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EVALUATION OF THE AGRO-SERVICE ASSOCIATION

FINAL

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USAID ECONOMIC PROSPERITY INITIATIVE (EPI)

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ABSTRACT

Training is a key component in closing the technology gap in Georgian agriculture. Theoretical training and practical application and demonstration of the taught technologies are necessary to influence farmers to adopt the new technologies. Training is also a useful tool to improve the management capacity of those persons charged with the responsibility to deliver the goods and services required to improve the quality and quantity of agricultural outputs. Agro-Service Association (ASA) has been identified as the prime agricultural training organization. Therefore, it was deemed necessary to evaluate ASA to ascertain that it can indeed deliver the required training, which will assure that applicable EPI objectives are met.

ABBREVIATIONS

EPI	Economic Prosperity Initiative
FSC	Farm Service Center
ASA	Agro-Service Association
USAID	United States Agency for International Development
GlobalGAP	Global Good Agricultural Practices
F-to-F	Farmer-to-Farmer
GOG	Government of Georgia
MOA	Ministry of Agriculture
EU	European Union
FAO	Food and Agriculture Organization
GIZ	German Society for International Cooperation
LOL	Land O' Lakes
CHS	Cenex/Harvest States
HACCP	Hazard Analysis & Critical Control Points
ISO	International Organization for Standardization
MCC	Millenium Challenge Corporation

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I. EXECUTIVE SUMMARY

BACKGROUND

A recent initiative funded through the USAID-funded Economic Prosperity Initiative (EPI) resulted in a thorough assessment of the Farm Service Centers (FSC's) recently created in part through the assistance of the Millenium Challenge Corporation (MCC) program. That study also included an evaluation of the supply and demand of agricultural inputs, i.e., seed, fertilizer, pesticides, machinery services, technology, and affordable credit. As a result, recommendations were made that called for the ASA to step up its training programs to close a perceived technology gap. Those were to develop and deliver financial management and marketing/sales training programs for FSC managers, accountants, and key sales personnel; intensify farmer training specifically applicable to USAID-EPI target crops; and coordinate a countrywide effort to establish well designed, conveniently located demonstration plots that promote and exhibit the technologies used to produce the identified crops.

By taking a more robust role in supporting EPI objectives, some of the new activities could challenge ASA's capabilities and, therefore, it was deemed necessary to reevaluate the organization's capabilities and, if needed, identify ways to strengthen the association.

METHODOLOGY

The following actions were taken by the consultant in order to gain the information required to make an objective evaluation of ASA's capabilities:

- Consultant made a brief audit of a training course on orchard fruit that was attended by over 30 commercial farmers. Course included classroom and field training and was well received by the farmers.
- Conducted two interviews with the Director to understand the origin and scope of the organization.
- Identified two U.S. consultants with extensive experience working with and training managers and boards of farm service center cooperatives affiliated with Land O' Lakes (LOL) and Cenex/Harvest States (CHS). Those consultants are to cooperate with Georgian counterparts to develop and deliver financial management and marketing/sales training programs to FSC personnel.
- Interviewed the Georgian counterparts (proposed trainers) who are to conduct the new financial management and marketing/sales training programs for FSC personnel.
- Requested and reviewed the budget submitted by ASA for coordinating demonstration plots chosen by the EPI agriculture sectors team.
- Interviewed the Director with followup questions about the organization and demonstration plot budget.
- Interviewed CNFA Country Director, who is responsible for the Farmer-to-Farmer (F-to-F) program.

FINDINGS

ASA is positioned as the primary link between the farmer and the technologies required to compete in today's agriculture. The FSC technical personnel are also a part of that technology chain by being the most qualified to reinforce those technologies to the farmer through day-to-day consultations. ASA and FSCs together form the most efficient delivery system for agricultural extension services. During this brief evaluation, the consultant found strengths and some weaknesses in the system. Following are the consultant's opinions as to the strength and weaknesses of the ASA.

Strengths

- ASA is properly organized as the lead coordinating group to manage highly skilled agricultural consultants who in turn disseminate technological information through training courses for FSC agronomists and veterinarians as well as farmers.
- It is well-connected working with a host of donor programs that benefit Georgian agriculturalists, including farmers.
- The organization is well managed with a motivated and dedicated staff.
- It has a fleet of highly trained agricultural technologists who constantly update their credentials by attending international conferences and networking with well-informed agriculture experts.
- It organizes training programs for Georgian agriculturalists in other countries (e.g., Poland) who have experienced the political and technological transition to modern agricultural production, postharvest handling, storage, and marketing of high-value crops.
- The organization is capable with the appropriate funding and guidance provided by EPI personnel to successfully conduct the country-wide coordination effort to design, manage, promote, exhibit, and publish harvest results of the EPI identified demonstration plots of target crops.

Weaknesses

- Though based on anecdotal data, the consultant suspects that the trainers do not provide farmers with cost/benefit analysis for recommended agronomic interventions, e.g., pesticide spraying.
- The organization is not taking advantage of the expertise provided by agricultural consultants fielded by the EPI and the CNFA F-to-F Program.
- The organization does not have access to strong post-harvest handling, storage, and packaging consultants.
- The organization lacks personnel who have knowledge and the ability to train FSC personnel in sophisticated financial management and marketing/sales techniques applicable to FSC enterprises.
- The organization does not have or is not taking steps to have sufficient expertise in GlobalGAP, HACCP, and ISO standards to play a vital role in implementation or certification.

- The organization will require close oversight by EPI personnel as it implements the nation-wide demonstration plot program. Cost of production versus return is the ultimate data required from all plots.
- The organization is missing an opportunity for a source of funding by not having a well-defined “membership” program. FSC managers have a vague idea that they are a member of ASA but not sure of the benefits. However, the Consultant’s interviews with 23 managers revealed a significant number would pay annual dues if they understood the benefits of being a member.

RECOMMENDATIONS

- EPI should closely audit farmer training that is funded through EPI to ensure it contains cost/benefit analysis of recommended agronomic interventions, such as pesticide spraying. Farmers need to know the economic benefit of each action he/she takes to produce high-value crops.
- EPI and ASA should coordinate with the various programs that field agricultural consultants to either determine if ASA can provide the necessary expertise or assign one of their consultants to collaborate on the assignments. ASA consultants should be assigned to every crop specialist fielded by EPI or the CNFA F-to-F program. It is a “Train the Trainer” opportunity.
- EPI program should take the lead to develop the expertise needed to have institutions that can train and certify farmers and processors in GlobalGAP, HAACP, and ISO standards. ASA envisions their role as the certifier.
- Proceed with the initiative to have U.S. consultants assist ASA-designated trainers develop a financial management and a marketing/sales training program for FSC personnel. The ASA trainers then would conduct the training program.
- EPI should consider assisting ASA on a “train the trainer” initiative similar to the methodology used in the previous recommendation. The ASA needs capacity building in post-harvest handling, storage, and packaging; greenhouse technology; and GlobalGAP, HAACP, and ISO certification procedures.
- ASA management should define “membership” in the organization, institutionalize it, and develop a marketing program to obtain 100% membership by FSC owners and managers.
- To strengthen the link with the FSCs, the association should develop a periodic communication instrument (newsletter) for their membership to keep them informed of ASA’s activities and other agricultural events. Costs could be reduced if this could be set up through email. ASA may want to consider establishing an advisory committee to help guide them strengthen the technology delivery system.
- ASA should consider charging FSCs an annual membership fee to enjoy the benefits of being a member. This could be a modest revenue stream for ASA.
- ASA should develop premium service fees for additional services required by its members. Examples may include business plan assistance, technical training, etc.
- ASA could possibly utilize an in-house Peace Corps Volunteer with association management experience who could encourage ASA to provide full-fledged services to its members, such as a newsletter, website support, connection to international networks, etc.

II. APPENDICES

A. BACKGROUND

B. METHODOLOGY

C. FINDINGS

D. RECOMMENDATIONS

E. ADDITIONAL INFORMATION

A. BACKGROUND

A recent assessment of the FSC's in eight regions of Georgia and an analysis of gaps in the supply and demand of agricultural services revealed, among other things, a technology gap in the delivery system of extension services to Georgian farmers. Three of the recommendations envision a much more robust role for the ASA. Specific recommendations were the following:

- Increase the capacity of ASA consultants to train FSC personnel in financial management and marketing/sales.
- ASA to intensify farmer training in target high-value crops identified by a USAID-EPI.
- ASA to coordinate a three-year, country-wide program to design, establish, manage, promote, exhibit, and publish harvest results from demonstration plots containing EPI target crops. ASA is to cooperate with FSCs and area farmers in this effort.

Because it may challenge ASA's capacity to implement these recommendations, it was deemed necessary to re-evaluate its abilities to assure a successful outcome. Therefore, the Consultant who made the recommendations was tasked to make the evaluation.

The origin of the ASA began in the Ministry of Agriculture (MOA) with EU funding a group started providing extension services to Georgian farmers. According to Constantin Razmadze, conducting this activity within the GOG did not work well consistently. Therefore, in 2004, the ASA was organized as an NGO by six founders, namely, Inga Lagoshvili, Maia Aleqsidze, Cira Balkhamishvili, Giorgi Tomaradze, Kote Razmadze, and Shorena Gvachliani. The founders, all in employment with MOA, left their positions and dedicated their careers to the ASA. Since then, the organization has developed with funding provided by a host of donors. Those donors are USAID, GIZ, Polish Government, Czech Government, EU, FAO, and others.

It is staffed with seven office personnel and 10-12 part-time consultants with extensive experience in crop and livestock inputs and technologies. The disciplines covered by those consultants are the following: agronomy, livestock science, veterinarian, mechanization, food safety, marketing, and finance. Consultants work on a contract basis only and are gainfully employed in other organizations, such as the College of Agriculture. They keep up to date on the latest technologies through internet, international conferences, and networking. They are all skilled trainers, both theoretical and practical.

B. METHODOLOGY

The following actions were taken by the consultant in order to gain the information required to make an objective evaluation of ASA capabilities:

- Consultant traveled to Gori, Georgia, where a training session was being held on orchard fruit production. The initial section of the training was observed, but it was mostly a reading and recitations of the technical aspects of fruit production. However, the 30+ farmers in attendance were attentive to what was being said. In a later session, there was much more interaction and that style continued through the afternoon field session. Though the consultant did not stay for the later sessions, reports were that the farmers enjoyed the training.
- In order to understand the origin and scope of ASA, the consultant twice interviewed the Director, Konstantin (Kote) Razmadze. In addition, a lengthy discussion was held about the nation-wide demonstration plot program that EPI was asking ASA to prepare a budget to implement.
- Identified two U.S. consultants with extensive experience working with and training managers and boards of farm service center cooperatives affiliated with Land O' Lakes (LOL) and Cenex/Harvest States (CHS). Those consultants are to cooperate with Georgian counterparts to develop and conduct financial management and marketing/sales training programs. They have access to training modules that could be modified to fit the Georgian situation and used in the training program. The names of the American consultants are Mike Phelps and Gary Justesen and their counterparts are to be Inga Lagoshvili, Zaza Zedgeridze, and Natia Kalatozishvili.
- In order to evaluate the capabilities of the Georgian counterparts (proposed trainers, see above) both persons were interviewed.
- Requested and reviewed the budget submitted by ASA for coordinating demonstration plots chosen by the EPI Ag Team.
- Interviewed CNFA Country Director, who oversees the F-to-F program.

C. FINDINGS

ASA is positioned as the primary link between the farmer and the technologies required to compete in today's agriculture. The FSC technical personnel are also a part of that technology chain by being the most qualified to reinforce those technologies to the farmer through day-to-day consultations. ASA and FSCs together form the most efficient delivery system for agricultural extension services. During this brief evaluation, the Consultant found strengths and some weaknesses in the system. Following are the Consultant's opinions as to the strength and weaknesses of the ASA.

Strengths

- ASA is properly positioned as the lead coordinating group to manage highly skilled agricultural consultants who in turn disseminate technological information through training courses for FSC agronomists and veterinarians as well as farmers.
- It is well-connected working with a host of donor programs that benefit Georgian agriculturalists, including farmers.
- The organization appears to be well managed with a motivated and dedicated staff.
- It has a fleet of highly trained agricultural technologists who constantly update their credentials by attending international conferences and networking with well-informed agriculture experts. Using evaluation forms prepared by trainees after a particular training session, ASA will grade their consultants' training abilities. ASA also checks resumes and references for all consultants used in their training programs.
- It organizes training programs in other countries (e.g., Poland) that have experienced the political and technological transition to modern agricultural production, post-harvest handling, storage, and marketing of high-value crops. A recent program was conducted in Poland where the Polish Government funded all expenses for a group of Georgian agriculturists and farmers to train in that country.
- The organization is capable with the appropriate funding and guidance provided by EPI personnel to successfully conduct the country-wide coordination effort to design, manage, promote, exhibit, and publish harvest results of the 21 EPI identified demonstration plots of target crops. This could be a difficult project to budget because it may depend on the ability of ASA and the FSCs to influence seed and pesticide companies to donate their products that would be used in the demonstration plots.

Weaknesses

- Though based on anecdotal data, this consultant suspects that agronomic training delivered by ASA consultants does not contain cost/benefit analysis of specific agronomic interventions, e.g., pesticide spraying. Farmers need to know that a recommended pesticide spraying will result in a higher value crop yield that more than offsets the cost of spraying.

- The organization is not taking advantage of the expertise provided by agricultural consultants fielded by the EPI and the CNFA F-to-F program. ASA has budget to assign one of their consultants to team with the fielded consultant and collaborate in the assignment. This is a low-cost “Train the Trainer” and technology transfer opportunity for Georgian consultants.
- The organization does not have access to well-informed, post-harvest handling, storage, and packaging consultants. This is a critical gap in the technology chain if Georgian agriculture is to develop.
- The organization lacks personnel who have knowledge and the ability to train FSC personnel in financial management and marketing/sales techniques applicable to FSC enterprises. These are necessary skills required of FSC personnel to assure the sustainability of the FSC network.
- The organization does not have or is not taking steps to have sufficient expertise in GlobalGAP, HAACP, and ISO standards to play a vital role in implementation or certification. Implementation of a disciplined certification system should be a goal of EPI with ASA playing the lead role.
- The organization will require close oversight by EPI personnel as it implements the nationwide demonstration plot program. Cost of production versus return is the ultimate data required from all plots.
- The organization is missing an opportunity for a source of funding by not having a well-defined “membership” program. FSC managers have a vague idea that they are a member of ASA but not sure of the benefits. However, the Consultant’s interviews with 23 managers revealed a significant number would pay annual dues if they understood the benefits of being a member.

D. RECOMMENDATIONS

- EPI should closely audit farmer training that is funded through EPI and conducted by ASA consultants to ensure it contains adequate cost/benefit analysis of recommended agronomic interventions. Farmers need to be taught to make decisions to apply an intervention, e.g., pesticide application, based on the economics of the decision.
- EPI should coordinate with the various programs that field agricultural consultants to either determine if ASA can provide the necessary expertise or assign one of their consultants to collaborate on the assignments. ASA consultants should be assigned to every crop specialist fielded by EPI or the CNFA F-to-F program. It is a “Train the Trainer” and technology transfer opportunity.
- EPI program should take the lead to develop the expertise needed to have institutions that can train and certify farmers and processors in GlobalGAP, HAACP, and ISO standards. ASA envisions their role as the certifier.
- Proceed with the initiative to have U.S. consultants assist ASA-designated trainers to develop a financial management and a marketing/sales training program for FSC personnel. The ASA trainers then would conduct the training program.
- EPI should consider assisting ASA on a “Train the Trainer” initiative similar to the methodology used in the previous recommendation. The ASA consultants need capacity building in post-harvest handling, storage, and packaging; greenhouse technology; and GlobalGAP, HAACP, and ISO certification procedures.
- EPI must give close oversight and guidance to ASA for the proposed nation-wide demonstration plot program. Results must be quantitative as well as qualitative. Cost of production must be compared to value of the harvested crop for all demonstration plots. To effectively convince farmers to adopt new technologies they must be shown what they can and cannot afford.
- ASA management should define “membership” in the organization, institutionalize it, and develop a marketing program to obtain 100% membership by FSC owners and managers. To strengthen the link with the FSCs, the association should develop a periodic communication instrument (newsletter) for their membership to keep them informed of ASA’s activities and other agricultural events. Costs could be reduced if this could be set up through email. ASA may want to form an advisory board to give some input into planned initiatives.
- To garner a steady stream of revenue, ASA should consider charging FSCs an annual membership fee.

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