

PROJECT DESCRIPTION**Ejisu Juaben Pig Farmers Feed****Ghana****I. Introduction**

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Ejisu Juaben Pig Farmers and Processors Association (PFA) is an association based in the Ashanti Region of Ghana that rears pigs, processes and markets pork, and assists its members to procure inputs at a reasonable price. PFA would like to take advantage of increased market demand; however, outdated and obsolete technology, weak internal capability, lack of working capital, and low marketing capability prevent the company from capitalizing on the market demand.

III. Funding**A. ADF Contribution**

The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 8 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. Grantee Contribution

PFA will contribute time and labor.

IV. Project Goal

The goal of the Project is to improve the standard of living for farmers in the Ashanti Region of Ghana.

V. Project Purpose

The purpose of the Project is to increase the income of PFA's employees, members, and suppliers in the following ways:

- A. PFA's net income (before taxes and depreciation) will increase from the current baseline of GHS (1,484) to:
 1. GHS 2,700 in Year 1;
 2. GHS 10,000 in Year 2;
 3. GHS 24,000 in Year 3; and
 4. GHS 42,000 in Year 4.

- B. Total salaries and wages paid to workers (full time and part time) will increase from GHS 1,272 in the Project's base year to:
 1. GHS 27,000 in Year 1;
 2. GHS 28,000 in Year 2;
 3. GHS 30,000 in Year 3; and
 4. GHS 33,000 in Year 4.

- C. The value of raw materials purchased from farmers will increase from GHS 7,900 in the Project's base year to:
 1. GHS 178,000 in Year 1;
 2. GHS 220,000 in Year 2;
 3. GHS 290,000 in Year 3; and
 4. GHS 380,000 in Year 4.

- D. The value of loans disbursed to members will increase from GHS 0 in the Project's base year to:
 1. GHS 101,000 in Year 1;
 2. GHS 113,000 in Year 2;
 3. GHS 127,000 in Year 3; and
 4. GHS 143,500 in Year 4.

VI. Project Outputs

By the end of the Project period, the capacity of PFA and its members to process and market pork will increase as evidenced by the following.

- A. Increase in PFA's sales revenue from GHS 11,717 in the Project base year to:
 1. GHS 213,000 in Year 1;
 2. GHS 268,000 in Year 2;

3. GHS 352,000 in Year 3; and
 4. GHS 463,000 in Year 4.
- B. Increase in the number of active farmer members from 45 in the Project base year to 65 by the end of the project.
- C. Increase in the volume of products sold (wheat bran, rice bran, spent malt, maize, concentrates, soya cake, copra cake) from the current 1,881 units in the Project base year to:
1. 9,600 units in Year 1;
 2. 11,000 units in Year 2;
 3. 14,000 units in Year 3; and
 4. 18,000 units in Year 4;

VII. Project Activities

PFA will ensure the following major activities are completed with the assistance of consultants where necessary.

- A. Improve the management and institutional capability of PFA by:
1. training the management team on how to manage the revolving credit loan facility;
 2. purchasing a vehicle to facilitate the delivery of feed to farmers; and
 3. establishing a more professional leadership core by recruiting and paying association staff including a credit officer.
- B. Institute improved financial and operating procedures by training PFA management, staff and lead farmers in financial and business skills.
- C. Improve pig meat processing and marketing systems by:
1. training 45 association members in piggery operations and management;
 2. procuring and using feed storage equipment;
 3. supplying animal feed inputs to members of the association;
 4. supplying revolving micro-credit loan fund inputs to members of the association;
 5. installing electricity in the association's shops and storage facilities to preserve livestock feed and veterinary drugs;
 6. advising farmers on the health and sanitation of their operations; and
 7. developing promotional materials.

VIII. Roles and Responsibilities of the Parties

ADF's Partner in Ghana will provide the standard ADF training in bookkeeping, monitoring and assessment. PFA is responsible for ensuring the proper management and implementation of the grant. The ADF Partner in Ghana will provide PFA with technical and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's partner in Ghana will closely monitor the activities of the Association to ensure proper reporting, adherence to the Project implementation plan by the Association and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial action as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of the Association as part of the on-going performance assessment.