



USAID | **MACEDONIA**
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AGBIZ PROGRAM

FOURTH FISCAL QUARTER 2008 REPORT
JUNE–SEPTEMBER 2008 AND
FISCAL YEAR 2008 ANNUAL REPORT
OCTOBER 2007–SEPTEMBER 2008

OCTOBER 2008

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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS AND ABBREVIATIONS

ACDF	Agricultural Credit Development Fund
AGROKOS	Agriculture event in Kosovo
AH&SP	Asbestos Health and Safety Plan
AMIS	Agricultural Market Information System
ANUGA	Bi-annual Food Trade Fair in Cologne, Germany
ARD	Associates in Rural Development
B2B	Business-to-Business
BAS Program	Macedonia Business Advisory Service Program
BEA	Business Environment Activity (USAID funded)
BEO	Bureau Environmental Officer
BioFach	Annual Springtime World Organic Trade Fair in Nuremberg, Germany
BioSan	Macedonian National Federation of Organic Farmers Association
BW	Bottled Wine
CAP	Common Agricultural Policy
CBIB	Cross Border Institution Building
CEO	Chief Executive Officer
CINADCO	Centre for International Agricultural Development Cooperation
CIRKO	Mechanical Engineering Systems Center of Excellence
CO	Contract Officer
CoP	Chief of Party
CPA	Cleaner Production Assessment
CTO	Cognizant Technical Officer
CY	Calendar Year
DCoP	Deputy Chief of Party
DOC	Development Outreach and Communication
EDD	Environmental Due Diligence
EG	Economic Growth
EU	European Union
EUROSTAT	Statistical Office of the European Community
FFPS	Firm fixed Price Sub-contract
FP7	Seventh Framework Program
FTE	Full Time Equivalent
FTP	File Transfer Protocol
FV	Fresh Vegetables
FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Facility
GlobalGAP	Global Good Agricultural Practices
GoM	Government of Macedonia
GTZ MAFP	Deutsche Gesellschaft für Technische Zusammenarbeit (EU Approximation and Regional Cooperation in the Agro & Food Sector)
HACCP	Hazard Analyses and Critical Control Points
IEE	Initial Environmental Examination
IFC	International Finance Corporation
InterFest	International Wine Festival in Novi Sad, Serbia
IPA	Instrument for Pre-Accession Assistance
IPARD	Instrument for Pre-Accession Assistance for Rural Development

ISO	International Organization for Standardization
LoE	Level of Effort
LoI	Letter of Intent
LoP	Life of Program
M&E	Monitoring & Evaluation
MAASP	Macedonian Agricultural Advisory Support Program (SIDA funded)
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MAP	Macedonian Association of Processors
MASHAV	Ministry Of Agriculture and Rural Development (Israel)
MEO	Mission Environmental Officer
MIS	Management Information System
MKD	Macedonian Denar
MLGA	Macedonia Local Government Activity (USAID funded)
MoU	Memoranda of Understanding
MT	Metric Ton
MTM	Local TV Station
MTV	Macedonian Television
NGO	Non-Government Organization
NR	Not Required
NTFP	Non-Timber Food Products
ODC	Other Direct Costs
OFAC	Office of Foreign Assets Control
PC	Proposal Coordinator
PERSUAP	Pesticide Evaluation Report & Safer Use Action Plan
PMP	Performance Management Plan
PO	Producer Organization
PPA	Pollution Prevention Assessment
PV	Processed Vegetables
RCI	Regional Competitiveness Initiative
RfP	Request for Proposal
RSA	Republic of South Africa
SEE	South-East Europe
SIPPO	Swiss Import Promotion Program
SME	Small and Medium Enterprise
SoW	Scope of Work
STTA	Short-term Technical Assistance
SUAP	Safer Use Action Plan
TA	Technical Assistance
TAM-BAS	TurnAround Management & Business Advisory Programme
TCP	The Competitiveness Project
TG	Table Grape
UK	United Kingdom
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USN LT	United States National Long Term
USN ST	United States National Short Term
VA	Value added
VC	Value Chain

I.0 EXECUTIVE SUMMARY

I.1 FOURTH QUARTER

Program Development: Environmental Due Diligence (EDD)/Pollution Prevention Assessment (PPA) Checklists and EDD and PPA Summary Reports were developed for 11 proposals by local consulting companies and formal approval for all was obtained from USAID. Subsequently, the proposed Monitoring and Mitigation Recommendations for each Project were inserted into the Grant Agreements that were later signed by grantees. As recommended in their EDD/PPAs, Asbestos Health and Safety Plans were developed for Lars and Vipro. Two of the eight EDD/PPA recommended Cleaner Production Assessments were completed during the Quarter, as was a Program-level Pesticide Evaluation Report & Safer Use Action Plan and a model company level Safer Use Action Plan. Two Contract Modifications were signed during the Quarter, #2 reallocated the budget, primarily to increase funding for grants, and changed Key Personnel by removing the expatriate Senior Marketing Specialist and adding the Deputy Chief of Party (DCoP); and Mod #3 increased Program obligated funding by \$773,000. A substantial outreach program was implemented that included releasing four Success Stories and nine media articles featuring AgBiz and USAID/”from the American people.” Our new Monitoring & Evaluation (M&E) Management Information System (MIS) was almost completed and used to produce indicators for the Quarter. We cooperated with The Competitiveness Project (TCP), Swiss Import Promotion Program (SIPPO), Business Environment Activity (BEA), Macedonia Local Government Activity (MLGA), and the Regional Competitiveness Initiative on various activities, and our internal regulatory compliance work was enhanced, especially as related to grant/Project implementation.

Value Chain Competitiveness Enhancement Activities: Activities completed during the Quarter included the development of profiles for the fresh vegetables and table grapes value chains, a bottled wine database, market research on fresh produce in Moscow, regional Business-to-Business (B2B) meetings in Kosovo, and HACCP Training for the fresh products value chains. Seventeen agribusinesses received direct technical assistance and 25 individuals received short term training from AgBiz Activities. Sixteen different value chain enhancement activities were identified and proposed during the Quarter. Five activities were under development at the end of the Quarter including Training in Oak Barrel Aging Techniques, a Profile of the Wild Gathered Food Products Value Chain, Support for International Judges at the VinoSkop Wine Festival, value chain enhancement joint activities with Ministry Of Agriculture and Rural Development (MASHAV)/Centre for International Agricultural Development Cooperation (CINADCO) and the Fruit Logistica Trade Fair. Three activities, including a Poland Study Tour, B2B Meetings and an Assessment of the Importance of Agribusiness to MK Economic Growth, were in implementation at the end of the Quarter.

Projects: Significant progress was made on the nine already signed Projects during the Quarter, and ten additional projects were signed with all necessary documentation completed. AgBiz contributions to these projects during the Quarter totaled more than \$138,000 and customers’ investments more than \$490,000. The ten projects signed during the Quarter are projected to increase exports by \$18.9¹ million (\$5.7¹ million regional plus \$13.2¹ million international) and purchased from small producers by \$7.9¹ million. Work on one Project, Lars, was completed and they started using their new centrifuge. Only one proposal was still in Development. Two Projects were successfully completed during the Quarter 1) Intermaak I resulted in the company moving in the direction of value added wild mushroom products and achieving organic certification for both their collection areas and their processing operations and 2) Agrohemiija completed a successful test shipment of Bambolino watermelons to the UK with a value of more than \$145,000.

Enhanced Access to Finance: During the Quarter AgBiz staff helped 15 companies and individuals gain access to finance by assisting them identifying the most appropriate source and type of financing for their needs. Six companies and nine individuals applied for a total of \$1,498,700 in financing. Seven

¹ The USD value is calculated according to the Exchange Middle Rate of the National Bank of the Republic of Macedonia on October 3, 2008 (<http://www.nbrm.gov.mk/default-en.asp?pmenu=kurslistENIKL>)

companies received detailed information regarding available sources for the most appropriate types of financing.

Policy and Institutional Reform: Reform needs identified, prioritized, and discussed with sources of reform during the Quarter including uncertainty regarding the timing of Instrument for Pre-Accession Assistance for Rural Development (IPARD) funding availability and Hazard Analyses and Critical Control Points (HACCP) implementation requirements, difficulties related to buyers of agricultural raw materials having to withhold producers' personal income taxes, and the prospect of national forests charging for gathering wild products in national forests.

Operational Challenges Encountered: Specific operational challenges encountered included lack of cooperation between producers and processors/marketers, confusing Government of Macedonia (GoM) HACCP requirements, the slow development of IPARD, difficult required USAID indicator reporting, and the excessive dependence of Macedonian exporters on former Yugoslav markets.

Performance Indicators: The value of export sales achieved by supported Projects during the Quarter was \$1.6² million to the region and \$1.4² to "international" markets. More than \$9.2² million worth of agricultural raw materials was purchased from small holder producers. Orders worth \$281,614² were taken at Program-supported trade fairs and B2B meetings. 22 agribusiness firms were supported and 556 households received additional income. 41 men and 23 women received commercial training. Customers invested \$1.8 million into AgBiz supported Projects and Activities versus an AgBiz investment of \$116,285, or more than 6% of the total investment. Around \$1.5 million in financing was identified for 15 different customers.

1.2 FISCAL YEAR (FY) '08

Activities: During the FY AgBiz received and reviewed 51 value chain competitiveness enhancement Activity concepts. 39 of these potential Activities were prioritized as relevant to AgBiz objectives and were developed and completed during the year. Activities included support for six international trade fairs where some of the 40 participants received orders worth more than €1.3 million, four study tours, two training sessions, five workshops, one market research event, four value chain profiles, seven technical assistance events, one assessment, one B2B meeting, and eight other Activities. As a result, 151 agribusinesses received direct technical assistance, 38 new technologies and management practices were made available for transfer, and 367 customers' employees received short-term training. USAID/AgBiz provided direct resources to Activities totaling \$339,473, and 48% of total Activity costs were contributed by participants, resulting in very good resources leveraging.

Projects: Due to the successful design and implementation start-up of 19 viable Projects during FY '08, AgBiz made a significant contribution toward increased producer and processor/marketer competitiveness to meet export market demand for value added, agriculture-based products. We increased the awareness and knowledge of environmental compliance for customers' Projects through Program supported environmental compliance work. Local consulting company capacity to provide services to agribusinesses was enhanced through consultants' hands-on experience with AgBiz procurement procedures and business professionals. The Life of Program (LoP) projected results of the 19 Projects signed in FY '08 are \$38² million in increased exports, \$16.6² million in increased purchases of agricultural products, increased incomes for more than 4,300 households, and \$8.8 million in increased investment.

Access to Finance and Policy Reform: During FY '08 Ag Biz staff helped a total of 35 agriculture-related firms identify the most appropriate source and type of financing for their needs. 20 individuals were provided with financing assistance, and the staff of one agricultural association was given training regarding preparing agricultural loan applications and understanding loan analysis criteria. During the year, we worked with banks and our customers to apply for and receive nearly \$3.2 million in financing. During FY '08 we identified seven policy and institutional constraints impeding the competitiveness of the value chains we support. The lack of trade associations in most of AgBiz supported value chains limits our ability to stimulate the needed reforms, and a dialogue between value chain participants and the GoM does not exist. Also, issues such as purchasers of raw materials withholding farmers' personal income tax are reforms that need to be coordinated between two or more Ministries and governmental agencies. In FY '08 we completed an assessment of the impact of regional trade agreements on Macedonian agriculture-based exports, and, jointly with BEA, presented the results at a workshop.

² The USD value is calculated according to the Exchange Middle Rate of the National Bank of the Republic of Macedonia on October 3, 2008 (<http://www.nbrm.gov.mk/default-en.asp?pmenu=kurslistENIKL>)

Indicator achievements for FY '08 can be found in Table 10 of the following report. Nearly 1,130 households received additional income, 271 agribusinesses received assistance, 380 individuals received some type of training, customers' invested \$788,482 in our Activities and Projects, and AgBiz contributed 36% of total investments. 15 Success Stories and 29 media inserts were placed.

2.0 FOURTH QUARTER ACCOMPLISHMENTS

2.1 PROGRAM DEVELOPMENT WORK

This section describes Program development work that is not directly related to Project implementation, Activity development and implementation, enhancing access to finance or policy reform.

2.1.1 USAID

Environment-related Activities

During the Quarter, EDD/PPA Checklists and EDD and PPA Summary Reports were developed for eleven proposals by local consulting companies B2, Enviro-L, and Point Pro. These were reviewed and enhanced by international expert Jim Gallup, and then submitted to the USAID/MEO/BEO for approval. Formal approval for all eleven was obtained from USAID, and subsequently the proposed Monitoring and Mitigation Recommendations for each Project were inserted into the Grant Agreements that were then signed by grantees.

Following the required environmental mitigations, Asbestos Health and Safety Plans were developed for two grantees - Lars and Vipro. The Plans were sent to USAID for their information. Prior to sharing these Plans with the customers for whom they were prepared they will be translated into Macedonian for better interpretation and understanding, and thus enabling full implementation.

Another recommendation from the EDD/PPAs was to do Cleaner Production Assessments (CPSs). CIRKO - Mechanical Engineering Systems Center of Excellence - was contracted to develop CPAs for Vipro and Badzo. These were completed and sent to USAID for their information; and to the grantees for implementation. Since CIRKO's work was satisfactory after some enhancements were made, a second subcontract was signed with them to develop CPAs for the other six grantees that require one. These will be completed in the First Quarter of FY '09.

During the Quarter a Program-level Pesticide Evaluation Report & Safer Use Action Plan (PERSUAP) and a model for a firm-level Safer Use Action Plan (SUAP) were prepared by Alan Schroeder, Environmental Assessment Professional and David Benjamin Graham, Agro-Environmental Consultant, and submitted to the USAID MEO for approval.

Caska

During the Quarter, AgBiz followed up on an initiative to assist the Caska Municipality Elementary School to establish a small agricultural project. A meeting was held with the Caska School Principal when the basics were discussed of how a feasibility study for the potential school project could be developed on a cost sharing basis. The school will identify an appropriate consultant to develop the feasibility study during the next Quarter, and will contact AgBiz for further steps. In addition, and following a request from the Caska Municipality Economic Development Department, a presentation was conducted by the AgBiz DCoP for three Caska area participants in the Wild Gathered Value Chain on opportunities for collaboration with AgBiz.

Lars Site Visit

On July 30th USAID Acting Mission Director and representatives from USAID and AgBiz visited the “Lars” vegetables processing company in Shtip. Lars was one of the nine companies that signed Grant Agreements at the first grant signing ceremony held on July 3, 2008. The purpose of this visit was to introduce the Acting Mission Director to the types of companies AgBiz is supporting, and to witness Project implementation as co-funded by AgBiz. AgBiz provided funds to improve and increase Lars’ productivity and capacity for drying vegetables by helping them to acquire modern equipment such as a centrifuge line.

Mission Director Visit to Popova Kula, Briefing Book and Orientation Session

On September 5th new Mission Director Michael Fritz joined AgBiz staff on a field trip to Demir Kapija to visit the “Popova Kula” winery. Popova Kula is also one of the nine grantees who signed Grant Agreements at the first Signing Ceremony. The Popova Kula Project started implementation immediately after the signing, and the Mission Director had an opportunity to talk with the CEO of the winery and visit the premises. The Popova Kula Project will significantly increase export sales over the next three years by expanding exports of bottled wine to a new market (Poland), and make it a key growth driver for the company; and to support sales by achieving a superior mix of product offering and marketing - all related to a major Polish market entry and share growth program.

Shortly after the new Mission Director arrived, AgBiz developed a Briefing Book for him that provided brief information about the objectives, components, achievements, sustainability, legacies, issues and latest developments of the Program. Subsequently, an orientation session was organized in USAID where CoP and DCoP did a Power Point presentation on the AgBiz Program.

Contract Mod #2 & 3

Contract Mod #2 was issued in early August that 1) realigned the AgBiz budget, primarily to increase the grants line item to enable the implementation of more Projects, 2) revised Key Personnel to add Jeton Starova as the DCoP and remove Martin West as the Senior Marketing Specialist, and 3) modified four other technical clauses in the contract.

Contract Mod #3 was issued at the end of September and obligated an additional \$773,000 to the Program for a total obligation of \$3,773,000. However, this obligation will not be sufficient to fund AgBiz operations for all of FY '09. As of the end of the Fourth Quarter AgBiz had used \$2,661,164 in funds out of a total obligation of \$3,773,000 so therefore has \$1,111,836 of obligation remaining. With a FY '09 budget of \$1,725,797 there will be a shortfall of \$614,000 in FY '09 unless we receive an additional obligation, or, substantially curtail operations.

2.1.2 Staff Development

Staff Changes

USAID approval of the Budget Mod #2 allowed for significant savings by reducing the amount of USN ST and LT technical assistance. The term of the second expatriate on the Program was reduced, releasing funds for additional local staff. Advertisements were placed for skilled Macedonian professionals to



become Value Chain Coordinators for the Processed Vegetables and Wild Gathered Products value chains. After extensive screening, and USAID approval, Goran Angelovski was hired for the position of Wild Gathered Products Value Chain Coordinator and Zlatko Edelinski was contracted on a six-month consultant basis for the position of Processed Vegetables Value Chain Coordinator.

Staff Training

Natasha Stankovic participated in four days of Project Evaluation Training in Ohrid for USAID Macedonia counterparts, implementing partners and USAID staff. The training was organized into three phases: 1) providing theoretical knowledge on monitoring and evaluation; 2) providing feedback to participants on their specific evaluations and constant support throughout learning from the practical experience of each team; and 3) reviewing evaluation reports and conducting a final training session.

Zlatko Edelinski attended the “Workshop for Partners and Multipliers”, designed for those who will act as local promoters, on how to provide assistance services to SME’s, researchers and individuals regarding all aspects of participation in an FP7 project, including partner search. The main objective of the training was to explain the rationale, potential, call content, methodology and procedures behind EU-funded projects of the 7th Framework Program (FP7). The training included participants from Italy, France, Belgium, Greece, Bulgaria, Croatia, Albania, Montenegro, Serbia, and Bosnia and Herzegovina who presented their experience using FP7 funds. Based on this exchange of experience the participants determined a set of best practices to guide future FP7 funds access and usage by Macedonian research institutions, agribusiness and consulting companies.

Zlatko also participated in “Training on Preparation of a Grant Proposal for IPA Funds” for potential EU funds applicants, organized by the Cross Border Institution Building (CBIB), an EU-funded Project managed by the European Commission. The CBIB project was launched in June 2006 with a planned duration of 27 months. The project goal is to improve and broaden the cooperation among local communities, towns and enterprises in the Western Balkan countries. The basis for the improvement of cross-border cooperation is development of the institutional and project preparation capacities of the beneficiary countries. The training was organized and focused on key stakeholders such as National and Local Authorities, Universities and Research Institutions, Chambers of Commerce, SME Agencies and NGOs, who can assist in drafting cross-border programs, organizing targeted and effective training according to specific needs, and how they should apply for, manage and implement projects funded by this second component of the IPA package.

2.1.3 Outreach

An AgBiz Program First Year Accomplishments Newsletter was created, translated into local languages and sent to the Home Office, the Regional Competitiveness Initiative (RCI), USAID/DOC/CTO, all USAID EG funded projects, all AgBiz’s partners, customers, grantees, and other donor organizations.

Four Success Stories were produced during the Quarter. These were “*Macedonian Bamolino Watermelons on UK Tables*”, “Remarkable Presentation of Macedonian Wines at the Novi Sad Wine Festival”, “USAID Supports Macedonian Agribusinesses to Expand into New Export Markets”, and “USAID Cares about Food Safety”. All were sent to the Home Office and USAID. Two of the Stories were posted on USAID’s website and all were posted to the AgBiz website.

Natasha Stankovic participated at a half-day Communications Workshop organized by USAID’s DOC office. The new Mission Director was introduced to the Information Officers (IOs) and shared his expectations for an enhanced outreach program focused on the wider Macedonian public.

The Second Grants Agreement Signing Ceremony was organized where ten companies signed grant agreements. Huge media coverage was provided and a Press Release was issued to national media. National Television channels “Kanal 5” and “MTV” covered the Ceremony, and the “KAPITAL” and “BIZNIS” newspapers provided coverage of the event.

A Press Release was drafted on “USAID Enhances Macedonian Agribusiness by Providing HACCP Systems Implementation, Verification and Maintenance Workshops” and sent to USAID for clearance.

Two interviews were completed and published; one with the CoP and a second with the Senior Value Chain Coordinator. Both were for the business newspaper “KAPITAL”.

The CoP did an interview on local TV station MTM about AgBiz achievements to date, and announced future AgBiz’s activities.

International media exposure was accomplished when the “Dnevnik” newspaper in Serbia released the article about the “Interfest Wine Festival” held in Novi Sad, and write positively about AgBiz winery customer “Kamnik”. Articles were also published about AgBiz customer participation in “Interfest” in “Bar Code”, a specialized magazine for the food and wine trade, and in “Chasopis Vино” in Serbia.



The Success Story about the First Grants Signing Ceremony was published in the August edition of the Regional Competitiveness Initiative (RCI) Newsletter.

We provided a list of grantee contacts to “KAPITAL” newspaper who will contact the grantees to write articles about the individual grantees, mentioning the AgBiz support.

USAID branding appeared in the catalogue published for the Interfest Wine Festival.

The AgBiz website was updated on a regular basis.

2.1.4 Monitoring and Evaluation

Significant work took place during the Quarter to develop and implement an automated M&E system. To do so AgBiz formed an M&E Task Force. The main objectives of the Task Force were managing the development of the M&E electronic application and launching it, minimizing errors and inconsistencies in reporting indicators, and monitoring Program results. However the complexity of work performed by AgBiz contributed to postponing the start-up of the M&E application. The main factors causing the delay were the variety of types of support provided to grantees and other customers. This variety produces a long list of results, direct and indirect, which in turn creates a challenge to identify and develop a set of tools to properly track the range of results from the differing types of support. However, we believe that we have been successful in overcoming these challenges, and have completed most of the Task Force work projected for the Quarter.

At the beginning of the Quarter Smart Solutions, an IT company, was contracted to develop the M&E application in four phases: i) defining the data that needs to be entered and tracked through the application and the types of reports to be produced by the application; ii) developing the application and testing it by entering data and checking the output reports; iii) revising the application if needed; and iv) launching the application. By the end of the Quarter we had installed the application. We are now testing the accuracy of the output reports.

The main achievements of the M&E Task Force during the Quarter were 1) collection of all historical data that is now ready to be entered into the M&E application, 2) development of different tools for tracking results and putting them into practice, and 3) installation and testing the beta version of the M&E application. However, delays in grantees providing baseline data, Quarterly Reports and FY '09

forecasts have meant that we have utilized a combination of the application and manual recording using an Excel spread sheet to complete the indicator information needed for this Quarterly Report.

During the next Quarter the M&E Task Force will enter all data into the system. We will then use the new M&E system as both a management tool for tracking the development of Projects and Activities and their success, and for preparing internal and external reports and Success Stories. We are confident that the next Quarterly Report data will be totally and properly produced by the M&E application.

2.1.5 Cooperation with Other Projects and Entities

AgBiz supported the work of USAID's The Competitiveness Project (TCP) by helping a local consulting company Point-Pro, hired by TCP, to define the gaps and constraints in Macedonian financial markets by doing case studies on Macedonian SMEs. AgBiz grantee Vipro was one of the case studies. Therefore, we worked with PointPro to establish a set of interventions for Vipro designed to help them assess their capital needs for business growth and develop practical strategies to access commercial credit, equity finance, and new, innovative financial products being introduced in Macedonia. We also participated in the TCP workshop where the results of the case studies were presented.

Coordination continued between AgBiz and the Swiss Import Promotion Program on developing concepts for joint support for Macedonian enterprises interested in exhibiting at and/or visiting the Fruitlogistica and Biofach trade fairs in FY '09. Both fairs are key European exhibitions for fresh fruit and vegetables and organic produce marketers. AgBiz with SIPPO collaboration has been successful in the past, and has benefited our customers.

AgBiz followed up with USAID's Business Environment Activity (BEA) on an issue that became serious during the Quarter – collection of personal withholding tax from producer sellers. In coordination with AgBiz, attempts were made by BEA to schedule information meetings with relevant representatives from the Ministry for Finance to get a clear picture of the procedures for buyers of raw agricultural products collecting the personal income tax of individual farmers, and the ways the regulations in this area are applied in practice. However, these meetings still have not been arranged.

AgBiz and the Local Economic Development Team Leader from the USAID's Macedonia Local Government Activity (MLGA) explored opportunities for collaboration in FY '09. MLGA is assisting 28 Macedonian municipalities to create local economic development plans, increase their capacity to utilize IPA funds for economic development, and implement several municipal investment projects. Follow-up, design and implementation of joint activities to bring the local authorities and enterprises, i.e., participants in AgBiz supported value chains is expected in the First Quarter of FY '09.

The International Finance Corporation requested collaboration with AgBiz in disseminating technical brochures on food safety and quality standards. Given the very broad approach of this proposal and its minimal focus on any AgBiz value chain or food related sub-sector, AgBiz decided not to pursue this activity.

We held discussions with the Global Environment Facility (GEF), a UNDP project, regarding the options for supporting cultivation of endangered plant species that are currently grown only in the wild.

AgBiz explored the opportunities for supporting value chains participants to use the Swedish Guarantee Fund that can assist Macedonian farmers in obtaining finance by offering a collateral guarantee for commercial loans. This fund offers collateral guarantees of up to EU10,000. We will add this facility to the "Agribusiness Finance Manual" when we update it, and will keep the facility in mind when supporting customers' access to finance needs.

We exchanged information with USDA about developing and organizing AgBiz supported HACCP training for Macedonian enterprises. A USDA representative was invited to the September HACCP training course supported by AgBiz. USDA plans to support HACCP training for Macedonian veterinarian inspectors.

We communicated with TAM-BAS and explored collaboration opportunities related to offering technical assistance support to Macedonian enterprises, especially in the area of adopting international standards. It appears BAS will limit its support to firms and objectives not closely related to those of AgBiz.

We continued to pursue cooperation opportunities with MASHAV-CINADCO, and anticipate that a CINADCO expert assessment team will visit Macedonia in late October. (See 2.2.1 below.)

In the process of developing the AgBiz Program PERSUAP various entities were contacted. They provided information on Integrated Pest Management and related agricultural research activities. The Faculty of Agriculture from the University St. Cyril and Methodius and BioSan - the Macedonian National Federation of Organic Farmers Association - were among the most valuable sources of relevant information.

Regional Competitiveness Initiative

During the Quarter AgBiz removed confidential information from our data base of some 132 customers and reformatted it so it could be sent to the RCI for inclusion in the regional customers' data base they were developing. Also included in the RCI data base was a listing of exporters developed by SIPPO a few years ago.

At the end of the Quarter the CoP and DCoP participated in the RCI Regional Agribusiness Workshop in Tirana. At the workshop the combined data base covering seven Balkan countries was presented to participants, and a discussion was held on if and how the data base should be further developed. At the Workshop it was decided that the agribusiness database will be distributed on a CD or uploaded on a FTP server for quarterly downloading. It will remain in the Access format. Suggestions for content improvement and using the harmonized classification system for the commodities included were discussed. RCI will initiate a discussion on adoption of the most suitable terminology for the market players included in the database, such as producers, consolidators, traders and buyers.

Other topics discussed at the Workshop included demand driven research on markets of common interest, both within and outside of the SEE region; knowledge and best practices sharing from EU members in the region as related to EU accession requirements and regulations; the possibility of sharing resources/staff/experience; and coordinating regional export/import efforts. The CoP made a presentation to the Workshop on possibilities for coordinating regional export/import efforts. Several useful websites containing regional market information were identified at the Workshop and a suggestion was made to formalize these and other available Internet-based market information for use by regional agribusiness-related projects. RCI will prepare and distribute a questionnaire designed to identify common areas of interest among the regional USAID projects, as well as specific action plans for implementation of the selected initiatives. The results of questionnaire responses will be presented at the next Workshop, scheduled to take place in late November in Belgrade. The time and place will be coordinated with the Belgrade Ethno Food Fair to be held November 26-29, 2008.

2.1.6 Other Program Development Work

Foreign Direct Investment

Given the world economic slowdown, the comparatively small size of Macedonia from either a finished products market or source of raw materials standpoint, and Macedonian entrepreneurs' reluctance to share equity and maintain accurate and transparent accounts, stimulating foreign direct investment in Macedonian agribusiness is challenging. However, there have been some recent investments from Israeli (Soli) and Croatian firms (Agrokor). Whenever a foreign party expressed some interest in agribusiness investment in Macedonia AgBiz staff met with and provided them information and assistance. AgBiz staff have met with Soli managers several times, and participated in a meeting between Altra and a potential Italian investor. We have also discussed attracting Dutch investors through work with Pieter Imanse, and are developing a Dutch investors' trip to Macedonia with Pieter. The Agrokor investment in Valandovo through its subsidiary Rotopromet has been closely monitored. We have also discussed cooperation with TCP regarding supporting foreign companies or individuals interested in investing in Macedonian agribusiness.

Annual Work Plan Workshop

In mid-September AgBiz staff held a three day AWP workshop in Ohrid where we reviewed and discussed Program values, evaluated progress versus objectives, updated Program and value chain level objectives for the remaining LoP and FY '09 and determined how Program operations could be optimized from the perspectives of efficiency and effectiveness. The results of the workshop are reflected in the AgBiz FY '09 Plan presented in a separate report.

Regulatory Compliance

As AgBiz approached the signing of nearly 20 grants we needed to make sure we were operating in full compliance with all USAID rules and regulations, especially as related to grant making and the associated procurement. Therefore, we completed work begun in the Third Fiscal Quarter on proper documentation and control of all grant signing and implementation activities. This involved the development and utilization of Procedural Check Lists for use by Project Coordinators and the Contracts Department to make sure proper procedures were being followed from grant completion and grant related procurement, through to grantee reimbursement. The Checklists included confirmation that grantees and their vendors are not on the OFAC list, that grantees are contributing their portion of Project costs, that we are not over obligating our grant budget, that grantees are following proper procurement procedures, that all requests for reimbursement are consistent with approved Award Budgets, that we are not reimbursing a grantee for more than the approved cost of an item and that their environmental mitigation measures are being implemented. We are now using these Checklists to monitor Project/grant implementation. The Project Coordinator assigned to each Project is responsible for on-site monitoring and making sure proper procedures are followed. The Contracts Department double checks that proper procedures are being followed before any AgBiz supported procurement is approved by the CoP, and that all requirements are fulfilled before a grantee is reimbursed. An ongoing record is kept of grant payments versus the approved Award Budget. A sample of one of the Checklists is included on the following page.

2.1.7 Agreements Signed Report

Table 1 on page 12 shows all agreements that were signed in Macedonia during the Quarter as well of their value. Twenty five agreements were signed by AgBiz during the Quarter. As can be noted from Table 1, more than \$37,974 worth of agreements were signed during the Quarter, nearly all with Macedonian companies or individuals.

Procedural Check Lists

Grantee _____		Grantee Representative _____		Grant # _____					
Step	Action	Additional Description - Docs to be Placed in Grant Files	Responsibility	Award Budget Item #					
				Date Completed					
1	Verify that the Grantee is not on the Treasury List of Excluded Individuals and Vendors	http://www.epls.gov/epls/search.do?multiName=true	PC with Finance Manager Approval						
2	All certifications signed and in place	Attachment 5 to the grant	PC						
3	Types of Payments by AgBiz selected.	Grantee questions and/or special requests regarding AgBiz direct purchases must be submitted to AgBiz—not to the vendor. Procurement actions will be implemented by AgBiz in accordance with its policies and procedures, including price negotiation. AgBiz may request a grantee to participate in the procurement process in accordance with its instructions.	CoP						
4	The timing of any AgBiz direct purchases agreed.	AgBiz needs detailed specific timing and specifications for all direct purchasing.	PC						
5	Detailed Scope of Work or Item Specifications developed for the procurement	Detailed Item Specifications or Scope of Work developed by the grantee with support from the PC. For AgBiz direct procurement grantee must sign their approval of the specifications/SoW.	PC						
6	Three bids secured whenever possible;	It is recommended to contact the Vendors which provided offers to verify terms.	PC						
7	Brief explanation of why the preferred vendor was selected is required, especially if the most expensive Vendor is chosen. Bid consistency with agreed terms verified.	The Grantee or PC must submit a written explanation of why the selected Vendor was chosen. The explanation needs to be more detailed if the most expensive offer was chosen. Such explanation should include reasonable reasons; e.g. longer product guarantee offered, lower transportation costs, better payment terms, lower customs, etc.	PC with Finance Manager Approval						
8	Verify that the Vendor is not on the Treasury List of Excluded Individuals and Vendors	http://www.epls.gov/epls/search.do?multiName=true	PC with Finance Manager Approval						
9	If only one supplier then Sole Source Justification must be provided.	Obtain Sole Source Justification statement	PC with Finance Manager Approval						
10	Source Origin	Waiver required for any country of origin other than the Balkans, the EU and the US.	PC with Finance Manager Approval						
11	Payment Schedule developed and approved	Contract with Vendors in place e.g. type of equipment, delivery timeframes, design approval etc. Signed agreement provided by PC to Finance Officer.	Grantee and AgBiz PC; with Finance Manager Approval						
12	Written approval of source, cost and terms provided to AgBiz by grantee.	Must be obtained before a purchase contract can be signed.	Finance Manager and CoP, communicated to Grantee by PC						
13	For Direct Procurement develop a Purchase Order or sub-contract with the selected Vendor	Prepare a standard sub-contract with an approved SoW or specifications attached.	AgBiz Finance Manager with CoP Approval						
14	Monitor progress on Vendor fulfillment of contract	PC and/or Grantee monitors progress on agreement deliverables	PC	NA	NA	NA	NA	NA	NA
15	Item delivered and determined to be fully satisfactory.	Grantee certifies in writing that the Item is fully satisfactory. Site visit by PC to confirm.	Grantee certifies; PC verifies						
16	Grantee Certification of Item Acceptability received	Grantee must provide to the PC	PC with Finance Manager Approval						
17	Expense Reporting, Request for Reimbursement and Progress Report form submitted to the PC by the grantee.	The grantee will submit an Expense Reporting, Request for Reimbursement and Progress Report form when seeking reimbursement. All requests for reimbursement will be made for actual costs incurred and accompanied by supporting documentation such as copies of receipts, employee timesheets, etc. An original vendor invoice must be provided by the Grantee.	PC						
18	Original vendor invoice in an amount equal to or less than the AgBiz agreed reimbursement provided by Grantee.	The grantee should ask for 2 originals of the invoice for their own accounting and for the AgBiz grant files.	PC						
19	Verification of full payment for the item provided by Grantee.	Grantee provides a bank transfer copy, payment slip or other form of payment verification.	PC with Finance Manager Approval						
20	Request for Payment completed	For tranche payments, a detailed payment schedule should be developed by the Grantee and PC.	PC with Finance Manager Approval						
21	Verify that the Cost Share value and percentage is	Grantee must submit Expense Reporting, Request for Payment and Progress Report	PC with Finance						

Procedural Check Lists										
Grantee _____		Grantee Representative _____		Responsibility	Grant # _____					
Step	Action	Additional Description - Docs to be Placed in Grant Files	Award Budget Item #		Award Budget Item #					
	the same or higher to what has been agreed in the Award Budget	forms; cost share must be included in the reports.								
22	Verify that the Grantee has not used the total or close to maximum amount of the Awarded Budget.	Verification against Award Budget and payments to date.								
23	Has the Reimbursement Form been properly completed?	PC must confirm and get approval from the Finance Manager								
24	Reimbursement contingent on timely reporting by Grantee	Grantee must submit financial and programmatic reporting forms, included in the Grant Agreement								
25	Request for Reimbursement form formally accepted.	Can be in the form of an e-mail to the grantee. Keep a copy for own grant files								
26	AgBiz transfers agreed amount of funding to the Vendor or Grantee	Based on the payment instructions, payment is made								
27	Enter the procured item in the AgBiz Inventory List - where applicable	Consult ARD Home Office for appropriate inventory numbering in line with the USAID standards and regulations.								
28	Apply Branding and Marking	Place a sticker, a plaque or another type of sign on any equipment. The sign must contain the following text: "This is made possible by the generous support of the American people through the United States Agency for International Development (USAID)." "Presumptive Waiver" has been approved for promotional materials.								
29	Ownership transfer arranged before the end to the grant term for non-expendable items (e.g., equipment).	For non-expendable items e.g., equipment, ownership will be transferred to the Grantee's business capital prior to completion of the grant. Grantee must provide a copy of the Changes in the Capital from their balance sheet								

TABLE I. AGREEMENTS SIGNED

PROJECTS									
Number	Company/Person	Type of Contract	SUBMITTED TO USAID	USAID CO	USAID CTO	Signed	BTV		US\$
						Signed	Person respon.	To be completed by	
057	EPICentar/Fresh Veg Profiling	FFPS	16-Jul-08	NR	16-Jul-08	15-Jun-08	Jeton	30-Jun-08	\$6,269
060	EPICentar/ Impact of Agriculture on MK EG	FFPS	23-Sep-08	NR	23-Sep-08	24-Sep-08	Jim	8-Oct-08	\$2,000
060/1	GWIAZDA Poland	FFPS	3-Sep-08	NR	9//9/2008	24-Sep-08	Lovre	24-Oct-08	\$2,090
	EDD PPA	SOW	3-Mar-08	NR	3-Mar-08			61.000,00 MKD	\$1,488
EDD PPA 024	Enviro-L/Ohrid Winery	FFPS		NR		3-Jul-08	Natasha S.	17-Jul-08	\$1,015
EDD PPA 025	Enviro-L/Peca Komerc	FFPS		NR		3-Jul-08	Natasha S.	24-Jul-08	\$1,015
055	B2, PERSUAP	FFPS		NR		20-Jun-08	Natasha S.	31-Jul-08	\$4,059
	Asbestos Health and Safety Plan	FFPS	10-Jun-08	NR	10-Jun-08	12-Sep-08	Natasha S.	3-Oct-08	\$3,000
	CIRKO Cleaner production Vipro	SOW	18-Aug-08	NR	19-Aug-08	19-Aug-08	Natasha S.	9-Sep-08	\$839
	CIRKO Cleaner production 6 Companies	SOW	18-Aug-08	NR	19-Aug-08	23-Sep-08	Natasha S.	14-Oct-08	\$2,516
ACTIVITIES									
Number	Company/Person	Type of Contract	SUBMITTED TO USAID	USAID CO	USAID CTO	Signed	Person respon.		US\$
	Moscow Whole sale market research	SOW & travel approval	29-Jul-08	NR	31-Jul-08	NR	Vlado,		
	Poland Study Tour and B2B	SOW	3-Sep-08	NR	9-Sep-08	NR	Lovre		
	Lovre Travel	Staff travel	2-Oct-08	NR	2-Oct-08	NR	Lovre		
LOI 022/1	Avto Ria	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	22-Sep-08	Lovre		\$1,244
LOI 022/2	Badzo	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	24-Sep-08	Lovre		\$1,244
LOI 022/3	Vizba Valandovo	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	24-Sep-08	Lovre		\$1,244
LOI 022/4	Ledra Agro	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	24-Sep-08	Lovre		\$1,244
LOI 022/5	Vigan	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	22-Sep-08	Lovre		\$1,244
LOI 022/6	Angro Marketing	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	22-Sep-08	Lovre		\$1,244
LOI 022/7	Emita Trade	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	24-Sep-08	Lovre		\$1,244
LOI 022/8	Peca Komerc	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	24-Sep-08	Lovre		\$1,244
LOI 022/9	Turan dooel	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	23-Sep-08	Lovre		\$1,244
LOI 022/10	Vivi Prom	LOI Poland Study Tour B2B	3-Sep-08	NR	9-Sep-08	23-Sep-08	Lovre		\$1,244
INTERNAL SUPPORT									
Number	Company/Person	Type of Contract	SUBMITTED TO USAID	USAID CO	USAID CTO	Signed	Person Respon.	Agreement Currency	US\$
058	Goran Angelovski, Intermak Organic Production	Daily Rate	6-Jul-08	NR	6-Jul-08	6-Jul-08			
059	Maja Ibrahimpashic	FFPS	30-Jun-08	NR	1-Jul-08	12-Jul-08			
	Smart Solutions, MIS	FFPS	resubmitted 8/14/2008	NR	14-Aug-08	17-Jul-08		296.649,00 MKD	\$1,244
STAFFING									
Number	Company/Person	Type of Contract	SUBMITTED TO USAID	USAID CO	USAID CTO	Signed			
11	Agron Halimi	Consulting contract	1-Jul-08	NR	2-Jul-08	2-Jul-08			
12	Goran Angelovski	Employment contract	13-Jul-08	16-Jul-08	NA	21-Jul-08			
13	Zlatko Edelinski	Consulting contract	2-Sep-08	NR	2-Sep-08	9-Sept-08			
TOTAL									\$37,974

* CTO approval proceeds CO approval and is internal to USAID

**NR- Not Required

*** Submitted for information

2.2 VALUE CHAIN COMPETITIVENESS ENHANCEMENT ACTIVITIES

The following section briefly describes the Activities AgBiz worked on during the Quarter.

2.2.1 Activities Under Development

The following Activities were under development at the end of the Quarter, but implementation arrangements were not complete nor had implementation agreements been signed.

Training on Oak Barrel Aging Techniques

Analysis of market trends, and through their continuous efforts to expand bottled wine sales on current and enter new markets, Macedonian wineries have identified a need to offer oak aged wines. According to the wineries, many of their buyers abroad are expressing interest in including oak aged wines in their portfolio for customers that prefer the taste and aroma of oak aged wines. Therefore, to stay competitive, add value to their wine, and satisfy more rigorous customers' requirements, many wineries in Macedonia want to offer oak aged wines. Even without a sufficient knowledge and understanding of the relevant variables, several wineries have invested in barrels. And some have tested storing various varieties of wines in barrels of different types, toasting levels and origins. With a few exceptions these attempts have not been properly developed, recorded and analyzed to give direction for further improvements. Therefore, based on our customers' requests, AgBiz plans to organize training for Bottled Wine value chain participants on modern oak aging technology for Macedonian wines.

Two days of training on "Oak Aging Technology for Macedonian Wines" with a recognized international expert and a local expert from the Macedonian Wine Institute will transfer oak aging knowledge and know-how by presenting the latest developments and trends in oenological microbiology, oenology and wine making technology as related to oak aging of wines. Emphasis will be on introducing advanced practices, including alternative methods of oak aging technology, i.e., alternatives to using expensive oak barrels. The workshop will help develop sound techniques for wine oak aging, and the correct use of oak. All Macedonian wineries that are producing bottled wine will be invited to participate on the seminar, particularly those focused on production of higher quality wines that have already investing or intend to invest in barrels.

This training will allow wineries to enhance the quality of their premium wines, and achieve and sustain distinctive oak aged characteristics from one vintage to the next. Achieving consistency and adding value to premium bottled wines will expand opportunities for exporting Macedonian fine wines, thereby increasing the awareness of Macedonian wines in target markets. This activity will be implemented during the next quarter.

Profile of the Wild Gathered Food Products Value Chain

The Wild Gathered Food Products Value Chain plays an important role in Macedonian agribusiness since the majority of output is sold on export markets. Data related to this sector are difficult to find, primarily due to the structure of the sector and its trading practices. To better understand the trends, opportunities and threats for this broad value chain, and to better design and position actions and activities that will increase its competitiveness, both AgBiz and the individual participants need a profile of the value chain that provides in-depth information on its structure and sales performance.

During Quarter, AgBiz initiated development of a Profile of the Wild Gathered Food Products Value Chain in Macedonia. The survey will use a similar methodology for value chain profiling as applied to previous AgBiz Profiles. Quantitative and qualitative data will be collected through desk and field research activities. Both mail and personal questionnaires will be developed and applied that will allow the survey to achieve the overall objectives of the Profile.

The deliverables of this activity that will be completed during the next Quarter include a comprehensive value chain report that will be presented and made available at a workshop that will help value chain participants capitalize on high priority opportunities and avoid key threats.

Vino-Skop

Vino-Skop Macedonia is a highly relevant event of an international character that brings together wineries, wine experts, visitors and journalists. It allows great exposure and increases awareness of Macedonian wines to consumers, not only in Macedonia, but also in the wider Balkan region. The festival is included on the map of international festivals: see The Juice for Macedonia, sponsored by Wine Spectator.com <http://www.localwineevents.com/Macedonia-Wine/event-204330.html>

During the festival official testing of wines by international experts will be organized. A panel of three international wine tasters/judges/experts, that are also well known wine critics and writers for world established wine magazines, will taste and score wines entered by wineries. Grand Prix, First, Second and Third prize are planned for both the red and white wine categories, and a Certificate of Honor with the Festival's brand will be publicly announced and published. It is anticipated that the wine judges will write articles about the better Macedonian wines that will be published in magazines such as Harpers Wine and Spirit and Decanter.

The main expected benefits for the bottled wine value chain are getting an independent and relevant score by known international wine judges, and improving the profile and enhancing the international visibility of Macedonian quality wines through publicity about the judging. Since this type of activity is consistent with the AgBiz objective of supporting Macedonian wineries to improve their export opportunities and enhance their profile abroad, AgBiz agreed to support the part of the event involving the international wine judges - to assure the effectiveness of the wine judging and international promotion program. This activity will be implemented during the next Quarter.

Fruitlogistica

The Fruitlogistica Trade Fair will take place in February 2009 in Berlin, Germany. This trade show provides companies involved in fresh fruits and vegetables an opportunity to present their range of services from growing to selling. One of the main attractions of Fruitlogistica is that it is a compact, highly effective show focusing on specific target groups. It offers developing country exhibitors marketing produce, and newcomers from Central and Eastern Europe, an excellent venue for presenting their products to international buyers to help establish new business contacts and prospects. Marketing perishable fresh produce such as fruits and vegetables makes tough demands on logistics management. So, in addition to product presentations, Fruitlogistica introduces the technical know-how and skills required for effective logistics management.

During the Quarter AgBiz signed a MoU with GTZ Macedonian Agro and Food Promotion Project (GTZ MAFP) and Swiss Import Promotion Program (SIPPO) to support companies to exhibit at Fruitlogistica. This was based on the interest and request of Macedonian companies from the fresh vegetables, wild gathered products and table grapes value chains. The MoU agreed that the three parties would support presentation of Macedonian companies at a Macedonian National Stand during Fruitlogistica 2009.

MASHAV/CINADCO Cooperation

Since the third quarter of FY '08 AgBiz has been engaged in developing a series of activities in collaboration with MASHAV (Israeli Ministry of Agriculture), and its international technical assistance arm CINADCO. MASHAV is interested in developing a technical assistance program for Macedonian agriculture/agribusiness enterprises in FY '09. This opportunity to leverage USAID funding by utilizing additional technical and financial resources offers AgBiz the opportunity to increase support for several value chain enhancement activities, especially for the fresh vegetables and table grapes value chain participants. A team of MASHAV/CINADCO experts are expected to visit Macedonia to conduct an assessment of the technical assistance needs in the value chains supported by AgBiz and propose an

activities plan. The standard approach of MASHAV/CINADCO in offering technical assistance is by using delivery mechanisms such as developing and conducting training seminars in Israel for up to 25 days, and providing Israeli experts to conduct training and technical assistance interventions in Macedonia.

Late in the Quarter AgBiz started developing specific value chain enhancement activity concepts that can be implemented in collaboration with MASHAV/CINADCO. Several of the areas for increasing the amount of technical support AgBiz can provide via cooperation with MASHAV have been identified by AgBiz, and tentative consent for the trip to Macedonia has been received from MASHAV/CINADCO. Post harvest handling of fresh produce, commercial seedling production, table grapes vineyard management, and packaging fresh vegetables for extended shelf life are some of the technical areas where AgBiz believes a contribution from Israeli experts would prove to be quite valuable.

2.2.2 Activities Being Implemented

Implementation agreements for the following Activities had been signed by the end of the Quarter, and they were in the process of being implemented.

Poland Study Tour and B2B Meetings

During the Quarter AgBiz consultant Mr. Greg Vaut completed an assignment to identify export opportunities for Macedonian fresh vegetables and table grapes, and help AgBiz develop appropriate strategies for expanding exports of those fresh products. (See 2.2.3 below). Poland was identified as a high potential market for Macedonian fresh produce exports. Based on this assessment, and following a series of coordination meetings with participants in both value chains, AgBiz developed a concept for business-to-business (B2B) meetings and a study tour to Poland for participants in the Fresh Vegetables and Table Grapes value chains. The main objectives of this activity are to identify potential buyers in Poland and to update AgBiz customers knowledge and understanding of advanced post-harvest handling and marketing of fresh produce according European standards.

Poland is the sixth largest market for fresh fruit and vegetables in EU. Therefore, the Polish market is considered to be a good opportunity and of particular interest to AgBiz customers from the fresh vegetables and table grapes value chains. Visiting such a market will provide Macedonian companies involved in fresh fruits and vegetables trading with an opportunity to present their range of services from growing to selling.

A group of 9-10 Macedonian companies, marketers of fresh produce and table grapes will benefit from this activity and get an opportunity for direct contact with potential Polish buyers, produce marketers, consolidators, and wholesalers that might result in creating strategic partnerships for future exports from Macedonia to Poland. In addition several other results such as accessing the most recent know-how, new or improved technologies and management practices that can enhance the competitiveness of the fresh vegetables and table grapes value chains, and exchanging experience in fresh fruits and vegetables marketing with more experienced companies from EU will be achieved.

The Macedonian companies that will benefit from these B2B meetings market a wide range of fresh fruit and vegetable products and table grapes. The B2B meetings will be directed towards identifying whether their products satisfy the requirements of Polish markets. The findings will enable a better understanding of the competition, and Polish customers' requirements.

During the Quarter AgBiz identified and contracted a consulting company in Poland to organize and facilitate the whole event. The company was tasked to identify and secure interest from Polish companies to participate in B2B meetings, and develop an extensive program for visiting the most relevant examples of post harvest and trading operations, covering the range of cold storage handling, sorting, grading, packing and logistic arrangements for trading fresh produce. The Study tour and B2B Meetings will take place in early October 2008.

Importance of Agribusiness to MK Economic Growth

To convince ourselves and USAID of the importance of agriculture and agribusiness to Macedonian economic growth, and thereby to enable us to make the case for additional USAID support to the sector via AgBiz, we commissioned a small activity to source and present macro data related to this objective. This includes the percentage of Macedonian GDP, employment and exports accounted for by agribusiness. We also asked the vendor to determine the importance of the five value chains to total Macedonian agriculture related exports and to identify other large agribusiness-related value chains that we might consider for support. We expect the results of this work in mid-October.

2.2.3 Activities Completed During the Quarter

The Activities below were completed during the Quarter. The direct cost and cost sharing are shown for each.

Regional B2B Meetings in Kosovo

USAID's Kosovo Cluster and Business Support project organized a half-day Regional B2B event that offered an opportunity for business leaders in the region to meet face-to-face, hold substantive discussions, becoming more familiar with one another and develop business linkages. The B2B meetings were organized in conjunction with the traditional AGROKOS Agricultural Trade Fair.

Agribusinesses from Albania, Kosovo, Macedonia, and Montenegro, Bosnia & Herzegovina and Serbia participated and companies from the Fruit & Vegetable, Medicinal Herbs, Olive Oil, Dairy and Processed Meat value chains participated. Following the launch of the AGROKOS Trade Fair on May 11th the regional B2B meetings were conducted at the Grand Hotel in Pristina. Sixty four companies from Kosovo, Macedonia, Montenegro, Serbia, Albania and Egypt participated in the event. Representatives of the Kosovo Customs Service and Kosovo Veterinarian and Food Agency were present at the B2B meetings and several companies received first hand information related to Kosovo's export-import and food safety procedures.

AgBiz supported seven Macedonian companies from the processed vegetables, table grapes, bottled wine and wild crafted value chains to participate in and make use of this event to establish closer links with their regional counterparts. (Total Cost \$240; AgBiz Share 58%).

Post-harvest Handling Needs Assessment for the Fresh Vegetables and Table Grapes Value Chains

During the Quarter AgBiz consultant Mr. Greg Vaut completed a Post-harvest Handling Needs Assessment for the Fresh Vegetables and Table Grapes. The objective of this activity was to identify export opportunities for Macedonian fresh vegetables and table grapes, develop appropriate strategies for expanding exports of those fresh products and to develop support activities for these value chains. The main post harvest issues, and hence improvement needs within the value chains identified during this assessment were:

- Late harvest resulting in difficulties in transportation and short shelf life;
- Lack of storage and cooling facilities;
- Inappropriate calibration;
- Absence of packaging centers working under an appropriate temperature regime; and
- Inappropriate marketing.

For all fresh produce, variety selection, climatic conditions and growing practices greatly affect the quality at harvest. Successful marketing of fresh vegetables depends on maintaining the quality of the products harvested. Fresh products are alive and respire. Careful postharvest handling aims to reduce the rate of respiration and other processes that cause deterioration and quality loss. Careful, clean, and efficient handling is more important than the sophistication of the postharvest equipment used.

The AgBiz approach for resolving the issues identified in this assignment is to develop and implement training and capacity enhancement programs for employees, especially those involved in post harvest handling of fresh vegetables and table grapes, and to successfully implement the several Projects that include expansion of cold stores and pack houses. (Total Cost \$12,710; AgBiz Share 100%)

Fresh Vegetables Value Chain Profile

The assessment “Profile of the Macedonian Fresh Vegetable Value Chain” was completed by AgBiz this Quarter. It was conducted to provide a more realistic and deeper analysis of the fresh vegetable value chain in Macedonia.

From the total exports of food and food products from Macedonia of around 169 million Euros, 20.6% belongs to the fresh exports of the six analyzed crops. In the last ten years, the total value of the exports for these six products increased from 10.8 to 34.8 million Euros. Tomatoes and cabbage show export increases, and peppers are showing significant decreases in exports. This is primarily due to the growth of the domestic processing industry which is able to absorb most of the peppers produced.

The main issues impeding the export competitiveness of this value chain are:

- Outdated and inefficient production capacity, old and obsolete greenhouses, inefficient heating equipment and inadequate energy sources, outdated irrigation systems, inefficient equipment resulting in high labor costs;
- Lack of extension services resulting in application of inefficient production methods, inefficient usage of fertilizers and pesticides, applying old growing techniques, lack of traceability - certification of the individual producers; and
- Lack of quality and low cost inputs, lack of a suitable seedling center that could provide standard quality and uniform production among small individual growers.

Inadequate post harvest handling practices also pose a huge limitation to the growth and competitiveness of the final product. The profile reveals that there is rarely any substantial post harvest practices taking place since most of the products are sold directly from the field without any sorting, calibration, cooling or other post harvest techniques being applied. The main areas for development identified in the assessment related to post harvest activities are:

- Support for the creation of modern packing centers that will organize small individual producers and change the traditional practices, increase the shelf life of products and assure ability to deliver products to buyers’ specifications; and
- Maintaining a cold chain in handling fresh produce.

Export markets for Macedonian fresh produce are predominately ex-Yugoslav countries. These markets are however opening for imports from other countries, and in the last few years’ consumption habits are also changing. These facts will pose substantial challenges for Macedonian fresh produce exporters, since Macedonian products are currently inferior to products coming from competitors, especially regarding post harvest handling and packaging. The Russian market and markets in the New Independent States are becoming more relevant, especially in recent years. Weak links with local traders, and the big risks associated with selling to these markets will have to be managed.

The main conclusion of the assessment is that organized interventions should be carried out, supporting and transforming all segments of the fresh vegetable value chain. Long dependency on ex-Yugoslav markets has not encouraged value chain participants to start adapting to EU markets requirements. The current accession process of Balkan countries into the EU will for sure jeopardize Macedonian exports in these countries. The decrease in exports over the last few years to ex-Yugoslav markets confirms this.

It is also further observed by the profile that “local champions” are appearing that try to change traditional production practices and organize modern systems appropriate for EU markets. These companies are organizing small individual producers, providing them production inputs advanced via in-kind credit, technical support and organizing the buyout of their production. Consolidation of companies involved in buy out and export of fresh produce will probably continue. As these companies grow so will

their ability to organize, contract with and support larger numbers of individual producers into a marketing network.

Current issues with enforcing personal income tax to be paid in the name of the individual farmers by the buyers-traders is causing problems and could potentially jeopardize the whole system since more than 90% from all producers are small, unregistered farmers. One solution is for traders to reduce the price paid to farmers by subtracting their personal income tax withholding. (Total Cost \$7,500; AgBiz Share 100%).

Moscow Fresh Fruits and Table Grapes Market Research

Macedonian exporters of fresh fruits and vegetables, as well as exporters of table grapes, have been attempting to address the market opportunities for fresh agricultural produce in the Russian Federation for several years. At present, limited quantities of Macedonian fresh agricultural produce reach Russian markets through Serbian intermediaries. Some attempts were conducted in the last two seasons to establish direct links with Russian wholesale buyers. However, knowledge of Russian market opportunities remains low among Macedonian exporters. The Russian Federation fresh produce market is extremely large, and with the increased purchasing power of the Russian urban population it becomes more and more attractive as a feasible market outlet for various Macedonian fresh products. Wholesale markets are an essential component of any agricultural produce marketing system. This is especially valid for fresh vegetable and fruit crops.

During the Quarter AgBiz developed and implemented focused market research aimed at identifying prospective Russian importers of Macedonian produce and enhancing the knowledge of Macedonian fresh produce exporters on the specific market preferences, technologies applied and trade practices needed to determine a more successful approach to the market.

The activity provided an excellent opportunity to meet larger buyers from Moscow wholesale markets and evaluate imported fresh products. Also, of great significance, was the opportunity to analyze competition, compare prices and the new packing of products imported from South Africa, Italy and Spain and their strategy for approaching and sustaining a presence in the Moscow market, including labeling and distribution.

Over a period of three days, AgBiz Fresh Vegetables Value Chain Coordinator Vladimir Kokarev and a representative from Agrohemija met managers of the eleven largest importers, obtain information on how markets operate in Moscow, exchange ideas, discussed importation and tax issues and procedures, practices and terms of payment. All of the companies visited expressed an interest to cooperate with Macedonian companies, and requested concrete offers.

The main operator of Moscow fresh vegetables and fruits markets is "Moscow Wholesale Food Markets" JSC "Moscow WFM". Since August 2004, they have functioned as a lead implementer of projects for the creation, development and provision of Information and Analytical System for the Wholesale Food Market of Moscow. The Information and Marketing Center is established and functions within JSC "Moscow Wholesale Food Markets". A network of information centers is formed to link all enterprises operating within the wholesale food complex. At present, the 65 largest enterprises in the wholesale food complex provide information to the system in a day-and-night regimen. The system collects and disseminates information on volumes and prices of goods sold within the market, and by individual operators (more than 400). This system accounts for up to 50% of the wholesale food market volume of the city of Moscow.

Another Moscow wholesale food market visited has more than 100 operators - JSC "Novye Cheremushki". The complex consists of cooled and non-cooled fruit and vegetable depots, with storage capacity of more than 56 thousand tons of food products. The total turnover of this entity is 600 tons per hour. The market supplies food products for about 400 retail trade companies (such networks as "Perekrestok", "Metro", "Piaterochka", etc) and institutional buyers.

The Distributing Center of the Moscow Wholesale Market was established on the basis of the JSC "Krasnaya Presnia" (fruit and vegetable depot) which occupies 23 hectares and has a storage capacity of 72,000 tons of fruits and vegetables.

The findings of this research will be made available to all participants in the Fresh Vegetables and Table Grapes value chains. Follow up assistance in establishing contacts between Macedonian exporters of fresh produce and Moscow-based importers that were identified will be offered on an as requested basis over the next quarters. (Total Cost \$5,332; AgBiz Share 48%)

Agrohemija Trial Shipment to Moscow

During the Quarter AgBiz supported Agrohemija to export the first trial shipment of 20MT of Victoria variety table grapes valued at 19,000 Euros to a Russian buyer as a follow up activity to the Moscow market research study tour. The surplus production of table grapes in Macedonia has caused many problems for table grapes producers this year. In the Strumica region table grape production was the highest seen for many years. Unfortunately, this negatively affected the price of grapes on the wholesale market. Traditional buyers from regional markets can't accept all table grape production from Macedonia because competition from Greece, Italy and regional countries, especially Moldova was very strong.

AgBiz took this opportunity to help Agrohemija develop a trial shipment of table grapes to Moscow. We made contact with a Moscow wholesaler who expressed willingness order a test quantity of table grapes meeting their specifications. The first trial truckload was shipped and completely fulfilled the quality requirements of the Russian importer, and their end buyer expressed satisfaction and readiness to order more following a positive response from their consumers. Since this shipment was a successful test, it is expected that this success will be built on in the 2009 production season when expansion on the Russian market is planned. In addition to table grapes, an offer was sent for several other fresh crops including peppers, marrows, eggplants, and apples, so this new partnership can open the door for extending the products sold next year by including many other fresh products.

Entering the Moscow market was an outstanding success for Agrohemija from many aspects, and is in line with the development strategy of the company to increase their exports to the Russia market. So far their marketing strategy has focused to neighboring countries, but this experience demonstrates a huge opportunity for Macedonian fruit and vegetables producers to find a profitable market for its products outside of the Balkans. (Follow-up of the Moscow Market Research Activity)

Table Grapes Value Chain Profile

In August AgBiz completed the Table Grape Value Chain Profile. The activity consisted of the following phases: developing and updating the data base of table grape producers, traders and packers; collecting information (directories, databases, statistics); acquiring historical export data, analyzing export trade by tariff numbers, developing a questionnaire, testing the questionnaire and final report outline approval, field research, data entry and analysis.

The table grape industry plays a very important role in Macedonian agribusiness since a large proportion of the output is said to be sold on export markets. Detailed information on the quantities and type of export markets is not available or very sketchy. The value chain needed a survey that provides in-depth information related to its present product and sales performance. This survey would then be utilized as input for developing future plans for individual companies or the value chain as a whole.

The completed Profile revealed that although the Macedonian table grape industry is less developed than wine grape production, it is still an important export oriented business activity with continuous export volumes and values. Yet, due to old production and post harvest practices, traditional exports are endangered by well packed and better marketed table grapes coming from other countries, e.g, Spain, Italy, Israel, France. Therefore, improvements and investments in new vineyards and post harvest operations will be necessary for the Macedonian table grape industry to maintain and further improve its competitiveness.

Agricultural households own the majority of the 7,144 hectares of table grape vineyards in Macedonia. The average size of vineyard per household (0.35 ha.) is very small. Because of that, it is very hard to introduce new production techniques that will improve overall productivity and post harvest handling. Therefore, possibilities for enlargement of vineyards devoted to table grapes must be carefully assessed.

Also, individual vineyard owners lack training, awareness about new post harvest techniques and the possibilities for obtaining financial resources (loans) from the banks and other financial institutions.

Contract farming is still not prevalent. Most table grapes are produced by small holders are marketed individually by the producers. As a result, exporters are also spot buyers unable to do effective planning. Prices for Macedonian table grapes fluctuate heavily during the season (even on daily basis) due to demand and supply variations on regional markets.

Table grapes stakeholders continuously suffer from lack of relevant export market information and reports. Understanding export markets is important for table grape growers and gathering and distributing relevant marketing data will increase the awareness of market conditions and requirements among domestic stakeholders.

The table grapes industry is poorly organized. There is no association or other organized grouping of table grape producers, packers and exporters. As a result relevant information about the industry is not communicated or discussed among the stakeholders. The producers also have very low negotiating power, and do not lobby in front of government in an organized way. Efforts toward organizing the value chain should be adequately supported.

In the next Quarter AgBiz will bring together relevant stakeholders in the table grapes value chain by facilitating a workshop where the findings of the Profile will be presented and discussed. (Total Cost \$7,500; AgBiz Share 100%)

Bottled Wine Database

For quantitative information on the Macedonian wine industry, AgBiz developed a Wine Industry Database that is a compilation of statistical data on production, imports and exports of Macedonian wines beginning from CY 2004. This database will be updated regularly, utilizing the latest data provided by the State Statistical Office. Given that the European Union is the world's largest wine producer, consumer, exporter and importer of wine, AgBiz is supporting, both technically and financially, Macedonian companies to become more competitive in the EU markets. This data base will be very useful to help track trends and the success of Macedonian bottled wine exports.

In addition, to facilitate insights into the bottled wine industry situation and outlook, AgBiz has recently upgraded the database by appending data downloaded from EUROSTAT (<http://epp.eurostat.ec.europa.eu>) and will further process it. These EU statistical data are compiled on the basis of national figures and all surveys are undertaken by the Member States. It is considered to be a very useful tool for doing comparative analyses using information on the largest countries'

exporters/importers, wine consumption, and unit prices. (Total Cost \$300; AgBiz Share 100%)



Photo by AgBiz Staff

Participants taking the test on Developing a HACCP Plan

HACCP Training for Table Grapes, Fresh Vegetables and Wild Gathered Value Chains

In September AgBiz organized a three-day workshop on "HACCP System Implementation, Verification and Maintenance" in Kavadarci. The objective of this capacity enhancement activity was to introduce HACCP (Hazard Analysis of Critical Control Points) to representatives from the Fresh Vegetables, Table Grapes and Wild Gathered Products value chains, and present the advantages of proper application of this system, which ultimately effects the

production of safe food products.

According to Macedonian food safety regulations, all food operators the Republic of Macedonia must introduce, implement, and maintain food safety assurance systems based on HACCP principles as of January 1, 2009. This requirement is applicable to all food operators regardless of whether they produce for the domestic market only or export.

Workshop participants represented a range of firms from the three value chains, a certification company and an organic products producer organization. The companies that participated were Flores, Agrotikvesh, Ledra Agro, Vigan, Angormarketing, Dushan Cirik, Balkan Biosert (the certification entity) and the Federation of Farmers for Organic Production. Sixteen representatives from the eight companies were able to obtain in-depth information about what a HACCP system means, what the value of it is and how to implement and maintain HACCP within their company. The goal of this training was to help company managers and HACCP team members to easily acknowledge where and what type of problems can arise concerning food safety, and how to prevent them from happening.

All training participants were satisfied with the training content, educational value and usefulness of this training. 75% of the attendees required further in-depth training and felt that this training should be utilized by other companies in other towns. All the participants confirmed that this training will help them for the first time to really understand HACCP. (Total Cost \$5,976; AgBiz Share 55%)

2.2.4 Activities Considered and Dropped

Table Two (2) includes a listing of Activities considered and dropped during the Quarter as well as a very brief reason why the proposed activity was not approved and supported.

TABLE 2. ACTIVITIES ON HOLD OR DROPPED					
MIS Code	ACTIVITY	COORDINATOR	VALUE CHAIN	PARTNERS	DESCRIPTION / COMMENT
	Economy of Macedonia 2008	Jeton	All	Informa Plus	Low priority for FY 09. Received support in FY 08
	ICT in Agribusiness Conference in Ohrid	Nate	N/A	MASIT/ Crimson Capital	Determined to have low direct relevance to AgBiz supported VC participants
	Study Tour of Producers to Agricultural Trade Fair in Turkey	Vlado	FV		Not relevant to AgBiz export objectives
	B2B meetings in Tirana	Jeton		Albania Ag. Competitiveness	Low interest from both Macedonian, Albanian and regional companies to attend
	ZIMNICA 2008	Zlatko	PV		Low relevance to AgBiz export objectives
	Understanding EU and GoM Pesticide Regulations	Vlado	All		AgBiz PERSUAP developed most of the deliverables proposed with this activity
	Wine Countries Export Promotion Programs Survey	Damo	BW	MAFWE / VMMS	High cost activity has a low commitment from stake holders in the wine industry
	Develop photo database of Macedonian wineries	Damo	BW / TG	TBD	Potential legal implications for unlimited use of proposed deliverables by multiple customers

2.2.5 End of Quarter Activities Status

Table Three (3) shows the status of all activities at the end of the Quarter as well as the projected impact of Activities in Approved and Under Development, In Implementation or Completed during the Quarter.

TABLE 3. ACTIVITIES STATUS REPORT

Last Updated: October 3, 2008

ACTIVITY LEVEL

APPROVED AND UNDER DEVELOPMENT

MIS Code	LoI / Sub-contract #	ACTIVITY	COORDINATOR	CUSTOMERS	VALUE CHAIN	PARTNERS	PROJECTIONS											
							*ACTIVITY COST (US\$)			Completion Date	Number of Producer Organization / Business Assns.	Number of Agribusiness	Number of New/Improved Technologies & Management Practices	Number of New Customers	Value of Orders	# Individuals that Received Training		
							TOTAL	AGBIZ	AgBiz Percentage							M	F	TOTAL
109		Training on Oak Barrel Aging Techniques	Damo	12 Customers	BW	International Consultant	22,000	14,500	50%	Nov-08	N/A	12	1	N/A		10	5	15
619		Profile of the Wild Gathered Food Products Value Chain in Macedonia	Goran	N/A	NTPF	TBD	5,000	5,000	100%	Mar-09	N/A							
308		VinoSkop - Wine Festival for Macedonian wines	Damo	20 Customers	BW	Old Grisp	6,614	2,436	37%	19-Oct-08	N/A	20	1					
810		Value chain enhancement joint activities with MASHAV/CINADCO (Post Harvest, Storage)	Jeton		TG / FV	MASHAV/ CINADCO		10,000		Nov-08								
208		FruitLogistica 2009	Vlado	8 Customers	FV	GTZ MAFP SIPPO	81,150	21,000	26%	6-Feb-09						7	1	8
TOTAL							114,764	52,936	46%			32	2			17	6	23

ALL AGREEMENTS SIGNED AND IN IMPLEMENTATION

MIS Code	LoI / Sub-contract #	ACTIVITY	COORDINATOR	CUSTOMERS	VALUE CHAIN	PARTNERS	PROJECTIONS											
							*ACTIVITY COST (US\$)			Completion Date	Number of Producer Organization / Business Assns.	Number of Agribusiness	Number of New/Improved Technologies & Management Practices	Number of New Customers	Value of Orders	# Individuals that Received Training		
							TOTAL	AGBIZ	AgBiz Percentage							M	F	TOTAL
207		Poland Study Tour	Lovre	9 Customers	FV / TG	International Consultant	20,710	7,918	38%	11-Oct-09	N/A	9				11	-	11
620		Enhancing Customer Access to Finance	Lovre	All	All	N/A	N/A	N/A	N/A	N/A	1	6	N/A	N/A	N/A	4	5	9
618		Importance of Agribusiness to MK Economic Growth	Jeton	All	All	EPICentar	2,000	2,000	100%	Oct-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL							22,710	9,918	44%		1	15	-	-		15	5	20

COMPLETED

MIS Code	LoI / Sub-contract #	ACTIVITY	COORDINATOR	CUSTOMERS	VALUE CHAIN	PARTNERS	ACTIVITY IMPACT											
							*ACTIVITY COST (US\$)			Completion Date	Number of Producer Organization / Business Assns.	Number of Agribusiness	Number of New/Improved Technologies & Management Practices	Number of New Customers	Value of Orders (in EURO)	# Individuals that Received Training		
							TOTAL	AGBIZ	AgBiz Percentage							M	F	TOTAL
206		Regional Cooperation B2B Meeting (Kosovo, Albania, Macedonia, Serbia, Monte Negro, BiH)	Jeton/Vlado	8 Customers	TG / BW / NTPF	USAID / KCBS Kosovo	290	168	58%	12-Jun-08	N/A	7				8	-	8
612		Post-harvest Handling Needs in FV & TG VC	Vlado/Lovre	Fresh & Process. F&V	FV&PV	N/A	12,710	12,710	100%	28-Feb-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
613		Fresh Vegetables VC Profile	Vlado	FV Customers	FV	EPICentar	7,500	7,500	100%	26-Aug-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
205		Moscow Market Research	Vlado	Agrohemiija	FV / TG	N/A	5,332	2,591	49%	10-Aug-08	N/A	1	3	N/A	N/A	1	-	1
209		Agrohemiija Trial Shipment to Moscow	Vlado	Agrohemiija	TG	TG	N/A	N/A	N/A	11-Sep-08	N/A	1	2	1	19,000	N/A	N/A	N/A
811		Bottled Wine Database	Sonja	N/A	BW	BW	300	300	100%	20-Aug-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
614	052	Table Grapes Value Chain Profile	Lovre	TG	TG	MCG	7,500	7,500	100%	2-Sep-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
808		MIS Installation & Training	Agron	N/A	All	Smart Solutions	7,000	7,000	100%	22-Sep-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
101		HACCP Training for the Table Grapes, Fresh Vegetables and NTPF Value Chains	Nate	TBD	TG, FV, NTPF	CEED	5,976	3,264	55%	25-Sep-08	N/A	8	1	N/A	N/A	9	7	16
809		Second Grants Agreements Signing Ceremony	Nate	10 Customers	All	N/A	1,650	1,650	100%	3-Oct-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RESULTS ACHIEVED							48,258	38,683	88%		-	17	6	1	19,000	18	7	25

2.3 EXPORT FOCUSED, BUSINESS EXPANSION PROJECTS

The following section outlines work on Projects during the Quarter and summarizes the objectives of each approved Project.

2.3.1 Proposal Screening and Assessment

No proposal Screening and Assessment took place during the Quarter since all proposals received in response to the AgBiz APS had been screened and assessed prior to the start of the Quarter.

2.3.2 Proposals Under Development

Only one proposal was in Development at the end of the Quarter.

Ohrid Winery

The Ohrid Winery Project has the objective of modernizing the production of wine and shifting from bulk to bottled wine sales. It was accepted by the AgBiz Review Committee and passed into Development. Realization of this Project that includes investments in new equipment and adoption of advanced technology for quality wine production, implementation of quality and management standards, and bottled wine marketing activities would encompass the entire wine making process from purchasing of quality grapes to retail sales of bottled wine, and ultimately to improved profitability of the winery. The total quantity of wine produced, which is at the moment sold in bulk on the Serbian market, would steadily be replaced with bottled wine. By 2010 the percentage of bottled wine is expected to rise up to 40% of total production, which will also be increasing. The Project would have a substantial broad-based impact by expanding the purchase of wine grapes material from the Ohrid area.

Development of the Grant Agreement was postponed as a result of the delay in purchase of the bottling line. Therefore, a commitment from the Ohrid Winery to continue with the Project as planned and evaluated during the proposal Assessment is needed before the Project can proceed.

2.3.3 Projects Being Implemented

Following are summary profiles of Projects for which AgBiz signed a grant agreement in the Third Quarter, and implementation began during the Fourth Quarter. The small table following each Project shows implementation events during the Quarter.

Dentina

Improving the Competitiveness of Processed Vegetable Exports: This Project is helping to improve and increase the productivity and processing capacity of Dentina, and to design and launch additional marketing and promotional activities - mainly in store promotions. The Project is acquiring additional equipment including a line for roasting peppers, a pasteurization line and most importantly a steam boiler. These investments will increase productivity, reduce production costs, result in exporting more processed products, and use more locally produced raw materials. The Project is also supporting a promotional campaigns for creating better visibility in target export markets.

Dentina was awarded \$40,007 as reimbursement for developing technical documentation (installation drawings) for the steam boiler project and installation of pipelines, valves, elbows; starting the line and providing training of personnel to maintain the process with the installed equipment, a campaign for introducing of new products in the Kaufland chain in Croatia under Dentina's brand by special end-cups positioning in 30 supermarkets and in Kaufland's promotional in-store circular letter, and organizing promotional sampling of Dentina products in the bigger and highest traffic supermarkets of the Gastro Group chain in Croatia. Dentina will contribute goods and services valued at approximately US\$147,394 to the Project.

During the Quarter the new steam boiler and pasteurization line was purchased, successfully installed and tested and Dentina staff was provided training on how to maintain the new processes. (Total Cost \$187,401; AgBiz Share 21.3%)

GRANT IMPLEMENTATION STEP/ AGBIZ SUPPORTED ITEM	Item #2 - Technical Documentation for Steam Boiler
SoW/Item Specifications	✓
Bids Received/Sole Source	✓
Vendor Recommended	✓
Purchase Approved	✓
Purchase Made	✓
Implementation underway	✓
Implementation Complete	✓
AgBiz Reimbursement	\$23,577
Award Budget Value	\$23,577



Photo by AgBiz Staff

The new equipment installed at Dentina's facility

Agros 2004

Establishing a new model of harvest and post harvest activities on 30 hectares of peppers by introducing a harvest aid machine: This Project is supporting a new approach to pepper harvesting that will reduce the workload for farmers, increase farmer productivity and the competitiveness of their production and reduce production costs through the introduction of specialized harvesting equipment. An important part of the Project is to determine the viability of replication of such a practice at the regional and national level, thus solving one of the most significant problems that negatively impacts fresh vegetable exports competitiveness – the availability of harvesting labor.

During the quarter Agros made very good progress on the Project. The new harvesting aid was purchased, assembled and started to be used to harvest peppers. Agros produced 270 tons of peppers on its own land, marketed 700 tons of peppers (including its own production) and exported 180 tons of peppers - 25% from their own production and the remainder from members' production. (Total Cost \$107,479; AgBiz Share 36%)

GRANT IMPLEMENTATION STEP/ AGBIZ SUPPORTED ITEM	Item # 1 – Drilling an Irrigation Well	Item #1 - Harvesting Aid Conveyor transportation, assembly	Item #2 - Project Management	Item #2 - Production Management	Item #4 - Introduction of GlobalGap	Item #5 - Export Market, Travel
SOW/Item Specifications	✓	✓	✓	✓	✓	✓
Bids Received/Sole Source	✓	✓	✓	✓	✓	✓

GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item # 1 – Drilling an Irrigation Well	Item #1 - Harvesting Aid Conveyor transportation, assembly	Item #2 - Project Management	Item #2 - Production Management	Item #4 - Introduction of GlobalGap	Item #5 - Export Market, Travel
Vendor Recommended	✓	✓	✓	✓	✓	✓
Purchase Approved	✓	✓	✓	✓	✓	✓
Purchase Made	✓	✓	✓	✓	✓	✓
Implementation Underway	✓	✓	✓	✓	✓	✓
Implementation Complete	✓	✓	✓	✓		✓
AgBiz Reimbursement	\$1,500	\$6,786	\$3,000	\$1,500		\$714
Award Budget Value	\$1,500	\$10,000	\$12,000	\$6,000	\$2,700	\$2,700



Bonum Plus

Entering New Processed Vegetable Export Markets: To become more competitive Bonum Plus needs to effectively market to multiple outlet retailers. This New Export Market Entry and ISO Compliance Project will help Bonum Plus develop these markets. The Serbian market is a major opportunity for Macedonian processors. However, the structure of the market is changing and vegetable processing companies need to understand the high volume markets that are available via multiple outlet buyers. To comply with the requirements of this type of customer an ISO that includes HACCP is a necessity. This Project is helping Bonum Plus meet these standards. In addition the Project is helping Bonum Plus pay Serbian supermarket entry fees for their branded products, and for Serbian processed vegetables market research.

AgBiz will contribute \$39,925 help Bonum Plus pay Serbian supermarket entry fees for their branded products. (Total Cost \$269,806; AgBiz Share 15%)

AGBIZ GRANT IMPLEMENTATION PROCEDURE	Item #2 - ISO 22,000 Implementation	Item #4 - Entry of 5 Branded products in Mini Maxi and Tempo Markets	Item #5 - Entry of 5 Branded Products in Maxi
SOW/Item Specifications	✓	✓	✓
Bids Received/Sole Source	✓	✓	✓
Vendor Recommended	✓	✓	✓
Purchase Approved	✓	✓	✓
Purchase Made	✓	✓	✓
Implementation Underway	✓	✓	✓
Implementation Complete		✓	✓
AgBiz Reimbursement		\$11,250	\$9,375
Award Budget Value per Item	\$7,500	\$11,250	\$9,375

Popova Kula

Improving the Competitiveness of Bottled Wine Exports to Poland: This Project is being implemented to significantly increase export sales over the next three years by expanding bottled wine sales to a new target market and make it a key growth driver for the company, and to support sales by achieving a superior product offering mix. The Project also includes marketing and promotional activities such as exhibiting at trade fairs, an advertising and PR campaign as well as production and distribution of a promotional catalogue, leaflets, display stands and upgrading the Popova Kula web page – all designed to successfully enter and build market share in a new export market - Poland.

The quantitative objective of this Project is to increase export sales of Popova Kula bottled wine from the current 120,000 Euro to 700,000 Euro per year over the next three years through establishing Popova Kula Poland, which will be responsible for the marketing and distribution of the company's bottled wine in the Polish market. AgBiz support will focus on the marketing and promotional program required for expanding and sustaining sales into several key supermarket chains in the Polish market. These Project activities include exhibiting at the four biggest wine trade fairs in Poland, advertisements in the two most relevant Polish wine magazines, as well as production and distribution of a promotional catalogue, leaflets, display stands and upgrading the Popova Kula Polish web page. (Total Cost \$209,494; AgBiz Share 19%)

GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #8 - Design of Polish Catalogue and Photographs	Item #11 - Web page Restructuring and Polish Translation
SOW/Item Specifications	✓	✓
Bids Received/Sole Source	✓	✓
Vendor Recommended	✓	✓
Purchase Approved	✓	✓
Purchase Made	✓	✓
Implementation Underway	✓	✓
Implementation Complete		
AgBiz Reimbursement		
Award Budget Value per Item	\$1,273	\$1,515



Badzo

Improving the Quality and Consistency of Fresh Vegetable Exports: To become more competitive Badzo is enhancing its post-harvest handling facilities for fresh vegetables. One of the first steps was to reconstruct an area within their current facility into a vegetable chilling and ripening room. This was needed so the company can export fresh vegetables with a competitive shelf life and product quality to EU and Belorussian markets. AgBiz is assisting with the construction of the vegetables chilling and the

ripening room, is helping Badzo with HACCP implementation for their existing facilities, and will support them in adoption of HACCP food safety principles in their new facility.

During the Quarter the first phase chilling equipment was installed on time, is functioning according to specifications and was used to chill of 404,000 kilos of table grapes. During the next quarter the entire construction project will be completed, and Badzo will proceed with HACCP implementation. (Total Cost \$70,749; AgBiz Share 42%)

ANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #1 - Construction of a Temperature Modification Chamber
SOW/Item Specifications	✓
Bids Received/Sole Source	✓
Vendor Recommended	✓
Purchase Approved	✓
Purchase Made	✓
Implementation Underway	✓
Implementation Complete	
AgBiz Reimbursement	\$13,560
Award Budget Value	\$24,500

Kokolanski

Improved Competitiveness by Increasing and Improving Processing Capacity and Adopting HACCP Principles: Kokolanski is in the business of purchasing wild mushrooms, processing them into dried and brine packed products, and selling them on export markets. This Project is increasing Kokolanski's export competitiveness by (1) Improving and increasing processing capacity for blanched and brined Lactarius mushrooms and implementing the preconditions for HACCP certification; (2) Expanding HACCP certification to all product lines, and (3) Increasing raw material sourcing and purchasing capacity, and reducing the cost of raw material sourcing.

AgBiz will contribute to improving and increasing processing capacity for the blanching area by supporting the purchase and installation of stainless steel blanching vats, building an employee toilet and extending the HACCP scope and certification to the new blanching area. (Total Cost \$42,430: AgBiz Share 17%)

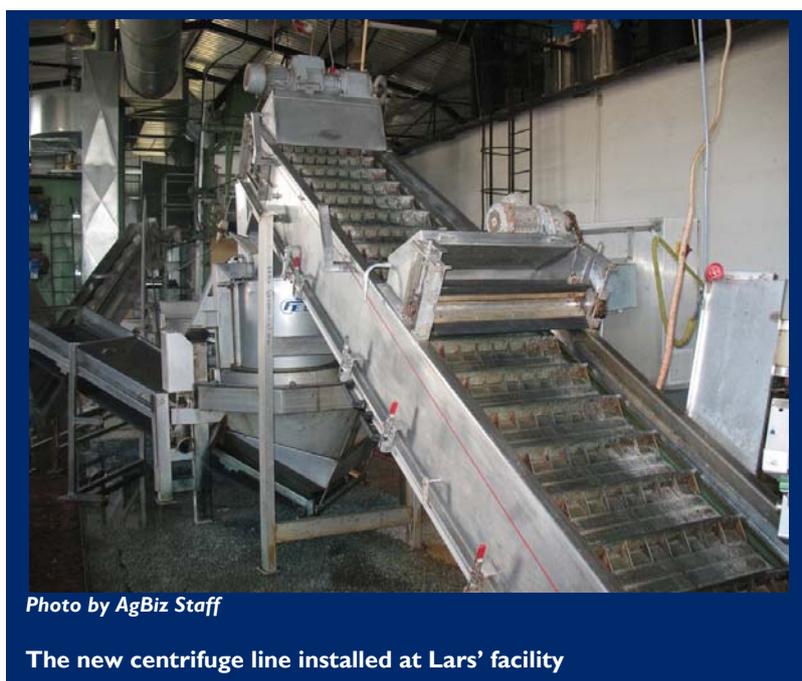
GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #3 - Stainless Steel Blanching Vats	Item #4 - Facility Improvement
SOW/Item Specifications	✓	✓
Bids Received/Sole Source		✓
Vendor Recommended		✓
Purchase Approved		✓
Purchase Made		✓
Implementation Underway		✓
Implementation Complete		✓
AgBiz Reimbursement		\$2,658
Award Budget Value per Item	\$3,092	\$2,658

Lars

Improve and Increase the Productivity and Capacity of Vegetables Drying: This Project is helping Lars to maintain and further upgrade its position as the leading Macedonian producer, marketer and supplier of dehydrated vegetable products to food processing clients, and to become a reliable and just-in-time supplier of processed vegetables, following strict quality and food hygiene/safety criteria, building long-term partnerships with customers, having a flexible pricing policy depending on and in line with international market/product trends. The Project includes acquiring additional equipment such as a centrifuge line for preparing vegetables for drying that is increasing productivity and throughput and reducing production costs, thus enabling the company to export more dehydrated products and, use more raw materials produced by local primary producers. An AgBiz grant of US\$20,000 will contribute to realizing the Project.

AgBiz actions during the Quarter included supporting installation of the new equipment, training Lars staff to operate the equipment, and special transportation of the FE 500 drying system from Holland to Lars. Reimbursement by AgBiz had now been completed. (Total Cost \$196,928; AgBiz Share 10%)

GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #2 - Installation of new equipment and staff training	Item #4 - Transportation of Drying system from Holland
SOW/Item Specifications	✓	✓
Bids Received/Sole Source	✓	✓
Vendor Recommended	✓	✓
Purchase Approved	✓	✓
Purchase Made	✓	✓
Implementation Underway	✓	✓
Implementation Complete	✓	✓
AgBiz Reimbursement	\$7,000	\$13,000
Award Budget Value per Item	\$7,000	\$13,000



Vipro

Improving the Competitiveness of Processed Vegetable Exports: To become more competitive Vipro needs to start developing new processing and handling facilities. The new facility supported by this Project will allow the company to meet its outstanding demand and fulfill its food safety and environmental obligations. The new Vipro facility will be a model vegetable processing plant that will meet EU buyers' requirements. Demand for Vipro's ajvar, lutenitca and other processed vegetable products is currently very strong in new export markets, and further EU market entry of the Vipro brand will help raise the image of all Macedonian processors who enter these sophisticated markets. AgBiz will make a contribution toward constructing a new roof over one of the main buildings at the new processing facilities.

Currently the roof construction project is progressing - preparation activities are finished and installation is going according to schedule and is expected to be completed by the end of October 2008. (Total Cost \$379,313; AgBiz Share 6%)

GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #3 – Installation of a New Roof on the Main processing Building
SOW/Item Specifications	✓
Bids Received/Sole Source	✓

GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #3 – Installation of a New Roof on the Main processing Building
Vendor Recommended	✓
Purchase Approved	✓
Purchase Made	
Implementation underway	
Implementation Complete	
AgBiz Reimbursement	
Award Budget Value	\$24,000



Avto Ria

Establishment and Operation of a New Processing System for Onions: Implementation of this Project involves enhanced processing and sale of fresh and frozen onions. Via implementation of this project Avto Ria will stimulate significant new interest from local farmers in the Bucin region for increasing the production of onions due to its economic justification to producers. The Project includes purchase of a machine for chopping the onions, a freezing machine, and a freezing chamber. AgBiz is supporting Avto Ria to become a renowned company for the production, processing and trade of Macedonian agricultural products, especially onions, on the domestic as well as foreign markets. Avto Ria is applying modern technologies in the production process following a system of safety and management based on international standards. Utilization of these new technologies will increase the capacity of production and provide a competitive advantage to Avto Ria on international markets.

Avto Ria was awarded a US\$19,800 grant as a contribution toward the cost of transporting cold store panels, a compressor and a machine for chopping vegetables, six months of a Development Manager and a Machine Operating Instructor salaries, and HACCP implementation. (Total Cost \$124,600; AgBiz Share 16%)

GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #2 - Transportation of Cold Store	Item #4 - Transportation of the Compressor	Item #6 - Transportation of the Chopping Machine	Item #7 - Development Manager	Item #9 - HACCP Implementation
SOW/Item Specifications	✓	✓	✓	✓	✓
Bids Received/Sole Source	✓	✓	✓	✓	
Vendor Recommended	✓	✓	✓	✓	
Purchase Approved	✓	✓	✓	✓	
Purchase Made	✓	✓	✓	✓	
Implementation Underway	✓	✓	✓	✓	
Implementation Complete	✓	✓	✓	✓	

GRANT IMPLEMENTATION STEP/AGBIZ SUPPORTED ITEM	Item #2 - Transportation of Cold Store	Item #4 - Transportation of the Compressor	Item #6 - Transportation of the Chopping Machine	Item #7 - Development Manager	Item #9 - HACCP Implementation
AgBiz Reimbursement	\$2,000	\$1,500	\$1,500	\$1,300	
Award Budget Value per Item	\$2,000	\$1,500	\$1,500	\$4,800	\$7,000

The following Projects were signed at the very end of the Fourth Quarter.

Agrohemija

Establishing a New Pack House for Fresh Produce: This will enable Agrohemija to deliver better quality and more uniform and standardized fresh vegetables, with new packaging that will satisfy EU buyers' requirements. The Project will also help the company to increase its competitiveness and income, and improve its image. The new pack house will allow Agrohemija to develop branded fresh products, thus solving one of the most significant problems that negatively impacts their fresh vegetable exports – commodity products. AgBiz will assist Agrohemija in implementing the Project by contributing towards the construction of a new post harvest temperature control chamber, and improving product quality control for EU markets through the implementation of HACCP. (Total Cost \$2,055,500; AgBiz Share 1%)

Ledra Agro

Improved Quality and Competitiveness of Seedless Table Grape Exports: This will be accomplished by implementation of improved ampelotechnical (grape growing) measures and upgrading their pack house. The Project includes installing drip irrigation on 45 hectares of table grapes and upgrading Ledra's pack house. Investment in a drip irrigational system will improve yields by 10 – 15%, reduce water usage and improve the quality of Ledra's table grape production. Pack house modernization and packing grapes in modern carton boxes will enable improved post-harvest handling, quality preservation and an improved presentation of Ledra's table grapes. The resulting high quality table grapes will improve the competitiveness of Ledra's products and achieve a better market price. These enhancements are anticipated to increase Ledra's table grape exports by up to 20%.

AgBiz will assist Ledra Agro to implement this Project by supporting installation of the drip irrigation system and digging two 30 meter deep wells. (Total Cost \$170,000; AgBiz Share 12%)

Vigan

Construction of a New Mushroom Processing and Storage Facility: Under this Project Vigan will significantly expand its current very limited capacity for storing and processing mushrooms. All processing and storage operations will then be transferred to the new facilities. At present Vigan sells fresh, salted in brine and dried mushrooms. After Project implementation the company will sell mostly first class frozen mushrooms. Implementation of this Project will improve the quality of the mushrooms sold on export markets, increase their production capacity and achieve the necessary HACCP standards. The Project will enable Vigan to introduce new products into their existing product line and increase the variety of products offered to export markets. Increasing the capacity for processing will enable an increased sales, as well as purchases from individual wild food product gatherers.

AgBiz will make a contribution toward construction of the new cooling facility and installing new cooling and freezing equipment in the new processing plant. During the Quarter, compliance with procurement procedures and selection of a recommended vendor was reviewed. After delivery of some additional information, approval for procurement will likely be granted. (Total Cost \$195,000; AgBiz Share 8%)

Valandovo Winery

Shifting from Bulk to Bottled Wine Sales: The purpose of the grant is to support "Vizba Valandovo" to implement a Project that will improve the quality and increase the quantity of wine grapes, improve the

winemaking process and increase total export sales of the winery. The objective of the Project is for the company to adopt new technologies for the production of quality wine, enabling a shift from bulk to bottled wine sales, and significantly increase production and exports. The Project includes engaging international technical assistance to help the company to produce grapes of higher quality - a precondition for the production of quality bottled wine, and to improve the company's winemaking technology and transfer that knowledge to employees who can maintain the process. Project implementation will cost \$220,456 whereas AgBiz will reimburse Valandovo \$25,000 for engaging two experts to provide technical assistance for improving the quality of grapes, adopting new technologies for the production of quality wines and transferring that knowledge to Valandovo employees, as well as participation in a trade fair in Croatia for presentation of high quality bottled wine. (Total Cost \$186,335; AgBiz Share 13%)

Bovin

Enhancing the Premium Image of Bovin Wines: The objective of this Project will be accomplished by the introduction of oak barrel aging technology and thereby increasing total sales and opening new export market possibilities. The purpose of the grant is to finalize the entire Project that covers building of infrastructure, purchase of technical equipment and oak barrels, and oenological equipment and training of personnel. By introducing oak aged wines Bovin will expand its range of products, and be able to attract additional customers that have a preference for oak aged flavor. Adoption of this technology will add value to Bovin wines, enhance the image of Bovin on the market, and strengthen their position in the premium segment. By implementing this Project, Bovin will become more competitive in wine markets by offering value added wines that will potentially increase their sales, as barrique wines sell at higher price than regular wines. It is expected that the Project will have also have the broad impact of increasing purchases of wine grapes. (Total Cost \$230,660; AgBiz Share 11%)

GD Tikvesh

Improved Quality and Presentation of Table Grapes: This objective will be achieved via improved ampelotechnical (grape growing) measures including installation of a drip irrigation system and improving post harvest handling of table grapes. Sixty hectares of GD Tikvesh table grapes are going to have a new drip irrigational system installed on them that utilizes sophisticated irrigation technology. The most important benefits will be reduced water consumption, a reduced cost of pumping water from wells and timelier watering of the vineyards. Given the expansion and modernization of table grape packing in the world, it is necessary for GD Tikvesh to develop a packing center as a part of their cold storage facilities. The plan for the packing center is to have all harvested grapes taken to it and packed in modern packaging, under better working conditions, and thus comply with the requirements of international markets. In this way GD Tikvesh will strengthen its competitive position on traditional former Yugoslav markets, and will be able to expand into new international markets.

AgBiz will assist GD Tikvesh to implement this Project by supporting preparation of technical documentation, installation of the new drip irrigation system and training of GD Tikvesh staff regarding its use and remodeling a pre-cooling and packing facility. During the Quarter the required procurement procedures were explained. (Total Cost \$215,500; AgBiz Share 14%)

Intermak II

Improved and Increased Mushroom Processing Capacity: To maintain and further upgrade its position as one of the leading Macedonian companies for processing and exporting wild mushrooms, Intermak must improve and increase its processing capacity. Investments planned under this Project include the construction of two new processing facilities. With the resulting expanded capacity, Intermak will be able to maximize its raw mushroom purchases during the two short seasons, and create stocks of dry and frozen products. To successfully enter, and then sustain its position in US and other foreign markets, Intermak is continuously improving its production and meeting strict food hygiene and safety requirements. In addition, organic certification of both the Intermak collecting regions and the company's processing and storage facilities will be an important add-on towards Intermak offering outstanding quality and value added products to its export customers.

AgBiz will assist Intermak in implementing this Project by making a contribution towards the cost of constructing one of their new processing facilities. During the Quarter, procurement procedures and selection of a recommended vendor was reviewed and approved by AgBiz. (Total Cost \$474,600; AgBiz Share 4%)

Flores II

New Line of Organic Herbs and Medicinals for Export Markets: With the implementation of this Project Flores will add value and competitiveness to their wild crafted products. To satisfy organic certification requirements Flores needs to remodel and expand their facilities to separate conventional and organic product processing lines. It will also be necessary to provide training to collectors and consolidation point personnel, and certify collection areas for organic products. This Project therefore involves remodeling Flores' current processing facilities, increasing the capacity of their supply network to deliver organic wild crafted products and achieving overall organic certification.

AgBiz will assist Flores by supporting technical assistance and training of collectors and consolidators in organic wild crafting principles and will make a contribution towards facility improvement construction work. (Total Cost \$125,927; AgBiz Share 12%)

Peca Komerc

Increased Standardization and Quality of Table Grape Exports: The main objective of this Project is to create additional capacity for expansion into new markets. This will require constructing and equipping a modern, fresh produce packing center on the company's land with the required equipment for packaging and storing highly competitive products and presentations. The present out-of-date packing center will be expanded, and new buildings will be constructed. Equipment will be acquired to comply with implementation of the HACCP standard, and for improved temperature control. This will allow packing the companies fresh table grapes and other fresh produce into standard size boxes with standardized weight and quality. Modernizing the sulfurization process for table grapes and implementation of the HACCP is also included.

AgBiz will assist Peca Komerc to implement this Project by supporting transport of the ecological-panels and the compressor for the cold store, installation of the ecological-panels and the compressor, and implementation of HACCP Standards. (Total Cost \$177,237; AgBiz Share 17%)

Koro Company

International Marketing Campaign for Herbal Teas: The main aspects of this Project are expansion of Koro's processing capacity and packaging range, and launching an extensive marketing program to shift from a supply push method of selling to a demand pull strategy. The Project will enable Koro to implement their aggressive export marketing plans. It includes redesign of their packaging, designing new promotional materials for specific target markets, entering large Serbian retail chains and thus significantly increasing their export sales. The Project also includes organic certification for the entire Koro supply chain, including individual collectors and supply centers operators. This will serve as basis for the company's introduction of organic teas.

AgBiz will assist Koro to implement this Project by supporting organic training for the collector network, developing new packaging designs and promotional materials, and reimbursing the cost of the slotting allowances needed to penetrate important Serbian retail chains. During the Quarter procurement procedures compliance was reviewed. After minor modifications are made to Koro's procurement procedures, approval for procurement of requested Award Budget items will be granted. (Total Cost \$123,00; AgBiz Share 12%)

2.3.4 Project Related Environment Work

Environmental Due Diligence/Pollution Prevention Assessments

The following eleven EDD/PPA Checklist Reports and EDD and PPA Summaries were approved by USAID in accordance with the IEE and guidelines provided by the Europe and Eurasia Bureau Environmental Officer.

- Wild Gathered Products Value Chain - Flores, Vigan, Koro and Intermak
- Bottled Wine Value Chain - Ohrid Winery, Valandovo Winery and Bovin Winery
- Fresh Vegetables Value Chain - Agrohemiya
- Table Grapes Value Chain - Ledra Agro, Peca Komerc and GD Tikvesh

The Monitoring and Mitigation Recommendations from the EDD/PPA Summary Reports for each approved proposal were inserted into Grant Agreements Section 12 - Environmental Follow-up. This section specifies that the grantee must implement the mitigation measures specified for AgBiz to support the Project. (Total Cost this Quarter \$12,277; AgBiz Share 100%)

Asbestos Health and Safety Plans Model and Plans for Two Projects

During the Quarter, AgBiz engaged a qualified international consultant to develop a model Asbestos Health and Safety Plan (AH&SP) that can be tailored to the specific needs of each grantee that requires such a Plan. Such Plans must be developed within 90 days after signing a grant agreement. During the Quarter a format for such a AH&SP was developed and sent to USAID for their information. Specific AH&SPs were developed for the two grantees that require them - Lars and Vipro. These AH&SPs provide recommendations for asbestos abatement and control, and are designed to avoid human exposure to asbestos fibers. (Total Cost \$3,000; AgBiz Share 100%)

Cleaner Production Assessments for Two Projects

During the Quarter, a contract was signed with CIRKO- Mechanical Engineering Systems Center of Excellence - for developing Cleaner Production Assessments (CPAs) for Vipro and Badzo, as required in their DDD/PPAs. The resulting CPAs were reviewed by Jim Gallup and provided to USAID for their information. Since the quality of the original CPAs were satisfactory, after some adjustments were made to them, a sub-contract was signed with CIRKO for developing CPAs for Bonum Plus, Lars, Dentina, Kokolanski, Winery Valandovo and Bovin Winery. These six CPAs will be completed in the First Quarter of FY '09. (Total Cost this Quarter \$3,785; AgBiz Share 100%)

AgBiz Program PERSUAP and a Model SUAP

During the Quarter a Program-level PERSUAP and a Popova Kula model Pesticide Safe Use Action Plan (SUAP) were completed.

The AgBiz PERSUAP included an evaluation of 173 pesticide active ingredients (AIs) found in the Macedonia registered pesticides list. It focuses on the specific circumstances of AgBiz customers, the pesticide system within which AgBiz customers operate, the risk management choices available, and how a risk management plan should be implemented by AgBiz customers. The Program-level PERSUAP was revised based on USAID input and sent to USAID for final approval.

The Popova Kula Winery model pesticide SUAP is a set of recommendations for Popova Kula Winery and its vineyard owners to follow to mitigate risks associated with pesticide use and implement agriculture best management practices (most of which are also GlobalGAP certification requirements). The Popova Kula SUAP can be adapted to any individual grantee that requires pesticide-related controls by using the comprehensive pesticide information provided in the Program-level PERSUAP. (Total Cost \$23,395; AgBiz Share 100%)

2.3.5 Projects Completed During the Quarter

Following is a brief overview of the two Projects that were completed during the Quarter.

Intermak I

The objective of this Fast Track Project was to assist Intermak to investigate, and if found to be viable, move from being an exclusively bulk processor and supplier of mushrooms to also have a successful retail pack business. The main aspect was to provide Intermak with an opportunity to achieve improved returns by adding significant value to their existing raw material.

A company logo, product brochure and Website that promotes the companies value added products was developed. When combined with the development of examples of value added products, a proposed retail packaging line and a business plan for the retail product line this combination made a big contribution towards Intermak's preparation for approaching western buyers with retail products, and the sustainability of that sales channel for Intermak.



The Fast Track Project also included technical assistance for developing a marketing strategy for retail packed mushroom products and for implementation of organic wild gathering requirements to prepare for organic certification. During the Quarter all gathering regions from which Intermak and its supply chain are buying raw material underwent certification, including Intermak processing facilities, the complete supply chain and individual collectors. This Fast Track Project is now complete!

As a result of this Fast Track Project Intermak developed a line of value added dry mushroom products that were presented on three international trade fairs in Zagreb, Chicago and Novi Sad. Following the market research findings Intermak and their gatherers network implemented organic production standards. EU and National Organic Program (NOP) certification was obtained by Intermak from an internationally accredited certification body in September 2008 (Total cost \$32,933; AgBiz share 37%).

Agrohemija / Bambolino

Agrolozar is an agribusiness located in the Strumica region of southeast Macedonia that exports agricultural produce from the region. Agrolozar was established as a private company in 1993, and in 2003 85% ownership of the company was bought by Agrohemija Ltd., Skopje.

Following the take-over, Agrohemija sought to be an important commercial producer of vegetables in open fields, heated greenhouses and plastic, as well as a significant supplier of early tomatoes and table grapes. It has grown rapidly and has become a leading company in the registration and distribution of commercial seeds in Macedonia.

Today the company provides assistance to its customers for the effective utilization of first class hybrid varieties of vegetable crops developed in USA and Holland. It produces some of the products it markets on 840 hectares of land of which 600 hectares are vineyards and the remainder is orchards of peaches, pears, melons, and “bambolino” watermelons.

Agrohemija is the only producer of “bambolino” watermelons in the Balkans, and has “bambolino” customers in Germany, Holland and Austria. Because the company lacked contacts with buyers from the UK, yet had an interest in exporting to that market, Agrohemija management asked AgBiz for assistance to access UK markets. With the active support of AgBiz staff, a successful linkage for selling “bambolinos” was established between Agrohemija and a WalMart partner in the United Kingdom.

AgBiz staff continuously supported the company through all stages of negotiations, and provided technical support for meeting the UK export requirements. A number of meetings between representatives of ASDA, the WalMart partner in the UK, and Agrohemija were organized and facilitated by AgBiz.

The Bambolino order was received last Quarter, and delivery of the seven truck loads of melons was completed this Quarter. With the help of AgBiz, 50,000 pieces (150 tones) of “bambolino” watermelons were exported to the UK, with a value of \$145,000. The UK buyer has agreed to import other fresh vegetables from Agrohemija next year.

2.3.6 Projects On Hold During the Quarter

Vitalia Fast Track

Vitalia Fast Track Project #03 is titled Development of a New Crunchy Muesli Processing Line and Expanding Sales to EU and Ukraine Markets. However, based on the re-direction of Vitalia’s export focus to the Bulgarian market, they want to shift funds initially targeted on Ukraine to a new marketing program in Bulgaria. This would be of considerable help in organizing professional marketing approaches and successful positioning of Vitalia’s products on the Bulgarian market.

The following facts support this decision:

1. Bulgaria is a neighboring country so transport costs will be low;
2. Easy communication with potential importers and buyers;
3. A similar consumer mentality;
4. Bulgaria is an EU member state with no custom duties for Macedonian products; and
5. There is great potential for developing the currently underdeveloped Bulgarian health foods sector.

Between January and September 2008 Vitalia developed and implemented a Bulgarian market entry program, undertaking all the crucial activities for successful positioning of its products including:

- Adjust product packaging according to the needs of the market (re-design, translation, and preparation of texts according to Bulgarian regulations);
- Preparing promotional materials (advertising, brochures, and leaflets); and
- Making presentations to potential partners - featuring the products and the company, and offering samples for testing.

As a result, nine of the most important retail chains in Bulgaria (Carrefour, CBA, 345, Elemag, Picadilly, Fantastiko, Evropa, Kome, Billa), which cover 80% of the Bulgarian market, expressed interest in Vitalia’s products, and accepted the range they offered. Given Vitalia’s financial capacity limits they need support to cover the costs of the Listing Fees that must be paid to the retail chains which total EU10,000.

Thus, Vitalia wants AgBiz to reallocate the funds planned for the Ukrainian market and cover the cost of getting their products on the shelves of the above mentioned retail chains. The expected results are as follows:

1. Improved the availability of Vitalia products to Bulgarian consumers;
2. Increased export sales to Bulgaria;
3. Practical experience in building a sales network and brand management in a new market;
4. Improved competitiveness of the products and the company;
5. New business contacts with international retail chains (Billa, Carrefour, CBA) and the opportunity to enter other countries in the region through them; and
6. Increased production and sales, and therefore new job opportunities in sales, production and distribution.

Therefore, in the next quarter AgBiz will reallocate the Vitalia market entry support originally designated for Ukraine to Bulgaria, and determine how many and which of the Listing Allowances we will support.

No progress was made to resolve the gas line connection issue at Vitalia, GAMA now says the connection should be made sometime in the first quarter of calendar 2009, so that part of the Project continues to be On Hold.

2.3.7 Projects Considered and Dropped

Information on Projects considered and dropped during the Quarter can be found in Table Four (4) along with a brief explanation as to why they were dropped.

TABLE 4. PROJECTS CONSIDERED & DROPPED								
Last Updated: October 3, 2008								
PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	Reasons for Rejection
006	Risteovski	Three Growers	Flowers	Spring Planting Flowers				Lack of buyer support
050	Kokarev	DS Foods	PV	Pepper	556,821	39,436	7%	Foreign Ownership
037	Starova	Greenfungo	NTFP	Mushrooms	116,667	51,282	44%	Low Score from Evaluation
038	Damovski	Ploshstovo	BW	Wine	74,699	34,940	47%	Low Score from Evaluation
073	Starova	Ekstra Fungi	NTFP	Mushrooms	644,700	41,026	6%	Low Score from Evaluation
071	Risteovski	Alijansa	TG	Table Grapes	188,308	48,718	26%	Low Score from Evaluation
072	Risteovski	Anva Fungi	NTFP	Mushrooms	158,200	41,026	26%	Low Score from Evaluation

2.3.8 Project Expenditures Report

Table Five (5) on page 37 lists the value of all signed Projects and the amount of expenditures on each at the end of the Quarter. By the end of the Quarter AgBiz had contributed \$109,567 to nine Projects, not including environment-related work, and grantees had contributed \$490,242. This represents 22.6% of the AgBiz agreed support, and 9.7% of customers' contributions to the Projects. Most of the AgBiz contributions were for marketing related activities and technical assistance. Much of the grantees contributions are for construction work and equipment purchases that have been contracted for but not completed or paid.

2.3.9 End of Quarter Projects Status

Table Six (6) on page 38 lists all Projects on which any work was done during the Quarter and for Projects Under Development, In Implementation and Completed - the indicators associated with that Project.

TABLE 5. VALUE OF ALL SIGNED PROJECTS AND THE AMOUNT OF EXPENDITURES ON EACH AT THE END OF THE QUARTER

#	Grantee	Project Value	AgBiz Contribution-Grant	Customer Contribution	AgBiz %	AgBiz Payments to date	Customer Contributions to date
1	Badzo	\$ 70,749	\$ 30,000	\$ 40,749	42	\$ 16,456	\$ 39,345
EDD PPA 003	B2/Badzo	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
	CIRKO Cleaner production	\$ 420	\$ 420	NR	100	\$ 420	\$ -
2	Kokolanski	\$ 42,430	\$ 7,050	\$ 35,380	17	\$ 2,700	\$ -
EDD PPA 013	EnviroL/Kokolanski	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
3	Vipro	\$ 379,313	\$ 24,000	\$ 355,313	6	\$ -	\$ -
EDD PPA 008	Enviro L/ Vipro	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
	CIRKO Cleaner production	\$ 420	\$ 420	NR	100	\$ 420	\$ -
	Asbestos Health and Safety Plan	\$ 1,500	\$ 1,500	NR	100	\$ 1,500	\$ -
4	Popova Kula	\$ 209,494	\$ 40,026	\$ 169,468	19	\$ -	\$ -
EDD PPA 010	Point Pro/Popova Kula	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
5	Avto Ria	\$ 124,600	\$ 19,800	\$ 104,800	16	\$ 6,356	\$ 90,000
EDD PPA 006	Enviro L/ Avto Ria	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
6	Bonum	\$ 269,806	\$ 39,925	\$ 229,881	15	\$ 20,965	\$ 25,915
EDD PPA 005	Enviro L/ Bonum	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
7	Agros 2004	\$ 107,479	\$ 38,900	\$ 68,579	36	\$ 15,042	\$ 32,670
EDD PPA 004	B2/Agros 2004	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
8	Lars	\$ 196,928	\$ 20,000	\$ 176,928	10	\$ 19,769	\$ 149,000
EDD PPA 002	B2/LARS	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
	Asbestos Health and Safety Plan	\$ 1,500	\$ 1,500	NR	100	\$ 1,500	\$ -
9	Dentina	\$ 187,401	\$ 40,007	\$ 147,394	21	\$ 28,279	\$ 153,312
EDD PPA 001	B2/Dentina	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
10	Agrohemija	\$ 2,055,500	\$ 30,000	\$ 2,025,500	1	\$ -	\$ -
EDD PPA 014	B2/Agrohemija	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
EDD PPA 020	EnviroL/Agrolozar	\$ 1,015	\$ 1,015	NR	100	\$ 1,015	\$ -
11	Valandovo Winery	\$ 186,335	\$ 25,000	\$ 161,335	13	\$ -	\$ -
EDD PPA 021	B2/Valandovo Winery	\$ 1,015	\$ 1,015	NR	100	\$ 1,015	\$ -
12	Bovin Winery	\$ 230,660	\$ 25,000	\$ 205,660	11	\$ -	\$ -
EDD PPA 022	PointPro/ Bovin	\$ 1,015	\$ 1,015	NR	100	\$ 1,015	\$ -
14	Flores II	\$ 125,927	\$ 15,000	\$ 110,927	12	\$ -	\$ -
EDD PPA 023	B2/Flores	\$ 1,015	\$ 1,015	NR	100	\$ 1,015	\$ -
15	Koro	\$ 123,000	\$ 15,000	\$ 108,000	12	\$ -	\$ -
EDD PPA 026	Pont Pro/Koro	\$ 1,015	\$ 1,015	NR		\$ 1,015	\$ -
16	Inter-Mak II	\$ 474,600	\$ 20,000	\$ 454,600	4	\$ -	\$ -
EDD PPA 007	Enviro L/ InterMAK	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
17	Vigan	\$ 195,000	\$ 15,000	\$ 180,000	8	\$ -	\$ -
EDD PPA 018	Point Pro/Vigan	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
18	Peca Komerc	\$ 177,237	\$ 30,000	\$ 147,237	17	\$ -	\$ -
EDD PPA 025	EnviroL/Peca Komerc	\$ 1,015	\$ 1,015	NR		\$ 1,015	\$ -
19	GD Tikvesh	\$ 215,500	\$ 30,000	\$ 185,500	14	\$ -	\$ -
EDD PPA 019	EnviroL/GD Tikvesh	\$ 1,015	\$ 1,015	NR	100	\$ 1,015	\$ -
20	Ledra Agro	\$ 170,000	\$ 20,000	\$ 150,000	12	\$ -	\$ -
EDD PPA 076	EnviroL/Ledra Agro	\$ 1,015	\$ 1,015	NR		\$ 1,015	\$ -
TOTAL		\$ 5,569,539	\$ 513,303	\$ 5,057,251	60	\$ 138,162	\$ 490,242
OTHER PROJECTS							
EDD PPA 009	Point Pro/Kartal	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
EDD PPA 011	Point Pro/Fonko	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
EDD PPA 012	FACE/Vitalia	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
EDD PPA 015	Point Pro/Green fungo	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
EDD PPA 016	B2/Altra	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
EDD PPA 017	B2/Turan	\$ 1,386	\$ 1,386	NR	100	\$ 1,386	\$ -
EDD PPA 024	EnviroL/Ohrid Winery	\$ 1,015	\$ 1,015	NR	100	\$ 1,015	\$ -
PROGRAM SUPPORT							
055	B2. PERSUAP	\$ 4,579	\$ 4,579	NR	100	\$ 4,579	\$ -
	PERSUAP, Schroeder	\$ 18,816	\$ 18,816	NR	100	\$ 18,816	\$ -
TOTAL		\$ 32,726	\$ 32,726	NR	100	\$ 32,726	\$ -

TABLE 6. PROPOSAL AND PROJECT STATUS REPORT

Last Updated: October 3, 2008

DEVELOPMENT

PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	SALES GROWTH (EUR)	EXPORT GROWTH (EUR)	INCREASED RAW MATERIAL PURCHASES (EUR)	FINANCING IDENTIFIED (US\$)	CUSTOMER INVESTMENT (US\$)	RURAL HOUSEHOLDS BENEFITED	INCREASED EMPLOYMENT (by Gender)
058	Damovski	Ohrid Winery	BW	Wine	692,941	20,000	3%	9,619,748		3,989,936	N/A	672,941	212	15
Development Total					692,941	20,000	3%	9,619,748		3,989,936	-	672,941	212	15

IMPLEMENTATION

PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	Results Upon Completion						
								SALES GROWTH (EUR)	EXPORT GROWTH (EUR)	INCREASED RAW MATERIAL PURCHASES (EUR)	FINANCING IDENTIFIED (US\$)	CUSTOMER INVESTMENT (US\$)	RURAL HOUSEHOLDS BENEFITED	INCREASED EMPLOYMENT
003	Kokarev	Vitalia	PV	Muesli	53,900	24,500	45%	1,100,000		700,000		29,400	3	3
017	Edelinski	Dentina	PV	Various	187,401	40,007	21%	835,905	835,905	158,351	N/A	321,506	188	33
008	Kokarev	Agros 2004	FV	Peppers	107,479	38,900	36%	121,648	57,433	16,218	35,505	253,920	313	15
035	Edelinski	Bonum Plus	PV	Pepper	269,806	39,925	15%	1,100,645	1,094,483	488,836	N/A	320,678	220	39
026	Damovski	Popova Kula	BW	Wine	209,494	40,026	19%	747,741	672,678	46,829	119,047	176,972	140	8
015	Kokarev	Badzo	FV	Various	70,749	30,000	42%	7,153,190	7,010,698	4,347,343	875,788	62,304	276	13
048	Angelovski	Kokolanski	NTPF	Mushrooms	42,430	7,050	17%	208,865	208,865	166,999	N/A	25,679	120	5
010	Edelinski	Lars	PV	Dehydrated Veggies	196,928	20,000	10%	420,135	420,135	87,579	32,667	117,023	163	7
011	Edelinski	Vipro	PV	Various	379,313	24,000	6%	1,726,934	1,706,905	125,797	430,953	189,663	149	43
020	Edelinski	Avto Ria	PV	Various	124,600	19,800	16%	1,756,656	1,739,555	826,983	53,190	1,688,478	143	31
031	Kokarev	Agrohemija	FV	Pepper	2,055,500	30,000	1%	2,442,117	1,284,552	760,162	33,332	1,513,720	150	14
032	Risteovski	Ledra Agro	TG	Diverse varieties	170,000	20,000	12%	250,690	250,690	12,328	201,042	373,217	19	28
040	Angelovski	Vigan	NTPF	Mushrooms	195,000	15,000	8%	146,823	144,713	36,945	28,692	136,128	166	16
033	Damovski	Valandovo Winery	BW	Wine	186,335	25,000	13%	5,114,476	5,109,805	458,163	N/A	206,334	262	112
030	Damovski	Bovin	BW	Wine	230,660	25,000	11%	894,347	245,660	11,564	312,733	289,603	113	37
049	Risteovski	GD Tikvesh	TG	Various	215,500	30,000	14%	1,904,533	1,120,513	538,455	357,142	878,045	93	181
059	Angelovski	Inter-Mak II	NTPF	Mushrooms	474,600	20,000	4%	2,034,426	2,034,426	1,557,158	N/A	424,950	1,206	54
061	Angelovski	Flores II	NTPF	Herbs; Spices	125,927	15,000	12%	892,049	892,049	685,137	N/A	457,935	353	52
076	Risteovski	Peca Komerc	TG	Diverse varieties	177,237	30,000	17%	2,082,930	2,082,930	1,377,783	405,866	484,978	164	26
080	Kokarev	Koro Company	NTPF	Mushrooms; Berries; Herbs	123,000	15,000	12%	913,408	433,408	230,154	146,428	250,202	109	8
Implementation Total					5,595,859	509,208	9%	31,847,518	27,345,403	12,632,784	3,032,385	8,200,735	4,350	725

TABLE 6. PROPOSAL AND PROJECT STATUS REPORT

COMPLETED

PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	Actual Results Upon Completion						
								SALES GROWTH (US\$)	EXPORT GROWTH (EUR)	INCREASED RAW MATERIAL PURCHASES (EUR)	FINANCING IDENTIFIED (US\$)	CUSTOMER INVESTMENT (US\$)	RURAL HOUSEHOLDS BENEFITED	INCREASED EMPLOYMENT
608	Nate	27 Customers	All	All	73,010	73,010	100%	EDD/PPA Support provided by environment expert Dr. Gallup and local consultants						
617	Nate	2 Customers	PV	PV	3,000	3,000	100%	Developing an AgBiz Model Asbestos Health and Safety Plan (Lars/Vipro)						
616	Nate	8 Customers	All	All	3,785	3,785	100%	Cleaner Production Assessments conducted by CIRKO						
615	Nate	Popova Kula	BW	BW	23,395	23,395	100%	Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP)						
002	Angelovski	Inter-Mak I	NTPP	Mushrooms	32,933	12,091	37%	300,000		N/A	N/A	200,000	-	N/A
082	Kokarev	Agrohemija / Bambolino	FV	Bambolino Watermelons	-	-	0%	-	97,500	40,000	N/A	N/A	N/A	N/A
COMPLETED TOTAL					141,455	117,881	83%	300,000	97,500	40,000	-	200,000		-
Completed and Implementation Total					5,737,314	627,089	11%	32,147,518	27,442,903	12,672,784	3,032,385	8,423,135	4,350	725

2.4 ENHANCED ACCESS TO FINANCE

During the Quarter AgBiz staff helped 15 companies and individuals gain access to finance. We helped them to identify the most appropriate sources of finance for their needs and select the most appropriate type financing for their requirements and financial status. Six companies and nine individuals applied for a total of \$1,493,700 in financing. Seven companies received detailed information regarding available sources of financing and we helped them to identify the most appropriate type of financing. During the next Quarter we will help them apply for loans, leases, equity financing or other types of finance.

2.5 POLICY AND INSTITUTIONAL REFORM

Policy and institutional reform and improvement needs identified, prioritized and discussed with sources of reform during the Quarter are outlined below.

2.5.1 Timing of IPARD Availability

As the key IPARD institution, The Agency for Financial Support of Agriculture and Rural Development awaits national accreditation. Until that takes place the process of utilizing funds allotted for the National Program for Agriculture and Rural Development remains underutilized. The previous target date of mid-2009 for full European Commission accreditation remains. Macedonia will be able to utilize IPARD funding only after both National and EU accreditation of the Agency. this process needs to be accelerated, especially Agency capacity building.

2.5.2 Producers' Personal Income Tax Withholding

One of the major issues that gained increased importance during the Quarter was the “requirement” for producers' personal income tax withholding by buyers of agriculture produce (processors/consolidators). The Macedonian government is currently implementing an interim solution to the problem of not being able to tax individual, unregistered agricultural producers by giving personal income tax exemption to all farmers that own agricultural land, and hence pay tax on cadastral income. This is not a sustainable solution since it places unregistered farmers in a more favorable positioning than registered farming entities and producer organizations. In fact, this interim regulation exerts a negative influence on the process of establishing commercial producers' organizations that are much needed for the increased competitiveness of Macedonian agribusinesses since it encourages farmers to not register as agricultural producers.

2.5.3 HACCP Implementation Timing

As the January 1, 2009 deadline for all food operators to adopt and implement HACCP principles to assure food safety becomes near, many food processors and handlers are not adequately prepared. The exact meaning of the phrases “HACCP system implemented” and “HACCP system certified” remains unclear. Additional and more precise information is needed as it relates to the specific requirements for implementing HACCP principles.

Clear definition of food safety requirements, the timing of the new requirements coming into effect and clear responsibilities for conducting inspections has yet to be established. To establish an effective food safety inspection, the GoM will have to redefine the responsibility of the inspection agencies and extend the timing for full implementation of compulsorily HACCP principles for assuring food safety. The number of food operators that have initiated HACCP implementation is low, and the number of those having certified HACCP systems is even lower.

2.5.4 Payment for Wild Collection in National Forests

During the Quarter the public company “Macedonian Forests”, that manages most of the publicly owned forests in Macedonia, accelerated the process of establishing and enforcing a payment system for gathering wild crafted products in public forests. The problem exists in several Macedonian regions, especially for a few wild crafted products exporters that received verbal or written communication from the local branch of Macedonian Forests regarding the issue. The exporters of products based on wild crafted plants (mushrooms, berries, medicinal and aromatic plants) are not direct harvesters and hence the raw materials they purchase are typically harvested in multiple Macedonian regions by unregistered gatherers that see this activity as a supplemental income source. Harvesting of non-timber forest products in public forests is not regulated in a precise way, since this resource is perceived as minor in comparison to timber. As the importance of non timber forest products grow in terms of monetary and value, more clear regulations and management practices will have to be established to not jeopardize the functioning of the entire wild crafted value chain. Clear and enforceable contracting and compensation mechanisms must be established to utilize non timber forest products growing in public forests as opposed to the less than fair intermediate solutions of charging end exporters a special levy as a percentage of the export value.

2.6 OPERATIONAL CHALLENGES ENCOUNTERED

Many of the previous operational challenges encountered remained in effect during Quarter. The lack of effective cooperation between producers and processors/marketers, confusing GoM communicatins regarding HACCP implementation, slow development of IPARD, difficult required indicators reporting and excessive dependence on former Yugoslav markets are important general impediments to the accelerated growth of AgBiz supported value chains, and are explained below.

2.6.1 Producer with Processor/Marketer Cooperation

It is very difficult to get Macedonian producers or processors/marketers to significantly cooperate, either vertically or horizontally. This makes it complex for AgBiz to utilize leverage points (i.e., to work with groupings versus individuals) to achieve its objectives. This also means that it is very difficult for producers to consolidate input supplies to lower costs, to consolidate output marketing to lower buyers’ transaction costs, for marketers to communicate market requirements back through the value chain, and for processors/marketers to fill large orders with more stringent specifications and value added products. Thus AgBiz will continue to work on encouraging improved linkages between participants in AgBiz supported Value Chains.

2.6.2 Confusing GoM HACCP Requirements

Properly implemented, HACCP is a very effective means of assuring food safety. Preventing problems from occurring is the paramount goal underlying any HACCP system. For successful implementation of a HACCP program, management should be committed and involved in the entire process. Food Safety Standards are a management system that addresses food safety through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product. It is designed to be used in all segments of the food industry, and all of the safety systems based on HACCP principles have been successfully applied.

When thinking about starting HACCP implementation, many Macedonian food companies are confused or limited in their understanding of HACCP standards. In the last year many projects and also the Food Directorate has started the promotion and education of standards and increasing the advanced knowledge of people who are involved in the food sector.

The general confusion regarding standards is based on:

Implementation or Certification: companies do not have a clear understanding of Macedonia legal requirements regarding HACCP standards;

Global Gap or HACCP: there is confusion between fresh producers, packing houses and processors who are not sure which standard they have to implement;

Certification by an Accredited Company: a company that provides inspection is in many cases accredited by some foreign body, and they must provide an accreditation certificate when they offer their services to a customer. Some certification companies do not inform their client if they are suspended and are not allowed to provide HACCP certification services until the suspension is removed. Most customers didn't know how to check whether a certification body possesses an accreditation that is valid.

Previous documentation: many companies have developed documentation for internal use and that documentation may be used in the process of standards implementation. It is not always the case that previous document has to be replaced with new documentation.

To avoid this confusion companies must focus on staff training and establishing a department for quality control. AgBiz training on HACCP is designed to help achieve a better understanding of HACCP standards and how to best implement them.

2.6.3 Slow Development of IPARD

Macedonia must prepare the necessary financial and institutional capacity to manage IPARD disbursements. This is an obligation from the EC that should significantly increase investment in agribusiness. According to the GoM's official Action Plan for IPARD agreed with the European Commission (EC), national accreditation is scheduled to take start in November 2008. After successful accreditation, the EC executes a 'Conferral of Management' which is planned to be achieved by the end of 2008, beginning 2009 latest. This conferral of management means complete management of the program is the responsibility of the Beneficiary Country. To be accredited by the national authorities and to conferred management by the EC, the Managing Authority and the IPARD Agency should strictly comply with the accreditation criteria. Currently, the IPARD Agency is entering into the second phase toward acquiring national accreditation by defining their functions according to the Accreditation Criteria.

If Macedonia wishes to direct IPARD resources at improving the competitiveness of the agriculture sector and ensure access and IPARD absorption, it must actively support the capacity of potential beneficiaries to access these resources. Building the capacity of beneficiaries to access IPARD funds involves additional expenditures in public information campaigns, application support to beneficiaries, and pre- and co-financing requirements.

IPARD is a major investment subsidy program that will eventually be available to Macedonian agribusinesses to help finance competitiveness enhancements that will help prepare them for EU entry. The timing of when IPARD funding will be available, and the requirements for applying and receiving IPARD support is so unclear that it is difficult for AgBiz to know what emphasis to place on IPARD-related support.

2.6.4 Difficult Required Indicators

Some of the USAID required indicators are very difficult to collect and not very relevant to measuring Program performance. While USAID reports on a Fiscal Year our customers only track detailed data on a calendar year basis. Useful and comparative percent change data for Projects cannot be reported until January 2010 since calendar 2009 is the first year when a full set of indicator data will be available to compare to 2008 annual baseline data. For example, the first nine signed Projects will be reporting indicators for the last half of calendar 2008 and the second 11 Projects for only the last quarter of 2008. While some Projects only support a portion of a company, e.g., sales to a specific market, or a technology or capacity enhancement for only one portion of the company, our customers do not have historical data available for just that part of their company, and find it very difficult to separate out the portion of the company that the Project is supporting from total company data. Also, it is common for a customer to receive more than one type of support from AgBiz, so reporting results for each type of support would cause double counting.

Indicators such as the number of new technologies and/or management practices made available and number of rural households directly benefiting from interventions require very rough estimates. Most Projects and Activities are being implemented by processors or marketers who work with and source their raw materials from producers or consolidators. They often provide new technologies and management assistance to their producers, but do not keep records regarding the number of practices they transferred or the number of hectares using such practices. Reporting very rough estimates runs the risk of the basis for the estimates varying from reporting period to reporting period. Participants in study tours and trade fairs can do a somewhat better estimate of the number of new technologies and management practices made available to them at these events, but it is only a rough estimate.

Calculating FTE employment is also difficult due to the prevalence of seasonal labor. Most customers employ very few full time laborers, and due to the seasonal nature of their business make extensive use of temporary labor. Seasonal labor is often paid on a cash basis so company records are not kept regarding the number of days worked.

Asking customers, especially grantees, for difficult to obtain data will result in hesitancy on the part of the customer to supply the data, and inconsistent data.

Therefore, for Projects we will report total company indicator data. This reflects the fact that even though for some companies the Project is for one portion of the enterprise, that company very likely participates in AgBiz Activities such as trade fairs, study tours, training or technology transfer, so the impact is on the total company. Also, we will only report total indicators for Projects, e.g., total sales, in Quarterly Reports rather than sales increase until January 2010 when comparable historical data will be available. This means that percent change data will also not be available until January 2010.

In the First Quarter of FY '09 AgBiz will propose to USAID the above modifications in the indicators we will be reporting.

2.6.5 Dependence on Former Yugoslav Markets

Around 75% of Macedonian exports go to former Yugoslavia countries. The larger of these markets, Serbia and Croatia, are being aggressively marketed by non-Balkan and more modern suppliers. The export revenue earned by Macedonian exporters from traditional Balkan markets is essential for both scale economies and contribution to overhead. Macedonian processors and marketers need to carefully enhance the competitiveness of their products in Balkan markets while they at the same time learn how to successfully compete in EU and other advanced markets. This is a double challenge for exporters. Most AgBiz Projects are designed to enhance the competitiveness of agribusiness firms in export markets, and nearly all of the Activities have a similar objective. Increased competition, and more stringent customer requirements in regional markets, equates to the need for AgBiz to increase our emphasis on regional competitiveness.

2.7 PERFORMANCE INDICATORS

Table Seven (7) on page 45 shows progress on the agreed indicators, plus the proposed new indicators. Due to a lack of reliable data for the Fourth Quarter of FY '07, as well as all other Quarters of FY '07, we cannot report increased purchases and sales in Section 1 - Increased Production and Marketing. Therefore, we are reporting the actual value of the indicators in that section. The lack of historical data also means percentage increase cannot be calculated for the Section 1 indicators. The difficulty of getting reliable historical data by Quarter or on the USAID fiscal year was explained in section 2.6.4 above.

Several indicators have been added to the indicators listing. These are designated as New in the first column of Table Seven (7).

As noted in the previous Quarterly Report, orders taken from trade fairs and B2B meeting have previously been reported as sales. Starting this quarter we have included Value of New Orders from Trade Fairs, B2B Meetings and Fast Track Projects, and transferred past sales results to this new indicator. This is because orders taken at trade fairs and B2B meetings are likely to also appear as increased sales for grantees when the orders are actually filled, thus representing duplication.

We have added three indicators to the Value of Investment Stimulated section. The first two are “Increased Customer Investment” and “Value of Third Party Domestic Investment Stimulated”. These will be summed for an indicator changed from “Value of Domestic Investment Stimulated” to “Value of Total Domestic Investment Stimulated.” Previously, the latter indicator presented only the value of third party domestic investments. However, in our opinion it is appropriate to have a separate value for these two indicators, and as well as a total.

This section has also been enhanced by the new indicator “Leveraging Achieved by AgBiz”. Funds that are invested by AgBiz can be characterized as seed money intended to stimulate investment in or by the owners implementing the Projects. The level of leveraging we are able to achieve is an indication of the return we are getting on USAID resources. Therefore, this is an important indicator that should be tracked and reported.

In the Increased Access to Finance section the number of customers receiving access to finance services service is important, so we have added an indicator to track this number.

Since Outreach is how we share AgBiz/USAID results and news with the Macedonian public, and inform them that the support we provide is “from the American people”, we want to monitor and report the Outreach results being achieved by the Program. Therefore, we have added indicators that track the number of Success Stories and Media Exposures.

It is useful to note that raw material purchases (1.1) exceeded sales values (1.3 + 1.5 + 1.7) for the Quarter due to the lag time between purchasing raw materials and selling the finished goods. This is especially the case for processed vegetables, wild gathered products (except for fresh), and bottled wine. It can also be noted that international sales were almost the same as regional sales, indicating good progress on expanding non-regional sales.

TABLE 7. FOURTH QUARTER INDICATOR ACHIEVEMENTS

PMP Indicator Number		4th Quarter FY '08
1.	1. Increased Production and Marketing	
1.1	1.1. Value (in 000 Euros) of purchases of raw materials made from small holder producers by customers	€ 6,673.4
1.2	1.2 Percentage Increase in the value of purchases of raw materials made from small holders producers	NA
1.3	1.3. Value (in 000 Euros) of sales into national market by customers	€ 713.4
1.4	1.4 Percentage increase of sales into national market	NA
1.5	1.5. Value (in 000 Euros) of intra-regional exports by customers	€ 1,135.3
1.6	1.6 Percentage increase of intra-regional exports by customers	NA
1.7	1.7. Value (in 000 Euros) of international exports	€ 995.2
1.8	1.8 Percentage increase of international exports by customers	NA
New	1.9 Value of new orders from Trade Fairs, B2B and FT Projects	€ 202.6
New	1.9.1 Number of new customers from Trade Fairs, B2B and FT Projects	1
2.	2. Increased Coverage of AgBiz Customers	
2.1	2.1. Number of Producer Organizations receiving assistance	2
2.2	2.2. Number of Trade and Business Associations receiving assistance	3
2.3	2.3. Number of rural households directly benefiting from interventions	556
2.4	2.4. Number of Agriculture-related Firms receiving assistance (trader/buyer, processing and distribution levels of the value-chain)	22
3.	3. Introduction and Adoption of New Technologies and Management Practices	
3.1	3.1. Number of new/improved technologies or management practices made available for transfer	10
3.2	3.2. Number of (additional) hectares under new technologies or improved management practices	43
4.	4. Building Human Capacity	
4.1.1	4.1.1 Number of male individuals who have received short-term agriculture or agribusiness productivity enhancement training	41
4.1.2	4.1.2 Number of female individuals who have received short-term agriculture or agribusiness productivity enhancement training	23
4.2.1	4.2.1 Number of male individuals who have received long-term agriculture or agribusiness productivity enhancement training	-
4.2.2	4.2.2 Number of female individuals who have received long-term agriculture or agribusiness productivity enhancement training	-
5.	5. Value of Investment Stimulated	
5.2	5.1 Value of total domestic investment stimulated (000US\$)	1,822.4
New	5.1.1 Value of customer investment stimulated (000US\$)	1,822.4
New	5.1.2 Value of third party domestic investment stimulated (000US\$)	0
5.3	5.1.3 Value of Foreign Direct Investment stimulated (000US\$)	0
New	5.2 Leveraging Achieved by AgBiz (%)	19%
6	6. Increased Access to Finance	
5.1	6.1. Value of customer financing identified (potential loans) (000US\$)	\$1,498.7
New	6.2. Number of customers provided access to finance assistance	15
6.	7. Increased Employment	
6.1.1	7.1 Number of equivalent male jobs created by supported customers	20
6.1.2	7.2 Number of equivalent female jobs created by supported customers	30
6.2	7.3 Percentage increase in FTE jobs by supported customers	NA
7.	8. Policy and Institutional Reform	
7.1	8.1 Policy and Institutional Constraints Identified	2
New	9. Outreach	
New	9.1 Number of produced success stories	4
New	9.2 Number of media exposures (TV, Radio & Newspaper)	9

2.8 FOURTH QUARTER FINANCIAL REPORT

The Fourth Quarter Financial Report is shown below.

CONTRACT No. EDH-I-03-05-00006-00 Macedonia AgBiz Quarterly Report CONTRACT EXPENDITURES through September 30, 2008					
	Contract Budget	Incurred as of 6/30/08	Period Costs 7/1/08-9/30/08	Total Costs Accrued as of 9/30/08	Remaining
Personnel	\$1,443,571	\$510,152	\$123,091	\$633,243	\$810,328
Fringe Benefits	\$570,495	\$191,201	\$47,037	\$238,238	\$332,257
Travel and per diem	\$173,028	\$68,987	\$23,866	\$92,853	\$80,175
Allowances	\$312,743	\$194,495	\$17,910	\$212,405	\$100,338
Grants	\$500,000	\$0	\$104,513	\$104,513	\$395,487
Subcontracts	\$302,322	\$159,387	\$51,604	\$210,991	\$91,331
Activity Costs	\$726,205	\$342,398	\$67,765	\$410,163	\$316,042
Equipment	\$51,089	\$39,111	\$8,386	\$47,497	\$3,592
Other Direct Costs	\$265,763	\$120,768	\$54,690	\$175,458	\$90,305
Indirect Costs	\$929,141	\$357,837	\$77,023	\$434,860	\$494,281
Sub-total	\$5,274,357	\$1,984,336	\$575,885	\$2,560,221	\$2,714,136
Fee	\$225,601	\$76,352	\$24,590	\$100,942	\$124,659
TOTALS	\$5,499,958	\$2,060,688	\$600,475	\$2,661,163	\$2,838,795

2.9 REPORTS AND OUTREACH RELEASES PRODUCED DURING THE QUARTER

This section lists the reports produced by AgBiz during the Quarter. Due to the total size of the documents they are presented in a CD.

2.9.1 Reports on External Activities and Projects

Interfest Novi Sad Report

Cleaner Production Assessment Report – BADZO

Cleaner Production Assessment Report – Vipro

Asbestos Management Plan Template

LARS Asbestos Management Plan

VIPRO Asbestos Management Plan

Popova Kula Winery Model Comprehensive Pesticide Use Plan

HACCP Systems for Fresh Produce Training - draft Report

2.9.2 Reports on Internal Activities

AgBiz Program PERSUAP

Fresh Vegetables Value Chain Profile

Table Grapes Value Chain Profile

2.9.3 Outreach Releases

AgBiz HACCP System Training Press Release Draft

AgBiz Program First Year Accomplishments Newsletter

“USAID supports Macedonian agribusinesses to expand into new export markets” Success Story

CoP's Interview for "Kapital", August 08

Interfest Wine Festival, Novi Sad, Serbia article in "Dnevnik"

Interfest Wine Festival Novi Sad, Serbia, "Bar Code" article

Interfest Wine Festival, Novi Sad, "Chasopis VINO" article

RCI Newsletter August 2008

Second Grant Agreement Ceremony AgBiz Press Release

"Macedonian "bambolino" watermelons on UK tables" Success Story

"Remarkable presentation of Macedonian Wines at Novi Sad Wine Festival" Success Story

"USAID Cares about food safety" Success Story

WINERY KAMNIK, Novi Sad, article

Damovski's Interview for "Kapital"

3.0 FY '08 & LOP RESULTS SUMMARY

FY '08 results are presented below in two formats - first, an overview of Program Outputs and Impact in a narrative, and a second a listing of FY '08 Activities, Projects and Indicators in tables.

3.1 PROGRAM OUTPUTS

3.1.1 Activities

During FY '08 AgBiz assessed the need for and organized and conducted pragmatic, commercial training for 151 agribusiness customers and 367 individuals; developed and presented two workshops related to food safety standards where 24 individuals participated; organized and supported customers to participate in six international trade fairs involving 42 exhibitors; organized and supported six international study tours involving 69 individuals; and completed six assessments of issues highly relevant to the improved competitiveness of the supported value chains. In addition the Program stimulated and supported open and productive discussions between producers and processors of vegetables in an effort to improve linkages within the value chain.

3.1.2 Projects

AgBiz received 75 Project proposals during FY '08, assessed all of them and signed 19 business expansion Projects with a total USAID projected investment of \$480,000 and grantee investments of \$4.1 million.

3.1.3 Enhanced Access to Finance

During FY '08 we completed an Alternative Sources of Agribusiness Finance Guidebook in hard copy and electronic formats, conducted a workshop for potential users on the Guidebook, and provided consulting to access to 15 agribusiness firms regarding viable financing. AgBiz customers financing needs were assessed and the most appropriate source and type of financing was identified. They were informed about how to best apply for their preferred source of financing. We also kept current on the latest types and terms of financing available to agribusinesses.

3.1.4 Policy Reform

Very few highly important policy or institutional constraints to export competitiveness were identified during FY '08. Some of the more significant were: withholding tax collection by buyers, the import duty on off season vegetables for processing (especially peppers), high social "benefit" charges (+/-50%) and weak agriculture and rural development institutional coordination. The withholding tax issue was discussed with BEA.

3.1.5 Other Outputs

Substantial environmental protection work, costing nearly \$130,000, was completed during FY '08 for Project proposals and signed Projects. This included completion of 27 Environmental Due

Diligence/Pollution Prevention Assessments, a Program level PERSUAP plus a model SUAP for use by customers requiring one, eight Cleaner Production Assessments and two Asbestos Health & Safety Plans.

During FY '08 AgBiz provided export focused competitiveness enhancement services to 271 agribusiness firms and made more than 47 improved technologies & management practices available to export focused customers.

To enhance local human resources capacity and help create legacy institutions AgBiz completed a human resources capacity enhancement needs assessment during FY '08 and used that to develop training and workshop activities. We signed more than 90 sub-contracts related to implementing Program work, all but a very few with Macedonian companies and consultants, also for capacity enhancement.

3.2 PROGRAM IMPACT

3.2.1 Activities

As a result of AgBiz Activities in FY '08 Macedonian agribusinesses better understand, and can identify and enter new export markets. Due to Program supported international trade fairs and B2B meetings, our customers better appreciate the importance of export marketing. Orders placed at Program supported trade fairs exceeded €1.3 million. Value chain customers gained access to the most recent relevant know-how, new or improved technologies and management practices for improved productivity and enhanced competitiveness due to Program supported international study tours. Access to the newest developments in agribusiness standards and product quality control was achieved by Program supported workshops. Business management, marketing, and finance access capacity improvement, especially for IPARD, was provided through Program supported training.

3.2.2 Projects

Due to the successful design and implementation of viable Projects during FY '08, AgBiz increased producer and processor/marketer competitiveness to meet export market demand for value added, agriculture-based products. We increased the awareness and knowledge of environmental compliance for customers' Projects through Program supported Project-related environmental compliance work. Local consulting company capacity to provide services to agribusinesses was enhanced through hands-on experience with AgBiz procurement procedures and business professionals. The LoP projected results of the 19 Projects signed in FY '08 are \$38¹ million in increased exports, \$16¹ million in increased purchases of agricultural products, increased incomes for more than 4,300 households and \$8.8 million in increased investment.

3.2.3 Enhanced Access to Finance

During FY '08 Ag Biz staff helped a total of 35 agriculture-related firms identify the most appropriate source and type of financing for their needs. Twenty individuals were provided with financing assistance, and the staff of one agricultural association was given training regarding preparing agricultural loan applications and understanding loan analyses criteria. During the year we worked with banks and our customers to help customers apply for and receive appropriate and best value financing of nearly \$3.2 million.

3.2.4 Agribusiness Policy Reform

During FY '08 AgBiz identified seven policy and institutional constraints impeding the competitiveness of the value chains we support. The nonexistence of trade associations in most of AgBiz supported value chains limited our ability to identify policy and institutional reform needs that could be prioritized as important to many participants within the value chains, or that would be of interest across the different

¹ The USD value is calculated according to the Exchange Middle Rate of the National Bank of the Republic of Macedonia on October 3, 2008 (<http://www.nbrm.gov.mk/default-en.asp?pmenu=kurslistENIKL>)

value chains. Furthermore, significant institutionalized dialogue between value chain participants and the GoM does not exist. Some of the issues identified and prioritized over the FY, such as only partially resolved personal income tax withholding for purchasing raw materials from farmers, and the confusing HACCP requirements require a wider approach, i.e., are reforms that need to be coordinated between two or more Ministries and governmental agencies.

In FY '08 we completed an assessment of the impact of regional trade agreements on Macedonian agriculture-based exports, and jointly with BEA presented the results at a workshop. We also participated in a BEA-sponsored Policy Constraints to Export Competitiveness workshop and studied and worked with BEA regarding problems for processors and marketers associated with the requirement for them to withhold personal income taxes from their producer suppliers.

During the FY AgBiz investigated the possibility of helping to increase the capacity of the Agency for Financial Support of the Agriculture and Rural Development. Due to the fact that the development of the Agency is at present supported by a World Bank Loan, it seems that the GoM has enough resources needed to develop this institution through its full accreditation.

3.3 ACTIVITIES, PROJECTS AND INDICATORS SUMMARY

3.3.1 FY '08 Activities

Table Eight (8) lists all of the Activities AgBiz worked on during the fiscal year and shows their status at the end of the fiscal year.

During FY '08 fifty eight Activities had at least some work done on them. Most importantly 39 Activities were completed. Thirty one of these were trade fairs, study tours, B2B meetings, technical assistance transfers or training implemented for AgBiz customers. Eight were for internal purposes such development of our MIS, the two Signing Ceremonies and the Capacity Enhancement Needs Assessment. At the end of the FY five approved Activities were Under development and three were in the process of Being Implemented. During the FY 12 potential Activities were assessed and it was determined that they would either not sufficiently contribute to AgBiz objectives and/or did not represent a good use of AgBiz resources.

3.3.2 FY '08 Projects

Table Nine (9) on page 56 lists all of the Projects AgBiz worked on during the fiscal year and shows their status at the end of the fiscal year.

Graphic One (1) illustrates the status of all 75 proposals and Projects at the end of FY '08. As noted in this graphic, 27 percent were Projects being implemented and 7 percent are completed. Fifty-seven percent of the proposals received were rejected following a thorough screening process carried out by the local consultants and the Internal Review Committee. In addition, Graphic Two (2) illustrates all the active and completed Projects by Value Chain, while Graphic Three (3) places those Projects on a map of Macedonia to illustrate their geographic location.

TABLE 8. ACTIVITIES STATUS REPORT

Last Updated: October 3, 2008

ACTIVITY LEVEL																		
APPROVED AND UNDER DEVELOPMENT																		
MIS Code	LoI / Sub-contract #	ACTIVITY	COORDINATOR	CUSTOMERS	VALUE CHAIN	PARTNERS	*ACTIVITY COST (US\$)			Completion Date	Number of Producer Organization / Business Assns.	Number of Agribusiness	Number of New/Improved Technologies & Management Practices	Number of Contracts Signed	Value of Orders	# Individuals that Received Training		
							TOTAL	AGBIZ	AgBiz Percentage							Disaggregated by Gender		
																M	F	TOTAL
109		Training on Oak Barrel Aging Techniques	Damo	12 Customers	BW	International Consultant	22,000	14,500	50%	Nov-08	N/A	12	1	N/A		10	5	15
619		Profile of the Wild Gathered Food Products Value Chain in Macedonia	Goran	N/A	NTFP	TBD	5,000	5,000	100%	Mar-09	N/A							
308		VinoSkop - Wine Festival for Macedonian wines	Damo	20 Customers	BW	Old Grisp	6,614	2,436	37%	19-Oct-08	N/A	20	1					
810		Value chain enhancement joint activities with MASHAV/CINADCO (Post Harvest, Storage)	Jeton		TG / FV	MASHAV/CINADCO		10,000		Nov-08								
208		FruitLogistica 2009	Vlado	8 Customers	FV	GTZ MAPF SIPPO	81,150	21,000	26%	6-Feb-09						7	1	8
TOTAL							114,764	52,936	46%			32	2			17	6	23
ALL AGREEMENTS SIGNED AND IN IMPLEMENTATION																		
MIS Code	LoI / Sub-contract #	ACTIVITY	COORDINATOR	CUSTOMERS	VALUE CHAIN	PARTNERS	*ACTIVITY COST (US\$)			Completion Date	Number of Producer Organization / Business Assns.	Number of Agribusiness	Number of New/Improved Technologies & Management Practices	Number of New Customers	Value of Orders	# Individuals that Received Training		
							TOTAL	AGBIZ	AgBiz Percentage							Disaggregated by Gender		
																M	F	TOTAL
207		Poland Study Tour	Lovre	9 Customers	FV / TG	International Consultant	20,110	7,918	38%	11-Oct-09	N/A	9				11	-	11
620		Enhancing Customer Access to Finance	Lovre	All	All	N/A	N/A	N/A	N/A	N/A	1	6	N/A	N/A	N/A	4	5	9
618		Importance of Agribusiness to MK Economic Growth	Jeton	All	All	EPICentar	2,000	2,000	100%	Oct-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL							22,710	9,918	44%		1	15	-	-		15	5	20
COMPLETED																		
MIS Code	LoI / Sub-contract #	ACTIVITY	COORDINATOR	CUSTOMERS	VALUE CHAIN	PARTNERS	*ACTIVITY COST (US\$)			Completion Date	Number of Producer Organization / Business Assns.	Number of Agribusiness	Number of New/Improved Technologies & Management Practices	Number of New Customers	Value of Orders (in EURO)	# Individuals that Received Training		
							TOTAL	AGBIZ	AgBiz Percentage							Disaggregated by Gender		
																M	F	TOTAL
301	004/006	MAP/Anuga	Martin	11 MAP members	PV	GTZ	109,600	35,817	33%	17-Oct-07	1	11	1	26	720,816	14	6	20
106	005	Ohrid F & V Workshop	Goran		FV	Sts. Cyril & Methodius Univ.	33,138	12,298	37%	10-Oct-07	N/A	N/A	4	N/A	N/A	32	18	50
804	007/1	Customer Database	Jim		NA	EPI Centar	2,900	2,900	100%	9-Nov-07	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
812		Regional USAID Projects Coordination Workshop	Jim	N/A	N/A	RCI & USAID	N/A	N/A	N/A	31-Jan-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
201	012	MAP Turkish Study Tour	Martin	8 MAP members	PV	MAP & Customers	10,849	4,234	39%	24-Jan-08	1	8	1	N/A	N/A	8	-	8
202	013	Fresh Vegetables Study Tour (Fruitlogistica)	Vlado	9 Customers	FV	GTZ & SIPPO	19,450	11,530	59%	10-Feb-08	2	9	2	N/A	N/A	9	-	9
203	014	Table Grapes Study Tour to the Republic of South Africa	Lovre	9 Customers	TG	SATI	46,897	26,608	57%	28-Feb-08	N/A	7	6	N/A	N/A	9	-	9
601	009	Economy of Macedonia 2007 Customer Profiles	Damo	22 Customers	All	InformaPlus	19,082	9,541	50%	13-Mar-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
602		Alternative Sources of Agbiz Finance Manual	Lovre	All	All	Crimson	43,726	43,726	100%	6-Mar-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
603		Capacity Building Needs Assessment	Nate	All	All	CEED	15,695	12,257	78%	15-Feb-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
604		Identified opportunities for entering Macedonian wines in UK market	Damo	7 Wineries	BW	Wine Direct		12,040		18-Feb-08	N/A	6	1			7	N/A	7
104		Finance Manual Workshop	Lovre	Potential Borrowers	All	Crimson				27-Mar-08	N/A	N/A	N/A	N/A	N/A	27	4	31
605	008	Processed Vegetables Profile Update	Martin		PV	MAASP & MAP	6,847	2,577	38%	17-Mar-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
606		Trade Association Development in the Supported Value Chains	Jeton		All	Local & US Consultant	N/A	N/A	N/A	14-Mar-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
302		ProWein 2008	Damo	3 wineries	BW	N/A	56,529	27,120	48%	18-Mar-08	N/A	3	N/A			6	4	10

607	011	Implications of Regional Trade Agreements on Macedonian Agribusinesses	Jeton		All	AIRD and USAID's BEA	N/A	N/A	N/A	28-Mar-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
108	N/A	Workshop on the Impact of Regional Trade Agreements on Macedonian Agribusinesses	Jeton	3 Customers	All	USAID's BEA/MoE	77	77	100%	18-Apr-08	N/A	3	N/A	N/A	N/A	13	10	23
303		Chicago Fancy Food Show	Jeton		FV/PV/NTFP	International Consultant	60,404	19,124	32%	29-Apr-08	1	8	1	6	230,000	9	1	10
305	017	Private Label Fair Amsterdam	Damo	3 Customers	PV/NTFP	N/A	19,636	9,524	49%	28-May-08	N/A	3	2	4	200,000	4	2	6
103	018	FAIRWILD Workshop - Standards for Fair Collection and Production of Medicinal and Aromatic Plants	Jeton	21 Customers	NTFP	SIPPO	9,420	3,656	39%	8-Apr-08	N/A	18	1	N/A	N/A	18	8	26
304	020	Novi Sad Agricultural Fair	Martin	11 Customers	PV	GTZ/Min of Economy/MAP	74,719	25,060	34%	17-May-08	1	11	1			9	2	11
204	019	Study Tour to Novi Sad Trade Fair	Vlado	45 Individual Farmers	FV	Ass. Of Agricultural Techniques	5,985	3,915	65%	17-May-08	1	3	8			45	2	47
805	019	Study Tour to Novi Sad Trade Fair/Staff	Vlado	N/A	FV	N/A	1,055	1,055	100%	17-May-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
206		Regional Cooperation B2B Meeting (Kosovo, Albania, Macedonia, Serbia, Monte Negro, BiH)	Jeton/Vlado	8 Customers	TG / BW / NTFP	USAID / KCBS Kosovo	290	168	58%	12-Jun-08	N/A	7				8	-	8
107		Improved Linkages Between Buyers and Producers of Peppers	Goran	Fresh & Process. F&V	Fresh & Processed Veggies.	MAP & FFRM	77	77	100%	15-Apr-08	1	8	1	N/A	N/A	16	5	21
105		HACCP Implementation for the Wine Industry	Nate	7 Wineries	BW / TG	CEED	8,133	4,042	50%	20-Jun-08	N/A	5	1	N/A	N/A	4	4	8
102		IPARD Workshop	Nate	12 Customers	All	CEED	21,462	10,640	50%	30-Jun-08	N/A	15				14	9	23
806		IPARD Task Force Proposal	Martin	TBD	All	N/A	N/A	N/A	N/A	Jun-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
609		Enhancing Customer Access to Finance	Lovre	Producers	N/A	EU Consulting / ACFD	N/A	N/A	N/A	N/A	1	3	N/A	N/A	N/A	5	6	11
611		Kosovo Vegetable Plants Nursery Linked with Macedonian Buyers	Vlado	6 Customers	FV	USAID / KCBS Kosovo	N/A	N/A	N/A	30-Jun-08	1	7	N/A	N/A	N/A	N/A	N/A	N/A
306	021	Interfest Novi Sad	Damo	13 Customers	BW	Old Grips	33,559	18,972	57%	28-Jun-08	N/A	6	3	3	57,800	12	-	12
612		Post-harvest Handling Needs in FV & TG VC	Vlado/Lovre	Fresh & Process. F&V	FV&PV	N/A	12,710	12,710	100%	28-Feb-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
613		Fresh Vegetables VC Profile	Vlado	FV Customers	FV	EPICentar	7,500	7,500	100%	26-Aug-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
205		Moscow Market Research	Vlado	Agrohemija	FV / TG	N/A	5,332	2,591	49%	10-Aug-08	N/A	1	3	N/A	N/A	1	-	1
209		Agrohemija Trial Shipment to Moscow	Vlado	Agrohemija	TG	TG	N/A	N/A	N/A	11-Sep-08	N/A	1	2	1	19,000	N/A	N/A	N/A
811		Bottled Wine Database	Sonja	N/A	N/A	BW	300	300	100%	20-Aug-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
614	052	Table Grapes Value Chain Profile	Lovre	TG	TG	MCG	7,500	7,500	100%	2-Sep-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
808		MIS Installation & Training	Agron	N/A	All	Smart Solutions	7,000	7,000	100%	22-Sep-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
101		HACCP Training for the Table Grapes, Fresh Vegetables and NTFP Value Chains	Nate	TBD	TG, FV, NTFP	CEED	5,976	3,264	55%	25-Sep-08	N/A	8	N/A	N/A	N/A	9	7	16
809		Second Grants Agreements Signing Ceremony	Nate	10 Customers	All	N/A	1,650	1,650	100%	3-Oct-08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RESULTS ACHIEVED							647,498	339,473	52%		10	151	38	40	1,227,616	279	88	367

ON HOLD OR DROPPED

MIS Code	ACTIVITY	COORDINATOR	POTENTIAL CUSTOMERS	VALUE CHAIN	PRODUCT FOCUS	ESTIMATED COST*	TIMEFRAME		PARTNERS	DESCRIPTION / COMMENT
							DATE INITIATED	TARGET COMPLETION		
	Assistance for Adding Banks to Subsidized Loans Providers List	Martin		All	None	N/A	Nov-07	28-Feb-08	Crimson	Customer Interest Questionable
	Russian Market Development	Martin		PV			Nov-07			Customer Interest Determined to be Minimal
	Duty Drawback on Re-exports/Importation of Agricultural Raw Materials	Zlatko		Processed Veggies.					MAP& ICLogistic	
	RSA Table Grapes Follow-up	Lovre	5 Customers	TG	TG	N/A	25-Mar-08	31-Aug-08		Determined the steps needed to improve the competitiveness of the value chain (Establishment of Association; STTA)
	Economy of Macedonia 2008	Jeton	Companies	All	All	TBD	Jun-08		Informa Plus	Low priority for FY 09. This activity received support in FY 08
	ICT in Agribusiness Conference in Ohrid	Nate		N/A					MASIT/ Crimson Capital	This activity was determined to have low direct relevance to AgBiz supported VC participants
	Study Tour of Producers to Agricultural Trade Fair in Turkey	Vlado		FV						The activity as proposed is not relevant to AbGiz export objectives
	B2B meetings in Tirana	Jeton							Albana Ag Competitiveness	Low interest from both Macedonian, Albanian and regional companies to attend
	ZIMNICA 2008	Zlatko		PV						Low relevance to AgBiz export objectives
	Understanding EU and RoM Pesticide Regulations	Vlado	Producers	All		TBD				AgBiz PERSUAP developed most of the deliverables proposed with this activity
	Wine Countries Export Promotion Programs Survey	Damo		BW	BW	TBD	Apr-08		MAPWE / Winers	This high cost activity has low priority and received low commitment from stake holders in the wine industry
	Develop Photo Database of Macedonian Wineries	Damo		BW / TG		TBD	Aug-08		TBD	Low priority for FY 09 and potential legal implications for unlimited usage of proposed deliverables by multiple customers

TABLE 9. PROPOSAL AND PROJECT STATUS REPORT

Last Updated: October 3, 2008

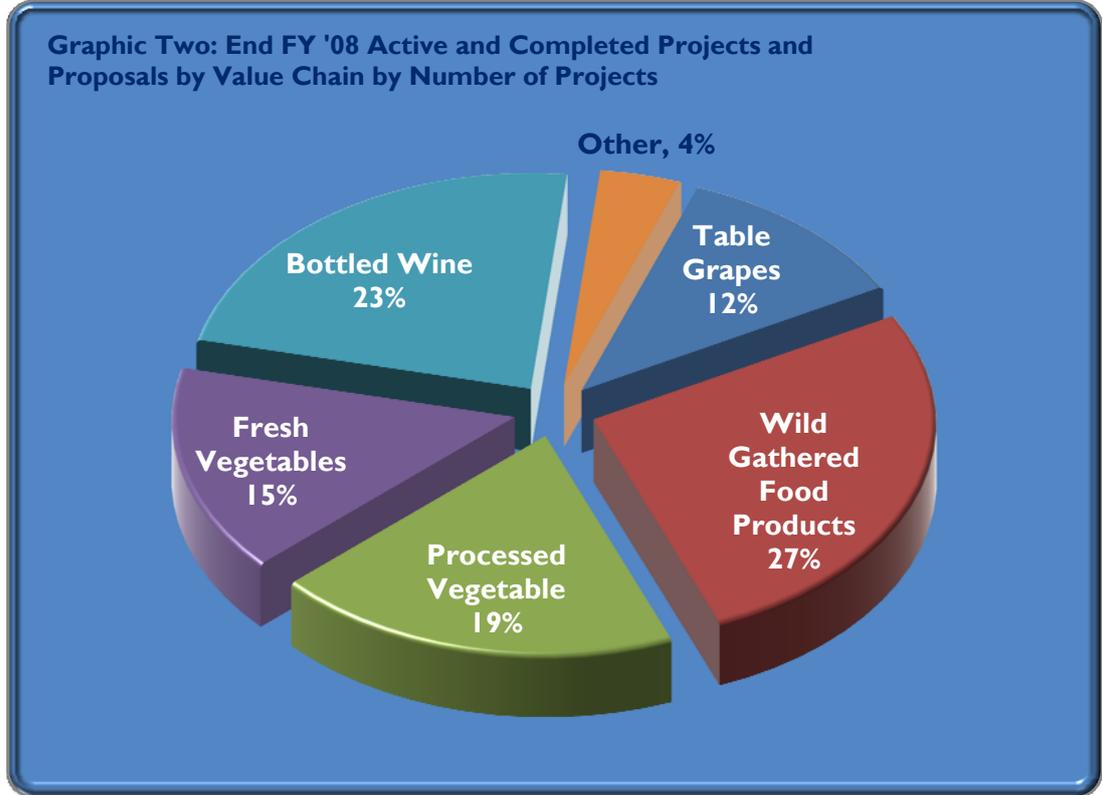
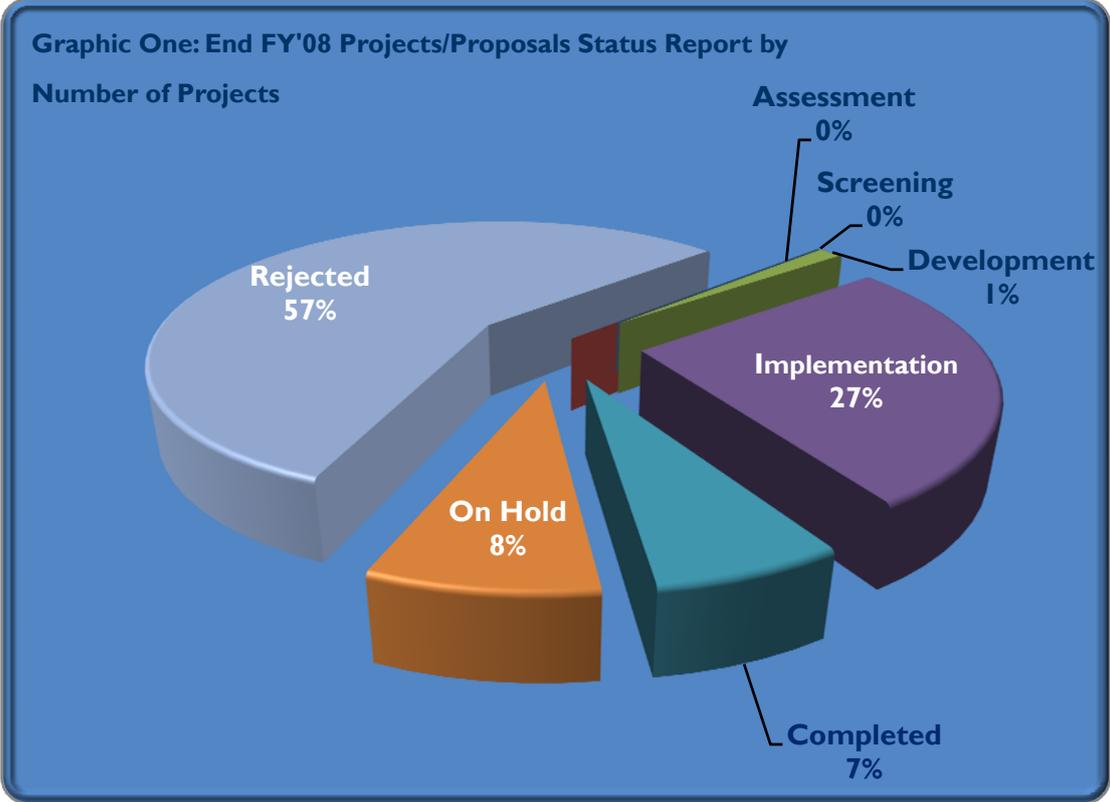
SCREENING														
PROPOSAL/PROJECT DEPICTION LEVEL														
PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	DATE RECEIVED	PROJECT DESCRIPTION					
No Proposals in Screening														
ASSESSMENT														
No Proposals in Assessment														
DEVELOPMENT														
PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	SALES GROWTH (EUR)	EXPORT GROWTH (EUR)	INCREASED RAW MATERIAL PURCHASES (EUR)	FINANCING IDENTIFIED (US\$)	CUSTOMER INVESTMENT (US\$)	RURAL HOUSEHOLDS BENEFITED	INCREASED EMPLOYMENT (by Gender)
058	Damovski	Ohrid Winery	BW	Wine	692,941	20,000	33%	9,619,748		3,989,936	N/A	672,941	212	15
Development Total					692,941	20,000	3%	9,619,748		3,989,936	-	672,941	212	15
IMPLEMENTATION														
Results Upon Completion														
PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	SALES GROWTH (EUR)	EXPORT GROWTH (EUR)	INCREASED RAW MATERIAL PURCHASES (EUR)	FINANCING IDENTIFIED (US\$)	CUSTOMER INVESTMENT (US\$)	RURAL HOUSEHOLDS BENEFITED	INCREASED EMPLOYMENT
003	Kokarev	Vitalia	PV	Muesli	53,900	24,500	45%	1,100,000		700,000		29,400	3	3
017	Edelinski	Dentina	PV	Various	187,401	40,007	21%	835,905	835,905	158,351	N/A	321,506	188	33
008	Kokarev	Agros 2004	FV	Peppers	107,479	38,900	36%	121,648	57,433	16,218	35,505	253,920	313	15
035	Edelinski	Bonum Plus	PV	Pepper	269,806	39,925	15%	1,100,645	1,094,483	488,836	N/A	320,678	220	39
026	Damovski	Popova Kula	BW	Wine	209,494	40,026	19%	747,741	672,678	46,829	N/A	176,972	140	8
015	Kokarev	Badzo	FV	Various	70,749	30,000	42%	7,153,190	7,010,698	4,347,343	875,788	62,304	276	13
048	Angelovski	Kokolanski	NTFP	Mushrooms	42,430	7,050	17%	208,865	208,865	166,999	N/A	25,679	120	5
010	Edelinski	Lars	PV	Dehydrated Veggies	196,928	20,000	10%	420,135	420,135	87,579	32,667	117,023	163	7
011	Edelinski	Vipro	PV	Various	379,313	24,000	6%	1,726,934	1,706,905	125,797	430,953	189,663	149	43
020	Edelinski	Avto Ria	PV	Various	124,600	19,800	16%	1,756,656	1,739,555	826,983	53,190	1,688,478	143	31
031	Kokarev	Agrohemiya	FV	Pepper	2,055,500	30,000	1%	2,442,117	1,284,552	760,162	33,332	1,513,720	150	14
032	Risteovski	Ledra Agro	TG	Diverse varieties	170,000	20,000	12%	250,690	250,690	12,328	201,042	373,217	19	28
040	Angelovski	Vigan	NTFP	Mushrooms	195,000	15,000	8%	146,823	144,713	36,945	28,692	136,128	166	16
033	Damovski	Valandovo Winery	BW	Wine	186,335	25,000	13%	5,114,476	5,109,805	458,163	N/A	206,334	262	112
030	Damovski	Bovin	BW	Wine	230,660	25,000	11%	894,347	245,660	11,564	312,733	289,603	113	37
049	Risteovski	GD Tikvesh	TG	Various	215,500	30,000	14%	1,904,533	1,120,513	538,455	357,142	878,045	93	181
059	Angelovski	Inter-Mak II	NTFP	Mushrooms	474,600	20,000	4%	2,034,426	2,034,426	1,557,158	N/A	424,950	1,206	54
061	Angelovski	Flores II	NTFP	Herbs; Spices	125,927	15,000	12%	892,049	892,049	685,137	N/A	457,935	353	52
076	Risteovski	Peca Komerc	TG	Diverse varieties	177,237	30,000	17%	2,082,930	2,082,930	1,377,783	405,866	484,978	164	26
080	Kokarev	Koro Company	NTFP	Berries; Herbs	123,000	15,000	12%	913,408	433,408	230,154	146,428	250,202	109	8
Implementation Total					5,595,859	509,208	9%	31,847,518	27,345,403	12,632,784	3,032,385	8,200,735	4,350	725
COMPLETED														
Actual Results Upon Completion														
PROPOSAL NUMBER	PROPOSAL COORDINATOR	CUSTOMER	VALUE CHAIN	PRODUCTS	TOTAL COST (US\$)	AGBIZ COST (US\$)	AGBIZ (%)	SALES GROWTH (EUR)	EXPORT GROWTH (EUR)	INCREASED RAW MATERIAL PURCHASES (EUR)	FINANCING IDENTIFIED (US\$)	CUSTOMER INVESTMENT (US\$)	RURAL HOUSEHOLDS BENEFITED	INCREASED EMPLOYMENT (by Gender)
610	PCs	39 Customers	All	All	179,600	179,600	100%	Proposal Assessments conducted by local consultants						
807	Jim	AgBiz Customers	All	All	2,564	2,564	100%	Standardizing and Indexing Proposal Assessment conducted by EpiCentar						
608	Nate	27 Customers	All	All	73,010	73,010	100%	EDD/PPA Support provided by environment expert Dr. Gallup and local consultants						
617	Nate	2 Customers	PV	PV	3,000	3,000	100%	Developing an AgBiz Model Asbestos Health and Safety Plan (Lars/Vipro)						

TABLE 9. PROPOSAL AND PROJECT STATUS REPORT

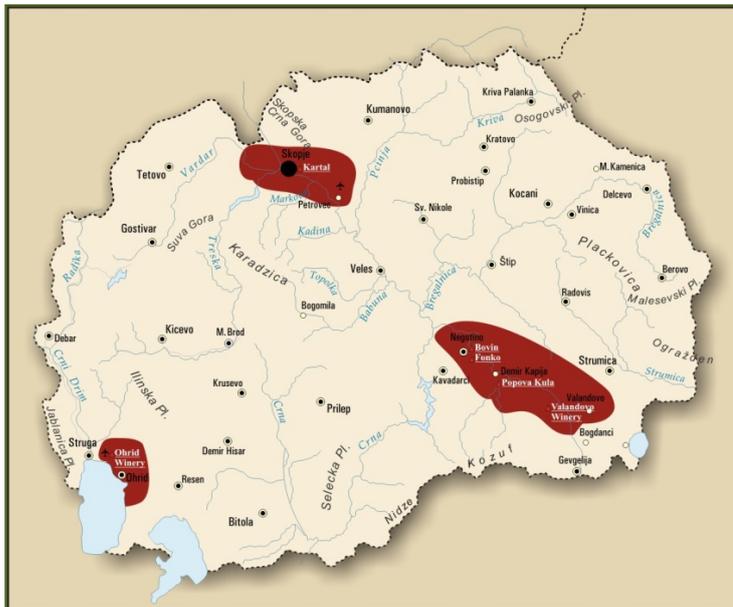
TABLE 9. PROPOSAL AND PROJECT STATUS REPORT														
616	Nate	8 Customers	All	All	3,785	3,785	100%	Cleaner Production Assessments conducted by CIRKO						
615	Nate	AgBiz	BW	BV	23,395	23,395	100%	Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP)						
019	Starova	Tajmishte	NTFP	Various	7,087	4,230	60%			N/A	N/A	N/A	N/A	
034	Damovski	Kartal Winery	BW	Wine	8,599	3,225	38%			N/A	N/A	2,500	N/A	
001	Damovski	Fonko	BW	Wine	41,500	21,700	52%	200,000		N/A	N/A	19,900	50	
002	Angelovski	Inter-Mak I	NTFP	Mushrooms	32,933	12,100	37%	300,000		N/A	N/A	200,000	N/A	
082	Kokarev	Agrohemiya / Bambolino	FV	Bambolino Watermelons	N/A	N/A	N/A	-	97,500	40,000	N/A	N/A	N/A	
COMPLETED TOTAL					375,473	326,609	87%	500,000	97,500	40,000	-	222,400	50	
Completed and Implementation Total					5,971,332	835,817	14%	32,347,518	27,442,903	12,672,784	3,032,385	8,423,135	4,400	725
REJECTED														
Reasons for Rejection														
009	Kokarev	Badzo PT	FV		N/A	N/A	N/A	No real need for AgBiz' business expansion assistance						
014	West	Stocarstvo	FV	Cauliflower; Beet	162,000	76,000	47%	No new technology involved / Identified management issues that						
021	Damovski	Agro Nikolov	BW	Wine	177,000	50,000	28%	Customer does not meet the minimum annual turnover criteria/AgBiz cannot offer assistance in supplying working capital						
036	Damovski	Premium Winery	BW	Wine	1,032,000	77,000	1%	AgBiz does not support start-ups						
039	Maxwell	Swisslion Agrar	Fresh Fruit	Apples	1,415,000	707,000	50%	Proposal not in one of the value chains / Request for financial support beyond AgBiz limit of US\$50,000						
007	Starova	Antares	WGFP	Organic jams	628,000	60,000	10%	Proposal does not meet our requirements because it requests fixed assets only when there is TA included in the Project/Ownership of the building where the equipment is to be located is uncertain and the company does not have a solid financial base						
023	Risteovski	Krivogastani Promet	PV	Pepper; Tomato; Onion	590,000	50,000	8%	AgBiz does not support start-ups, neither provides subsidization of variable costs						
045	Damovski	File Winery	BW	Wine	36,000	18,000	50%	Assistance in purchasing equipment for the new facility in the Tikvesh region and AgBiz does not support start-ups						
013	Damovski	Vilamet	WGFP	Various Juices	155,000	20,000	13%	The project is smaller than AgBiz' minimum size						
022	Kokarev	Angromarketing	WGFP	Mushrooms	205,000	50,000	24%	AgBiz does not support start-ups						
028	Starova	Flores	WGFP	Herbs; Spices	517,000	241,000	47%	Proposal withdrawn per request of the proponent						
018	Kokarev	Vivi Prom	FV	Tomato; Pepper;	N/A	53,000	N/A	Proposal withdrawn per request of the proponent						
016	Kokarev	Agrohemiya / Dobra Greenhouses	FV	Various	373,000	53,000	14%	Proposal withdrawn per request of the proponent						
046	Kokarev	Euromilk Greenhouses	Fresh F&V	Pepper; Tomato; Cucumber	118,000	51,000	44%	Proposal does not meet our requirements because it does not anticipate any increase in employment						
029	West	Agrolon	PV	Pepper staffed with cream cheese	120,000	48,000	40%	Does not meet criteria since it represents a high risk from a sales and marketing prospective						
047	Kokarev	Agropelagonija	Fresh F&V	Pepper	123,000	4,000	4%	Does not meet criteria, it has minimal current sales and is basically a start-up business						
052	Starova	Labeko	PV	Mushrooms	88,000	43,000	49%	The proponent history of sales indicates domestic market focus and the proportion of support asked from AgBiz is too high						
053	Starova	Stil Form	Other	Almond	91,000	43,000	47%	The project proposed is not in any of the value chains supported by AgBiz						
057	Kokarev	Ekosto	PV	Pepper, Gamba, Tomatoe	82,000	34,000	43%	The proponent sales are below the minimum requirement						
056	Damovski	Argeadi	Bottled Wine	Wine	19,171,000	45,000	0.2%	The proponent is a startup company						
060	Starova	Agrokultura Coop	Dairy	Raw Milk	75,000	27,016	36%	The project does not have any export potential/Application did not provide any insight in the financial potential of the proponent/The project is not one of the value chains AgBiz has a mandate to support						
062	Starova	Swisslion Agrar II	WGFP	Herbs; Spices	125,836	47,000	37%	The sales of the company in the value chain fail to meet the minimum historical sales criteria						
063	Kokarev	Emita	TG	Diverse varieties	96,400	18,000	19%	The historical export sales of the proponent are low and the AgBiz support asked for is partially to cover variable production costs						
064	Kokarev	Vivi Prom II	Fresh F&V	Various	18,997	9,000	49%	The proposal failed to show clear linkage between GlobalGAP implementation and company sales and export increase						
065	Kokarev	Stojkovic	FV	Tomato; Cucumber	133,000	50,000	38%	The proponent is a start up company						
066	Damovski	Fonko II	BW	Wine	95,000	53,000	56%	The projected sales benefits from this project do not justify the cost of the project implementation						
067	Kokarev	Divna Greenhouses	Fresh Fruit	Strawberries	29,000	17,000	58%	It is a proposal submitted by a startup company						
068	Kokarev	Meteora	WGFP	Mushrooms; Herbs; Spices	63,000	43,000	69%	The proposal does not meet the minimum company sales requirement						
070	Starova	Izrev Cooperative	Dairy	Soft White Sheep Cheese	6,000	2,400	40%	The proponent does not meet the minimal size criteria and it is not participant in any of the value chains AgBiz supports						

TABLE 9. PROPOSAL AND PROJECT STATUS REPORT

074	Kokarev	Greenhouse	FV	Tomato	222,000	48,000	22	The project is not export oriented and the AgBiz support required is only in purchasing fixed assets
075	Kokarev	Venec	BW	Wine	1,535,000	43,000	3	The project proposed lacked clarity in terms of value chain identification
041	West	Maemi	PV	Pepper, Gherkin	130,000	43,000	33	The proposal does not meet AgBiz requirements
069	West	Hina - Tehnoalat	PV	Pepper; Tomato	91,500	49,362	54%	The potential impact of the project is inferior to the impact of the projects in the processed vegetables value chain
012	Damovski	Pirgan	BW	Wine				Demonstrated substantial experience in wine export
051	West	Lozar Pelisterka	BW	Wine	457,831	51,807	11%	The proposal does not meet AgBiz requirements
043	Kokarev	Swedmilk	Dairy	Milk, Yogurt	38,542	19,422	50%	Minimal export products involved and the project cost is too expensive
006	Risteovski	Three Growers	Flowers	Spring Flowers				Lack of buyer support
050	Kokarev	DS Foods	PV	Pepper	556,821	39,436	7%	Foreign Ownership
037	Starova	Greenfungo	NTFP	Mushrooms	116,667	51,282	44%	Low Score from Evaluation
038	Damovski	Ploshovo	BW	Wine	74,699	34,940	47%	Low Score from Evaluation
073	Starova	Ekstra Fungi	NTFP	Mushrooms;	644,700	41,026	6%	Low Score from Evaluation
071	Risteovski	Alijansa	TG	Diverse varieties	188,308	48,718	26%	Low Score from Evaluation
072	Risteovski	Anva Fungi	NTFP	Mushrooms;	158,200	41,026	26%	Low Score from Evaluation
ON HOLD								
054	TBD	Vino M	BW	Wine	70	35	50	
055	TBD	Chateau Kamnik	BW	Wine	175	50	29	
027	West	Fruktana	PV	Pepper	174,669	48,718	28%	Due to insufficient funds
024	Starova	Altra	TG	Diverse varieties	161,776	51,282	32%	Due to insufficient funds
025	Starova	Turan	TG	Diverse varieties	123,759	42,438	34%	Due to insufficient funds
044	Damovski	Agrolozar	BW	Wine	1,568,784	38,784	2%	Due to insufficient funds



Graphic Three: Active and Completed Projects and Proposals by Geographic Location



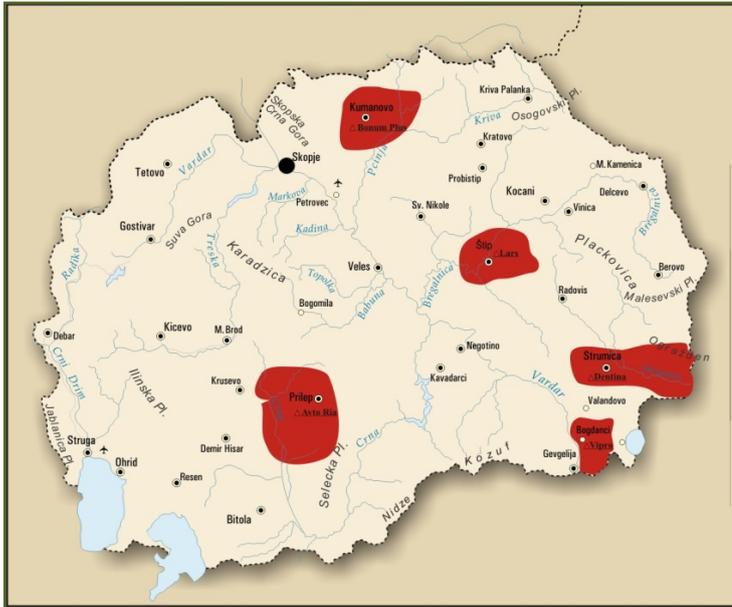
Bottled Wine
Bovin
Popova Kula
Fonko
Valandovo
Kartal
Ohrid Winery



Table Grapes
Ledra Agro
GD Tikvesh
Peca Komerc

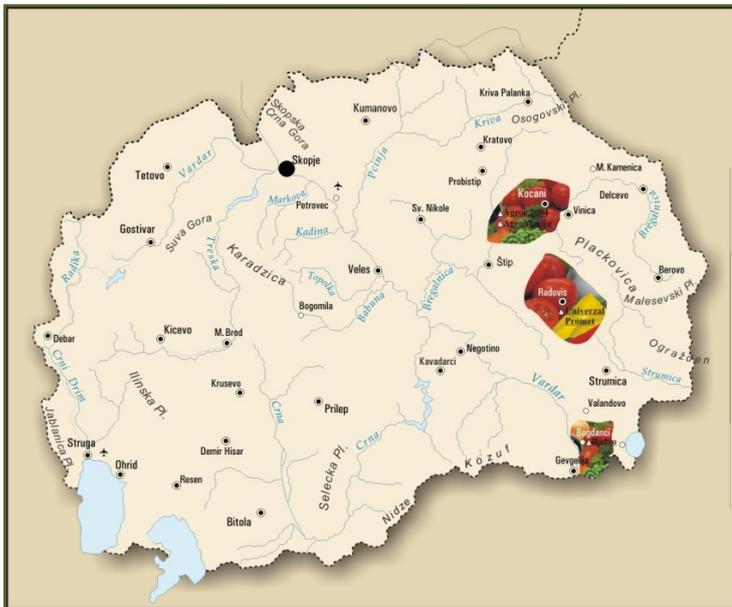


Other
Vitalia



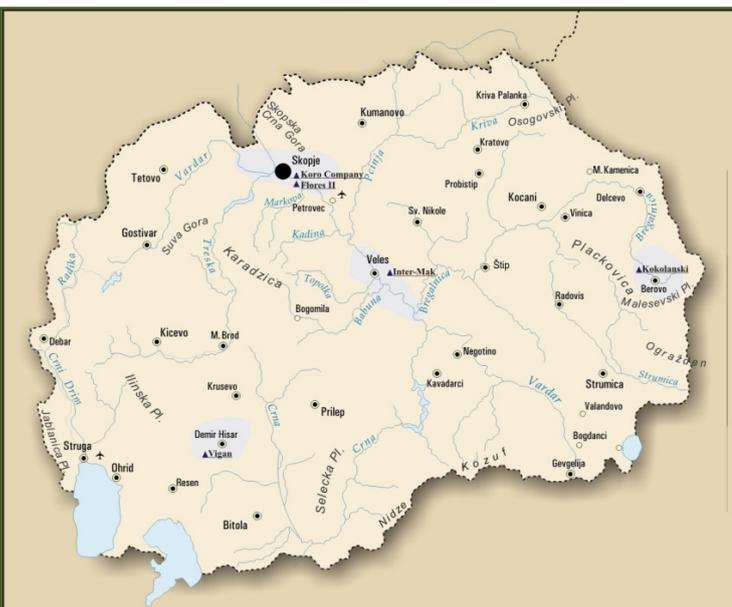
Processed Vegetable

- Lars
- Vipro
- Bonum Plus
- Dentina
- Avto Ria



Fresh Vegetables

- Agrohemija
- Agros 2004
- Agrohemija/Bambolino
- Badzo



Wild Gathered Food Products

- Tajmishte
- Inter-Mak
- Vigan
- Kokolanski
- Inter-Mak II
- Koro Company
- Flores II

3.3.3 FY '08 Indicators

Table Ten (10) lists the indicators achieved from Activities and Projects completed during FY '08.

The first group of nine grantees started implementation of their Projects at the very beginning of the Fourth Quarter. The second group of ten grantees signed their agreements at the very end of the Fourth Quarter. The indicators presented in Section 1 of Table 10 below, as well as other indicators derived solely from the grantees are the same as presented in the Table Seven (7) for the Fourth Quarter because they are for total grantee sales and are for the Fourth fiscal Quarter only. However, the indicators other than those in Section One are results for all of FY '08.

As can be noted by the % Objective Achieved column, all but one of the FY '08 indicators were exceeded by a large amount. Number of rural households benefited was achieved at the 94% level.

TABLE 10. FY '08 QUANTITATIVE INDICATORS AND OBJECTIVES				
PMP Indicator Number	INDICATOR	FY '08 Total	FY '08 Objective	% Objective Achieved
1. Increased Production and Marketing				
1.1	1.1. Value (in 000 Euros) of purchases of raw materials made from small holder producers by customers	€ 6,673.4	TVNP*	NA
1.2	1.2 Percentage Increase in the value of purchases of raw materials made from small holders producers	NA	NA	NA
1.3	1.3. Value (in 000 Euros) of sales into national market by customers	€ 713.4	TVNP	NA
1.4	1.4 Percentage increase of sales into national market	NA	NA	NA
1.5	1.5. Value (in 000 Euros) of intra-regional exports by customers	€ 1,135.3	TVNP	NA
1.6	1.6 Percentage increase of intra-regional exports by customers	NA	NA	NA
1.7	1.7. Value (in 000 Euros) of international exports	€ 995.2	TVNP	NA
1.8	1.8 Percentage increase of international exports by customers	NA	NA	NA
New	1.9 Value of new orders (in 000 EUR) from Trade Fairs, B2B and FT Projects	€ 1,320.6	TVNP	NA
New	1.9.1 Number of new customers from Trade Fairs, B2B and FT Projects	40	Not Projected	NA
2. 2. Increased Coverage of AgBiz Customers				
2.1	2.1. Number of Producer Organizations receiving assistance	6	3	200
2.2	2.2. Number of Trade and Business Associations receiving assistance	14	2	700
2.3	2.3. Number of rural households directly benefiting from interventions	1,129	1,200	94
2.4	2.4. Number of Agriculture-related Firms receiving assistance (trader/buyer, processing and distribution levels of the value-chain)	271	35	774
3. 3. Introduction and Adoption of New Technologies and Management Practices				
3.1	3.1. Number of new/improved technologies or management practices made available for transfer	47	10	470
3.2	3.2. Number of (additional) hectares under new technologies or improved management practices	78	50	156
4. 4. Building Human Capacity				
4.1.1	4.1.1 Number of male individuals who have received short-term agriculture or agribusiness productivity enhancement training	288	90	320
4.1.2	4.1.2 Number of female individuals who have received short-term agriculture or agribusiness productivity enhancement training	92	30	307
4.2.1	4.2.1 Number of male individuals who have received long-term agriculture or agribusiness productivity enhancement training	-	1	
4.2.2	4.2.2 Number of female individuals who have received long-term agriculture or agribusiness productivity enhancement training	-	-	
New 5. Value of Investment Stimulated				
5.2	5.1 Value of total domestic investment stimulated (000US\$)	\$2,120.7	\$250	847
New	5.1.1 Value of customer investment stimulated (000US\$)	\$2,120.7	Not Projected	
New	5.1.2 Value of third party domestic investment stimulated (000US\$)	0	\$250	
5.3	5.1.3 Value of Foreign Direct Investment stimulated (000US\$)	0		
New	5.2 Leveraging Achieved by AgBiz (%)	36%		

TABLE 10. FY '08 QUANTITATIVE INDICATORS AND OBJECTIVES

PMP Indicator Number	INDICATOR	FY '08 Total	FY '08 Objective	% Objective Achieved
New	6. Increased Access to Finance			
5.1	6.1. Value of customer financing identified (potential loans) (000US\$)	\$3,175.2	\$250	1,270
New	6.2. Number of customers provided access to finance assistance	35		
6.	7. Increased Employment			
6.1.1	7.1 Number of equivalent male jobs created by supported customers	20	10	198
6.1.2	7.2 Number of equivalent female jobs created by supported customers	30	12	250
6.2	7.3 Percentage increase in FTE jobs by supported customers	NA		
7.	8. Policy and Institutional Reform			
7.1	8.1 Policy and Institutional Constraints Identified	7	Not Projected	
New	9. Outreach			
New	9.1 Number of produced success stories	15	Not Projected	
New	9.2 Number of media exposures (TV, Radio & Newspaper)	29	Not Projected	

*TVNP = Total Value Not Projected

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