



USAID
FROM THE AMERICAN PEOPLE

AZERBAIJAN

SUCCESS STORY

Better Profits Are No Small Potatoes

Potato farmers find new buyers, plant better seeds, and boost sales

After four years of operation, Elvin 2 had gained a reputation as a reliable supplier of high quality potatoes, but the Jalilabad-based company was still struggling to meet production costs. Without storage facilities, it had to send products to market soon after harvest, when prices were low.



Photo: IRC/Yuliya Gureyeva

One of the Elvin 2 company's farmers displays a potato greenhouse near Jalilabad, Azerbaijan.

“These days, farmers have to not only grow produce, but become skilled business people. Thanks to the marketing center, we are learning how to restructure our farming practices to meet the demands of the market economy,” Huseynov Agagulu, owner of the Elvin 2 potato company.

Telling Our Story

U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

In 2005, the company's management paid a visit to the USAID-supported Jalilabad Marketing Center to seek advice on farming operations in an emerging market economy.

Business advisors at the center suggested that Elvin 2 first begin sorting potatoes according to size and label packages accordingly, making it easier for buyers to know what they are purchasing. In addition, this packaging would help build loyalty to the Elvin 2 brand. Next the advisors helped organize test plots with seed varieties from Germany, Holland, Russia, and Poland to determine which grew best in the local environment.

The advisors also identified buyers in Russia and facilitated sales contracts. In 2005 these buyers agreed to purchase 1000 tons of potatoes from Elvin 2, or nearly half of the 2300 tons they sold in 2005. Their revenue that year was \$200,000 more than in previous years.

The marketing center also agreed to assist Elvin 2 with a \$20,000 grant to cover 45 percent of the cost of building a new cold storage facility, allowing the company to sell potatoes during the off season when prices are higher. USAID's program will help the company set up the facility and train management to achieve maximum efficiency. The cold storage will also be used by neighboring farmers to store not only potatoes but other perishable produce, such as fruits and berries. Elvin 2 expects to add twelve more jobs after the facility is completed and increase sales by \$150,000 in 2007.