



**Kyrgyz Agro-Input Enterprise Development Project**

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**Fifteenth Quarterly Report**

**April 1, through June 30, 2005**

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**by**

**IFDC**

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## Acronym List

AAK-JA	Association of Agro-Businessmen of Kyrgyzstan “Jer Azigy” (Food for Soil)
AED	Academy for Educational Development
AS	Agronomic Services – a support unit within KAED project
BDU	Business Development Unit
BSAID	Batken-Sughd Agro-Input Development
CAR	Central Asia Region
CGF	Credit Guarantee Fund
CIMMYT	International Maize and Wheat Improvement Center
CPP	Crop Protection Products – includes both chemical and biological
FVAI	Ferghana Valley Agribusiness Initiative
GAA	German Agro Action
GTZ	German Agency for Technical Cooperation
IFDC	An International Center for Soil Fertility and Agricultural Development
IR	Intermediate Results Indicator
KAED	Kyrgyz Agro-Input Enterprise Development Project
KAFC	Kyrgyzstan Agricultural Finance Corporation
MAWPRI	Ministry of Agriculture, Water, and Processing Industry
MS	Media Services – a support unit within the KAED project
PSES	Private Sector Extension Services
RAS	Rural Advisory Services (Public Extension supported by WB)
RCF	Revolving Credit Fund
STC	Short Term Consultant
TARF	Training Activity Request Funds
TES	Technical Extension Service Project
TTC	Technology Transfer Center – a field center featuring new practices and technologies to provide training to agro-businesses
USAID	United States Agency for International Development
VAT	Value Added Tax
WB	World Bank
WUA	Water Users’ Association

# **Kyrgyz Agro-Input Enterprise Development Project**

## **Quarterly Report — April 1, through June 30, 2005**

### **Introduction**

For consistency and ease of understanding, the Kyrgyz Agro-Input Enterprise Development Project (KAED) quarterly reports largely follow the format of the work plan submitted to the United States Agency for International Development (USAID) in October 2004. Progress is reported for each of the four program areas (association development, business development services, media support, and agronomic services). Monthly and weekly reports to the USAID project manager contain more extensive and detailed information on KAED activities and progress.

### **Program Achievements**

The three program components drive nearly all the proposed results indicators. Association Development is the core of the entire project. A trade association of input dealers is the mechanism that provides the framework to facilitate access to credit and deliver communications, training, and advocacy on a sustainable basis. The supporting units of Business Development, Media, and Agronomic Services provide a value-added package that accompanies membership in the trade association and supports the project's goals to increase agricultural productivity. During the quarter, the project focused on planning for the AAK General Assembly and the 2005 AgroExpo as well as AAK meetings and Demonstration Field Days.

#### **Association Development**

Association activities for the quarter included:

- ***AAK Crop Protection Product Round Tables:*** Two Crop Protection Product (CPP) Round Tables were held during the quarter (Osh and Jalalabad) where international CPP suppliers provided information on their products and AAK members received information on new products and price lists. Fifty-three members were in attendance at these two programs.

- ***Preparation for upcoming Board of Director's meeting:*** An AED TARF was approved for the AAK Board of Director's to hold their quarterly meeting on the 9<sup>th</sup> and 10<sup>th</sup> of June in the Sughd Oblast of Tajikistan. This meeting was combined with a series of seminars and round table discussions with agri-input dealers from Tajikistan.
- ***Follow-up with Minister of Agriculture:*** The Association Unit has prepared a letter to the Minister of Agriculture as a follow-up on having AAK involved in planning and decision making for future government to government aid that deals with agricultural inputs (i.e. JICA 2KR; seed, and fertilizer aid from Russia).
- ***AAK China Study Tour:*** Three staff and six AAK members traveled to Kashgar China during May to attend an AED funded trade mission. Numerous contacts were made with Chinese input suppliers and an initial shipment was ordered for 100 kg of bacillus thuriengensis (biopesticide) which is the first time this product has been in the marketplace in the last 15 years. Information on the AAK AgroExpo 2005 was provided to several companies that expressed interest in exhibiting at this year's event.
- ***Jalalabad Satellite Office Activities:*** The Jalalabad team traveled throughout the oblast to meet with existing members, past members and potential members to introduce themselves and learn more about membership needs in the region. AAK's Peace Corps Volunteer based in Jalalabad will be updating the AAK website ([www.aak.org.kg](http://www.aak.org.kg)) and developing a brochure on the advantages of being an AAK member. At this stage, the main goal of the AAK website is to inform international input suppliers about the association and develop market linkages. The website is one of the main introduction points for these companies to learn about the market and spark their interest in the annual Ferghana Valley AgroExpo.
- ***Round Table on Government to Government Aid:*** AAK convened a round table on April 4<sup>th</sup> with private sector representatives of the agricultural sector to discuss governmental input supplies from Russia. Organizations present included: Association of cotton growers, Association of entrepreneurs, Nookat Cooperative of Potato Seed Growers, Tshirova Agricultural Production Cooperative, Association of processors of southern Kyrgyzstan, Association of Onion Growers, Kol Cooperative, and the Association of Agricultural Processors. As a result of the meeting, a letter encouraging a transparent process that includes private sector involvement was approved, signed by all organizations, and sent to the following officials:

- Acting President of the Kyrgyz Republic and Prime Minister;
  - The Supreme Council's Committee Chairperson for agro-industrial complex and ecology;
  - The Minister of Agriculture, Water Resources, and Processing Industry.
- ***New AAK Affiliate Members:*** The President of AmRus Ventures (based in the U.S.) and the regional representative for Nunhems (AgroVita) have agreed to become AAK's first Affiliate Members. AgroVita has wired the \$200.00 fee, and AmRus has agreed to do the same in the near future. AmRus Ventures has developed the Navruz Trade Group with representation in all 5 of the CAR countries featuring companies which have particular products and equipment for sale in the region. AgroVita, a representative of Nunhems (a Dutch vegetable seed company) is one of the top 5 largest vegetable seed companies in the world.

#### **AAK Board and Committee Meetings:**

**AAK Village Meetings**—The Association Unit conducted nine AAK village meetings during the month of April in the three oblasts of southern Kyrgyzstan. There were 109 members in attendance where the following topics were discussed: upcoming AAK activities; China study tour in Kashgar; the AAK round table on government to government aid from Russia; Israeli drip irrigation systems available for credit; membership dues; and the new AAK Revolving Credit Fund with KAFC.

**AAK Committee Meetings**—From May 12 through the 24<sup>th</sup> the five AAK committee meetings were conducted in the Jalalabad Oblast. The fertilizer committee meeting took place on May 11 (16 members in attendance); the CPP meeting on May 12 (19 members); the marketing committee meeting on May 17 (13 members); the Advocacy committee meeting on May 18 (12 members), and: the Seed Committee meeting on May 24 (12 members). All committees reviewed previous quarter activities and received information on next quarter's work plan. Additional activities included:

- The Fertilizer committee conducted training in biological fertilizers;
- The CPP committee conducted training on pests and disease of crops;

- The Marketing committee focused on AgroExpo preparation (dates to hold AgroExpo 2005; attraction of attendees to AgroExpo; event promotion; development of bus routes; formation of the AgroExpo subcommittee; and, attraction of exhibitors to AgroExpo 2005).
- The Advocacy committee focused on developing a timeline for the seed variety registration advocacy program.
- The Seed committee discussed the upcoming field days and provided recommendations on materials to be developed for field day participants.
- A special task force on credit unions met to discuss pros and cons of formation of an AAK credit union.

**AAK Board of Directors Meeting**—An AAK Directors meeting was held in Kairakum, Tajikistan with training funds received from AED. Actions taken during the board meeting include;

- Approval of the work completed by all committees in 2004-5
- Approval of the AAK financial report
- Approval of the staff reports as presented
- Approval of the management staff work plan as submitted
- Approval of the addition of 2 new annual awards to be given to AAK members. The Chan Sieben Pioneer Award, and the Scott Wallace Teamwork award
- Approval of the General Assembly agenda
- Approval of the Membership Committee recruitment plan as presented
- Motion was made and seconded to have a special pre-general board meeting in July of 2005

### **Business Development Services (BDS)**

The BDS Unit is a direct support unit for input dealers; it addresses general training, marketing assistance, and specific product introduction as well as providing credit facilitation, where possible and feasible for AAK members. During the quarter, BDS staff monitored all loans and agreements involving AAK members, developed a modified credit program for members, and prepared AAK's financial reports. All loans received are current and installments

are being paid on a regular basis. In addition, the following activities were conducted by the Business Development Unit during the quarter:

- **AgFin<sup>+</sup> Cooperation:** The fertilizer distribution program for the AgFin+ Tomato Initiative was completed with 65.15 tons of ammonium nitrate being distributed to Aravan, Kyzyl Kia, Kara Su (Osh Oblasts) and Nooken (Jalalabad Oblast). OshKrastex was the fertilizer dealer that won the tender valued at 449,566.5 soms (\$10,965). In May, a tender for CPPs and Crop Sprayers was distributed on behalf of TES Centre to AAK members for the AgFin+ Tomato initiative. Several members expressed their dissatisfaction with the CPP component of the tender as specific products were stated rather than a general request for what problems needed to be resolved (thus the appearance that a specific company(s) was targeted). The COP has discussed this issue with the TES Centre for future tenders.
- **AAK Booth Rental:** During the month of April AAK rented out 7 booths for an ACIDI VOCA event in Kyzyl Kia. AAK charged 5,768.00 som for the rental, set-up, and return of these booths. A follow-up thank you letter and questionnaire was provided to ACIDI VOCA for using AAK's services.
- **AgroExpo 2005 Planning:** The Business Development Unit prepared an expense budget for AgroExpo 2005. It is estimated that 45 additional booths will need to be made at a cost of \$50 per square meter (approximately \$12,500). Total expenses this year are expected to reach \$26,310 and total income is expected to reach \$24,000. Note: Future exposition expenses will be approximately half the cost since the total number of booths needed will have been purchased from the first two years. Additionally, revenue will increase as exhibitor fees and the number of exhibitors will increase in year 3.
- **Tender Payment:** Clara Primova (AAK Member who won the tender for 60 mt of NPK fertilizer in 2003) has finalized all NPK sales and paid off her remaining debt to the Association. A drip irrigation unit was also installed on her demonstration plot (installation was conditional on payment of debt). Mrs. Primova is one of several members who is now conducting private demonstration plots to show new varieties to her farmer customers.
- **Small Project Assistance Grant:** AAK's Peace Corps Volunteer was awarded a grant for a drip irrigation system for the Avilov Greenhouse operation (AAK member). Three thousand two hundred dollars was granted to help purchase the system. Once this system

has been installed, a demonstration plot will be organized for other greenhouse growers to see the benefits first-hand.

- **Greenhouse Conference:** The Assistant Business Development Specialist attended the 9<sup>th</sup> Annual Conference of the Andijan Greenhouse Growers where approximately 1,000 attendees were present. Information was provided on AgroExpo 2005 to attendees and visiting international input companies.

**Revolving Credit Fund:** The newly developed Revolving Credit Fund between KAFC and AAK has been well received among AAK members. Eight members have submitted requests for credit totaling 1,460,000.00 som (\$36,500.00). KAFC has informed the Business Development Unit that the following credit applications were approved: Mr. Tursunov from Aravan for 80,000 som; Mr. Ahmat from Uzgen for 200,000 som; Mr. Abdimannap, from Karasuu region was approved for 300,000 som; Mr. Mirzalim's from Batken for 250,000 som; and finally Mr. Satybaldiev was approved for 250,000 som. Two credit applications totaling 400,000.00 som remain under review.

**AAK Finances—Funds Received April through June 2005 (som)**

No	Type of Revenue	April 2005	May 2005	June 2005	Total in III Quarter
1.	AAK Entrance fee	600.00	200.00	1,100.00	1,900.00
2.	AAK Membership fees	21,000.00	2,200.00	3,000.00	26,200.00
3.	<i>Agribusiness</i> newspaper	3,044.00	2,050.00	40,400.00	45,494.00
4.	Advertisements	400.00		240.00	640.00
5.	Seminar participation fee	5,700.00	-		5,700.00
6.	Booth rental	5,768.00			5,768.00
7.	Brochures sales	82.00		900.00	982.00
8.	AgroExpo 2004 tickets				
9.	Copying service				
10	IFDC Project assistance		7,284.00		7,284.00
11.	T-shirt sales				
12.	AAK logo usage	500.00			500.00
13	Affiliate membership dues			4,100.00	4,100.00
14.	Dividends from deposits	31,553.50			31,553.50
15	Trade mission to China collections	30,675.00	6,120.00		36,795.00
	<b>Total (40 som = \$1)</b>	<b>99,522.50</b>	<b>136,404.00</b>	<b>53,640.00</b>	<b>289,566.50 (\$7,239)</b>

## **Agronomic Services (AS)**

The AS unit is a direct support unit for input dealers and an indirect support unit for AAK's farmer customers. Field demonstrations, publications, and training programs provide knowledge of "best management practices" through Private Sector Extension Services (PSES) and will improve AAK entrepreneurs' understanding of the value-added benefits of information and technology.

**Demonstration Fields**—During May, project staff inspected KAED/AAK demonstration plots in the Osh Oblast. Heavy rains in the first half of the month created some damage and increased potential for disease and pest problems for this year's production. In the Osh, Batken, and Jalalabad oblasts the following seeds were planted

- 22 hybrid corn seeds.
- 4 soybean varieties.
- 2 sunflower varieties.
- 10 potato varieties.
- 10 hybrid cucumber varieties.
- 3 carrot varieties.
- 3 beet varieties.
- 12 watermelon and melon hybrids
- 9 cotton varieties (7 Turkish, 1 Chinese, 1 local).
- 6 cabbage hybrids.
- 21 tomato varieties.
- 5 onion varieties.
- 5 sweet pepper varieties.
- 3 zucchini varieties.

**Recognition of AAK/KAED Demonstration Plots**—Mr. Ten, the head of the State Variety Testing Commission has contacted AAK and informed the project that the results from the KAED demonstration plots will be taken into consideration when analyzing variety performance. Current legislation mandates all new varieties must be tested for two years before legal sales can take place. This approval will allow new varieties to receive legal recognition in a timelier manner

***Ferghana, Uzbekistan Visit***—The Chief Agronomist traveled to Ferghana, Uzbekistan to visit the Uzbekistan Horticultural Institute. The institute has over 600 hectares of orchard saplings and trees including apricot, peach, apple, plum, pomegranate, persimmon, cherry, almond and pistachios. Prior to the political unrest, KAED was considering organizing a study tour to this facility in late July or early August for AAK members to receive training on orchard management and variety selection.

***JICA Cotton Demonstration Program***—The Agronomy Unit and Hiqmet Demiri (from IFDC HQ) conducted a monitoring visit with TES Centre Agronomists to the JICA cotton demonstration field. The cotton plants were under stress due to inadequate water supply, otherwise the fields were in good condition.

***Cotton Seed***—For the first time in over twenty years, cotton varieties from outside the region will be tested and demonstrated in southern Kyrgyzstan. Seven varieties of cotton seed were received from Turkey and have cleared customs and quarantine inspection. In addition, one variety of Chinese cotton seed will be tested on KAED/AAK demonstration plots as well as being tested/demonstrated at the State Variety Testing Commission's plots. The Turkey cotton varieties will also be demonstrated at the OshKrasTex demonstration plots (AAK member's own plot) and the JICA demonstration farm in Mady.

### **Media Support (MS)**

The Media Support Unit is a direct support unit for AAK and an indirect support unit for AAK's member businesses. This unit handles all communication support activities for both the KAED project and AAK on tasks such as public relations, media support, press releases, and newsletter/newspaper development.

The following table highlights project events that have been aired on television or reported in newspapers:

### Media Coverage of AAK Activities—April through June 2005

Spot	TV Company	Date	Note
<b>June 2005</b>			
June Agribusiness	TV Osh 3000	June 1 – 7	TV Spot
	Osh TV	June 1 – 7	TV Spot
CPP	TV Osh 3000	June 1 - 7	Program 1.5 min
	Osh TV	June 1 - 7	TV spot
Jalalabat Demo Day	Jalalabat TV	June 14	News
	Jalalabat newspaper	June 15	Information
Osh Demo Day	TV Osh 3000	June 16	News 1.5 min
	Osh TV	June 18	Program 5 min
	Keremet TV	June 17	Program 4 min
	Newspaper Echo of Osh	June 18	Article
	Newspaper Ush Sadosi	June 18	Article
Batken Demo Day	Keremet TV	June 21	Program 5 min
Uzgen Demo Day (dry land)	Keremet TV	June 25	Program 10 min
	Newspaper Echo of Osh	June 25	Article
	Newspaper Osh Janyrygy	June 25	Article
Karasuu Demo Day	TV Pyramids	June 30	Program 5 min
	Osh TV	June 30	Program 5 min
	Newspaper Osh Janyrygy	June 30	Article
<b>May 2005</b>			
Farm store	Radio Pyramid	May 1 – 11	Program 35 sec
	Osh TV	May 1 - 11	
	TV Osh 3000	May 1 - 11	
May agribusiness	Radio Pyramid	May 1 - 5	Program 50 sec
	TV Osh 3000	May 1 – 5	
	Osh TV	May 1 –5	
June Agribusiness	Radio Pyramid	May 25 – 31	Program 50 sec
<b>April 2005</b>			
Agribusiness newspaper	Radio Pyramid	April 5 - 10	4 times
	Osh TV	April 6 - 10	2 times; 30 sec
Farm store	Radio Pyramids	April 11 – 30	4 times; 35 sec
	Osh TV	April 11 – 30	1 time
	TV Osh 3000	April 11 – 30	1 time
CPP Round Table	Mezon TV, Osh TV, Pyramid	April 15	News
May agribusiness	Radio Pyramid	April 29-30	4 times/day; 50 sec
	TV Osh 3000	April 29-30	1 time
	Osh TV	April 29-30	1 time

**AAK Brochures**—A brochure has been developed outlining the benefits of AAK’s new Affiliate Membership (for international companies). In addition, a PDF flier was also prepared highlighting discount prices for advertising in the *Agribusiness Monthly*.

The AAK web site was updated and can be viewed at [www.aak.kg.org](http://www.aak.kg.org)

***Agribusiness Monthly***—The newspaper’s seventh, eighth and ninth issues were published and distributed to farm stores (where existing) and shops in rural areas for sale.

**Agribusiness Monthly Distribution—April through June 2005**

Month	Subscriptions	Distribution
April	790	1,050
May	832	1,000
June	832	994

**Cooperation and Leveraged Support**

KAED continued to develop, support, and build relationships with other donor programs and international companies operating in the region. Examples of this include:

- KAED and the Sida Seed Support Project continue their collaboration in planning joint activities, seminars, and information sharing.
- The KAED Project is working with the USAID-funded AgFin+ Project and the TES Center in supporting a tomato growing initiative for southern Kyrgyzstan.
- The Project is working with JICA and the TES Centre to support cotton demonstration farms in the Osh and Jalalabat Oblasts.
- The project worked with the Pragma EDP project in providing agricultural policy support and recommendations from AAK advocacy positions.
- The KAED project is working closely with the new Swiss Helvetas Local Market Development Project that is working with vegetable farmers and processors.

## Management and Operations

### Third Quarter Activities:

The third quarter was one of change for the KAED project. In June Scott Wallace transferred back to IFDC headquarters in the United States and was replaced by Ed Beaman as the new Chief of Party. Mr. Wallace spent the first week of June in Kyrgyzstan cross-training the staff and new Chief of Party. Management activities during the quarter included:

- **Joint KAED/BSAID Staff Retreat:** Completed plans for a joint BSAID-KAED staff retreat which will be held outside of Osh during the 4<sup>th</sup> of July weekend. This retreat will focus on cross-training staff and future planning on areas where the two projects can collaborate.
- **AG-Sector Cluster Development:** In April, a meeting was held with Mr. Eugene Ryazanov, Helvetas to discuss the involvement of the private sector for the purchase of inputs in their Local Market Development Project. Mr. Ryazanov invited KAED staff to attend a bimonthly ag-sector cluster development meeting. The new COP participated in this meeting along with representatives from Pragma, TES Center, local farmers, and a local processor. The discussion focused around project collaboration and areas where additional support is needed.
- **Water Users Association:** A meeting was held with Mr. John Baxter, COP and Mr. Erkin Maduramov, Country Director for the Winrock Water Users Associations Support program, to discuss details of a contract between AAK and the WUASP to conduct surveys for them on better management practices and monitoring outcomes. AAK expects to have a signed contract for this activity in the near future.
- **USDA Meeting-Bishkek:** A meeting was held with Jim Higgiston, Regional USDA Officer to discuss the promotion of the AAK AgroExpo as a USDA supported trade show and to discuss Kyrgyz Government requests for humanitarian assistance. In regards to the AgroExpo support, Mr. Higgiston suggested the project contact the State Department as they have a unit that represents US company interests in events such as this.
- **AgroExpo 2005 Rodeo:** The out-going COP met with Eamon Doran, Zachary Shelton, and Mark Hallisey during their visit to Osh in May. An update was provided on the project's current and future activities. Further discussion was held on the AAK AgroExpo (to be held October 20-22). Mr. Hallisey is the contact person for the

Montana – Kyrgyzstan Sister State Program. The State of Montana is interested in hosting a rodeo and Native American visit sometime in the next fiscal year. The Chief of Party proposed to host this in conjunction with AgroExpo 2005. All agreed that this would be a good idea and further discussions are taking place. The new COP presented U.S. Major Dan Hash a letter outlining KAED's vision on the proposed Montana / Osh City / AAK sponsored rodeo in conjunction with the October 20-22 AAK AgroExpo;

- ***Seed Support Project Meeting-Bishkek:*** A meeting was held with Hakim Islamov, Sida Seed Support Country Representative to discuss the planning of an upcoming seminar in the south on wheat breeding (which was cancelled due to violence in neighboring Uzbekistan) as well as preliminary planning for a regional seed congress in conjunction with AgroExpo 2005. In addition, Sida was provided with beet seed for baby beet trials. If these trials are successful, a U.S. trading company is looking to can and export this product to the United States in 2006.
- ***World Bank Meeting-Bishkek:*** Ed Cook, World Bank Senior Agriculture Economist conducted a meeting to discuss their upcoming Agribusiness project. Initially, an AAK Representative was to be on the oversight board for this project. However, the previous Minister of Agriculture replaced this position with another representative at the last minute. Mr. Cook stated that they were strongly opposed to this and would hold funding of this project unless they fulfilled their obligations.
- ***Interim Minister of Agriculture Meeting-Bishkek:*** The COP met with Mr. Anarbayev, the Interim Minister of Agriculture (MAWPRI) for the Kyrgyz Republic. The meeting was conducted in conjunction with Eamon Doran, USAID and Kanybek Baizakov, US Embassy. Project related issues discussed included:
  - **AAK Certification Program** – A request was made to the Minister for a nationwide recognized Crop Applicator and Seller Certification Program that would be administered by AAK. Mr. Anarbayev expressed his interest in supporting this endeavor and suggested that AAK might want to send legislation to the Parliament to have this officially recognized.
  - **Current Tenders** – Major concerns were addressed concerning the large tender requested from Russia by the Kyrgyz Government (140,000 tons fertilizer and 3,750 tons seed) as part of the humanitarian aid request. If this is approved there could be major negative impacts on the private sector market. The Minister supported the

suggestion that an AAK member or executive staff be included on the commission that evaluates what is needed for future government to government assistance programs that involve agriculture products.

- Invitation to AAK General Assembly – The Minister was invited to participate at the AAK General Assembly and address the AAK members on current agricultural issues.
- AgroExpo 2005 – Last year, the AAK AgroExpo was held in conjunction with the Ministry of Agriculture and the offer was again extended for AgroExpo 2005. The Minister was present last year at this event and expressed his strong desire to work with AAK in support of this event.
- ***National Variety Registration Department Meeting-Bishkek:*** A meeting with Mr. Dmetri Ten, Department Head for the State Variety Testing Commission was held. Previously, there had been conflict between Mr. Ten and AAK as he was adamantly opposed to AAK's position paper on seed variety registration. The discussion held during this meeting was extremely productive in mending the barrier created in the past. Both the KAED management and Mr. Ten expressed their interest in working together on modifying the variety registration legislation. A follow-up meeting was held in June where Ed Beaman was introduced as the new COP for the KAED project.
- ***Farmer to Farmer Meetings-Osh:*** KAED management met with two Farmer to Farmer Consultants who were in southern Kyrgyzstan during May working with organizations related to the input sector. Volunteers, Keith Hawxby (working with the TES Center and an AAK Farm Store owner) and David Adams (working with an AAK Greenhouse operator) discussed the input sector in southern Kyrgyzstan and areas where they saw opportunities for improvement. During these discussions, several input products needed in the region were mentioned. The KAED staff will target these companies for AgroExpo 2005.
- ***KAED Impact Surveys:*** The COP submitted the KAED impact surveys for 2004 to USAID. These surveys provide a comprehensive analysis of the impact that KAED has had with AAK members and their farmer customers.
- ***JICA Cotton Project:*** Hiqmet Demiri, IFDC Cotton Specialist returned to Osh on the 27th of April to work with KAED demonstration fields (2 weeks) and the JICA Project (2

weeks). JICA has hired the TES Center to train the Mady Farmer Group with Mr. Demiri working as a consultant to support best practices in cotton production.

- **Staff Planning on AgroExpo:** A two-day staff planning session was held in order to plan for the AAK AgroExpo 2005. A six month plan was developed which defined what activities need to be conducted, project staff were assigned specific responsibilities and deadlines were developed. The project goal is to double the number of exhibitors for 2005 (from 56 to 112 exhibitors).

### **Activities Planned for Third Quarter**

#### **Association Development**

- Continue staff preparation for AgroExpo 2005.
- Continue the regular cycle of board, committee, and village-level meetings.
- Continue to work on and refine the seed policy registration position paper

#### **Business Development**

- Staff preparation for AgroExpo 2005.
- Collect fees for services provided to AAK members.
- Monitor loan repayments under the Credit Guarantee Fund and develop the new Revolving Credit Fund with KAFC.
- Track market prices.

#### **Agronomic Services**

- Staff preparation for AgroExpo 2005.
- Prepare TTCs and organize field days.
- Analyze TTC results and prepare reports on yields and economic analysis
- Provide one-on-one consultation with AAK farm stores.
- Prepare agronomic posters for AAK farm stores.
- Develop articles and brochures related to topical agronomic conditions.

### KAED Activities by Quarter (April – June 2005)

Year Four Work Plan Objectives	Activities in Support of Objectives and Achievements – 15 <sup>th</sup> Quarter
<b>I. Association Development</b>	
KAED Staff Development and training in Association Development.	<ul style="list-style-type: none"> <li>KAED GM, Aziza Yuldsheva took part in a Soros Foundation training seminar on Public Policy development.</li> <li>All staff took part in an Association Success Planning seminar conducted by the COP.</li> </ul>
Annual elections for Board of Directors and each General Assembly will reflect active participation by the membership base involved in the governance and the daily activities of AAK.	<ul style="list-style-type: none"> <li>Oblast level AAK board of director elections were organized and will be conducted in August.</li> </ul>
Identify sources of dues and non-dues revenue and match to expenses of core programs.	<ul style="list-style-type: none"> <li>Added a “Sponsorship” category to the AgroExpo contract information. Sponsors are encouraged to contribute in exchange for additional advertising.</li> </ul>
Increase membership base and ensure membership dues are collected.	<ul style="list-style-type: none"> <li>16 new members joined AAK during this quarter. All paid the initial fee. All members must pay full dues prior to or at the General Assembly, or they will not be allowed to attend.</li> </ul>
Revenue generation will equal \$5,000 in years one and two.	<ul style="list-style-type: none"> <li>AAK fees and dues received for the quarter = \$5,910.00 @ 49 som=1 USD</li> </ul>
A round table or other advocacy forum will be delivered on a national basis.	<ul style="list-style-type: none"> <li>A seed variety registration round table will be held in September or October after the elections are completed and the new government is in place.</li> </ul>
AAK will have accumulated a minimum of \$50,000.00 in financial reserves by the end of the program extension on September 30, 2006	<ul style="list-style-type: none"> <li>Reserves at the end of Quarter 3, 2005 = \$57,110.00</li> </ul>
A position paper recommending improved policies will be prepared during the year.	<ul style="list-style-type: none"> <li>A position paper has been prepared on Seed variety registration and will be submitted to parliament at the appropriate time.</li> </ul>
<b>II. Business Development</b>	
Stimulate new investments by AAK members.	<ul style="list-style-type: none"> <li>AAK member developed a new relationship with a CPP supplier (Tagros-India)</li> </ul>
Monitor market availability and prices.	<ul style="list-style-type: none"> <li>Information provided on a monthly basis on price and market information in the <i>Agribusiness Monthly</i> Newspaper.</li> </ul>
Increase the use of complex fertilizers measured in tons (NPK,MAP, DAP) by 40% over the life of the project. Base line 2003 survey = 16 tons. Target goal=22.4 tons	<ul style="list-style-type: none"> <li>Tons used by the end of 2004 = 29.6</li> </ul>
Increase the legal sales of fertilizer products 40% over the life of the project measured in tons. (Baseline based on 2003 survey = 11,575 tons)	<ul style="list-style-type: none"> <li>Legal fertilizer sales by AAK members in southern Kyrgyzstan increased from 11,575 tons in 2003 to 62,383 tons as of the end of 3<sup>rd</sup> Quarter '05. Just 3<sup>rd</sup> Quarter sales = 12,287 tons</li> </ul>
Increase legal sales of CPP's and seeds 40% over the life of the project as measured in dollars.	<ul style="list-style-type: none"> <li>Legal sales for CCP's and seed for the 3<sup>rd</sup> Quarter= \$5,741.00.</li> </ul>
Assist clients in making credit applications. Project goal=\$30,000.00 per year in credit to members.	<ul style="list-style-type: none"> <li>\$14,146.00 worth of loans were provided during the quarter</li> </ul>
Sales turnover will reach an aggregate of \$21,000.00 from the retail stores over the life of the project.	<ul style="list-style-type: none"> <li>Survey will be conducted in November-December of each year.</li> </ul>
Start a minimum of 21 new retail stores over the life of the project.	<ul style="list-style-type: none"> <li>Farm stores project to date= 10;</li> <li>During the 3<sup>rd</sup> Quarter 1 new store was opened.</li> </ul>
Contact international suppliers about setting up distributors.	<ul style="list-style-type: none"> <li>Attended the AgroTek Expo in Almaty, Kazakhstan to distribute affiliate member brochures and facilitate business arrangements with AAK members.</li> </ul>
Develop sub-sector trade missions	<ul style="list-style-type: none"> <li>Trade missions for CIMMYT-Kazakhstan, China, and Uzbekistan have been arranged.</li> </ul>
<b>III. Agronomic Services</b>	
Selection of locations for at least three spring planted TTCs.	<ul style="list-style-type: none"> <li>Developed 6 crop demonstration TTC's and one drip irrigation TTC;</li> <li>In the process of conducting demonstrations for the public in each Center.</li> </ul>
1,000 attendees annually will participate in field days and PSES seminars.	<ul style="list-style-type: none"> <li>To date, 592 men and 135 women have attended the project's TTC field days;</li> <li>Conducted cereal crop demonstration in Osh oblast with 111 people in attendance. (97 men and 14 women)</li> </ul>
2,000 copies of technical publications, will be produced annually, some in collaboration of other donors..	<ul style="list-style-type: none"> <li>Distributed 710 copies of the various publications in print.</li> </ul>
Design new publications as needed.	<ul style="list-style-type: none"> <li>Developed hand-out brochures for the demo days on the subjects of: variety names available on the market, fertilizer application rates, and crop management practices.</li> </ul>

**Appendix**

**Report**

**on**

**Cost Sharing and Leverages of KAED -Kyrgyzstan**

**Inception through June 2005**

**Report Prepared By:**

**IFDC/Kyrgyz Agro-Input Enterprise Development Project**

**Funded by**

**USAID Agreement No.: 116 -G -00-01-00034-00**

Note: The background information on computation of cost sharing has been included in prior quarterly and year-end reports. Henceforth, only the summary table will be included. Please contact the IFDC KAED project if there is any need to have this documentation. Cost share requirement totals \$684,000 by September 30, 2006.

**Cost Sharing Table Value of Cost Sharing in US \$ 2002**

No.	Activity 2002	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/member visits	2,086	1,372	854	1,168	2,790	1,228	1,092	10,407	5,010	1,381	272	1,212
2	Field days/advisory meetings					111	575	430	270	81	220	100	
3	Trade missions/study tours			400			900						
4	Seminar attendance/business counseling					100	380		400		329	6,272	270
5	Tenders, Trade Credit or Consignment												10,086
6	Media coverage		135		235		400		200		870	195	110
7	Credit obtained										2,174	2,118	3,260
8	Internships	750	1,500	1,500	1,500	1,500	750			7,000*	7,000	7,000	7,000
9	Grant obtained												
10	Domestic investment by entrepreneurs							235	251	1,804			467
11	Membership registration dues and fees for services			10	56	91	39	54	60	0	585	196	192
	<b>Total US \$</b>	<b>2,836</b>	<b>3,007</b>	<b>2,764</b>	<b>2,959</b>	<b>4,592</b>	<b>5,022</b>	<b>1,811</b>	<b>11,588</b>	<b>13,895</b>	<b>12,559</b>	<b>16,153</b>	<b>22,597</b>
	<b>Grand Total US \$</b>	<b>2,836</b>	<b>5,843</b>	<b>8,607</b>	<b>11,566</b>	<b>16,158</b>	<b>20,430</b>	<b>22,241</b>	<b>33,829</b>	<b>47,724</b>	<b>60,283</b>	<b>76,436</b>	<b>99,033</b>

\*Intern funded by Government of Netherlands, Mr. Dilshod Abdulhamidov.

**Cost Sharing Table Value of Cost Sharing in US \$ 2003**

No.	Activity 2003	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/ member visits	3,359	1,500	96	1,449	2,487	115	320	5,961	885	1,602	507	594
2	Field days/advisory meetings					412	376	820		100		138	
3	Trade missions/study tours	18		1,006	2,520	8,000	6,050		36,000				
4	Seminar attendance/ business counseling			2,636			1,836	178	432	672		3147	515
5	Tenders, Trade Credit or Consignment												
6	Media coverage	250	1,250	1,070	3,750	1,517	433	1190	135	950			
7	Credit obtained	6,000	8,000	14,000									
8	Internships	7,000*	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
9	Grant obtained						4,000*						
10	Domestic investment by entrepreneurs											100	
11	Membership registration dues and fees for services	611	584	160	182	645	353	424	709	76	175	197	44
	<b>Total US \$</b>	<b>17,238</b>	<b>18,334</b>	<b>25,968</b>	<b>14,901</b>	<b>20,061</b>	<b>20,163</b>	<b>10,252</b>	<b>50,237</b>	<b>9,683</b>	<b>8,777</b>	<b>11,089</b>	<b>8,153</b>
	<b>Grand Total US \$</b>	<b>116,271</b>	<b>134,605</b>	<b>160,573</b>	<b>175,474</b>	<b>195,535</b>	<b>215,698</b>	<b>221,950</b>	<b>272,187</b>	<b>281,870</b>	<b>290,647</b>	<b>301,736</b>	<b>313,889</b>

\*TEMPUS grant.

**Cost Sharing Table Value of Cost Sharing in US \$ 2004**

No.	Activity 2004	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/member visits	3,505	2,559	1,175	319	1,689	1,299	1,966	8,764	4,975	844	540	2,790
2	Field days/advisory meetings			235		63	725	594	408	136			
3	Trade missions/study tours			2,700			70	900	900	1,000			
4	Seminar attendance/business counseling			14	7,344		672	189					23,400
5	Tenders, Trade Credit or Consignment												
6	Media coverage	730	180	45	390	845	345	240	370			1,794	475
7	Credit obtained			12,940		1,200	11,820		2,365	1,182			
8	Internships	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,375*	7,375*	8,875**
9	Grant obtained						4,000					9,050	6,200
10	Domestic investment by entrepreneurs												
11	Membership registration dues and fees for services	694	717	554	223	212	350	902	34	1,000	1,127	6,683	3,319
	<b>Total US \$</b>	<b>11,929</b>	<b>10,456</b>	<b>24,663</b>	<b>15,276</b>	<b>11,009</b>	<b>26,281</b>	<b>11,791</b>	<b>19,841</b>	<b>15,293</b>	<b>9,346</b>	<b>25,442</b>	<b>45,509</b>
	<b>Grand Total US \$</b>	<b>321,818</b>	<b>332,274</b>	<b>356,937</b>	<b>371,673</b>	<b>382,682</b>	<b>408,963</b>	<b>420,754</b>	<b>440,595</b>	<b>455,888</b>	<b>465,234</b>	<b>490,677</b>	<b>535,736</b>

\* = The media and public relations department has a U.S. Peace Corps Volunteer working on newspaper development on a part time basis (25% x \$1,500/month).

\*\* = AAK has a full-time Peace Corps Volunteer working as a Small Enterprise Development officer (100% x \$1,500/month).

**Cost Sharing Table Value of Cost Sharing in US \$ 2005**

No.	Activity 2005	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/member visits	1,146	1,084	687	1255	1762	1,380						
2	Field days/advisory meetings						2,562						
3	Trade missions/study tours				900								
4	Seminar attendance/business counseling	327	579	2,812			164						
5	Tenders, Trade Credit or Consignment												
6	Media coverage		560	1,145	708	364	985						
7	Credit obtained												
8	Internships	8,875	8,875	5,375*	6,360*	5,720*	3,800*						
9	Grant obtained												
10	Domestic investment by entrepreneurs												
11	Membership registration dues and fees for services	523	818	1,300	774	109	1201						
	<b>Total US \$</b>	<b>10,871</b>	<b>11,916</b>	<b>11,319</b>	<b>9,997</b>	<b>7,955</b>	<b>10,092</b>						
	<b>Grand Total US \$</b>	<b>546,607</b>	<b>558,523</b>	<b>569,842</b>	<b>579,839</b>	<b>587,794</b>	<b>597,886</b>						

\*= The Intern funded by the Government of the Netherlands (Mr. Dilshod Abdulhamidov) spent several days working with the IFDC BSAID Project in Tajikistan during these months. The cost share amount reflects a deduction from the base rate of \$7,000.00 per month according the number of days he worked there during any given month.