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# USAID AGRO HORIZON PROJECT

QUARTERLY REPORT

OCTOBER 1 – DECEMBER 31, 2017

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## EXECUTIVE SUMMARY

As expected and reported in the FY17 annual report, the first quarter of FY18 continued to focus on completion of partners' facilities, and procurement and installation of equipment, hence the 89% accomplishment in new capital investments. Meanwhile, the Project and partners were focused on mobilizing farmers and hiring extension service providers in preparation for the next production season. Partner banks and financing institutions were in full swing in working to get financing to the farmers in preparation for the start of the production season. Already, loans to farmers have reached \$5.1 million or 218% of target.

For this quarter, the Project's progress in terms of indicators is as follows:

| Indicators  | FY18 Target       | FY18 Q1 Actual         | FY18 Actual in % |
|---|-------------------|------------------------|------------------|
| Number of households benefiting directly from USG interventions   | 22,578            | 5,474                  | 24%              |
| Number of individuals trained   | 18,455            | 1,176                  | 6%               |
| Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and CBOs receiving USG assistance | 241               | 85                     | 35%              |
| Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance   | 13,929            | 880 <sup>1</sup>       | 6%               |
| Number of jobs attributed to project implementation   | 692               | 69                     | 10%              |
| Value of new private sector capital investment in the agriculture sector or food chain leveraged  | 393,465           | 365,813                | 93%              |
| Value of private sector leverage contribution   | 11,155,323        | 6,490,804              | 58%              |
| Gross margin  | 20% over baseline |                        |                  |
| Value of sales (farm-level) attributed to project implementation  | 7,058,944         | 2,585,684 <sup>2</sup> | 37%              |

<sup>1</sup> Interim data taken from partners' reports; final data will be taken from a survey that will be carried out in June/July.

<sup>2</sup> We are reporting only sales and not incremental sales both at the farm level and enterprise level for this period. Incremental sales will be reported in the final project report once we have the base lines for the enterprises and the result of the gross margin survey.

|  |                                   |                              |             |
|--|-----------------------------------|------------------------------|-------------|
| Value of sales (enterprise-level) attributed to project implementation                         | 11,066,002                        | <b>1,156,375<sup>3</sup></b> | <b>10%</b>  |
| Organizational capacity of assisted organization   | 8% increase from baseline in PY-3 |                              |             |
| Total increase in installed storage capacity (cubic meters)                                    | 5,490                             | <b>785</b>                   | <b>14%</b>  |
| Number of MSMEs, including farmers, receiving USG assistance to access loans                   | 9,463                             | <b>3,280</b>                 | <b>34%</b>  |
| Value of Financing Accessed by MSMEs and farmers as a result of Agro Horizon assistance (US\$) | 2,358,863                         | <b>5,255,273</b>             | <b>223%</b> |
| Number of public-private partnerships formed   | 1                                 | <b>3</b>                     | <b>300%</b> |
| Increase in raw materials procured by SMEs assisted by the project (MT) (revised targets)      | 17,357                            | <b>2,711</b>                 | <b>16%</b>  |
| Increase in installed processing capacity (MT)   | 9,188                             | <b>320</b>                   | <b>3%</b>   |

#### Task 1 highlights

- TES Centre and its farmers started the second winter milk season. The volume delivered daily under contract with the processing companies Osh Sut and Jety Baatyr averages 1660 liters per day which is 66% higher than the average of 1000 l daily in winter 2016/17.
- A study done after apple harvest in October reveals that apple farmers who used tree care services from partners Nookat Altyn Alma and Krasnyi Vostok got much higher yields, better prices and better quality than non-clients (see figures in section 1.2).
- Analysis of results of vegetable extension services at the end of the cropping season shows that 1350 participating farmers received between 15 and 41% higher yields and between 33 and 139% increase in profits compared to the previous year.
- 15 women greenhouse farmers nearly completed their first greenhouse vegetable crop, harvesting in total 8.7 MT of cucumbers and tomatoes and earning a collective income of 7,527 USD from 1500 m2 of greenhouse area.
- An analysis reveals that farmers growing safflower for partner processing company Atalyk earned on average 106 USD/ha of profit from land that was mostly unutilized for the past 10 or more years.

#### Task 2 highlights

- 11 SMEs were supported by USAID to participate in three international trade exhibitions, generating interest from 78 buyers in the amount of \$18.4 million. Toyboss was recognized with the best product award, and received certificate and medal during the World Food Kazakhstan Expo 2017. Farmers Organic Garden LLC (FOG) received the “best quality product” award for its tomato paste at InterFoods Siberia, one of the largest food industry exhibitions in Novosibirsk, Russia.

<sup>3</sup> Ibid.

- Contracts and MoUs generated from the trade events were signed by 11 USAID-supported SMEs with 10 buyers, actual sales delivery on these contracts reached \$340,000 as of December 25, 2017
- One partner signed a contract with a US buyer to supply dried fruits worth US\$ 1,000,000 . A one-ton trial shipment sent to the US in November passed the quality standards of the buyer. The company is preparing for the next shipment.
- FOG exported 2,520 tons of tomato paste to Russia and sold 1,050 tons on the domestic market. Buyers are paying premium price for FOG's tomato paste, up to 20 KGS more vis-a-vis competitors, because of the high quality achieved by equipment upgrades.
- Tilen uulu Talas increased daily milk processing volume from 350 liters to 700 liters per day. 50 farmer contracts concluded to ensure a reliable milk supply allowing the partner to enter into a supply contract with Frunze, the largest grocery store chain in the southern part of the Kyrgyz Republic.
- Four partners: Agro Product Asia, Sabira Aidoshova, Advantex, and Aravan Agro Service completed construction of their facilities.

#### Task 3 highlights

- KICB Bank continued to develop the ELSOM e-wallet system. Bai Tushum Bank continued collaboration with existing software developer – Colvir Company. The First Microfinance Company (FMFC) started to develop a credit scoring system and upgrade its MIS system. Bai Tushum Bank and KICB Bank purchased terminals, and FMFC purchased tablets required to implement innovative financing in rural areas.
- Five partner SMEs participated in the Open World Program on Fruit and Vegetable Value Chain Experience Exchange and Networking for Kyrgyz Agribusiness Representatives in Spokane, Washington October 27 - November 4.

#### Other Project highlights

- The Project launched the Youth Internship Program in a ceremony in Osh Technical University opening 51 internship positions with partner companies; more than 250 senior students from 15 universities and colleges participated.
- The Project AMEP has been updated for consistency with the updated FY18 workplan and has been approved by USAID.

A list of acronyms can be found in **Annex 1**.

## TASK 1 INCREASE PRODUCTIVITY OF AGRICULTURAL PRODUCERS AND LINK THEM TO MARKETS

### TASK LEVEL INDICATORS SUMMARY

| #     | Indicators   | FY18 target | Q1 achieved | % achieved | Explanations  |
|-------|--|-------------|-------------|------------|---|
| 3     | # households benefiting                              | 10,845      | 1,412       | 13%        | Mobilization of farmers for safflower and fruit tree services is in process, and beneficiary information is being collected. This is considered on track.   |
| 4     | # individuals trained                                | 5,200       | 1,163       | 22%        | On track  |
| 5     | # of enterprises receiving USG assistance            | 154         | 63          | 41         | On track  |
| 6     | # farmers + others applied tech or mgt practices     | 10,002      | 876         | 9%         | Large scale application of new practices will occur in the agricultural season (Q2 and Q3).   |
| 7     | # jobs attributed                                    | 190         | 21          | 11%        | Fruit tree service providers jobs will be realized in Q2 and Q3. Atalyk jobs not yet realized because oil mill will be operational only in Q3.  |
| 8     | Value of new capital investment                      | 91,865      | 167,157     | 182%       | Overachieved because part of Atalyk's equipment investment was moved from FY17 to the reporting quarter   |
| 9     | Value of leverage contribution                       | 4,637,479   | 719,838     | 16%        | Lower than anticipated raw material purchase of Atalyk due to delay in facility operation, and Toyboss due to prohibitive prices of livestock. Supply base intervention of the project to be implemented in Q2 and Q3 is expected to address issues of prohibitive livestock prices leading to more purchases for Toyboss.                                      |
| 11    | Value of sales (farm)                                | 4,464,271   | 2,033,971   | 46%        | On track  |
| 12    | Value of sales (enterprise)                          | 5,453,781   | 519,486     | 10%        | Delay in commissioning of Atalyk's oil mill and therefore no oil sales yet. Slaughtering rate of Toyboss lower than planned because of supply base problems. Service sales of fruit tree service providers will take place in Q2 and Q3. The planned supply base interventions with Toyboss are expected to result in an increase in sales at enterprise level. |
| 14    | Incr installed storage capacity (m3)                 | 1,100       | 500         | 45%        | On track  |
| 15    | # of MSMEs and farmers accessing loans               | 3,567       | 285         | 8%         | Planned financing is mainly for crop production and the bulk of it will take place in Q2 and Q3.  |
| 16    | Value of financing accessed by MSMEs and farmers     | 266,365     | 52,025      | 20%        | Planned financing is mainly for crop production and the bulk of it will take place in Q2 and Q3.  |
| WP 10 | Incr raw materials procured (MT/per annum)           | 4,890       | 1,193       | 24%        | On track, except Adal Azyk, who still faces problems in getting sufficient animal supply  |
| WP 14 | Incr in installed processing capacity (MT/per annum) | 1,680       | 0           | 0%         | Increase in installed processing capacity will come in Q2 and Q3 with the completion of Atalyk's oil processing facility.   |

A list of indicator abbreviations can be found in **Annex 2**.

Detailed task-level indicator targets by partner can be found in **Annex 3**.

## SUBTASK 1.1 IMPROVE PRODUCTIVITY OF LIVESTOCK FARMING

| Partner       | Crop/<br>Value<br>Chain                    | Milestones/<br>Targets   | FY 18<br>Target | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures   |
|---------------|--|--|-----------------|----------------|---|
| TES<br>Center | Soybean<br>and fodder<br>beet              | Area, ha   | 115             | -              | <ul style="list-style-type: none"> <li>200 farmers from FY17 harvested 103 ha of soybean totaling 306 MT. Average yield is 3 MT/ha. Farmers sold 149 MT to Oasis Agro, 102 MT to commercial cattle fatteners and 55 MT used by farmers themselves for animal feeding.</li> <li>43 farmers from FY17 harvested 8 ha fodder beet totaling 433 MT. Average yield is 54 MT/ha. Harvested fodder beet is used for animal feeding winter milk cows.</li> <li>2018 soybean and fodder beet farmers will be signed up in Q2 and the crops planted in Q3.</li> </ul>   |
|               |  | # of farmers   | 480             | -              |   |
|               | Winter<br>milk                             | # of animals   | 200             | 502            | <ul style="list-style-type: none"> <li>During the quarter, 150 MT milk supplied to Osh Sut and Jety Baatyr milk processing companies in Osh (against a target of 80 MT), i.e. around 1660 l/day on average. The partner established a new supply contract this year with Jety Baatyr and therefore the daily volume supplied increased by around 50% in comparison to winter 2016/17.</li> <li>213 new farmers with 300 milking cows mobilized for winter milk production and trained on milk production (99 men and 124 women). 115 winter milk farmers with 202 cows who started in 2016/17 continue to supply winter milk under the partnership.</li> <li>77 cows inseminated. The remaining cows will be inseminated in Q2.</li> <li>83 farmers received feed and silage for winter milk cows as embedded finance for a value of 3930 USD.</li> <li>7 farmers received 9927 USD credit from MFI Agrocredit Plus to purchase 10 winter milk cows.</li> </ul> |
|               |  | # of farmers   | 300             | 328            |   |
|               |  | # cows inseminated   | 200             | 77             |   |
| Oasis<br>Agro | Soybean<br>and<br>alfalfa                  | Area, ha   | 205             | 0              | <ul style="list-style-type: none"> <li>560 MT of soybean from 2017 harvest purchased from OA and TES soybean farmers as feed ingredient.</li> <li>2018 soybean and alfalfa farmers will be signed up in Q2 and crops planted in Q3.</li> </ul>  |
|               |  | # farmers  | 180             | 0              |   |
|               | Beef and<br>milk                           | # of animals   | 200             | 60             | <ul style="list-style-type: none"> <li>39 beef farmers trained on animal fattening. They fatten between 2 and 80 heads each, mostly with own feed.</li> <li>10 beef fattening farmers were selected for feed testing and they started to test OA beef feed.</li> <li>4 dairy farmers supplying to Tilen uluu Talas (Task 2 partner dairy processor) purchased 340 kg of OA cattle feed for testing on one dairy cow each.</li> <li>In total OA sold 34 t of cattle feed for testing.</li> <li>NXP approval received from USAID for new feed mill.</li> <li>Two new storage bins installed in FY17 with a total capacity of 500 m3 are operating.</li> </ul>   |
|               |  | # of farmers   | 200             | 47             |   |
|               | Feed for<br>egg /<br>broiler<br>production | # of animals fed with<br>OA feed                                 | 60,400          | 194,000        | <ul style="list-style-type: none"> <li>Partner sold in reporting period poultry feed for nearly 200,000 chickens</li> <li>In Q1 293 farmers purchased OA poultry feed.</li> </ul>   |
|               |  | # of farmers   | 250             | 293            |   |
| Adal Azyk     | Meat                                       | # of farmers<br>delivering maize                                 | 20              | 6              | <ul style="list-style-type: none"> <li>69 MT maize purchased from six farmers as feed ingredient.</li> </ul>  |
|               |  | # of farmers trained<br>in traceability and<br>meat productivity | 1000            | 0              |   |

| Partner               | Crop/<br>Value Chain | Milestones/<br>Targets                                  | FY 18<br>Target | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures  |
|-----------------------|----------------------|---|-----------------|----------------|--|
|                       |                      | # of traceable animals delivered                        | 4000            | 545            | <b>Issues:</b> Animal supply to slaughterhouse is below the desired numbers (target for Q1 is 1000 animals). Research in local animal markets shows that market prices are higher than what the partner pays, in most cases. Mitigation: As per traceability STTA, the partner could pay more competitive prices and reduce risks by buying animals directly from farmers rather than in the market. For this, stable links between farmers and the slaughterhouse must be established. A sub-contract with an extension organization would address this and increase farmers' meat productivity.<br>Training of farmers in traceability and meat productivity not yet started because it is closely linked to the feed fund grant, which is still pending USAID approval. |
| Task 2 dairy partners | Milk                 | No. of farmers trained in milk quality and productivity | 600             | 0              | <ul style="list-style-type: none"> <li>RFP issued for extension services to supplier farmers of Tilen uulu Talas processing company. The extension program is expected to start in Q2.</li> </ul> <b>Issue:</b> New equipment of the other Task 2 dairy partners is not yet operational and therefore supply base activities were postponed. Extension services for their supplier farmers will be initiated in Q2.  |

## SUBTASK 1.2 IMPROVE PRODUCTIVITY OF FRUIT FARMING

| Partner                   | Crop/<br>Value Chain     | Milestones/<br>Targets                  | FY 18<br>Target    | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures  |
|---------------------------|--------------------------|---|--------------------|----------------|--|
| Nookat<br>Altyn<br>Almasy | Apple                    | Area, ha                                | 240                | 0              | <ul style="list-style-type: none"> <li>In total 1487 NAA client farmers harvested over 6000 MT of apples from an area of around 300 ha in October (on average 20 MT/ha) (these are achievements for FY17 targets).</li> <li>Analysis of 2017 apple season revealed that NAA clients earned 4147 USD per ha extra income compared to non-clients as a result of tree care services. The services also impacted quality; in randomly selected apple boxes of clients on average 1% apples were showing disease signs and 2% pest infestation, while 37% and 22% respectively of non-clients' apples were infested. Clients of NAA obtained twice as much yield and 33% higher prices than non-clients, while in 2016 without services the yield prices obtained by clients and non-clients were almost equal.</li> <li>Partner concluded an agreement for weekly delivery of 5 MT of apples to Frunze supermarket chain and delivered in total 50 MT. In total, the partner sold around 120 MT of apples apart from Frunze, mainly to Uzbek and Kazakh buyers. NAA earns 1-2 KGS/kg as a commission for its sales efforts.</li> <li>NAA client farmers independently sold in the reporting period 4,550 MT apples for a total of 2 million USD.</li> <li>In the reporting quarter, the partner contracted 50 tree care workers (old and new ones), who started to mobilize farmer clients for the 2018 season. The number mobilized farmers will be reported in Q2.</li> </ul> |
|                           |                          | # of farmers benefitting                | 1000               | 0              |  |
|                           |                          | # tree care workers and others employed | 60 people (20 FTE) | 50 people      |  |
| Krasnyi<br>Vostok         | Apple<br>Peach<br>Cherry | Area, ha                                | 375                | 0              | <ul style="list-style-type: none"> <li>Analysis of apple season 2017: KV clients earned 2985 USD per ha extra income compared to non-clients as a result of tree care services. The services also impacted quality: in randomly selected apple boxes of clients' less than 1% apples were showing disease signs and 4% pest infestation, while 20% and 17% respectively of non-clients' apples were infested. With KV services clients got 30% higher yields in 2017, while non-clients had the same yields as in 2016. Clients also received 26% higher prices in 2017 compared to 2016 without services, while non-clients got in 2017 only 10% higher prices than in 2016.</li> <li>208 KV client farmers independently sold 832 MT apples for a total of 376,000 USD.</li> <li>Partner attracted 50 tree care workers (old and new ones), who started to mobilize farmer clients for the 2018 season. Partner will formally contract those workers who succeed in mobilizing clients in Q2/3.</li> <li>In Q2 the partner will conclude contracts with client farmers and start service provision with pruning services and prophylactic spraying against diseases. The number of mobilized farmers will be reported in Q2.</li> </ul>  |
|                           |                          | # tree care workers and others employed | 60 people (20 FTE) | 50 people      |  |
|                           |                          | # of farmers benefitting                | 1000               | 0              |  |

| Partner        | Crop/<br>Value Chain | Milestones/<br>Targets                        | FY 18<br>Target              | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures  |
|----------------|----------------------|---|------------------------------|----------------|--|
| Jash Ka<br>LLC | Apricot              | # of farmers<br>benefitting                   | 1050                         | 0              | <ul style="list-style-type: none"> <li>Jash Ka agreed with Interfruit and Altyn Aimak to collaborate on mobilizing apricot farmers.</li> <li>“Bai Tushum” Bank agreed to provide loans to Jash Ka’s clients with 20% annual interest.</li> <li>STTA together with Jash Ka developed strategic business plan.</li> <li>The company hired 5 new staff members - customer service manager, operations manager, accountant, agronomist and warehouse keeper. They also started to mobilize farmers and held information meetings in two major dry fruit markets for this purpose.</li> <li>In Q2 the partner will conclude contracts with tree service workers, client farmers and start service provision with pruning services and prophylactic spraying against diseases.</li> </ul> <p><b>Issue:</b> Jash Ka’s management capacity is still weak. The project will provide close coaching and monitoring of business plan implementation over the next six months.</p> |
|                |                      | Area covered, ha                              | 1000                         | 0              |  |
|                |                      | # tree care<br>workers and others<br>employed | 125<br>people<br>(40<br>FTE) | 0              |  |

### SUBTASK 1.3 SUPPORT TO LEAD FIRM

| Partner | Crop/<br>Value Chain    | Milestones              | FY 18<br>Target | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures  |
|---------|-------------------------|-------------------------|-----------------|----------------|--|
| Atalyk  | Garlic                  | Area, ha                | 20              | 21             | <ul style="list-style-type: none"> <li>Sub-contractors TES Centre and RAS Jalalabad mobilized and signed agreements with 209 farmers (58 women), and provided training and coaching. The 209 farmers planted garlic on 21 ha. 158 of the famers are new, the rest grew garlic for Atalyk already last year.</li> <li>The farmers got inputs for 16,000 USD as partial in-kind loans from Atalyk. Soil tests conducted on all garlic fields and no nematodes and fusarium found.</li> <li>87 farmers who lost their garlic crop in 2017 compensated by the partner with financing of garlic seed material for the new season. 51 of them are among the 209 farmers cooperating with the partner in the 2017/18 garlic crop.</li> <li>Farmers’ loan document packages for inputs from Bai Tushum bank prepared. Atalyk will pay the interest on the loans.</li> <li>Garlic seed multiplication activities continued; applied to register three new varieties to the seed testing committee of KR.</li> </ul> |
|         |                         | # of farmers<br>trained | 200             | 209            |  |
|         | Safflower               | Area, ha                | 2000            | 910            | <ul style="list-style-type: none"> <li>In total, partner purchased 107 MT of safflower from farmers.</li> <li>Oil processing equipment installation close to completion. Work will continue in spring in warmer weather.</li> <li>Seed cleaning equipment operational.</li> <li>Sub-contractors TES Centre and RAS Jalalabad mobilized 578 farmers (27 groups) (against a target of 1000) with 910 ha. 495 ha ploughed in autumn. Remaining farmers to be mobilized in Q2.</li> <li>TES Centre/RAS Jalalabad established WhatsApp advice group for farmers.</li> </ul> <p><b>Issue:</b> Difficulties with the correct installation of oil extracting and refining equipment. <b>Mitigation:</b> The partner hired engineers from China to support local specialists.</p>   |
|         |                         | # of farmers            | 2000            | 578            |  |
|         | Soybean and<br>rapeseed | Area, ha                | 700             | 0              | <ul style="list-style-type: none"> <li>Grant package for strengthening the partner’s oil crop supply base submitted to USAID.</li> <li>Reduced target number of farmers for 2018 from 500 to 140 to work with farmers with larger areas of land. The deficiency in numbers is expected to be compensated by Atalyk farm store customers and additional safflower farmers.</li> <li>SOW for oil crop volunteer expert provided to F2F program.</li> <li>Signing up farmers and planting crops will take place in Q2 and Q3.</li> </ul>  |
|         |                         | # of farmers            | 500             | 0              |  |



## SUBTASK 1.4 IMPROVING PRODUCTIVITY OF VEGETABLES

| Partner           | Crop/<br>Value Chain                            | Milestones                               | FY 18<br>Target | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures  |
|-------------------|---|--|-----------------|----------------|--|
| Family greenhouse | Vegetables                                      | # of farmers                             | 15              | 115            | <ul style="list-style-type: none"> <li>All 15 farmers regularly trained and coached during first greenhouse cropping cycle.</li> <li>The 15 GH farmers harvested and sold a total of 8.1 MT of cucumbers for 7,085 USD and 0.6 MT of tomatoes for 442 USD in the reporting quarter.</li> <li>72 additional farmers (42 women and 30 men) surrounding GHs participated in greenhouse farming trainings by STTA and 94 (68 women and 26 men) in the specially arranged women to women trainings.</li> <li>Soil and seed preparation started for next crop cycle.</li> </ul>  |
| Concept Master    | Vegetables                                      | # of farmers benefitted                  | 250             | 0              | <ul style="list-style-type: none"> <li>Purchased 30 MT of tomatoes from 8 farmers in Burgondy for an average price of 4.5 KGS/kg (this number is included in T2 report).</li> </ul>  |
|                   |   | Raw material purchase (MT)               | 1040            | 0              | <ul style="list-style-type: none"> <li>Concept Master provided training and consultations in integrated plant protection to supplier farmers, negotiated in-kind loan repayments with farmers who still did not make due repayments.</li> </ul>  |
| RAS Jalal-Abad    | Supply base development for Abdumalik Ata       | # of farmers                             | n/a             | n/a            | <ul style="list-style-type: none"> <li>Final results of sub-contract: 210 tomato farmers had 41% higher yields and 51% higher profits than in the previous year. 40 cucumber farmers had 37% higher yields and 46% higher profits than in previous year. Results attributed to access to quality hybrid seed, training and coaching and facilitation of access to inputs</li> </ul>  |
|                   |   | Area, ha                                 | n/a             | n/a            |  |
|                   |   | Tomato supply (MT)                       | n/a             | n/a            |  |
|                   |   | Cucumber supply (MT)                     | n/a             | n/a            |  |
| RAS Jalal-Abad    | Supply base development for FOG                 | # of farmers                             | n/a             | n/a            | <ul style="list-style-type: none"> <li>Final results of sub-contract: 201 tomato farmers had 26% higher yields and 33% higher profits than previous year through training and coaching and facilitation of access to inputs. Crops were already sown at the start of the extension program and thus seed quality had no role in improvements.</li> </ul>   |
|                   |   | Area, ha                                 | n/a             | n/a            |  |
|                   |   | Tomato supply (MT)                       | n/a             | n/a            |  |
| Zoloto Doliny     | Supply base development for Abdurahimov and FOG | # of farmers                             | n/a             | n/a            | <ul style="list-style-type: none"> <li>Final results of sub-contract: 898 BF's. Main season potatoes – 15% increase in yield and 72% increase in profit; onion – 18% increase in yield and 49% increase in profit; tomatoes – 54% increase in yield and 139% increase in profit.</li> <li>ZD conducted negotiations with Concept Master for the delivery of tomatoes in 2018.</li> <li>BFs are storing part of their onions and potatoes to sell later at a higher price.</li> <li><b>Issue:</b> Facilitation of delivery to partner buyers with limited success – 70 MT tomatoes to Concept Master and 12 MT onions to Abdurahimov, against a total of 1340 MT which was planned. Apart from these deliveries, ZD farmers and the partner buyers could not agree on prices. Beneficiary farmers had no problems with selling in the open market at highly satisfactory prices.</li> </ul> |
|                   |   | Area, ha                                 | n/a             | n/a            |  |
|                   |   | Tomato supply (MT)                       | n/a             | n/a            |  |
|                   |   | Early and main season potato supply (MT) | n/a             | n/a            |  |
|                   |   | Onion supply (MT)                        | n/a             | n/a            |  |
| TBD               | Vegetable supply base development               | # of farmers onion                       | 200             | 0              | <ul style="list-style-type: none"> <li>Supply base support for onions not initiated because partner buyers' interest is very limited.</li> </ul>   |
|                   |   | # of farmers early vegetables            | 500             | 0              | <ul style="list-style-type: none"> <li>Various discussions with partner buyers held but requirements are still unclear. Decisions on which vegetables to include in supply base development activities to be taken early in Q2.</li> </ul>   |

## SUBTASK 1.5 IMPROVING ACCESS TO FARM INPUTS

Support to fruit nurseries towards supply of certified fruit seedlings

| Partner/<br>Value Chain | Milestones               | FY 18<br>Target | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures  |
|-------------------------|--------------------------|-----------------|----------------|--|
| RAS JA Nursery          | Area, ha                 | 0.2             | 0              | <ul style="list-style-type: none"> <li>Partner prepared land for remaining rootstocks.</li> <li><b>Issue:</b> Sourcing rootstocks in Uzbekistan was unsuccessful. Tajik supplier identified and rootstocks to be purchased and planted in Q2.</li> </ul> |
|                         | # of farmers benefitting | 0 (new)         | 0              |  |

| Partner/<br>Value Chain  | Milestones               | FY 18<br>Target | YTD<br>(in Q1) | Achievements and/or Issues with Mitigation Measures  |
|--------------------------|--------------------------|-----------------|----------------|--|
| Berekeluu Suu<br>Nursery | Area, ha                 | 0.05            | 0              | <ul style="list-style-type: none"> <li>Land prepared for remaining rootstocks.</li> <li>4500 raspberry seedlings purchased and planted as replacement for those that died in spring 2017.</li> </ul> |
|                          | # of farmers benefitting | 100             | 100            | <b>Issue:</b> Sourcing rootstocks in Uzbekistan was unsuccessful. Tajik supplier identified and rootstocks to be purchased and planted in Q2.  |

### Improve access to seed potatoes

| Partner/<br>Crop    | Achievements and/or Issues with Mitigation Measures   |
|---------------------|---|
| MCA “Agro Credit +” | <ul style="list-style-type: none"> <li>Final results of 2017 season: 148 early potato producers in Aravan and Kara-Suu had average yield of 22 t/ha and earned an average profit of 1927 USD from a 0.4 ha plot.</li> <li>27 Chong Alai seed potato multipliers realized USD 3,990 profit per ha.</li> <li>100% reimbursement of seed potato loans.</li> </ul>    |
| Soyuz Konsultantov  | Seed recipients returned all dues of the 2017 season.   |
| PF “Altyn Oroon”    | 68 early and late potato producers earned an aggregate profit of USD 35,658 from 9 ha of potato crop.   |
| MCA “AKOK Kredit”   | 74 seed fund clients earned USD 37,900 of profit from 10.4 ha of potato crop.   |
| All seed funds      | <ul style="list-style-type: none"> <li>Formal handover of the seed funds will be done in February as per grant agreement.</li> <li>Agro Horizon STTAs provided training on financial management, taxation and legal issues to seed fund holders.</li> <li>Seed fund holders started preparing internal documents for the governance of the seed funds.</li> </ul> |

### Improve access of farmers to machinery services

In 2016, Agro Horizon supported eight Machinery Technical Services (MTS) operators with additional machinery to increase farmers access and areas served. The following table shows the MTS services provided in the calendar year 2017 and in the reporting quarter (note that these farmers are not included in the overall target achievements of Q1):

| MTS                                    | Services in reporting quarter | Total services in 2017                                  |
|--|-------------------------------|---|
| Cooperative ‘Kok-Jar’ (Nookat)         | 100 ha / 7 farmers            | 220 ha (maize, wheat, barley) / 77 farmers              |
| LLC Marko (Kara-Suu)                   | 18 ha / 13 farmers            | 138 ha (maize, alfalfa, wheat, sunflower) / 153 farmers |
| Ziabidin Ata farm (Uzgen)              | 50 ha / 40 farmers            | 110 ha (wheat, maize) / 80 farmers                      |
| Cooperative Abiyir (Kara-Suu)          | 60 ha / 50 farmers            | 200 ha (maize, wheat, soya, sunflower) / 175 farmers    |
| LLC ‘Mariam’ (Jalalabad town)          | 37 ha / 7 farmers             | 217 ha (maize) / 217 farmers                            |
| Cooperative Abdikerim Agronom (Nooken) | 100 ha / 50 farmers           | 250 ha (maize) / 210 farmers                            |
| Cooperative Kench (Nooken)             | 30 ha / 40 farmers            | 120 ha (maize, wheat) / 90 farmers                      |
| PE Moydinov (Nooken)                   | 20 ha / 40 farmers            | 20 ha / 40 farmers (did not work in spring)             |
| <b>TOTAL</b>                           | <b>415 ha / 247 farmers</b>   | <b>1275 ha / 1042 farmers</b>                           |

## SUBTASK 1.6 DEVELOPMENT AND PRODUCTION OF ADVISORY LEARNING MATERIALS

See **Annex 4** for the status of advisory, learning and information material development.

## TASK 2 INCREASE PRODUCTIVITY AND MARKETS FOR AGRIBUSINESS

### TASK LEVEL INDICATORS SUMMARY

| #  | Indicators                                       | FY18 WP target | FY18 actual | YTD achievement | % Achieved | Explanations of deficiencies and mitigation measures  |
|----|--|----------------|-------------|-----------------|------------|---|
| 3  | # households benefiting                          | 5,805          | 1,120       | 1,120           | 19%        | Turan, Orjemil, Altyn Aimak, Interfruit were not able to start operating in Q1, resulting in less number of households benefiting than planned. The number will increase as partners start buying raw materials again in Q3.  |
| 4  | # individuals trained                            | 1,205          | 44          | 44              | 4%         | The number will increase with the start of vegetable planting and processing season in Q2 and 3.  |
| 5  | # of enterprises receiving USG assistance        | 19             | 19          | 19              | 100%       | On track  |
| 6  | # farmers + others applied tech or mgt practices | 1,339          | 4           | 4               | 0%         | This will increase as partners work on raw material supply base development in Q3.  |
| 7  | # jobs attributed                                | 480            | 47          | 47              | 10%        | Delays in start of operation of several partners necessitate revisiting this target in consultation with partners. An updated expected number of jobs to be achieved by end of September will be provided in Q2.  |
| 8  | Value of new capital investment                  | 122,100        | 198,656     | 198,656         | 163%       | Overachieved because partners continued construction or renovation of facilities. Biggest contributor here is Turan, which invested in construction of storage facility.  |
| 9  | Value of leverage contribution                   | 4,661,574      | 504,315     | 504,315         | 11%        | Partners bought less raw materials in Q1 due to delays in facility completion. However, partners will buy raw materials and equipment for around \$4.2 million through September 2018.  |
| 11 | Value of sales (farm)                            | 2,565,373      | 551,713     | 551,713         | 22%        | Partners bought less raw materials in Q1 due to delays in facility completion. Partners anticipate buying more than \$3.2 million worth of raw materials by end of Project.   |
| 12 | Value of sales (enterprise)                      | 5,919,033      | 636,889     | 636,889         | 11%        | <p>Although producers of processed food continued selling in Q1, consolidation centers, and dried fruits processors had not started selling. Consolidation centers will start selling when prices increase in Q2. Dried fruits processors will be buying and selling through June.</p> <p>Mitigation measure is to focus all efforts on production and sales of early vegetables and fruits and dried fruits. For this, we need to help consolidation centers to sell early potatoes, cherries, bell peppers, cabbages etc. to Kazakhstan, Russia and Uzbekistan. Helping means provision of marketing information and linking with institutional buyers through M-Vector. Assistance will be provided to partners involved in dried fruit trading in sourcing and signing contracts with buyers.</p> |

|        |  |         |       |       |     |  |
|--------|--|---------|-------|-------|-----|--|
| 14     | Incr installed storage capacity (m3)                 | 4,390   | 285   | 285   | 6%  | Turan planned to install a 7,560-cubic meter storage facility in Q1, but was unable to finish the construction. Turan will complete construction in Q2. The target is expected to be exceeded.   |
| 15     | # of MSMEs and farmers accessing loans               | 2,868   | -     | -     | 0%  | Q1 coincides with the end of harvesting season, hence SMEs did not provide any embedded financing to farmers.  |
| 16     | Value of financing accessed by MSMEs and farmers     | 320,229 | -     | -     | 0%  |  |
| WP #10 | Incr raw materials procured (MT/per annum)           | 12,467  | 1,517 | 1,517 | 12% | Partners bought less raw materials in Q1 due to delays in facility completion. The numbers will increase starting in Q3.   |
| WP #14 | Incr in installed processing capacity (MT/per annum) | 7,508   | 320   | 320   | 4%  | By July 2018, partners will install new processing capacities as follows: Turan: 1000 tons p.a., Akmatova: 6000 tons p.a., Interfruit: 2400 tons p.a., Altyn Aimak: 2400 tons p.a., FOG 1: 2600 tons p.a., Abdumalik Ata: 2025 tons p.a., Alaiku Organics 2: 1013 tons p.a. The target is expected to be exceeded. |

Detailed task-level indicator targets by partner can be found in **Annex 5**.

## SUB TASK 2.1 INCREASE PRODUCTIVITY AND EXPAND MARKETS FOR AGRIBUSINESS IN DAIRY

| Partner                            | Activity                           | Milestones for Q1                   | FY 18 target | FY18 actual | Achieved (%) | Achievements and/or Issues with Mitigation Measures   |
|------------------------------------|------------------------------------|-------------------------------------|--------------|-------------|--------------|---|
| Tilen Uulu Talas                   | Facilitation of milk collection    | # of HHs benefiting                 | 52           | 0           | 0%           | - - Distribution of feed started in December, more farmers will receive feed in January and February.<br>- Other indicators are achieved according to Work Plan.  |
|                                    |                                    | Sales at farm level, USD            | 36,007       | 17,244      | 48%          |   |
|                                    |                                    | Volume of raw material procured, MT | 207          | 50          | 24%          |   |
|                                    | Facilitate sales of dairy products | Sales at enterprise level, USD      |              |             | 34%          |   |
| Alaiku Organics - Kurut production | Facilitation of milk collection    | # of HHs benefiting                 | 578          | 242*        | 2%           | - The facility was completed late hence could procure only a limited volume of milk before the very cold weather preventing farmers to milk their cows set in.<br>- Company is buying kurut instead of milk, therefore the volume of raw material procured is less. |
|                                    |                                    | Sales at farm level, USD            | 147,659      | 4,835       | 3%           |   |
|                                    |                                    | Volume of raw material procured, MT | 480          | 4           | 1%           |   |
|                                    | Facilitate sales of dairy products | Sales at enterprise level, USD      |              |             | 18%          |   |
| Ak Tilek                           | Facilitation of milk collection    | # of HHs benefiting                 | 124          | 77*         | 0%           |   |
|                                    |                                    | Sales at farm level, USD            | 30,757       | 1,773       | 6%           |   |

|                                      |                                    |                                     |         |        |    |  |
|--------------------------------------|------------------------------------|-------------------------------------|---------|--------|----|--|
|                                      |                                    | Volume of raw material procured, MT | 201     | 4      | 2% | <ul style="list-style-type: none"> <li>- Ak Tilek has not launched new filling equipment; plans to launch in January 2018;</li> <li>- Agro Horizon helped to obtain barcodes, developed design for new packages, which was approved by partner, but she doesn't provide payment for package printing. Farmers were mobilized and ready to increase milk supply, but Ak Tilek refuses to buy more milk because of low orders.</li> <li>- Ak Tilek was hesitant to invest resources in promotion, hiring sales people, and expanding presence in retail outlets. Agro Horizon continues to dialogue with the owner to help her see the benefit of investing in marketing and sales.</li> </ul> |
|                                      | Facilitate sales of dairy products | Sales at enterprise level, USD      |         |        | 6% |  |
| Akmatova                             | Facilitation of milk collection    | # of HHs benefiting                 | 3,500   | 161    | 5% | <ul style="list-style-type: none"> <li>- Akmatova had difficulties selling cheese because of Kazakh border closure in Q1; lower sales affected # of HHs benefiting and volume of raw material procured;</li> <li>- Construction of facility continues; agreed to focus on cheese production area. Equipment is expected to arrive at the beginning of March.</li> </ul>  |
|                                      |                                    | Sales at farm level, USD            | 376,488 | 33,315 | 9% |  |
|                                      |                                    | Volume of raw material procured, MT | 2,500   | 157    | 6% |  |
|                                      | Facilitate sales of dairy products | Sales at enterprise level, USD      |         |        | 5% |  |
| Alaiku Organics 2 - dairy processing | Setting up new facility            | Capital investments, USD            |         |        | 0% | <ul style="list-style-type: none"> <li>- The facility is not yet launched; company bought a production building in Osh; it will be transferred to Alaiku Organics ownership by February;</li> <li>- New dairy processing equipment expected to arrive February 2018.</li> </ul>  |
|                                      |                                    | Leverage contribution, USD          |         |        | 0% |  |

\*Preliminary data that still need to be verified and entered into the database.

## SUBTASK 2.2 INCREASE PRODUCTIVITY AND EXPAND MARKETS OF AGRIBUSINESS IN FRUITS AND VEGETABLES

| Partner     | Activity                                     | Milestones for Q1                   | FY 18 target | FY18 actual | Achieved (%) | Achievements and/or Issues with Mitigation Measures   |
|-------------|--|-------------------------------------|--------------|-------------|--------------|---|
| Abdurahimov | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 304          | 6           | 2%           | <ul style="list-style-type: none"> <li>- Abdurakhimov is selling unsorted potatoes to Uzbekistan but in far less quantities than planned because there is little demand for sorted and packed potato locally or in the region.</li> <li>- Alternative opportunity is early potato trading. It was agreed with Abdurakhimov that he will pay in advance and buy early potato.</li> </ul> |
|             | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |              |             | 12%          |   |
|             | Facilitate sales at farm level               | Sales at farm level, USD            | 75,627       | 21,585      | 29%          |   |
|             |  | Volume of raw material procured, MT | 1,550        | 70          | 5%           |   |

|                  |  |                                     |         |         |      |  |
|------------------|--|-------------------------------------|---------|---------|------|--|
| Abdymalik Ata    | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 342     | 2       | 1%   | <ul style="list-style-type: none"> <li>- New processing line not yet launched; partner placed order for equipment in China, and expect it to be delivered and installed in March.</li> <li>- Agro Horizon is helping partner in finding buyers.</li> </ul>   |
|                  | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 2%   |  |
|                  | Facilitate sales at farm level               | Sales at farm level, USD            | 107,992 | 2,230   | 2%   |  |
|                  |  | Volume of raw material procured, MT | 782     | 9       | 1%   |  |
| Advantex         | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 360     | 76      | 21%  | <ul style="list-style-type: none"> <li>- Partner completed renovation and started full operations in Q1. However, because of late launch, partner bought less volume of raw material from farmers.</li> </ul>  |
|                  | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 11%  |  |
|                  | Facilitate sales at farm level               | Sales at farm level, USD            | 118,130 | 12,444  | 11%  |  |
|                  |  | Volume of raw material procured, MT | 52      | 3.4     | 7%   |  |
| Agroproduct Asia | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 1,100   | 99      | 9%   | <ul style="list-style-type: none"> <li>- Partner stocked up and is storing apples and vegetables, but not selling until prices rise. Preliminarily, partner will start selling end of January. Therefore, sales at enterprise level this reporting period is zero.</li> </ul>  |
|                  | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 0%   |  |
|                  | Facilitate sales at farm level               | Sales at farm level, USD            | 490,224 | 193,600 | 39%  |  |
|                  |  | Volume of raw material procured, MT | 1,781   | 640     | 36%  |  |
| Aidosheva        | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 36      | 51      | 142% | <ul style="list-style-type: none"> <li>- Partner bought apples from farmers as planned and achieved target of sales at farm level. Sales at enterprise level will increase as partner sells apples in Q2 and Q3.</li> </ul>  |
|                  | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 4%   |  |
|                  | Facilitate sales at farm level               | Sales at farm level, USD            | 10,435  | 14,860  | 142% |  |
|                  |  | Volume of raw material procured, MT | 37      | 38      | 103% |  |
| Altyn Aimak      | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 100     | 112     | 112% | <ul style="list-style-type: none"> <li>- Partner started operating and signed a large contract in Q1 to export dried fruits to the US. Figures expected to increase as company delivers on its contracts.</li> <li>- Partner completed construction and installed equipment in Q1, contributing to new capital investments.</li> </ul> |
|                  | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 35%  |  |
|                  |  | Sales at farm level, USD            | 198,116 | 95,454  | 48%  |  |

|   |  |                                     |         |         |      |  |
|---|--|-------------------------------------|---------|---------|------|--|
|   | Facilitate sales at farm level               | Volume of raw material procured, MT | 686     | 120     | 17%  |  |
| Aravan Agroservice  | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 288     | 13      | 5%   | - The members of the Cooperative are keeping their produce in the cold storage facility, and will start selling end of February when the price in the market will bring in more profit. They are paying rental to the Cooperative for the use of the facility.   |
|   | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 0%   |  |
|   | Facilitate sales at farm level               | Sales at farm level, USD            | 81,452  | 101,788 | 125% |  |
|   |  | Volume of raw material procured, MT | 800     | 110     | 14%  |  |
| Concept Master  | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 455     | 0       | 0%   | - Partner did not buy and process tomatoes in Q1. Targets on # of HHs benefiting, sales on farm level and volume of raw materials procured will be achieved as partner contracts outgrowers and buys from farmers during next processing season.<br>- Main buyer of partners' products claimed high spoilage and suspended contract affecting sales at enterprise level.<br>- Agro Horizon provided recommendations on optimization of production processes with focus on quality and safety improvement. Partner is looking for loans or investments to implement the plan. |
|   | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 6%   |  |
|   | Facilitate sales at farm level               | Sales at farm level, USD            | 79,504  | 1,654   | 2%   |  |
|   |  | Volume of raw material procured, MT | 2,048   | 25      | 1%   |  |
| Farmers Organic Garden 1 - production of juices and packaged dried fruits | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 50      | 27      | 54%  | - Partnership with Agro Horizon triggered increase in procurement of raw materials for dried fruits and juice production. However, equipment from China is still not delivered. It is agreed with FOG that if equipment is not delivered by the middle of March, they will return full amount of grant for equipment.  |
|   | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 71%  |  |
|   | Facilitate sales at farm level               | Sales at farm level, USD            | 65,152  | 3,425   | 5%   |  |
|   |  | Volume of raw material procured, MT | 150     | 7       | 5%   |  |
| Farmers Organic Garden 2 - production of tomato paste                     | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 284     | 0       | 0%   | - Out grower contracting for tomato production will start in Q2.<br>- FOG did not buy raw materials as production season ended. Sales at farm is expected to increase in Q3, and at enterprise level at Q4.  |
|   | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 13%  |  |
|   | Facilitate sales at farm level               | Sales at farm level, USD            | 285,600 | 5,667   | 2%   |  |
|   |  | Volume of raw material procured, MT | 2,646   | 42      | 2%   |  |



|                         |  |                                     |         |         |      |  |
|-------------------------|--|-------------------------------------|---------|---------|------|--|
| Inter Fruit             | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 170     | 98      | 58%  | - Partner bought and stored 100 tons of persimmons and apples, but will start selling only when prices rise. Sales at enterprise level is expected to increase in Q2.  |
|                         | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 0%   |  |
|                         | Facilitate sales at farm level               | Sales at farm level, USD            | 376,796 | 34,532  | 9%   |  |
|                         |  | Volume of raw material procured, MT | 478     | 110.9   | 23%  |  |
| Natural Products        | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 558     | 319     | 57%  | - On track per workplan  |
|                         | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 21%  |  |
|                         | Facilitate sales at farm level               | Sales at farm level, USD            | 38,092  | 7,307   | 19%  |  |
|                         |  | Volume of raw material procured, MT | 441     | 127     | 29%  |  |
| Orjemil Holding Company | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 150     | 6       | 4%   | - Orjemil was unable to buy and process raw materials because of late arrival and installation of processing equipment.<br>- The company will start delivering results only as peach harvest season starts in July 2018. |
|                         | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 0%   |  |
|                         | Facilitate sales at farm level               | Sales at farm level, USD            | 101,427 | 0       | 0%   |  |
|                         |  | Volume of raw material procured, MT | 400     | 0       | 0%   |  |
| PE Kamashova            |  | # of HHs benefiting                 | 5       | 14      | 280% | - Cucumber crop was frozen because of late installation of heating equipment; no cucumbers were sold.<br>- Partner will plant tomatoes in January 2018 and start harvesting and selling in May 2018.                     |
|                         | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 0%   |  |
| Turan Group             | Facilitate links between SMEs and outgrowers | # of HHs benefiting                 | 350     | 43      | 12%  | - # of HHs benefiting are workers constructing the facility;<br>- Turan continued construction in Q1 overachieving capital investments target. Company will order equipment and complete construction in February 2018.  |
|                         | Facilitate sales at enterprise level         | Sales at enterprise level, USD      |         |         | 0%   |  |
|                         | Facilitate sales at farm level               | Sales at farm level, USD            | 101,100 | 0       | 0%   |  |
|                         |  | Capital investments, USD            | 72,100  | 115,508 | 160% |  |

## SUBTASK 2.3 MARKET DEVELOPMENT AND B2B LINKAGES TO INCREASE SALES



During the reporting period, the Project supported partners' participation in three trade events:

1. Central Asia Trade Forum (CATF) in Almaty on October 17-19, 2017.
2. World Food 2017 Expo in Almaty on November 1-3, 2017.
3. InterFoods Siberia, one of the largest food industry exhibitions in Novosibirsk, Russia on November 8-10, 2017

**Annex 6** shows the companies that participated in the above events.

A total of \$18.4 million was generated from the above events from 78 buyers. MoUs and contracts amounting to \$1.7 million was signed with 10 buyers and 11 partners, **Annex 7**. As of December 25, 2017, 7 partners have delivered \$340,000 worth of products to 8 buyers, **Annex 8**.

Toyboss was recognized with the best product award, and received certificate and medal during the WorldFood Kazakhstan Expo 2017. Farmers Organic Garden LLC (FOG) received the "best quality product" award for its tomato paste at InterFoods Siberia.

The Project is supported by M-Vector in carrying out these B2B and marketing activities.

### TASK 3 IMPROVE ENABLING ENVIRONMENT FOR AGRICULTURE SECTOR GROWTH

| #  | Indicators                                       | FY18 Target | Q1 achievement | YTD achievement | Achieved (%) | Explanations for overachievements or Issues, and Mitigation Measures   |
|----|--|-------------|----------------|-----------------|--------------|--|
| 15 | # of MSMEs and farmers accessing loans           | 9,463       | 3,035          | 3,035           | 32%          | This is expected to increase in spring as farmers will need financing for production inputs and services. Additionally, more farmers will be encouraged to access financing as Bai Tushum bank plans to further reduce interest rate to 12% for farmers supplying to our partners since the risk is highly mitigated.                |
| 16 | Value of financing accessed by MSMEs and farmers | \$2,358,863 | 5,178,816      | 5,178,816       | 220%         | The Project facilitated a line loan for Atalyk from Bai Tushum bank, which was approved in FY17, but was not counted as accomplishment because Atalyk was not sure they will use it. Atalyk decided to use it during the reporting period. Also, Bai Tushum reduced their interest rate for KGS loan from 27% previously to now 20%. |

#### SUBTASK 3.1 INCREASE ACCESS TO FINANCIAL PRODUCTS AND SERVICES

##### SUBTASK LEVEL INDICATORS SUMMARY

##### Activity 3.1.1 Support embedded services and financing

Detailed partner-level embedded financing can be found in **Annex 9**.

##### Activity 3.1.2 Support to innovative financial products

| Partner          | Innovation   | FY18 WP Target |             | Achieved through Q1 |             |
|------------------|--|----------------|-------------|---------------------|-------------|
|                  |  | BNF            | \$\$\$      | BNF                 | \$\$\$      |
| KICB             | Remote e-wallet loans/deposits   | 300            | \$210,000   | 262                 | \$430,485   |
| Bai-Tushum Bank* | Rapid onsite analysis and loan decision; AHOP Partners become bank agents; e- wallet | 1,000          | \$500,000   | 964                 | \$2,581,158 |
| FMFC             | Nano loans using Innovative Credit Scoring technology; remote financial services     | 1,628          | \$1,059,769 | 1,775               | \$2,156,822 |
| <b>Total</b>     |  |                |             |                     |             |

\*In Q1 FY18, Spot-On Consulting Company was contracted to facilitate the implementation of the innovative financing partnership between Bai Tushum Bank and AHOP Partner SMEs (Eldan Atalyk, Ak-Tilek, PE Akmatova, Abdymalik Ata, Alaiku Organics, Agro Product Asia, Adal Azyk).

All three financial organizations are in the process of software development (KICB Bank contracted Yaros Company, Bai Tushum Bank contracted Colvir Company, and FMFC contracted ASPEKT Company). Software for all three partners will be functional by the end of the next quarter.

Grata International Company conducted an analysis of local legislation requirements for current and potential investors on establishing an investment fund (private equity and mezzanine) in the Kyrgyz Republic. A final report was submitted to USAID in December 2017.

### SUBTASK 3.2 HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT (HICD) SUPPORT TO SELECTED PARTNER SMES

| Activity  | Milestones      | FY 18 Target    | YTD (through Q1) | Achievements and/or Issues with Mitigation Measures  |
|---|-----------------|-----------------|------------------|--|
| Directed Human and Institutional Capacity Development (HICD) support to selected partner SMEs | 12 partner SMEs | 12 partner SMEs | 12 partner SMEs  | <p>In Q1 FY18 the project continued to provide directed HICD support to an additional 12 partner SMEs.</p> <p>Organizational capacity support included: (1) Optimization of Business Processes and Sourcing Systems; (2) Developing Marketing Plans and Strategies; (3) Improving Financial Management and Automation of Accounting Systems; (4) Improving Human Resources Management Systems; (5) Knowledge of Legal and Taxation requirements; (6) HACCP certification support.</p> <p>A full list of local and international STTA support to select additional 12 partner SMEs can be found in <b>Annex 10</b>.</p> |

In the reporting period, the project, in partnership with the Open World Program, organized a study tour to Spokane, Washington entitled *Fruit and Vegetable Value Chain Experience Exchange and Networking for Kyrgyz Agribusiness Representatives* from October 27 to November 4, 2017 for representatives of five partner SMEs. Participants were Mr. Torobekov Maksat, Executive Director of Advantex LLC, Mr. Abdurasulov Muhammed, Executive Manager of Natural Products LLC, Mr. Karazakov Zhunusbek, Director of JashKa LLC, Mr. Nazekov Aidin, Manager of Agro Product Asia LLC, and Mr. Ukubaev Talgat, Economist of Eldan Atalyk LLC. The participants saw firsthand operations and management systems of various US fruits and vegetables processing companies, warehouses, and retail outlets. They learned innovative methods of storing and processing fruits and vegetables, sales, distribution and marketing of agricultural produce. This exchange will help these Kyrgyz business grow and diversify their business in innovate, proven ways. Additional study tours for other partner SMEs are expected in Q2 and Q3.

## **TASK 4      IMPROVE NUTRITIONAL STATUS OF WOMEN AND CHILDREN**

In Q1, the project's nutrition activities were presented at the Agriculture, Food Security and Rural Development Working Group meeting. The project was named as one of seven key players reducing anemia in country at a World Health Organization (WHO) meeting where the global WHO recommendations on anemia reduction were presented. The Ministry of Health of the Kyrgyz Republic, WHO, UNICEF, the Alliance of Civil Society for Nutrition and Food Security, the WFP, and the USAID SPRING Project were also key players.

Fourteen brochures developed for project beneficiaries on the nutritional value of a variety of fruits and vegetables were posted on the Mountain Agro-ecosystem Action Network (MAAN) platform. These brochures will now reach a worldwide network of rural service providers and others interested in nutrition in mountainous areas.

## CROSSCUTTING FUNCTIONS

### GENDER AND YOUTH CONSIDERATIONS

#### Youth Internship Program with Agribusinesses

On November 30, the project launched the Youth Internship Program that will match 51 final-year students or recent graduates with 24 agribusinesses in Osh, Batken, Jalalabad and Naryn. The program targets candidates with training in agronomy, food technology, record keeping and database management, information technology, and accounting.

By December 4, 413 applications were received, with accountant and IT receiving the most applications. See details in the table below.

|                     | Received | Required |
|---------------------|----------|----------|
| Technologist        | 63       | 10       |
| Agronomist          | 38       | 9        |
| Database specialist | 150      | 24       |
| Accountant          | 113      | 5        |
| IT                  | 49       | 3        |
|                     | 413      | 51       |

The breakdown by location can be found in the following table.

|           | # Applications | # of Internships |
|-----------|----------------|------------------|
| Osh       | 211            | 26               |
| Jalalabad | 51             | 9                |
| Batken    | 64             | 13               |
| Naryn     | 87             | 4                |
|           | 413            | 51               |

The recruitment period is closed and the process of contracting interns is underway for all positions except for six. Not enough qualified agronomists and technologists were identified. To fill these internships, the project will hire candidates from related fields of study including biology for agronomy and chemistry for technology.

#### Project-supported women entrepreneurs

Women entrepreneurs and their husbands completed trainings on business planning and storage and preservation of fruits and vegetables per the following schedule:

November 23-24 in Osh: 14 participants (8 females/6 males)

November 27-28 in Naryn: 11 participants (5 females/6 males)

These trainees then disseminated the information through ten trainings on the same topics delivered to 117 farmers (91 women and 26 men) from December 19 – 27 in Osh and Naryn.

| #     | Oblast | # of trainings | Participants | Females | Males |
|-------|--------|----------------|--------------|---------|-------|
| 1     | Naryn  | 4              | 54           | 38      | 16    |
| 2     | Osh    | 6              | 63           | 53      | 10    |
| Total |        | 10             | 117          | 91      | 26    |

## **MONITORING AND EVALUATION**

Activities during the reporting period include AMEP revision, gross margin data collection for safflower, M&E database review, GPS, finalization of gross margin baseline report, e-data collection, PY-3 reporting, database migration, and M&E strategy review.

### **Activity Monitoring and Evaluation Plan (AMEP)**

The AMEP was revised to be consistent with the PY4 Work plan. A key feature added to the AMEP was the indicator data verification plan intended for routine application to validate project field information and data. The PY4 AMEP was approved by USAID during the period.

### **M&E Strategy Review**

Drawing on PY3 experience and lessons learned, the following action points were agreed for adoption in PY4: data collection tools revised to make it easy for end users, roles and responsibilities clarified in flow of data and database to be used as source of information for reporting as double counts can be easily detected and cleaned out.

### **Youth Internship Program**

The project received 150 applicants for record keepers as part of the youth internship program to be placed with project partners to support record keeping of partners' operations. This will in turn improve the quality of reporting to the project by the partners. Overall, 22 out of 24 required were selected and prepared for training prior to placement in Q2.

### **Gross margin**

The project collected data on gross margin for safflower 2017 using a sample size of 312 drawn from a population of 848. A gross margin value of 106 USD/ha was obtained compared to the baseline of 73.25 USD/ha or an increase of 48%.

Gross margin data collection for additional products is planned for the month of January (quarter 2) 2018.

### **Database migration**

As Microsoft decided to discontinue the Access Web App service for Office 365 suite in April 2018, (the cloud server which hosted M&E Database will be deactivated), home office set up an on-premises SharePoint Server and migrated the database ahead of this to ensure uninterrupted project data management and processing. Database structure (relationship between tables) was also reviewed ensuring that all indicator values can be generated using data inputted into the database. Also ensuring there are related tables for calculation of each indicator. Hence avoiding under or over reporting.

### **Electronic data collection (EDC)**

The EDC project is near complete (4 out of 6 stages of development complete). This will replace the current paper-based data submission from project partners, making more data readily available for ongoing partner activities.

### **Microenterprise Results Reporting (MRR)**

FY17 project achievements compiled and entered to the MRR survey system. This annual data submitted to USAID to identify and quantify USAID's funding obligated to support microenterprise and the results of the support.

### **Food Prices Monitoring and Analysis Tool training**

Two project staff from M&E participated in a two-day training for the Food Prices Monitoring and Analysis Tool organized by FAO and National Statistics Committee. This tool gives access to the National Statistics Committee's full database of price data for 56 consumer goods in 19 cities throughout the Kyrgyz Republic. It provides easy visualization of time series data as well as basic analysis and reporting features. The Tool was developed as part of FAO's initiatives to address the soaring food prices. The project will use this platform for secondary data related to its indicators.

## **COMMUNICATIONS, KNOWLEDGE MANAGEMENT, AND INTRA-PROJECT COORDINATION**

## Communicating project results

**Social Media:** As of December 31, the USAID Agro Horizon Project Facebook page had 2695 likes, up 3.4% from the previous quarter, with an average of 7.5 posts per week. 89 posts in Q1Y4 reached 65,831 unique users. Post reach by people who like the page amounted to 54,842.

### Current quarter results compared to the same period the previous year.

| Item  | Q1Y3<br>Sep 30 - Dec 31, 2016 | Q1Y4<br>Sep 30 - Dec 31, 2017 | +/-        |
|---|-------------------------------|-------------------------------|------------|
| Posts   | 39                            | 89                            | +50        |
| Total post reach, unique users                              | 28,620                        | 65,831                        | +37,211    |
| Impressions   | 49,398                        | 108,486                       | +59,088    |
| Post reach by people who like the page, unique users        | 27,794                        | 54,482                        | + 26,688   |
| <b>Comments, likes and shares generated by unique posts</b> |                               |                               |            |
| Comments  | 40                            | 64                            | +24        |
| Likes   | 759                           | 1631                          | +872       |
| Shares  | 115                           | 216                           | +101       |
| <b>Total # likes</b>  |                               |                               |            |
|   | <b>by Dec 31, 2016</b>        | <b>by Dec 31, 2017</b>        | <b>-/+</b> |
| Likes   | 2361                          | 2695                          | +334       |

**Success Stories:** Two success stories are submitted with this report. See **Annex 11**.

**OIs:** Twenty-nine OIs were submitted to USAID. For a complete listing see **Annex 12**.

**Media Coverage:** Agro Horizon activities were picked up by local media twelve times. For a complete listing of linked articles, see **Annex 13**.

**Press Releases:** The following press release were submitted to USAID: 1) USAID and AgroProduct Asia Launch the Most Advanced Fruit Logistics Center in South Kyrgyzstan; 2) USAID and Farmers Organic Garden Launch the Largest Fruit and Vegetable Processing Facility in Jalal-Abad Oblast; 3) USAID Inaugurates Three New Fruit Processing Facilities and One Fruit Cold Storage in Osh; 4) USAID Launches Youth Internship Program Linking Partner Agribusinesses.

## Major Events:

1. [PE Aidoshova Fruit Cold Storage Facility Inauguration in Uzgen, November 9, 2017](#)
2. [Advantex LLC Fruit Processing Facility Inauguration in Uzgen, November 9, 2017](#)
3. [Orjemil LLC Fruit Processing Facility Inauguration in Osh, November 10, 2017](#)
4. [Farmers Organic Garden LLC – Fruit Juice Processing and Tomato Paste Production Facility Inauguration and Equipment Handover, November 16, 2017](#)
5. [Agroproduct Asia LLC – Consolidation Center Ribbon Cutting Ceremony in Kadamjai, November 29, 2017](#)
6. [USAID Agro Horizon Project Youth Internship Program Launch in Osh, November 30, 2017](#)

## Knowledge management

The USAID Agro Horizon Project Year 3 Annual Report (October 1, 2016 – September 30, 2017) was uploaded to the Development Experience House (DEC).

At the request of USAID, all previous performance reports previously uploaded to the DEC were cleaned of any financially sensitive information of AHOP partners and re-uploaded on October 19, 2017 and on November 15, 2017.





Figure 1: Ribbon cutting ceremony of PE Aidosbova Cold Storage facility



Figure 2: Group photo after opening of Advantex LLC fruit processing facility



Figure 3: Orjemil LLC fruit processing facility inauguration official part



Figure 4: Walking tour in FOG facility



Figure 5: Ribbon cutting ceremony of Agropduct Asia consolidation center with the Minister of Ag Mr. Murashev



Figure 6: Atalyk partner, Talgat Ukubaev speaks at the Youth Internship Program launch

## ENVIRONMENTAL COMPLIANCE

During the reporting period, the Environmental Compliance Specialist (ECS) developed environmental monitoring and mitigation plans for six new partnerships. A checklist of requirements for environmental compliance can be found in **Annex 14**. For projects that involve the procurement and use of agrochemicals, mitigation measures were developed to protect the health and safety of farmers as well as the physical and natural environment.

## PROJECT FUND

The project submitted seven (7) grant approval requests to USAID and received approval to award grants to three SMEs submitted in Q1 grant packages. Details of the award implementation can be found in **Annexes 15 and 16**.

In this quarter, Agro Horizon published six (6) request for proposals (RFPs). Details of these solicitations are found in **Annex 17**.

## ADMINISTRATION

During first quarter of Year 4, AHOP Naryn office relocated because the landlord did not prolong the lease agreement. The new office is well situated on the first floor of the local trade union agency building, #78 Lenin street, neighboring the regional state administration and city hall offices. The new lease agreement is effective October 01, 2017.

In addition, several security measures were introduced to all project offices such as the installation of metal grilles on windows, installation of cameras, and updated security manual, etc.

## Local Staff Changes

The following staff were hired during the reporting period:

- Osh Administrative Assistant hired on October 03, 2017
- Bishkek Administrative Assistant hired on October 18, 2017
- Osh office cleaner hired on October 20, 2017

- IT Manager hired on October 23, 2017
- Osh Operations Manager hired on November 01, 2017

The following staff resigned during the reporting period:

- Bishkek Administrative Assistant on October 18, 2017
- Osh office cleaner on October 20, 2017
- IT Manager on October 25, 2017

### Local STTAs

During Q1 FY18, the following local STTAs were contracted or continued their assignments:

- local greenhouse vegetable specialist for Osh greenhouses, effective August 7, 2017 to June 10, 2018
- local greenhouse vegetable specialist for Naryn greenhouses, effective August 22, 2017 to June 10, 2018
- specialist for animal supply and traceability system for slaughterhouse, effective May 1, 2017 to June 30, 2018
- local specialist providing assistance to partners in identification and selection of required equipment, effective May 2, 2017 to March 30, 2018
- local specialist providing assistance in upgrading of production premises and infrastructure, effective May 31, 2017 to March 31, 2018

### International STTAs

During Q1 FY 18, the following international STTAs continued their assignments:

- apricot and business development expert from Tajikistan continued his assignment with a new focus: work with the fruit tree care service partner Jash Ka on business analysis and elaboration of a business strategy and business management instruments throughout the quarter.

### Approvals

See **Annex 18** for the Approvals Summary.

### Financial Summary

See **Annex 19** for the Financial Summary



## ANNEXES

### ANNEX I: ABBREVIATIONS

|        |  |
|--------|--|
| B2B    | Business-to-business   |
| BNF    | Beneficiary Farmer   |
| ECS    | Environmental Compliance Specialist  |
| Ha     | Hectare  |
| HAACP  | Hazard Analysis Critical Control Points                                    |
| HH     | Households   |
| HICD   | Human and Institutional Capacity Development                               |
| KGS    | Kyrgyz Som   |
| KR     | Kyrgyzstan   |
| MIS    | Market Information Systems   |
| MOA    | Ministry of Agriculture  |
| MT     | Metric Tons  |
| MTS    | Machinery and Tractor Stations   |
| PE     | Private Entrepreneur   |
| RAS    | Rural Advisory Service   |
| SME    | Small- and Medium-sized Enterprise   |
| SPRING | Strengthening Partnerships, Results, and Innovations in Nutrition Globally |
| STTA   | Short-term Technical Assistance  |
| USAID  | United States Agency for International Development                         |
| USD    | United States Dollar   |
| USG    | United States Government   |
| VC     | Value Chain  |
| WFP    | World Food Program   |
| WHO    | World Health Organization  |

## ANNEX 2: INDICATOR ABBREVIATIONS

Indicator abbreviations. To economize space, the following abbreviated indicators have been used throughout the document.

| Indicators  | Abbreviated Indicators                           |
|---|--|
| Number of households benefiting directly from USG interventions   | # households benefiting                          |
| Number of individuals trained   | # individuals trained                            |
| Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and CBOs receiving USG assistance | # of enterprises receiving USG assistance        |
| Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance   | # farmers + others applied tech or mgt practices |
| Number of jobs attributed to project implementation   | # jobs attributed                                |
| Value of new private sector capital investment in the agriculture sector or food chain leveraged  | Value of new capital investment                  |
| Value of private sector leverage contribution   | Value of leverage contribution                   |
| Gross margin  | Gross Margin                                     |
| Value of sales (farm-level) attributed to project implementation  | Value of sales (farm)                            |
| Value of sales (enterprise-level) attributed to project implementation  | Value of sales (enterprise)                      |
| Total increase in installed storage capacity (cubic meters)   | Incr installed storage capacity (m3)             |
| Number of MSMEs, including farmers, receiving USG assistance to access loans  | # of MSMEs and farmers accessing loans           |
| Value of financing accessed by MSMEs and farmers as a result of Agro Horizon assistance   | Value of financing accessed by MSMEs and farmers |
| Number of public-private partnerships formed  | # of PPP formed                                  |
| Increase in raw materials procured by SMEs assisted by the project (MT) (revised targets)   | Incr raw materials procured (MT)                 |
| Increase in installed processing capacity (MT)  | Incr in installed processing capacity (MT)       |

### ANNEX 3: TASK I INDICATOR TABLE BY PARTNER

| Indicators   | Total     | Individual Partner Contributions - Q1 |            |           |                     |                |         |         |                |                |                |              |                |     |
|--|-----------|---------------------------------------|------------|-----------|---------------------|----------------|---------|---------|----------------|----------------|----------------|--------------|----------------|-----|
|  |           | TES Centre                            | Oasis Agro | Adal Azyk | Nookat Altyn Almasy | Krasnyi Vostok | Jash Ka | Atalyk  | Family Greenho | RAS Jalalaba d | Berekel uu Suu | 4 Seed Funds | Concept Master | MTS |
| # households benefiting  | 1412      | 284                                   | 48         | 66        | 6                   | 2              | 1       | 880     | 115            | 0              | 4              | 6            | 0              | 0   |
| # individuals trained  | 1163      | 212                                   | 39         | 0         | 6                   | 2              | 1       | 750     | 120            | 0              | 4              | 6            | 0              | 0   |
| # private enterprises receiving USG assistance   | 63        | 1                                     | 1          | 1         | 1                   | 1              | 1       | 40      | 15             | 1              | 1              | 0            | 0              | 0   |
| # farmers and others applied improved tech or mgmt   | 876       | 340                                   | 31         | 0         | 0                   | 0              | 0       | 500     | 0              | 0              | 5              | 0            | 0              | 0   |
| # jobs   | 21        | 3.37                                  | 5.84       | 2.75      | 0                   | 0              | 0       | 10.03   | 0              | 0              | 0              | 0            | 0              |     |
| Value of new private sector investment in the agriculture sector or food chain (US\$)        | 167,157   |                                       |            |           |                     |                |         |         |                |                |                |              |                |     |
| Value of private sector leverage contribution in the agriculture sector or food chain (US\$) | 719,838   |                                       |            |           |                     |                |         |         |                |                |                |              |                |     |
| Value of sales (farm-level) (US\$)   | 2,033,971 | 161,139                               | 149,630    | 259,124   | 1,098,563           | 164,758        | 0       | 193,230 | 7,527          | 0              |                |              |                |     |
| Value of sales (enterprise-level) (US\$)   | 519,486   |                                       |            |           |                     |                |         |         |                |                |                |              |                |     |
| Total incr in installed storage capacity (m3)  | 500       | 0                                     | 500        | 0         | 0                   | 0              | 0       | 0       |                | 0              |                |              |                |     |
| # MSMEs, including farmers, accessing loans  | 285       | 26                                    | 0          | 0         | 0                   | 0              | 0       | 259     |                | 0              |                |              |                |     |
| Value of Financing Accessed by SMEs and farmers (US\$)                                       | 52025     | 8,805                                 | 0          | 0         | 0                   | 0              | 0       | 43220   |                | 0              |                |              |                |     |
| Increase in raw materials procured by SMEs assisted by the project (MT)                      | 1193      | 456                                   | 551        | 80        | 0                   | 0              | 0       | 107     |                | 0              |                |              |                |     |
| Increase installed processing capacity (MT)  | 0         |                                       | 0          | 0         | 0                   | 0              | 0       | 0       |                | 0              |                |              |                |     |

Note: 1. For the # of farmers and others applied new technologies, interim data taken from partners' reports; final data will be taken from a survey that will be carried out in June/July.

2. We are reporting only sales and not incremental sales both at the farm level and enterprise level for this period. Incremental sales will be reported in the final project report once we have the base lines for the enterprises and the result of the gross margin survey.

## ANNEX 4: ADVISORY LEARNING AND INFORMATION MATERIALS DEVELOPMENT

| Name of Material  | Format  | Status December 2017   | Submission to USAID | Print Date         | Distribution  |
|---|---------|--|---------------------|--------------------|---------------|
| Apricot manual in Russian   | Manual  | Under revision   | January 2018        | Electronic version | February 2018 |
| Apricot production  | Video   | First draft received and feedback provided. Awaiting 2 <sup>nd</sup> draft             | January 2018        | n/a                | February 2018 |
| Maize manual in Kyrgyz  | Manual  | Finalized  | January 2018        | February 2018      | March 2018    |
| Maize manual in Russian   | Manual  | On-going; to be completed July 2017  | February 2018       | Electronic version | March 2018    |
| Winter milk manual in Kyrgyz  | Manual  | 1 <sup>st</sup> draft received   | February 2018       | March 2018         | April 2018    |
| Winter milk production  | Video   | Footage shooting nearly completed. First draft expected in January 2018                | March 2018          | n/a                | April 2018    |
| Soybean production  | Booklet | 1st draft received   | February 2018       | March 2018         | April 2018    |
| Silage making   | Booklet | 1st draft received   | February 2018       | March 2018         | April 2018    |
| Fodder beet production  | Booklet | 1st draft received   | February 2018       | March 2018         | April 2018    |
| Garlic production in the south of KR  | Booklet | Revision under garlic extension sub-contract   | February 2018       | March 2018         | April 2018    |
| Garlic production in the South of KR  | Video   | Footage shooting completed. Some clarifications regarding technical messages required. | February 2018       | n/a                | March 2018    |
| Safflower growing   | Leaflet | Revision under safflower extension sub-contract.                                       | January 2018        | February 2018      | March 2018    |
| Tips for productive safflower   | Video   | Footage shooting completed. Script needs final adjustments.                            | January 2018        | n/a                | February 2018 |
| Greenhouse model for mountainous areas  | Video   | Second draft received  | March 2018          | n/a                | April 2018    |
| Greenhouse model for mountainous areas  | Booklet | First draft received   | March 2018          | April 2018         | May 2018      |
| Silage making   | Video   | Footage shooting completed. Script needs final adjustments.                            | February 2018       | n/a                | March 2018    |
| Enhanced productivity and nutritional value of forage                           | Video   | Footage shooting completed. Script needs final adjustments.                            | February 2018       | n/a                | March 2018    |
| Tips for enhanced productivity and nutritional value of forage crops            | Leaflet | Envisaged partner not interested in working on this. STTA to be contracted.            | February 2018       | March 2018         | April 2018    |
| Hot tips for improved apple yield, size and quality                             | Video   | Footage shooting completed. Script needs final adjustments.                            | March 2018          | n/a                | April 2018    |
| Short PR video on NAA apple tree services                                       | Video   | Footage excerpts from main apple video   | February 2018       | n/a                | March 2018    |
| Hot tips for improved peach yield and quality                                   | Video   | Footage shooting completed. Script needs final adjustments.                            | February 2018       | n/a                | March 2018    |
| Short PR video on KV tree services  | Video   | Footage excerpts from main apple and peach video                                       | January 2018        | n/a                | February 2018 |
| Hot tips for improved fruit yield, size and quality                             | Leaflet | Not yet started.   | February 2018       | March 2018         | April 2018    |
| Key moments for the production of small cucumbers for processing                | Video   | Footage shooting completed. Script under preparation.                                  | February 2018       | n/a                | March 2018    |
| Key moments for the production and harvesting of small cucumbers for processing | Leaflet | Not yet started.   | February 2018       | March 2018         | April 2018    |
| Vegetable storage and preservation at home level                                | Video   | Footage shooting completed. Script prepared.   | March 2018          | n/a                | April 2018    |

|   |          |   |          |           |           |
|---|----------|---|----------|-----------|-----------|
| Increasing cattle meat productivity   | Manual   | Integrated in upcoming extension sub-contract | May 2018 | June 2018 | July 2018 |
| Necessary knowledge for the export of fresh fruits and vegetables to the EAEU | Video    | Possibly to be replaced by other materials    |          |           |           |
| Necessary knowledge for the export of fresh fruits and vegetables to the EAEU | Tutorial | Possibly to be replaced by other materials    |          |           |           |

## ANNEX 5: TASK 2 INDICATOR TABLE BY PARTNER

| Partners                   | (3) # households benefiting |             | (4) # individuals trained |             | (5) # of enterprises, org-s receiving USG assistance |             |                | (6) # farmers + others applied tech or mgt practices |                |             | (7) # jobs attributed |             | (8) Value of new capital investment, thousand USD |             | (9) Value of leverage contribution, thousand USD |             | (11) Value of inc sales (farm), thousand USD |             | (12) Value of inc sales (enterprise), thousand USD |             | (14) Incr installed storage capacity (m3) |             | (WP-10) Incr raw materials procured (MT/annum) |             | (WP-14) Incr in installed processing capacity (MT/annum) |             |
|----------------------------|-----------------------------|-------------|---------------------------|-------------|--|-------------|----------------|--|----------------|-------------|-----------------------|-------------|---|-------------|--|-------------|--|-------------|--|-------------|---|-------------|--|-------------|--|-------------|
|                            | FY18 WP target              | FY18 actual | FY18 WP target            | FY18 actual | FY18 WP target                                       | FY18 actual | FY18 WP target | FY18 actual  | FY18 WP target | FY18 actual | FY18 WP target        | FY18 actual | FY18 WP target                                    | FY18 actual | FY18 WP target                                   | FY18 actual | FY18 WP target                               | FY18 actual | FY18 WP target                                     | FY18 actual | FY18 WP target                            | FY18 actual | FY18 WP target                                 | FY18 actual | FY18 WP target   | FY18 actual |
| Turan Group                | 350                         | 43          | 18                        |             | 1  | 1           | 20             |  | 20             | 11.22       |                       |             |   |             |  |             | 101.10                                       | -           |  |             | 4,200                                     | -           | 600  | -           | 1,000  | -           |
| Inter Fruit                | 170                         | 98          | 152                       | 5           | 1  | 1           | 152            |  | 50             | 10.01       |                       |             |   |             |  |             | 376.80                                       | 34.53       |  |             | -   | -           | 478  | 110,914     | -  | -           |
| Natural Products           | 558                         | 320         | 20                        |             | 1  | 1           | 20             |  | 20             | 5.88        |                       |             |   |             |  |             | 38.09  | 7.31        |  |             | -   | -           | 441  | 127         | -  | 20          |
| PE Akmatova                | -                           | 161         | -                         |             | -  | 1           | -              |  | -              | 5.62        |                       |             |   |             |  |             | -  | 33.32       |  |             | -   | -           | -  | 157         | -  | -           |
| Alaykuu - 1                | 578                         | 56          | 16                        |             | 1  | 1           | 148            |  | 16             | 3.75        |                       |             |   |             |  |             | 147.66                                       | 4.84        |  |             | -   | -           | 480  | 4           | -  | -           |
| Advantex - 1               | 360                         | 92          | 50                        | 2           | 1  | 1           | 50             |  | 9              | 3.65        |                       |             |   |             |  |             | 118.13                                       | 12.44       |  |             | 110                                       | 140         | 52   | 34          | 500  | 300         |
| Farmers Organic Garden - 1 | 50                          | 27          | 102                       | 2           | 1  | 1           | 102            |  | 102            | 2.32        |                       |             |   |             |  |             | 65.15  | 3.43        |  |             | -   | -           | 150  | 7           | 94   | -           |
| Aravan Agroservice         | 288                         | 13          | 116                       |             | 2  | 1           | 116            |  | 18             | 1.67        |                       |             |   |             |  |             | 81.45  | 101.79      |  |             | -   | -           | 800  | 110         | -  | -           |
| PE Aidosheva               | 36                          | 59          | 6                         | 10          | 1  | 1           | 6              |  | 6              | 2.34        |                       |             |   |             |  |             | 10.44  | 14.86       |  |             | -   | 145         | 37   | 38          | -  | -           |
| PE Abdurahimov             | 304                         | 6           | 12                        |             | 1  | 1           | 12             |  | 8              | 0.06        |                       |             |   |             |  |             | 75.63  | 21.59       |  |             | -   | -           | 1,550  | 70          | -  | -           |
| PE Kamashova               | 5                           | 14          | 30                        | 14          | 1  | 1           | 30             |  | 5              |             |                       |             |   |             |  |             | -  | -           |  |             | -   | -           | -  | -           | -  | -           |

| Partners                   | (3) # households benefiting |             | (4) # individuals trained |             | (5) # of enterprises, org-s receiving USG assistance |             | (6) # farmers + others applied tech or mgt practices |             | (7) # jobs attributed |             | (8) Value of new capital investment, thousand USD |             | (9) Value of leverage contribution, thousand USD |             | (11) Value of inc sales (farm), thousand USD |             | (12) Value of inc sales (enterprise), thousand USD |             | (14) Incr installed storage capacity (m3) |             | (WP-10) Incr raw materials procured (MT/annum) |             | (WP-14) Incr in installed processing capacity (MT/annum) |             |
|----------------------------|-----------------------------|-------------|---------------------------|-------------|--|-------------|--|-------------|-----------------------|-------------|---|-------------|--|-------------|--|-------------|--|-------------|---|-------------|--|-------------|--|-------------|
|                            | FY18 WP target              | FY18 actual | FY18 WP target            | FY18 actual | FY18 WP target                                       | FY18 actual | FY18 WP target                                       | FY18 actual | FY18 WP target        | FY18 actual | FY18 WP target                                    | FY18 actual | FY18 WP target                                   | FY18 actual | FY18 WP target                               | FY18 actual | FY18 WP target                                     | FY18 actual | FY18 WP target                            | FY18 actual | FY18 WP target                                 | FY18 actual | FY18 WP target   | FY18 actual |
| Orjemil Holding Company    | 150                         | 6           | 15                        | 6           | 1  | 1           | 15   |             | 15                    |             |   |             |  |             | 101.43                                       | -           |  |             | -   | -           | 400  | -           | -  | -           |
| Altyn Aimak - 1            | 100                         | 112         | 208                       | 3           | 1  | 1           | 208  |             | 35                    |             |   |             |  |             | 198.12                                       | 95.45       |  |             | -   | -           | 686  | 120         | -  | -           |
| Abdymalik Ata              | 342                         | 2           | 66                        | 2           | 1  | 1           | 66   |             | 66                    |             |   |             |  |             | 107.99                                       | 2.23        |  |             | -   | -           | 782  | 9           | -  | -           |
| Alaykuu - 2                | 500                         | -           | 21                        |             | -  |             | 21   |             | 21                    |             |   |             |  |             | 221.30                                       | -           |  |             | 80  | -           | 530  | -           | 1,013  | -           |
| PE Tilen uulu              | 52                          |             | 52                        |             | 1  | 1           | 52   | 4           | 6                     | 1.25        |   |             |  |             | 36.01  | 17.24       |  |             | -   | -           | 207  | 50          | 207  | -           |
| PE Ibragimov               | -                           |             | -                         |             | -  | 1           | -  |             | -                     |             |   |             |  |             | -  | -           |  |             | -   | -           | -  | -           | -  | -           |
| Farmers Organic Garden - 2 | 284                         |             | 40                        |             | 1  |             | 40   |             | 17                    |             |   |             |  |             | 285.60                                       | 5.67        |  |             | -   | -           | 1,905  | 42          | 2,646  | -           |
| Concept Master             | 455                         |             | 225                       |             | 1  | 1           | 225  |             | 9                     |             |   |             |  |             | 79.50  | 1.65        |  |             | -   | -           | 1,387  | 25          | 2,048  | -           |
| Altyn Aimak - 2            | -                           |             | -                         |             | -  |             | -  |             | -                     |             |   |             |  |             | -  | -           |  |             | -   | -           | -  | -           | -  | -           |
| Ak-Tilek                   | 124                         |             | 6                         |             | 1  | 1           | 6  |             | 6                     |             |   |             |  |             | 30.76  | 1.77        |  |             | -   | -           | 201  | 4           | -  | -           |
| Agroproduct Asia           | 1,100                       | 111         | 51                        |             | 1  | 1           | 51   |             | 51                    |             |   |             |  |             | 490.22                                       | 193.60      |  |             | -   | -           | 1,781  | 640         | -  | -           |
| Advantex - 2               | -                           |             | -                         |             | -  |             | -  |             | -                     |             |   |             |  |             | -  | -           |  |             | -   | -           | -  | -           | -  | -           |

| Partners    | (3) # households benefiting |             | (4) # individuals trained |             | (5) # of enterprises, org-s receiving USG assistance |             | (6) # farmers + others applied tech or mgt practices |             | (7) # jobs attributed |             | (8) Value of new capital investment, thousand USD |             | (9) Value of leverage contribution, thousand USD |             | (11) Value of inc sales (farm), thousand USD |             | (12) Value of inc sales (enterprise), thousand USD |             | (14) Incr installed storage capacity (m3) |             | (WP-10) Incr raw materials procured (MT/annum) |             | (WP-14) Incr in installed processing capacity (MT/annum) |             |
|-------------|-----------------------------|-------------|---------------------------|-------------|--|-------------|--|-------------|-----------------------|-------------|---|-------------|--|-------------|--|-------------|--|-------------|---|-------------|--|-------------|--|-------------|
|             | FY18 WP target              | FY18 actual | FY18 WP target            | FY18 actual | FY18 WP target                                       | FY18 actual | FY18 WP target                                       | FY18 actual | FY18 WP target        | FY18 actual | FY18 WP target                                    | FY18 actual | FY18 WP target                                   | FY18 actual | FY18 WP target                               | FY18 actual | FY18 WP target                                     | FY18 actual | FY18 WP target                            | FY18 actual | FY18 WP target                                 | FY18 actual | FY18 WP target   | FY18 actual |
| GRAND TOTAL | 5,805                       | 1120        | 1,205                     | 44          | 19   | 19          | 1,339  | 4           | 480                   | 47.77       | 122.10  | 198.66      | 4,662  | 504         | 2,565.37                                     | 551.71      | 5,919  | 637         | 4,390                                     | 285         | 12,467   | 1,517       | 7,508  | 320         |

Note: 1. For the # of farmers and others applied new technologies, interim data taken from partners' reports; final data will be taken from a survey that will be carried out in June/July.  
2. We are reporting only sales and not incremental sales both at the farm level and enterprise level for this period. Incremental sales will be reported in the final project report once we have the base lines for the enterprises and the result of the gross margin survey.



## ANNEX 6 : LIST OF SMES SUPPORTED IN B2B EVENTS PARTICIPATION

| Name, place and dates of events  | Participants            |
|--|-------------------------|
| Central Asia Trade Forum (CATF)<br>Almaty, Kazakhstan<br>October 17-19, 2017 | Interfruit              |
|  | Abdimalik Ata           |
|  | Advantex                |
|  | Natural Products LLC*   |
|  | Agro Product Asia*      |
| World Food 2017 Expo<br>Almaty, Kazakhstan<br>November 1-3, 2017             | Adal Azyk (Toyboss)     |
|  | Interfruit              |
|  | Alaikuu Organics        |
|  | Abdumalik Ata           |
|  | Natural Products*       |
|  | Farmers Organic Garden* |
|  | Advantex*               |
|  | Rustel *                |
|  | Christal*               |
|  | SAM*                    |
| InterFoods Siberia<br>Novosibirsk, Russia<br>November 8-10, 2017             | Farmers Organic Garden* |
|  | Natural Products*       |
|  | Interfruits*            |
|  | Alaiku Organics*        |
|  | Abdimalik Ata*          |
|  | Advantex*               |
|  | Crystall*               |

## ANNEX 7: MOUS AND CONTRACTS SIGNED UNDER SUB-TASK 2.3

| Supplier                             | Location of supplier     | Product category             | Value of MoU and contracts | Buyer | Target market |
|--------------------------------------|--------------------------|------------------------------|----------------------------|-------|---------------|
|                                      | Shamaldy Say, Jalal Abad | Tomato paste, tomato pickles |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Kazakhstan    |
|                                      | Sokuluk, Chui            | Fruit and vegetable juices   |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Kazakhstan    |
|                                      |                          |                              |                            |       | Russia        |
|                                      | Nookat, Osh              | Fruit juices in drums        |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Russia        |
|                                      | Kadamjay, Batken         | Dried fruits and mixes       |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Russia        |
|                                      | Kyzyl Kyia, Batken       | Peaches in syrup             |                            |       | Kazakhstan    |
|                                      |                          |                              |                            |       | Russia        |
|                                      | Batken                   | Peach puree                  |                            |       | Kyrgyzstan    |
|                                      | Jety Oguz, Issyk Kul     | Apricot and peach purees     |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Kazakhstan    |
|                                      | Suzak, Jalal Abad        | Pickled vegetables           |                            |       | Kyrgyzstan    |
|                                      |                          |                              |                            |       | Kyrgyzstan    |
|                                      | Kyzyl Kyia, Batken       | Pasteurized raspberries      |                            |       | Kazakhstan    |
|                                      | Aravan, Osh              | Early potatoes               |                            |       | Kazakhstan    |
|                                      |                          |                              |                            |       | Russia        |
|                                      | Kara Balta, Chui         | Vegetable puree              |                            |       | Russia        |
| <b>Total value of contracts, USD</b> |                          |                              | <b>1,698,179</b>           |       |               |

## ANNEX 8 : SALES UNDER SUB-TASK 2.3 (EXCLUSIVE OF COMPANY'S INDEPENDENT SALES ACCOMPLISHMENTS)

| Supplier                          | Location of supplier     | Product category               | Value of MoUs    | Buyer | Target market |
|-----------------------------------|--------------------------|--------------------------------|------------------|-------|---------------|
|                                   | Shamaldy Say, Jalal Abad | Tomato paste, pickled tomatoes |                  |       | Kyrgyzstan    |
|                                   |                          |                                |                  |       | Kazakhstan    |
|                                   | Sokuluk, Chui            | Fruit and vegetable juices     |                  |       | Kyrgyzstan    |
|                                   |                          |                                |                  |       | Kyrgyzstan    |
|                                   |                          |                                |                  |       | Kazakhstan    |
|                                   |                          |                                |                  |       | Kazakhstan    |
|                                   |                          |                                |                  |       | Russia        |
|                                   | Nookat, Osh              | Fruit juices in drums          |                  |       | Kyrgyzstan    |
|                                   |                          |                                |                  |       | Kyrgyzstan    |
|                                   | Kadamjay, Batken         | Dried fruits and mixes         |                  |       | Kyrgyzstan    |
|                                   | Kyzyl Kyia, Batken       | Peaches in syrup               |                  |       | Kazakhstan    |
|                                   |                          |                                |                  |       | Kazakhstan    |
|                                   | Jety Oguz, Issyk Kul     | Apricot puree in drums         |                  |       | Kyrgyzstan    |
|                                   | Uzgen, Osh               | Trail mixes                    |                  |       | Kyrgyzstan    |
|                                   |                          |                                |                  |       | Kazakhstan    |
| <b>Total volume of sales, USD</b> |                          |                                | <b>340,058.3</b> |       |               |

## ANNEX 9: TASK 3 ACCESS TO FINANCE INDICATOR TABLE BY PARTNER

| Indicators   |                          | EIDan Atalyk | FMFC      | Agroproduct Asia | Bai-Tushum Bank | TES Center | Alaykuu - 2 | AAS    | KICB    | Oasis Agro | Concept Master - 1 | FOG - 2 | Jash Ka | RAS JA | Ak-Tilek | Concept Master - 2 | Advantex - 2 | Abdymalik Ata | PE Tilen uulu | PE Aidosheva | PE Ibragimov | PE Akmatova | Turan Group | Inter Fruit | Seed Fund | Alaykuu - 1 | Advantex - 1 | FOG - 1 | Orjemil | Supply Base Vegetables | Total     |
|--|--------------------------|--------------|-----------|------------------|-----------------|------------|-------------|--------|---------|------------|--------------------|---------|---------|--------|----------|--------------------|--------------|---------------|---------------|--------------|--------------|-------------|-------------|-------------|-----------|-------------|--------------|---------|---------|------------------------|-----------|
| (15)<br>Number of MSMEs, including farmers, receiving USG assistance to access loans | FY18 GA* target          | 4,100        | 3,256     | 2,100            | 1,000           | 500        | 500         | 500    | 300     | 300        | 250                | 229     | 200     | 200    | 138      | 100                | 100          | 66            | 58            | 40           | 40           | 15          | 15          | 1           | -         | -           | -            | -       | -       | -                      | 14,008    |
|  | FY18 WP target           | 2,200        | 1,628     | 1,100            | 1,000           | 500        | 375         | 450    | 300     | 267        | 225                | 229     | 200     | -      | 125      | 100                | -            | 33            | 52            | 36           | -            | -           | 15          | -           | 300       | 148         | 10           | 60      | 10      | 100                    | 9,463     |
|  | Achieved through FY18 Q1 | 19           | 1,775     | -                | 964             | 26         | -           | -      | 262     | -          | -                  | -       | -       | -      | -        | -                  | -            | -             | -             | -            | -            | -           | -           | -           | -         | -           | -            | -       | -       | -                      | 3,046     |
| (16)<br>Value of Financing Accessed by SMEs and farmers (US\$)                       | FY18 GA target           | 476,000      | 2,119,538 | 2,000,000        | 500,000         | 45,650     | 15,000      | 46,800 | 210,000 | 30,000     | 60,301             | 21,156  | 5,000   | 10,870 | 16,480   | 25,000             | 140,000      | 16,200        | 21,000        | 2,899        | 20,000       | 10,000      | 60,000      | 100,000     | -         | -           | -            | -       | -       | -                      | 5,951,894 |
|  | FY18 WP target           | 60,000       | 1,059,769 | 55,000           | 500,000         | 44,365     | 11,250      | 42,120 | 210,000 | 12,000     | 54,271             | 21,156  | 5,000   | -      | 14,832   | 25,000             | -            | 8,100         | 18,900        | 5,400        | -            | -           | 36,000      | -           | 120,000   | 45,000      | 1,000        | 6,000   | 1,200   | 2,500                  | 2,358,863 |
|  | Achieved through FY18 Q1 | 1,546        | 2,156,822 | -                | 2,581,158       | 8,805      | -           | -      | 430,485 | -          | -                  | -       | -       | -      | -        | -                  | -            | -             | -             | -            | -            | -           | -           | -           | -         | -           | -            | -       | -       | -                      | 5,178,816 |

## ANNEX 10: LOCAL AND INTERNATIONAL STTAS TO SUPPORT SELECT 15 PARTNER SMES

| # | Local STTA / Specialized firm   | International STTA   | Partner SMEs supported  |
|---|---|--|---|
| 1 |   | Cecilio P. Costales, Business Processes Optimization and Sourcing Systems expert hired to support ten partner SMEs engaged in consolidation and storage of fresh fruits and vegetables, processing of fruits and vegetables and processing of dairy and milk products. | <ul style="list-style-type: none"> <li>✓ Concept Master LLC *</li> <li>✓ Farmers Organics Garden LLC *</li> <li>✓ Ak Tilek LLC *</li> <li>✓ Alaiku Organics LLC *</li> <li>✓ Abdurahimov PE *</li> <li>✓ Oasis Agro LLC *</li> <li>✓ Aidosheva PE *</li> <li>✓ Turan Group LLC *</li> <li>✓ Ak Tilek LLC *</li> <li>✓ Alaiku Organics LLC *</li> </ul>  |
| 2 | Art Box LLC, a local firm specializing in establishing and improving human resources management systems subcontracted to support six partner SMEs engaged in consolidation and storing of fresh fruits and vegetables, processing of fruits and vegetables and processing of dairy and milk products. |  | <ul style="list-style-type: none"> <li>✓ Nookat Altyn Almasy</li> <li>✓ Krasni Vostok</li> <li>✓ Berekelu Suu</li> <li>✓ JashKa LLC</li> <li>✓ Interfruits LLC</li> <li>✓ Altyn Aimak LLC</li> </ul>  |
| 3 | Public Fund "Grow Together", a local firm specializing in legal and taxation advisory services subcontracted to support six partner SMEs engaged in consolidation and storage of fresh fruits and vegetables, processing of fruits and vegetables and processing of dairy and milk products.          |  | <ul style="list-style-type: none"> <li>✓ Altyn Oroon SF</li> <li>✓ Souz Konsultantov SF</li> <li>✓ Akok SF</li> <li>✓ Orjemil LLC</li> <li>✓ Interfruits LLC</li> <li>✓ Altyn Aimak LLC</li> </ul>  |
| 4 | AuriBP LLC, a local firm specializing in financial management and automation of accounting systems subcontracted to support 12 partner SMEs engaged in consolidation and storage of fresh fruits and vegetables, processing of fruits and vegetables and processing of dairy and milk products.       |  | <ul style="list-style-type: none"> <li>✓ Krasni Vostok</li> <li>✓ Berekelu Suu</li> <li>✓ JashKa LLC</li> <li>✓ Interfruits LLC</li> <li>✓ Altyn Aimak LLC</li> <li>✓ Altyn Oroon SF</li> </ul> <p>These six partner SMEs have been supported thus far. The remaining partner SMEs will be supported in Q2.</p>   |
| 5 | M-Vector LLC, a local firm specializing in marketing plans and strategies subcontracted to support 13 partner SMEs engaged in consolidation and storage of fresh fruits and vegetables, processing of fruits and vegetables and processing of dairy and milk products.                                |  | <ul style="list-style-type: none"> <li>✓ PE Tilen Uulu Talas *</li> <li>✓ Ak Tilek LLC *</li> <li>✓ Alaiku Organics LLC *</li> <li>✓ Advantex LLC *</li> <li>✓ Farmers Organics Garden LLC *</li> <li>✓ Interfruits LLC *</li> <li>✓ Altyn Aimak LLC *</li> <li>✓ Abdumalik Ata Ag Coop *</li> </ul> <p>These eight partner SMEs have been supported thus far. The remaining partner SMEs will be supported in Q2.</p> <p>Note: * Partner SMEs that started to receive HICD support in FY17 and continued through FY18.</p> |

## ANNEX II : SUCCESS STORIES



**USAID**  
FROM THE AMERICAN PEOPLE

**KYRGYZ REPUBLIC**

### SUCCESS STORY

## Doubled yields and higher quality boost apple farmers' incomes

In 2017, USAID-supported apple farmers in Nookat district produced 6,245 tons of high quality apples earning over 2.7 mln USD as a result of doubled yields directly attributed to professional fruit tree care service.



Photo: Turar Bekbolotov

Photo caption: Mukhtar kyzy Kenje-Ayim with 3.5 tons of apple harvest stored before she sells in Nookat district.

**"We earn a living by farming. With doubled harvest, excellent quality and more money this year, we can afford to purchase cattle and cover all school expenses for our children including school uniforms, supplies and books."**

*Mukhtar kyzy Kenje-Ayim,*

*Apple farmer*

*Ak-Bulak village, Nookat district*

U.S. Agency for International Development  
Mission in the Kyrgyz Republic:  
[www.usaid.gov/kyrgyz-republic](http://www.usaid.gov/kyrgyz-republic)

Mukhtar kyzy Kenje-Ayim who lives in Ak-Bulak village with her three children, happily smiles as a wholesale buyer from Osh city purchases her remaining 3.5 tons of apples for 2,231 USD. A month ago, she sold an additional ton of apple for a bit less, but still a very good price.

*"Before we started hiring professional tree care services, our apple orchard suffered from diseases. After sorting and grading I was left with about 2 tons of apples for sale. This year we harvested 4.5 tons of apples, 90% of which were high quality apples that not only commanded more money in the market, but also meant we saved on labor costs,"* shares Kenje-Ayim, who has 35 apple trees in her 0,12 ha orchard.

Kenje-Ayim is one of 1487 farmers who received tree care services from the Nookat Altyn Almasy (NAA), a partner of the USAID Agro Horizon Project. USAID supports the service provider with high quality and environment friendly chemicals, protection gear, instruments, and professional tree care training on pruning, spraying and fertilizing.

The partnership proved to be exceptionally successful at increasing yields and quality of apple as confirmed by a survey carried out with NAA clients and non-client farmers in the same area which shows that client farmers on average harvested twice as much per hectare than non-client farmers.

Fruit quality also improved with tree care services. Clients had between 0 and 9% apples with pest or disease damage, while non-clients between 11 and 96%. The quality favorably affected the price. Client apples sold at 33% higher price than those of non-clients.

NAA's chairman, Mr. Kubanych Kaparov, related the success of the project to a mixed approach of organic and chemical treatment that helped trees bear quality apple with a preferred taste, natural color, and bigger size and weight.

Because of its high-quality apples, NAA concluded a supply contract with Frunze, one of the largest supermarket chains in the country. NAA supplied 5 tons of apples weekly to Frunze during a 16-week period, delivering 80 tons of apple with total commission fees of USD 2300 (2 KGS per kg) for its consolidation and marketing efforts. The supply contract benefited farmers by providing a ready sales channel for part of their harvest at a good price, while NAA benefited by acquiring a solid reputation in the district and an additional revenue stream allowing it to invest in further strengthening the business.

*"Tree care service are an investment that pays off when we sell our harvest. We plan to order a full cycle of tree care services again this year for pruning and spraying",* - says Kenje-Ayim, who like many farmers, plans to keep using tree services again in the coming years.

The USAID Agro Horizon Project aims to raise smallholder farmers' incomes by expanding markets and increasing the competitiveness of targeted agro sectors. The project increases employment in the agricultural sector, especially for women and youth, while improving the availability of nutritious foods.





**USAID**  
FROM THE AMERICAN PEOPLE

# KYRGYZ REPUBLIC

## SUCCESS STORY

### USAID Improves Quality of Livestock Feeds, Creates Market for Soybean Farmers

**The partnership between USAID and Oasis Agro will provide thousands of farmers engaged in soybeans, wheat, barley, poultry, milk and meat production with hundreds of thousands of additional revenues.**



Kubanychbek Alymbekov shows his soybean field to the buyer, Stephen Maier of Oasis Agro.

*"I am grateful to this USAID project for introducing new crops and best practices for growing them that helps provide local farmers with real incomes."*

*Kubanychbek Alymbekov,  
soybean farmer*

U.S. Agency for International Development  
Mission in the Kyrgyz Republic  
[www.usaid.gov/kyrgyz-republic](http://www.usaid.gov/kyrgyz-republic)

High quality feed is a critical component of successful livestock farming. USAID and its partner, Oasis Agro LLC, the biggest commercial feed concentrates producer in southern Kyrgyzstan, use soybean as a main ingredient for feed production. To produce their annual feed volumes, Oasis Agro could not source enough locally grown soybeans so they had to import soybeans from Uzbekistan with high transport costs. By understanding that production of soybeans is a lucrative cash crop for Kyrgyz farmers, Oasis Agro in partnership with the USAID Agro Horizon Project, started recruiting local farmers to plant soybeans.

Kubanychbek Alymbekov, a 54-year-old-farmer, decided to plant soybeans for the first time when he learned Oasis Agro was a ready buyer. Kubanychbek received soybean seeds and inoculant for enhanced nitrogen fixation. The condition was for him to pay back the costs for these inputs after harvest, which was appealing considering he faced a cash shortage in spring. Also, as a first-time grower, Kubanychbek participated in technical trainings and received ongoing coaching from Oasis Agro, where he learned the best practices and new technologies of soybean growing.

*"I like to learn and experience new things. The secret of my success is to follow the technical requirements strictly. With soybeans, this meant thorough land preparation and proper application of herbicides. Because of this, I got the highest yield out of all 275 farmers,"* Kubanychbek says proudly.

As a result, he harvested nearly 33 tons of soybeans and earned a net profit of 8,235 USD from his 6.5 ha of soybean crop, an astounding 30% more than other farmers with the same plot size. Kubanychbek plans to increase his soybean production next year and continue to supply to Oasis Agro.

*"There are 275 soybean farmers that joined our program in Spring 2017. Kubanychbek did an outstanding job, even exceeding our highest expectations! We awarded him with a certificate of appreciation as the best soybean farmer. He is a great example for other farmers in his community,"* says Stephen Maier, Oasis Agro Program Manager.

With USAID support, Oasis Agro installed two new 250 m<sup>3</sup> grain bins, which allowed them to buy and store an additional 300 tons of soybeans. USAID is also supporting Oasis Agro to procure a new, efficient feed mill that will increase the availability of quality feed on the local market with a faster processing rate- 4-5 tons per hour- and reduce the cost of feed by 1 som per kg. With expanded storage and processing capacity, Oasis Agro can now purchase more soybeans from local farmers and increase their feed production volumes to satisfy local and export markets.

*The USAID Agro Horizon Project is a four-year program across Osh, Jalal-Abad, Batken and Naryn oblasts aimed at increasing smallholder farmers' incomes by improving productivity and expanding access to local and international markets. The USAID Agro Horizon Project is one of many economic growth initiatives funded by the United States to increase employment and strengthen business opportunities in the Kyrgyz Republic. Learn more at [www.fb.com/agrohorizon](http://www.fb.com/agrohorizon).*

## ANNEX 12: OI SUBMISSIONS

|    |  |   |
|----|--|---|
| 1  | Milk processing equipment installed and tested at USAID dairy processing partner           | Alaiku Organics LLC                             |
| 2  | USAID partner begins dried plum processing and exports first batch                         | Altyn Aimak LLC                                 |
| 3  | USAID optimizes business operations of seven private sector partners                       | Concept Master LLC                              |
| 4  | Three USAID processing partners network at the Central Asia Trade Forum                    | Interfruit LLC, Abdimalik Ata LLC, Advantex LLC |
| 5  | USAID partner, Farmers Organic Garden, sells tomato paste for premium price                | Farmers Organic Garden LLC                      |
| 6  | High demand for Kyrgyz agricultural products opens international markets                   | Multiple  |
| 7  | USAID livestock partners collaborate to develop high quality feed production               | TES Center/OA                                   |
| 8  | USAID attracts new farmers to profitable safflower growing                                 | EIDan Atalyk                                    |
| 9  | USAID youth-owned partner doubles milk processing  | Tilen uluu Talas PE                             |
| 10 | USAID Inaugurates New Fresh Fruit Consolidation and Packing Center in Uch-Korgon           | Agroproduct Asia LLC                            |
| 11 | USAID partner develops software for quick loans to rural farmers                           | FMCC  |
| 12 | USAID Inaugurates New Fruit and Vegetable Processing Facility in Jalalabad                 | Farmers Organic Garden LLC                      |
| 13 | USAID partner Farmers Organic Garden wins “Best Quality Product” Award                     | Farmers Organic Garden LLC                      |
| 14 | USAID partner, Orjemil, starts fruit drying using new equipment                            | Orjemil LLC                                     |
| 15 | USAID Inaugurates Two New Fruit Processing Facilities and One Fruit Cold Storage in Osh    | Orjemil, Advantex, Aidoshova                    |
| 16 | USAID improves access to high quality seed potatoes boosting profitability of farmers      | Agro Credit Plus                                |
| 17 | USAID partner’s dairy products now sold in the biggest retail chain in Osh                 | Tilen uluu Talas PE                             |
| 18 | USAID partners participate at WorldFood Kazakhstan Expo                                    | Multiple  |
| 19 | USAID Links Young Agricultural Specialists to Partner Businesses                           | Multiple  |
| 20 | USAID support increases vegetable farmers’ incomes   | Zoloto Doliniy                                  |
| 21 | USAID supports women greenhouse farmers with business skills development                   | Greenhouse Farmers                              |
| 22 | USAID support increases profits of cucumber farmers  | Supply base dev RAS JA                          |
| 23 | USAID support increase profits of tomato farmers   | Supply base dev RAS JA                          |
| 24 | USAID’s women entrepreneur partner earns first apple profits with new cooling facility     | PE Aidoshova                                    |
| 25 | USAID partnership with cooperative leads to supermarket contract for high quality apples   | Nookat Altyn Almasy Coop.                       |
| 26 | USAID-supported Enterprise to Export US\$1 Million dried fruits to the US                  | Altyn Aimak LLC                                 |
| 27 | USAID partnership expands garlic production for smallholder farmers                        | EIDan Atalyk                                    |
| 28 | Animal Traceability System in Place for Slaughterhouse Established under USAID Partnership | Adal Azyk                                       |
| 29 | USAID Named Key Player in Anemia Reduction in the Kyrgyz Republic                          | AH Nutrition Programming                        |



## ANNEX 13: MEDIA PICK UP LINKS

<https://www.youtube.com/watch?v=GWYO3HyvLp4>

<https://www.usaid.gov/ru/kyrgyz-republic/press-releases/nov-22-2017-usaid-and-farmers-organic-garden-launch-largest>

<http://kabar.kg/news/predpriatie-po-pererabotke-fruktoy-i-ovoshchei-zarabotalo-v-dzhalal-abade/>

<https://akipress.com/news:599144/>

<http://www.turmush.kg/news:335560?from=portal&place=imp-turmush-kg>

<https://kg.usembassy.gov/usaid-farmers-organic-garden-launch-largest-fruit-vegetable-processing-facility-jalal-abad-oblast/>

<http://on1.kg/ru/society/v-oshe-dva-novyh-predpriyatiya-budut-pererabatyvat-bolee-1-tysyachi-tonn-selhozproduktov-v-god/>

<https://akipress.com/news:598766/>

<https://kg.usembassy.gov/new-fruit-processing-facilities-will-expand-agriculture-production-osh/>

[http://www.vesti.kg/index.php?option=com\\_k2&view=item&id=48094%3Azhenschinyi-fermeryi-uvelichivayut-dohodyi-blagodarya-novyim-teplichnyim-hozyaystvam&Itemid=135](http://www.vesti.kg/index.php?option=com_k2&view=item&id=48094%3Azhenschinyi-fermeryi-uvelichivayut-dohodyi-blagodarya-novyim-teplichnyim-hozyaystvam&Itemid=135)

<https://akipress.com/news:597449/>

## ANNEX 14: CHECKLIST OF REQUIREMENTS FOR ENVIRONMENTAL COMPLIANCE

| Partners               | Environmental issues and required documents  | Status  | Environmental Review Checklist submission date to MEO |
|------------------------|--|---|---|
| PE Ibragimov           | The grantee should obtain a permit from local architectural department for functional conversion of building and permitting documentation for construction of mini consolidation center. Refrigerant used in cooling system should follow US EPA Significant New Alternatives Policy (SNAP).   | The grantee must apply for construction permit as well as approved construction design.                       | 15.11.2017  |
| Altyn Aimak LLC        | The grantee should provide copies of quality and conformity certificates for equipment to be procured. Renovation of the premises should comply with national construction rules and regulations as well as EMMP that was developed for the project.   | The grantee must provide quality and conformity certificates to GDP and ECS.                                  | 15.11.2017  |
| Advantex LLC           | The grantee should obtain a permit from local architectural department for functional conversion of building and permitting documentation for construction of fruits processing facility.  | The grantee must apply for construction permit as well as approved construction design.                       | 15.11.2017  |
| ElDan Atalyk           | Quality certificate for procured fertilizers should be provided by vendors. No procurement, use or recommendation for use of ammonium nitrate (AN) and calcium nitrate (CAN) fertilizers. The use of heavy machinery should be minimized, and used under best management practices. Training should be provided in proper maintenance procedures.                  | The grantee should comply with EMMP developed for the project.  | 04.12.2017  |
| Farmers Organic Garden | Machinery should be well maintained and stored in proper location. The use of heavy machinery should be minimized, and used under best management practices. Training should be provided in proper maintenance procedures. The source of seeds should meet all applicable KG and CIS (CU) phyto-sanitation requirements regulations to identify best quality seeds | The grantee/vendor should provide results of phyto-sanitation control conducted by licensed agency/specialist | 04.12.2017  |
| Adal Azyk LLC          | Consider separation of recyclables and organic waste. Consider including space and/or constructing a compost bin or wormbox if facility will produce organic waste.  | The grantee should comply with EMMP developed for the project.  | 08.12.2017  |

## ANNEX 15: SUMMARY OF GRANTS REQUESTS & APPROVALS

| Grantee Name  | Brief Description   | Grant Amount (USD) | Date submitted | Date approved    |
|---|---|--------------------|----------------|------------------|
| <b>Quarter 1 Year 4</b>   |   |                    |                |                  |
| Altyn Aimak LLC (2nd)<br><i>Grant and NXP</i>   | Create market demand for and facilitate exports of locally grown fruits by strengthening the processing capacity of LLC "Altyn Aimak" through acquisition of packaging equipment and large dried fruit processing line for export.                    |                    | 11/12/2017     | 11/22/2017       |
| PE Ibragimov<br><i>Grant and NXP</i>  | This partnership envisages establishment of a mini-consolidation center to organize on and off-season sales of cleaned and graded fruits and create demand for fruits grown by farmers in Osh oblast.   |                    | 11/12/2017     | 11/22/2017       |
| Advantex LLC (Oimo foods) 2 <sup>nd</sup><br><i>Grant and NXP</i>                       | This partnership involves creation of laboratory and training center for farmers in Osh oblast. Training center will connect farmers with all big markets in Kyrgyzstan, including markets in petroleum stations, and other neighboring countries.    |                    | 11/12/2017     | 11/22/2017       |
| SocAgro LLC<br><i>Grant and NXP</i>   | This partnership involves creation of Agro-Industrial bases for milk collection in Naryn oblast and bordering with Naryn areas as branches of SocAgro LLC (SA) with an outreach of activities in Naryn oblast and other areas of the Kyrgyz Republic. |                    | 12/11/2017     | Rejected         |
| Farmers Organic Garden LLC (3 <sup>rd</sup> )<br><i>Grant, NXP and Restricted Goods</i> | The purpose of this Grant is to provide support to Grantee to develop its supply of raw materials for the vegetable processing facility   |                    | 12/11/2017     | Not approved yet |
| ElDan Atalyk LLC (2nd)<br><i>Grant, NXP and Restricted Goods</i>                        | The partnership promotes increase in supply of raw materials for production of edible oil and can substitute importation of edible oil of approximately 16% of demand in Kyrgyzstan   |                    | 12/11/2017     | Not approved yet |
| Adal Azyk LLC (Toibos) (2nd)<br><i>Grant and Restricted Goods</i>                       | The partnership strengthens the system for regular delivery of the required number of animals with the required traceability documents to Adal Azyk's slaughterhouse in Kochkor   |                    | 12/11/2017     | Not approved yet |

## ANNEX 16: SUMMARY OF MODIFICATIONS

| Grantee Name  | Purpose  | Date                     | Approval from USAID | Approval of NXP/ Restricted Goods |
|---|--|--------------------------|---------------------|-----------------------------------|
| Oasis Group LLC<br><i>Modification #2</i>                     | To procure the new feed line requested will have higher capacity, reduce risk of inaccuracy and reduce cost of production.. This adjustment will not increase the total USAID approved grant amount for Oasis Agro.  | 27<br>September,<br>2017 | N/A                 | 24 November,<br>2017              |
| The First Microfinance Company CJSC<br><i>Modification #1</i> | To change the name of the company from CJSC “The First Microcredit Company” to CJSC “The First Microfinance Company” based on Certificate which was issued during re-registration by Ministry of Justice dated August 28, 2017   | 20 October,<br>2017      | N/A                 | N/A                               |
| Alaiku Organics LLC   | The purpose of this no cost modification is:<br>1) to add a budget line for transportation cost as a grantee contribution for the delivery of the equipment which was not budgeted before.<br>2) to remove grantee’s contribution in the budgeted for Complete set of equipment for milk processing into qurut.<br>3) to increase a budget line for Milk tanks with fridge equipment | 24 October,<br>2017      | N/A                 | N/A                               |
| Aravan Agroservice LLC<br><i>Modification #2</i>              | No cost modification to re-allocate the saved funds as per STTA’s recommendation to improve the safety of the facility by adding new budget lines: Roll-out doors.   | 25 October,<br>2017      | N/A                 | N/A                               |
| PE Tilen Uulu<br><i>Modification #3</i>                       | To modify the budget and budget from Tetra Pak automatic filling and packaging budget line into the new Tetra Pak carton boxes budget line   | 25 October,<br>2017      | N/A                 | N/A                               |

| Grantee Name  | Purpose  | Date              | Approval from USAID | Approval of NXP/ Restricted Goods |
|---|--|-------------------|---------------------|-----------------------------------|
| Turan Group LLC<br><i>Modification #1</i>                                   | Activities timelines with new dates on procurement and construction were changed through no cost - modification #2 to mitigate further delays              | 26 November, 2017 | N/A                 | N/A                               |
| Agricultural cooperative<br>“Nookat Altyn Almasy”<br><i>Modification #2</i> | To increase the total budget to procure 50 pruning shears and adjust the indicators table highlighted in yellow  | 13 December, 2017 | December 22, 2017   | N/A                               |
| PE Burgutov<br>(Krasnyi Vostok)<br><i>Modification #1</i>                   | To increase the total budget to procure of 60 pruning shears, 2 overhead sprayers and 1 mini-tractor and adjust the indicators table highlighted in yellow | 13 December, 2017 | December 22, 2017   | 13 December, 2017                 |
| ElDan Atalyk LLC<br><i>Modification #3</i>                                  | No cost modification to procure additional bottling line from the savings made after purchasing main equipment   | 27 December, 2017 | N/A                 | 30 November, 2017                 |

## ANNEX 17: SOLICITATIONS

| Activity Name and Contract Number   | Type of Tender | Location           | Date of Tender     | Organization                |
|---|----------------|--------------------|--------------------|-----------------------------|
| G&Y Youth Internship program  | RFP            | ZOI                | September 29, 2017 | Public Fund “Youth of Osh”  |
| Trainings for women entrepreneurs on economic analysis  | RFP            | Osh, Naryn oblasts | September 29, 2017 | Lavista LLC                 |
| Fund Investment Research  | RFP            | Bishkek            | October 6, 2017    | GRATA Law Firm LLC          |
| STTA to support additional partner SMEs on HRM (+6 new SMEs)  | RFP            | ZOI                | October 17, 2017   | Art Box LLC                 |
| Legal and Taxation Advisory Services to support additional partner SMEs.  | RFP            | ZOI                | October 24, 2017   | Public Fund “Grow Together” |
| Provision of support to establishing efficient partnerships on value chain financing between “Bai-Tushum” Bank and agricultural processors. | RFP            | ZOI                | November 17, 2017  | Spot On Consulting LLC      |

## ANNEX 18: APPROVALS SUMMARY

| Kyrgyzstan USAID Agro Horizon Project   |                |               |
|---|----------------|---------------|
| October 1, 2017 – December 31, 2017   |                |               |
| Approvals for Reporting Period  |                |               |
| Item  | Date Submitted | Date Approved |
| Travel Approval – Fruit and Vegetable Value Chain Experience Exchange and Networking for Kyrgyz Agribusiness Representatives (“Study Tour”) | 10/10/17       | 10/11/17      |
| FY18 Workplan revisions to Task 3   | 10/13/17       | 10/13/17      |
| Year 3 Annual Performance Report  | 10/31/2017     | 11/19/17      |
| Travel Approval - Juraboy Yangiboev   | 11/22/17       | 11/24/17      |
| Grant, NXP Procurement and Disposition Approval - Altyn Aimak, PE Ibragimov and Advantex LLC  | 11/12/17       | 11/22/17      |
| NXP Procurement and Disposition Approval - Eldan Atalyk LLC   | 11/12/17       | 11/30/17      |
| Grant Approval – Farmers Organic LLC, Eldan Atalyk LLC, and Adal Azyk LLC   | 12/11/17       | 1/23/18       |
| NXP Approval – Farmers Organic LLC and Eldan Atalyk, LCC  | 12/11/17       | 1/23/18       |
| Grant Modification Approval - Krasnyi Vostok and Nookat Altyn Almasy  | 12/13/17       | 12/15/17      |
| NXP Procurement and Disposition Approval - Krasnyi Vostok   | 12/13/17       | 12/15/17      |

**ANNEX 19: FINANCIAL SUMMARY**