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AGRICULTURAL LINKAGES PROJECT (AGLINKS UZBEKISTAN)

QUARTERLY REPORT (Q2 FY 2011)

JAN 2011 – MAR 2011

APRIL 2011

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AGRICULTURAL LINKAGES PROJECT

(AGLINKS)

Q2 FY 2011 QUARTERLY REPORT

JAN 2011 – MAR 2011

AgLinks Uzbekistan
12 Afrosiab Street – 3rd Floor
Tashkent, Uzbekistan

Telephone: (998) (71) 252-5414

Fax: (998) (71) 252-6756

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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.

TABLE OF CONTENTS

Table Of Contents

Acronyms

A. ADMINISTRATION

- A.1. No-Cost Extension.
- A.1. DAI Home Office Visit to Uzbekistan.
- A.2. Other Development Partners and Programs.
 - A.2.a. Other USG.
 - USAID's Community Connection
 - USDA Cochrane Fellowship
 - USAID/CAR Related
 - Other
 - A.2.b. Bilateral.
 - GIZ
 - A.2.a. Multilateral.
 - ICBA
 - World Bank
- A.3. Issue(s).

B. TECHNICAL

- B.1. Producers - AgriFirm & Water User Association (WUAs) Farmers.
 - Pome and Stone Fruit Pruning
 - Pest & Disease Identification and Control
 - Grape Grafting
 - Cold Storage
 - Fruit Tree Pollination by Bees
 - V Trellising
- B.2. Private Sector.
 - 2011 Cochran Program on Agroprocessing and Marketing
 - 2011 Community Connection Program on Food Safety
- B.3. Public Sector.
 - Grape Production Manual
 - New Plant Material
 - Tashabbus Contest
- B.4. Issue(s).

C. ENVIRONMENTAL COMPLIANCE

- C.1. Mitigation.
- C.2. Monitoring.
- C.3. Issue(s).

D. FINANCE

- D.1. Disbursements.
- D.2. Commitments.
- D.3. Obligations.
- D.4. Issue(s).

ANNEX A : Monthly Reports (Jan and Feb 2011)

ACRONYMS

ADB	Asian Development Bank
BDS	Business Development Services
BEO	Bureau Environmental Officer
BFU	Business Forum of Uzbekistan
CAR	Central Asian Republics
CCI	Chamber of Commerce and Industry
CE	Categorical Exclusion
CIS	Commonwealth of Independent States
CNFA	Citizens Network for Foreign Affairs
COP	Chief of Party
CPS	Crop Protection Services
DAI	Development Alternative Inc.
Dekhan	backyard farm
DPP	Dynamic Planning Process
EU	European Union
FFP	Food For Progress
FtF	Farmer to Farmer
FY	Fiscal Year
G&A	General and Administrative
GOU	Government of Uzbekistan
GSB	Growing Sustainable Businesses Initiative (UNDP)
ha	hectare (10,000 square meters, 100 meters by 100 meters, 2.47 acres)
HACCP	Hazard Analysis and Critical Control Points
HO	Home Office
HPLC	High Performance Liquid Chromatograph
IEE	Initial Environmental Examination
IER	Initial Environmental Review
IKS	Islohotkonsaltservis, Ltd. (local consulting firm)
ISO	International Organization for Standardization
JICA	Japan International Cooperation Agency
JSC	Joint Stock Company
Kholhoz	collective farm (during Soviet era)
LLC	Limited Liability Company
LOP	Life of Project
LSP	Local Service Provider
MASHAV	Agency for International Development Cooperation (Israel)
MAWR	Ministry of Agriculture and Water Resources of Uzbekistan
M&E	Monitoring and Evaluation
MERIT	Ministry of External Economic Relations, Investment and Trade of Uzbekistan
MOU	Memorandum of Understanding
NDC	Negative Determination with Conditions
NGO	Non-Governmental Organization
ODC	Other Direct Costs
OH	Overhead
PD	Positive Determination
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
Pudrats	Family-based agricultural production units
RBS	Royal Bank of Scotland

SABIT	Special American Business Internship Training
SDC	Swiss Agency for Development and Cooperation
SEAF	Small Enterprise Assistance Fund
Shirkat	production cooperative (Uzbek)
SISF	Social Initiative Support Fund
SME	Small and Medium size Enterprises
Sovhoz	state farm enterprise (during Soviet era)
TA	Technical Assistance
TCN	Third Country National
TIKA	Turkish International Cooperation and Development Agency
TQSA	Temporary Quarters Subsistence Allowance
TCCTC	Tashkent City Center for Testing and Certification
Tuman	rayon (district) in Uzbek
UNDP	United Nations Development Program
USDA	United States Department of Agriculture
USG	United States Government
USAID	US Agency for International Development
UzKDB	Uzbek-Korean Development Bank
VAT	Value Added Tax
Viloyat	Oblast (province) in Uzbek
WFLO	World Food Logistics Organization
WUA	Water User's Association
WUASP	Water User's Association Support Project

This report covers the second quarter (January-February-March 2011) of the last fiscal year (FY) activities of the AgLinks Project in Uzbekistan. Activities this quarter were marked by preparation for and start of the 2011 agricultural season. This quarter was notable for the granting of a no-cost extension by USAID to the project (through 31 January 2012) to allow for completion of the 2011 agricultural year. While no new funds were provided at this time, production activities continued as described and approved in the FY 2011 work plan.

Technical activities this quarter focused on production related actions and investments that will impact both orchard and vineyard output in the 2011 and subsequent growing seasons. New technologies and techniques introduced this quarter included on-farm cold storage (using CoolBot technology), drip irrigation, importation of new disease-resistant, high-yielding plant material from the US, bee pollination of orchards, new trellising methods, pruning and grafting, and pest and disease control.

AgLinks budget projections submitted with the FY 2011 work plan remain valid. Over the first six months of FY 2011 the project is averaging just \$1,000 more per month than projected. When the March 2011 NICRA adjustment, in USAID's favor, is added then the amount over projection is further reduced to around \$250 per month. AgLinks continues to budget extremely accurately, remains within the FY 2011 work plan (assuming a 31 July closedown) and closely monitors expenditures against both its obligations and commitments.

A. ADMINISTRATION

AgLinks Project received formal notification from USAID that the project is granted a no-cost extension through 31 January 2012. This time extension provides authorization for the project to continue activities through the completion of the 2011 agricultural year assuming the availability of funds. Under the extension, AgLinks Uzbekistan would finish with three full agricultural seasons of activities and experience (2009-11).

A.1. No-Cost Extension.

Under AgLinks Contract Modification #8, the project action completion date was changed from 31 July 2011 to 31 January 2012. This extension in the period of project performance will be at no additional cost to the original agreement between USAID and DAI. No new obligation of existing funds was made at the time of this modification (24th March 2011). The project continues to work against the activities and budget outlined in the FY 2011 work plan.



Photo #1 : DAI Staff with Samarkand Farmer and Apple Trellising System Tayloq District, Samarkand Province

A.2. DAI Home Office Visit to Uzbekistan.

Chris Reynolds, the project team leader (PTL) for AgLinks at the DAI Home Office in Bethesda, visited Uzbekistan for one week in March to monitor project progress (see Photo #1). He made visits to the AgLinks project office, USAID Uzbekistan and Samarkand to monitor and discuss project activities. During the Samarkand portion of his visit he made field visits to partner AgriFirms and Water User Associations while attending representative field training sessions.

A.3. Other Development Partners and Programs.

Project staff regularly meet and work with other development partners and programs to exchange ideas, identify and initiate mutually beneficial activities in technical assistance, training opportunities, and financing options. Partners and programs include USG-funded activities implemented through other agencies and departments, other donor-funded activities and multi-donor opportunities.

A.2.a. Other USG.

USAID's Community Connection. AgLinks staff continue to support participants scheduled to attend the "Food Safety – Farm to Fork" session planned for 06-27 April 2011 and sponsored by USAID's Community Connection program. The "Food Safety" program will take place in northern California and includes site visits with several agriculturally related entities of the University of California at Davis (Mondavi Institute, Foundation Plant Services, Department of Plant Science, etc.), food processors (Campbell's Soup, DelMonte, SunMaid, etc.), private farms (Rominger Farms, Sierra Gold Nurseries, Capay Valley Farms, etc.) and laboratories (Dried Fruit Association Lab). AgLinks staff assisted the 9 Uzbek participants with the visa application and medical processes and other preparations for travel. Participants include representatives from local processors (AgroMir, Green World, Siyob Sahovat), the Ministry of Agriculture, Tashkent testing laboratory, and private farmers.

AgLinks staff member, Shuhrat Abrorov, was invited by the Community Connection implementing partner, International House-Davis, to assist with this year's program. He will provide both technical and administrative support to the organizers as well as translation services from English to Uzbek and vice versa. In return for these services his travel, lodging and per diem costs will be completely covered by International House at no cost to AgLinks.

USDA Cochran Fellowship. AgLinks staff member, Ulugbek Bekchanov, was among the selected participants in this year's Cochran Fellowship program. The program is focused on agricultural marketing and will run from 01-14 May 2011. He is working with other participants in the program to properly prepare for the trip.

USAID CAR Related. Project staff team met with USAID/CAR Mission Director, Erin McKee, and Uzbekistan Country Director, John Pennell, to discuss project progress and future activities. AgLinks staff also met this quarter with USAID/CAR Senior Private Sector Development Specialist, Erin Cole, to discuss potential Global Development Alliance (GDA) possibilities in Uzbekistan with a focus on the telecommunications sector. In late January, project staff met with the USAID/CAR

Regional Contracting Officer, Geoffry Lohsl, along with Supervisory Acquisition Specialist, Natalia Portnyagina.

Other. At USAID Uzbekistan request the project met with USAID FEWSNET implementing partner staffers, Fabian Tondel and Phillippe Chabot, in late March during their visit to Tashkent to research market and trade issues and relations within the Central Asian region.

A.2.b. Bilateral.

GIZ. Team members met on two separate occasions with staff of the German International Development organization (GIZ). Meetings were held with Jasmina Popin and Jahongir Bektashev at their request to discuss AgLinks activities in Uzbekistan. AgLinks provided Ms. Popin with copies of the AgLinks produced farmer manuals (pest and disease control and grape production) for potential use with the GIZ Karakalpakstan project (Enhancing Economic and Environmental Welfare in the Aral Sea Region) and facilitated local contacts between GIZ and UzVinProm, a firm implementing farmer training sessions in Nukus. Mr. Bektashev, GIZ Coordinator for Sustainable Economic Development in Andijan Province, requested AgLinks organize a site visit for them to one of the project's demonstration plots in neighboring Ferghana Province. AgLinks arranged these visits which took place prior to the end of the quarter (see Section B.1, below).

A.2.c. Multilateral.

ICBA. Under the agreed terms of collaboration between the International Center for Biosaline Agriculture (ICBA) and AgLinks the former provided the project with three special varieties of alfalfa and flax seeds to be planted on the joint demonstration plot. The test plot is a pomegranate orchard suffering from salt intrusion problems which the salt-tolerant (halophytic) plants resulting from these seeds will serve to extract. ICBA is scheduled to provide AgLinks with halophytic sorghum seeds for additional planting in April.



Photo #2 : Planting Alfalfa Seeds
Torakoragon District, Namangan Province

World Bank. AgLinks met with the Senior Rural Development Specialist of the World Bank's Uzbekistan Country Office, Dilshod Khidirov, in early March. Mr. Khidirov was accompanied by a consultant tasked to develop a financial and technical resources plan on horticulture for the Ministry of Agriculture and Water Resources (MAWR). AgLinks also attended the second annual Workshop on Climate Change and Agriculture sponsored by the World Bank. Uzbekistan is one of four countries in the Eurasian region selected by the World Bank for a program on climate change and

agriculture. The workshop identified four main areas of focus; three geographic and one policy (i.e., national level adaptations). The geographic areas identified by the consultants and ratified by workshop participants were irrigated, desert steppe and piedmont/highlands. Input from AgLinks participants and partners assured that orchards and vineyards were targeted in the piedmont/highlands component.

A.3. Issue(s).

The loss of the Royal Bank of Scotland (RBS) Tashkent office to the joint stock Uzbek-Korean Development Bank (UzKDB) continues to raise concerns over whether the new bank will handle commercial clients. The full transition is now scheduled for the end of May 2011 and may result in restriction of banking services utilized by the project. In order to avoid the additional administrative burden and incurred costs of closing and opening a new bank account in Uzbekistan one month prior to closure, AgLinks will commence closedown actions in April 2011 as per the FY 2011 work plan (see Section 2.c of the FY 2011 AgLinks Work Plan). The timing of these closedown actions conform completely with DAI corporate rules, regulations and best practices to avoid any cost overruns and assure an orderly end to the project. Closedown actions will begin in April with the payment of severance packages to local staff in conformity with Uzbek labor regulations and DAI best business practices. All local staff will be changed from employee to contractor status for the remainder of the AgLinks project.

B. TECHNICAL

AgLinks support in the first quarter of calendar year 2011 focused on preparing orchards and vineyards for the 2011 agricultural season at the producer level and procuring new technologies to introduce enhanced agricultural productivity in the short, medium and long term.

B.1. Producers - AgriFirm and Water User Association (WUAs) Farmers.

A total of 235 participants attended producer-level trainings this quarter on topics including pome and stone fruit pruning, pest and disease identification and control, and grape grafting.

Province	Type	Name	Pome Fruit Pruning	Winter Stone Fruit Pruning	Pest and Disease Control	Grape Grafting
<i>Dates</i>			<i>24-25 Jan</i>	<i>17-19 Feb</i>	<i>12-Mar</i>	<i>19-Mar</i>
				<i>02 Mar</i>	<i>09-11 Mar</i>	
Ferghana	AF	Muyan		15		
		Kuvasoy		8	35	
	AF	Bekhizor		46		
Namangan	AF	Turakurgan		25	18	
	WUA	Shirin Suv			20	
	WUA	Pungon			15	16
Samarkand	AF	Dilkusho Sifat	17			
	WUA	Qarshiboy	17			
	WUA	Hojaboston	5			
TOTAL			39	94	88	16

Table 1 : Attendance at Trainings Held by Province and Partner – 2nd Quarter FY 2011

Pome and Stone Fruit Pruning. Winter pruning of stone and pome fruit trees can have a significant impact on production in the same agricultural season. Proper pruning increases both the yield and quality of the fruit produced by improving access to sunlight, increasing aeration leading to reduced pests and disease and redirecting plant energy to fruit production over wood. This is the third winter in which AgLinks has organized pruning trainings and each year the number of interested farmers has increased due to the impact neighbors have seen on participating farmers' fields.



Photo # 3: Hands-on Pruning Training
Kuvasoy District, Ferghana Province

The hands-on, field school approach used by AgLinks trainers has also been key in increasing the adoption rate for pruning. Other factors include the immediate (same season) impact witnessed by farmers, the use of modern tools and the formation of

private specialist pruning groups. AgLinks ordered, imported and began use of a second shipment of orchard tools this quarter to support the pruning program. The order consisted of loppers (115) and pruners (10) for stone fruit orchards, as well as pruners (115) and shears (10) for grape vineyards. AgLinks agro-processing partners also requested and received training in the “American” method of pruning promoted by the project. Pruning training was organized in Samarkand for the peach orchards managed by AgLinks partner AgroMir, a major fruit juice producer in Uzbekistan (Bliss brand), with their agronomic staff participating.

Pest & Disease Identification and Control. Identifying and controlling pests and disease in fruit trees is a year-round activity with different concerns and methods of control depending upon the season. Farmers received field training this quarter to identify the most common pests and diseases afflicting fruit trees in the early spring season and preparations to make for the upcoming flowering and fruit set seasons. Training was practical, field-based, and used the existing demonstration plot orchards as field school classrooms. Visual support materials were shared with farmers to assist identification with separate review sheets presenting the most common pests and diseases for both stone fruits and grapes. These materials, laminated for field use, were greatly appreciated by the trainees because they also outlined the best means of combating these problems based upon the PERSUAP findings.

Grape Grafting. Market demand in Uzbekistan for grapes has shifted over the years from wine to table grape varieties. Lower quality and lower priced wine grapes are generally sold to a decreasing number of local processors. In response, grape farmers close to former processing centers have been removing their vineyards and planting table grape varieties. AgLinks has explained to participating farmers that they can continue to generate income from existing grape stocks by grafting table varieties to wine rootstocks. A training program of grafting table grape varieties has attracted increasing interest in Namangan Province. Ferghana and Samarkand provinces have traditionally favored table grapes over wine grape varieties.



Photo # 4: Grape Grafting to Rootstocks
Toraqoragon District, Namangan Province

Cold Storage. Three of the four on-farm cold room systems were installed by the end of last quarter and the second Namangan system was completed this quarter. The second Namangan system was substituted for a second Samarkand farmer who decided to build a larger cold storage than AgLinks funds could support. The second Samarkand farmer is still participating in the AgLinks training and technical assistance programs and has completed his cold storage installation. The AgLinks’s FY 2011 work plan identified on-farm cold rooms as an appropriate new technology to introduce in rural areas to allow farmers to engage in post-harvest storage and marketing. Project staff identified, procured and employed a new technology, created in the U.S. (CoolBot), that allows the use of standard room air conditioners to reach and maintain cold room storage temperatures. This greatly reduces the overall cost of cold storage,

although limiting the size, because it negates the need for commercial refrigeration equipment while having local maintenance readily available.

Participating farmers cost-shared the cold room construction with AgLinks and provided all the labor and building materials. The two Namangan Province sites are complemented by sites in Ferghana and Samarkand for a total of four plus the second Samarkand farmer (grand total 5). Note that the second Samarkand site employs commercial refrigeration rather than CoolBot technology. With construction completed in all the cold rooms a program of testing the systems was begun this quarter. The CoolBot technology proved effective, as advertised, in reducing room temperatures to 2 to 3 degrees Celsius within a short time span. AgLinks is seeking ways and means of regularly monitoring the temperature and humidity within all these cold stores

Farmer participants have already begun storing produce in these cool rooms with onions being the first products stored. An AgLinks hired local consultant is providing both cool room construction advice and storage training to all five farmers. A formal training is organized for early next quarter, prior to the start of the fruit harvest season, that will unite all the participating farmers at one of the cool room sites to discuss progress to-date, plan for the 2011 storage season and train on best storage and management techniques.



Photo # 5: Consultant and Farmer on Cold Room Rooftop
Toraqoragon District, Namangan Province

Fruit Tree Pollination by Bees. After a February 2011 supervisory trip to Ferghana Province that included a visit to the local beekeeper's association, project staff initiated a test of bee pollination for orchard crops during the upcoming production season. An agreement was made between AgLinks and the Ferghana Beekeeper's Association to install and test the impact of bee pollination on stone (cherry and apricot) and pome (apple) fruit productivity. Bee hives have been installed in a participating farmer's field in Kuvasoy District of Ferghana Province with control trees covered in netting to prevent bee pollination. The respective yield from neighboring trees will be compared at harvest time to note any change in fruit set due to increased exposure to bee pollination. Many fruit varieties are not self-pollinators and require pollination by another source in order to set their fruit.



Photo # 6: Bee Pollination Test
Kuvasoy District, Ferghana Province

V Trellising. The “American” method of pruning (see above) results in an “opening-up” of the interior of the tree to allow for greater sunlight and air circulation while favoring photosynthetic activity to fruit production over wood. While in the US during the summer 2010 Community Connection program to northern California, Uzbek participants saw V-trellising used with orchard crops to further “open-up” trees. Trees are “trained” onto the trellis to grow in a V-shape that increases orchard productivity in a similar fashion to pruning. AgLinks has installed a test plot of V-trellising in time for the 2011 agricultural season that will have apple, cherry and pear trees. Farmers are very curious about this new technology that has only previously been used on research stations in Uzbekistan. The first participating farmer in this program will visit the U.S. under the Community Connection program (see Section A.2.a above) in April 2011. His farm in Kuvasoy District of Ferghana Province was visited by GIZ staff from neighboring Andijan Province this quarter along with the chief agricultural officer from the province (see Section A.2.b. above).



Photo # 7: V Trellising and GIZ Visitors
Kuvasoy District, Ferghana Province

B.2. Private Sector.

Cost-control efforts and the approaching end of the project obliged AgLinks to limit private sector support for agro-processing partners in FY 2011 to activities funded by other means or technical assistance from AgLinks staff (ex., pruning at AgroMir). AgLinks identified and successfully sought opportunities for its agro-processing partners and worked to include them in upcoming USAID Community Connection and USDA Cochran programs.

2011 Cochran Program on Agroprocessing and Marketing. The schedule and content of the 2011 Cochran Program were released late this quarter. The program is entitled “Fruit and Vegetable Processing and Marketing” and will run from 01-14 May 2011 with the bulk of the program in and around northern California, plus brief stops in Washington DC and Raleigh, North Carolina. The head of BeradAgro’s Parkent plant laboratory (Alisher Bobokhonov), Agromir’s Deputy Director (Isroil Normamatov), the KinderFruit Sales Manager (Kakhramon Islomov) and AgLinks Agribusiness Development Advisor (Ulugbek Bekchanov) will all attend this Cochran program. Topics to be covered in the program include processing grades and standards, the tomato processing industry, equipment for fruit and vegetable processing, vegetable pickling and pickle processing, managing the supply of raw products and marketing of finished products.

2011 Community Connection Program on Food Safety. The private and public sector participants for this program were selected by USAID and will depart as scheduled in early April for the “Food Safety – Farm to Fork” program. The Uzbek participants will be accompanied by a member of the AgLinks project staff at no cost to the project (see Section A.2.a. above).

B.3. Public Sector.

During this quarter AgLinks and the national Shreder Research Institute for Fruit Growing, Viticulture and Winemaking began implementing activities agreed upon in the Memorandum of Understanding (MOU) signed last quarter. These include production of a farm manual on grape agronomic best practices and the importation of enhanced plant material. AgLinks staff worked in collaboration with Shreder research staff to develop a farmer-friendly manual covering best agronomic practices for grapes. AgLinks and Shreder management teams also agreed that the medium and long-term health of the orchard and vineyard subsector of the Uzbek agricultural economy depends upon replenishment and rejuvenation of the plant material base in the country and the planting of new and replacement orchards.

Grape Production Manual. The grape best practices farm manual was printed this quarter and represents the second major farmer-friendly publication by AgLinks produced in collaboration with local partners. A total of 3000 copies were printed of this 53 page, color photo and diagram filled manual that is written in Uzbek using Cyrillic script. The latter assures accessibility of the material to local farmers given the high literacy rate in Uzbekistan. An initial set of 40 to 50 copies was provided Shreder from the first run of printing and upper management reported the manuals were disappearing like hotcakes (“hot piroshkis” in Russian). Grape manuals will be immediately integrated into all AgLinks technical assistance trainings held at field school grape vineyards throughout the 2011 production season.

A third and final manual in the AgLinks series covers pruning, grafting and thinning techniques. This manual has received all the necessary approvals and reviews and was delivered to the printer this quarter. It will also be printed in 3000 copies and become available to farmers next quarter. The pruning manual was produced by AgLinks technicians in collaboration with staff from Agrarian University in Tashkent.

New Plant Material. The AgLinks-Shreder MOU not only outlined the goals of the collaboration but also the expected actions to be undertaken by both sides. Under this agreement AgLinks procured improved (high-yielding, disease-free) stone fruit plant material to assist the rejuvenation of the orchard sector in Uzbekistan over the medium to long-term. AgLinks handled the US plant protection (phytosanitary) requirements along with the placing, paying for and shipping of the order. Shreder covered the Uzbek phytosanitary needs, Customs clearance and quarantine requirements. The material arrived in Tashkent at the end of this quarter and items released for immediate use.



Photo # 8: Imported Plant Material Grafting
Shreder Research Institute, Tashkent
(date stamp in photo set wrong)

The enhance plant material order consists of grafting sticks and root stock seeds. The sticks were immediately grafted upon arrival, clearance from customs and quarantine. They represent a total of 45 different varieties of six (6) different stone fruits; almond (5), apricot (3), cherry (12), nectarine (6), peach (11), and plum/prune (8). Shreder grafted and planted a portion of the order in a controlled area at their Tashkent research station to test their reaction to local growing conditions. The seeds will produce root stock material for cherry, peach, pear, plum/prune and peach/almond. Half of the plant material is being tested in Tashkent with the other half in a different agroclimatic zone at the Shreder branch in Kuva District, Ferghana Province.

Tashabbus Contest. AgLinks provided the US Mission to Uzbekistan’s contribution to the prizes awarded in this annual contest to honor productivity and entrepreneurship in Uzbekistan. Orchard tools (loppers and shears) along with a full set of AgLinks farmer manuals plus a certificate were provided the first, second and third place winners in the “2011 Top Farmer” category at the national level. “Tashabbus” (or “initiative”) is mainly organized by the Chamber of Commerce and Industry of Uzbekistan to recognize city, district, regional and national entrepreneurs, farmers and artisans that have made significant contributions to the economy over the last year. The contest strives to promote development of the business environment, increase the share and importance of the private sector in the economy, create the necessary conditions to improve professional skills, promote best practices, and support the exchange of business experience.

District and city rounds were held and awarded in early March. Winners earned the right to participate in the regional round and subsequently the national showcase in Tashkent. Participant numbers have increased significantly with over 6,400 entrepreneurs, farmers and artisans taking part in Tashabbus 2011. In addition to the 2011 top farmer, entrepreneur and artisan, this year’s awards included categories for the top young entrepreneur, woman entrepreneur, family business, employer of young people, business idea and innovative project.



Photo # 9: National 2011 Tashabbus Winners
Artisan, Farmer and Entrepreneur (l to r)

B.4. Issue(s).

The project faces no major issues for implementing activities and remains on schedule with the FY 2011 work plan. The quarantine system in Uzbekistan for the plant material was handled by project partner Shreder Horticultural Research Institute which assured release of the imported plant material from customs in time for use during the 2011 agricultural season.

C. ENVIRONMENTAL COMPLIANCE

The project's Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) for Uzbekistan remains the basic guidance for most all environmental activities under the AgLinks project. The PERSUAP has not been updated since the original was prepared in early calendar 2009 because the Uzbek national plant protection service has not publicly released an updated list of approved agrochemicals since that time.

C.1. Mitigation.

Proper identification of pests and diseases by crop through on-farm training at demonstration plots remains the major mitigation activity of AgLinks. Farmers must correctly identify the types of problems they have and access information regarding the safest means of addressing them. AgLinks trainings have the support of the competent local authorities as evidenced by the participation of provincial agricultural and national plant protection agents. The AgLinks produced pest and disease training manual continues to be highly sought by other partners (ex., see Section A.2.b regarding GIZ above) with several inquiries this quarter regarding how they can print additional copies. AgLinks pest and disease manuals have also been spotted in agro-input supply firms and used by dealers to make recommended purchases to farmers. Trainings in pest and disease identification and control are held every quarter of the year and the 2nd quarter of FY 2011 was no exception.



Photo # 10: Pest & Disease Training
Kuvasoy District, Ferghana Province

C.2. Monitoring.

Major new investment activities for the 2011 agricultural season were mostly completed in the previous quarter with the exception of the fourth cold storage facility. Monitoring of the farmer initiated construction processes for this cold room was provided by staff members and the local consultant who insisted that safety procedures be followed, as well as safe machinery use and material disposal.

Next quarter AgLinks will begin tests in farmer fields of pheromone traps for codling and oriental moths. By monitoring the number of moths captured in these traps farmers will have an objective means of deciding whether and when to begin a program of spraying for these pests that attack both stone and pome fruits. More efficient and effective spraying will result with reduced costs to both the farmer and the environment because of proper timing, improved agrochemical choice and reduced amounts used.

C.3. Issue(s).

Proper cold storage techniques and management will be the subject of specialized trainings that unite all the AgLinks partner cold storage sites. These trainings will be begin early next quarter and will require follow-up monitoring to assure farmers are using them properly. The drip irrigation systems must also be correctly rolled-out and re-installed in the spring. The project will begin implementation of the pheromone trap tests for codling and oriental moth that was postponed from last year (AgLinks technical approval UZB-47) because the local supplier could not provide traps.

ANNEX A

Monthly Reports for January and February 2011

USAID AgLinks Project
 Monthly Report #19 – January 2011

Contract #EDH-I-00-05-00004
 TO #EDH-I-07-05-00004-00

January marked the beginning of 2011 agricultural production activities with trainings, demonstration cold storage sites, and related procurements.

ADMINISTRATION. Takeover of the Tashkent branch of the Royal Bank of Scotland (RBS) by Uzbekistan-Korean Development Bank (UzKDB) is now expected to be completed by June 2011. The project continues to explore other banking options. Meetings were held with an agro-processor, KinderFruit, to explore possibilities of future collaboration. This company is particularly interested in AgLinks drip irrigation and stone fruit agronomic expertise. A meeting was held with the Israeli Ambassador to report on previous collaboration with MASHAV trainings and the potential for additional technical assistance on food quality control issues for agro-processors. Project staff also met with the Regional Contracting Officer from USAID Almaty.

Staff drafted input for an article on small and medium enterprise support for the Public Affairs Office of the US Embassy to be published in the American Chamber of Commerce newsletter. As part of the closedown process a disposition plan for procured durable goods was submitted for USAID review. One Uzbek applicant for the US-funded International Visitors program and two applicants for an Israeli MASHAV post-harvest training were identified and submitted to the respective funding agencies. The German development agency (GIZ) requested and received 25 copies of the AgLinks pest and disease identification and control manual for fruits.

TECHNICAL. Winter season activities continued in January in preparation for the upcoming 2011 agricultural season. Trainings this month will continue into February and cover winter season pruning of stone and pome fruits to assure increased production at harvest. Final touches were made on the three farm-level cold storage units and the planned fourth unit commenced in Namangan.

Winter Apple Pruning. Actions taken by orchard farmers in the winter have a significant impact on the fruit bearing of trees in the spring and summer. Most important is proper pruning to reduce wood and maximize fruit production. A total of 39 farmers attended the AgLinks apple pruning trainings held in Samarkand Province during the last week of January in all three project targeted districts of Samarkand (17), Payariq (17) and Tayloq (5). The attendance was lower in Tayloq because the AgLinks agrifirm partner had to travel to Tashkent to be with a sick relative.



Winter Apple Pruning Training – Samarkand District

Orchard Tools. The procurement of a second shipment of orchard tools was placed this month with delivery scheduled for late February or early March. Included in the

order are short and long orchard loppers, hand and hedge shears, plus budding knives. Over 250 items are on order and will be used to expand the reach of the pruning and grafting programs in the late winter and throughout the spring.

New Plant Material. AgLinks received the required documents from the Uzbek quarantine service that initiate the procurement process to import new plant material. These documents outline steps required by the importing nation’s quarantine service and is relayed to the vendor selling the material. AgLinks translated and provided these instructions to Foundation Plant Services in Davis, California. AgLinks, in collaboration with the Shreder Horticultural Research Institute of Uzbekistan, is importing 60 different high-yielding, disease resistant varieties of stone fruit breeding material including grafting sticks and dwarf root stocks.

On-Farm Cold Storage. Three of the planned four on-farm cold storage systems were completed this month. A partner and locale were selected for the fourth cold storage unit which will now be sited in Toraqoragon, within Namangan Province instead of the originally scheduled Samarkand Province. The prospective partner for the second Samarkand cold store opted instead for a traditional design with larger capacity and commercial cooling equipment. The newly designated second Namangan facility will be an above ground unit similar to that used in Ferghana.



Interior of 40 Foot Cold Store Container – Samarkand District

FINANCIAL. Monthly expenditures remained lower than average in December and January due to reduced agricultural field activities during the winter months. Monthly expenditures will increase beginning in February with the approach of spring and reflect the planned procurements placed during the winter months. The overall disbursement to obligation ratio for AgLinks reached 82.5% with the January invoice. Project expenditures continue in line with the projected closedown budget through July 2011.

Obligated = 4,391,494	LOP Budget	Invoices 1-38 Sep 07 to Oct 10	39 40 41			Total Invoiced To-Date	% CLIN Expended	LOP Budget Balance
			Nov-10	Dec-10	Jan-11			
LABOR	808,734	602,854	24,924	18,500	20,900	667,177	82%	141,557
ODC	4,507,657	2,583,983	61,531	55,964	57,031	2,758,509	61%	1,749,148
FEE	290,693	183,334	4,971	4,282	4,481	197,068	68%	93,625
TOTAL	5,607,084	3,370,172	91,426	78,745	82,411	3,622,754	65%	1,984,330

NEXT MONTH. The following major activities are anticipated for February 2011 :

- 1st week – Field site visits in Namangan, Ferghana and Samarkand
- 2nd week – Installation of Samarkand apple trellising & second Namangan cold store
- 3rd week – Winter stone fruit pruning in Ferghana
- 4th week – Winter stone fruit pruning in Samarkand

USAID AgLinks Project
Monthly Report #20 – February 2011

Contract #EDH-I-00-05-00004
TO #EDH-I-07-05-00004-00

Winter season agricultural activities in preparation for the 2011 agricultural production season continued throughout the month of February.

ADMINISTRATION. The agroprocessing group, UzVinProm, requested and AgLinks provided 300 copies of the project's pest and disease manual plus 500 copies of training handouts on grape cultivation to support their national farming training program initiated at the behest of the Cabinet of Ministers. This opportunity allows project training materials to be distributed nationwide to a total of 27 districts and not just the 6 targeted under the AgLinks project. Project staff also met with the beekeepers association in Ferghana to identify opportunities for collaboration with the project during the 2011 season.

AgLinks staff member, Shuhrat Abrorov, received his US visa and will assist the USAID Community Connection program in California scheduled for April at the request and cost of the program organizers. Project staff met with both the USAID/CAR Mission Director (Erin McKee) and the Senior Private Sector Development Specialist (Erin Cole) in Tashkent during the month. The AgLinks COP attended and presented at a US Chamber of Commerce roundtable on potential agricultural investment in Uzbekistan. Project staff also visited the German Development Agency (GIZ) offices in Tashkent to share information and lessons learned regarding project implementation in Uzbekistan.

TECHNICAL. February was marked by additional pruning trainings and continued construction of the fourth and final test cold storage facility. Progress was also made on both the pruning tool and plant material procurements with the former now anticipated for early March arrival in Tashkent.

Winter Pruning. Winter pruning activities, begun in January for apples, continued for stone fruits during February. Winter pruning has a significant impact on fruit bearing trees in the spring and summer. A total of 25 farmers attended AgLinks peach pruning training in Toraqoragon District, Namangan Province. An additional 61 farmers were trained in improved stone fruit pruning techniques in Kuvasoy District of Ferghana Province.



Winter Peach Pruning Training – Kuvasoy District, Ferghana Province

Orchard Tools. The procurement of the second shipment of orchard tools is now scheduled to arrive during the first week of March and the tools will be available for the spring and subsequent pruning periods. Distribution of these tools will focus on the emerging pruning groups as viable agricultural service providers that AgLinks is promoting within each of the targeted districts. Additional tools will be provided to

farmers exhibiting aptitude in the new techniques promoted by the project and willingness to serve as further points of dissemination to their neighbors.

New Plant Material. AgLinks continues to work with the root stock and grafting material supplier, Foundation Plant Services at the University of California, Davis, to facilitate the shipment of pest and disease free, high-yielding plant material. In the meantime, AgLinks has begun local purchases of dwarf apple and other root stocks presently available on the Uzbek marketplace. A special, one-time, order of over 2 million fruit saplings was approved by the Uzbek Cabinet of Ministers to assist the reinvigoration of the national orchard stock with sales open to the public. AgLinks is planting dwarf root stock from apple varieties in collaboration with local farmers and training them to trellis systems to promote higher yields, reduce labor costs and improve fruit quality and uniformity.

On-Farm Cold Storage. The fourth and final on-farm cold storage system was nearing completion by the end of February. This fourth system was added in Toraqoragon District, Namangan Province instead of the originally scheduled Samarkand Province. The Toraqoragon site is testing the technical and cost effectiveness of a pre-fabricated method of constructing an above ground structure that also accelerates the construction time.



Pre-fab Cold Store Construction – Toraqoragon District

FINANCIAL. Monthly expenditures in February were the largest since October 2010 marking the onset of full 2011 agricultural activities just as the latter month marked the last major expenditure month of the 2010 season. The major expenditure billed to ODCs in the February invoice was the one-off printing costs for two subsequent farmer manuals in the series of training materials produced under AgLinks. A total of 6,000 copies are ordered, evenly divided between two manuals covering pruning techniques and grape production, respectively. The overall disbursement to obligation ratio for AgLinks reached 85% with the February invoice and a new notification of limitation of funds was submitted to USAID.

Obligated =	LOP Budget	Invoices 1-39 Sep 07 to Nov 10	40 41 42			Total Invoiced To-Date	% CLIN Expended	LOP Budget Balance
			Dec-10	Jan-11	Feb-11			
4,391,494								
LABOR	808,734	627,778	18,500	20,900	21,936	689,113	85%	119,621
ODC	4,507,657	2,645,514	55,964	57,031	98,144	2,856,653	63%	1,651,004
FEE	290,693	188,305	4,282	4,481	6,905	203,972	70%	86,721
TOTAL	5,607,084	3,461,597	78,745	82,411	126,985	3,749,739	67%	1,857,345

NEXT MONTH. The following major activities are anticipated for March 2011 :

- 1st week – Scheduled arrival of pruning tool order
- 2nd week – Pest & Disease trainings in Ferghana Valley; pruning trainings
- 3rd week – Uzbekistan visit by AgLinks Project Team Leader from DAI Home Office
- 4th week – Pest & Disease trainings in Samarkand; pruning trainings