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UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U S A I D MISSION TO KENYA

UNITED STATES POSTAL ADDRESS

US AID MISSION TO KENYA
UNIT 64102
APO AE 09831 4102

INTERNATIONAL POSTAL ADDRESS

POST OFFICE BOX 30261
NAIROBI, KENYA
TEL 254-2-751613
FAX 254-2-749590

June 12, 1998

Mr J F W Taylor
Managing Director
Farmer's Choice Limited
P O Box 47791
Nairobi

Subject Award No 615-0249-G-00-8048

Dear Sir

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U S Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby grants to the Farmer's Choice Limited (herein after referred to as FCL or "Recipient"), the sum of \$39,800 00 to provide support for a program in Grant, as described in the Schedule of this award and the Attachment 2, entitled "Program Description "

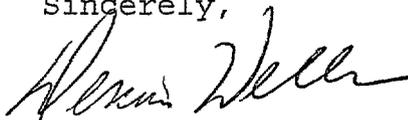
This award is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending April 4, 1999 USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount

This award is made to FCL, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", and Attachment 3 entitled "Standard Provisions which have been agreed to by your organization "

BEST AVAILABLE COPY

Please sign the original and each copy of this letter to acknowledge your receipt of this award, and return the original and all but one copy to the Grant Officer

Sincerely,



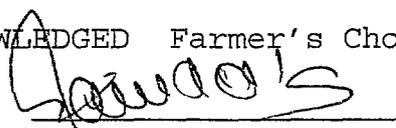
Dennis Weller
Grant Officer

Attachments

- 1 Schedule
- 2 Program Description
- 3 ~~Standard Provisions~~

ACKNOWLEDGED Farmer's Choice Limited

BY



Title

MANAGING DIRECTOR

Date

17 6.98

ACCOUNTING AND APPROPRIATION DATA

A GENERAL

1 Total Estimated Amount \$39,800 00
2 Total Program Amount \$79,592 00
3 Total Obligated Amount \$39,800 00
4 Cost-Sharing Percentage
(Non-Federal) 50%
5 Activity Title
6 USAID Technical Office ABEO
P O Box 30261
Nairobi
7 Tax I D Number
8 CEC No
9 LOC Number

B SPECIFIC

APP 72X1021
BPC GDV7-97-21615-KG13
ECN V570072
AMOUNT \$39,800 00

10/28

Funds Available
CONT/KENYA
Initials <i>NS</i>
Date <i>10/28</i>

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ATTACHMENT 1

SCHEDULE

1 1 PURPOSE OF AGREEMENT

The purpose of this Agreement is to provide support for the program described in Attachment 2 of this Agreement entitled "Program Description "

1 2 PERIOD OF AGREEMENT

The effective date of this Agreement is the date of the Cover Letter and the estimated completion date is 04/14/1999

1 3 AMOUNT OF AWARD AND PAYMENT

- (a) USAID hereby obligates the amount of \$39,800 00 for the purposes of this Award
- (b) Payment shall be made to the Recipient in accordance with procedures set forth in the Standard Provision of this Award entitled Payment - Cost Reimbursement as shown in Attachment 3

1 4 AWARD BUDGET

The following is the Award Budget, including local cost financing items, if authorized Revisions to this budget shall be made in accordance with the Standard Provision of the Award entitled "Revision of Grant Budget"

ESTIMATED GRANT BUDGET

Cost Element	USAID US\$	Counterpart US\$	Total US\$
Packaging Cost	39,800	39,792	79,592
Exchange Rate	KShs 60 00 to US\$1 00		

1 5 REPORTING

1 5 1 Financial Reporting

- (a) Financial reporting requirements shall be in accordance with the Standard Provision of this award entitled Payment - Cost Reimbursement as shown in Attachment 3

1 6 PERIOD OF AGREEMENT

The effective date of this Agreement is the date of the Cover Letter and the estimated completion date is 04/14/1999

Funds obligated hereunder are available for program expenditures for the estimated period beginning September 25,1997 through April 14, 1999

1 6 1 Performance Monitoring and Planning Reports

- (a) Paying Office The paying office for this award is RFMC
- (b) Final Report Within 90 days following the estimated completion date of this Award, the Recipient shall submit the original and one (1) copy of a final report to the USAID Technical Office specified in the Cover Letter of this Award It will cover the entire period of the Award

1 7 RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Award shall be resolved by applying the following descending order of precedence

- Attachment 1 - Schedule
- Attachment 2 - Program Description
- Attachment 3 - Standard Provision

1 8 COST SHARING

The Recipient agrees to expend an amount not less than 50%% of the total Federal contribution Cost sharing contributions will meet the criteria as set out in the Standard Provision entitled "Cost Sharing (Matching)" as shown in Attachment 3

1 9 TITLE TO PROPERTY

Title to all property financed under this award shall vest in the Recipient in accordance with the Standard Provisions of this Award set forth in Attachment 3

1 10 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this award is 935

1 11 COMMUNICATIONS PRODUCTS (OCT 1994)

- (a) Definition - Communications products are any printed materials (other than non-color photocopy material), photographic services or video production services
- (b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for USAID financed publications and video productions is attached.
- (c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the agreement officer
 - (1) Any communication product costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs
 - (2) Any communication products that will be sent directly to, or likely to be seen by, a Member of Congress or Congressional staffer, and
 - (3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to CDIE and other USAID/W offices for internal use)

615-0249-G-00-8048

Attachment 2

ATTACHMENT 2

PROGRAM DESCRIPTION

The Recipient's proposal entitled "Upgrade Laminated Retail Packaging" and dated September 25, 1997 is attached hereto as the Program Description (Attachment 2) and is made a part of this Award

**KENYA ASSOCIATION OF MANUFACTURERS
EXPORT DEVELOPMENT FUND
GRANT SUMMARY**

- 1 Name and Address of Firm Farmer's Choice Limited
P O Box 47791 Nairobi
Telephone 811722
- 2 Key Contact and Title J F W Taylor Managing Director - Kenyan
- 3 Ownership 25% Local 75% Foreign Out of 8 Directors 3 are local All top managers are local
- 4 Size of Firm (Large) = of Employees Male 650 Female 250 Total 900
Export Sales 1996 US\$ 4.5 million
Domestic Sales US\$ 9.6 million
- 5 Main Products Frozen Pork Bacon & Sausages
- 6 Project Proposal Upgrade its laminated retail packaging
- 7 Project Total Cost US\$ 70284 (KShs 8 million)
- 8 Proposed KAM Contribution US\$ 21792 (KShs 2.5 million) 31%

- 9 Justification The firm has been successfully expanding its exports in the Gulf region particularly the United Arab Emirates. It is now imperative that for it to hold and expand its market share in the region it has to improve its low quality packaging compared to European competitors. This is why KAM supports this application to develop and upgrade the processed products retail packaging to enable it compete in the market.

This request is further supported by the fact that the firm urgently needs to replace current major buyer Uganda which recently banned importation of meat products from Kenya.

The application is in line with eligibility criteria as out of 8 Directors 3 are Kenyans including the Managing Director and all senior department heads are Kenyans. The firm supports 760 rural farmers mainly women who produce Pigs for the firm. This backward linkage to agriculture is important.

- 10 Recommendation KAM approves the request and has made a provision for KShs 2.4 million to support the proposal.

- 11 This approval is made with the understanding that there are sufficient funds in the Co-operative Agreement to cover this cost. This approval does not constitute authorization to increase the obligated amount or the total estimated amount whichever is less.

[Handwritten signature]

Z N KAHURA

CHIEF EXECUTIVE KAM

[Handwritten signature]

MARIA STEPHENS

KEDS PROJECT OFFICER, USAID

[Handwritten date]

DATE

[Handwritten date]

DATE

BETH PAIGE
AGREEMENT OFFICER USAID

DATE

[Handwritten marks]