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MINISTRY OF AGRICULTURE
REPUBLIC OF LATVIA



MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF LATVIA



EASTERN PARTNERSHIP

Rural and Agricultural Advisory Systems: Best Practices and Experience in the Eastern Partnership



Riga, 15 – 16 April 2015



Ltd "Latvian Rural Advisory and Training Centre"



Latvian Rural Network



**MINISTRY OF AGRICULTURE OF AZERBAIJAN
INSTITUTE OF ECONOMICS AND ORGANIZATION
OF AGRICULTURE**

**Rural Advisory Services in Azerbaijan
and the future prospects**



15 April, 2015, Riga

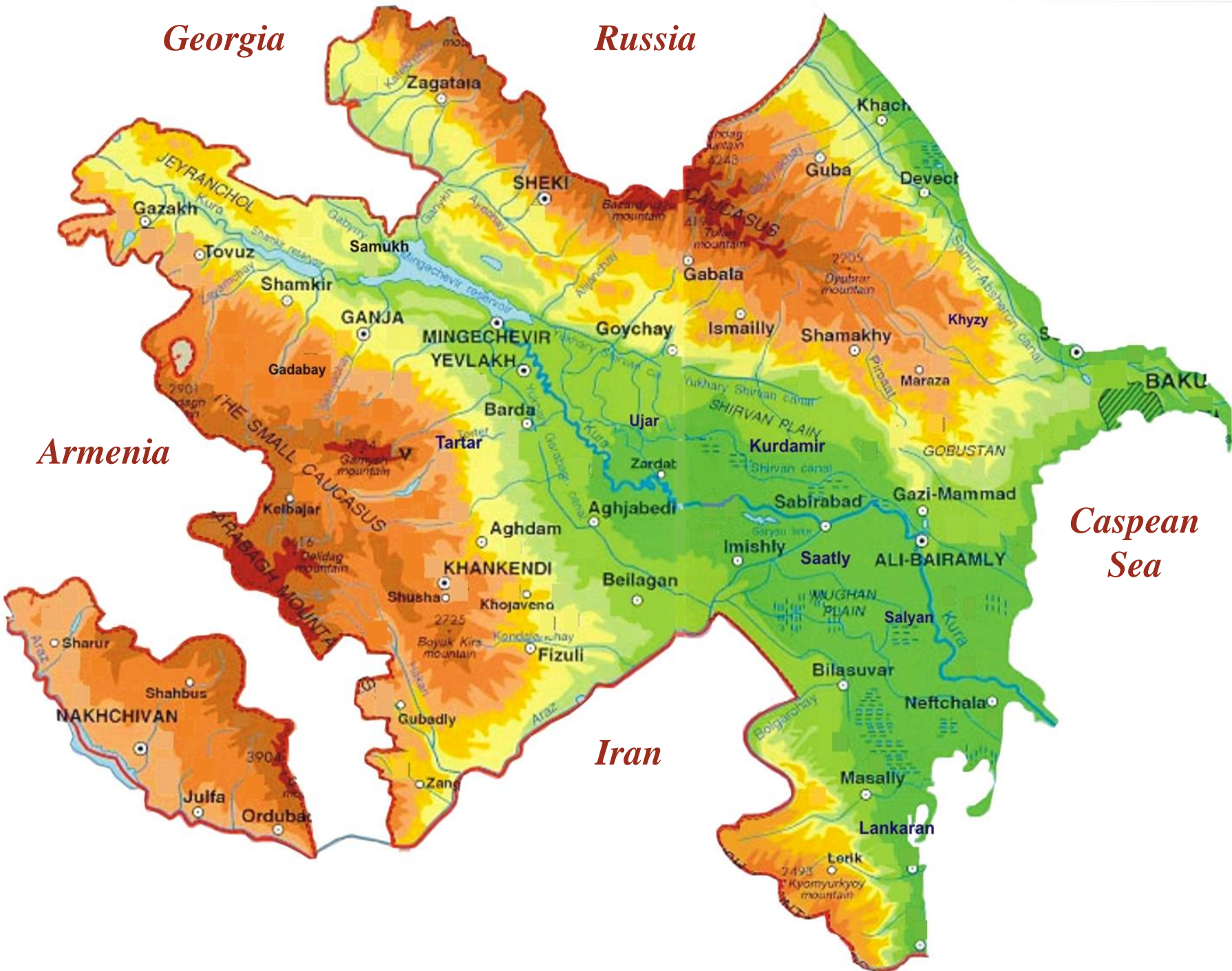
Geographical context

Azerbaijan is home to one of the earliest human habitats, contributing to the creation and progress of mankind's global culture

Azerbaijan is situated on the south-eastern part of the Caucasus, which stretches from the Black to the Caspian Sea

According to the character of orography, vegetation and topsoil, Azerbaijan is roughly divided into **5 climatic zones**: the Greater Caucasus, the Lesser Caucasus, Nakhchivan, Lenkoran and Kur- Araz

The territory of Azerbaijan is surrounded by Major Caucasus, Minor Caucasus and Talish mountain chains. The Kur-Araz lowland is situated among these mountain chains.



Land and Population

Total area: 86.6 Km²

Mountains: 58%

Plains and flat areas: 42%

Agricultural lands: 4.76 million hectare

Crop area: 1.8 million hectare

Forests: 12% of total area

Population: 9.5 million

Rural population: 48% of total population

Employment

- ♣ **48% of population live in rural areas**
- ♣ **1.55 million of total 4,05 milion employed population or 38,3% is engaged in agriculture;**
- ♣ **Contribution of agriculture among other economic sectors is the highest by level of employment.**

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Agriculture is the traditional production field of Azerbaijan. Vine-growing silkwarm-breeding and fruit-growing fields are widely spread here since ancient times.

As the great part of the country territory has mountanious relief, cattle breeding always play important role in the life of people living here.

The agriculture and agricultural processing sectore provide more than a half of non oil exportation

2015 declared the Year of Agriculture in Azerbaijan

President of Azerbaijan Ilham Aliyev has signed an executive order declaring 2015 the Year of Agriculture in the country.

Declaring 2015 the Year of Agriculture is aimed at giving a new stimulus to the development and modernization of agriculture, ensuring a complex and systematic approach to settlement of problems in the agrarian field, involving the government's administrative and financial resources in this sector, and promoting the country's agrarian potential.

Role of agriculture in economy of Azerbaijan Republic

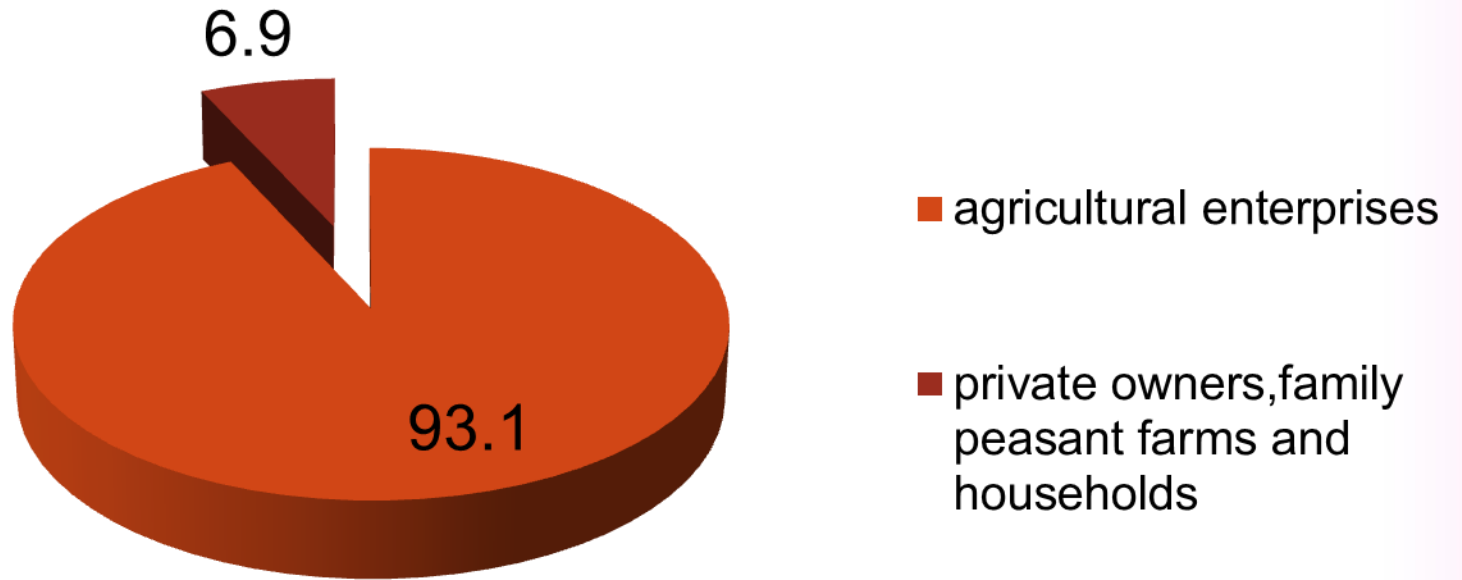
	Indicators	2011	2012	2013
1.	Gross Domestic Product billion manats	52.1	54.7	57.7
2.	Total value added generated in Agriculture, forestry and fishing			
	- Billion manats	2.6	2.8	3.1
	- Share in GDP, %	5.1	5.1	5.3
3.	Number of the employed population –thousand persons	4375.2	4445.3	4521.2
4	Number of employed people in agriculture, forestry and fishery			
	- thousand persons	1657.4	1673.8	1677.4
	- share in employment, %	37.9	37.7	37.1
5.	The total volume of export –billion US dollars	26.6	23.9	24.0
6.	Non oil export –billion US dollars	1.5	1.6	1.7
7.	Export on Agriculture and agricultural processing sectore			
	- billion US dollars	0.74	0.86	0.91
	- share in non oil export, %	49.3	53.8	53.5

Farm structure

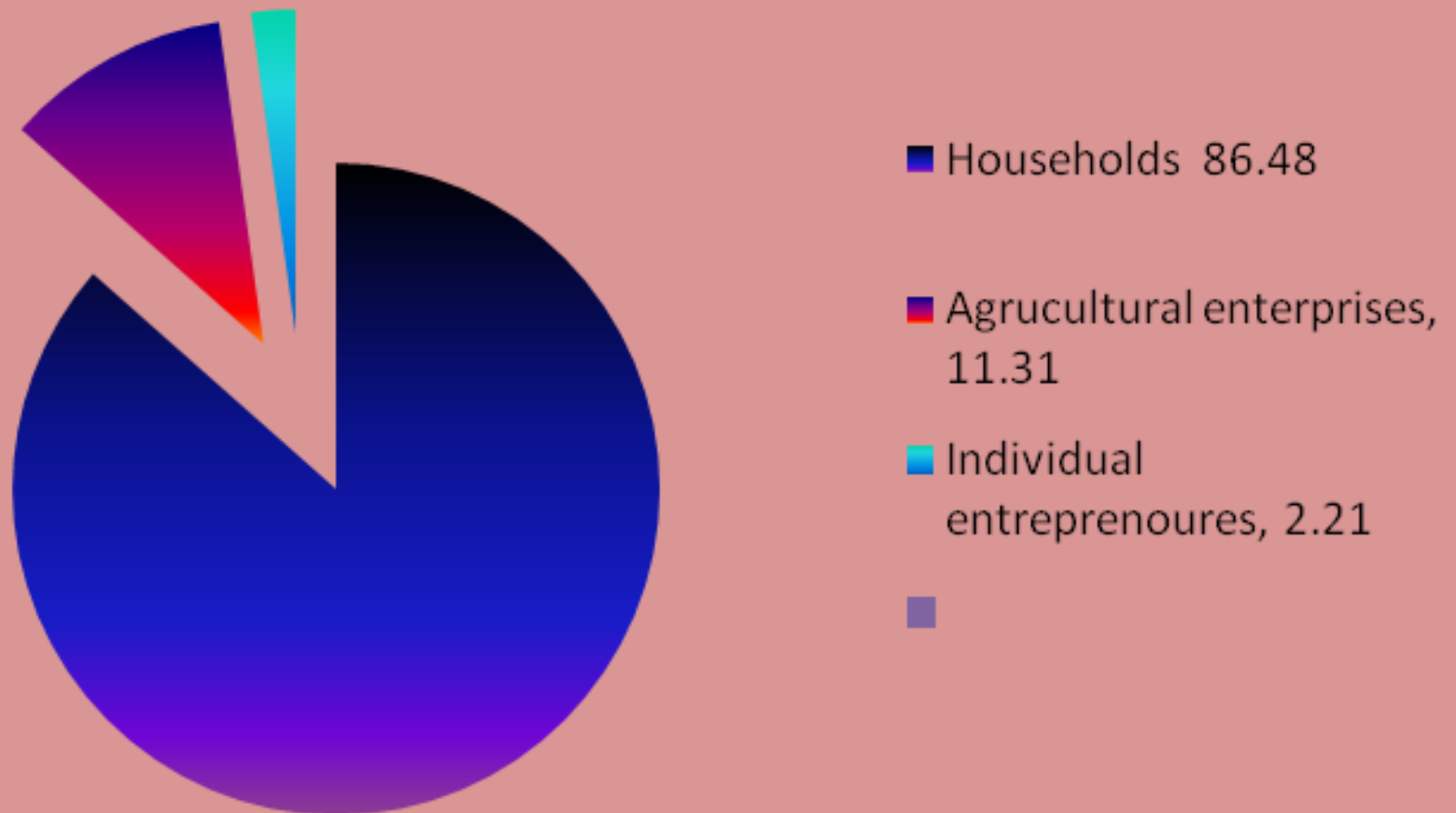
Following agrarian reforms that commenced in 1995, **1.3 million ha** of land have been privatized to approximately **817,700 families**. In addition, there are over **620,000 household farms**, with an average size of **2.8 Ha** (FAO). Agricultural production is undertaken on the farmland distributed to the residents from state farms and collective plots, and backyard / kitchen gardens, in three main agro-ecological zones:

1. **Lowlands, dry/hot, irrigated**
2. **Uplands-lower precipitation, irrigated**
3. **Uplands-higher precipitation**

Structure of the total production of agriculture, %



Distribution of agricultural lands among farm types



Main production indicators of plant growing (2013)

	Name of product	Cultivated area thousand hectares	Volume of production	
			Total, thousand tons	Per capita, kg
1.	Grains	1074.1	2955.3	310*
2.	Cotton	23.5	45.2	-
3.	Tobacco	1.2	3.5	-
4.	Potatoes	65.3	992.8	107
5.	Vegetables	77.6	1236.3	133
6.	Cucurbitaceous	28.5	429.8	46
7.	Fruit and berries	113.9**	853.8	92
8.	Grape	13.1**	154.1	16

STATE OF RURAL ADVISORY SERVICE



Policy environment

- ♣ Government policies in Azerbaijan are set out in the form of programmes with set timeframes and objectives enacted on the basis of presidential decrees
- ♣ *The country does* not use framework strategic documents which define the long term priorities, but rather focuses on programmes that tackle a variety of horizontal and vertical issues as well as emerging needs.
- ♣ The programmes are used as basis for establishment of institutions; state owned commercial entities as well as support programmes required for their implementation.
- ♣ There is no a national level advisory services policy

Most important documents about state policy in agriculture

- **State Program on reliable food supply of population in the Azerbaijan Republic in 2008-2015;**
- **State Program on Poverty Reduction and Sustainable Development for 2008-2015;**
- **State Program on socio-economic development of regions of the Republic of Azerbaijan 2014-2018;**
- **Azerbaijan – 2020: the vision of the future.**
- **2015-2020 Development Strategy on Agribusiness in the Republic of Azerbaijan (will be adopted);**

Key players in AIS

- ◆ Ministry of Agriculture
- ◆ Agrarian Science Center
- ◆ Regional Agrarian Science Centers
- ◆ Research Institutes and their experimental stations
- ◆ Private companies and non-government organisations
- ◆ Input dealers
- ◆ Traders
- ◆ Agency for International Projects and Planning

Overview

- ◆ Existing Agricultural Research and Extension System is not responsive to needs of emerging farmers. The system was developed to meet needs of big collective farms characteristic for the former Soviet system.
- ◆ Since independence in 1991, the Government of Azerbaijan has made vigorous efforts to restructure its economy including agricultural sector on free market relations.
- ◆ Agrarian sector of the country undergone serious changes resulting in the break up of collective farms into smallholdings
- ◆ Newly emerging holdings began to be specialized in various production areas
- ◆ Though production system has changed but research and extension system still needs to be changed in order to response growing demand of farmers and agricultural producers.

The first initiative to establish RAS

- ◆ To solve the problems regional advisory centers (RAC) have been established in the framework of Agricultural Development and Credit Project financed by the World Bank.
- ◆ This project commenced in 2000 and completed in 2011
- ◆ Within this project 10 regional advisory centers have been established in the country.
- ◆ These centers identified farmers' needs for information on crop varieties, animal breeds, improved technologies etc
- ◆ They established relations between farmers and researchers
- ◆ **Unfortunately these centers have not been integrated to Ministry of Agriculture and they collapsed after completion of the project in 2011**

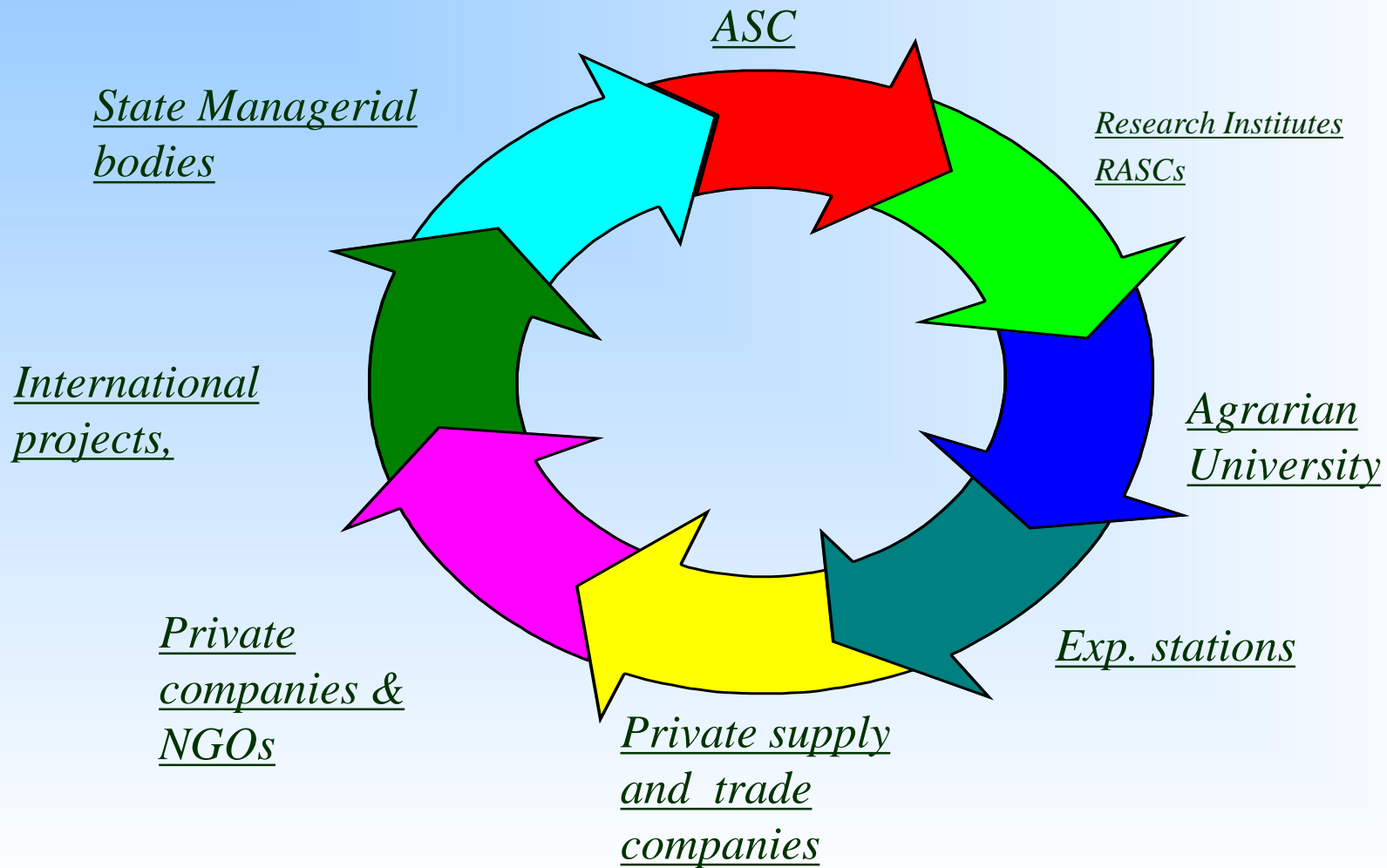
Existing network of RAS

- ◆ At present advisory service is rendered to farmers through Regional Agrarian Science Centers (RASC), which have been established in 8 natural-economic regions. RASC are responsible to:
 - Organize training and seminars for increasing the capacity of the people within the municipal administrations, specialized agricultural schools, and local NGOs for being able to take part in the process of growth in rural regions
 - Provide consultations and technical help for preparing and implementing services in the areas of agriculture and small business
 - Prepare, publish and distribute specialized brochure from our database of specialized information for agriculture
 - Provide information, technical consultations, training, and technical help for small farmers in two areas: 1) acquiring land, 2) the effective use of that land for farming

Existing network of RAS-cont.

- ◆ Presently 13 research institutions and 8 RASC own 8593 ha fertile agricultural lands 5243 ha of which is arable land.
- ◆ However, not all the centers present good facilities. Almost 70 % of machinery-tractor fleet has completed their exploitation period. Lack of machinery and equipments, in particular computer and office hamper efficient project planning.

Key players in knowledge dissemination system



Role of NGOs in RAS.

- ◆ A great deal of private consulting companies and NGOs has been established to provide consultancy-information service due to enhancement of actions taken by international project agencies and donors.
- ◆ Currently about 3600 non-government organizations, private enterprises and institutions have passed the state registration. A number of them are agricultural oriented.
- ◆ NGOs like “Agro Informasiya Merkezi” (AIM) and “Ganja Agrobusiness Association” (GABA) provide advisory services through different projects financed by EU, Switzerland, GIZ etc.
- ◆ They provide consultancy service to farmers on procurement of plant protection means, application of new technologies, training of farmers raising public awareness of farmers in this field.

Role of input providers in RAS.

- ◆ Besides NGOs there are other large companies of commerce oriented (for instance EMA, Tovuz-Baltiyya, Samadoglu-Ataturk, Agrokimyya LTD, Agromarketing LTD companies etc.).
- ◆ In general most NGOs of agricultural orientation have been established recently and need for improvement. In addition more than 100 physical and juridical persons have received certification on veterinary service.
- ◆ The above specified non-government organizations, joint-stock societies and enterprises are engaged in information gathering, application of new technologies, providing consultancy service to physical and juridical persons occupied with agriculture and in procurement of agricultural inputs including fertilizer and plant protection means.

Coverage of RAS.

- ◆ Presently neither public institutions nor NGOs that are engaged in providing rural advisory service don't cover the whole rural areas. Services provided by these entities is not a sustainable. For instance advisory services provided by AIM and GABA base on projects that they implement. Advisory service activities are provided within certain component of the projects. Services provided by RASC cover only insignificant number (less than even 1%) of farmers in the region.
- ◆ Services provided by NGOs and companies target only farmers involved in projects implemented by them

Financing.

- ◆ The funding sources for information and extension services are diverse
- ◆ The activities of the RASCs are financed from the government budget, those of private companies through client contracts, subcontracts with international organizations, and sometimes through their own resources.
- ◆ Project-based activities are funded by international development agencies.
- ◆ In public sector rural advisory is not financed separately, it is financed within research programs.

Financing-cont.

- ◆ Total funds allocated to research institutes and regional centers subordinated to ASC is increasing year by year and made up 10.06 million AZN (12.8 million US\$) in 2013.
- ◆ On average each research institutes receives 625.57 thousand AZN (798.21 thousand US\$) from the state budget..
- ◆ This sum increases by 2.0-2.5% each year.
- ◆ In addition some institutes also generate income from seed production.
- ◆ But in general allocations from state budget to agricultural science makes up 0,19% of agricultural GDP, which is too low.
 - ◆ Advisory services provided by private sectors, NGOs are financed through projects which is financed by donors and international development agencies

Strengths of existing system.

- ◆ Agrarian Science Center and its subordinated regional structures, which are key players in the system (RASCs) form a network in rural advisory service system.
- ◆ These centers own enough lands to demonstrate research outputs, modern technologies, new crop varieties and carry out adaptation research
- ◆ These centers have gained experiences in providing advisory services

Weaknesses of existing system.

- ◆ Rural advisory services, which is provided by public sector is not financed separately, it is financed insignificantly within research programs
- ◆ There is no any organization in the country responsible for information dissemination and coordination of activities provided by various stakeholders
- ◆ Logistic base and facilities of existing system is not responsive to needs of emerging farmers.

Future prospects

- **Draft of law "Rural Advisory Services " is ready but has not been approved yet. Need to approve draft of law about Rural Advisory Services;**
- **Need to establish countrywide Rural Advisory Services**

**Thank you for your
attention!**

