

Kyrgyz Agro-Input Enterprise Development Project

Quarterly Report

October 1 – December 31, 2007

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By



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Acronyms and Abbreviations

AAK	Association of Agribusinessmen of Kyrgyzstan
AAT	Agribusiness Association of Tajikistan
ACTED	Technical Cooperation and Development Aid Agency
ADB	Asian Development Bank
AgLinks	Agriculture Linkages Project
BEI	Business Environment Improvement
BSAIDD	Batken and Sughd Agri-Input Dairy Development Project
CAMFA II	Central Asia Micro-Finance Alliance
CAP	Certified Agribusiness Professional
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
KAED	Kyrgyz Agro-Input Enterprise Development Project
LSP	Local service providers
NSVRC	National Seed Variety Registration Committee
PERSUAP	Pesticide Evaluation Report and Safety Use Action Plan
PSES	Private Sector Extension Services
RAS	Rural Advisory Services
RI	Results Indicator
SIDA	Swedish International Development Agency
STC	Short-Term Consultant
SVTC	State Variety Testing Committee
TES	Training and Extension Service Project
TTC	Technology Transfer Center—a field center featuring new practices and technologies to provide training to agribusinesses
USAID	United States Agency for International Development

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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 2006. Progress is reported for each of these six program areas:

- Strengthening Input Supply Systems and Markets.
- Technology Transfer and Private Sector Extension Services (PSES).
- Linking Farmers to Output Markets and Value Chain Development.
- Strengthen Business Skills and Services for Kyrgyz Entrepreneurs and Improve Access to Credit.
- Promoting Policy Changes that Benefit the Agricultural Sector and Build Public-Private Partnership.
- Strengthening Local Service Providers (LSP).

Annex 1 of this report contains more extensive and detailed information on the Kyrgyz Agro-Input Enterprise Development (KAED) project activities and progress made for the reporting period.

Program Achievements

All of the proposed results indicators (RIs) for the project are encompassed by the six program areas described in the introduction section of this report. The main objective of the extended KAED project is to strengthen the entire agro-input sector in northern Kyrgyzstan via expansion of the Association of Agribusinessmen of Kyrgyzstan (AAK) and to strengthen other local service providers (LSP) as a vital tool to promote democracy and economic development.

With AAK (an LSP) the project supports advocacy, communication, and education, along with providing supportive mechanisms such as access to credit, development of market linkages, and networking opportunities for the entire agricultural value chain. Importantly, in addition to AAK, other LSPs such as the Training and Extension System (TES) Center and Central Asia Breeding Services are partners in KAED activities in technology transfer and animal husbandry. All LSPs are playing important roles in assisting KAED to accomplish its current goals and objectives and to prepare for its sustainability beyond the life of the project. KAED is helping the recently established Agriculture Linkages Project (AgLinks) prioritize areas of activities and commodity chains by sharing with them experiences gained in Central Asia over the last 5 years.

During this quarter, the KAED project conducted a number of activities that contributed to achieving each of the strategic objective areas in the work plan. Some of the more significant activities are highlighted in the program area sections of this report. Annex 1 contains specific activities directly related to the strategic objectives of the project.

Strengthening Input Supply Systems and Markets

In December, KAED organized the opening ceremony of Talas Besh Kadam farm store. More than 60 farmers, dealers, consultants, and governmental officials from the region attended the ceremony. Since October 2006 the number of farm stores opening in northern Kyrgyzstan reached 9, increasing the total number to 30. KAED estimates that, in the next 3 months, at least 10 additional farm stores will open in this area.

In November KAED provided special technical training to 27 participants, including farm store owners, crop protection product (CPP) suppliers, and other agro dealers on proper CPP use and storage. A representative of the Department of Crop Protection from the Ministry of Agriculture and the COP of KAED/IFDC awarded certificates to all 27 participants during an official ceremony. The certificates will be recognized countrywide by the Ministry of Agriculture.

In December, KAED organized a 2-day training session on parasitological diseases in animals and their impact on humans. The 25 participants included veterinarians, public health workers,

owners of cattle farms, and members of AAK Jer Azygy from southern Kyrgyzstan. This training was designed to increase public awareness of diseases that present threats to human health and have caused casualties in southern Kyrgyzstan. Participants were informed that the diseases are caused by lack of vaccination and improper management of domestic animals. A local consultant from CABS Ltd Company based in Bishkek conducted the training.

Based on KAED survey results organized in October-November 2006, 63% of surveyed dealers received specialized agribusiness training in 2007. This figure represents an increase of 13% compared with 2006.

KAED dealers reported a 49% increase in aggregate sales of all agri-inputs in 2007, compared with 2006. Sales totaled \$20.6 million. Whereas in 2006 nitrogen fertilizers represented almost all of the reported sales, in 2007 sales of other fertilizers increased significantly. For example, ammonium phosphate sales increased from 312.5 mt in 2006 to 12,003.5 mt in 2007.

Survey data show a 33% increase in overall seed sales from \$1,497,718 in 2006 to \$1,998,556 in 2007.

CABS Ltd Kyrgyzstan has signed a second contract to receive 30 new varieties of pre-mixes and additives for poultry farms, as well as additional antibiotics and livestock medicines from the Dutch company, Interchemie Werken “De Adelaar” BV.

Holland Seeds Ltd has supplied 2 new bio stimulants from Canada and 3 new F1 hybrid seeds for tomatoes-for-processing from China.

Technology Transfer and Private Sector Extension Service

KAED announced a competitive bid for establishing a large-scale feed crop demonstration site (20 ha) in Batken Oblast. The contract was awarded to the TES Center. The demonstration site will help promote advanced technologies among livestock farmers. In Batken Oblast, the TES Center introduced 12 new varieties of maize from Moldova and Kazakhstan, and

new varieties of soybean, sunflower, and fodder beet in Batken Oblast to livestock farmers and input dealers. In Batken Oblast, livestock represents the most important activity for farmers. However, both milk and meat yields are low due to improper feed management for animals. The major findings of this demonstration are summarized below.

Corn is the most profitable feed crop with a significant potential for higher yield and protein production per unit area. Grain yields for corn varied from 8.4 to 9.6 mt/ha, whereas the green stover used for silage varied from 65 to 66 mt/ha. However, to achieve these yields, farmers must invest in high quality seed and proper fertilizer management. The rate of investment to return is significant: for every extra 9,000 kg Soms/ha (\$257/ha) invested in seed, fertilizer and other agri inputs, farmers generated an additional 35,000 kg Soms/ha (\$1,000/ha).

Soybean is one of the most valuable grain legume plants worldwide. However, in Kyrgyzstan, feed rations contain 1.5-2.0 times less protein than recommended rates. Soybean has a real potential to supply protein needs for Kyrgyz farmers and livestock producers if cultivated and processed properly. Also, soybean is capable of fixing atmospheric nitrogen (N) in order to meet its immediate needs for N fertilizer, plus it provides some N for the following crop. Soybeans contribute to soil fertility restoration and are recommended as a component of crop rotation schemes in all farming systems in Kyrgyzstan. Grain yields for soybean varied from 2.1 to 3.3 mt/ha. Yields of 3.0 mt/ha are estimated as achievable with minimum investment for farmers in Batken Oblast.

Demonstration data indicate that both sunflower and fodder beet are valuable crops for livestock. Sunflower has shown significant potential for edible oil production in the Batken area. Fortunately, farmers are familiar with sunflower cultivation techniques.

The Agronomy Unit of KAED devoted considerable effort in establishing three Technology Transfer Centers for winter crops: in (1) Ogonbaev Village of Talas Oblast, in the field of a private seed company, Toktonazar; (2) Kuntu Village of Sokuluk Rayon, Chuy Oblast; and (3) the fields of Kant Testing Station, Chuy Oblast. Ten varieties of winter wheat, triticale, and barley will be assessed for their yields and other quality parameters.

Final reports on the demonstration fields for the 2007 growing season were prepared during this quarter for the following crops:

- Winter and forage crops, tested at Seed Company of Unusov in Suzak Rayon of Jalalabat Oblast.
- Spring crops, tested in Chelpek Village, Aksu Rayon, Issyk Kul Oblast.
- Fodder crops such as corn, soybean, perennial grass (alfalfa), safflower, tested in Uchhoz and Kuntu Villages of Sokuluk Rayon, Chuy Oblast.
- Potato, tested at Uchhoz and filed in Chelpek Village, Aksu Rayon, Issyk Kul Oblast.
- Vegetable crops such as tomato, cucumber, paprika, onion, sugar beet, tested in Kotormo Village, Sokuluk Rayon, Chuy Oblast, and Karavan Village of Kyzyl Kyya, Batken Oblast.

Seven booklets and brochures on the results and recommendations based on 2007 demonstration programs were prepared and will be published during January 2008.

Potato yields in demonstration plots showed an increase of 150%–200% in Aksy and Sokuluk fields, compared with average potato yields in the region. Karlena, Fontane, Delicat, and Fazane were identified as the best potato varieties for processing chips, mashed potato, and dry products in Kyrgyzstan climatic conditions. Recommendations for registering these varieties will be sent to the State Variety Testing Committee.

Demonstration tomato yields increased 500%-700%, compared with average tomato yields in the region.

Agriculture cooperative “Budan,” which was one of the suppliers of hybrid corn seeds, was provided information on the productivity and performance of hybrids in Kyrgyzstan climatic conditions.

Linking Farmers to Output Markets and Value Chain Development

CABS Ltd. Kyrgyzstan, one of the main local companies working with veterinary supplies in the North, has signed a second contract to receive 30 new products of veterinary

medicines and pre-mixes produced by the Dutch company, “Interchemie.” Costs amount to €50,000. The company is prepared to sign an additional contract to receive veterinary medicines and pre-mixes in 2008 worth €500,000. The business linkage with the international supplier was established in December 2007 during a trade mission to Kazakhstan organized by KAED.

Holland Seed Ltd, a Kyrgyz seed company, for the second time, supplied water-soluble compound fertilizers from China totaling \$13,400. The same company also supplied two new bio stimulants originating from Canada and registered in Kyrgyzstan. The value of the contract was \$11,000. Holland Seed Ltd has also imported three new F1 tomato seed hybrids from China. This business linkage was established during an April trade mission to China organized by KAED.

Agrozoovetservis Ltd., which operates mainly in southern Kyrgyzstan, has imported 10 new CPP formulations for the 2008 growing season, for a total amount of \$60,000, from a Chinese Company “Top Chance.” The business linkage was established during a China trade mission organized by KAED in April 2007.

During this quarter KAED worked closely with the Local Market Development Project implemented by Helvitas (Switzerland) to provide market information to input suppliers and producers, and KAED facilitated linkages with vegetable processors from northern Oblasts of Kyrgyzstan.

Final preparations were made to organize a trade mission to Germany for Kyrgyz input suppliers (including veterinary medicine) and processors of fruits and vegetables to attend “The Greek Week” annual trade fair. This will be an opportunity to establish business linkages with reputable European suppliers and to explore the potential for exporting Kyrgyz agricultural products to Europe.

Strengthen Business Skills and Services for Kyrgyz Entrepreneurs and Improve Access to Credit

Of KAED dealers surveyed, 63% received agribusiness training in 2007, a 13% increase from 2006. The total number of dealers that participated in KAED training events in 2007 is 1,942.

In December, KAED trained 23 input dealers, owners of farm stores and agribusinessmen. The primary purpose of this training was to increase the knowledge and ability of entrepreneurs to develop business plans and marketing plans and to improve bookkeeping and promote retail chain growth.

Data collected during the annual survey show that the average amount of loans received by dealers increased by 1.8% between 2006 and 2007. Aggregate loans extended to dealers increased from US \$315,381 in 2006 to US \$321,000 in 2007, an increase of 1.8%.

The average number of loans provided by dealers to their farmer customers increased by 36%. Dealerships providing loans to customers averaged providing 49 loans each. This is a 36% increase in the average number of loans provided by KAED dealerships to farmer customers in 2007 over the number provided in 2006.

Dealers indicated that the average investment in each dealership in 2007 increased 60% over the average investment in 2006. The 54 surveyed dealers have invested over \$11 million in new warehousing space and offices.

During the quarter, KAED staff members provided significant assistance by facilitating access to credit necessary for AAK members to open farm stores and by extending production credit to AAK farmer customers. Efforts are underway to broaden the number of credit sources for AAK members willing to open new retail farm stores. Several partner projects, such as Technical Cooperation and Development Aid Agency (ACTED), Asian Development Bank (ADB), and Mercy Corps, have expressed serious interest in supporting the retail farm store network established by KAED.

Promoting Policy Changes That Benefit the Agricultural Sector and Build Public-Private Partnership

AAK, with technical support from KAED, started activities to introduce compulsory licensing for CPP dealers. This initiative was complemented by intensive training of dealers and farmers in safe use of CPP. Training activities in use of CPP will continue during January 2008.

AAK members and agribusiness professionals are working with CPP suppliers to address the issue of labeling their products in the Russian language, which would help farmers understand the instructions on the label and to follow directions to safely apply CPP. Agrohimija, a wholesale CPP company based in Bishkek, has started labeling all their products in local languages. The goal of these integrated activities is to create a brand name for CPP products sold under the AAK logo.

In December 2007, KAED extended the existing contract with AAK, which is working on policy and advocacy issues, by providing an additional \$5,000 under a grant agreement to allow AAK to finalize its advocacy agenda. The goal of activities developed under this grant agreement is be the amendment of the Land Law to consider land as collateral for commercial producers. If successful, this initiative would remove a burden from producers in accessing financing. The AAK is working with BEI and the Chemonics Land Reform Project to address this issue and to provide recommendations to interested parties from both the private and public sector.

Strengthening Local Service Providers

In December, the KAED project supported CABS Ltd., a major LSP in the area of livestock management and veterinary supplies, to organize a training session in southern Kyrgyzstan on parasitical diseases and management of domestic animals. Participants included veterinarians of the area, public health workers, private livestock entrepreneurs, and AAK members. The training not only disseminated knowledge on this critical issue for both human and animal health, but also promoted the capacities of LPS to deal with these issues.

Miscellaneous

The KAED COP met several times with the staff of seed projects funded by the Swedish International Development Agency (SIDA) to discuss ways to implement the regional seed conference scheduled for June 2008. The Minister of Agriculture has asked for KAED assistance

and contributions in organizing this event, which is perceived as an opportunity to bring more private seed companies into the Kyrgyzstan market, thus improving the availability of quality seeds for farmers

The KAED COP attended a round-table discussion organized by the newly formed AgLinks project in Bishkek with implementing partners. USAID representatives from Almaty and Bishkek attended the meeting. Hiqmet Demiri made comments and offered suggestions on AgLinks' priorities and on commodities with high potential for substituting for commodities currently traded. Special highlights addressed the animal feed market which is underdeveloped in Kyrgyzstan. His comments were well received.

The KAED COP met with ACTED Kyrgyzstan Country Director Pascal Bernard to discuss further cooperation between two projects especially on the animal feed sector which is key to improving livestock production.

KAED completed the annual Survey on AAK dealers' business performance for 2007 and the impact of this growth on their farmer customers. The results are very encouraging and demonstrate a significant development of agri input markets in Kyrgyzstan for 2007. Both reports (dealers and farmers) were submitted to USAID in November 2007.

KAED submitted an official request to USAID for a no-cost extension through August 2008. KAED will use the additional time to complete the second growing cycle for major crops, to achieve additional results in building the retail store network, and to collaborate with the AgLinks Project to transfer the experience and knowledge gained in the last 5 years in Central Asia.

Dan Waterman, Director of the Training and Workshop Coordination Department, IFDC Headquarters, visited the project in November to assess the progress status and provide guidance on KAED implementation approach for the remaining of the project.

The project staff and its LSP continued to provide support to various activities that contribute to cost-sharing and leveraging of project funds (Annex 2).

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
1. Program Area I: Strengthening Input Supply Systems and Markets							
IR 1.1 Sales of agri inputs nationwide increased Quarterly Results The agri inputs are categorized by fertilizers, seeds, crop protection products (CPPs), and veterinary supplies. KAED dealers identified an increase in aggregate sales of all agri inputs by 49% in 2007 compared with 2006 (totaling S 20 million). In 2007, 56% of the dealers reported selling one kind of agri input. Single input dealers were reported for fertilizer (9%), seed (22%), CPPs (4%), and veterinary supplies. Thus, a trend in product line diversification is evident.	\$ million	2.11	5.4	0.4	0.41	6.21	+15
IR 1.1.2 Sales of agri inputs in northern project areas increased (baseline for this IR is 2007) Quarterly Results Reported in the annual survey	\$ million	TBD	TBD	TBD	TBD	TBD	TBD
IR 1.2 Additional retail stores opened Quarterly Results In December KAED organized a ceremony of Talas Besh Kadam farm store opening. More than 60 farmers, consultants and governmental officials attended the ceremony. The KAED has helped private dealers open 10 retail farm stores during 2007. The total number of farm sores opened with KAED assistance reached 30.	#	0	21	4	6	31	+47
IR 1.3. AAK and other business that generate revenue more than \$10,000/year increased. Quarterly Results Reported in the annual survey	#	9	19	2	2	23	+21

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/ Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
<p>IR 1.4. Dealers certified.</p> <p>Quarterly Results The Certified Agribusiness Professional (CAP) program round II will start in January 2008. KAED staff has completed the selection of candidates. The curriculum of this course will mainly focus on marketing issues and safe usage and application of Crop Protection Products.</p> <p>63% of surveyed KAED dealers received specialized agribusiness training in 2007. This is an increase of 13% from the 30 dealerships who received specialized agribusiness training in 2006.</p> <p>In November project provided special technical training on CPP safety use and storage for 27 owners of retail farm stores and other agri input dealers. The representative of Department of Crop Protection in the Ministry of Agriculture of Kyrgyzstan and COP of KAED/IFDC awarded certificates to 27 participants during an official ceremony.</p>	#	0	0	10	7	17	+ 1,700
<p>IR 1.5. Average of compound fertilizer sales by AAK members and other entrepreneurs increased</p> <p>Quarterly Results Whereas in 2006 nitrogen fertilizers represented almost all of the reported sales, in 2007 the sales of fertilizers other than nitrogen ones increased noticeably. Ammonium phosphate sales increased from 312.5 mt. to 12,003.5 mt.</p>	mt	116	228	20	30	278	+22

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/ Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
<p>IR 1.6. New agri inputs introduced to Kyrgyzstan market.</p> <p>Quarterly Results CABS Ltd Kyrgyzstan has signed a second a contract to supply the poultry farms with 30 new varieties of protein additives, antibiotics, and acaricide medicine from Holland company Intercheme.</p> <p>Holland Seeds Ltd has supplied 2 new bio stimulants from Canada and 3 new F1 hybrid tomato seed for processing from China.</p>	#	0	22	3	3	28	+27
<p>IR 1.7. Certified seed sold increased.</p> <p>Quarterly Results Survey data show a 33% increase in overall seed sales from \$1,497,718 in 2006 to \$1,998,556 in 2007.</p>	mt	575	584	40	60	684	+17
<p>IR 1.7.1. Certified seed sold increased (northern project areas).</p> <p>Quarterly Results Reported in an annual survey.</p>	mt	TBD	TBD	TBD	TBD	TBD	TBD
<p>IR 1.8. Elite seed transaction cost reduced.</p> <p>Quarterly Results Reported in the annual survey.</p>	\$	0.17	0.25	0.0125	-0.0125	0.23	-10
<p>IR 1.9. AAK customers' base increased.</p> <p>Quarterly Results Dealerships indicated a 26% increase in the number of customers served during FY 07, reaching approximately 146,000 customers in 2007 (an average of 2,700 customers per dealership).</p>	#	13,847	90,895	6,600	7,000	104,500	+15

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
IR 1.10. Milk production increased. Quarterly Results Reported in the annual survey.	l	TBD		TBD	TBD	TBD	TBD
IR 1.11. Farmers exposed to advanced livestock management practices. Quarterly Results In December 2007 KAED organized a two-day training program on parasitical diseases of domestic animals and their impact on public health for 25 veterinarians, public health workers, owners of cattle farms, and members of AAK Jer Azygy from southern Kyrgyzstan. A Regional STC from CABS Ltd was invited to conduct this training activity.	#			100	200		300
IR 1.12. Unit sales of certified seed from all sources will be increased. Quarterly Results Reported in the annual survey.	mt	3,000	4,700	1,000	1,000	6,700	+42

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/ Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
2. Program Activity Area II: Technology Transfer and PSES							
IR 2.1. Productivity of maize increased. Quarterly Results TES Center, a LSP in southern Kyrgyzstan was contracted to conduct a large scale demonstration on fodder crops in Batken Oblast. As part of this activity 12 hybrid maize from Moldova and Kazakhstan were introduced and demonstrated for livestock farmers in the region. A summary of the result is outlined in the narrative part of this report.	mt (grain)	4.0	5.4	0.5	0.7	6.6	+22
IR 2.2. Productivity of potato increased in project areas. Quarterly Results Potato yields in demonstration plots showed an increase by 150%-200% in Aksy and Sokuluk fields compared with average potato yields in the region.	mt	9	14	3	4	21	+50

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
<p>IR 2.3. Farmers adopting cereal-legume production systems.</p> <p>Quarterly Results</p> <p>1. Agronomy unit of KAED has organized three winter crops Technology Transfer Centers (TTC) for 2008: First TTC is in A. Ogonbaev Village of Talas Oblast on the field of private seed company Toktonazar; second TTC is in Kuntu Village of Sokuluk Rayon, Chuy Oblast; and third TTC is on the plot of Kant testing station, Chuy Oblast.</p> <p>2. 10 varieties of winter and forage crops have been purchased from Ag. Institute and Kant Testing Station for testing purposes</p> <p>3. Plating of winter crops and associated activities relative to TTC establishment were completed.</p> <p>4. Soil samples from fields 1 and 3 have been taken and submitted to Osh toxicological laboratory for further analysis.</p>	%	N/A	TBD	TBD	TBD	TBD	+10
<p>IR 2.4. Yield of tomato for processing increased.</p> <p>Quarterly Results</p> <p>Demonstration tomato yields increased by 500%-700% compared with average tomato yields in the region.</p>	mt	N/A	TBD	TBD	TBD	TBD	+15

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
<p>IR 2.5. Potato varieties for chips production identified and submitted to National Seed Committee for registration and certification.</p> <p>Quarterly Results Karlana, Fontane, Delicat and Fazane were identified as best potato varieties for processing in Kyrgyzstan climatic conditions (chips, mashed potato, and dry products). Recommendations for registration of these varieties will be sent to State Variety Testing Committee.</p>	#	4 chip varieties have been registered according to the 2006 official list of varieties published by National variety Testing committee		1	1	2	+200

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
<p>IR 2.6. Technology packages for three major commodities (e.g., wheat, maize, triticale, potato, and tomato) developed by KAED and introduced to farmers in project areas.</p> <p>Quarterly Results</p> <p>1. Final reports on the harvest 2007 were completed on the following crops:</p> <ul style="list-style-type: none"> • Winter and forage crops of the field #1 at seed company of Unusov in Suzak Rayon of Jalalabat Oblast. • Spring crops of the field #2 at the testing plot in Chelpek Village, Aksu Rayon, Issyk Kul Oblast. • Fodder crops such as corn, soybean, perennial grass: alfalfa, safflower of the field # 3 at the plot of Uchhoz and field # 4 at Kuntu Village, Sokuluk Rayon, Chuy Oblast. • Potato of the field # 3 at the plot of Uchhoz and field #5 at the testing plot in Chelpek Village, Aksu Rayon, Issyk Kul Oblast. • Vegetable crops such as tomato, cucumber, capsicum, onion, sugar beet of the field # 6 at the Kotormo Village, Sokuluk Rayon, Chuy Oblast and field #7 at Karavan Village, Kyzyl Kyya Batken Oblast. <p>2. Booklets and brochures on the results of 2007 harvesting season were developed and are being published.</p> <p>3. Ag. Cooperative Budan was informed on the productivity of hybrid corn seeds that were provided by them for demonstration purposes.</p> <p>4. KAED has organized 7 Field days with participation of 743 farmers, dealers, processors, consultants, and other interested parties.</p>	# of participants	100	3,000	1,000	1,000	5,000	+66

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/ Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
Program Activity Area III: Linking Farmers to Output Markets and Value Chain Development							
<p>IR 3.1. New business linkages with international and regional input suppliers established.</p> <p>Quarterly Results CABS Ltd Kyrgyzstan has signed a second contract for supplying poultry farms in Kyrgyzstan with 30 new vet medicines products and protein additives from Holland company Intercheme worth of €50,000. The company is also planning to sign an additional contract to supply vet medicines and premixes in 2008 worth of €500,000. The business linkage was established during December trade mission to Kazakhstan organized by KAED.</p> <p>Holland Seed Ltd for the second time supplied compound water soluble fertilizers from China amounting to \$13,400. The company has also supplied 2 new bio stimulants from Canada after registration in Kyrgyzstan totaling \$11,000. The same company has imported 3 new F1 hybrid tomato seed for processing from China. The linkage was established during April trade mission to China organized by KAED.</p> <p>Agrozoovetservice Ltd which operates in southern Kyrgyzstan has imported 10 types of CPP amounting to \$60,000 from the Chinese company “Top Chance”. The link was established during China trade mission in April 2007, organized by KAED.</p>	#	0	8	3	4	15	+90

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
IR 3.2. Foreign companies assess the Kyrgyzstan market and express an interest in long term investment on quality input supply facilities. Quarterly Results Reported in the annual survey.	#	0	3	1	2	6	+100
IR 3.3. Small holders linked to processors as a result of application of advanced technologies and high quality inputs. Quarterly Results KAED has organized 7 Field days with participation of 743 farmers, dealers, processors, consultants, and other interested parties.	#	0	500	200	300	1,000	+100
IR 3.4. Working with other USAID/international development agencies KAED will work with processing facilities to develop niche market commodities (e.g., tomato for industry, potato for chips production, baby red beets, peanuts) in an effort to link processors with small producers. Quarterly Results Working with the Local Market Development Project funded by the government of Switzerland, KAED project has facilitated linkages with processors from the northern oblasts.	# of processing companies	0	3	1	2	6	+100
IR 3.5 AAK members' assets increased. Quarterly Results Reported in the annual survey.	\$	23,000	26,000	2,000	1,000	29,000	+11,5
IR 3.5.1. Northern business assets increased. Quarterly Results Reported in an annual survey.	\$	2007 baseline will be established	TBD	TBD	TBD	TBD	TBD

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
Program Activity Area IV: Strengthening Business Skills and Services for Kyrgyz Entrepreneurs and Improve Access to Credit							
IR 4.1. AAK member domestic investment in upgrading input infrastructure increased. Quarterly Results Dealers indicate that the average investment in each dealership in 2007 increased by 60% over the last year. The 54 surveyed dealers have invested over \$11 million in new warehousing space and offices. 8 dealers invested \$1–\$1,000 while other 8—\$5,001-\$10,000.	\$	13,000	17,000	2,000	1,500	20,500	+21
IR 4.1.1. Northern domestic investment increased. Quarterly Results Reported in the annual survey.	\$	2007 baseline will be established	TBD	TBD	TBD	TBD	TBD
IR 4.2 Input dealers upgrade business skills through trainings nationwide. Quarterly Results Sixty-three percent of surveyed KAED dealers received agribusiness training in 2007: a 13% increase from 2006. The total number of dealers that participated at KAED trainings in 2007 is 1,942. In December 2007 KAED conducted training on business and marketing plans, bookkeeping and retail chain growth for 23 input dealers, owners of farm stores and agribusinessmen. The primary purpose of this consultancy was to increase knowledge and ability of entrepreneurs on development of business and marketing plans, book keeping and retail store management.	#	0	150	130	120	400	+100

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/ Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
<p>IR 4.3. AAK members receive loans from commercial banking sector.</p> <p>Quarterly Results The percentage of dealers who received loans in 2006 (68.5%) increased to 74.0% in 2007. The data collected during the annual survey show that the amount of the mean loan received by dealers increased by 1.8% between 2006 and 2007. The aggregate loans extended to dealers increased from US \$315,381 in 2006 to US \$321,000 in 2007, an increase of 1.8%.</p>	\$	4000	30,000	13,000	17,000	60,000	+100
<p>IR 4.4. AAK members extend loans to farmers' customers.</p> <p>Quarterly Results The average number of loans provided by dealers increased by 36%. Of those dealerships that provided loans to customers, they provided 49 loans on average. This is a 36% increase in the average number of loans provided by KAED dealerships to farmer +customers in 2007 than in 2006.</p>	%	30	33	5	5	43	+30

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
Program Activity Area V: Promoting Policy Changes That Benefit the Agricultural Sector and Build Public-Private Partnership							
IR 5.1. Input regulatory policy changes advocated. Quarterly Results AAk Jer Azigy with technical support of KAED started activities on compulsory licensing for CCP dealers. In December 2007 KAED extend the existing contract with AAK which is working on policy and advocacy issues by providing an additional \$5,000 under a grant agreement to allow this LSP finalize its advocacy agenda. The final outcome of activities developed under this grant agreement would be the amendment of Land Law considering land as collateral for commercial producers. If successful this initiative would remove a burden on the process of accessing finance by producers. The AAK is working with BEI and Chemonics Land Reform Project to address this issue and provide recommendations to interested parties from both private and public sector.	#	0	1	1	1	3	+200
IR 5.2. Legal business transactions in project areas increased for agri inputs. Quarterly Results Reported in the annual survey.	mt	40	4,500	500	850	5,850	+30
IR 5.2.1. Legal business transactions in northern project areas increased. Quarterly Results Reported in the annual survey.	mt	TBD	TBD	TBD	TBD	TBD	TBD

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/ Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
IR 5.3. New seed varieties from international companies submitted to National Seed Registration Committee. Quarterly Results Four new potato varieties for processing will be submitted to National Seed Testing Committee for registration.		0	8	3	3	14	+75
IR5.4. Input companies adopting international accepted labeling standards in the project areas increased. Quarterly Results Reported in the annual survey.	#	N/A	2	2	2	4	+400
Program Activity Area VI: Strengthening Local Service Providers							
IR 6.1. LSP(s) supported by KAED. Quarterly Results In December project supported CABS Ltd a major LSP on the area of livestock management and vet supplies to organize a training in southern Kyrgyzstan on Parasitical disease and management of domestic animals with veterinarians of the area, public health workers and private livestock entrepreneurs and AAK members. The training aimed not only at disseminating knowledge on this critical issue for both human and animal health, but also promoted the capacities of LPS to deal with these issues.	#	N/A	1	3	3	6	
IR 6.2. Facilitated linkage discussions between LSP(s) and business enterprises.	#	0	0	8	6	14	
IR 6.3. Agricultural partner projects introduced to LSP. LSP introduced to agricultural partner projects. Quarterly Results Reported in the annual survey.		N/A	0	2	2		

Annex 1.KAED Extension Result Frame Work

Program Activity Areas Indicators	Unit of Measure	2001/2002 Original Baseline	Results to Date	Increase/Decrease in Proposed Extension		End of Project Total	% Increase/ Decrease Relative to Results to Date
				Year 1	Year 2 (6 months)		
IR 6.4. LSP expands their market for services. Quarterly Results: Reported in the annual survey.	#	N/A	1	8	4	12	
IR 6.5.International company contracts services from LSP. Quarterly Results: Reported in the annual survey.	#	N/A	1	5	3	8	

Annex 2. Cost Sharing and Leverages–2007

No.	Activity	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
		US \$											
1	Association meetings/member visits	3,185	284		350	290	450	760	480	710			3,393
2	Field days/advisory meetings							1,200	1,043	2,300			51
3	Trade missions/study tours				4,000				2,000		1,500		
4	Seminar attendance/business counseling	3,841	5,748	3,368		4,700	6,680	6,200	7,560	4,100		1,890	4,390
5	Transportation	1,260	1,253	588	1,500	1,300	1,470	1,600	2,200	1,980	70	189	441
6	Media coverage		70		120	250	360	654	446	612		55	245
7	Credit obtained		11,315				19,200	22,400	17,800	17,000			
8	Internships									2,460			
9	Grant obtained												
10	Domestic investment by entrepreneurs												10,000
11	Membership registration dues	140											
	Total	8,426	18,670	3,956	5,970	6,540	28,160	32,814	31,049	29,162	1,570	2,134	18,520
	Grand Total			31,052			71,772			93,025			22,224