

AGRO



**The National Federation of Agricultural Producers of
Moldova „AGROinform”**

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**2014
Annual Report**

March 2015

Foreword

Aurelia Bondari, Executive Director:



„Annual reporting for any organization constitute a moment of reflection on what has been achieved as compared to what has been planned. In this report, we present a concise overall activity of the National Federation of Agricultural Producers from Moldova "AGROinform" and try to put more emphasis on the impact of activities rather than on the participation statistics.

It is worth mentioning that the organizational effort of representing the interests and providing assistance to members of the Federation was far from enjoying the best external environment conditions. Despite the fact that 2014 was a good one in terms of crop harvesting, showing an increase in the global agricultural production worth 108.2% compared to 2013, much to our regret, the year 2014 was also known for a wide range of embargos set by the Russian Federation. Having banned wines import in the fall of last year under the pretext of poor quality, the Russian Federation continued with by interdiction of imports for the entire range of Moldovan agrofood products. As a consequence, export to the Russian Federation's market dropped by 30 percent. Instead, sales in the Western markets increased by approximately 13 percent as the European Union became the key economic partner of our country.

Taking into consideration these issues, the activity conducted in 2014 by the National Federation of Agricultural Producers of Moldova AGROinform was focused on the implementation of the Federation's strategy, as well as on promotion of policies favourable for its members, while actively contributing to mitigating the negative consequences triggered by the Russian embargo.

I would like to thank the member-organizations of the AGROinform Federation for a very fruitful cooperation, our colleagues and, last but not least, our farmers for their work.”

Iurie Hurmuzachi, Deputy Director:



„The lobbying activities of the Federation conducted together with our partner-organizations allowed us to achieve a whole spectrum of positive outcomes in 2014, such as declaring agriculture as a strategic sector in view of attracting the ENPARD funds. About 3,000 farmers joined the protests organized by the Federation and its partners in order to raise public awareness concerning the problems experienced by the latter.

In 2014, AGROinform had an important role to play in facilitating the farmers' access to new markets. To make this happen, we had to upgrade our marketing informational system AgraVista, which is now in compliance with the pressing market requirements, while the members of the Federation participated in two large-scale exhibitions where they managed to set grounds for the new cooperation relations.”

1. Mission and Values

The National Federation of Agricultural Producers of Moldova AGROinform is a network comprising 15 regional organizations targeted towards economic development of rural habitats by offering assistance in developing business, marketing, using advanced technologies as well as representing the interests of its members by promoting sustainable development policies in the rural environment.

Values

Professional competencies, accountability before the members of the Federation, openness and targeting towards the beneficiaries, respect towards observance of equality of chances, developing team spirit, creating positive public image, mastering powers of representation, showing respect towards the identity and autonomy of the regional organizations making part of the AGROinform network.

2. Activity of the AGROinform Network in 2014

Throughout 2014 the AGROinform was engaged in implementing the project „Increasing the Competitiveness of the Agricultural Sector”, financed by the Swedish Cooperative Centre "We effect". This project covered all the strategic directions established by the Federation for 2014-2016, while covering 60% of the Federation's budget for 2014.

2.1 Assistance to Farmers' Cooperation

In 2014 AGROinform continued the activity of assistance to farmers' cooperation. This is one of the core areas of the Federation, which cumulates more than ten years of experience. Last year, 10 cooperatives were selected for support, out of which 5 were specialized in milk collection and processing while another 5 in selling fruits and table grapes. The total turnover of these 10 cooperatives in 2014 amounted to MDL 10.17 million, of which 27.4% are the sales of milk processing cooperatives and 72.6% are the sales of the horticultural cooperatives.



The milk processing cooperatives have managed to raise their sales volume in 2014 by about 12% due to increase in the number of their members and enhancing the number of cows kept by each member. Likewise, the table grapes cooperatives enjoyed about 10% increase of sales due to last year's favourable prices. The fruit-selling cooperative was the only one with 50% sales of total production volume caused by the Russian Federation's embargo.

2.2 Creating and Developing Producer Groups

AGROinform enjoys a rather extensive expertise in creating and granting assistance to the producer groups. The farmers realize that much better results could be achieved through association compared to what could be achieved doing business individually. The success stories stemming from cooperation show the advantages of such through enhanced turnover, investments, accessing markets, etc. An important factor of gaining success lies with entrepreneurial attitude and thinking of the members of cooperative/group. Creation of a group of producers allows to its members obtaining certain advantages and hence better economic outcomes.

Created in 2014 were seven Producer Groups of new type, comprising about 36 members each. These groups are engaged in growing apples, plums, table grapes and producing bees honey. Producers' organizations (cooperatives and/or Producer Groups) are the structures that are of paramount importance for the farmers, especially in the context of signing the Free Trade Agreement with the EU.



2.3 Extension Services for Producer Groups

During the reported period, the AGROinform offered assistance to 25 study groups/circles (SC) and sales groups (SG) comprising 462 members, of which the young farmers formed 5 study groups exclusively. Members of these study groups use the Study Circles methodology and are engaged in production of vegetables, fruits, grapes and cattle breeding. The AGROinform makes available to the participants study materials, training sessions and experience exchange tours. Following these activities, the farmers become eager to improve production technologies and enhance their incomes. About 150 farmers – members of the SC and SG were trained in European standards.

Compared to the previous year, the average productivity per hectare with the SC members increased with 7%. The sales groups received assistance granted by the national and regional consultants in carrying out about 75 commercial transactions amounting to MDL 1.24 million.

In 2014, AGROinform organized participation of these groups members in two large-scale exhibitions held in Romania.



The purpose underlying participation in these events was to establish partnerships with Romanian businesspersons and to find new commodity markets for Moldovan fruits and vegetables. At the farmers' fair AGRALIM organized near the city of Iasi, some 30 fruits and vegetables producers were able to show their products at a stand that was intended and designed specifically for them. The action makes part of the measures attempted by the AGROinform in order to diminish the negative impact of embargo introduced by Russia.

Another international fair attended by the members of the Federation was INDAGRA held in Bucharest, which was an international event representing products and equipment for agriculture, horticulture, viticulture and cattle breeding.

Likewise, organized in the fall of 2014 was a study tour to a cows' farm in Tarzii, Vaslui County, Romania.



The Moldovan farmers were impressed by seeing the performances at this site and made photos and took notices for the eventual projects. As a result of this visit, the beneficiaries felt enthusiastic about doing business in agriculture and some had intentions to develop the like farms in their respective localities.



2.4 Developing Marketing Information Systems

Launched in 2014 was the new software for Marketing Information System (MIS) AgraVista. Placed on the web-site www.agravista.md were 314 news and comments on the trends in the development of the domestic market. In addition, the farmers placed about 2,856 commercial offers. During the reported period were registered about 78,000 users of the MIS.

It has been stated that launching of the new software for MIS Agravista created certain technical



shortfall during the period of its adaptation, which resulted in a minor decrease of the number of visitors and placement of the commercial offers. The web-page www.agrimarket-blacksea.com continued to offer information on the agricultural markets in the three countries: Ukraine, Romania and the Republic of Moldova. The users of the aforementioned two web-sites had a chance to promote their products through such.

Still, the activities conducted in 2014 showed the need to enhance the quality and diversify of the information placed on AgraVista and further promote the system towards market producers and operators.

2.5 Assistance in Launching and Developing Farming Businesses

The AGROinform continued offering assistance to its members at the initiation and development of farming business. The consultants of the Federation prepared 782 application forms for subsidies to the value of MDL 93,015,755. Likewise, implemented during 2014 were 59 business plans worth MDL 45,035,827. In order to access the programmes making part of the Millennium Challenges prepared were 42 business plans to the value exceeding US\$ 5 million. Another 8 business plans were prepared for the IFAD programmes to the value of MDL 2,367,000 and conducted were 4 pre-feasibility studies for 2,892 meters-long roads construction.



The AGROinform Federation has been selected by the Millennium Challenge Account for the purpose of organizing AAF Credit Facility Outreach Campaign. Thus, by the end of 2014 were conducted a whole spectrum of activities. The awareness raising sessions were intended for the producers specialized in horticulture, general farming and women-entrepreneurs acting in agriculture. Taking part in 16 regional events hosted by the AGROinform were 684 potential beneficiaries, including 189 women. The campaign has fully achieved its purpose while all of the interested persons had a chance to learn about the opportunities offered by COMPACT loans.

2.6 Representation of Members' Interests

In 2014 were maintained and established sustainable partnerships with the government institutions as well as with the partners engaged in the farming business. The Federation participated in the debates over the Regulation on agricultural subsidies in 2014 and submitted 7 proposals with some of them being accepted related to facilitating sales groups, cooperatives and young farmers. The Resolution of the 2014 General Assembly of the Federation included 6 claims some of which were accepted by the authorities concerning: facilitating cooperation, maintaining 8% VAT, offering tax holidays.

During the reporting period were organized 8 press conferences, which brought to general public's attention such issues as: fuel price; the need to raise the subsidies fund; protest meeting; response to the statements made by some of the functionaries with regards to the protest meeting;

enforcement farmers' requirements after the protests; compensations for losses incurred by the embargo and frost to fruit producers.

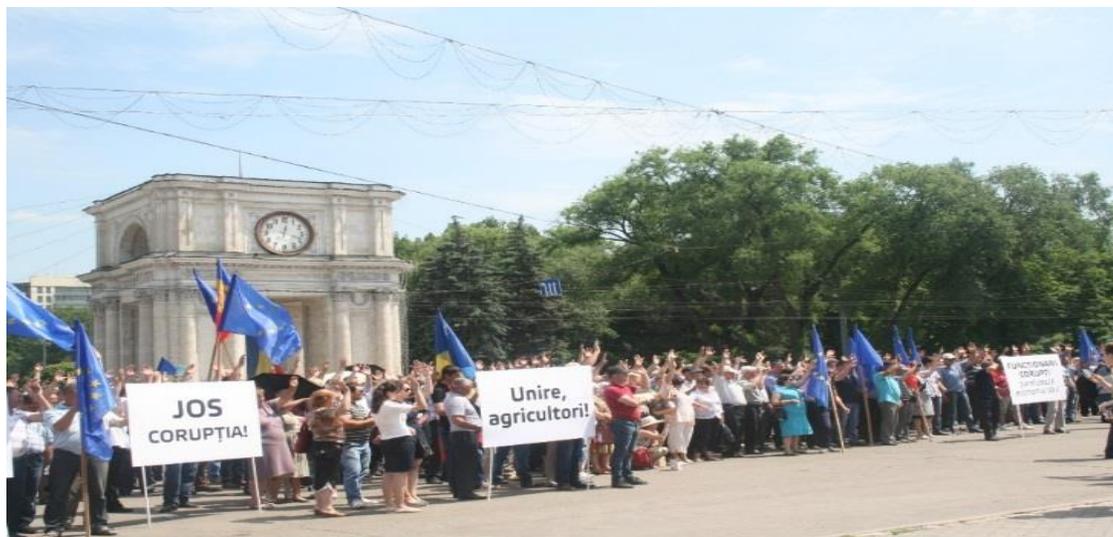


Prepared jointly with partner-organizations were 6 letters and worked out were joint position with regard to 24 requests, with about 50% of such approved and having numerous meetings with the decision makers. Organized in May 2014 were large scale protest meeting with participation of about 3 thousands of Moldovan farmers. The 2014 was also marked by numerous appearances in press.



2.7 Strengthening and Developing the Network

The AGROinform network as well as its power of representation has grown considerably. The capacity of mobilizing its members for actions of protest was corroborated through active participation at the event of 28 May 2014.



During the reporting period several activities were organized nationwide with the network, such as workshops, and developing AGROinform strategy for 2014-2016.



Also conducted was an adjustment of the data base used by the AGROinform members. Currently there are more than 4,500 members, including 2,700 (60%) membership fees payers. Total membership fees collected in 2014 amounted to MDL 350,720.

2.8 Assistance to Women Entrepreneurs' Networks in Rural Areas and Promoting Gender Equality

Another area of activity conducted by the AGROinform lies with coordination of the networks of business developed by women entrepreneurs in the agricultural sector. The objectives pursued by the women entrepreneurs' network in agriculture are linked to opening opportunities of socialization so that through interaction, exchange of ideas, expertise and practices, access to

information, training and services – give women a chance to grow personally and professionally, enhance women's trust in their own powers, encourage and motivate women to take the lead and participate actively in decision making process.

In 2014, as part of the women entrepreneurs' socialization network from the Northern and Central areas of Moldova, were conducted numerous training sessions, workshops, round table discussions, study tours/exchange of experience.



At the end of 2014 in Chisinau and Balti were conducted two forums of the Women Agricultural Networks from Central and Northern areas of Moldova, with the support of the AGROinform Federation and the Project Agricultural Competitiveness and Enterprise Development (ACED)



Assistance provided to the community study circles has proven to be efficient in promotion of the leadership qualities amongst women entrepreneurs in agriculture. The community-based study circles are actually the training platforms for adults following the purpose of mobilizing community, promoting women-leaders, enhancing the competitiveness through joint study process. Solid partnership was created between the community study circles and different locally-based businesses and local public authorities.

Women from the community groups and socialization networks have demonstrated enormous potential capacities while heading in the right direction with the support granted by the AGROinform specialists. The Federation is providing assistance to 11 community study teams comprising 228 members while 41 women are taking managerial positions in their respective communities. Organized through partnership with the Local Public Authorities were 9 community events targeted towards community development in all of the areas of interest. Herewith we refer to such events as „Sports is Life – Sports is Health” or “Support to the Child Rehabilitation Centre”.



3. Publishing Activities



Furthered throughout the 2014 was publishing of the newspaper **AgroMediaInform**. The total number of newspaper issues amounted to 22 having about 3,500 agricultural producers as its subscribers as well as government institutions.

The newspaper serves as a reliable source of information for agricultural workers and is extremely popular amongst this category of population.



The farmers found on pages of this newspaper useful information concerning agricultural business development, success stories of the Moldovan producers, and small publicity announcements through which they were able to sell their farm products. Likewise, the newspaper was much in demand by the businesses eager to promote their products with the farmers.

4. Financial Report 2014

1 Income		LEI
Sold la data 31.12.2014		407390
a. Donors		
* GRANTS		
"Increasing competitiveness in agricultural sector in Moldova" (ICAS) Project		
Swedish Cooperative Centre		3,101,175
* TECHNICAL ASSISTANCE SERVICES FOR INTERNATIONAL PROJECTS:		
ACED „Agricultural Competitiveness and Enterprise Development” Project		2421865
MCA "Compact credit promotion campaign" Project		405,497
IFAD - Development of business plans and prefeasibility studies		43,111
<i>Subtotal</i>		5971648
b. Own revenues		
Membership fees		350,720
Other revenues (consultancy services, shares for participation in various activities, commercial subsc		9,925
<i>Subtotal</i>		360645
Total income		6332293
2. Expenditures		LEI
Implemented projects		
"Increasing competitiveness in agricultural sector in Moldova" (ICAS) Project		3,181,180
1. Building the capacity of AGROinform network and increasing representation power		699,762
2. Providing services to existing cooperatives		134,596
3. Increasing agricultural efficiency through participation in study circles		389,284
4. Common markets and better prices		250,990
5. Farmers use international marketing systems and know better European market trends and requirements		741,983
6. Improving conditions for rural communities and agriculture		122,254
7. Lobbying and advocacy implemented with other partners		153,202
8. Improving the AGROinform internal and external networks		131,576
9. Active involvement of women in community initiatives of political networks and debates		238,589
10. Operating costs		318,944
"ECOAGRINET" Project		122,279
TECHNICAL ASSISTANCE SERVICES FOR INTERNATIONAL PROJECTS		3,396,069
Own revenues		
Payment for consultancy /expert services, co-financing of project activities		13,450
Total expenditures		6712978
Balance at 31/12/2014		26705