



ACSC "Bio Farmer"
Annual report 2011



bio Farmer

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ACRONYMS

BS	Bio Service
BF	Bio Farmer
Ha	Hectare
SAI	State Auto Inspection
STI	State Tax Inspection
YPO	Yearly Plan of Operation
GIZ (GTZ)	German Institute für Zusammenarbeit
JA	Jalal-Abad
ED	Executive Director
INT	Individual Number of Tax Payer
ICG	Inter Cotton Group
KR	Kyrgyz Republic
KG	Kilogram
GL	Group Leaders
MAP	Medicinal and Aromatic Plants
MCC	Micro Credit Company
NGO	Non-governmental organization
ER	Expected result
PF	Public Foundation
OF	Organic farming
Ltd	Company of limited liability
JSC	Joint Stock Company
BCP	Bio Cotton Project
LMD	Local Market Development
ACSC	Agricultural Commodity and Service Cooperative
VBI	Village bio Inspector
ICS	Internal Control System
RAS	Rural Advisory Service
MM	Mass Media
R/D	Rural District
SEP	Effective use of water
USA	United States of America
Agr.	Agriculture
P	Plot
HRM	Human Resources Management.
Pc.	Pieces
BSAIC	Branch of Swiss Association for International Cooperation

1. Resume

The structure of the Cooperative was changed in 2011: according to a staff list of ACSC assistant / translator and production manager assistant were hired in March and April of 2011 on competitive basis; 1 IT specialist was handed over from BioService and as by end of 2011 there are 7 staff members in total, including Accountant – 30% and Financial Manager 10% of their working time. The main functions of the ACSC “Bio Farmer” are to provide agricultural inputs to the farmers (seeds, biological, loans), organic production, 1st level of internal inspection (ICS), organization and receiving Fairtrade certification, processing, sales and export of organic products; also distribution of the information about organic farming and expansion of organic production in the region.

ACSC delegates to PF BioService the following tasks on a contractual basis: trainings of the farmers, internal control system (ICS), facilitation in receiving organic certification and marketing of organic and in-conversion products.

BCP provides regular technical support to ACSC “Bio Farmer” in organizational development, supports in marketing and sales of organic products.

ACSC BioFarmer developed its Strategic plan for 2011 during the joint planning workshop with PF BioService and BCP where the Vision and Mission of the organization were defined as:

Vision:
“Organic farming enriches your life!”

Mission:
“ACSC “Bio Farmer” promotes organic farming and provides services from farmer to market”

Strategic goal: In 2011 ACSC “Bio Farmer” achieves 40% of cost coverage.

According to the Strategic plan there are 3 main sub-objectives:

1. Increased volume and quantity of certified organic products of marketable quality is produced and sold
2. The organization is supported by loyal and responsible farmers

ACSC is operated on the professional level.

Based on the Strategic plan objectives Yearly Operational Plan and Budget for 2011 were developed accordingly.

Review of achievements:

- Strategic plan, YPO and Budget for 2011 developed
- Grant agreement with HELVETAS Swiss Association for International Cooperation signed
- 300 new farmers selected and joined the membership of the Cooperative
- Total number of farmers for the beginning of the 2011 is 998; of them in Jalal-Abad oblast – 901, Talas oblast – 42 and Batken oblast – 55.
- From total number of farmers women 219 (22%) and men 779 (78%)
- Total production area including non-irrigated area is 2645.81 ha; of them 736.72 ha of organic status, 1909.09 ha of in-conversion status
- Farmers were supplied with high-quality seeds for cotton and rotation crops
- 3 farmer groups applied and obtained credit from MCC “Agrokredit plus” in amount of 460 000 KGS.
- Cooperative successfully passed the Organic and Fairtrade certification.
- Trade loan in amount of 257 750 USD was obtained from Triodos bank
- Farmers delivered 430971 kg of organic seed cotton and 107102 kg of in-conversion seed cotton
- 151.9 t of organic cotton fiber and 36.4t of in-conversion cotton fiber was processed
- 145 t of organic cotton fibre was sold and exported to P. Reinhart. The rest volume of organic cotton fiber (6.9t) and in-conversion cotton fibre (36.4t) is currently being stored at the ginnery as there is no buyer.
- Planned volumes of alternative crops failed due to unfavorable climate conditions (drought)
- During the General Assembly meeting 2 new members of the Council and 3 new members in Auditing Committee were elected.

2. Review of results

Sub-objective 1. Increased volume and number of certified organic products with marketable quality is produced and sold

Indicator

- Cotton fiber - 450t,
- Calendula and chamomile - 4t,
- Chick-peas - 40t,
- Soya bean - 30t,
- Red kidney bean - 14t,
- Adzuki bean – 2t,
- Dried apricots - 20t.
- Sales contracts and service agreement were concluded

Expected result 1.1: Planned volume of cotton produced and sold in International market

Result

Needs of farmers are defined and agricultural inputs provided.

- 44, 3 t of cotton seeds were purchased for 2 254 300 KGS.
- 2 t of “Ak Altyn” variety elite cotton seed was purchased for further reproduction within the Cooperative
- 36 t of cotton seed for 1826046.43 KGS was distributed to the farmer groups at the price: undelinted cotton seeds – 42.05 KGS/kg, delinted cotton seeds – 54.30 KGS/kg. Seeds are of a good quality
- 3 farmer groups applied and obtained for a loan in amount of 460,000 KGS from MCC “Agrocredit plus”
- The Cooperative applied and received a trade loan in amount of 257750 USD from Triodos Bank.
- The Cooperative signed a contract with the branch of KyrgysAgrobiocenter in Jalal-Abad oblast and received beneficial insects for 326 ha area for 30800 KGS.

Process

Purchasing and distribution of cotton seeds.

#	Seeds /Crops	Purchased Volume (kg)	Amount (KGS)	Distributed (kg)	Amount (KGS)	Region
1.	Cotton seed	44 300	2254300	36 018,5	1826046,43	Jalal-Abad

Actual volume of distributed cotton seeds to farmers in 2011.

#	Item	kg	price	amount
1	Undelinted cotton seeds	10592,5	42,05	445414,63
2.	Delinted cotton seeds	25426	54,3	1380631,80
	TOTAL	36018,5		1826046,43

Actual volume of obtained loans in 2011

#	Financial institution	Credit amount	Currency	Payment amount	% payment	Recipient
1.	Triodos Bank	257 750	USD	257 750	100	ACSC
2.	Agrocredit plus	460 000	KGS	460 000	100	Farmer groups

Production and sales of cotton fiber, 2011

#	Crop	Area (ha)	Crop on raw seed appropriation, (ton)	Plan of cotton fiber sale (ton)	Fact on cotton fiber sale (ton)	% implemented	Cotton fiber is in storage of Ginnery (ton)	The rest not bought cotton from farmers	Remarks
1.	Organic Cotton	263	692,7	170	145	85	6,9	34	No buyer, besides P. Reinhart
2.	In-conversion cotton.	382,5	1025,5	280	0	0	36,4	238	No buyer
	TOTAL	645,5	1718,2	450	145	32	43,3	272	

Sales and export of cotton fiber, 2011

#	Product	Harvested raw cotton, conditioned weight (kg)	Payment amount to farmers (KGS)	Fiber output (netto kg)	Exported cotton fiber (netto kg)	Remaining part (kg)	Remarks
1	Organic cotton	430 971	14 472 246	151815	144931	6884	No buyer
2	In-conversion cotton	107 102	3 026 792	36448	0	36448	No buyer
	TOTAL	538 311	17 499 038	188263	144931	43332	

The main difficulty in providing the agricultural inputs for the farmers was to provide cotton seeds on a competitive price, as after the sharp increase of cotton prices in 2010 more farmers decided to grow cotton in 2011 which led to increase in prices for cotton seeds: 80-100 KGS/kg on the local market. ACSC "Bio Farmer" purchased 42.3 t of cotton seed "Kyrgyz-5" variety of the first reproduction which were distributed to the farmers on a lower price. 2 t of "Ak Altyn" variety cotton seed was purchased for further reproduction from the Fairtrade funds for 120,000 KGS.

At the end of the season the Cooperative faced difficulty in purchasing the produced cotton from the farmers because of the falling price in Liverpool Stock Exchange. For end-November the amount of not-purchased amounts were: for organic seed cotton – 98 t, in-conversion seed cotton – 700 t. Explaining this complex situation to farmers the Cooperative suggested to sell their organic and in-conversion cotton in the local market which, Cooperative could not buy them.

Expected result 1.2. Planned volume of alternative produced crops and sold in International/local market (pulses, MAP, dried apricots)

Result

- Rotation crop seeds were delivered to farmers in the following volumes: 710 kg of chick-pea seeds, 92kg of adzuki seeds, 931kg of red kidney-bean seeds, 29,4kg of calendula seeds, 8,52kg of chamomile seeds to farmers of Jalal-Abad and Talas oblasts for sowing.
- Farmers were provided with 500 kg of biologicals.

Process

- Pulses and medicinal plants were delivered to farmers until the end of sowing season.
- Pulses seeds: 92kg of "Adzuki" bean, 559 kg of soya bean, 710 kg of chick-pea Seeds of medicinal plants: 29,4kg of calendula, 8,52kg of chamomile were delivered by VBIs and Group leaders of Jalal-Abad oblast for distribution to the farmers by lists. 931kg of red kidney-bean

seed was delivered to farmers in Talas oblast.

- The Cooperative identified a firm in Jalal-Abad which sells sulfur and provided farmers with

sulfur at the prices lower than in local market: 20 KGS/kg against 100-120KGS/kg at local market during season.

Actual distributed seeds volume of rotation crops to farmers in 2011.

Nº	Crop	Distributed seed (kg)	actual, sowed (kg)	price	amount
1.	Chick-pea	710	370	60	22200,00
2.	Soya-bean	559	219,5	65,6	14399,20
3.	Adzuki	92	58	65,6	3804,80
4.	Calendula	29	2,5	396	990,00
5.	Chamomile	8,5	0,75	3030	2272,50
TOTAL on Jalal-Abad oblast			650,75		43666,50
1.	Red kidney bean	931	930	65,6	61008
TOTAL in Talas oblast			930		61008
TOTAL					104674,50

Production and sale of alternative crops

Nº	Crops	Status	Area	Yield estimation	Production (tons)		Performance	Sale	Remarks
					Plan	Fact			
			ha	tons			%	tons	
1.	Calendula and chamomiles	Bio	0.41	0,175	4	0.140	3,50		Harvest failed because of drought. 2,75 ha was resowed by other crops.
2.	Chick-pea	Bio	38	8,35	40	2.0	5,00	0	Drought, size of pulses is small. Quality is low
3.	Soya bean	Bio	2,22	2,8	30	1	3,3	0	Harvest failed
4.	Red kidney bean	In-conv.	10,90	24,55	14	17.0	121,00		In the process of preparing to sale
5.	Adzuki bean	Bio	0.98	0,387	2	0.2	10,00	0	Harvest failed
6.	White bean	In-conv.	91,2	223,1	0	180	100,00		No buyer. In process of study
7.	Dried apricots	In-conv.	128	47,8	20	50.0	250,00		No buyer, Sold at local market

According to the Cooperative's production plan 20 tons of in-conversion dried apricots in conditions of organic was expected. Actually over 50 tons dried apricot smoked by sulfur produced and sold at the local market at the price of 200 KGS/kg by the farmers.

Expected result 1.3 All planned organic crops were certified as Organic and Fair-trade with reduced costs per kg of organic products

Result

- Information from farms collected and inserted into database
- Yield estimation is conducted
- Fairtrade certification was conducted successfully and its paid in the amount of 3308,03 Euro for 2011.

Cooperative passed Fairtrade certification successfully according to new standards.

Process

- Collected information about farmers' farm for VBIs and Group Leaders. Cultivated area of organic crops are clarified, inspected and documented in the map of sowings. Collected information was entered into database.
- About database:
- Total number of farmers is 998. Out of them

486 farmers are bio farmers and 512 farmers are transition period. New 300 farmers were selected. See table below.

In 2011, 287 old farmers have not updated the contract with Cooperative and 1 new farmer of the first year from Batken oblast was excluded at IC-1.

From 287 farmers did not conclude the contract;

- 1) Farmers of the first in-conversion year 111 farmers. (11,3 %),
- 2) Farmers of the second in-conversion year 52 farmers. (5,3 %)
- 3) Bio farmers 124 farmers. (12,5 %)

The main reasons are the following:

- 1) Due to strengthening of duties and responsibilities of a farmer in production contract for 2011.
- 2) Self-cleaning within the group, cleaning of non-loyal farmers (for example v. Shalka)
- 3) Influence of the competitors, distributing seeds, cotton prefinancing in the beginning of season, providing with mineral fertilizers. (For example v. Baimunduz)
- 4) Last year's situation with the prices for cotton, noncompetitive price for cotton from Cooperative.

Number of framers for beginning of the year

	Number of farmers	Plan (farmer)	Fact (farmer)	% implementation	Org. farmers (farmer)	in-conversion farmer. (farm)	Plan New farm. (farm)	Fact new farm (person)
Jalal-Abad	1200	901	75	486	415		267	
Talas		42		0	42		22	
Batken	45	55	122	0	55		11	
TOTAL:	1245	998	80	486	512	300	300	100

Number of farmers for the end of year, after certification

Number of farmers	Plan (farmer)	Fact (farmer)	% implementation	Org. Farm. (farm)	in-conversion farm (farm)	Plan New farm. (farm)	Fact New farm (farm)	% made
Jalal-Abad	1200	901	75	483	398		258	
Talas		42		0	42		22	
Batken:	45	54	120	0	54		11	
TOTAL:	1245	977	78,5	483	494	300	291	97

Total area where is organic farming is 2645, 81 ha including irrigated land (Jalal-Abad, Talas) and perennial plants (Batken). See table

Organic area by region

Org. area	total (ha)	org (ha)	in-conversion (ha)
Jalal-Abad	2316,10	736,72	1579,38
Talas	172,69	0	172,69
Batken	157,02	0	157,02
TOTAL:	2645,81	736,72	1909,09

In connection with increasing cotton price last year cotton area are increased to 150 ha and it comprises 664 ha. Due to lack of water during the spring sowing season, many farmers didn't sow medicinal plants, soya bean and bean "Adzuki". Due to lack of irrigated water calendula in 1, 39 ha and chamomile in 1, 36 ha dried out and were reseeded with other crops.

In June 6, 35 ha of cotton area, 1, 20 ha of soya bean, 2, 14 ha of maize and vegetables were washed with driving rain in the village Seyit-Kazi of Bazar-Korgon rayon and in the village Kyrgoo of Nooken rayon. After these natural disasters reseeded by other cultures.

Sowed area of certified and exported crops

Crops	Total area (ha)	Org (ha)	in-conversion (ha)	Remarks
Cotton	664,12	250,82	413,30	6,35 ha was washed up by flood
Chick-pea	38,33	5,49	32,84	
Calendula	0,26	0,26	0	1,39ha was reseeded with other crops
Chamomile	0,15	0,15	0	1,36ha was reseeded with other crops
Sunflower petals	62,51	12,54	49,97	
Bean "Lopatka"	92,00	0	92,00	
Red kidney bean	10,40	0	10,4	
Soya bean	2,66	1,94	0,72	1,2ha was washed up by flood
Bean "Adzuki"	0,98	0,89	0,09	
Apricot garden	127,76	0	127,76	
Other rotation crops	1646,64	464,63	1182,01	
TOTAL:	2645,81	736,72	1909,09	

According to FLO-CERT invoice in the amount of 3308, 03 Euro (225213 KGS) was transferred to the Fairtrade certification for 2011.

In October there was an audit cooperative "Bio Farmer" for a new standard of Fairtrade. As a result Cooperative passed successfully Fairtrade certification and got Fairtrade certificate.

Expected result 1.4 HACCP system is established and implemented

Result

- Cooperative's staff trained about HACCP.
- HACCP team is created
- HACCP manual is prepared
- HACCP Documentation is begun.

Process

- Cooperative's staff trained twice on HACCP system.
- Staff got general information on HACCP system (quality management), handouts and information materials.
- HACCP team is created with 4 persons. Leader of the group is Kannazarov Nurbek – Production Manager of Cooperative "Bio Farmer", members are Erkinbaev Nurmat – ICS coordinator, Kudaiberdieva Gulzada – trainer, Kalbaeva Regina – marketing officer PF "Bio Service".
- HACCP manual was developed by the support of BCP consultant
- Main documents of HACCP team were developed by the help of HACCP trainer
- HACCP demands are observed and documented in the process of production. (Buying, processing, storage of production means and products)

Expected result 1.5 Tested minimum 5 types of crops for agro technology and profitability.

Result

- Pilot plots for rotation crops were selected.
- Crops for tests were sowed.

Process

- Pilot plots for rotation crops are selected in Suzak and Nookan rayons of Jalal-Abad oblast and Talas oblast.
- 1. Sweet pepper was sowed in Suzak and Nookan regions of Jala-Abad oblast for testing and profitability. Sweet pepper seeds were received from Switzerland from buyer Peter Lendi.

Sweet pepper sowings in pilot plots in 0, 01 ha was dried out during blossoming from root disease. Therefore result seemed negatively.

From sowings sweet pepper in 0,006 ha in the village "Totiya" of Suzak rayon got a result, giving yield 4000 kg/ha a fresh sweet pepper. Output is 15% or 600kg after drying.

There is a risk of losing of all yields from root disease and contamination by mildew during the drying and storing. Average price for dried products is 3USD/kg. Taking into account of all expenditures of farmers for production and processing, big hand work is not profitable to grow sweet pepper economically.

- Chick-pea (local) was sowed in 0,05 ha in Talas oblast for testing and agro technics.

Result showed that in condition of Talas oblast chick-pea (local) grows well and gives a yield but size of pulses are less than 8mm.

- Virus experiment HELICOVEX is conducted in pest the cotton bollworm in Suzak village of Suzak rayon and in Chong-Bagish village of Nookan rayon.

For conducting an experiment fields with sowings were selected: Cotton and tomatoes

Purpose: testing a virus HELICOVEX against caterpillar of cotton bollworm in cotton plant and in tomatoes in different doses (using 100 ml and 200 ml)

Conclusion: Using a virus HELICOVEX in different doses (200 ml and 100 ml) gave almost the same results.

- 1) Using a virus with 200 ml doses destroy pests during 7 days.
- 2) Using a virus with 100 ml doses during 7 days doesn't destroy fully old larvas but they are almost fixed and don't provide dangerous for agriculture crops. During 14 days all generations larvas of cotton bollworm were died.

Reports of experiments are attached.

Expected result 1.6 Minimum 2 processing technologies were set up (drying, cleaning, canning fruits and vegetables)

Result

- Found an interested bio farmer rendering services in processing of pulses (sorting, calibration and packaging).
- Harvesting and drying of medicinal plants had begun (calendula, chamomile)

Process

- In connection with lack of working capital for purchasing processing equipment (sorting, calibration and packaging) of pulses Cooperative looked for another way of solving this problem. It was suggested to entrepreneur bio farmer Teshebaev Ikramjan to manufacture processing equipment and render services to Cooperative in processing of pulses. After Teshebaev's agreement, we learnt the unit of Turkish processing equipment. On Cooperative's request present time a process is going of manufacturing equipment.
- Found a firm in Jalal-Abad ready to sell calibra-

tion equipment for pulses and vacuum apparatus for vacuum package of products. Negotiation is in process with GIZ for supporting in buying calibration equipment for pulses.

- Due to weather climate this year harvest of chick-pea was got in a very small volume and seed are in a small size inappropriate for International market.

Therefore processing was not done.

- Chick-pea is not adequate to requirements of International market with its size. Therefore there is a necessity in experiment and in production in small volume of another variety of chick-pea American, their size satisfies International market. There is an interested buyer from Uzbekistan MARAP for this variety, who is ready to provide seeds for experiments.
- Harvesting and processing of pulses in Talas oblast are in processing of learning.
- Preparation is going for processing of calendula and chamomile for further export to Europe.



Chick-pea (variety local)
Sizes of pulses are less than 8 mm



Chick-pea (variety American)
Sizes of pulses are more than 8mm.

Sub-objective 2. The organization is actively supported by the loyal and responsible farmers

Indicator

- JA – 1200 farmers, Batken -45
- Level of goods delivery
- Return of credit is 100% (establishment of MCA – high percentages, and the laws do not allow, nor approach on the current time of ACSC, to deduct for services before return)

Expected result 2.1 Information campaigns are conducted and 300 new farmers became a member of ACSC

Result

- Conducted 3 trainings for VBIs of Jalal-Abad, Talas and Batken oblasts about selecting farmers.
- Information lists on organic production were distributed.
- 7 information meetings were conducted for new farmers in Jalal-Abad, Talas and Batken oblasts.
- 300 new farmers were selected.
- New database is created

Process

- For conducting information campaigns on organic farming 3 trainings were conducted for

VBIs of Jalal-Abad, Talas and Batken oblasts on selecting new farmers. VBIs were provided with information campaigns, forms on selecting farmers and samples of statement for new farmers to being a member of Cooperative. Areas were defined for conducting information campaign.

- Information lists were multiplied and distributed to VBIs, farmers.
- Information was collected about interested zones in organic farming. The meetings were organized with contact persons and were conducted information meetings in 5 villages of Suzak, Bazar-Korgon and Nooken rayons. 267 new farmers were selected in Jalal-Abad oblast.
- One information meeting was conducted in Talas oblast with participation of old farmers. As a result 22 new farmers were selected in Talas oblast. One information campaign was conducted in Batken oblast, 11 new farmers were selected. Totally selected new farmers are 300.
- All new 300 farmers are entered into database of Cooperative and were approved in General Assembly.

Number of new farmers for the beginning of the year

Number of farmers	plan (farm)	fact (farm)	% implemented
Jalal-Abad		267	
Talas		22	
Batken		11	
TOTAL:	300	300	100

Number of new farmers after certification for the end of the year

Number of farmers	Plan (farm)	Fact (farm)	% implemented
Jalal-Abad		258	
Talas		22	
Batken		11	
TOTAL:	300	291	97

Expected result 2.2. 1200 contracts were increased (responsibilities and sanctions) and developed and signed with farmers

Result

- Project of Contract with increasing of responsibilities of farmers was prepared
- Project was discussed with BCP, Bio Service
- Agreed with lawyer
- VBIs and group leaders were introduced with contract conditions.
- 6 group leaders were hired on the pilot basis instead of left 2 VBIs.
- 998 contracts were concluded with farmers.

Process

- Contract project with increasing responsibility of farmers was prepared. In contract terms of references of farmers are concretely indicated membership fees, payment for services of VBIs, Bio Service. The sanctions are stipulated in case of sale by the farmer of certificated production to the third person.
- Project of contract was discussed with BCP and Bio Service and in view of the recommendation the final variant is developed.
- Contract was agreed with lawyer.
- VBIs and group leaders introduced with contract conditions. Responsibilities of farmers were made clear. 2000 contract were multiplied and distributed to VBIs and groups leaders for conclusion contract with farmers.
- Totally 998 contracts were concluded. Farmers who are not agreed with contract conditions didn't conclude a contract.

Expected result 2.3 Communication flow was increased within ACSC (Council, General Assembly, VBIs etc)

Result

- Information about Cooperative's activities communicated to Council at the meetings or by phone.
- Information is transmitted through General Assembly providing information and handouts.
- Information is transmitted to farmers through

VBIs in the office orally and by handouts, feedback by phone or through meeting with farmers.

- Information is transmitted to VBIs and farmers through SMS message by phone.

Process

- Council meeting is conducted no less than one time in a quarter, the members of Council get information about Cooperative's activities and they take part in decisions of strategic tasks of Cooperative. Information is transmitted through Council members to VBIs and farmers. Feedback is by phone.
- Information is transmitted to farmers through General Assembly providing information and handouts.
- Information is transmitted through VBIs in the office orally and handouts, feedback is by phone and during meeting with farmers.
- There is list of mobile phone numbers of VBIs and farmers. Information for VBIs and farmers is transmitted through SMS, through computer now doesn't work out.

Expected result 2.4 Farmer groups of ACSC is strengthened

Activity1. Organize training for farmer groups

Activity 2. Remuneration for the best farmer groups

Result

- Training for farmer groups was not conducted.
- According to indicators of last year the best farmer groups were defined and rewarded by the decision of Cooperative Council with money from the fund Fairtrade at the joint General Assembly of Board and Council of Cooperative by their decision.

Process

- Training for farmer groups was not conducted.
- According to different indicators of last year the best farmer groups were defined. At the joint meeting of Cooperative's Council and Board, 4

best farmer groups were rewarded with money from the fund Fairtrade premium at the joint General Assembly of Board and Council of Co-operative by their decision.

- In July in regular meeting of General Assembly 4 farmer groups were rewarded per 5000 KGS, advanced farmers per 1000 KGS and with certification of recognition.

Expected result 2.5. Fairtrade fund is functioning for social projects

Result

- 1 track "Hunday" was bought
- 6 pieces of tires were bought for "Hunday" track
- The track registered on the ACSC "Bio Farmer" balance
- Conducted technical service and inspection in SAI
- Purchased 2 tons of cotton seeds

Process

- For the beginning of the year the rest sum in the account of Fairtrade fund was 1 081 729, 45 KGS.
- By the decision of Council and General Assembly of Fairtrade premium this money was used to the following purposes.
- By the decision of Council and General Assembly 512521 KGS was used on repayment of percent of credit received from from Triodos Bank for 2010.
- According to the farmers' statement 1 truck "Hunday" was bought in the amount of 350 390 KGS from the account of Fair-trade premium.
- Old tires were replaced on 6 with the sum 17 060 KGS
- Conducted technical service for passing from inspection in SAI to the amount of 1405 KGS.
- The truck was registered to ACSC "Bio Farmer", service costs were 20 170, 40 KGS.
- Bank services were 560, 67 KGS.

- Awarding best farmer groups and advanced farmers were 80500 KGS.
- Support for suffered farmers from Natural disaster (write off debts on Seed Fund) 14832,35 KGS.
- Printer was bought for using during the accept season of cotton in the ginnery is 7500 KGS.

The rest 476 013,39 KGS on decision of Cooperative's Council was used for buying the cotton from farmers and after sale of products will be returned to the account of Fair-trade fund.

Sub-objective 3. ACSC is operated on professional level.

Indicator

- Basic line is created for assessing staff (internal);

Expected result 3.1 Administration manual is developed.

Result

- Administration manual is developed.
- Bonus system for VBIs and groups leaders was developed.
- Staff regulation was developed

Process

- Administration manual was developed. This manual defines the main administration procedures which should be adhered at their work employees of ACSC "Bio Farmer".
- Internal manual was developed by ACSC "Bio Farmer"
- Staff regulation for 2011 was developed and approved.

Expected result 3.2. Plan HRM is developed and implemented

Result

- Human resources development plan was updated.
- Capacity building. Staff was trained

Process

- Human resources development plan was updated.

- Terms of references were developed for every employee.
- New hired assistants of Board Director and Production Manager, Business Manager were trained on the structure of ACSC "Bio Farmer", PF "Bio Service", BCP and organic farming.
- 2 trainings conducted on HACCP system for staff.
- Production manager and assistant of Board director were trained on time management in Osh
- Accountant was trained on financial reports organized by ICCO in Issyk-Kul
- Board Director and accountant were trained at the one-day business plan training
- Board Director, business manager, accountant were trained at the one-day training on strategic planning, organized by BCP.

Expected result 3.3 Communication between key partners are improved (BS, BCP)

Result

- Communication between Bio Cotton Project, PF "Bio Service" and other partners were improved.

Process

- Communication between Bio Cotton Project, PF "Bio Service" is improved.
 - All important questions were transparency solved, through conducting meetings. Action plan was defined, roles of participants distributed among them. Minutes of meeting was sent to all participants.
 - Information exchange conducted through e-mails, phones.
 - Implemented work information conducted every month and developed agreed work plan between ACSC "Bio Farmer" and PF "Bio Service" with facilitation of BCP.
1. Exchange information has been going with Agrolid on bio preparations, GIZ (GTZ) on MAP, processing fruits, RAS Jalal-Abad on MAP, University in Central Asia on doing business in the South, CAMP "Ala-Too" participation in International Forums, USAID on export partnership in Central Asia, Agrarian platform on organic farming and etc.

Expected result 3.4 Service agreement between ACSC and BS is concluded

Result

- Service agreement with PF "Bio Service" was concluded

Process

- Service agreement with PF "Bio Service" was concluded on 15th of March, 2011.
- PF "Bio Service" was provided a mandate for rendering service:
 - 1) On training organic farming
 - 2) On marketing products
 - 3) maintenance of internal control system
 - 4) On results of year for the rendered services as trainings and internal control 1 million KGS was transferred to PF "Bio Service". Cooperative was not satisfied with services on cotton marketing this year.

3. Conclusion

For 2011 as agreed by buyer, donors and partners the cooperative society has passed on the flexible mechanism of payment to the farmers for the handed over raw cotton. Cooperative worked on fixed pricing before, which has not justified itself the last year situation with sharp increase of the prices. Pricing was everyday with giving information to the buyer about the price of the local market and volume of the bought raw cotton. The payments to the farmers were paid from the price of the local market.

Cooperative gathered 151,6tons of organic and 36,4tons of in-conversion cotton fiber.

145tons of organic cotton fiber was sold to P. Reinhart by this flexible pricing mechanism in view of the charges of Cooperative's costs. Due to lack of demand for organic and in-conversion cotton fiber P. Reinhart and Textile Company "Elmertex" refused from buying the rest volume of cotton fiber. In connection with lack of buyers and falling down cotton prices in world market and in order to avoid losses, Cooperative stopped receiving organic and in-conversion cotton from farmers. The farmers sell un-bought cotton volume at local market as conventional cotton.

Risks: The next year farmers can lose a trust to Cooperative on the sale of productions and for Cooperative it will be difficult to gather debts for the seed.

As a result for 2011 planned volume of 450 tons of organic cotton fiber will be made for 41%.

Not counting of un-bought volume from farmers Cooperative reaches the first such indicators like in production and in sale 151, 5 tons of organic cotton fiber, increasing selling turnover three times in comparison with last year.

The next year Cooperative should find additional market for organic and in-conversion cotton.

Due to climate conditions this year planned harvest of chick-pea, soya bean was got in a small volume and seeds were of small size which does-

n't adequate for International market. The second reason is a unwillingness of the south farmers in growing soya bean in the South

Medicinal plants calendula and chamomile dried out with lack of irrigated water and fields were reseeded with other crops. On this reason some farmers didn't grow MAP and returned seeds. The other reasons were migration and shortage of labor force, unwillingness of farmers to grow MAP.

As a result of experiments for agriculture and profitability growing sweet peppers, there is a risk losing all harvest from root diseases and for profitability, it is not beneficial to grow sweet peppers for farmers.

Experiment for agriculture growing chick-pea in Talas condition showed a good result, but sizes were less than 8mm.

It is possible to grow chick-pea in Talas oblast next year. There is necessity about new sort of chick-pea, size of that not less than 8 mm. For example sort chick-pea "American" from MARAP Uzbekistan.

Cooperative will export small volume of MAP for buyer P. Lendi. This year due to small volume of production and in order to keep in touch with this buyer, export costs responsibility will be taken by Cooperative.

For produced dried apricots of in-conversion period was not a buyer, by this reason Cooperative didn't waste means for processing of products in condition with fumigate with gray were sold in local market by farmers at 180-200KGS/kg.

For the next year it is necessary to strength marketing works for products, especially in-conversion period as well market research for rotation crops.

In order to draw farmer's interest in production of rotation crops it is necessary to share exchange experiences of farmers with producers from other regions. For example, Jalal-Abad with Talas, Tadjikistan etc.

There are tasks before Cooperative for the next year:

- increase volumes of production rotation crops
- increasing of product quality with processing
- find quality and good sort of rotation crops adequate to demands of buyers
- find capital working for buying the produced products of farmers
- find additional market for in-conversion products (local, international)