

Data Sheet

USAID Mission:	Afghanistan
Program Title:	Agriculture
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	306-001
Proposed FY 2004 Obligation:	\$48,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$45,190,000 DA; \$11,000,000 ESF
Year of Initial Obligation:	FY 2002
Year of Final Obligation:	FY 2006

Summary: Restoring food security is USAID's highest priority. USAID Afghanistan's objective is to provide farmers access to higher yielding technologies and market outlets for their production, so as to improve food availability and purchasing power. Afghanistan's rural sector employs some 80% of the country's citizens, and traditionally produced more than half of Afghanistan's GDP. The agriculture sector is now de-capitalized and many productive assets have been destroyed. Crops have been uprooted, livestock has been lost, farmers are heavily indebted, and years of drought have compounded rural sector poverty.

Inputs, Outputs, Activities:

FY 2004 Program:

To ensure that Afghans have food security without distorting the development of the local economy, USAID plans to continue the Food for Peace contribution to the World Food Program (WFP), which is largely implemented by NGOs, on a highly targeted basis. A new element of the P.L. 480 program is the proposed \$5 million monetization, with the proceeds used to fund development activities.

Rebuilding Afghanistan's Agriculture Markets Program (RAMP) (\$48,000,000 DA). The primary objective of the RAMP program is to increase the marketable output of the agriculture sector in Afghanistan by more than \$250 million over three years. This will be accomplished through a series of intermediate results including increased agricultural productivity, increased access to inputs and input sales, increased processing and marketing efficiency, and access to operating capital through the provision of credit. Other results include improved roads and irrigation systems, increased number of financial intermediaries and trained loan officers, and the development of processing, marketing and storage facilities for agricultural products. The RAMP program will identify activities in target areas in conjunction with collaborating Ministries, including Agriculture, Irrigation, Finance, and Reconstruction and Rural Development, as well as local NGOs and other donors and members of the development community in Afghanistan.

Roads and irrigation structures in Afghanistan are in dire need of repair due to prolonged conflict and neglect. RAMP will rehabilitate secondary and tertiary roads in order to increase market access and improve efficiency in transport for agricultural producers. Quality assurance measures are being taken through the provision of a "Road Construction Training" for implementing partners, conducted in collaboration with UNOPS. Rehabilitating damaged and silted irrigation structures will increase the agriculture production capacity in the country by increasing land area under cultivation and increasing the production capacity of existing cultivated lands. The program initiated by USAID late in FY 2003 will include an intensive effort to identify, demonstrate and disseminate new and improved agricultural and production technologies in rural areas. The demonstrations will focus on new seed varieties, fertilizer applications, the use of crop protection technologies, water management techniques, and equipment and machinery credit. To ensure adequate supplies of new seed varieties, the program will support an extensive network of village-based seed production enterprises. Extension staff and mass media will be used to introduce information on new technologies and markets to farmers and local processors.

RAMP will also develop the business skills of input dealers, market intermediaries, and agro-processors to expand the value and volume of traded inputs, equipment, machinery, and processed products. Assistance will be provided to enterprises for specific product processing and market identification aimed at meeting the cost and quality requirements of local, regional, and international markets. The Microfinance Investment and Support Facility Afghanistan (MIFSA) will provide credit services to small and medium scale enterprises. This will be tied in with business development services. MIFSA is also supported by the World Bank, the ARTF, and the Japanese Social Development Fund.

RAMP implementing partners are Chemonics (prime), Louis Berger, and other subcontractors TBD.

FY 2005 Program:

Rebuilding Afghanistan's Agriculture Markets Program (RAMP) (\$45,190,000 DA, \$11,000,000 ESF). USAID's flagship program for the agricultural sector and rural economic development will be established in several regions across the country and will implement a range of interventions. The program will mount up to 400 demonstrations, including new and improved seed and fertilizer varieties, protected agriculture technologies, improved irrigation and water management techniques, farm mechanization, and crop management. These demonstrations will expose over 150,000 farmers to affordable new technologies and enhance farm productivity throughout the target areas. The program will also build the capacity of private sector input dealers to meet demand, both through exposure to these demonstrations and with business and marketing skill development. The program will actively strengthen farm output and enterprise capacity by identifying and exploring regional and international markets for value-added products. The program will focus intensively on a few (3-5) agricultural sub-sectors, with the objective of assisting those sub-sectors to achieve greater productivity, improve quality, and increase comparative advantages for Afghan products for better competition with neighboring countries. Production and processing activities will be supported by credit programs that meet critical needs for operating and investment capital. The RAMP program will collaborate directly with Ministries -- including Agriculture, Irrigation, and Reconstruction and Rural Development -- as well as local NGOs, donors, and other members of the development community in Afghanistan. Identified projects in rural infrastructure, including dams, roads, and bridges, will be carried out by implementing partners selected through a competitive bidding process. These projects will be funded through a variety of mechanisms, including the Rehabilitation of Economic Facilities and Service Program (REFS) and new contracts. Implementing partners are Chemonics (prime) with subcontractors TBD.

Performance and Results: USAID contributions in seeds and fertilizer last spring contributed to an 82% increase in crop production from the previous year. This increase in production is expected to reduce the number of Afghans dependent on food aid by 4 million -- from approximately 10 million last winter to 6 million currently. Seed and fertilizer were distributed to 113,000 farmers in 12 provinces. The estimated increase in wheat crop production from this contribution is 42,000 metric tons (MT), which translates into an additional \$69 net income per farmer where the average income is \$180 a year. In addition, the USAID Afghanistan programs provided 11.2 million work days, drawing labor away from poppy production. Through these programs, Afghans rehabilitated over 7,400 wells, irrigation canals, karezes, dams, reservoirs, and water systems. USAID programs also promoted high value crop diversification (i.e., grapes, olives, peanuts) in poppy-growing areas for approximately 18,000 farmers. Since the alternative crops program started, cotton production in the program area increased from 6,000 MT to 20,000 MT and a crushing facility in Helmand was opened to produce and market peanut and high value crops produced with USAID assistance. Income generation programs that benefit women, such as food processing (100 widow women, processing raisins in Kandahar); poultry production (200 women receiving breeding chickens); and widows' bakeries in Kabul, Mazar-I-Sharif, Kandahar, and Herat (employing 1,100 widows) were launched.

US Financing in Thousands of Dollars

Afghanistan

306-001 Agriculture	DA	ESF
Through September 30, 2002		
Obligations	6,920	0
Expenditures	1,317	0
Unliquidated	5,603	0
Fiscal Year 2003		
Obligations	4,781	4,000
Expenditures	8,018	1,364
Through September 30, 2003		
Obligations	11,701	4,000
Expenditures	9,335	1,364
Unliquidated	2,366	2,636
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	48,000	0
Total Planned Fiscal Year 2004		
Obligations	48,000	0
Proposed Fiscal Year 2005 NOA		
Obligations	45,190	11,000
Future Obligations	0	0
Est. Total Cost	104,891	15,000