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VISION AND ACTION PLAN TO DEVELOP THE GEORGIAN HAZELNUT SECTOR

PART II: A 12-18 MONTH ACTION PLAN FOR THE GHGA

19 September 2014

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VISION AND ACTION PLAN TO DEVELOP THE GEORGIAN HAZELNUT SECTOR

**PART II: A 12-18 MONTH ACTION PLAN FOR THE
GHGA**

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DATA

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ACRONYMS

| | |
|---------------|--|
| AACREA | Argentina Association of Regional Consortia for Agricultural Experimentation |
| AGG | Agri-Georgia |
| EPI | Economic Prosperity Initiative |
| GHGA | Georgian Hazelnut Growers Association |
| HEPA | Hazelnut Processors and Exporters Association |
| NGO | Non-Governmental Organization |
| SMS | Short Messaging Service |
| USAID | United States Agency for International Development |

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I. INTRODUCTION AND BACKGROUND

The Georgian Hazelnut Growers Association (GHGA) is still a nascent group with roughly 700 members. Currently there are no dues and being a member confers limited benefits. The one exclusive benefit that current members receive is a discount at the recently established commercial drying center located in Tkaia and a discount at Anka Fair Trade's two drying facilities, one located in Zedaetsere and the other in Kakhati.

Over the summer members of the Argentina Association of Regional Consortia for Agricultural Experimentation (AACREA) were active in Georgia. AACREA assisted GHGA to form initial member groups and provided GHGA with an organizational structure in which to grow. With AACREA's help, initial long-term structural development steps were taken.

As the harvest season draws to a close, GHGA has a number of ideas about how to move forward. I have spent time with the leadership and attempted to understand the organization's goals and the range of activities they wish to undertake during the next twelve to eighteen months. Through a series of discussions, an action plan has been prepared to guide activities during the coming months.

Realization of the plan is highly dependent upon continued support from Agri-Georgia (AGG) and the donor community. Funds and resources are in limited supply at present. GHGA hopes to work with AGG and other interested members of the donor community to further define action plan initiatives and enlist further support.

II. STRATEGIC GOALS

Build the organization

Build trust, loyalty and value with and for growers

Build revenue streams

GHGA subscribes to AACREA's organizational vision and model (see "A High Level Vision and Action Plan to Develop the Hazelnut Sector, Part I: A High Level Vision for Sector Development"). Much work is still needed to develop and strengthen the organizational structure that is now forming.

From discussions with GHGA leadership three key, interrelated, strategic goals emerged as critical during the next twelve to eighteen months.

- Build the organization
- Build trust, loyalty and value with and for growers
- Build revenue streams

GHGA must engage in activities that serve to build the organization. GHGA currently has nine working groups ranging in size from seven to ten members. There is an enormous amount of effort required to grow the organization from this point to the envisioned 2,000 groups of 20 members each. Therefore, the next twelve to eighteen months must lay the foundational work for growth, and build the organization. That means building membership, building groups, building the structure, as well as developing the supporting infrastructure.

To build the organization, leadership must build trust, loyalty and value with growers and the membership. Currently the trust level between growers is low. They are unfamiliar with working collaboratively, especially in an organized structure. As groups are formed, and growers begin working together, trust will evolve. Efforts taken during the next year, to year and a half, should target reinforcing GHGA's identity and organized group structure. Further, GHGA must deliver tangible

benefits to members. Activities engaged in during this critical time period must be designed to provide tangible value to the membership. Without perceived benefit, growers will invest neither time nor effort in the association.

The third key goal is to develop revenue streams for the organization. At present GHGA is wholly dependent on donor groups and Agri-Georgia (AGG). Without the continued support of these outside entities, the GHGA will cease to exist. Therefore, GHGA must take steps during the next development stage to begin building revenue to become self-sustaining. To be fully self-sustaining will take more than the 18 months detailed here, however, the process needs to start as soon as possible. Infrastructure development will serve to create tangible benefits for membership, building loyalty, while continuing to further the need for long-term sustainability of the association.

III. WORK PLAN

GHGA wants to focus on three broad areas to achieve the above goals: (1) utilization of the building owned by the association, (2) continuation of training support and development efforts, and (3) further development of organizational infrastructure. The three areas are perceived to be interlocking. Better utilization of the building will support revenue, develop the organizational identity and loyalty. Training, support and development efforts will deliver value to the members, build the membership base and member capacity, while beginning the crucial process of revenue generation. Building organizational infrastructure will provide tangible support to growers while supporting revenue streams, building value to members and earning trust and loyalty in return.

A. UTILIZATION OF THE GHGA HEADQUARTERS BUILDING

GHGA owns a refurbished building in Tsalenjika, which stands empty at the end of a road inside a former tea plantation. The location is GHGA's headquarters and will become central to both the association's identity and activities.

Going forward, the GHGA will establish their presence in the organization. Since the building has more space than needed, GHGA will rent space to interested parties, generating revenue to offset costs. First, GHGA needs to encourage enough through traffic to entice a third party to rent space.

A.1. ESTABLISH PRESENCE AND TRAFFIC

GHGA will occupy the building as soon as possible. Currently GHGA has one administrative assistant who works 10 days per month through March 2015. She will be based on site half a day, three days a week to establish a physical presence in the building.

GHGA will also arrange meetings and initiate trainings on site to draw farmers and other industry professionals to the building. Gradually people will become aware of, and familiar with, the location.

A third initiative to pursue is establishing a model site in the adjacent Agri-Georgia orchard. The site could be used for training growers and for field demonstrations. Having such a facility adjacent to the GHGA building will broaden the types of training that can be done at the Tsalenjika location and further develop traffic to the building. Discussions with Agri-Georgia indicate that establishing the model site would be relatively simple, and Agri-Georgia would be willing to make such an area available for GHGA's use as of the beginning of October 2014.

A later initiative, anticipated in February 2015 is the establishment of a pay box at the Tsalenjika location. This will be done prior to the initiation of membership dues (see C.5). The pay box will eliminate the need for staff to handle money directly, and further drive traffic to the building.

Table 1: Milestones, Establish Presence and Traffic

| Milestone | Date |
|-----------------------------|-------------|
| GHGA Staff on-site | 1-Oct-14 |
| On-site Meetings & Training | 6-Oct-14 |
| Establish Pay Box | 2-Feb-15 |

A.2. DEVELOP THIRD-PARTY RENTALS

Concurrent with driving traffic to GHGA headquarters, GHGA will identify targets for third party rentals. GHGA will obtain income from key players in the industry on a long-term, medium-term, and short-term basis. Renting organizations will be hazelnut industry supporting in some capacity and gain access to GHGA's membership base. Securing a long-term third party rental will be heavily influenced by the ability to drive traffic to the facility, ensuring a potential customer flow for the renting institutions. Securing medium-term and short-term renters will aid in driving traffic to the building.

Micro Finance organizations, insurance groups, and/or banks should be targeted as long-term tenants. The expectation is that if GHGA starts pursuing possible vendors immediately. One could be secured by December 2014. Preliminary discussions have already been held with three financial entities.

GHGA will offer medium term rentals – as short as a week – to input providers. Space will be allotted seasonally to fertilizer, pesticide, or other service or input providers prior to key periods in the season, or on an as needed basis. Due to the shorter terms expected for these rentals and focusing them on specific membership needs, will further drive traffic to the building. Current planning is to secure the first such medium-term rental in October 2014.

A third type of rental will be short-term events. These will be for a day or evening to facilitate a presentation or meeting relevant to, or impacting, the industry. Such rentals are expected as early as the end of October 2014.

Securing third party rentals will be a high priority as they will be an important source of income for GHGA. Though not enough to support expected operations, such rentals will nonetheless be a key step on the path to reducing GHGA dependency on donor funding.

Table 2: : Milestones, Develop Third-Party Rentals

| Milestone | Date |
|-----------------------------------|-------------|
| First Short or Medium Term Rental | 31-Oct-14 |
| First Long Term rental secured | 15-Dec-14 |

A.3. HOST HAZELNUT CONFERENCE

Agri-Georgia has pledged to arrange a hazelnut conference in the Zugdidi area. The intention is to use the conference to raise international awareness of developments in Georgia while raising needed funds for the GHGA. The conference is expected to occur in June 2015 and to be held, in part, if not in its entirety, at the Tsalenjika headquarters. Initial discussions with potential international participants began the week of September 10th, 2014.

Table 3: Milestones, Host a Hazelnut Conference

| Milestone | Date |
|----------------------------|-------------|
| Hazelnut Conference Begins | 23-June-15 |

B. TRAINING SUPPORT AND DEVELOPMENT

Training support and development is a key part of industry capacity building and quality improvement. For GHGA training and development is a necessary part of building its own membership, while developing the AACREA model, improving member production quality, and providing value to the membership base. Training, support and development activities are also potential income sources for

GHGA. A number of supporting services can be developed to capitalize on GHGA's expertise and the assets it has or controls.

B.1. EXPAND MEMBERSHIP ENROLLMENT

Currently GHGA has 700 members. As noted earlier, the only tangible benefit members receive today is a discount on drying costs at the three recently built drying centers.

During the 2013 season the GHGA, with AGG's and EPI's assistance, was able to provide free drying services to members. To ensure that the planned drying projects could accommodate all members, membership was limited to 300 growers. The pilot project was successful and participants had higher yields from, and earned higher prices for, their stocks. The pilot project was extremely important in demonstrating the value of drying to growers.

In 2014 three commercial drying operations were established. The potential for free or discounted drying services resulted in GHGA receiving 2,500 applications for membership. Knowing 2014 dryer capacity was again limited, GHGA capped membership at 700.

Going forward, the association expects further new entrants to the drying realm. GHGA will also be developing additional services for members. Therefore the expectation for the coming year is to reopen the membership roles in January 2015. The 2,500 existing applications will be processed, admitting those growers to membership by March 2015. As of March 2, 2015 all members will be expected to pay monthly dues (see C.5).

When dues are required for membership, a drop in membership may occur. However, by March 2015 a number of supporting services will exist providing value to members. Growers should recognize the benefits, ultimately bolstering enrollment. The goal is to have a membership base of 3,200 by July 2015 and 6,400 by March of 2016.

The numbers are expected to swell as the impact of multiple efforts affect the grower community. The outreach done through the ongoing structural development efforts (see B.2), implementation of services expected in the fall of 2014 and spring of 2015, as well as the development of a laboratory, and warehouse facility (see C.3 & C.4) prior to harvest in 2015, are all expected to combine to boost membership demand. Thus value will be provided to members in multiple ways and drive membership. Further, as the members will be paying dues as of March 2015, the growth will begin to build revenue flow, helping sustain GHGA.

Table 4: Expand Membership Enrollment

| Milestone | Date |
|------------------------------------|-------------|
| Process 2500 existing applications | 27-Feb-15 |
| 3200 members | 17-Jul-15 |
| 6400 members | 31-Mar-16 |

B.2. CONTINUE FARM GROUP & STRUCTURAL DEVELOPMENT EFFORTS

As described earlier, AGG is wholly supporting efforts for further group development and GHGA organizational efforts at this time. Those efforts are funded until the end of March 2015 and constitute support for an administrative assistant, four agronomists (also termed advisers in AACREA parlance), and a coordinator. These individuals are funded for ten days a month and are focused on strengthening the existing nine groups as well as identifying, forming and developing another three by the end of March 2015. Given an average number of nine per group, the expectation is that by March 2015, there will be 108 members actively participating in the twelve groups.

Growing beyond twelve groups will require additional time commitments from the agronomists and corresponding fiscal support. The current development team can become full time to allow building additional groups, but the effort must be funded.

All funding for group development expires March 31, 2015. Without future funds and support these ongoing efforts will collapse. Continuing efforts are also contingent on further, as yet unfunded, AACREA support (see B.3).

Assuming the resource constraints can be removed during the next six months, group formation and strengthening efforts will continue. Efforts will increase the total group number to 30 by the end of October 2015, and 50 by March 31, 2016. Groups at this point are expected to average between eight to ten members. Thus membership in groups at the milestones is roughly 270 members by October 2015, and 450 members by March 2016.

Table 5: Milestones, Continue Farm Group and Structural Development Efforts

| Milestone | Date |
|------------------------------|-------------|
| 12 Strong Groups Established | 31-Mar-15 |
| 30 Strong Groups Established | 31-Oct-15 |
| 50 Strong Groups Established | 31-Mar-16 |

B.3. MAINTAIN AACREA SUPPORT

AACREA support has been instrumental in forming the initial GHGA groups. AACREA currently is providing consultative support on a weekly basis to the current field coordinator. These consultative services will continue through March 2015.

AACREA is currently in the process of developing a proposal to continue their efforts on behalf of GHGA. The plan, as preliminarily conceived, is to return in March 2015 to continue supporting development of groups and to begin developing the association's upper levels.

AACREA will work in the field, with existing and proto groups to promote, build and strengthen all levels of the organizational structure. The efforts will occur over an eight-month period. When AACREA departs in October 2015 they will have facilitated and supported development of an additional eighteen groups, taking the total number from twelve in March 2015 to 30 by the end of October 2015. By then AACREA will also have identified, and initiated training for, the key personnel who will be responsible for forming the upper levels of the association.

Table 6: Milestones, Maintain AACREA Support

| Milestone | Date |
|---------------------------------|-------------|
| National Leadership Established | 1-Nov-15 |

B.4. IMPLEMENT AGROSERVICE TRAINING PROJECT

Currently GHGA and Agroservice are in the process of reaching an agreement for training 60 people in Hazelnut Orchard Management, fifteen people in maintenance of equipment, and fifteen individuals in post-harvest hazelnut testing and laboratory analysis. GHGA will identify the trainees as well as supply content materials and facilities. Further, two training trips abroad are envisioned, one for the equipment maintenance group, another for the laboratory group.

Assuming the agreement can be finalized with Agroservice by November 2014, and GHGA can secure an agreement from AGG for training and travel support, GHGA will begin to prepare and print

training materials in that same month. The expectation would be to have all training materials in place by the end of February 2015.

In January 2015, GHGA will begin pre-screening training candidates. The expectation is that the 60 people to be trained will be identified by the end of the first week of March 2015. Orchard training will begin the following week.

The orchard training will be conducted during four time periods throughout the year, one in March 2015, one in June 2015, one in September 2015, and one in December 2015. The candidates will be exposed to each different seasonal phase of management activity.

The equipment management training will occur in October 2015, after the harvest, but before the period when tractors and heavy machinery are normally used most extensively. The timing is designed to ensure adequate resources are available to conduct the training, as well as to provide trained personnel in advance of the seasonal need.

A similar approach will be followed for the post-harvest laboratory training. In this case the greatest need is during harvest. Therefore personnel will be trained in July 2015, prior to harvest, ensuring talent is available to support the coming industry need.

Table 7: Milestones, Implement ASA Training Project

| Milestone | Date |
|--------------------------------------|-----------|
| Finalize GHGA/Agroservice Agreement | 11-Nov-14 |
| Finalize GHGA/AGG Agreement | 12-Nov-14 |
| Training Materials Printed | 27-Feb-15 |
| Begin Orchard Management Training | 15-Mar-15 |
| Begin Maintenance & Repair Training | 1-Oct-15 |
| Begin Post Harvest Handling Training | 1-Jul-15 |

B.5. DEVELOP GHGA SERVICES

Numerous GHGA services will be launched over the next twelve to eighteen months. Services are designed to address member needs, deliver members value, and generate initial revenue streams.

GHGA requires an initial planning period to further define the extent, rollout, and execution of services. GHGA plans to rollout eight services over the next ten to eleven months.

A major constraint in the current plan is the availability of financial and human resources for execution, management, and ongoing service support. Additional planning is required to assess the costs and resources required to reliably provide, and sustain planned services.

B.5.1 ORCHARD CONSULTING & MANAGEMENT

A large grower with multiple hectares at various stages of growth and development is seeking orchard management and consulting services. Pricing, terms, and responsibilities are now under discussion. The service will start in October 2014.

If agreement can be reached, proceeds will fund an additional agronomist. Doing so will be a breakthrough for GHGA, providing additional resource support for other services or to assist growing the group structure identified above (see B.2).

Table 8: Milestones, Orchard Consulting & Management Services

| Milestone | Date |
|---|-------------|
| Secure 1 st Management Agreement | 15-Oct-14 |

B.5.2 POST-HARVEST HANDLING SUPPORT

Artificial drying is important in Georgian post-harvest handling due to the high humidity and incidence of rain during the harvest season. Encouraging localized artificial drying is vital for improving quality.

GHGA provided post harvest handling support to the initial localized drying facility project in 2013 and again in 2014 on behalf of GHGA members. If drying is done improperly, stocks can be damaged. Ensuring proper and effective drying is critically important at this stage in developing localized drying.

Next season GHGA again will provide post harvest handling support services. Monitoring and support of localized drying activities is needed to ensure continued success of drying ventures. GHGA will need funding for at least one Post-Harvest handling expert familiar with drying techniques, as well as corresponding transportation. The service will start at the 2015 harvest.

Table 9: Milestones, Post-Harvest Handling Support

| Milestone | Date |
|---|-------------|
| Start Post-Harvest Handling Support Service | 1-August-15 |

B.5.3 MECHANICAL SERVICES

GHGA expects to secure the use of two tractors, with operators, from AGG in November 2014. No costs will be incurred to utilize the equipment beyond the fuel cost. Primary needs for the growers are tea bush clearing, opening drainage, and deep plowing. GHGA will begin scheduling and providing the services in December 2014.

Table 10: Milestones, Mechanical Services

| Milestone | Date |
|----------------------------|-------------|
| Secure Use of AGG Tractors | 2-Nov-14 |
| Start Mechanical Services | 1-Dec-14 |

B.5.4 LAND SURVEY AND REGISTRATION

The land of many growers is not registered with the Georgian Government and thus clear legal title may be in question. GHGA will begin assisting growers with the land registration process beginning in June 2015. Land location, documents, and boundaries will be entered into the association “Knowledgebase” (see C.2) as part of the process.

AGG’s association representative, who has extensive experience with land registration, will provide GHGA’s service. He will work on behalf of the growers to assist in the gathering and submission of the proper documentation and registration materials.

Given that the membership is expected to grow to 3,200 by March 2015 and 6,400 by October 2016, Land Registration will be an area that requires additional human resources and budgetary support. Currently sources for such additional support have not been identified.

Table 11: Milestones, Land Survey and Registration

| Milestone | Date |
|--|-------------|
| Begin Land Survey & Registration Service | 1-Jun-15 |

B.5.5 SOIL TESTING

Improving orchard production requires plants receive proper nutrients. The soil must be fertilized and conditioned. Soil tests will determine fertilization needs and allow monitoring changes in those needs.

GHGA will speak with laboratories in October 2014 to determine soil test capabilities and secure preferential testing rates. Savings will be passed to GHGA members. GHGA will assist farmers to locate and geo-position appropriate test sites, while overseeing the testing process. Results will be tracked and recorded in GHGA's Knowledgebase (See C.2).

Table 12: Milestones, Soil Testing

| Milestone | Date |
|----------------------------|-------------|
| Begin Soil Testing Service | 8-Dec-14 |

B.5.6 LABORATORY SERVICES

Beginning with the next harvest GHGA will provide laboratory services to members. Tests for moisture content, yield, and some other factors impacting quality will be available for members so that they may determine the quality of their crop prior to sale (see also C.3).

Table 13: Milestones, Laboratory Services

| Milestone | Date |
|--------------------------|-------------|
| Begin Laboratory Service | 1-Aug-15 |

B.5.7 STORAGE AND WAREHOUSING SERVICES

Currently many growers sell at the beginning of the season, or even before the season starts. Sales are driven by fiscal need, as well as by quality concerns and feared product degradation.

To build value to members, GHGA will provide storage and warehousing services in Tsalenjica (see C.4 for more detail). The service will allow members to store product in a dry, cool location until sale. Stocks can be physically secured and used as collateral, facilitating micro-finance loans. The service will afford members flexibility to sell later in the season when prices rise.

To develop the planned service, GHGA must secure commitments from micro-finance or banking entities to recognize the produce as collateral. Doing so will take time and those discussions will start as soon as practical after January 2015.

GHGA will need funds to cover the service's development, organization and administration. Someone responsible for the day to day security as well as tracking and monitoring the goods will be hired and in place prior to the 2015 harvest. Further, the organizational and electronic systems supporting the service will be developed, tested and in place by August 2015.

Table 14: Milestones, Storage and Warehousing Services

| Milestone | Date |
|-------------------------------------|-------------|
| Begin Storage & Warehousing Service | 1-Aug-15 |

B.5.8 MEMBER TRAINING

GHGA will train up to 50 members in small batches during the year. The various stages of orchard and post-harvest management will be covered. The program will be similar to EPI's training program and the training envisioned under the orchard management plan with Agroservice. However, these trainings will be open only to association members. They will be conducted at three-month intervals throughout the year, beginning November 2014. Sessions will occur in November 2014, March 2015, July 2015, November 2015, and March 2016. The training sessions will be conducted at the Tsalenjica site, and at the model orchard provided by AGG, to support efforts to increase GHGA building traffic.

Currently funds and resources are unavailable for these activities. The expertise exists in GHGA's small team, but the needed time and funding to support the activity is unavailable.

Table 15: Milestones, Orchard Consulting & Management Services

| Milestone | Date |
|-----------------------|-------------|
| Begin Member Training | 3-Nov-14 |

C. INFRASTRUCTURE DEVELOPMENT

GHGA infrastructure development over the next twelve to eighteen months will focus heavily on delivering value to members and building trust in the organization. The efforts will also be crucial for developing long-term sustainability, and binding members to the organization.

Some infrastructure will be physical, some electronic. Together the infrastructure will provide fundamental value. The infrastructure will reinforce and strengthen GHGA by enabling the creation of revenue producing services, while laying the groundwork for broader institutional change. When members and other farmers see the impact of the infrastructure, pressure will build for more, and interest in membership will grow significantly.

C.1. OUTREACH AND COMMUNICATION

SMS messaging will be a platform technology for the association. Previously GHGA provided Short Messaging Service (SMS) information to members. The technology was provided by EPI but has remained dormant since the last harvest season. GHGA will capitalize on this technological tool to create a communication network with all members. Rapid communication across hundreds of members will serve to tightly link the organization while providing key information to members. Though a small piece of infrastructure, SMS messaging will be exceedingly useful in creating and supporting the membership community.

As the growers are familiar with SMS technology and as GHGA has used the technology in the past, GHGA will immediately begin broadcasting pricing information. The needed electronic lists will be obtained from EPI within the next week. This must be done before EPI closes in entirety.

Some updating of existing member data may be needed, but conversations with GHGA indicate these efforts should be manageable. Updating and maintaining the information will be an ongoing activity.

October 1, 2014 GHGA will begin broadcasting daily hazelnut pricing information to members. The communication will begin to reinforce the differentiation between being a member and non-member. Today the hazelnut price information must be sought out from neighbors, middlemen, processors or others. Growers check multiple sources to obtain accurate information. Broadcasting pricing data is an important first step demonstrating GHGA's ability to deliver tangible benefits to the membership base.

In January 2015 the SMS system will be used to remind members of optimal fertilization times, pesticide applications, and other key seasonal information. By February the system will announce upcoming meetings, events and other GHGA activities.

At present the resources are available to activate the SMS system. The task is a very high priority. Little time is left to secure the materials from EPI. Resource demands are low with high organizational benefit. The SMS system will be operating by October 1, 2014.

Table 16: Milestones, Outreach and Communication

| Milestone | Date |
|------------------------------------|-------------|
| Secure EPI data | 24-Sep-14 |
| Begin Broadcasting Pricing | 1-Oct-14 |
| Begin Broadcasting Seasonal Alerts | 15-Jan-15 |
| Begin Broadcasting Upcoming Events | 15-Feb-15 |

C.2. KNOWLEDGEBASE

Creating a “Knowledgebase” is an important infrastructure activity with long-term implications. As used here, a Knowledgebase refers to a relational database, including spatial, and other elements to create linkages between people, documents, activities, and geography.

Currently groups are providing farm level data to the association. Addresses, locations, orchard variety types, production data, and a large number of other pieces of information are gradually being obtained by GHGA. Maintaining, building, and analyzing such data will become an important service that GHGA will provide to membership in the years ahead. First, the knowledgebase must be developed.

Such a project requires special software, training in how to use the software and maintain the system, as well as inputting large amounts of data. GHGA will need to identify a strategic partner to facilitate the systems development.

Preliminary research into software that can be used has already been conducted. GHGA will develop the business case for the system and then approach NGOs and others for funding and support. These activities will start October 1, 2014 and take approximately two months.

While donor support is being sought, the software can be selected, and key data identified for collection and input. The software company, if approached, might be willing to allow a period of trial use that could be beneficial for demonstrating value to interested donor groups.

Financing and support will be obtained by the end of November 2014. Training agronomists to capture additional data will begin after funding is obtained. Input will start as soon as possible after training. If the software company allows a free trial period, data entry could start as early as November 2014.

Another component of the knowledgebase project is the support of an already identified local hazelnut expert. Support from the expert will be encouraged. Participation of the expert in the Knowledgebase project will be ensured by December 2014.

Table 17: Milestones, Knowledge Base

| Milestone | Date |
|---------------------------------------|-------------|
| Select Knowledgebase Software | 7-Oct-14 |
| Secure Knowledgebase Funding | 1-Nov-14 |
| Begin Inputting Data to Knowledgebase | 1-Dec-14 |

C.3. LABORATORY

AGG has pledged to support the acquisition of laboratory testing equipment to establish a laboratory at GHGA headquarters. The equipment will be ordered and procured between May 2015 and July 2015. Simultaneously, any site preparation necessary will be done in the GHGA building. Staffing of the laboratory will occur in July 2015 so that the lab is available as a resource to members at the beginning of the 2015 season.

Table 18: Milestones, Laboratory

| Milestone | Date |
|-----------------------------------|----------|
| Laboratory Equipment Ordered | 4-May-15 |
| Trained Laboratory Staff In Place | 1-Aug-15 |

C.4. WAREHOUSE AND STORAGE FACILITY

Adjacent to the Tsalenjika headquarters is the remains of another building. GHGA will purchase the building by the end of November 2014 if they secure the funds. The structure will be developed into a storage and warehousing facility available for association members. The facility will have the capability to secure specific lots of nuts, providing collateral for Micro Finance loans to individuals.

Currently no storage facilities of this type exist in Georgia. Growers currently store the nuts in polypropylene bags wherever they can find space. The result is that the nuts, even if dried, often degrade due to high humidity trapped within the plastic bag. Another common scenario is that the grower, not having adequate funds or storage may sell right away, impacting the grower's ability to take advantage of higher pricing occurring later in the season.

GHGA leadership will identify needed partners and financing for completion of the building's interior by February 15, 2015. If GHGA meets the deadline, AGG has pledged to fund building the structure. Construction will be complete by June 2015. Staffing arrangements will be made after completion. The building will open for business by the August 2015 harvest.

The warehouse and storage facility will provide value to the members and become a key infrastructure component facilitating quality. Expected capacity is 3,000 tons.

Table 19: Milestones, Warehouse & Storage Facility

| Milestone | Date |
|--------------------------------------|------------|
| Warehouse Building Purchased | 12-Dec-14 |
| Warehouse Partners and Funds Secured | 13-Feb-15 |
| Warehouse Construction Starts | 2-Mar-15 |
| Warehouse Construction Complete | 30-Jun-15 |
| Warehouse Staff in Place | 24-July-15 |
| Warehouse Opens | 3-Aug-15 |

C.5. MEMBERSHIP DUES

The initiation of membership dues is a critical milestone for GHGA. Getting members to pay dues is crucial for supporting efforts undertaken on behalf of the membership. Dues payment will also validate membership value, as unless there is perceived value, growers will not pay. Transitioning to a paying membership base will be a major step towards creating stability for GHGA.

The initial dues will not enable GHGA to survive without the support of the donor community and others such as AGG. Yet collecting dues will be a significant step forward. The current plan calls for GHGA to develop and articulate the association's value proposition during October 2014 and November 2014. GHGA will consider all activities being pursued and delivered: SMS messaging, training, drying support, mechanical services, as well as other contemplated services.

Beginning in December the association will announce the intention to require dues for the coming year. GHGA will work through the existing member groups, SMS system, and all other tools at its disposal to make members aware of the plan, while demonstrating the association's value. In January 2015 GHGA will formally announce that monthly dues must be paid beginning March 2, 2015. Two Lari per hectare per month, with a two Lari monthly minimum payment, will be required for GHGA membership. The success of the dues initiative will be highly dependent on, and reflective of, GHGA's success in implementing the first six months of the action plan.

Table 20: Milestones, Membership Dues

| Milestone | Date |
|------------------------------------|-------------|
| Announce Intention to Collect Dues | 1-Dec-14 |
| Announce Dues and Start Date | 19-Jan-15 |
| Initiate Dues | 2-Mar-15 |

| Work Plan | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|--|-----|-----|-----|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|-----|-----|-----|
| Building Utilization | | | | | | | | | | | | | | | | | | |
| Establish presence & traffic | | | | | | | | | | | | | | | | | | |
| Staff present 3 days/wk - 1/2 day ea. | ✓ | | | | | | | | | | | | | | | | | |
| Initiate Meetings & Trainings on-site | ✓ | | | | | | | | | | | | | | | | | |
| Establish model farm site in AGG orchard in Tselenjika | ✓ | | | | | | | | | | | | | | | | | |
| Establish pay box in Tselenjka | | | | | | | ✓ | | | | | | | | | | | |
| Develop 3rd Party rentals | | | | | | | | | | | | | | | | | | |
| Target input providers to book short term presentation space | ✓ | | | | | | | | | | | | | | | | | |
| Input providers Rent space/rooms for presentations | ✓ | | | | | | | | | | | | | | | | | |
| Clarify Bank & Miro Finance Targets | | | | | ✓ | ✓ | | | | | | | | | | | | |
| Secure Micro Finance Operation | | | | | | | | | | | | | | | | | | |
| Hazelnut Conference | | | | | | | | | | | | | | | | | | |
| Develop agenda; select and invite speakers | | | | | | | | | | | | | | | | | | |
| Develop Webpage for communication | | | | | | | | | | | | | | | | | | |
| Identify & invite participants | | | | | | | | | | | | | | | | | | |
| Follow up with guests and invited speakers | | | | | | | | | | | | | | | | | | |
| Gather final papers/presentations | | | | | | | | | | | | | | | | | | |
| Confirm expected numbers | | | | | | | | | | | | | | | | | | |
| Conference | | | | | | | | | | | | | | | | | | |
| Training, Support & Development | | | | | | | | | | | | | | | | | | |
| Membership enrollment efforts | | | | | | | | | | | | | | | | | | |
| Process existing 2500 applications | | | | | | | | | | | | | | | | | | |
| Allow enrollments up to 3200 paying members | | | | | | | | | | | | | | | | | | |
| Allow enrollments up to 6400 paying members | | | | | | | | | | | | | | | | | | |
| Ongoing group & structural development efforts | | | | | | | | | | | | | | | | | | |
| Coordinator/Advisor meetings to monitor group progress | | | | | | | | | | | | | | | | | | |
| Advisor/Farmer group meetings to strengthen groups | | | | | | | | | | | | | | | | | | |
| Coordinator/Advisor meetings with interested participants | | | | | | | | | | | | | | | | | | |
| Coordinator/Advisor meetings in villages to form new groups | | | | | | | | | | | | | | | | | | |
| Have 12 strong well functioning groups established | | | | | | | | | | | | | | | | | | |
| Have 30 strong well functioning groups | | | | | | | | | | | | | | | | | | |
| Have 50 strong well functioning groups | | | | | | | | | | | | | | | | | | |
| AACREA Support | | | | | | | | | | | | | | | | | | |
| Weekly Consulting w/ Field Coordinator | | | | | | | | | | | | | | | | | | |
| Develop Growth Plan | | | | | | | | | | | | | | | | | | |
| Work W/ GHGA on plan implementation | | | | | | | | | | | | | | | | | | |
| Identify and prepare candidates for upper level management | | | | | | | | | | | | | | | | | | |
| Proto GHGA leadership structure established | | | | | | | | | | | | | | | | | | |
| Agroservices Training Project | | | | | | | | | | | | | | | | | | |
| Finalize agreement between GHGA & AgroService | ✓ | | | | | | | | | | | | | | | | | |
| GHGA/AGG finalize agreement | ✓ | | | | | | | | | | | | | | | | | |
| Prepare & print training materials | | | | | | | | | | | | | | | | | | |
| Pre-Screen Training candidates at GHGA offices | | | | | | | | | | | | | | | | | | |
| Begin training for orchard management | | | | | | | | | | | | | | | | | | |
| Orchard training in four 15 day cycles (15 trainees/cycle) | | | | | | | | | | | | | | | | | | |
| Begin training in farm machinery maintenance & repair | | | | | | | | | | | | | | | | | | |
| Training Trip abroad for machinery maintenance & repair | | | | | | | | | | | | | | | | | | |
| Begin training in Post-Harvest Handling | | | | | | | | | | | | | | | | | | |
| Training Trip abroad for Post Harvest Handling | | | | | | | | | | | | | | | | | | |
| GHGA Service Development | | | | | | | | | | | | | | | | | | |
| Define services | | | | | | | | | | | | | | | | | | |
| Provide Orchard consulting services | ✓ | | | | | | | | | | | | | | | | | |
| Provide Post Harvest handling Support | | | | | | | | | | | | | | | | | | |
| Secure Used tractors from AgriGeorgia | | | | | | | | | | | | | | | | | | |
| Provide mechanical services | | | | | | | | | | | | | | | | | | |
| Land Survey and registration | | | | | | | | | | | | | | | | | | |
| Facilitate soil testing | | | | | | | | | | | | | | | | | | |
| Laboratory services | | | | | | | | | | | | | | | | | | |
| Storage services | | | | | | | | | | | | | | | | | | |
| Train 50 members: Orchard Mngmnt & post harvest handling | ✓ | | | | | | | | | | | | | | | | | |
| Infrastructure Development | | | | | | | | | | | | | | | | | | |
| Outreach & Communication | | | | | | | | | | | | | | | | | | |
| Contact list maintained by EPI to be delivered to GHGA | | | | | | | | | | | | | | | | | | |
| Refresh, update & maintain contact list | | | | | | | | | | | | | | | | | | |
| SMS Messaging initiates - daily pricing | ✓ | | | | | | | | | | | | | | | | | |
| SMS Messaging of alerts - pests, time to fertilize, etc. | | | | | | | | | | | | | | | | | | |
| SMS Messaging of upcoming activities | | | | | | | | | | | | | | | | | | |
| Knowledgebase | | | | | | | | | | | | | | | | | | |
| Identify and approach NGOs for funding | | | | | | | | | | | | | | | | | | |
| Secure Funding | | | | | | | | | | | | | | | | | | |
| Select key software | ✓ | | | | | | | | | | | | | | | | | |
| Identify key data to capture | | | | | | | | | | | | | | | | | | |
| Train Advisors/Agronomists on capturing data | | | | | | | | | | | | | | | | | | |
| Begin input and development of Data | | | | | | | | | | | | | | | | | | |
| Develop relationship w/ Local Hazelnut Expert | | | | | | | | | | | | | | | | | | |
| Engage support of local hazelnut expert w/ knowledgebase | | | | | | | | | | | | | | | | | | |
| Laboratory | | | | | | | | | | | | | | | | | | |
| Prepare space in Tselenjica HQ & Secure equipment | | | | | | | | | | | | | | | | | | |
| Enlist trained Staff | | | | | | | | | | | | | | | | | | |
| Warehouse & secure storage facility | | | | | | | | | | | | | | | | | | |
| Complete building acquisition | | | | | | | | | | | | | | | | | | |
| Arrange finance and secure partners | | | | | | | | | | | | | | | | | | |
| Facility Construction | | | | | | | | | | | | | | | | | | |
| Facility staffing | | | | | | | | | | | | | | | | | | |
| Membership Dues - 2 GEL/Hectare/month; 2 GEL min. | | | | | | | | | | | | | | | | | | |
| Define Membership value proposition | | | | | | | | | | | | | | | | | | |
| Announce intention to collect dues | | | | | | | | | | | | | | | | | | |
| Implement dues | | | | | | | | | | | | | | | | | | |

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