UNDP ISELS KARAKALPAKSTAN OFFICE

Mr. Bakhadur Paluaniyazov,
Project Manager
56, Ernazar Alakoz, 742000, Nukus
Tel.: +998(61) 224–1635
Fax: +998(61) 224–1381
Email: bakhadur@els.uz

FOOD PROCESSING
FARMER ENTERPRISES OFFICES

Kegeily district

Mr. Karamatdin Purkhanov, Director
LTD “Rustem-Kegeylishi”
Karasiyrak village,
Aktuba Village Community of Citizens
Tel.: +998 (61) 412–1384

Karauziak district

Mr. Kuanishbai Zarimov, Director
LTD “Mol Tabisli El”
Birdem village,
Karauzyak Village Community of Citizens
Tel: + 998 (61) 221–4895

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FOOD PROCESSING AND COOPERATIVES IN KARAKALPKASTAN

The Enhancement of Living Standards (ELS), a joint effort of the European Union and UNDP, has been working since 2005 in 4 regions of Uzbekistan.

Agriculture is the backbone of the economy of Uzbekistan and work in agriculture, one of the main sources of income generation.

Thus, the ELS project has promoted farmers’ enterprises while at the same time financing rural and urban micro-credit schemes for improved access to credit.

In Karakalpakstan, as in the rest of the country, the interest in agro-processing is associated with its potential for generating demand amongst small farmers, increasing production through small scale food processing, and ensuring food price stability and availability.

The food processing sector in the districts of Kegeily and Karauziak has also the potential to foster rural economic growth, entrepreneurial opportunities and most important employment.

Due to lack of exposure to alternative forms of farmers’ organizations however, farmers have had difficulties to understand the tangible benefits deriving from farmers cooperatives.

The project has showed these to them by organizing roundtables and seminars on the in-and-outs of setting-up a business, accessing credit and preparing business proposals.

At a later stage, after evaluating the quality of the business proposals and the interest shown by farmers, the ELS project has supported 2 related to food processing and marketing. With the ELS help two farmers’ groups have registered as cooperatives and participated in training in business management and administration.

For the past two years the cooperatives have flourished and are now making a profit. They are providing services sought after by the local population and the wide farmer community. Their wok has been praised by the local authorities.

“Rustem-Kegeylishi” produces macaroni, sunflower oil, forage for cattle, and offers its services to the local population to process wheat and rice. Presently, the enterprise is supplying 5 kindergartens, a hospital and neighboring communities, in addition to local farmers.

“Mol Tabisli El” processes different crops, including wheat (flour), rice (milling) and oil. The enterprise works with local farmers and the local population.

The two cooperatives are now planning to expand and set up district branches.

The ELS project in Karakalpakstan was funded by the EC and implemented by UNDP during 2005-2006. After its end, UNDP continued to support selected initiatives. The farmers’ enterprises are one of them. In 2007, UNDP was successful to mobilize resources under its Area Based Development Programme for the period 2008-2010.

The ELS projects work to create win-win situations where the producers gain from the profit they make and rural communities gain improved access to services close to where they live.

Integrating the needs of food producers and buyers into project activities for improved living standards is doable. Supporting small farmers’ cooperatives to provide rural services can improve people’s lives tangibly.

The ELS projects are committed to achieving the Millennium Development Goal No 1 in Uzbekistan “Improve living standards and reduce malnutrition”.

Visit the farmers’ enterprises and learn more about food processing in Karakalpakstan (contacts overleaf).

For more on UNDP, see:
www.undp.org
www.undp.uz
www.els.uz
www.europahouse.uz

See also the ELS leaflet and manual on biological pest control.