THE MINISTRY OF ECONOMY AND TRADE OF THE REPUBLIC OF TAJIKISTAN

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THE MINISTRY OF AGRICULTURE OF THE REPUBLIC OF TAJIKISTAN

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EXPORT DEVELOPMENT STRATEGY

Fruit and Vegetable Processing Sector of Tajikistan, 2006-2010

IN COLLABORATION WITH

THE INTERNATIONAL TRADE CENTRE (UNCTAD/WTO)

DUSHANBE - 2005

EXPORT DEVELOPMENT STRATEGY

FRUIT AND VEGETABLE PROCESSING SECTOR OF TAJIKISTAN, 2006-2010

STRATEGIC VISION

Tajik fruits and vegetables (F & V) are renowned throughout former Soviet countries for their taste, purity and colour. Tajik food processing companies used to supply most of the major Soviet cities and exports remained strong until around 1991. Since that time, exports have been dominated by cotton fibre and aluminium and very little attention was given to developing the export potential of processed foods. Tajikistan produces far more processed fruit and vegetable products than are consumed in its domestic market: 85-90 % of products are available for export. Because prices and earnings from cotton and aluminium have weakened in recent years the country now needs to realize the export potential of other sectors. Processed fruit and vegetables could provide a significant contribution to foreign earnings in a relatively short period of time.

Demand for certain good-quality Tajik products exceeds manufacturers current ability to supply, but with the implementation of the recommendations in this strategy, productivity, quality consistency and throughput would rise. Additional marketing, infrastructure upgrading and investment activities would lift export sales and raise the sector's contribution to 2% of GDP and represent 4% of the country's total volume of exports. New jobs should be created within the processing sector as well as at the farm level. This could also be a vital step in the reduction of rural poverty because of the large percentage of the population that is dependent on agriculture to survive. Improved earnings should provide sufficient improved incoming cash flows to satisfy capital returns required by investors.

To achieve a sustainable increase in export revenue, Tajik farmers need to increase productivity, introduce different crop varieties, improve post harvest handling practices and quality consistency. Tajik processors need to introduce new products and packaging that reflects the needs of external markets. Specifically, to become internationally competitive in the next 5 years the sector should aim to resolve the problems presented in this document, and:

1. *Increase supplies and sales to satisfy demand in the current export markets of Russia and Kazakhstan by raising production to 100,000 metric tonnes (mt) or 222* Million Conditional Jars (*MCJ) of canned vegetables, which at current prices is equivalent to ~USD 15Mn and ~USD 32Mn of dried fruit.15 % of total production is consumed domestically, leaving, 85% for export. This requires improvements in the quality and export performance of processors and increasing the acreage of vineyards and gardens. Implementation will preserve indigenous skills and jobs and generate resources to fund marketing and investment activities to enter new markets.*
2. *Based on successful trial sales in recent years, increase sales to fast-growing and profitable markets South of Tajikistan (Afghanistan, Pakistan, China, Iran and Turkey) to benefit from road links being constructed or improved. Develop exporters understanding of distribution channels, procedures, customer preferences, the legal and regulatory environment in these markets.*
3. *Encourage the development of a range of high value, high quality products for new markets under an easily distinguishable brand, such as "Purely Tajik", based on ecology friendly and organic production methods used in Tajikistan for special varieties of mountain fruits and vegetables.*

There are a number of challenges to be overcome to achieve these objectives. For example: Traditional vertical linkages between farms and large processing companies were broken following independence in 1991 and a small civil war. Since the decline of the Tajik economy at that time, the processed foods industry received very little investment to maintain and modernise its equipment or to upgrade working practices to keep pace with rising international standards. Cold chain facilities are not yet available in Tajikistan to extend the life of fresh products for export or domestic consumption. As a consequence, processing capacities have deteriorated. Production currently stands at 45,600 mt or 100 MCJ of canned vegetables and about USD 12Mn of dried fruits. 60% of capacity is not utilized.

Many countries that currently use, or might select, Tajikistan as a supplier are implementing rigorous new food safety and quality standards (including the Russian Federation in 2005/2007). This spread of food safety and quality legislation is expected to continue to all major world markets by 2010. Imported goods that conform to the new standards of packaging and food safety are already making an impact on the more affluent customers in the domestic market.

Unless Tajik enterprises and farmers gain international accreditation, they will almost certainly face the loss of buyers in these markets. If the changes described in this document are not implemented the country may become dependent on imported products, large plantations will become idle, processing factories will close and many jobs will be lost as a result.

Despite all these challenges there is still a strong demand for Tajik processed fruits and vegetables because of their superior taste and ecological purity. The increase in production required to meet export sales targets is believed to be feasible because similar levels of production were attained in 1990. However, due to changes in the value derived from the different products of the sector, the export mix will probably change. It is anticipated that the volume of dried fruits and vegetables, that have a higher value per kg, will increase to around 40% of the total, fruit juices and jams are likely to represent about 25 %, while the contribution expected from tomato products will reduce to 35 %**.**

The export development strategy is designed to strengthen the commercial integration of different stages of the sector's value chains, improve the responsiveness of services provided by government agencies and orchestrate changes to existing working practices in order to achieve higher export earnings and improve the livelihoods of all people linked to the sector.

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INTRODUCTION

Tajikistan's exports in recent years have been dominated by cotton lint and aluminium. These commodities have suffered from an adverse price conjuncture so that the economy now needs the development of other export products to return to full health. Studies have shown that the processed fruits-and-vegetables sector could provide some of these additional export revenues. A country's food markets also define the health of the economy and can provide for rural social stability. For this reason the government of Tajikistan considers the development of the fruit & vegetable processing sector as a priority.

This strategy has been designed on the basis of a Decree of the Government of Tajikistan (# ? 7106 (12.3) dated 15.02.2005) and according to the "Program of Rehabilitation and Further Development of Gardening and Wine-growing in Tajikistan for the Period of 2005-2010», adopted by Government Decree on 31 December 2004. Another measure that has been adopted by the government is the formation of a food fund, oriented on food security and pursuing the capacity to meet national needs.

A large number of issues have to be addressed simultaneously to increase the value added to exported raw materials and develop processed products exports. However, each of these issues has a relatively straightforward solution and there will be limited competition for resources if the prioritisation defined in the goal-oriented implementation plans is followed. These goals also serve to align the different implementing partners and simplify project management.

The economic crisis in Tajikistan following independence declined affected the processed food industry. Traditional vertical linkages with large farms were broken, and sector problems were exacerbated by a lack of investment in maintaining and modernizing production equipment and working practices. Under the present conditions of agricultural development, the food security of the country will largely depend on the introduction of a number of measures such as: the modernization and improvement of production, marketing and managerial processes, building a minimum level of infrastructure (including strategic main roads between the North, South and East), securing a stable supply of raw materials and improvement of the financial and business environment for commercial activities. The strategy has been created and its activities prioritised through a democratic process that involved all types of Tajik enterprises, government and development agencies of all sizes and classes of ownership who are involved in the sector.

PURPOSE OF THE STRATEGY

The overall focus of the strategy is to move export output towards goods perceived to be of a higher value per kilogram and in a form that responds to market demand and consumer preferences. This should help to improve the macro economic situation of the country and the profitability of sector enterprises.

The strategy has three main purposes:

- To explain how the sector can become a major contributor to the Tajik economy;
- To communicate and orchestrate activities needed to address the main challenges faced by the sector in order to increase its competitiveness and its export potential. In particular, the strategy focuses on creating a friendlier business environment, a healthier financial situation and improvement in the transport and communication infrastructures. At the same time, linkages between farmers and processors will be strengthened to secure a stable supply of raw material, improve marketing and managerial skills, and up-grade the technical and technological capabilities of firms. As a result of these activities, enterprises should be better prepared to attract investors to the sector.
- To appeal to donors and potential technical assistance partners for support in the implementation of the strategy as Tajikistan does not have sufficient resources or technical capacity of its own to implement the strategy fully.

SCOPE OF THE STRATEGY

The Strategy covers all stages of the production and export processes of the fruit-and-vegetable processing sector. The major areas that the strategy will impact are: solution of problems related to the quality of exported processed fruit-and-vegetable products; formation of export an oriented raw-materials base; upgrading of essential transport routes and communications, technical improvements and farm modernization; selection, utilization and maintenance of appropriate technologies, monitoring of product quality control, overcoming financial problems, identification of new markets and competitors. The Strategy covers a period of five years and is divided into two stages:

- **Stage 1 – Stabilization & Deepening of exports to current markets:** The first two years of implementation reflecting short-term goals and activities. The main focus during the initial stage will be concentrated on fruit & vegetable processing enterprises and their suppliers, addressing the supply of raw materials.
- **Stage 2 – Focusing on expansion into new markets:** looks forward a further three years to reflect the consolidation of short-term activities and actions to achieve longer-term goals. In this stage, the focus will widen to include specific groups of sector enterprises, producers of new mountain products, organic supplies, as well as the creation of a farmer's Association and agricultural enterprises with facilities for fruit and vegetable processing.

It should be noted that some activities beginning in Stage 1 may take more than 2 years to be fully implemented and are expected to bring results only during Stage 2.

The sector consists of about 40 fruit-and-vegetable processing enterprises, including 3 industrial complexes, 6 canned factories and 3 factories, small shops created on supply base of farms with a general production capacity of 150,000 Mt (334MCJ) per year. Representatives of business community, institutions and governmental agencies participated in workshops and detailed considerations of the following sub-sectors:

- Fruit juices
- Pickled fruits & vegetables
- Tomato juice & tomato paste
- Fruit compotes & jams
- Dried fruits & vegetables

Implementing partners will be drawn from enterprises, agencies and institutions related to the fruit and vegetable processing sectors of the country.

In Stage 1 the main direct beneficiaries of assistance under the strategy will be:

More than 40 enterprises of the fruit and vegetable processing sector in 3 groups:

- Exporting enterprises with existing consistent buyers in external markets;
- Export–oriented enterprises with a high level of export motivation and occasional exports;
- Potential exporters with motivation to export including: farmers and agricultural enterprises oriented on production of fruit and vegetable for processing.

By Stage 2 the beneficiary group will be broadened to include:

Thousands of small farmers who supply the processing enterprises and exporters

Mountain communities farming, gathering and processing products with export potential

Users of the strategy are expected to be:

Governmental institutions: participating in the elaboration, realization and monitoring of the strategy, particularly: Ministry of Agriculture, Economy and Trade, and the State Committee of Nature Protection and Forestry

Business and trade support organizations and development agencies, for example: Association of Farmers, Helvetas, GTZ, IFC, ITC, USAID, etc.

SUMMARY OF THE STRATEGY

The overall Development Goal:

To increase the export of canned fruit and vegetables up to 85,000 mt (189 MCJ) and dried fruits up to USD 27Mn to a total export value of at least US$ 37 million by 2010.

National trade issues:

The factors below are major obstacles to increasing the capacity and willingness of all Tajik enterprises to invest and export:

- High transit costs, payable in some neighbouring countries to the North as well as uncertain border procedures, makes the improvement of transport and communication links across the country and to the South essential. The entry of Uzbekistan and Tajikistan into the World Trade Organization may resolve some of these problems and reduce administrative, customs and tax barriers. During Stage 1 of the implementation, these issues should be addressed as a priority through trade negotiations, so that export to Russian and Kazakh markets will become, once more, sustainable and profitable.
- A second factor affecting the performance of national exports, and linked to the first factor, is the variability of transport costs, reliability and quality, both for imports of supplies (e.g. seeds, packaging, other raw materials and spare parts equipment for the F&V processing sector) and exports of products. Activities suggested to overcome these problems include the construction of a minimum level of transport and communications links across Tajikistan (Minimum of 20 tonne axle weight bearing on main roads, efficient rail links and good telecommunication connections among main production centres). At the same time tariffs for imports of export-oriented products, such as packaging and other operational supplies should be reduced to lower production costs. Upgrading work on transport and communications links should be directed at the new markets to the South and East, namely: Iran, Afghanistan, Pakistan, China and India. New links are required through Dushanbe-Kulyab-Murgab-Kulma and further on to the Afghan and Chinese borders. This would enable Tajik exporters to take advantage of current road and bridge construction programmes such as the opening of Nijniy Pyandj bridge into Afghanistan.
- The Republic at the moment faces an added handicap of ranking low in attractiveness for foreign investments and credits, which increases the cost of trade finance and delays restructuring. Many businesses carry high financial (historic debt) and operational liabilities. Lack of correspondence status with foreign banks and customs authorities, limited international accreditation or compliance with international trade documentation and accounting standards adds more costs and delays to exporting. ***Two objectives of the strategy aim at resolving these important barriers and improving the financial situation of sector enterprises.*** Tajikistan is also particularly difficult to get to by air, due to a lack of international airline landing rights, and there are no international standard hotels.

Sector specific trade issues:

In addition to these nation-wide factors affecting the export capacity of all enterprises in the Republic, F&V processing enterprises face specific problems that are addressed in this strategy:

- ***Improving the overall business environment to assist export growth.*** This means changing from a predominantly “control” culture to an environment that supports and facilitates domestic business and exports within a regulatory framework. Activities include creating a mechanism to bring government agencies and the business community together to discuss trade issues in a regular forum, implementing internationally acceptable working standards at all stages of the value chain and gaining international accreditation for Tajik banking and quality certification bodies. Tajik government support for exporters in target markets needs to be improved; government agencies require training and counselling to improve efficiency and in pilot testing of new customs and inspection procedures.

- ***Improving the financial situation of sector enterprises.*** It is difficult to establish a fair picture of the value of assets and liabilities of Tajik processing companies. Many of them carry large amounts of historic debt incurred immediately after they were privatised. Others may have operational liabilities related to working and environmental standards that they may have to comply with in the near future to satisfy the needs of target export markets. Farmers lack traditional agricultural credit schemes. Many do not have bank accounts or business financial skills.
- ***Obtaining a consistent supply of raw material for processing enterprises.*** The breakdown of traditional linkages between farmers and F&V processors during the economic crisis that followed the collapse of the soviet regime and delayed completion of land reforms linked to poor growing and harvesting procedures are addressed.
- ***Introduction of a marketing system to provide all Tajik sector stakeholders with access to information on consumers and buyers and counselling in how to apply information.*** Tajik exporters have little direct contact with consumers or ultimate buyers, which leaves them vulnerable to unscrupulous intermediaries and increases the difficulties in servicing the current markets for fruit and vegetable processed products in Russia and Kazakhstan. Without direct contact with consumers or ultimately the buyers of the products, it is difficult to determine their real requirements or develop a responsive production system. A functioning dynamic market information system is needed.
- ***Raising management effectiveness to international standards.*** The changes required include a need to improve the managerial skills available in the sector in order to cope with new technical, marketing and production ideas.
- ***Attracting investors to the sector.*** In order to undertake some of the reforms needed, the sector requires substantial levels of investment in new equipment. The provision of information about business opportunities to potential investors must be dramatically improved and legislation changed to support equally domestic and foreign investors. Unless radical measures are undertaken across the sector to attract investment for equipment renewal, existing export levels will fall over the next 2 years.
- ***Completing technical modernization and re-equipment.*** Within the next 5 years, the bulk of Tajik manufacturing and processing equipment will need to be replaced by new equipment that can meet international health, safety and flexible production standards. This is particularly the case for handling and packaging equipment and packaging design.
- ***Upgrading essential supply chain infrastructure***. Improvements to the road and rail links between the North of Tajikistan and exits to new markets in the South and East of the country should be started as soon as possible. Higher bandwidth communications links would also help processing companies to coordinate better with buyers, reducing some of the uncertainties about delivery. Ageing Tajik equipment, freight, production technologies and power supplies lead to frequent production stoppages that means Tajik export deliveries are less reliable than competitor countries. This sector suffers more than most because of the rural location of many of the production facilities.

The strategic goals that follow, describe how each of these sector-wide strategic issues may be addressed.

Goal 1: Business environment improved to assist export growth

The focus will be on reducing barriers to the production and export of processed fruit and vegetable products by: improving existing legislation, simplifying taxation and customs clearance practices and negotiating appropriate market access and import agreements with trading partners. Planned activities include negotiating with official bodies inside and outside Tajikistan to reduce transit costs and uncertainties and within Tajikistan to reduce spot checks on production by different government bodies. A pilot scheme will be tested to reduce import taxes or provide a duty drawback scheme similar to that in competitor countries, for imports that are converted to, or used in the production of, export goods. The suggested activities should create the right conditions to start to improve the effectiveness of trade and business support institutions by changing the culture towards providing value adding services to support exporters, producers and their imports instead of controls that inhibit exports.

Activity description	# (Imp. Plan)	Category
Develop an effective mechanism such as an export committee composed of elected members of the business community, government agencies and technical experts for regular interaction between state bodies and domestic exporters on the stimulation of foreign trade activities. It is proposed to create.	1.1	Public private partnership & Trade agreements
Analyse administrative, customs and tax barriers to the export of products. Find ways to overcome the practice of collection of non-authorised payments during transit of neighbouring countries and Tajikistan, for example by reducing the tax burden for exporters, and changing legislation to provide for taxpayer's presumption of innocence	1.2	Fiscal measures
Introduce a Government Decree to make a pilot test of the activities suggested in the implementation plan to improve customs and business relations. For exporters who pay all planned taxes and custom's tariffs and duties during the first two years, reduce inspections to a maximum of one per year.	1.3	Revenue and customs
Encourage Government to revoke the passport transaction for export of fruit and vegetable products by enterprises, that was introduced by the Government of Tajikistan with the purpose of currency revenue control	1.4	Revenue and customs
Prepare and adopt a Governmental Decree "On state support and encouragement of the export development strategy for the Fruit and Vegetable Processing Sector” to allocate resources and cabinet time for conclusion of implementation activities	1.5	Political sponsorship for implementation
Create independent laboratories for the analysis of quality, with capabilities to perform express certification for food products to international and Tajik accredited and licensed standards. Create technicians for counselling and testing HACCP implementation of export oriented enterprises	1.6	Quality compliance
Start practice of issuing long-term (5 years) licenses to quality testing laboratories accredited by Tajikstandarts for quality testing of export oriented enterprises	1.7	Quality compliance
Build the capacities of Tajik Embassies and trade representations abroad to support Tajik exporters by training personnel, creating commercial representatives and sector negotiating teams with joint representation of business, trade support agencies and government, etc	1.8	Trade Agreements & Promotion
Develop a new law of RT, in connection with activity 1.1, about stimulation of export and support of exporters and lobby in Majlisi Oli of RT (Parliament of RT) for its implementation	1.9	Legislation

Goal 2: Improve financial situation of sector enterprises

Most Tajik processing companies are in poor state of financial health, or it is not possible to determine accurately their actual financial situation. This puts off investors, raises financing risks (and the interest rate stipulated for loans) and makes it difficult for government or development agencies to justify support to the sector's enterprises. This situation is particularly apparent in recently privatised and former state-run enterprises. In many cases these large companies took on liabilities and administrative systems created under state ownership. Accounting systems and financial controls need to be brought up to international standards to overcome these issues and attract investors.

Tajik processing companies face particularly fierce competition from foreign buyers when purchasing raw material supplies from farmers. This is because the foreign buyers have access to a much lower cost of finance and can afford to pay farmers in cash. In the case of buyers from Kazakh processing companies, they benefit from inexpensive state financing at a preferential rate and exemption from VAT on imports. Tajik processing company's buyers at least need to have access to financing on a similar scale – if only for a limited 2 to 3 year time period to get the industry back on its feet.

At the formation of the budget for the Republic it may be necessary to reflect in a separate line resources that can be used by the Ministry of Finance. These should be used to provide interim guarantee certificates concerning seasonal credits for farm supply purchases and for maintenance of the working capital funds of exporting manufactures whilst restructuring takes place. The government also needs to put in place a regulatory framework to support re-insurance of export credits with the purpose of providing a degree of protection to exporters for commercial and political risks.

Activity description	**# Imp. Plan**	**Category**
Introduce effective financial controls and accounting systems at enterprise level according to international standards	2.1	Enterprise financial management
Create a flexible and operative system of low rate seasonal credit and simplify enterprise access to credit resources during peak periods for the purchase of inputs. The system should at least match that in neighbouring countries so that Tajik companies can buy their inputs on the same competitive basis as their immediate competitors	2.2	Sector financial resources
Carry out independent audit and restructure debts of former state-run sector export enterprises to allow them to attract financing for new equipment and to become profitable entities	2.3	Enterprise financial management
Create a Credit Union of Agro-Industrial Complex's Exporters with the aim to attract and administer with private banks financial resources for purchase of raw materials for processing and shipment of products funded through a voluntary contribution calculated as a percentage of the total enterprises' export revenue	2.4	Sector financial resources
Train entrepreneurs in how to use and manage micro credit mechanisms to improve the ability of smaller producers to improve the quality of their productive assets and purchase higher quality raw materials	2.5	Financial management
Assist entrepreneurs to use value chain techniques when requesting financing so that banks can easily evaluate risk based on a complete understanding of the enterprise's own chain and its linkages. Encourage banks to look for ways to reduce interest rates for credits to processing enterprises and farmers	2.6	Enterprise financial management

Goal 3: Creation of stable raw materials supply base

Tajik producers currently suffer from a lack of consistently good quality raw materials and reliable supplies. Inconsistent supplies from many small farms raises their input costs and delays production because there are wide differences in each input batch, so they have to be test cooked and blended before they can be used. The problem of insufficient quantity of supplies is partly caused by an imbalance in the cost of financing the purchase of inputs for Tajik companies compared to competitor countries' buyers (addressed in Goal 2), and operational supply constraints, which are addressed under this goal. Farming "know-how" and post harvest techniques need to be updated through sector-wide counselling, model farms, rural information centres, training and expertise exchanges with industrialized countries.

In addition, the strategy calls for the completion of the current reform of land management, to increase the land area available for fruit and vegetable plantation, allow proprietors to own and lease land over longer periods of time and also to hold and trade shares in land areas. Some former defence ministry land should also be released for farming and technical assistance will be needed to assist the reconstruction of existing fields to be more productive and encourage farmers to create new gardens and vineyards.

Government should also encourage the formation of a farmers and processors association to improve communications and integration of the supply chain. The result should be the formation of good, stable and mutually beneficial supply chain of raw materials with applicable quality and quantity between farmers and fruit-vegetable processing enterprises. Some of the activities recommended in this strategy have been tried successfully in Kyrgyzstan and Kazakhstan under support from development agencies. This increases the chance that similar success may be achieved in Tajikistan by adapting some of these methods.

Activity description	# Imp. Plan	Category
Increase areas under fruit-berry plantations by reconstructing dormant fields, existing gardens and vineyards and creating new ones with the help of technical expertise from international development agencies	3.1	Supply base Improvement
Formerly recognise the unique ecologically clean zones of specific RT foothills and valleys and obtain EU approved accreditation for the quality and high ecological cleanliness of the land, root stock and produce.	3.2	Organic supply base preservation
Complete land reform work and permit the realization of rights of proprietors of land areas and shares in land areas. Promote a process to transfer temporary (long lease) or full ownership of land to people who manage it well. Introduce a mechanism of transfer of property rights concerning the use of land as a temporary pledge against loan repayment	3.3	Land reform
Obtain government support for forming an association of fruit and vegetable producers, processors and exporters. Integrate existing associations through federation activities, communications, technical assistance, etc. Use association to train, and provide market information to, farmers, set-up "model" farms and facilitate integration of suppliers and processing company buyers	3.4	Supply base Improvement Agriculture reform
Provide financing to agrarian science to conduct purposeful seed selection work, regionalization of plant varieties that can provide high quality and ecologically pure agricultural organic products	3.5	Supply base Improvement
Investigate diversification of raw materials base through development of non-traditional kinds of local supplies for processing, such as: fruits of wild trees, cherries, sea-buckthorn, dog-rose, geranium and herbs. Research donor and NGO fertilise technology programmes to identify products and approaches that may work for Tajik farmers	3.6	Supply base Improvement Product diversification

Goal 4: Introduce marketing system

For many years Tajik exporters have produced goods and then tried to find buyers for them. This mentality is changing slowly, but needs to be supported by much better access to market information, training on how to apply that information and improved methods of information dissemination. The intention is to conduct market research, disseminate information obtained regarding market demand; traditional and new market entry requirements through oblast-level information centers to exporting enterprises. Business relations between farmers associations, exporters and importers can be reinforced through joint participation in specialized international and regional trade meetings and fairs.

One solution suggested in the strategy is to mandate a body (for example: made up of indigenous consulting firms or an association) funded partially by enterprises and government, to assist in providing and sharing comprehensive studies of potential new market segments for fruit and vegetable processed products and agricultural commodities. The body should also devise a system of continuous gathering, processing and dissemination of information to outlets in processing and farming oblasts. Financial support should be provided for publicity expenses and exhibition activities.

Activity description	# Imp. Plan	Category
Carry out a trading, competitor, consumer use, market requirements and price analysis of foreign target markets. With the help of development agencies create and support a body and a system of information dissemination at oblast level for processing companies, farmers and municipal authorities use.	4.1	Marketing
In first two years obtain financial support to allow Tajik exporters to regularly take part in specialized international and regional exhibitions and undertake market studies to determine the optimum types of packaging for each market segment	4.2	Marketing & advertisement
Create a special website for the sector with database about Tajik exporters and their products.	4.3	Information technologies
Create an information-analytical centre with associated design studio in Dushanbe for the design of labels, trademarks and other attributes for customer-friendly packaging. Train marketing consultants, enterprises and government agencies in what is needed to support a brand	4.4	Marketing
Implement on-line information sharing capabilities to Internet-connected branches in regions, link to research extension services, external NGO partners, market price news information, transportation and financing sources.	4.5	Marketing

Goal 5: Raise management effectiveness to international standards

Measures are included in the strategy for finding solutions to the current crisis in large, mainly former state-run, processing enterprises by helping them to adapt and apply new management techniques and working practices. If the larger enterprises can be upgraded to modern quality and production flexibility standards it should be possible to provide the necessary volume of raw material processing and manufactured assortments of qualitative products to satisfy the demands of international buyers.

Cooperative and sub-contract working are not common in Tajikistan at the moment. The small fruit and vegetable processing plants created nowadays in many regions should be encouraged to develop in close cooperation with the large processing enterprises to consolidate their outputs to increase overall volumes and preserve flexibility to satisfy a variety of buyers. This may be achieved formally through types of sub-contracting agreements, the development of cooperative linkages or joint ventures.

It is vital to increase the competence and awareness of company managers about new techniques in both management and F & V operations. Existing managers are unlikely to be able to give up working time to attend training courses, so other forms of skills development will be required. This may include in-company counselling (there are not so many companies), by the application of modern group counselling techniques, interactive, rural teaching methods (in Russian or Tajik) or educational exchanges. The focus should be on improving the efficiency and effectiveness of decision-making processes within companies.

Activity description	# Imp. Plan	Category
Prepare Tajik consultant and academic experts at leading research centres of advanced countries and invite foreign teachers and advisers to Tajik information centres. Organise exchange of students and experts with foreign Universities	5.1	Training & consulting capacity building
Organise courses to improve the knowledge and qualifications of staff of enterprises, consulting firms, extension services and training organisations in the application of new technologies and achievements of food science and technology	5.2	Reinforcing operations management
Create study and business centres with capabilities to analyse individual situations, provide counselling and interactive training	5.3	Improve management effectiveness
Specifically improve financial management and control of enterprise decision-making by training personnel in international accounting standards and supporting the introduction of modern accounting systems.	5.4	Improve management effectiveness
Develop rural forms of training, group counselling techniques training, upgrading of professional skills and attitudes through outlets such as the rural counselling and information centres, farmer field schools, mobile training and counselling buses, model farms, etc.	5.5	Training & consulting capacity building

Goal 6: Raise the level of investment in the sector

The State will need to improve the sector's investment attractiveness by creating a favourable legislative framework and support for focused projects that conform to the strategy implementation plan in this area. In particular, an export-import bank will be required that specialises in rendering support for the development of export focused manufacturing, working capital for F & V companies, trade finance, trade documentation and correspondence with international banks.

Separate activities are described below to overcome the lack of reliable and up-to-date information concerning existing investment opportunities in the sector. Introduction of suitable investment and financing mechanisms to support the replacement of old equipment and the creation of new production and distribution facilities, will bring into the sector the most appropriate applications of new technology and working techniques.

Government financial support may be required to provide ultimate guarantees for credits related to investments in the financial rehabilitation of enterprises by writing-off or rescheduling historic debts and offering at least partial guarantees to existing and/or newly established enterprises. Regulations regarding profit distribution and land ownership must be revised to become more attractive to investors.

Activity description	# in Imp. Plan	Category
Compile and publish catalogue of products of export-oriented fruit and vegetable processing enterprises and their investment projects	6.1	Investment Marketing
Upgrade existing investment legislation and change the regulatory environment to reflect international best practices for the sector. For example: Implement the legal basis for shared ownership of assets, segregation of ownership and management (agency laws), limited liability, joint ventures, contracts for land use to support the application of different financing facilities and investment vehicles.	6.2	Financial management and return of investments
All-round development of leasing facilities and amendment of associated tax regulations to support technical and technological modernization;	6.3	Financial management and leasing
Create the basis for micro credit mechanisms to be administered by existing domestic and international financial institutions to improve the ability of smaller producers to improve the quality of their productive assets and purchase higher quality raw materials	6.4	Financial management
Find and implement a suitable system of private-sector managed export credit guarantees, investment and export risks insurance, particularly for priority areas.	6.5	Financial and Regulatory environment

Goal 7: Complete technical re-equipment and modernization

An enterprise survey and audit of the most export-ready F & V processors showed that many of the basic production assets of the industry require modernization to comply with international food, health and safety standards. These activities are designed to support the replacement of outdated production facilities and the introduction of modern production lines, filling and packing machines, which match market requirement in terms of safety, health, labelling and shelf life of products.

Activity description	# Imp. Plan	Category
Upgrade packaging equipment to permit manufacture of the 0,2-3l. "Twist – off" empties in the volume capacity of 180 MCJ in euro-bottles and alternative versions of packing and pouring in "TETRA-PAC" equipment in zones with a reliable and guaranteed raw-material base.	7.1	Packaging improvements and standards compliance
Introduce international standard bar-coding system of inventory, customs and transportation management	7.2	Enterprise & fiscal management
Replace outdated process and transportation equipment, especially for final operations such as for corking and pasteurising. Investigate sources of second-hand equipment in Europe, etc. instead of purchasing new.	7.3	Equipment upgrading
Research most appropriate leasing arrangements for Tajik farmers and processors to support upgrading of equipment and facilities. Develop leasing facilities, changes to tax laws and train people in the skills required.	7.4	Equipment upgrading
Introduce mobile, inductive drying modules for initial processing of fruits and vegetables and find source of mini-processing plants that can be based on farms.	7.5	Equipment upgrading
Implement, at enterprise level, new amortisation accounting policies permitting accelerated write down of asset values against profits to support technical modernisation and investments in new equipment	7.6	Financial management Equipment upgrading
Train SME processors and farmers in how to apply and manage funds from micro-credit schemes, or other domestic finance sources used to purchase productive assets.	7.7	Equipment upgrading Improve management effectiveness

Goal 8: Develop sector supply chain infrastructure

It is essential to reduce post-harvest losses of raw materials and maintain international quality standards – even for domestic sales, to reduce the impact of imported F & V products.

Tajik exporters need to create, or strengthen, their commodity dissemination networks abroad to be able to handle effectively and efficiently the anticipated increase in exports from the large volume processors. Activities contained in the strategy include: Expansion of a working dealer network through alliances with existing agencies and attraction of new trading agents abroad, participation of sector enterprises in international exhibitions, fairs, conferences and presentations. Advertising the production of agrarian and industrial complexes through international media.

The activities to be implemented are designed to increase the efficiency level of the whole infrastructure starting from production till the final point of a product's destination. In particular, the sector wants to open up access to Southern markets and the port of Karachi for exports from all parts of Tajikistan.

Activity description	# Imp. Plan	Category
Lobby development banks to support improvement of road, rail and communications links Khujund-Dushanbe-Khorog to allow Northern producers access to Southern markets	8.1	Infrastructure improvement
Support the creation of new warehouse facilities, loading and un-loading docks	8.2	Supply chain upgrading
Improve system of management and develop customer culture in railway staff to improve provision of rail wagons and reduce delay in provision of freight capacity.	8.3	Supply chain upgrading
Explore joint production with investors from neighbouring countries such as Kazakhstan and Uzbekistan for practice of blending and filling of juices, dried fruits and beverages	8.4	Supply chain upgrading
Form professional transport-expeditor services and a good network of distributors with retail outlets abroad. Investigate different ways to establish distribution networks	8.5	Supply chain upgrading
Negotiate with neighbouring and transit country governments to reduce tolls for auto transport and rail freight in neighbouring countries in the framework of the Central Asian Economic Cooperation Organization	8.6	Intergovernmental regulation, trade agreements
Create a structure of independent custom brokers among exporters and promote use of their services	8.7	Supply chain upgrading

Forecast evolution of fruit & vegetable processing exports

Parameters of export potential and volumes of export of goods for 2005-2010 are determined on a basis of a calculations forecast received from Ministry of Agriculture regional and sub-regional departments, State Unitary Enterprise "Khurokvory" and the Ministry of Economy and Trade with the consideration of the « Program of Rehabilitation and Further Development of Gardening and Wine-growing in Tajikistan for the Period of 2005-2010». In this section are examples of three scenarios of development based on different rates of implementation of the strategy and different levels of market demand: Pessimistic, Limited implementation and optimistic. These are explained below.

Analysis and studies of the export potential of the sector testify that processing enterprises possess the capacity to increase outputs, if raw materials supplies could be improved, up to a level 100,000 mt (222 MCJ) of canned vegetables and USD 32Mn of dried fruits, equating to around USD 45Mn of production value by 2010 if the strategy and the above-mentioned state support programme are fully implemented. The overall focus of the strategic plan is to move export output towards goods perceived to be of higher value per kilogram.

Development scenarios

Pessimistic: Distribution flows remain through the same channels, financial condition of the enterprises will not improve, provision of raw materials will be low, the utilization of processing equipment will not exceed 15-20 %, access to credit resources will be limited and procedures complicated. There is a sharp moral and physical attrition of processing equipment. Due to difficulties in promotion of products via Northern neighbouring countries, export barriers and transport charges remain high and make up 30 % of costs, thus reducing returns and extending payment cycles. The level of foreign direct investments will remain low and exacerbated because of limited land ownership and ability to repatriate profits. Outputs will initially dip, until some opportunistic investment takes place.

Under this scenario export production and revenues will reduce and the industry itself will completely stagnate by 2010. The forecast estimation of fruit and vegetable processed products export development according to pessimistic scenario is given in table ? .

Pessimistic Forecast for Tajik Processed Fruits and Vegetable Products 2006-2010

Table A

Product	*Units*	*2006*	*2007*	*2008*	*2009*	*2010*
Dried fruits	Mn US $	12	12	14	15	16
Canned vegetables	MCJ Tonnes (000)	80 36	89 40	98 44	111 50	151 68
Canned vegetables	Mn US $	4.6	5.1	5.6	6.4	8.6
Total production value	Mn US $	16.6	17.1	19.6	21.4	24.6

Limited implementation: State bodies will cooperate with business community to work jointly in directed to change the situation. The separate subjective factors constraining development of the sector will be overcame. However, radical changes in the organization and functioning of systems will not occur. As a result, the objective reasons constraining the growth of export of production will not be solved. Innovations do not take root and the existing economic mechanism is not changed and therefore is not acceptable. Serious investments are not expected.

This scenario would lead to a small increase in production volume and value, but would still leave Tajik industry extremely vulnerable to external competitors. Forecasted estimation of fruit and vegetable processed products export development according to realistic scenario is given in table B.

LIMITED IMPLEMENTATION FORECAST FOR TAJIK PROCESSED FRUITS AND VEGETABLE PRODUCTS 2006-2010

Table B

Product	*Units*	*2006*	*2007*	*2008*	*2009*	*2010*
Dried fruits	Mn US $	13	15.2	17.5	18.7	23.5
Canned vegetables	MCJ Tonnes (000)	111 50	129 58	153 69	178 80	200 90
Canned vegetables	Mn US $	6.4	7.4	8.8	10.2	11.4
Total production value	Mn US $	19.3	22.5	26.2	29	35

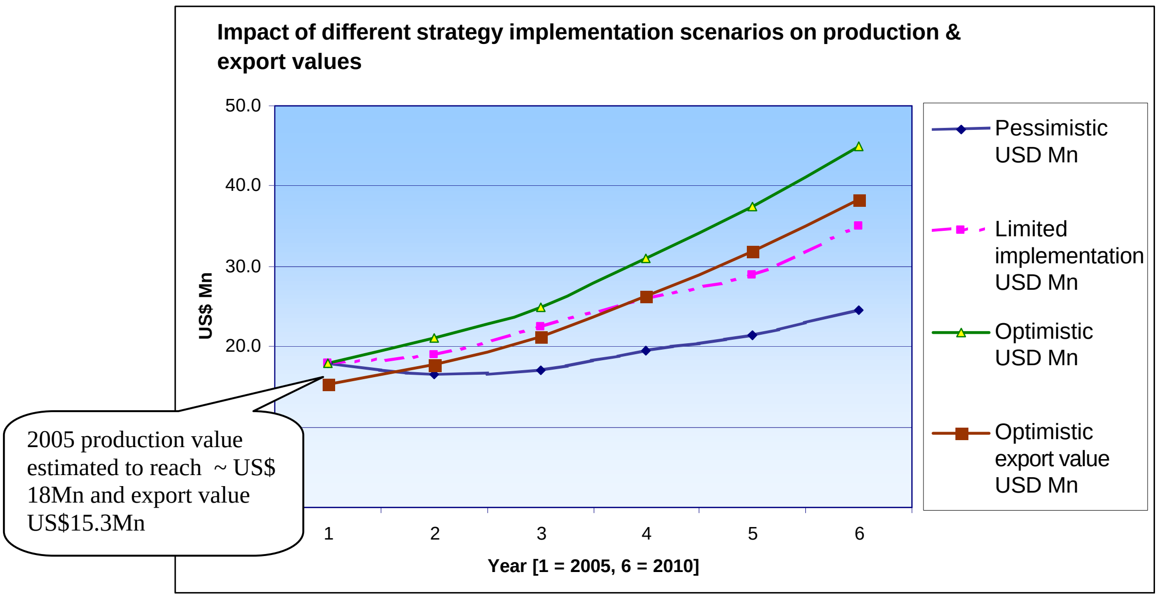
Optimistic: Technological and technical modernization of processing is achieved with simultaneous reforming of the system of procurement, supply and export. Purchasing capacity is increased due to a favourable conjuncture on agricultural production, reform of the legislative base of development of foreign trade activities, progressive resource savings are introduced with environmentally friendly technologies, a favourable investment climate is created leading to the attraction of serious domestic and foreign investors for the modernization of manufacture. Forecasted estimation of fruit and vegetable processed products export development according to optimistic scenario is given in Table C.

OPTIMISTIC FORECAST FOR TAJIK PROCESSED FRUITS AND VEGETABLE PRODUCTS 2006-2010

Table C

Product	*Units*	*2006*	*2007*	*2008*	*2009*	*2010*
Dried fruits	Mn US $	14	17.5	21	26.1	32.1
Canned vegetables	MCJ Tonnes (000)	122 55	133 60	173 78	198 89	222 100
Canned vegetables	Mn US $	7	7.6	9.9	11.3	12.7
Total production value	Mn US $	21	25.1	30.9	37.4	45

Under the optimistic scenario, it is estimated that production of canned vegetables will reach 100,000 mt and dried fruits will reach US$ 32 Mn after 5 years, out of which 85% or US$ 38Mn in total will be exported.



Implementation of the strategy and progress monitoring

A complete list of measures for implementation of the strategy is combined in a prioritised working schedule as a single table called “Implementation Plans”. It reflects priorities, time intervals, categories and type of assistance, potential implementing partners, resources required and progress indicators.

The team appointed to coordinate and conduct monitoring of the strategy’s implementation, will monitor the working plan progress according to the following schedule:

- An interim progress evaluation and report should be made after 12 months to ascertain if any slippage in delivery is occurring. This will be sent to the Government and ITC
- At the end of the first stage – upon completion of the first two years, the strategy monitoring team will present a detailed analytical report about realization of the measures foreseen in the strategy and achieved results, efficiency of financial resources and investments utilized during Stage 1. They will also provide an assessment of the changes to markets and the business environment and their likely impact on the strategy. The report of the monitoring team will be sent to the Government of Tajikistan, Ministry of Economy and Trade of the Republic of Tajikistan, Ministry of Agriculture of the Republic of Tajikistan and International Trade Centre
- For Stage 2 the team will update the implementation plan for the following three years. This will be done after the completion of the review of key market indicators, the business environment and the effectiveness of activities implemented in Stage 1
- After completion of Stage 2, the monitoring team will present to the Government of Tajikistan and ITC a detailed report about implementation of the strategy, progress and successes that have been achieved. It will also include analysed trends of fruits and vegetables export development and domestic reserves for the sector’s export potential, shortcomings found and failures as suggestions for their solutions.

IMPLEMENTATION MANAGEMENT

A high-level monitoring team will be required to coordinate strategy implementation. Membership of this team will be balanced between entrepreneurs, business support services involved in, or affected by, implementation activities, government bodies and external resource providers, development banks, NGO's and technical assistance partners.

Government bodies participating in the monitoring team will consist of representatives of state institutions, engaged in the sector (Department of agricultural products processing of the Ministry of Agriculture, State unitary enterprise «Khurokvory», Department of Forestry of the State Committee of Nature Protection and Forestry) and foreign economic policy (Ministry of Economy and Trade). Independent experts may be invited from time-to-time to contribute to the strategy implementation process. Trade and business support organizations should also be represented, for example: Association of exporters and processors of agro-industrial complex. Selection of members of the monitoring team must be carried out on the following main criteria – evidences and the work of the team must be built on the principles below:

- Professionalism – high level of professional preparedness and knowledge of actual problems of sectors' development and foreign economic activity;
- Psychological compatibility – ability to work in a team and have tolerance towards opinions expressed by other team members;
- Operational work experience in managing by exception and timely informing responsible and interested persons of any problems that are discovered;
- Any corrections of the strategy should be elaborated and decided by the majority of team members;
- Transparency; in order to prevent conflicts of interests for participants in the strategy implementation process.

The monitoring team for implementation of the strategy may be managed by the Coordinator. A nomination will be agreed after taking into consideration the opinions and reaching consensus among the Ministry of Economy and Trade, Ministry of Agriculture, State Committee of Nature Protection and Forestry, Association of Exporters and processors of Agro-Industrial complex, ITC and other donors.

The Coordinator of the strategy will present on a quarterly base, regularly updated information on events regarding implementation progress to: the Ministry of Economy and Trade, Ministry of Agriculture, State Committee of Nature Protection and Forestry, Association of Exporters and processors of Agro-Industrial complex, ITC and other donors. In the case of unsatisfactory development and emergency situations, the Coordinator should inform, without delay, all the above-mentioned institutions and may call a meeting to debate the strategy implementation process.

AGREEMENT ON STRATEGY DEVELOPMENT AND IMPLEMENTATION

The export development strategy of the fruit and vegetable processing sector of Tajikistan has been elaborated as a result of the Tajik Government's assignment ? 7106 dated 15.02.2005 and according to "Restoration and Further Development Programme of Gardening and wine-growing in the Republic of Tajikistan for 2005-2010 years", adopted by the decree of Tajik Government on December 31, 2004.

KEY INDICATORS OF PERFORMANCE , THE MARKET AND BUSINESS ENVIRONMENT

The Implementation Monitoring Team should regularly control the following minimum indicators:

- Volume of products export, both in absolute and monetary volume
- Share of processed fruit products in the structure of export (in absolute and monetary volume)
- Share of new export products with higher value added, including at the expense of formal confirmation of original, raw material's ecological cleanness
- Reduction of agricultural raw materials losses
- Creation of regional representatives and distributive network with a purpose of maximizing closeness to consumers
- Trends in target markets
- Percentage of deliveries arriving on time and in full compared to the order contract

The indicators mentioned above are given as an example. Actual indicators used will be agreed with implementation partners and ITC and will relate to the criteria for entrance into external markets, requirements stipulated by buyers and the objectives of domestic exporting enterprises. The following example criteria can be used as a basis for setting objectives to indicate sector performance improvements.

- Product appearance
- Labelling
- Acceptable price
- Convenient form of payment
- Natural product
- Terms of expiry/ shelf life
- Compliance with standards in target markets
- Transportability and storage
- Convenience of package and its diversity
- Nutritional quality and ecological purity

Changes in the main requirements of buyers towards producers of fruit and vegetable products are rising and should be monitored. For example, in the following areas:

- Appearance of the product at the point of sale
- Inventory control and labelling
- Perceived quality of products by consumers and accordance with international levels
- Price competitiveness
- Convenience and diversity of payment forms with buyers
- Level of natural and nutritional quality as well as ecological purity
- Warranty of quality and storage time
- Protection of consumer from products doe to unacceptable quality impairments;

Beneficiaries of strategy implementation

The main beneficiaries of Stage 1 implementation of the strategy will be nearly 40 processing factories employing several hundreds people and thousands of small farmers. Secondary beneficiaries are the packaging, transportation and service companies that are involved in the sector – among them employing thousands of people. In Stage 2 the group of beneficiaries will be widened to include mountain farmers in areas where small processing facilitates may be created.

List of measures requiring external resources

Taking into consideration the current lack of domestic financial, technical and human recourses, external assistance will be extremely important to achieve a successful outcome. One of the most acute problems to solve, and that will need external specialist assistance, is how to attract foreign capital for technical re-equipment and modernization of production? It is suggested that this challenge may be solved mainly through finance leases, creation of joint ventures and attraction of foreign direct investments for real and economically effective investment projects, supported by the government mechanism of warranty and return of investments and new fiscal measures. The World Bank, Asian Development Bank, International Financial Corporation, Islamic Bank, European Bank for Reconstruction and Development, and other international financial and economic organizations will be needed for assistance in this area.

Some specific activities require support from specialised international agencies, for example: AARDCHECI – for elaboration of commercial law, OSCE – in order to redesign tax and administration for transit of products across countries, World Customs Organisation to assist with counselling customs officials in reform and in the provision of fee-based customer services. Other activities can be supported by theme-based external technical assistance, grant support and information tools. The following organizations can be given as an example: AGA-KHAN Foundation, Helvetas, GTZ, FAO, USAID, SECO, CARE International, etc.

IMPLEMENTATION PLANS

ANNEXES

ANNEX 1. PRODUCTIVE CAPACITY OF FRUIT AND VEGETABLE PROCESSING ENTERPRISES

PRODUCTIVE CAPACITY OF FRUIT-AND-VEGETABLE PROCESSING ENTERPRISES IN 2004

Table 1

	PRODUCTIVE CAPACITY (MCJ)	INCLUDING		
		TOMATO	FRUIT	VEGETABLE
Total for sector	*334.6*	*121*	*180.8*	*32.8*
Sogd province	*278.8*	*99.9*	*158.6*	*20.6*
Khatlon province	*18.0*	*7.6*	*5.2*	*5.2*
Dushanbe and RRS	*37.8*	*13.5*	17.0	*7.0*

Source: Tajik Institute of Technology and Science in Khujund

As we can see in the Table 1, the main productive potential of fruit-and-vegetable processing sector is currently located in the north of Tajikistan close to the source of its raw materials. The production capacities provide general batch processing of different varieties of fruits and vegetables of the region. Some enterprises of the sector (JCS “SAMGAR”, JCS “ASSOR”, a canned factory named after Hasanov) have some of their own integrated farms and gardens.

The production of canned products is not completely supported by sufficient number of glass jars, sugar and other supporting inputs. The only factory in the country, which produces glass jars, does not have sufficient capacities for production of the required volume and therefore this product is imported from Uzbekistan and partly from Russia. A market study will be undertaken to determine the optimum types of packaging for each market segment. Industrial food buyers require deliveries in 250 litre aseptic plastic barrels. High value retail goods can be packed in screw-cap re-sealable glass jars of a variety of sizes from 250g upwards. Juices and pastes used by people on the move, or in the kitchen can be conveniently packed in waxed-cardboard packs.

The analysis of the enterprises during the period from 1990 have shown that, in general, the total decline of production had been stabilized by 1996 and the enterprises are more stable today, with considerably sustainable processed production of fruits and vegetables.

Changes in demand and in the conditions of the market forced the enterprises to follow product diversification and increase the proportion of more concentrated products containing less sugar. Figures provided by the Tajik Institute of –Technology and Science in Khujund show that in 1990 the share of total production was the following: Tomato products – 48,1%, Fruit products – 48,1 % and 2% of other products compared to present situation when tomato products make up 80%, fruit products 12% and 8% - other canned products. Since, the demand on processed fruit and vegetable products on the local market does not exceed 10-15% out of the total production, 85-90% of products require external markets.

ANNEX 2. THE PROCESS OF STRATEGY DEVELOPMENT FOR THE PROCESSED FRUIT AND VEGETABLE SECTOR

Development of export of domestic fruit-and-vegetable processed products is one of the important directions for expansion of the country participation in the international division of labour and integration into the world market. Development of world export of fruit-and-vegetable processed products is characterized by rigid differentiation of the commodity markets and strengthening of competition in all variety of its forms. Expansion of the foreign trade relations in many respects depends on a state of economy of the republic and require first of all, development of conceptual bases of Strategy.

Inherently reform of export strategy was reduced to the simple slogan to increase export with orientation to qualitative parameters such as "to catch up and overtake".

At the stage of formation of export development strategy it is necessary to take into account that economic methods are the most effective means for mobilization of export potential. Liberalization of exporters' activity, through reduction of administrative pressure is necessary. For example: in other countries customs services are seen as a value-adding service for facilitating export, information about how to minimize customs delays, reduction of foreign customs payments and return duty draw backs as quickly as possible.

Representatives of the business community, government agencies & other stakeholders involved in the sector, were brought together in a series of meetings and workshops in Dushanbe and Khujund to formulate the strategy and implementation plans. During intervals of the workshops other meetings were held in Sougd oblast with groups of stakeholders to increase the level participation. The outputs therefore represent the views and interests of each stage of the sector's five main value chains.

The ITC SHAPE methodology was used to guide sector stakeholders through the strategy development process and leave workshop participants free to concentrate on content of the strategy and its implementation plans. A thorough examination of specific points of the strategy and implementation activities was provided through by close support from ITC's office in Dushanbe under the SECO-funded project "Trade Promotion in the Republic of Tajikistan", the Universities of Dushanbe and Khujund, and Working Groups, composed of volunteer government and business community representatives.

ITC has taken steps to inform other technical assistance agencies and potential strategy-implementing partners of the strategy development process, so that they can participate in it. ITC may also undertake implementation activities that relate to its own mandate and area of expertise – if funding is available.

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ANNEX 3. IMPLEMENTATION RISK ASSESSMENT

There are definite risks of non-fulfilment of the strategy and failure to achieve the indicated parameters of fruits and vegetable products export. The risk of non-fulfilment comes mainly from a total absence of financing from budget, credit and micro-credit, internal and external sources of investment and grants. Additional risks are associated with an acute deterioration of the socio-political situation. According to the Tajik Institute of Technology and Science in Khujund, the probability of the most pessimistic scenario is thought to be tiny, given the current level of government support, and does not exceed 2%.

The challenge of not reaching the desired result in its full volume and according to the key indicators can be related mainly to insufficient financing of the project, as well any weakness of motivation of exporters and fruit and vegetable processing products export-oriented enterprises.

Annex 4. Glossary of terms

Term	Description
CIS	Commonwealth of Independent States
FAO	UN Food and Agricultural Organization
GTZ	German government technical co-operation agency
HACCP	Hazard and critical Control Point. An international system of general value chain quality, working practices and traceability accreditation
IFC	International Finance Corporation – part of the World Bank Group
MCJ	Million Conditional Jars. 1 conditional jar contains on average 0.4Kg of product.
Mn	Million
mt	Metric tonnes
NGO	Non government organization – usually non-government development and technical assistance agencies operating in Tajikistan
RT	Republic of Tajikistan
USAID	United States Agency for International Development