

Agri-Input Market Development in Azerbaijan (AMDA)

**Second Annual Report
April 2003–March 2004**

Submitted to

United States Agency for International Development (USAID)

by

IFDC

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and Agricultural Development*

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Cooperative Agreement No. 112-A-00-02-00005-00

April 2004

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Acronyms and Abbreviations

AAIDA	Azerbaijan Agri-Input Dealer Association
AmCham	American Chamber of Commerce in Azerbaijan
AMDA	Agri-Input Market Development in Azerbaijan
AN	ammonium nitrate
CHF	Community Habitat Finance
CPP	crop protection products
DAP	diammonium phosphate
EC	European Commission
EU	European Union
fertigation	Application of fertilizers through drip irrigation
GTZ	German Agency for International Cooperation
IFDC	An International Center for Soil Fertility and Agricultural Development
MAP	monoammonium phosphate
MOP	muriate of potash
mt	metric tons
NGO	non-governmental organization
NPK	nitrogen-phosphate-potassium
RABD	Rural Azerbaijan Development Program
RECP	Rural Enterprise Competitiveness Program
SO	Strategic Objective
SOP	sulfate of potash
STC	short-term consultant
TSP	triple superphosphate
TTC	Technical Training Center
USAID	United States Agency for International Development

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Executive Summary

This report covers the period April 2003 to March 2004. For consistency and ease of management the report follows the format of the work plan submitted to the United States Agency for International Development (USAID). The work plan for year 3—April 2004 to January 2005—is attached. Project progress is reported for each of the four main program areas: (a) Business Development; (b) Access to Credit, Finance, and Marketing; (c) Technical Training, Transfer and Private Sector Extension Services; and (d) Association Building.

The *vision* of the project “Agri-Input Market Development in Azerbaijan” (AMDA) is to increase production and productivity in the Azerbaijan agricultural sector reducing rural poverty and contributing to social stability in the region.

The *mission* of AMDA is to develop an agri-input trade association and establish respective upstream and downstream sector linkages. Emphasis is placed on delivering appropriate and high-quality inputs to the farming population through the agri-input dealers, including farmers’ best practices information by using a private sector extension service approach.

The *goal* is to enable the association in providing educational and training programs for members through networking, advocating the growth of private entrepreneurship, and facilitating communication exchange with related actors such as farmers, fresh product traders, the processing industry, and the Ministry of Agriculture. In this way AMDA directly contributes to SO 1.3: Accelerated Development and Growth of Private Small and Medium Enterprises.

AMDA started in February 2002 and established working relations to all relevant actors from the private and public sectors as well as other donor projects and NGOs active in

agriculture. With substantial support from USAID Mission Baku, the American Chamber of Commerce in Azerbaijan, and the U.S. Embassy, the AMDA project was notified in March 2003 of its registration, which was backdated to December 31, 2002.

The **Business Development Unit** makes use of a database containing 80 agri-input dealers who regularly attend AMDA meetings and training programs. Dealers started networking to exchange information and goods among themselves and with importers. Attention was paid to improve marketing relationship building between dealers and farmers. More than 12,000 regular farmer customers purchase inputs from the association member dealers reaching a farming population in excess of 20,000 farm families. Training, study tours and trade missions resulted in the introduction of 30 new products, such as different fertilizers, high-yielding seed varieties, crop protection products (CPPs), motorized sprayers, and greenhouses. Two-thirds of all fertilizer sales in Azerbaijan, totaling 40,000 mt in 2003, is sold by AAIDA members. During the last 2 years, dealers invested \$222,708 developing their businesses. This includes investments for four greenhouses, one flour mill, one incubator raising one-day-old chickens and ducks, and one cheese processing facility.

During the report period the **Credit, Financing and Marketing Unit** processed 11 loan applications to be approved amounting to \$97,000. Since inception of the AMDA project, credits totaling \$415,500 were granted to dealers. One new loan product concerning the financing of greenhouses was introduced in collaboration with CredAgro. From April 2003 to March 2004 dealers invested \$130,578 in rehabilitation or building of new shops and storage. In trade missions to Russia and Georgia, two contracts were signed for the delivery of 20,000 mt AN fertilizer. In addition, one dealer imported, from Israel, two new fertilizers (20 mt) used in greenhouses for fertigation. A respective marketing campaign was initiated. Moreover, a survey was conducted on exporting apples from Azerbaijan to Russia. Major constraints for exports are the unofficial payments, which increase costs on average by one-third, and inadequate information knowledge for preparing export documents. One dealer was supported to sign a contract with a catering company in Baku for sales of 100 mt of fresh apples.

The **Technical Training, Transfer and Private Extension Service Unit** conducted 53 technical meetings attended by 4,376 dealers and farmers. During the reporting period, 36 newspaper articles were published on project activities, 6 documentaries were broadcast on regional and national TV, and 36 technical publications were developed, which resulted in 21,990 printed handouts for farmers and dealers. Technical trainings addressed both the improvement of the business relationships between dealers and farmer customers and practical training of farmers' best agronomic practice. AMDA became known as an innovative source for modern agronomic practices. It was approached by projects financed by donors such as EU, World Bank, GTZ, and several NGOs for technical advice. The increased availability of agri-inputs *and* respective training led to higher output productivity. This can particularly be seen in the targeted potato sector where production increased by 15% or 115,000 mt in 2003.

The **Association Building Unit** conducted 30 meetings attended by 483 participants. As of March 2004, 80 paying dealers joined the association, including 3 female dealers. The first national meeting was held in May 2003, electing the executive council and the association president. Registration documents were submitted in June 2003 to the Ministry of Justice and returned in January 2004 asking for changes. Organized approaches by the private sector, such as associations, are purposely delayed by respective line ministries. In total six trade missions were organized to Georgia (two), Russia (three) and Turkey (one). AAIDA, in collaboration with other private dealers, complained to the national customs office over the imposition of arbitrary import duties on seed potatoes. This action resulted in the withdrawal of the import duty. This gave AAIDA members first-hand experience in the benefits of being a member of an association. An association business plan was developed and approved by members and the executive council. Charges of individual services were implemented during the reporting period.

During a project midterm evaluation in June 2003, the AMDA project was appraised as successfully implementing the annual work plan. This included merits for the organizational approach, networking among dealers, knowledge transfer to dealers and farmers as well as introducing new agri-inputs and increased input sales.

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Highlights of Program Achievements

The main aim of the AMDA project is to develop a reliable and efficient private sector distribution system for appropriate agri-inputs and the technologies they embody. This is accomplished by establishing an agri-input dealers association supported by business development advice; credit, finance and marketing facilitation; association building as well as technology transfer and private sector extension services to dealers, farmers, and related institutions and organizations.

Operations and Management

AMDA started in February 2002 and was registered by the Azerbaijani Ministry of Justice in December 2002. The work plan implemented is based on a common agreement between AMDA and USAID Mission Baku. Contacts with other SO 1.3 partner projects intensified and were extended to SO 3.1 partner projects active in the agriculture sector. International and local short-term consultants (STC) contributed to project implementation in areas such as association building, marketing of agri-inputs, as well as greenhouse and drip irrigation technology.

In April 2003 the project office was relocated to a larger office space to accommodate additional staff. In total 17 project staff are employed.

An international conference was held in Baku in April 2003 with 75 participants from 8 post-socialistic countries on *“Designing Policies and Institutions That Promote Competitive Agricultural Input Markets in Transitional Economies.”*

In June 2003 a midterm project evaluation took place appraising the project of being in line with the annual work plan and USAID development policy as well as meeting the demands of the Azerbaijani agriculture sector.

Work Plan Year 2

Business Development and Training

Indicators

1. Identification of potential customer clients

Throughout the year regular contacts were kept with the 80 association members. In addition, extended contacts were developed with agri-input dealers outside the four AMDA-designated project regions (*West*: Ganja, Geranboy, Shamkir, Tovuz, Shamuk; *North-West*: Ismailli, Sheki, Zagatalla; *North*: Guba, Khachmaz; *South*: Masalli, Lenkeran, Jalilabad). Even agri-input dealers outside the AMDA project working area became members of the association (Aghdash, Absheron).

A project priority is not to enlarge the number of agri-input dealers by all means but to raise working quality and increase capacity and ability of already subscribed members. A higher number of dealers do not necessarily lead to increased and improved services for the farming population. A sound balance needs to be met between project capacities and number of dealers.

The business development officer kept close contact with the three largest importers: EMA Company, AgroKimya, and Asif. These large companies receive strong political backing, particularly the first two, and have the tendency to dominate the medium and small dealer members of the association. Therefore, AMDA provides equal technical support to all members.

Several association members are regional representatives of the importing companies. A special private sector extension program was developed, resulting in collaboration with the large import companies, their regional association representatives and the AMDA project.

2. *Presentation of project support*

The presentation of project support is an ongoing activity with changing focus on various support measures of the AMDA project. In year 2 fee-based services for members were emphasized.

AMDA is known by international donors and projects, Azerbaijani public offices as well as the local NGO community for their competent agriculture advice. This is evidenced by numerous requests and collaborations.

3. *Training of customer clients*

Two training approaches for dealers are in place by the AMDA project. One set of training units, such as new business developments, financial issues, and trade missions including technical innovations, is directed only to dealers. The second set of training units is designed to improve the marketing relationship between dealers and their farmer clientele by employing private sector extension methods with regard to farmers' best agronomic practices and, thus, creating demand for agri-inputs from farmers.

Effective November 2003, best farmers' agronomic practice training units have been provided simultaneously to dealers and progressive farmers who are regular customers of the agri-input dealers. This leads, first, to an improved business relationship between dealers and farmers, developing a reliable and trustworthy network of information flow. Secondly, new agronomic practices can be directly implemented by farmers who are aiming at increasing output productivity as well as income. Thirdly, it encourages farmers to approach dealers based on common interests, organizing joined forces and, thus, creating economies of scale.

A dealer and his regular farmer customers jointly choose a topic requiring know-how transfer. The dealer requests the AMDA project to provide respective expertise and arranges a meeting in his home village attended by both farmers and dealer. In this way, dealers save time, efforts and rationalize their resources by advising a group of farmers instead of individuals.

In October 2003 a survey was conducted to identify the number of farmers served by AAIDA members. In total, 53 dealers responded. Overall 12,384 farmers regularly purchase inputs and receive information from association members. These farmers are progressive farmers having access to resources such as land, machinery, labor, finance

and outlet markets. Moreover, these farmers are consulted by their neighboring farmers. Therefore, it is estimated that in total more than 20,000 farmers have access to information being provided through AAIDA members.

Overall, 18 business related meetings were conducted with 256 participants attending.

4. *Development of business plans*

Four meetings on business plan writing were attended by 60 dealers. In addition, 57 dealers attended four meetings on business organization and business development implemented by the Georgian input supply company “Agro Garant.” In total 11 business plans were approved by financing agencies for granting loans.

5. *Collection of agri-input market information*

A monthly fertilizer price bulletin is published for importers. Two trade missions were taken to Georgia to meet with seed and fertilizer suppliers. One trade mission was taken to Turkey to meet with supply companies active on the Azerbaijani markets (pesticides, seeds, agriculture machinery). AAIDA members have started to develop a network by exchanging price information.

6. *Processing of international importation price requests*

Fertilizers are mainly imported from Russia (AN, NPK, MOP, DAP, SSP) and Georgia (AN) and to a minor extent from other countries such as Ukraine (AN, NPK), Turkey (NPK) and Israel (NPK + secondary and micronutrients). Two new fertilizer products (fertigation fertilizers used in greenhouses) were introduced from Israel. Imported NPK, MAP, MOP, and SOP from Russia are also newly introduced fertilizer products.

Three trade missions to Russia fostered import relationship building and the purchase of 20,000 mt AN plus smaller amounts of complex fertilizers.

7. *Arranging of imports*

From February 2003 to March 2004 a total of 40,200 mt of fertilizers was imported by those importers having a business relationship with the AMDA project.

Vegetable and fruit seed imports are estimated at 120 mt in total by AKTIVTA members for the reported period.

In addition, 1,100 mt of seed potatoes was imported from Russia.

8. Accomplishment of training workshops

Five workshops on “Fertilizer Marketing” were attended by 80 dealers. Three workshops on international vegetable and fruit seed supply held in cooperation with NUNHEMS, a Dutch company, were attended by 85 participants. Three workshops held in collaboration with PHOSAGRO, a Russian fertilizer producer, were attended by 75 participants.

In April 2003 a workshop was conducted in Sheki and attended by 28 participants from the wheat milling industry, agri-input dealers, and progressive farmers. The aim was to develop a cluster ranging from input supply to wheat production to the milling operations. Unfortunately, the milling industry did not show a great interest in future collaboration.

In May 2003 two dealers were supported to participate in the “Business Trade Fair” in Ganja. More than 70 individual rural businesses presented their products to over 1,000 invited guests. This event was a key factor for the two dealers in developing new business relations with interested customers.

Access to Credit and Finance

Indicators

1. Developing a compendium of providers for agricultural credit

A survey of various lending institutions was conducted in 2002 and 2003. Based on dealers’ experiences, two agencies provide loans to them: CredAgro, supported by ACDI/VOCA, and the World Bank Credit Scheme. The World Bank Credit Scheme is favored due to lower interest rates (10%). Nevertheless, World Bank loans are presently not granted due to a low capital base. Among other lending institutions, it seems to be a common practice to provide credit at 18% interest rate for production and 24% for trading purposes.

Parameters such as timely approval of loan applications, regional branches and agricultural focus are becoming more important for loan applicants. All dealers complain about the high interest rates. The results are risk adverse behavior by dealers in approaching lending agencies. As a result, most credit is sought from private individuals.

2. *Identification of credit tools*

Regular meetings were held with dealers and lending institutions on loan conditions and easing access to loans for dealers. In November 2003, for the first time a loan agreement, amounting to \$10,000, was concluded between one AAIDA member and CredAgro for the financing of a greenhouse.

Greenhouse production is considered a very promising investment in the agriculture sector. IFDC/AMDA and ACDI/VOCA, through CredAgro, introduced this new financing product as a pilot activity.

3. *Conducting training workshops*

The Bank Respubika in Devichi District requested a meeting to introduce their financing services. In addition, every quarter all CredAgro branch offices are contacted to discuss the state of art concerning loan repayment and associated topics regarding agri-input dealers. To date, all AAIDA members are in line with loan repayments.

4. *Preparation of credit applications in collaboration with dealers*

Out of 20 credit applications prepared, 11 loans were approved. One dealer was assisted in resolving repayment problems on a World Bank loan as a result of overcharging of administrative costs and interest charges.

5. *Number of credits awarded to clients*

During the reporting period, 11 loans were granted totaling \$97,000. During the project cycle a total of 29 loans have been granted, totaling \$415,500. Of these, \$154,200 or 19 loans have been repaid. One loan is overdue (\$30,000) and one private customer (non-AAIDA member) was taken to court (\$10,000) by CredAgro.

In addition, four greenhouses each priced at \$5,128 (totaling \$20,512) were financed. Two greenhouse loans were repaid; one loan with a balance of \$2,128 is overdue and one greenhouse was allocated in March with payment effective in April 2004.

Adalet Nehmetov, owner of an agricultural consulting company and subcontractor for the AMDA project, was supported in his efforts to win a project financed by World

Learning in Azerbaijan to develop a vegetable garden at the orphanage in Lenkeran. The contract, totaling \$27,000, was approved. Implementation started in August 2003 and will be finalized in August 2004.

An investment survey of dealers was conducted to analyze their current business investments. The total investment by AMDA dealers during the second year amounted to \$130,578 compared with \$92,130 during the first year. During the last 2 years, dealers have invested a total of \$222,708 for their business development. This includes investments for four greenhouses, one flour mill, and one cheese processing facility. This clearly indicates that a large number of dealers see their future in agribusiness and are willing to invest their own capital in expanding their businesses.

Marketing—The Credit and Finance Department is also charged with marketing-related topics. Consultations with AgroKimya resulted in an order of 20 mt of two complex fertigation fertilizers from Israel. These two products are highly water-soluble, impurity-free fertilizers used in drip irrigation for greenhouse production and are new agri-inputs for Azerbaijan markets. During the first month after arrival, 1 mt was sold.

Furthermore, AgroKimya signed a contract for importing 200 mt of phosphate fertilizers and signed a memorandum of understanding with Nevinnominsk AZOT company for supplies of AN.

In September 2003 AgroKimya participated at the International Fertilizer Industry Association (IFA) conference in St. Petersburg. As a result MAP, MOP, NPK, and SOP were introduced as new fertilizer products to the Azerbaijani markets.

PHOSAGRO from Moscow conducted three training sessions for application of phosphate fertilizers in wheat and vegetable production. The link to PHOSAGRO developed while attending the Moscow Fertilizer Fair in June 2003.

Every week, the international fertilizer prices are compiled and distributed to fertilizer importers.

The Azerbaijani company SIGMA was contracted to conduct a survey of apple exports from Azerbaijan to Russia. Two major results are important: (a) unofficial payments are increasing the costs of exports on average by 35% and (b) the insufficient knowledge of exporters in preparing the required documentation for exports. The survey results were presented in two workshops to (a) apple producers and exporters and

(b) USAID Mission Baku and USAID partner project RECP implemented by The Pragma Corporation.

A contract was concluded between one apple orchard owner and a catering company in Baku for the supply of 100 mt of first-quality apples during the period October 2003 to March 2004. Quality measures on apple sorting and grading were introduced at orchard level, and new environmentally friendly packaging was adopted.

Technical Training, Transfer and Private Extension Service

Indicators

1. Increased types of input products available through dealers

An increased number of new agri-inputs were made available and larger quantities of already known agri-inputs sold. New fertilizer products are SOP, MOP, NPK, MAP, and fertigation fertilizers for greenhouses. Although smaller quantities were imported, these products are being purchased by farmers. In total 40,200 mt of fertilizer was sold by AAIDA members and associated import dealers. The overall national consumption of fertilizer is estimated at 60,000 mt for the reported period. The difference of approximately 20,000 mt is purchased by large cotton ginnery companies directly from manufacturers. This is to say that approximately two-thirds of all fertilizers used in Azerbaijan are sold via AAIDA members.

PhosAgro from Moscow and AgroGarant from Georgia contributed through their trainings to increase fertilizer use.

However, when compared with Azerbaijani national fertilizer use of 650,000 mt in 1985, a large difference remains. This is mainly attributed to insufficient working capital from farmers; a highly fragmented and inefficiently organized marketing structure for farm output products; and the low level of know-how about agronomic practices. Additionally, the mere supply of agri-inputs does not necessarily increase sales and turnover because the demand for agri-inputs is a result of the derived demand for farm outputs.

The turnover of the CPP market is estimated at \$2.5 million. This figure is based on information from Turkish suppliers and an estimation of Russian imports. Through a trade mission to Turkey, business relationships with the major supply companies were fostered and more than 20 new CPPs were introduced to farmers. The national CPP

market could reach up to \$15 million once problems are solved concerning know-how transfer, working capital and output product marketing structures are in place, thus creating a higher demand.

Note: AMDA does not purchase or apply any CPP. All CPP use is at the discretion and under control of the landowners of the TTC.

Major supply sources for seed depend on the types of seed. Seed potatoes are mainly imported from Russia and smaller amounts come from Iran, The Netherlands and the Baltic countries. Vegetable seeds are mainly imported from The Netherlands, Russia, Iran, Turkey, and to a minor extent from the United States. Wheat seeds are imported from Russia, Ukraine and Kazakhstan. However, most farmers use saved wheat seeds from the previous harvest.

AAIDA members imported and sold 1,100 mt of seed potatoes from Russia. This represents an increase of 40% over the previous year.

In addition, 4 greenhouses using Israeli “intelligent” plastic covers, 14 drip irrigation units, and 5 motorized CPP sprayers (Turkey) have been imported. The greenhouse sector is considered to have a huge potential in Azerbaijan.

It is not the mere availability of new agri-inputs that is of major concern and importance to farmers and AMDA, but the proper explanation of agronomic practices and how these inputs can increase productivity. This requires increased national efforts to develop a reliable agricultural extension system. Although a general low level of working capital restricts introduction of innovative farming operations, progressive farmers are willing and motivated to invest in new technologies and farming practices. In addition, product output marketing operations are inefficiently organized and accordingly restrict demands for agri-inputs.

Therefore, the IFDC/AMDA project identifies its role as a demand creator for inputs rather than a mere supporter having a supplyside orientation. To increase demand for agri-inputs, respective dealers are trained to develop a sound business relationship with farmers by setting up information networks and conducting field demonstrations and on-farm trials.

2. *Field days for dealer clients and field days for farmer clients*

Field days for dealers and farmers were merged to create higher efficiency rates concerning both project implementation and relationship building between dealers and farmers. Open field days, field demonstrations, on-farm trials and technical meetings are attended by both farmers and dealers alike. In total, 53 technical meetings/field days were conducted with 4,376 dealers and farmers attending.

Particular emphasis during the last two years was placed on potato production. Numerous technical meetings, demonstrations and field days were held. During this reporting period potato production increased at the national level by 15% or approximately 115,000 mt. This increase can be attributed to a large extent to the IFDC/AMDA project-initiated technical meetings and dissemination of leaflets, brochures and posters on farmers' best agronomic practices concerning production and disease control in potatoes.

The average productivity of 18.5 mt/ha potatoes in Jalilabad region is 80% higher compared with the national average of 10.4 mt/ha. The reasons are threefold: good regional climatic conditions, willingness of farmers to adopt new agronomic practices, and sound technical assistance by the IFDC-managed AMDA project.

In total 15 field demonstrations in collaboration with dealers and farmers were conducted in all project working areas. The major focus was on crops such as maize, alfalfa, wheat, potato and apples. Technical parameters included farmers' best agronomic practice, fertilizer applications rates, seed varieties, and disease control. In addition, field trials conducted in greenhouses included farmers' best agronomic practice, fertilizer application rates, and disease control on tomatoes and cucumbers. Moreover, 13 drip irrigation units employed in greenhouses (3) and open field production (10) were tested in trials for crops such as potato, tomato, kiwi, cucumber, and apple orchards.

3. *Introduce private sector extension concepts and techniques to dealers*

Technical trainings have been conducted in all four project regions. Exclusive dealer training is confined to trade missions and study tours and to issues concerning business development and financing as well as association training courses.

All technical training sessions focusing on utilization of agri-inputs usually include progressive farmers who are regular customers of the AAIDA dealers. This

increases project implementation efficiency, creates and fosters the business and trust relationship building between farmers and dealers, initiates a first step towards cluster building activities, and finally allows the project to reach a larger number of professional individuals, thus creating economies of scale. This concept has been implemented effectively from October 2003.

To support technical group meetings, a number of leaflets (20), brochures (10), and posters (6) have been developed and disseminated. Topics range from agronomic practices over disease control, safe use of CPPs, to agriculture marketing related issues. In total 21,990 written handouts have been brought into circulation.

Moreover, five editions of a bimonthly project newsletter have been published and a total of 2,500 copies distributed. Also, a monthly agricultural commodity market report has been published and a total of 1,040 copies distributed.

In total, 36 newspaper articles were published in various newspapers and magazines, reaching on average a readership of 5,000 for each publication.

Six documentaries were produced by AMDA and broadcasted 44 times at three local and one national TV station. The audience is estimated to be 200,000 individuals each for local TV stations and 1,000,000 each for national broadcastings. This allows the project to become known beyond its designated project area and to disseminate technical advice to a larger audience.

As a result of regular collaboration with the Ministry of Agriculture, World Bank financed projects, GTZ projects, a number of local NGOs active in agriculture, and interested public institutions, IFDC/AMDA publications are known to a wider audience.

4. Safety training in handling, storage, and application of CPPs

A booklet on safe handling of CPPs was published (1,000 copies) and disseminated during training courses with AAIDA members. In general, dealers have improved their standards of CPP storage and handling.

Association Building

Indicators

1. Association organizational meetings

In total, 30 association meetings (10 national meetings and 20 regional meetings) were conducted with 483 participants attending.

Organizational meetings focused on regional and national elections, strategic association planning, association building, association business plan and work plans for committees. As of March 2004, membership of the association (AAIDA) stands at 80 paying members and 3 paying associated members.

2. Association registration and elections

Elections for regional vice-presidents and members of the executive council were held. On May 12, 2003, the first national meeting was held and the association president and vice-president elected. Respective documents for registration were prepared and submitted to the Azeri Ministry of Justice for approval in June 2003. A first written reply by the Ministry arrived in January 2004 demanding to change the name of the association (ministry could not understand the word “agri-input” in Azerbaijani).

Throughout Azerbaijan we had no difficulties in Azerbaijani translation for the word “agri-input”. Therefore, it is not clear if this is simply a delaying tactic by the Ministry of Justice. It is publicly known that the Ministry of Justice is quite arbitrarily acting when it comes to approving registrations of associations. However, the positive development is that with this reply the Ministry of Justice recognized the application. Other applicants have waited for years, having not received any official reply at all.

3. Association advocacy, media events, and position papers

The first national association meeting received wide public recognition on TV, printed media, and news agencies. The association is mentioned regularly in project publications. Several meetings were held with the Ministry of Justice, Ministry of Agriculture and members of the Azerbaijani Parliament Working Group for Agriculture to lobby for expeditious registration and for changes in agricultural policy.

Presently, the working committees are in the process of writing up position papers regarding policies on input-supply as well as seed registration, certification and procedures.

In November 2003 AAIDA held meetings with the national and one regional customs office regarding the increase of import duties for seed potatoes. The import duties were increased by \$150/mt from one day to the other without public notice. After the meetings and staging a public protest, the duty was withdrawn within a week. This was a first-hand experience for AAIDA members concerning lobbying and advocacy to protect the interest of association members.

4. *Association business plan*

Five regional meetings and one national meeting were held to prepare the association business plan. The business plan was written up in December 2003 and approved by the association executive council in February 2004.

5. *Trade missions to Turkey, Georgia, and Russia*

Two trade missions/study tours to Georgia, three trade missions to Russia, and one trade mission to Turkey were conducted. A total of 38 dealers participated.

The trade missions to Russia and Turkey resulted in larger and more diversified imports. The study tours to Georgia served to improve agronomic practices, marketing through rural collection points, and the business relationships with the Rustavi Fertilizer Manufacturer (AN).

In general, all participating dealers adopted a number of practices learned during the trade missions. This was either expressed in imports of new agri-inputs or in agronomic techniques. Therefore, trade missions and study tours are highly recommended as a tool for innovation approach.

Leveraged Support and Cooperation

Since inception of the project, AMDA has maintained regular relationships with SO 1.3 partners, international donor projects, public offices, and national and international private companies as follows:

- Developed international contacts and fostered relations with the private sector for seed and fertilizer supply such as *Eurolplant* (potato seed from Germany); *Seminis* (vegetable seed supplier—Asgrow, Petoseed, Royal Sluit, Bruinsma—from The Netherlands); *Jecot* (fertilizer supplier from Switzerland); *Rustavi Chemical Plant* (fertilizer supplier from Georgia); *Phosagro* (fertilizer supplier from Russia); *Agro Garant* (agri-input supplier from Georgia); and *Nunhems* (vegetable seed supplier from The Netherlands).
- Collaborated with the ACDI/VOCA-supported CredAgro financing organization to increase availability of credits to dealers.
- Maintained regular contacts with the European Commission (EC) Food Security Program and the German Agency for International Cooperation (GTZ) on issues pertaining to agricultural policies.
- Supported the World Bank agriculture extension project, located in the Ministry of Agriculture, for developing best agronomic practices for farmers.
- Assisted the Azerbaijani companies EMA and AgroKimya in signing contracts with individual AAIDA members for regional representation and distributorship.
- Turkish suppliers Hektash, Koruma, Dupont, Safa Tarim and May agreed during the trade mission to encourage their Azerbaijani representative to closely collaborate with AAIDA.

Cost Sharing Contribution

The cost sharing contributions are a critical factor in ensuring the sustainability of networking and the business trade association. Cost sharing is divided into direct and indirect contributions made by dealers. As of March 31, 2004, the total cost sharing amounted to \$772,979 (see details in monthly and quarterly reports).

An ever increasing number of dealers have contributed to the demonstrations and on-farm trials implemented by the Technical Training, Transfer and Private Extension Service Unit.

Private investments by dealers in their shops and warehouses continued to increase and actually doubled compared with year 1 (year 1: \$92,130; year 2: \$130,578; total: \$222,708).

One area in which dealers are reluctant to contribute to the project is in public media appearances. Some dealers are still hesitant to appear in public TV spots and publications. They are afraid that local tax offices will approach them for higher tax payments. Even large importers do not want to be named in public media events.

Payment of membership dues and fees are related to official association registration. Given the slow processing of association registration by the Ministry of Justice, all payments and financial operations are unofficial. However, a guideline for service costs was developed and first payments made.

The cost sharing contribution from April 2003 to March 2004 amounts to \$482,333. Since inception of the AMDA project a total amount of \$772,979 as cost sharing was contributed, exceeding the targeted amount of \$750,000 as set in the project proposal.

Cost Sharing Contribution
February 2002–December 2002
Value of Cost Sharing in US Dollars, 2002

No.	Activity	Feb.	Mar	Apr	May	June	July	August	Sep.	Oct.	Nov.	Dec.	Total
1	Association meetings/ member visits				502.50	198	610	2,177	395	1,260			5,142
2	Field days/advisory visits	400					682		480	945	8,500		11,007
3	Seminar/ business counseling								3,560	250	3,000		6,810
4	International supplier presentation										2,300		2,300
5	Transportation							800	300	600	2,000	400	4,100
6	Trade missions/study tours												-
7	Media coverage						400	50	1,500	100	1,750	650	4,450
8	Credit obtained								7,000	21,400	37,000		65,400
9	Grants obtained							7,500	2,500	3,000	10,000	2,000	25,000
10	Investment by dealers												
11	Membership registration dues												
	Total US \$/Month	400			502.50	198	1,692	10,527	15,735	27,555	64,550	3,050	124,209
	Grand Total US \$	124,209											

Cost Sharing Contribution
January 2003–December 2003
Value of Cost Sharing in US Dollars

No.	Activity	Jan	Feb	Mar	Apr	May	June	July	August	Sep	Oct	Nov	Dec	Total
1	Association meetings/ member visits	1,820	780	2,005	3,160	3,040	3,140			660	400	2,220	2,170	19,395
2	Field days/advisory visits	992		1,790	1,356	1,763	34,549			705	2,229	2,710	2,586	48,680
3	Seminar/business counseling				810	4,000	1,200		800	740		300		7,850
4	International supplier presentation			27,000						2,500			3,500	33,000
5	Transportation	2,000		24,000		200								26,200
6	Trade missions/study tours			1,090		400	800		400	400			2,000	5,090
7	Media coverage	150	300	200	250	50	50	250		1,600	2,650	2,000	800	8,300
8	Credit obtained					126,100			35,000		22,000	24,000	8,000	215,100
9	Grants obtained	10,000				1,000		6,000	2,000					19,000
10	Investment by dealers	92,130						89,250					41,328	222,708
11	Membership registration dues					304		1,470		690	90			2,554
12	Association Service Fees									2,864			200	3,064
	Total US \$ / Month	107,092	1,080	56,085	5,576	136,857	39,739	96,970	38,200	10,159	27,369	31,230	60,584	610,941
	Accumulated total from February 2002 to last month reported: \$735,150													

Cost Sharing Contribution
January 2004–March 2004
Value of Cost Sharing in US Dollars

No.	Activity	Jan	Feb	Mar	Apr	May	June	July	August	Sep	Oct	Nov	Dec	Total
1	Association meetings/ member visits	1,220	450	720										2,390
2	Field days/advisory visits	360	3,690	210										4,260
3	Seminar/business counseling		2,265											2,265
4	International supplier presentation		7,000											7,000
5	Transportation													
6	Trade missions/study tours		1,100											1,100
7	Media coverage	600	300	500										1,400
8	Credit obtained		10,500	5,000										15,500
9	Grants obtained													
10	Investment by dealers													
11	Membership fees and dues			30										30
12	Association Service Fees		604	1,100										1,704
	Total US \$ / Month	2,180	25,909	7,560										35,649
	Accumulated total from February 2002 to last month reported: \$772,979													

Results Statement of the IFDC/AMDA Project

No.	Results	Unit of Measure	Base	Annual Cumulative	Cumulative Since Inception of Project
1	Sales volume of fertilizers	Dollars	4,000,000	2,400,000	3,400,000
		mt	40,000	20,000	30,000
2	Sales volume of improved seeds	Dollars	-		
	Vegetables	mt	40	120	135
	Seed potatoes	mt	300	1,100	1.100
3	Number of farmers purchasing fertilizers	No. of farmers	400,000	200,000	200,000
	Number of farmers purchasing improved seeds	No. of farmers	400,000	200,000	200,000
	Number of farmers attending field days	No. of farmers	0	4,376	4,689
4	Credit: Total value of loans	Dollars	71,500	97,000	162,400
	Number of borrowers	No. of borrowers	9	11	20
5	Number of new products or services introduced	No of enterprises	0	30*	34
6	Number of enterprises that enter new markets	No. of enterprises	0	2	9
7	Number of people/enterprise employees trained	No. of people	0/0	80/5,250	140/6,138
8	Number of people/enterprise employees who report applying training skills	No. of people	0	350	670
9	Number of enterprises adopting and complying with accepted standards	No. of enterprises	0	60	105
10	Number of new opportunities for receiving market information	No. of new opportunities	0	4	6
11	Membership of associations created	No. of members	0	16	80
12	Number of associations that collect membership fees	No. of fee paying members	0	1/80	1/80
13	Total dues, service fees and other assoc. revenue	Dollars	0	10,490	10,490

Note: Reliable statistical figures are not available. Figures provided are based on project information and / or project estimates.

*) TSP, MOP, MAP, DAP, NPK, micronutrients, greenhouse, drip irrigation, 2 determined seed varieties, 20 different agro-chemicals.

Developing Agri-Input Markets in Azerbaijan

The project strategy is to enhance the skills and entrepreneurial abilities of input dealers as a competent and vital supply link in the agricultural sector. Therefore, strong ties are created among dealers and between dealers and suppliers as well as between dealers and their farmer customers to foster the development of a commercial, demand-driven agricultural production system. In addition, these linkages will be strengthened by introducing the use of appropriate agronomic practices increasing simultaneously productivity and farmers income. The utilization of modern agri-inputs will increase competitiveness of domestic products and result in import substitution.

Agri-input demand (fertilizer, seed, CPP, machinery, greenhouse technology, etc.) is a derived demand for such agricultural output products as food, fiber, fruits, vegetables, and fodder. The forces driving the input markets in open and competitive economies emanate from the agricultural sector. In Azerbaijan the demand for agricultural products for domestic consumption is likely to increase with population growth and increased incomes anticipated from future oil revenues. This could lead to efforts directed at attaining self-sufficiency in agricultural production, with import substitution as one key strategy and exports as a second. Large tracts of fertile land (partly irrigated), diverse agro-climatic conditions, and the geo-strategic location between Europe and Asia provide a potential for exporting selected vegetables and fruits from Azerbaijan.

In Azerbaijan, the following major core problem areas can be identified: (a) output productivity; (b) marketing of output products for the fresh, processing and industrial markets; (c) identification and agronomic support of respective farmer target groups; (d) economic concepts to support identified farmer target groups, and (e) national framework conditions offering sound public policy support to the private agriculture sector.

The IFDC/AMDA project focuses on the following problem areas: (a) productivity increase through information exchange and networking, including private know-how transfer systems to improve agronomic practices; (b) provision of appropriate agri-inputs at higher

efficiency rates; (c) assisting dealers to identify progressive farmers as agents of farmers' best agronomic practices; and (d) addressing relevant policy issues concerning agri-input supplies.

Project field demonstrations and on-farm trials aim at increasing productivity by using quality inputs. As the use of respective inputs determine the quality at output level, dealers and progressive farmers are trained to produce a standard quality in sufficient quantities to attract fresh product traders and the processing industry. In the second year, AMDA concentrated on crops with high gross margins and/or export demand. These are apples, tomatoes, cucumbers, and potatoes for the Russian and partly Georgian export markets. In addition, potatoes achieve high prices on domestic markets given that very early varieties are grown and harvested by the beginning of May. Wheat is considered a strategic crop; however, it has to be grown on large fields due to the low gross margin per land unit area. This is to say that wheat is not a cash crop for small-scale farmers but primarily grown for securing subsistence.

By training dealers and progressive farmers, a spillover effect to the approximately 800,000 farm families is targeted. By the end of March 2004, 6,138 farmers and dealers had received training by the AMDA project. More than 12,000 progressive farmers are regular customers of the 80 AAIDA agri-input dealers. A cautious estimation is that more than 20,000 farm families now have access to farmers' best agronomic practices provided through the AAIDA dealers.

Still most farm families are hesitant to invest in commercial farming operations due to insufficient production know-how, poor production economics, lack of working capital, and inadequate access to output markets. A project survey disclosed that many farmers maintain, at a minimum, two to three or even more jobs to secure family income. Apparently, this method of income generation is considered to be less risky than investment in commercial farms.

Promotion of farming as an economically viable activity and income source requires the organization of producers' groups to achieve efficiencies in purchasing inputs and marketing outputs. However, developing farmers' organizations are beyond AMDA project resources and mandate. Starting during the second half of 2004 this will be supported by two USAID partner projects. RECP will focus on progressive farmers whereas RABD on resource-poor farmers.

Product output markets are not fully developed yet. Grading and packaging facilities are lacking and farmer-managed collection points and climatic-controlled storage facilities do not exist. It is not the mere supply of modern agricultural inputs but the competitive production of and demand for standard quality that leads to an increased agri-input demand and a sustainable agricultural sector. AMDA has taken the first steps to support this objective.

Future Outlook Year 3

Azerbaijani farmers do not have sufficient knowledge concerning modern agricultural practices. Most information known was provided during the Soviet Union period and is not suitable for today's demand oriented farming activities. Farmers are not aware of inputs such as different types of fertilizers and the new generation of CPPs not to mention concepts such as Integrated Pest Management, Farm Management, or Gross Margin Calculation. Output markets are fragile and imperfect. Organizational approaches to farming activities at all levels, such as farmer collection points, wholesale markets or cold storage facilities, do not exist. While there are good intentions and agricultural policies on paper, implementation remains weak.

The process of dealer training through workshops, demonstrations, seminars and trade missions will be continued. It is positive to note that, after project year 2, dealers have acknowledged receiving a great deal of useful, practical information by the AMDA project. Networking among dealers from different regions started in year 1 and intensified in year 2. Future intervention areas by AMDA are:

- Continued training for dealers and farmers on inputs such as fertilizers, seeds, and CPPs.
- Basic training for appropriate agronomic packages of selected value added crops having a high gross margin and are demanded by output markets.
- Market knowledge—information on crops and input use in Azerbaijan and the regions, potential demand by region and crop, supply sources from neighboring countries, and international prices.

- Business knowledge—training in basics of marketing including market planning, promotion and agricultural services, pricing, handling and storage, selling skills, and customer record keeping.
- Association building—basic training in association building and management.
- Farmer training—limited to progressive farmers in project areas through field days and combined dealer/farmer meetings.
- Accelerate credit facilitation to dealers with the support of suitable credit organizations.
- Train and inform public authorities about needed policy changes for agri-inputs.
- Private Sector Extension Services promoted in collaboration with importers and regional dealers at customer and supplier level.

With the collapse of the Soviet Union, many required public sector services such as agricultural extension and advisory services to the farmers are no longer being provided. AMDA emphasizes the importance of these activities in a demand oriented market environment.

Conclusion

At the end of the Work Plan Year 2 it can be summarized that agri-input dealers highly welcomed the support provided by the AMDA project. The dealers' main interests are technical information and requests for low interest rate credit. The first was addressed by the project; the latter is beyond project control.

An increase in the use of fertilizer, high-yielding seed varieties, and disease control measures can be observed. This is the result of intensified promotion of networking among dealers and marketing relationship building between dealers and farmers. Know-how transfer on utilization of agri-inputs is still in the infant stages. Additional time will be required to reinforce the impact and reach the masses of the estimated 815,000 farm families in Azerbaijan.

Knowledge transfer directed to farmers on sustainable agriculture practices, increasing productivity and income, and product output market operations remain the major obstacles in developing the Azerbaijan agriculture sector.

Appendix 1. Project Meetings Held with Agri-Input Dealers, March 2003–March 2004

Title	Venue/Date	No. of Participants
Drip Irrigation and Greenhouse		
(1) Drip Irrigation	Guba, 22.04.03	14 dealer + farmer
(2) Drip Irrigation	Jalilabad, 24.04.03	12 dealer + farmer
(3) Drip Irrigation	Lenkeran, 25.04.03	16 dealer + farmer
(4) Drip Irrigation	Ganja, 20.06.03	12 dealer + farmer
(5) Drip Irrigation	Guba, 15.05.03	14 dealer + farmer
(6) Drip Irrigation	Lenkeran, 22.05.03	30 dealer + farmer
(7) Drip Irrigation	Jalilabad, 10.06.03	230 farmers
(8) Drip Irrigation Apple Orchard	Khachmaz, 18.06.03	120 farmers
(9) Drip Irrigation and Tomatoes	Lenkeran, 19.06.03	150 farmers
(10) Drip Irrigation and Cucumber	Lenkeran, 20.06.03	130 farmers
(11) Drip Irrigation and Cucumber	Lenkeran, 21.06.03	60 farmers
(12) Drip Irrigation and Kiwi	Lenkeran, 23.06.03	60 farmers
(13) Drip Irrigation and different Fertilizer	Khachmaz, 25.06.03	70 farmers
(14) Seminar on Greenhouse Technology	Baku, 11.02.04	38 participants
Subtotal: 14		956 participants
Business, Marketing, Finance and Cluster Building		
(1) Fertilizer Marketing and Private Sector Extension	Guba, 21.02.03	14 dealers
(2) Fertilizer Marketing and Private Sector Extension	Ganja, 06.03.03	29 dealers
(3) Fertilizer Marketing and Private Sector Extension	Sheki, 07.03.03	16 dealers
(4) Fertilizer Marketing and Private Sector Extension	Ismaili, 19.03.03	16 dealers
(5) Fertilizer Promotion and Market Development	Baku, 17.04.03	5 importers
(6) Vertical Cluster Integration of Wheat Production and Processing	Sheki, 18.04.03	28 dealer + farmer
(7) Business Plan Writing	Guba, 19.08.03	10 dealers
(8) Business Plan Writing	Masalli, 22.08.03	13 dealers
(9) Business Plan Writing	Ganja, 04.09.03	18 dealers
(10) Business Plan Writing	Sheki, 05.09.03	19 dealers
(11) Bank Respublika Divichi, Credit Service	Guba, 08.08.03	9 dealers
(12) Apple Export Survey	Guba, 26.08.03	8 dealers
(13) Private Extension System	Masalli, 14.10.03	6 dealers
(14) SIGMA, Presentation Apple Export Survey	Guba, 07.02.04	8 dealers

Title	Venue/Date	No. of Participants
(15) AgroGarant, Dealer Business Seminar	Masalli, 24.02.04	15 dealer
(16) AgroGarant, Dealer Business Seminar	Guba, 26.02.04	9 dealer
(17) AgroGarant, Dealer Business Seminar	Ismailli, 26.02.04	14 dealer
(18) AgroGarant, Dealer Business Seminar	Ganja, 27.02.04	19 dealer
Subtotal: 18		256 participants
Association Building		
(1) Association Building (regional elections)	Ismailli, 25.03.03	16 dealers
(2) Association Building (regional elections)	Sheki, 27.03.03	8 dealers
(3) Association Building (regional elections)	Ganja, 26.03.03	26 dealers
(4) Association Building (regional elections)	Masalli, 02.04.03	24 dealers
(5) Association Building (regional elections)	Guba, 13.03.03	16 dealers
(6) Strategic Planning of Association	Baku, 13-16.04.03	17 dealers
(7) Executive Council Training	Baku, 1-2.06.03	12 dealers
(8) Advocacy-Communication-Education	Ismailli, 04.06.03	14 dealers
(9) Advocacy-Communication-Education	Ganja, 05.06.03	31 dealers
(10) Advocacy-Communication-Education	Sheki, 06.06.03	11 dealers
(11) Advocacy-Communication-Education	Masalli, 10.06.03	25 dealers
(12) Advocacy-Communication-Education	Guba, 11.06.03	16 dealers
(13) National General Assembly Association	Baku 12.05.03	76 dealers
(14) Executive Council Training	Baku, 1-2.06.03	12 dealers
(15) National Seminar on Association Building	Baku, 9/10.11.03	14 dealers
(16-20) Regional Seminars on Association Building	Ismailli, 12.11.03 Ganja, 13.11.03 Sheki, 14.11.03 Masalli, 18.11.03 Guba, 19.11.03	62 dealers
(21) Seminar on Association Business Plan	Baku, 7/8.12.03	10 dealers
(22) Seminar on Association Committee Work Plan	Baku, 20/21.11.03	21 dealers
(23) Regional Meetings for Association Business Plan and Work Plan for Committees	Ismailli, 21.01.04	13 dealers
(24) Regional Meetings for Association Business Plan and Work Plan for Committees	Ganja, 22.01.04	16 dealers
(25) Regional Meetings for Association Business Plan and Work Plan for Committees	Sheki, 23.01.04	8 dealers
(26) Regional Meetings for Association Business Plan and Work Plan for Committees	Masalli, 27.01.04	14 dealers
(27) Regional Meetings for Association Business Plan and Work Plan for Committees	Guba, 29.01.04	10 dealers

Title	Venue/Date	No. of Participants
(28) Ministry of Justice, Registration Issues	Baku, 16.02.04	3 dealer
(29) Meetings with Importers	Baku, 11/12.02.04	3 dealer
(30) Seminar with Regional Vice Presidents	Baku, 28/29.02.04	5 dealer
Subtotal: 30		483 participants
Technical Meetings		
(1) Potato Growing Practice	Masalli, 25.03.03	24 dealer + farmers
(2) Pests and Diseases in Apple Growing	Sheki, 06.05.03	25 dealers + farmers
(3) Best Farmers Practice in Wheat Demonstration Plots	Masalli, 02.06.03	58 farmers
(4) Best Farmers Practice in Wheat Demonstration Plots	Khachmaz, 03.06.03	150 farmers
(5) Best Farmers Practice in Wheat Demonstration Plots	Ismailli, 03.06.03	150 farmers
(6) Best Farmers Practice in Wheat Demonstration Plots	Shamkir, 4-5.06.03	700 farmers
(7) Best Farmers Practice in Wheat Demonstration Plots	Jalilabad, 09.06.03	200 farmers
(8) Potato + Best Farmers Practice	Tovus, 10.06.03	200 farmers
(9) Potato + Best Farmers Practice	Tovus, 11.06.03	200 farmers
(10) Potato + Best Farmers Practice	Tovus, 12.06.03	150 farmers
(11) Potato + Best Farmers Practice	Ismailli, 12.06.03	150 farmers
(12) Corn + Best Farmers Practice	Zagatalla, 13.06.03	350 farmers
(13) Alfalfa + Best Farmers Practice	Zagatalla, 14.06.03	45 farmers
(14) Corn + Best Farmers Practice	Zagatalla, 17.06.03	120 farmers
(15) Different Fertilizer Application in Apple	Guba, 26.06.03	120 farmers
(16) Fertilizer Application in Potatoes	Tovus, 25.07.03	44 dealers + farmers
(17) Open Field Day Wheat Production	Guba, 24.07.03	37 dealers + farmers
(18) Open Field Day Wheat Production	Ismailli, 22.07.03	108 dealers + farmers
(19) Apple Harvest	Khachmaz, 19.09.03	25 dealers + farmers
(20) Wheat Seed Quality and Certification	Ismailli, 08.09.03	8 dealers
(21) Wheat Seed Quality and Certification	Sheki, 09.09.03	11 dealers
(22) Wheat Seed Quality and Certification	Ganja, 10.09.03	16 dealers
(23) Farmers Best Practice in Wheat Production	Ismailli, 16.10.03	12 dealers
(24) Wheat Production	Tovus, 23.10.03	32 dealers
(25) Open Field Day: Fertilizer Application in Apple Orchards	Guba/Khachmaz, 28/29.10.03	56 dealer + farmers
(26) Farmers Best Practice in Wheat Production	Sheki, 01.11.03	18 dealers
(27) Farmers Best Practice in Potato Production	Jalilabad, 27.11.03	31 dealers

Title	Venue/Date	No. of Participants
(28 + 29) Control of Diseases in Wheat Production	Samukh, 13.11.03 Sheki, 19.11.03	84 dealers and farmers
(30) Farmers Best Practice in Potato Production	Tovus, 12.12.03	48 dealers and farmers
(31) Seminar on Phosphate Fertilizer Use	Masalli, 09.12.03	26 dealers
(32) Seminar on Phosphate Fertilizer Use	Ismaili, 10.12.03	29 dealers + farmers
(33) Seminar on Phosphate Fertilizer Use	Ganja, 11.12.03	20 dealers
(34) Apple Orchard Winter Services	Khachmaz, 20.01.04	18 dealer and farmer
(35) Control of Zabrus Tenebroides	Ismaili, 07.02.04	7 dealer
(36) Seminar on Potato Best Practice	Jalilabad, 11.02.04	63 dealer + farmer
(37) Nunhems, NL vegetable seed supply	Ganja, 11.02.04	30 dealer + farmer
(38) Nunhems, NL vegetable seed supply	Masalli, 12.02.04	32 dealer + farmer
(39) Nunhems, NL vegetable seed supply	Absheron, 13.02.04	23 dealer + farmer
Subtotal: 39		3,420 participants
International Trade Missions and Study Tours		
(1) Study Tour Potato Growing Practices, Marketing, and Visit to Fertilizer Factory	Tbilisi, Georgia, 10-14.03.03	7 dealers
(2) Marketing of Agri-Inputs; Fruit Growers Association; Collection Point and Storage	Tbilisi, Georgia, 26-30.05.03	8 dealers
(3) East European Fertilizer Conference	Moscow, Russia, 18-20.06.03	2 importers
(4) Trade Mission to Turkey visiting 7 supply companies	Turkey, various, 30.11–07.12.03	10 dealers
(5) Fertilizer Production and Distribution	St. Petersburg, Russia	1 importer
(6) AgriChemExpo	Moscow, Russia, March 9-12, 2004	10 dealers
Subtotal: 6		38 participants
Grand Total: 107 Training Units		5,153 participants

Appendix 2. Public Relations / Media / Publications

Project Newsletter

No	Title	Date	Number
1	Project Newsletter issue 1	June 2003	500
2	Project Newsletter issue 2	August 2003	500
3	Project Newsletter issue 3	October 2003	500
4	Project Newsletter issue 4	December 2003	500
5	Project Newsletter issue 5	February 2004	500
			Total: 2 500

Agricultural Commodity Market Report

No	Title	Date	Number
1	Agricultural Commodity Market Report for July	July 03	130
2	Agricultural Commodity Market Report for August	Aug 03	130
3	Agricultural Commodity Market Report for September	Sep 03	130
4	Agricultural Commodity Market Report for October	Oct 03	130
5	Agricultural Commodity Market Report for November	Nov 03	130
6	Agricultural Commodity Market Report for December	Dec 03	130
7	Agricultural Commodity Market Report for January 04	January 04	130
8	Agricultural Commodity Market Report for February 04	February 04	130
			Total: 1 040

Newspaper Articles

No.	Newspaper	Date	Name of Article	Circulation	Number	Number of Readers
1	Yeni Azerbaijan	January 15,03	Recommendations for Proper Application of Fertilizers	5 000	11 (1491)	5,000
2	Yeni Azerbaijan	January 24, 03	Proper Application of Fertilizer, DAP	5 000	18 (1498)	5,000
3	Yeni Azerbaijan	January 29, 03	Recommendations for Potato Growing	5 000	22 (1502)	5,000
4	Yeni Azerbaijan	Feb 02, 03	Potato Pest and Disease Control	5 000	28 (1508).	5,000
5	Yeni Azerbaijan	Feb 11, 03	Technical Recommendations on Apple Growing	5 000	33 (1513).	5,000
6	Yeni Azerbaijan	Feb 18, 03	Winter Services in Apple Orchards	5 000	38 (1518)	5,000
7	Yeni Azerbaijan	Feb 25, 03	Safe Use of CPPs	5 000	44 (1524)	5,000
8	Yeni Azerbaijan	March 04, 03	Safe Use of CPPs (continued)	5 000	50 (1530)	5,000
9	Yeni Azerbaijan	March 12, 03	Safe Use of CPPs (continued)	5 000	56 (1536)	5,000
10	Yeni Azerbaijan	March 25, 03	Safe Use of CPPs (continued)	5 000	65 (1545)	5,000
11	Yeni Azerbaijan	April 01, 03	Safe Use of CPPs (continued)	5 000	71 (1551)	5,000
12	Ecological Life	March 05-11, 03	Safe Use of CPPs and the Environment	1 000		1,000
13	Azernews	April 23-29, 03	IFDC Blames Agriculture Ministry for Delaying Reforms	500		500

No.	Newspaper	Date	Name of Article	Circulation	Number	Number of Readers
14	Bizim Esr	April 08, 03	New Project in Agriculture: The Project Granted By USAID Will Increase Productivity in Agriculture for several times	5 000	75 (791)	5,000
15	Hefte Ichi	April 04, 03	Technical Support to Dealers	4 000	63 (280)	4,000
16	Baku Sun	April 11, 03	Forum tackles Agrobusiness. Fertilizer factory needs funds	4 000		4,000
17	Economics – bulletin of Turan News Agency	May 12, 03	Association of dealers of Agriculture Production means (fertilizer, pesticides and seeds) established	300		300
18	Daily News (Bulletin of Azer Press)	May 12, 03	Azerbaijan Agriculture Traders Association has been established	500	№ 194	500
19	Assa Irada - Bulletin of Independent New Agency	May 13,03	IFDC established new organization which will unite the dealers	500		500
20	Bizim Esr	May 13, 03	One More Association was Established	5 000		5,000
21	Islahat	June 03	Future Of Municipalities Is Bright (collaboration between IFDC and dealers, and potato demonstration field)	500		500
22	NGO Focus	June 03	Getting Back to basics in the agro-input	1 000		1,000
23	Girdiman	July 21-31, 2003	Agricultural projects in Azerbaijan	1 000	№ 15 (20)	1,000
24	Zerkalo	October 04, 2003	Second life of Guba Apple	8 000	№ 189	8,000
25	Turan News Agency	January 23, 2004	Three Model Greenhouses Based On Israeli Technology Made In Azerbaijan	300		300

No.	Newspaper	Date	Name of Article	Circulation	Number	Number of Readers
26	Baki Xeber	January 24, 2004	Three Greenhouses with Israeli Technology Established in Azerbaijan	1 000	No 012 (117)	1,000
27	Baku Sun	January 30, 2004	The Agro-Input Market Development In Azerbaijan	4 000	Vol 7, Issue 5	4,000
28	The Azeri Times	January 30, 2004	Press Release	8 000	Vol 7, Week 5	8,000
29	Sharg News Agency	February 11, 2004	Israeli Hothouse And Irrigation Model Presented	200		200
30	Turan News Agency	February 11, 2004	Seminar on Implementation of Israeli Greenhouse technology held	300		300
31	Azerbaijan Izvestiya	March 24, 2004	Profitable Production by Growing Early Varieties	1,000		
32	Azerbaijan Izvestiya	March 24, 2004	Kiwi Growing With Enthusiasm	1,000		
33	Servet	March 2004	Potato Growing Practice	1,500	Monthly magazine	
34	Servet	March 2004	Average Meat Price in Azerbaijan Markets	1,500	Monthly magazine	
35	525 th Newspaper	March 24, 2004	Government Provides Little Support to Agriculture	1,000		
36	The Azeri Times	March 26, 2004	Visiting the Provinces: Dinner with Candle Lights AMDA Work in the Rural Regions	2,500		

Television Broadcasting

No.	Title	Description and Number of Broadcasting	Date of Broadcasting	TV Stations	Number of Viewers
1	Fertilizer application “Feed the soil, get high yields”	Documentary (18 minutes); 8	Sep-Oct 2003	Gutb TV (Guba) Kepez TV (Ganja) Lenkoran TV (Lenkoran) Once by AzTV1 (national)	Total: 1 million
2	Wheat Planting	Documentary (21 minute); 5	November 2003	Gutb TV (Guba) Kepez TV (Ganja) Lenkoran TV (Lenkoran) Two times by AzTV1 (national)	Total: 1 million
3	One minute spot on Agriculture	Informative-educative spot; 25	November 2003	Gutb TV (Guba) Kepez TV (Ganja) Lenkoran TV (Lenkoran)	Gutb TV- 85,000 Kepez TV- 185,000 Lenkoran TV - 57,000 Total: 327,000
4	Mice Control	Documentary (16 minutes); 2	December 2003	AzTV1 (national)	1 million
5	Potato planting	Documentary (15 minutes); 2	January 2004	AzTV1 (national)	1 million
6	Winter services in apple orchards	Documentary (21 minutes); 2	February 2004	AzTV1 (national)	1 million

Leaflets

#	Name of Publication	Date of Publication	Copy
1	Apple Pests and Diseases	20.02.2003	500
2	Safety Pesticide Use	11.03.2003	1,000
3	Pest of Potato	13.03.2003	500
4	Diseases of Potato	14.03.2003	500
5	Alfalfa	29.03.2003	1,000
6	Cabbage	03.06.2003	500
7	Tomato	12.06.2003	500
8	Cucumber	23.06.2003	500
9	Tomato Diseases	28.07.2003	500
10	Wheat recommendation for Ganja region	20.10.2003	500
11	Wheat recommendation for Sheki region	20.10.2003	500
12	Wheat recommendation for Lenkoran region	28.10.2003	300
13	Potato recommendation for Jalilabad region	01.12.2003	500
14	Wheat recommendation for Guba - Khachmaz region	28.10.2003	300
15	Potato recommendation for Tovuz region	01.12.2003	500
16	Apple recommendation for Guba – Khachmaz region	01.12.2003	500
17	Presentation List of AAIDA	20.10.2003	500
18	Wire Warm control	01.01.2004	1,000
19	<i>Zabrus tenebroidis</i>	24. 01.2004	250
20	Motorized Pesticide Sprayer	12.03.2004	500
	Total		10,850

Brochures

	Name of Publication	Date of Publication	Copy	Reprinting
1	Fertilizer Effective Use	12.03.2003	1000	15.07.2003 500
2	Safety Pesticide Use	26.03.2003	1000	
3	Alfalfa Technology	28.04.2003	500	
4	Maize Pests and Diseases	28.04.2003	500	
5	Fruits Pests and Diseases	03/072003	500	
7	Apple Technology	23.09.2003	500	
8	Agro Marketing	04.02.2004	500	
9	Plant Protection Methods in Wheat Production			08.07.2003 300
10	Potato Agronomic Practices			08.07.2003 300
	Total		4500	1,100

Posters

#	Name of Poster	Date of Publication	Copy
1	Fertilizer Recommendation	11.03.2003	500
2	Crop Rotation I	17.03.2003	250
3	Crop Rotation II	17.03.2003	250
4	Crop Rotation III	17.03.2003	250
5	Crop Rotation IV	17.04.2003	250
6	Apple Technology	06.02.2004	500
	Total		2,000

Totals:

- 5 Newsletters = 2,500 copies
- 8 Agriculture Commodity Market Report = 1.040 copies
- 36 Newspaper Articles
- 6 TV documentaries; 44 broadcastings
- 20 leaflets = 10,850 copies
- 10 Brochures = 5,600 copies
- 6 Posters = 2,000 copies

Total Printed Material: 21,990 copies

Appendix 3. Credit Information as of March 31, 2004 (US \$)

NN Name	Region	Source	Dec-01	Mar-02	Apr-02	Jul-02	4q-02	Jan-03	Jul-03	Sep-03	Oct-03	Nov-03	Feb-04	Mar-04	Comments	Subtotal	ID****
1	Lenkoran	AgroCred	2,500												*	2,500	M
2	Masalli	CredAgro		5,000				repaid	10,000							15,000	F
3	Masalli	CredAgro			7,000						repaid	10,000				17,000	M
4	Guba	AgroCred				30,000									overdue	30,000	M
5	Lenkoran	CredAgro					1,000								repaid	1,000	P
6	Guba	CredAgro					1,000								repaid	1,000	P
7	Guba	CredAgro					1,000								repaid	1,000	P
8	Guba	CredAgro					1,000								repaid	1,000	P
9	Lenkoran	AgroCred					3,500								repaid half	3,500	M
10	Tovuz	CredAgro					3,000				repaid	10,000				13,000	M
11	Masalli	CredAgro					7,000								repaid	7,000	P
12	Masalli	CredAgro					10,000				Repaid and switched to other business					10,000	P
13	Masalli	CredAgro					20,000	repaid	20,000							40,000	M
14	Lenkoran	AgroCred					23,000								**	23,000	M
15	Lenkoran	AgroCred					28,000								**	28,000	M
16	Masalli	CredAgro						4,000							repaid	4,000	M
17	Tovuz	CredAgro						5,000			repaid	6,000				11,000	M
18	Lenkoran	CredAgro					10,000								in the court	10,000	P
19	Tovuz	Other					80,000								***	80,000	M
20	Tovuz	CredAgro											4,500			4,500	M
21	Ismailli	CredAgro							5,000							5,000	M
22	Ismailli	CredAgro							repaid		20,000					20,000	M
23	Ismailli	CredAgro							repaid		2,000					2,000	F
24	Ismailli	CredAgro									repaid	3,500				3,500	M
25	Ismailli	CredAgro													repaid	0	M
26	Ismailli	CredAgro													repaid	0	M
27	Ismailli	CredAgro													repaid	0	M
28	Ismailli	CredAgro													repaid	0	F
29	Ismailli	CredAgro							repaid		6,000					6,000	M
30	Tovus	CredAgro														5,000	M
			2,500	5,000	7,000	30,000	170,000	99,000	15,000	20,000	28,000	23,500	10,500	5,000		415,500	

71,500

* G. M. has a small conflict with bank manager. He pays back only interest. The principal amount remains unpaid.

** N. K. holds AZM 117,000,000 with maturity 3 yrs and AZM 140,000,000 with maturity 5 yrs.

*** S.A. reportedly owes \$80,000 to a number of credit institutions. Leasing debts are part of his obligations. He also borrowed money from a bank in Ganja and AzDemirYolBank in Baku. His flour mill was accepted as the collateral. Exact data and figures are not known.

**** M - AAIDA member, F - former AAIDA member or participant, P - private dealer.

Total amount repaid as per March 31, 2004: \$154,200.

The report was prepared on the basis of information provided by CredAgro Regional Managers and dealers' reports.