



USAID | **ZAMBIA**
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PRODUCTION, FINANCE, AND IMPROVED TECHNOLOGY PLUS (PROFIT+)

TASK ORDER NO. AID-611-TO-12-00002

**QUARTERLY PERFORMANCE REPORT # 8
JAN 1, 2015 – MARCH 31, 2015**

APRIL 30, 2015

This publication was produced for review by the United States Agency for International Development. It was prepared by ACIDI/VOCA in compliance with the terms and conditions of Task Order No. AID-611-TO-12-00002.

ACRONYMS

BEO	Block extension officers
CAD	Community Agro-dealer
CB	Copperbelt province
CEO	camp extension officer
COMACO	Common Markets for Conservation
DACO	district agricultural coordinator
DADA	district agro-dealers association
DFA	district farmers' association
DHF	demo host farmer
DWA	District Women's Development Association
EPFC	Eastern Province Farmers' Cooperative
FRA	Food Reserve Agency
FTF	Feed the Future
FTFMS	Feed the Future Monitoring System
IIP	Innovation, Investment, and Partnership Fund
LUSE	Lusaka Stock Exchange
MAL	Ministry of Agriculture and Livestock
MOU	Memorandum of Understanding
PMEP	Performance Monitoring and Evaluation Plan
PMT	project management team
PSA	public service announcement
SILC	Savings Internal Lending Communities
USAID	United States Agency for International Development
USG	United states government
ZAMACE	Zambia Agricultural Commodity Exchange
ZARI	Zambia Agriculture Research Institute
ZEMA	Zambia Environmental Management Agency
ZNFU	Zambia National Farmers Union

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I. INTRODUCTION

The Production, Finance, and Improved Technology Plus (PROFIT+) project is a United States Agency for International Development (USAID)/Zambia-funded project under Contract No. AID-623-I-10-00001 and Task Order No. AID-611-TO-12-00002. PROFIT+ will improve smallholder productivity, expand markets and trade, and increase private sector investment in agriculture-related activities. This quarterly report covers the period January 1, 2015, through March 31, 2015. It focuses on the progress made on key activities undertaken in the quarter, following the re-alignment of the project's strategic focus that prioritized IR2 (Market and Trade) as the driving Intermediate Result (IR).

In the quarter under review, the project continued to focus on building market systems to enable smallholder farmers to access and adopt improved inputs and good agricultural practices (GAP). Building on the successful groundwork laid in the first two years in terms of implementation and extension, awareness raising, group creation, and training, PROFIT+ promoted an initial pool of 200 Community Agro-Dealers (CADs) to create a rural market system able to respond to market demands and serve as aggregators and primary entry points in communities for quality inputs and outputs through commercial linkages. To further strengthen CADs position in the communities, the project continued to work with farmer groups that included District Women's Development Associations (DWAs), cooperatives, and Savings Internal Lending Communities (SILCs).

Another critical element the project addressed during the quarter was the further strengthening of critical partnerships that are necessary to build sustainability and successfully utilize the emerging CAD network. The project built capacity of the CADs to improve their entrepreneurship, finance, and marketing skills and created the initial link between service providers and communities, or "a bridge to cover the last mile." Simultaneously, the PROFIT+ team presented private sector partners with different options for strengthening their supply chains, streamlining operations, and reducing costs by directly engaging CADs as their agents in the communities. Finally, the project worked closely with the Ministry of Agriculture and Livestock (MAL) on extension and supervision of training in the communities.

II. AT A GLANCE/SUMMARY OF RESULTS

During the quarter under review, PROFIT+:

- Critically assessed the performance of demo host farmers, farmer advisors, and SILC agents to select the 200 best performing individuals and promote them as CADs.
- Developed basic profiles for all 200 CADs in order to prepare for producing individual business plans
- Trained 84 CADs (30 females), with the remainder to be trained in the first month of the following quarter, on how to reconnoiter business opportunities, build employability skills, develop sound business plans, register their businesses, and become effective community marketing facilitators. As a result:
 - 25 CADs were linked to MRI Syngenta for the establishment of a rural agro-inputs sales agents network
 - 8 CADs were linked to ZAMSEED for certified seed production
 - 10 CADs were linked to SHARE Zambia Ltd. in Chipata district for groundnut seed multiplication out-growers scheme
 - CADs were identified and linked to Jungle Beat for the development of out-grower schemes business plans
 - 43 CADs (21 female) were linked to Cargill for soy and maize marketing
 - 20 CADs initiated the process of becoming franchisee representatives of ISS Agro
 - 50 CADs were linked to Agri-Pro Focus' B2B platform, which will support the development of agribusinesses by improving access to financial and insurance services and credit for stocking-up the CADs agro-shops
 - The World Food Programme (WFP), in recognition of the benefits of the CAD model, encouraged the CADs to venture into production of cowpeas for its school feeding program
- Trained 95 CADs (27 female) and 154 government agricultural extension staff (40 female) in PROFIT+ GAP package for 4 value chains (oilseeds and maize) and rolled the package out through two farmer field schools (FFS), reaching 13,311 smallholder farmers.
- Facilitated the signing of forward contracts between three large traders (Continental Grains of Lusaka and Coolche Coolche millers and NANIWE oil processors of Petauke) and five cooperatives in Petauke District for maize (36,000MT), sunflower (2,700MT) and groundnuts (1,200MT).
- Made progress with ZAMACE and initiated efforts with ZNFU to select the best performing cooperatives to support and participate in the commodity exchange roll out. As this effort depends on the speed and progress of the ZAMACE team, PROFIT+ continues to contribute as needed to ensure this promising activity is successful.
- Made significant progress on partnerships, signing MOUs signed with MRI, Zamseed, Zamace, and ISS Agro. The MOU with Cargill is currently pending signatures. PROFIT+ also engaged ZNFU as the critical partner on the finance provision front and expanded partnerships with Share Zambia and Jungle Beat.
- Facilitated, through private sector focused interventions, 180 smallholder farmers to access interest free loans worth 30,070 ZMW (US\$4,934) from Share Zambia

- Facilitated 360 smallholder farmers to access loans worth ZMW 252,000 (US\$38,769) from Vision Fund and 36 farmers to obtain credit input loans in form of treadle pumps worth ZMW 25,200 (USD 3,878)
- Continued to promote participation of women in activities. 65 female CADs were selected to promote female entrepreneurship and are providing leadership in agriculture information dissemination, input and output aggregation. CADs trained 7,503 women representing 56.4 percent of the participants in the FFS.
- Increased the number of SILC groups from 326 to 353, with membership increasing from 6,501 (4,987 female) to 7,114 (5,556 female). 279 SILC groups with 6,064 members saved a total of US \$40,492 and secured 1,113 loans, valued at US\$ 34,939.
- Promoted sound environmental practices on each project activity related to farmer training and CADs promotion, trained two processors that signed forward contracts with cooperatives on environmental practices, and helped the processors identify potential negative impacts associated with their businesses and design accompanying mitigation measures to lessen the severity of these impacts.
- Completed the FY14 outcome survey and used the results to inform YR3 Annual Work plan, targeting and review of project strategies.
- Updated the Annual Workplan, the PMP-indicators, and targets (based on the project restructuring) and submitted these documents to USAID for review.

III. PROGRESS ON PROJECT IMPLEMENTATION

A. IRI IMPROVED SMALLHOLDER PRODUCTIVITY

OVERALL OBJECTIVE

Through IR1, PROFIT+ seeks to increase agricultural productivity by 30 percent by building the capacity of various actors to ensure that smallholder farmers are able to select, pilot, and adopt strategies for improving productivity to meet market demands.

STRATEGY / APPROACH (OUR THEORY OF CHANGE)

PROFIT+ works to increase the production of crops in six value chains (maize, onion, tomato, sunflower, groundnuts, and soybeans) by ensuring that farmers, processors, and other value chain actors apply improved technologies and management practices, improve post-harvest handling processes, and have increased access to financial services. Productivity is interconnected with end market demand, access to inputs, and private sector service markets. PROFIT+ works in a cascade manner with stakeholders (including government extension department) to expand capacity building efforts so that smallholder farmers are routinely adopting strategies for improving productivity to meet market demands, including new technologies, machinery, inputs and services. The training platform allows for the informed selection of CADs, who serve as the vital entry points for service providers in the communities. The final critical element of the productivity strategy is to focus efforts on building partnerships with critical private sector stakeholders, including input companies and financial institutions, and to provide them with technical assistance for their operational approaches toward working with smallholders and engaging CADs.

I) DEVELOP A STRONG MARKET SYSTEM NETWORK IN COMMUNITIES AND CAPACITATE COMMUNITY AGRO DEALERS (CADs) AS AN ENTRY POINT FOR TRANSFER OF KNOWLEDGE AND RESOURCES

PLANNED

Build capacity of and facilitate opportunities for 200 CADs.

RESULTS

In the quarter under review, the project developed profiles for all of the selected 200 CADs, out of which 84 CADs (30 females) were



Mr. Golden Mulongo one of the CADs in peri-Urban Lusaka, is shown here being assisted with filling in the ZRA registration forms as one of the registration requirements.

trained on how to investigate business opportunities, develop sound business plans, and become effective Community Agents. The rest will be trained in the upcoming quarter. The approach is aimed at strengthening the capacity of the CADs in input and output aggregation, thereby localizing commercial input availability and market access in the six value chains. The topics covered included: business idea generation and business planning; LIMA Credit Scheme and mechanization; legal requirements for CADs; agriculture inputs and output marketing; stock management and warehousing; record keeping, costing and pricing, and business networking. During these trainings, PROFIT+ focuses particular efforts on building the ‘employability’ skills of the CADs to ensure that they are an attractive opportunity for the service providers wishing to permanently engage the communities around them.

During the quarter, the project developed an internship program aimed at increasing project visibility and improving the quality of service delivery from the CADs and empowering young graduates with the skills necessary to help them start new and productive careers. In this respect, PROFIT+ engaged nine interns and deployed them to all the operational districts. The project will facilitate mentorship for the interns from local business people to develop their respective career paths while monitoring field activities in project areas.

II) DEVELOP PARTNERSHIPS FOR DELIVERY AND DISTRIBUTION OF INPUT/SERVICE PACKAGES: INCREASE ACCESS TO RESOURCES (BY BOTH MEN AND WOMEN) TO SUPPORT INVESTMENT IN IMPROVED INPUTS AND TECHNOLOGIES

PLANNED

Engage key private sector stakeholders to build new operational models for engaging smallholder communities utilizing the network of CADs.

RESULTS

The transformation of demo host farmers into input and output aggregators stimulated interest from private sector companies and government agencies, such as the District Councils and the Ministry of Agriculture and Livestock. The private companies have found an opportunity to build strong, long-lasting relationships with the communities while keeping their operational costs down. In the review period, the project shared CAD profiles with private sector companies to foster private sector business linkages. The majority of the private sector companies who solicit business with the CADs insist that the CADs be established and registered as businesses. The project has therefore provided guidance for the registration of small agro businesses with local authorities like the District Council, ZEMA, and Mount Makulu for acquisition of seed seller licenses. Furthermore the project developed a manual and trained the CADs in these processes to equip them with entrepreneurship knowledge and skills. Thus far:

- 25 CADs were linked to MRI Syngenta for the establishment of a rural agro-inputs sales agents network
- 8 CADs were linked to ZAMSEED for seed certified seed production and
- 10 CADs were linked to SHARE Zambia Ltd. in Chipata district for groundnuts seed multiplication out-growers scheme
- 18 CADs were identified and linked to Jungle Beat for the development of outgrower schemes

Efforts on localizing input suppliers are benefiting both the CADs and the local community. In the period under review, a CAD working on horticulture activities aggregated 10*25kg bags of growing Media and 30*25 grams of tomato sachets from Hygrotech which were sold to surrounding farmers at a cost of 3,070ZMK (\$US472.3). Horticulture has continued to produce commercial seedlings and a total 65,000 tomato seedlings, covering estimated 4

- 43 CADs (21 female) were linked to Cargill for soy and maize marketing
- 20 CADs initiated the process of becoming franchisee representatives of ISS Agro
- 50 CADs were linked to Agri-Pro Focus' B2B platform, which will support the development of agribusinesses by improving access to financial and insurance services and credit for stocking-up the CADs agro-shops
- The World Food Programme (WFP), in recognition of the benefits of the CAD model, encouraged the CADs to venture into production of cowpeas for its school feeding program

The project also organized a study visit to two CAD demo sites in the Chipata district (Harrison Sakala and Grace Zulu) for Greenbelt Fertilizers Ltd., one of the companies working with the project to facilitate the introduction of good agriculture practices and technology transfer at demo sites. Greenbelt's blended fertilizer was introduced at this year's demos, corresponding to the soil test profile for the Eastern Province the project conducted in Year Two. At field crop demo sites, Greenbelt Fertilizers was able to engage government agricultural policy makers and other private agro-dealers in input supply to raise awareness of blended fertilizers on crop stands across all project target value chains. PROFIT+ will continue to include tested Greenbelt products as one of the key products to supply to farmer communities through established partnerships with input distributors.

III) DEMONSTRATE IMPROVED CROP MANAGEMENT TECHNIQUES INCLUDING POST-HARVEST LOSS STRATEGIES

PLANNED

Train trainers in the PROFIT+ package of agriculture technologies and crop management practices and enhance collaboration with the government

RESULTS

This past quarter the project focused on training trainers. A total of 249 trainers were trained—95 CADs (27 female) and 154 (40 female) government agricultural extension staff were trained as Trainers of Trainers in Farmer Field School methodology. As a result CADs trained a total of 13,311 (7,503 female) smallholder farmers with oversight from the government extension workers, in various agriculture technologies and crop management practices, gender and environmental trainings across the four districts of Lundazi, Chipata, Katete, and Petauke. Seven field days were held showcasing the good agriculture practices being disseminated at demo sites and 1,173 smallholder farmers (667 males and 506 females) attended these events.

This quarter the project continued to work with Ministry of Agriculture and Livestock (MAL) staff such as the DACOs, SAOs, Crops Officers, Block and Camp Extension Officers. The project's annual work plan has been shared and this has resulted in hosting joint block meetings in the project's Zones of Influence.

Also, in an effort to ensure quality, stimulate learning, encourage the adoption of improved technologies, including environmental friendly practices, the project conducted field visits to 71 demos (30 belonging to female CADs). Demo plots and FFSs have been set up and established to change the behaviors of farmers in the way they grow and manage their crops so as to increase their yields and reduce hunger. One outcome worth noting is that most of the CADs have conducted at least two FFSs and, generally, the following topics had been covered: Land preparation using a ripper and hand hoe, lime and basal fertilizer application, planting, use of herbicides, importance of crop rotation, and the importance of using certified seed and field site selection with environmental compliance in mind. CADs have a commercial interest in disseminating and promoting GAP because adopting farmers represent the market for the inputs and services they sell.

IV) PROVIDE TARGETED GRANTS TO SUPPORT IMPROVED PROCESSING APPROACHES, EQUIPMENT AND IRRIGATION

PLANNED

While the Project planned on providing grants to support MOUs with private companies to engage CADs, grant funding has been suspended in expectation of a reduction in obligated funding for this year.

RESULTS

Private sector companies identified two CADs as potential agents for equipment distribution in their respective communities. As of this quarter, the project has limited its interventions on technical assistance and match making. The project also continued to plan a support activity for ISS Agro and 20 CAD franchisees in Lundazi with grant-provision targeting support for paying franchising fee. Also, an expansion of efforts with Jungle Beat is currently under review and negotiation to restructure funding requirements to correspond to new obligation situation.

NOTABLE CHALLENGES, LESSONS LEARNED AND WAY FORWARD

TRANSFORMATION OF THE SILC FIELD AGENTS INTO COMMUNITY AGRO DEALERS SHOWS INITIAL SUCCESS

During field visitations staff has noted that the transformation of the SILC field agents into Community Agro Dealers has provided an opportunity for integration of various project activities including SILC and Farmer Field School interventions. This platform has provided an opportunity for 7,114 smallholder farmers to access lessons on Good Agriculture Practices like modern technologies and management practices.

INCREASE IN THE NUMBER OF FARMERS USING RIPPERS AND PLANTING BASINS TO PREPARE THEIR LAND

In Lundazi the project facilitated an increase in the number of farmers using rippers and planting basins to prepare their land. They hire rippers from a few farmers who have this expertise to prepare their land. The project's response to this has been to facilitate linkage between CADs and the private sector such as Inter Rated Suppliers and Services (ISS), SHARE Zambia, MRI Syngenta and other companies to increase local access to mechanized services. This linkage facilitates the increased adoption of improved technologies being promoted by PROFIT+.

FFS ARE SUCCESSFUL IN DISSEMINATING KNOWLEDGE

Smallholder farmers have shown the greatest interest in ripping, planting certified seed, and early planting. They have also liked the use of blue urea on maize because it releases nutrients steadily to the crop unlike the other white urea, use of max soya and max maize. FFS were critical in disseminating knowledge about these technologies to stallholders and the CAD model provided an outlet for accessing these technologies.

PRIVATE SECTOR PARTICIPATION IS CRITICAL

Linkages between CADs and private sector partners have taken off unexpectedly fast, opening up further opportunities that the project did not initially anticipate. CAD trainings have seen heavy demand and were attended by numerous companies ranging from input dealers, to buyers, equipment providers and financial institutions.



Lead farmer in Lundaꝑi demonstrating Good Agriculture Practices

FARMERS WHO APPLIED THE TECHNOLOGIES AND GOOD MANAGEMENT PRACTICES HAD GOOD CROP PERFORMANCE

In the period under review the M&E unit completed the implementation of the Annual Outcome Survey. This has been shared with USAID as a separate deliverable, but in summary; the production data showed that farmers who applied the technologies and good management practices had good crop performance despite poor rainfall patterns. The details are provided in the following table.

RESULTS

WAY FORWARD

MAIZE



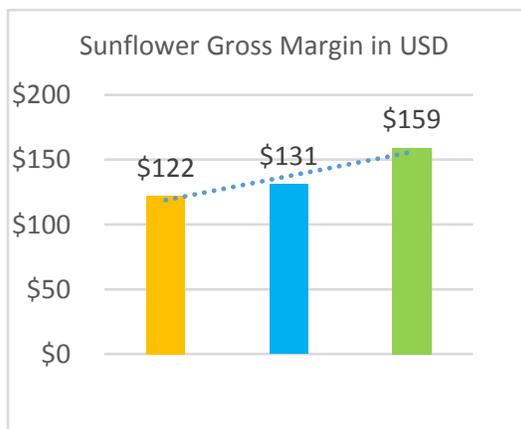
Activities in the next six months will focus more on developing partnerships for delivery and distribution of input packages prescribed for a specific unit of land, trying to maximize production while maintaining or reducing the amount of land under maize production. Cargill will be one of the key partners in this effort. This approach will also address inequalities in gender through the active promotion of female CADs for increased access to inputs and markets, utilization of credit and saving groups, and the formation of additional credit and saving groups specifically in areas where female CADs operate.

GROUNDNUT



Access to quality planting material remains the biggest issue among Profit+ farmers in this value chain. As part of the seed alliance last year, the project invested in basic seed production with three leading companies in Eastern Province and results are expected to show this year as more seed is available. These initial quantities, however, do not reach industry need. In 2015, the project will scale these efforts by targeting individual partnerships with Jungle Beat and Share Zambia, to introduce new, certified, high yielding varieties through the CAD network in Profit+ communities. The specific target for these partnerships will be women and women groups, effectively ensuring increased participation in a competitive activity and access to superior input packages (hence ensuring improved application levels)

SUNFLOWER



While the approach to sunflower cultivation appears to be working in general, more needs to be done to bring farmers into the system to achieve scale. More will also be done to reach women. Local research has shown that encouraging early planting is key (sunflower yields decline an average of 15 percent for each two-week delay beyond recommended planting dates) and this will be reinforced as the key message during FFS days. Late planted sunflower crops also lose 5-15 percent in oil content. Improving management practices like weeding, access to improved seeds, rotation, and use of fertilizer are also key, which will be the primary role for CADs going forward. Most importantly, Profit+ will target women groups with the promotion of the sunflower oil processing industry in order to incentivize demand for sunflower in the communities and ensure

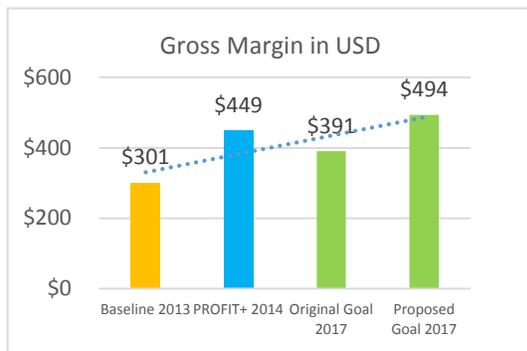
introduction of productive, women-owned assets and enterprises.

TOMATO



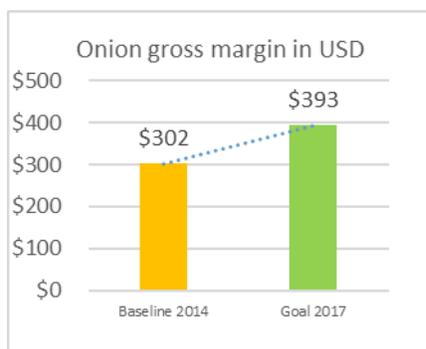
In the rest of 2015, linking farmers successfully to markets will be critical for the tomato value chain. Partnerships to facilitate access to wholesalers with high produce demand, and targeted grants to support improved processing approaches, equipment, and irrigation will be key Profit+ targets. From the input side, the key CAD strategy will be leveraged to introduce new later-maturing varieties through distribution channels that will have higher outreach. FFS and BCC will target farmers' capacity to better grasp marketing realities and affordably change practices that will allow them to target extended marketing windows. The project is also keen on following up with ZNFU to establish the first privately managed wholesale market that would open new avenue for farmers to sell produce, install transparency, and build relations between registered and controlled brokers and farmer groups.

SOY



In the next six months, the project will focus on improving market access for smallholders' increased production output. To that end, forward contracting arrangements have already been negotiated with Zdenakie Trading, putting in place incentives for further adoption of inputs. Addressing gender inequality in soya production, the project will pay specific attention to ensure that input combinations/packages being designed in partnerships with Cargill, ISS Agro, and other input providers, and available in communities through CADs, are reaching Profit+ women farmers and groups. In addition, FFS will adjust messaging to address the under-application of fertilizers on women-managed farms.

ONION



During the rest of 2015, the project will follow a parallel approach to that for tomatoes. Partnerships to facilitate access to wholesalers and processors with high produce demand, and targeted grants to support improved processing approaches, equipment, and irrigation will be key Profit+ targets. However, Profit+ will also explore different options to introduce the curing of onions in order to explore the high-value market period between February and July. FFS and BCC will target farmers' capacity to better grasp marketing realities and affordably change practices that will allow them to target extended marketing windows. The project is also keen on following up with ZNFU to establish the first privately managed

wholesale market that would open a new avenue for farmers to sell produce, install transparency, and build relations between registered and controlled brokers and farmer groups.

B. EXPANDED MARKETS AND TRADE

Overall Objective

Our objective for IR2 is to facilitate a market system environment in which formal linkages between buyers and smallholder farmers open up opportunities for new products and markets and introduce and upgrade processing opportunities for targeted value chains.

Strategy / Approach

PROFIT+ defines its' role in improving agricultural marketing by addressing the underlining causes of impediments that smallholder farmers face in accessing and exploiting emerging markets. The project is focused on developing rural market systems that are effective and responsive, while facilitating value-based relationships between actors based on transparency, trust, and long term sectoral planning. Leading buyers and traders in Zambia, and networks of CADs and farmer organizations, along with financial services providers, are critical partners in this approach.

I) DEVELOP A STRONG MARKET SYSTEM NETWORK IN COMMUNITIES CAPACITATE COMMUNITY AGRO DEALERS (CADS) AS AN ENTRY POINT FOR AGGREGATION IN COMMUNITIES

PLANNED

Build capacity and facilitate opportunities among 200 Community Agro Dealers

RESULTS

As they emerge as key service providers in the communities and become entry point for obtaining inputs, CADs also started playing the role of aggregator for their communities. In their first operating marketing season, the project profiled a total of 43 CADs and linked them to Cargill for trade in sunflower, maize and soy. The profiling exercise estimated that the CADs could aggregate 7,518MT of sunflower, 108,023MT of maize, and 7,433MT of soybeans, respectively. This exercise included a through Geographical Information System mapping, which was directly assisted by USAID. This mapping was, conducted to ascertain proximity between Cargill operational areas and the 43 CADs that were selected. On this basis, Cargill is confident that the CADs do not fall into existing catchment areas, meaning that all CAD facilitated sales would be new market penetration for Cargill. To sufficiently prep for this activity, a training was conducted and the CADs were able to provide estimated yield and hectares planted.

CADs will also play a critical role in building networks of other buyers. Apart from providing solutions to the groundnuts seed deficits through a seed improvement program, Share Zambia has partnered with the project and will provide market for 300MT of groundnuts in Lundazi district. – Share will utilize a network of CADs to both procure grain and distribute planting material from last year's seed activity to farmers. Similar efforts will be replicated in the following quarter with Jungle Beat as the CADs network demonstrates its ability to streamline supply chains and provide profitable model for the companies to engage smallholders.

II) CREATE A NETWORK OF CO-OPS, DWAS, AND FARMER ASSOCIATIONS AND FACILITATE EQUITABLE MARKET LINKAGES

Planned

Profile farmer groups and traders and establish transparent, contract-based market linkages between buyers and farmer groups

Results

After past season preparation through SMFM trainings, the team aggressively approached this marketing season to facilitate sustainable business partnerships between farmer groups (cooperatives, SILC groups etc.) and traders through forward contracts. Forward contracts are critical in order for farmers to secure markets in timely manner and prepare for collection and aggregation against benchmarked standards. In the period under review the project profiled both traders and farmer groups (and CADs) in order to attract buyers and present opportunities in rural communities. Resulting from this effort three traders signed forward contracts with five cooperatives in Petauke for maize (36,000MT), sunflower (2,700MT), and groundnuts (1,200MT). Other traders such as ZDENAKIE and AFGRI are in the process of signing contracts for sunflower and soybeans.

Additionally, cottage industries have also come on board, with Coolche Coolche Processors of Petauke signing a contract to buy 1,200MT of sunflower and Naniwe Oil Millers of Petauke contracting 1,500MT of sunflower. Finally, Continental Grains of Lusaka has signed forward contracts for 30,000MT of maize and 5,000MT of soybeans respectively. With the race for product between traders increasing due to draught conditions, prices offered to farmers for this year are extremely favorable.

The table below shows the estimated costs of the forward contracts by value chain:

	MAIZE	SUNFLOWER	SOYBEANS	GROUNDNUTS
	US\$	US\$	US\$	US\$
Coolche Coolche	1,200,000.00	369,231.00		
Naniwe		369,231.00		370,000.00
AFGRI		450,000.00	450,000.00	
Continental Grains	4,615,385.00		1,230,770.00	

III) PROMOTION OF ZAMACE AND ENGAGEMENT OF FARMER GROUPS TO PARTICIPATE IN THE TRADING PLATFORM

PLANNED

The project continues to engage with ZAMACE to follow the progress of trading platform establishment. The MOU document signed in January outlines the partnership. Target support from PROFIT+ includes developing operational and training manuals, roll out of trainings for key market actors and support for select farmer groups/associations to participate in trade once the platform becomes active.

RESULTS

The MOU document outlining roles and responsibilities between ZAMACE and PROFIT+ was signed. However, several assignments (tasked to the Southern African Trade Hub) related to establishing the software management platform for ZAMACE were delayed. PROFIT+ activities will be undertaken once this fundamental work is completed.

IV) STRENGTHENING CAPACITY OF MICRO PROCESSORS

PLANNED

Draft a call for proposal (APS) for supporting small-scale processors in PROFIT+ communities

RESULTS

A number of farmer groups, CADs and other entrepreneurs have been identified as targets for the support in development of processing capacity. However, the APS has been postponed until funding is more certain. The APS will be released following clarification on available funding for PROFIT+.

V) NOTABLE CHALLENGES, LESSONS LEARNED, AND WAY FORWARD- IR2 EXPANDED MARKETS AND TRADE

RELIABLE INFORMATION IS THE KEY FIRST STEP IN FACILITATING MARKETING EXCHANGES

Buyers responded extremely positively to the data capture form PROFIT+ used to capture market information such as the number of hectares under crop production in CADs' catchment areas. This information is necessary for estimating production figures to feed into forward contracts between CADs and the private sector. This information allowed companies to efficiently plan logistical and financial demand for the upcoming procurement season.

FORWARD CONTRACTS HAVE BEEN ACCEPTED AS A GOOD WAY OF ESTABLISHING SUSTAINABLE MARKET LINKAGES BETWEEN FARMERS AND TRADERS

It is imperative however, that all future forward contracts are signed by January at the latest. Facilitating buyer/seller meetings has motivated farmers to sign contracts and begin to aggregate commodity. This has been notable with traders such as Naniwe oil processors, Continental Grains and Coolche Coolche. Through these meetings Continental grains has even offered an incentive to CADs in the form of commissions up to ZKW1,500.00 for every truck loaded. With these incentives, PROFIT Plus has also facilitated agent contracts in Lundazi and Petauke.

More completion in the communities is causing shifts in farmer behavior as well - some cooperatives/farmers in Lundazi have opted to sign contracts with Continental Grains as compared to the traditional local trader, Aliboo, whom they claimed bought commodity such as soybeans at exploitative prices. The project will monitor further changes in strategy by Aliboo. Also, the clause in forward contracts that provides for a trader to collect commodity at designated aggregation centers has also been a motivating factor for farmers to aggregate as this greatly reduces their transportation costs. There are other perks as well. For example, Coolche Coolche millers of Petauke, offered the most attractive terms of payment for maize. Their terms were:

1. Cash payment at current market price within twenty four hours
2. Cash payment at negotiated price, two weeks after delivery, and
3. Cash payment at Government floor price one month after delivery

FARMERS HAVE BEEN CAPACITATED AND ARE RESPONDING WELL TO THEIR ENGAGEMENT WITH TRADERS

The project has been greatly impressed with the negotiation skills exhibited by farmers during the seller/buyer meetings as a result of SMFM trainings. The CADS/farmers groups have been able to negotiate prices for commodity, commission for aggregation and payment modalities. This was very evident during meetings with Continental Grains. PROFIT+ has also observed a tremendous increase in the farmers' understanding of gross margins and cost of production of commodity. This has been observed by the CADS/Farmers acceptance of prices that ordinarily, they had refused last marketing season. They have begun to realize that it is important to begin to invest cash realized from sales of commodity rather than to hold it up in institutions such as FRA.

CHIPATA IS STILL THE MAIN TRADE HUB IN EASTERN PROVINCE

With the exception of Continental grains of Lusaka who has offered contracts for maize and soybeans in Lundazi, most high value traders have opted to limit their trading operations to Chipata, most likely due to cost associated with marketing engagements far from their hubs and lack of rural market systems in distant communities. CADs will serve as a solution to this problem.

MORE COMPLETION MEANS MORE IMPROVED PRACTICES

This quarter has also seen an increased influx of traders who are offering competitive prices for commodity such as soybeans and sunflower. Because of stiff competition, tradition buyers such as AFGRI have also resorted to forward contracting for the first time in Eastern Province. This demand now opens up opportunities for equipment suppliers to begin to supply equipment in these communities. With ripping as a technology being promoted by PROFIT+, demand for rippers is on the rise.

AGGREGATION SITES IMPROVEMENTS

There is need for farming communities to now invest in quality aggregation centers, given the volumes required by traders. CADS will be required to facilitate efficient aggregation at well-established and secure sites.

C. IR3: INCREASED PRIVATE SECTOR INVOLVEMENT IN AGRICULTURAL ACTIVITIES AND THE IIP GRANTS PROGRAM

OVERALL OBJECTIVE

Our objective for IR3 is to create an enabling environment in distant communities and develop a platform in rural market systems which attracts competitive interest from private sector industry and financial services providers

STRATEGY/APPROACH (OUR THEORY OF CHANGE)

Private sector investment is a critical element of the PROFIT+ approach and the project pursues it on several levels: through private companies willing to engage CADs; farmer groups investing in improved practices and raising the value of products; processors and traders expanding existing capacities to produce more and to create new products and penetrate new markets.

I) LEVERAGE THE STRONG MARKET SYSTEM NETWORK IN COMMUNITIES TO CAPACITATE COMMUNITY AGRO DEALERS (CADS) AND SILCS AS AN ENTRY POINT INVESTMENT AT THE FARM LEVEL

PLANNED

Participate in creation of CAD network, closely observe opportunities for investments in communities

RESULTS

CADs were a big draw for investments this quarter, both in terms of equity and traditional finance, as they were for IR1 and IR2. Partnerships with private sector companies showed immediate opportunities for contract farming, introduction of machinery and new inputs, and franchising.

Specifically:

1. ISS engaged 20 CADs in Lundazi District in the distribution agriculture inputs through franchising agreements
2. MRI have expressed interest in agency agreements for input supply,
3. Share Zambia, apart from engaging CADs in an outgrower scheme, has expressed interest in procuring up to 300MT of ground nuts from smallholder farmers in Lundazi through a CAD network
4. Cargill (Z) Ltd has engaged 43 CADs to operate as buying agents in rural communities.
5. Freshpicked of Lusaka have shown interest in purchasing up to 30MT of tomatoes in Lusaka
6. Engaged processors in Katete and Petauke who will buy produce from smallholder farmers for their processing businesses (NANIWE Oil Processors and Coolche Coolche Millers)
7. World Food Programme encouraged the CADs to venture into cowpea production for their School Feeding program. This will encourage both crop and income diversification among the SILC, Women groups, Cooperatives, and the CADs.

In addition, to promote farm input marketing and in an effort to encourage linkage between CADs, SILCS, private equipment suppliers and farmers, the project engaged with ZNFU, Rent to Own, KickStart, ZASAKA, and CAMCO. The input suppliers invested time and money to showcase various farming implements such as ploughs, treadle pumps, reapers, shelling machines and oil processing machines to CADs and farming communities. This platform was used by private equipment suppliers to explain their terms of supply and establish possible linkages with the CADs who will act as agents in their respective communities. As a result, CAMCO has since identified 2 CADs, as potential agents for their equipment in their respective communities.

PLANNED

Strengthen farmer organizations, with specific focus on SILC groups to attract more investment in production and post-harvest technologies

RESULTS

SILCs continued to be used as a pragmatic strategy for facilitating village banking and access to loans among resource poor smallholder farmers. There were strong indications that the loans and shared funds were being applied to enhance the livelihoods among the farming community, as evidenced by a significant number of SILC members establishing small businesses and also managing to pay for government subsidized inputs. During the quarter, the project increased SILC outreach to 7,114 out of a target of 8,000 farmers. The total

number of groups reached was 353 with a cumulative savings of ZMW 263,200 and total loans disbursed amounting of ZMW 227,104. The project trained 38 Field Agents out of the targeted 40 (95%). Seventy-one percent of these were successfully examined and became PSPs.

II) CREATE ACCESS TO FINANCIAL PRODUCT AND SERVICES

PLANNED

Assess the capacity of CADs and farmer groups for taking on new financial products and engage financial services providers.

RESULTS

The project compiled a database of CADs and SILCs and is currently working on developing business plans for CADs in order to provide a sustainable basis for accessing credit. Investment opportunities for most have been identified – from input purchasing and working capital needs, to small-scale cottage processing and machinery introduction. To that end, the project has engaged ZNFU, Vision Fund and Micro Loan Foundation, and ZANACO to discuss further options for opening accounts and credit lines to project beneficiaries, while also exploring opportunities for some of the CADs to become financial institution representatives in some of the communities. Current SILC PSPs present ideal candidates for this intervention.

Partnership with Vision Fund and KickStart has continued and 15 farmer groups with a total membership of 225 are preparing themselves to acquire loans from Vision Fund. In Chipata (Chanje, Feni, and Rukuzye areas), 360 horticulture smallholder framers accessed loans from Vision Fund worth ZMW 252,000 (US\$38,769.23). This is the second cycle after they serviced an initial loan acquired in FY14. Vision fund has partnered with KickStart and are processing credit input loans for irrigation equipment (Treadle Pumps) worth ZMW 25,200 (USD 3,878) for 36 of the 62 horticulture smallholder farmers. This is after carrying out joint financial literacy meetings with Vision fund and KickStart.

In collaboration with Share Zambia the project has established a groundnut seed out grower scheme with a total of 233 (134 female) smallholder farmers. As part of the cost share to the grant, Share Zambia made available small interest free loans ranging from K50 to K400 to help the farmers pay for weeding groundnuts fields. A total loan amount of 30,070 ZMW (US\$4,933.85) was provided to 180 of the 234 smallholder farmers. The farmers engaged locals on a temporary basis for lime application, planting and weeding.

III) NOTABLE CHALLENGES, LESSONS LEARNED AND WAY FORWARD- IR3 INCREASED PRIVATE SECTOR INVOLVEMENT IN AGRICULTURAL ACTIVITIES AND THE IIP GRANTS PROGRAM

IT IS CLEAR THAT ATTRACTING PRIVATE SECTOR CAPITAL AND FINANCE IN RURAL AREAS HAS HURDLES IN TERMS OF TRUST AND CAPACITY BUILDING

The loans/investments are usually small so the cost associated with expansion and bringing in new customers provides no justification for penetrating rural areas. Models like CAD and SILC, however have generated interest and shown capacity to attract companies and financial institutions as they become facilitators to aggregate rural demand. The project has also observed that as companies expand their operational capacity and make new investments, like Jungle Beat and Share Zambia, they increasingly rely on the CAD model to cost effectively expand into more rural areas.

BIGGER DEALS ARE NEEDED FOR MORE INVESTMENTS

While rural areas do present a market opportunity for investors, the size of these deals tends to be smaller. In order to fully unleash the potential of PROFIT+ in terms of facilitating access to capital and finance, the project will focus on working with lead firms that require support in order to expand their operations.

D. IR4 CROSS-CUTTING THEMES

l) GENDER

OVERALL OBJECTIVE

The Project’s objective under the gender component is to capacitate women in rural areas to be agents of change and promote ownership of productive, game-changing assets among women

STRATEGY/APPROACH (OUR THEORY OF CHANGE)

Gender is an integral part of the PROFIT+ strategy. From trainings that are rolled out in communities, to strengthening women groups and promoting women entrepreneurship, every activity makes provision for equal participation and behavior change strategies. In this way, the project is showcasing in a practical way the capacity of women to be leaders in communities and be considered as capable to engage in any productive effort. The project has aligned all its interventions with the Women Empowerment in Agriculture Index (WEAI).

PLANNED

Ensure CAD development has strong presence and participation of women

RESULTS

To ensure that women are participating in decisions about agriculture production, the project selected 65 (32.5 percent) women in the initial cadre of CADs. Female CADs are running Farmer Field Schools which are platforms for transfer of technology and good agriculture practices, establishing women’s leadership in agriculture information dissemination, input and output aggregation at the community level. In the Farmer Field School 56.4 percent of the participants are women. The table below shows the total number of smallholders participating in Farmer Field School in the quarter under review.

District	Males	Females	Total
Chipata	1,748	2,311	4,059
Petauke	1,466	2,035	3,501
Lundazi	1,378	1,349	2,727
Katete	1,216	1,808	3,024
Total Trained	5,808	7,503	13,311

Furthermore, the project is promoting access to productive assets among female farmers. Female CADs play a critical role in this process – they access agriculture inputs for the demo plots and land where demonstration plots are established. In the period under review, a total of 71 demo plots (30 managed by female CADs) were monitored and the women were in full control of the farmer field schools groups which had both male and female membership.



Demo plots for sunflower, groundnuts, soy, and maize managed by Joyce Nkhoma, one of the female CADs

Also, female CADs participated in all training efforts and received exposure to equipment companies partnered with the project and met farmers in Petauke (Kick-start) and Chipata (Kick-start, ZASAKA and CAMCO), where they had an opportunity to showcase various labor saving farming implements such as ploughs, reapers, shelling machines and oil processing machines. A total of 49 (29 females and 20males) CADs were promoted for possible linkage to financial institutions and building capacity in agro businesses in partnership with SNV partners program.

In the following quarter, the project will ensure that all female CADs are properly registered as business, with connection to finance sector, commercial companies and national women entrepreneurship programs.

PLANNED

Strengthen SILCs and DWAs and women participation in them as a mean to facilitate access to finance, markets and processing technologies

RESULTS

Increasing control over use of income among women is one of the objectives under gender intervention. The project is using the SILC model, the District Women Association and other women groups to foster increased control of income among women and women groups. In the period under review the project linked Katete DWDA and Kachere Development Programme for possible funding from the UN and SNV. Additionally, a total 5,556 women are members of various SILC groups and are now at the stage where they can be linked to external sources of finance and start investing in productive resources and processing equipment. These groups will be targeted in projects APS announcement for small/cottage industry processing.

II) ENVIRONMENTAL COMPLIANCE

The focus of the environmental strategy is aimed at ensuring that all opportunities and linkages supported by PROFIT+ are environmentally sustainable. All smallholder farmers, CADs, consultants, partners, and other stakeholders whose activities, linkages, and opportunities have a negative determination are being helped to follow the provisions in the approved Environmental Mitigation and Monitoring Plan (EMMP).

During the FFS training of trainers, capacity was enhanced for the CADs to be able to identify potential adverse impacts associated with the activities promoted by the project. The material shared during the training will facilitate determination of appropriate mitigation measures to lessen the identified impacts.

The project has made monitoring visits to those demonstration plots managed by the CADs that had impressive crop stand despite long dry spells, clearly showing the benefits of minimal tillage. All CADs in Chipata district have demo-site EMMPs. Additionally, CADs expressed awareness of risks associated with pesticides and the need for observing safety is being widely appreciated in their communities. This is attributed to the various trainings PROFIT+ has delivered in the past on the safe handling of pesticides and spray service provision and awareness messages on a radio program promoted by the project.

Capacity building in environmental awareness has been extended to two processors who have since signed forward contracts with our cooperatives. They both now have EMMPs in place.

III) IIP

IIP funds are critical element to support project implementation. As rural market structures are built (CADs, farmer groups) and partnership designed to utilize these structures, IIP plays a critical role as a seed fund to support innovations, linkages and market based investments. As such, IIP is naturally designed to support mostly private sector expansion and development.

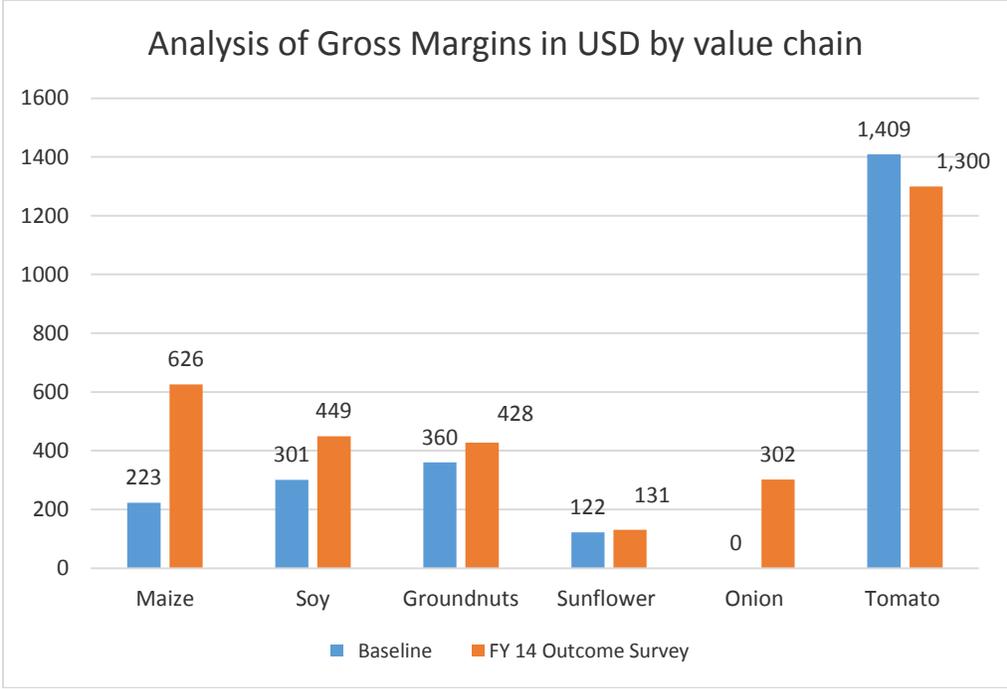
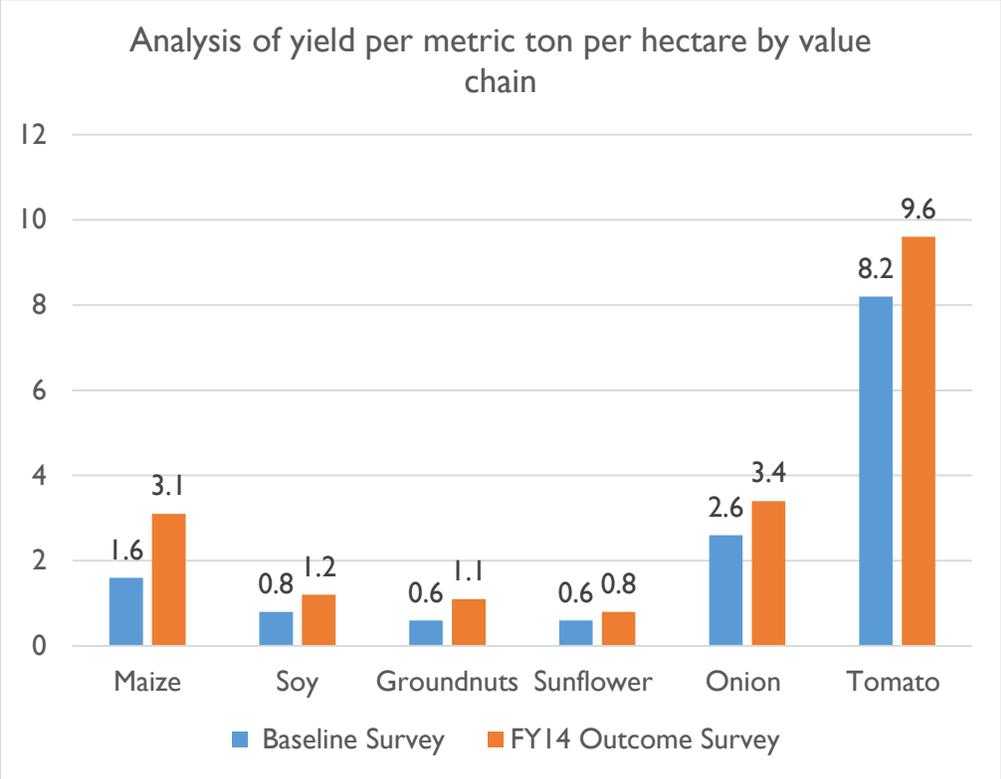
Due to uncertainty in regards to project obligation for this year, no new IIP interventions were implemented this quarter. Annex I provides the current summary of PROFIT+ IIP program.

MONITORING AND EVALUATION

A number of activities were reoriented and aligned with the new project strategic direction. The project now focuses on localizing productive resources and market systems for enhanced supply chain efficiency. The M&E unit played a significant role in aligning the project Annual Work Plan with the Feed the Future aspirations and activities.

In the period under review the M&E unit completed the implementation of the Annual Outcome Survey, Review of YR3 Annual Work Plan, Review of WEAI with project objectives, data verification, review of the sales data collection form and continued review and update the project database.

Analysis of the Annual Outcome survey results feed into the review of YR3 Annual Work plan. The gross margins, yields and incremental sales for the selected value chains helped in resource allocation, target setting and development of crop-by-crop business cases. Below are the figures and a table showing yields per metric ton, Gross Margins and Incremental sales by value chain.



VALUE OF SALES AND INCREMENTAL SALES BY VALUE CHAIN

Value Chain	Sales Baseline (Usd)	Sales Outcome (Usd)	Incremental Sales (Usd)
Maize	71,042,816	78,723,157	7,680,341
Soy	1,109,845	4,091,254	2,981,308
Groundnuts	6,196,988	7,554,822	1,357,834
Sunflower	2,698,346	1,966,951	(731,395)
Onion	0	1,741,187	1,741,187
Tomato	4,229,326	13,412,842	9,183,517
Grand Total	85,277,321	107,490,213	22,212,831

Note: Value of sales Increased from USD 85,277,321 to USD 107,490, 213 this translates to an Incremental sale value of USD 22,212,831 against the target of US\$ 125,000,000.

The results of the outcome survey feed into the project Annual work planning process. Sector major and sub activities were developed with clear timelines and targets. The revised work plan planning process resulted into

- i. A revised narrative project Performance Management Plan with the new project direction and FY15 financial obligation.
- ii. Aligned the PMP targets with the FY15 Financial Obligation, FY14 outcome survey results and finalized M&E project narratives for gross margins and Gender for all the six value chains
- iii. Identified stakeholders such as private sector organizations, women groups and other community based organizations who will implement activities with greatest impact
- iv. Identified sustainable activities that require grant support
- v. Linked activities to the PMP and developed custom indicators as a way to provide a clear link between activities and the PMP (Quality control). This provided a platform for the staff to appreciate the various components of the PMP
- vi. Streamlined cross cutting activities such as SILC, environment and gender into trade and market, and productivity activities.

In the review period the unit spearheaded the review of the Women Empowerment Agriculture Index (WEAI) indicator and refocused the scope on how it should be tracked going forward. A number of custom indicators and learning questions mirroring the five domains of WEAI were developed and mainstreamed in marketing, productivity and cross cutting sectors of the project.

The project has continued to improve the functionality of its database. The database is now more efficient and effective. In the first quarter, the SharePoint database had a total of 87,631 (48,839 male and 38,792 Female) out of a target of 105,135 beneficiaries. In the period under review the project has managed to account for all the 105,135 beneficiaries that were reported in the fiscal year 14. The total number of beneficiaries migrated to the SharePoint database at the close of quarter 2 stands at 110,715 (60,810 female and 49,905 male) and well over 90,000 beneficiaries linked to trainings and 16,926 to goods and services.

To ensure continued data collection in a standard and uniform manner, the monitoring and evaluation unit facilitated the review and printing of the sales data collection forms and the farmer field school registers. The forms track participants in the product aggregation and technology transfer through the CADs model and aggregation centers. Resulting from the capture of such data the project will be able to compute all the five data points for gross margins and triangulate it with the results from the outcome survey, and establish the number of beneficiaries receiving short-term training through the Farmer Field Schools.

To ensure that data entered in the database meets the required standards, the unit verifies all forms prior to data entry. In the review period, the unit verified data received from WILSA and Chibombo District Farmer Association. The two organizations were contracted to train smallholders in Leadership and gender dynamics. Below is the tabulation showing the total beneficiaries reach.

Partner	Males	Females	Total
Wilsa	163	153	316
Chibombo (Dfa)	460	327	787
Totals	623	480	1,103

Table 2: Dashboard of the status of project indicators

No.	Indicator	Cumulative Actual End 2014	Progress				Target For 2015 (Inclusive)	Lop Target
			Q1	Q2	Q3	Q4		
IR#1: Improve agricultural productivity for smallholders								
1 (FtF4.5.2-7)	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	100,051	37,945	2,184			146,250	180,000
2.(FtF4.4.5.2-5)	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	79,908	59,092	847 ¹			139,000	160,000
3.(FtF 4.5.2-2)	Number of hectares under improved technologies or	70,337	1,493.75	198			100,000	145,000

¹ 234 farmers working with Share Zambia and 613 new SILC members

	management practices as a result of USG assistance							
IR#2: Expanded Markets and Trade								
9.(FtF 4.5.2-23)	Value of incremental sales (collected at farm-level) attributed to Feed the Future implementation (RiA)	\$ 107,490,250 ²	NA	NA			\$129,306,348	\$147,302,535
IR#3: Increased Private Sector Investment in Agricultural Related Activities								
10.(FtF 4.5.2-38)	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	\$ 5,504,222	\$7,114	\$36,930 ³			\$ 5.5M	\$10M
No.	Indicator	Cumulative Actual end 2014	Progress				Target for 2015 (inclusive)	LOP Target
			Q1	Q2	Q3	Q4		
11.(FtF4.5.2-12)	Number of public-private partnerships formed as a result of USG assistance	131	0	2 ⁴			203	250
12.(FtF 4.5-2)	Number of jobs attributed to FtF	479	0	1 ⁵			500	1000
IR #3.2 Public Private Partnerships Strengthened								
13.(4.2.5-29)	Value of agriculture and Rural Loans	\$31,967	0	\$47,5816			\$2,186,778	\$5.2 M

² This is the value of sales recorded in 2013/2014 farming season, which translates to \$ 22,212,831 incremental sales from the baseline figure of \$85,277,419

³ Investment from Share Zambia I categorized as follows: \$33,391 cost share from acquisition of land and tractor, \$3,077 installation of borehole and pump house.

⁴ Agri Focus (SNV) and ISS Agro

⁵ This is Mr. Masauso Banda employed by Share Zambia on a groundnut seed multiplication initiative

⁶ The loan was accessed from Vision Fund (\$38,769), Share Zambia (\$4,934) and KickStart (\$3,878)

14.(FtF 4.5.2-11)	Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	1,448	187	29 ⁸			1,648	1,892
15.(4.5.2-42)	Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance	1,128	29	31 ¹⁰			1,405	1,692
No.	Indicator	Cumulative Actual end 2014	Progress				Target for 2015 (inclusive)	LOP Target
			Q1	Q2	Q3	Q4		
GOAL: Reduce proportion of people living in extreme poverty and suffering from hunger								
20.(FTF 4.5.2-13)	Number of rural households benefiting directly from USG interventions (S)	105,351	32,645	2,184			180,000	188,000
20-a(FTF 4.5.2-14)	Number of vulnerable households benefiting directly from USG assistance	84,280	26,117	1,750			137,000	153,000

⁸ 27 SILC groups formed with project assistance and 2 processors who signed forward contracts with cooperatives

¹⁰ 29 SILC groups who have started group savings and 2 processors who have signed forward contracts

IV. MANAGEMENT

During the quarter under review, the project has undergone several key staffing changes. The key staffing addition was the introduction of a new Chief of Party and team leader, Mr. Alex Pavlovic. In addition, the team added a new finance director, head accountant, HR manager, Lusaka office manager, Chipata office manager, and two office assistants. In addition, nine new interns were brought on board to support technical implantation.

At the same time, the project phased out the agriculture finance lead position in Lusaka, as well as the horticulture value chain lead position. The administration team in the Chipata office was also phased out.

District satellite offices in Katete, Petauke, and Lundazi have now also become fully operational and the transfer of staff has been successfully completed.

Uncertainty with the funding obligation for Year 3 caused some critical delays in project implementation. Namely, continuous progress of the grants program was hampered. Once it became clear that obligation will not cover the project's funding demand for Year 3, stop work orders were issued to two international subcontractors (CRS and Danya) and the operating budget of the third subcontractor was greatly reduced (IFDC).

ANNEXES

1. EVENTS ORGANIZED: KEY EVENTS/PROCUREMENTS ORGANIZED FOR THE REPORTING PERIOD

Date	Name of Event/ Procurement	Location (city, region)	Value Chain/Cross Cutting Area	Total # of participants (# of women)	Name(s) of PROFIT+ Team Attending	Name of Partner Organizations
January	FFS (TOT)	Eastern Province	All project value chains	249 (67 Female)		MAL
February	Roll-out of FFS	Eastern Province	All project value chains	13,311 (7503 Female)		Government of the republic of Zambia
March	Field Days	Lundazi	All project value chains	163 (58 female) Smallholder farmers		CFU & MAL
January to March	SILC	Petauke & Katete	All project value chains	7,114 (5,556 female)		NA
March	CADs Training	Chipata & Katete	All project value chains	84 (30 females)	NA	MAL, MRI Syngenta , KickStart, Council, Zdenakie, AFGRI, ZAMSEED, Cargill, WFP, CAMCO, Share Zambia, ZASAKA, Rent to Own, ISS, PACRA, ZEMA
March	Training and deployment of Interns	Eastern Province and peri-urban Lusaka	All project value chains	9 (6 females)	NA	NA
March	Visit by the COR	Eastern Province	All project value chains	NA	NA	NA

2. PARTNERSHIP TABLE

Name	Partnership Objective	Number of CADS targeted	MOU	Action taken	Next Step	Notes
Cargill	Adopt the CAD model as the future model for expansion in Zamai	43	Signed	Profiled 43 CADs and currently negotiating contracts	Contracts to be signed and marketing of sunflower, maize and soy monitored to select best CADs to become Cargill agents next season	This year's pilot will serve as a test model for the following year and large scale expansion of CAD model under Cargill
ISS Agro	Improve input stock capacity and quality of services provided by the CADs in their local communities in Lundazi.	20	Signed	-Profiled 20 CADs, --market scanning by ISS. -Review of Franchise agreement between ISS and CADs	Grant application formalities. facilitate Credit finance for CADs, Orientation/mentorship of 20 CADs by ISS CADs for shops set-up	ISS has partnered with P+ and is interested in extending markets to rural outlets and piloting the agro Dealer rural micro franchise business model with 20 CADs in Lundazi
MRI Syngenta	Expand input distribution networks through the CAD business model in Petauke and Lusaka	25	Signed	12 CADs currently assessed in Petauke for their business potential and storage capacity	Vetting and Market scan potential final list	MRI- Syngenta is an agribusiness company and has partnered with P+ to develop the capacity of the CADs in distributing and selling crop protection and seed products to smallholder farmers in Peri urban Lusaka and Petauke

ZAMSEED	Expand horticultural input sales and certified seed multiplication to rural Areas through CAD business model	8	Signed	38 CADs assessed for distribution potential and 7 more linked for certified seed production	Orientation of seed growers by ZAMSEED and ZARI	ZAMSEED is a Zambian seed company and has partnered with P + to promote distribution and sales of seed products
Agri Pro Focus (SNV)	Support the development of agri-businesses by improving access to financial services and credit for CADs	50	Process	Developing SOW for Agri focus (SNV) CADs financial workshop and fair	CADs financial workshop and fair	PROFIT+ is in the process of signing an MoU with Agri Pro Focus (SNV) to facilitate business planning workshop and Financial fair to increase financial knowledge and skills so as to influence financial decisions and outcomes for 50 CADs. Agri Pro Focus, is working with Zambia Chamber of Small and Medium Business Associations (ZCSMBA) and Financial Sector Development Program to impart financial knowledge to entrepreneurs .

SHARE ZAMBIA	To address the problem of poor availability of certified groundnuts seed in Eastern province	234 Smallholder farmers	Signed	-Review of Narrative Report	Review of next milestone and processing of milestone certificate	P+ has partnered with SHARE ZAMBIA a faith Based NGO base in chipata to provide seed and farming advice to more than 200 smallholder farmers on groundnuts seed production and provide markets for groundnuts.,
COMACO	To address the problem of poor availability of certified groundnuts seed in Eastern province	35,000 smallholder farmers	Signed	Report in progress	-Review of Narrative Report, -Processing of milestone certificate	PROFIT+ has partnered with Community Markets for Conservation (COMACO) to promote business solutions for increased food security and reduce levels of poverty for 35,000 small farmers in eastern Province. COMACO targets groundnuts and soya beans, using improved farming practices that help to increase crop yield and converting these crops into value added products

Eastern Province Farmers Cooperatives	Recoup approximately 30% of groundnut seed produced by smallholder farmers	3,500	Signed	Review of Narrative Report	-Review of assessment report by Grant Evaluation Committee to qualify for milestones certificate	Eastern Province Farmers Cooperatives, groundnuts farming and processing operation in Zambia's Eastern Province which is working with 3,500 smallholder farmers. EPFC connects smallholder farmers to profitable markets. It provides seeds and training to local smallholder farmers, helping them to improve productivity
Jungle Beat LTD	Access 50MT of groundnuts certified seed, multiply and make available to smallholder farmers	5,000	Signed	Report in progress	-Review of Narrative Report	Marketing and Trade company based in Lusaka connecting farmers to groundnut markets and helping boost their productivity, and offers them a fair price at harvest, thereby increasing incomes
ZARI	Generate and increasing pre basic and basic seed for distribution to private sector companies for certified seed multiplication	3 Private Sector companies	Signed	Report in progress	Review of narrative report and justification for granting	P+ has partnered with Zambia Agriculture research Institute (ZARI) a government Research department under the under the Ministry of Agriculture and Livestock mandated by government (at Msekera) as a Centre of Leadership for 'Food Legumes' (soybeans, beans, cowpea, groundnuts, and pigeon peas) and food legumes based farming system.

Continental Grains	Procure 30,000MT of maize and 5,000 of soybeans from two farmer groups in Lundazi	2 farmers groups	Signed forward contract	Trader has signed forward contracts for maize and soybeans	Facilitate bulking of the commodity in Lundazi	Require to buy 30,000MT of maize and 5,000 of soybeans
Naniwe & Coolche Coolche processors	Provide Maize, sunflower and Groundnuts market for smallholder farmers	cooperatives	Signed forward contract	Cooperatives assigned and trader are beginning to sign forward contracts	Facilitate bulking of the commodity	P+ has partnered with NANIWE a Processor who plans to buy 10MT of both sunflower and Groundnuts from the cooperatives and CADs.
AFGRI	To provide market for soy beans	Smallholder farmers	In progress	Provide price information to smallholder farmers	Facilitate bulking of the commodity	P+ with AFGRI who will provided Market for soy beans to smallholder farmers

3. QUARTERLY GANTT CHART

Activity Description	Lead	Partners	Indicator	Unit	Performance period		
					April	May	June
Developing a network of 200 CADs in rural communities							
CADs financial coaching by MFIs or selected bank	Botany and Alex H.	ZANACO/ Vision Fund	1 partnership loans	Productivity		X	
Monitoring and mentoring of CADs so as to attend to identified weaknesses relating to EMMP preparation and utilization	Botany	MAL	All indicators	Productivity & Marketing	X	X	X
Monitor Contractor's capacity building effort for CADs and actively participate in delivery and facilitation of trainings/events to enhance environmental compliance delivery	Botany	NA	All indicators	Productivity & Marketing	X	X	X
Facilitate supervision of grant implementation and mentorship in environmental stewardship for microprocessors	Alex	NA	All indicators	Productivity & Marketing	X	X	X
Review proposed grant activities in order to advise EMMP and reporting responsibilities for grantees (on ways and opportunities to support MOUs implementation through grant program)	Raymond	NA	All indicators	Productivity & Marketing	X	X	X
Facilitate environmental stewardship aspects during field days (hort./field crops)	Sinyinda	NA	All indicators	Productivity & Marketing	X	X	X
Business plan workshop for CADs	Botany and Sinyinda	SNV	All indicators	Productivity	X	X	
Establish Market Linkages							
-Conduct awareness activities on CADs aggregation concept	Botany and Victor	CADs, DHFs, DWAs,	FTF4.5.2-7	Marketing	X	X	

--Review of business plans of cooperatives trained in Sell More For More (SMFM) -Conduct mentorship based on identified gaps -Monitor implementation of SMFM practices		Farmer Associations					
Facilitate the Establishment/Development of First Level Processing Facilities							
Conduct mentorship and capacity development in business management	Botany and Moses	ZCSMBA, ZFWIB	FTF4.5-2, FTF4.5.2-23	Marketing		X	X
Engage MFIs to provide Financial Products							
Fund credit management	Botany and Moses	Vision Fund, Micro Credit Foundation, MBT, ECF, ZANACO, NATSAVE, Indo Bank, Investrust	FTF4.5.2-12	Marketing			X

Activity Description	Lead	Partners	Indicator	Unit	Performance period		
					April	May	June
CADs financial coaching by MFIs or selected bank	Botany and Alex H.	ZANACO/ Vision Fund	1 partnership loans	Productivity		X	
SNV agri-business financial fair (Selection and preparation to start three weeks in advance)							
Business plan workshop for CADs	Botany and Sinyinda	SNV		Productivity	X	X	
Establish Market Linkages							
-Conduct awareness activities on CADs aggregation concept --Review of business plans of cooperatives trained in Sell More For More (SMFM) -Conduct mentorship based on identified gaps -Monitor implementation of SMFM practices	Botany Moses and Victor	CADs, DHFs, DWAs, Farmer Associations	FTF4.5.2-7	Marketing	X	X	

Facilitate the Establishment/Development of First Level Processing Facilities							
Conduct mentorship and capacity development in business management	Botany and Moses	ZCSMBA, ZFWIB	FTF4.5-2, FTF4.5.2-23	Marketing		X	X
Engage MFIs to provide Financial Products							
Fund credit management	Botany and Moses	Vision Fund, Micro Credit Foundation, MBT, ECF, ZANACO, NATSAVE, Indo Bank, Investrust	FTF4.5.2-12	Marketing			X
Research							
Prepare marketing schedules for each crop	Moses Mbawo	NA	FTF4.5.2-23	Marketing			X
Assist with developing SOW for RFA for agricultural produce processing	Moses Mbawo	NA	FTF4.5.2-23	Marketing			X

4. UPCOMING EVENTS/PROCUREMENTS

Date	Name of Event/Procurements	Location	Sector	Organizing body	
				Responsible staff	Contact address
April-June	Mentoring of 200 CADs	Lundazi, Chipata, Katete, Petauke and Lusaka	Productivity	Botany and Sinyinda	Linkab Solutions
April /May	Business plan workshop	Lusaka	Productivity	Botany and Sinyinda	SNV
May	CADs financial coaching by MFIs or selected bank	Lundazi, Chipata, Katete, Petauke & Lsk	Productivity	Botany and Alex H.	ZANACO/Vision Fund
April /May	Conduct awareness activities on CADs aggregation concept	Lundazi, Chipata, Katete, Petauke and Lusaka	Marketing	Botany and Victor	PROFIT+
April /May	Review of business plans of cooperatives trained in Sell More For More (SMFM)	Lundazi, Chipata, Katete and Petauke	Marketing	Botany and Victor	PROFIT+
May	Conduct mentorship based on identified gaps	Lundazi, Chipata, Katete and Petauke	Marketing	Botany and Victor	PROFIT+
April /May	Monitor implementation of SMFM practices	Lundazi, Chipata, Katete and Petauke	Marketing	Botany and Moses	PROFIT+

5. SUCCESS STORIES

April /May	Conduct mentorship and capacity development in business management	Lundazi, Chipata, Katete and Petauke	Marketing	Botany and Moses	ZCSMBA, ZFWIB
June	Fund credit management	Lundazi, Chipata, Katete, Petauke and Lusaka	Marketing	Botany and Moses	Vision Fund, Micro Credit Foundation, MBT, ECF, ZANACO, NATSAVE, Indo Bank, Investrust

A. Saving for Home Improvement

Julia is a 41-year-old widow with three children. She earns her living by selling fresh boiled groundnuts. Before joining SILC, Julia never had savings, whatever money she earned would immediately be used for consumption. This however changed when she joined SILC as Julie was able to save little by little and by the time her group was sharing out, her savings plus earnings amounted to ZMW 400, a lump sum she had never had before. This money enabled Julie engage a local bricklayer who built her a new brick walled house. Julie was happy to move out of her grass thatched, mud molded small house. Having learnt how to leverage SILC loans, Julie hopes to finish roofing her house during the course of her group’s second cycle. “It does not matter how small your business is, SILC helps you save bit by bit so that you can do something big later” Julie happily shared.

B. Saving for Livestock

Tikambenji Zulu is a 35-year-old widow and mother of six. She has been selling scones as a means of livelihood following her husband’s demise. Before she joined SILC, she never thought of saving money as she considered the practice a luxury for the affluent. When SILC was introduced in her village, it appealed to her because the idea seemed simple as suitable for people with very small businesses like her. Tikambenji confessed that she joined more out of curiosity than conviction. However, she was delighted to soon learn that the promise of



SILC held true. Tikambenji and women like her were for the first time able to have a place to safely and consistently keep their savings. From her small and consistent savings, Tikambeji was able accrue ZMW 500, which she used to purchase three pigs which have since multiplied to seven. She was also able to pay school fees for her school going children. “Now if I have a pressing financial need, I can easily sell a pig for as much as ZMW 150 and solve my problem” she proudly announced. Tikambenji is not the only one in her group to use her share-out money this way. Two other widows in her group also bought pigs from their share-out money.