

## Kyrgyzstan – Gardens and Plastics

### Background

Decentralization and privatization has left a knowledge vacuum among private farmers about how to grow and cooperatively market better products, sell together at larger volumes, and collectively bargain. Households need to see themselves as business owners and their gardens as private businesses in order to develop business behaviors. In 2006, over 900,000 home gardeners throughout the country earned 29% of their income through production of 61% of Kyrgyzstan's fruit and berries on plots of land that average less than 0.1 hectare. Maintaining the ecological integrity of these lands and improving households' ability to earn income from their "home garden businesses" are essential to households' food and financial stability.

### The Phoenix Fund Venture

In June 2007, the Phoenix Fund granted Mercy Corps' Kyrgyzstan Team \$50,000 to work with 1000 smallholder farmers to increase household income and create a regional reputation for consistent, quality organic fruit.

Farmers were given technical training, to better understand how to grow produce for the marketplace. Business training was also provided, both in terms of record keeping and budgeting, and also in learning how to market produce to buyers, not just within their communities. The *Business Association of Fruit Growers* was established to link villages in the region, establish a regional brand and provide better negotiating positions.

### The Results

- 1000 organic growers raised their income 20%, from \$1684/yr to \$2015/yr through the sales of \$2.2M of produce. This created \$330k of benefit for a \$50k investment in less than 24 months.
- 419 of the 1000 households went on to access microcredit to expand their businesses, borrowing almost \$200k to expand production
- These 1000 households are selling their produce without the help of Mercy Corps or any NGO. They have developed a sustainable model. Assuming they continue to sell their produce at the same level, **\$330k of benefit is produced every year without any additional humanitarian aid.**
- Nearly \$23M has been invested in Kyrgyzstan to improve small-scale agricultural production, all of which was influenced by the Phoenix Fund programs.