

SERVICE PROVIDER PROGRESS REPORT TEMPLATE
Rural Microfinance and Livestock Support Programme
 MAIL/RMLSP/DSF/-8033-AF-COM 2.1 (Ref: Extension-DSF-2000000395-AF)

[Development of Integrated Dairy Scheme in Nangarhar- UTF/AFG/060/AFG]
Progress Report

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| Service Provider Name: | FAO/ UN |
| Contract Number: | MAIL/RMLSP/DSF/-8033-AF-COM 2.1 |
| Component Title: | Development of Integrated Dairy Scheme in Nangarhar |
| Reporting Period: | 1st January – 30th June 2015 |
| Starting Date: | May 2010 |

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| Prepared by: | Submission Date: |
| Lutfullah Rlung and Mustafa Zafar | 26 July 2015 |

1.1. PROJECT BACKGROUND

Development of Integrated Dairy Schemes (UTF/AFG/060/AFG) project has been implemented from May 2010 in Nangarhar Province. The project was originally expected to be completed by April 2013 at a total cost of US\$3.95 million. After the recommendations of a dairy market study of Nangarhar and subsequent IFAD supervision mission, additional funding of US\$ 700,000 was approved by RLMSP for a multi-product dairy processing plant, overhead water storage tank, diesel generator set including connection to the city power supply. Also, based on the recommendation of the MTR mission the project was extended for one additional year with US\$ 720,000 additional funding till April 2014. Again based on the recommendations of a second IFAD supervision mission, the project was extended for two more years with additional funding of US\$ 700,000 till April 2016. Thus the combined total project budget is now US\$ 6.07 million with revised project completion date of 30 April 2016. In response of the IFAD and RMLSP/MAIL communication; the total budget of the project was reduced by USD 76 000 due to devaluation of the Special Drawing Rate (SDR). The total project budget at present is USD5 994 868. During the two year extension period the project activities supported by the project will aim at ensuring sustainability and farmers will be able to continue with the business in the post-project.

Under the project 18 primary milk producers' cooperatives at village level have been set up. 15 primary cooperatives are officially registered. 5 district level (secondary level) cooperatives and one apex enterprise (Khatiz Dairy Union (KhDU)) were also established. The current total membership of KhDU is 1,510 farmers.

All co-operatives are registered as per Afghan law and are audited regularly. The Union has established 18 milk collection centers, a network of retail outlets and a self - sustaining milk collection business and dairy processing plant with 10MT capacity per day. It also provides a range of input services such as animal health, feed and fodder extension. Beneficiary households (HHs) now obtain an income from selling fodder seeds. The incidence of tick-borne diseases is

reduced (cumulative target of 85%). HHs make use of the artificial insemination and animal health services offered by KhDU on a cost recovery basis. There is an increasing trend of farmers buying feed produced by the recently opened feed mill established and managed by KhDU. In general, the dairy cows and young stock are in good condition and milk production levels are improving.

Overall Goal (Impact)

The overall goal of the project is to strengthen the livestock production systems of poor rural households, while developing their marketing opportunities, and improve local livestock production, productivity and smallholders' incomes in Nangarhar province.

The project purpose is to improve production and efficiency of milk production and processing and to establish a member-owned network of dairy producers through the formation of cooperative societies and the dairy unions. It focuses on the following components:

Component 1: **Feed resources development**

Component 2: **Animal health and AI services**

Component 3: **Integrated dairy development**

Component 4: **Institutional support to milk cooperatives**

Expected Outputs

- Increased household income from selling surplus milk (annual income from selling surplus milk will be increased from USD 100 (2010) to USD 300 (2016)
- Increased level of employment at grassroots level
- Contribution in part import substitution and increased level of food security
- 90% Foot and Mouth disease (FMD) and tick borne diseases controlled and zoonotic diseases and mastitis under control in the target area
- More than 75% selected farmers will have improved breed of cattle
- More than 85% selected farmers will use improved fodder crops
- Increased access to regular and dependable market for raw milk market for the farmers
- 82 % income from selling of milk goes to the house wife

Target Groups

1,500 farming families (70% small farmers who have up to 5 cows and up to 4 jerib land; 10% landless farmers having up to 2 cows, and 20% medium scale farmers having up to 10 jerib land)

Geographic coverage

The project covers Kama, Behsod, Ghanikhil, Batikot, Khogyani, Surkhoo districts and Jalalabad city of Nangarhar province.

Current implementing arrangements

The project coordinates with MAIL on planning and policy issues whereas DAIL staffs are directly involved in project implementation on a day to day basis. The project has linkages with independent service providers (milk producer cooperatives, Khatiz Dairy Union, marketers/ private Veterinary Field Units (VFUs) and Artificial Insemination technicians (AI) etc.) for the implementation of the project activities. It works closely with MAIL/IFAD Project Coordination Unit (PCU) on project

implementation. The RMLSP director regularly organizes coordination meetings with all implementing partners. The PCU facilitates the coordination between MAIL, in particular the Livestock Production and Health, Cooperatives and Extension Directorates and as well as with VFUs in project areas and other related ministries in particular Ministry of Public Health and Ministry of Rural Rehabilitation and Development. There is strong coordination with DAIL/MAIL at the provincial and district levels. All partners work very closely with the farmers, local service providers and the Khatiz Dairy Union members.

1.2. IMPLEMENTATION STATUS

1.2.1. Project Staff and the MAIL Counterparts

Due to completion of some project activities three project staffs and 6 DAIL counterparts have been reduced leaving 10 DAIL counterparts closely working with the project and the dairy union members. The counterparts participate in project activities including the training and capacity building of beneficiary farmers. The dairy enterprise is now effectively being operated by the Khotiz Dairy Union with very limited support from FAO/DAIL.

Activities and the outcomes

Feed resources development

- A field day was organized and 62 farmers participated from 17 milk producer cooperatives.
- 1,221 Kg of improved fodder crop seed (Oats 535 kg, Sorghum 102 kg and Berseem 584 kg) were sold to beneficiary and non-beneficiary farmers.
- 56.8 MT concentrated feed were produced by KhDU and sold to 1,308 farmers selected through milk producer cooperative.
- Refresher training was organized for 93 farmers regarding cattle management and use of concentrate feed for livestock.
- 1,714,466 Afs for animal feed and 393,427 Afs for fodder crop as revolving fund were generated and used for animal feed development activities by the KhDU.

The economic result of fodder crop enterprise is as outlined in table 1 below.

Table 1. Fodder related enterprise

| Description | Fodder Crop | | | | | | | |
|--|------------------|---------------|------------------|----------|------------------|---------|-----------|-----------------|
| | Sorghum | Maize (local) | Oat | Barley | Berseem | Shaftal | Lucerne | Alfalfa (local) |
| Cultivation Season | 2nd Crop May-Oct | | 1st Crop Sep-May | | 1st Crop Sep-May | | Perennial | |
| Expenditure Cost Afs (Labor, Irrigation, Fertilizer, Seed and Land preparation)/ jerib | 7,400 | 5,180 | 7,425 | 5,150 | 8,200 | 6,630 | 7,350 | 6,300 |
| Number of cuts | 6 | 2 | 4 | 2 | 6 | 3 | 6 | 4 |
| Green fodder yield /Jerib/ Season (7kg) | 7,236 | 1,340 | 3,428.6 | 1,428.6 | 5,142.8 | 1,714.3 | 4,285.7 | 2,285 |
| Cost of per <i>Seer</i> (7kg) Afs | 5 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Total income Afs | 36,180 | 9,380 | 24,000 | 10,000.2 | 35,999.6 | 12,000 | 29,999.9 | 15,995 |
| Net income Afs/ Jerib | 28,780 | 4,200 | 16,575 | 4,850.2 | 27,799.6 | 5,370.1 | 22,649.9 | 9,695 |
| Net income US\$ / Jerib | 504.91 | 73.68 | 290.79 | 85.09 | 487.71 | 94.21 | 397.37 | 170.09 |

| | |
|--|--|
| Annual income US\$ (Sorghum and Oat) | 795.71 (795.71 x 194.80J = 155,005 \$) |
| Annual income US\$ (Sorghum and Berseem) | 992.62 (992.62 x 225.43J = 223,762\$) |
| Annual income US\$ (Lucerne) | 397.37 (397.37 x 50.03 J = 19,881\$) |

Animal health and AI services

- 800,040 Afs was generated as revolving fund and is being directly used for animal health and AI services by the milk producer cooperative societies and dairy union
- 1,019 crossbred of HF calves (568 male and 451 female) born in project targeted area
- Refresher Training course organized with 93 farmer members of cooperatives; farmers trained in the importance of vaccination, de-worming, hygiene, and other important livestock related issues
- 120 member cooperative members visited and received advice on how to improve the health status of their livestock
- 24 awareness campaigns were held with 193 farmers regarding livestock vaccination programs, dewormings and treatments etc.
- Training materials regarding animal health, hygienic milking, fodder crop production / feeding and animal husbandry were prepared for use during the farmers training
- Refresher trainings were organized for 193 women farmers from milk producer cooperatives societies of Surkh Road, Kama, Behsud, and Ghani Khel districts.
- 36,733 cows were inseminated in six districts covered by the project since 2010 (August). 9.86% of the cows were not accepted for insemination and were referred to VFUs for treatment. 13,831 cows were pregnancy tested (9,684 cows (70%) tested pregnant). 5,596 calves born were recorded. The rest could not be accounted for due to farmers moving to other areas or selling their pregnant cows. Out of the recorded calves born 2,867 (51.24%) were males. Assuming a US\$ 300 value for a calf born through cross breeding the increase in asset value for farmers is US 1,678,800 for the 5,596 calves.

Cattle management

- 24 technical meetings were organized with 193 dairy farmers to discuss improving animal health feeding, housing and other issues relating to the milk producer cooperatives
- 120 farmers' cattle stables and shelters were inspected and technical advice provided on improving stable ventilations, troughs, watering, drainage systems and other hygienic measures
- 3 cattle stables and 27 cattle shelters improved by the beneficiaries
- 111 women farmers' cattle stables were visited and advice provided on further improvement of the stables and shelters.

Integrated dairy development

- The dairy plant equipment was installed in February 2015 by Nikos Hran Engineering Ltd, a Bulgarian company that was contracted by FAO. Twelve staff of KhDU, 4 Project and 4 MAIL staff received training in the operation and maintenance of dairy processing equipment by the technical experts of the company up to the end of May 2015 and are now operating the milk processing plant successfully. A follow up training will take place in September 2015.

- Since the established dairy plant, a total of 95,316 liters of milk have been collected and 2,502,333 Afs paid out to farmers. The dairy products produced to date are shown in table 2 below.

Table 2. Dairy products produced by KhDU as of June 2015

| Packed Milk (0.5Lit) | Yoghurt cup (400gr) | Yoghurt cup (200gr) | Butter cup (100gr) | Cheese (200gr) | Cheese (500gr) | Khaidak (200gr) | Chaka (Kg) | Butter milk (1.5Lit) | Butter milk (0.5Lit) | Kwa (0.5Kg) | Ice Cream (100gr) |
|----------------------|---------------------|---------------------|--------------------|----------------|----------------|-----------------|------------|----------------------|----------------------|-------------|-------------------|
| 4,753 | 48,005 | 74,036 | 3,198 | 4078 | 99 | 1,484 | 183.6 | 28,974 | 16,964 | 113 | 516 |

- 18 milk collectors, 6 dairy technicians and 26 steering committee members of cooperatives and counterparts were trained in milk quality testing, recording, collecting and marketing of dairy products.
- The importance of the dairying and dairy development programme in improving livelihoods was discussed with selected farmers/dairy union members
- Advertisement of Khatiz dairy products was conducted through 2 billboards which were installed in a highly populated area in Jalalabad city.
- Advertisement of Khatiz dairy products was conducted through 1,000 Posters distributed around Jalalabad city.
- One video clip on market promotion was prepared and will be broadcast on national TVs to advertise Khatiz dairy products.
- Khatiz dairy products are now distributed through 2 refrigerated vehicles which are also branded with KhDU adverts.
- 12 refrigerators were procured and distributed to the shops which sell the KhDU products and 2 rented shops.
- 5,000kg packaging material for milk, 205,110 cups for packaging yoghurt, 47,000 butter milk bottles were procured.
- 600 packaging materials for ice cream units, 10 kg butter packaging materials, 10 cartons packaging materials for cheese were procured.
- 4 cartons of labels for cheese and butter and labels for butter milk bottles (140kg) were procured.
- 20 sets of working uniforms for dairy technicians and dairy staff were procured.

Institutional support to milk cooperatives

- Letter of Agreement signed with Khatiz Dairy Union to manage the IDS supported business activities by themselves, as a drive towards sustainability
- Project staff and DAIL department of Cooperatives staff have been training senior management and members of primary and secondary cooperatives, and provincial dairy union on cooperative business management, and roles and responsibilities of members etc.
- 19 milk collectors and executive committee members of cooperatives had refresher training in milk collection and recording.
- 24 meetings were organized with 193 farmers regarding milk collection, registration and payment.
- 120 farmers were individually advised regarding milk collection, registration and payment.
- 16 women farmers from Kama and Behsud districts visited the dairy plant operation and received updates on the plant's operation from the dairy plant manager and FAO technical staff.

- 6 meetings of the KhDU advisory committee were held; the members of the committee discussed progress, issues and the way forward;

1.3. Shortcomings and Issues Affecting Implementation

The decreased in the total budget of the project (by USD76 000) due to the devaluation of the Special Drawing Rights (see under 1.7 below) will force the project to reduce the activities, accordingly.

Due to the deteriorating security situation, the following project activities were negatively affected:

- Women training course at village level in Batkot and Khogyani districts.
- Field movement and missions to Batkot and Khogyani districts.

The activities will be completed as and when the situation improves.

1.4. Lessons Learned

- The participatory approach encouraged community participation and led to setting up of cooperatives and unions by the communities themselves
- Close coordination with the relevant departments of the MAIL helped establish better links between MAIL – Project – Farmer Communities
- Farmers are motivated to participate in the dairy business. They also understand the importance of the dairy business towards their livelihoods
- Farmers are committed to participating in the establishment, operation and management of Dairy Cooperative Societies/ Unions
- Development of new enterprises takes time and needs additional support to ensure sustainability.

1.5. Sustainability

1,510 farmer households benefit through training, demonstration, capacity building and input services at grass root level. The beneficiaries based institutional structures including apex Khatiz Dairy Union (KhDU), 5 secondary cooperatives at district level and 17 primary milk cooperatives at village level established and actively participating in the project activities. KhDU has established their office in the premises of the dairy plant and feed mill in Khazurbagh. Three Letters of Agreements (LoA) signed with KhDU with an amount of USD 235,800 provided help to start their business activities, staff recruitment for feed mill and dairy plant operations, feed business operations, and other extension and input delivery related activities.

KhDU has hired a professional manager for overseeing and managing the entire business as well as recruited a highly qualified and experienced person for implementing the animal health, AI, and management and delivery of input services to their members. As well, KhDU has recruited 4 other staffs bringing to a total of 6 staffs that are also responsible for operating the feed mill.

An advisory committee has been formed at the DAIL level. The committee includes 2 members from DAIL, 2 from among KhDU executive committee members and 1 senior FAO staff based in Jalalabad. The committee is chaired by the DAIL director. This committee is responsible to meet on a monthly basis, discusses the progress, issues and way forward. KhDU directly has been involved in fodder crop, animal health, animal feeding and extension activities being backstopped and supported by the project staff. KhDU is managing the revolving fund. DAIL has identified the livestock director or his responsible staff to be fully involved during the installation, operation and management of feed mill, in order to build the capacity at DAIL/MAIL level in Jalalabad.

KhDU has signed an MOU with 6 VFUs and 8 AI technicians to deliver animal health and AI services to the farmers. Dairy union management committee members have attended national and international level study tours to help strengthen their knowledge in cooperative dairy business management. 1,510 farmer households benefit through training, demonstration, capacity building and input services at grass root level. KhDU has hired a professional manager to oversee and manage the entire business; as well as recruited a highly qualified and experienced person for implementing the animal health, AI; and management and delivery of input services to their members.

The head of the MAIL dairy unit, DAIL counterpart staffs from Nangarhar, dairy union management committee members and district level dairy union leaders have attended national and international study tours.

KhDU has directly been managing the revolving fund for fodder crop production, animal health, animal feeding and AI, and a separate account has been maintained in the Azizi Bank for revolving funds. Project staff and Cooperative DAIL staff have been involved in training of leadership and members of primary cooperatives, secondary cooperatives and the provincial dairy union on cooperatively owned business management, and roles and responsibilities of members and so on. Human Resource, financial management and administration, management and organization guidelines were prepared for KhDU in local languages and provided to leaderships of the KhDU, and secondary and primary cooperatives to facilitate improvement of their skills in these specific areas.

Women are practically involved in IDS and receive cash income when they start selling milk. 106 women already joined as official members of dairy coop societies; 200 more have expressed interest and are in the process of joining. Women are actively participating in the various trainings and meetings.

In 2015 the project overall budget was reduced at a critical stage due to a reduction in the value of SDR's. This poses a risk to the overall sustainability of the Khotiz Dairy Union and particularly for their dairy enterprise which is still at an early stage of development. Experience in other successful IDS schemes in Afghanistan indicates that technical support is needed for the new dairy enterprises for two operational seasons to ensure both good governance and sustainability of the enterprise. A proposal to that effect has been developed by KhDU in collaboration with FAO and shared with RLMSP management/MAIL.

1.6. Project Management

a. Staffing

The Assistant National Livestock Production Officer position ended in January 2015 and two women trainers left the project in June 2015.

b. M & E and Knowledge Management

The FAO Regional office in Nangarhar provided on-site monitoring and technical guidance. Lead technical officers conducted advisory and supervisory missions to monitor the project. Independent monitoring and evaluation were scheduled but declined by the resource partner who also planned to conduct an impact survey thus avoiding duplication of the activity.

Based on the knowledge management strategy of PICU, the data are collected and analyzed on a monthly basis and the M&E system is mainstreamed into the management information system (MIS). Regular monitoring and progress reports are prepared based on the surveys, market study, performances and delivery of technical services, workshop and training etc. conducted.

On a monthly basis, the collected data are entered in the RMLSP data base system.

The below documents are inserted in the IFAD website through KM officer of RMSLP/IFAD:

- Field activities pictures
- Dairy case study
- Success case study of dairy project

c. COORDINATION:

FAO is working with the relevant sections of the MAIL, the main project partner at both central and provincial level (DAIL). We are also working with a range of cooperative societies and dairy unions/implementing partners with whom strong relationships have been established on behalf of the beneficiaries, farmers and rural women. There is strong collaboration with DAIL officials from the district to the province level, since the project is focused at the province level. DAIL staff closely working with the project are from Animal health and AI, extension/fodder development, cooperatives etc.

The PCU facilitates coordination between MAIL and other related ministries in particular Ministry of Public Health and Rural Rehabilitation and Development.

The project is building the capacity of 18 primary cooperative societies at the village level; 6 district level coop union and the provincial cooperative dairy union (KhDU). At the provincial level, the programme coordinates with the office of the governor, canal department, the DAIL provincial director and related departments. At Kabul level, the project is works closely with the planning directorate, PICU, General Directorate of Animal Health & Production, Directorate of Cooperatives as well as with other RMLSP components. The students from Agriculture and Veterinary faculties of Nangarhar University and the Agriculture Institute have participated in the field days and other training programmes in the process gaining practical experience in dairy production.

d. TARGETING

Based on the project criteria, following is the achievements made during the reporting period;

- Construction work of the two district milk chilling centers were completed in Batikot and Surkhroad districts
- Participation of women farmers in livestock production and cooperative activities is on the increase
- KhDU signed an MOU with 6 VFUs and 8 AI technicians to deliver animal health and AI services to the farmers in 2015
- Project staff and Nikos installation team trained KhDU leadership and technical staffs of KhDU and DAIL in dairy processing
- KhDU are directly involved in the all IDS field activities.

Due to the security problems and elections, field activities were restricted in Batikot and Khoghyani districts

e. PARTNERSHIPS AND LINKAGES

The IDS in Nangarhar project was introduced to other development partners and line agencies and experiences shared with Government institutions, CARD-F, DIA/USAID, JICA, NEI and technical working team (UN agencies, NGOs etc). There are potential prospects of collaboration that will be explored.

f. SUPERVISION AND IMPLEMENTATION SUPPORT MISSION

The implementation status of recommendations following the November 2014 IFAD is in the annex 3 of this report.

1.7. Budget and Financial Management

a. Expenditures and Disbursements

Total funding received up to 30th June 2015 is US\$ 5,773,263. Total actual expenditure as of 30th June 2015 is US\$ 5,598,437. The total budget of the project was reduced by USD76 000 due to devaluation of the SDR as per IFAD and RMLSP/ MAIL.

The detail provisional financial statement is attached in Annex 4.

b. Flow of Funds

Flow of funds is in accordance with the AWPB submitted. Revised AWP has been submitted with BR-E.

c. Procurement

During the reporting period, the below items procured and provided to IDS in Nangarhar:

- Training kits
- Dairy products packaging material

Refer to Annex 3: Active Assets List (Inventory)

d. Certified Statements of Expenditures/Audit

Provisional Financial Statement is attached herewith as Annex- 4

1.8. Work plan for next period

The following main activities will be undertaken from July – December 2015:

- Milk collection and dairy products processing
- Strengthen milk collection and marketing.
- Refresher training of 12 staff of KhDU, MAIL counterparts and project staff by Nikos company on dairy products processing and plant operation
- Monitoring the results of AI activities and advising / assisting farmers in proper management and feeding of pregnant cows
- Monitoring and control of zoonotic diseases among dairy cattle
- Provision of regular vaccination for the cattle owned by members farmers of the dairy schemes;
- Monitoring reproductive performance of the cows and providing veterinary services
- Continue animal feed production and marketing related activities
- Explore possibility of purchasing refrigerators, ice cream hand cart, livestock feed storage facility, trucks for transportation of dairy products etc through the RMLSP.

There are some recommendations from the FAO submitted to RMLSP in Feb 2015 which need additional fund to implement. Therefore, it is not only to reimburse the USD76 000 but also allocate additional funds to ensure that the Dairy union can run their own independent and sustainable business beyond the closing of the project.

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|--------------------|----------------------------|
| Reporting Officer: | |
| Date : | 26 th July 2015 |
| Signature: | |

ATTACHMENTS:

1. Annex 1 : Physical progress measured against AWP&B targets
2. Annex 2A : AWPB Part I – Narrative
3. Annex 2B : AWPB--AWP/B-2015
4. Annex 2C : work plan (Gantt chart)
5. Annex 3 : Active Assets List (Inventory)
6. Annex 4 : Financial statement to 30th June 2015

ANNEX 1A. PHYSICAL PROGRESS MEASURED AGAINST APWB TARGETS (FOR ANNUALY PROGRESS REPORT)

| PERIOD: 01-05-2010 TO 30-6-2015 | | | | |
|---|---|--|---|--|
| IMPACT AND OUTCOMES | INDICATOR | APPRAISAL TARGETS | ACHIEVEMENT TO DATE | |
| <p>Overall Goal (Impact): The overall goal of the project is to strengthen the livestock production systems of poor rural households, while developing their marketing opportunities, and improve local livestock production, productivity and smallholders' incomes in Nangarhar.</p> | <ul style="list-style-type: none"> ▪ 1500 of households with improved income from milk and dairy ▪ 65 percent of supported households with an increase in herd size from 1 or 2 head to 3 or 4 head ▪ 1500 of livestock owners with their cattle vaccinated at least once a year against major diseases. | <ul style="list-style-type: none"> ▪ 1500 of households supported by IDS ▪ 7,500 cattle of the 1500 livestock owners vaccinated during the project report. | <ul style="list-style-type: none"> ▪ 1510 farmers were selected as beneficiaries, ▪ 17,000 cattle of the 1,510 livestock owners vaccinated during the project report. ▪ 12,144 cattle of the 1,510 livestock owners de-wormed during the project report. | |
| <p>Project Purpose: The project purpose is to improve production and efficiency of milk production and processing, and to establish a member-owned network of dairy producers.</p> | <ul style="list-style-type: none"> ▪ 1,500 milk producers organized in financially viable associations ▪ Volume of milk additionally produced in 1.7 million litter/year. ▪ 1,500 of milk producers reporting an increase in annually income from USD 100 (2010) to USD 300 (2014) from selling surplus milk. ▪ Average, net annual profit generated by producers' associations. • 1,500 livestock owners supported to engage in | <ul style="list-style-type: none"> • 1,500 milk producers organized in 15 milk producer cooperatives societies • 1.7 million litres/year produced • Annual income increase from 100\$ up to 300\$ from selling surplus milk. • 1,500 livestock owners • 15 Milk collection points | <ul style="list-style-type: none"> • 1,510 milk producer organized in 17 milk producers cooperative societies, 5 district secondary cooperative and one provincial union registered with MAIL • 2,055 livestock owners supported to engage in commercial fodder and milk production • 17 milk collection points established. | |

| | commercial fodder and milk production | | | | | | | |
|---|--|--------------------|-------------------|-------|--------------------|---------------------|--------|--|
| | <ul style="list-style-type: none"> 15 of milk collection points established | | | | | | | |
| | | | | | | | | |
| Outputs by component/sub-component / expected outcomes | Indicator | (Physical) Targets | | | | | | |
| | | AWP&B (planned) | Actual (achieved) | % | Appraisal (Global) | Cumulative (so far) | % | |
| Outcome 1: Increased availability of affordable feed resources | Nb farmers engaged in fodder production | 0 | 0 | 0 | 1500 | 2055 | 137 | |
| | Volume of concentrate feed produced per day (in MT) | 4 MT | 0.5 | 12.5% | 4 Mt | 1.1 | 27.6% | |
| | % of dairy farmers using improved fodder crops and supplementary feeding | 5 | 5 | 100% | 85% | 85% | 100 | |
| | Average annual income in USD from fodder crops production per farmer per ha | 0 | | 100% | 700 | 700 | 100 | |
| Output 1.1: Dairy farmers assisted through cultivation of improved fodder crops and supply of concentrate and mineral feeds established | 85 percent increased use of improved fodder crops and supplementary feeding test | 500 | 120 | 24% | 1500 | 1814 | 120.93 | |
| Activity 1.1.1. Propagate the cultivation and proper use of improved fodder crops, concentrated feed and hay for dairy farmers | 50 demonstrations from each improved varieties of fodder(19 varieties of Lucerne, Berseem, Oats, Sorghum, Forage beet , Cowpea, Canola | 0 | 0 | % | 1900 | 2055 | 108.2 | |

| | | | | | | | | |
|--|--|-----|-----|------|-------|-------|--------|--|
| | and matt-grass) | | | | | | | |
| | Nb of dairy farmers using concentrated feed and hay | 250 | 250 | 100% | 1500 | 1520 | 101.33 | |
| 1.1.1.a Organize demonstration plots (distribution of fertilizers and seeds) | 990 of demonstration plots | 0 | 0 | % | 1900 | 2055 | 108.16 | |
| | 3000 kg of seeds distributed | 0 | 0 | % | 15000 | 15000 | 100 | |
| | 600 of farmers receiving seeds | 0 | 0 | 0% | 1900 | 2055 | 108.16 | |
| | 36 Mt Fertilizer(DAP and Urea) | 0 | 0 | % | 27 | 27.16 | 100.59 | |
| 1.1.1.b. Extension activities for better utilization of fodder crop, concentrated and hay | 1500 of farmers reached through extension | 0 | 0 | % | 1500 | 1647 | 109.80 | |
| | Organize field day | 1 | 1 | 100% | 6 | 7 | 116.67 | |
| Activity 1.1.2. Organize the production and marketing of improved fodder seeds | 450 of farmers producing fodder seeds | 13 | 0 | 0 | 450 | 441 | 98 | |
| Activity 1.1.3. Arrange commercial production and marketing of concentrate and mineral feeds through the dairy schemes/diary union | Feed mill shed construction & equipment procurement started for making four MT animal feed/day | 0 | 0 | 0 | 1 | 1 | 100 | |
| 1.1.3.a Contract out consultation of feed processing plant building (4MT/day capacity | Number of farmers buying Quantity of concentrates and | 0 | 0 | 0 | 1 | 1 | 100 | |

| | | | | | | | | |
|--|---|------------|-----|------|------|------|--------|---|
| 1.1.3.b Procure animal feed processing equipment | mineral feed produced and sold | 0 | 0 | 0 | 1 | 1 | 100 | |
| Outcome 2. Improved animal health and husbandry practices and increased milk production | % increase in milk production per lactating cow | 10% | 5% | 50% | 30% | 25% | 83.3% | |
| | % reduction in major diseases | 10% | 10% | 100% | 90% | 90% | 100% | |
| | % improvement in sires availability and use | 8% | 6% | 75% | 75% | 74% | 98.67% | |
| Output2.1 Extension services for male and female dairy schemes members established(1500 farmers families) | 1500 male members reached | 500 | 193 | 38.6 | 1500 | 1840 | 122.67 | Refresher training |
| | 1500 female members reached | 500 | 195 | 39 | 1500 | 1764 | 117.6 | Refresher training |
| Activity 2.1.1. Recruit and train men and women staff in technical aspects of dairy production and extension work with farmers | 2 of female technical staff recruited | | | | 3 | 3 | 100 | Project staff already recruited |
| | 4 of male technical staff recruited | | | | 6 | 6 | 100 | Project staff already recruited and they are working with project |
| 2.1.1.a. Organize training workshops for technical staff | 13 of training and workshops organized | 1 | 1 | 100 | 14 | 14 | 100 | |
| Activity 2.1.2. Train, advice and support selected households | Nb of household and supported | 0 | | 0 | 1500 | 2007 | 133.8 | |
| 2.1.2.a. Print training material and publications | Printed training and extension materials | 1 | | 0 | 7 | 6 | 85.7 | |

| | | | | | | | | |
|---|---|-----|-----|-----|------|------|-------|---|
| 2.1.2.b. Distribute training kits | Nb of households receiving a training kit | 500 | 0 | 0 | 1500 | 1155 | 77 | |
| 2.1.2.c. Organize local and international study tours | Nb of persons participating in study tour (local) | 0 | 0 | 0% | 60 | 73 | 121.6 | It will be organized in second half of 2015 |
| | Nb of study tours organized(local) | 0 | 0 | 0% | 4 | 3 | 75 | It will be organized in 2015 (second half) |
| | Nb of study tours organized (international) | 0 | 0 | 0% | 2 | 1 | 50 | It will be organized in 2015 (second half) |
| Activity 2.1.3. Train and advise female members in hygienic milk production | Nb of households women trained | 500 | 195 | 39 | 1500 | 1764 | 117.6 | Refresher training |
| Activity 2.1.4 Monitor and investigate the impacts of the extension activities on income from milk sales and home consumption of milk and dairy products | Information about income and expenditures from production and use of dairy products | 1 | 1 | 100 | 3 | 2 | 66.67 | |
| Output 2.2 Provision of improved sires through AI | Percent Improved sires available and used by the farmers of the dairy scheme | 1% | 1% | 75% | 75% | 75% | 100% | |
| Activity 2.2.1 Procure semen straws and equipment for AI | Nb of AI technicians provided with semen straws and AI field kits | 0 | 0 | 0% | 8 | 8 | 100 | |

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|--|---|------|------|--------|-------|---|--------|---|
| 2.2.1.a Procure cattle semen and liquid nitrogen | Nb improved bull semen straws | 5000 | 6000 | 120% | 23000 | 14000 project 17000 Gov. 6000 AI tec. KhDU | 160.87 | KhDU has revolving fund for procurement of semen straws |
| 2.2.1.b. Procure AI field kits | 10 kits distributed to AI technicians | 0 | 0 | 0% | 8 | 8 | 100 | |
| Activity 2.2.2. Support local AI technicians to implement AI activities for the members farmers | Nb of inseminators providing AI services | 8 | 8 | 100% | 8 | 8 | 100 | |
| Activity 2.2.3 Monitor the results of the AI activities and advise and assist the farmers for proper management and feeding of the progeny | Nb of inseminated cow | 2500 | 5912 | 236.48 | 23000 | 36095 | 156.93 | |
| | Nb of pregnant cows | 500 | 1413 | 282.6 | 16100 | 11185 | 69.47 | |
| | Nb of calves born | 500 | 1019 | 219 | 5000 | 5596 | 111.92 | |
| | Nb of farmers families trained for management and rearing of calves | 100 | 120 | 120 | 1500 | 2147 | 143.13 | Refresher training provided |
| Output 2.3: Dairy cattle of the member farmers protected from infectious and non-infectious disease through preventive measures and training, resulting in safer milk for local consumers | Effective measures to ensure animal health of cattle of dairy farmers and 90 percent of tick born disease and other major disease reduced among participating farmers | 0 | 0 | % | 1500 | 1510 | 100.67 | |

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| Activity 2.3.1 Monitoring and control of the dairy cattle of the member farmers for Zoonosis | Number of dairy cattle tested for zoonotic diseases and farmer training | 700 | 0 | 0% | 6000 | 1334 | 66.70 | |
| Activity 2.3.2 Providing regular vaccination for the cattle of member farmers of the dairy schemes | Number of cattle vaccinated | 2000 | 0 | 0% | 7500 | 17000 | 226.67 | |
| | Number of cattle de-wormed | 500 | 2065 | 413% | 7500 | 14209 | 189.45 | |
| Activity 2.3.3 Monitoring reproductive performance of the cows and providing veterinary services | Number of dairy cows regularly monitored for fertility. | 1000 | 2210 | 221% | 4000 | 7144 | 178.60 | |
| | Treatment of individual cattle | 200 | 267 | 133.5% | 1200 | 2193 | 182.75 | |
| Activity 2.3.4 Training of men and women farmers in preventive measures of animal health | Number of men farmers trained for preventive animal health | 200 | 193 | 96.5% | 1500 | 2097 | 139.6 | Refresher training |
| | Number of women farmers trained for preventive animal health | 300 | 120 | 40% | 1500 | 1573 | 104.8 | Refresher training |
| Outcome 3: Integrated dairy development through | At least 1.7 million liters of milk collected annually from 1500 farmers; | 300,000 | 90225 | 30.08 | 1,700,000 | 90225 | 5.31 | |
| | 1 500 farmer families income increased from USD 100 (2010) to USD 300 (2016) from selling surplus milk | 100\$ | 0 | | 300\$ | 0 | 0 | |

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|--|---|---------|-------|-------|-----------|-------|------|--|
| | 15 milk producers cooperatives, | 0 | 0 | 0% | 15 | 17 | 113% | |
| | 5 district coop | 0 | 0 | 0% | 5 | 5 | 100 | |
| | one dairy union/private company formed and functional | 0 | 0 | 0 | 1 | 1 | 100 | |
| Output 3.1: Collection of a minimum of three tons of milk daily through village Milk Collection Centre (MCCs) involving at least 1 500 families in the Nangarhar Province and farmers regularly (weekly) remunerated for collected milk according to quality and quantity | 1500 of families delivering a minimum of three- five MT milk/ day. 15 milk collection centers established. A dairy plant established with five MT processing capacity /day/ shift | 300,000 | 90225 | 30.07 | 1,700,000 | 90225 | 5.31 | |
| Activity 3.1.1 Establish/develop ten (15) village milk collection center (including Government dairy farms) and provide the necessary tools and equipment for measuring of quantity and quality | Number of district milk chilling and livestock service center newly established and operating regularly. Supply of necessary equipment and material for quality control and established dairy plant building | 0 | 0 | 0 | 5 | 5 | 100 | |
| Activity 3.1.1.a 15 village milk collection center established and equipped | | 0 | 0 | 0 | 15 | 17 | 113% | |
| Activity 3.1.1.b dairy lab established and equipped | | 0 | 0 | 0 | 1 | 1 | 100% | |

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|---|--|------|-----|-------|------|-----|-------|--|
| Activity 3.1.1 c. dairy processing equipment | | 0 | 0 | 0 | 1 | 1 | 100% | |
| Activity 3.1.1 b construction dairy plant building | | 0 | 0 | 0 | 1 | 1 | 100 | |
| Activity 3.1.2 Regularly daily milk collection from member farmers and inspection of quantity and quality of the milk | Number of families delivering milk. Quantity of milk delivered to the dairy schemes | 1500 | 262 | 17.47 | 1500 | 262 | 17.47 | |
| Activity 3.1.3 Proper recording of milk collection and weekly payments according to quantity and quality | Existence of proper recording system for quantity and quality of milk and payment of milk money to farmers | 1500 | 262 | 17.47 | 1500 | 262 | 17.47 | |
| Activity 3.1.4 Establishment district livestock production services and milk chilling centers | Construction district milk chilling building | 0 | 2 | 100% | 5 | 5 | 100 | |
| | Fencing of district chilling center | 2 | 2 | 100% | 5 | 5 | 100 | |
| Output 3.2: Development of transportation and milk cooling facilities in Nangarhar | Milk transportation and cooling facilities exist | 0 | 0 | 0 | 4 | 4 | 100 | |
| Activity 3.2.1 Establish proper transportation and milk cooling facilities in Nangarhar. | Provision facilities and equipment for Milk transportation and cooling | 0 | 0 | 0 | 2 | 2 | 100 | |
| Activity 3.2.2 Procure and install the necessary equipment for transportation and milk cooling facilities. | Milk transportation and cooling facilities procured and installed | 0 | 0 | 0 | 5 | 5 | 100 | |

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| Output 3.3: Marketing of milk and dairy products in Nangarhar through agents or shops of the dairy scheme established | Sale of the processed milk and dairy products with profit margins | 15 | 3 | 20 | 15 | 3 | 20 | |
| Activity 3.3.1 Establishment of shops for selling the milk and dairy products or through commission agents | Establishment numbers of shops to sell all products from the processing center | 15 | 22 | 146.6 | 15 | 22 | 146.6 | |
| Activity 3.3.2 Awareness creation of consumers about hygienic and quality dairy products | Awareness campaign about hygienic use of milk and dairy products | 3 | 2 | 66.66 | 4 | 2 | 50 | |
| Activity 3.3.3 Profits from the processing of milk and dairy products invested for the development of the dairy scheme | % of profits from the processing milk and dairy products | 15% | 5% | 33.33 | 20% | 0 | 0 | |
| Component 4: <u>Institutional support to milk cooperatives</u> | milk producers cooperatives and one dairy union/private company formed and functional | 0 | 0 | 0 | 1500 | 1510 | 100.6 | |
| Output 4.1 Village structures for the dairy scheme/cooperatives established and member farmers organized through Milk Collection Centre groups/milk producers' cooperative societies/dairy union | Member farmers organized through milk collection centers/cooperative societies/dairy union | 0 | 0 | 0 | 1500 | 1510 | 100.6 | |
| Activity 4.1.1 Creation of formal membership of dairy farmers | All members of the dairy scheme are formally registered as | 0 | 0 | 0 | 1500 | 1510 | 100.6 | |

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|--|--|-----|------|--------|------|-------|-------|---------------|
| to village milk collection centers/cooperative societies | members of a milk collection center | | | | | | | |
| | Nb of village cooperatives formally registered with MAIL | 1 | 0 | 0 | 18 | 17 | 94.4 | Under process |
| | Nb of district cooperatives formally registered with MAIL | 0 | 0 | 0 | 5 | 5 | 100 | |
| | Nb of provincial cooperatives union formally registered with MAIL | 0 | 0 | 0 | 1 | 1 | 100 | |
| Activity 4.1.2 Regular meetings to inform member farmers about conditions and activities of the milk scheme | Quarterly meetings for all milk collection centers | 4 | 2 | 50% | 28 | 22 | 78.57 | |
| Activity 4.1.3 Distribution and sale of inputs through the village milk collection centers | Quantity of feed and other inputs sold through the | 500 | 56.8 | 11.36% | 2840 | 356.8 | 12.56 | |
| Output 4.2 Effective management and ownership structures for the dairy scheme in place and operational | Milk schemes have independent management structures with full involvement of farmers and trained union staff | 0 | 0 | | 1 | 1 | 100 | |
| Activity 4.2.1 Development and approval by the Government of a legal framework for the dairy scheme | Legal framework for the milk scheme and is recognized by the Government | 0 | 0 | | 1 | 1 | 100 | |
| Activity 4.2.2 Development of cooperatives/union for the ownership and management of | Representatives for the milk collections centers/coops and milk scheme/dairy union | 0 | 0 | | 15 | 17 | 113 | |

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|--|--|---|---|---|---|-----|-----|--|
| the dairy scheme | elected yearly | | | | | | | |
| Activity 4.2.3 Development of independent staff and management structures for the dairy schemes including their dairy and feed processing centers | Milk scheme has independent management structures with full involvement of farmers. Technical staff are recruited by the milk scheme/dairy union | 0 | 0 | 0 | 2 | 100 | 100 | |
| Activity 4.2.4 Creation and development of structures for financial management and performance monitoring of the dairy scheme | Computerized recording, monitoring and analysis of all performance and financial records of the dairy schemes | 0 | 0 | 0 | 1 | 1 | 100 | |
| Activity 4.2.5 Transfer of full financial and operational responsibility to the management of the dairy scheme/dairy union | All financial and operational issues are decided by the management of the dairy scheme/dairy union | 0 | 0 | 0 | 1 | 1 | 100 | |