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# KOSOVO AGRICULTURAL GROWTH AND RURAL OPPORTUNITIES ACTIVITY FISCAL YEAR 2016 WORK PLAN

September 2016

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## **DISCLAIMER**

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



# TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b> .....	<b>I</b>
<b>ACRONYMS AND ABBREVIATIONS</b> .....	<b>II</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>3</b>
YEAR 2 STRATEGY .....	3
STRUCTURE OF THE WORK PLAN .....	5
<b>VALUE CHAINS</b> .....	<b>7</b>
FRUIT	
Apples and Pear.....	7
Table Grape .....	11
Strawberries .....	15
Raspberries.....	17
Sour Cherries .....	22
Blueberry.....	26
VEGETABLES .....	29
Peppers and Tomatoes.....	29
Gherkin and Cucumbers .....	33
Lettuce .....	35
Asparagus .....	38
Medicinal and Aromatic Plants (MAP) .....	41
LIVESTOCK .....	45
INNOVATIVE HORTICULTURAL VALUE CHAINS.....	49
<b>CROSSCUTTING</b> .....	<b>53</b>
AGRICULTURAL SUPPORT SERVICES .....	53
OUTREACH AND COMMUNICATIONS .....	60
Strategy .....	60
Activities .....	60
GENDER MINORITY AND YOUTH .....	60
Background .....	60
Strategy .....	61
MICROENTERPRISE .....	61
<b>ANNEX I: ACTIVITY BUDGET BY VALUE CHAIN AND OBJECTIVE</b> .....	<b>62</b>
<b>ANNEX II: SUMMARY OF COMBINED ACTIVITIES CONTRIBUTION TO KEY PMP INDICATOR TARGETS PER VALUE CHAIN</b> .....	<b>75</b>

# ACRONYMS AND ABBREVIATIONS

AgStrat	USAID’s Agricultural Strategy dated 2009
AWP	Annual Work Plan
BSP	Business Service Provider
CLE	Contract Law Enforcement (Activity)
COP	Chief of Party
CTO	Chief Technical Officer
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
EPA	Environmental Protection Agency
EMMP	Environmental Mitigation and Monitoring Plan
FY	Fiscal Year
EU	European Union
FtF	Farmer to Farmer
GAP	Good Agricultural Practices
HACCP	Hazard Analysis and Critical Control Points
IIF	Innovation and Incentive Fund
IPAK	Investment Promotion Agency of Kosovo
IPM	Integrated Pest Management
IWM	Integrated Weed Management
ISTTA	International Short Term Technical Assistance
LoP	Life of Program
LSTTA	Local Short Term Technical Assistance
MAFRD	Ministry of Agriculture, Forests and Rural Development
MAP	Medicinal and Aromatic Plants
MT	Metric Tons
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan

PPE	Personal Protection Equipment
RDC	Rural Development Center
RTK	Radio and Television Kosovo
SEED	Support for East European Democracy
SOE	State-Owned Enterprise
SP	Strategic Partner
STTA	Short-Term Technical Assistance
TA	Technical Assistance
USAID	United States Agency for International Development
VCM	Value Chain Manager



# EXECUTIVE SUMMARY

This work plan projects the first full year of the AGRO project and will begin to capture the outcomes and results generated by selected strategic partners across all value chains. The year will also see grants awarded to a significant proportion of these strategic partners, enhancing results. FY15 results, despite covering a period of only six months since the start of the Activity, showed promise, as is highlighted by the table below.

<i>Indicator</i>	<i>2015 PMP target</i>	<i>Actual</i>	<i>2016 PMP target</i>	<i>2016 Forecast</i>
<b>Value of investment in AG sector</b>	0	0	\$1,500,000	\$1,500,000
<b># of New Jobs</b>	400	575	1000	1065
<b># of People Trained</b>	600	776	1000	1904
<b>HA under new Technology</b>	100	235	150	703
<b>Firms with new Technology</b>	20	21	40	40
<b># of Firms Certified with food safety Standards</b>	0	0	5	5
<b>\$ Value of sales</b>	\$3,800,000	\$7,024,299	\$11,000,000	\$12,377,000
<b>Domestic Sales in \$</b>	\$3,000,000	\$4,297,417	\$8,600,000	\$9,600,000
<b>Export Sales in \$</b>	\$800,000	\$2,726,882	\$2,400,000	\$2,700,000
<b>New Markets</b>	2	0	10	12
<b>Supply Contracts</b>	200	394	400	477

AGRO overachieved on all headline indicators for the FY2015 with very strong performance in sales (both domestic and export) as well as the establishment of hectares of crop under new technology. These impressive performances were driven by the raspberry value chain with critical improvements being noted in the traditional pepper sector, with new varieties under specific market contracts being an important improvement. Gherkin production and marketing increased yet again and for the first time registered export sales. The general strong market demand felt by growers through strategic partners in 2015 will no doubt impact FY 2016 results, with increased demand for plantings of contracted crops, areas under new technologies and sales.

This work plan focuses attention *through* strategic partners in all value chains, promoting stronger linkages with producers, improved technical support through farmer trainings and the provision of private sector extension services with specific mandates for the enterprises involved. In this way, the 2016 FY work plan will see increasing focus on these entities during FY15.

2015 saw for the first time real market demand for food safety certification, especially GlobalGAP. This is the first signal that Kosovo as a reliable volume supplier, is being recognized by buyers other than the diaspora market in Western Europe. Using the FY15 successful establishment of preferred farm assurers, GlobalGAP certification will be delivered to at least 5 firms in FY16. These firms are likely to involve large numbers of small growers and form the basis of group certification schemes in line with market requirements.

Supply contracts are a headline indicator since their use implies improved confidence at both the producer and the buyer level. The FY15 result standing at 97% *over* achievement on this indicator is encouraging and sets a firm foundation for the production system ahead. The use of supply contracts will continue to be a central pillar of project intervention leading to sustainable commercial relationships between value chain actors.

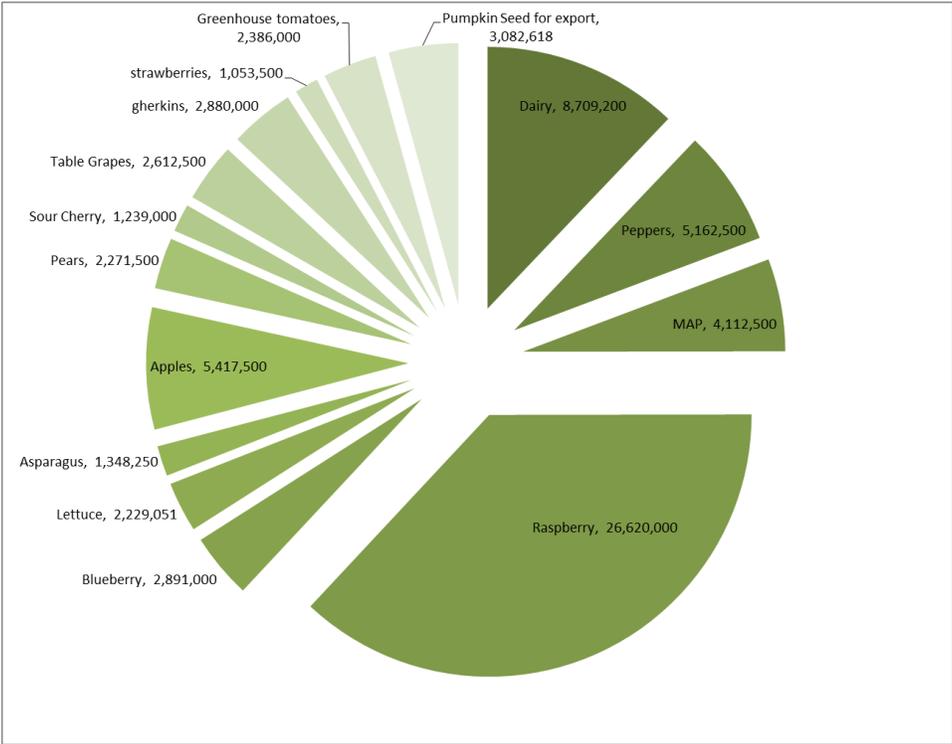
# INTRODUCTION

In March 2015, The United States Agency for International Development (USAID) awarded to Tetra Tech ARD the Agricultural Growth and Rural Opportunities Activity under Contract no. REQ-167-15-000004. The Agricultural Growth and Rural Opportunities Activity is a program funded by USAID to develop a more competitive agricultural sector in Kosovo through technical assistance and grants to farmers, enterprises, and other organizations in targeted value chains. The overall objective of the 60-month AGRO Activity is to achieve maximum impact in the agricultural sector that results in expanded sales of Kosovo food products, increased farmer income and new job opportunities.

## YEAR 2 STRATEGY

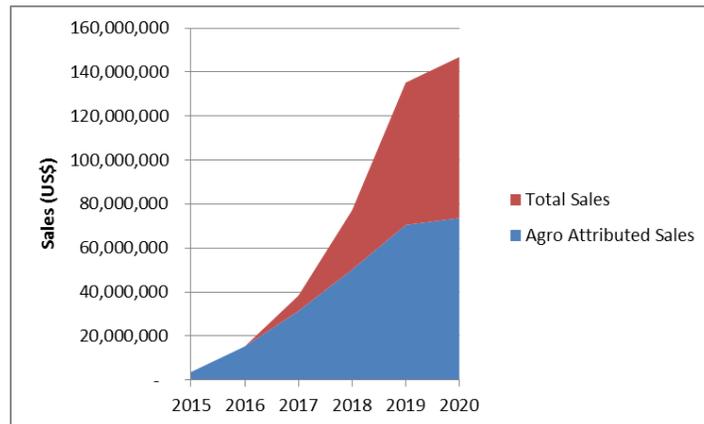
The Annual Work Plan presented here covers the period from October 1, 2015 through fiscal year 2016 (September 30, 2016). This annual work plan represents the first full year of operation of the Activity and hence seeks to maximize the Activity’s influence on Strategic Partners and their impact on the planting and production decisions of their contracted producers. The Activity remains totally focused on developing Strategic Partners which will result, year on year, in improved sustainability within targeted value chains.

Following the first 6 months of implementation, and the evaluation of potential Strategic Partners active within targeted value chains, the AGRO team has developed a specific set of life of Activity goals for each value chain. This set of goals projects sales values by value chain each year. These sales drive all other PMP targets and, as such, represent the principal indicator of progress. The overall life of project sales target is \$65 million. Projections by value chain, achieving this target (these projections actually represent 113% of target at \$73.7 Million) are outlined in the following graphic.



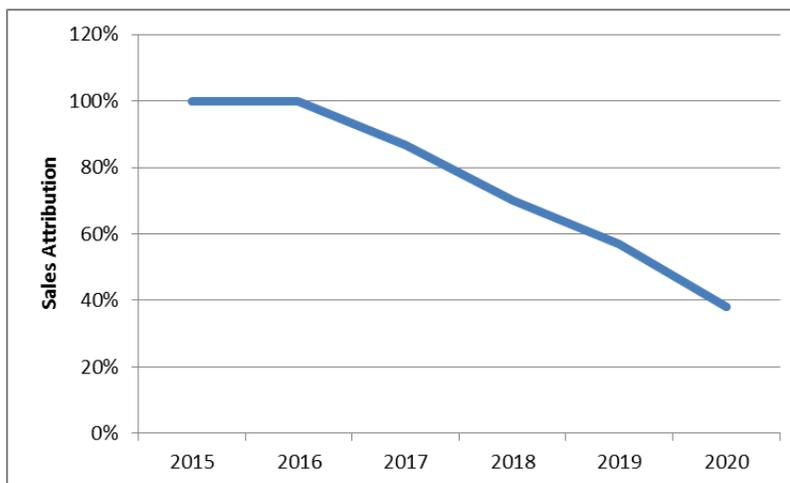
Life of Project AGRO Attributed Sales projection by value chain

As Strategic Partners take on ever increasing ownership of the value chain function, AGRO will reduce its attribution of sales achieved through project support, reporting total sales but only considering that a declining proportion of the sales is directly attributable to AGRO intervention. This is in keeping with the Activity’s central objective of developing sustainable interventions that operate effectively after the close of the AGRO Activity, continuing to drive value chain growth, development and diversification. This is in keeping too, with Activity budget projections wherein technical staff numbers begin to reduce after year 3 and those roles are increasingly taken on by Strategic Partners. The graphic below summarizes total sales projections as well as sales attributable to direct project intervention over time:



Sales projection and AGRO attribution 2015 - 2020

By the final year of project implementation, average sales attribution will be at 38% reflecting the dominance of the Strategic Partners in directing the influencing value chain growth. In establishing this attribution, each value chain was evaluated individually based on its state of maturity. This decline in average AGRO attribution, highlighting sustainability, is shown below:



Average projected sales attribution

This approach, emphasizing sustainability, is critical to the development of this work plan and will remain a focus for the project team in future iterations of our annual plans. The approach keeps the team focused on building the capacity of the Strategic Partners we select, and on developing strong linkages between producers, SP’s and the markets beginning with the initiation of long term partnerships. The 2016 work plan will emphasize the final selection of all foundational Strategic Partners across value chains, their integration into the value chain, the initiating of grants that will enhance sustainability and enable leveraging, in particular, MAFRD financial support to value chains under SP direction. AGRO technical support will focus intently on this overall objective throughout the 2016 work plan year.

## STRUCTURE OF THE WORK PLAN

This work plan is structured by value chain (VC). Each Value Chain is presented with respect to how it addresses each of the 3 project objectives:

1. Improved Farm Production and Food Processing.
2. Increased Linkages to Domestic, Regional and International Markets.
3. Strengthened Strategic Partners.

Each value chain AWP narrative first highlights the background and strategy being adopted by the Activity, for that particular value chain. Following this, the activities under each value chain are presented as they address each of the three project objectives listed above. Careful attention has been paid to ensuring that planned activities target specific Performance Management Plan (PMP) targets illustrated in a table following each objective's activities. The principal guiding this additional feature of the work plan is to ensure that each value chain manager (VCM) on the project team has a specific and measurable rationale for *each objective*. Project management will use these specific indicator targets to manage project performance, provide immediate feedback to VCM's, and to put PMP data and regular analysis at the heart of the Activity. Since all PMP data is now entered via the ePORT platform, this data will be updated continuously during project implementation.

In addition to PMP targets, each activity highlights the resources being allocated to it in terms of cost (in USD), the number of international short term technical assistance (ISTTA) days and local short term technical assistance (LSTTA) days required. The PMP target details the specific PMP indicator to be impacted, and the timing of the expected impact – usually by quarter. Costs will be supported from the activity, labor and IIF (grants or sub-contracts) line items of the overall activity budget. At this stage, disaggregation of these sources of cost-cover has not been projected, since much will depend on the grant applications received and project decisions made as to appropriate lines from which to allocate support.

Each activity has been assigned a unique identification number corresponding to the following format:

- Value Chain Identifier (2 letter code)
- Year of activity (single digit project years 1-5)
- Primary objective (single digit)
  - [1] Improved Farm Production and Food Processing
  - [2] Increased Linkages to Domestic, Regional and International Markets
  - [3] Strengthening Strategic Partners
- Activity number within value chain/year/objective (single digit)
  - For example *Activity # AP211* refers to the apple value chain (*AP*), year *2* of the project, under Improved Farm Production and Food Processing (*I*), the first activity (*1*) under this value chain, year and objective.

This identifier serves to track performance in the project PMP, provides a unique identifier of the activity for the life of the project, and will be used to inform our ePORT-based monitoring and evaluation system of discrete data identifiers. The ePORT interface will be fully developed and operational during this work plan period.

For clarity, the complete list of value chain *identifiers* for the first work plan year is detailed as follows:

<b>Value Chain</b>	<b>Identifier</b>
Apples and pears	AP
Table Grapes	TG
Raspberries	RS
Strawberries	SB
Blueberries	BB
Cherries	SC
Peppers and Tomatoes	PT
Gherkins and cucumbers	GC
Lettuce	LT
Asparagus	AS
Dairy	DC
Medicinal and Aromatic Plants	MP
Innovative Horticultural Crops	IH
Agricultural support services	SS

Annex I presents the activity budget per value chain and objective.

# VALUE CHAINS

## FRUIT

### APPLES AND PEAR

#### BACKGROUND

Despite excellent agro climatic conditions, domestic apple production remains still very low. It is estimated that about 2,000 hectares of commercial apple orchards are presently being cultivated in Kosovo (based on the Green Report carried out by MAFRD, 2014). Sophisticated apple storage capacity in Kosovo was low but is improving thanks to the introduction of the 3 large pack houses that were established in conjunction with the MAFRD.

It is clear that new apple growers have the ability to highlight industry transformation but the fact is still that established growers lag behind in the adoption of such new technologies. The lack of willingness to take the next steps to market to international standards and actually compete with imports is a significant issue which is exacerbated by markets willingness to accept the status quo.

#### SECTOR STRATEGY

AGRO will intervene in the following four specific areas, during the next five years; in order maximize outcomes regarding apple and pear production:

1. Facilitate the adoption of the highest, but appropriate, level of commercial production technologies;
2. Maximize quality and quantity of production from current apple and pear orchards, and increase the number of new hectares under pear cultivation;
3. Improve harvest and post-harvest handling and storage practices;
4. Facilitate linkages between buyers and sellers, backed by executable contracts between pack houses, processors, CCs, traders and growers.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### **Activity # AP211: Provide Technical Assistance to at least 400 farmers on pruning, fruit thinning, irrigation, fertigation, plant protection and post-harvest handling**

The Activity will continue with capacity building training for new apple and pear growers, especially farmers who established new orchards in the last three years with MAFRD grant support, support from other donors or own resources. The main aim of this activity is to increase the quantity and quality of the apples and pears produced locally. Through this activity, at least 200 ha of new established orchards will be targeted and new technologies will be adopted on at least half of this area (100 Ha).

**Strategic Partner:** Union of producer associations, Input suppliers

**Cost of activity:** \$12,000

**ISTTA Days:** 7

**LSTTA Days:** 10

**Environmental Action(s) Recommended:** Negative determination

**AGRO Staff Responsible:** Naim Krasniqi

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	400	150	100	100	50
R 1.3	New Tech Ha	100	40	30	30	

**Activity # AP212: Training on apple and pear post-harvest activities and application of “Smart Fresh” product**

This activity will be conducted through a series of trainings that will cover best apple and pear harvest and post-harvest practices, with incorporated recommendations for applying and evaluating the effects of at least one type of commercially available Ethylene inhibitor (likely SmartFresh®). Since efficiency of these applications is closely linked to the quality of harvest and post-harvest measures, these trainings will target the highest quality fruit produced by a small number of lead farmers. Trainings will be performed in cooperation with selected input suppliers who will make the selected Ethylene inhibitor available for trainings.

**Strategic Partner:** Local/Regional Input Supplier

**Cost of activity:** \$3,000

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Negative determination

**AGRO Staff Responsible:** Naim Krasniqi

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Training	100	30	40		30
R 1.6	Firm with Tech	3				3
R 2.1	Sales	\$500K				\$500K
R 2.3	New Markets	1				1

**Activity # AP213: Increase surface of pear using new growing technologies**

AGRO will work with growers receiving grants from MAFRD targeting pear expansion to ensure that at least 5 selected growers use the best agriculture practices in pear production. The aim of this activity is to strengthen the pear sector by increasing new areas of pear cultivation in different regions of Kosovo that will serve as examples of the highest level of commercial production. These in combination with the two larger commercial producers will form the core of commercial pear expansion in the country. The Activity will support at least five grant recipients from MAFRD in the adoption of new technologies and good agricultural practices.

**Strategic Partner:** Commercial growers, MAFRD grantees

**Cost of activity:** \$8,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative determination

**Agro Staff Responsible:** Naim Krasniqi

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	40		15	15	10
R 1.3	New Tech HA	3 ha			3 ha	

**Activity # AP214: Improve calibration, packing, labeling and processing for apples**

This activity will be implemented through the grants process with the main Strategic Partners in the apple and pear sector. The Strategic Partner/s selected will implement this activity in collaboration with the Activity's technical team. During FY2015, two potential Strategic Partners were evaluated positively for further support through the AGRO IIF. One Strategic Partner will work with top quality producers from the Dukagjini Plain, while the other will work with farmers from Kosovo Plain. Moreover, during FY 2016, the Activity will work closely with the apple processing companies in order to strengthen the processing sector throughout the country. This is planned to be performed in the Eastern Part of Kosovo. The Activity will support processors as well to improve their linkages with their growers/suppliers, to strengthen the provision of technical assistance through lead farmers or associations and increase their supply of apples from local producers throughout the Eastern region of Kosovo. Through the processors, a case study regarding the shortcomings of apple/pear sustainable development will be completed and will inform the future development of activities in this subsector.

**Strategic Partner:** Commercial growers, processing companies

**Cost of activity:** \$200,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical exclusion

**Agro Staff Responsible:** Faton Nagavci

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	50			25	25
R 1.6	Firm with Tech	3				3

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**OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS**

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**Activity # AP221: Strengthen contracting between processors, packing houses, supermarkets and traders with apple and pear lead farmers**

The Activity will support Strategic Partners in the apple and pear subsector to perform this activity to link processors, packing houses, supermarkets and traders with apple and pear lead farmers. Contracting will be done for apple and pear sold to fresh markets as well as to processors. Training activities of a modest nature will also be implemented to encourage appropriate contracting.

**Strategic Partner:** Packing houses, processors, collection centers and lead farmers

**Cost of activity:** \$1,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical exclusion

**Agro Staff Responsible:** Musli Berisha

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 2.4	Supply Contracts	180	70	110		

**Activity # AP222: Improve marketing and sales**

The Activity will work closely with the newly established pack houses in Rahovec, Peja and Gjilan as well as with other collection centers, traders and Union of fruit associations in order to design a unique branding, packing and labeling for apple and pear fruits produced locally. It is anticipated that all crop marketed at the highest standard will receive the same branding, packing and labeling. AGRO funding will be utilized to cover the costs of essential overall design of packaging, labeling and high level branding.

**Strategic Partner:** Union of Associations, Processors, Traders, Packing houses, Collection Centers

**Cost of activity:** \$15,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical exclusion

**Agro Staff Responsible:** Faton Nagavci

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 2.1	Sales	\$1.5 M	0.5 M	0.5 M		\$0.5M
R 2.2	New Linkages	1			1	
R 2.3	New Markets	1				1

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### **OBJECTIVE 3: STRENGTHENED STRATEGIC PARTNERS**

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**Activity # AP231: Strengthen the Union of apple associations and improve public private dialogue between MAFRD and main actors**

Small regional associations of apple and pear producers are present in Kosovo, but there is a lack of cohesion necessary to drive high level industry change. Initial sensitization was made during the first 2 quarters of AGRO and for the year ahead we have identified the main areas to work on in collaboration with the Union of Associations. These include: a) improvement of sales and marketing, b) strengthening of advisory services component through the Union of associations and c) intensification of meetings with the Ministry of Agriculture. The Activity will assist the union of fruit associations to define and prepare long-term development strategies with short, mid- and long-term action plans to include a common growth strategy for the country which can be used in support of industry lobby activities. The Union of fruit associations will lobby in order to improve incentive measures targeting the production of apples and pears. The Activity will facilitate meetings and linkages of the top fruit producers with the Ministry of Agriculture's Policy Department and Grant Programming Scheme so that top fruit producers receive appropriate support through the MAFRD rural grants scheme mechanism.

**Strategic Partner:** Union of apple associations, MAFRD

**Cost of activity:** \$5,000

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical exclusion

**Agro Staff Responsible:** Naim Krasniqi

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 3.6	Dialogues	1	1			
R 3.2	Association Markets	1			1	

#### **Activity # AP232: Study tour to the region for apple and pear lead farmers**

A study tour to the region (destination to be confirmed) will be supported, arranged and promoted by AGRO for lead top fruit producers. Ideally the study tour will support up to 40 participants. The aim of this activity is to work through Strategic Partners to improve production quality and efficiency and to develop a sustainable technical advisory service provided by Strategic Partners. This activity will be carried out in collaboration with the Union of Fruit Associations of apple and pear in Kosovo. Growers that have established new plantings over the past 3 years will be targeted as the principal beneficiaries of this study tour.

**Strategic Partners:** AGRO and Union of Fruit Associations

**Cost of activity:** \$8,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical exclusion

**Agro Staff Responsible:** Naim Krasniqi

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Training	40			40	

## **TABLE GRAPE**

### **BACKGROUND**

The Table grape sector in Kosovo is comprised of approximately 600 hectares of crop, mostly dryland production and mostly still based on the same canopy management structures that have been used for wine grape production. This has resulted in very low yields, very poor marketable quality and corresponding poor returns to producers. This perpetuates low producer confidence and no incentive to invest – a cycle that threatens to keep the table grape sector undeveloped. The NOA project successfully introduced two innovations that show promise to break this cycle. These include the technique of over-grafting which can change wine grape vineyards into table grape vineyards and a new system of canopy management which has been shown to increase yields by up to 400% and to vastly improve the quality of

product. The challenge remains to ensure that these innovations are more broadly adopted on a commercial scale.

## SECTOR STRATEGY

AGRO will focus on further standardizing canopy management practices employed in Kosovo, the costs of investment and carefully documenting the returns on these innovations. This will encourage stakeholders to increase investments in these areas. At the same time, we will work with aggregators (our Strategic Partners) to ensure that appropriate incentives are in place that will encourage growers to make necessary improvements. All activities will be conducted by SP's providing a full range of embedded services to growers, wherever possible. This renewed focus will be extended to policy discussions with the MAFRD and with other donors interested in supporting this valuable industry. The strategy specific to the 2016 work plan will be to target growers actively transforming their existing crops and, critically, targeting growers entering new production, supported by MAFRD grants.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # TG211: Provision of technical advice to support the establishment of new plantations and new trellising system

It is expected that 30ha of new vineyards will be co-financed by MAFRD and plantings will be established in the fall of 2015 with new trellising systems formerly introduced by NOA. Potential beneficiaries have identified the need for TA assistance in establishing vineyards according to new technologies. During the 2015 growing season, AGRO organized a presentation for MAFRD grants beneficiaries in one of the sites, demonstrating advanced table grape production technologies. MAFRD inspectors are now evaluating applications and the final list of MAFRD grants recipients will be known after this process is implemented. Through local experts, AGRO will provide TA to selected growers benefiting from MAFRD grants, focusing on the proper establishment of new vineyards.

In addition to new establishment, existing growers will continue with the transformation of trellising systems from the traditional one to the improved one. Technical assistance will be provided to this group as well. It is likely that Stone Castle will accelerate the transformation of its 60Ha of table grapes to new canopy management during 2016. There are 130 hectares of older table grape vineyards in Suhareca where strong interest has been shown in modification to canopy management systems. It is anticipated that during 2016, AGRO will provide dedicated TA to support the firms objectives in modernizing the production processes.

**Strategic Partners:** Commercial growing companies

**Cost of the Activity:** \$5,500

**ISTTA Days:** 0

**LSTTA Days:** 25

**Environmental Action(s) Recommended:** Categorical Exclusion (training)

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	30				30
R 1.3	Ha under new technologies	30			30	

**Activity # TG212: Provision of technical advice to support growers with improved technologies in achieving premium grape quality**

AGRO, through identified SPs, will provide TA to growers with established improved trellising systems and converted vineyards with improved canopy management, disease control and pre-harvest treatment. Lessons from the previous years will form the basis for trainings for on-going management of converted vineyards. The differences between traditional and new systems will be highlighted through field events and presentations organized and led by SPs.

**Strategic Partners:** Processors, Commercial growing companies

**Cost of the Activity:** \$5,500

**ISTTA Days:**

**LSTTA Days:** 25

**Environmental Action(s) Recommended:** Categorical Exclusion (Training)

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	30				30

**Activity # TG213: Dissemination of advantages of irrigated vineyards versus dryland production**

Growers tend to believe that good quality grape can be produced under dryland conditions, and that premium quality and very high yields are possible only with irrigation. Wider canopies have large leaf areas with intensive respiration, therefore water supply is critical. Results from a properly irrigated site in Suhareka over 6ha will be recorded and disseminated to the growing community and public institutions. This will be the first step of a campaign for irrigation installation in table grape. TA will be provided on canopy management to selected sites with irrigation to maximize yield and quality. AGRO will support, through SPs, the establishment of a field management, monitoring and reporting system which will provide valuable data to the growing community and institutions through field events and presentations.

**Strategic Partners:** Commercial producers

**Cost of the Activity:** \$2,500

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	100				100

## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC REGIONAL AND INTERNATIONAL MARKETS

### Activity # TG221: Increase capacities of Collection Centers to coordinate production and market demand

The marketing of table grapes is still largely disorganized. Sales are made from the farm gate, from improvised markets beside the roads, open markets as well as some formal sales through traders. This tendency will continue since there is not yet in place a Collection Center that operates in support of table grape growers and markets. There is, thus, a need for a strategically-located CC dedicated to supporting table grape growers in particular. AGRO intends to support at least one SP to establish a forced air cooling unit in the growing region and will provide the necessary TA to operate such a center. The center in the first year will move a projected volume of 500mt of quality grape to domestic and export markets. The selected SP will already have sufficient cold room storage and grading and packing facilities also needed to support this activity.

**Strategic Partners:** Pack House operator/s

**Cost of the Activity:** \$40,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with Conditions

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.6	Firms with new tech	1		1		
R2.1	Sales	\$375,000				\$375,000
R2.4	Supply Contracts	30			30	
R2.6	Contracted Sales	\$130,000				\$130,000

## OBJECTIVE 3: STRENGTHENING STRATEGIC PARTNERS

### Activity # TG331: Study tour in the region

AGRO will support one study tour in the region to share experiences with other table grape Collection Centers, focusing on functionality and operation. Up to 25 people are expected to participate in the tour which will not exceed 2 days in the field. Experience gained from the tour will help potential SPs to understand how the system operates and learn about steps to be implemented in country. The tour will take place during Q1 in time to draw and implement any eventual lesson learned in FY 2016.

**Strategic Partners:** Processors, local governments, MAFRD

**Cost of the Activity:** \$3,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	25	25			

**Activity # TG332: Study tour to EU countries for selected SPs to develop their capacity to strategize and plan table grape value chain development**

Table Grape is a perennial crop with a commercial life of over 25 years. SPs will receive training on production planning with a focus on the variety trends in the international markets. This will help the sector to be in line with developments in the international markets of table grape. This study tour will facilitate SPs to be able to complete at least the following:

- to be able to plan ahead and respond to market preferences;
- to be able to plan ahead for field management operations and
- to respond with proper vineyard establishment and management in order to maximize yields and improve quality.

The study tour will be organized for a selected group of SPs with no more than 5 participants. It is anticipated that the study tour will be for 3 days in an EU country.

**Strategic Partners:** Packers/storage facilities

**Cost of the Activity:** \$8,000;

**ISTTA Days:** 4

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion (training)

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	5		5		

## **STRAWBERRIES**

### **BACKGROUND**

It is estimated that more than 160 farmers are growing strawberries in different regions throughout Kosovo, and about 200 hectares of strawberries are under cultivation. Production is concentrated in Skenderaj municipality and scattered among other municipalities: Gjilan, Shtime, Lipjan, Suhareka, Rahovec, Prizren, Gjakova, Decan, Vushtri. Strawberries in Kosovo are produced mainly in open fields, representing around 90% of total production, while greenhouses and high tunnels account for the remaining 10%. The introduction of new varieties is having an impact in the market, with season length extended significantly. The pricing in the market is stimulating strong farmer and market interest. During the 2015 production season however, supply exceeded the fresh market demand and offtake into processors was noted. These sales were at a price of between 50 and 60 cents per kg.

## SECTOR STRATEGY

The strawberry value chain has developed well in Kosovo over the last 10 years. What the industry is still missing is the production of the high-quality planting materials and an organized marketing structure. By 2020, the strawberry sector could involve a sustainable fresh-market industry, supported by 400 hectares of production, perceived as a superior supplier of fresh and processed strawberries into domestic and regional markets. Yield potential is yet to be fully realized and producers require both continued support in promoting more organized marketing, promoting better use of high quality planting material and, critically, production for processing at significantly higher yields using varieties suited to the processing industry. Berry freezers have indicated a demand for product and are willing to contract production for the frozen market in Europe and elsewhere. AGRO will work within the sector during the 2016 work plan year to introduce improved marketing arrangements to supply the local market as well as initiate production specifically for processing.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # SB211: Increase strawberry crop production

The purpose of this activity is to continue the expansion of strawberry cultivation for processing purposes. Requests from berry collection centers for product for export of frozen strawberry is increasing. It is proposed that 2Ha of quality strawberry runners will be tested with farmers interested in producing strawberry varieties which are known for processing. These areas will be granted on a cost share bases to at least at 2 growers. Technical assistance will be provided by local STTA in support of this new high yielding production system. The selection of the varieties will be based on market demand; most probably the variety Zenga Zengana whose taste and color make it a preferred cultivar for jam in Europe.

**Strategic Partner:** collection centers

**Cost of activity:** \$30,000

**ISTTA Days:** 0

**LSTTA Days:** 10 days

**Environmental Action(s) Recommended:** Negative Determination, PERSUAP is required

**Agro Staff Responsible:** Kujtim Lepaja

Number	Short Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.3	New Tech HA	2			2	
R 2.1	Sales	\$10,000				\$10,000

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## OBJECTIVE 2: INCREASE LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS

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### Activity # SB221: Organize round-table events with processing companies and collection centers

A round-table event will be organized with actors in this value chain to address challenges in the sector and identify emerging opportunities. The main purpose of this meeting is discussing processors needs and the strategy regarding strawberry activities required to expand production in the following years.

Additionally, these meetings will attempt to introduce improved collective marketing systems for fresh strawberry production to enhance volume of sales into the local and regional markets.

**Strategic Partner:** processing companies, collection centers

**Cost of activity:** \$ 1000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Faton Nagavci

Number	Short Name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Sales	\$55,000			\$35,000	\$20,000
R2.8	People in B2B	5		5		

#### Activity # SB222: Regional Study tour visit to Albania

A one day regional study tour to Albania is planned for strawberry growers to exchange experiences with strawberry growers from Albania. At least 40 farmers from Kosovo will be part of this study tour which will take place in Fier and Lushnje, two regions which are now producing high quality strawberries, mainly in high tunnels. The visit will help Kosovo growers learn new growing techniques, and create new market linkages for supply during the principal summer marketing season in 2016.

**Strategic Partners:** None

**Cost of activity:** \$2,500

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Kujtim Lepaja

Number	Short Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	40			40	

## RASPBERRIES

### BACKGROUND

Raspberry production in Kosovo is experiencing a period of rapid growth. This is due to the obvious success that established growers are having, strong market demand and significant interest from municipalities, MAFRD and others in supporting this value chain. Yields of the newly introduced varieties have been encouraging with performance ranging from 10-22 MT per Ha. Pricing for the fresh product remains firm at upwards of €3 per kg while the substantial market for frozen product (the bulk of sales) is attracting a price of between €1.3 and €1.8 per kg. The technology packages were fully developed under the NOA project and farmer adoptions have been outstanding. Challenges are emerging

however that require immediate attention by the subsector and AGRO support. Importation of substandard planting material is jeopardizing the long term health of the value chain and must be addressed. Additionally, the rapidly growing subsector will shortly be constrained by the limited shock freezing capacity of Strategic Partners.

## SECTOR STRATEGY

The strategy for the raspberry subsector is to expand and increase raspberry production through the action of Strategic Partners by providing technical assistance that can lead to increases in yields and quality needed to meet market demands and standards. AGRO will push strongly for tougher controls of imported planting materials by using the voice of the union of raspberry growers and a network of technical staff with SP's, MAFRD and the Kosovo Food and Veterinary Agency. Additionally, AGRO will work with Strategic Partners to improve the shock freezing capacities of the industry, through strategic grants to SPs, improving the availability of finances specifically for these interventions, and creating standard investment models for raspberry processing investments. This will be achieved in part by developing a network of collaborating staff among the largest Strategic Partners.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity #RS211: Provision of advice to support establishment of an additional 300 ha of raspberry through Strategic Partners

Demand for planting material to expand production is increasing year on year with an anticipated 1.5 million canes destined for import during 2016. Based on last season's experience, a large proportion of the imported material comes from unregistered sources, has documentation which is spurious and shows visible evidence of being infected with diseases critical to the sector. AGRO will work to ensure that greater attention is paid to ensuring that imported planting materials are from known sources, carry legitimate documentation and that the phytosanitary services of the KFVA pay more attention to this. AGRO will focus on TA to service providers and training organized jointly with municipalities by the Senior Soft Fruit Specialist to support the projected expansion.

**Strategic Partners:** Collection Centers, farmers, municipalities

**Cost of activity:** \$2,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.3	New Tech Ha	300	100	100	100	
R.2.1	Sales	\$8,000,000	1,000,000	1,000,000		\$6,000,000
R2.4	Supply Contracts	200			100	100
R2.5	SP's Issuing Contracts	4			3	1
SO 2.3	New Jobs	1,000				1,000

**Activity # RS212: Strengthen input suppliers to provide TA for Producers Establishing Raspberry orchards**

The AGRO Activity will continue to implement a technical assistance and training program to support expansion of raspberry production in Kosovo through input suppliers. This assistance will consist of an extensive technical training and advisory program for raspberry growers provided by in collaboration with input suppliers. This will include the organization of field days and winter schools. This activity will continue to support national and regional Raspberry associations with targeted technical support in order to increase their capacity to assist farmers in conjunction with input suppliers, thus achieving better results.

**Strategic Partners:** Input Suppliers

**Cost of activity:** \$2,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with Conditions

**AGRO Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	300	100	100	50	50

**Activity # RS213: Global Gap group implemented to raspberry farmers**

Two Strategic Partners, Agro Red Gold from Recane, Prizren and APC from Podujevo who applied for grants in the 2015 fiscal year will successfully complete GlobalGAP group certification in the 2016 fiscal year for their farmers’ production. This standard will serve as a tool for Strategic Partners to improve their overall competitiveness, and to achieve new sales and receive higher prices in international markets. Global Gap Group certification will be implemented for the first time in Kosovo. AGRO will provide our in-house technical assistance in collaboration with staff at Recura to ensure that this important activity is concluded successfully. The activity will serve as an example of implementation of Global Gap in different value chains and is part of Food Safety standard implementation.

**Strategic Partners:** Raspberry SP’s

**Cost of activity:** \$20,000 (grants)

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion (Training)

**Agro Staff Responsible:** Reshat Ajvazaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.9	Certified	2				2

**Activity # RS214: Testing of harvesting raspberry machine from the region**

In Kosovo, there is strong interest in expanding individual plantings over 5 ha under raspberry. Thirty percent of production costs of raspberries are costs of harvesting, which in Kosovo until now is done by

hand. The most direct way to address this issue and to decrease production costs and enable larger plantings is to introduce mechanical harvesters. The Activity will work to invite the regional manufacturer of raspberry machine harvesters to present their product and services to Kosovo raspberry farmers. The goal of the activity is to introduce the equipment through field days and to determine the opportunities for larger growers to invest in this equipment.

**Strategic Partners:** None

**Cost of activity:** \$3,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	50			50	

## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS

### Activity # RS221: Support the managers of raspberry collection centers to attend Fruit Logistica Fair in Berlin and organization of B2B with potential EU buyers

Raspberry collection centers will be invited to attend the Fruit Logistica fresh produce trade show in Berlin, Germany to introduce them to new regional and EU produce raspberry buyers, new packaging, input suppliers, competitors and machinery dealers. Fruit Logistica covers every single sector of the fresh produce business and provides a complete picture of the latest innovations, products and services at every link in the international supply chain. It thus offers superb networking and contact opportunities to key decision-makers. This activity will support SPs' development of new frozen product markets in Europe.

The Activity in collaboration with Strategic Partners will arrange B2B meetings with frozen berry buyers in target markets in Europe. This will enhance the linkages between buyers and producers and improve awareness of end-user demands. It is critical that SPs gain a better understanding of terminal markets for their product and diversify their sales channels outside the traditional Serbian supply chains.

**Cost of activity:** \$15,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R2.8	People in B2B	20		20		
R2.3	New Markets	1		1		

## OBJECTIVE 3: STRENGTHENED STRATEGIC PARTNERS

### Activity # RS231: Strengthen the National Raspberry association ‘Mjedra e Kosoves’

The Activity will support the strengthening of a National Raspberry Association ‘Mjedra e Kosoves / Raspberry of Kosovo’ during the 2016 fiscal year. The primary objective of this Association is to define and prepare long-term development strategies for the raspberry sector, to improve raspberry production technology, gain better market access for producers, and lobby the GOK on behalf of its members. The AGRO Senior Soft Fruit Production Specialist and Training Coordinator will work together to design, and implement assistance measures to support this initiative and to ensure that the organization becomes sustainable by providing tangible membership benefits driving association revenues. At the same time, the National Raspberry Association will coordinate with MAFRD in the organization of Raspberry promotion and sales days in Pristina and other municipalities. The Activity will support the National Raspberry Association and regional associations in organizing a series of promotions of the raspberry crop in Pristina and other cities during 2016 to continue to highlight the advances made in the crop and to ensure the crop is highly visible to consumers. Since this is becoming a national annual event, it is fitting that the Union of Raspberry Associations take the lead in this event. It is proposed that the event in 2016 will draw more publicity to include the broadcasting of a promotional production, highlighting the state of the industry in Kosovo.

**Strategic Partners:** Mjedra e Kosoves National Association

**Cost of activity:** \$5,000

**ISTTA Days:** 0

**LSTTA Days:** 0

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Domestic Sales	\$15,000				15,000
R2.8	People in B2B	40				40

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Kujtim Lepaja

### Activity # RS232: Participation in the International Congress of the 10<sup>th</sup> International Raspberry Organization in Serbia 2016

The Activity will facilitate the National Raspberry Association representatives to attend the international congress of raspberry organization (<http://www.internationalraspberry.net/>). During this meeting the representatives from Kosovo will attend as observers. This activity is a great opportunity for the National Raspberry Association of Kosovo to gain exposure and ultimately become a full member following the congress. AGRO will support the application process. Participants in this event will be the main actors in the raspberry industry worldwide with representatives from Australia, Canada, Chile, China, England, France, Hungary, Poland, Scotland, Serbia, United States and Bulgaria.

**Strategic Partners:** The National Raspberry Association ‘Mjedra e Kosoves’

**Cost of activity:** \$2,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:****AGRO Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 3.2	Associations Direct Marketing	1			1	

**SOUR CHERRIES****BACKGROUND**

Production and processing of sour cherries is in the early stages. There are about 40ha of sour cherry established across the country with Gjilan being the major growing region. The entire production is dedicated to processing with the existing processing industry also based in Gjilan. Cultivation technologies are based on hand-harvesting. Plantations are grown without irrigation as is the standard for this crop and yield ranges between 2mt and 5mt per ha. Local top fruit nurseries do not propagate sour cherry planting material since they have yet to see any emerging market demand for it. As a result, sour cherry planting material will need to be imported. Instances of disease, insects and pests are low so the number of crop protection treatments required for this product is only 4 or 5 per season. MAFRD, through its grants program, has recently introduced support for the sour cherry value chain. In addition, there are some private investors that have expressed an interest in developing new orchards. Global market for the product is firm and processors could conceivably expand into this market.

**SECTOR STRATEGY**

In order to stimulate this emerging value chain, AGRO will focus on expanding production and linking improved and increased production to processors. Major players working within the subsector have been identified during the first 2 quarters of the project and at least one target SP is emerging. AGRO will finalize support modalities for this SP and its linkages to the processor(s) that will enable programmed and contracted production. SP selection will ensure that core commercial and increased smallholder production take place during the work plan year.

**OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING****Activity # SC211: Establish at least 20 new Ha of state of the art production on both large and small scale**

New areas under crop will be established in the agro-ecological zone with potential for the crop, covering at least 20 ha during 2016. Growing technologies including selection of varieties will be in response to processing industry requirements. It is anticipated that production will be for expanded juicing as well as Individual Quick Frozen (IQF) product. Plantations will be established on sites with irrigation potential. The required TA to selected growers will be provided through the identified SP. The proposed support in this sector will include planting material supply, training and the introduction of new production technologies.

**Strategic Partners:** Production SP with outreach capacity and farmers in the region**Cost of the Activity:** \$40,000 (grant)**ISTTA Days:** 0**LSTTA Days:** 0

Environmental Action(s) Recommended: Negative Determination with Conditions

AGRO staff responsible: Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
SO2.3	New jobs created	15			10	5
R1.3	New Tech Ha	20				20

**Activity # SC212: Stimulate adoption of new technologies in support of quality improvement and effective plant protection**

A disease prognostic system will be established in at least two areas covering newly established and existing plantations, in collaboration with the identified SP. This will be the first time that such a system has been introduced in the top fruit sector. The system will enable the conversion of weather data into disease prognostic data and enable improved prophylactic plant protection. This information will be validated by the SP on its core commercial plantings and then disseminated to small scale growers as a model for future management of top fruit crops. The system will cover an initial area of 40ha out of which 20Ha will be new plantations and 20ha of the existing ones.

In addition to the above, mechanical harvesters, mulching machine with sensors and proper spraying equipment will be introduced during 2016. The foreseen equipment will increase work efficiency and will have a direct impact on fruit quality by applying in a most effective way weed and disease control.

**Strategic Partners:** Commercial grower

**Cost of the Activity:** \$30,000 (grant)

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.3	New Tech Ha	20		20		

**Activity # SC213: Support potential SPs to provide embedded services to growers**

Identified SPs will be supported to take effective roles in the value chain including the provision of embedded services supporting commercial growers and companies in improving growing technologies, joint marketing of the product and improved logistics for the supply and delivery of product.

**Strategic Partners:** Commercial grower SP with outreach

**Cost of the Activity:** \$5,500 (grant)

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	15		15		

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## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC REGIONAL AND INTERNATIONAL MARKETS

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### Activity # SC221: Organize 1 B2B and exchange visits with local growers and processor willing to increase the supply of sour cherries

AGRO will work with SPs to coordinate a series of events through which products will be promoted. Events are expected to highlight local capacity to produce high quality products and stimulate increased demand for quality product. Exchange visits will stimulate the dialogue regarding the potential to produce and market for processing markets. Events will be attended by growers, processors, input suppliers, local authorities and potential investors.

**Strategic Partners:** Commercial growing companies, Processors, farmers and municipality advisors

**Cost of the Activity:** \$1,500

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical Exclusion (Training)

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R2.8	People in B2B	15				15

### Activity # SC222: Establishment of production contract modalities for sour cherry production

Sour cherries are not a product that can be sold ad-hoc into any market. Fruits are very sensitive, therefore a structured marketing system must be in place to absorb product. Growers of any commercial size must be informed about the existing potential for aggregation of crop. AGRO will facilitate SPs engagements to establish linkages between growers and market actors: processors and collection centers. Contracts will be established which will help to enhance production and respond effectively to market opportunities. Processors and collection centers in this way have an opportunity to influence in product quality and quantity so that they can expand their processing and marketing capacity.

**Strategic Partners:** Commercial growing companies, Processors

**Cost of the Activity:** \$2,000

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical Exclusion (Contract Initiation)

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
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R.2.1	Sales	\$90,000				\$90,000
R2.4	Supply Contracts	5				5
R2.5	SP's Issuing Contracts	1				1
SO 2.3	Sales from contracts	\$50,000				\$50,000

**Activity # SC223: Stimulation of adoption of marketing standards for fresh and frozen sour cherries**

Strategic Partners will be supported to identify quality standards for fresh and frozen products and disseminate those requirements to growers. Standards will be disseminated and shared through roundtables, B2B and meetings with commercial grower's, service providers, and interested actors. The implementation of quality standards will be supported through technical assistance provided by Strategic Partners.

**Strategic Partners:** Processors, Commercial growing companies

**Cost of the Activity:** \$1,500

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Faton Nagavci

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R.2.7	SPs in B2Bs	2				2
R2.8	People in B2Bs	15				15

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**OBJECTIVE 3: STRENGTHENING STRATEGIC PARTNERS**

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**Activity # SC231: Support SPs to develop and present industry strategy**

AGRO will facilitate discussion throughout the season between commercial growers, processors, marketing actors and the GOK in production programming. Strategic Partners will lead the process and will be supported to take on a broader support role in the sour cherry value chain. Programming will be focused on potential market size, regions with agricultural production advantage and the potential for processing and marketing. Recommendations will be presented by the SP in partnership with AGRO to GOK planning working groups.

**Strategic Partners:** SOUR Cherry SP to be identified through grant mechanism

**Cost of the Activity:** \$1,500

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
N/A						

## BLUEBERRY

### BACKGROUND

In Kosovo, commercial blueberries are grown on a modest 14 ha in 4 different zones, involving 10 growers. This production area resulted from the work conducted by the predecessor NOA project. During the first season of production (2014), just over 1,000 kg was produced and packed and delivered fresh to retail outlets at an excellent farm gate price of 4 € per kg. The growing requirements for blueberry is, however, very specific. The crop has unique nutritional requirements and must be combined with critical soil pH and other intrinsic factors. This combination of factors makes achieving optimal yields a very complex exercise. The current crop, as evidenced during its first harvest, showed extreme sensitivity to environmental factors and required careful management. It is the design and extension of this management package that is slowing expansion of this otherwise very promising value chain.

### SECTOR STRATEGY

The strategy for this value chain, as a project secondary focus, has three components, namely: An assessment of the current package of production practices and modification where appropriate; working to ensure that all stakeholders adopt this package of practices as standard; and working with potential investors that are willing to support this value chain with investment funding.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # BB211: Establishment of 10 new ha of blueberries through Strategic Partners

This activity will be implemented through grant schemes supporting Strategic Partners. The AGRO technical team in collaboration with key actors has already identified SPs in the blueberry sector who will take these initiatives. Expanded area under crop will be in conjunction with international investors which will introduce new technologies and, in doing so, will support improvement in the package of practices that will be crucial to putting blueberry on a firm technical foundation.

**Strategic Partner:** International Investor and local partnership

**Cost of activity:** \$ 100,000 (grants)

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with Conditions

**Agro Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.3	New Tech HA	10		5		5
R2.1	Sales	\$100,000			\$100,000	

R2.4	New Linkages	4			4	
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**Activity # BB212: Support technical advice through international and local STTA**

The Activity will provide technical support to a proposed international STTA that will come from Holland in support of the international investor establishing the crop in Peja. The international STTA will provide specific advice to the establishment of blueberry fields under new production technologies and, in so doing, will provide valuable additional knowledge to the package of practices that are to be extended to blueberry growers in Kosovo and potential investors in this value chain

**Strategic Partner:** International investor SP partnership

**Cost of activity:** 0

**ISTTA Days:** Covered by Dutch PUM STTA or investor company provided services

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	15	5	5	5	

**Activity # BB213: Introduction of new technology – Growing 1 ha of blueberry in containers**

The proposed International SP partnership will cultivate 1 ha of blueberries in field containers. This is a new technique of blueberry cultivation in Kosovo and provides the critical ideal planting conditions for maximum growth. The AGRO technical team has seen the cultivation of blueberry in containers during the study tour that was organized during August 2015 in Holland with the main blueberry actors from Kosovo. The benefits of cultivation of blueberries in containers are: the ripening of the fruits will occur earlier, the yields per surface are much higher compared to crop cultivated directly in the fields, and the crop starts production in the first year in cultivation.

**Strategic Partner:** Strategic Partner – Foreign investor

**Cost of activity:** \$50,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with conditions

**Agro Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.3	New Tech HA	1	1			

#### Activity # BB214: Organize blueberry field days

Field days continue to be a very important tool in the demonstration of good agricultural production practices. Field days will be conducted in different parts of Kosovo where blueberries are cultivated, during the different stages of blueberry cultivation. Through this activity, farmers will have opportunities to exchange their experiences as well as to improve their production technologies. During these field days there will be demonstrations of good agriculture practices: site selection, use of healthy plant propagation material, irrigation, fertilization/fertigation, plant protection, harvesting and post-harvesting and marketing. The identified SP, Agro Blue Gold, will take the lead in arranging these blueberry field days.

**Strategic Partner:** Blue Gold Association

**Cost of activity:** \$1,500

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	40		15	15	10

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## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS

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#### Activity # BB221: Organize blueberry promotion days in Prishtina

During Q4 of 2016, a specific blueberry promotion day will be conducted to promote the state of the crop in Kosovo. The promotion days in “Mother Teresa” square in the Center of Prishtina during the last years have proven to be very important tools for promotion of locally-produced berry fruits. These promotion days will be performed for the first time separately for the blueberry crop, which is expected to highlight significantly higher volumes than previously.

**Strategic Partner:** Blue Gold Association

**Cost of activity:** \$2,000

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Kujtim Lepaja

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 2.1	Domestic Sales	\$10,000			\$10,000	
R 2.2	New Linkages	1			1	
R 2.8	People in B2B	4			4	

## VEGETABLES

### PEPPERS AND TOMATOES

#### BACKGROUND

Peppers and tomatoes are the primary vegetables crops in Kosovo; peppers are mostly produced in open field, while tomatoes for fresh market are produced principally under greenhouses. There are at least 3,000 ha under peppers with a concentration in the Anadrini valley as well as in the Peja and Gjilan regions. However, productivity of peppers is very low, mostly due to application of old production technologies yielding between 20-25 tons/ha with a selling price as raw material of €0.20-0.22 /kg, and resulting gross margins of €1,000/ha. This is very low compared to potential as well to other vegetable crops under irrigation. During the last 10 to 15 years, all other vegetable value chains have improved in productivity but despite significant efforts to change production practice of *established varieties*, very few positive changes have been noted with respect to peppers and tomatoes.

The greenhouse industry has developed quite rapidly in Kosovo with a total area under greenhouses of approximately 250 ha (234 Ha per MAFRD, 2012) and tomatoes and cucumbers as the main crops under greenhouse production. However, for indoor production, particularly for tomatoes, several production technologies (fertilization and irrigation) must be improved in order to approach the potential productivity of current cultivars. Input suppliers and collection centers, which should both have strong commercial interest in the subsector, are not yet effectively promoting these technologies.

#### SECTOR STRATEGY

AGRO will work with SPs to improve production practices through the promotion of productivity enhancing application of improved inputs and management practices. In addition, AGRO will work with MAFRD and other actors to encourage investment in large scale commercial vegetable seedling production units that will effectively stimulate change in these value chains by providing cost effective seedlings to the sector, replacing the inefficient system of home grown seedling production. Since adoption of new technologies is always easier where new crops or varieties are introduced, AGRO will work exclusively with new contracted varieties of peppers to promote high yield applications. Traditional varieties may benefit from these improvements by association, but AGRO will only attribute progress with new varieties.

AGRO will work with processors to more effectively articulate demand in terms of quality and per variety and will further develop the practice of contracting the purchase of raw materials through signing contracts with collection centers. In addition, AGRO will assist the PePeKo association in improving lobbying and market promotion.

AGRO will support collection centers to identify improvements in infrastructure that would enable volumes of consistent supply of peppers to processors and tomatoes to the fresh market. These will enhance relationships between growers, collection centers, processors and supermarkets.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # PT211: Promotion of improved production technologies for increasing yields and quality

AGRO will work with SPs to improve production technologies of peppers in five regions where peppers are widely produced – Rahovec, Peja, Gjilan/Viti, Podujeva and Central Kosovo. Hybrid seeds, plug seedlings production and fertigation will be promoted in order to increase the yields and quality. In addition, SPs will provide technical advice through the engagement of advisers. Moreover, Global GAP implementation will be promoted where market demand for this standard is beginning to be felt.

Regarding tomatoes, AGRO will work with SPs, specifically collection centers in the Mamusha region, to improve production technologies, especially fertigation under greenhouse conditions. A sequence of field trainings will be organized with tomato producers, using AGRO in-house technical capacity as well as embedded technical services from the SPs. All activities will be implemented following the demand of market actors such as collection centers, processors and traders/exporters, especially for Global GAP implementation. The results of these activities will be shared with the farming community through events such as open days and round tables.

Moreover, visits to fairs and study tours in the neighboring countries have proven to be a good tool to increase the knowledge of value chain actors – presenting an opportunity for them to be exposed to improved production technologies and post-harvest practices. AGRO will work with SPs to organize visits to fairs and study tours in neighboring countries to observe the application of production, post-harvest handling, packing, storing and marketing practices.

**Strategic Partners:** Collection centers, processors and input dealers

**Cost of Activity:** \$100,000 (grants)

**ISTTA:** 0

**STTA:** 0

**Environmental Action(s) Recommended:** Negative determination with conditions

**AGRO Staff Responsible:** Faton Nagavci and Ismet Babaj

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	120	60	60		
R 1.3	New Tech Ha	45		45		
R 1.6	Firms new tech	2			1	1
R 1.9	Global GAP Certified	20				20

### Activity # PT212: Support CCs for improving infrastructure

During FY15, AGRO approved 3 concept notes for the improvement of infrastructure of collection centers located in regions with high potential for increasing aggregation of peppers and tomatoes. During FY16, AGRO will support SPs and monitor finalization of the implementation of these grants. In addition, AGRO anticipates receiving grant applications from other collection centers with potential to expand operations.

**Strategic Partners:** Collection centers

**Cost of Activity:** \$ 70,000 (grants)

**ISTTA:** 0

**STTA: 0**

**Environmental Action(s) Recommended:** Negative Determination with conditions

**AGRO Staff Responsible:** Faton Nagavci and Musli Berisha

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R1.6	Firms with new tech	3		1	2	

**Activity # PT213: Support for processors to improve processing technologies**

During FY15, AGRO approved 2 concept notes for promotion of new processing technologies with processors. During FY16, AGRO will support those SPs and monitor the finalization of resulting grants focusing on the introduction of improved processing technologies. In addition, AGRO anticipates receiving grant applications from other processors which will also be considered for support.

**Strategic Partners:** Processors

**Cost of Activity:** \$ 70,000 (grants)

**ISTTA: 0**

**STTA: 0**

**Environmental Action(s) Recommended:**

**AGRO Staff Responsible:** Faton Nagavci and Reshat Ajvazaj

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R1.6	Firms with new tech	2		1	1	

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**OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS**

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**Activity # PT221: Facilitate contracting between actors in the value chain**

Contracting of products between collection centers and producers as well as between processors/traders and collection centers has significantly improved the relationship between parties and as well as has increased sales of domestic produced products through better organized marketing channels. The contract has become a communication tool between parties regarding quality, quantity and price.

AGRO will continue to work with CCs to increase the number of producers willing to enter into contract production so that they can enhance their overall productivity and respond more effectively to larger market opportunities. The improved confidence resulting from contract initiation will have a significant impact on their willingness to invest in technology upgrade.

AGRO will work with market actors – processors and traders/exporters and CCs - to organize appropriate B2B events, an important key tool for the facilitation of market linkages. The B2B events will aim to improve confidence in the ability of CC's to deliver on their contracts in compliance with the quality and timing specifications of the supermarkets.

**Strategic Partners:** Processors, collection centers and producers

**Cost of Activity:** \$0

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Musli Berisha and Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Sales	\$600,000				\$600,000
R2.4	Supply contracts	80		80		
R2.5	Contracted Sales	\$400,000				\$400,000
R2.7	SPs organizing B2B	5		3	2	
R2.8	People in B2B	40		20	20	

**Activity # PT222: Promotion of sales of fresh vegetables**

Packaging and promotion of domestic fresh products within the supermarket chains are improving but still underdeveloped. AGRO will work with pack houses and companies having outlets within supermarkets to improve packaging for tomatoes and to developed promotional material/events to promote domestic tomatoes and enable consumers to distinguish domestic tomatoes from imports. Moreover, AGRO will work with SPs to initiate proper calibration of tomatoes for the local market, and will explore possibilities to access regional export markets during times of competitive advantage

**Strategic Partners:** Traders/Supermarkets and collection centers

**Cost of Activity:** \$ 20,000

**ISTTA:** 0

**STTA:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Sales	\$30,000			\$30,000	
R2.2	New Linkages	2		2		

### **OBJECTIVE 3: STRENGTHENING STRATEGIC PARTNERS**

**Activity # PT231: Support the strengthening of the PePeKo association**

AGRO will work with PePeKo to develop its capacities for market promotion of processed products and lobbying. The PePeKo board has asked AGRO to support activities such as Participation at Fairs (e.g. Anuga fair, Germany), study tours in the region, organization of regional conference of processors' associations, conducting a study on capacities of the fruit and vegetable processing industry and its potential to grow and support for PePeKo website development and administration. AGRO will provide a grant to the association to manage these activities. This is an initial step toward long term sustainability of the association.

**Strategic Partners:** PePeKo

**Cost of Activity:** \$ 50,000 (grant)

**ISTTA:** 0

**STTA:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 3.2	Association markets	1		1		

## GHERKIN AND CUCUMBERS

### BACKGROUND

USAID's programs over the past five years have supported the gherkin sector to increase production capacities, for the promotion of new varieties and technologies as well as the establishment of collection centers to provide postharvest improvement of delivered, programmed supply mediated by contracted production. Year 2014-15 marked improvement in the recognition of Kosovo as a supply origin for gherkins and cucumbers and modest exports highlighted improving opportunities to increase substantially production for export into the region. In 2015, 100 contracts for programmed cultivation and delivery supply were signed between farmers, collection centers and/or processors and all were fully accomplished without any disputes. There is strong justification in feeling that the volume of production of this crop can easily triple in size over the life of the AGRO Activity.

### SECTOR STRATEGY

Gherkins are principally a processing crop and as such, the drivers of this value chain are processing companies along with collection centers. For the first time, in 2015 gherkin production fully substituted imports with the production of 1220 tons in addition to 160 tons of product exported. Export potential is currently seen as 2,000 MT per annum, giving rise to the overall 3,000 MT production target. AGRO will continue to collaborate with SPs to promote increased production in greenhouses and open fields through the application of new technologies. Consolidation of export demand through PePeKo will result in improved regional and EU contracts in 2016 with an export sales target of 2,000 MT.

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## OBJECTIVE 1: INCREASE OF PRODUCTION OF GHERKINS THROUGH COLLECTION CENTERS

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### Activity # GC211: Improvement of infrastructure among collection centers and processors

The existing infrastructure at collection centers is insufficient to meet the needs of increased production projected for the years ahead, and will have to be improved. AGRO will support CCs to modernize and upgrade facilities in order to meet demand by supporting through grants, upgrading proven plant and equipment such as grading units for gherkins. Infrastructural upgrades will improve supply, postharvest quality and delivery between farmers, collection centers, processors and markets. This activity will be implemented through grants.

**Strategic Partner:** Collection Centers, farmers

**Cost of activity:** \$65,000 (grants)

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Negative Determination with Conditions

**AGRO Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.6	Firms with New Tech	6	2	2	1	1

**Activity # GC212: Increase of gherkin production by promotion of new cultivation technologies**

AGRO will discuss with SPs the importance of continuing and expanding the application of new technologies in cultivation to increase production based on increased demand for gherkins in-country and in the region. In addition to reinforcing the production of the crop on now-standard trellising systems, more attention will be paid to fertigation techniques and to monitoring of crop growth for better prognosis of disease and pest management. CCs will be encouraged to further define their embedded services and ensure that outreach to contracted growers is improved, thereby building loyalty and enhancing productivity and profitability.

**Strategic Partner:** Collection Centers, farmers

**Cost of activity:** \$35,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with Conditions

**AGRO Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.3	New tech HA	20		10	10	
R 1.1	Trainings	50	30	20		
R 2.4	Supply Contracts	120		120		

**OBJECTIVE 2: STRENGTHENING OF LINKAGES BETWEEN ALL ACTORS IN VALUE CHAIN FOR FRESH AND PROCESSED PRODUCTS**

**Activity # GC221: Continue to collaborate with SPs on strengthening of existing linkages and promote further collaboration between processors and CC's**

AGRO will continue to collaborate with collection centers and processors by providing them with recommendations to strengthen their existing linkages and to promote new ones. The Activity will continue to encourage the PePeKo association to increase its collaboration between stakeholders in the VC. Given the export demand for product, processors will have to make more detailed production programs with CCs in order to fulfill their demand for product. And the AGRO technical team will continue to promote and facilitate these developments.

**Strategic Partner:** Collection Centers, processors, farmers

**Cost of activity:** \$0

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended: categorical exclusion****AGRO Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 2.2	New linkages	1		1		
R2.1	Domestic Sales	\$300,000			\$200,000	\$100,000
R 2.6	Sales from contracts	\$300,000			\$200,000	\$100,000
R 2.3	New Markets	2	1			1

**OBJECTIVE 3: STRENGTHENING OF REGIONAL LINKAGES THROUGH STRATEGIC PARTNERS****Activity # GC231: Study tour in the region**

AGRO will collaborate with SPs to strengthen regional linkages by visiting similar companies and collection centers to improve coordination and opportunities to link demand regionally. The visits to collection centers and processor representatives in the region or further away in the EU, will strengthen relationships and collaboration between all stakeholders. The proposed study tour to regional associations and aggregators will take place during Q3 and involve 35 participants.

**Strategic Partner:** CC's**Cost of activity:** \$7,000**ISTTA Days:** 0**LSTTA Days:** 0**Environmental Action(s) Recommended:** Categorical Exclusion**AGRO Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 2.8	People in B2B	35			35	

**LETTUCE****BACKGROUND**

The market demand for lettuce in Kosovo is increasing faster than domestic production. As a result, imports of lettuce into Kosovo have grown in recent years, fueled not just by demand but seasonality as well. The target market for lettuce producers in Kosovo is the domestic wholesaler looking to service the fresh consumption market (supplying wholesale and green markets as well as restaurants) and fueled by a combination of seasonality and rising demand. To improve the situation, USAID NOA introduced a number of new varieties and growing technologies to Kosovo lettuce farmers. New growing technologies and trial plots were successfully promoted and all lettuce varieties have performed well under Kosovo's growing conditions. In addition to the introduction of new production techniques and lettuce varieties, the NOA program supported the creation of four lettuce collection/processing centers now able to pack and bag lettuce salads for both retail and food service customers.

Based on the evaluation of the current situation regarding the lettuce value chain in Kosovo, there is still room for improvement. The main gaps within the lettuce value chain are diversification of lettuce types, low level of production, lack of widespread knowledge regarding production, post-harvest handling and marketing, weak linkages between value-chain actors and low utilization of overall production capacity at lettuce collection centers. The need for more widespread adoption of food-safety standards is another issue.

To maximize market opportunities and produce lettuce as much as possible year-round in Kosovo, AGRO will work with producers and other Strategic Partners to increase production off-season and identify new local, regional and international markets. Close and ongoing cooperation with lettuce producers and existing collection/processing centers will be necessary as we move towards improved sustainability and competitiveness of this value chain. Of significance, is the potential for the establishment of a large cut salad packing line in the Peja area with significant demand for export into Western Europe. Should this facility emerge in FY16 as projected, then demand for lettuce destined to export markets will surge, requiring huge increases in production and full application of established technologies. AGRO is continuing to support this development and will stand by to provide full technical support, especially from the agro CTO. AGRO will not directly support the purchase of equipment but will certainly support the necessary field to pack house technical assistance, programming and in field logistics.

#### STRATEGY

AGRO will increase production, quantity, quality, safety and sustainability of this value chain through close cooperation between producers and collection/processing centers so that they are able to meet local, regional and international market demand and requirements as they develop in FY16. Sales projection for the FY16 year is a very modest €136,000 but this does not take into account the possible demand created by the Peja facility due to come on line during September and October 2015.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # LT211: Promotion of year - round lettuce production

To maximize market opportunities and to produce lettuce year-round in Kosovo, AGRO will work with producers and other Strategic Partners to increase off-season production periods and identify new local, regional and international markets. November through March are the targets for the extension of lettuce production. This will be achieved by promoting production in low tunnels, in greenhouses and in open fields. The results achieved will be promoted through organizing field day events in order to share implemented technologies with other lettuce growers. The successful production will be linked to contract demand by collection centers in order to reinforce the adoption of these new technologies.

**Strategic Partner:** Collection centers

**Cost of activity:** \$ 5,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** negative determination (Persuap Applies)

**Agro Staff Responsible:** Ismet Babaj

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	30	10	10	10	
R1.2	NEW Tech. Ha	2	1	1		

## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS

### Activity # LT221: Facilitate contracting production between Collection centers and out growers

In order to have better access in local market as well in the international market, lettuce collection centers will be key actors in organizing production and market supply. The market demand will be reached through contracting production by collection centers to other lettuce growers which contracted volume will be collected, processed and delivered to the market. The AGRO staff will facilitate collection centers to identify out growers and designed the terms of contracts.

**Strategic Partner:** Collection centers.

**Cost of activity:** \$1,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Musli Berisha

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Sales	\$20,000	\$10,000	\$10,000		
R2.4	Supply Contracts	10	7	3		

### Activity # LT222: Strengthening linkages with local market

Supermarket chains and HORECA markets have to be considered as main market players for this crop. Lettuce collection centers have established linkages with some supermarket chains but there is still space for greater linkages with HORECA. AGRO will work with CCs to develop more sophisticated HORECA contracts for supply, taking advantage of the longer season production forecast for FY16. These new formal linkages will significantly increase demand from local production and take advantage of HORECA market's capacity to store delivered product appropriately – an issue with supermarket supply. Part of the activity will include provision of proper cooling facilities at supermarkets and other points of sale.

**Strategic Partner:** Collection center supermarkets and HORECA.

**Cost of activity:** \$10,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Sales	\$140,000	\$40,000	\$30,000	\$30,000	\$40,000
R2.2	New linkages	1			1	

## OBJECTIVE 3: STRENGTHENED STRATEGIC PARTNERS

### Activity # LT231: Strengthen local Strategic Partners to improve the promotion of locally lettuce produced

B2B events, sales promotion, promotion of cooled and packed lettuce through supermarkets will be organized by lettuce collection centers supported by AGRO. The events organized will have an impact on strengthening of SPs for promotion of their products and building their capacity to independently market their products. The idea is to increase the awareness and sales of locally produced lettuce.

**Strategic Partner:** Collection centers, supermarkets, traders

**Cost of activity:** \$3,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R2.8	People in B2B	20		20		

## ASPARAGUS

### BACKGROUND

Asparagus is a new crop to Kosovo, introduced by the NOA project in 2012. NOA supported the establishment of 10 hectares of asparagus during 2012 and 2013. In 2014, asparagus seeds were delivered to eight selected growers to establish 16 new hectares with asparagus. With the exception of new growers planting for the first time in 2015, all actors in this new value chain have been trained regarding input utilization, production techniques and marketing. An asparagus collection center was established in 2014 and equipped with a hydro-cooling unit and other post-harvest inputs (plastic boxes, carton boxes, and appropriate labeling). Market linkages were created and the first harvested volume was sold in 2014 entirely on the local market. Interest in purchasing asparagus from Kosovo was expressed by European buyers but, to date, no volumes have been shipped due to overwhelming internal demand.

In order to fully commercialize this crop, export linkages will need to be fully developed, logistics will have to be finalized and the European market secured for Kosovo origin crop. This is critical, particularly as volumes increase with new areas coming into production. Current demand for asparagus in Kosovo is ultimately limited. Levels of local consumption seen to date will be met during the 2015-16 timeframe by the existing area of asparagus planted. To make Kosovo an interesting source for broader markets, it is estimated that at least 50 additional hectares of asparagus must to be in production by the end of 2020. The 2016 strategy is to firmly put the export potential into the Kosovo supply system, to fully integrate the existing pack house into the export system and to ensure that both product and packaging are systematized for this market.

## STRATEGY

Asparagus producers have additional training needs, in particular, regarding cultivation technology and weed management to improve yields. The collection and packaging center requires support in marketing, communications and improving their collection capacity especially when it comes to meeting stringent export logistical demands. Promotion of asparagus should be continued in order to increase sales and create greater local consumer awareness. Input suppliers and technical advisors should also be supported to increase their capacity - ideally with the provision of technical service providers embedded within SPs that have been identified for this value chain. These initiatives, combined with strong market demand will encourage additional plantings.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # AS211: Improving and increasing production of asparagus

Asparagus production in 2015 was present in the local market for the second time (following the first harvest experienced in 2014). The expected yield was not realized due to the climatic conditions of high rainfall and low temperatures in the spring of 2015. Based on the current situation in the asparagus fields, producers need to increase their knowledge and application of production practices in order to improve the quantity and quality of asparagus production in the year ahead. Improving the efficiency and quality will lead to increased access to local markets and the opportunity to meet the known export market and encourage investors to establishment increased commercial areas of asparagus. The established collection center will play the leading role in improving the quantity of asparagus produced, providing technical advice to farmers through the engagement of a technical advisor, identifying potential investors to increase the surfaces with asparagus and contracting, collection and sale of asparagus produced. Implementation of activities will be carried out through the collection center.

**Strategic Partner:** Reznik Collection Center

**Cost of activity:** Grant (cost will be covered with grant from Activity # AS 212)

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative determination (Persuap Applies)

**Agro Staff Responsible:** Ismet Babaj

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	20	10	10		
R1.3	NEW Tech Ha	5			5	

### Activity # AS212: Improving infrastructure of asparagus collection center

In order to maintain the quality of harvested asparagus, the NOA project supported the establishment of a collection center in the Vushtri municipality in 2014. The increase in production projected in the coming years is closely related to the capacity of the collection center where the volume of the cooling chamber is limited. In order to increase the efficiency of the collection center in collecting and maintaining the quality and shelf life of harvested asparagus, there is a necessity to increase the volume of the cooling facilities and to improve refrigeration for transporting of asparagus harvested from farms and delivered to the collection center and the distribution of asparagus packed to local markets or export points. Improving the infrastructure of the center will have a direct impact on the quality of the product offered. This activity

will be implemented through grants. Having a pack house with expanded capacities will provide a critical incentive to investors to expand the area planted out with asparagus.

**Strategic Partner:** Collection center

**Cost of activity:** \$40,000

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Negative determination (Persuap Applies)

**Agro Staff Responsible:** Ismet Babaj

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R1.6	Firms with Tech	1		1		

## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS

### Activity # AS221: Facilitate linkages with local and regional markets as new markets are identified

In order to have better access in local market as well in the international market, specific asparagus B2B events will be organized to support promotion, contracting the product between the collection center and farmers, and stimulating growers to think seriously about emerging international market opportunities. AGRO will play a leading role in facilitating linkages to export markets in 2016 with at least one container destined to a European market. European markets identified may require GlobalGAP certification, and this will have to be initiated depending on the final market identified for the 2016 crop.

**Strategic Partner:** Collection center supermarkets and HORECA.

**Cost of activity:** \$1,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Faton Nagavci

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Sales	\$97,000			\$97,000	
R2.2	New linkages	1			1	0
R2.3	Supply Contracts	8			6	2
R2.6	Sales from Contracts	\$60,000			\$60,000	
R2.8	People in B2B	15		15		

## OBJECTIVE 3: STRENGTHENED STRATEGIC PARTNERS

### Activity # AS231: Regional study tour for asparagus stakeholders

Collection center Kasimi, growers and input suppliers are considered as key players in the sustainable development of the asparagus VC. Joint activities will focus on developing strategies and an overall approach for the sector as well as supporting specific activities designed to develop the asparagus sector.

In order to facilitate improved awareness of operational procedures enhancing quality, a study tour within the region will be organized for lead growers and collection center management. Given that production of asparagus is more advanced in Kosovo than in other regional countries, the study tour may take place in Greece or Italy.

**Strategic Partner:** Collection center and input supplier.

**Cost of activity:** \$10,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Ismet Babaj

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	8		8		

## MEDICINAL AND AROMATIC PLANTS (MAP)

### BACKGROUND

The MAP value chain including Wild Collected Forest Products remains the strongest export oriented sector in Kosovo's agricultural portfolio. The successes achieved by expanding herb cultivation over the past years (to 180 hectares) with support from the NOA project hold promise and have served to highlight the huge demand in international markets for organically certified MAPS products from Kosovo.

The increase and improvement of three components (herb cultivation, wild collection and drying-harvesting technology) within the value chain have continued to support and drive additional demand. The value chain has significant potential to generate increased sales and hundreds of new full time equivalent jobs for firms, collection centers and farming families in rural and remote areas where collection could be combined with small scale cultivation.

Cultivation of MAP over larger areas has potential to be implemented in many municipalities in Kosovo, with a modest target of 500 ha of medicinal and aromatic plants being attainable by the end of the AGRO Activity in 2020. This would be a useful market complement to the collection of wild species and presents an opportunity for farmers to have a diversified production portfolio that would generate additional exports of up to €2 million per annum.

### SECTOR STRATEGY

To further improve the overall performance of the MAP sector in Kosovo – increasing turnover of and employment amongst the processor - the Activity's interventions will focus on strengthening business operations of the network made up of leading processors in the country and linking potential producers of cultivated MAPS to the export market.

The main objectives of AGRO's intervention in the MAP sector will be to:

- Increase the overall *herb cultivation* and improve crop management of those plantings.
- Increase the conventional drying capacities and work with local companies to introduce new, more economic/efficient drying technologies.
- Expand small scale herb essential oil production.

In order to meet the goals in all three objectives mentioned above, AGRO will work with several Strategic Partners in the coming year to:

- Expand herb cultivation. AGRO will engage with the current SP APS in Istog as well as at least one additional SP interested in furthering the development of cultivated MAPs.
- Leverage the funds and activities of other donors and Municipalities showing a willingness to engage on behalf of their constituents in this important value chain.
- Increase the existing drying capacities crucial for all MAP crops. AGRO will work with local heating engineers to provide solutions and drying facility designs that can be funded through MAFRD and other grant schemes.
- Assess possibilities to expand into small scale essential oil crops with steam distillation in order to add value to cultivated and collected products.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # MP211: Support new areas of herb cultivation and strengthen the network of processors in municipalities willing to collaborate

The major crop for increase of new areas will remain chamomile, as the request for this crop also increases. The specifics of this crop are still very attractive in those areas with large pieces of land without irrigation. Second class soil and May harvesting are suited to chamomile production practices. Additionally, other intensive herb crops are also very much in demand such as like marshmallow, mint and common balm as they fill the demand package of buyers. These crops will come from smaller cultivators. The Activity will collaborate with municipalities to identify potential growers of these crops and work together with them on planting and linking with processors.

**Strategic Partner:** APS with leveraged support from municipalities

**Cost of activity:** \$5,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with conditions (Persuap applies)

**Agro Staff Responsible:** Samir Riza

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.3.	NEW Tech HA	50			25	25
R1.6	Firms with NEW Tech	1				1
R1.9	Number of Firms Certified	2				2
R2.1	Sales	\$120,000			\$60,000	\$60,000
R 2.6	Sales from Contracts	\$120,000			\$60,000	\$60,000

### Activity # MP212: Support the expansion of low cost dryers for women associations cultivating herbs in Strpce municipality

AGRO will evaluate the functionality of appropriate technology driers delivered to smallholder growers – particularly to women’s groups in marginal areas. Increasing effectiveness of the groups will further attract new international buyers to obtain supplies of cultivated micro-MAPS from those areas of cultivation of specific herb species. The Activity will support groups that have needed technologies to add value to their products and improve post-harvest activities.

**Strategic Partner:** Women Association's in villages of Shterpce municipality

**Cost of activity:** \$15,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with conditions

**Agro Staff Responsible:** Samir Riza

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.3.	NEW Tech HA	5				5
R2.1	Sales	\$50,000				\$50,000
R2.4	Supply Contracts	2		2		
R2.6	Sales From Contracts	\$50,000				\$50,000

**Activity # MP213: Support cost effective drying processes and renewable energy use in MAP cultivation and wild collection**

**Description of activity:** To increase the existing drying capacities that are crucial to expanded cultivated and collected crops, AGRO will work with local heating engineers service providers to ensure that at least one new energy efficient system comes to market during this work plan year. There are a number of options in process pending full evaluation such as Zeolite Loss free systems as well as pure solar interventions. It is anticipated that 2 firms will adapt these technologies during the year, providing commercial proof of concept.

**Strategic Partner:** None

**Cost of activity:** \$25,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical exclusion

**Agro Staff Responsible:** Samir Riza

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.6	Firms with NEW Tech	2				2

**Activity # MP214: Improve the crop management of chamomile by introducing proven high productive seed varieties and use Italian clover as green manure**

**Description of activity:** Cofinance two new chamomile seed varieties proposed by German herb processor Extravit, Czech variety 'Bohemia' and Croat variety 'Lucia that will be used in new cultivations and as a seed source for future plantings. Use of Italian clover as a green manure in three herb (chamomile) plots replications to estimate the increase nutritional and soil condition on the crop performance.

**Strategic Partner:** Input Suppliers

**Cost of activity:** \$7,500

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with conditions

**Agro Staff Responsible:** Samir Riza

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	20				20
R1.3	New Tech HA	6			6	
R1.6	Firms with NEW Tech	3			3	

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## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS

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**Activity # MP221: Organize B2B and exchange visits with the major EU processors those that are willing to increase the supply of cultivated herbs**

AGRO will support at least one marketing event, hosting EU in-bound buyers to Kosovo and at least one B2B event to link MAP producers to buyers.

**Strategic Partner:** MAP Cultivation Association

**Cost of activity:** \$ 5,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Samir Riza

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 2.2	New Linkages	2				2
R 2.3	New Markets	2				2
R 2.4	Supply Contracts	10				10

**Activity # MP222: Organize study tours to improve crop management and post-harvest activities (alternative drying technologies and transport)**

Agro will support one study tour into the region (likely Croatia) for up to 8 new growers and other stakeholders to improve knowledge and management of chamomile production. This study tour will take place during quarter 3 FY16.

**Strategic Partner:** MAP Cultivation Association

**Cost of activity:** \$4,000

**ISTTA Days:** 0

**LSTTA Days: 0**

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Samir Riza

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R2.8	People in B2B	4			4	

## LIVESTOCK

### BACKGROUND

In recent years, the Kosovo dairy industry has made great strides toward increasing productivity throughout the dairy value chain which has resulted in substantial import substitution and job creation. However, weak coordination between actors in the dairy supply chain and government institutions continues to hinder further growth of the local dairy industry.

The dairy sector has made inroads into import substitution with fermented products (Cheese and yoghurts) but has not had significant impact on the imports of fluid milk, except for the case of Vita's position in the UHT market. There is, at this time, little or no pasteurized milk sold through formal retail channels although the demand for raw milk sold illegally in green markets is significant. The image of pasteurized milk in the market is poor and the perceived need to boil all milk except for UHT products is a disincentive to consumers. This market is, however, a significant opportunity for the industry, and one which, if entered successfully, would not be easily overtaken by regional suppliers due to the shelf life issue of the product.

### SECTOR STRATEGY

AGRO's strategic approach to increasing the demand for pasteurized milk relies on Strategic Partners such as dairy producers and the processors association working in conjunction with the KFVA to ensure the steady growth in consumption of pasteurized milk in Kosovo, while maintaining strong control over product quality, logistics of delivery and in-store storage conditions.

The national dairy associations and Kosovo Food and Veterinary Agency (KFVA) will work together to develop and implement a *National Pasteurized Milk Promotion Program* (NPPP) designed to expand markets for pasteurized milk produced in Kosovo. Furthermore, the Kosovo dairy associations will conduct targeted marketing campaigns to enhance pasteurized milk consumption in Kosovo.

This strategic objective includes working in conjunction with dairy industry actors and KFVA in introducing "Seal of Quality" branding. This new "Seal of Quality" for pasteurized milk products will motivate selected industry participants to join the program in order to stimulate consumer confidence in the product. The seal will be granted by KVFA to processors which are able to maintain predetermined quality management practices for raw milk at induction and to prove routine maintenance of pasteurization quality procedures.

The prerequisite for introducing the "Seal of Quality" branding will be the development of strong, progressive dairy companies that will be able to manage the "Seal of Quality" standards set by KFVA and ensure its transparent and reliable application. The "Seal of Quality" branding will enable dairy processors to identify and profitably meet consumer needs for pasteurized milk consumption by enhancing product safety, quality and the production efficiencies of pasteurized milk, while at the same time enhancing consumer confidence and market growth.

## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

### Activity # DC211: Improve raw milk quality and animal health through raw milk testing and training

Pasteurized milk flavor and shelf life is greatly influenced by raw milk quality. To achieve better flavor and longer shelf life of refrigerated pasteurized milk, dairy processors and dairy farmers need to work together to enforce the economic incentives that encourage farmers to produce extra class milk. MAFRD launched the milk quality subsidy program with the aim of improving raw milk quality. The functionality of the subsidy program is completely based on proper implementation of the of Transparent Raw Milk Sampling (TRMS) project which provides information on the raw milk quality. Therefore, it is crucial for the development of the dairy sector, that Kosovo continues a public, transparent and neutral laboratory system for analyzing the raw milk samples widely accepted by both dairy producers and dairy processors.

Since the start of the TRMS project, the raw milk quality has been improving steadily but has yet to reach goals set by KAMP in reaching the EU raw milk quality standards. KAMP intends to support improvement of dairy farm management practices through organizing trainings sessions at farm level. AGRO will support KAMP to develop a standardized set of training modules to be presented by the TRMS sample collecting team to all farmers when their quality results slips below the first 2 classes. TRMS sample collectors will be fully qualified to handle the standardized training. Projections for training numbers are modest and reflect only 20 farmers specifically trained per milk sample collector during this year and budget projection includes development of standard training aids and quality reaction guide.

KAMP has already designed a levy system to collect fees from their members in order to ensure self-sustainability of TRMS project and AGRO will continue to promote leveraged support to ensure that this system of incentives continues.

**Strategic Partner:** Kosovo Association of Milk Producers (KAMP)

**Cost of activity:** \$6,000

**STTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Arben Musliu

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	100	0	25	50	25

### Activity # DC212: Introducing “Seal of Quality” branding for pasteurized milk

Milk quality is critical to processors and consumers alike. The “Seal of Quality” branding for pasteurized milk produced by local dairy processors guarantees that raw milk is selected with the greatest care and then processed and packaged safely and reliably. Throughout the entire chain of production - from production on the dairy farms to processing in the dairies and onward to the retail chains, the “Seal of Quality” branding will guarantee product safety, integrity and quality that can be traced. The “Seal of Quality” will be awarded by the Kosovo Food and Veterinary Agency (KFVA). The aim for introducing the “Seal of Quality” branding for pasteurized milk is to build consumer awareness and confidence in the

quality and safety of pasteurized milk produced locally and to increase the demand and consumption of pasteurized milk in Kosovo.

**Strategic Partner:** Kosovo Food and Veterinary Agency (KFVA) and dairy plants

**Cost of activity:** \$6,000

**STTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible:** Arben Musliu

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.9	Firms Certified	3		1	2	

## OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC, REGIONAL, AND INTERNATIONAL MARKETS

### Activity # DC221: Initiate promotion campaign for pasteurized milk consumption

Kosovo consumers seem to have forgotten about pasteurized milk. They need to be educated or reminded of the nutritional value and “real milk taste” of pasteurized milk. AGRO will assist interested dairy processing companies in entering this market to promote the consumption of pasteurized milk by launching a new campaign, which intends to shift the focus of all customers to consume pasteurized milk. The campaign will include the development of print and other media materials suited to mass promotion and the campaign will last for a period of 2 years to cover the initial period of promotion.

For better distribution integrity and product safety, AGRO will assist KDPA to adopt packaging and branding best practices to increase market appeal and retail presence in local supermarkets.

**Strategic Partner:** Kosovo Association of Milk Producers (KAMP), Kosovo Dairy Processors Association (KDPA)

**Cost of activity:** \$50,000

**STTA Days:** 10

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** categorical exclusion

**Agro Staff Responsible:** Arben Musliu

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Domestic Sales	\$350,000			\$80,000	\$270,000
R2.2	New market	2			1	1

## OBJECTIVE 3: STRENGTHENED STRATEGIC PARTNERS

### Activity # DC231: Assist Kosovo Association of Milk Producers (KAMP) to leverage funds from donors for continuation of TMRS project

Sustainability of the TRMS project is critical for the implementation of the milk quality grant scheme program introduced by MAFRD in 2014. This grant scheme program provides financial incentive to eligible dairy farm enterprises to improve raw milk quality. AGRO will assist KAMP to leverage funds for the continuation of and self-sustainability of the TRMS project.

**Strategic Partner:** Kosovo Association of Milk Producers (KAMP)

**Cost of activity:** \$1,500

**STTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** categorical exclusion

**Agro Staff Responsible:** Arben Musliu

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R3.1	PPP Investments	\$200,000	\$200,000			
R3.3	PPP Agreements	1	1			

**Activity # DC232: Organize agribusiness student internship fair with dairy producers and processors**

Internship programs provide excellent opportunities for students in food science or agribusiness to gain exposure to all aspects of the business development process. Utilizing the establishment of the Agrojobs Career Center at the faculty of Agriculture University of Pristina, and in cooperation with members of Kosovo Dairy Processors Association (KDPA), AGRO will assist KDPA in organizing a student internship fair with dairy farmers and processors and placing of food technology and agribusiness department interns with local dairies for three month internships to conduct practical, on-the-job, training in dairy technology and dairy farm management. Through this activity, at least 5 students from the food technology department will commence on-the-job training in local dairy plants.

**Strategic Partner:** Processors and Faculty of Agriculture

**Cost of activity:** \$1,000

**STTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** categorical exclusion

**Agro Staff Responsible:** Arben Musliu

# INNOVATIVE HORTICULTURAL VALUE CHAINS

## BACKGROUND

Interest has been received from a potential Strategic Partner to engage in the development of the pumpkin seed value chain in Kosovo. The contracted volumes in the sector have been evaluated and the volumes demanded indicated a significant opportunity to develop a strong outgrower farmer network. During the AGRO start-up period, significant interest in rapid sector expansion has been identified. After field visits, interviews with growers and the potential processor were conducted, the following was concluded:

- There is an interest to cultivate pumpkins for seed based on strong contracted demand in the EU.
- Potential for at least 250ha has been identified in different regions;
- At least one company from western Europe has contracted a minimum of 158ha of cultivated pumpkins for seeds;
- One local company responding to Austrian demand has a contract for and planted 162ha for pumpkin seed production;
- Another local company has initiated production of pumpkins for flesh for the Swiss Market;
- This crop can be cultivated under dry land conditions, giving another opportunity for better utilization of dry lands;
- No processing facilities are yet in place in Kosovo;
- The need for technical and financial assistance of the sector is significant given the area potentially under crop and the novelty of the crop.

SP “Produktet Natyrale nga Kosova” was identified as a significant player in this new crop, having identified the export opportunities and contracted the export of resulting production to Austria. The company has contracted production with 26 local growers in 2015 with the projected expansion of at least 30% in 2016. The production is focused on both dry land and land with irrigation opportunities.

## SECTOR STRATEGY

AGRO will intervene on one site in order to establish harvesting, cleaning and drying of pumpkin seeds for the already identified international market. The processing unit supported by AGRO will enable high quality processing of the seed – a key to market acceptability and sustainability. The AGRO technical team will work with the firm to harvest and process the current crop and in the new production year, work closely with the SP to provide appropriate production advice in conjunction with the buyer’s agronomists and input suppliers. In the future, other types of pumpkins for specific markets will be also be considered. The drying facility established in the Peja municipality will stimulate wider production in the region which will include more growers and enhance economic growth in the region.

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## OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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### Activity # IH211: Support Increase of area under the production with quality inputs

The pumpkin value chain remains a new innovation with a strong export orientation. Demand for confectionary grade pumpkin seed is high in the international market with at least 2 companies from the EU interested in contracting production from Kosovo producers. Expanding the production of pumpkins with small and medium dryland growers will take place on fertile land but also on fields with irrigation potential. The identified SP will lead the process of production, contracting and extending advisory services and technical advice. It is anticipated that the area under crop will increase by 84Ha during 2016, generating €450,000 in sales.

**Strategic Partners:** Commercial Production firm, farmers

**Cost of the Activity:** \$8,500

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Negative Determination with conditions

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.3	Tech HA	84			84	

**Activity # IH212: Provision of technical advice to support the establishment of new plantations**

Lessons learned during the year 2015 will serve as a baseline for establishing a training process for growers in the year 2016. AGRO will work through SPs to engage local and international STTA in support of growers. Technical support services will demonstrate to pumpkin growers, growing technologies from land preparation up to the harvest. Trainings on postharvest handling, drying and packaging will be provided by technologists supplied by the buyers.

**Strategic Partners:** Processors, Commercial growing companies, farmers

**Cost of the Activity:** \$9,500

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	30				30

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## **OBJECTIVE 2: INCREASED LINKAGES TO DOMESTIC REGIONAL AND INTERNATIONAL MARKETS**

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**Activity # IH221: Facilitation of the contracting process between growers and processors**

SPs will promote formal contract supply between growers and processor. In parallel, the processor will establish the supply contracts with international markets. This back to back contracting within the same value chain is a new approach for SPs acting in this value chain and will reinforce the confidence to invest in new production systems.

**Strategic Partners:** Processing Firm

**Cost of the Activity:** \$0

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Musli Berisha

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R2.1	Domestic Sales	\$450,000				\$450,000
R2.4	Supply Contracts	30	30			
R2.5	SPs issuing contracts	1	1			
R2.6	Sales from contracts	\$450,000				\$450,000

### **OBJECTIVE 3: STRENGTHENING STRATEGIC PARTNERS**

#### **Activity # IH231: Facilitate the public private dialogue**

AGRO will support SPs and growers in establishing dialogue between local institutions and the community. Specific challenges will be discussed followed by the establishment of appropriate partnerships through which challenges will be addressed. Pumpkins have recently been included in the MAFRD subsidy scheme but with no specification about the market nor the final product, nor with any specification regarding timeliness of planting or other productivity indicators. It is to be expected that the dialogue will result in a formal agreement to harmonize the subsidy scheme with market requirements. A joint body comprising central and local institutions, and private sector representatives will be created to monitor progress within the sector and develop future investment strategies for the pumpkin value chain.

**Strategic Partners:** Farmers, Processors, local governments, MAFRD

**Cost of the Activity:** \$2,500

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R3.1	PPP Investments	\$100,000				\$100,000
R3.3	PPP Agreements	1				1

#### **Activity # IH232: Study tour to EU marketing and growing sites to exchange experiences in the marketing and growing technologies**

Experiences from the regions where the VC is well developed will be shared through a study tour which will be organized by the SP in coordination with AGRO. The length of the study tour will not exceed three (3) days. It is anticipated that 5 participants travel to a country where the pumpkin Value Chain is well consolidated. Marketing opportunities and growing technologies will be explored during the visit.

**Strategic Partners:** Processors,

**Cost of the Activity:** \$5,000

**ISTTA Days:** 0

**LSTTA Days: 0**

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO staff responsible:** Maxhun Shehaj

<b>Number</b>	<b>Name of the indicator</b>	<b>Total</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
R1.1	Trainings	5		5		
R2.8	People in B2Bs	5		5		

# CROSSCUTTING

## AGRICULTURAL SUPPORT SERVICES

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### OBJECTIVE 1: IMPROVED FARM PRODUCTION AND FOOD PROCESSING

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**Activity # SS211: Food Safety Certification – Global Gap implementation**

International market demand from more sophisticated buyers for soft fruits and peppers is steadily increasing. To enter in these new markets, agricultural products must prove they are safe for consumption and that products have been grown with appropriate environmental and human health concerns. To confirm this, buyers are now pushing for the voluntary standard – GlobalGAP. To penetrate these markets, AGRO will support four raspberry and pepper producer groups to implement this standard in their production. Four young local consultants that successfully passed the GlobalGAP “Preferred Farm Assurers” training will be responsible for supporting selected producers, while an experienced Global GAP consultant will assist and support these new Global GAP “Preferred Farm Assurers” consultants engaged by the project. This activity will include practical capacity building of the engaged consultants, leading to a full internal audit prior to the external evaluation. At least fifty producers will make up the five producer groups certified this year, and constitute the first Group certification for Global GAP in Kosovo.

**Strategic Partner:** Raspberry, Table Grapes and Pepper SP’s

**Cost of activity:** \$50,000

**ISTTA Days:** 0

**LSTTA Days:** 208

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** AGRO Postharvest Handling and Processing Specialist, Recura

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	50		25	25	
R1.9	Certified	50				50

**Activity # SS212: Build local capacity and raise awareness for food safety and quality standards**

Assurance of the safety of fresh and processed fruits and vegetables will be key to developing international markets for Kosovo-grown fruits and vegetables, especially crops with potential for export. The European farm-level and processor-level food safety protocols, GlobalGAP and HACCP, will become necessary for Kosovo’s agricultural producers, collection centers and processors. However, at this time, few farmers and processors are prepared to reach this level of assurance. To improve the actual situation, AGRO will organize a number of site visits and trainings for Strategic Partners’ management staff responsible for production activities. Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP) and Good Hygiene Practices (GHP) will be main a focus of these trainings. Trainings will be conducted by AGRO for all producers, collection centers and processors identified as AGRO Activity value chain Strategic Partners able to export their product.

**Strategic Partner:** Collection/processing centers, producers.

**Cost of activity:** \$2,000

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Postharvest Handling and Processing Specialist

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	165		60	40	65

**Activity # SS213: Post harvest and storage support**

Local agricultural production and storage facilities have increased in recent years. Unfortunately, postharvest handling and storage management knowledge is still limited. The need for international technical advice is critical for AGRO Activity Strategic Partners such as producers and collection centers. To improve the actual situation AGRO will engage an international postharvest STTA expert from University of California, Davis, US. Technical advice and training will be provided to lead producers and collection centers. The main subject of the STTA advice and training will be on harvest, postharvest and storage management of fruit and vegetable products, emphasizing sophisticated management of fruits and vegetables under modified atmosphere conditions. Two training sessions will be organized for local producers, collection centers, traders and experts involved in this business.

**Strategic Partner:** Producers, collection centers, traders and experts

**Cost of activity:** \$15,000

**ISTTA Days:** 10

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Chief Technical Advisor (CTA)

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	65			65	

**Activity # SS214: Cooling and freezing technical support**

International market demand for frozen products is increasing. Opportunities for entering in new markets are growing as the market becomes aware of Kosovo's soft fruit production activities and capacity. Unfortunately local expert's knowledge related to soft fruit cooling and freezing is still quite limited, therefore international technical assistance is necessary for companies dealing with frozen products. AGRO will support companies to identify and engage an international STTA expert that will be provided by the Dutch Volunteer program - PUM. The program has expressed strong interest in supporting AGRO to increase its technical outreach by providing volunteers for this and other critical assignments. For successful implementation of this activity, AGRO will support firms to critically assess their technical training and support needs.

**Strategic Partner:** Collection/processing centers.

**Cost of activity:** \$0

**ISTTA Days:** 0

**LSTTA Days:** 0

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Postharvest Handling and Processing Specialist

Number	Short name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	12			12	

**Activity # SS215: Functionalize and develop capacities of students in the Career Center office at the University of Prishtina premises**

The MoU between Tetra Tech and the Faculty of Agriculture was finalized during fiscal year 2015 outlining cooperation on the development of a Career Center that will support the agriculture sector. The Faculty offered a place to set up the office, which will be at the Faculty of Agriculture premises. By Q1 FY 2016, an office coordinator will be in place coordinating activities through an interactive website commissioned by the Faculty with AGRO support. Part of the activities will be the development of skills for University graduates (communication, finance, business planning, ToT) so that they are more prepared for the job market, and provision of advice to farmers. The Career Center will support capacity building of new argonomists engaged by private sector companies. Interns will have opportunities to be engaged by private companies and receive competence-based training. Eventually, small agribusiness start-up grants will be provided to the best students based on interest from their side. Up to 10 students will be supported in this manner, through the Career Center.

**Strategic Partner:** Faculty of Agriculture, Local Consulting companies

**Cost of activity:** \$50,000

**ISTTA Days:**

**LSTTA Days:**

**Environmental Action(s) Recommended:** Categorical exclusion

**AGRO Staff Responsible:** Naim Krasniqi

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R1.1	Trainings	100	30	50	20	
R1.4	Agro Job Unique Visits	100	25	25	25	25
R1.5	Agro Job Websites average hits per month	500	75	150	300	500
D02.3	Jobs	10			5	5

**Activity # SS216: Capacity building support to the Kosovo Food and Veterinary Agency phytosanitary inspectors**

The Activity will support the Kosovo Food and Veterinary Agency to build the capacities of their phytosanitary inspectors. Training needs will be identified by early FY 2016. The aim of this activity is to support the KFVA inspectors on issues related to the importance of using quality plant propagation material and the circulation of requirements throughout the country. In addition to the specifics of imported planting materials, issues regarding quarantine and pests and diseases affecting propagation materials of fruits and vegetable crops will be highlighted.

**Strategic Partner:** Kosovo Food and Veterinary Agency

**Cost of activity:** \$ 4,000

**ISTTA Days:**

**LSTTA Days:** 15

**Environmental Action(s) Recommended:** Categorical exclusion

**AGRO Staff Responsible:** Naim Krasniqi

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 1.1	Trainings	40	20	20		

#### **Activity # SS217: Supporting Investments in Agriculture**

This activity is a continuing a year-round effort to support direct and indirect investments into agriculture and agribusinesses. The activity will continue throughout the year and integrate several sub-activities as part of a unique encompassing approach.

Initially, the project aims to facilitate an Agribusiness Investments Conference, planned for 21-22 October 2015. The Conference preparations have already started during the 2015 Work Plan and are well underway, with all of the conference materials having been prepared by Recura, which include an Informational Package / Kosovo Agriculture Investment Opportunities Pack, which will provide key information on agribusiness sub-sector investment opportunities informational packages intended for non-technical domestic based investors interested in entering the sector with very little experience in the agro-sector. In addition, AGRO has subcontracted a specialized communications and outreach company to support the logistics, PR and conference event proceedings. The activity foresees a two day conference, with several parts: 1) a presentation of the most updated data on the agro sector in Kosovo, 2) specific investment opportunities for the various sub-sectors / value chains, 3) Presentation of successful case studies; and 4) beginning to creating a database of potential investors in the agro sector, whose contacts and permission we would get to include in our database of existing and potential investors.

In follow up to the investment conference, RECURA will work with SPs, farmers and processors to establish investment needs and explore potential financing mechanisms for facilitating linkages between investors and recipient agribusinesses. The activity will focus on developing mechanisms for stimulating direct investments in agribusinesses, helping, in particular, increase planted areas, production capacities and establishing or upgrading small scale processing and storage facilities. The activity would include developing legal structures, contracts, customized financial instruments and investment structures for the investment deals supported by the specialized team of experts. The team will also try to receive at least one mandate for advisory and intermediation in investment transactions.

Recura will maintain a database of interested investors and match them with potential SP partners and public sector programs or municipalities with development funds that can be used to support their efforts to further rural development.

**Strategic Partner:** RECURA, MAFRD, KIESA, MFA

**Cost of activity:** \$25,000 approx.

**ISTTA Days:**

**LSTTA Days:** 70 days

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Recura

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
DO 2.1	Investments in Agriculture	\$1.5 million			\$750,000	\$750,000
DO 2.3	New Jobs	50			25	25

### Activity # SS218: Complete Subsector Export Promotion Plan (SEPP) for Soft Fruits and Initiate SEPP for Top Fruits

Reports reveal that Kosovo's significant and growing negative trade balance with respect to fresh fruits and vegetables (-€37,679,119 in 2013), processed fruits and vegetables (-€36,334,504), and dairy (-€38,126,513) offers much room for import substitution and reflects slow but steady growth in exports of fresh and processed fruits and vegetables since 2007. The AGRO Value Chain Team, particularly the Marketing and Export Promotion Specialist, the Contract Supply Specialist, the Post-Harvest Handling and Certification Specialist, and STTA from Recura, will assist SPs in conducting subsector and crop roundtables to link production to domestic, regional, and international markets. The project strategy for accessing export markets includes leveraging initial contacts made and contracts concluded under NOA with buyers in certain EU countries, and fostering a closer business relationship with members of the Albanian Business Association, particularly in countries where there is a large population of Kosovar diaspora (e.g., Switzerland, Germany, and Austria). In addition, we will continue to target the Netherlands and Belgium, which are important aggregators of semi-processed products destined for the greater EU; seek to break into new markets that Kosovo's neighbors have successfully penetrated in recent years (e.g., Australia, for processed products only); and test trail exports to the United Arab Emirates (UAE), which shows potential for growth. AGRO's DCOP, Recura, and the Marketing and Export Promotion Specialist will work closely with GOK representatives, KIESA, the Ministry of Foreign Affairs (MFA), and representatives of SPs to develop SEPPs for AGRO-targeted subsectors and crops identified as having the greatest export potential.

In during the first six months of the Activity, the AGRO team initiated the process of working on SEPP development by conducting an initial baseline study looking at agribusiness sub-sectors and their potential for exports, so as to determine a priority list of sub-sectors for which SEPPs need to be developed. In addition, project specialists visited AgBiz in Macedonia to learn from their successful prior experience in developing export promotion plans. The team also conducted initial meetings with all relevant local stakeholders to inform them about the initiation of the processes for developing SEPPs in Kosovo and the need for stakeholder involvement throughout the process.

Based on the above-mentioned study conducted, as well as consultations with sector stakeholders, it is recommended that the Activity focuses, in Year 2 (Work Plan 2016), on developing and finalizing the Sub-Sector Export Promotion Plan for Soft Fruits, and initiates the work on the second SEPP for Top Fruits, both due to their potential and the similarity of these two sub-sectors.

A working group of the Soft Fruits SEPP will be initiated and will begin work on SEPP development in October 2015. The Soft Fruits SEPP will be completed by May 2016. During FY 2016, the team will also initiate work on the SEPP for Top Fruits. The working group of the Top Fruits SEPP is planned to be established just after the completion of the SEPP for Soft Fruits, expected in May 2016 and is expected to continue working using the same methodology and approach through FY 2017.

**Strategic Partner:** Collection Centers, Large Fruit and Veg processors, Ministry of Agriculture, Ministry of Trade and Industry, KIESA

**Cost of activity:** USD 4,000

**ISTTA Days:** 0

**LSTTA Days:** 30 days

- SEPP Committee (Working Group) meetings – 12 days
- Research, Plan drafting and preparations for working group meetings – 18 days

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Recura STTA

Number	Short Name of the indicator	Total	Q1	Q2	Q3	Q4
R 2.3	New Markets	5			5	
R 2.8	People in B2B	150			150	45
R 3.4	Policy Analysis	1			1	
R 3.6	Dialogues	12	4	4	4	4

**Activity # SS219: Exploring and Drafting a Policy Paper on the introduction of Global G.A.P. principles into Kosovo food-related legislation**

This activity is intended to explore the current legal framework in Kosovo with regards to food safety standards in primary production. As Kosovo is working towards increasing exports, in particular primary agricultural products, regulating the standards and food safety requirements for primary production is a pre-requisite and imperative. The policy paper will analyze the current applicable regulation and the integration of any food safety provisions with regards to primary production. The analysis will generate a policy paper targeting the Government of Kosovo, looking at possibilities for introducing food safety minimum requirements for primary producers, enabling them to improve the quality of their products and more easily meet international standards (like Global GAP), thus facilitating exports.

Based on the key findings and experience from other countries, the expert will draft a Policy Paper for the introduction of food safety minimal standards for commercial primary production in Agriculture and their inclusion into the relevant legislation and regulation in country.

**Strategic Partner:** Ministry of Agriculture and other relevant government institutions.

**Cost of activity:**

**ISTTA Days:**

**LSTTA Days:** 40

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** RECURA

Number	Short Name of the indicator	Total	Q1	Q2	Q3	Q4
IR 3.4	Policy Analyses	1			1	

**Activity # SS2110: Review and implementation of support for administrative instruction on the production, import, trade and control of planting materials.**

AGRO will work with the MAFRD, SPs, KIESA, the Kosovo Chamber of Commerce, and value chain actors to identify key policy areas and initiatives that will have a significant impact on the agribusiness enabling environment in Kosovo. This includes becoming more engaged in regional initiatives aimed at preparing for EU accession and enhancing competitiveness in EU markets. To this end, we will facilitate SP participation at trainings, workshops, and study tours organized by the Balkans Regional Economic Development Initiative and will contribute to the development of best practices and lessons learned through efforts to improve the agribusiness enabling environment in member countries.

Based on our experience in Kosovo and elsewhere in the Balkans, Tetra Tech has identified several key policy areas that should be targeted, Anti-dumping policy and enforcement, Agricultural land use policy, Agribusiness investment policy, Food safety and quality control policy, Branding and labeling policy and Subsector support pricing model analysis. AGRO's involvement in these policy areas will open the door to collaboration with other USAID programs such as the Partnerships for Development Program, EMPOWER Activity, and Kosovo Property Rights Activity. Other donors working in these areas with which we will collaborate include the Swiss, presently supporting the Promoting Private Sector Employment Project, and the World Bank/IFC, working on regulatory issues for extension service provision and further development of the fruit and vegetable value chains.

Planting materials are one of the key pre-conditions for increasing and improving production capacities in Seedling production plantations. The quality and control of the seedling material, both produced domestically and imported, is a key element of AGRO engagement with the Strategic Partners, including specifically the Ministry of Agriculture and the Food and Veterinary Agency. This specific activity will focus on working closely with the Association of Planting materials Producers, as well as the Ministry of Agriculture in conducting a review of existing legislation and sub-legal acts, and based on this, proposing amendments and additions to the administrative instruction. In addition, the proposed activity will identify key intervention points for the project to facilitate the implementation of the provisions set forth in the administrative instruction on planting materials, in particular helping the Strategic Partner, the Association of Planting materials producers to implement these processions.

**Strategic Partner:** Association of planting materials Producers of Kosovo, MAFRD, Food and Veterinary Agency of Kosovo, Municipalities and Customs Service.

**Cost of activity:** 0

**ISTTA Days:**

**LSTTA Days:** 15 days

**Environmental Action(s) Recommended:** Categorical Exclusion

**AGRO Staff Responsible:** Reshat Ajvazaj

Number	Short Name of the indicator	Total	Q1	Q2	Q3	Q4
R 3.4	Policy Analysis	2			1	1

**Activity # SS221: Comparative study of support policies in the region regarding the berry subsector**

AGRO will conduct a comparative analysis of the support policies to the berry subsector in regional countries, with a special focus on Serbia with the aim of developing similar but tailored policies aimed at supporting this subsector in Kosovo. The study will look at development policies implemented by regional countries, including subsidies, assistance policies, administrative regulation and legal solutions. The best practices from the regional example will then be customized and tailored to the Kosovo context and presented in a policy proposal to Kosovo institutions. Best practices will then be advocated as measures to be supported by the Ministry of Agriculture. The project Strategic Partners will be briefed and consulted on the policy proposals so that these Strategic Partners as well as the subsector Associations will also play an advocacy and lobbying role stimulating desired policy changes.

**Strategic Partner:** Berry producers and processors Associations, Collection Centers, MAFRD and Veterinary and Food Agency.

**Cost of activity:** 0

**ISTTA Days:**

**LSTTA Days:** 15 days

**Environmental Action(s) Recommended:** Categorical Exclusion

**Agro Staff Responsible: the owner of this activity:** Muzafer Luma, Recura, STTA

Number	Name of the indicator	Total	Q1	Q2	Q3	Q4
R 3.4:	Policy Analysis	1			1	

## OUTREACH AND COMMUNICATIONS

### STRATEGY

This section presents the communications strategy and action plan for the Activity in FY16. It aims to integrate communications with proposed activities and to establish systems for fact-based, people-focused impact reporting to USAID and stakeholders.

Outreach and communication will continue to focus on ensuring Activity successes are properly documented, that AGRO public events receive full clearance and appropriate publicity and that results are effectively captured.

### ACTIVITIES

#### ACTIVITY WEBSITE

AGRO will work with USAID to confirm the details, design and application of Activity web-based communication. AGRO will ensure that all technical bulletins, STTA reports, investment leaflets and other public information are easily available on the Activity website. The Activity will finalize the construction of the Activity website during Q1 of FY16.

#### SUCCESS STORIES

We will continue to develop these useful materials during 2016. These stories will be drafted by technical experts within AGRO, highlighting successes in their respective fields, and will be sent to the AGRO Outreach Coordinator for editing. Upon USAID clearance, success stories will be published on the web interface as agreed with USAID, and will be printed and distributed for promotional/outreach purposes. It is anticipated that AGRO will produce 12 success stories during the work plan year.

## GENDER MINORITY AND YOUTH

### BACKGROUND

During 2016, AGRO will continue to focus not on “counting women” but “making women count.” This attention to real inclusion was an effective paradigm during the predecessor NOA project and will continue to guide us under AGRO. Throughout the Activity, AGRO staff will encourage women’s participation as a means of empowering women. The robust AGRO PMP outlines measurable gender empowerment and inclusion data points and these will be a point of focus under each activity programmed. As noted at the close of NOA, the lagging component of the women’s empowerment index was that of leadership. Each AGRO value chain will seek opportunities to build women’s leadership capacity and, in so doing, will strengthen the overall performance of women in agriculture. This background situation informs the strategy of the Activity for FY 2016.

## **STRATEGY**

AGRO FY16 objectives will continue to include the following specific objectives under each activity in each value chain. During Q2 FY16, AGRO will re-validate the GEM (Gender Empowerment Matrix) and use the data specifically gleaned regarding the leadership component to inform value chains development and opportunities to improve this component of the matrix. AGRO has assigned a gender coordinator within the existing team (Laura Gjakova Krypa), who will attend and report on joint gender-targeted meetings throughout the work plan year. Throughout FY 2016 AGRO will:

- Include woman farmers in all program activities using new approaches;
- Increase woman farmers technical knowledge within the agriculture sector;
- Raise stakeholder awareness of women’s current and potential roles in the advancement of the agriculture sector; and
- Increase the number of women taking on leadership roles.

## **MICROENTERPRISE**

USAID defines Microenterprise as a very small enterprise owned and operated by poor people, usually in the informal sector. For USAID program purposes, the term is restricted to “enterprises with 10 or fewer workers, including the micro-entrepreneur and any unpaid family workers. Crop production activities, previously excluded from the scope of the definition, are now included as long as they otherwise qualify on the basis of enterprise size and the economic status of the owner-operator and employees.”

It is estimated that 98% of businesses in Kosovo can be classified as micro-enterprises; therefore nearly all USAID support for the private sector is assisting micro-enterprises. AGRO is supporting micro-enterprises in Kosovo through its agricultural value chain activities. AGRO will continue to support agribusiness microenterprises through target value chains, by providing training, access to finance, access to markets, improved and sustainable technology transfer mechanisms as well as access to improved aggregation function to enhance competitiveness. Of specific importance will be our work with Strategic Partners, most of which in fact are microenterprises, in growing a sustainable foundation for future growth. This sustainability, built into every activity, will bring added strength to microenterprises in Kosovo.

# ANNEX I: ACTIVITY BUDGET BY VALUE CHAIN AND OBJECTIVE

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
<b>Apples &amp; Pears</b>	1. Improved Farm Production and Food Processing	AP211	Technical Assistance up to 400 farmers on pruning, plant protection and fertilization and post-harvest	\$7,000	7	10
	1. Improved Farm Production and Food Processing	AP212	Training on apple and pear post-harvest activities and application of 'Smart Fresh' product	\$5,000	0	0
	1. Improved Farm Production and Food Processing	AP213	Increase surface of pear by using new growing technologies	\$15,000	0	0
	1. Improved Farm Production and Food Processing	AP214	Improve calibration, packing, labeling and processing for apples	\$120,000	7	0
	2. Agricultural Products Diversified and Increased	AP221	Strengthen contracting between packing houses, supermarkets and traders with apple and pear lead farmers	\$1,000	0	0
	2. Agricultural Products Diversified and Increased	AP222	Improve marketing and sales	\$5,000	0	0
	3. Strengthened Strategic Partners	AP231	Strengthen the National Apple Association	\$5,000	0	0
	3. Strengthened Strategic Partners	AP232	Improve public private dialogue between MAFRD and main actors	\$0	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	3. Strengthened Strategic Partners	AP233	Study tour to the region for apple and pear lead farmers	\$8,000	0	0
	<b>Subtotal</b>			<b>\$166,000</b>	<b>14</b>	<b>10</b>
<b>Blueberry</b>	1. Improved Farm Production and Food Processing	BB211	Establishment of 10 new ha of blueberries through Strategic Partners	\$50,000	0	0
	1. Improved Farm Production and Food Processing	BB212	Provide technical assistance through international STTA	Grant	0	0
	1. Improved Farm Production and Food Processing	BB213	Growing 1 ha of blueberry on containers	\$50,000	0	0
	1. Improved Farm Production and Food Processing	BB214	Organize blueberry field days	\$1,500	0	0
	2. Agricultural Products Diversified and Increased	BB221	Organize promotion days in Pristina	\$2,000	0	0
	<b>Subtotal</b>			<b>\$103,500</b>	<b>0</b>	<b>0</b>
<b>Sour Cherry</b>	1. Improved Farm Production and Food Processing	SC211	Establish at least 20 new Ha of state of the art production at both large and small scale	\$40,000	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	1. Improved Farm Production and Food Processing	SC212	Stimulate adoption of new technologies in support to quality improvement and effective plant protection	\$30,000	0	0
	1. Improved Farm Production and Food Processing	SC213	Support potential SPs to provide embedded services to growers	\$5,500	0	0
	2. Agricultural Products Diversified and Increased	SC221	Organize B2B and exchange visits with local growers and processor willing to increase the supply of sour cherries	\$1,500	0	0
	2. Agricultural Products Diversified and Increased	SC222	Establishment of production contract modalities for sour cherry production	\$2,500	0	0
	2. Agricultural Products Diversified and Increased	SC223	Stimulation of adoption of Marketing Standards for fresh and frozen sour cherries	\$1,500	0	0
	3. Strengthened Strategic Partners	SC231	Support SP to present industry develop strategy	\$1,500	0	0
	3. Strengthened Strategic Partners	SC232	Participation to Berlin fruit logistica	\$5,000	0	0
	<b>Subtotal</b>			<b>\$87,500</b>	<b>0</b>	<b>0</b>
<b>Raspberry</b>	1. Improved Farm Production and Food Processing	RS211	Establishment of 300 ha with raspberry through Strategic Partners	\$2,000	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	1. Improved Farm Production and Food Processing	RS212	TA for Producers Establishing Raspberry orchards through input suppliers	\$2,000	0	0
	1. Improved Farm Production and Food Processing	RS213	Global Gap group implemented to raspberry farmers	\$20,000	0	0
	1. Improved Farm Production and Food Processing	RS214	Testing of harvesting raspberry machine	\$3,000	0	0
	2. Agricultural Products Diversified and Increased	RS221	Support raspberry collection centers to attend Fruit Logistics Fair in Berlin	\$7,000	0	0
	2. Agricultural Products Diversified and Increased	RS222	Raspberry promotion and sales days in Pristina and other municipalities	\$3,000	0	0
	2. Agricultural Products Diversified and Increased	RS223	Raspberry Study tour to EU frozen product buyers	\$15,000	0	0
	3. Strengthened Strategic Partners	RS231	Strengthen the National Raspberry association 'Mjedra e Kosoves'	\$1,000	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	3. Strengthened Strategic Partners	RS232	Participation in the international congress of 10th International Raspberry Organization held in Serbia 2016	\$2,000	0	0
	<b>Subtotal</b>			<b>\$55,000</b>	<b>0</b>	<b>0</b>
<b>Strawberry</b>	1. Improved Farm Production and Food Processing	SB211	Increase strawberry crop production	\$30,000	0	0
	2. Agricultural Products Diversified and Increased	SB221	Organize round-table event with processing companies and collection centers	\$0	0	0
	2. Agricultural Products Diversified and Increased	SB222	Regional Study tour visit to Albania	\$1,500	0	0
	<b>Subtotal</b>			<b>\$31,500</b>	<b>0</b>	<b>0</b>
<b>Table Grape</b>	1. Improved Farm Production and Food Processing	TG211	Provision of technical advice to support the establishment of new plantations and new trellising system	\$5,500	0	25
	1. Improved Farm Production and Food Processing	TG212	Provision of technical advice to support growers with improved technologies in achieving premium grape quality	\$5,500	0	25
	1. Improved Farm Production	TG213	Dissemination of advantages from irrigated vineyards versus unirrigated ones	\$2,500	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	and Food Processing					
	1. Improved Farm Production and Food Processing	TG214	Implementation of GAP	\$2,500	0	0
	2. Agricultural Products Diversified and Increased	TG221	Increase capacities of the Collection Centers to act in coordinating production and market demand	\$40,000	0	0
	3. Strengthened Strategic Partners	TG331	Study tour in the region	\$2,500	0	0
	3. Strengthened Strategic Partners	TG332	Study tour to EU countries for selected SPs to develop their capacities on the production programing	\$15,000	4	0
	<b>Subtotal</b>			<b>\$73,500</b>	<b>4</b>	<b>50</b>
<b>Asparagus</b>	1. Improved Farm Production and Food Processing	AS211	Improving and increasing production of asparagus	Grant		
	1. Improved Farm Production and Food Processing	AS212	Improving infrastructure of asparagus collection center	\$40,000		
	2. Agricultural Products Diversified and Increased	AS221	Facilitate linkages with local and regional markets as new markets are identified	\$1,000	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	3. Strengthened Strategic Partners	AS231	Regional study tour for asparagus stakeholders	\$10,000	0	0
	<b>Subtotal</b>			<b>\$51,000</b>	<b>0</b>	<b>0</b>
<b>Gherkins &amp; Cucumbers</b>	1. Improved Farm Production and Food Processing	GC211	Regional study tour for asparagus stakeholders	\$10,000	0	0
	1. Improved Farm Production and Food Processing	GC212	Improvement of infrastructure to collection centers and processors	\$65,000	0	0
	2. Agricultural Products Diversified and Increased	GC221	Increase of gherkin production by promotion of new cultivation technologies	\$65,000	0	0
	3. Strengthened Strategic Partners	GC231	Continue to collaborate with SP on strengthening of existing linkages and promote further collaboration between all stakeholders in VC	\$0	0	0
	<b>Subtotal</b>			<b>\$140,000</b>	<b>0</b>	<b>0</b>
<b>Dairy</b>	1. Improved Farm Production and Food Processing	DC211	Improve raw milk quality and animal health through raw milk testing and training	\$6,000	0	0
	1. Improved Farm Production and Food Processing	DC212	Introducing "Seal of Quality" branding for pasteurized milk	\$6,000	0	0
	2. Agricultural Products	DC221	Initiate promotion campaign for pasteurized milk consumption	\$50,000	10	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	Diversified and Increased					
	3. Strengthened Strategic Partners	DC231	Assist Kosovo Association of Milk Producers (KAMP) to leverage funds from donors for continuation of TMRS project	\$1,000	0	0
	3. Strengthened Strategic Partners	DC232	Organize agribusiness student internship fair with dairy producers and processors.	\$5,000	0	0
	<b>Subtotal</b>			<b>\$68,000</b>	<b>10</b>	<b>0</b>
<b>Lettuce</b>	1. Improved Farm Production and Food Processing	LT211	Promotion of year - round lettuce production	\$5,000	0	0
	2. Agricultural Products Diversified and Increased	LT221	Facilitate contracting production between Collection centers and out growers	\$1,000	0	0
	2. Agricultural Products Diversified and Increased	LT222	Strengthening linkages with local market	\$2,000	0	0
	3. Strengthened Strategic Partners	LT231	Improving promotion of locally lettuce produced	\$3,000		
	<b>Subtotal</b>			<b>\$11,000</b>	<b>0</b>	<b>0</b>
<b>Peppers &amp; Tomatoes</b>	1. Improved Farm Production and Food Processing	PT211	Promotion of improved production technologies for increasing yields and quality	\$100,000	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	1. Improved Farm Production and Food Processing	PT212	Support CCs for improving infrastructure	\$70,000	0	0
	1. Improved Farm Production and Food Processing	PT213	Support for processors to improve processing technologies	\$70,000	0	0
	1. Improved Farm Production and Food Processing	PT221	Facilitate contracting between actors	0	0	0
	2. Agricultural Products Diversified and Increased	PT222	Promotion of sales of fresh vegetables	\$20,000	0	0
	3. Strengthened Strategic Partners	PT231	Support the strengthening of the PePeKo association	\$50,000		
	<b>Subtotal</b>			<b>\$310,000</b>	<b>0</b>	<b>0</b>
<b>MAP</b>	1. Improved Farm Production and Food Processing	MP211	Support new areas of herb cultivation and strengthen the network of processors in municipalities willing to collaborate	\$5,000	0	0
	1. Improved Farm Production and Food Processing	MP212	Support the expansion of low cost dryers for women associations cultivating herbs in Shterpce municipality	\$15,000	0	0
	1. Improved Farm Production	MP213	Support cost effective drying processes and renewable energy use in MAP cultivation and wild collection	\$25,000	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	and Food Processing					
	1. Improved Farm Production and Food Processing	MP214	Improve the crop management of chamomile by introducing proven high productive seed varieties and use Italian clover as green manure	\$7,500	0	0
	2. Agricultural Products Diversified and Increased	MP221	Organize B2B and exchange visits with the major EU processors those that are willing to increase the supply of cultivated herbs	\$5,000	0	0
	2. Agricultural Products Diversified and Increased	MP222	Organize study tours to improve crop management and post-harvest activities (alternative drying technologies and transport)	\$4,000	0	0
	<b>Subtotal</b>			<b>\$61,500</b>	<b>0</b>	<b>0</b>
<b>Innovative Horticulture (Pumpkins)</b>	1. Improved Farm Production and Food Processing	PFS211	Increase area under the production	\$8,500	0	0
	1. Improved Farm Production and Food Processing	PFS212	Provision of technical advice to support the establishment of new plantations	\$9,500	5	15
	2. Agricultural Products Diversified and Increased	PFS221	Facilitation the contracting process between growers and processors	\$0	0	0
	3. Strengthened Strategic Partners	PFS231	Public private dialogues	\$2,500	0	0

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	3. Strengthened Strategic Partners	PFS233	Study tour to EU marketing and growing sites to exchange experiences in the marketing and growing technologies	\$7,000	0	0
	<b>Subtotal</b>			<b>\$27,500</b>	<b>0</b>	<b>0</b>
<b>Agro Support Services</b>	1. Improved Farm Production and Food Processing	SS211	Food Safety Certification	\$54,000	0	208
	1. Improved Farm Production and Food Processing	SS212	Build local capacity for food safety and quality standards	\$2,000	0	0
	1. Improved Farm Production and Food Processing	SS213	Post-harvest and storage support	\$15,000	10	0
	1. Improved Farm Production and Food Processing	SS214	Cooling and freezing technical support	0	0	0
	1. Improved Farm Production and Food Processing	SS215	Functionalize the Career Center office at the university of Prishtina premises	\$2,000	0	0
	1. Improved Farm Production and Food Processing	SS216:	Capacity building support to the Kosovo Food and Veterinary Agency phyto-sanitary inspectors	\$4,000	0	15

Value Chain	Objective	Activity Number	Activity Title	Cost in \$	STTA Days	LSTTA Days
	1. Improved Farm Production and Food Processing	SS217	SEPP Soft Fruits Completion and Initiation of SEPP for Top Fruits	\$25,000	0	30
	1. Improved Farm Production and Food Processing	SS218	Exploring and Drafting a Policy Paper on the introduction of Global G.A.P. principles into the Kosovo food related legislation	\$0	0	40
	1. Improved Farm Production and Food Processing	SS219	Review and implementation support for the administrative instruction on the production, import, trade and control of planting materials	\$0	0	15
	1. Improved Farm Production and Food Processing	SS2110	Comparative study of support policies in the region regarding berry sub-sector	\$0	0	15
	<b>Subtotal</b>			<b>\$102,000</b>	<b>10</b>	<b>323</b>
	<b>Total</b>			<b>\$1,288,000</b>	<b>38</b>	<b>383 *</b>

\*Included days allocated to Sub Contractor Recura

# ANNEX II: SUMMARY OF COMBINED ACTIVITIES CONTRIBUTION TO KEY PMP INDICATOR TARGETS PER VALUE CHAIN

**Indicator Name and Indicator reference number from PMP**

Value Chain	Estimated Costs of activities for 2016	Value of investment in AG sector	# of New Jobs	# of People Trained	HA under new Technology	Firms with new Technology	# of Firms Certified with food safety Standards	\$ Value of sales	New Markets	Supply Contracts
		DO2.1	DO2.3	R1.1	R1.3	R1.6	R1.9	R2.1	R2.3	R2.4
Apples&Pear	166,000			640	103	6		\$1,500,000	2	180
Table Grape	73,500			189	30	1	1	\$375,000		30
Strawberry	31,500			40	2	5		\$65,000		
Raspberry	55,000		1,000	260	300	4	2	\$8,000,000	1	200
BlueBerry	103,500			55	11	2		\$110,000		4
SourCherry	87,500		15	15	20	2		\$90,000		5
Peppers&Tomatoes	310,000			120	45	6	2	\$630,000		80
Gherkins&Cucumbers	140,000			50	40	6		\$300,000	2	120
Lettuce	11,000			30	2	1		\$160,000		10
Asparagus	51,000			28	5	1		\$97,000		8
MAP	61,500			20	61	1		\$170,000	2	10
Livestock	68,000			100		4		\$350,000		
Innovative Horticulture (seed pumpkins)	27,500			35	84	1		\$450,000		30
Agro Support Services	102,000	\$1,500,000	50	322					5	
Forecast for 2016	\$1,288,000	\$1,500,000	1065	1904	703	40	5	\$12,377,000	12	477
FY 2016 PMP Targets	N/A	\$1,500,000	1000	1000	150	40	5	\$11,000,000	10	400





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