood relief and recovery grants were disbursed. The effects of the grants program are highlighted under the sections describing individual sectors. Grants monitoring was an ongoing activity, and the project continued to report on impacts of grants as sales data became available. Also, during this period all grants were closed.

## **SUBCONTRACTS**

In the sixth year, the project continued to disburse subcontract funds upon completion of specific deliverables to support different activities that produced an output or products that fit into the larger scheme of the project. FARMA completed the last eight subcontracts and disbursed 118,838 KM during the past period. FARMA closed all subcontracts during this project year.

# MARKETING SUPPORT

## QUARTERLY HIGHLIGHTS

- Bosnia and Herzegovina had a national stand at the Natural Products Scandinavia fair in Sweden (6 POs exhibited). A MAP & honey catalogue of 29 major exporters was prepared and distributed at the fair.
- The workshop on “Facebook marketing – secrets for small businesses” was delivered in Sarajevo to 20 POs from around the country.
- Vlasicki, Prozorski and Livanjski cheese received gold medals at Kaesiade show in Austria. This was widely promoted through PR to local media.
- Held a successful FARMA Close-out event in June 2015
- Finalized “FARMA-toolbox”

Given the strong connection with promotion and marketing across FARMA activities, a marketing component was integrated into the project’s sectoral work. Below is a list of the major marketing activities completed during the period, which are also covered under each sectoral sections:

- In partnership with the BiH Foreign Trade Chamber / BiH Export Promotion Agency, six POs presented their offer at the Natural Products Scandinavia fair in Malmo, Sweden, October 26-27, 2014. A total of about 60 contacts were established. The activity was co-funded via a FARMA grant to the BiH Foreign Trade Chamber. A catalogue promoting 29 exporters (MAP & honey sector) was updated and printed for this occasion and distributed at the stand.



- Following the Natural Products Scandinavia fair last year, a Norwegian distributor was introduced to Faveda, Sarajevo regarding possible sales of MAP products in Norway. This could result in a business relationship between the Norwegian distributor and Faveda.

A meeting was held with the Japanese company Hvala Inc. to identify possible suppliers of MAP and honey from BiH, and the company received a copy of the FARMA-produced catalogue and proposals from suitable partners from the MAP and honey sector. It is very likely that Faveda will begin exporting products to Japan.



- FARMA supported the BiH Association of Cheese Producers in developing a press release to showcase the three gold medals that BiH received for its cheeses in Austria (Kaesiade), in early November.
- A marketing presentation on berry market challenges was delivered to about 40 extension advisors during a conference in Sarajevo organized in mid-November by Swiss Caritas, supported by GIZ.
- Certificates were awarded to 40 women who completed the beekeeping school program under a FARMA-supported subcontract. This activity was implemented through Women for Women International, Sarajevo and the award ceremony was held in Ahmici.
- Graphic design support was provided to six POs including Frutti Funghi Visoko, Fondacija “Snaga volje” Sarajevo, Organic beekeeping “Halilovic” Sarajevo, Park prirode “Blidinje”, TerraSana from Sanski Most and Association of beekeepers “Kesten” from Cazin.
- Four POs (BiH Cheese Association, AlmaDerm, Neven and Organsko pcelarstvo Halilovic) were supported in their exhibition at the Diplomatic Holiday Bazaar in early December.
- Beekeeping store “Snaga volje” Sarajevo (selling beehives made by disabled people) was started by the Foundation
- PR support was provided to Zepce and Doboju Jug municipalities, recipients of FARMA flood grants, ensuring the maximum visibility of donor funds in the field.

On October 15, 2014, a one-day workshop was held in Sarajevo on social media marketing, aiming to help small businesses better use Facebook for promotional purposes. Twenty POs attended. This activity was implemented through ECOS (Institute for Education under BiH Foreign Trade Chamber) under a FARMA grant.



# POST-FLOOD RELIEF AND RECOVERY RESPONSE

## CONTEXT

During mid to late May 2014, Bosnia and Herzegovina (BiH) experienced severe floods, which were caused by the heaviest rainfall in 120 years of recorded weather measurements. Thousands of people were forced from their homes.



Areas not directly affected by the flood waters were severely damaged by the land slides. Željezno polje, a small community in Central Bosnia, was severely damaged. As we can see from this areal image, the entire side of a hill collapsed, destroying roads, infrastructure and land. (credits: Klix.ba)

Based on the geography and topography, the types of floods can be divided into: i) Gradual inundation in plains along rivers, ii) Flash floods with devastating impact on agricultural resources, as water flows passed through the fields, and iii) Pluvial floods, as water accumulated on site into water ponds that eventually fed into rivers or seeped into groundwater. The unprecedented level of the Sava and Drina rivers prevented drainage of their tributaries, which flooded the surrounding areas. At the height of the disaster, in some areas flood defences collapsed and in others, the water overflowed the embankments.

Gradual inundation, while typically less destructive in nature, accounts for a much larger percentage of the flooded areas than other types of flooding, affecting a significant number of households residing in the plains. In most cases the water level peaked in two to eight hours. The affected population had sufficient time to protect their most valuable assets, although there were few locations with sufficient elevation to evacuate safely.

On the other hand, flash floods that have affected limited areas were far more destructive. Flash floods left little time to react and protect valuables, as affected people mainly aimed to save themselves. Some areas were also affected by landslides subsequent to the soil saturation. While the overall area affected by flash flooding is relatively small in surface, the impact on affected individual households that have lost homes and livelihoods is extremely high.

The devastating floods have severely affected agricultural producers particularly in the north-eastern, east, central and northern part of Bosnia and Herzegovina. Floodwaters caused over 2,000 landslides across BiH, spreading damage across many towns and villages. The UN Food and Agriculture Organization (FAO), which led the preparation of the flood impact assessment on the agricultural sector, established the preliminary damage estimate at approximately BAM 200 million.

A total of 30 municipalities in the Republic of Srpska and a total of 22 municipalities in the Federation of Bosnia and Herzegovina were affected. About 70,000 hectares of land were flooded causing significant damage to agricultural crops – particularly cereals and vegetables. On average, the flooded area represents 17 percent of the total planted area in the affected municipalities/cantons. In addition, some agricultural service providers have been flooded, including the Agricultural Extension Service (PSS) Doboј, the Agriculture Institute in Banja Luka, and some veterinary services, which impedes their action in the field.



**Clean-up of dead animal carcasses at Borojević farm in Šamac. About 480 dairy cows were lost in a matter of couple of hours, a loss exceeding BAM 1.4 million. (credits: AP)**

Most of the damages are being absorbed by a relatively small number of rural residents who have suffered significant setbacks. The damages presented here do not take into consideration damages to the infrastructure and assets not linked to agriculture (houses, furniture, vehicles etc.). The breakdown of damages, according to the FAO, is summarized in the table below:

<b>Entities</b>	<b>Damages (BAM)</b>	<b>% of Total</b>
FBiH	91.737.807,79	44.94
RS	105.553.178,30	51.71
Brcko	6.804.832,10	3.35
<b>Total BiH</b>	<b>204.095.818,19</b>	<b>100</b>

The most affected sub-sector is the crops sector. Details per type of productive sub-sector are given in the table below:

<b>Crop</b>	<b>Lost Total (Ha)</b>	<b>Unit value(BAM/Ha)</b>	<b>Total (BAM)</b>
Cereals	17 018	2 022	34 415 078
Maize	36 853	1 980	72 974 530
Vegetables	5 180	9 637	49 917 126
Fodder	7 754	256	1 984 138
Soya	1 550	1 146	1 777 215
Orchards	763	23 130	17 647 850
Berries	66	37 939	2 503 950
<b>Total</b>			<b>181 219 888</b>

The second most affected sector is the livestock sector as shown in the table below:

<b>Livestock</b>	<b>Number</b>	<b>Value (BAM/head)</b>	<b>Total (BAM)</b>
Cattle	954	3,000	2,862,000
Poultry	219,298	10	2,192,980
Pigs	8,127	200	1,625,400
Beehives	3,678	170	625,260
Small Ruminants	1,852	200	370,400
Equids	15	1,600	24,000
Rabbits	264	20	5,280
<b>Total</b>			<b>7,705,320</b>

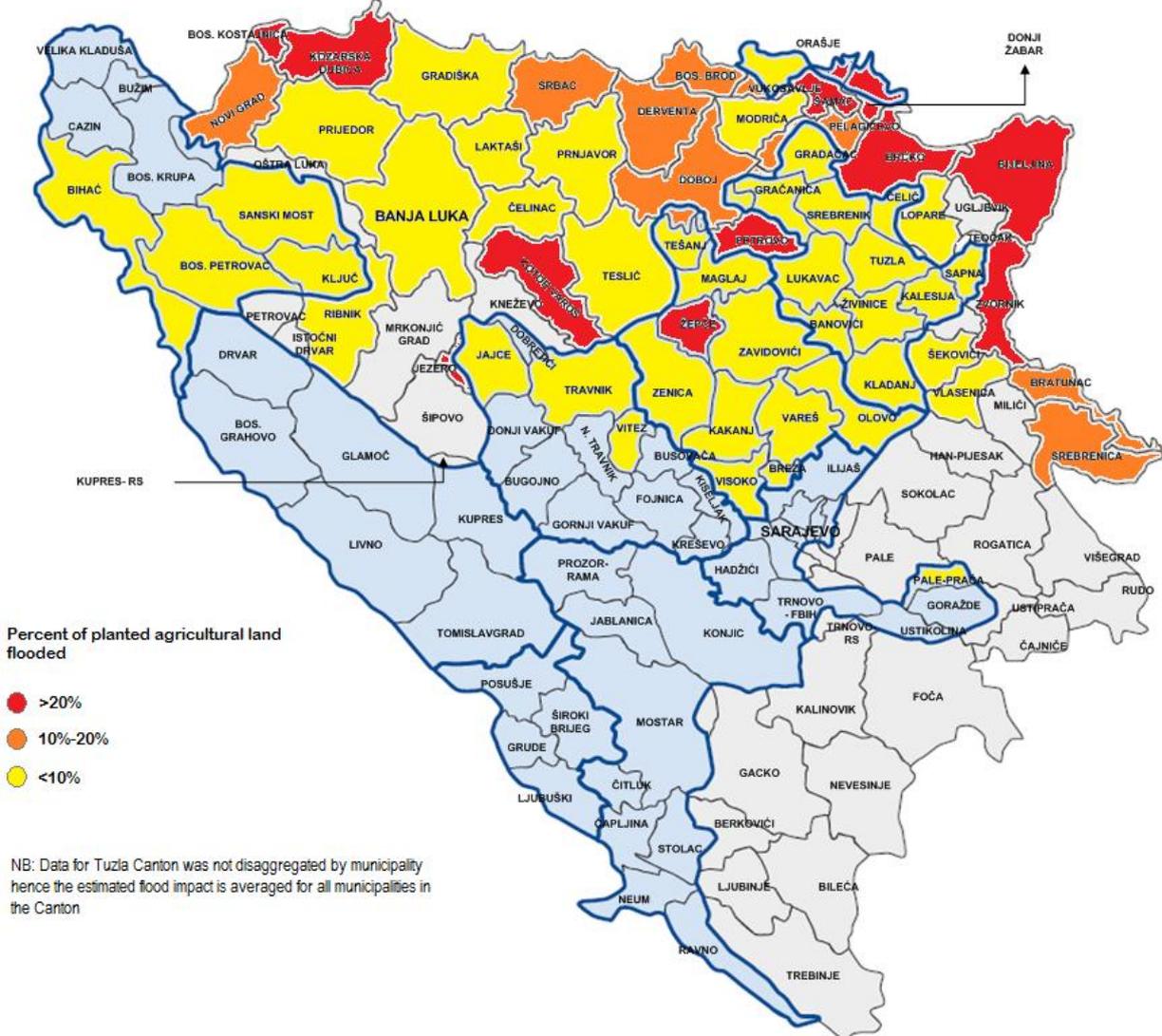
The most affected areas, in terms of the percentage of planted agricultural land flooded, are presented in the map (next page).

The floods occurred at a very critical time in the agricultural calendar: one month before the harvest of cereals and after the maize planting. Farmers producing under greenhouses had already transplanted vegetables. Loss of agricultural perishables such as agricultural inputs e.g. stored animal feed, fertilizers, manure and plant protection is evident. Agricultural inputs which came in contact with the flood waters were washed away, contaminated, and rendered useless. Most affected are hay and silage in areas which were submerged for more than 24 hours. Significant quantities of agricultural equipment were also affected.

All items which the inhabitants were unable to move to higher ground were inundated. In some areas there has been damage to agricultural machinery and equipment and in certain cases some equipment including tractors, various attachments, and sprayers were lost.

Much of the equipment will have to be recovered, cleaned, and restored. Animal pens were rendered unusable for the duration of the inundation, as well as for the duration of the cleanup effort, due to the residual moisture in the walls and contamination. In some cases greenhouses were swept away by passing water flows and flash floods.

The effects of the inundation on agricultural production largely depended on the type of flood waters and the retention time. In areas where the water receded within 24 hours, damages to crops were reflected in reduced yields from direct inundation and follow-up fungal and bacterial diseases. In areas where the water stayed for 24 – 48 hours, most annual crops were completely lost. In areas where the water remained for more than two days at levels varying between 0.5 and 8 meters there was complete loss of annual crops and in some cases orchards. Losses of animals were relatively limited, affecting mainly small and enclosed animals and incidentally cattle.



**Figure: Most affected areas (percentage of planted agricultural land flooded)**

Animals have been evacuated to collective centres. Others have been evacuated to neighbours and relatives. Losses of cattle are very limited (below 1 percent) in the affected municipalities. Losses of pigs, small ruminants and in particular poultry in all affected municipalities are also limited, although the effect is concentrated in certain villages where a high level of losses was recorded (up to 80 percent of the poultry). The effect of floods on the

poultry industry is somewhat higher than other sectors as the losses are proportionally higher. The hatchery in Dobož faced significant losses that will slow down the industry recovery.

Stress in animals, followed by health issues such as mastitis, diarrhoea, and pneumonia etc., has immediately but temporarily disrupted their productivity. Overall, the agricultural sector in the affected areas is expected to stagnate as farmers will tend to repair and rebuild rather than develop. A map of FARMA-assisted beneficiaries in affected regions can be found [here](#).

As stated by the FAO, an adequate response to floods must not only meet urgent recovery needs, but also address underlying vulnerabilities. Farmers affected by floods need to be supported in order to facilitate a quicker recovery, re-establish their normal livelihoods, and enhance their resilience to future shocks. A Recovery Plan must be based on immediate response to address urgent needs to maintain and restore the productivity in the sector and income of the affected population. Lost assets such as storage facilities (barns, silos, cold storage, etc.), farm buildings (stables, animal pens, etc.) and lost equipment will have to be rehabilitated, improved and restored. Similarly, damaged farm roads will have to be repaired and improved to reduce production and marketing costs. Within the crops sector, in the short-term, priority should be given to restoration of the production capacity in cereals (wheat, maize, barley, triticale) and fodder crops, and horticulture.

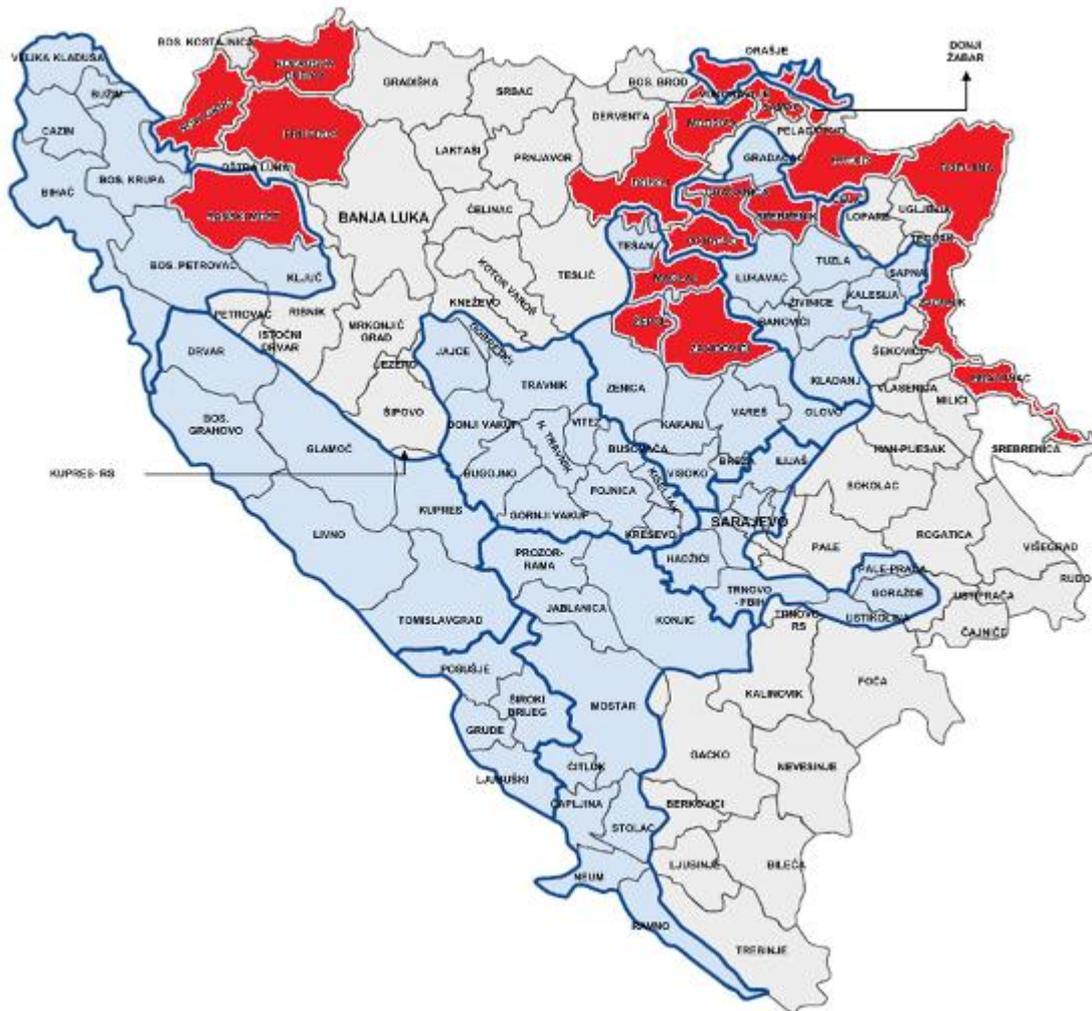


**Photo: People being evacuated from affected areas by any available means (credits: Dado Ruvic/Reuters)**

Revitalization and re-plantation of orchards will also be essential, although at least 2 -3 years will be necessary to recover to pre-disaster production capacity levels. For cattle, small ruminants, and pigs, the strategy for recovery should aim at maintaining the existing stock until the resumption of production and availability of fodder. The FAO has estimated that the overall recovery and reconstruction cost is approximately BAM 88.9 Million, of which 43 percent (BAM 38.3 million) is for the immediate response and early recovery needs.

## FARMA ACTIVITIES IN RESPONSE TO FLOODS AND MITIGATION OF DAMAGES

FARMA invited interested Producer Organizations (POs) to apply for funding for flood relief and recovery. The goal of this assistance was to help restore the production and income of the most affected farmers, and reconnect rural communities and markets. The Flood relief and recovery fund was intended to assist producers in the following municipalities: Bijeljina, Bratunac, Brčko, Čelić, Doboj, Doboj Istok, Doboj Jug, Domaljevac, Donji Žabar, Gračanica, Kozarska Dubica, Maglaj, Modriča, Novi Grad, Odžak, Orašje, Petrovo, Prijedor, Šamac, Sanski Most, Srebrenik, Vukosavlje, Zavidovići, Zvornik, and Žepče.



FARMA aimed to support producer organizations that will help farmers recover their production and sustain employment and income. Examples of such grants included: purchase and installation of greenhouse and irrigation systems, animal feed concentrates, agricultural tools, hatching eggs, cages and chicken feeding equipment, and beehives lost in floods; replanting of forage crops for animal feed, berry orchards and other plantations.

# 3,079

**No. of farms  
assisted**

Between July 2014, and May 2015, the project approved 75 grants, valued at more than 3.6 million KM, to assist 3,079 farms affected by the floods in 23 municipalities: Bijeljina, Bratunac, Brčko, Čelić, Doboj, Doboj Istok, Doboj Jug, Domaljevac, Gračanica, Maglaj, Modriča, Novi Grad, Odžak, Orašje, Petrovo, Prijedor, Sanski Most, Samac, Srebrenik,

Vukosavlje, Zavidovici, Zvornik, and Zepce. Most of the assistance was in the provision of animal feed concentrates, forage seeds, greenhouses and irrigation systems, while some of the assistance was also directed towards improving the provision of agricultural and veterinary services.

Disbursement of goods, as stipulated in grant agreement has been a layered process, which took several days or even months. This was particularly an issue in the delivery of goods for fruit and vegetable and dairy and livestock producers as some materials had to be delivered in separate periods due to the large quantities and type of goods. This meant that FARMA staff have had to conduct multiple site visits just for the disbursement of goods and then conduct subsequent visits in monitoring to ensure that goods are used as intended and to collect documentable evidence of cost share.

In addition to grants, FARMA staff provided training and technical assistance in flood relief and recovery. For instance, FARMA prepared materials on “Disinfection of barns and barn equipment for flooded areas” in cooperation with the Ministry of RS and FBiH Veterinary Chambers.



**Distribution of animal feed concentrate to dairy farmers in Bratunac (Srebrenica region)**

“During the period of floods, almost 100 dunums (10 ha) of maize, wheat and clover, were flooded a number of times. Clover was completely destroyed; 60 percent of wheat was destroyed; and I had to replant maize twice. Without the help of the donors, I would have to shut down my farm on which I have 15 cows.”

Osmo Ibrić, farmer  
Špionica village, near Srebrenik

“This is the first assistance I received and I have not received any other help since the floods. The help means a lot to me because I will be able to feed the livestock with the feed concentrate that I received, and the seed that I received will be planted in autumn so that I have animal feed during spring. Without this help, I would have been unable to feed the livestock.”

Ms. Suvada Avdic, dairy farmer

Assistance was also provided to the Agricultural Extension Services in Doboj, whose facilities were also flooded. FARMA supported the purchase of computer equipment. This is important assistance, not only for the agricultural extension service, but also for the more than 5,000 farmers who use this advisory service, and who have themselves suffered enormous damage caused by the recent floods. Charge d’Affaires of the U.S. Embassy, Mr. Nicholas Hill, formally donated new equipment to Agricultural Extension Services in Doboj, while touring the facility with the Mayor of Doboj Mr. Obren Petrovic.

In addition, USAID/Sida FARMA awarded 6 grants valued at nearly 80,500 KM to veterinary stations to help reinstate veterinary services to agricultural producers. Assistance was

provided to the following veterinary stations: Veterinary stations/Veterinarska stanica Doboj, Modrica, and Samac; Gallus in Orasje, and Nutritio and Teolab in Bijeljina.

# GENDER EQUALITY

*This section of the report does not report new or additional information from that provided in the body of the FARMA Annual Report. Rather, this section aggregates those elements from the rest of the FARMA Annual Report that specifically relate to the topic of project's activities in the domain of gender and minority equality.*

Two “Schools for the cultivation of medicinal herbs for women from Bosnia and Herzegovina” programs were completed this quarter. The goal of the program was to provide theoretical and practical training for at least 200 women from rural areas in the cultivation of medicinal and aromatic plants. This program was implemented by the NGO ACED (Banja Luka) Women for Women International (Sarajevo), and it covered the rural areas of of Prijedor, Gradiška, Kozarska Dubica, Srbac, Prnjavor, Drinić, Vojkovići, Teslić, Doboј – Jug and Zavidovići municipalities. Despite significant difficulties due to this year's flood destruction, demonstration plots were established. In some localities, seeds and seedlings were destroyed but project implementers were able to provide new ones in order to continue with implementation in all planned locations. After successful completion of the program, the participants were connected with markets for their products, thus generating income for themselves and their families.

Implementation of the project “Support to the creation of women entrepreneurship in rural areas through MAP cultivation and processing II” was also been completed in this reporting period. Significant losses on parcels, seeds, and seedlings were observed due to this year's floods, and as a result, high turnover was experienced on this activity. This all contributed to lower than expected results e.g. instead of initially planned 10 ha, only 4.7 ha were cultivated. Although the bad weather conditions influenced the yield of MAPs, there are also some positive examples.

A woman producer Tamara Filipovic from Laktasi, who planted basil on 0.2 ha, sold 134,34 kg in the first harvest, which is excellent, considering the harsh weather conditions. ACED arranged procurement of 1100 kg of dried basil and 100 kg of dried marigold valuing 3,800 KM. It is unfortunate that the bad weather conditions after the floods, with almost no sunshine and too much water, prevented the third harvest of the season. Additional problem were experienced in plant disease due to excess water on some land plots.



Implementation of the project “Support to creation of women entrepreneurship in rural areas through beekeeping combined with MAPs cultivation” involving 40 women, was also been successfully completed this quarter. Women continued to cultivate MAPs, plant da variety plants on 6.5 ha and also produce honey through three bee hives provided by the project. Even though there were difficulties with adverse seasonal weather and floods, this project was successfully completed in all project municipalities (Doboј, Tesanj, Vitez, and Jablanica); beehives were placed in a few locations and women are very interested to learn beekeeping. Through this subcontract, intensive practical and theoretical trainings were provided to women. As this year was the first year in beekeeping, it was not expected that women would have any income from honey (they need to prepare bees for winter). However, next year it is expected that each woman will earn approximately 1,000 KM in income from their hives. In addition, participating women earned between 500 and 1,200 KM/ dunum from MAP cultivation, depending on the plant cultivated.

# ANNUAL INDICATOR UPDATE

FARMA PERFORMANCE MONITORING TABLE		YEARLY TARGET (YEAR 5½)*	LOP TARGET (Years 1-5 ½)	Year 1 Actuals		Year 2 Actuals		Year 3 Actuals		Year 4 Actuals		Year 5 Actuals		Year 5½ (Half of Year 6)		LoP Total**		Accomplishment rate (actual results vs. target)	
				2010-2009		2011-2010		2012-2011		2013-2012		2014-2013						LOP (Years 1-5 ½*)	
<b>PROJECT OBJECTIVE</b>																			
1	Percent change in sales of participating producer organizations	15%	65%	T:[1]:16%	F:4%	T:10%	F:16%	T:14%	F:11%	T: 11%	F:- 15%	T: -1%	F: 10%	n/a	n/a	T:52%	F:26%	80%	
2	Change in employment in participating producer organizations	10%	45%	T:11%	F:11%	T:8%	F:-13%	T:-6%	F:-8%	T: 12%	F:- 8%	T: -2%	F:2%	n/a	n/a	T:3%	F:-13%	7%	
3	Number of new products eligible to enter EU markets	2	6	0		3		0		1		0		2 [3]		6		100%	
4	Return on investment	+2:1	10.8 to 1	2 to 1		4 to 1		2 to 1		5 to 1		4.4 to 1		n/a		4.4 to 1		41%	
<b>PIR 1: SUSTAINABLE MARKET LINKAGES FOR BIH PRODUCERS BUILT</b>																			
5A	Percent change in the value of trade of agricultural commodities linkable to FARMA's assistance	2%	9%	8%		-2%		-3%		3%		0%		n/a		6%		67%	
5B	Percent change in the value of international exports of agricultural commodities linkable to FARMA's assistance in participating producer organizations	10%	84%	T:24%	F:167%	T:22%	F:15%	T:9%	F:138%	T:14%	F:-5%	T: -13%	F:-1%	n/a	n/a	T:53%	F:509%	63%	
6	Number of producers in selected sector/sub-sectors achieving certifications aligned with EU standards and requirements	2	50	2		22		6		9		15		2		56		112%	
<b>PIR 2: ACCESS TO FINANCE INCREASED</b>																			
7	Amount (USD) of private financing mobilized with DCA-guarantee	803,857	4,000,000	86,253		1,042,474		67,416		0		272,928		186,567		1,655,638		41%	
8	Value of FDI (USD) accessed by selected POs with FARMA assistance	1,500,000	9,047,243	5,843,328		0		0		1,703,915		1,044,672		0		8,591,915		95%	

FARMA PERFORMANCE MONITORING TABLE	YEARLY TARGET (YEAR 5½)*	LOP TARGET (Years 1-5 ½)	Year 1 Actuals		Year 2 Actuals		Year 3 Actuals		Year 4 Actuals		Year 5 Actuals		Year 5½ (Half of Year 6)	LoP Total	Accomplishment rate (actual results vs. target)			
			2010-2009		2011-2010		2012-2011		2013-2012		2014-2013				LOP (Years 1-5 ½*)			
<b>PIR 2: ACCESS TO FINANCE INCREASED</b>																		
9	Percent change in the value of loans and investments in assisted POs	5%	55%	49%		5%		13%		41%		29%		n/a	174%	316%		
<b>PIR 3. PRODUCER ORGANIZATIONS AND OTHERS COUNTERPARTS' CAPACITY BUILT</b>																		
10	Number of agriculture-related POs benefiting directly from the FARMA project (F-indicator)*** [2]	5	572	314		139		39		40		52		5		589		103%
				M: 100	F: 17	M: 85	F: 18	M: 17	F: 19	M: 17	F: 2	M: 27	F: 4	M: 0	F: 0	M: 246	F: 60	
				N/A: 197		N/A: 36		N/A: 3		N/A: 21		N/A: 21		N/A: 5		N/A: 283		
11	Number of farmers, processors and others who have adopted new technologies or management practices made available for transfer as a result of FARMA assistance (F-indicator)	500	23,018	3,296		7,539		3,326		3,857		4,250		840		23,108		100%
				M: 2,480	F: 816	M: 5,971	F: 1,568	M: 2,299	F: 1,027	F: 3,001	F: 856	M: 3,282	F: 968	M: 725	F: 115	M: 17,758	F: 5,350	
<b>PIR 4. ENHANCED POLICY ENVIRONMENT TO BENEFIT COMPETITIVENESS OF BIH AGRICULTURAL GOODS</b>																		
12	Number of policy reforms analyzed with FARMA assistance (F-indicator)	4	27	6		7		6		4		7		3		33		122%
13	Specific policy constraints identified and action plans developed (qualitative)	1	6	2		2		0		1		1		0		6		100%
14	Number of environmental screenings/assessments completed	13	85	-		-		-		-		87		5		164 [4]		193%

\*For indicators #6, 7, 9,10,11,and 14 there are targets specifically for Year 5½ (referred to as Year 6 in PMP table). All other yearly targets are combined for Year 5 and Year 5½.

[1] T- change for all three sectors; F- change for women-owned or operated enterprises only

[2] The project works with a number of organizations, commercial or other, in domain of agriculture where the organization type of not sole-ownership or proprietorship- especially in first year. Thus, in those cases owner's gender is not recorded. For instance, this is the case with agricultural cooperatives or NGOs, unless they are specifically organized to address gender and equality issues (such as, women's agricultural associations).

[3] Potatoes are included as the EU has given a green light for the adoption of a regulation that will permit the exports of potato to the EU: <http://europa.ba/?p=11403> Heat treated milk and dairy products are included as the EU has a given a green light for milk and dairy export to the EU, but before exports can start, BiH will have to submit a list of establishments assessed as compliant and proposed for export to the EU: <http://europa.ba/?p=32461>

[4] Baseline was 72. This indicator started to be reported from Year 5.

# FLOOD RELIEF AND RECOVERY INDICATORS

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USAID/Sida FARMA has awarded 75 grants to agricultural producer organizations to assist 3,079 farms to sustain 6,764 full time and 2,866 seasonal jobs.

INDICATOR		TARGET	RESULT AS OF June 25, 2015		ACCOMPLISHMENT RATE (RESULT VS TARGET)
15	Number of farms, agricultural producer organizations and others from the flood-affected areas assisted by the FARMA project	1,500	3,079		205%
			M: 2,726	F: 353	
16	Number of full-time jobs sustained among FARMA-assisted farms in flood-affected areas	1,500	6,764		450%
			M: 3,923	F: 2,841	
17	Number of seasonal jobs sustained among FARMA-assisted farms in flood-affected areas	1,400	2,866		204%
			M: 1,887	F: 979	

# CONTRACTOR SELF-ASSESSMENT

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## **QUALITY OF PRODUCT OR SERVICE**

Since the start of the project, FARMA has assisted 589 POs and more than 23,000 farmers, thus having a significant impact on the BiH agricultural sector.

## **SCHEDULE**

All deliverables were submitted on time or with minimum delays. Some activities were delayed due to additional project focus on flood relief and recovery, which cause postponement of some project activities, which were then subsequently completed. Also, the project frequently responds to USAID and Embassy requests, such as talking points for the Mission Director, on short-notice.

## **COST CONTROL**

Proceeding in accordance with plan as scheduled. Cost control is divided into categories for efficient management: grants, subcontracts, and the prime contract. The disbursement of grants and subcontracts was on schedule, despite significant logistical and technical activities associated with flood relief and recovery. The management of the main contract is in line with the planned expenditures and is balanced with the implementation of the work plan.

## **BUSINESS RELATIONS**

Continued to successfully leverage business relationships with multiple donors, governmental institutions, and NGOs to improve the capacity of FARMA beneficiaries. Two project activities were successfully implemented with the Czech Development Agency.

## **MANAGEMENT OF KEY PERSONNEL**

Mr. Toric, FARMA's Chief of Party (COP) is leading, overseeing, and molding the project team using a positive and effective management style.

# PROJECT OPERATIONS

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Throughout the life of project, project operations team carried out all operational and administrative tasks in support of its numerous and complex technical activities. This ranged from managing trainings, travel in and out of country, accounting and financing, budget and cost monitoring, personnel, procurement, and logistics. Special emphasis was placed on the organization of promotional events at the donor missions, specifically FARMA Day, where the donors were able to see first-hand the impact the project has made in the agriculture sector. Building on this experience, the team successfully prepared FARMA Final Event, which required considerable logistics and organizational management.

The Operations team supported several project extensions that were awarded in the last year of the project by tailored and timely activities that were needed to extend personnel, carefully monitor budget and organize additional project interventions.

Other than regular activities, additional focus of this team in previous year was well-timed preparation of the project close out. The team prepared and received USAID RCO approval for the Demobilization plan. The project operations were focused on a smooth and timely distribution of the inventory, payment and booking of the bills, staff demobilization, collection of the necessary documentation and preparation for shipping of files and closing the office, among others.

Finally, FARMA accounting systems underwent closeout review by the Chemonics Field Accounting and Support Team. The purpose of the review was to obtain reasonable assurance that Chemonics and its client's policies are understood and followed. This last review indicated that the project's, donors' or Chemonics policies were followed and duly implemented.

