

**Agri-Input Market Development in Azerbaijan (AMDA)**

**Quarterly Report  
January–March 2004**

**Submitted to**

**United States Agency for International Development (USAID)**

**by**

**IFDC**

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## Summary

The January to March 2004 quarter focused on controlling *Zabrus tenebroides*, an insect causing widespread damage in wheat production. Several meetings with representatives from the Ministry of Agriculture, Ministry of Finance, and an EU Delegation took place on how to control the insect.

Three greenhouses were set up and are in operation. The new greenhouse technology was promoted in one seminar, two newspaper articles, and two television broadcasts. This resulted in several responses requesting additional greenhouses.

AgroGarant, an agri-input supplier based in Georgia, conducted four meetings on business development and promotion of collaboration to purchase inputs from Georgia.

Sigma Company presented their results from a survey on exporting apples from Azerbaijan to Russia. Results revealed insufficient knowledge on preparing export documentation and a high level of unofficial payments to facilitate exports.

The ChemAgroExpo in Moscow was visited by 10 dealers to develop new contacts to Russian suppliers.

The Ministry of Justice (MOJ) requested AMDA three times to change the association registration documents. Although registration was not realized, it seems that MOJ is processing the documents.

## **Highlights of Project Achievements**

### **Business Development and Training**

Market price information on agri-inputs is distributed to association members on regular weekly and monthly intervals. In January AgroKimya was provided assistance in importing 20 tons of fertigation fertilizer from Israel: Multi-K potassium nitrate, Poly-Feed 19-19-19, and Poly-Feed 17-09-29 plus magnesium and micronutrients.

The dealer, Nazim Mammedov, experienced problems with payment for apples delivered to the Catermar Company. Follow-up visits were made with the Catermar Company, which is having liquidity problems. If payment is not made by April 2004, appropriate legal procedures will be started.

In February the Georgian Company, AgroGarant, conducted a business seminar in Masalli. Moreover, USAID visitors from the Washington Economic Growth Office were accompanied to southern Azerbaijan on a study tour.

In March ten association members were accompanied on a trade mission to Moscow, Russia, to attend the ChemAgroExpo 2004. Each dealer paid \$110 as a service fee to the association.

During February and March a survey covering the association members and selected farmers was conducted. Data collection and entry were finalized at the end of March. The data analysis will follow in April/May.

Azerbaijan Agri-Input Dealers Association (AAIDA) member Mr. Huseynov from Masalli was advised on chicken production from an incubator. The capacity of the incubator is 3,000 eggs at a time. The 1- to 5-day-old chickens are sold on the local market.

### **Credit, Finance, and Marketing**

In January AgroGarant from Georgia conducted four meetings (Guba, Ganja, Ismaili, and Masalli) on business development and building customer relationships. In total, 57 dealers participated in the meetings.

In February the SIGMA Company presented results from a survey on exporting apples from Azerbaijan to Russia. Members of the Pragma Corporation and the USAID Office-Baku participated in this meeting. The two major problems identified were: (1) the insufficient knowledge of preparing export documents and (2) the high level of unofficial payments to various institutions and individuals.

Three business plans were prepared, and three dealers were granted loans by CredAgro amounting to \$15,500. At the same time, one dealer repaid his loan of \$4,000.

### **Association Building**

The number of association members increased by 1 and stands at 80 as of March 2004.

Several meetings were held with MOJ about the registration of the association. Based on requests from the MOJ, various changes were made in the application and the application was resubmitted for the third time. This can be seen as a positive sign as the application is being considered by the MOJ and is in the approval (or rejection) process.

Five meetings were held in January with the Working Committees and were attended by 61 dealers. The Membership Committee met four large importers to increase collaboration. All four importers agreed to become associated members. It was agreed to hold common field demonstrations with two companies sharing the costs.

A paper concerning changes in the seed laws is under preparation for a seminar organized by the Ministry of Agriculture and to be held in April 2004.

## **Technology Transfer and Private Sector Extension**

Three workshops (Ismailli, Ganja, and Sheki) were conducted for dealers and farmers on *Zabrus tenebroides*, an insect that causes huge damage in wheat fields. The Ministry of Agriculture estimates that 102,000 ha or 16% of the wheat fields are infested with the insect. In four wheat demonstration plots, an insecticide was applied to control *Zabrus tenebroides*.

Moreover, one workshop in Khachmaz was conducted on winter services in apple orchards. Fifteen dealers and farmers attended the workshop.

One apple orchard demonstration and four potato demonstration sites have been selected in collaboration with regional dealers who are actively involved in implementing best farming practices. The potato demonstrations are being conducted in collaboration with the EMA Company, the largest pesticide importer in Azerbaijan. The strategy is based on involving importers and their regional representatives (association members) in building a customer and marketing relationship with farmers. Nine on-farm trials for testing two imported varieties of maize from Georgia have been prepared in Zagatalla.

A potato demonstration impact survey (67 respondents) revealed that farmers rank Open Field Days very high as a means of know-how transfer. In addition, more than two-thirds of the farmers stated that they apply recommendations based on field demonstrations.

A wheat demonstration impact survey (128 respondents) revealed that 70% of farmers are using AN, and only 4% use potassium fertilizer in wheat production. Thirty percent of farmers indicated an interest in informational leaflets and Open Field Days.

Aleksander Buyvolu, regional representative of NUNHEMS, a Netherlands-based vegetable seed producer, toured the AMDA project region in February and attracted 85 association members and farmers in three meetings. Individual discussions took place with dealers who are interested in becoming Azerbaijani distributors for NUNHEMS products.

## **Greenhouses and Drip Irrigation**

ADRA purchased the last of four greenhouses to be set up in Ganja. Tomatoes are grown in the other three greenhouses. The greenhouse managers receive on-the-job training in operations and disease control.

One seminar was conducted at the Institute for Erosion and Irrigation, Baku, to promote greenhouses. In total, 38 persons participated including the Israeli Ambassador and his economic advisor; Rena Effendi, CTO, USAID and John Brannaman, Agriculture Development Officer, USAID.

Several local NGOs and international projects showed interest in AMDA-promoted greenhouse technology. Discussions have started on financing additional greenhouses and providing technical support for existing greenhouses. The AMDA-promoted greenhouses in Lenkeran, Tovus, and Absheron have been visited by a great number of interested individuals and international projects. Presently, discussions are underway to organize the purchase of four additional greenhouses for autumn 2004.

Three drip irrigation units previously used in field demonstrations were sold at \$200 each to dealers. The money received was deposited into the association fund.

## Public Relations

The following leaflets, brochures, and media events were published/broadcast:

No.	Publication/Media	Date	Copies
<b>Leaflets/Brochures/Posters</b>			
1	Wire Worm Control	January	550
2	Agricultural Marketing	January	500
3	<i>Zabrus tenebroides</i> Control	February	1,000
4	General Fertilizer Use (reprint)	February	50
5	Phosphate Fertilizers (reprint)	February	50
6	Potassium Fertilizers (reprint)	February	50
7	Tomato Trials (reprint)	February	50
8	Seed Rates (reprint)	February	50
9	DAP Fertilizer (reprint)	February	50
10	Wheat Production (reprint)	February	250
11	Potato Production (reprint)	February	50
12	Apple Production (reprint, leaflet)	February	50
13	Apple Production (poster)	February	500
14	Fertigation Fertilizer	February	200
15	Motorized Pesticide Sprayers	March	500
	<b>Total</b>		<b>3,900</b>
<b>AMDA</b>			
1	Agricultural Commodity Report	February	150
2	Project Newsletter	February	500
	<b>Total</b>		<b>650</b>
<b>Newspaper/Television</b>			
1	Best Farmers Practice in Potato Production/Television	January	20 minutes
2	Winter Services in Apple Orchards/Television	February	21 minutes
3	Greenhouse Technology/Television	March 12 & 26	25 minutes
4	Disease Control in Wheat Production/Television	March	18 minutes
5	Greenhouse Technology in Azerbaijan/Newspaper	January	2 articles
6	Potato Production Practice/Newspaper	March	1 article
7	Profitable Production by Growing Early Varieties	March	1 article
8	Kiwi Growing	March	1 article
9	Government did not provide us assistance	March	1 article
10	In the Provinces: Dinner with Candles; AMDA's work in the regions	March	1 article
	<b>Total</b>		<b>7 newspaper articles; 4 TV documentaries</b>

In total, 4,550 publications were disseminated, 7 articles in various newspapers were published, and 4 television documentaries were broadcast at the regional or national level.

### Appendix 1. Project Meetings Held with Agri-Input Dealers January–March 2004

Title	Venue/Date	No. of Participants
Two meetings with Ministry of Justice	January 14, Baku February 16, Baku	AKTIVTA Executive Director and AKTIVTA Executive Director, President and Chairman of Government Liaison Committee
One Seminar on Apple Orchards Winter Service	January 20, Khachmaz	15 progressive farmers and 3 dealers
One meeting with Deputy Chairman of the Agriculture Standing of Azerbaijan Parliament	January 26, Baku	AKTIVTA Executive Director
Five regional Seminars on Association Business Plan and Committee's Work Plan	January 21 Ismailli January 22 Ganja January 23 Sheki January 27 Masalli January 29 Guba	61 AKTIVTA members participated
Four Seminar on <i>Zabrus tenebroides</i>	January 8, 13, 16 (Sheki, Ganja, Ismailli) February 7, Guba	50 dealers participated
One Seminar on Potato Technology	February 11, Jalilabad	61 progressive farmers and 2 dealers
Four meetings with largest companies in importing inputs (EMA, AGROKYMIA, MAY-SEMA, and AFIS).	February 11-12, Baku	AKTIVTA Executive Director, President and Chairman of Membership and Ethic Committee
One seminar with the Regional Vice Presidents	February 28-29, Baku	5 regional vice presidents
Two meetings with USAID project PRAGMA and EURASIA	February 16, Baku March 26, Baku	AKTIVTA Executive Director, and the President
One Seminar with Executive Council	March 1, Baku	12 members participated
One trade mission to Russia	March 9-13, Moscow	10 AKTIVTA members participated
One meeting with Azerbaijan Entrepreneurs Confederation	March 26, Baku	AKTIVTA Executive Director, and the President
<b>Total:</b>		<b>13 seminars attended by 133 dealers and 76 progressive farmers</b>

**Appendix 2. Cost Sharing Contribution**

**January 2004—March 2004**

**Value of Cost Sharing in U.S. 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
	<b>Total US \$/Month</b>	<b>2,180</b>	<b>25,909</b>	<b>7,560</b>										<b>35,649</b>
	<b>Accumulated total from February 2002 to last month reported: \$772,979</b>													

### Appendix 3. Contact List

<b>USAID Partners</b>	
Rena Effendi	USAID Office Baku, CTO
John Brannaman	USAID Office Baku, Agricultural Development Officer
William McKinney	USAID Office, Country Coordinator
Gerald Maier	Adra, Ganja, Project Manager
<b>Other Donors</b>	
Gunter Eckel	AgrarKredit, EU supported Credit Program, Baku
Dr. Reinhold Schuette	GTZ, Head of Project, Agricultural Policy Project
Dejan Burckhard von Roman	GTZ, Food Security, Regional Cooperation & Stability in Southern Caucasus
Anja Heuft	GTZ, Integrated Food Security Program, Coordinator
Dan Bliss	BTC, Social Supervisor, Baku
Natavan Aslanova	European Commission, Economic and Financial Assistant
Murat Karakuscu	World Bank, Agriculture Project Azerbaijan, Senior Economist
<b>NGO and Local Organizations</b>	
Ali Hasanov	Deputy Prime Minister
Eldar A. Gahramanov	Deputy Chairman of Standing Committee for Agriculture in Parliament
Sadigov Gurban	Cabinet of Ministers, Acting Chief of Department for Refugees, IDPs and Migration
Arif Jahangirov	Ganja Business Group, Deputy Director
Rasim Ramazanov	Sigma, General Director
<b>Others</b>	
Mamed J. Mamedov	AgroKimya, President
Jukevich Vasiley Stepanovich	Goran Cotton Ltd, Executive Director
Herman Pascasious	Catermar, Procurement Manager
Rafael Abbasov	Israel Embassy, Director of Economic & Trade Relations Department