



**ENPARD AJARA**  
**SUPPORT TO THE AGRICULTURE DEVELOPMENT**  
**IN THE AJARA AUTONOMOUS REPUBLIC**

**5 Month Progress Report**  
**By 1<sup>st</sup> December 2013**

**Project Outline.** In order to achieve main goals of ENPARD Ajara project – increase farmers' returns on agricultural activities and strengthen institutional capacities of main agriculture service providers in the region, ENPARD Ajara Project was structured under three main activities:

- Increasing and improving services to small farmers;
- Development and support of business oriented farmers` groups; and
- Institutional Development of Agriculture policy developers and associated agencies;

Sub activities under each component are developed in logical framework that insures efficient targeting of issues, factors and actors –influencers of expected outcomes that sum up in above stated goals.

ENPARD Ajara Project was officially launched in July 2013. Below Please find 5 months detailed progress report broken down in following topics:

**Activity #1: Increasing and Improving Services to Small Farmers**

- **ASC Strategic Development Plan;**
- **Models of Consolidation Services;**
- **Delivery of Extension Services;**
- **Experience Sharing and Training of Trainers;**
- **Demo Projects and Agriculture tours for Farmers;**
- **Agriculture Textbooks and Regular Newsletters;**
- **Support of Vocational Professions in Agriculture;**
- **Development of ASC Branches;**

**Activity #2: Development and support of business oriented farmers` groups**

- **Business Models of Profit Oriented Small Farmers` Groups;**
- **Delivery of BDS services to profit oriented small farmers groups;**

**Activity #3: Institutional Development of Agriculture policy developers and associated agencies**

- **Ajara Competitiveness and Export Promotion Policy Study;**

ENPARD Ajara progress report is prepared by project team for Steering Committee of 2013, 5-7 Dec.

**Activity #1: Increasing and Improving Services to Small Farmers.** Agriculture Service Centre of Ajara (further ASC or AS Centre) is the main partner of UNDP in implementing sub activities under given component. ASC is the only and largest public entity in the Ajara providing agriculture support services and resources to the farmers as well as agribusiness.

**ASC Strategic Development Plan.** Despite of continues and rapid growth started with establishment of organization in 2011 there is significant risk related to its further development. ASC is accumulating serious means for provision of agriculture services and resources, such as field experts, extension consultants, infrastructure, consolidation, processing and operational equipment, machinery, nurseries and etc.

For two year period ASC made huge leap from nothing to current standings. However, organization`s activities can be described as unstructured in terms of institutionalization of services. There are serious concerns related to formation of ASC as the long run, sustainable and efficient agriculture policy interpreter and implementer.

In order to prevent transformation of ASC into clumsy agriculture entity ENPARD Ajara Project supports organization in elaboration of detailed Strategic Development Plan and relevant operational setting. By the 1<sup>st</sup> December 2013 the draft outline of the Document is developed. Final version is expected to be delivered by the end of December.

**Models of Consolidation Services.** Key element for increasing returns to small farmers is in proper model of consolidation services. Extremely small scale farming accompanied with unfavorable landscape conditions make production of agricultural products inefficient. Small quantities of individually harvested products make farmers unable to retain quality, price and quantity sufficient for links to the sustainable trade channels. In this regard consolidation is good instrument for formation of bigger volumes that are better tradable and more attractive for potential buyers.

In addition to above mentioned, consolidation services stimulate increase in quantity and quality of products and improving of means of production thus securing and increasing returns to individual farmers` households.

By the 1<sup>st</sup> December 2013, feasibility study has been conducted and Draft document of operational model and business plan of consolidation centers has been developed. Final version is expected to be delivered by the end of December.

#### Results Achieved by 01.11.2013

- Draft Document of “**ASC Strategic Development Plan**”;

#### Direct Beneficiaries of Activity

- AS Centre of Ajara;
- Ministry of Agriculture AR;
- Agriculture service and resource providers;

#### Activity Implemented Through

- International expert;
- AS Centre of Ajara;
- Ministry of Agriculture AR;
- ENPARD Ajara Project;

#### Total Budget of Sub Activity

- **9,050 USD;**

#### Results Achieved by 01.11.2013

- Draft Document of “**Operational Model and Business Plan of Consolidation Centers**”;

#### Direct Beneficiaries of Activity

- farmers in municipalities;
- Agribusiness entities;
- AS Centre of Ajara;
- Ministry of Agriculture AR;

#### Activity Implemented Through

- International expert;
- AS Centre of Ajara;
- ENPARD Ajara Project;

#### Total Budget of Sub Activity

- **17,880 USD;**

**Delivery of Extension Services.** One of the important activities of the project is mitigation of knowledge gap in modern methods of farming through continues education of farmers. Extension services are delivered regularly to the farmers all over the Ajara in animal husbandry, veterinary, artificial insemination, plants protection, fruits and vegetables gardening and soil testing.

Total of 615 farmers are direct beneficiaries of consultations in Agronomy issues while 370 farmers benefited from consultations in animal husbandry, veterinary and artificial insemination. Out of 370, 202 cases if artificial insemination are registered;



**Experience Sharing and Training of Trainers.** In order to insure quality of delivery of extension services, retraining program in “Methodology and Delivery Techniques of Extension Services” has been developed and delivered to the Agriservice Centre staff including ASC extension specialists. Total of 38 people have been retrained. Textbooks - “Methodology of Extension Consultant” have been distributed among participants. Up to 40 staff of AS Centre was retrained in fruit gardening and modern methods of nursery operations. 5 of AS Centre staff attended veterinary workshop organized in Anaklia, Georgia.

Management of ASC visited green house producers (Dalsem Group, Debet Schalke) in Holland for introduction of modern methods of green house farming. Contacts have been established with companies working in gardening (Fortecococopeat, Arend Sosef, Rijk Zwaan, Groenewegen tomatoes, Boeksteijn peppers) and flowers growing (Fransen Roses, Boskoop Tree). According knowledge is replicated in developing and implementing of 3,000 square meter green house projects at the ASC’s Qobuleti Service Centre.

In December 2013 Armenian group of investors is visiting ASC for experience sharing in blueberry farming/drying where Georgian side is the mentor. Such cross border cooperation are the result of intensive involvement of ENPARD Ajara Project and CARD Centre of Armenia

#### Results Achieved by 01.11.2013

- **615 farmers** consulted in agronomy;
- **370 farmers** consulted in veterinary ;
- **202 cases** of artificial insemination;

#### Direct Beneficiaries of Activity

- farmers in municipalities;

#### Activity Implemented Through

- Local consultants;
- AS Centre of Ajara;
- ENPARD Ajara Project;

#### Total Budget of Sub Activity

- **69,500 USD;**



#### Results Achieved by 01.11.2013

- **38 of AS Centre staff** including extension specialists are retrained;
- **39 of AS Centre staff** retrained in nursery and fruit gardening;
- **5 of AS Centre staff** retrained in veterinary issues;
- **AS Centre Management** introduced to modern methods of green house farming;

#### Direct Beneficiaries of Activity

- Agriservice Centre of Ajara;
- Ministry of Agriculture AR;

#### Activity Implemented Through

- Local extension expert;
- Agriservice Centre of Ajara;
- ENPARD Ajara Project;

#### Total Budget of Sub Activity

- **31,650 USD;**



**Demo Projects and Agriculture tours for Farmers.** Template demonstration projects have been developed and implemented directly with farmers` households. The main goal of the activity is: a) introduction to the means of efficient farming; b) introduction to the modern farming techniques; c) introduction to the high value varieties and plants; d) overcoming of farmers` conservative nature by enabling them directly observe generated positive financial, quantitative and qualitative results.

As the result of activity blueberry and walnut demo plots have been arranged (three demo plots for each case – total of 6 demo plots) on total of 16,000 square meter (8,500m2 walnut and 7,500m2 blueberry) thousand square meter in Keda, Shuakhevi and Khulo municipalities. 6 Dairy milking equipments and 14 separators for dairy products have been purchased for Qobuleti municipality farmers. Development of tomato green house with latest efficient farming methods is ongoing.

Agriculture tour was organized for 37 ASC staff as well as for 46 farmers all over the Ajara. During the agritour farmers visited Georgia Agriculture Corporation`s Blueberry demo plots in Tsetskhlauri, Unifarma LTD`s Dairy and meat producing cattle farms, green houses in Gory municipality and fruits nurcery in Mtskheta municipality. The efficiency of such tour was very much appreciated by the farmers as best option for experience and knowledge sharing and demonstration of existing, working farming patterns.



#### Results Achieved by 01.11.2013

- **8,500m2 walnut** demo projects implemented in Keda, Shuakhevi and Kulo;
- **7,500m2 blueberry** demo projects implemented in Keda, Shuakhevi and Kulo;
- **6 Dairy milking and 14 separators** for Qobuleti municipality farmers;
- **37 ASC staff** benefited from Agriculture tour;
- **46 farmers** benefited from Agriculture tour;

#### Direct Beneficiaries of Activity

- farmers in municipalities;
- AS Centre Staff;

#### Activity Implemented Through

- AS Centre of Ajara;
- ENPARD Ajara Project;

#### Total Budget of Sub Activity

- **69,500 USD;**



**Agriculture Textbooks and Regular Newsletters.** ENPARD Ajara Project pays serious attention to the sustainability of information and knowledge delivery. Under sustainability we understand insuring of quality as well as continuity of knowledge delivery. As the action towards mentioned issue:

- a) two textbooks have been published in “Vegetable Gardening” and “Fruit Gardening”; Textbook are distributed to the relevant agriculture knowledge providers in the region
- b) Informational Booklets have been developed in various agriculture field and are distributed regularly among farmers;
- c) Regular newsletters of AS Centre are developed and distributed among farmers as well as to the other agriculture entities;

While textbooks and booklets are strong knowledge delivery instruments, newsletter is the only communication tool practiced between Ministry of Agriculture, it’s agencies, farmers and agribusiness entities.



**Results Achieved by 01.11.2013**

- “Vegetable Gardening” and “Fruit Gardening” textbook published;
- **Informational Booklets** developed, published and distributed among farmers;
- **Regular Newsletter** developed and distributed among farmers and other agriculture entities;

**Direct Beneficiaries of Activity**

- farmers in municipalities;
- Agribusiness entities;
- AS Centre of Ajara;
- Ministry of Agriculture AR;
- Vocational students;
- Vocational colleges;

**Activity Implemented Through**

- Local expert;
- AS Centre of Ajara;
- ENPARD Ajara Project;

**Total Budget of Sub Activity**

- **23,500 USD;**
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**Support of Vocational Professions in Agriculture.** Institutionalization of agriculture development requires relevant attention to vocational education. Any agriculture services are doomed to failure without according staff on the basic level. It is to be mentioned that none of two public vocational colleges have delivered courses in agriculture professions before. By the assistance of UNDP relevant short term (200 hours) study courses have been developed in vocational professions of “Agriculture Chemicals and Pesticides Specialist” and “Specialist of Nursery”. Mentioned professions were identified through consultations with ASC, State University and Ministry of Agriculture of Ajara. Classrooms were arranged and basic teaching equipment was purchased for proper delivery of study courses. By the end December up to 60 people will be certified in above mentioned professions.



**Development of ASC Branches.** Strengthening of institutional capacities of agriculture service providers is one of two main goals of the project. In the case of ASC, as the only public agency in the region, this is related to according representation of ASC in all municipalities of Ajara. In this regard ENPARD Ajara Project supports development of ASC branches in terms of infrastructure refurbishment/reconstruction as well as equipping them with relevant IT, furniture, transports and basic agricultural equipments such as soil portable laboratories and artificial insemination equipments. In this regard By 1st December 2013:

- Procurement procedures for seven units of 4x4 vehicles are finalized. Delivery of Lada 21214m (NIVA) models is expected in December 2013;
- Sites for three branches of ASC are identified in Keda, Shuakhevi and Khulo municipalities. Civil engineer is contracted, development of Bills of Quantities, drawings and other relevant documentation finalized. Tender evaluation procedures are ongoing. Refurbishment works are expected to

#### Results Achieved by 01.11.2013

- Vocational study courses developed “**Agriculture Chemicals and Pesticides Specialist**”;
- Vocational study courses developed “**Specialist of Nursery**”;
- According teaching environment created;
- Up to 60 students trained in both professions;

#### Direct Beneficiaries of Activity

- farmers in municipalities;
- Agribusiness entities;
- AS Centre of Ajara;
- Ministry of Agriculture AR;
- Vocational students;
- Vocational colleges;

#### Activity Implemented Through

- International expert;
- AS Centre of Ajara;
- ENPARD Ajara Project;

#### Total Budget of Sub Activity

- **19,633 USD;**

#### Results Achieved by 01.11.2013

- **Seven units of 4x4 vehicles** Lada 21214m purchased;
- **Refurbishment Tender for AS Center Branches** done;
- **Portable Soil laboratories** for AS Center Branches;
- **Artificial Insemination** for AS Center Branches;
- **Tender for IT equipment** for AS Center Branches finalized;
- **Tender for Furniture equipment** for AS Center Branches finalized;

#### Direct Beneficiaries of Activity

- AS Centre of Ajara;
- Ministry of Agriculture AR;

#### Activity Implemented Through

- ENPARD Ajara Project;

- start in December 2013 with 80 days completion period;
- Procurement procedures for ASC portable soil laboratory equipments are finalized. Delivery of equipment is expected by the end of December 2013;
- Procurement procedures for ASC artificial insemination equipments are finalized. Delivery of equipment is expected by the end of December 2013;
- Procurement procedures for ASC IT equipments are finalized. Delivery of equipment is expected by the end of December 2013;
- Procurement procedures for ASC furniture are finalized. Delivery of furniture is expected by the end of December 2013

#### Total Budget of Sub Activity

- **212,809 USD;**



**Activity #2: Development and support of business oriented farmers` groups.** Batumi Business Incubator is the main partner of UNDP in implementing sub activities under given component. BBI is the only and largest institution in the Ajara region providing Business support services and resources to the entrepreneurs in Ajara.

**Business Models of Profit Oriented Small Farmers` Groups.** One of the key challenges of the ENPARD Ajara Project is identification and support of successful business models of/for profit oriented farmers` groups. In terms of implementation sequence first of all there is need for identification of perspective forms of profit oriented small farmers groups. Not the legal form is the subject of interest, but functional model that insures stable interest and motivation of farmers to operate as the group. In this regard baseline surveys, feasibility studies, and recommendations in relation to perspectives of farmers` cooperation in Georgia that are developed under global ENPARD Project are very helpful. However, due to very challenging and generally not friendly agriculture environment, cooperation studies require Ajara specific – narrow approach in terms of efficiency and reasonability justification of extremely small scale farms cooperation that make up 80% of local agriculture sector.

In this regard, as the first stage of given activity, ENPARD Ajara Project has developed **Functional Model of Profit Oriented Farmers Groups in Ajara**. Given model defines Ajara specific details, justifies their existence and demonstrates accompanied factors. It recommends actions and factors to be taken into account when designing any business model prototype. As the second stage of given activity ENPARD Ajara Project has developed **Methodology and Actions for Identifying Perspective Farmers Groups and Target Sectors**. The document provides set of actions implemented in relation to identification of perspective farmers groups and defining promising agriculture sectors for further targeting. As the final stage of the given sub activity ENPAD Ajara Project has developed comprehensive **Business Model of Honey Cooperation in Ajara**. Document is in depth walkthrough of honey consolidation, processing, packaging and marketing operations with according justification of economic and financial viability. Besides written document the **Mathematical Modality** is developed as well for quick simulation of various business scenarios.

#### Results Achieved by 01.11.2013

- **Functional Model** of Profit Oriented Farmers Groups in Ajara developed;
- **Methodology and Actions** for Identifying Perspective Farmers Groups and Target Sectors developed;
- **Business Model** of Honey Cooperation in Ajara;
- **Mathematical Model** of Honey Cooperation;

#### Direct Beneficiaries of Activity

- Profit oriented farmers;
- Agribusiness entities;

#### Activity Implemented Through

- Local Consultants;
- Batumi Business Incubator;
- ENPARD Ajara Project;

#### Total Budget of Sub Activity

- **4, 380 USD;**



### Delivery of BDS services to profit oriented small farmers groups.

Agribusiness is fairly most difficult field for business activities in Ajara region. Well known issues, related to unfriendly agriculture environment, finally come up to inefficient production for many of the local agricultural products that besides other constraints totally lose against economies of scale of imported analogue products from large neighbor markets.

Success in agribusiness activities in Ajara requires complex set of knowledge, experience, and information in efficient production, processing and marketing along with knowledge of export/import procedures, competitive markets, logistic and organization and implementation of proper agribusiness operations, knowledge of management, agriculture accounting and etc.

Practical workshops in above listed fields are regularly delivered by relevant consultants of ENPARD Ajara Project. By the 1<sup>st</sup> December 2013 up to 70 farmers and 58 agribusiness financial staff are direct beneficiaries of the consultations. However, since there is no economically viable farmer cooperation on the Ajara market, trained farmers may only be regarded as perspective members of profit oriented farmers' groups identified through developed selection methodology.

### Results Achieved by 01.11.2013

- **Business Development Services** developed and delivered to **70 Farmers**;
- **58 Agribusiness staff** went through

### Direct Beneficiaries of Activity

- Profit oriented farmers;
- Agribusiness entities;

### Activity Implemented Through

- Local Consultants;
- Batumi Business Incubator;
- ENPARD Ajara Project;

### Total Budget of Sub Activity

- **34,950 USD**;



### Activity #3: Institutional Development of Agriculture policy developers and associated agencies.

Ministry of Agriculture of Ajara is main target and final beneficiary of given activity. Strengthening capacity of MoA is frame in following set of sub activities: a) Ajara Agriculture Sector Baseline Survey, Competitiveness and Export Promotion Policy Study; b) Capacity development needs assessment of the Ministry's staff; c) Capacity development program for MoA staff; d) Training of MoA staff in agriculture policy development. In order to facilitate quality implementation of activity, external advisory services of high qualified agriculture expert is involved in the project. Currently intensive work with MoA staff is ongoing.

**Ajara Competitiveness and Export Promotion Policy Study.** The draft "Ajara Agriculture Sector Competitiveness and Export Promotion Policy Study" is expected to be developed by the end of December 2013 with its further presentation to the agriculture policy makers in Georgia. The overall objective of the sub activity is support to the development of Ajara agriculture sector competitiveness policy development.

### Results Achieved by 01.11.2013

- The draft "**Ajara Agriculture Sector Competitiveness and Export Promotion Policy Study**";

### Direct Beneficiaries of Activity

- Ministry of Agriculture AR;
- AS Centre of Ajara;

### Activity Implemented Through

- International expert;
- ENPARD Ajara Project;

### Total Budget of Sub Activity

- **34,950 USD**;