



## Feed the Future Country Fact Sheet

Online Version: <https://www.feedthefuture.gov/article/us-government-establishes-loan-mechanism-purchase-farm-machinery>

## U.S. Government Establishes Loan Mechanism for Purchase of Farm Machinery



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Farmers drive their newly-received tractors to their farms.

The USAID Productive Agriculture Project and the Khatlon Region Administration hosted an event in Qurghonteppa to celebrate the purchase of over 50 tractors by farms in the 12 western districts of the Khatlon Region, the target area for the U.S. Government's Feed the Future initiative.

U.S. Ambassador Susan Elliott and Regional Chairman Gaibullo Afzal opened the event and presented 10 dekhan farms with the keys to their new tractors. The event was attended by financial institutions, agriculture implement dealers, local district and jamoat authorities as well as many of the farmers who worked with the Project.

The USAID Productive Agriculture Project, in collaboration with Imon International and Eshkata bank, used a financing mechanism enabling farmers to access two-year loans for the purchase of tractors. Tractors were bought from the Madadi Tursunzoda farm machinery dealership with a combination of cash and credit. In addition, the USAID Productive Agriculture Project provided a grant of about 20 percent of the total cost of each tractor.

Access to machinery is essential for efficient and profitable agricultural production. A 2010 study by the International Finance Corporation using data from 2008 found that the number of tractors in Tajikistan had fallen to 43 percent of the 1991 level. The goal of the USAID Productive Agriculture Project's machinery credit program is to create a financial mechanism through leading financial institutions enabling farms to finance their machinery needs.

The purchase of tractors celebrated at the event is an expansion of a successful 2011 pilot program between USAID Productive Agriculture Project and two other financial institutions, AgroInvestBank and Arvand. Farmers purchasing tractors are also working with a project to improve the production of winter onions in western Khatlon. This project is also intended to extend access to financing of machinery for smaller farms involved in orchard, vineyard, and hothouse vegetable production in this same part of the region.

The USAID Productive Agriculture Project in Tajikistan is one of the many assistance projects made possible by the American people through the United States Agency for International Development (USAID).

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