

KYRGYZSTAN: The case of AgroLead Plus

"I hope that I was able to provide relevant recommendations to address the SME's issues in packaging and labeling, certification and export planning. I am also hopeful that it will be possible to ensure continuity and sustainability of interventions in the future and AgroLead's staff members will take advantage of them in the months and years ahead."

Ms. Elvira Suvanova, ITC EMCI coach

Overview of the Coaching Mission

AgroLead Plus is a public agricultural association which unites more than 100 farming unions across Kyrgyzstan, with a total of over 1000 hectares of cultivated land. This is a female owned SME that is mainly focused on the production and exports of potato and potato seeds to neighbouring countries, but with serious plans to expand exports in the future. AgroLead can boast of a highly professional staff with more than 10 years of professional background in agriculture.

Having strong capabilities in production processes, the SME also decided to increase its export potential, especially in such aspects as packaging and labeling, certification and international freight forwarding procedures. For this reason AgroLead decided to take part in the Export Management Coaching Initiative implemented by ITC in Kyrgyzstan with an aim to clarify various aspects of export processes and take advantage of coach's interventions.

Technical Recommendations

Agrolead is actively exporting vegetable products to neighboring countries in the region. Considering that strict compliance with food safety standards and regulations is absolutely essential to the success of export operations, the coach shared several links to informational resources related to market analysis tools and food safety standards in countries of the Eurasian Economic Union.

The coach recommended to the SME that for the export of vegetables, the SME should require the forwarder to provide guarantees of maintaining relevant 'cold chain' conditions. The SME should insist on making a contract with a freight forwarder and include a provision that in case of any temperature deviations, the forwarder shall bear responsibility for any damage.



Main outcomes from the Coaching Mission

Following the coach's recommendations Agrolead intends to develop a list of potential suppliers of packaging materials and freight forwarders. The SME is going to use the coach's recommendation to assign grades to each company based on the previous experience - this will allow the SME to get a better understanding of strengths and weaknesses of each of its existing partners. AgroLead will also carefully select potential suppliers and freight forwarders weighing available options and risks.

In addition to the above Agrolead also intends to develop a standard contract with freight forwarders including specific conditions of maintaining the right temperature during long distance transportation. This will be especially important as AgroLead intends to expand the scope of its export operations beyond the neighboring countries which may require significantly longer transportation time.

"It was highly useful for us to get information on the Eurasian Economic Union's Technical Regulation in relation to the safety of food products for packaging and labeling. Our current clients are in Uzbekistan and Tajikistan and these requirements are not applicable there, but we have plans to access markets of the Customs Union in the future, that is why these interventions were so useful for us."

Mr. Batyr Tanrygulyev, Director of Halk Hazyna