



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

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**QUARTERLY PERFORMANCE REPORT # 11
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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
DWDA	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 and 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. EXECUTIVE SUMMARY

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 from April 1, 2015, through June 30, 2015. It focuses on the progress made on key activities undertaken in the quarter.

The PROFIT + strategy continues to build upon the successful groundwork laid during the first two years of the project in terms of smallholder outreach, extension, and group creation in close partnership with government and industry stakeholders. As a result of this effort, an initial pool of 200 Community Agro-Dealers (CADS) emerged during the previous quarter to establish a rural market system with the ability to create economies of scale in communities and respond to market demands. To further strengthen the 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).

During this quarter, the project further strengthened critical private sector partnerships necessary to build sustainability and successfully utilize the emerging CAD network. The PROFIT+ team presented private sector partners with different options for capturing rural markets by strengthening their supply chains through innovation, streamlining operations, and reducing costs by directly engaging communities while utilizing CAD model as a scaleup strategy. Finally, the project worked closely with the Ministry of Agriculture and Livestock (MAL) on extension and supervision of GAP training in the communities.

II. AT A GLANCE/SUMMARY OF RESULTS

During the quarter under review, PROFIT + achieved substantial results and made important strides towards achieving its targets set for Y3 of implementation. Many of the key results came from strengthening relations between private sector stakeholders and communities supported by PROFIT+, which resulted in increased trade, investment and the expansion of private services. Key achievements this quarter included:

- 183 forward contracts signed that are valued at \$2,000,905 USD (14,806,700 ZMW); and \$127,709 USD (945,050 ZMW) of forward contracts were already honored
- 193 (65 Female) business plans completed for CADs and establishment of financial linkages to 9 financial institutions and 15 input firms
- Evolution of SILC groups into full blown agribusiness enterprises, with the total of 403 agribusiness groups now formed to support CAD expansion in the communities
- Leading input firms adopting technologies recommended by PROFIT+, which include in distribution systems through CADs (e.g. fertilizer blends, new varieties of seed and equipment)
- Increasingly efficient relationship with the MAL and extension department that allows for joint work planning for coordinated extension efforts
- Increased collaboration with other development projects including an intensive collaboration with SAIOMA, South Africa Trade Hub (SATH), discussions with MAWA and joint activities with DFID Private Enterprise Programme Zambia (PEPZ)

A. IRI IMPROVED SMALLHOLDER PRODUCTIVITY

OVERALL OBJECTIVE

Through IRI, PROFIT+ seeks to increase agricultural productivity by 30 percent in selected districts of Eastern Province (Petauke, Katete, Lundazi and Chipata) and periurban Lusaka, 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 finance and private sector service markets. As the starting point of this strategy, PROFIT+ works with the government extension department to expand capacity building efforts and raise awareness of farmers in order to ensure adoption of strategies for improving productivity to meet market demands, including new technologies, machinery, inputs and services. The cascade training creates a platform for the 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 CADs to expand service provision in the communities.

I) DEVELOP A STRONG MARKET SYSTEM NETWORK IN COMMUNITIES AND FACILITATE COMMUNITY AGRODEALERS (CADS) AS AN ENTRY POINT FOR TRANSFER OF KNOWLEDGE AND RESOURCES

PLANNED

Train and mentor 200 CADs in business planning development and entrepreneurship

RESULTS

During this quarter, 200 CADs were trained and mentored into full time community based providers of agriculture input and output markets. Of the 200 CADs, 193 (63 females) developed individual business plans and registered their business with relevant government and quasi-government authorities. 69 CADs (37 females) of the 200 CADS have also registered with the Zambian National Farmers Union (ZNFU) for Lima credit scheme. Further, PROFIT+ facilitated the participation of project partners and CAD at several agricultural shows in both Lusaka and Eastern provinces. In Eastern province in June, the project earned second price under the NGO category at an agricultural show, and more than 6 CADs (3 females) won individual prizes (knapsack sprayers, certified maize seed and ox-drawn rippers) during camp and block shows. The purpose of agricultural show participation was to facilitate access of smallholder farmers to input, output and financial markets, and to showcase the products from demonstration (demo) plots where improved technologies were applied.

Also, the project conducted an assessment of irrigation equipment used on demo plots in Lusaka and Eastern provinces to ensure functionality and maintenance for the upcoming horticulture season. During the assessment, 58 CADs were visited and it was established that 37 irrigation sets out of 60 were fully

functional. In order to operationalize the remaining sets, PROFIT + partnered with MRI Syngenta to install components for the reminder of the plots to make irrigations kits functional again.

The table below shows the current breakdown of the PROFIT + CAD network and their status:

	Male	Female	Total
Total number of CADS	135	65	200
Number of CADs with complete business plans	128	65	193
Number of CADs registered businesses	68	43	111
Number of CADs linked to input suppliers	46	61	107
Number of CADs linked to output markets	120	63	183
Number of CADs with forward contracts	120	63	183

Thus far, female CADs have performed extremely well in terms of establishing and expanding their operations. This is partially due to specific focus the project is placing on promoting women’s participation in activities, which link women living in rural areas to this new opportunity under the CAD model.

As the most encouraging development of the quarter, the project was notified that at least 10 demo host farmers who were not selected in the first round to become CADs have adopted CAD practices on their own and started working on establishing shops and linkages to input companies. This is an encouraging early development that showcases the CAD model’s potential for scale up.

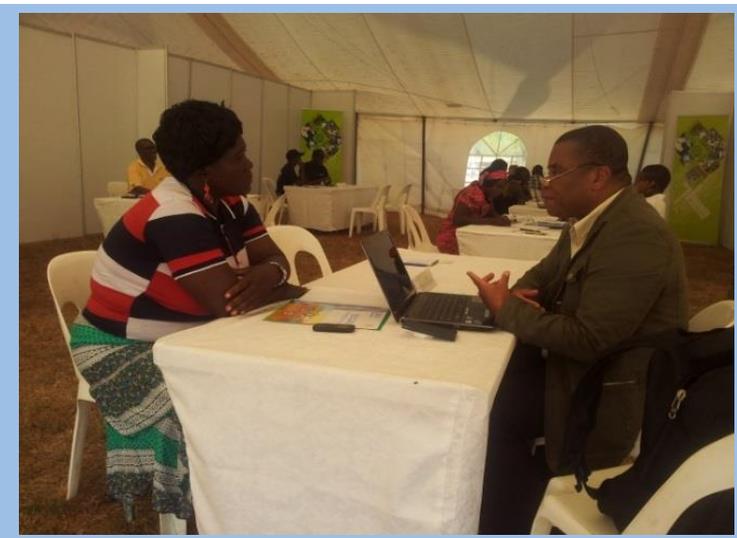
II) DEVELOP PARTNERSHIPS FOR DELIVERY AND DISTRIBUTION OF INPUT/SERVICE PACKAGES: INCREASE ACCESS TO RESOURCES (MEN AND WOMEN) TO SUPPORT INVESTMENT IN IMPROVED INPUTS AND TECHNOLOGIES

PLANNED

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

RESULTS

To date, 105 (45 Female) of the 192 CADs are linked to various private sector companies’ input marketing, outgrower schemes and mechanisation. These companies included leading industry brands such as Zamseed, Seedco, MRI Syngenta, ISS Agro and others. In addition, financial institutions such as ZANACO, Vision Fund, MFinance, Finance Bank, Invest Trust, BankABC, Finca, Micro Loan Foundation, and FNB have created interest in providing working capital, input and equipment finance to CADs. Especially innovative and noteworthy is the project’s partnership with ZANACO to create a tripartite



A female CAD (Olipa Shawa) from Chipata talking to Finance Bank Manager during the Agri-business Financial Fair held in Chipata

arrangement with the CADs and input suppliers, like MRI Syngenta and Monsanto, to channel exclusive loan packages to CADs with selected input companies. Please see Annex 2 for detailed information on PROFIT + private sector partnerships.

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

PLANNED

Train government extension trainers in the PROFIT+ package of agriculture technologies and crop management practices to enhance collaboration with the government and roll out trainings in the communities

RESULTS

In order to enhance understanding and application as well as facilitate adoption of technologies and management practices, the project conducted harvest training as a part of regular farmer field school efforts for field crops (maize, soy, sunflower and groundnuts). The training was aimed at showcasing the effectiveness of the technologies and management practices to the farmers who have been learning in the established farmer field schools. To facilitate the rollout trainings in demo plot harvest cuts, the project trained 76 (39 females) MAL agents. The MAL staff later rolled-out the training to all CADs in their camps in preparation for farmer field schools, crop harvesting and yield data collection. Harvesting and collection of yield data commenced during the period under review and this activity will be concluded early in the next quarter.



Farmer field school held in Petauke District

In addition to the harvest training, the project conducted 40 field days in its zone of influence that attracted private sector partners like Pioneer DuPont, CFU, MAL, Seed-Co, MRI Syngenta, CASU, Cargill, NWK Agri-Services, Chipata DWA, ZAMSEED, COMACO, CFU and Plant Agri Chem. Field days are annual events that are meant to showcase the efficiency and effectiveness of improved technologies being promoted during the farmer field school sessions at demo sites. A total of 6,037 (3,227 females) smallholder farmers were in attendance.

During the reporting period, the project also participated at the Horticulture Innovation Lab, a forum which builds international partnerships for fruit and vegetable research to improve livelihoods in developing countries. CADs assisted by PROFIT+ staff worked the stand at the Lab, and their display attracted a lot of attention. Participants were particularly interested to learn more about nursery management using trays and growing media, and blue urea use in maize and sunflower growing. PROFIT + also partnered with Kickstart, Greenbelt and ZASAKA to display products like packaging materials, treadle pumps or irrigation kits, blue urea and max-maize fertilizer.



Mrs. Grace Nyirongo Phiri, a CAD from peri-urban Lusaka interacting with participants at the Horticulture Innovation Lab

Continuous investment in training, research and promotion of new technologies demonstrated significant additional results during this quarter. To assess the effectiveness of PROFIT + trainings, the project conducted a rapid impact study on the aflatoxin awareness levels, the application of the recommended practices in aflatoxin mitigation, and in post-harvest handling. The study was commissioned to examine ability of farmers to recognize aflotoxin symptoms and apply proper mitigating practices. Furthermore, the project assessed knowledge about the effects of aflatoxin contamination on human health, livestock and economy. The results from the study show that:

1. 94.5 % of the surveyed population know how aflatoxin can be mitigated at the pre-harvest stage
2. 90.5% of the surveyed population know how aflatoxin can be mitigated at the post-harvest stage
3. 95.5% of the surveyed population know the signs and symptoms of aflatoxin
4. 93.5% are aware of practices that minimize aflatoxin contamination
5. 99% are aware of the effects of aflatoxin in human beings, the quality of the kernel in groundnuts, the economic values of the crop and the seedlings

The results of the study demonstrated that project should continue to promote good agricultural practices during harvest, handling and storage processes. In addition, commercial market linkages for produce such as groundnuts and maize will continue to be promoted in order to establish quality demands in production processes. PROFIT+ aflotoxin training will also be extended to the project trading partners in year 4.

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

PLANNED

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

While the project planned on providing grants to support critical, high impact partnerships with MRI Syngenta, ISS Agro, Share Zambia and others, grant funding has been managed cautiously due to funding restrictions with PROFIT + obligated funding for this year.

NOTABLE CHALLENGES, LESSONS LEARNED AND WAY FORWARD

TRANSFORMATION OF THE SILC FIELD AGENTS INTO CADs CAUSES TRANSFORMATION OF SILCS INTO AGRIBUSINESS GROUPS

Reorientation of the SILC Field Agents (FAs) role to a CAD promises increased sustainability of the SILC model as it emphasizes localized and diversified agribusiness service delivery options. The groups have quickly recognized market opportunities and responded to buyer demands and introduction of new technologies. This implies that future savings and credit initiatives need to evolve into agribusiness interventions closely linked to the CADs concept as a mechanism for localizing resources and inputs/services delivery. Former FAs are now challenged to develop business ideas and exploit business opportunities in their respective communities for the service of other farmers in savings and credit groups. In Lundazi and Chipata where PROFIT + did not previously develop farmer groups, the entry point will be linking Mawa & Agribusiness in Sustainable African Plant Product (ASNAPP) developed groups to the CADs services, and introducing additional groups based on market needs

NEED FOR FUTHER EXPANSION

The CAD model has quickly generated a lot interest from the private sector stakeholders such as input companies; therefore, the majority of the CADs are becoming overburdened and it is difficult to track all transactions on the ground. PROFIT + will need to focus efforts on several key impact partners to scale up their interventions and develop a new crop of approximately 100 CADs in partnership with these companies.

B. IR2 EXPANDED MARKETS AND TRADE

Overall Objective

The PROFIT+ objective for IR2 is to facilitate a market system environment in which formal linkages between buyers and smallholder farmers create opportunities for new products and to 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. These include creating economies of scale, functional supply chains through building trust-based relationships, and transparency and competition. Some of the biggest buyers and traders in Zambia, financial institutions, 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 TO FACILITATE COMMUNITY AGRO DEALERS (CADS) AS AN ENTRY POINT FOR AGGREGATION IN COMMUNITIES

PLANNED

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

Build capacity of all value chain actors and facilitate opportunities in rural communities by utilizing network of 200 CADs and farmer groups

RESULTS

The facilitation of forward contracts signed by CADs, farmer groups and commodity buyers was at the top of the agenda for this quarter. Prior to this effort, the project assessed the capacity of all the farmer groups and CADs to aggregate the volumes of crops that were required by various traders. The objective was to identify which CADs and groups were best prepared to respond to particular traders' demands. The process also included assessments of traders' capacity and interest to engage with farmers and develop outgrower schemes that are equitable and scalable.

A total of 163 (82 female) CADs and 16 of the 36 farmer groups were linked to variable and sustainable markets and have signed forward contracts with buyers of various farm produce. Some of the key buyers include Cargill, Continental Grains, and Share Africa Zambia. The table below shows the distribution of the CADs and farmer groups linked to various traders by district.

Trader/Processors	No. CADs with FCs	Value Chain	District
Cargill	41 (32% F)	Sunflower & soy beans	All Districts
Continental Grains	72 (33% F)	Maize & soybeans	All Districts
Naniwe	20 (25% F)	Sunflower & groundnuts	Petauke
Coolche Coolche	16 (35% F)	Maize & sunflower	Petauke
SHARE	10 (50% F)	Groundnuts	Lundazi & Chipata
Total	163		

Trader/Processors	No. Of Coops with FCs	Value Chain	District
Continental Grains	14	Maize & soybeans	All Districts
SHARE	2	Groundnuts	Lundazi & Chipata
Totals	16		

Upon the signing of forward contracts, the commodity buyers furnished the CADs with the necessary equipment required to facilitate aggregation process. Furthermore, commodity buyers like Cargill provided training to the CADs in trading systems and provided receipt books and scales to commence with the commodity buying exercise. The table below shows more than \$61,000 USD¹ of direct support by the traders linked to CADs and cooperatives by district in order to facilitate successful marketing season.

¹ Average exchange rate of 7.5 ZMW = \$1 USD.

Investment Description	Total Value of investment in Kwacha	Number of CADs/ Quantity of the product	Name of Organization Making the investment
Cash provided to CADs for purchase of farm produce	300,000.00	12	SHARE AFRICA ZAMBIA
	75,000.00	8	Continental Grains
	69,644.00	16	Naniwe Oil Millers
Transportation of commodities (hire cost or operating cost for own transport)	300.00		Continental Grains
	300.00	12	SHARE AFRICA ZAMBIA
	1,500.00		Naniwe Oil Millers
Supply of packaging materials	3,030.00	12	SHARE AFRICA ZAMBIA
	1,697.00		Naniwe Oil Millers
Supply of scales	4,500.00	28	Continental Grains
	1,800.00	12	SHARE AFRICA ZAMBIA
	3,200.00	16	Naniwe oil millers

II) **STRENGTHENING CAPACITY OF PROCESSORS**

PLANNED

Draft a call for proposal through an Annual Program Statement (APS) to support small-scale processors in PROFIT+ communities

RESULTS

While new APS for supporting processors is delayed until the available project funding is clarified, PROFIT+ continues to provide local millers with technical assistance. In the period under review, the project engaged with Naniwe and Coolche to develop outgrowers schemes with 36 CADs for aggregating maize, groundnuts, and sunflower on commission basis. The processors provided CADs with scales, packaging, and funds to procure groundnuts, maize and soy beans for their respective cottage industries. Share Zambia has also been an active partner of the project, engaging 12 CADs as agents in the communities. Further more, from the original APS process, Nezi Investment and Momboshi-Henwood are being targeted as strategic partners for potential grant provisions.

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

RELIABLE INFORMATION IS THE KEY FIRST STEP IN FACILITATING MARKETING EXCHANGES

Providing reliable information and data to both seller and buyer is key to the market linkage process. In the period under review, meetings between buyers and sellers continued to be the most effective approach of establishing mutual trust between the two parties. The buyer needs to know the available volumes of the required commodity, price, and accessibility of the area and availability of the aggregation facilities as well as the number of farmers producing a particular crop. The role of the CADs in facilitating aggregation of various farm produce has guaranteed partnerships beyond the end of the project as many traders are impressed with their capacity to mobilize communities. CADs role has

been specifically important in order to articulate on quantities of the commodity a community is able to aggregate, the price the farmers would be willing to accept, and negotiate the terms of payment as they monitor trends on the market.

FARMERS TRAINING AND CAPACITY BUILDING SHOWING RESULTS IN NEGOTIATING WITH BUYERS AND RESPONDING TO MARKET DEMANDS

Building business capacity in farmers is necessary to ensure that farmers understand trade and business processes better. Farmers supported by PROFIT+ are able to negotiate for better prices with the traders. The farmers also offered quality products to the traders. They aggregated on time as required of them and as stipulated in the forward contracts. The farmers also exhibited trust by using the money advanced to them to purchase crop for the intended purpose, and as a result, no reports of misuse of funds have been received by the project. Farmers have also communicated directly with the traders when faced with challenges during the marketing season. This has resulted in the farmers being able to re-negotiate terms of their contracts effectively

MORE COMPETITION MEANS MORE IMPROVED PRACTICES

Forward contracts have shown that the more competition there is for a commodity, the better the price and better improved trading practices. During this marketing season, the price of soybeans adjusted upwards from ZKW0.90 per Kg to ZKW 3.00 per kg in a space of three weeks due to a more competitive market place. Buyers went a step further to provide equipment such as scales and empty grain bags to farmers as an incentive for the farmers to sell their crop to them. Other buyers provided cash upfront to enable the farmers purchase and aggregate crop on their behalf.

Competition also offers the possibility of future collaboration between buyers and sellers through outgrower schemes. Farmers improved their post-harvest methods to sell quality crops (e.g. aflatoxin in groundnuts), and they were able to see the need to procure equipment to enhance their harvest and post-harvest capacities (e.g. shellers). These improved practices by various value chain stakeholders resulted in quality crops being sold to traders. More competition also resulted in more income for farmers at household level.

AGGREGATION SITE IMPROVEMENTS

Increased competition between traders for crops in most farming communities now require that aggregation sites are improved to match required standards for holding crops. Farmers appreciated aggregation of commodity as a viable and efficient way of accessing diverse markets. Most aggregation sites require refurbishing and renovating. Improved aggregation facilities will encourage increased and enhanced aggregation of crops. To this effect, the SAIOMA project offered to refurbish six aggregation sites in Petauke, Katete and Chipata Districts.

C. IR3: INCREASED PRIVATE SECTOR INVOLVEMENT IN AGRICULTURAL ACTIVITIES AND THE INOVATION, INVESTMENT AND PARTNERSHIP FUND (IIP)

OVERALL OBJECTIVE

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

Our objective for IR3 is to create an enabling environment in rural communities and develop a market platform 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: facilitating broad market system investments such as commodity change development; through targeted partnerships with private sector companies willing to expand operations in rural areas; supporting processors and traders expanding existing capacities to produce more, create new products, and penetrate new markets; and aiding farmer entrepreneurs and groups to invest in improved practices and raising the value of products. The crosscutting support for all elements of work with private sector stakeholders includes active work with the Zambian financial sector.

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

PLANNED

Facilitate creation of CAD networks and closely observe opportunities for investment in communities

RESULTS

In the preceding quarter, CADs were a big draw for private sector investment, both in terms of equity and traditional financing, as part of activities outlined in IR1 and IR2. Partnerships with private sector companies showed immediate opportunities for contract farming, outgrower schemes, introduction of machinery and new inputs, and franchising.

Specifically:

1. ISS Agro signed franchisee agreements with 13 of 20 CADs in Lundazi District in the distribution agriculture inputs. ISS Agro has since started renovating the agro dealer shops for the CADs.
2. MRI Syngenta continued to work with 40 CADs as agents for input distribution in the communities.
3. Share Zambia, apart from engaging CADs in an outgrower scheme, is in the process of procuring up to 300MT of ground nuts from smallholder farmers in Lundazi and Chipata districts through a CAD network. SHARE Zambia engaged 12 CADs and provided USD 40,540.54 (ZMW 300,000) in trade finance.
4. The partnership with processors in Katete and Petauke is yielding results with two processors buying produce from smallholder farmers for their processing businesses (Naniwe Oil Millers and Coolche Coolche Millers). Naniwe specifically made an initial investment by providing trade financing to 12 (4 female) CADs, 7 salter scales and 2,000 empty bags to 12 CADs (4 female) and 1 cooperative who signed forward contracts. By the end of the quarter, Naniwe bought 150 tons of sunflower through the CADs, while Coolche Coolche has bought 315 tons. Procurement continues into the new quarter showing strong promise from growth based on this pilot.
5. SEEDCO is one of the input companies that has strongly utilized the CADs concept and has adopted 49 CADs as field agents and stockiest in Petauke. The company will provide inputs for demonstration plots for the 2015/16 agriculture season. SEEDCO has since met with the 49 CADs to discuss contractual terms and demo plot management protocols.

6. In leveraging trade financing for both input and output market, 50 (25 female) CADs were linked to ZAMSEED and employed as company's agents.
7. The project facilitated input credit for 69 (32 Female) CADs with District Farmer Associations, organizations under Zambia National Farmers union. Of the 69 CADs, nine CADs (2 females) were linked to the organization to participate in the Bunjimi mechanization program, five female CADs signed up for Women Innovation Fund and the rest are registered for farming input credit schemes. The CADs are expected to reach out to at least 7,314 smallholder farmers who are participating in farmer field schools.

In addition, the project participated in farm equipment road shows, the financial fair organized by SNV, and the launch of MRI Syngenta drip irrigation kit event. During these events, the CADs had an opportunity to explore opportunities for input and financial linkages with suppliers and financial institutions. As a result, six (2 females) interfaced with Investrust, FINCA, FNB, MFinance, Finance Bank, and Banc ABC, seeking financial opportunities for their business plans. Thus far, three (2 females) CADs have found a funding opportunity with the Agri-Business Incubation Trust (AgBIT) and another three male CADs have been selected by MFinance (1 CAD), and FNB (2 CADs) for follow up meetings with a possibility of funding their respective businesses.

PLANNED

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

RESULTS

In order to strengthen the input and output markets being promoted through the CADs model, the project focused on the formation of community based farmer groups around individual CADs. In Petauke and Katete, the ex-SILC FAs have been seamlessly transformed into CADs and their groups (7,114 smallholder farmers) are now accessing credit through the ZNFU input credit scheme, and inputs and output markets resulting from the linkages with MRI Syngenta, Monsanto, ZAMSEED, and SEEDCO among other input companies. In the period under review, 28 (4 female) horticulture farmers acquired treadle pumps worth US\$3,595 (ZMW 26,600) from Vision Fund, a financial institution that provides loans to formal farmer groups.

This model has been also transferred to Chipata and Lundazi areas and already 21 women groups with a total membership of 420 in Chipata are in their second and third cycle of a loan acquisition from Vision Fund. Micro Loan Foundation is also using the same principle of providing loans to farmers who belong to cohesive groups such as the credit and savings groups and the farmer field schools. As a result, 288 farmers from 16 groups formed in the period under review were familiarized with the terms and conditions governing the acquisition of the loans.

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

In the last quarter, the project prepared business plans for CADs in order to provide a sustainable basis for accessing credit. Investment opportunities for most were identified – from input purchasing and working capital needs, to small-scale cottage industry processing and machinery introduction. Profit + engaged ZNFU, Vision Fund, Micro Loan Foundation, Stanbic 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.

Specifically, ZANACO is looking at the possibility of CADs to promote mechanization, banking agent models and strengthen the collaboration between input companies and the community agro dealers through a VISA card credit scheme. Below are the details of the progress made in respect to the three areas of collaboration.

1. **Mechanization:** ZANACO will target 17 CADs to develop the mechanization initiative. This initiative will promote efficient and effective application of technologies promoted by the project in farmer field schools which are part of the CADs models. ZANACO is currently scrutinizing profiles for 17 CADs and their respective business plans to see if the CADs are able to become legal borrowers for the bank. In addition ZANACO has shared a standard application form applied on emergent farmers. The application form specifies the requirements for the CADs to qualify for participation in the mechanization scheme.
2. **Banking agent:** PROFIT+ has selected and shared profiles for two CADs in Petauke and three CADs in Katete who are already banking with Zanaco to serve as bank agents in their respective communities. The CADs are fully capable and certified by the project to perform this function as they will serve credit and saving groups who are mature and have grown their savings. ZANACO is willing to pilot the initiative and is in the process of assessing the viability of the cadre of CADs to be enrolled on this program. ZANACO has since shared a presentation on the Zanaco Xpress, agent banking. The presentation highlights the operations, commissions, and requirements for one to be an agent. They have also made further enquiries on the average amounts the CADs are currently handling on a day to day basis and their exact localities.
3. **Visa card scheme:** The project is facilitating a credit line for farmer input financing by applying a ZANACO VISA card scheme in the CADs model. The project is leveraging the signed MOUs and agreements made with three input companies: MRI Syngenta, Monsanto and ISS Agro. The input companies are engaged with a total of 90 CADs as their franchisees or agents in the communities. MRI Syngenta has engaged 40 CADs while 30 have been engaged by Monsanto and 20 are working with ISS Agro. This scheme is pending ZANACO meeting with the input companies for a discussion on how MRI Syngenta, Monsanto and ISS Agro will mitigate the risks involved and learn other value additions the input companies add to the CADs model.

Other:

The project continues to follow the development progress of ZAMACE, Zambia's commodity trading platform. The USAID funded Southern African Trade Hub (SATH) has completed final assignments which was focused on establishing management platform for the exchange, and follow up discussions have been held by PROFIT + team and Zamace officials to develop amended timeline for project's

intervention, which will include stakeholders training and possible linkages to small and medium enterprise financing line for storage facilities facilitated by SATH through ZANACO.

The table below presents a summary of current activities with financial institutions:

FINANCIAL PARTNERSHIP SUMMARY

Micro-Finance Institution	Category	Deal/purpose/status	Number of CADs who presented business plans	District
M-Finance	Commercial Bank	Working capital loans involving Samuel Banda, Mary Sakala, Harrison Sakala, Olipa Shawa, Mabvuto Nkhoma and Tomaida Zulu. The Bank will make a follow up on balance sheets, collateral and bank accounts for all	6 (3 Female) CADs	Chipata, Katete & Lundazi
Invest Trust	Commercial Bank	Working capital loans for Harrison Sakala, Joseph Sakala, Nathan Phiri and Tomaida Ziwa and the bank promised to conduct a field visit to each one of them	4 (1 Female)CADs	Chipata and Katete
BankABC	Commercial Bank	Working capital loan. The bank promised to make a follow up on Siyobe Phiri's business plan and not the others	3 (1Female) CADs	Katete
Vision Fund	MFI	Input and equipment finance for Hort value chain irrigation		
Finca	MFI	Working capital loans for Harrison Sakala, Joseph Sakala, Leya Phiri, Nathan Phiri, Tomaida Ziwa and Samuel Banda. The bank promised to visit all but one (not specified)	6 (2 Female) CADs	Chipata and Katete
Micro Loan Foundation	MFI	Finance loans for women groups	All four Districts	
FNB	Commercial Bank	Working capital loans for Lazarus Banda, Mary Sakala, Nelia Banda, Frackson Mwale and Save Nyasulu. The bank indicated that they can only disburse loans through companies such as Cargill or NWK	5 (2 Female) CADs	Katete, Petauke, and Lundazi

ZANACO	Commercial Bank	Input finance and mechanization lease scheme	25 (10 Female) CADs	
Finance Bank	Commercial Bank	Working capital loans for Joseph Sakala and Olipa Shawa. A follow up was promised	2 (1Female) CADs	Chipata

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

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

Loans and investments in rural areas are usually small so the cost associated with expansion and bringing in new customers provides little to no justification for penetrating these markets. Models like CAD and agribusiness groups, however, have generated interest and shown capacity to attract companies and financial institutions as they become facilitators for creating economies of scale. The project has also observed that as companies and financial institutions (such as Jungle Beat, SHARE Africa Zambia, MRI Syngenta, Monsanto, Continental grains, Cargill, NWK, Vision Fund, MFinance, ZANACO, etc) expand their operational capacity and make new investments, they are increasingly engaging with CADs to expand into more rural areas. Below is a table showing some partnerships created as a result of cohesively creating demand for both private companies and financial institutions who are slowly developing an interest in investing in rural areas.

BIGGER DEALS ARE NEEDED FOR MORE INVESTMENTS

While CADs and agribusiness groups are able to generate interest from the private sector, targeted work with companies and processors is required to bring more funds and create bigger investments in Eastern Province. For example, Delicious Milling, one of the key project partners, is currently constructing a large capacity milling plant on the outskirts of Chipata to build on past efforts in the Eastern Province. This investment presents major achievement by the project and will be highlighted in the annual report along with investment specifics.

D. IR4 CROSS-CUTTING THEMES

I) GENDER

OVERALL OBJECTIVE

The project's objective under the gender component is to integrate women in all project operations, enable women to be agents of change, and promote ownership of productive, life-changing assets amongst women

STRATEGY/APPROACH (OUR THEORY OF CHANGE)

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

Gender is an integral part of the PROFIT+ strategy. From trainings that are rolled out in communities, to strengthening women's groups and promoting women entrepreneurship through the CADs model, every activity makes provision for equal participation of both women and men through the incorporation of behavior change strategies. In this way, the project is showcasing the capacity of women to be leaders in their communities. All of Profit + interventions are aligned with the Women Empowerment in Agriculture Index (WEAI).

PLANNED

Ensure that CAD development has the strong presence and participation of women.

RESULTS

Thus far, 65 women have been registered as CADs, businesses generating value, creating assets, and increasing income. Female CADs participate equally in all interventions outlined in IR1, IR2 and IR3 parts of this report. Table below shows distribution and engagement of female CADs:

	Petauke	Chipata	Katete	Lundazi	Total
Number of Female CADs linked to Input Companies					
MRI Syngenta	10	13	1	0	24
ZNFU	8	1	0	0	9
CAMCO	0	4	0	0	4
Zamseed	2	4	0	0	6
ZASAKA	0	3	0	0	3
Greenbelt	0	2	0	0	2
Cargill	1	2	0	8	11
ATS agro-chemicals	0	3	0	0	3
China Gansu Eng. Corp	0	2	0	0	2
Hygrotech	0	1	0	0	1
Pioneer	0	0	0	0	0
Monsanto	0	0	1	1	2
ISS Agro	0	0	0	8	8
Continental Grains	0	0	0	3	3
Share Zambia	0	0	0	1	1
SEEDCO	1	0	0	0	1
Total	22	35	2	21	80

The impact that females in CAD role had on communities and other women has been also recognized in a manner that cannot be captured with numbers. A delegation from Cargill in the US visited the project as a part of Leaders Quest Learning Meeting in June 2015 where they had an opportunity to interact with CADs, notably female CADs. The purpose of the meeting was for the Cargill delegation to learn

how the CAD model has empowered smallholder farmers to increase their productive potential, how PROFIT+ has incentivized the private sector to invest in smallholder farmers, and how financial services such as money transfers and loans to smallholder farmers are made available.

After the meeting with PROFIT +, Cargill's delegation leader wrote the following: *"I am writing to you to express my thanks and gratitude for a most impactful and inspiring time with you! Thank you for taking the time to prepare and to host this very engaging morning. While your CAD model was certainly one that instilled hope and admiration in our group it was the meeting and small group conversations with Olipa, Sam and Harrison that were extremely moving and transformative for many participants. It was great to have such a tangible point of engagement around the individual presentation of their business plans – here the group could get involved and bring their own thinking into improving and challenging the three CADs – I really hope that Harrison, Olipa and Sam also found it helpful to sit with such involved and interested experts from all over the world. It is clearly visible how deeply committed you are to making PROFIT+ succeed in such a way that in two years' time the CADs are self-sustainable, viable businesses. It was great to see the passion and care with which you drive your vision"*.

Olipa's presence (one of the CADs visited during the trip) and recognition during this meeting carried substantive message to the rest of the community.

PLANNED

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

RESULTS

During the period under review, 21 new agribusiness groups formed in Katete, Chipata and Petauke, which brings the total number to 403. The net effect on the total membership is 8,332 with 76 percent women participation. Therefore, the women had an opportunity to access markets and increased income through the sale of farm produce in aggregation centers created by the CADs. This approach results in reduced distance to the markets hence creating more time for women to attend to other household chores, increased decision making power, and direct access to income and farm inputs through the CADs and their groups.

The already established DWAs were also impacted by PROFIT + interventions. A rapid assessment of the Chipata DWA in June revealed that out of 59 (52 females) farmers trained in Sell More For More in May-June 2014, 48 farmers started began farm related businesses. The type of businesses are mainly gardening - almost every member has a garden producing vegetables, tomatoes and onions. In addition, they are also running grocery shops either at the market or at home. Others have makeshift grocery shops and benches where they sell merchandise such as beans, Kapenta, cooking oil, tomatoes and vegetables. In the own words the SMFM beneficiaries who have engaged in businesses in Feni have seen a lot of benefits as they have used the profits realized to improve their livelihoods, build good houses, build shops and take their children to schools. The more women gained access to independent sources of income, the more confident they become to make decisions which address their daily needs.

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 affect are being given guidance to follow the provisions in the approved Environmental Mitigation and Monitoring Plan (EMMP).

During the farmer field school trainings from the last quarter, CADs were also trained to identify potential adverse impacts associated with the activities promoted by the project. In the quarter under review, 40 field days were organized and 6,037 farmers (3,227 females) received instruction on how to factor in environmental sustainability in agricultural activities and the need to come up with simple practical EMMPs. CADs took the lead in sharing these messages with the farmers. This included instructions on safe storage, waste management and potential losses associated with weak or absent mitigation measures in crop aggregation. CADs that received training in business planning had separate sections included in their plans that, among other things, aimed to strengthen environmental mitigation for business activities that have potential for environmental damage. This means that all CADs have a basic EMMP that they will use in their business activities and this platform will help them to periodically review the efficacy of the mitigation measures contained in their plans.

III) IIP

Due to uncertainty in regards to the project funding for year 3, no new IIP interventions were implemented this quarter. Annex I provides the current summary of PROFIT+ IIP program. However, the project continued to scan opportunities, which will be ready for investments when next tranche of funding is delivered.

During the quarter a total of \$7,474.39 was disbursed to the following grantees:

Grantee	Value (US\$)
Zingale Multi-purpose Cooperative (K13,200)	\$1,808
Mitengo Women Association (K36,413.04)	\$4,988
Chitenthani Multi-purpose Cooperative (K4,950)	\$678
Total	\$7,474

During the quarter, the following potential grants were analyzed and prepared for processing:

Name of bidder	Purpose	Value (US\$)
Henwood Foundation	Tomatoes & Onions processing	\$89,353.00
Lusanjo Business solution	Ground nut processing / outgrower scheme	\$57,800.00
NEZI Investments	Stock feed production	\$44,166.00
Lumuno Organics	Tomato and Onion processing	\$141,821.92
ISS Agro	Franchising of CADs	\$40,000
Jungle Beat	Outgrower scheme with CADs	\$97,000

Total

\$470,140.92

MONITORING AND EVALUATION

In the period under review, PROFIT + made a substantial effort to clear a two-year backlog of data on beneficiary registrations, trainings, service provisions, aggregation center production data, and adoption of technologies and financial services. Significant progress was made on updating these records in the database and proficiency in accessing and using the database to produce reports and respond to audit questions has improved tremendously. Thus far, 130,391 (70,872 female) of the 140,000 project beneficiaries were registered in the SharePoint database. The project has further strengthened the M&E system by decentralizing the SharePoint database and deploying the M&E interns to help with the data collection, verification and entry. The M&E interns received training in management and administration of the project's SharePoint Management Information System (MIS) and hands-on training in improved modelling and analysis of monitoring and evaluation (M&E) data. The training was facilitated by Jeremy Burns, a regional M&E support personal from ACDI/VOCA, who continues to provide support in MIS.

In addition, the project reviewed data collection tools such as the jobs tracker, private investment tracker, and the sales data collection tracker as well as the project reporting tools including incorporating the CADs profiles and organization, community based groups and private sector company profiles in the SharePoint database. Furthermore, the project is implementing the forward contract approach and the savings and credit data capturing tools to ensure evidence based data on partnerships and private sector investment. To this effect, the improvement in the M&E system is yielding results and to date the project has captured and verified data on the following intermediate results shown in the dashboard below:

IRI: Improve agricultural productivity for smallholders

	Number continuing from FY14	Number continuing from Oct to March 2015	Number captured in April to June (Total New)	FY15 Target (Total Continuing and New)	FY 15 Actual (Total Continuing and New)	Cumulative from project inception to date
Number of individuals who have received USG supported short-term training	100,051	140,180	25,501i	146,250	165,681	165,681
Number of farmers and others who have applied new technologies	79,908	59,939	24,616ii	139,000	84,555	84,555

or management practices						
Number of hectares under improved technologies or management practices	70,337	1692	NA	100,000	72,029	72,029

IR3: Increased Private Sector Investment in Agricultural Related Activities

	Number continuing from FY14	Number continuing from Oct to March 2015	Number captured in April to June (Total New)	FY15 Target (Total Continuing and New)	FY 15 Actual (Total Continuing and New)	Cumulative from project inception to date
Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation	\$5,504,222	\$44,044	\$336,976.32	\$ 5.5M	\$ 5,841,198.3	\$ 5,841,198.3
Number of public-private partnerships formed as a	131	133	9	203	142 ⁱⁱⁱ	141

² \$266,098 was captured from share Zambia as leverage on machinery, tractor, out grower demo farm plot, and procurement of agriculture inputs and provision of extension services.

result of USG assistance						
Number of jobs attributed to FtF	479	480	74	500	554	554

IR2: Public Private Partnerships Strengthened

	Number continuin g from FY14	Number continuing from Oct to March 2015	Number captured in April to June (Total New)	FY15 Target (Total Continuin g and New)	FY 15 Actual (Total Continuing and New)	Cumulative from project inception to date
Value of agriculture and Rural Loans	\$31,967	\$79,548	\$68,211.62	\$2,186,778	\$179,726.62	\$179,726.62
Number of food security private enterprises (for profit), producers organizatio ns, water users associations , women's groups, trade and business associations , and community -based organizatio ns (CBOs) receiving	1,448	1,664	21	1,648	1,685	1,185

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

USG assistance						
Number of private enterprises (for profit), producers organizations, women's groups, trade and business associations, and CBOs that applied new technologies or management practices as a result of USG assistance	1,128	1,188	21	1,405	1,209	1,209

GOAL: Reduce the proportion of people living in extreme poverty and suffering from hunger						
	Number continuing from FY14	Number New cases from Oct to March 2015	Number New Cases from April to June (Total New)	FY15 Target (Total Continuing and New)	FY 15 Actual (Total Continuing and New)	Cumulative from project inception to date
Number of rural households benefiting directly from USG interventions (\$)	105,351	34,829	25,501	180,000	165,681	165,681

Number of vulnerable households benefiting directly from USG assistance	84,280	27,867	24,616	137,000	136,763	136,763
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III. MANAGEMENT

During the quarter, uncertainty with PROFIT + obligation of funds for Year 3 caused some critical delays in project implementation such as the grants program. The project also notified USAID about the limitation of funds with over 95% obligated funds utilized by the end of June 2015.

Currently, ACDI/VOCA has two significant requests pending with USAID/Zambia for the approval of an Operations Director and the fifth year project extension.

During the quarter, Profit + the Assistant Accountant and Procurement Officer positions were phased out, and project is preparing to recruit an Agribusiness Specialist in the coming months when resources are available.

ANNEXES

I. 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
April	CADs Training	Petauke, Lundazi and Lusaka	All 6 value chains	110	Botany, District Coordinators and interns	ZNFU, PACRA, Council, Rent to Own, Cargill, Share Zambia, Zdenakie, SAIOMA, MRI Syngenta, ZAMSEED, ZASAKA, etc
May	Business Planning Training	Chipata	All 6 value chains	25 (10 females)	Sinyinda, Ponde, Moses Mbawo and Botany	AgriProFocus and ZSCMBA
June	CADs mentorship (second round)	Lundazi, Chipata, Katete, Petauke Katete	All 6 value chains	200 CADs	DCs, Interns, Botany, Sinyinda	Linkab Business Solutions
	SILC	Petauke & Katete	All project value chains	8,332 (63,332 female)		NA
June	Quarterly report writing with districts and experience sharing with interns (cross pollination)	Lundazi	All 6 value chains	17 (9 females)	DCs, Interns, Ponde, Moses Musi., Sam, Betty, Raymond, Botany, Sinyinda, Moses Mbawo	
June	Agriculture district shows	Lundazi, Chipata, Katete, Petauke and Lusaka	All 6 value chains		DCs, Interns, Ponde, Sam, Betty, Raymond, Botany, Sinyinda, Moses Mbawo	MAL, Seed companies, processors and Agro chemical companies
June	Impact survey on aflatoxin	Lundazi, Chipata, Katete	4 value chains		Sr. DCs, interns, Botany,	DFAs, DWDAs, MAL, Cooperatives and DHFs

	management and PHH trainings	and Petauke			Sinyinda and Sam	
June	Yield data capturing	Lundazi, Chipata, Katete and Petauke	All 6 value chains		DCs, Interns and Sinyinda	
June	Horticulture Learning Lab	Lusaka	Horticulture		Moses Musikanga	Feed the Future Partners , Research Institution and Government
June	Aflatoxin Awareness and Aflasafe stakeholders meeting	Lusaka	Maize and Groundnuts		Moses Musikanga	Feed the Future Partners , Research Institution and Government
May	Quarterly technical review meeting	Petauke	All	9 (2 female)		MAL
May	Meeting for CADS attached to Cargill	Petauke, Lundazi	Soya beans, maize and sunflower	36 (11 females)	Moses Mbaao	CARGILL
May	Training of CADS by Cargill	Petauke	Soya beans, maize and sunflower	14 (3 females)	Moses Mbaao	CARGILL

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

2. PARTNERSHIP TABLE

Name	Partnership Objective	Number of CADS targeted	MOU	Action taken	Next Step	Notes
Cargill	Provision of output market for sunflower and soy beans, and establish an OGS.	30 CADS (13 females)	Forward contracts signed	CADs were trained on crop aggregation system.	Need to make follow up on the disbursement of funds to CADs	Funds not yet
SHARE Africa Zambia	Provision of output market for groundnuts and establish groundnuts outgrower scheme (OGS).	10 CADs (5 female) and 2 cooperatives	Forward contracts signed	Distributed 600 empty grain bags to 4 CADs (1 female) and 2 coops, 6 scales and 6 twine in Lundazi. Disbursed K150,000 to each CAD. 2.75 MT bought so far in Lundazi.	Monitoring of aggregation centers	P+ has partner ZAMBIA a fair in Chipata to provide farming advice smallholder farmer groundnuts sell provide market
ISS Agro	Input Supplier	20 CADs (7 females)	13 franchise agreements signed	Renovation of agro shops and 8 shops have been renovated but not yet branded.	Branding of agro shops	ISS has partner interested in rural outlets a Dealer rural business model Lundazi
CAMCO	Improve access to equipment - asset financing	2 CADs	To be signed	Identified 2 CADs (1 female) as agents for CAMCO in Chipata.	Conduct more sensitization meetings with CADs and farmer groups	More than 20 sensitized on products and farmers to be shellers, spr
MRI Syngenta	Expand input distribution and offer technical backstopping to CADs and supply backup parts for drip irrigation system.	60 horticulture CADs.	Forward contracts signed.	Consultative meetings have been held with the sales engineer.	Irrigation parts to be bought.	MRI- Syngenta company and P+ to develop CADs in district crop protection products to Peri urban Lus

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 company and + to promote sales of seed p
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 signing an MoU Agri Pro Focus (SNV) t planning work fair to increas knowledge an influence finan outcomes for Focus, is work Chamber of S Business Asso and Financial S Program to im knowledge to
Micro Loan Foundation	Improve farmers' access to finance.	7 female CADs in Chipata.	To be signed	16 women groups with 15 members each have been formed.	Conduct more sensitization meetings.	MoU not yet
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 Community M Conservation promote busin increased food reduce levels 35,000 small f Province. CO groundnuts an improved farm help to increa converting the added produc

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

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 Cooperatives, and processing Zambia's Eastern is working with farmers. EPFC connects farmers to provide seed local smallholder them to improve
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 based in Lusaka farmers to grow helping boost and offers the harvest, there incomes
ZARI	Generate and increasing pre basic and basic seed for distribution to private sector companies for certified seed multiplication	3 Private Sector companies	Procure 30,000MT of maize and 5,000 of soybeans from two farmer groups in	Report in progress	Review of narrative report and justification for granting	P+ has partnered Agriculture re ZARI) a government department under Ministry of Agriculture Livestock and Fisheries government (a Centre of Legumes' (soy cowpea, ground

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

			Lundazi			peas) and food farming systems
Continental Grains	Facilitation of marketing output for Soya beans and Maize	56 CADs (23 females), 19 Cooperatives and, Lundazi DWA	Forward contracts signed	Disbursed K 59,710 for the purchasing of soybeans in Lundazi.	Monitoring of aggregation in Chipata.	Soon to start buy maize.
Naniwe Oil Millers	Improving access to output market for sunflower and groundnuts.	20 CADs (5 females) and 2 cooperatives.	Forward contracts signed.	Distributed 2,000 empty grain bags & disbursed K45, 000 to CADs. 150 tons of sunflower bought.	Disburse funds for second round buying.	This linkage with market solutions for farmers.
Coolche – Coolche	Improving access to output market for sunflower and maize.	16 CADs (4 females).	Forward contracts signed.	300 tons of sunflower bought at K450,000	Update the sales data forms for sales made so far.	Coolche – Coolche good price for (K150/kg)
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 Market for smallholder farmers

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

ATS Agro-services	Improve access to agro chemicals	4 CADs (2 females) in Chipata.	To be signed.	4 CADs (2 females) have been identified as agents for ATS Agro	ATS conducted a demo to farmers and CADs on its products	121 farmers CADs sensitized on products.
Vision Fund	Improve smallholders' access to finance.	3 female CADs in Chipata.	MoU signed	21 Women groups were formed; each with at least 15 members per group.	Follow-up meetings and sensitization of new groups on access to loans	Groups have accessed loans and other services. Second, third
ZANACO	ZANACO provide input credit to the CADs through input suppliers like MRI Syngenta as well as use the CADs as agents in rural communities	25 (10 female) CADs	In the process	Held several meetings the project has shared S business plans for 25 CADs and ZANACO has shared criteria for CAD selection for various loan products	ZANACO to review the business plans and meet with MRI Syngenta to analyse and understand risk mitigation measures	PROFIT + has been working with ZANACO with financial solutions for smallholders. ZANACO will have an opportunity to network with
ZNFU	ZNFU will provide input credit to the CADs and their smallholder farmers	69 CADs (37 females)	In process	69 CADs (37 females) registered with ZNFU under the Lima Credit Scheme and 11 CADs (9 females) registered under Bunjimi	The project will continue facilitating registration of CADs under the lima credit scheme	PROFIT + is in the process of partnering with ZNFU for it and outgrower

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

Monsanto Zambia Limited	Commercial Linkage with CADs as sales agents of white maize seed and Chemicals. Promotions of technologies and GAP in demo plots	TBA	In process	PROFIT + has availed Monsanto with the CADs database for them to access the rural CADs network for consideration for sales agents and provision of demonstration plot inputs for 2015/16 agriculture season	Monsanto is recruiting marketing personnel to be based in the Eastern province	Monsanto is a private firm in chemicals and s
Kickstart.org	Promote small scale irrigation by providing treadle pumps on loan to horticulture smallholder farmers	TBD	Individual contracts	The project continues to engage kick start for more farmer loans	Kickstart to provide more loans	Kickstart.org organization in promoting and MoneyMaker smallholder fa targeting hort

3. PLANNED ACTIVITIES FOR THE NEXT QUARTER (JULY-SEPTEMBER 2015)

Activity Description	Lead	Partners	Indicator	Unit	Performance period		
					July	Aug	Sept
Developing a network of 200 CADs in rural communities							
CADs mentorship in business management	Botany			Productivity	X	X	X
Identification of 100 DHFs to become CADs	Botany and Sinyinda	CADs, MAL, DFAs, DWAs		Productivity	X	X	X
Installation of drip irrigation system	Justine	MRI Syngenta		Productivity	X	X	X
Training 50 CADs in the use of Metal Silos and	Botany and	Metal Silo fabricators		Productivity	X	X	X

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

distribution to enhance crop storage	Sinyinda						
Gross margin calculation/business case establishment for field crops	Sinyinda	CADs, MAL, DFA, DWAs, Cooperatives		Productivity	X	X	X
FtF quarterly review and planning meeting	Botany	All projects under FtF in EP		Productivity	X	X	X
Finalize discussions with input suppliers on horticulture demo packs supply for 2015/16	Justine	Greenbelt fertilizer, Cropchem and ZAMSEED		Productivity	X	X	
Follow ups on horticulture demos and rehabilitation of seedling houses	Justine	MAL		Productivity	X		
Block review and planning meetings	Botany	CADs, MAL		Productivity	X	X	X
Horticulture field days				Productivity		X	
Gross margin calculation and business case establishment for field crops	Sinyinda and Justine	CADs, MAL		Productivity		X	
Establish Market Linkages							
Follow up on ETG in Katete on an outgrower scheme	Moses, Botany and Renton	CADs, DHFs DWAs, Farmer Associations	FTF4.5.2-7	Marketing	X		
Review of business plans of cooperatives trained in Sell More For More (SMFM)	Botany and Victor	CADs, DHFs, DWAs, Farmer Associations	FTF4.5.2-11	Marketing	X	X	
Monitor implementation of forward contracts, SMFM practices and sales data collection forms	Botany and Moses	CADs, DHFs. DWAs	FTF4.5.2-11	Marketing	X	X	X

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

Follow through on SAIOMA offer to refurbish 6 agro shops in Petauke, Chipata & Katete	Moses	CADs, SDCs	FTF4.5.2-11	Marketing	X	X	
Facilitate the Establishment/Development of First Level Processing Facilities							
Follow up with Local processors in Petauke and Lusaka	Moses , Justine and Renton	CADs, DHFs, DWAs	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

4. UPCOMING EVENTS/PROCUREMENTS

Date	Name of Event/Procurements	Location	Sector	Organizing body	
				Responsible staff	Contact address
July	CADs mentorship in business management	Lundazi, Chipata, Katete, Petauke and Lusaka	Productivity/Training	Botany	
July	Identification of 100 DHFs to become CADs	Lundazi, Chipata, Petauke and Katete	Productivity/Training	Sinyinda	
July	Installation of drip irrigation system	Lundazi, Chipata, Katete, Petauke and Lusaka	Productivity/Training	Justine	
July	Training 50 CADs in the use of Metal Silos and distribution to enhance crop storage	Lundazi, Chipata, Petauke and Katete	Productivity/Training	Botany/Sinyinda	
July	Gross margin calculation/business case	Chipata	Productivity/Training	Sinyinda	

PRODUCTION, FINANCE AND IMPROVED TECHNOLOGY (PROFIT+)

	establishment for field crops				
July	FtF quarterly review and planning meeting	Lundazi, Chipata, Petauke and Katete	Productivity/Training	Botany	
July	Finalize discussions with input suppliers on horticulture demo packs supply for 2015/16	Lusaka	Productivity/Training	Justine	
July	Follow ups on horticulture demos and rehabilitation of seedling houses	Lundazi, Chipata, Katete, Petauke and Lusaka	Productivity/Training	Justine	
July	USAID Data audit	Chipata	M&E	Moses Musikanga	
July - Sept	Annual Outcome survey	All Districts	M&E	Moses Musikanga	
July - Sept	Leaflet on hazards to environment related to production practices	All Districts	Environmental and compliance Manager	Sam Lungu	

5. SUCCESS STORIES

ⁱ This is the number farmers reported by COMMACO, and the verification process has began

ⁱⁱ The pool of these smallholder farmers (14,653 male and 9,963 female) benefitted through a grant with COMACO, Gender training by PPHZ (Male 400, Female 485) and a newly established demo plot in peri urban Lusaka. The figures from COMMACO are in the process of being verified.

ⁱⁱⁱ The project is working with a total of 200 CADs transformed from DHF to private business entities who have received entrepreneurship training and mentorship from PROFIT+. The CADs have been provided with sustainable linkages to input, output dealers including financial institutions.



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