

**Kyrgyz Agro-Input Enterprise Development Project**

**Seventeenth Quarterly Report**

**October 1 – December 31, 2005**

**Prepared for**

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**by**



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## Acronym List

AAK	Association of Agribusinessmen of Kyrgyzstan
AAT	Agribusiness Association of Tajikistan
ADB	Asian Development Bank
AED	Academy for Educational Development
BSAIDD	Batken-Sughd Agro-Input Dairy Development
COP	Chief of Party
CPP	Crop Protection Products—includes both chemical and biological
GTZ	German Agency for Technical Cooperation
IFDC	An International Center for Soil Fertility and Agricultural Development
JICA	Japan International Cooperation Agency
KAED	Kyrgyz Agro-Input Enterprise Development Project
KAFC	Kyrgyzstan Agricultural Finance Corporation
OSCE	Organization for Security and Co-operation in Europe
PSES	Private Sector Extension Services
RI	Results Indicator
STC	Short-Term Consultant
TES	Training and Extension System
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

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

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**October 1 – December 31, 2005**

### **Introduction**

For consistency and ease of understanding, the 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.
- Agronomic services.

Periodic reports to the USAID project manager contain more extensive and detailed information on the Kyrgyz Agro-Input Enterprise Development Project (KAED) activities and progress.

### **Program Achievements**

Almost all of the proposed results indicators (RIs) for the project are encompassed by the four program components with association development serving as the core of the entire project. The 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 17<sup>th</sup> quarter, the project staff was very active in each of the strategic objective areas in the work plan. Some of the more significant activities are highlighted in this report in

the discussions for each of the program areas. The annexes to the report contain specific actions directly related to the strategic objectives of the project.

### **Association Unit**

The executive management, and board and staff of the Association of Agribusinessmen of Kyrgyzstan (AAK) were involved in several significant achievements.

A Memorandum of Understanding and Collaboration was signed between the association and the Committee for Agro-Industrial Complex and Ecology under the Jogorku Kenesh (Parliament). In reality, this is one of the first public demonstrations on the part of the national government to recognize the significant contribution AAK has made and continues to make in the area of agricultural policy reform. The agreement calls upon the agricultural committee of the Parliament to seek guidance from AAK for all proposed changes to current agricultural related laws. This agreement was made possible due to consistent promotion by the project staff, and the hard work of the AAK staff and board. Further, the success can be attributed to the engagement of not only AAK members but also a larger coalition of 10 additional associations and business groups. Finally members and government officials are accepting the fact that changing agriculture for the better is not strictly about improved agronomy and markets. Policy reform must also be accomplished for agricultural reform to reach its full potential.

The Second Annual Silk Road Agro Exposition was held in November. Over 2,000 people attended the event held this year in Osh. The association conducted 9 training seminars over the 2 day show serving over 270 seminar participants.

An open forum “Town Hall” style meeting to discuss agricultural issues was conducted with 3 members of Parliament, the Chairman and the Executive Director of AAK, and over 350 citizen participants during the Second Annual Silk Road Agro Expo held in November. During the Expo, AAK laid out its policy objectives for 2006 to the members of Parliament. The event further gave support to the efforts to bring about open public discussions between the elected officials and the public. During the forum, there was “open mic” time where anyone in

the audience could ask questions of the Parliamentarians on any subject. The open discussions and exchanges were interesting and beneficial.

In an effort to make sure that KAED policy messages are being communicated well to all levels of government and the association members, the first annual AAK Advocacy Policy Position booklet was prepared and distributed to all members of Parliament dealing in the agriculture sector, and to all attendees of the 2005 AgroExpo. This booklet's contents are the product of numerous regional membership meetings, as well as debate among the members of the AAK Board of Directors. It highlights the key areas of policy reform that the membership of the association decided to be addressed during the upcoming year. This booklet will serve both as notice and a guide to lawmakers. The notice is that AAK is serious about policy reform and cannot be ignored. The booklet will also serve as a guide to the AAK members so that they understand issues affecting the agricultural sector and can speak to them intelligently.

One of many highlights of the Expo this year was the award presentation of five full ride one year scholarships to agriculture students from Bishkek, Osh, and Jalalabat universities and colleges. One student was awarded a scholarship to attend the American Farm School in Greece. These scholarships were funded by private contributions by individuals whose interests are to demonstrate to members of the industry the value in education, and the need for those interested in seeing the industry thrive to make financial contributions to young people who have a desire to learn more about modern agricultural techniques.

A post-Expo business activity survey of exhibitors was conducted by the Business Development Unit. From the survey it was learned that more than 30 exhibitors from 14 countries from around the world conducted over \$4,000 in on-the-floor sales business, signed 5 contracts with attendees worth in excess of \$194,000, and are negotiating an additional 28 contracts reported to be worth an additional \$300,000.

It is evident that exhibitors recognized the business potential offered by the Expo. However, revenues from entry fees and exhibit booth pricing are still not sufficient to make this event a profit center for the association in the future. A significant effort will be needed in the

coming months to highlight the value of the business activity and the knowledge gained from the seminars so that next year's pricing can result in a profit for AAK.

As additional evidence of the significant impact KAED and AAK are having on agriculture throughout the nation, the project association development specialists and the COP were selected to serve on two of several Asian Development Bank (ADB) committees that are assigned the task of assisting the government to write a strategic plan for agriculture in Kyrgyzstan. The outcomes of the meetings will be presented in January or February of 2006. These meetings are significant, and participation of the project staff has raised questions in both the private and public sectors as to why KAED and AAK are not more actively working in the northern part of the country. The Association Development Unit report on strategic objectives of the work plan is given in Annex 1.

### **Agronomy Unit**

The Agronomy Unit staff has devoted considerable effort to completing end-of-year yield reports from the various Technology Transfer Center (TTC) sites around the region. These reports are now complete and are being finalized for publication. The preliminary results indicate that by using high quality seeds, fertilizers, crop protection products (CPPs) and sound agronomic advice, farmers can dramatically increase both crop yield and incomes.

In addition to the reports, the unit specialists have selected the winter wheat TTC sites. These sites will be monitored throughout the growing and harvesting season. On a related note, the agronomists have selected two sites in the north of the country for TTCs in 2006. In addition, an agreement has been completed with an AAK member to manage a private TTC in 2006 on a fee-based contract.

Throughout the quarter over 120 field results booklets were published and distributed to AAK members and other interested parties. These booklets are proving to be a valuable resource guide for the AAK members as they continue to promote new products that are more expensive, but also more effective. The primary decision making factor for many farmers remains price.

Booklets such as these, published yield results and additional ongoing communication to farmers will be required to overcome price objections.

In an effort to gain financial independence from the project, the Agronomy Unit continues to sell its services for a fee. Not only in the area of TTC management, but also to other projects and organizations. A good example of this is the agreement AAK has with the Japan International Cooperation Agency (JICA) and TES-Centre. The unit is charged to offer agronomic advice as well as monitor several cotton field demonstration sites around the region and to write performance reports. The first year was recently completed. The Agronomy Unit staff and KAED project management met with JICA and TES-Centre in Bishkek during the quarter to present the year-end results and finalize payment details for the services rendered.

As further evidence of the widening acceptance of the KAED project and the AAK, several organizations co-hosted the second annual Regional Seed Conference in Osh during November in conjunction with the Silk Road AgroExpo. The private and public sectors have been brought together in an effort to agree on ways that seed trade can be harmonized between the countries of the region. Due to the current political situation in Uzbekistan, that country was not represented this year.

The most significant outcome of the conference was an agreement by all parties to move forward with the formation of a national seed association in both Kazakhstan and Tajikistan, followed up with the formation of a regional seed trade association. KAED management made presentations to the group on the importance and significance of taking this kind of action.

Finally, the Agronomy Unit assisted the project management, including IFDC Headquarters' staff in preparing for and conducting the first annual Spring Planning Outlook Conference. The purpose is to get input from all interested parties in an effort to ascertain seed, fertilizer, and CPP needs for the upcoming spring planting season. This was a very successful effort with participants from associations, private businesses, AAK, and the public sector engaged in fruitful discussions. Annex 2 contains the Agronomy Unit report on strategic objectives of the work plan.

## **Business Development Unit**

At the end of the quarter, the Business Development Unit had provided all of the credit that was available to AAK members for the establishment of Farm Stores. Assistance has been given to AAK members by providing start-up credit for the establishment of 14 farm stores throughout the south of the country. Two of these stores were opened during this reporting period. All loans are current as of this report, and the management is busy putting loan instruments together for 2006. A nationwide survey of AAK members is being made to determine the type of credit needed and approximate amounts.

One of the nagging problems is the lack of understandable and enforceable contracts between suppliers, distributors, and farmers. Under the guidance of KAED project management, the Business Unit brought together TES-Centre, AgriKredit, and AAK members to work out the terms and conditions of a standardized grower/supplier contract. This contract will become the basis for all agreements between growers and AAK members in the future. The contract further calls for resolution of disputes to be managed by an arbitration panel made up of participants from each of the sectors involved in the contract. This is a milestone accomplishment in an environment of distrust and dispute.

The Business Development Unit is directly responsible for helping find new sources of products for AAK members, and significant progress has been made.

Not including Russian companies, the Business Development Unit work has resulted in the formation of official representations with 10 European companies selling CPPs and seeds. In addition, there are four companies from Europe using AAK dealers to sell their products, but they do not have a formal agreement. Finally, the Business Development Unit is in contact with and working on agreements with six additional international companies, including two from the United States.

As a result, farmers in Kyrgyzstan and other countries in the region have been introduced to the high-quality products available on the global market. More work remains to further convince these international companies that Kyrgyzstan is a growing market and has stable

policies and regulations in place. The Business Development Unit's report on strategic objectives of the work plan is given in Annex 3.

### **Media Unit**

The Media Unit provides each of the other units of the project team with media and public relations support. A complete report of its activities is found in Annex 4.

In a recent survey of AAK members, there was overwhelming support for the continuation of the Agribusiness Today newspaper. Nearly 6,000 copies of the newspaper were distributed to farmers, NGOs, government officials, and AAK members over the quarter.

There is some doubt as to whether enough advertising revenue can be generated to offset the cost of production and delivery. In the future, AAK members may be adequately served by returning to just a monthly or bi-monthly newsletter. This option is currently being considered by the AAK board of directors.

### **Conclusions**

Each of the units was actively engaged throughout the quarter in promoting the value of AAK membership. Also the requirements of the KAED work plan have been either met or exceeded.

Additionally during this quarter the KAED COP assumed responsibility of the Batken and Sugd Agro-Input Dairy Development (BSAIDD) project in Batken and Khujand, Tajikistan. This will provide the opportunity for significant linkages between the managers and staff of the two projects.

On a related note, the agribusiness community in Batken and Sugd voted to form the Agribusiness Association of Tajikistan (AAT) during this quarter. This action will provide an excellent opportunity for additional cross-border trade and training to take place between members of the AAK and the newly formed AAT.

Work is underway and will continue in the future on how to extend the positive benefit from KAED's activities in the south of Kyrgyzstan to the north.

Tables 1, 2, 3, and 4 in Annex 5 provide details of the value of cost sharing for the project for years 2002-2005.

**Annex 1: Association Development Unit Report on Strategic Objectives  
of the Work Plan**

Objective	Activities	Notes	Details	Planned Activities
<b>Elections and General Assembly</b>				
	Support nomination process for candidates – conduct elections	Oblast level elections to Board proportionate to membership		
	Fourth General Assembly			
	KAED staff development and training in association development		Executive Director and Association Development specialists took part in the workshop “Alternative ways of solving economical quarrels in Kyrgyzstan ” seminar, organized by OSCE and International Court of Arbitration	
<b>AAK Strategic Plan</b>				
	Strategic Planning Retreat – Board of Directors	Completed in August of 2005.		
	Strategic Planning Review – Board of Directors			
	Communication of strategic plan to AAK members	This will be done at regional and village level meetings	<ol style="list-style-type: none"> <li>1. During the regional meetings held on October 7, 12, and 14 in Batken, Jalalabat and Osh Oblasts, information about the strategic plan developed by the Board of Directors was provided.</li> <li>2. Strategic plan position was published in “Agrobusiness” newspaper, #12</li> </ol>	
<b>AAK Business Plan</b>				
	IFDC work with board and staff to train and develop	Update budgeted revenues and expenses with a 5-year projection		
	Board review and modify, then adopt			
	Annual revenue generation will equal annual expenditures by end of project	Identify sources of dues and non-dues revenue and match to expenses of core programs		

Objective	Activities	Notes	Details	Planned Activities
<b>Dues Paying Membership</b>				
	All staff active in contacting individual members		Starting on December 5 , individual meetings with AAK members were conducted by staff in order to: <ol style="list-style-type: none"> <li>1. Complete the annual survey among AAK members.</li> <li>2. Distribute “Agribusiness” newspaper</li> <li>3. Provide information on the outcomes of AgroExpo-‘05</li> </ol>	
	KAED Credit Specialist is acting CFO for AAK – report actual paid members		<ol style="list-style-type: none"> <li>1. Members who paid dues through the end of 2005 stood at 107: <ul style="list-style-type: none"> <li>Osh Oblast-65</li> <li>Jalalabat Oblast-19</li> <li>Batken Oblast-17</li> <li>Bishkek-6</li> </ul> </li> <li>2. New members, who have 3 months grace period = 6 people</li> <li>3. 1 affiliated member</li> <li>4. Members that have made a partial payment in 2005 = 37 people: <ol style="list-style-type: none"> <li>1. 1 month-1 member</li> <li>2. 2 months-16 members</li> <li>3. 3 months-2 members</li> <li>4. 4 months-4 members</li> <li>5. 5 months-2 members</li> <li>6. 6 months-10 members</li> <li>7. 8 months-2 persons</li> </ol> </li> </ol>	
	AAK Vice-President will act as Membership Chairperson – KAED will work with this person to grow the base	Provide a monthly report to the AAK Vice-Chairman on membership status	Report given each month on membership status to the AAK Vice-Chairman and AAK Chairman.	

Objective	Activities	Notes	Details	Planned Activities
Revenue Generation				
	Dues		\$70.50 (Note: Most revenue from dues is received during the General Assembly quarter)	
	Fee for service		<ol style="list-style-type: none"> <li>1. Fee for Booths-\$6,300</li> <li>2. Revenue from AgroExpo tickets-\$149</li> <li>3. Advertising allocation in "Agrobusiness" newspaper-\$381</li> <li>4. Distribution of newspaper-\$55</li> <li>5. Xerox service-\$5</li> </ol> <p>Total -\$6890</p> <p>Rate of exchange: \$1=41.10 som</p>	
	Cost sharing and participation fees			
	Association and business development consulting services			
	Other revenue		<ol style="list-style-type: none"> <li>1. Deposit interests-\$976</li> <li>2. Sponsor assistance for AgroExpo holding-\$1282</li> <li>3. Rent of tables and chairs-\$76</li> </ol> <p>Total: \$2334</p> <p>Total amount of money in the AAK Success Plan accounts stands at: \$74,094.60</p> <p>Rate of exchange: \$1=41.10 som</p>	

Objective	Activities	Notes	Details	Planned Activities
Advocacy and Lobbying				
	Round Table or other forum in the south		<p>During the AgroExpo 10-12 November a meeting between deputies of Jogorku Kenesh (Parliament) and representatives of agro sector was held. Approximately 350 people (35% female) participated this meeting. The program agenda follows:</p> <ol style="list-style-type: none"> <li>1. Presentation of AAK “Jer Azygy” advocacy positions on following: <ol style="list-style-type: none"> <li>a. Need for the continued elimination of the value-added tax (VAT) on the agro-input products: seeds of agricultural crops, fertilizers and CPPs.</li> <li>b. Land-renting by seed farms of agricultural Land Redistribution Fund.</li> <li>c. Improving the registration system for new seed varieties.</li> </ol> </li> <li>2. Open forum question and answer town hall style meeting.</li> <li>3. Signing of Memorandum of Understanding and Collaboration between the Committee for Agro-Industrial Complex and Ecology under the Jogorku Kenesh of the Kyrgyz Republic and the Association of Agribusinessmen of Kyrgyzstan “Jer Azygy”</li> </ol> <p>Following deputies attended the meeting:</p> <ol style="list-style-type: none"> <li>1. Esenamanov Zamirbek Sadybakasovich, chairman of economic branch development, business undertakings and natural resources use Committee.</li> <li>2. Jeenbekov Sooronbai Sharipovich, chairman of agro industrial complex and ecology committee</li> <li>3. Maripov Asamidin, vice chairman of social policy committee</li> </ol> <p>The AAK advocacy position booklet was presented at the meeting for general distribution as well.</p>	

Objective	Activities	Notes	Details	Planned Activities
	Round Table or other forum – national		<p>The second annual International Seed Conference was held on November 11-12 in conjunction with the AAK Expo. This conference was hosted by KAED &amp; SIDA, with funding from the Academy for Educational Development (AED).</p> <p>Representatives from the agricultural Ministries and the private sector of Kyrgyzstan, Tajikistan and Kazakhstan attended the conference. 35 people (33 male, 2 female) attended the conference.</p> <p>The agenda follows:</p> <p><b>November 11</b></p> <ol style="list-style-type: none"> <li>1. Review of 2004 Conference Outcomes</li> <li>2. Free movement of seed and harmonization of the National laws of Central Asia.</li> <li>3. Why are we duplicating our efforts?</li> <li>4. Plant Breeders rights</li> <li>5. Need for registration and certification</li> <li>6. Plant quality (PQ) discussions</li> <li>7. Need to “Catalogue” varieties</li> <li>8. WTO analysis on seed registrations and laws</li> <li>9. Why form a Regional Seed Association?</li> <li>10. Lunch &amp; Visit Expo booths</li> <li>11. Do you see the need for Change?</li> <li>12. Open discussions</li> <li>13. Plan for Day II &amp; Questions &amp; Answers</li> </ol> <p><b>November 12</b></p> <ol style="list-style-type: none"> <li>1. Development of Regional Seed Association</li> <li>2. Strategic Action Plan. IE; “What will be done”</li> <li>3. Working Groups assignments to discover the following: Who will do the work? When will the work be done? How will the work be done? At what cost?</li> </ol>	

Objective	Activities	Notes	Details	Planned Activities
	Position papers on policy issues		The booklet of AAK "Jer Azygy" on positions on the protection and interests of the agro-sector was completed and includes the following: 1. Agro-sector taxation 2. Improving of the registration system for new seed varieties 3. Development of seed-farming 4. Training and certifying specialists	
	Update policy matrix to track advocacy issues			Policy matrix will be updated by final consideration of the question of advocacy program for 2006 at Board of Directors session, 22 of December 2005.
Financial Progress				
	Asset base growth initial evaluation			
	Projected core operations and program costs (annual post donor)			
	Revenues as a % of costs – initial evaluation			

## **Additional Activities in Support of the Project Goals**

### 1. Meetings:

- A. With Osh State University students of agro economics faculty (October 3)
- B. With Osh Agricultural College (October 4)
- C. With Jalalabat State University students of agro biological department (October 6)

### On following questions:

- (a) AAK, Chan Sieben's fund activity
- (b) AgroExpo 2005

The following students were selected to receive annual scholarships as a result of the competitive test carried out by committee members:

- 1. Ashyrmatov Symbatbek Akbaralievich- Jalalabat State University
- 2. Mirzaeva Dildora Ilhamjanovna – Osh Agricultural College
- 3. Artyuh Anastacia Petrovna - Osh State University
- 4. Chernyshov Anatolyi Gennad'evich – Kyrgyz Agrarian University
- 5. Kalmanbetov Edil Altynbekovich – Kyrgyz Agrarian University

- 1. Prepared contracts: 1. AgroExpo, 2. AgroExpo visitors' transportation, 3. Booth set up, 4. Rental of property.
- 2. Presentation about KAED and AAK activity at a meeting between USAID projects and representatives of Osh Oblast authorities, October 27, 2005.
- 3. AgroExpo 2005.

## **The Program of AgroExpo**

### **November 10, 2005**

- 10:00 Official opening Ceremonies
- 13:30 Seminar on: Agricultural cooperatives- "They Are Not What They Were Before!"
- 14:45 (1) Seminar on: Credit for Small and Medium Enterprises
- (2) Seminar on: Designing and Quality Production of Wool Handicrafts
- 17:00 Exhibition closed

### **Friday, November 11, 2005**

- 10:00 Exhibition opens
- 11:00 (1) Seminar on: Leadership During These Times of Opportunity
- (2) Seminar on: Veterinary Products and Services
- 13:30 (1) Seminar on: Youth in Agriculture Round Table
- (2) Seminar on: Value of High Quality Inputs and Farm Store Services

14:45 (1) Seminar on: Crop Protection Products Uses and Safety  
(2) Seminar on: Wool Cleaning & Sorting

17:00 Exhibition closed

19:00 Banquet for the participants of the AgroExpo

**Saturday, November 12, 2005**

10:00 Exhibition open. Lottery drawing.

11:00 Round Table with the Deputies of the Jogorku Kenesh of the Kyrgyz Republic

15:00 Exhibition closed

- The Association development specialists participated on a committee (November 23-24) concerning the development of priorities for agricultural policy of Kyrgyzstan, conducted by the ADB project.

## Annex 2: Agronomy Unit Report on Strategic Objectives of the Work Plan

Objective	Activities	Notes	Details	Planned Activities
<b>Yield Improvement</b>				
	Selection of locations for at least 3 fall planted TTCs	Use AAK seed company locations where possible	Fields were selected for TTC setups for winter wheat. A total of 4 fields for winter wheat sowing were selected, 3 of them are AAK members' fields: The fields are located in: Batken Oblast-Kadamjai region, Umid seed farm; Jalalabat Oblast-Suzak region, Yunusov seed farm; Osh Oblast-Karasuu region, farmer; Uzgen region, Kokkozov dry plot	Monitor the progress of the wheat fields and report accordingly.
	Selection of locations for at least 3 spring planted TTCs	Use AAK seed company locations where possible		
		Selection of at least 2 fields for TTC in the North of the republic in 2006.	In an effort to involve more AAK members in the north of Kyrgyzstan, two TTCs will be organized in that region for 2006. The AAK northern members have given approval to this and are in the process of field selection.	
	Plant locations		Four TTC have been planted with Winter Wheat.	
	Harvest locations		Cotton harvest of TTC in Osh and Jalalabat Oblasts has been finished.	
	Process and distribute comparative information		Reports on results of crop growth at TTC are completed and being translated. Crops are – tomato, onion, carrot, cabbage, paprika, egg plant, cucumber, watermelon, corn and cotton.	The reports will be distributed among companies and also booklets based on report will be distributed after COP approval.
	Compare farmer results with and without inputs		Comparative results of tomato, watermelon, cucumber, corn, wheat, cotton and potato are prepared.	Reports will be published in January 2006.
	Track yield reports from Ministry of Agriculture		Data on crop yield and area for 9 months of the current year have been received from statistical department of the Republic, and will be reported to members.	
<b>Economic Return Improvement</b>				
	Track all input costs for TTC		For TTC all seeds of winter wheat were received at no charge. From KAED, mineral fertilizer (NPK) was used.	

Objective	Activities	Notes	Details	Planned Activities
	Track of release price from farms.			
	Generate and distribute economic return information by each crop/variety		Reports on economic return of crops, hybrids and varieties are completed.	Reports on TTC results and preparation of booklets for general distribution.
	Economic comparison from on-farm results of users and non-users of improved inputs		The reports on crop yields in TTC contain analysis of cost and income generated using best management practices and traditional practice.	Publish the reports in early January 2006.
	Generate comparison with general farm results	Basis Reports and/or Government Statistics	Basic reports contain comparisons of traditional and best management practices.	The reports will be completed after official statistics are determined in January 2006.
<b>New Varieties and Crops</b>				
	Obtain wheat and maize varieties from CIMMYT			
	Seeds from local suppliers and bazaar or saved by farmers		30 kg of four varieties of winter wheat seeds received from AAK members - one wheat variety came from a non-AAK member and one variety from the bazaar - six varieties in total were obtained.	
	Seeds from potential international suppliers		One wheat variety from Sida project was demonstrated.	
			The demonstration by best management practice protocol was completed in collaboration with the following companies: "Seeds Technologies" (Israel), "Kazphosphat" (Kazakhstan), and POSINK" (Russia)	After COP approval, will be transmitted for partners agreement
	Seeds from other donor projects		In the framework of "AgroExpo" negotiations with "Seeds Technologies" (Israel), "Rosink" Ltd. (Russia), concerning CPPs; and mineral fertilizers "Kazphosphat" (Kazakhstan) were carried out. The theme of negotiation was organization of demonstration fields for tomato sowing in the spring of '06. Seeds of four tomato varieties for 2 ha, All inputs are provided on a free trial basis. AAK will oversee the testing.	

Objective	Activities	Notes	Details	Planned Activities
	Share seed with state seed testing farms		Seven new cotton varieties from Nazili Institute (Turkey) have been tested in State Variety Testing plots.  According to the results of a 2-year test, three potato varieties of German company "Europlant" will be included in the Public Register.	Test results will be given by state testing committee in January 2006.
	Track Registration of new varieties	Responsibility of commercial companies	.	
<b>Field Day and Seminar Attendance</b>				
	Winter seminars	Short modules at local meetings, collaboration seminars with RAS, TACIS		
	Field Day events at TTC for AAK	Three per TTC per season for AAK		
	Collaboration field days with other donor organizations at TTCs	One or more per TTC per season	Harvested soy yield by Sida project near Bishkek	
	PSES training workshop		Held presentation about the AAK, TTC plots during the conference on Biological (organic) farming, organized by Helvetas project, in Osh, 18 people attended - 9 of them female.	
	Meetings of Agronomy Unit		An agronomist attended the meeting with JICA project along with the COP and cotton specialists from IFDC headquarters. Three reports concerning cotton growing monitoring were given.	Final report on cotton growing by farmers of JICA project will be completed by December 2005
			Agronomy unit conducted an annual survey among AAK members, clients and farmers in Nookat and Karasuu region. In total 42 members of AAK were surveyed, among them 12 female, and 30 male.	
			Agronomy Unit held a round table with participation of international organizations on planning work for 2006, 18 people attended among them 2 were female. An agronomist spoke in a public meeting on October 25 about the results of the meeting.	

Objective	Activities	Notes	Details	Planned Activities
<b>Production and Distribution of Technical Information</b>				
	Maintain library of technical publications			
	Design new publications as needed			
	Track distribution			
	Generating of crop growth and input certification program			
<b>Mass Media Campaign on CPP Safety</b>				
	Design and produce			
	Run			
<b>Technical Brochures Distributed</b>				
	Distribute through AAK existing brochures of other donor organizations	RAS, TES, NADPO, Sida, GTZ, AgFin+		
	Produce internal brochures and distribute through AAK	NPK Fertilizer, Maize production, CPP Safety and others as needed	The booklets with the field results for 2004 on wheat, cucumber, tomato, and watermelon were distributed to the AAK Board in addition to other members. In total, 120 booklets were distributed.	
<b>Media Campaign on CPP Safety</b>				
	Select target audience	Possibly AgFin+ clients		
	Script the campaign	Possible assistance from international companies		
	Produce and place TV spots			
	Produce and place newspaper ads			
	Produce literature for general distribution			
	Conduct round table or televised seminar			

Objective	Activities	Notes	Details	Planned Activities
	Produce and place radio spots			
Introduce Seeds From International Suppliers		Objectives: processing and analyzing opportunities		
	Invite suppliers to Osh	Nunhems, SVS +, Nickerson Zwaan, Syngenta		
	Establish sales outlets			
	Obtain samples	15+ kinds, varieties as recommended by companies		
AgroExpo Silk Road 2005				
			Called and invited exhibitors to the Expo. Also invited visitors, and provided buses for transportation for visitors from the regions and villages. 150 people were invited.	
			<p>During the Expo the agronomy unit helped in the organization of the following seminars:</p> <ol style="list-style-type: none"> <li>1. "Crop Protection Products Uses and Safety," "Progress of Russian leading technologies in agro sector of Kyrgyzstan." Representatives of "Rosink" company (CPP, Russia), "Agrimatco" company (Russia), "Ak-Chardak" company (India) presented in the seminar, in total the meeting had 53 attendees, 12 of them female.</li> <li>2. "New inputs in agriculture," representatives of seed companies "Seeds technologies" (Israel), "Nunhems" (Holland), "Holland seeds" (Kyrgyzstan), spoke in seminar. In total the seminar had 15 attendees, 6 of them female.</li> </ol>	

### Annex 3: Business Development Unit Report on Strategic Objectives of the Work Plan

Objective	Activities	Notes	Detailed Description	Planned Activities
Credit and Self-Investment				
	Assist clients in making credit applications	Fee based, on demand	<p><b>1.</b> One AAK member and Farm store owner refused to take a loan from the joint credit program from KAFC. He needed the money faster than was allowable according to KAFC regulations. He agreed to take a loan from another bank which gives him a loan in a shorter waiting period, but with a higher interest rate.</p> <p><b>2.</b> Consulted an AAK member who would like to take a loan using AAK services. However the joint credit program has no funds remaining. He was informed about possible credit from FF “Bai Tushum” where we provide a 20% guarantee and interest rate is 21%.</p>	1. Prepare letter and negotiate with KAFC on using CGF. Where AAK members will take loans and AAK will guarantee 20% from the credit.
	Where a member qualifies (i.e., legal activity inputs) support with credit guarantee funds and/or revolving credit funds	Fee based, on demand	<p><b>3.</b> Surveyed AAK members who would like to take loans from KAFC and AAK joint credit program. AAK members were interested in getting loans from the joint credit program if we create it in time for next season.</p> <p><b>4.</b> Developed an agreement between AAK and FF “Bai Tushum” on cooperation and using CGF for 2006 credit program for AAK members. FF “Bai Tushum” will give credits for AAK members at an interest rate of 21%. AAK will provide a 20% guarantee.</p>	Continue informing AAK members on available credit sources and promote getting loans using CGF.
	Assist in joint procurement	Possible in fertilizer	X	
	Sub-sector trade missions in CAR		X	X

Objective	Activities	Notes	Detailed Description	Planned Activities
	Individual business TA	Negotiated fee, on demand	Assisted one AAK member with introduction to Semen's Seed company with offices in Bishkek.	Continue assisting AAK members on demand
	Preparation of business plan or feasibility study	Fee based, on demand	X	X
Legal Sale all Fert. Products		From 2003 Baselines		
	Track customs clearance	Available in January		
	Track actual procurement	Survey in November and December	OshKrusteks Ammonium Nitrate – 0 tons Avilov Sabir Ammonium Nitrate – 0 tons  Total: 0 tons.	Survey AAK members on sales on monthly basis
Legal Sale NPK Fert. Products		from 2003 Baselines		
	Tracking per above	Survey in November and December	X	X
Legal Sale CPP Products		From 2003 Baselines		
	Monitor local distributor activity	Survey in November and December	Total: \$4436.00  <b>1.</b> Visited the Dyikan farm store in Nookat village. This new farm store opened in August 2005.  <b>2.</b> Contacted May Seed Group company on Turkish cotton seed payment that was sent for the AAK / TES, demo plots. TES Centre owes 14,000.00 som for 200 kg of seeds and IFDC should pay the balance.	Survey AAK members on sales on monthly basis

Objective	Activities	Notes	Detailed Description	Planned Activities
	Continue to contact international suppliers about setting up distributors	AgroExpo in December	1. AgroExpo 2005 was a great event for local companies to establish new linkages and establish new distributorships from international companies. More than 30 companies from 14 countries around the world attended AgroExpo 2005. During the Expo exhibitors generated nearly \$4,600.00 US dollars in floor sales, 5 contracts have been signed for future businesses, with a reported value of nearly \$194,200.00. Also 28 contracts valued in excess of \$300,00 are in the development process, which should bring the value of the show to exhibitors and participants to nearly \$500,000.00!	
Increase Sale of Improved Seed		From 2003 Baselines		
	Track AAK member sales activities	Survey in November and December	Total sales: Wheat = 679 tons Vegetable seeds = \$2,000.00 Onion seed = 830 kg Alfalfa seed = 80 kg	Survey AAK members on sales on monthly basis
	Assist AAK members in marketing		16 AAK members Exhibited and 150 members visited AgroExpo 2005. It was good marketing for them and good opportunity to establish business linkages.	X
	Create "Quality and Guarantee" program to promote AAK members products		X	To open 7 new farm stores and put AAK logo on them, as AAK has a good image.

Objective	Activities	Notes	Detailed Description	Planned Activities
	Monitor state certification program		Contacted State Seed Testing Department concerning potato seeds registration on behalf of Europlant. The official registration list will be printed in January, and no dissemination of information will be permitted until after that time.	
	Monitor market availability and prices	Applies to all products – fert., CPP, and seed	<p>1. Prepared price information of seeds available to AAK members.</p> <p>2. Surveyed AgroExpo 2005 exhibitors on the sales generated and contracts signed.</p> <p>3. Assisted Headquarter staff STC to prepare information on input sales by AAK members in 2004 and 2005. Prepared Agri Input price information.</p> <p>4. Prepared price information for inputs requested by TES Centre for the 2006 season.</p>	Prepare price information on monthly basis
Establish Retail Outlet Shops		Year 4 = 6 new shops (14 total)		
	Provide credit facilitation for shops		1. Consulted one AAK member on credit options	X
	Use CGF in particular for shops		1. Made one proposal to use CGF.	X
	Assist with design, stocking, marketing	Winter training programs for current and prospective farm store businesses; follow up training during season; introduction of animal feed products.	Visited 2 retail outlet shops in Jalalabat Oblast to survey their training and seminar needs for 2006.	X
Turnover	Annual Survey	Goal is \$1,000 per shop annual	Conducted annual survey among AAK members in Jalalabat Oblast.	

Objective	Activities	Notes	Detailed Description	Planned Activities
Product Diversity	Annual Survey	48 varieties of vegetables	Conducted annual survey among AAK members in Jalalabat Oblast	
Establish Grades and Standards		Coalition effort needed with all members of the value chain		
Manage indoor and outdoor Expo			<p><b>1.</b> Hosting AgroExpo 2005 was a great event for local distributors to meet their partners and new companies.</p> <p><b>2.</b> Organization of seminars during AgroExpo 2005 where international companies and local as well spoke about their products and services to a wide range of participants of AgroExpo 2005. During AgroExpo 2005, 9 seminars were conducted and more than 270 people attended these seminars</p>	
Contact affiliated trade associations to discuss management opportunities			X	X
Develop certification program for crop scouting and input use, as well as business management			X	Planning to conduct second round of CPP applicators certification in March 2006.

Other Activities in support of the overall project goals:

1. Assisted with Tempus project meetings, and arranged presentations on “Extension” in Jalalabat Oblast, Osh and Batken Oblasts.
2. Prepared information on trainings provided by KAED in 2004-2005
3. Participated in meeting arranged by Helvetas project on Local Market Development.
4. Participated in spring 2006 pre-planning meeting hosted by AAK/KAED.
5. Participated in ADB meetings on developing a strategic plan for agriculture for Kyrgyzstan.
6. Met with Kant MIS seed farm to recruit them to become AAK members and to discuss Ag-Fin Plus Barley production project idea with them.

## Annex 4: Media Unit Detailed Report

September newspaper video spot was on air the following times:

Radio Pyramida	September 7-13
Osh TV	September 6-12

AAK Sponsorship on Oblast TV ‘Weather Forecast’:

One month agreement between TV company and AAK.

Website:

Downloaded pictures from Expo, Memorandum

AgroExpo 2005:

Organized Press Conference with Parliamentarians  
News on Expo - every day on local TV companies and national  
Prepared success story on Memorandum of Understanding  
Prepared AgroExpo 2005 Press Release to be sent out

AgroExpo Video Spot was aired:

<b>KTR TV (National)</b>	<b>Osh TV</b>	<b>TV Osh 3000 (Valley)</b>	<b>Radio Pyramida (Valley)</b>
November 1 – November 11			

### Special AgroExpo 2005 Media Coverage:

TV Osh 3000	November 10 20:30 22:00	November 12 8:00 20:30 22:00	November 14 15:35 20:30 22:00	November 20 7:20, National Channel, Program on Expo, 10 min
Keremet TV	November 10 3 times news	November 11 3 times news	November 12 10 min program	November 17 Program on Expo, 10 min
Osh TV	November 10 19:45 22:00	November 11 6:45 12:00 15:00	November 12 19:45 22:00	November 18, 2005 Program on Expo, 10 min
TV Pyramida	November 17 Program on Expo 10 min			
Newspaper Echo of Osh	November 12 Article on Expo	November 17 Article on Round Table, Memorandum		
National Newspaper Kyrgyz Tuusu	November 18 Article on Expo			
Newspaper Osh Janyrygy	October 28 Information	November 11 Article on Expo	November 18 Article on round table with parliamentarians	

## Annex 5: Value of Cost Sharing

**Table 1. 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>Accumulative 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.

**Table 2. 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>Accumulative 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.

**Table 3. 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>Accumulative 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).

**Table 4. 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	273	5,971	1,041	871	3,420	402
2	Field days/advisory meetings						2,562	140	250	122			
3	Trade missions/study tours				900								
4	Seminar attendance/business counseling	327	579	2,812			164	284	328			2,100	
5	Tenders, Trade Credit or Consignment												
6	Media coverage		560	1,145	708	364	985	176			647	1,090	247
7	Credit obtained												
8	Internships*	8,875	8,875	5,375	6,360	5,720	3,800	1,500	5,000	5,316	0	0	0
9	Grant obtained												
10	Domestic investment by entrepreneurs												
11	Membership registration dues and fees for services	523	818	1,300	774	109	1,201	748	1,694	336	3,640	4,640	177
	<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>3,121</b>	<b>13,243</b>	<b>6,815</b>	<b>5,158</b>	<b>11,250</b>	<b>826</b>
	<b>Accumulative 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>	<b>601,007</b>	<b>614,250</b>	<b>621,065</b>	<b>626,223</b>	<b>637,473</b>	<b>638,299</b>

\*= The Intern funded by the Government of the Netherlands (Mr. Dilshod Abdulhamidov) spent several days working with the Winrock AgFin<sup>+</sup> Project 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. Also included is the U.S. Peace Corps Volunteer working for AAK @ \$1,500/month).