ACDI/VOCA Cooperative Development Program

Report on Activities
1997-2004

Cooperative Agreement Number FAO-A-00-97-00017-00

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I. INTRODUCTION

This report covers the final six-month period and the 1997-2004 life of program of the worldwide Cooperative Development Program (CDP), Cooperative Agreement Number FAO-A-00-97-00017-00. It was somewhat of an omnibus vehicle, covering a mix of countries during the initial 1997-2002 period, adding Paraguay during the 2002-2004 extension phase, and including some country components funded and active for less time than the initial five-year period, others entering the activity sometime after the start-up, and others ending field activity earlier than planned due to their absorption into other funding or organizational arrangements. This mix of situations is portrayed in Table I – CDP Program Component Profile – 1997-2004.

We point out that the award in its entirety is operating under a no-cost extension until December 31, 2005 to accommodate the completion of the late-starting Angola component, which received a large private-sector contribution to supplement its Mission funded buy-in into CDP. It was agreed with the CDP Cognizant Technical Officer that it was preferable to report on all the field activities completed by the end of 2004 rather than wait another year to prepare a truly final report, acting now while the information is relatively fresh in ACDI/VOCA staffers' minds. The timing for this submission was driven by the Mozambique project's continuation with extension-period funding until September 30, 2004.

The program writ large displayed three distinct phases of direction and thrust during the seven-year period. The first phase (1997-2002) focused on cooperative development assistance in two rather strictly-defined categories: Assistance to small producer cooperatives and associations in Brazil, Mozambique and Western Ukraine, and small-borrower credit institution development in Peru, the Philippines, Kyrgyzstan and South Africa. In the latter grouping, the field was immediately reduced by the subtraction of the Philippines, as the USAID mission there notified us that another U.S. implementing organization was covering the credit sector there, so our presence was not required. Peru was phased out in year two after start-up interventions there led us to conclude that the host credit cooperative organization was not financially sustainable. All credit institution development activity was focused on Kyrgyzstan and South Africa from that point onward.

The core agricultural cooperative development efforts were directed at strengthening the administrative systems and commercial prospects of Brazilian agricultural cooperatives in that country's Amazon region and in selected assignments in the impoverished Northeast, with peasant-controlled producer associations in Mozambique, some of which being pre-cooperatives, and with four livestock cooperatives attempting to organize themselves and operate along Western lines in the post-communist period. Southern States Co-op of Richmond, Virginia participated as a mentoring partner for the Ukrainian cooperatives as a sub-grantee. "Non-core" program components will be described later in this section.

The second core phase – the two-year cost extension period from 2002 to 2004 – was launched without the South Africa component (which was handed over to CHF) but welcomed new-comer Paraguay, which presented an opportunity for a Mission buy-in to strongly supplement CDP resources. The program's focus was sharpened and tied to cooperative development target indicators such as improving governance to meet member needs and enhancing cooperative salience and competitiveness, with each of these two target categories containing a detailed sub-set of objectives, problems confronting the attainment of the objectives, and proposed solutions to the identified problems. Another arrival for the extension phase was the headquarters-based Center of Excellence, a small unit created to assemble, analyze, package and disseminate lessons learned and interesting findings from CDP field work in the initial and cost-extension periods.

The target indicators were tailored to reflect the widely-differing realities in Brazil, Mozambique, Paraguay and Ukraine, but progress against all indicators and objectives homed in on achieving whatever level of progress possible in each country project. The only major set-back suffered during the extension period was the near-fatal running over of our Paraguay country program director by an out-of-control vehicle in Asuncion, an event that caused her hospitalization for months and an inability to work for most of year one.

The third phase began in year two of the extension period, as we were asked to put some effort into shaping year-seven field work into a construct that would pave the way for our proposed approach for the next five-year CDP cycle. This exercise would take place in Brazil and Paraguay; Ukraine and Mozambique would not participate in the next round, while a Russian Federation activity would be a proposed entrant. As a footnote, we should mention that the Ukrainian and Mozambican groups will continue to be contacted and advised by ACDI/VOCA under other projects. Brazil's and Paraguay's last six-month reports will include this look to the future in addition to the original extension-period indicators, while the last reports from close-out countries Mozambique and Ukraine will of course not refer to the future.

The ramping up for the next phase referred to above relates to an indicator universe that is significantly more "process oriented" than the previous ones. While economic and social salience and effective and transparent governance remain central to the objectives for the new five-year cycle of CDP, we were asked to select process-related objectives that would advance the salience and governance agendas. All CDOs would address the issue and furtherance of cooperative-friendly legal and regulatory environments in program countries and widely disseminate experiences and successes (through the Center of Excellence, in our case.) Our Brazil and Paraguay components will focus on the concept of management of change (the Spanish and Portuguese translations appropriately labeling it the culture of change) within assisted cooperatives to assess and enhance their capability and capacity to sustain or attain and sustain salience/competitiveness in the global economy. In essence, this means most or all of our cooperative clients will be forced to adapt to new commercial realities, and our assessments – in which will participate the Bureau of Applied Research in Anthropology of the University of Arizona (BARA) – will measure the ability and desire of members,

management and boards of directors of cooperatives selected by our staff in Brazil and Paraguay in 2003-2004, to be direct clients in coming years. Such an appraisal was also made in the Russian Federation for their upcoming three-year effort under CDP, an appraisal greatly facilitated by Russia staff's great familiarity with the agricultural credit institution they will assist.

Any assisted cooperative's ability to succeed in the global economy will depend upon their offering and delivering a competitive product or products under terms dictated by their markets, whether they be local, regional or international. A crucial aspect of staff in Brazil and Paraguay during year seven was the pre-selection of value chains/product chains to be offered by the cooperatives they have identified for the ACDI/VOCA-BARA assessments during the first half of 2005. The chains are not limited to co-ops offering one product to an Asuncion or Miami market; they are organized in industry clusters that present opportunities for market clout, economies of scale, and government, banking and political support. An example would be Brazil nuts now being produced successfully by cooperatives in five Amazon-region states, a grouping the Brazilian government is keen to support as a cluster. This has occurred to a great extent due to our promotion of this concept through a series of ACDI/VOCA volunteer assignments to this sector by a former CEO of Blue Diamond. The targeted value chains for Brazil and Paraguay will be included in their sections of this report.

Regarding non-core projects, all of them were completed during the first five-year cycle reported on here, with the exception of the Angola activity. CEBI - South Africa was a credit institution development project shared by an alliance of ACDI/VOCA, NCBA and CHF. It operated until the end of the first cycle – 2000 to mid-2003, and turned over its responsibilities and loan fund resources to CHF, with USAID/W approval. The Kyrgyzstan rural finance activity commenced in earnest in 1998 and completed its operations under CDP at the end of 2001. It carried on from there with direct regional USAID/Almaty support. The East Africa Specialty Coffee Production and Export (SCOPE) project, funded in 2002 by a buy-in into CDP by the USAID/W Africa Bureau, operated successfully and completed its mandate in 2003. Only the Angola horticultural production and producer organization development project, funded by a Mission buy-in in 2001 and supplemented by almost $3 million in a private sector contribution by Chevron-Texaco in 2002, continues among the non-core components. Its end of project is slated for late-2005, or beyond.

II. ACTIVITY REPORT FOR THE PERIOD JANUARY 1 – JUNE 30, 2004

As noted above, while this report covers the last semester of the last CDP cycle, since Mozambique staff managed to run their program on existing funds until September 30, and since the project is not participating in the next cycle and will not have the opportunity to report again, their contribution to this section will be a nine-month report. Ukraine also presents its swan-song report, while Brazil, Paraguay and the Center of Excellence talk about that semester's activities as well as the bridge to the future. Angola operates on its separate track, bridging the two cooperative agreements, but not taking on a new set of indicators for the new cooperative agreement period commencing in 2004.

We present their last progress report to bring the reader up to date on their achievements, as an aside revealing our wish that we had something rivaling their level of funding for Brazil and Paraguay!

A. ANGOLA

This project is part of a three-way public-private alliance between ACDI/VOCA, Chevron-Texaco and USAID in Cabinda Province, Angola. The USAID-funded component of the project has been enabling producer groups throughout Cabinda, Cacongo and Buco Zau to produce a range of crops for sale within the province, to Luanda and other cities in Angola, and to the neighboring countries Congo-Brazzaville and Congo over a three-year period. Targeted sub-sectors include vegetables and fruit, poultry and eggs, oilseeds, peanuts, cassava, beans and coffee. Activities include strengthening of farmer organizations around a range of products; the establishment of agribusiness service centers to provide decentralized technical services and inputs; the promotion of cross-border trade; the development of a market information system; and the design of sustainable financial services mechanisms. The program is funded through a buy-in to CDP by USAID/Angola, supplemented as a USAID precondition by a large cash contribution by Chevron-Texaco.

ACDI VOCA

CABINDA AGRIBUSINESS DEVELOPMENT ALLIANCE

QUARTERLY REPORT
July-September 2004

This Publication was produced by ACDI/VOCA through funding provided under contract with ChevronTexaco (#501074) and an agreement with USAID (#FAO-A-00-97-00017) to support the development of the agribusiness sector in Cabinda Province, Angola

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1. Executive Summary

Agriculture Production

- Local Cabinda Agribusiness Development Alliance (CADA) vegetable and fruit producers harvested and sold to the project **21.6 metric tons of fresh produce** during the reporting period. Of this amount 19.4 metric tons has been sold to local buyers, including important catering companies Catermar (Angola) Lda. and Eurest Support Services (ESS) located in the Cabinda Gulf Oil Company Ltd. (CABGOC) petroleum exportation complex at Malongo.

- The number of participating producers increased to 315 organized into 25 groups, representing mostly farmers located in the Cabinda municipality.

Marketing

- Local produce purchases have increased rapidly in this first dry season harvest period (July, August, September) with total project purchases from Cabinda farmers valued at 2,368,114 kwanzas, or $26,608 (@ 89 kz/$1).

- Produce sold to buyers in the reporting period is valued at 2,356,344 kwanzas ($26,476) for 19.24 metric tons.

	Quantity (kg)	Value KZ	Value USD
Purchases	21,604	2,368,114	26,608
Sales	19,247	2,356,344	26,476
Inventories	2,500	300,000	3,371
Association Fees		230,723	2,592

Credit.

Period	# Group Beneficiaries	Value ($US)
June/July	6	2,077
August	9	271
September	20	5,085
September (Greenhouses)	4	2,247
Total	**39**	**9,680**

- These amounts have been distributed and managed by the CADA staff, with participation of local association leaders. All of the credits distributed were in-kind in the form of improved vegetable seeds, fertilizers, and phytosanitary supplies with the exception of tractor rental for land preparation and greenhouse construction.

- Presently all credits distributed in the June through August period have been reimbursed to the project at 100%. It is projected that short-term credits issued in September will also be reimbursed at 100% after a three month payment period.

2. Activity Progress

Objective 1. Strengthening Agriculture Producer Capacity

The project has increased farmer participation significantly in the past quarterly period, jumping from 30 farmer producers organized in 6 groups in June, to 315 producers organized in 25 groups by the end of September, 2004. Most of these farmers are located in the Cabinda municipality and have received assistance from the CADA project in the form of technical training, agricultural credit inputs, cash sales of credit inputs, cold storage, transportation and marketing.

While farmers have increased quantities of produce according to farm planning calendars and market orders, there has been a marked increase in the diversity of food products sold. There were 42 different varieties and classes of vegetables, fruits and cereals listed in the CADA sales report for the reporting period (see Annex 1).

Beginning with a focus on salad bar items such as tomato, green pepper, lettuce and cucumber, the project has successfully integrated cabbage, kale, eggplant, okra, Irish potatoes, and watermelon into the marketing plan. These latter vegetable varieties were grown by participating farmers with credit inputs and by farmers working independently of the credit program who had purchased seed from one of the project inputs suppliers, Eurajes, in Cabinda.

Of important significance are the quantities of local, traditional crops that have entered the CADA market stream. Four manioc products are being sold on a weekly basis to restaurants in Malongo (Chicuanga, Sacaholha, Fuba and Mandioca). Amaranth, hot green peppers, and palm fruit are also part of the menu being served in Malongo. These local products enrich project production capacity by enlisting more numbers of local farmers. Manioc, amaranth and sweet potatoes can be grown without sophisticated irrigation resources and the plants have a natural resistance to the local climate and soils. These local crops are grown by large numbers of farmers whom the CADA project is targeting as beneficiaries for improved production and marketing. By contrast, the experienced horticulture farmers are few in number and have access to irrigation equipment and other production inputs.

1.1 Field Training Visits

Daily visits have taken place during the reporting period for site visits and training among 11 selected agricultural production groups (see table below). The visits have been carried out by project staff: Andre Puati, Agriculture Extension Coordinator; Pedro Guimbi, Horticulture Specialist; and Luis Mesquitela, Agronomist Consultant.

Name	Association	Location	Production Area (ha)
Amarou Tati	AAC[1]	San Pedro	1.20
UPAPI Tata Luis	AAC	Val de Yabe	1.10
Filipe Cassoma	AAC	San Pedro	1.35
Julio Paulo	AAC	Val de Yabe	1.20
Frederico Luemba	AAC	Val de Yabe	.60
Inacio Maria	Independent	Val de Yabe	.80
Simao Congo	AAC	Cabassongo	.70
Americo Chimpolo	AAC	Cabassongo	.35
Fazal	AAC	Futila	.55
Mabele	UNACA[2]	Mabele	2.00
Isabel Santos	ASSOMECA[3]	Val de Yabe	.20
Total	September 30, 2004		
10.05			

The subjects of the training are organized around the farm production calendars, which have been designed specifically for each producer. The selected varieties are tomatoes, green peppers, eggplant, onions, lettuce, carrots, cucumber, cabbage, and okra. The training visits assure that seeding, transplantation and harvest is proceeding according to farm production calendars and in concordance to buyer specifications.

Training subjects included:

[1] Cabinda Farmer's Association

[2] Angola National Union of Peasants – Cabinda Branch

[3] Association of Women Entrepreneurs of Cabinda

- Timing of planting cycles for each vegetable variety for continuous year round production
- Preparation of soils for nursery beds: elevation, shade barriers, spacing
- Methods of seeding in seed beds: leveling, protection, spacing, composition of soils
- Preparation of soils for transplantation
- Use of insecticides and fungicides with protective clothing; use of sprayers
- Packing methods for transport using crates, plastic cartons, sacks
- Presentation of the product for maximum commercial attractiveness; notions of quality
- Quantity: calculating harvest based on surface sampling
- Regularity of production for continuous commercial deliveries

Site Visit to UPAPI potato production Farm. ACDI/VOCA Agronomist Luis Mesquitela with Domingos Ramos field manager.

The present major producers are all affiliated with AAC, but other groups and associations are encouraged to partner with the CADA project. The project encourages the inclusion of active producers who are engaged in agriculture either as a primary or secondary activity. Present selection criteria favor experienced producers who have access to fertile land with a year-round water source adapted to dry and wet season conditions. Special considerations are given to producers located near paved roads with access to important markets.

Some potential new partners were contacted by site visits:

1. Chimpindo (Sassa Zau):. Located alongside the Chiluango River, with good paved road with access to Malongo, there are about 80 families in five small villages with good potential for horticulture production as well as corn, soybeans, beans, peanuts and other traditional food crops. Palm fruit is also produced in the area.

2. Tchiafi. Located near the Massabi Lake in northwest Cacongo municipality, there are 124 young producers organized by the Evangelical Church of Angola working primarily in fishing and subsistence agriculture with production of tomatoes, palm oil and bananas as cash crops.

3. Sumbantando. Located in Cabassango, five kilometers north of Cabinda City, there is potential for the marketing of ongoing production of pineapples and a potential for the production of papaya. A second land area extends to 20 hectares and is actively producing three hectares of local manioc. There is potential here for horticulture and possibly fruit production in pineapple and papaya.

4. Buco Mazi. Located in a strategic position between Cabinda City and Malongo, this seaside village has excellent access to the most important produce markets in Cabinda. The experienced producers number 20 and have migrated from southern Angola (same as Mabele) due to civil conflict.

With the exception of Tchiafi, the CADA project has already started marketing activities for these and other new production groups.

1.2 Horticulture Workshop

A horticulture workshop was offered on July 19-21. Twenty-eight participants affiliated with the AAC, ASSOMECA, and UNACA farming associations in Cabinda attended. The course was presented by Andre Puati, Agriculture Extension Coordinator, and Pedro Guimbi, Horticulture Specialist and Greenhouse Manager in Malongo. The training focused on elementary and intermediate notions of horticulture.

Horticulture Workshop Training:

I. Elementary Notions

- Classifications by oil producers, fruits, ornamentals, medicinals, condiments, etc
- Classification by tubers, herbs, and fruits
- Identification of health and nutritive aspects of horticulture products

II. Preparation of Land Area

- Access
- Topography
- Isolation
- Soil Fertility
- Water

III. Propagation

- By plant and seed
- Germination
- Selection
- Humidity
- Planters

IV. Transplantation and Irrigation

- Beds
- Direct seeding
- Root systems

V. Fertilizers

- Chemical
- Organic
- Composting

VI. Plant Maintenance

- Weeding
- Cropping
- Trimming
- Staking
- Trellis

VII. Harvest

- Timing with marketing
- Storage

VII. Use of Pesticides

- Practical experience
- Fungus, bacteria and nematodes
- Precautions

A horticulture manual was produced for the training session and distributed to all of the participants. The manual includes technical data sheets for selected horticulture varieties, as well as an approved pesticide usage table for common varieties of vegetables grown in the Cabinda area.

1.3 Rural Producer Survey Workshop/Field Implementation

As projected in the first year work plan, a rural agriculture producer survey began in the month of September with objectives to:

(1) Identify areas of intervention among agriculture and livestock producers in the Cabinda and Cacongo municipalities;

(2) Evaluate the production capacity of producers and the level of social impact in the region;

(3) Evaluate the commercial network of surplus products between rural communities and urban networks within the Cabinda province and across borders into adjacent countries of the Republic of the Congo (ROC) and the Democratic Republic of Congo (DRC);

(4) Determine the level of cooperative organization of producers in the survey. Due to security concerns the survey area did not include the Buco Zau and Belize municipalities.

There were 25 rural agents trained for the survey during a four-day workshop offered from August 17-20 at the Subila Restaurant in Cabinda. Of these participants, 15 were chosen to participate as producer interviewers during the six-week survey which began in late September. All of the interviewers have experience as research assistants employed at the St. Vincent Agricultural Research Station supported by the Ministry of Agriculture in Cabinda. By mid-October, there were 98 groups and individual producers interviewed using a formal questionnaire.

The selection of target producer groups was carried out by random sampling of established producer lists of known producers furnished by the Ministry of Agriculture in Cabinda. The selection was narrowed by selected criteria to include availability of a water source, security considerations, level of experience in agriculture, land area, and access to principal roads. The results of the survey will be analyzed and tabulated into a final report in the month of October.

1.4 Site Visit to Huila Province

After a formal request by the Provincial Agriculture office in Cabinda, the CADA project sponsored a field trip to the Huila Province in southern Angola. Engineer Fernando Paca, Director, Agriculture Division, traveled to Huila from the August 9-19 to meet with state and private participants in the potato production and storage activity located at Matala and Humpata.

The Ministry of Agriculture in Matala supervises a land area of 5,000 hectares divided into five irrigation sectors of which three are presently functioning. The land area devoted to potatoes is 117 hectares for Desiree, Romana and BP1 varieties. The Desiree variety seeds were purchased from Holland in 1996 and have been replicated locally since then.

In Matala the potato crop observed had experienced signs of burning on leaf edges with some premature yellowing of plant stems and leaves. There were also signs of burning of 50% of the skin surfaces and surface wrinkles which decreased the commercial value of the potatoes. Possible explanations for these appearances were attributed to a degeneration of the quality of seed over multiple seasons, and possible contamination of the seed while kept in the cold storage unit in Humpata. It was also observed that the potatoes irrigated by row flooding were showing better overall health and production levels compared with those plants irrigated by sprinkler aspersion. Farmers in Matala are also growing cabbage, onion, garlic, and tomato.

In Humpata there is a cold storage unit composed of eight refrigerated containers each with a capacity of storing 10 metric tons of vegetables and fruits for a total of 80 metric tons in capacity. The potatoes are normally stored at a temperature of two to six degrees Celsius and can be conserved for up to 24 months under optimum conditions. Higher temperatures are used to begin germination of seed before the planting season. The cold storage system level of humidity is regulated to prevent the dehydration of stored products.

The trip report outlines systems of soil preparation, planting, fertilization, use of pesticides (a comprehensive list of Government of Angola approved pesticides was attached as an appendix to the report), irrigation and harvest levels at each location visited. Average harvests for both locations ranged from 12-18 tons per hectare for the Romano, Desiree and Picasso varieties. This level corresponds to six to eight tons of produce for each ton of seed planted. Potatoes can be planted in three rotations in the southern zones with irrigation resources: Beginning in March as the climate enters the dry period; July during the cool season; and September as the climate increases in temperature and humidity.

1.5 Agricongo Visit

Agronomists Richard Bouka, Agricongo Project Director, and Edmond Baouamo, project technician, were invited to Cabinda from September 1-4 in a technical exchange visit to share areas of expertise in agriculture inputs supply, training expertise in horticulture and common cross-border markets. The Agricongo project, with field activities in Brazzaville and Pointe Noire, has over 10 years of implementation experience in the production of horticulture products, livestock (chickens, pigs), products marketing, and cooperative organization. Since the recently organized CADA project shares similar regional environmental characteristics with the neighboring Agricongo project, it was

considered useful to organize a technical exchange visit to maximize the opportunities in realizing mutual objectives.

The focus of the three-day exchange was an evaluation of vegetable production activities at field sites located at Val de Yabe, Futila, and Mabele. The visits were carried out in coordination with local producers including Julio Paulo, Amarou Tati, Pedro Guimbi and the Mabele Cooperative. The field visits evaluated various aspects of the horticulture production activities including soil quality, influence of mechanization in land preparation and irrigation, plant hygiene, greenhouse technology, credit and marketing.

The recommendations section of the report includes the following observations:

- The surface area of some of the CADA producers is too large (Julio Paulo, 8 Hectares). Consequently they are too spread out and concentrating on quantity as opposed to quality. There was evidence of tomato rot due to lack of water at the Julio Paulo farm.

- Use beds instead of plowed rows since the beds will offer a higher density of production with less plant losses due to the fragility of the row hills constructed by tractor plowing.

- Employ the use of vertical staking especially for tomatoes and cucumbers.

- Avoid fallow periods and employ the use of organic fertilizers to include animal manures and leaves from leguminous trees and plants. Rotate in bean crops, such as haricot mungo (*vigna radiate*) and mucuna pruriens, pennisetum, panicum, leucena, acacia mangium, and peanuts.

- Okra and eggplant can be planted directly in the field without beds or hills.

- Avoid the use of tractors which have a tendency to destroy soil structure by plowing too deep and forcing inappropriate soil elements to the surface. Consider using animal traction or smaller, motorized roto-tillers for mechanized plowing.

- Plan for 5,000 square meters of shade or plastic cover to protect plants during the rainy periods between October and March.

- Create and develop local distributors of agriculture inputs.

- The CADA objective to reach a large number of beneficiaries can be attained by supporting the production of traditional crops such as manioc, corn, sweet potato, etc.

1.6 Horticulture Manual/Technical Brochures/Farm Calendars

In the objective of strengthening farmer capacity to improve the quantity, quality and diversity of fresh produce, the CADA staff produced a horticulture manual for use by Cabinda area vegetable producers in the context of their respective economic, social, physical and environmental factors. The manual, complete with local photographs, offers simple, practical advice for the local farmers on starting a nursery, seed characteristics, irrigation and soil types, fertilizers, pests and diseases (including natural biological formulas), greenhouse models, and a section on selected vegetable cultures with technical sheets.

The manual will be distributed to local farmer association members, Ministry of Agriculture representatives, and other interested parties. This manual, and other training materials, will be displayed in the CADA office library shelf for all interested persons. Special appreciation goes to Luis Mesquitela, CADA Consultant for the production of this manual.

1.7 Cooperative Organization

The most notable contributions made in the reporting period to strengthening the AAC Cooperative have been:

(1) Sales taxes on fresh produce to build the AAC treasury and strengthen internal capacity.

The internal capacity of AAC and other farmer organizations in Cabinda is strengthened by elected leadership, transparent management, and revenue generation. Fee generation from membership fees has not produced significant revenues for AAC in 2004. The majority of the 70 member association has ceased to pay membership fees in the current year. Many member farmers feel disenfranchised from the organization since they were not selected to participate in the credit inputs program.

As an alternative fee generation strategy, the project proposed a 10 percent sales tax to provide needed revenue for the beginning of a capital fund to support AAC internal staff, credit inputs, storage infrastructure, etc. In the July, August, September period 74 Cabinda farmer producers generated $2,600 in revenues through this sales tax. Most of these farmers are not formal members of AAC. Some of these farmers are members of UNACA and ASSOMECA and would prefer that their tax contributions go to their respective association groups.

The sales taxes are deducted from gross sales to Cabinda buyers. The amount of sales tax contributions are being tracked by CADA staff by producer, according to daily sales receipts. Many of the farmers have asked CADA staff how the sales tax revenues are being used. The decision for the use of the funds is to be made by AAC internal decision making processes. The best management of AAC funds is a manifestation of good governance based on the established statutes and internal rules of the association. AAC

leadership will be encouraged to invest the funds wisely, and to report in a transparent manner how the funds will be used in the best interest of the membership.

(2) Meetings with local produce suppliers concerning policies on products marketing, with emphasis on sales to the Malongo catering companies.

Two meetings were held in August with a core group of agricultural suppliers, Agrizau, who have provided local food products to the Malongo terminal restaurants since the year 2000. These suppliers have been working with the local business development office of CABGOC, and have developed a special expertise in the regular supply of local banana, pineapple, manioc, palm oil, corn flour and other locally grown products. They have organized their own transportation network, and have been allowed entry into the Malongo terminal gates.

With the entry of the CADA project, Agrizau has been asked by the CABGOC Local Business Development office to coordinate their market activities with CADA staff. This has generated some resentment by this supplier group who consider themselves independent of the AAC. In the short run they feel that they are paying higher taxes compared to their previous organization, and that they have lost control over the day to day management of their marketing enterprise. The suppliers see that the CADA project has won a monopoly over the local produce market in Malongo, and they are no longer allowed entry passes into the Malongo terminal.

In meeting with the supplier group they did not deny that their overall position was improved as partners of CADA. Agrizau is showing satisfactory gross sales, improved regularity of deliveries, improved contacts with high level management in the organization, use of CADA truck transportation and cold storage, and increased potential to supply larger and more diverse quantities of produce to Cabinda buyers. The CADA project will continue to work with agriculture products suppliers to increase marketable quality and quantities of locally produced agricultural products in Cabinda.

Objective 2. Production, Collection and Marketing Network

Local CADA vegetable and fruit producers harvested and sold to the CADA project 21.6 metric tons of fresh produce during the reporting period. Of this amount 19.4 metric tons has been sold to local buyers, including important catering companies Catermar and ESS located in the CABGOC petroleum exportation complex at Malongo (see Annex 2, List of Products Purchased).

The number of participating producers jumped to 315 organized into 25 groups, and representing mostly farmers located in the Cabinda municipality.

The top ten producers of the season are:

	Name	Crops Produced	Quantity (Kg.)
1	Renato Americo Chimpolo (AAC)	Cabbage	3,274
2	Julio Paulo (AAC)	Tomato, Cucumber, Green Pepper, Potato, Okra, Cabbage	3,013
3	Pedro Guimbi (AAC)	Eggplant, Green Pepper, Tomato	2,161
4	Francisco Amaro Tati (AAC)	Tomato, Lettuce, Eggplant	2,392
5	Simao Capita (Independent)	Saca Folha, Plantain Banana, Sweet Banana, Palm Fruit, Batata Taro	1,591
6	Estevao Bambi (Ovicab)	Pineapple, Sweet Banana, Oranges	1,118
7	Paulo David Quizebio (Independent)	Saca Folha, Plantain Banana, Sweet Banana, Amaranth, Manioc	988
8	Simao Congo (AAC)	Cabbage, Lettuce, Green Pepper, Palm Fruit, Tomato, Potato	748
9	Pascualina Kibinda (Independent)	Manioc Leaf, Plantain Banana, Sweet Banana, Cabbage, Palm Oil	598
10	Dinis Chimbuca (Independent)	Plantain Banana, Sweet Banana, Cabbage, Palm Oil	583

It is interesting to see that the top producer, Renato Americo Chimpolo, was not among the first group of farmers selected for participation in the CADA program. It was only by accident that the CADA staff happened to visit his field while providing technical assistance to another farmer in an adjacent location. Chimpolo is also a top producer who had not initially requested agricultural credit inputs. The same can be said for the Agrizau group, representing producers of traditional crops. Of the top ten producers in the reporting period, six had not received credit inputs. Among the 315 farmers participating in the reporting period, only 100 had received credit inputs.

The project received 21.6 tons of produce from participating farmers in the reporting period, but the indicator benchmark of 60 tons has not been reached even though the dry season harvest has not ended for Irish potatoes. The shortfall is due mainly to an overestimate of productivity among selected farmers. For example, tomato farmers produced an estimated six tons per hectare using canal irrigation, while original estimates were based on a drip irrigation model using higher plant density with staking and trellis lines to produce 20 tons per hectare. In other cases some farmers did not follow the farm production calendar as proposed by CADA technicians. Carrots were not planted as proposed, and lettuce has been only partially successful. Farmers chose not to produce these varieties despite a strong market for both carrots and lettuce among catering companies in Malongo. There is a labor constraint among the horticulture producers. Field labor is done by paid labor as opposed to family or community resources. Financial resources for field labor are not a part of the credit inputs package, so the horticulture producers reached a production limit. Some of the producers received potato seed

halfway during the vegetable season, and began to devote more time and resources to their potato crop, subsidized by the Ministry of Agriculture.

Of the total producers, 180 are represented by the farming association at Mabele, and 20 are represented by the farming association at Buco Maz. Both of these collective farming groups are considered to be low-income producers with little access to mechanized equipment and credit for agricultural inputs. These groups also share a similar history, having been internally displaced from southern Angola due to civil conflict in the early 1990's. These groups produced very well, having ample experience in agriculture production of cereal crops, and horticulture. Their production was accomplished without recourse to significant outside assistance. Cash credit was provided by the Cabinda Office for the Promotion of Women for the purchase of vegetable seeds. The improved seeds were provided by input supplier Eurajes as a CADA project partner.

2.1 Cold Storage

The CADA cold storage facility has increased available space with the purchase of two, 40 foot refrigerated containers in Pointe Noire, Congo on August 24. The used containers were purchased from the SCAC Company which supplies local supermarket chains with frozen food products. SCAC had nine, 40-foot Thermo King containers for sale for a purchase price of $9,000 each plus transportation, handling and customs fees. The company was selling off the containers as their new, permanent facility had become operational. SCAC owners are also building a large shopping mall in downtown Pointe Noire.

The cold storage refrigerators are located at the new office site situated at Lombo-Lombo, 3 kilometers north of Cabinda City.

The refrigerators are kept at a temperature of 6-10 degrees Celsius to maintain product freshness and to extend the marketing period into non-growing seasons. Cold storage is essential for providing quality produce all year round to Cabinda area markets, hotels and restaurants.

These two containers, along with the convenient 20-foot model purchased earlier in June, will provide the project with a year-round cold storage capacity of 25 metric tons of fresh

produce. The decision to purchase the containers in Pointe Noire was based on the following considerations:

(1) Earlier research in Cabinda for used 20-foot containers found no sellers, although there are a number of private companies and small shops that use them for frozen food distribution and sale. There is also a newer, large cold storage facility at the port of Cabinda which is state owned and closed down for technical reasons. The best option was to negotiate the purchase a used 20-foot Thermo King container in Matadi, DRC. The first payment was made on June 2, 2004 and the first container arrived in Cabinda in July.

(2) Although an agreement was reached with Maersk in Luanda on June 16, 2004 for the purchase of two used 20-foot containers, the transaction was never finalized since Maersk failed to supply the necessary repairs in a timely manner. Maersk also breached the agreement by requesting a second advance payment for the employment of repair personnel. By July 13, ACDI/VOCA requested a full reimbursement from Maersk for the advance payment of the containers.

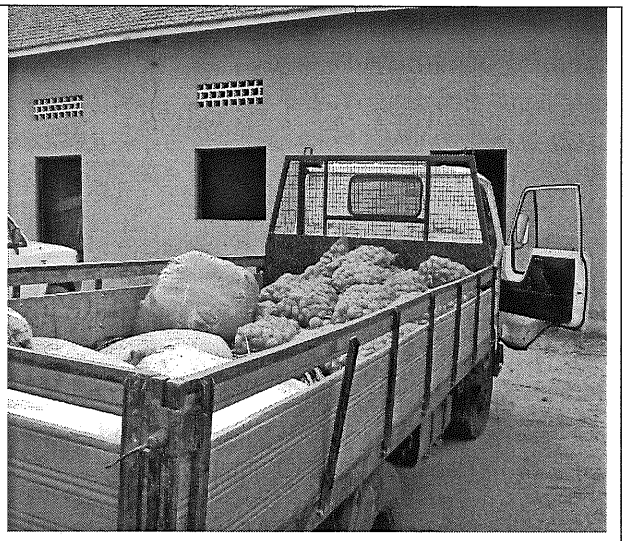
(3) By July the project began receiving fresh produce crops of the first season of CADA production activities. The 20-foot container was not sufficient to hold anticipated quantities of produce based on known planned tonnage from participating producers. A preliminary trip was made to Pointe Noire to explore the used container market. In addition to the containers identified at SCAC, a second seller was identified with three, 40-foot used containers available. SCAC was selected since their motive for selling was logical, and they are the largest frozen food storage company in Congo, serving Brazzaville by train, and Cabinda by road.

2.1.1 Transportation

Two additional vehicles have been rented during the period to facilitate the field collection and storage of fresh produce among participating farmer producers. A Toyota Dyna five ton truck has been contracted through Gustav Luemba, a local businessman. A driver has also been provided with the truck which is working on a six-day weekly schedule to make field pick-ups from farmer producers and market deliveries to buyers in Cabinda City and Malongo. A second Ford 4x4 pick-up has been rented to provide back-up for produce deliveries and to provide logistical support for the agriculture extension team.

The project is renting the diesel powered Toyota Dyna for $2,000 per month including a full-time driver. The five-ton capacity truck is right for the current level of daily production, and the vehicle is light enough to get by typical road hazards on and off the paved roads. The vehicle is two wheel drive and economical in fuel consumption. The truck works in a 30 kilometer radius around Cabinda City.

Ideally, the truck should include a shaded canopy to protect sensitive products such as lettuce, kale, and amaranth.



2.2 Marketing

Local produce purchases have increased rapidly in this first dry season harvest period (July, August, September) with total project purchases from Cabinda farmers valued at 2,368,114 kwanzas or $26,608 (@ 89 kz/$1) for **21.6 metric tons.**

Produce sold to buyers in the same period is valued at 2,356,344 kwanzas ($26,476) for 19.24 metric tons.

	Quantity (kg)	Value KZ	Value USD
Purchases	21,604	2,368,114	26,608
Sales	19,247	2,356,344	26,476
Inventories	2,500	300,000	3,371
Association Fees		230,723	2,592

The marketing strategy for the first year sales activities includes participation by wholesale producers and buyers. Only producers with a capacity to furnish large lots of selected produce have been selected in the first year. Small producers such as those organized at Mabele and Buco Maz have been successful in coordinating their harvest delivery periods to meet project marketing deadlines. Similarly, the project is marketing all produce to eight major buyers. They represent the three major catering companies based in the CABGOC oil export terminal in Malongo, and five private enterprises located in Cabinda City.

Name of Buyer	Description	Tonnage kg. July-Sept. 04	Value US
Catermar	Malongo based catering company serving offshore oil rig personnel.	12,135	$17,763
ESS	Malongo based catering company serving onshore CABGOC personnel. They manage their own greenhouse in Malongo for all fresh vegetable needs.	4.866	$5,724
Tidewater	Marine transportation company for block O. Serving food for 20 boat fleet.	956	$1,418
Jembas	Cabinda based street maintenance service feeding 300 workers daily.	593	$762
Sopecol	Cabinda retail store located on Rua Nova.	487	$626
Hotel Maiombe	Cabinda Hotel, Bar and	347	$388

Name of Buyer	Description	Tonnage kg. July-Sept. 04	Value US
	Restaurant.		
CampHotel	Cabinda company serving local hospital food service.	33	$37
Dona Sao Quitandeira	Cabinda owner of retail stand.	10	$12

CADA staff has been delivering to buyers on a weekly basis, and meeting with buyer management staff on a monthly basis to coordinate delivery schedules and to plan weekly orders. Catermar has been the most important client so far this year, having purchased over 10 tons of fresh produce in the month of September alone. Catermar is the most important buyer of fresh vegetables since they have large numbers of oil platform workers to service, and also they do not have access to the local greenhouse facility managed by ESS.

The biggest food market in Malongo is managed by ESS, having recently arrived to take over from the former NCCC management team. ESS has been in a transition mode, but has begun to order progressively larger amounts of vegetables and traditional food products from the CADA project. The CADA project can potentially win a large market with ESS for potatoes, onions, cabbage, carrots, melons, bananas, citrus fruits and garlic. These products are not grown in the Malongo greenhouse and represent a potential 300 metric tons of annual sales. ESS prices are very competitive with local markets. They are importing potatoes from South Africa for less than $.75 per kilogram while Cabinda market surveys show retail prices over $2 per kilogram. A similar situation exists for cabbage, onions and carrots. Cabinda farmers, with high equipment importation costs, high labor costs, and weak markets, are competing with large agribusiness produce suppliers in South Africa where the Malongo catering companies purchase part of their inventory. ESS also purchases frozen vegetables from European suppliers at very competitive prices.

Objective 3. Improving Delivery Systems for Inputs and Financial Services

The cash sales of improved vegetable seed have performed well since the seed shipment package arrived in Cabinda from Lisbon last June. Of the total 123 kilograms of vegetable seed ordered, Eurajes had sold 95 kilograms by the end of the reporting period. Over 600 farmers have benefited from this cash sales seed program, the only improved vegetable seed outlet located in Cabinda. The seed varieties include Roma tomato, kale, green pepper, onion, lettuce, cabbage, carrot, eggplant and cucumber. This cash sales activity demonstrates that some local farmers can produce important quantities of fresh produce without resorting to credit loans. With technical assistance in horticulture methods and marketing, many otherwise disenfranchised individuals and groups can benefit from the CADA program to improve household income and family health.

3.1 Marketing Credit

A marketing credit fund has been organized at the *Banco de Poupanca e Credito* (BPC) in Cabinda for the purpose of paying farmers for produce sales. During the reporting period there have been some payment delays by important buyers such as Catermar and ESS. The fund was set up to provide incentives to producers, many of whom have little savings and require a rapid turnaround for farm products sales. In the month of October, the amount of $20,000 will be transferred to the BPC account to begin farmer payments. The same fund will be used to provide cash credits to selected CADA farmers.

3.2 Credit Services

Special greenhouse materials arrived in Cabinda on September 15 from Capetown, with logistical assistance from ChevronTexaco and the ISCO freight forwarding company. These materials include 25,500 meters of drip irrigation pipe, 6,100 square meters of plastic cover for wet season vegetable greenhouses, 130,000 meters of plastic twine for plant staking. Four farmer locations have been selected for the construction of greenhouses: Amaro Tati, Pedro Guimbi, Filipe Cassoma, and Amerigo Chimbola.

A purchasing trip was made to Point Noire during the week of August 30 for the provision of four tons of chemical fertilizers, plant phytosanitary materials, and 200 plastic cartons for vegetable products transportation. Andre Puati, agriculture extension coordinator, traveled overland from Cabinda with a rented Toyota Dyna and driver, Luis Mbimbi.

3.3 Credit Partnerships

The table below illustrates the value of credit distributed since the inception of the project in Cabinda in January, 2004. These amounts have been distributed and managed by the CADA staff, with participation of local association leaders. All of the credits distributed were in-kind in the form of improved vegetable seeds, fertilizers, and phyto-sanitary supplies with the exception of tractor rental for land preparation and greenhouse construction.

Period	# Group Beneficiaries	Value ($US)
June/July	6	2,077
August	9	271
September	20	5,085
September (Greenhouses)	4	2,247
Total	**39**	**9,680**

Credit reimbursements have been made through the produce marketing program. CADA credit recipients have agreed to sell their produce through the CADA marketing network. Credits owed to the project are deducted from produce sales to private sector buyers. The system is working well for three reasons:

(1) The CADA credit portfolio is relatively small and manageable with only 14 contracts outstanding representing 315 total farmer beneficiaries. CADA has hired a full time marketing assistant whose responsibilities include data entry for products sales and credit management. The COP, training coordinator and project agronomist also contribute to the management of the credit activity.

(2) The credit beneficiaries receive weekly field technical assistance to assure compliance in the use of credit inputs and to provide guidance for the best results in agriculture production. The selection of the credit recipients is carried out with the participation of local leaders in the respective associations represented by AAC, ASSOMECA, and UNACA.

(3) The risk levels for outstanding credit are minimized in the marketing activity since credit recipients are selling their produce through project channels. The farmers have received credit with a fair assurance that there will be markets to purchase the products. The types of crops planted and the production calendars are chosen based on market considerations.

Presently all credits distributed in the June through August period have been reimbursed to the project at 100%. It is projected that short-term credits issued in September will also be reimbursed at 100% after a three-month payment period.

3.3.1 Institutional Partners for the CADA Credit Program

Consultant Fion de Vletter visited Angola from July 31 to August 14 to assist the CADA project in identifying potential partnerships in the credit program (see Proposal for Credit Arrangements for the ACDI/VOCA CADA Project in Cabinda Province, Fion de Vletter, September 2004).

Fion's report is a good representation of the situation in Cabinda in the context of the project credit activity. The recommendations include the pursuit of a partnership with *Banco Sol*, based on their existing lending protocol with CLUSA. No other banking institutions in Angola are presently willing to provide agricultural credit funds for project farmers in Cabinda. The Chief of Party met with the *Banco Sol* Director Sebastiao Lavrador and micro-credit specialist Sergio Lavrador regarding a potential partnership in Cabinda. *Banco Sol* is supportive of the project activities since they see business training, field technical assistance, storage, and marketing as important loan risk reducing contributions by the project. They have encouraged ACDI/VOCA to submit a business plan, and this could possibly be done in timing with the next dry season agricultural season which begins in March, 2005.

Our loan agreement does not have to follow the CLUSA agreement (see attached). The bottom line is that *Banco Sol* makes a profit on their investment. *Banco Sol* would like to see farmers organized into groups of five or more farmers which is not generally the case in Cabinda. They would also prefer not to make loans to agricultural suppliers who will

be providing basic inputs to project farmers. This is a stumbling block for the Cabinda project since few suppliers in Cabinda have sufficient capital to stock inventories. *Banco Sol* will reimburse suppliers once the farmer receives their credit inputs from the supplier. Another lesser concern is potential delays resulting from the non-presence of *Banco Sol* in Cabinda. Either *Banco Sol* will have to travel to Cabinda, or project reps will have to travel to Luanda to process loan papers.

Fion's recommendation of partnering with the state office for the Promotion of Family and Women (DPFPM) is another option to be explored. There will be a substantial capacity building component in such a partnership since the office is staffed with only one full time credit manager. They also lack vehicles for follow up site visits among participating membership. DPFPM tends to serve the poorest of the poor while the CADA project is targeting a different group of high production farmers in order to satisfy market demand. At the very least the project should foster this partnership in the hope of providing additional credit funds to project producers. This year the project sold 60 pounds of vegetable seed to the Mabele and Buco Maz farmer groups supported by DPFPM credit funds.

As part of the business plan to be developed, the local staff in Cabinda can contribute data related to farmer production costs for related inputs, and estimated sales revenues. *Banco Sol* may want to see more specific indicators on the credit side. Concerning the projected interest and fee revenues for the lender, we have to determine the level of credit inputs we will need based on how much food we can sell to local markets. We can probably get by in year two with a portfolio of $50,000 to provide seed, fertilizer, pesticides, and some irrigation pumps for up to 30 producers. This portfolio would only provide $5,000 in interest fees to *Banco Sol* in one year. They would need a much larger participation in order to set up an agency in Cabinda. On the other hand, the project can produce significant food tonnage with this level of credit inputs, possibly stretching project logistical capacity in transportation and storage.

Although Fion states that the project has considerable loan capital, in fact much of the credit fund has been spent on other line items in the project such as cold storage infrastructure, staffing and transportation. The result is that we are much more dependent on an outside lender to support the credit component. It is not likely that CADA can provide a significant amount of the loan capital for the lender.

Objective 4. Cross Border Trade

The main focus of marketing research has taken place in Cabinda City, with regular price surveys being recorded on a monthly basis in Cacongo and Buco Zau in collaboration with the Ministry of Agriculture in Cabinda. These surveys will be shared with association members and other partners as part of the strategy to initiate cross-border commerce.

A formal assessment of cross-border trade activity has not yet been implemented, but has been projected in the work plan for October 2004. The ongoing rural survey will provide

relevant, preliminary data from local producers in Cabinda and Cacongo concerning surplus products exported to local and distant markets. The market assessment will likely focus on specific product sectors for bananas, manioc, palm oil, sweet potatoes, and peanuts.

3. Other Activities

The International Fertilizer Development Corporation (IFDC), under contract from USAID Angola, visited Cabinda from September 6-9 in a preliminary assessment of the potential of phosphate deposits in the Cabinda province. ACDI/VOCA, with the support of the Provincial Ministry of Mines Director Paulo Baioua, provided logistical support for field visits in Cacongo and Tando Zinze during the visit. The objective of IFDC was to assess the feasibility of using existing natural gas quantities from the CABGOC oil exportation terminal to process Cabinda phosphate rock and produce a fertilizer for local agriculture production and export. During the visit phosphate rock samples were taken from two locations in Cacongo and one location in Tando Zinze. Meetings were also held with CABGOC engineers concerning natural gas capacity in block O, with Estevao Mambo concerning the proposed Futila Industrial Park, and the Cabinda Governor's office for a courtesy visit.

The IFDC visit in Cabinda was part of a nationwide assessment for the promotion of fertilizer production in Angola. During the same period a separate team from IFDC was visiting southern Angola for the assessment of chemical and organic fertilizer use and projected needs by the agriculture sector.

4. Staffing

ACDI/VOCA is presently employing 12 staff in Cabinda including two expatriates and 10 Angolans. Luis Mesquitela, agronomist, arrived in Cabinda on July 19 for a three-month consultancy. The permanent staff are:

#	Name	Title
1	David Benafel	Chief of Party
2	Luis Mesquitela	Agronomist
3	Paulino Poba	Training Coordinator
4	Andre Puati	Agriculture Extension Coordinator
5	Gabriel Lussuoma	Marketing Officer
6	Fredericko Capita	Office Assistant
7	Francisco Binda	Driver
8	Pedro Guimbi	Horticuture Specialist
9	Firmino Macumba	Marketing/Data Entry Assistant
1	Tony Binda	Warehouse Assistant
1	Augusto	Security Guard
1	Augusto	Security Guard

5. Meetings/Partnerships/Events

Date	Name	Subject	Contact #
July 13	Ben Carlos Nsidou	Maersk Container Repairs	
July 19	Filipe Conde	UTCAH Cabinda. NGO Registration Process	
July 20	Klaus	ESS Catering Purchases	
July 23	Ariete	Luis Housing Contract	092 450 104
July 29	Msr. Sahili Froid	SCAC Container Purchase Pointe Noire	242 948 891
Aug 2	Fion de Vletter	Credit Bank Contacts Luanda	
Aug 3	Estevao Rodriguez, Alex Serrano	CLUSA/*Banco Sol* Credit Protocol	
Aug 5	Gomes Cambuta, Ken Lyvers	De-briefing Credit Banks Research in Luanda	
Aug 19	Paulo Baiua, Director, Ministry of Mines Cabinda	Preparation for IFDC team visit in Cabinda	091 545 172
Aug 24	Sahili Froid	SCAC Container Purchase and Transport	
Sept 1	Richard Bouka, Edmond Bauoamo	Agricongo Visit in Cabinda with CADA Staff	
Sept 6	IFDC Team Cabinda	Fertilizer Assessment Cacongo	
Sept. 8	Alector Araujo, Sec. General AAC	Checks Distribution AAC Producers.	
Sept. 16	Sergio Lavrador, Banco Sol Luanda	Follow up on Credit Program meeting.	
Sept 21	ESS/CATERMAR	Products Marketing	
Sept. 22	Alector Araujo, Ag. Staff	Ag. Fair Cabinda 24-26	
Sept. 23	Mambo Estevao	Visit to CADA field production sites.	
Sept. 24	AAC Producers, Rosa Saba, CT, Gabriel L.	Meeting on Sales Protocol, Prices and Discounts.	
Oct. 5	William Grant ECI, Gomes Cambuta, Roque Goma Alves	Participation in Agricultural Regional Trade Activity.	
Oct. 5	Dr. Luis Bizerra	NGO Registration Process	
Oct 8	Alector Araujo, Cabinda Governor, Ministry	Field Visits to Ag. Production Sites, St.	

Date	Name	Subject	Contact #
	of Agriculture	Vincent Research Center, CADA Cold Storage Site	
Oct 13	BFA Dir. Alirio Vega	USAID Bank Account	
Oct. 18	Dr. Luis Bizerra	Customs Approval for Ford Vehicle	
Oct. 18	ESS Malongo, Sodexho, Catermar	Meeting on Logistics, Ordering Protocol	

Annex 1. List of Products Sold to Buyers

A C D I / V O C A

Telefones: 091542158,
E-mail: acdivoca02004@yahoo.com.br

Lista das quantidades

Data	Código	Mercadoria	Modelo	Quantidade	Valor	Dólares
17-08-2004	10	Tomate	3ª Classe	24,Kg	2.280,Kz	28,US
01-07-2004	12	Alface	3ª Classe	9,Kg	945,Kz	12,US
18-09-2004	13	Banana	Fruta	130,Kg	16.770,Kz	197,US
30-08-2004	14	Banana	Pão	68,Kg	20.880,Kz	246,US
30-09-2004	16	Ananás		285,Kg	29.412,Kz	338,US
30-08-2004	19	Gindungo	2ª Classe	36,Kg	2.167,Kz	25,US
11-09-2004	20	Mandioca		175,Kg	9.030,Kz	104,US
25-09-2004	21	Chicuanga		212,Kg	32.818,Kz	377,US
30-08-2004	23	Sacafolha		12,Kg	4.438,Kz	52,US
17-08-2004	24	Tomate	2ª Classe	20,Kg	2.707,Kz	32,US
17-08-2004	25	Alface	2ª Classe	5,Kg	1.105,Kz	13,US
04-09-2004	26	Dendém	Bago	152,Kg	11.699,Kz	138,US
04-09-2004	27	Pimento Verde	2ª Classe c	14,Kg	1.547,Kz	18,US
04-09-2004	28	Pepino	2ª Classe c	23,Kg	2.542,Kz	30,US
17-08-2004	30	Repolho	2ª Classe c	20,Kg	2.155,Kz	25,US
13-08-2004	34	Feijão	Verde	8,Kg	905,Kz	10,US
30-08-2004	35	Batata	Taro	364,Kg	16.904,Kz	199,US
17-08-2004	37	Pepino	1ª Classe c	10,Kg	1.244,Kz	14,US
17-08-2004	38	Couve	1ª Classe c	4,Kg	1.527,Kz	18,US
30-08-2004	39	Batata Rena	1ª Classe c	48,Kg	11.197,Kz	129,US
17-08-2004	40	Repolho	1ª Classe c	10,Kg	4.072,Kz	47,US
13-08-2004	41	Tomate	1ª Classe c	4,Kg	396,Kz	5,US
13-08-2004	42	Alface	1ª Classe c	6,Kg	848,Kz	10,US
17-08-2004	43	Beringela	1ª Classe c	5,Kg	1.753,Kz	20,US
30-08-2004	44	Pimento	1ª Classe c	8,Kg	2.262,Kz	26,US
30-08-2004	45	Quiabo	1ª Classe c	4,Kg	396,Kz	5,US
20-08-2004	47	Beringela	1ª Classe m	12,Kg	10.440,Kz	123,US
20-08-2004	48	Pepino	1ª Classe m	44,Kg	7.308,Kz	86,US
20-08-2004	49	Repolho	1ª Classe m	80,Kg	57.029,Kz	695,US
29-07-2004	50	Alface	1ª Classe m	16,Kg	3.132,Kz	37,US
20-08-2004	51	Couve	1ª Classe m	9,Kg	1.175,Kz	14,US
25-08-2004	52	Cenoura	1ª Classe m	28,Kg	3.654,Kz	45,US
20-08-2004	53	Pimento	1ª Classe m	3,Kg	4.568,Kz	54,US
29-07-2004	54	Tomate	1ª Classe m	26,Kg	3.393,Kz	40,US

20-08-2004	55	Quiabo	1ª Classe m	8,Kg	4.176,Kz	51,US
24-08-2004	56	Gindungo	1ª Classe m	12,Kg	2.349,Kz	28,US
09-09-2004	57	Pimento	1ª Classe m	47,Kg	12.006,Kz	138,US
30-08-2004	63	Fuba	Milho	100,Kg	15.480,Kz	182,US
30-08-2004	64	Fuba	Bombóm	47,Kg	52.013,Kz	612,US
25-08-2004	65	Limão		17,Kg	2.219,Kz	27,US
04-09-2004	66	Gimboa		19,Kg	21.930,Kz	258,US
09-09-2004	68	Batata Rena		232,Kg	104.009,Kz	1.196,US
Total geral				**19.427,Kg**	**2.356.344,Kz**	**27.301,US**

Annex 2. List of Products Purchased from Producers

A C D I / V O C A

Telefones: 091542158,
E-mail: acdivoca02004@yahoo.com.br

Lista das Quantidades Compradas

Data	Código	Mercadoria	Modelo	Quantidade	Valor
01-09-2004	10	Tomate	3ª Classe	75,Kg	7.125,Kz
01-09-2004	12	Alface	3ª Classe	12,Kg	1.470,Kz
17-09-2004	13	Banana	Fruta	130,Kg	16.770,Kz
30-08-2004	14	Banana	Pão	13,Kg	10.440,Kz
30-09-2004	16	Ananás		285,Kg	29.412,Kz
30-08-2004	19	Gindungo	2ª Classe	7,Kg	1.746,Kz
11-09-2004	20	Mandioca		110,Kg	9.030,Kz
25-09-2004	21	Chicuanga		212,Kg	32.818,Kz
30-08-2004	23	Sacafolha		12,Kg	2.477,Kz
04-09-2004	26	Dendém	Bago	103,Kg	15.098,Kz
21-09-2004	28	Pepino	2ª Classe c	17,Kg	2.873,Kz
01-09-2004	30	Repolho	2ª Classe c	122,Kg	13.481,Kz
14-09-2004	32	Quiabo	2ª Classe c	4,Kg	663,Kz
20-09-2004	33	Gindungo	1ª Classe c	12,Kg	1.326,Kz
13-08-2004	34	Feijão	Verde	8,Kg	905,Kz
30-08-2004	35	Batata	Taro	364,Kg	16.904,Kz
17-08-2004	37	Pepino	1ª Classe c	2,Kg	1.357,Kz
27-08-2004	38	Couve	1ª Classe c	12,Kg	1.357,Kz
27-08-2004	39	Batata Rena	1ª Classe c	100,Kg	11.310,Kz
18-08-2004	40	Repolho	1ª Classe c	15,Kg	1.697,Kz
29-07-2004	41	Tomate	1ª Classe c	15,Kg	3.393,Kz
02-07-2004	42	Alface	1ª Classe c	4,Kg	2.036,Kz
03-08-2004	43	Beringela	1ª Classe c	6,Kg	792,Kz
30-08-2004	44	Pimento	1ª Classe c	7,Kg	905,Kz
18-08-2004	45	Quiabo	1ª Classe c	3,Kg	5.881,Kz
23-08-2004	53	Pimento	1ª Classe m	12,Kg	1.566,Kz
04-09-2004	54	Tomate	1ª Classe m	27,Kg	3.524,Kz
13-09-2004	56	Gindungo	1ª Classe m	33,Kg	4.307,Kz
30-08-2004	63	Fuba	Milho	100,Kg	15.480,Kz
30-08-2004	64	Fuba	Bombóm	125,Kg	36.533,Kz
24-08-2004	65	Limão		14,Kg	1.827,Kz
04-09-2004	66	Gimboa		63,Kg	21.930,Kz

15-09-2004	67 Repolho	180,Kg	14.400,Kz
Total geral		**21.604,Kg**	**2.368.114,Kz**

Annex 3. Indicator Performance Tracking Table 2004

Indicator	Baseline 2004	2004 Target	2004 1st Qtr Result	2004 2nd Qtr Result	2004 3rd Qtr Result	2004 4th Qtr Result	2004 %
Objective 1: Strengthen the agribusiness management capacity of producer associations to improve the quantity, quality, and diversity of fresh produce available from Cabindan farmers.							
1.1 Volume in MT of dry season/Wet Season Crops	TBD	60/60	0/0	0/0	22/0		
1.2 Annual Percentage Increase in Association income generated through sales and fees for service.	TBD	10%	0%	0%	22%		
1.3 Annual Percentage Increase in total active membership of producer organizations	71	10%	0%	0%	13%		

Notes:

1.1 The project purchased 21.6 metric tons of produce during the third quarter. There have been amounts of produce from CADA farmers that have been sold in public markets, but we do not have figures for these quantities.

1.2 In 2003 AAC generated $2,147 in membership fees. By September, 2004 AAC had generated $2,622 in sales tax revenues from farm products sales. Without including 2004 revenues from membership fees, AAC increased their income generated through sales and fees by 22% in the third quarter.

1.3 By September 2004, nine members of AAC were actively participating in the CADA credit program and had contributed directly to market sales. This indicator refers only to AAC and not ASSOMECA or UNACA increases.

Indicator	Baseline 2004	2004 Target	2004 1st Qtr Result	2004 2nd Qtr Result	2004 3rd Qtr Result	2004 4th Qtr Result	2004 %
Objective 2: Organize efficient production, collection, storage and marketing systems for fresh produce.							
2.1 Percentage level of operations of main collection, storage and distribution facility	0%	100%	0%	25%	100%		
2.2 Number of farmers working under contract in dry/wet seasons	TBD	200/ 300	0%	60/0	315/0		
2.3 Number of tons of crops sold by producer association members for scheduled deliveries.	TBD	120	0	0	22		
2.4 Percentage of Malongo fresh produce needs met by producers	TBD	10%	0	0	10%		
2.5 Number of types of crops with proven market demand grown for sale by producer associations	TBD	4	0	8	42		

Notes:

2.1. The cold storage facility is 100% operational with the installation of three refrigerator containers with a storage capacity of 25 metric tons.

2.2 Calculated using the September 2004 List of Produce Suppliers. There are 23 groups each representing 5 producers, plus the Mabele group representing 180 producers, and the Buco Maz group representing 20 producers for 315 total producers organized in 25 groups.

2.3 See List of Products Purchased from Producers, Annex 2.

2.4 This refers only to the salad bar category of tomatoes, lettuce, green pepper, cucumber. CADA has been supplying 75% of Catermar needs, and 60% of Sonatide needs. No salad items have been supplied to the largest caterer ESS since they are supplied by their Malongo managed greenhouse production facility.

2.5 See List of Products Sold to Buyers, Annex 1.

Indicator	Baseline 2004	2004 Target	2004 1st Qtr Result	2004 2nd Qtr Result	2004 3rd Qtr Result	2004 4th Qtr Result	2004 %
Objective 3. Improve delivery systems for agricultural inputs, equipment, and financial services							
3.1 Number of farmers using credit inputs, equipment and technical training provided through a formal banking institution.	0%	250	0	0	315		
3.2 Number of farmers developing viable business plans with functional literacy	TBD	300	0	30	11		
3.3 Percentage Increase in sustainable farm production and profits through business planning, management training and a formal credit delivery system	TBD	25%	0	0	TBD		

Notes:

3.1 CADA has not initiated a formal partnership with a banking institution for credit services. Credit inputs, cash sales of inputs, and technical training have been provided by CADA staff until a former partnership can be achieved.

3.2 Represents eleven farmers who have recently received approved credit contracts after having participated in business planning exercises.

3.3 CADA has paid out 2,368,114 Kwanzas in the third quarter to farmer producers. The staff is still investigating the value of increases for selected farmers compared to the 2003 production season.

Indicator	Baseline 2004	2004 Target	2004 1st Qtr Result	2004 2nd Qtr Result	2004 3rd Qtr Result	2004 4th Qtr Result	2004 %
Objective 4. Increase agricultural trade opportunities for Cabinda farmers							
4.1 Percentage of completion of assessment of Malongo and Cabinda City customer preferences.	0%	100%	25%	50%	100%		
4.2 Percentage of completion of assessment of cross-border trade markets by October 2004	TBD	50%	0%	10%	25%		
4.3 Number of association farmers using market information system	TBD	100	0	50	50		
4.4 Percentage of increase in cross-border trade activities by participating farmers	TBD	0	0	0	0		

Indicator	Baseline 2004	2004 Target	2004 1st Qtr Result	2004 2nd Qtr Result	2004 3rd Qtr Result	2004 4th Qtr Result	2004 %
Objective 5. Assess the potential for a separate micro-finance program oriented towards women-owned, non-farm enterprises							
5.1 Percentage of completion of feasibility study report implemented in fourth quarter of year 1	0%	100%	0%	0%	0%		

B. BRAZIL

The Brazil project was trapped in a tremendous challenge during the first semester of 2004. Approval of the 2003 cash match from the Ministry of Agriculture to cover in-country volunteer costs for the Amazon region suffered major delays and only became available to us in the first week of 2004. As a result, volunteer placements were minimal in 2003, and a volunteer placement blitz kicked in as soon as we were informed of the funding availability in early-2004. This is not an ideal period to launch a major assault: End-of-year vacations run until late-January, and then carnival paralyzes everything again in February. While we had nine volunteer project completions in all of 2003, we had to field 12 assignments during the first half of 2004 because the agreement period with the Ministry of Agriculture terminated at mid-year!

All of this notwithstanding, Brazil staff embarked upon the blitz under the two-pronged set of objectives mentioned above: Address the indicators for the two-year extension while identifying the best cooperative candidates and value chains for the next cycle of CDP.

In relation to the field programming and volunteer technical assistance interventions with cooperatives, we note interesting comparisons between the nature of the total of 90 placements from 1997 to mid-2004 and those only in the last six months of the program. 41.5 assignments took place in administration and business and strategic planning (the fractions result from projects divided between planning and agricultural production or marketing) from 1997 to the end, and five of the 12 assignments in 2004 were in administration and planning. 20 assignments were fielded in marketing over the entire period, but only two of them were in 2004. 13.5 assignments were fielded in agricultural processing (the half was divided with production), with only two processing assignments of the 12 in 2004. There were 14 production assignments, of which only three fell in 2004. The one post-harvest handling assignment was carried out in 1997.

The way we interpret these placements is that over recent years we concluded that the co-ops had to deal with the basics – administration and planning – before we would spend precious resources on trying to make unrealistic dreams about the marketplace come true or helping co-ops extinguish recurring brush fires. The 41-plus assignments in administration and planning represent over 46% of our volunteer LOP placements, and 50% of the 2004 placements. Contrasting that, production, processing and marketing – significant players in earlier years (47.5 assignments overall) only **totaled** six in 2004. Volunteers were requested to carry out these assignments by the interested cooperatives, since all placements are demand-driven, which was a good sign. Meanwhile, our Brazil staff, through a formal consultation process on all written applications for ACDI/VOCA assistance with a technical committee of the Organization of Cooperatives of Brazil (OCB), rejected requests for assistance that appeared to lead to a dead end. Those cooperatives that submitted unsuccessful requests were urged to reshape them; ACDI/VOCA and OCB guidance was offered for that effort.

In relation to the identification of value chains in the Amazon region, strong candidates emerged in 2003-2004. Staff contacts with cooperatives and OCB and their statewide apex organizations, in addition to 21 volunteer assignments, helped us home in on the commodities and producer cooperatives which were perceived to have the best prospects for future success. Three assignments confirmed strong prospects for Brazil nuts, as former Blue Diamond CEO Walt Payne visited producer groups and subsequently energized Brasilia-level officials to create and support a Brazil nut cluster approach in several states of the Amazon region. A special permanent technical committee was formed to move the project forward, with Mr. Payne having status as an international adviser to the committee.

Two dairy sector volunteers completed six assignments with selected cooperatives, of which two were de-selected. The four others and some others known to us in the region form a solid core to pursue growth and sustainability in the production, processing and marketing of milk and dairy products.

Small processing of tropical fruits, cassava, fish and other products is a "catch-all" cluster worked on by seven volunteer assignments during the two-year period. Several co-ops are, or are poised to become, strong players, while others might fall by the wayside. Regardless, good potential candidates were identified for consideration in 2005.

Strong Amazon eco-tourism prospects were identified during two volunteer assignments and staff monitoring and evaluation visits to the volunteers' sites and others. Among several interesting results of this work, the cooperative assisted in the State of Para signed an agreement to manage the Parque dos Igarapes and develop ecological and tourism projects with universities there. Tourism within the park was promoted through the preparation and distribution of trails through the park, and working agreements were reached with hotels, rest houses and farms along the tourism routes. Co-op staff attends to tourists' needs for food, refreshments, handicrafts and guide services all through the system. This model, which also helps nascent bus and transport cooperatives get on their feet, can be replicated in a few other locales in the Amazon region.

Similar prospects were identified for the recycling of solid waste during two volunteer visits by a leader in this sector in the United States. Her debriefing at OCB and subsequent follow-op visits by our staff energized OCB to launch a nationwide recycling program through cooperatives that will be an exciting environmentally-friendly job creator. The volunteer recounted how she told the Amazon-region co-op she assisted that all future work with them would be terminated unless they removed their children/workers from the garbage dump and enrolled them in school (which the members did immediately), and lobbied local officials to fund a modest housing project to move the members out of shacks in the dump (which they did within weeks.) Sustainability of operations for the co-op over at least the near term seems to have been enhanced by the local government and community reaching a high level of **positive** awareness of the "garbage people" for the first time, and in many ways have "adopted" the project. Adoption of the project and its prospects by OCB national leadership will be an important impact. The next step, alongside the continuation and expansion of work in

this value chain (there's a lot of money in those landfills) will be to promote a successful pilot with one or a few co-ops in the city's periphery, within a few miles of the seat of the nation's government in Brasilia. OCB will then tout the success in the press, on television and with the executive branch and Congress, spotlighting job creation and enhanced workplace conditions (including the prohibition of child labor and required school attendance) and quality of life.

We attach the electronic version of our 2003-2004 240-page activity report to the National Cooperative Department (DENACOOP) of the Ministry of Agriculture for background purposes. We are DENACOOP's only non-Brazilian grant recipient, as the Ministry provides cash support to cover most of the volunteers' in-country costs, and we must report in detail to the Ministry on every assignment. Although most of it is in Portuguese, it is of some interest because it demonstrates how the volunteer placement process works, including scopes of work and local and country backgrounds (in English for recruiting purposes), and a summary cover sheet in a standard format that names the client cooperative, the state (UF, for Federal Unit) project description, volunteer name and bio-data, his/her findings (observations), recommendations, and actions resulting ("resolutions") from the recommendations. Utilizing the information in this report, our staff will interview the assisted cooperatives' management and boards to track and document the impacts of the actions taken as a result of volunteer recommendations. These interviews take place 12 to 18 months subsequent to assignment completions, and we have scheduled a presentation of impacts to the Ministry and OCB after the first round of ACDI/VOCA – BARA assessments are completed during the March – April 2005 period. Beyond this "core" Brazil CDP activity, several interesting initiatives were moved along or launched during the extension period. They were:

- Registration actions to establish the "Center for Volunteerism to the Social Economy of the Americas", an entity mentioned in previous CDP reports that will create and manage a large volunteer database for technical assistance efforts aimed at supporting the growth and sustainability of member-owned, member-controlled cooperatives, producer associations and similar organizations. DENACOOP support was secured in 2004 for inclusion in their 2005 budget three or four (depending on salary levels) staff members for the Center, rent and office supplies and materials. Details on the Center's progress and plans will be provided in the upcoming six-month CDP report.

- Arrangements for the first-ever meeting of Parana-Plata rivers watershed countries (Brazil, Bolivia, Paraguay, Argentina and Uruguay) to discuss and plan the adoption and/or continuation of proper agricultural and environmental practices by **cooperatives** operating within or near that watershed. Hosted by the Brazilian side of the management of Iguacu Falls – Itaipu Binacional – Brasil, the event is scheduling for the presence of the presidents of the five countries as well as that of Mikhail Gorbachev, president of Green Cross, an international NGO specializing in river systems water and watershed management. ACDI/VOCA and Green Cross-Brazil are co-hosts of the event, which is scheduled for September of 2005. We are

deeply involved because we have ongoing country operations with agricultural cooperatives in Bolivia, Brazil and Paraguay. We helped Green Cross register in Brazil program in 2004, and they already have a project on the ground in the State of Minas Gerais. Our country representative, Celso Claro de Oliveira, is the founding president of Green Cross-Brazil.

- DENACOOP, OCB, the Ministry of Agriculture and the Ministry of Foreign Relations reiterated their desire in 2004 to re-start the "south-to-south" program of sending Brazilian cooperative sector volunteers to former Portuguese colonies in Africa which we promoted in the 1990s and operated for a few years before funding became scarce. In a nutshell, ACDI/VOCA offices in those countries generate scopes of work (SOW) with local cooperatives or producer associations desirous of receiving Brazilian specialists, forward the SOW to our Brasilia office, we carry out the recruitment (candidates are not lacking and easy to locate through the cooperative system), make the travel arrangements, and send the volunteers. DENACOOP funding covers only direct costs for these operations. Funding for 2005 is expected to be in the $275,000 range.

- As already noted in our 2005 CDP work plan, we expect DENACOOP financial support to cover the costs of fielding Brazilian graduate-level anthropology students with the BARA-ACDI/VOCA assessment teams. This possibility arises due to the creation in 2004 of a DENACOOP initiative to promote international academic exchanges among universities in the field of cooperative development. The BARA component within CDP was a natural for us to sell to DENACOOP as a perfect client for their new international exchange program. This will be a great way for anthropologists from two countries to meet (it will occur with or without DENACOOP funding), and helps form a cadre of young Brazilian social scientists with a real grasp of co-ops and the challenges and opportunities inherent in the cooperative model.

C. MOZAMBIQUE

The Mozambique program is covered in great detail in their final report presented below, so we won't go into detail of the last months of activity of a program that is not transitioning into the next CDP cycle and therefore did not initiate actions that are related to the new effort. The last phase of Mozambique CDP was dedicated to, among various undertakings, completing the preparation and translation of technical materials and publications, surveying participant opinions and reactions relating their situations and thinking before and after the program, final reporting to ACDI/VOCA and to USAID/Mozambique – which was very interested in this program, the interesting "Young Farmers' Initiative" launched in 2004, and to the disposition of program assets. Since program activity was significant and unabated as we reached mid-2004 and extension-period funds were still available, the program operated against a shut-down target of September 30, 2004.

D. PARAGUAY

During the first semester of 2004, country staff continued to build relationships with a wider universe of cooperatives, agencies, development organizations and private sector firms to market the program and establish alliances. This work included an expansion to several other departments (states) in which are located many cooperatives affiliated to perhaps our major strategic partner – CREDICOOP, a second-tier organization with 56 member cooperatives in its system.

Under the banner of enhancing agricultural cooperative and producer association development, staff visited many of those organizations, described how the program works, elicited local opinions, and answered questions. In addition, this round of 2004 visits included identifying producer groups (and second-tier cooperative organizations of producer groups) that appeared to be candidates for participation in the next CDP cycle. Several written requests for volunteer technical assistance resulted from these visits, as many of the groups felt the need for external advice to help them position themselves for a long-term march to sustainability with CDP's help.

During these conversations and contacts, the concept of the management of change was covered, principally within the context of competitiveness in the global economy. Not surprisingly, therefore, several of the requests for volunteer technical assistance revolved around themes such as improving "leadership, with an emphasis on modern financial management and strategic thinking", "organization and method", "management information systems", "strategic planning", and "leadership and values." Running on a parallel track with these exercises with co-ops in the field, several sessions were held with strategic partners – CREDICOOP (staff and board) and INCOOP – the former a co-op apex organization providing guidance and technical assistance to its member co-ops, as cited above, the latter a co-op sector regulator and provider of norms, to program volunteer TA assignments with **them** so they could better carry out their missions. The foci of the volunteer scopes of work developed with them therefore were staff and leader training in strategic planning and the monitoring and interpretation of cooperatives' financial statements.

Seven volunteer assignments were developed and recruited during the first semester of 2004, and were completed during the February – August period. Five of the seven focused on the organizational management and planning themes highlighted above, while two (irrigation systems design and hog nutrition and health) were carried out with co-op expected to be value-chain candidates in the next round of CDP. (See the Volunteer Assignment Implementation table in the Paraguay LOP section below.)

Other activities completed during this reporting period included proposal submission the *Paraguay Vende* (Paraguay Sells) project, a USAID/Paraguay initiative to promote business development in selected geographic corridors through Chemonics sub-contracts. Unfortunately, while we won the competition to operate at least one of the centers identified for the project, we were told subsequently that only locally-registered NGOs could participate. (ACDI/VOCA – Paraguay is a field office of a Washington-based NGO.) Another initiative was the presentation of a solicited proposal to Itaipu Bi-nacional – Paraguay (the operator of the Paraguayan share of the Iguacu hydroelectric facility) for enhanced agricultural production through cooperatives in the depressed eastern region of the country sharing a border with Brazil. We continue to await a response to the proposal.

We asked our Paraguay office to provide information on how field activities up to and through the first half of 2004 had "asfalted the way" to the next cycle of CDP in terms of ramping up for management of change interventions in pre-selected candidate cooperatives that also presented products that could participate in potentially viable value chains. The staff confirmed that the alliance with the CREDICOOP central cooperative is central to our strategy of getting out the management of change word to co-ops all over the country. We are especially happy with the CREDICOOP linkage since we are preaching to the choir with them on this topic. A similar situation exists with the Institute – INCOOP, in that they are very desirous of receiving state-of-the-art systems and procedures to help them carry out their supervisory and regulatory functions with co-ops after going through a reorganization that they say put them back to square one. Therefore, we don't have to convince them of the need to seek advice from us. Are we celebrating the opportunity to strengthen a co-op regulator in Paraguay while celebrating the deregulation of cooperatives in Brazil? Actually, yes, because many cooperative leaders tell us that large numbers of co-ops (excluding those of the Mennonites or Japanese immigrants, for instance) are not currently able to manage and supervise/control themselves. However, nothing should impede us from guiding INCOOP toward the education and training side of auditing and supervisory functions (a good auditor is a good teacher), and ultimately working themselves out of the policeman's job over time.

Finally, the staff confirmed that in recent months they have identified producer groups working in interesting value chains, many of which were identified or reconfirmed in 2004. Potential viable chains of interest are bio-diesel and lubricant products from oilseeds, a project that the Brazilian government has offered to support, likewise a sugar cane production and processing campaign along the lines of Brazil's introduction of this product as a major substitute for gasoline in automobile engines. Another candidate product cluster is fruits and vegetables, several of which are finding good markets in Argentina and Uruguay.

E. UKRAINE

The Ukraine program is not continuing in the next CDP cycle, but key players, technological guidelines, successful feed formulations, and much more have remained on the ground there to help the assisted cooperatives maintain momentum and sustainability. The EOP report presented below clearly documents the activities and achievements during the first semester of 2004, and also depicts an end of the CDP program but not a close-out. In addition to the moves the team made to continue supporting the cooperatives, they were very successful in helping the co-ops weather the aftermath of the 2003 grain crisis. The introduction of poultry concentrates formulated for small farms was a market success in 2004. Above all, however, it's worth emphasizing again that 2004 was spent doing everything possible to keep the program going after CDP by taking excellent future-oriented measures as the end approached, as documented very well in the final report.

F. CENTER OF EXCELLENCE

The Center's activities during this reporting period mirror what we have reported below on its work from its creation during the two-year extension period. Nothing can be included here that would be specific to the first calendar semester of 2004.

III. LIFE-OF-PROGRAM REPORT: 1997 – 2004

The information that follows in this section will cover every program component related to the direct provision of levels of effort and services leading to desired results and impacts. The group is comprised of eight field programs – Angola, Brazil, Kyrgyzstan, Mozambique, Paraguay, South Africa, Ukraine, and the regional East Africa specialty coffee project (SCOPE) – and the headquarters-based Center of Excellence. The reports on every activity except Angola are considered to be final, even though the entire cooperative agreement is under a no-cost extension until December 31, 2005.

A. ANGOLA

Not applicable. The project will continue under the CA until December 31, 2005.

B. BRAZIL

Overview of Seven-Year CDP Activities in Brazil

Agriculture represents an essential component of Brazil's economy, amounting to 10 percent of its GDP, 40 percent of exports and 30 percent of employment. A full 40 percent of Brazil's agricultural output is produced by its 1,406 agricultural cooperatives. Thus, Brazilian cooperatives are integral to agricultural production. Member-owned and operated, cooperatives empower small and medium-sized producers by providing training and other forms of technical assistance while introducing democratic principles through election processes. The cooperatives are also an ideal vehicle to deliver additional technical training and financial support to small producers, their families and their respective peripheral entrepreneurial activities.

The original goal of the Brazil activity under CDP has been to strengthen the institutional capacity of rural cooperatives in the Brazilian Amazon. USAID/BHR/PVC and USAID/Brazil authorized us to expand our mandate to include assisting cooperatives in the impoverished Northeast as long as we achieved our work plan targets in the Amazon region. CDP activities supported USAID/Brazil's strategic objective to promote environmentally and socio-economically sustainable alternatives for sound land use while contributing to the improved development and capacity of small farmers, including indigenous groups, organized in cooperatives.

ACDI/VOCA has had a long history in Brazil. Between 1973 and 1985 thirty volunteer assignments were conducted using our traditional cooperative development funding. That period introduced ACDI/VOCA to cooperative organizations in Brazil and positioned it for future activity.

The current Cooperative Development Program in Brazil was built on previous worldwide Farmer-to-Farmer Program activities conducted between 1994 and 1996, a period in which thirty-three assignments were carried out. Fifteen of these assignments were carried out in 1996, cementing the partnership with the Organization of Brazilian Cooperatives (OCB) established in 1995, which included the opening of ACDI/VOCA's office in Brasilia, with OCB covering the office rental costs. Under the current CDP program **90** volunteer assignments and one paid consultancy have been completed in Brazil.

The 1994-1996 activities included the 1995 launching of PRODESAM: Program for the Development of the Social Economy in the Amazon. PRODESAM was a collaborative effort supported by the Department of Cooperatives and Rural Associations (DENACOOP, Federal Ministry of Agriculture and Supply), the Organization of Brazilian Cooperatives, the International Cooperative Alliance (ICA) and ACDI/VOCA. Since 1998, we have been officially registered with the Brazilian government.

In 1998, at the request of the Regional Development Bank of the Northeast (Banco do Nordeste), ACDI/VOCA sent four volunteer consultants to work with cooperative management analysis and restructuring training in four different Northeast states, Pernambuco, Ceara, Piauí and Alagoas. In April-2004, a volunteer consultant worked in Ceara with a dairy cooperative on increasing production and quality control methodology.

CDP/Brazil was a joint venture between ACDI/VOCA and the Organization of Cooperatives of Brazil (OCB). OCB provided free furnished office space in Brasilia for ACDI/VOCA, and also helped with cost-sharing for telephones, office supplies, equipment, cleaning services, and more. OCB also served as the bridge to its member cooperatives in the Amazon region and the Northeast through its state organizations of cooperatives, which exist in every state. Essentially, the state organizations were asked to take the ball and run with it, urging the local cooperatives under them to submit requests for technical assistance from ACDI/VOCA either through the state organizations or directly to our Brasilia office. Therefore, the program was a totally bottom-up arrangement, but with direct participation of the statewides, including their participation in impact evaluations.

Another source of local support was the National Department of Cooperatives (DENACOOP) of the Ministry of Agriculture and Supply. DENACOOP made grants of several hundred thousands of dollars to OCB, and these funds were earmarked to pay ACDI/VOCA volunteer in-country costs, including food, lodging, travel, interpreters, report translation and miscellaneous project-related expenditures.

The program initiated in 1997 under CDP was completed for all intents and purposes and the final field activity was reported in the last progress report. Calendar year 2001 activity was limited to program wrap-up and preparing and submitting the year 2000 annual report to the Ministry of Justice, the official entity through which we were registered and to which we reported. Ministry auditors assured compliance on the expenditure and record keeping side and monitored the program to ensure that its activities complied with approved program goals and norms of the local funding entities (DENACOOP and SESCOOP/OCB). We might add that all Ministry audits and program reviews were very positive, and no negative findings ever occurred.

ACDI/VOCA maintained its registration in Brazil and was able to re-enter the fray under the two-year CDP extension for 2002-2004.

In 2002, the program was aligned directly with OCB's and its sister organization SESCOOP's (Cooperative Learning Services) nationwide Cooperative Development Program for Self-management, with ACDI/VOCA's regional focus continuing to be the country's Amazon region.

Since the inception of ACDI/VOCA programs in Brazil, more than 125 ACDI/VOCA volunteers and consultants have offered guidance in nearly every field of agricultural production, as well as numerous projects in marketing, strategic planning, management and cooperative development.

The current CDP program continues to help local producers move toward greater profitability in an atmosphere that promotes sustainable farming and business operations while conserving Brazil's immense and highly-protected natural resource base. ACDI/VOCA's technical assistance has been focused on cooperative management and agricultural processing and marketing and the deliverables in the majority of the volunteer assignments have been business and marketing plans.

CDP- training, commodity and value chain related activities include:

- Cooperative/Producer Association business planning;
- Cooperative/Producer Association management evaluation/training;
- Agro-forestry and reforestation training;
- Tropical fruit and vegetable processing and marketing;
- Beekeeping and honey marketing;
- Aquaculture and associated feed development;

- Brazil nut post-harvest handling and marketing;
- Dairy cooperative product development and quality control;
- Palm heart packaging and export;
- Feasibility studies on commercial viability of a variety of products;
- Eco-tourism development and assessment;
- Fruit juice and fruit pulp quality control and improvement;
- Hazard Analysis and Critical Control Point (HAACP) training and analysis.
- Leather handicraft product development and marketing;
- Non-timber forest product development and marketing; and
- Board member training and strategic plan development.

Past and recent activities were undertaken in the following states:

Acre, Ceara, Piauí, Amazonas, Roraima, Para, Pernambuco, Amapá, Tocantins, Maranhão, Alagoas, Mato Grosso and Rondônia.

The program has enabled ACDI/VOCA to maintain effective partnerships with local co-ops, their state-level organizations and the national apex, OCB. ACDI/VOCA staff and volunteer consultants also work with the Brazilian Micro and Small Business Service Organization, Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE) state offices and their staff members in the previously mentioned states on an ongoing basis. Technicians and economists from both institutions often accompany ACDI/VOCA consultants into the field, attend their training seminars and workshops and, at times, review their final reports and analyses.

ACDI/VOCA's work in the Amazon region under the CDP has achieved measurable successes according to OCB leadership and the Ministry of Agriculture's Cooperative Department's national director and staff. The program focuses only on co-ops with marketable products that will be readily available. In each locale, the program engages all appropriate sources of support built around core products in a project consortium. Participants include: mayors, chambers of agriculture and commerce, state secretariats of agriculture, development bank staff, agricultural and environmental NGOs, and state-level co-op organizations.

ACDI/VOCA delivers formal programs in governance, member participation and control, and all aspects central to achieving salience in the community and competitiveness in the market. ACDI/VOCA advisers to the co-ops conduct intensive training activities, preparing realistic short-, medium- and long-term business plans, while focusing on environmentally sound and cost-competitive production and handling of a high-quality product. Our client organizations are urged to enter into business alliances with other co-ops in their region to purchase inputs and market their respective products, thus securing volume discounts for inputs and more clout in the marketplace.

C. KYRGYZSTAN

I. Introduction

CDP was funding this technical assistance effort until September 30, 2001, including the services of a long-term senior credit advisor, to the Bai Tushum Financial Foundation in Kyrgyzstan. The advisor provided ongoing guidance to BTFF in MFI management, including portfolio management and operations management. This report serves as the final report for the purposes of that funding and reports on accomplishments up to September 30, 2001. ACDI/VOCA is proud of its accomplishments in Kyrgyzstan in the areas of financial services and is pleased to report that USAID/CAR has expanded the program to fund the long-term advisor to the Foundation and short-term technical assistance in management and operations for a three-year period (10/01/01-09/30/03). Broad objectives for that funding are presented within the text below.

II. Background on the Bai Tushum Financial Foundation

Farmers and other micro, small and medium enterprises have until recently enjoyed a very limited access to credit and other financial services in Kyrgyzstan, particularly in the southern region including the Kyrgyz portion of the Ferghana Valley. Responding to the urgent needs of this underserved strategic sector, ACDI/VOCA began rural banking programs in 1997 using financial resources generated under the USDA "Food for Progress Monetization Program" for lending capital and operating subsidies. Three independent programs successfully operated in Osh, Jalalabad and Chui oblasts until 2001.

Upon the close-out of the USDA-funded ACDI/VOCA activity in 2000, and subsequent close-out of the Swiss Agency for Development and Cooperation (SDC)-funded CARITAS lending program in Jalalabad, significant assets—cash and loan portfolios—were available to create a non-bank financial specialized credit institution in Kyrgyzstan.

In September 2000, ACDI/VOCA and Swiss CARITAS founded the Bai Tushum Financial Foundation (BTFF), a not-for-profit organization dedicated to social and economic development of rural and urban areas of Kyrgyzstan. BTFF consolidated the successful, independent credit programs in the Chui, Osh and Jalalabad oblasts, lending its funds to individuals and institutions at market interest rates, providing technical and advisory services, and providing loans to organizations that advance its goals and objectives. BTFF targets its short- and medium-term working capital loans for crop production, livestock breeding, agro-processing units, trade, tourism and hospitality, and other eligible SMEs with loans ranging from $US400 to $15,000. All loans are secured by marketable collateral to cover both principal and interest.

All income generated through the lending operations is used for achievement of its objectives and expanding the lending activities. It is the intent of the founders and strategic partners to develop a sustainable financial services institution while contributing

to development of the Kyrgyz community by providing an access to credit to the underserved population and invest funds in a profitable, liquid and diverse loan portfolio. As of 31 December 2001, total assets of the BTFF stand at $US1.348 million (ROE 48 Kyrgyz Som = $US1). BTFF has donated equity of $US1.235m., out of which U.S. $1,040,000 was donated by ACDI/VOCA and $U.S. 195,000 by Swiss Caritas in the form of cash, collectible loan portfolio and fixed assets. The founders have also transferred the rights to collect the outstanding loan portfolio from the previous years and the recuperated funds are automatically registered as BTFF equity.

Bai Tushum has adopted conservative, market-oriented, and competitive portfolio management and pricing policies. All principal loan repayments and the Founders' cash contributions will be utilized for a revolving loan fund. The Foundation meets its operational costs through interest income, and no operational subsidies are provided by the founders or the other donors.

Key data for the BTFF since its establishment is reproduced below[4]:

	ITEM	Dec-00	Jun-01	Dec-01
1.	Number of outstanding loans	633	760	700
2.	Total outstanding loan balance (US$)	810,429	974,577	1,179,352
3.	Average loan balance (2/1)	1,287	1,427	1,682.68
6.	Loan loss rate	0.0%	-3.8%	0.0%
7.	Delinquency rate (portfolio at risk basis > 30 days late)	15%	17%	7.5%
8.	Administrative efficiency	2.3%	12.6%	22.1%
9.	Portfolio yield	3.2%	36%	34.6%
10.	Operational self-sufficiency	230%	119.1%	135%
11.	Return on assets	1.8%	2.9%	8%
12.	Adjusted return on assets	1.7%	-2.7%	-0.7%
13.	Year-end free market exchange rate	48.30	47.72	48.00
14.	Per capita gross domestic product	$264	$264	$264

Indicator	Interest Rate (nominal and effective)	Loans disbursed	Value of Loans disbursed ($US)
Dec 31, 2000	Nominal –42.5% Effective- 42.5%	439 to new borrowers 234	$722,104
December 31, 2001	Nominal- 42.69% Effective- 41.0%	690 to new borrowers: 457	$1,248,206

[4] BTFF recently expanded its loan portfolio aggressively while the number of clients increased moderately. The increase is the result of increasing the loan size. Although BTFF bought a building for its offices, the increase of the fixed assets is largely compensated by the growth in loan portfolio, such as the productive assets ratio is even improving (from 80 to 86%). The quantitative growth is very encouraging, although maintaining the portfolio quality is a challenge.

Indicator	Average Loan Size at disbursal	Value of Loans disbursed ($US)	Loans per credit officer
Dec 31, 2000	1,645	722,104	79
Dec. 31, 2001	1,809	1,248,206	70

III. Accomplishments under CDP

Legal Structure

At the time ACDI/VOCA and CARITAS were chartering the BTFF, there was no precedent for microfinance or rural finance institutions (MFI) in the private or non-government sector. The central bank does not regulate the licensing of MFIs, unless, as the civil code stipulates, the fund is lending its own funds only. Therefore, the founders registered the Bai Tushum Financial Foundation as a locally-registered non-commercial[5] public fund.[6]

Under this code, BTFF is not able to treat loan losses as a tax deductible expense, a central deterrent to the growth of the industry, as foreign donors prefer not to transform their projects into permanent credit institutions. Also, under this code, BTFF cannot use the borrowed funds for on-lending; therefore, it could not access local and international financing.

Legal and Regulatory Policy Reform

ACDI/VOCA has worked with USAID to provide guidance to the National Bank of Kyrgyzstan (NBKR) on the drafting of the Law on Microfinance Organizations. This law is expected to be enacted soon. When adopted, this law will regulate the activity of micro-finance institutions in the country. Under this law all micro-finance institutions will be licensed or *certified* by the NBKR, which will allow MFIs to exist and to take deposits.

Under this new law, the BTFF anticipates changing its legal structure to that of a micro-credit agency, or a specialized non-commercial credit institution that lends to physical and legal entities from their own funds and funds of donor organizations, borrowed funds from local and international financial institutions in compliance with organization goals outlined in the Charter. Also under the new law, MFIs are able to treat loan losses as an allowable expense, and will be able to lend using borrowed funds. BTFF has already submitted a proposal to the EBRD to provide a capital investment into its loan portfolio.

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[5] Under Kyrgyz civil law, a non-commercial organization cannot be targeted at making profit and cannot distribute earned profit among its participants. However, the law does not provide any tax benefits/exemptions to the non-commercial organizations.

[6] Public fund is considered to be a non-member, non-commercial organization founded by physical or legal entities on the basis of voluntary property donations and pursues social, charitable, cultural, educational or other socially beneficial goals.

Institutional Management

Supervisory Committee: Upon chartering BTFF, the Founders selected the members of BTFF's first Supervisory Committee, or board of directors. The Committee is headed by Janice Stallard, ACDI/VOCA's senior advisor to the Kazakhstan Community Loan Fund (KCLF), a leading MFI in Kazakhstan. The other members include: Ms. Natalya Galliamova, a senior lawyer in Kyrgyzstan; Mr. Markus Muller, the head of Kyrgyzstan office of Swiss Agency for Development and Cooperation (SDC); Ms. Aziza Yalshova, a preeminent social worker from the southern region of Kyrgyzstan, and Mr. Muhammad Junaid, the long-term technical advisor of the Foundation. The Committee currently is comprised of five people, though two seats have been kept vacant to provide representation to the prospective future investors in the policy- making body.

The Committee meets at least once a quarter to provide the strategic direction and the policy guidelines to the Foundation. The general assembly of the Founders has the authority to veto any decision made by the Supervisory Committee of the Foundation. This body also gives the final approval to the newly-elected members of the Supervisory Committee. These members are co-opted by the members of Supervisory Committee.

Internal Management: The Executive Board, or management team of the Foundation, is comprised of managers at the head office and branches. The Board is led by Ms. Gulnara Shamshieva, general manager of the Foundation. The chief accountant, credit manager, the Foundation's in-house lawyer, and a senior branch manager are part of the Executive Board. The Board meets at least once a month and as needed.

Management Information System: Bai Tushum has developed an in-house management information system that manages most information needs. The system has two separate programs for Financial Accounting and Loan Tracking. This MIS produces up-to-the minute reports down to the branch level, and consolidates the daily activity of the Foundation at the end of the day. The reports provide an immediate assessment of the performance of staff members and operating units and allow an immediate assessment of the status of every loan. The MIS has been tested and certified and currently the BTFF is developing a manual.

The Foundation is currently working to develop its Web-site, which will help promote activities through the internet, and reach a larger number of customers, donors and other stakeholders.

Internal Control System, Audits, and Supervision: All financial transactions in BTFF pass through a series of routine checks: All financial documents must bear two signatures, and loan funds of the Foundation are jointly operated by the ACDI/VOCA long-term technical advisor and the General Manager of the Foundation. The Foundation has also hired an internal auditor who has received on-the-job training from the long-term advisor. The internal auditor directly reports to the Supervisory Board of the Foundation.

An Internal Control Manual and Internal Audit Manual have been developed and introduced throughout the organization.

The Foundation has adopted a zero tolerance policy for corrupt practices. To ensure this, integrity of the loan officers and staff members are highly valued at the time of their hiring and evaluations, and the Foundation has adopted a credit committee system in the branches to avoid corrupt practices in loan disbursement. All loans are approved by the branch credit committees; though the loan officer is present at these meetings, he or she is not a part of the decision- making.

Human Resources and Training: Staff development is a high priority for the Foundation, and to prove this, it has developed various incentive systems, including promotion within the organization. Other parts of the incentive system include:

- The establishment of leadership on-the-job-training so that if any key leaders leave there is an internal candidate groomed to take on new responsibilities.
- A personnel policies manual.
- Cash-based incentive systems recommended by CGAP (the Consultative Group to Assist the Poorest) for loan officers and other staff members.
- A staff appraisal system.
- Access to outside training and consultancy.
- Performance-based salary bonuses. This system has been designed to improve the portfolio performance, using various indicators to measure the loan officer's performance, and each business unit's performance.

Short-term Technical Assistance: BTFF has benefited from outside short-term technical assistance from ACDI/VOCA's Farmer-to-Farmer Program, as well as technical assistance provided from HQ-based staff.

- John Leonard, FtF volunteer, who provided organizational and management guidance.
- Carla Henry, FtF volunteer, who provided marketing guidance.
- Galen D. VanVleet, FtF volunteer who provided guidance on bad-loan collection.
- Elena Nelson, U.S.-based ACDI/VOCA staff who provides ongoing support in operations management, reporting and strong governance.
- Naya Kenman, U.S.-based ACDI/VOCA staff who provides ongoing support in operations management, reporting and strong governance.

The Foundation has also forged close links with the Microfinance Center for providing quality training to the Foundation's staff members. In July 2001, two staff members of the Foundation attended a training course in delinquency management at MFC. The Eurasia Foundation paid partial costs for this course. The Foundation has applied to become a member of the Microfinance Center, which will reduce the costs of future training.

The Foundation has also put in place a strong training program for its newly-recruited loan officers. This comprises both formal as well as on-the-job training modules. All new loan officers are hired as trainee officers, and they shadow the senior loan officers for on-the-job-training. Once every six months a one-week training program is conducted by the Foundation's management and the advisor. This program is conducted using a training manual for the loan officers.

Impact - Creation of Employment: BTFF through its lending programs has been able to create a large number of jobs in the areas that it serves. It is estimated that for every US$250 invested in lending capital ACDI/VOCA and BTFF have provided employment to one person. Findings of this impact survey are tabulated below:

	Jobs created	Number of loans	Jobs per loan
Chui Branch	432	88	5
Jalalabad Branch	1,959	187	10
Osh Branch	2,148	392	5
Total Foundation	**4,539**	**667**	**7**
	Foundation	Number of loans	Jobs per loan
Crop production	2,311	217	11
Livestock	1,341	234	6
SME	887	216	4
Total	4,539	667	7

Future Vision: The Bai Tushum represents a consistent and viable model for lending to rural clients. ACDI/VOCA has published many success stories that demonstrate the positive impact of the BTFF and its credit program on the lives of its customers and Kyrgyzstan. With continued funding from USAID/CAR for ACDI/VOCA technical assistance next three years, Bai Tushum will achieve the following broad objectives:

- Promote credit to the SME sector in the rural and urban economy that helps to improve efficiency in the agricultural sector and encourages the hospitality and tourism industry. This will all help to reduce rural poverty by creating employment.
- Intensify the Foundation's activities in the southern region of Kyrgyzstan, including the Ferghana Valley.
- Develop new loan products that i) reduce transaction costs and facilitate broader participation in rural financial markets; ii) permit the profitable use of larger loans and longer terms; and iii) expand the ability to secure transactions by using real and personal property, receivables and other assets as collateral.
- Streamline management by implementing policies and procedures, including the development of "best practices" management manuals.
- Expand the portfolio at a preferable rate of $1 million per year over the next three years while maintaining the overall portfolio quality.

- Mobilize financial resources to both expand the capital base as well as support technical assistance efforts.
- Continue to support licensing and regulations of the National Bank of Kyrgyz Republic (NBKR) on Specialized Credit Institutions (SCI), and to contribute to further policy and legal reform.
- Maintain attention on tax and other implications of changing the BTFF's legal structure, e.g., to become a joint stock company, or similar legal structure, in order to secure EBRD funding and other private investment.

D. MOZAMBIQUE

This report highlights the strong training and educational elements of the program, a reflection of the tailoring of a technical approach to the educational levels of program clientele. In addition, and related to the aspect noted above, the Mozambique program produced by far the greatest amount of training and educational printed materials – program "products" - among the CDP country programs. The publications are listed in the report, and those that are available electronically will be sent as an attachment.

Cooperative Development Program
Manica Province

FINAL REPORT

ACDI/VOCA

Submitted by:

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List of Acronyms

ADEM	Development Agency for Manica Province
ADIPSA	Support to Private Sector Initiatives Agriculture (DANIDA funded)
ADPP	Elementary School Teacher Training Program
BDC	Business Development Center
BDS	Business Development Services
CDP	Cooperative Development Program
CLUSA	Cooperative League of the United States of America
CP	Association Production Chiefs (Chefes de Produção)
DDADR	District Directorate of Agriculture and Rural Development (Ministry of Agriculture)
DPA	Provincial Directorate of Agriculture (Ministry of Agriculture)
EUREPGAP	European Retailers Protocol—Good Agricultural Practice (Requirement standards for agriculture exports to Europe)
ELM	Experiential Learning Model
FBLT	Functional Business Literacy Training
FHI	Food for the Hungry International
GA	General Assembly
GAPI	Office of Support for Small Enterprise Credit
IAC	Chimoio Agricultural Institute
IDEAA	Oilseeds Development Project (Kellogg Foundation funded)
LEARN	Learn Project (Kellogg Foundation funded rural leader training program)
MADER	Ministry of Agriculture and Rural Development
Mts	Meticais (Mozambican monetary unit. 20,000 Mts. = USD 1)
NASFAM	National Smallholder Farmers' Association of Malawi
OLIPA	Nampula Province Association Support NGO
PdeM	Pimenta de Mozambique (paprika buyers)
FTs	Fruit trees
PROMEC	Austrian Cooperation funded Business Association development Project (Sofala)
PNAs	Village Business Promoters (Promotores de Negócios nas Aldeias)
PRA	Participatory Rural Appraisal
RENDER	Reinforce Business for Rural Development (USAID funded)
SEMOC	Seed Company of Mozambique (a subsidiary of Seed Co. Zimbabwe)
SH	Smallholder
SHA	Smallholder Association
SP	Strategic Planning
TA	Technical Assistance
TM	Training Module
TNS	TechnoServe
UCAMA	Manica Provincial Farmers' Union
UDACs	District Union of Farmer Associations

CDP Project Goal: To enhance cooperative development and business operations in northern and central Mozambique.

Results: In northern Mozambique, CDP staff consulted CLUSA on the materials they had developed over the last seven years. The CDP Advisor traveled to Nampula to coordinate training materials development with CLUSA staff. The materials that CDP developed were shared with CLUSA. Logistically, CDP was only able to provide geographic coverage in central Mozambique (Manica and Sofala Provinces). Our partner CLUSA provided geographic coverage in northern Mozambique.

Program Objective # 1: Design tools to instill cooperative development principles, assist business planning and management, institutionalize training and ensure transparency.

Major Planned Activities

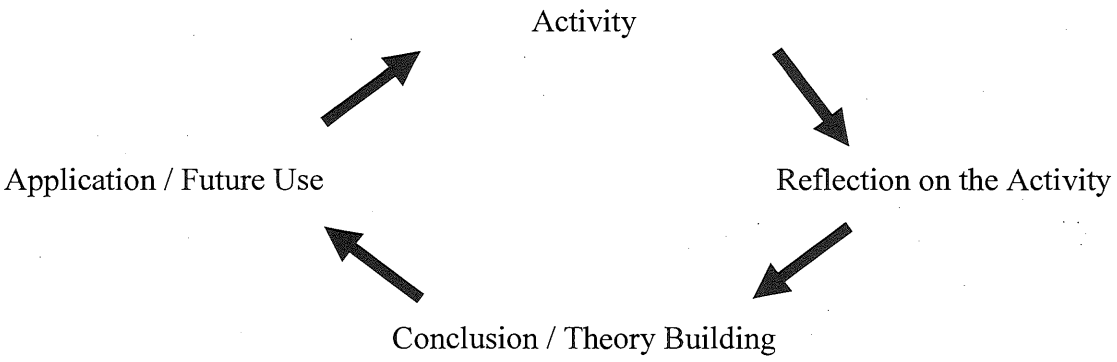
1.1) Conduct an assessment of materials, tools, and methodologies currently used for cooperative development in northern and central Mozambique.
Results: CDP staff found in general that materials, tools, and methodologies used were deficient, although CLUSA had done some solid long-term work in developing literacy materials related to business association development with smallholder farmers.

Materials and tools were found **not** to be user friendly towards illiterate and semi-literates, relying too much on text and figures/pictures. Studies show that semi and non-literates (people who never or infrequently went to school) misinterpret the messages that trainers are trying to communicate via written words and pictures or diagrams.

Our initial study showed that methodologies used relied too much on flip charts, lecturing at participants, and use of "closed" questions (yes/no answer required). Closed questioning usually results in respondents providing the answers that trainers want to hear. Open-ended questions (e.g. "What problems did you encounter in the activity we just completed?") stimulate learners to express opinions and draw their own conclusions.

The solution to this problem was fourfold:

1) **Employ the Socratic method/dialogue approach**. The trainer uses a query method to guide learners to construct their own learning. Through questioning, (s)he encourages learners to carry out their analysis and draw their own conclusions. Over time the Socratic Method evolved into the Experiential Learning Model (ELM). Learning is *experiential* because the training methodology requires the trainer to engage the learners in real-life problem solving and to think critically. The ELM was used as the basis for developing the Dialogue Approach used to develop CDP's lesson plans. The ELM has four parts to its sequence, as presented in the diagram below.



2) **Teach by analogy**. Non-literates demonstrate greater competency and skills acquisition when engaged in learning activities that build upon their life experience. For example, CDP developed a training session comparing the parts of a bicycle to the organizational structure of a business association. In another session, the trainer makes the analogy that an elevated maize storage grain bin with only one support pole would topple over very easily compared with one built of six poles. She then goes on to explain that an association that depends on one leader can never be as strong as one in which all six elected leaders know and fulfill their job tasks.

3) **Trainer as co-learner**. Another way for the trainer to connect with the learner is by "living with the people as they live."[7] The trainer tries to learn about the culture and way of life of the people with whom she is working. This process of not being above the people with whom she works enables her to work not as "provider of information," but rather as a co-learner, mutually responsible with them for growth and change. In this sense, the use of a decentralized extension and business service delivery of the adjoining project (RENDER), as well as the use of Village Business Promoters (Promotores de Negócios nas Aldeias, or PNAs) created a structure for the CDP component to be at the ground level to deliver both relevant materials and methodology to projects beneficiaries.

4) **Provide training of trainers workshops in participatory adult education**. CDP and the RENDER project collaborated to develop a Portuguese language Training of Trainers Manual (Formação de Formadores na Educação Participativa). RENDER staff and the PNAs received this training in order work more effectively with semi- and non-literates.

1.2) Provide a long-term cooperative development training specialist, supported by a limited number of technical paid and volunteer consultants.

Charity Hanif worked as CDP Advisor from April 2003 until December 2003. Due to family reasons, she left the project. Charity made significant contributions in developing a standardized lesson "Farming as a Business" training module.

[7] "Pedagogy of the Oppressed", Freire, Paul, Brazilian non-formal adult educator

Bruno Leonardo worked first as a volunteer consultant from December 2003 to March 2004. From April to the end of October, Bruno took on full responsibility as CDP Advisor. He helped staff develop numerous business and marketing brochures. As a native Portuguese speaker, he corrected all the documents produced. He also put materials developed into PDF format.

Volunteer consultants included:

Mary Albrecht – Literacy Specialist
Mary assisted in assessing current training curricula being used by ACDI/VOCA and our partners, and created a manual of basic methodologies and ready-to-use lesson plans for training association members in the basic literacy and numeracy skills needed to run their farms as successful businesses. The examples used in the manual and lesson plans utilized problems and decisions that the smallholder farmers would encounter on a daily basis as they operate their farms. Mary trained CDP and selected RENDER staff to assess training materials and topics, and identify precursor skills needed by semi- and non-literate learners in order for them to digest and learn the skills being taught.

Susan Nash – Materials Development
Susan improved the layout and use of visual learning aids of existing training materials to make them appropriate for illiterate and semi-literate target populations. She provided an introductory level training for CDP staff and others in the use of graphic design and visual aids in alternative adult education; and in the use of business training picture stories, business mapping, or other visual-only training tools. Working with CDP staff, Susan designed a short lesson plan that can be used in the training of trainers targeting SH farmers. Susan also made use of digital cameras, scanners, and drawing/cartooning to create and augment the image database with agribusiness-Africa relevant images that can be utilized in current as well as future training materials.

Beth Oliver – Farming as a Business
Beth assisted in the assessment of current Farming as a Business lesson plans being used by ACDI/VOCA and our partners, and offered appropriate modifications, extra lesson plans and suggestions for trainers who will be working with youth or women: population groups that need slightly different examples, and which have different education levels. Beth also trained staff and representatives from other NGOs working with smallholder farmers in how to deliver the Farming as a Business lesson plans and how to monitor participant progress, and provided ACDI/VOCA staff with training in more advanced sessions on farm management and marketing.

1.3) Work in collaboration with other stakeholder institutions to produce a clear, systematic and effective set of cooperative development and business planning and management tools and materials.

Results: To develop new, more user-friendly training materials and methodologies, the CDP worked and consulted with the following partners:

ADEM—Development Agency for Manica Province
ADIPSA—Support to Private Sector Initiatives Agriculture (DANIDA funded)
ADPP—Elementary School Teacher Training Program

DPA—Provincial Directorate of Agriculture (Ministry of Agriculture)
GAPI—Office of Support for Small Enterprise Credit (Microfinace Institution)
IDEAA—Oilseeds Development Project (Kellogg Foundation funded)
Learn Project—(Kellogg Foundation)

RENDER—Reinforce Business for Rural Development

1.4) Field test products in partnership with RENDER and UCAMA.

Results: RENDER was the perfect partner for field-testing the training products and methodologies developed. The RENDER Project promotes smallholder business association development and works with significant numbers of semi- and non-literate women and youth. RENDER is structured to provide decentralized technical assistance through its three Business Development Centers (one in Chimoio, one in Manica Town, and one in Sussundenga Town). The BDC structure permits constant teaching and technical assistance contact with business association members and leaders. Training of members and leaders is ongoing in: business planning, marketing, livestock production, crop production, record-keeping, association good governance, and transparent association management.

UCAMA choose not to participate in field-testing training products since they were understaffed and had commitments to multiple donors. UCAMA staff did participate in some of the training events provided by CDP.

1.5) Distribute products among stakeholder institutions and solicit feedback.

See Annexes 4 and 6 for a list of material distributed per institution.

Indicators

1.a) Number of new products developed.

Functional business literacy training (FBLT) - A FBTL manual was completed midway through 2003. In addition, volunteer Mary Albrecht developed numeracy materials that were translated from English to Portuguese for use with semi- and non-literates. Several women were trained in use of the FBTL manual and worked with women's groups in numeracy and literacy.

CDP used simple Participatory Rural Appraisal (PRA) tools in the early phases of the project. These indicated that smallholder farmer clients needed extensive training in key technical areas such as: horticultural crops production, livestock health and animal nutrition, and banana production. For the latter product, CDP, RENDER, and TechnoServe (TNS) collaborated to develop a practical manual on banana production.

A horticulture training course was developed based on client needs, in which RENDER staff and associations were trained. The impact of horticultural training to association members was outstanding. 621 association members and leaders (1,863 person days of

training delivered) participated in horticulture training from March 2002 through June 2004. In 2004, forty two association members participated in a pilot program of off-season vegetables production through funding provided by ADIPSA, obtaining the results presented in Annex 5. The most significant outcomes of this program were: 1) gross return on credit disbursed was 711%, and 2) each participating member's sales averaged $589 for four to five months of work. This program will be continued in 2005.

In all, 57 different materials were developed in the following subject areas: Association Development, Credit, Marketing, Basic Mathematics, and Technical Information. See Annex 6 for a list of materials developed.

1.b) Number of cooperative development institutions using new products.

Development of IAC Agribusiness Curriculum

CDP had a significant impact on curriculum changes at the Chimoio Agricultural Institute (IAC). CDP staff, together with RENDER staff, worked with IAC to help modify its curriculum to include more business and marketing. During the final two months of 2003, senior RENDER/CDP staff conducted an intensive six-session introductory agribusiness course for 53 potential IAC graduates before they started their field-based internship (January to June 2004). The completed session activity plan for IAC students is presented as Annex 3. CDP also helped place 19 of these students with private sector firms or with NGOs supporting private sector development.

IAC Young Farmers' Initiative

This sub-project (in collaboration with IAC, ADIPSA, Manica Investors' Association, DPA, and GAPI) has an ongoing commitment to establish 13 IAC students as commercial farmers. The program is segmented in four phases:

1. Five-month internship with Zimbabwean farmers (January to May, 2004);
2. Thesis writing / defense and graduation from IAC (June 2004);
3. Young farmers produce inside commercial farms (2004-2005);
4. Young farmers begin producing for themselves (land legalized by DPA) and have access to up to USD 30,000 in credit from GAPI (2005-2006).

CDP staff provided monthly classes on Agribusiness and Basic Computer Skills (Excel software) to the young farmers. CDP also helped them develop their theses topics (thesis defense is an IAC graduation requirement).

1.c) Level of satisfaction with products as reflected in feedback from institutions.

Time constraints did not permit the CDP program to canvas partners to receive feedback. Notwithstanding, IAC for 2005 has requested an expanded program curriculum of agribusiness and marketing. FHI adopted CDP business and marketing materials and for use with their field extension agents. CLUSA adopted the ACDI/VOCA Mozambique model of decentralized technical assistance.

1.d) Proportion of farmers in surveys who can articulate reasons for association membership.

Benefits of Having an Association, Response Disaggregated by Sex from Baseline (May 2002) & Results (July 2004) Surveys

Reason Income Impeded	Males %		Females %	
	Base	Exit	Base	Exit
Does Not Know	45.9 %	**2%**	40.0 %	**2%**
One Response	30.6 %	**8%**	20.0 %	**15%**
Two Responses	15.3 %	**6%**	25.0 %	**17%**
Three Responses	4.7 %	**13%**	15.0 %	**12%**
Four Responses	3.5 %	**71%**	---	**54%**
Totals	**100%**	**100%**	**100%**	**100%**

NB: In July 2004, 18% (23 of 127 members surveyed) listed 10 out of 10 reasons for belonging to an association

1.e) Proportion of associations in surveys that are able to develop basic business plans.

See section **3.d)** for information on the ability of associations to develop business plans.

Program Objective # 2: Increase the potential membership base of associations through the development of products suitable for use with semi- and non-literate adults, women, and youth.

Major Planned Activities

2.1) Draw on ACDI/VOCA's "functional business literacy training" (FBLT) programs elsewhere to design products for use with semi- and non-literates in Mozambique.

CDP, in collaboration with RENDER, developed its own functional business literacy training module. Based on an extensive association member training needs assessment, the manual was designed to meet the needs of Mozambican semi- and non-literates. ACDI/VOCA literacy manuals from Malawi and Uganda were consulted to develop FBLT materials in country. However, given the low level of literacy and association development in country, most of the materials developed were based on simple PRA analysis conducted in Chimoio and Gondola Districts at the outset of the program.

2.2) Develop materials, tools and methodologies that effectively target women and youth.

Indicators

2.a) Number of products developed for semi- and non-literates.

23 lesson plans.

2.b) Number of products developed targeting women and youth.

Four brochures and nine lesson plans.

2.c) Number of cooperative development institutions using new products.

See Annexes 4 and 6 for a list of material distributed per institution.

2.d) Level of satisfaction with products as reflected in feedback from institutions.

Time constraints did not permit the CDP program to canvas partners to receive feedback.

2.e) Proportion of illiterate, women and youth in field tests who can articulate reasons for association membership.

Comparison of Baseline and Exit Surveys: Benefits of having an association

Number of Responses	Males %		Females %	
	Base	Exit	Base	Exit
Does Not Know	45.9 %	2%	40.0 %	2%
One Response	30.6 %	8%	20.0 %	15%
Two Responses	15.3 %	6%	25.0 %	17%
Three Responses	4.7 %	13%	15.0 %	12%
Four or More Responses	3.5 %	71%	0.0%	54%
Totals	100%	100%	100%	100%

The above table shows that the percentage respondents able to articulate 4 or more benefits of belonging to an association increased from 3.5% to 71% for males and from 0% to 54% for females.

Due to the length and complexity of the Baseline Survey, as well as the constraint of not having an M&E Coordinator when the Baseline Survey was conducted, staff were unable to disaggregate data for youth and non-literates. However at the time of the Exit Survey, the current ACDI/VOCA M&E Specialist was able to disaggregate data for the same question (benefits of having an association), as follows:

Results from Exit Survey (July 2004): Benefits of having an association

# of answers	Women		Youth		Non-literate	
	#	%	#	%	#	%
Does Not Know	1	2%	0	0%	2	4%
One Response	6	15%	2	22%	7	15%
Two Responses	7	17%	1	11%	5	11%
Three Responses	5	12%	0	0%	5	11%
Four or More Responses	22	54%	6	67%	28	59%
Total	**41**	**100%**	**9**	**100%**	**47**	**100%**

According to the above table Exit Survey), 54% of women respondents, 67% of youth, and 59% of non-literates, respectively are capable of expressing at least four benefits of belonging to an association.

Program Objective # 3: Facilitate the emergence of a shared understanding and common business identity between farmer groups within northern and central Mozambique.

Major Planned Activities

3.1) Share ideas and drafts with other institutions involved in cooperative development in northern and central Mozambique, and incorporate ideas, experience, and feedback.

Time constraints did not permit building extensive relationships with development NGOs working in northern Mozambique, hence CDP focused its efforts on collaboration with two organizations located there: CLUSA and OLIPA.

3.2) Ensure the broad dissemination of final products to other institutions involved in cooperative development in northern and central Mozambique and other developing countries.

See Annexes 4 and 6 for a list of material distributed per institution.

Indicators

3.a) Number and quality of cooperative development institutions operating in central and northern Mozambique providing ideas and comments on drafts.

Two learning exchanges took place between CLUSA Nampula, OLIPA Nampula, and CDP Chimoio. The CDP team leader traveled to Nampula to study CLUSA's adult literacy program and OLIPA's successful group marketing activities. In a reciprocal visit, the CLUSA COP and two OLIPA leaders traveled to Chimoio to discuss extension models with RENDER and CDP staff. As a result of the second visit, the partners developed a decentralized BDS/extension model, as well as a concrete strategy for combining community based technical assistance (extensionists recruited from primary level associations) with institutionally trained agricultural school (IAC) graduates.

The other institutions contacted were not business and marketing based (most were relief and/or production oriented). Therefore it was unrealistic to expect them to provide comments on materials developed. In other instances, some of the institutions contacted had a *modus operandi* of giving hand-outs to the rural communities. To a certain extent, the CDP/RENDER methodology ("teaching to fish and not giving away fish") was incompatible with what these institutions were doing. Notwithstanding, all of the institutions contacted showed an interest to acquire a more business and market oriented approach to their activities. As a case in point, learning materials were exchanged between FHI and CDP. Eleven FHI technicians participated in a three-day course sponsored by CDP in December 2003). The objectives of the training were:

- To discuss the adult training material and methodology used by each partner
- To train FHI's technicians in Principles of Business Association Building

During the three-day training, the following subjects were taught:

- Analogy of the business association as a bicycle.
- What is a Business Association?
- The advantages of belonging to a business association.
- Who is responsible? Directive Council.
- The role of the three main operational councils of an Association (General Assembly / Directive Council / Audit Committee).
- Why Pay Membership Fees?
- 10 essential items for a Business Association to function effectively.

3.b) Number of cooperative development institutions using new products.

See Annexes 4 and 6 for a list of material distributed per institution.

3.c) Level of satisfaction with products as reflected in association feedback that incomes / benefits are increasing.

Respondents (125 in the RENDER Baseline Survey [May 2002] and 127 in the exit survey [July 2004]) were asked if their household income had improved over the last twelve months. The comparative results of the baseline and exit surveys for respondents indicating a "yes" response (that indeed income had improved over the last 12 months) are presented in the following table:

Gender	Baseline Survey [May 2002]	Exit Survey [July 2004]	% Change
Male	53%	**94%**	78%
Female	30%	**98%**	227%

Those respondents who answered "yes" were them asked why they thought income had improved over the last 12 months. The following table compares responses for the Baseline Survey and the Exit Survey, as well as the percent changes over the two-year time interval:

Reasons why income improved	Baseline Survey	Exit Survey	% Change
Technical Assistance	4%	**74%**	1,750%
Participation in Training	2%	**69%**	3,350%
Use of Improved Seed	22%	**69%**	214%
Group Sales	5%	**52%**	940%
Improved Product Sales	6%	**51%**	750%
Use of Fertilizers	7%	**51%**	629%
Good Farm & Crop Planning	14%	**47%**	236%
Sales Beyond Local Markets	1%	**44%**	4,300%
Better Storage & Quality Control	4%	**43%**	975%
Sales at Better Prices	12%	**37%**	208%
Improved Market Knowledge	14%	**37%**	164%

3.d.) Proportion of farmers in surveys who view themselves as acquiring business-based planning and management skills and tools.

As of September 2004, all 121 RENDER associations had developed simple written business plans for projecting crops and areas to be sown for the planting season (some groups develop crop projection sheets for both rain-fed and irrigated agriculture). In addition, CDP staff surveyed the RENDER BDC Coordinators to ascertain the number of primary level associations capable of developing more sophisticated business plans[8]. The results of this survey are presented below:

Number of associations capable of developing more sophisticated business plans

District	Total # of assn in each District	# of assns. with a business plan	% of assns. with a business plan
Chimoio	9	2	22%
Gondola	40	8	20%
Manica	35	10	29%
Sussundenga	37	10	27%
Total / Average	121	30	25%

Lessons Learned - CDP

1. **Training of trainers at the association (community level) is the most effective means of knowledge and practice transfer to association members.** Simply stated, it is more sustainable and communication is more effective when the project trains a local association member to train the other members. In the case of the Mozambican association movement, CDP built upon an existing *modus operandi* — the Association Production Chiefs (*Chefes de Produção*, or CPs). Historically, all cooperatives and associations in the country appointed a CP. Unfortunately, (s)he was under utilized and rarely ever trained. CDP, together with RENDER, targeted the CPs for extensive training in: production planning, basic marketing skills, collection point management, troubleshooting crop problems, as well as specific training in agro-livestock production.

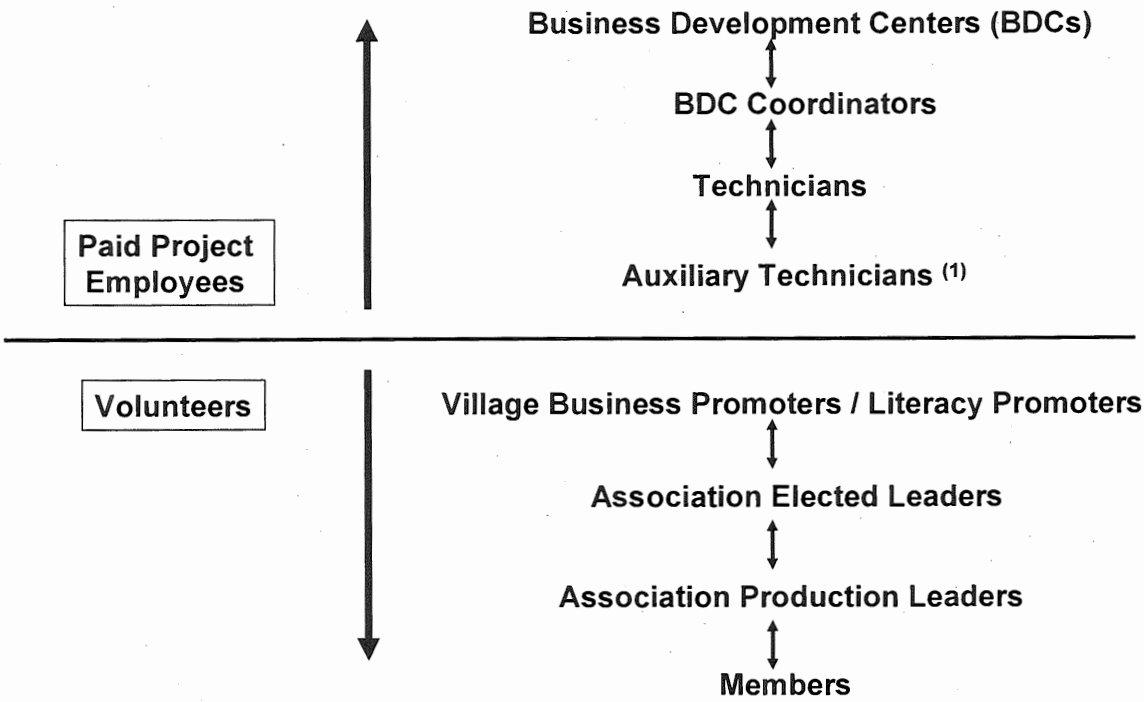
2. **It is difficult to develop training materials and methodologies for semi- and non literates.** Formally schooled Africans and other trainers (expatriate, third country nationals) have a different learning style (usually lecture oriented) that impedes their ability to meet the learning style of non-literate learners (those who generally learn from "hands-on" experience or via apprenticeship). Trainers and rural learners encounter one another having different mindset and conceptualization processes, both of which are equally valid, but often incompatible. Therefore it is necessary for the trainer to consistently be in contact with the learners whom they train. Having taken this first step, (s)he needs to build training sessions from the learners' accumulated life experience. This requires taking an inventory of the learners' daily lives and the local socio-economic culture in order to attempt to teach using analogies. Secondly, when the

[8] Detailed cost of production analysis and/or detailed marketing transaction cost analysis, and projected income statements

trainer uses a dialogue approach to training (e.g. the experiential learning model) there is greater probability of respecting the learner and of helping him/her acquire diagnostic skills as well as enhanced capacity to work to resolve identified problems/constraints.

3. **Creating layers of extension enhances the possibility of the project ground-truthing its activities and encourages bottom-up communication.** To help resolve the conundrum presented in # 2 (above), CDP advised RENDER to adopt a community-based technical assistance approach—try to recruit and use technicians from the associations themselves. The schematic below depicts the layers of extension technical assistance developed and executed through CDP support:

Layers of Extension Created CDP / RENDER Projects



4. **Literacy acquisition should be context related.** CDP did not attempt to teach literacy for literacy's sake. Many literacy programs spend inordinate amounts of time teaching basic reading and writing skills in the hope that these broad skills will be applied to improvements in the individual's socio-economic skills. Such a broad based approach provides only nebulous direction to the learner. We disagree with this approach. In the context of rural development programs that focus on business and marketing skills (CDP and RENDER), literacy programs need to emphasize and focus on those skills that help break the cycle of poverty. Our initial simple PRA analyses identified critical needs around which CDP developed its training material and methods. Field analyses revealed the following basic training needs of the beneficiary learner group and a basic curriculum was built around them:

a. Basic understanding of the concept of on- versus off-farm product sales.
b. Marketing margins - who gets what in a simple market chain.
c. Access to weekly product price lists.
d. Minimal ability to read the price list and take marketing decisions.
e. Minimal ability to use a hand calculator.
f. Benefits of selling by weight and not by volume (traders typically cheat producers when they use volume measures).
g. Learning to use a scale and tape measure.
h. Learning to measure plot size using one's own pace.
i. Benefits of bulk (volume) sales.
j. Benefits of setting up and managing product collection points.
k. Leaning to track expenses and sales so as to track profit/loss.
l. Leaning to keep records of agro-livestock sales.
m. Basic principles of governance and transparent association management.

5. **Be proactive in recruiting rural women as trainers.** ACDI/VOCA has long experience in recognizing that rural women learn better when they are taught by female trainers. Again the cultural context of the learning environment is critical. In Mozambique, the man's rural culture is very different from the women's, and there is a tendency for males to see themselves as dominating women. This scenario more often than not leads to male exploitation of women and possible disincentives for women to work together as a group (as they come to expect the fruits of their labor to be expropriated by persons in positions of power). Therefore, CDP collaborated with RENDER to recruit and train as many women as possible to work directly with women farmers. There were constraints to achieving parity in the numbers of male and female trainers used due to the very low education level of women in Mozambique.[9] Notwithstanding, through CDP efforts to recruit and train women, eight of 17 (47%) RENDER field workers are females.

6. **Expanding into training in livestock production was a business opportunity.** The CDP PRA found that Manica Province is well suited to livestock production. Manica has abundant land, limited population, and adequate rainfall (800 mm to 1,100 mm per year). There is also significant demand for animal products both locally and regionally. Neither the government nor the broad donor/NGO sector was working in this domain. Farmers had never been trained in animal health and animal nutrition. Many associations had oxen for animal traction, but the animals were dying off due to inadequate care and management. CDP staff worked with the livestock specialists (two technicians) to develop lesson plans, manuals and brochures in this area, giving specific attention to oxen used for animal traction. The benefits of CDP program support in livestock were:

[9] The RENDER Baseline Survey (May 2002, conducted in Chimoio and Gondola Districts) found that 33% of female household members were reported as able to read and write (compared with 51% for male household members).

a. Over two years of data collection, 30% of association members' reported revenues were derived from livestock sales.
b. Livestock production permitted farm diversification and potential for additional income streams throughout the year.
c. Livestock are an "on-the-hoof" substitute for savings in a bank (accumulated livestock can be sold for capital / farm operation expenses).
d. Improved bovine (oxen) livestock management is a precursor for SH farmers to expand areas of production.
e. On-farm livestock foster integrated resource management. Draught animals prepare fields, they consume crop residues, and their manure is used as fertilizer.

ANNEX 1

CDP - Success Stories

1) Success Story on Maize and Common Bean Marketing

"My name is **Nora Gumanguei.** I am 59 years old and actually living close to the Chimoio airport, some 16 km away from Chimoio City. The association to which I belong (founded in 1992) has been assisted by ACDI/VOCA since 2002. I want to praise ACDI/VOCA for its help. Now, I can **understand and carry out marketing activities, evaluate marketing costs and bargain with those who buy my products.**

Through several marketing trainings that I attended with ACDI/VOCA since 2002 I am now able to calculate all marketing costs of beans and maize. I buy them in Rotanda and I resell them in Chimoio. Usually, the incurred marketing costs of the volumes I buy are estimated at 2,200,000 Mts. After product marketing, the gross margin is in the range of 3,120,000 Mts. Therefore, the net profit is 920,000 Mts. Throughout the last marketing season, I made four such trips to buy and sell products.

Since 2002 up to now, I have built an improved house, I own five head of cattle and I enjoy food security. In the near future, I expect to do much more for my social well-being as well as my son's, including my grandchildren."

2) Success Story on Litchi and Citrus Production

"My name is **José Salomão Thomo.** I am 40 years old. I live in Marera, which is 15 km away from Chimoio, in Manica Province. I am the president of **Nelson Mandela Association** that exists in my area. The association to which I belong has existed for more than three years and I have been a member for this long. Before ACDI/VOCA started operating in Manica Province, the association that I lead, in particular, had never done something that dignifies my life. But through the CDP project program I have been able to **make a fruit tree and vegetable nursery, fully understand the association movement, and do air layerings in litchi and citrus grafting in harmony with technical recommendations I acquired through working with ACDI/VOCA.**

I improved nursery production of litchi trees through the training on fruit trees presented by the ACDI/VOCA program. Now I have 750 litchi plants, but my main interest is propagating litchi plants. For the 2003-2004 season, I sold 1,300 seedling trees and made 27,500,000 Mts. Since I use my adult trees to produce more seedlings using the air layering method, I do not get a lot of fruit. But last year I still got 1,000 kg which I sold at 10,000 Mts per kg, thus obtaining an additional 10,000,000 Mts. My total sales of litchi products for the year were 37,500,000 Mts. [$1,875]. I am also grafting my own navel orange trees, and I plan to have at least three hectares. When my trees are grown (4-5 years old), I expect to get a minimum of 180 fruits per tree. With 156 trees per hectare that would be about 28,000 fruits per hectare, and at current prices of 1,000 Mts per fruit [$0.05], I estimate I can make 28,000,000 Mts / ha [$1,404].

Presently, I have an improved house, an irrigation pump, a sprayer, and my three children in school. In the near future, with intensive help of ACDI/VOCA and the CDP program, I dream of having my own farm and a tractor to increase the output of my agricultural activities. Later on, I intend to buy a grinding mill so that I can improve the life of my own community."

3) Success Story on Tomato Production

"My name is **Albino Nzunzu**. I was born in Marera and I am 37 years old. I still live in Marera. I am a member and the president of **Kubatana Association** that exists in Marera, 15 km away from Chimoio. The association to which I belong has existed for more than seven years, and I have been member of this association since it was founded in 1997. I could not do any thing before the CDP project came, but now I can do things precisely and properly. I praise the CDP Project activities done with my association, especially concerning technical assistance on agricultural and livestock products marketing and their impact on my life.

The knowledge that I have acquired from the CDP program helped me in tomato production in the 2002/03 agricultural campaign. The results were so different from those of other campaigns before the CDP training program. Last year (2002/03) my production area was 0.4 ha and the total production costs were **2,482,500 Mts**, with a gross margin of **19,305,000 Mts.** The total profit was **16,822,500 Mts.**[10]

In the 2003/04 agricultural campaign, I produced the same crop on 1/4 ha. The total production costs were estimated at **1,645,000 MTS.** The gross margin was **7,140,000 Mts**, which means that the profit was **5,495,000 MTS.**

At the moment, I have an improved house with a 40 metal-sheet-roof, two cattle and my two children in school. In the near future, with the help of CDP project, I expect to have a good house in Chimoio to host my children as they study, and later on, according to my capacity, I will buy any transport means that fits me."

4) Success Story on Cabbage and Common Bean Production

"My name is **Cacilda Salimente Mainato**. I was born in Maputo, and I am 41 years old. I live in Bairro 5, in Chimoio City, Manica Province. I am a member of **Kulima Kwakanaka Association** in Chimoio's green zone. The Association to which I belong has existed for more than 18 years, and I have been in it for six years. Before ACDI/VOCA started its operations in Manica Province, my Association had done nothing that would dignify my life. Only through the introduction of the CDP program can I now **measure production areas, forecast the production volumes, and I am now capable of evaluating production and marketing costs of my products.**

[10] Note: This profit does not take into consideration opportunity costs.

In the 2002/03 agricultural campaign, the ACDI/VOCA program assisted me to plant **2/3 ha** for common bean production and I was able to produce **500 kg** of common bean and sold it at **10,000 Mts** per kg (sales of 5,000,000 Mts). Besides all that, in the 2003/04 season I benefited from a loan for off-season vegetables production, and I cultivated **0.5 ha** of cabbage. Through cabbage production, I made **42,500,000 Mts.** It is worth mentioning that my operational costs (nursery, field preparation, as well as labor) were estimated at **6,250,000 Mts.** So I did very well, earning more than 35,000,000 Mts. All cabbage was sold at my own farm and in some markets in Chimoio. So, I spent no money on transportation and food because my house is almost in town.

I actually have in my own bank account an average of **27,000,000 Mts** and have in my possession a mobile phone that facilitates communication with my interested potential buyers.

In the near future, with the help of ACDI/VOCA, I expect to buy a one-ton truck to facilitate the transport of my products to Beira and Tete markets, as well as the markets of other places within the country."

ANNEX 2
MOZAMBIQUE CDP PLANNING MATRIX

GOAL: To enhance cooperative development and business operations in northern and central Mozambique.

MAJOR PLANNED ACTIVITES	PROGRAM OBJECTIVES	INDICATORS	DATA SOURCES AND COLLECTION METHODS
• Conduct an assessment of materials, tools and methodologies currently used for cooperative development in northern and central Mozambique. • Provide a long-term cooperative development training specialist, supported by a limited number of technical paid and volunteer consultants. • Work in collaboration with other stakeholder institutions to produce a clear, systematic and effective set of cooperative development and business planning and management tools and materials. • Field test products in partnership with RENDER and UCAMA. • Distribute products among stakeholder institutions and solicit feedback.	1. Design tools to instill cooperative development principles, assist business planning and management, institutionalize training, and ensure transparency.	• Number of new products developed. • Number of cooperative development institutions using new products. • Level of satisfaction with products as reflected in feedback from institutions. • Proportion of farmers in surveys who can articulate reasons for association membership. • Proportion of associations in surveys that are able to develop basic business plans.	• Publication of new products. • Questionnaires attached to products. • Questionnaires attached to products. • Simple surveys conducted after training • Simple surveys conducted after training

• Draw on ACDI/VOCA's "functional business literacy" programs elsewhere to design products for use with semi- and non-literates in Mozambique. • Develop materials, tools and methodologies that effectively target women and youth. • Field test products in partnership with RENDER and UCAMA. • Distribute products among stakeholder institutions and solicit feedback.	2. Increase the potential membership base of associations through the development of products suitable for use with semi- and non-literate adults, women, and youth.	• Number of products developed for semi- and non-literates. • Number of products developed targeting women and youth. • Number of cooperative development institutions using new products. • Level of satisfaction with products as reflected in feedback from institutions. • Proportion of illiterate, women and youth in field tests who can articulate reasons for association membership.	• Publication of new products. • Publication of new products. • Questionnaires attached to products. • Questionnaires attached to products. • Simple surveys conducted after training
• Share ideas and drafts with other institutions involved in cooperative development in northern and central Mozambique, and incorporate ideas, experience and feedback. • Ensure the broad dissemination of final products to other institutions involved in cooperative development in northern and central Mozambique and other developing countries	3. Facilitate the emergence of a shared understanding and common business identity between farmer groups within northern and central Mozambique.	• Number and quality of cooperative development institutions operating in central and northern Mozambique providing ideas and comments on drafts. • Number of cooperative development institutions using new products. • Level of satisfaction with products as reflected in association feedback that incomes/benefits are increasing. • Proportion of farmers in surveys who view themselves as acquiring business-based planning and management skills and tools.	• Written records of comments received from cooperative development institutions. • Questionnaires attached to products. • Questionnaires attached to products. • Simple surveys conducted after field tests.

ANNEX 3

Agribusiness Training Delivered by ACDI/VOCA at IAC

(53 fourth-year students divided into two groups – Nov/Dec 2003)

Session # 1

- Interpretation and use of market price information sheets
- Calculating market margins (who receives what in the marketing chain)
- Decision making for on- and off-farm sales (calculating marketing costs)
- Benefits of group sales and sales through collection points
- Advantages of SH farmers working in business associations
- Simple record keeping of expenses and sales and profit calculation
- *Homework assignment*

Session # 2

Cost of Production Studies

- Material costs
- Labor costs
- Start-up capital costs
- Depreciation

Session # 3

Cost of Production Studies (continued)

- Direct and indirect costs
- Projected income statement
- Projection of profit and loss
- *Homework assignment*

Session # 4

- Practice and solution of simple examples and case studies
- Business planning and business activity timeline
- Cash flow—introduction and examples
- Break even analysis—introduction and use
- *Homework assignment*

Session # 5

Use of computers as a tool for business decision making and business enterprise management (use of Excel software)

- Costs of production and projected income statement
- Cash flow
- Calculating marketing costs and marketing margins

Session # 6 - Final exam

ANNEX 4

Institutions that received CDP material for collaboration and feedback

- ADIPSA Manica
- ADEM
- CLUSA
- DDADR Chimoio
- DDADR Gondola
- DDADR Manica
- DDADR Sussundenga
- DPA Manica
- FHI
- IDEAA
- Kellogg Learn Project
- PROMEC

ANNEX 5

Results of ADIPSA Funded Off-Season Vegetables Production by Association Members

Results of the Program by Crop (in Kgs)

Crop	Total Produced (kg)	Total Sales	% Credit Repayed	Return on Credit Disbursed
Carrots	2,511	23,712,000	65%	302%
Sweet Pepper	18,490	133,213,500	62%	705%
Tomato	20,172	143,869,500	81%	579%
Total	**41,173**	**300,795,000**		

Results of Program by Crop (units produced)

Crop	Total Produzido (un)	Total Sales	% Credit Repayed	Return on Credit Disbursed
Lettuce	4,505	10,150,000	58%	427%
Cabbage	36,662	209,333,500	81%	735%
Total	**41,167**	**219,483,500**		

Program Results by District

District	# of Beneficiaries	Total Sales	% Credit Repayed
Manica	16	211,388,000	80%
Chimoio	8	76,562,500	54%
Gondola	6	81,708,000	92%
Sussundenga	11	150,620,000	64%
Total	**41**	**520,278,500**	**73%** (*)

(*) Average

Financial Summary of the Pilot Program

	MZM
Total value of credit disbursed	87,467,318
Total value of credit disbursed (includes 10% interest)	96,214,050
USD amount repaid by Beneficiaries	70,652,250
Amount Outstanding in USD [1]	25,561,800

[1] Debt still being collected, and we anticipate 95% repayment by January 31st 2005

ANNEX 6

#	Module	Subject	Format
01	Association Development	What is a Business Association?	Brochure
02	Association Development	Creation and Management of the Business Association Fund	Brochure
03	Association Development	Association General Assembly	Brochure
04	Association Development	How to Lead a General Assembly Meeting	Brochure
05	Association Development	Keys to Creating a Successful Business Association?	Brochure
06	Association Development	Roles and Responsibilities of Production Chiefs	Brochure
07	Association Development	Roles and Responsibilities of the Association Audit Committee	Brochure
08	Association Development	Ungano Yoruzhinji (Association General Assembly – Shona)	Brochure
09	Association Development	Who is Responsible? – Association Directive Council	Brochure
10	Association Development	Why Pay Association Membership Fees?	Brochure
11	Health	HIV/AIDS	Brochure
12	Health	HIV/AIDS Impact on the Business Association	Brochure
13	Institutional	What is ACDI/VOCA?	Brochure
14	Marketing	Marketing	Brochure
15	Marketing	Marketing Margins	Brochure
16	Marketing	Agricultural Products Collections Points	Brochure
17	Marketing / Technical	Tertiary Road Maintenance	Brochure
18	Technical Assistance	Air Layering in Litchi	Brochure
19	Technical Assistance	Birdseye Chili Pepper Production	Brochure
20	Technical Assistance	Garlic Pests and Diseases	Brochure
21	Technical Assistance	Garlic Production	Brochure
22	Technical Assistance	Farm Risk Management	Brochure
23	Technical Assistance	Paprika – Post-harvest Handling	Brochure
24	Technical Assistance	Paprika – Transplanting and Crop Care	Brochure
25	Technical Assistance	Paprika- Care in the Nursery	Brochure
26	Technical Assistance	Planting Soybeans for the 2004/5 Season	Brochure
#	Module	Subject	Format
27	Technical Assistance	Soybean Production	Brochure
28	Technical Assistance	Sunflower Contract Production for SAGREV 2003	Brochure
29	Technical Assistance	Sunflower Production	Brochure
30	Technical Assistance	Tomato Nursery	Brochure
31	Technical Assistance	Tomato Transplanting and Crop Care	Brochure
32	Technical Assistance	Farm Risks	Brochure
33	Association Development	Association Benefits	Lesson Plan
34	Association Development	Bicycle Association	Lesson Plan
35	Association Development	Business Association	Lesson Plan
36	Association Development	Finance Committee	Lesson Plan
37	Association Development	General Assembly	Lesson Plan

38	Association Development	Shared Leadership	Lesson Plan
39	Association Development	Who is Responsible – Directive Council	Lesson Plan
40	Basic Mathematics	How to Use a Hand Calculator	Lesson Plan
41	Basic Mathematics	Measuring Areas using a Tape Measure	Lesson Plan
42	Basic Mathematics	Measuring Areas using your Pace	Lesson Plan
43	Basic Mathematics	Learning to Multiply	Lesson Plan
44	Basic Mathematics	Simple Mathematics	Lesson Plan
45	Business	Farm Risk Management	Lesson Plan
46	Business	Tracking Receipts and Expenses	Lesson Plan
47	Business	What is Business?	Lesson Plan
48	Credit	Administrative Cost of a Loan	Lesson Plan
49	Credit	Learn to Sign your Name	Lesson Plan
50	Credit	What is a Loan?	Lesson Plan
51	Credit	What is Interest?	Lesson Plan
52	Livestock	Anaplasmosis - Tick Control in Cattle	Lesson Plan
53	Livestock	Anaplasmosis - Tick Control in Cattle	Lesson Plan
54	Livestock	Building and Using a Chute for Treating Cattle	Lesson Plan
#	Module	Subject	Format
55	Livestock	Control f Newcastle Diseases in Poultry	Lesson Plan
56	Livestock	Identification and Control of Internal Parasites in Cattle and Goats	Lesson Plan
57	Livestock	Identification and Control of Tick (Babesia sp)	Lesson Plan
58	Marketing	Interpreting Price Lists	Lesson Plan
59	Marketing	Agricultural Products Collections Points	Lesson Plan
60	Marketing	Product Sales On- and Off-Farm	Lesson Plan
61	Marketing	Recording Monthly Sales	Lesson Plan
62	Marketing	Understanding Marketing Margins	Lesson Plan
63	Technical Assistance	Bean Production: Bean Seed and Variety	Lesson Plan
64	Technical Assistance	Bean Production: Soil Selection and Soil Preparation	Lesson Plan
65	Technical Assistance	Bean Production: Planting and Fertilizing Beans	Lesson Plan
66	Technical Assistance	Bean Production: Cultural Practices	Lesson Plan
67	Technical Assistance	Bean Production: Identifying and Controlling Beans Insects	Lesson Plan
68	Technical Assistance	Bean Production: Identifying and Controlling Beans Diseases	Lesson Plan
69	Technical Assistance	Bean Production: Harvesting and Post-Harvest Handling	Lesson Plan
70	Association Development	Association Development	Manual
71	Association Development	Guide for Creation and Management of District Unions	Manual
72	Association Development	Role and Tasks Handbook for Association Leaders	Manual
73	Basic Mathematics	ABC – Functional Business Literacy Training	Manual
74	Business	Farming as a Business	Manual
75	Marketing	Group Sales of Maize	Manual

76	Marketing	Marketing of Agriculture Products (Students' manual)	Manual
77	Marketing	Marketing of Agriculture Products (Trainer's manual)	Manual
78	Technical Assistance	Banana Production and Post-harvest Handling	Manual
79	Technical Assistance	Bovine Cattle Health and Management	Manual
80	Technical Assistance	Broiler Production	Manual
81	Technical Assistance	Sub-Tropical Fruit Production	Manual
82	Technical Assistance	Ginger Production	Manual
83	Technical Assistance	Training of Trainers in Participatory Adult Education	Manual

E. PARAGUAY

Overview of Two-Year CDP Activities in Paraguay

According to recent World Bank Reports, Paraguay has one of the worst land and income distributions in Latin America. The number of poor people has increased by more than half a million since the economic recession started in 1995; nearly 34% of the total population now lives in poverty. Rural areas currently represent 75% of the population living in extreme poverty and 60% of those in high poverty. Agriculture therefore is the crucial sector of the economy to increase growth and reduce poverty in Paraguay, as it contributes 25% of the GNP, 40% of employment and more than half of registered exports. Renewed growth in the agricultural sector, with orientation toward exports, will be essential, especially for the poor people. The prolonged recession in Paraguay is attributed in part to the unfavorable business conditions which affect the agricultural sector, the negative effect of successive banking crises and weak neighboring economies. Further, high judicial insecurity, political uncertainty and corruption are dissuasive to private investment. The government not only faces the challenge of impelling greater economic growth, but also to create the mechanisms for the most reasonable way to distribute the benefits of this growth and wealth increase. Agricultural and agro-industrial sectors can be the indicators of a development pattern to evenly allocate resources raised by greater economic growth. The CDP activity in Paraguay made a contribution to these tasks and the technical assistance provided by volunteers were addressed to improve productive processes and market access while strengthening producer organizations.

The ACDI/VOCA Cooperative Development Program (CDP) included Paraguay as a new target country during the two-year expansion and extension from July 2002 through June 2004, and was designed to enhance agricultural cooperative and producer association development in the departments of Caaguazú, San Pedro and Concepción, and Credicoop cooperative member cooperatives, which are located in most of the departments of the eastern region of Paraguay.

The Paraguay CDP effectively commenced in October of 2002, immediately following USAID obligation of funds for the proposed activities. During the extension period, 11 volunteer assignments were completed. Our methodology for institutional strengthening and sustainability enabled beneficiary organizations to achieve their long-term goals established through a strategic alliance with the ACDI/VOCA CDP at the onset of the extension period.

CDP-Paraguay activities support the USAID/Paraguay strategic objective 526-007: "Increased Incomes for the Poor in Selected Economic Regions". ACDI/VOCA considers the CDP an integral part of the Mission's economic opportunities initiative and manages the program within that context. The CDP worldwide work plan and yearly CDP project implementation plans were shared with USAID Mission personnel and ACDI/VOCA received firm Mission support for the program. ACDI/VOCA-Paraguay kept the appropriate Mission personnel abreast of program implementation and encouraged participation in volunteer interventions, final presentations and debriefings. A copy of all CDP progress reports and individual volunteer final reports were submitted to USAID/Paraguay.

Preliminary assessments with prospective counterpart cooperatives and associations in the three target departments in Paraguay have permitted CDP program staff to identify the objectives for the program's development.

Under Target I: Good Governance and Member Needs, the program focused on Objective 1: Improving cooperative and association leadership and management, with emphasis on strategic planning and management training. Toward Target II: Cooperative Salience and Competitiveness, the program focused

on Objective 2: Improving marketing capacity and effectiveness, and Objective 3: Improving product quality.

A preliminary rapid rural appraisal was conducted in the target area, involving producers, cooperative leaders and Ministry of Agriculture officials. The product of this effort was broad commodity and institutional information which enabled ACDI/VOCA and prospective counterpart organizations to focus resources on opportunities with greatest potential for economic growth. This appraisal was followed up by further activities, including visits to cooperative organizations in the target departments of Concepción, San Pedro and Caaguazu, interviews with municipal and departmental authorities, and program development with technicians from the cooperative, productive and marketing sector. In the capital city, contact was made with major cooperative centers (*centrales*), as well as with the regulating entity of cooperatives and other programs and support institutions.

In order to promote the CDP, three centralized workshops were planned to be developed in the departments of Concepción, San Pedro and Caaguazu, of which two were conducted and the third was cancelled due to inclement weather. An ACDI/VOCA volunteer cooperative specialist participated in the workshops to present the work methodology and contribute to the development of the strategy for program implementation. All of these activities were developed toward the end of introducing ACDI/VOCA for the first time in the country with the CDP, requiring significant effort in the promotion of the program in the cooperative arena. Due to this start-up emphasis, 11 volunteer assignments were effectively implemented. Furthermore, ACDI/VOCA-Paraguay dedicated considerable time and effort to the development of proposals for the implementation of the USAID/P Paraguay Vende activity and other proposals.

Several visits were made to the target cooperatives to promote the program, discuss program strategy with the directors, assess productive projects and eventually assist in the development of the requests for technical assistance. An inter-institutional agreement with Credicoop, a central cooperative comprised of 56 cooperatives, was an important accomplishment for the CDP. In this way, a series of interventions with cooperatives affiliated with Credicoop have been developed, and the CDP also leverages counterpart contribution from Credicoop for volunteer in-country costs. Also as a result of this agreement, the area of influence of the CDP was expanded to include several departments where Credicoop members are located.

The CDP has been coordinated closely with USAID/P through regular communication with Alex Uriate of the Economic Growth Office and occasional meetings with the Mission Director. As a standard practice, the Mission is apprised of forthcoming assignments, the arrival and departure of volunteers, and the results of volunteer interventions with cooperatives. When possible, a briefing is conducted with USAID/P at the conclusion of each volunteer assignment.

Several cooperatives either did not have strategic plans or their plans had expired. Both directors and managers of cooperatives recognized that an up-to-date strategic plan is necessary to provide direction to a cooperative's future actions. It was also observed that a plan could assist directors and managers in defining their own roles and those of their members. Cooperatives expressed several concerns in regards to the future of their current activities and it was observed that the lack of strategic plans, or in the case of those with strategic plans, the lack of their application, has resulted in organizations taking actions that are not leading them in the direction desired by cooperative leaders and members.

Paraguay CDP staff and volunteers also conducted analyses of productive chains with competitive and comparative advantages such as yerba mate, organic sugar, pottery, leather handicraft, dairy production,

wood craft products and others. This is an ongoing activity which has been done jointly with select counterpart organizations.

Activities developed during the first two years in Paraguay allowed CDP personnel to become familiar with, and gain the confidence of, prospective counterpart organizations in order to continue to cooperate with them to overcome their limitations for the best performance of their organization in the near future. Following is a list of organizations supported by ACDI/VOCA during this period and identified as long-term partners in the CDP:

Cooperativa San José de los Arroyos is a multipurpose cooperative, with savings and loan operations as well as production inputs distribution as main activities. It provides technical and financial assistance to its members from urban areas as well as sugar cane farmers. With technical assistance, the sugar cane yield/Ha improved markedly. The cooperative needs to organize a systematized and efficient agricultural department. The potential for the near future for the cooperative members is to gain access to organic sugar marketing and the Fair Trade system with the sugar mill located near the San Jose de los Arroyos area. The CDP supports this cooperative in the areas of organization and methodology as well as in the information management system, geared toward institutional strengthening. Sugar is being considered as a value chain to be assisted intensively under CDP.

Cooperativa La Barrereña is a savings and loan and production input cooperative. The cooperative has branches in six towns of the department of Cordillera. Members from the urban and rural sector receive technical and financial assistance from the cooperative. The farmer members of this cooperative are mainly fruit and vegetable producers, another pre-selected value chain.

An ACDI/VOCA volunteer assisted in the design of irrigation systems for its members, 50% of the material and installation costs of the system would be paid by the members and the other 50%, the Cooperative using Inter American Bank funds.

Cooperativa San Andres is mainly a production cooperative. It is the economical or business arm of a religious group called "*Pueblo de Dios*". It is located in Caaguazu department. The cooperative members produce soybeans, canola, cotton, corn and sugar cane. The cooperative has its own alternative sugar factory. Brown sugar is sold to Italy. Recently the cooperative acquired its own installations, where a grocery store and a bakery section will operate. This cooperative has a great potential to become a strong financial and efficient business organization.

CEPACOOP, or the Paraguayan Cooperative Center, is a second-tier cooperative, integrated by five small-scale production cooperatives. Services offered to its associates are technical and marketing assistance. Currently the export market for its members' produce (fruits and vegetables) is Argentina and Uruguay. The annual business generated is $400,000. In order to become self sustainable, the amount of operation needs to reach $1,000,000. To accomplish such a goal, the cooperative needs to define clear strategies, in areas such as improved production techniques to increase productivity, greater participation of nominal members of cooperatives and incorporation of new cooperatives as members.

CREDICOOP: *Central Cooperativa Nacional (Credicoop)* was founded on October 27th, 1973, under the framework agreement between the government of Paraguay and the United States of America through USAID. It was recognized by the Executive Power by Decree Law N° 6094. This is a second-tier cooperative comprising the greatest number of primary cooperatives, under one apex organization, totaling 56 member cooperatives that represent 150,000 individual members. Among member cooperatives are production, savings and loan, consumer, service and jobs, and multipurpose

cooperatives. Its geographical reach extends throughout the country, with headquarters in Fernando de la Mora and a staff of 15 officials.

Credicoop was created to encourage cooperativism as a way to promote principles of democracy, participation and mutual help. Its vision is to become a "leader cooperative enterprise in the supply of high-quality financial, social and educational services and to facilitate the exchange of cooperative resources in order to contribute to the development and strengthening of the cooperative system through strategic alliances with enterprises from the cooperative sector as a valid alternative to support the socioeconomic development of the country". Its strategic focus includes financial services such as auditing, savings and loans, technical assistance, training and promotional and educational services.

Paraguayan Agricultural Producers Union/Unión Paraguaya de Productores Agrícolas UPPAG has more than 6,500 members, 500 of which are women. Its associates are widespread in the departments of Caaguazu, San Pedro, Concepcion and Paraguarí. This organization channels loans, inputs and marketing services to its associates. The main crops planted by its associates are cotton, sesame, castor plant, corn, manioc and soybean. The most important accomplishment of this association was the use of seed of high genetic value, negotiated with a private company. At the same time the access to credit from private financial institution, even to a high interest rate and the joint commercialization of cotton and sesame. The organization needs to improve the structure, accounting, marketing as well the technical assistance to its associates. ACDI/VOCA, through CDP, provided technical assistance on leadership to its directors and grassroots leaders. Processed oilseed is another value chain to be pursued with this and other co-ops working with ACDI/VOCA.

Coordination of Agriculture Producers Association of Capiibary/Coordinadoras de Asociaciones de Productores Agrícolas de Capiibary CAPAC. This entity represents about 15 to 16 associations, each with 100 to 150 members. The main production of these farmers is manioc, followed by cotton and sesame. The marketing is done in the central market in Asuncion in a specific area rented inside the market. Part of the production is also sold to Brazil. According to the marketing direction technicians from the Ministry of Agriculture, this organization needs to change its work approach, geared more toward an agribusiness, negotiating with inputs, services and marketing providers.

Volunteer Assignment Summary

	Project Number	Host Organization	Title of Assignment	Volunteer	Date
1	080001	Cooperativa del Norte	Oilseeds Production, Processing and Marketing	Rico Cruz	06/21-07/05 -2003
2	080002	ACDI/VOCA CDP	Association and Cooperative Development in Paraguay	Jim Pines	02/15/-03/01 -2003
3	080003	Comité Sagrada Familia	Production of Vegetables in Irrigation Systems	John Fitzgerald	02/16-03/15 - 2003
4	080005	Credicoop	Marketing	Loren Parks	10/07-11/06 - 2003
5	080004	Credicoop	Leadership Focused on an Strategic Thinking & Effective Managerial System	Kendall Mau	02/01-02/14 -2004
6	080012	Cooperativa San José de los Arroyos	Organization and Method, Cooperative Institutional Strengthening	Joan Hall	05/17-05/28 -2004
7	080010	Cooperativa La Barrereña	Design of Irrigation Systems	Roger Stillwater	01/06-02/07 -2004
8	080020	Cooperativa San José de los Arroyos	Management Information Systems	Fred Sears	14/06-10/07 -2004
9	080021	Cooperativa San Andrés	Hog Nutrition and Health	Dr. Daniel Miller	03/07-15/08 -2004
10	080014	Credivill	Strategic Planning	Robert Von der Ohe	24/07-14/08 -2004
11	080026	Unión Paraguaya de Productores Agrícolas UPPAG	Training on Leadership and Values	Steve Strobach	14/08-29/08 -2004

F. SOUTH AFRICA

CEBI SOUTH AFRICA FINAL REPORT

I. INTRODUCTION

The Community Entrepreneurship and Business Initiative (CEBI) Program was a three-year local economic development project, which was jointly implemented by ACDI/VOCA, CHF (Cooperative Housing Foundation) and NCBA/CLUSA (National Cooperative Business Association/ Cooperative League of the USA). Through the unique application of cooperative development principles, including a combination of community empowerment through democratically structured group-based organizations, cooperative business development, and locally-owned and -controlled financial services, the three partner organizations have enhanced local economic development, increasing access to financial markets for historically disadvantaged township residents and their businesses, and creating employment.

The main goal of the program was to develop the business and financial capacity of entrepreneurs and small business owners in the peri-urban black townships in Nelson Mandela Metropole (Port Elizabeth, Uitenhage and Despatch), and to promote links between these historically disadvantaged businesses and mainstream businesses in the Eastern Cape region. Program objectives sought to:

- Enhance local economic development and create employment in the disadvantaged communities.
- Establish local business support centers in the disadvantaged communities.
- Provide essential business training and financial services and develop strong community business leadership.

The vision of the program, as established by the CEBI management in coordination with local entrepreneurs, reads as follows: "CEBI is a center of excellence dedicated to providing a customer responsive menu of consistently high quality financial services, business training and linkages. Together with the community, we shall promote economic growth and development so as to increase the standards of living and access to employment and business opportunities."

The creation, development and promotion of small businesses in the peri-urban townships was accomplished through the establishment of a CEBI center in Motherwell Township. The CEBI center was comprised the following three units:

1. Administration and Planning Unit (APU), led by CHF.
2. Business Creation and Training Unit (BCTU), led by NCBA/CLUSA.
3. Financial Services Unit (FSU), led by ACDI/VOCA.

The role of the FSU included:

- Developing and promoting financial services for businesses and entrepreneurs.
- Increasing access to financial markets for peri-urban entrepreneurs.
- Creating an economic development fund.
- Establishing a financial services cooperative linked to the Finasol Network.

- Integrating ancillary financial services such as filing systems and funds transfer.

II. Program Overview

The reporting period of January 1 – June 30, 2003 represented the final phase of the original three-year project period and the transition to management of CEBI as an autonomous local community-based NGO. The transition plan was addressed collaboratively by the three partners and was critical for addressing management and capacity related issues within the CEBI structure. The plan was approved by the CDP program's Agreement Officer and Cognizant Technical Officer.

CEBI was a consistently dynamic project throughout its initial three years. In 2002, the program expanded its area of operations to include all historically disadvantaged townships falling within the Nelson Mandela Metropolitan Municipality. The target market remained the historically disadvantaged that may not otherwise have access to business development and financial services.

The steady increase in inquiries made to the Financial Services Unit demonstrated that it was gaining the recognition required to be effective among key players in the local business community. The FSU loan fund had been operational for two reporting periods and had reached a fairly stable level of lending, challenging the team to explore creative new avenues for expanding the FSU's lending operations while reducing its risk. During the first half of 2003 the FSU's loan portfolio has expanded thanks to the introduction of new loan products and a revitalized sense of mission among the team.

In an effort to reduce overall risk, the staff of the FSU continued to seek ways of diversifying its portfolio, progressively moving away from mainstream retail businesses and spazas (small home shops) and increasingly focusing on promoting business loans among service and manufacturing enterprises, resulting in loans to more than 500 aspiring entrepreneurs made in the first semester of 2003. During that period CEBI also pursued financing of the tender contracts initiated the previous reporting period, allowing CEBI to provide the bridging finance/working capital necessary for successful completion of contracts when contract revenues are not available. This strategy was expanded upon by developing a new loan product designed specifically for people responding to business opportunities which require immediate action and which would be lost if tied up in a lengthy loan application process. This mechanism enjoyed immense success during that period. The FSU continued to assess and respond to market demand by developing new loan products targeted at high potential new customers. As a result, that period was marked by major improvements in the administration of the loan portfolio. Loan products were filed separately, and procedures of loan approvals adhered to in all cases.

Along with the activities, the FSU team was in 2003. Ms. Pearly Morton took over as FSU Manager in April 2003 after conducting a financial services consultancy beginning in January 2003. Ms. Morton made substantial progress in standardizing FSU systems, training staff, and building the FSU's capacity to effectively serve its target community.

III. Program Direction

During early-2003, ACDI/VOCA worked to increase the number of loans and reduce arrears within the FSU loan portfolio, for which CEBI had received substantial guidance from ACDI/VOCA staff. Elena Nelson, a member of ACDI/VOCA's technical services team with extensive banking experience, who provided guidance in May 2002 on an action plan through the end of the project, continued to provide follow-up support during subsequent reporting periods, particularly monitoring and analyzing regular financial data. Support was provided to establish FSU targets and link them to CEBI business systems and approaches, and worked with the team to develop a "cost-recovery approach" to FSU lending, by increasing loan officer productivity, reducing delinquencies and default, and increasing numbers of borrowers. In mid-2003, Kassahun Begashaw ACDI/VOCA senior project accountant, and Adina Saperstein, project coordinator from ACDI/VOCA's Africa/Middle East division, traveled to Port Elizabeth to provide support to the FSU in standardizing accounting and loan tracking systems and planning for the transition from ACDI/VOCA project support to CEBI's management with support from partner CHF.

CEBI's focus continued to target increasing the loan portfolio while keeping the at-risk loans to a minimum (well below 10%.) During the last months of the project, the FSU contributed to efforts to coordinate the partner organizations within the CEBI family – working to assess the quality of the business plans of potential clients, provide loans, and identify appropriate trainings for clients. A draft of the CEBI business plan was completed in December of 2002, and the entire project team became engaged in finalizing the plan and mobilizing to ensure that CEBI developed into a strong local institution.

More than 500 loans were approved, indicating that numerous aspiring entrepreneurs were assisted with a capital injection. Assistance was given to new and existing clients. 80% of these went to women, and there was job creation. In the last six months of the project the FSU achieved its outputs and deliverables, thanks to great team-work from all involved (donors, management, staff.)

IV. Business Development

As the FSU has to generate enough revenue in order to be financially sustainable, a portfolio of sufficient size must exist to generate sufficient revenue to cover all operational costs at the FSU level initially, and of CEBI in general. This necessitated a constant flow of business into the system. Therefore, in addition to waiting for the applicants who visited the FSU to apply for loans, staff members made a decision to personally approach individuals with good business acumen and offer them financing. CEBI's success in these business development endeavors resided in the unique competitive advantage of CEBI's approach:

- For-profit orientation,
- Township focus,
- Combination of non-financial business support with financial services,
- Focus on financial management training for customers,
- Emphasis on client impact,

- Proactive linking of township businesses with medium and large firms in Port Elizabeth,
- Strong performance-based and efficiency culture,
- Effective and proactive service delivery,
- Professional team with broad business skills, technical support capability and field orientation.

This competitive advantage opened the door for CEBI to negotiate contracts with local government and other stakeholders to take on key roles in delivering business and financial services in the townships. A large number of private sector firms became aware of CEBI's reputation and have responded positively to discussions of developing functional links with CEBI. This was the case with the municipality, as well as with COMSEC, a Port-Elizabeth-based advisory center, USEC, local schools, and other stakeholders. CEBI also made significant inroads to working with local associations and cooperatives such as ACHIB and schools.

The FSU was also active in assessing the market demand for new loan products and developing new varieties of loans to target this demand. The new "Speedy Loans," for example, offered small loan amounts for very short repayment periods to people attempting to respond to an immediate business opportunity. These loans required a solid business idea as well as strong experience in the area they were trying to finance. Speedy loans were structured carefully and accessed through associations and cooperative groups to reduce risk, and enjoyed overwhelming success, attracting a total of 767 borrowers, with 88% repayment rates.

V. Program Achievements

- Of the 1,223 applications processed since initiation in April 2001, 946 or 77%, relate to the final semester of the project. In monetary terms, R3,224,950 worth of applications were approved, of which R1,271,758.72 relate to the final project period.
- Of the total of 868 loans approved since inception, 81% relate to the last six months. The additional loan officer and bookkeeper will have helped increase the overall capacity of the FSU to roll out more high-quality loans.

	Cumulative Total	Last Six Months	% of Total
Total applicants	1,223	946	77%
Rand value	5,202,641	3,224,950	62%
Approved loans	1,067	868	81%
Rand value	2,539,292	1,330,462	52%

VI. CONCLUSION

After some delays, the transfer of control of the $265,000 loan fund to CHF was approved by USAID/Washington, and at June 30, 2003 ACDI/VOCA ended its programmatic activity with the project. ACDI/VOCA staff felt bullish about the FSU's prospects in 2003 in their final report; hopefully things worked out as they anticipated.

G. UKRAINE

COOPERATIVE DEVELOPMENT PROGRAM
Cooperative Agreement #: FAO-A-00-00017-00
UKRAINE FINAL REPORT

I. INTRODUCTION

ACDI/VOCA initiated Cooperative Development Program (CDP) activities in Ukraine in 1997 in partnership with Southern States Cooperative (SSC). This partnership was a unique arrangement with a U.S. cooperative that, while it had limited USAID project management experience, had demonstrated an interest in expanding its international operations, while providing assistance to nascent cooperatives in Ukraine. The collaboration between ACDI/VOCA and SSC overall was successful in drawing on SSC's knowledge of input supply cooperatives and business management, and provide training at their facilities in the United States for selected cooperative leaders and managers during the program. Meanwhile, ACDI/VOCA was able to offer years of experience in working in transitioning countries and grounding some of the SSC approaches with the realism of working in Ukraine.

Western Ukraine was selected for CDP assistance based on an initial analysis that determined that the region had the following four desired elements:

1. Resources available to support cooperative formation;
2. Supportive and pragmatic local governments;
3. Well-organized local farmers; and
4. Good local farm leadership

The initial assessment also identified that considerable work would be necessary before input supply cooperatives in Ukraine would be ready to implement sophisticated systems and that initial assistance needed to be provided on building and strengthening the organizational and managerial capacity of the participating cooperatives.

Project Goal: To form at least one democratic, private farmer-owned cooperative in Western Ukraine to supply agricultural inputs, credit, and private marketing services to its members.

CDP-Ukraine was extended for two years in June 2002. The purpose of the extension was to assist the participating CDP cooperatives (Rivne, Sambir, and Zhydachiv) to mitigate constraints to cooperative salience including a lack of a consistent source of high quality inputs, management turnover, farmer reluctance to pay higher prices for an unknown product, lack of marketing and financial management experience, and farmers lack of access to credit necessary for the purchase of input supplies.

ACDI/VOCA proposed to address the following targets and objectives (identified for ACDI/VOCA's umbrella CDP cooperative agreement) during the CDP-Ukraine extension period:

Target 1: **Good governance/member needs**
Objective 2: To improve cooperative and association knowledge management/communication.
Objective 3: To increase cooperative membership and membership loyalty.

Target 2: **Cooperative Salience/Competitiveness**
Objective 2: To improve marketing capacity and effectiveness.
Objective 3: To improve product quality.
Objective 4: To increase access to credit and finance.

II. PROGRAM ACCOMPLISHMENTS

CDP-Ukraine has achieved or exceeded all of the original project objectives and benchmarks in support of the creation of viable input supply cooperatives in Western Ukraine. The achievements of the project have been impressive, including: 1) four functioning cooperatives offering input supply services to their members; 2) the licensing of seven mineral pre-mixes; and, 3) the establishment of a stable and reliable supply of pre-mixes for the four CDP cooperatives. While these accomplishments have exceeded many of the original expectations, there are still a number of changes required within Ukraine's agricultural sector and enabling environment before the formation and breadth of cooperatives can reach a broader national scale and significantly impact the Ukrainian agricultural sector. CDP-Ukraine can point to several key milestones that have been achieved:

- Four democratic, private, farmer-owned input supply cooperatives have been established and offer services to their members in Rivne, Sambir, Zhydachiv, and Khmelnysky.
- High-quality feed with improved protein content is produced, marketed, and sold to cooperative members and customers resulting in increased yields and performance.
- Procedures for adjusting and creating new feed formulas have been established and performed, including the testing the new formulas on demonstration plots.
- Governance and transparency within each of the cooperatives has been improved through strengthened executive management, regularly held board meetings, elections, and annual meetings.
- Seven pre-mixes for beef vitamin, dairy vitamin, breeding swine vitamin, marketing swine vitamin, poultry vitamin – layers, poultry swine vitamin – broilers, and dairy and beef liquid feed have been legally licensed in Ukraine. Each of the cooperatives has received legal rights to use, produce, and market feed produced with these pre-mixes.
- A safe, reliable, and tested supply of pre-mixes has been created for the CDP cooperatives through the establishment of a small pre-mixing business that produces in accordance with the registered formulas.
- The positive results from using high-quality feed have been demonstrated and marketed effectively to private farmers through farmer field days, field trials, educational materials, and media events.
- Cooperative members have improved their access to credit from commercial banks, credit unions, and the Ukraine Agricultural Finance Development Foundation.

III. LESSONS LEARNED

During the past seven years of CDP activities in Ukraine, ACDI/VOCA and SSC identified a number of lessons learned and emerging trends in cooperatives and business development programs. ACDI/VOCA and SSC drew on these lessons to implement a results-oriented approach that was appropriate in the development of four feed supply cooperatives in Ukraine.

- Cooperatives can operate effectively in Ukraine but additional reforms are still required in order to ensure the continued growth and expansion of farmer cooperatives throughout the country.
- Effective program implementation requires full-time on-the-ground presence in Western Ukraine. This was further highlighted by the results attained in having Ms. Nadia Potabenko serve as the full-time in-country Project Coordinator from June 2002 – June 2004.
- CDO – U.S. cooperative partnerships can be effective in achieving cooperative development goals and encouraging U.S. cooperative interest in international trade and investment. However, American cooperatives are not USAID implementers, and are more effective when left to focus on the technical aspects of program implementation.

- Farmers need to be educated (member education) on the economic benefits associated with using high-quality feed, which may be more expensive. Effective methods include field testing, farmer field days, demonstration plots, educational materials, follow-up personal discussions, and media events.
- Farmers are more willing to spend more for high-quality feed if they have access to affordable credit.
- Cooperative board members and directors need to understand their role and improve their capacity to develop business strategies in planning for future economic growth.
- CDOs need to resist the temptation to financially support nascent cooperatives, instead encouraging cooperative management to invest their own funds in building the cooperative's infrastructure.

IV. PROGRAM APPROACH

During the two-year extension period, ACDI/VOCA implemented a four-pronged strategy to upgrade the competitiveness of the input supply cooperatives enabling them to better compete with lower-quality and lower-priced domestic feed products. The strategy involved activities related to improved feed quality, improved marketing capacity, strengthened business planning and financial performance, and increased access to credit and finance. The following section describes the activities and results of CDP-Ukraine in accordance with the targets, objectives, problems and solutions identified in the two-year extension work plans for the umbrella ACDI/VOCA CDP Cooperative Agreement.[11]

A. Good Governance/Member Needs (Target 1)

Objective 2: **To improve cooperative and association knowledge management/communication.**
Problem: **Poor local management and inadequate access to information.**
Solution 2: **Facilitate efficient and effective office management techniques.**

CDP-Ukraine was responsible for the formation of three input supply cooperatives in Rivne, Zhydachiv, and Sambir. While the farmers had some knowledge of cooperative principles prior to the formation of the cooperatives, it became readily apparent that this knowledge was only rudimentary. ACDI/VOCA, together with Southern States, worked diligently throughout CDP-Ukraine to not only train the membership and management on internationally-accepted cooperative principles, but worked to ensure these principles were accepted, adopted, and implemented. Each of the participating CDP cooperatives received a donated feed mill for their input supply operations. One additional cooperative- in Khelmitsky- was later added to CDP program activities. Khelmitsky was not formed with assistance from CDP nor did it receive a donated feed mill, but its performance was quite good and its desire to produce high-quality feed and to operate in accordance with generally-accepted cooperative principles made it a good partner for CDP-Ukraine.

There have been a number of challenges over the life of project related to improved good governance and cooperative knowledge management and communication. These included ensuring that the larger farms did not dominate the cooperative at the expense of the smaller members, weak executive management with little experience, inconsistency in feed production, and several shocks to the agricultural sector (particularly the grain crisis of 2003). Mr. Tom Garnett, Southern States Cooperatives Technical Advisor, traveled extensively throughout the first four years of program implementation to assist the cooperatives in developing bylaws, policies and procedures, applicable management structures, and internal controls. Mr. Garnett was also instrumental in working with each cooperative on board/member relations and in assuring that each cooperative board member was trained in their

[11] Not all of the Targets, Objectives, Problems and Solutions identified for CDP globally were applicable to Ukraine and therefore only those that were initially identified for Ukraine have been reported on in the final report.

important role and in ensuring that regular cooperative board and annual meetings were held in accordance to the procedures adopted by each cooperative.

ACDI/VOCA and SSC recognized in 2002 that there were still managerial issues that were constraining and hindering the operations of the cooperatives. ACDI/VOCA determined that in order to address this issue the program needed to have a full-time presence in Western Ukraine in order to facilitate communication between the cooperatives as well as improve communications between CDP and the cooperatives. In 2002, ACDI/VOCA hired Ms. Nadia Potabenko as the CDP-Ukraine project coordinator, based in Lviv. Ms. Potabenko was tasked with in-country implementation, including providing assistance in marketing, business planning, and improved financial performance of the cooperatives. She coordinated the activities of ACDI/VOCA and SSC's technical staff, volunteer experts, and short-term Ukrainian consultants. Most importantly, Ms. Potabenko collaborated with each of the cooperative executive directors on a weekly basis, strengthened their capacity to manage the cooperative, better serve the membership, and to improve their understanding and ability to properly manage the finances of their operations. She also assisted the cooperatives to work through issues and problems and attended each of the cooperative board of directors and annual meetings. The cooperatives have all survived through some difficult economic situations over the last few years and have given every indication that they are committed to the cooperative model and will continue to adhere to generally-accepted principles after program close-out.

Case of the Rivne Cooperative:

The Rivne cooperative is a good example of how CDP was able to improve cooperative management. In 2001, CDP determined that the cooperative's board was inadequately addressing mismanagement incidents and was making serious mistakes in pricing and quality control practices. The membership did not seem to fully understand the seriousness of the problem and lacked solutions. CDP sent several warning letters to the board and membership. Many of the cooperative members eventually asked CDP to assist them in improving their cooperative and business skills. CDP initiated a series of targeted activities aimed at improving financial analysis, management decision-making, input supply procurement, marketing, bookkeeping, and administrative systems. As a result of this collaboration, the Rivne cooperative has installed and adopted sound cooperative business management practices including: basic nutrition information, input and output quality-control practices, inventory reporting, accounts tracking, and order processing. Rivne also developed a database of suppliers and potential customers and a package of sample contracts that are used in all aspects of the feed business.

Objective 3: To increase cooperative membership and membership loyalty.
Problem: Low/poor membership loyalty reduces overall economic health of the cooperative.
Solution 4: Establish mechanisms in the cooperative to address member grievances.

The membership of each of the cooperatives is strong and committed to the feed operations. While the number of members has varied over the life of the project, ACDI/VOCA is confident that the current members are members because they want to be members and because they receive value from their membership in the cooperative. The Rivne cooperative has 24 members, Sambir 11 members, and Zhydachiv 11. All of the members are small- to medium-sized private farmers. A good example of the importance of the cooperative to the membership and the sustainability of their operations was the response that each of the cooperatives employed as a result of the severe grain crisis in 2003. While many farms were feeling the adverse effects of the crisis, the members of each of the cooperatives were able to weather this storm by taking joint and collective action.

Ukrainian livestock industry suffered greatly from that severe grain crisis. CDP calculations showed that only larger poultry and pork farms were showing positive gross margins during this difficult period. In the spring of 2003, the price for pork dropped twice and under the conditions of the heavy grain deficiency, it made pork farming unprofitable. As a result, most of the customers and members in Sambir and Zhydachiv decreased their herds. In Rivne and Khmelnytsky, the herds were preserved, but there was no growth in production. The cooperative leadership and CDP made several strategic decisions in order to ensure that the feed operations could survive until the grain harvest. These decisions included: (1) to prevent herd slaughtering; (2) to assist cooperative members and customers in meat and milk marketing, which resulted in the formation of a marketing cooperative; and, (3) to decrease feed production costs and substitute the expensive grain component. It was the collective action of the cooperative members and these joint decisions that helped most of the CDP customers survive the crisis of 2003, preserve their herds, and eventually improve their performance. In 2004, the grain price was affected by the increase in fuel prices, but the forecasts are still positive, and the price for the livestock products is likely to stabilize, which promises the feed industry a stable if not increased income. The decisions in 2003 enabled the cooperatives and their members to survive, which has put them in a position to take advantage of a more favorable economic climate in 2004.

B. Cooperative Salience/Competitiveness (Target 2)

Objective 2: **To improve marketing capacity and effectiveness.**
Problem: **Ineffective marketing reduces the ability to sell product and earn revenue.**
Solution 2: **Facilitate the cooperative in identifying where their product(s) fits into the industry as a whole.**

ACDI/VOCA and the cooperatives realized in 2002 that while high quality feed was being produced that the cooperatives need to expand their customer base and find more effective and efficient approaches to marketing their product. High-quality feed was becoming more popular in Ukraine and therefore there has been greater competition, while many farmers were still skeptical that higher-quality feeds at higher costs would result in better yields and ultimately increased revenues. During the CDP extension period, ACDI/VOCA developed and implemented a marketing strategy including better pricing procedures, farmer field days, client surveys, and innovative product promotion.

Mr. Peter Brauhn, an ACDI/VOCA marketing and strategic planning volunteer specialist, was fielded for five weeks in May – June 2003 to assist the CDP cooperatives develop an integrated marketing and strategic plan for the introduction and sale of the registered feeds and pre-mixes. The target customer was identified as a "privately owned business managed by professional and intelligent business-oriented enterprises." Based on Mr. Brauhn's recommendations, CDP has identified the following tools to promote the feeds and pre-mixes to attract additional members/customers including: (1) mass media – articles about the feeds should go to the local *oblast* newspapers/magazines for the general readership and one specialized publication. Mass media representatives should be invited to the open field feed trials days, conducted by the CDP and the cooperatives; (2) continuance of feed trials; and (3) publication of the educational material on pork and poultry nutrition for distribution, including newsletters, posters and brochures. As a result of Mr. Brauhn's research a focus strategy was identified as appropriate for the four cooperatives and the pre-mix unit. Mr. Brauhn provided training on basic marketing to the members of the cooperative, cooperative customers and managers of the three cooperatives.

While the cooperatives found Mr. Brauhn's recommendations useful they determined that the dissemination of information across mass media and the development of educational materials would be too costly. In the end, the members feel that farmers are more likely to buy a product if they see tangible results for themselves, which has been demonstrated by the success of the feed trials.

Direct mail: CDP together with the cooperative leaders has developed a database of over 200 potential customers in Lviv and Rivne oblasts. CDP has made five mailing campaigns, sending very detailed information on the ACDI/VOCA nutrition program, cooperative products, and feeding recommendations. This information mostly contained educational information and was followed up by a visit of the CDP and cooperative stuff. A smaller group of current customers and cooperative members was getting regular mail on the latest developments and progress.

Direct visits: Experience showed that the response from the mailing campaign was rather limited in the farming area, but it did not necessarily mean disinterest in the product. Following the mailings, CDP made direct visits to the farms of potential customers, during which CDP and cooperative staff (later done by the cooperative staff only but in presence of the CDP representative) would popularize the results of the balanced feeds use and promote the nutritional program developed by ACDI/VOCA. Between 2002 – 2004, CDP and cooperative staff visited and revisited over 300 farmers. In addition, CDP regularly revisits the farms that became the co-ops' customers for the ongoing informational support and husbandry improvements to enhance the results of feeding.

Feed Trials: If a farmer visited expressed interest in the feeds and services offered, he was offered the opportunity to host a feed trial. During the trial, CDP staff controlled the feed consumption and experiment variables and consulted the farmer. The host farmer provided the animals, labor, paid for the feeds, collected the data on their performance, and hosted the open-house meeting. The farmer was responsible for inviting only those who were interested in the subject. **Feed Trials proved to be the most effective marketing approach for the cooperatives.** Feed trials are held on the customers' farms and the trials are open for the farms in the cooperatives' regions and neighboring *oblasts,* with the immediate revisiting of the field day participants by the CDP and cooperative managers for more detailed nutritional analysis and recommendations. At the trials, farmers of the *raion* see the results of CDP-recommended nutritional levels and hear comments made by their colleague farmers on the nutritional, health and financial benefits they have experienced.

Support service*:* Support service is provided to the stable customers after the feed trial is completed. CDP and cooperative staff revisited the customers on a monthly basis, adjusting the formulas as needed and providing additional consultancy on livestock-related issues.

Custom Formulation: One of the distinguishing features of the cooperative product was custom formulation that allowed the client to use the ingredients that he had in stock.

Pricing: CDP also assisted the cooperatives in development of the pricing system. The system stipulated the distribution of discounts for the stable customers and members, and allowed the cooperatives to tailor the feed formulation to the buying capacity of the client without compromising the animal nutrition.

Cost Effectiveness: CDP has always targeted the cost-effectiveness of the feed formulation and continues to optimize the rations through elimination of the deficiency ingredients and experimentation with new available protein sources, supplements, enzymes, vitamin, and mineral products.

Product Range*:* Towards the end of the program activity, great attention was paid to the range of products at the cooperatives. After the chicken and partridge feeds were added to the product selection, CDP started developing rations for other species. After several fish feeds trials and the visit of volunteer consultant Dr. Koch, a fish feed and premix formulation specialist, in June 2004, the series of carp rations was developed. CDP research showed that fish feed production can provide a very important service for the cooperative members. In addition to the high demand and good forecast for the equipment investment

return, it may also help the cooperative feed business to find the niche market and increase sales in summer to ameliorate the seasonal production curve. Nutritional work is being continued by Mr. Maxim, in close collaboration with Dr. Chapin and Dr. Koch. He will continue to act as a pre-mix supplier and nutritional advisor to the cooperatives after the end of the program.

General Rural Population*:* In order to attract the large portion of agricultural producers generally described as "rural population", CDP and cooperatives designed a special product – 1-2 kg packages of swine and poultry concentrate feeds that are brightly packaged and sold through the network of market outlets. The product is actively promoted on the local and national fairs, exhibitions, open-house days, and other events. As for the financial results, despite the fact that the new product has only been recently introduced, it may already be a major competitor to the bulk sales of the focus group. This has only become possible after the registration of the feeds in March 2003.

Networking*:* CDP has worked in close collaboration with the *oblast-* and *raion-* level administration zoo-technicians and veterinary doctors, extension services, technical assistance projects from the U.S. and European Union, agricultural supply companies and associations. Besides the feed trials, open-house days and thematic seminars, CDP together with other organizations has held several educational and promotional events, where great attention was paid to the issues of cooperative feeding program and cooperative activity in general. On the feed manufacturing level, CDP has developed strong professional relationships with the feed ingredient supply companies, and local and international feed research institutes. This collaboration will be maintained in the future by the cooperative management and Mr. Maxim.

Objective 3: To improve product quality.
Problem: Poor product quality leads to lower prices and reduced customer base.
Solution 1: Facilitate cooperatives in establishing product quality standards.

In 1999, livestock feed industry was one of the most abandoned agricultural segments in Ukraine. Disconnected from the central system, the farms mostly had to rely on their internal feedstuff base. In most cases, the farms did not have the technical capacity to assure sound feed practices, and thus, crops and land resources were used inefficiently, while the nutrition of the livestock was often compromised. In the meantime, the research conducted by CDP and Ukrainian National Cooperative Union (NACU) showed that a properly-run feed business could help crop farmers with marketing and value-adding to crops, and also help livestock farmers to improve their animals' performance, thus leading to a major financial benefit for both enterprises.

To prove the validity of this assumption, feed trials were conducted at the farms of the Rivne Cooperative members. The local traditional feeds were compared to the quality balanced feeds manufactured by the Kiev Atlantic plant, one of the first companies in the Ukraine that offered adequate feeds. The livestock participating in the experiment at each farm was divided into two groups, each receiving a measured amount of traditional and experimental feeds for a period of 60-90 days. The feed trials were conducted under strict control of CDP. The owner was required to keep the records of the feed consumption and performance (live weight and/or milk yield and health conditions). At the end of the experiment, the farmer would host an open-house day for the colleague farmers to compare the results – both physical and financial. The first feed trials were rather primitive events that were designed to see the general tendency and reaction of the farmers, while in the following four years, the feed trials became one of the most useful marketing tools developed by CDP and the cooperatives, and proved to be exceptionally effective in a rural environment.

The results of the feed trials in Zhydachiv and Sambir with the use of Rivne manufactured feeds were beyond any expectations, and they proved that it is possible to manufacture high-quality feeds in the Ukrainian private farmer cooperatives. Having analyzed the figures, CDP and the cooperatives came to the conclusion that using balanced concentrated feeds is profitable for the farmers and can be a sustainable business for the cooperatives. However, further development required nutritional assistance in formulating rations and in the development of the feed business itself.

In 2001, CDP conducted, with cooperative management, marketing research and collected information on the dry feeds, concentrates, and pre-mixes available on the Ukrainian market at that time. A list of available local feedstuffs was created. The nutritional values of the local ingredients were tested in the local laboratory and compared to the U.S. values. The database held over 100 feed ingredients with their nutritional data, suppliers and prices. An experienced American nutritionist, Dr. Roy Chapin, was invited to analyze the existing rations. Having spent some time evaluating the rations, Dr. Chapin came to a conclusion that most of the rations offered by the local market did not satisfy the nutritional requirements of the animals. It was decided to formulate new and unique rations especially for the cooperatives and their members.

The new rations were to be balanced not only nutrition-wise, but also with regard to economic expediency, and were to be based upon Ukrainian ingredients. For this purpose a series of 11 rations was formulated for each specie and physiological group. The rations were grouped based on the choice of the protein source (sunflower cake, canola meal, linseed meal, peas, beans, meat and bone meal, combination of sunflower cake and soybean meal, soybean meal). After multiple feed trials, experiments and calculations, optimal rations were chosen. The same work was conducted with the rations based on the energy source. The final data collected were entered into spreadsheets that allowed quick but approximate balancing and calculation of costs (as opposed to the manual data processing that took enormous amount of time previously). The cattle rations were formulated after CDP collected and processed data on the roughage part of the rations. In that case, separate rations were developed for each season, based on the Ukrainian hay/silage/roughage quality. At the request of the cooperative members, CDP developed rations with traditional Ukrainian feedstuffs, such as fodder beets and potatoes. In late-2001, the optimal sets of rations for cattle and swine were presented to the cooperative boards of directors, and the managers received intensive training in nutrition and feed-mixing according to the new rations.

The recipes formulated by the CDP were balanced on 40 nutrients and required custom-made premixes. Premix supply became a critical issue in winter 2002 when the cooperatives had several serious problems with pre-mix suppliers, starting with a two-month delay in delivery and ending with diluted and infected products. The work of several farms was upset, and several important feed trials were put under the threat of failure, while the cooperatives and CDP were losing customers that were gained with considerable effort. The reputation of the whole nutrition program was compromised and it was decided to start manufacturing the pre-mixes at the cooperatives. The formulation work for the pre-mixes was done soon by Dr. Chapin. CDP personnel identified optimal local and foreign ingredients and suppliers for the minerals and vitamins. Mr. Vasyl Maxym, a private entrepreneur and the CDP feedstuff advisor, installed pre-mix equipment at Sambir cooperative facility and the first batch of CDP pre-mixes was made in March 2002. The cooperatives received a reliable and stable pre-mix supply that was completely controlled by Mr. Maxim. The first pre-mixes were monitored on the farms of two Sambir cooperative members and showed perfect results. By May 2002, all the cooperatives' customers had switched to the CDP- formulated pre-mixes and formulas. In March 2003, seven premixes were registered with Ukrainian authorities. The nutrition information about the recipes and practical information on feeding the new feeds and analyzing the results was summarized in "Applied Swine Nutrition Basics" and "Applied Cattle Nutrition Basics" manuals that were disseminated among the cooperative members and customers.

In 2002, the new series of rations were developed for poultry. It included formulas for chicken broilers and layers, turkeys and geese. The feeds were tested on the medium-size and large farms and corrections to the formulas were made throughout 2002 and 2003. In spring 2004, poultry concentrates specially formulated for the small farms were introduced and a new product became very popular in the summer of 2004.

Pre-mix Formulation:

Vasyl Maxim, the CDP pre-mix formulation expert, has been preparing the pre-mixes for the co-ops since March 2002. Together with former CDP consultant Roy Chapin, he developed recipes with the most effective ingredients for livestock farming in Ukraine. Recipes were written specifically for pigs, sows, and chickens. Throughout the course of the CDP program, Mr. Maxim has attended seminars and exhibits, and he has acquired educational material from local institutes in order to further his knowledge and expertise in developing the pre-mixes and concentrates. In June 2003, he attended an exhibit in Kiev that showcased equipment used for the production of soy, pea, and bean feed. He attended a similar exhibit in Moscow in February 2004. In June 2003 and September 2003, Mr. Maxim attended two trainings in June and September of 2003 presented by Aventis, a European firm that produces high-quality vitamins for animal feed. The trainings improved Mr. Maxim's knowledge of nutritional levels in pre-mixes and feed resulting in his ability to reformulate the feeds. Presently, the formulas Mr. Maxim is using require less flour grain, more fodder cereals and sunflower cake. He was able to do this while maintaining the overall quality by introducing fiber degrading enzymes to the formulas. The information learned by Mr. Maxim has been disseminated to each of the cooperatives and their members.

Key Results:

- Each of the four CDP participating cooperatives is preparing high-quality feed for cooperative members and customers using the feeds and pre-mixes registered by ACDI/VOCA with the appropriate state agencies. The seven registered pre-mixes include:
  - Beef vitamin – mineral pre-mix;
  - Dairy vitamin – mineral pre-mix;
  - Breeding swine vitamin – mineral pre-mix;
  - Marketing swine vitamin – mineral pre-mix;
  - Poultry vitamin – mineral pre-mix for layers;
  - Poultry vitamin – mineral pre-mix for broilers;
  - Dairy and beef liquid feed.

- The four cooperatives produced 578,000 tons of feed in 2002 and 610,000 tons of feed in 2003 using the registered pre-mixes.

- Mr. Vasyl Maxim, a private entrepreneur, is producing legally registered pre-mixes for the four feed cooperatives ensuring high quality and consistency in the production of the feed.

Objective 4: **To increase access to credit and finance.**
Problem: **Limited access to capital reduces the ability of cooperatives to grow and innovate.**
Solution 2: **Increase cooperatives access to credit and finance information.**

Gaining access to credit and finance continues to a major constraint for all of the cooperatives. While the members understand the importance of using high-quality feed, their ability to pay for the feed when they need it is severely limited given their financial situations. This has impacted both the financial performance of the cooperatives as well as the financial performance of the membership. In 2003,

program supervisor Jeff Singer held discussions with The Ukraine Agricultural Finance Development Foundation (UAFDF), founded by ACDI/VOCA, on how to improve information on credit to the cooperatives and increase collaboration between UAFDF and CDP. UAFDF issued a total of seven loans to CDP cooperative members and/or customers during 2003 for a total amount of 87,000 UAH.

V. PROGRAM MANAGEMENT

CDP-Ukraine was managed by ACDI/VOCA's Europe and Asia (E&A) Division. E&A was responsible for program administration and technical implementation and provided all the necessary information required for program reporting to the Latin America Global Division, which has responsibility for CDP compliance to USAID. **Mr. Jeffrey Singer, Director Europe and Asia**, served as the project supervisor and was responsible for implementing the work plan, achieving program results, overseeing the work of the Ukrainian staff, and sub-grantee and financial management. **Ms. Janet Neice,** an **HQ project coordinator**, provided backstopping and assisted the field staff by administrative support, financial management, program information compilation and reporting, and coordination of stateside activities. Ms. Neice was also instrumental in coordinating the mobilization of the volunteer experts and in supervising program close-out activities.

Ms. Nadia Potabenko, Ukrainian project coordinator, was based in ACDI/VOCA's L'viv office. Ms. Potabenko was responsible for in-country implementation, including providing assistance on marketing, business planning, and improved financial performance of the cooperatives, as well as coordinating the activities of ACDI/VOCA's and SSC's technical staff, volunteers, and the short-term Ukrainian consultants.

Southern States Cooperative (SSC) served as a sub-recipient to ACDI/VOCA during the first five years of project implementation. SSC's activities were managed by **Mr. Tom Garnett,** who focused exclusively on cooperative governance and improved feed quality.

Several international consultants and volunteer specialists were fielded over the life of the program, including **Mr. Johney Williams**, **Mr. Roy Chapin**, **Mr. Peter Brauhn**, and **Mr. Kim Koch**. These specialists worked on feed formulation, pre-mix quality, cooperative management, and marketing.

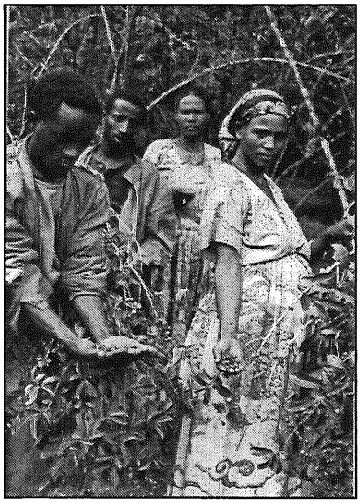
H. SCOPE

SPECIALTY COFFEE PROMOTION IN EASTERN AFRICA (SCOPE)

FINAL REPORT

In many East African countries, coffee accounts for half of export earnings, and yet actual returns to smallholder coffee farmers remain low. A lack of marketing skills and the ability to liaise directly with buyers and exporters has forced producers to accept less than fair returns for their coffee. The founders of the Eastern African Fine Coffees Association (EAFCA) recognized the region's potential for the production and marketing of high quality specialty coffee that would substantially increase smallholder farmers' incomes.

EAFCA was established in May 2000 with the stated mission "to establish and promote partnerships and networks amongst those participating and having an interest in quality coffee production, processing, and marketing in the Eastern Africa coffee-growing region." EAFCA currently has over 90 members from both the private and public sectors. These members include producer cooperatives and unions, marketing firms, coffee consultants, trading companies and exporters, country coffee boards, government agencies and ministries, retailers, and non-governmental organizations (NGOs). Such a diverse representation from all stakeholders in the coffee sector gives the institution the necessary credibility to serve as a bridge for policy dialogue and coordination.



EAFCA aims to strengthen the position of East African coffee farmers in regional and global markets. Specifically, its vision is "to enhance the quality, competitiveness and profitability of the Eastern African coffees in global markets, thereby improving the well being of the producers and ensuring consumer satisfaction." Headquartered in Kampala, Uganda, EAFCA has country chapters in Burundi, Ethiopia (see Ethiopian Limu coffee pictured at left), Kenya, Rwanda, Tanzania, Uganda, Zambia, and most recently Malawi. Zimbabwe is in the process of finalizing its registration as a member.

ACDI/VOCA's partnership with EAFCA was established in June 2002 with the launching of the Specialty Coffee Promotion in Eastern Africa (SCOPE) project, which is under the wider Cooperative Development Program (CDP) grant, funded by the US Agency for International Development (USAID). The SCOPE project focused specifically on strengthening the capacity of the EAFCA Secretariat and facilitating regional policy dialogue and coordination within the East African coffee sector. Stanley Marenge, ACDI/VOCA's Regional Marketing Coordinator

and Chief Technical Advisor, provided ongoing technical assistance to EAFCA in coffee promotion and marketing activities.

Funded under a Modification to the original CDP grant, the SCOPE Program was originally designed to be a fourteen-month program, but was extended an additional four months due to a combination of factors that combined to prevent the project from meeting its stated objectives within the proposed period. These factors included the insecurity within the East Africa region both during and following the Iraq war, which twice prevented regional meetings from being held. Moreover, funding from the World Bank had a late release that temporarily prevented the completion of the regional policy study, which in turn affected the program's ability to facilitate the regional policy forum. Finally, the extension provided sufficient time to pilot the materials that have been developed for training of farmers in Coffee Farming as a Business (C-FaaB).

SCOPE COMPONENT 1: ESTABLISHMENT OF THE EAFCA SECRETARIAT

The first objective of the SCOPE program was to help establish and strengthen the capacity of the EAFCA Secretariat to plan, manage, and promote the activities of the Association, recruit new members, develop strong relationships with partners, donors, and members, and eventually become financially self-sustainable. The number of EAFCA members grew from 67 at the beginning of the project to 93 at the end of October 2003, which translates into a growth of nearly 40 percent, and exceeds the target of 85. Much of this growth was due to the successful promotion of the Association in both Boston and Rome.

Development of the Strategic Plan

EAFCA's Strategic Plan was finalized at the Board meeting in August 2002, with a focus on eight strategic objectives:

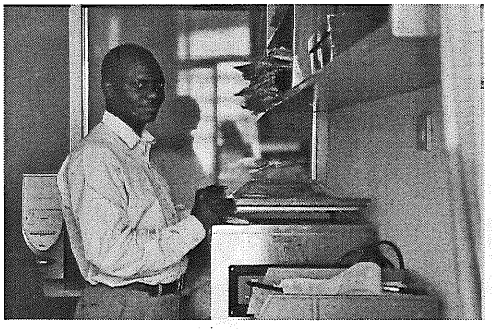
1. Improving the financial stability and productivity of the Association;
2. Promoting the welfare of the smallholder producers and quality improvement;
3. Developing an educational and training program for all players in the African specialty coffee industry;
4. Working with and directly supporting the establishment and implementation of modern coffee auctions and specialized regional marketing infrastructure;
5. Working within the established structures for regional cooperation and enhancement of the unified and unique character of the African specialty coffee industry;
6. Working in liaison with other organization and institutions on matters relating to the promotion of the African fine coffee industry, and facilitating joint activities in our coffee sub-regions;

7. Establishing an African-based certification body, and working with others to develop a globally acceptable certification program for African coffee producers particularly conscious of the needs of smallholder producers in Africa; and
8. Promoting domestic consumption of coffee in the region and developing the regional markets for such coffee.

Promotion and coffee sales

One key aspect of strengthening the Secretariat involved promotion through the Internet and other media. Fred Kawuma, Executive Director of EAFCA, held frequent interviews with local journalists in Uganda throughout the length of the SCOPE Project, discussing EAFCA's activities and objectives. Topics covered in these interviews included quality improvement, appellation[12] development and the promise to increase smallholder incomes through branding, improved market access and improved quality of coffee. Local radio broadcasts subsequently covered this in newscasts and discussions.

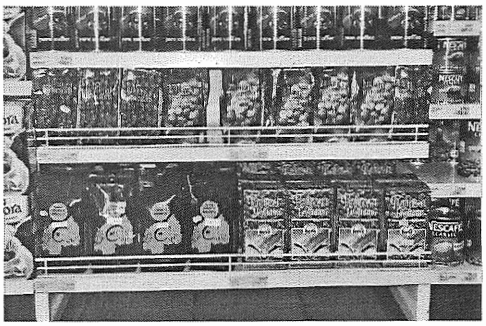
EAFCA continued with its promotion of domestic consumption through promotion of a special brand of coffee through the SHOPRITE supermarket in Kampala. This was also part of the wider promotion of a regional brand of specialty coffees from the EAFCA countries, which are to be introduced to the greater chain of the SHOPRITE stores across Africa. Discussions with the management of SHOPRITE in South Africa are ongoing, as are discussions with other retail outlets. Once EAFCA has established the brand, it will provide certification to members to supply to all outlets promoting the EAFCA brand in different countries. The coffee being promoted here is pure coffee, of high quality, and attracting a premium for the farmers. It is sent to EAFCA in Kampala and vacuum-sealed at the Headquarters office (see picture below) before being delivered to the supermarket.



Contacts were also made with UCHUMI and METRO stores to secure shelf space for promoting an EAFCA brand, *Kahawa Maalum* (Swahili for "the Pinnacle Coffee"). Other brands are to be developed and promoted, as a way of raising income for the association. Progress on this effort will be reported in the course of the year. A franchise arrangement is to be developed so that EAFCA members who are in the coffee roasting business can manage the brands while EAFCA will concentrate on the promotional aspects.

[12] Appellation is a concept borrowed from the French wine industry. Coffee appellation is part of EAFCA's branding strategy, aimed at selling coffee on the basis of origin and trace-ability. Each country will develop their own brands and EAFCA will provide support in areas of joint activities such as promotion. While several producing areas in the region have coffee that has the potential for appellation, coffee from such appellations must be of exceptional quality, and only a fraction of each country's coffee can be put.

During the last four months of the project, there were average sales of 250 packets of *Kahawa Maalum* per month, compared with the target of 200 (see picture at right of *Kahawa Maalum* coffee on the shelf of SHOPRITE in Kampala). However, deliveries South Africa were delayed as EAFCA awaits an assessment visit by a team from SHOPRITE headquarters in Cape Town. EAFCA intends to franchise the brand promotion and maintain a certification role through which it would earn some commissions.



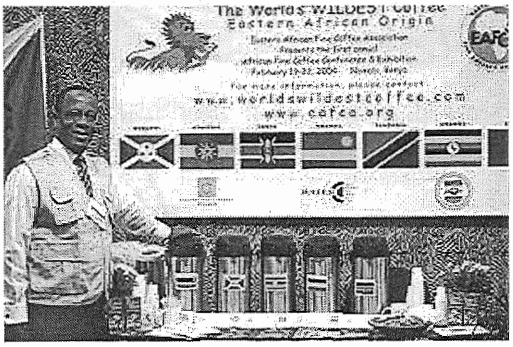
Development of Platform for Trading Specialty Coffee from Eastern Africa

A study was completed in January 2003, evaluating EAFCA's first cupping competition and Internet auction. The report from this study, prepared by an eminent coffee consultant, Jan van Hilten, pointed out that it would be unwise for EAFCA to rush into holding another Internet auction without the support of the SCAA's experts working on the Cup of Excellence program, which organizes cupping competitions and Internet auctions for coffee from South and Central America. Thus, while a cupping competition was arranged as part of the regional meeting in Addis Ababa, no auction was conducted. It was agreed that the next EAFCA Internet auction would be held in July 2004. The success of the auction is seen as critical to the success in establishing the regional trading platform.

The establishment of a trading platform for specialty coffee in the region is seen as a long-term project, which will be carried out in phases. EAFCA was not able to obtain funding to carry out the feasibility study for a regional specialty coffee exchange. However, agreement has been reached with RATES to obtain support in engaging policy makers in the region is establishing a protocol for cooperation under which such an exchange could be established. This is to be undertaken in the course of 2004.

Participation in the SCAA Conference & Exhibition in Boston

Thanks to logistical and financial support from ACDI/VOCA, EAFCA made a strong showing at the 15th Annual Specialty Coffee Association of America (SCAA) Conference and Exhibition. Held at the John B. Hynes Veterans Memorial Convention Center in Boston from April 25 to 28, 2003, the SCAA conference brought together important producers, buyers and decision-makers in the specialty coffee industry from over 60 countries. An estimated 8,000 attendees were registered as participants, a list that included coffee producers, exporters, buyers from leading roasters, large- and small-scale retailers from every segment of the industry, and food service managers.



EAFCA presented a large, colorful exhibit of East African specialty coffees. Seventeen delegates from the six country chapters of EAFCA (Burundi, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda) manned the booths and displayed their coffees – green, roasted, ground, and brewed. As fellow participants enjoyed sampling the different coffees, the EAFCA

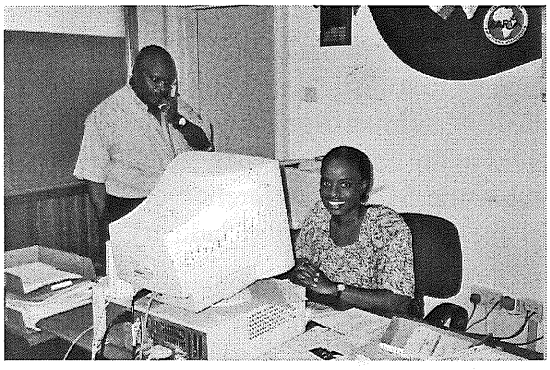
representatives had the opportunity to make contacts with buyers and the leading suppliers of resources for the specialty coffee industry. Stanley Marenge (pictured at left) provided logistical support for the whole operation.

EAFCA Executive Director Fred Kawuma, Board Chairman Paul Mugambwa, and Stanley Marenge were sponsored by ACDI/VOCA to attend educational seminars and programs, as well as a charity luncheon hosted by the Coffee Quality Institute (CQI), introducing the new Coffee Corps volunteer program. Through the Coffee Corps, experienced consultants from CQI will provide technical assistance to coffee producers around the world.

Preparations for the First African Fine Coffee Conference & Exhibition

Following its attendance at the Specialty Coffee Association of America Conference and a coffee trade fair in Rome in 2003, the EAFCA Secretariat is currently preparing to host its own specialty coffee trade fair next year. The first African Fine Coffee Conference and Exhibition will be held in Nairobi in February 2004 and will feature keynote speakers, a cupping competition, and the launch of the East Africa coffee auction, as well as seminars on coffee appellation, marketing and promotion, quality control, and trade. This event, with the theme of "World's Wildest Coffee – Eastern African Origin," is supported by the USAID-funded Regional Agricultural Trade Expansion Support (RATES) program. Already, a high level of interest has been expressed by local, regional and international participants and exhibitors who have registered for this event. More information can be obtained by visiting the conference website (www.worldswildestcoffee.com), as well as the main EAFCA website (www.eafca.org). Two-thirds of the available exhibition space have been booked as of January 2004, and the Zambia chapter of EAFCA has already indicated their interest to host the 2005 conference.

Financial management and funding



The EAFCA Secretariat has developed a sound financial management system. The Association underwent an external audit on an annual basis under the SCOPE Program. The audit of EAFCA's accounts for the financial year ending 30th September 2003 was conducted by Ernst and Young Certified Public Accountants at the end of 2003, ahead of the board meeting in Addis Ababa, Ethiopia. The audit report was considered by the Finance Committee and thereafter presented to the Board, and was accepted. In addition, the Secretariat has promptly sent monthly financial reports to its donors, as well as regular program and financial reports to Board members.

EAFCA's Finance and Accounting Manual was drafted with the help of local consultants, reviewed by the Finance Committee, and finally adopted by the Board of Directors at their sitting in April 2003, and became effective on June 1. This manual is expected to help in improving EAFCA's financial systems and makes it more credible to partners and donors.

In January 2003, the Executive Board of the International Coffee Organisation (ICO), endorsed and approved EAFCA's request to the Common Fund for Commodities (CFC), for help in the

preparation of a Project Proposal to support specialty coffee development in Eastern Africa. In July 2003, the Consultative Committee of the CFC accepted the proposal and gave approval for a project to be developed for EAFCA, entitled Coffee Certification Programme Development in Eastern Africa. A CFC-appointed consultant was to prepare the project document for consideration by the CFC Board, and the process of project preparation in still ongoing.

Discussions continued with the ICRAF (Nairobi) Regional Office, in the development of a regional project aimed at promoting shade trees among coffee farmers in the six countries of Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda. The project was to be supported by CIRAD, a French Government agency, in collaboration with ICRAF. Approval for the funding is still being awaited from the French Ministry of Foreign Affairs.

In line with the agreement between USAID and the World Bank, under which a trust fund to support agricultural research and trade promotion in Africa had been concluded, EAFCA received a disbursement of US$300,000 to support programs during 2002/2003, although this disbursement was delayed from its expected year-end date, due to the holiday season .

ACDI/VOCA provided funding for EAFCA's operating expenses throughout the length of the SCOPE Project. The SCOPE Project having ended, EAFCA is to receive support from RATES to cover both the costs of organizing the WWC conference in Nairobi, Feb 2004, and operating expenses for the secretariat for the coffee year 2003/04. This is part of the capacity building and institutional strengthening. EAFCA will also be assisted by RATES to specifically work towards self-sustainability.

COMPONENT 2: REGIONAL POLICY DIALOGUE AND COORDINATION

A policy study was undertaken in January 2003, covering the six founding member countries of EAFCA: Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda. The study was completed in June, and the final draft report was presented to EAFCA in July. In addition, a list was developed of policy makers in each country, and an e-mail-based policy list-serve was created.

Arrangements for holding the first regional coffee policy forum were frustrated by the regional insecurity owing to the Iraq war, but it was rescheduled to November 2003. The forum was held in Addis Ababa, Ethiopia, and attended by representatives from 9 countries where EAFCA has chapters. It was not possible for the Democratic Republic of Congo (DRC) to participate as they had just joined the association, and resources were not immediately available to facilitate a representative from that country to attend. The forum reviewed a report presented by a consultant who carried out policy studies in 6 EAFCA countries. The findings were noted to be very helpful in guiding each chapter in matter of the policy agenda in the respective countries. The new member countries of EAFCA that were not covered by the study expressed interest in such a study in their respective countries. Generally, it was acknowledged that the process of policy advocacy would be greatly enhanced by the availability of pertinent data and information on the respective countries, and EAFCA was appreciated for the work done. A regional policy taskforce was created during the same occasion.

COMPONENT 3: SUPPORT FOR SMALLHOLDER ORGANIZATIONS

Development of materials for Coffee Farming as a Business (C-FaaB)

Although this component was not directly funded under the SCOPE grant, it is appropriate to note that during this period a study was commissioned by EAFCA for the National Smallholder Business Centre (NSBC), to produce training materials for coffee farmers, based on ACDI/VOCA's training manual for *Farming as a Business* (FaaB). The materials, known as ***Coffee Farming as a Business*** (C-FaaB), were used for training farmers in Mubende district, Uganda, as a pilot, and adaptation was done. The estate farmer, working with out-growers paid a portion of the costs for the training that was conducted (by NSBC). These materials will be made available to the different chapters (as a template) to be adapted to the specific country contexts, forming an important component of farmer training materials. Bilateral funds will be needed at the chapter level to adapt the materials. These materials should go a long way in improving the production, processing and marketing of smallholder coffee for the specialty markets.

CONCLUSION

The SCOPE project was very successful in strengthening the EAFCA Secretariat and facilitating regional policy dialogue and coordination, and scored over 100% in the achievement of project objectives (see attached summary of *"Performance Targets and Level of Achievement"*).

The organization has made great strides in increasing membership and in making contacts with various potential international development partners. Given the success that has been registered by EAFCA in its advocacy role and in promotion of members' coffee, the level of interest in EAFCA's work has increased and many donors have made inquiries about what the Association is doing. Various presentations and concepts papers have been presented to potential donors and there is hope of securing support for other projects in the future. The donors contacted include the Common Fund for Commodities (CFC), the Dutch Government, the European Commission, DANIDA, SIDA, CIDA, JICA, and the French Government.

The growth of EAFCA's membership to incorporate southern African countries has led to a debate regarding the name of the Association (EAFCA). The matter was discussed at the board level and is to be resolved at the members' forum during the February 2004 conference. One key proposal is to change the name to African Fine Coffees Association, while the acronym "EAFCA" would remain the same for purposes of corporate identity and brand recognition. However, it is a fact that the association has gained importance in the coffee fraternity and will likely become an important reference point for the industry both regionally (Africa) and internationally. Whatever name is adopted for the association, if the proposed change is pursued, the role of ACDI-VOCA in its institutional development phase has been significant in laying the foundation for the future.

The brand promotion initiative is likely to grow into an important service to the members. If brand recognition of the EAFCA label is achieved and members can be certified by EAFCA to use that label, it will achieve two things: a benefit to the members and revenue to EAFCA. The EAFCA annual conference and exhibition, to be launched in February 2004, will undoubtedly raise the profile of the association, and with time become like the annual event of the Specialty Coffee Association of America (SCAA). This will become an important money generator and

will contribute towards financial sustainability to meet operational costs, so that donors can only be approached to finance specific projects.

The SCOPE project closed in the fall of 2003, but the Secretariat of EAFCA has been strengthened through its partnership with ACDI/VOCA, with contacts made at coffee conferences and trade fairs, and marketing and promotional assistance provided by Stanley Marenge. The Eastern African Fine Coffees Association is now closer to its goal of becoming a self-sustainable entity that is a leading actor for advocacy, quality control, research, domestic and international marketing, and regional coordination in the East African coffee sector.

Performance Targets and Level of Achievement

#	Indicator/Benchmark	Target	Results	Objectively verifiable indicators	% Level of Achievement
Component 1: Establishment of the EAFCA Secretariat					
1.1	**EAFCA Strategic Development plan completed**	Developed and adopted by 2nd quarter	Done and approved by Board and AGM in the second quarter, now in use and on CD plus website	Plan available in office and website (www.eafca.org)	100%
1.2	**Increased promotion of EAFCA through Internet and other multimedia means**	Continuously update website	Two websites interlinked and media coverage done. www.EAFCA.org & www.worldswildestcoffee.org	Websites and media clips running and avaialble in office respectively	100%
1.3	**EAFCA Articles and memoranda of Association reviewed and approved**	Review and approval completed by 2nd quarter	Reviewed, approved by members and changes registered in second quarter	Copies of registered amendments	100%
1.4	**Chapter constitutions and agreements developed**	Generic template developed by 3rd quarter	Generic template developed and being used by chapters	Copy of template generic constitution in office and on the website (www.eafca.org)	100%
1.5	**Additional sources of funding for EAFCA activities (Cumulative)**	3 sources of funding by end of 4th quarter	Had 3 sources by 4th quarter: USAID/ACDI-VOCA/SCOPE, STCP/AFS/World Bank and USAID/REDSO - RATES Project Partner funding	Audited reports for 2001/2003 and 2002/2003 available in office and website (www.eafca.org)	100%
1.6	**Sales at Shorprite increased by 30% (Cumulative)**	200 (250gms) packets per month by close of program	250 packets were sold on average per month	Records of deliveries at the office	125%
1.7	**Contacts made at the specialty coffee trade fairs, increase the number of traders participating in the internet auctions bidding and actual purchases**	At least 5 bidders participating	2002 an internet auction was held 8 bidders participated, 105 bags of coffee were sold to two bidders, both from Japan	List of bidders and news clip on the sales	160%
1.8	**Report of the feasibility study on the regional coffee exchange disseminated to all stakeholders and donors**	Report produced by the close of the project and disseminated	Was not done due to lack of funding for the specific activity. A volunteer however did and internet auction evaluation and was disseminated	Report on the evaluation of the 2002 cupping competition and Internet auction available	50%

#	Indicator/Benchmark	Target	Results	Objectively verifiable indicators	% Level of Achievement
1.9	**EAFCA secretariat able to send financial and program reports to donors and Board on the required regular routines**	Monthly	Was done regularly and on time.	ACDI/VOCA received all the activities & financial reports on time	100%
1.10	**13 new EAFCA members recruited (cumulative)**	85 EAFCA members by close of project	Had 93 members by end of October, 2003	Member list available on website (www.eafca.org)	109%
Component 2: Regional Policy Dialogue and Coordination					
2.1	**List of at least 5 policy makers from each chapter put in place**	A list of at least 30 members from 6 chapters	Have a list of 36 members from 9 countries/chapters	Full contact address available at office	100%
2.2	**An e-mail based policy list-serve developed**	List-serve developed by close of project	Mailing list for policy serve was developed and in use	E-mail addresses and correspondences on policy available	100%
2.3	**A regional Policy task- force formed and coordinated in developing and propagating policy proposals in the region.**	Policy task force formed and coordinated by close of project	*The task force was formed and coordinated - and involved in generating a regional baseline coffee policy report*	*Regional coffee policy report available in office and the website (www.eafca.org)*	100%
2.4	**Secured resources and organized 2 regional policy coffee forums**	Secure funds and hold two regional coffee forums during duration of the project	Funds were secured and meetings were held: one was in Kenya (Aug 2002) and the other in Ethiopia (Nov 2003)	List of attendees and record of proceedings are available	100%
Component 3: Support for Smallholder Organizations					
3.1	**A needs assessment of client farmers and farmer organizations done for some association in at least two countries**	4 farmer level organisations	There were no funds for this activity	N/A	N/A

#	Indicator/Benchmark	Target	Results	Objectively verifiable indicators	% Level of Achievement
3.2	**Coffee Price risk management pilot projects executed in at least two EAFCA member countries;**	At least two EAFCA member countries	Pilots were done in Uganda and Tanzania	By Union Export Service (UNEX) and Kilimanjaro Native Coop Union KNCU).	100%
3.3	**Resources secured and C-FaaB developed**	Secure funds and develop CfaaB training manual	Funds were secured and manual developed	Manual available at the office and an outline on the website(www.eafca.org)	100%
Component 4: Establishment of a Market Platform and Specialty Coffee Exchange					
4.1	**At least 2 country and regional coffee cupping competitions held**	Two regional coffee cupping competitions	Two regional coffee cupping competitions were held (in Kenya & Uganda)	Results available at the office and news paper clips also avaialble	100%
4.2	**At least two training sessions held for coffee cuppers in preparation for Internet auction**	2 training sessions for coffee cuppers	5 training sessions were held in the region for coffee cuppers (Uganda, Ethiopia, Tanzania, Rwanda, and Zambia)	Reports and news paper clips available and ACDI/VOCA participated through CQI	250%
4.3	**Coffee appellation zones mapped in at least 3 EAFCA member countries**	Appellations activities in at least 2 EAFCA member chapters/country	Work is on going in 3 countries (Uganda, Rwanda, and Ethiopia)	Information available from the chapters	150%
4.4	**A feasibility study for the establishment of a regional coffee exchange completed**	Study done and report available	There were no funds for this activity	N/A	N/A
4.5	**Resources secured and regional pilot appellation project launched**	Secure funds and launch regional pilot appellation project	Funds were secured from USAID and pilot launched	Chemonics and UCDA are implementing the pilot in conjunction with EAFCA Uganda chapter	100%
4.6	**Preparation for the first African Fine Coffee Conference & Exhibition**	Have plans and activities in place by close of project	Preparations are in earnest. Over 65% 0f the exhibition booths are taken and daily pre-registration of participants taking place.	Have a website www.worldswildestcoffee.com	*100%*

I. CENTER OF EXCELLENCE

DISSEMINATING RESULTS THROUGH ACDI/VOCA's CENTER OF EXCELLENCE

A. Objectives

CDP funding has enabled ACDI/VOCA to develop "Resources for Cooperative and Association Excellence in International Development," a Center of Cooperative Excellence website. The activities of the Center from its initiation through the end of 2004 have been focused around the following objectives: 1) to improve ACDI/VOCA's knowledge management in cooperative development and create a resource for easy access by new and seasoned cooperative development staff around the world; 2) to serve as a focal point for conducting substantive case studies (including two ACDI/VOCA studies and one collaborative learning experience with other CDOs); 3) to have a way to share substantive lessons learned among and between ACDI/VOCA geographical operating divisions and more broadly outside of ACDI/VOCA; 4) to stimulate linkages outside the organization with other cooperative development resources and scholars; 5) to collaborate with the OCDC secretariat in developing the overall OCDC website. ACDI/VOCA's Center of Excellence may be accessed at www.acdivocacoopex.org.

B. Background

Prior to the current strategic focus of USAID's Cooperative Development Program and the creation of ACDI/VOCA's "Resources for Cooperative and Association Excellence in International Development," no central access point for ACDI/VOCA and other international cooperative development materials existed. While ACDI/VOCA is a recognized leader in the cooperative development area, especially for agricultural cooperatives, "knowledge management" consisted of tapping the institutional memory of a small number of the organization's experienced employees.

When new employees asked for access from remote international locations to a place where they could learn about ACDI/VOCA's approach to cooperative development there was no information resource available, other than brief success stories on ACDI/VOCA's general home page. As well, there was no rapid access for ACDI/VOCA project coordinators to research materials representing the latest literature from universities, USDA, and international cooperative development centers.

While ACDI/VOCA's programs had been extremely successful and shown impressive and sustainable economic impact in many developing countries over a period of forty years, ACDI/VOCA's overall approach to cooperatives had never been summarized and articulated as such. While lessons learned were documented, past successes were not always generalized across regions for sharing and there was no commonly accepted framework of success factors.

C. Accomplishments

1. The Website

Developing a Center of Excellence website provided ACDI/VOCA with an opportunity to promote the goal of more widely disseminating information about international cooperative development, but also to serve the knowledge management needs of the organization, and help address teamwork and communications issues identified in its organization-wide strategic planning process.

The website first provides technical definitions of "cooperatives" and "producer associations." It then provides links to a number of commentaries on the key role of cooperatives in poverty reduction and enterprise development. This is followed by a section on how cooperatives make sustainable contributions to advancing the contemporary development agendas of the United Nations, the World Bank and particularly USAID in: 1) driving economic growth; 2) opening markets and expanding trade; 3) promoting democratic governance; 4) developing people and communities and contributing to grassroots stability; and 5) recovering from conflict in developing countries.

The Profiles of Success section of the site features case studies. It gives an overview of the Cooperative Development Program and showcases CDP case studies, including those completed by ACDI/VOCA and all CDOs (see below for case study details). Other international cooperative and association development case studies are also featured, organized by geographic region. This includes the work of organizations such as FAO, the World Bank, universities, foundations, etc.

The Profiles of Success section also links to ACDI/VOCA brief profiles of success resulting from a variety of programs that have assisted cooperatives. It includes an "In the News" section and an innovative video clip section featuring video briefs of selected ACDI/VOCA cooperative development programs: 1) Internally Displaced Persons in Dohan Ethiopia; 2) Colombia Specialty Coffee; 3) Community Revitalization Through Democratic Action in Serbia; and 4) Specialty Coffee in Rwanda.

A Resource Library allows the user to search cooperative development resources by topic and by type of resource. Information is available on business development and marketing; commodities; contemporary issues facing cooperatives; education and history of cooperatives; finance; legal issues and taxation; management and leadership; and organization.

Stories of ways in which ACDI/VOCA volunteers have assisted cooperatives, an important aspect of ACDI/VOCA's identity, are also featured and the site's final section includes links to many other relevant websites (domestic and international) that are useful for research.

2. The Case Studies

2.1 Overview

Also under the Center's auspices, two in-depth case studies were undertaken: **1) Market-oriented Agricultural Cooperatives in Ethiopia** illustrates how top-down and centralized cooperatives have been converted to market-oriented and member-owned cooperatives as part of the transition from a socialist orientation under the repressive Derge regime to a free market, business-driven cooperative approach; and **2) Brazilian Cooperativism – the Conquest of Autonomy** analyzes the achievement of self-management of cooperatives in a move away from strict federal control traditionally exercised by the Instituto Nacional de Colonizacao e Reforma Agraria (INCRA) within the Ministry of Agriculture. These in-depth case studies are finalized and will be featured on the ACDI/VOCA and the OCDC websites, along with the in-depth case studies from the other seven U.S. Cooperative Development Organizations.

2.2 Case Study Summaries

Market-Oriented Agricultural Cooperatives in Ethiopia illustrates how to convert top-down and centralized cooperatives to market-oriented and member-owned cooperatives. Since 1997, ACDI/VOCA has been assisting Ethiopian co-ops with the transition from a socialist orientation under the repressive Dergue regime to a free-market, business-driven cooperative approach. The case study compares the growth and progress of the Lumme Farmers' Cooperative Union and the Kolba Primary Cooperative. Through a participatory methodology, the study involved interviews at national, regional and local levels including with government officials and outside experts, farmer members, board members and management groups of the union and primary cooperatives.

Through giving ownership of the project to the cooperatives, the Cooperative Promotion Bureau (COPB) and ACDI/VOCA promoted sustainability. The growth and profitability of cooperatives has removed the negative stigma of co-ops as an extension of the government's political machinery. Cooperatives are now seen as essential in a free market economy and democratic society where members choose their leaders democratically without government intervention.

Key lessons learned include: (1) critical organizational changes were required in which professional managers, who are not members of the cooperatives, manage the unions, board members and managers must learn their duties, and auditors, who earlier were considered "fault finders", need a prominent role in the cooperatives with regular audits; (2) the cooperatives learned to operate as businesses in which membership is voluntary and based on profits and incentives such as patronage dividends. Annual business plans are now required at both the cooperative union and primary cooperative levels; (3) the cooperatives must become creditworthy as certified by the Commercial Bank of Ethiopia (CBE), which is providing inventory credit (previously co-ops were isolated and none of their assets were accepted as collateral); and (4) savings and credit services need to be institutionalized through the establishment of rural SACCOs – so that local savings mobilization is enhanced; and, primary cooperatives as members of SACCOs can borrow working capital for grain purchases, which is a major breakthrough in rural finance.

Additional work remains. There are still substantial differences between the primary cooperative and the cooperative union in the degree of business planning and management sophistication. Literacy levels are low and, as a result, the level of understanding of the concepts and principles of cooperatives at the primary coop level is also low. Training has focused on cooperative managers, accountants, board members and cooperative promoters, now needs to expand to reach farmer members to a greater extent. Input supply now constitutes the major activity, which should be diversified into agro-processing (value-added products) and increased technology transfer. Marketing needs additional attention since several cooperatives have cereals (teff) and pulses in their stores, while the country is facing a famine

The Brazilian piece analyzes the achievement of "self-management" of cooperatives in a move away from strict federal control traditionally exercised by the Instituto Nacional de Colonizacao e Reforma Agraria (INCRA) within the Ministry of Agriculture. The change came about through lobbying by the Brazilian cooperative movement and its national apex organization - Organizacao das Cooperativas Brasileiras (OCB), thereby achieving the inclusion of cooperative provisions in the country's new, post-military government constitution adopted in 1988.

During military governments prior to 1988, INCRA control was total and invasive. INCRA could intervene in cooperative businesses, force them into liquidation, remove their management, and held the ultimate audit power. Military officers attended the annual meetings of cooperatives. The first civilian government under Jose Sarney worked with Brazilian cooperatives to introduce cooperative language in the new constitution. The study details these historical developments, but focuses more on the development of self-management cooperative systems that resulted, including the insistence on modernizing business systems and approaches wherever practicable at the national level to assist local cooperatives in business planning and operations to help them survive and prosper in the rapidly-globalizing economy.

The study presents analysis of the current legal and regulatory system now in place in Brazil, and refers to the final package of cooperative reforms that are now in draft form and are circulating in the Congress. OCB leadership is confident that these draft provisions will become law because of the current Lula government's support for the cooperatives in reaching low-income Brazilians and promoting their "social inclusion."

The major lesson drawn is the importance of cooperative legal reform in the removal of invasive and inefficient government controls and how other countries can succeed in unleashing cooperatives through providing them with the proper legal standing as independent, member-owned businesses.

3. Collaborating with Other Cooperative Development Organizations on the Enabling Legal and Regulatory Environment Initiative

ACDI/VOCA is a member of the technical committee representing all the CDOs to achieve program objectives under this component. We participated in a number of strategy sessions beginning in the summer of 2004 and settled on a scope of work for a part-time employee or company to assist us in pulling the program together, serving as a hub for incoming materials

and questions from the CDOs and compiling and organizing the information. Developments on this front to date will be presented in our upcoming semi-annual report.

In addition, we provided a presenter in the person of our Brazil country representative, Celso Claro de Oliveira, to introduce this program component to the Americas meeting of the International Cooperative Alliance in Buenos Aires last November. The other CDO represented was NCBA. We'll report on this event in the upcoming CDP progress report.

ACDI/VOCA also developed three additional information pieces under the auspices of the Center: 1) ACDI/VOCA's Approach to Cooperatives in International Development; 2) Cooperatives: An Investment in Democracy and Economic Growth; and 3) Agricultural Cooperatives Take Leadership in the Fight Against HIV/AIDS.

4. Collaborating on the development of the OCDC Center of Excellence website

ACDI/VOCA has collaborated with OCDC on the development of the website that integrates information from all cooperative development organizations. ACDI/VOCA interacts regularly with webmaster Gretchen Warner and contributes ideas, case study information, and brief substantive articles to the site;

B. Program Management

Development of the Center of Excellence has been under the leadership of Susan Schram, Vice President for Agriculture and Cooperative Programs. Collaboration with Gretchen Warner of OCDC has included sharing of materials and ideas for the overall Cooperative Development Organization website that includes materials from all CDOs. Heather Luca, ACDI/VOCA's website designer has assisted in updating and expanding the site and two summer interns assisted in working with ACDI/VOCA divisions to find and inventory useful materials and transform them into web-ready documents.

V. FINANCIAL INFORMATION

As stated in the cover letter, this section will be submitted during the first week of February 2005.

Program Component	Life of Project	Status in CA	Focus Activity
Global: CDP Excellence	2002-2004	Entered in extension period	Collection, analysis, compilation and dissemination of field results, lessons learned and recommended practices in cooperative development.
Angola: CDP Alliance	2002-2005	Angola Mission buy-in/ChevronTexaco GDA Program	Agricultural co-op and producer association development and production in Cabinda.
Paraguay: CDP	2002-2005	Entered in extension period	Agricultural co-op development in Eatern Paraguay.
Mozambique: CDP	1997-2004	Original core country (funded for four years), and included in two-year extension perod	Cooperative and producer association development in central Mozambique
Brazil: CDP	1997-2004	Original core country (funded for four years), and included in two-year extension perod	Coopertiave development in Amazon region with selected assignments in Northeastern Brazil
Global: CDP Rural Finance	1998-2001	Original core country candidate with Peru and Philippines	Credit institution development in Kyrgyzstan. Peru traget group found to be unviable, USAID/Philippines had another credit program implementor
Global: CDP Recruiting	1997-2004	Original core HQ and recruitment offices' function	Recruitment of volunteers for program countries
Global: Capacity Strengthening	1997-2004	Original core HQ function	Enhancement of HQ capacity to program, field and support focused co-op development TA to program countries
Global: CDP Proposal Dvlpmt	1997-2004	Original core HQ function	Enhancement of HQ capacity to identify and pursue additional resources leveraged by CDP, preferbly non USAID resources
Global: CDP Southern States	1997-2002	Original core country funded for four years	Private agriculture co-op development in L' viv region of Western Ukraine
SoAfrica: CDP, CEBI	2000-2003	Original core country turned over portfolio to CHF in 2001	Farm credit institution development
E Africa: CDP - SCOPE	2002-2003	Africa bureau buy-in	Specilaty coffee production and marketing

Assign ID	Country	Completed Assignment	Start	End	Vol Name
080006-E	BRA	Collection and Recycling Cooperative Improvement	27/01/2004	12/02/2004	Griek, Marjorie Anne
080007-E	BRA	Milk Production Improvement	11/04/2004	27/04/2004	Szymanski, Damon A.
080009-E	BRA	Milk Production and Quality - Phase II	28/04/2004	11/05/2004	Szymanski, Damon A.
080015-E	BRA	Manioc Flour/Alcohol Production and Product Expansion	06/06/2004	23/06/2004	Abarca, Juan Agustin
080016-E	BRA	Rural Credit Cooperative Strengthening and Expansion	12/06/2004	30/06/2004	Eyman, William R.
080017-E	BRA	Feasibility Study of Pineapple Juice Production	01/06/2004	13/06/2004	Wheeler, Dean W.
080018-E	BRA	Feasibility Study and Co-Op Restructuring	06/06/2004	16/06/2004	Dombro, Quentin W.
080019-E	BRA	Feasibility Study and Co-op Restructuring	17/06/2004	23/06/2004	Dombro, Quentin W.
080022-E	BRA	Brazil and Cashew Nut Processing and Production Assessment	24/06/2004	30/06/2004	Payne Jr., Walter
080023-E	BRA	Strategic Marketing Plan/Joint Venture Feasibility Study	01/07/2004	06/07/2004	Payne Jr., Walter
080024-E	BRA	Strategic Marketing Plan/Joint Venture Feasibility Study	07/07/2004	14/07/2004	Payne Jr., Walter
080027-E	BRA	Ecotourism Cooperative Development II	28/07/2004	10/08/2004	Jacobs, Ellen
82001	BRA	COAPEX Brazil Nut Marketing	02/02/2000	17/02/2000	McDonald, Peter G.
82004	BRA	Project Design- Co-op Food Process	13/03/2000	25/03/2000	Moore, Hugh L.
82005	BRA	Tropical Fruit Production	01/10/2000	15/10/2000	Rhoden, Errol
82006	BRA	Fruit Processing & Quality Control	13/06/2000	27/06/2000	Burt, Maclay
82007	BRA	Cooperative Organic Agriculture Training	12/10/2000	30/10/2000	Brown, D. Andrew
82008	BRA	Business Plan Training	08/09/2000	23/09/2000	Vanicek, LeRoy
82009	BRA	Cooperative Rice Production Training	01/10/2000	20/10/2000	Grell, Larry
82010	BRA	Dairy Product Development & Marketing Plan	04/10/2000	02/11/2000	Keller, Bruno
82013	BRA	Cooperative Business Plan	01/09/2000	16/09/2000	McConnen, Richard J.
82015	BRA	Cooperative Business Plan	01/10/2000	12/10/2000	McNeill, Peter
82016	BRA	Cooperative Business Plan	13/10/2000	22/10/2000	McNeill, Peter
82017	BRA	Quality Control & Fruit Processing	23/10/2000	18/11/2000	Wheeler, Dean W.
82020	BRA	Manioc Processing & New Product Development	12/11/2000	18/11/2000	Cereda, Marney
82021	BRA	Cooperative Marketing Plan - Rainforest Producers Coop	15/10/2000	30/10/2000	Albrecht, Robert
82022	BRA	Cotton, Manioc, Pineapple Marketing Plan Design	05/10/2000	15/10/2000	Kaiser, Carolyn
82023	BRA	Cooperative Business Plan - Rainforest Producers Coop	01/10/2000	14/10/2000	Albrecht, Robert
82024	BRA	Cattle Nutrition Training	01/10/2000	21/10/2000	Bailey, David
82026	BRA	Cooperative Business Plan	23/10/2000	30/10/2000	McNeill, Peter
82027	BRA	Marketing Plan for Meat Production	24/09/2000	04/10/2000	Kaiser, Carolyn
82029	BRA	Strategic Planning to Diversify Loan Portfolio	28/10/2000	11/11/2000	Kuntz, Jeffery
82030	BRA	Cooperative Needs Assessment/Strategic Plan	07/11/2000	22/11/2000	Taylor, William
82034	BRA	Coop Business Plan for Handicrafts	04/11/2000	19/11/2000	Thibeault, James F.
82035	BRA	Organizational Restructuring/Strategic Planning	07/08/2003	25/08/2003	Dombro, Quentin W.
82037	BRA	AGROFRUT Administrative Restructuring and Guarana Market Strategy	22/10/2003	08/11/2003	Westberg, Maurice LeRoy
82038	BRA	Market Development for Pineapple and Cupuacu Fruits	13/10/2003	21/10/2003	Westberg, Maurice LeRoy
82039	BRA	Milk Production Facility Work Plan Restructuring	06/10/2003	25/10/2003	Szymanski, Damon A.
82040	BRA	Manioc Production and Processing	30/11/2003	11/12/2003	Govin, Ramana Rao
82041	BRA	Ecotourism Cooperative Development	14/11/2003	02/12/2003	Robinson, Alan Hall
82042	BRA	Ice Production Improvement, Strategic Planning and Marketing	30/11/2003	14/12/2003	Voit, Fred Benidict
82044	BRA	Rural Credit Cooperative Strengthening and Expansion	29/11/2003	13/12/2003	Kuntz, Jeffery
82045	BRA	Marketing and Development for Exotic Fruits	01/12/2003	14/12/2003	Wheeler, Dean W.
BI300001	BRA	BRA Juara Amazon Ecotourism Developmen	10/08/1998	01/09/1998	Robinson, Alan Hall
BI300002	BRA	BRA COAPEX Tree Nursery Training	09/10/1999	07/11/1999	Bradford, Lester

CD300003	BRA	BRA Commercialization of Alternative Amazon Products Conference - NTFP	07/12/1997	13/12/1997	Namken, Jerry
CD300005	BRA	BRA Sus. Ag. Plan/Envir. Enterprises	26/06/1997	02/07/1997	Bradford, Lester
CD300006	BRA	BRA COMAJA Brazil Nut Commercialization	22/06/1997	15/07/1997	Nottelmann, Robert
CD300007	BRA	BRA Irtapuru Brazil Nut Marketing	22/06/1997	15/07/1997	Nottelmann, Robert
CD300008	BRA	BRA CAMES Palm Heart Packaging & Marketing	12/11/1997	07/12/1997	Obregon, Herman
CD300010	BRA	BRA Product Development for EcoLeather	12/11/1997	06/12/1997	Sheeley, Ellen R.
CD300011	BRA	BRA Marketing EcoLeather	12/11/1997	06/12/1997	Sheeley, Ellen R.
CD300012	BRA	BRA COOPERAVES Fruit Packaging & Pres	24/10/1997	11/11/1997	Voit, Fred Benidict
CD300013	BRA	BRA COAGRIL Co-op Management Training	18/10/1997	02/11/1997	Schrieber, David
CD300014	BRA	BRA COPAMEL Rice Processing	02/09/1997	12/09/1997	Wimberly, James
CD300015	BRA	BRA COPABA Software Application & Train	03/11/1997	29/11/1997	Dolph, Bruce
CD300016	BRA	BRA COPABA Tropical Fruit Processing	29/09/1997	24/10/1997	Voit, Fred Benidict
CD300017	BRA	BRA COOPERNORTE Dairy Product Dev.	31/08/1997	29/09/1997	Christie, Robert
CD300018	BRA	BRA COOPERNORTE Fish Feed for Aquaculture	08/11/1997	30/11/1997	Albrecht, Robert
CD300019	BRA	BRA COOPERALVA Tropical Fruit Production	11/10/1997	03/11/1997	Ramcharan, Christopher
CD300021	BRA	BRA CAMAL Cooperative Management	03/11/1997	14/11/1997	Reilly, John
CD300024	BRA	BRA OCEPA Cooperative Mgt Training	14/10/1997	02/11/1997	Reilly, John
CD300025	BRA	BRA OCEPA Grain Storage/Post Harvest	15/11/1997	29/11/1997	Fruth, Rick L.
CD300026	BRA	BRA OCR Cooperative Mgt Training	15/11/1997	22/11/1997	Reilly, John
CD300027	BRA	BRA COAPEX Reforestation Training	01/11/1997	23/11/1997	Bradford, Lester
CD300029	BRA	BRA Marketing Amazon Fruits	10/12/1997	15/12/1997	Dixon, Thomas
CD300031	BRA	BRA Farmers Market Feasibility Study	12/10/1998	11/11/1998	Corum, Vance
CD300032	BRA	BRA COOPERNORTE Dairy Product Diversification	21/06/1999	15/07/1999	Keller, Bruno
CD300036	BRA	BRA COOPERALVA Tropical Fruit Production II	01/05/1999	22/05/1999	Ramcharan, Christopher
CD300039	BRA	BRA SIC Fruit/Vegetable Processing Co-op	15/03/1999	16/04/1999	Voit, Fred Benidict
CD300040	BRA	BRA SAG Fruit Export Strategy Plan	11/04/1999	02/05/1999	Sousane, James
CD300041	BRA	BRA SIC Handicraft Co-op Feasibility	13/02/1999	09/03/1999	Thibeault, James F.
CD300042	BRA	BRA SAG Co-op Fish Processing Study	01/03/1999	20/03/1999	Neils, Kenneth
CD300043	BRA	BRA BNB/COCENTRAL Co-op Management Eval	07/11/1998	24/11/1998	Nelson, L. G.
CD300044	BRA	BRA BNB/DELTA Cooperative Mgt Eval	07/11/1998	24/11/1998	Kelley, Gerald E.
CD300045	BRA	BRA BNB/CAMICIL Co-op Mgt Eval	07/11/1998	24/11/1998	Grell, Larry
CD300046	BRA	BRA BNB/Pindorama Co-op Mgt Evaluation	07/11/1998	24/11/1998	Steen, Charles
CD300047	BRA	BRA COGRISA Co-op Mgt & Business Plan	08/11/1998	24/11/1998	Purtz, Edward Paul
CD300049	BRA	BRA ASCOPE Cooperative Mgt Evaluation	30/04/1999	17/05/1999	Oliver, James S.
CD300052	BRA	BRA COMAJA Co-op Aquaculture Feasibility	03/08/1999	28/08/1999	Swann, David
CD300053	BRA	BRA COMPRUC Co-op Mgt Evaluation	06/04/1999	28/04/1999	Nelson, Brett
CD300054	BRA	BRA BATAVO Co-op Management Training	28/06/1999	24/07/1999	Grell, Larry
CD300055	BRA	BRA COPABA Quality Control in Fruit Processing	14/06/1999	28/06/1999	Khalil, Hany
CD300057	BRA	BRA COOPERVI Co-op Mgt Evaluation	06/04/1999	28/04/1999	Nelson, Brett
CD300058	BRA	BRA OCEA Co-op Aquaculture Feasibility	03/08/1999	28/08/1999	Swann, David
CD300060	BRA	BRA OCEA Cooperative Organic Agriculture	24/05/1999	06/06/1999	Wheeler, Philip
CD300062	BRA	BRA APRVSJB Tropical Fruit Marketing	29/06/1999	09/07/1999	Khalil, Hany
CD300064	BRA	BRA COOPERAQUI Aquaculture Feasibility	30/06/1999	15/07/1999	Frinsko, Michael
CD300065	BRA	BRA COSEGE Foam Cushion Feasibility	09/08/1999	17/08/1999	Lindberg, Charles
CD300066	BRA	BRA SAG Fish Market Study	15/10/1999	31/10/1999	Palm, Roger

Assign ID	Country	Completed Assignment	Start	End	Vol Name
80001	PRY	Oilseeds Production, Processing and Marketing	21/06/2003	05/07/2003	Cruz, Rico O.
80002	PRY	Association and Cooperative Development in Paraguay	15/02/2003	02/03/2003	Pines, James
80003	PRY	Production of Vegetables in Irrigation Systems	15/02/2003	16/03/2003	Fitzgerald, John B.
080004-C	PRY	Training of Cooperative Leaders	31/01/2004	14/02/2004	Mau, Kendall P.
080005-A	PRY	Strategy and Plan for Market Focus in the Cooperative	07/10/2003	26/10/2003	Parks, Loren L.
080010-C	PRY	Small-Scale Irrigation Systems Design	31/05/2004	30/06/2004	Stillwater, Roger
080012-C	PRY	Cooperative Strengthening in Method and Organization	17/05/2004	30/05/2004	Hall, Joan C.
080014-C	PRY	Strategic Planning	24/07/2004	15/08/2004	Von Der Ohe, Robert
080020-C	PRY	Management Information Systems for Cooperatives	13/06/2004	10/07/2004	Sears, Frederick
080021-C	PRY	Health and Nutrition Training for Swine Production	02/07/2004	16/08/2004	Miller, Daniel K.
080026-C	PRY	Leadership Training	14/08/2004	29/08/2004	Strobach, Stephen K.

Assign ID	Country	Completed Assignment	Start	End	Vol Name
81001	MOZ	Institutional Capacity Building with IAC	07/01/2000	03/02/2000	Hein, Clair
81002	MOZ	Agricultural Association Development Training	12/01/2000	28/01/2000	Moulton, John R.
81003	MOZ	Study of Management Potential	07/01/2000	03/02/2000	Hein, Verlee
81004	MOZ	Land Use Planning & Resource Management	31/03/2000	13/05/2000	Holtam, Jordan
81005	MOZ	Construction of Fixed Position Solar Drier	06/09/2000	27/09/2000	Lynch, Earl
81006	MOZ	Construction of Fixed Position Solar Drier II	05/09/2000	27/09/2000	DeLong, Deanna
81007	MOZ	Training in the Marketing of Dried Fruits - Dondo	03/11/2000	20/11/2000	Christensen, Terrill B.
81008	MOZ	Training in Marketing of Dried Fruits - IAC	02/12/2000	16/12/2000	Brown, Willis E.
81009	MOZ	Training in Bee Management and Honey Marketing	31/08/2000	20/09/2000	Hardison, Martin L.
81010	MOZ	Training in the Principles of Agricultural Extension	13/01/2001	10/02/2001	Carr, Jay
81012	MOZ	Training in the Principles of Agricultural Extension II	13/01/2001	10/02/2001	Hickman, Gary
81013	MOZ	Training Ext. Agents in Communication Methods for Non-Literates	29/03/2001	27/04/2001	Paulsen, Lenore
81014	MOZ	Training in Participation and Community Resource Management	06/05/2001	30/05/2001	Torrence, Tonia
81016	MOZ	Institutional Management of Agricultural Unions	19/08/2001	09/09/2001	Guderyon, Newton James
81017	MOZ	Organization of Microcredit Program	30/08/2001	24/09/2001	Ferreira, Denize
81018	MOZ	Design of Apiculture Training and Honey Quality Control	04/11/2001	28/11/2001	Bright, Christopher
81019	MOZ	Visual Training Media Development - Graphic Design	12/09/2003	29/09/2003	Nash, Susan S.
81020	MOZ	Functional Literacy/Numeracy	14/11/2003	06/12/2003	Albrecht, Mary
CD100001	MOZ	MOZ Marketing Survey	09/11/1997	08/12/1997	Thorburn, Garth
CD100002	MOZ	MOZ Study of Marketing Chain	23/02/1998	06/04/1998	Silverthorne, Marion T.
CD100003	MOZ	MOZ Development of Farmers' Assoc. of Manica	12/06/1998	07/07/1998	Bentzinger, Harlan A.
CD100004	MOZ	MOZ Development of Gorongosa Beekeepers	04/08/1998	05/09/1998	Haarmann, Timothy K.
CD100005	MOZ	MOZ Training in Commercialization	23/06/1998	14/08/1998	Bauthamy, Nadine D.
CD100006	MOZ	MOZ Dvlpment of Mecuburi Oil Press Assn	16/06/1998	22/07/1998	Moore, Charles V.
CD100007	MOZ	MOZ Training in Ass'n Development (FHI)	11/08/1998	13/09/1998	Maxon, Richard C.
CD100008	MOZ	MOZ Dried Fruit Production & Mkting	04/10/1998	30/10/1998	Palen, Margaret L.
CD100009	MOZ	MOZ Horticultural Processing, Marketing	19/03/1999	11/04/1999	Christensen, Terrill B.
CD100010	MOZ	Community Land Use Formation & Development	26/03/1999	14/05/1999	Holtam, Jordan
CD100011	MOZ	MOZ GTZ PROMUR, Women's Credit & Savings	13/05/1999	05/06/1999	Jones, Fatima
CD100012	MOZ	UPCS: Agricultural Association Training	09/07/1999	31/07/1999	Groth, Charles
CD100013	MOZ	Apiculture Development-FHI	31/07/1999	21/08/1999	Hardison, Martin L.
CD100014	MOZ	Gender and Development Training	06/11/1999	27/11/1999	Fisher, Suzanne
CD100015	MOZ	Solar Dryer Construction, Fruit Dry/Mark	01/11/1999	17/11/1999	Christensen, Terrill B.

Assign ID	Country	Completed Assignment	Start	End	Vol Name
CD200001	UKR	UKR Zachidni (Western) Co-op Feed Mill	20/09/1999	01/10/1999	Neal, Joe G.
87001	UKR	Feed Marketing and Strategic Business Planning	16/05/2003	02/07/2003	Brauhn, Peter
080011-J	UKR	Fish Feed and Premix Formulation and Production	22/05/2004	05/06/2004	Koch, Kim B.

Assign ID	Country	Completed Assignment	Start	End	Vol Name
CD300028	KYR	KYR Agricultural Credit/Banking	25/01/1998	07/03/1998	Coots, Robert
CD300037	KYR	KYR Cooperative Devt. Project/Ag Credit	06/09/1998	16/10/1998	Coots, Robert

BRAZILIAN COOPERATIVISM:

THE CONQUEST OF AUTONOMY

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INTRODUCTION

ACDI/VOCA's mission is to improve people's lives in less developed countries and emerging democracies through support and technical assistance for development, economic growth, and social inclusion. It has been pursuing this mission over several decades and across the globe. Through a vast cooperative network and with the support of the United States Agency for International Development (USAID), ACDI/VOCA works with volunteers who are highly specialized in the management of civil society organizations and agribusiness, undertaking an exceptionally wide range of projects centered on sustainable development and improving people's quality of life.

Along these lines, ACDI/VOCA has engaged in ongoing technical cooperation with Brazil for more than 30 years through numerous projects across the country. It has accompanied the development of cooperatives over the past three decades as Brazil transitioned from State-led and controlled cooperatives to autonomous and self-managed cooperatives following the 1988 constitutional reform.

Seeking to advance the global development of cooperatives, ACDI/VOCA set a goal of preparing a publication about Brazil's experience with transitioning from state-controlled to autonomous cooperatives. This experience may offer lessons for other countries undergoing similar transitions.

With a view to drawing upon this remarkably rich Brazilian experience with cooperatives, ACDI/VOCA invited me to coordinate a group of leaders and specialists in the field who would be able to describe and recount Brazilian cooperatives' successful struggle for autonomy.

I have been actively involved in the transition process from its inception in the 1970s: first, as training director for ASSOCEP (Cooperative Counseling Association – *Associação de Orientação às Cooperativas*); later, as a member of the Board of Directors of SENACOOP (National Cooperative Secretariat – *Secretaria Nacional de Cooperativas*); then, as executive director of DENACOOP (National Cooperative Bureau – *Departamento Nacional de Cooperativismo*); and, finally, as international adviser for OCB (Organization of Brazilian Cooperatives – *Organização das Cooperativas Brasileiras*). This longtime experience allowed me to accept the challenge, made difficult by how recent the transition is and the fact that there are still adjustments happening at the national level. We determined that the publication should recount this unique Brazilian experience from various vantage points. Thus, cooperative leaders, cooperative specialists, and directors of cooperative institutions who have personally lived through this transitional period were called on to provide their contributions.

We invited the Minister of Agriculture, Dr. Roberto Rodrigues, to contribute an article on this decisive period of struggle for cooperative autonomy. He is an acclaimed authority on cooperatives in Brazil and around the world, and as president of the Organization of Brazilian Cooperatives in 1988, he was an important leader during that scintillating moment in Brazilian history.

The first president of the Organization of Cooperatives of the State of Parana (OCEPAR – *Organização das Cooperativas do Estado do Paraná*), Guntolf Van Kaick, also kindly consented to our request for a contribution. Mr. Van Kaick helped craft the successful struggle for cooperative self-management and was a pioneer in both the debate and the creation of instruments for the transition from State-controlled cooperatives to self-managed cooperatives. In his article, he describes the early period and the path to final victory for autonomy with superb skill.

Likewise, the current president of the Organization of Brazilian Cooperatives and currently the top leader of the Brazilian cooperative movement, Marcio Lopes de Freitas, promptly acceded to our request. He analyzes the strategic positioning of OCB—which is the entity that coordinates the practice of self-management in Brazil—in light of Brazilian cooperatives' current stage of development in self-management.

The current president of OCEPAR, João Paulo Koslovski, contributes an invaluable analysis of the development and implementation of the State of Parana's Self-Management Program (*Programa de Autogestão no Estado do Paraná*), which has provided a key model for the development of national

programs. In his article, he discusses strategies for implementing the program, overcoming barriers, and making it operative in the state.

In addition to the articles prepared by these four leaders of the cooperative movement in Brazil, we also invited the current director of National Cooperative Department (Denacoop) of the Ministry of Agriculture, José Roberto Ricken, to recount the current State approach to the development of cooperatives in Brazil. He imparts to us a vast program of incentives to accelerate the implementation of cooperative self-management in Brazil.

Carlos Claro de Oliveira Junior, general consultant for the 10th Cooperative Conference (*X Congresso de Cooperativismo*), consultant on strategic cooperative management, and professor of masters-level courses on cooperatives, was called on to coordinate the technical aspects of this document's preparation. He was also asked to develop an article on the transition between management models, the shift in paradigms among cooperatives as they won autonomy, and the 10th Brazilian Cooperative Conference—an exceptionally rich experience that was a milestone in getting people involved in the transition process.

Nelson Vieira Fraga Filho, executive secretary of Frencoop (Congressional Coalition for Cooperatives – *Frente Parlamentar Cooperativista*), describes the crucial role of Congressional action for attaining self-management and developing institutional support for Brazilian cooperatives.

To complete this team of authors, we invited two specialists in the legislation that regulates cooperatives in Brazil, seeking to define the legal framework for Brazilian cooperatives. Thus, Dr. Paulo Roberto Stoberl, legal consultant for OCEPAR and specialist in cooperative legislation, masterfully recounts the historical evolution of the legal framework of Brazilian cooperatives. Finally, Dr. Fernando Torres Lima, legal consultant for INCRA (National Institute for Colonization and Agrarian Reform – *Instituto Nacional de Desenvolvimento e Reforma Agrária*) discusses the legal context of the pre-constitutional period, focusing on State actions when it had the power to intervene in cooperatives.

Armed with these various approaches, we have sought to recount the experience of attaining autonomy from a political, legal, juridical, technical, and institutional perspective. Our intention is to provide readers with a broad understanding of this process of transition from a State-controlled cooperative system—in place until 1988—to a free and self-determining cooperative system.

In the name of ACDI/VOCA, I would like to thank these individuals for their willingness to provide these invaluable contributions. We would also like to mention several leaders of the cooperative movement, such as Apolônio de Castro Figueira, José Pereira Campos Filho, Wilson Thiessen, Desjandir Dalpasqualle, Antonio Rodrigues, and the presidents of the individual statewide cooperative organizations, who all contributed greatly to this process by mobilizing their membership bases. In addition, we would like to thank the OCB legal advisers, particularly Dr. José de Campos Melo—who calmly, persistently, and perseveringly coordinated the legal development of the topic—and Dr. Virgilio Périus—who, through his vigor, power of expression, and strategic view of the system, made a laudable contribution. Countless other leaders, specialists, and public servants merit mention due to the importance of the role they have played in forging autonomy for Brazilian cooperatives. We hereby honor all of them.

We thus offer this contribution to the enrichment of the cooperative movement worldwide, a role that is inherent to ACDI/VOCA's institutional mission.

Celso Luiz Claro de Oliveira
Director of ACDI/VOCA Brasil
General Coordinator
Brasilia
December 2004

SELF-MANAGEMENT IN BRAZILIAN COOPERATIVES

Roberto Rodrigues*

The Brazilian cooperative movement woke up to the concept of self-management in the 1980s. This term arose in Europe—mainly Germany—where cooperatives manage themselves, while the government's role is simply to monitor the work of the auditing federations, which are created by the cooperatives themselves.

After a trip by Brazilian leaders to Europe, Brazil began to structure the Self-Management Program. Initially, they made agreements with the government agency that controlled and inspected cooperatives. Subsequently, they cemented the concept of self-management through the General Constituent Assembly that wrote the 1988 Constitution, which prohibited state interference in the functioning of cooperatives.

The Brazilian law on cooperatives—Law 5.764 of 16 December 1971—was of great importance for the organization of the Brazilian cooperative movement led by then-president of the Organization of Brazilian Cooperatives (OCB – *Organização das Cooperativas Brasileiras*), Antônio José Rodrigues Filho. However, compared to the current situation, the law established a quasi-"paternal" relationship between the State and cooperatives—which reflected the political climate in Brazil in the beginning of the 1970s. A cooperative could be created only by obtaining an operating permit (AF – *autorização de funcionamento*) granted by a government agency, which would first have to conduct a technical, economic, and legal analysis as well as an assessment of the proposed leaders and members of the new cooperative.

Initially, INCRA (National Institute for Colonization and Agrarian Reform – *Instituto Nacional de Desenvolvimento e Reforma Agrária*)—linked to the Ministry of Agriculture—was the agency responsible for the registration and inspection of cooperatives. State involvement did not end there: each year, all cooperatives had to send INCRA their balance sheets and accounting reports for verification of their activities and financial results. In the event that any kind of embezzlement or misuse of funds in the cooperative was detected, INCRA had the right to intervene and even to coordinate the removal of leaders considered dishonest or incapable.

Later, the autonomous National Cooperative Secretariat was created within the Ministry of Agriculture itself. It took over the responsibilities previously carried out by INCRA, because the latter took on a more direct role in implementing Agrarian Reform in Brazil. The National Cooperative Secretariat (Senacoop – *Secretaria Nacional de Cooperativismo*) had full authority to intervene in the creation and operation of cooperatives, but its resources were also used to support the movement, especially in education and training.

In addition, as stipulated by Law 5.764, the National Council on Cooperativism (CNC – *Conselho Nacional de Cooperativismo*) was instituted. It was a kind of hybrid tribunal, with involvement of government agencies and the cooperative movement, presided over by the Minister of Agriculture. In this Council, suits and issues relating to cooperatives that were not dealt with by existing legislation were adjudicated and settled.

Under the guidance of a handful of leaders, headed by Guntolf Van Kaick, then-president of OCEPAR (Organization of Cooperatives of the State of Parana – *Organização das Cooperativas do Estado do Paraná*), the OCB system began, in the mid-1980s, to move concretely in the direction of self-management. The motivating factor was the call for elections, actually held in October 1986, for the National Constituent Assembly—an idea put forth by president-elect Tancredo Neves (who did not take office), and actually carried out by installed president José Sarney.

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*Agricultural engineer and Minister of Agriculture as well as president of the ICA through 2001, of the Organization for Brazilian Cooperatives (OCB) between 1986 and 1991, and of ABAG between 2001 and 2002. He is also a professor at UNESP (University of the State of Sao Paulo).

OCB arranged for cooperatives to participate and submit proposals at the National Constituent Assembly, with a view to including some articles in favor of the movement in the new Constitution. Around the nation, corporate bodies of various ideological stripes were mobilizing with this same objective. To begin, OCB prepared an explanatory primer about what a National Constituent Assembly was and what they expected to be included in the new Constitution that it would draft. The primer was sent to cooperatives nationwide, along with a recommendation that it be analyzed and discussed by the cooperative directors and members. Next, OCB sent all the cooperatives a questionnaire requesting a list of items that should be included in the new Constitution. This issue was also thoroughly debated at the 10th Brazilian Cooperative Conference held in the beginning of 1988.

The proposals were analyzed by a competent group of legal experts, coordinated by the great OCB legal consultant, José de Campos Melo. Through this process, the articles to be championed by the movement were prepared. They consisted of five points—among them, one demanded self-management, and another assigned responsibility to the State to support and encourage the cooperative movement. Based on the discussion of these items, OCB began the electoral campaign by sending a series of documents to the State Cooperative Organizations (OCEs – *Organizações de Cooperativas Estaduais*), as follows:

- list of points that it wanted the members of the constituent assembly to champion;
- commitment letter in which candidates for the constituent assembly committed themselves to defend these items, should they be elected;
- questionnaire that allowed OCB to identify the origin and/or commitment of the candidates to associative movements in the past.

Each OCE sent this material to all the political parties that had candidates for the Constituent Assembly in their state, requesting that they return the signed commitment letter and the candidate history form. In this manner, dozens of candidates were identified throughout Brazil that were already committed to self-management and fulfilled other prerequisites. OCB eliminated upstart candidates who had no previous commitment to associative movements such as cooperatives or were even opposed to them. Thus, several candidates were selected who, supported by the cooperative movement, committed themselves firmly to its modernization.

In the election, 47 deputies were elected from various political parties that were supported by the OCB system. Under the coordination of deputy Ivo Vanderlinde of Santa Catarina, and with the assistance of the Minister of Agriculture, Íris Resende, a large meeting was held soon after the National Constituent Assembly was sworn in, in February 1987. This meeting culminated with the creation of a Congressional Coalition for Cooperatives (*Frente Parlamentar Cooperativista*) composed of the 47 elected members. Each was charged with the duty of bringing new colleagues to the cause's agenda and, in less than 60 days, it was the largest Congressional coalition, with 217 members.

OCB hired a Congressional adviser, professor of cooperativism at Unisinos, Rio de Janeiro, Virgílio Peres. Peres joined deputy Ivo Vanderlinde's cabinet and undertook intense proselytizing efforts on behalf of the desired agenda.

It was an extraordinary period during which groups of cooperative leaders from all sectors and states paid weekly visits to their congresspersons. A powerful—though discrete and quiet—lobby worked during all of the Assembly's deliberations. At a time in which a kind of undesirable Manichaeism was developing—you were either on the left or on the right—the Congressional Coalition for Cooperatives, above partisanship and ideology, was gaining ground among all groups. Finally, it fulfilled a long-held dream: self-management was consolidated in clause 18 of Article 5, as follows: "The creation of associations and cooperatives, in accordance with the law, does not require authorization, and State interference in their operation is prohibited." In addition, State support was guaranteed by Article 174, paragraph 2, which states, "The law shall support and encourage cooperative activity and other forms of associativism."

The cooperative movement's strategy, led by the OCB, along with the spectacular efforts of the Congressional Coalition for Cooperatives, was so successful that other points favoring cooperatives were included in the new Constitution:

- **"Appropriate tax regime"** – by this rule, cooperatives gained the constitutional right to appropriate tax treatment in the Magna Carta.
- **Protection of cooperative placer mining** – the Constitution, by mentioning and favoring cooperatives in the organization of placer mining activities, recognizes that cooperatives best protect the interests of placer miners.
- **Recognition of credit cooperatives** – the Federal Constitution thus guaranteed credit cooperatives the right to inclusion in the national financial system; equal treatment with other financial institutions; and non-restriction on their activities as banking institutions, thus incorporating them into the national financial system.
- **Participation in agricultural policy** – agricultural policy will be planned and executed according to the applicable law, with the ongoing participation of the productive sector—involving producers and rural workers as well in marketing, storage, and transport—and taking the cooperative system, in particular, into account.
- **Health** – private institutions will be able to participate in a complementary fashion with the unified health system (*sistema único de saúde*). As a result of this clause, medical cooperatives, unions, and all other cooperatives benefited, since they complement the unified health system, via public contracts or agreement.

Beginning in October 1988, therefore, State intervention in the creation and operation of cooperatives was eliminated, and the movement, led by the OCB System, initiated a great effort toward creating the basic rules for self-management. All of this effort, however, was consolidated by the 10th Brazilian Cooperative Conference, held in 1988, which defined a new cooperative system for Brazil. This Conference was the turning point for the system, securing the importance that it now boasts nationwide.

Not even the dissolution of Senacoop and of the CNC by the infamous Collor Plan (*Plano Collor*) affected the plans of the movement led by OCB. In fact, in order to meet the constitutional requirement that demands State support, Denacoop was created within the Ministry of Agriculture: this agency still coordinates government measures relating to the cooperative system.

The cooperative leaders' dream came true: the 10th Conference in 1988 and the 1988 Constitution were the means of that fulfillment.

GENERAL GUIDELINES FOR COOPERATIVE SELF-MANAGEMENT IN BRAZIL

Márcio Lopes de Freitas*

Cooperatives were first created to combat the problems arising from the Industrial Revolution and they continue to be the best tool for promoting economic development with social justice. Their universal character allows cooperatives to be present in all countries of the world, regardless of economic and political regime, for they are founded on a vision of solidarity in seeking solutions to common problems.

Brazil is no exception to this rule, and in our country the cooperative model found fertile soil for its development. For more than three decades, Brazilian cooperatives have had a single representative institution, the Organization of Brazilian Cooperatives (OCB – *Organização das Cooperativas Brasileiras*), founded in December 1969. It was created during the 4th Brazilian Cooperative Conference held in Belo Horizonte (in the state of Minas Gerais), to replace the Brazilian Cooperative Alliance (Abcoop – *Aliança Brasileira de Cooperativismo*) and the National Union of Cooperative Associations (Unasco – *União Nacional das Associações de Cooperativas*). Previously, these two organizations had shared the task of representing cooperatives.

In 1971, Law 5.764 supported the will of cooperatives by ratifying OCB as the highest agency of representation for Brazilian cooperatives, with the mission of representing, promoting, integrating, and defending the interests of the national cooperative system; of providing expertise and consulting services to the government; of transferring knowledge and technology to cooperatives; and to coordinate relations and alliances among institutions at the national and international level while seeking sustainable development.

The OCB System won a great ally with the creation of the National Cooperative Education Service (Sescoop – *Serviço Nacional de Aprendizagem do Cooperativismo*). This agency met a demand that cooperative leaders had been making for two decades, and was a great victory for the movement. Sescoop was created on 9/3/1998 by Provisional Measure No. 1715 and sustained on 4/6/1999 by Decree No. 3017 with the mission of making cooperative self-management and monitoring viable in Brazil by training human resources to this end.

As the executing agency for the Brazilian Cooperative Self-Management Program (*Programa de Autogestão do Cooperativismo Brasileiro*), Sescoop's importance for the development of the cooperative system has continually grown. It provides capacity building and training for cooperative employees, members, and leaders. The service has also been responsible for the organization, management, and implementation of professional training programs and community development programs for workers and cooperative members in all of Brazil.

The unification of the cooperative system leveraged the national cooperative movement. Today, almost six million people are cooperative members in Brazil. The lives of more than 20 million Brazilians are directly or indirectly linked to cooperatives. However, despite this very large number—equivalent to the population of many countries—the movement still has great potential for growth in Brazil. We already represent an economic force of unquestionable importance, with approximately 6% of the country's Gross Domestic Product (GDP). We are responsible for almost 40% of production in agribusiness and we will probably increase this number to 50% in coming years. Brazilian cooperative exports surpassed 1.3 billion dollars in 2003.

The 5.7 million members of the 7,355 different cooperatives form the base of the OCB System and comprise the state organizations in the 27 Brazilian states, the 81 central cooperatives, 76 federations, and 13 confederations. Brazilian cooperatives are organized among 13 distinct branches

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of business: Agriculture, Consumer, Credit, Educational, Special, Infrastructure, Housing, Mineral, Production, Health, Labor, Tourism and Leisure, and Transport.

Currently, the cooperative system is oriented by four general guidelines formulated by top cooperative leaders in annual meetings: professional management, cooperative education, mutual cooperation, and social responsibility.

Management implies professional attitudes and training of leaders, members, and employees. The commitment and involvement of all is needed for cooperatives to be capable of meeting the challenges imposed by a new global economic order. Administrative tools, such as strategic planning and the creation of operational procedures suited to the development of cooperative business, are among the items that currently comprise the agenda of cooperative leaders. Some of the actions extolled for improved cooperative management, however, are predicated on changes that can only occur through new paradigms and new behavioral standards as an ongoing and coherent process. This transformation requires massive investments in education and in training new cooperative members to be aware of the rights and responsibilities inherent to cooperative ideology. Investments in training new leaders and providing more basic, technical, and post-graduate courses in cooperative management are needed.

Education—the basis of any organized society—will allow for the development of another important trend of modern cooperatives: the formation of mutual cooperation networks. It is in this regard that our leaders can broaden the future horizons of the cooperatives for which they are responsible. They are doing so: once more, cooperatives are breaking barriers and adopting new strategies. The formation of alliances between cooperatives and commercial enterprises—unthinkable in the recent past—are now gaining ground, making them more competitive and opening larger markets.

Mutual cooperation networks have brought gains in scale through joint commercial operations and increased negotiating power with financial institutions, suppliers, and clients. They have also allowed for a substantial reduction in costs and unification of cooperative marketing strategies.

Finally, the fourth general guideline for Brazilian cooperatives centers on social responsibility, a practice that, in truth, is inherent to the genesis of any cooperative and is one of the Seven Universal Cooperative Principles adopted by the countries that are part of the International Cooperative Alliance (ICA). Social responsibility means that every cooperative is committed to the well-being and sustainable development of the community in which it is located. Various projects with national reach are coordinated by OCB, including the Small-Scale Seaweed Cultivation Project in the Brazilian Northeast (*Projeto de Cultivo de Algas Marinhas em Pequena Escala no Nordeste Brasileiro*), developed in conjunction with the United Nations Food and Agriculture Organization in three states in the Northeast region. This program has provided extra income to fishing families who sell their seaweed production, mainly to the cosmetics industry.

These four trends, permeated by the self-management process, show that the cooperative system today is on firm footing. Brazil may someday become the largest cooperative republic in the world, a goal set forth by the president of the Republic, Luiz Inácio Lula da Silva. The OCB System will always be on duty to make its contribution so that this goal may be attained. With unity and solidarity in our shared objectives, we will become stronger and stronger.

CHANGES IN THE LEGAL FRAMEWORK FOR BRAZILIAN COOPERATIVES

Paulo Roberto Stöberl*

INTRODUCTION

The current cooperative movement in Brazil has the profile of a system; in other words, it has a series of interrelated institutions.

The legal structure of cooperative societies, defined by Federal Law No. 5764/71, is based on the notion of a system, although the legislation does not express it as such. There are currently three basic sets of legal bodies that can be pointed to as constituting the Brazilian cooperative system: Brazilian cooperative societies; their representative institutions—the Organization of Brazilian Cooperatives (OCB – *Organização das Cooperativas Brasileiras*) and its affiliates, the Organizations of State Cooperatives (OCEs – *Organizações de Cooperativas Estaduais*); and the national cooperative education service and its state units.

The cooperative movement is a life philosophy. It cannot be separated from attitudes and social life—or rather, social structure. The act of cooperating is the foundation of joint action; it is the union of a group that shares a common identity to solve a collective problem.

All civilized countries have made use of the basic universal and structural principles of cooperatives and have implemented, in one way or another, the cooperative system at the national level. Brazil is no exception: it has been doing so for a century. Thus, although cooperative societies have a different face in each nation, their basic structural design has similarities in the entire civilized world.

THE STRUCTURE OF COOPERATIVES IN BRAZIL

The modern structure of Western cooperatives was brought to Brazil by the flow of immigrants that arrived mainly beginning in the second half of the 19th century. The unfamiliarity of the land, the language, the customs, the economy, and the culture reinforced the immigrants' need to unite and recall the models of cooperative practice from their countries of origin. Cooperatives were also made possible by the geographic proximity with which the colonies of immigrants were founded.

It should be noted that in Latin America—and more specifically in Brazil—we had examples of cooperation, or rather, pre-cooperative manifestations, since we adopted the term *cooperativismo* (the cooperative system) for manifestations after Rochdale (Rochdale Cooperative, England, 1844), according to the International Cooperative Alliance (ICA). These manifestations included the Jesuit reductions, among other practices. The starting point of these manifestations is found in the *Encarnación de Itapúa* reduction, in 1627, according to writer Virgílio Périus (1999), who cites studies by Professor Carbonell.[1] Another experience considered pre-cooperative was the Palmares Republic

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[1]DE MASY, Rafael Carbonell. **Estratégias de desarollo rural em los pueblos Guaraníes** (Rural development strategies among Guarani peoples) (1609-1767). Barcelona: Antoni Bosch, 1992. 512p.

(*República de Palmares*), "a group of slave communities (...) that existed from 1600 to 1695" (RICKEN and RITZMANN, 2001, p.5).

It is also worth citing the important cooperative experiences mentioned in Ricken and Ritzmann's work (2001, p.5), such as the Tereza Cristina colony in the states of Parana and Santa Catarina in the 1840s, under the leadership of French doctor Jean Maurice Faivre; the Raiffeisen credit cooperative led by Father Amstad in 1903 in Nova Petropolis, Rio Grande do Sul; and the agricultural cooperative in Minas Gerais fostered by João Pinheiro in 1907.

However, the idea of structured cooperatives—as we know them today—was born in England during the Industrial Revolution, with the constitution of a consumer cooperative in 1844:

> The origin of the Cooperative System as a socioeconomic enterprise took place in England in the village of Rochdale, near Manchester. Under the growing threat of being substituted by steam-driven machines and with the worsening of the working class' extreme poverty, 28 weavers joined together to seek an alternative for their work and survival.[2]

In Brazil, the first piece of legislation that regulates, or at least cites, cooperatives was Legislative Decree No. 979 from January 6, 1903.

DEVELOPMENT OF BRAZILIAN LEGISLATION ON COOPERATIVE SOCETIES

The particular structure of this type of society in Brazil always followed international cooperative principles: the cooperative society is not a Brazilian invention, nor, perhaps, that of any nation. Thus, it possesses a series of fundamental structural principles[3] that can be found in countries that adopted and implemented this type of society.

It is necessary to chart a brief chronological history of all Brazilian legislation that governed cooperative societies, or the cooperative system itself, in the 20th century, and now in the 21st century. The following is a transcription of the exhaustive research conducted by professors Fábio Luz Filho (196, p.201), Diva Benevides (1991, p. 28 e s.), and Waldírio Bulgareli (1998):

- Legislative Decree No. 979 of 1/6/1903;
- Legislative Decree No. 1637 from 1/5/1907;
- Decree No. 22239 from 12/19/1932;
- Decree No. 23611 of 12/20/1933;
- Decree-Law No. 581 of 8/1/1938;
- Decree-Law No. 926 of 12/5/1938;
- Decree-Law No. 1386 of 12/5/1939
- Decree No. 6980 of 3/19/1941;
- Decree-Law No. 5893;
- Decree-Law No. 6274 of 2/14/1944;
- Decree-Law No. 8401 of 12/19/1945;
- Decree-Law No. 59 of 11/21/1966;
- Decree No. 60597 of 4/19/1967;
- Law No. 5764 of 12/16/1971;
- Law No. 10406 of 1/10/2002.

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[2]*O Cooperativismo Paranaense* (Cooperatives in the state of Parana), a 1999 Ocepar publication.

[3]The ICA's seven principles are worth reading.

Some cooperative scholars dispute the affirmation that the Legislative Decree No. 979 of 1903 inaugurated the regulation of cooperatives in Brazil. The Decree regulated, so to speak, cooperative societies, since in Article 10, it determines that in the case of closure these societies would be subject to the same laws as civil societies.

Legislative Decree No. 1637 of 1907 was incontestably the first important legal milestone for to the cooperative movement[4], since it created the first law in Latin America dealing specifically with cooperative societies. Professor Bulgarelli states that:

> Profoundly influenced by the French law of 1867, it did not attribute a unique form to cooperatives. They should be constituted as commercial societies, with a collective name, limited liability, and anonymous membership. It gave them, however, full liberty of constitution and operation, without subordination to any state institution. To operate legally, they only needed to deposit a copy of their articles of association at the Board of Trade. Subsequently, their only obligation was to deposit a list of members and any changes in bylaws semi-annually.
> They had so much freedom of operation that they could, among other things: (Art. 25) "1 – borrow on mortgage, agricultural pledge, or warrants, thus establishing general warehouses according to the applicable laws. Agricultural pledges could be made by private contract, which would need to be registered in the county in order to have value before third parties; 2 – issue merchandise receipts according to the applicable laws; 3 – receive money, by deposit, on interest, not only from members but also from persons outside the society" (BULGARELLI, 1998, p.65).

Decree No. 22239 of 1932 altered the clauses of Legislative Decree 1637. According to Professor Diva Benevides, whose classic work was cited above, this decree changed the civil conception of cooperatives: the law began to consider "cooperatives associations of persons and not of capital, *sui generis* in their legal nature, having specific characteristics" (PINHO, 1991, p.38).

Decree No. 23611 of 1933 revoked Legislative Decree No. 979 of 1903, and authorized the creation of professional-cooperative consortiums. It created the state cooperative agency, thus beginning state tutelage of cooperatives.

Decree No. 24647 of 1934 revoked Decree No. 22239, establishing principles for professional cooperation, as well as for social cooperation. This decree also granted direct and indirect assistance to cooperatives and instituted the Professional Cooperative Consortiums Fund.

Decree-Law No. 581 of 1938 legislated on registrations, inspection, and assistance to cooperative societies, and revoked Decrees No. 23611 and 24647. Also in 1938, Decree-Law No. 926 regulated the creation, financing, and inspection of cooperative insurance societies.

Decree-Law No. 1386 permitted the admission of legal entities as members of cooperatives in extractive industries.

The notable feature in Decree No. 6980 of 1941 is in the regulation for the inspection of cooperative societies, established in Decree-Law No. 581.

Law-Decree No. 5893 of 1943 deals with the organization, operation, and inspection of cooperatives. This decree was subsequently altered by Decree-Law No. 6274 of 1944.

The last two decrees were revoked by Decree-Law No. 8401 of 1945, except for articles 104 and 118; the clauses of Decree-Law No. 581 of 1938 and 22239 of 1932 were reinstated.

Decree-Law No. 59 of 1966 and its regulating Decree No. 60597/67 defined national cooperative policy, creating the National Cooperative Council. Waldírio Bulgarelli levels severe criticism at this legislation, due to its "lack of organization and systematization, and its intent to submit the cooperative

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[4]Fábio Luz and W. Bulgarelli.

movement to rigid State control" (BULGARELLI, 1998, p.68). Decree-Law No. 59 was substituted by Law No. 5764 of 16 December 1971, which defined the National Cooperative Policy. This legislation warrants separate mention, as does Chapter VII of the 2002 Civil Code.

ANALYSIS OF COOPERATIVE PRINCIPLES FROM A LEGAL PERSPECTIVE

To penetrate this topic, it is important to elucidate and delimit legislation applicable to cooperative societies from 2003 on, in light of the regulations enacted by Chapter VII of the 2003 Brazilian Civil Code, which deals with cooperatives.

CURRENT LEGISLATION APPLICABLE TO COOPERATIVE SOCIETIES

At present, cooperative societies are governed first by Chapter VII of the 2002 Civil Code, Law No. 10406, and, where it is silent, by Law 5764/71. General laws governing all kinds of societies apply when Law 5764/71 does not deal with a particular issue.

As of 2003, cooperative societies are conceptualized or classified by Article 982 of the 2002 Civil Code[5] as being simple societies. This classification is, in our opinion, a mistake. [6] However, this criticism is merely from a theoretical point of view, since from a legal standpoint it cannot be changed.

The Civil Code's method of classification was an attempt to unify private law in Brazil. Accordingly, its content includes registers of all types of societies in Brazil, including corporations, whose commercial character is indisputable. Under the mantle of this new system of classification, the Civil Code must present the type of society and not be concerned with delimiting its structure and operation. This latter task falls to special laws, as was the case for cooperative societies in Article 1093.[7]

The argument that the Brazilian Civil Code is above Law 5764/71 but that the latter has not been entirely replaced, is based on the application of rules that resolve apparent conflicts between laws in our legal system—more precisely, conflict in laws from different time periods—since we have two laws that govern the same issue.

Thus, the civil law began to frame and determine basic guidelines for societies in Brazil. This system of organization brought apparent contradictions in legal orientation, mainly in respect to the content of Articles 1093 and 1096, and Law 5764/71. An apparent contradiction exists between the directives, making it necessary, according to Maria Helena Diniz, to refer to standards on interpretation and applicability of laws in general—that is, the Introductory Law of the Civil Code. [8]

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[5]Art. 982. (...) Sole paragraph. Regardless of their business purpose, societies that sell stock are considered corporations (*sociedade empresária*); cooperatives are considered simple.

[6]It is a mistake because, in terms of their economic activities, cooperative societies are very similar to large corporations (considered "*sociedade empresaria*"). The unique (*sui generis*) nature of cooperatives has always been unanimously agreed on by the movement; therefore, endeavoring to classify cooperatives a specific type of society is dangerous, because their unique nature will always lie somewhat outside of the classification.

[7]Art. 1093 – Cooperative societies shall be governed by what is stipulated in this chapter, with the exception of special legislation.

[8]Decree-Law No. 4657 of 4 September 1942.

Article 2 of the Introductory Law of the Civil Code[9] stipulates that the content and authority of previous laws are revoked only if this is explicitly stated in the new law (which was not the case here);[10] if there are clauses in the new law that change the old law; or if the new law is exhaustive in legislating on the issue. The latter two hypotheses did occur; however, this is not the place to delve into them.

Our objective in this text is to report on and delimit Brazilian legislation applicable to cooperative societies.

THEORETICAL APPROACH TO COOPERATIVE SOCIETIES

The Civil Code regulations did not alter the theoretical conception of cooperative societies. Article 1094[11] delineates the features of a cooperative society, reaffirming those features described by Article 4 of Law 5764/71.[12]

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[9]Art. 2. This not being a temporary law, it shall be in effect until another law modifies or revokes it.

Paragraph 1. New laws revoke previous laws when they explicitly claim to, when they are incompatible with previous laws, or when they cover all aspects of the previous laws.

Paragraph 2. New laws, when they establish general or special provisions in line with existing laws, do not revoke nor modify previous laws.

Paragraph 3. Unless otherwise stipulated, revoked laws are not automatically reenacted when the law that revoked them is no longer in force.

[10]Law 10406 never expressly revokes Law 5764/71.

[11]Art. 1094. The following are features of cooperative societies:

I – variability or inexistence of share capital.

II – grouping of minimum number of members needed to constitute the cooperative's management, with no maximum number.

III – limitation of value of sum of shares of share capital that each partner is allowed to have.

IV – capital shares cannot be transferred to third parties outside of the cooperative, even by inheritance;

V – quorum for the General Assembly to function and debate based on number of partners present at the meeting and not on the proportion of capital share represented;

VI – distribution of profits proportional to the value of operations between members and the cooperative; fixed interest can be established on capital obtained;

VIII – indivisibility of reserve fund among members, even in the case of dissolution of the cooperative.

One feature of a cooperative society is the variability of share capital; this mention enthrones one of the features of the cooperative member/partner—that is, of being owner of the cooperative society that he or she belongs to. The condition of being *cooperative owner*[13] is shared by many persons and legal entities that agree to a *partnership contract*. Legally, they become cooperative partners—replacing their previous legal status—and now possess a *part* of the cooperative through capital invested therein; that is, a portion (share) of it, and they become responsible for the operations of the cooperative before the market in which the cooperative transacts. Variability of social capital means division of the society in parts, and this division is variable.

The noteworthy feature of the Civil Code was that it allowed for the constitution of cooperatives without capital—that is, without assets. Whenever there are assets, they must be somebody's property: this somebody is necessarily *owner* of the society, because he or she physically possesses it. We believe that it is possible, in theory, for a cooperative society to exist without capital[14], since the only function of a cooperative is to provide direct services to members[15] and there are some branches[16] that fulfill this function without need of capital: they simply offer services.

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[12]Art. 4. – Cooperatives are civil societies of persons, having a unique structure and legal status, not subject to bankruptcy, and constituted to provide services to their members. They can be distinguished from other kinds of societies by the following features:

I – voluntary membership of unlimited number, except in the case of technical incapacity to provide services;

II – variability of capital, divided into shares;

III – limit on number of capital shares that each member can have; the establishment of criteria based on proportionality is also allowed, if that is more appropriate to obtain business objectives;

IV – unavailability of capital shares to third parties who are not part of the cooperative;

V – each member has a single vote; central cooperatives, federations, and confederations of cooperatives—except those engaged in credit activities—may opt for the criterion of proportionality;

VI – "quorum" for the General Assembly's functioning and debate based on number of members and not on capital;

VII – distribution of fiscal year net surplus in proportion to operations performed by each member, unless otherwise decided by the General Assembly;

VIII – indivisibility of Reserve, Technical Assistance, Education, and Social Funds;

IX – political neutrality and religious, racial, and social non-discrimination;

X – provision of assistance to members and, when stipulated in the bylaws, to cooperative employees;

XI – area from which members can be admitted is limited by feasibility of meetings, control, operations, and provision of services.

[13]As in the classic theory of "dual quality of the cooperative member, who is both a owner and a user: an owner because he has a share in the cooperative and, as such, 'owns' it." In: **Tributação das Cooperativas** (Cooperative Taxation), São Paulo: Dialética, 1998. p. 108, item 7.1.

[14]Art. 4. – Cooperatives are civil societies of persons, having a unique structure and legal status, not subject to bankruptcy, and constituted to provide services to their members (...)

[15]Text from Article 4 of Law 5764/71

[16]The division/classification by branches designates the cooperatives' business objectives and is made by OCB, which classified 13 different branches.

Another issue inherent to this feature relates to the role of capital in cooperatives societies. We believe that the raison d'être of cooperatives is the creation of mechanisms/structures needed to fulfill their sole role: providing services to their members. *We do not accept the idea of the existence of cooperative capital if it is not linked to the provision of services.* Accordingly, when the law institutes capital in cooperatives, according to the very structure of cooperatives, it is linking it to the provision of services and not to the direct remuneration of cooperative members.

Civil Law No. 10406, in clause II of the previously discussed Article 1094, determines that there are a minimum number of members necessary to constitute a cooperative society. The framers of this legislation saw it best not to stipulate the exact number; instead, they established that this number depended on the cooperatives' need for administration. We should understand the term *administration* in the broadest possible sense—that is, that cooperatives exist and should be administrated in such a manner as to provide adequate services for their members, thus fulfilling the role for which they were created.

Since 1971, legislators have prioritized the continuity of cooperatives. In the Federal Constitution, there is also a directive stating that the law should support and stimulate cooperatives, showing that legislators are concerned with creating rules and mechanisms for the maintenance of cooperatives, even when there are internal forces working for their dissolution. Now, the only explanation for the existence and continued support for this concern is that cooperatives have a social role that is important to the Brazilian nation.

According this reasoning, cooperatives are, without a doubt, national enterprises; they create and distribute wealth in the community and they also assemble a sizable group of members—more than in other types of societies—besides the direct and indirect jobs that are created, the economic activity generated, and the resulting organization of the market, since cooperatives prioritize professionals and not profit. We believe that these are the reasons that the Constitution itself establishes laws to maintain cooperatives in Brazil.[17]

Another feature is to limit the quantity of shares that any given cooperative member can have. Capital belongs to the cooperative members and must be returned to them in the event of their leaving the society, which can happen in one of three cases.[18] If individual shares represented too large a percentage of total capital, the restitution of the value might destabilize the entire enterprise.

The directive that establishes that shares of cooperative capital are nontransferable is important, as it is associated to the first clause of Article 1094, which deals with capital. This clause rounds out the conception of cooperatives as societies of people, and not of capital. It solidifies the notion that the shares exist *outside of the market*, since the only reason for their existence lies in the need to provide services to cooperative members. In other words, cooperatives exist to provide the necessary structure for the provision of services to the cooperative members that created it or maintain it, and this is, at all times, the justification for their existence and continuity.

Another feature established by Article 1094 is that the quorum for operation and deliberation cannot be based on capital; rather, the Article states, the quorum must be based on the number of members present at the assembly. This prohibition is perhaps one of the pillars of the cooperative system, in conjunction with the one-member/one-vote directive, determined by clause VI of the same article.

Again, capital cannot constitute the basis for deliberation or the calling of assemblies. It is only a means, and not an end of the cooperative society. It is well understood that the reason for creating societies of persons does not lie in the capital involved. In cooperatives the same is true, and furthermore capital is a means for the society's operation and not an end. The cooperative member enters the cooperative to benefit from the provision of services, and not to gain capital, invest, or seek returns.

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[17]Articles 146, III, c, and 174, Paragraph 2 of CF/88.

[18] Dismissal, Elimination, Exclusion (Articles 32, 33, and 35 of Law 5764/71).

The one-member/one-vote aspect tops off what has been confirmed here, and underscores the idea that the structure of cooperatives societies is unique, *sui generis*; no other type of society in Brazil has this distinctive feature of attributing to each member the right to one single vote. The novelty in 2002 is that even in cooperatives without capital, this policy holds.

Another fundamental theoretical pillar that characterizes cooperative societies is that distribution of cooperative profits must obey the criterion of *distribution proportional to the value of operations performed between members and the society*, due to the simple fact that the origin of the profits lies precisely in the operations of the cooperative members.

This standard simply means that owners must receive their due; in other words, cooperative members are the only parties responsible for the existence of profit—commonly called surplus—so it must be returned to them. This *existence* of surpluses is due precisely to the operations performed between members and the cooperative, thus the money is proportionally returned to them. To better understand this line of reasoning, it is necessary to analyze profit, or its synonym, surplus.

Surplus arises in two ways: from error coefficients or from price complements. The error coefficient is the value retained by cooperatives to pay for cooperative expenses in providing services to their members. Thus, the more operations/services that members use, more retention there will be. At the end of the year, if there was more retention that needed to cover expenses, the excess value retained is returned to the members. [19]

With price add-ons, the product/service of the cooperative members is sold at a higher price on the market than what is paid to the members. For example, if the price of soybeans is set[20] at ten Brazilian *reals* but the market is paying eleven *reals* due to price oscillations, at the end of the fiscal year there will be a value to return to the members.

In both cases, the profit arose from an operation between the cooperative and its members, and is proportional to this transaction/operation. Accordingly, it must be returned to whom it is due and in the appropriate proportion.

Another issue, also from clause VII of Article 1094, is the possibility of attributing fixed interest to integrated capital, since this capital is not subject to indexation. Each cooperative must analyze the expedience and value of using a portion of the surplus (cooperative operations) to remunerate capital, because this practice can weigh down cooperative operation.

The indivisibility of funds is, ultimately, a manifestation of the fact that cooperatives exist to provide services and not remunerate cooperative members. The Reserve Fund is instituted for maintenance of the society, and the Technical and Social Assistance Fund (Fates – *Fundo de Assistência Técnica e Social*), contained in Article 28 of Law 5764/71, facilitated operations with third parties and guaranteed social benefits for cooperative members and employees.

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[19]If there is retention of operations with non-members, the corresponding amount goes to Fates (see cooperative legislation).

[20]Permission-for-sale procedure between members and the cooperative in the agricultural branch.

ANALYSIS OF THE CONSTITUTIONALITY OF THE POLITICAL AND REPRESENTATIVE MODEL AND THE RELATIONSHIP BETWEEN COOPERATIVES AND THE STATE

Law 5764/71 erected a system of representation for cooperative societies, attributing this prerogative to OCB in Article 105.[21] The legal arrangement remains intact until today, even after the 1988 Constitution that received the existing structure. Therefore, the constitutionality of the Single Cooperative Representation System remains in force. The legal framework that comprises the basic laws on cooperatives was organized systemically. It follows a harmonious order in which the supreme text of the Constitution outlines principles and precepts adhered to by all hierarchically inferior laws.

This "supremacy principal" establishes the necessity of conformity of all laws outside the Constitution to the Constitution, thus establishing the constitutional control to be exercised by the Republic.

In October 1988, cooperative societies, previously considered by cooperative doctrine to be State-controlled societies, obtained autonomy of formation and operation through explicit norms in the Constitution. The situation prior to the enactment of the Constitution must be analyzed in order to understand the intent of the constituents in writing clause XVIII of Article 5.[22]

In the previous period, cooperatives could be formed only with the authorization of the National Institute for Colonization and Agrarian Reform (Incra – *Instituto Nacional de Desenvolvimento e Reforma Agrária*). Incra was part of the Ministry of Agriculture, which had broad powers to inspect and close societies. The National Cooperative Council (*Conselho Nacional do Cooperativismo*), a collegiate body formed by members of government and cooperative representatives that analyzed legislation and issued legally binding resolutions, also regulated the operation of cooperatives.

It was in this context that cooperatives demanded autonomy of creation and operation—just like other societies in Brazil—with the implementation of self-inspection mechanisms instituted by the cooperative system itself. And such was the intent of the constituent assembly members: *remove state control from cooperative societies and allow for the operation of these mechanisms.* Nonetheless, the single system of cooperative representation in Brazil, through the Organization of Brazilian Cooperatives, remained intact. This fact led to some criticisms about the reach of constitutional law and, consequently, about the alleged unconstitutionality of the legislation that established this single system. It is specifically clause XVIII of Article 5 that has led to interpretations of the Constitution that consider the single system of cooperative representation unconstitutional.

Notwithstanding these interpretations, it is incontrovertible that the Constitution sought to guarantee the creation of cooperatives in keeping with the legislation that regulates them, though without need for authorization by a state body; any state interference in their operation was also precluded.

The reality extant before the advent of the 1988 Federal Constitution, regulated only by Law 5764/71, involved three agencies that formed the Brazilian cooperative system: Incra, responsible for authorizing the creation and operation of cooperatives and for inspecting them; CNC, a collegiate body responsible for the political and analytical guidance of the legislation; and OCB, responsible for representing cooperatives and also the government's technical assistance and consulting agency.

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[21]Art. 105 – The Organization of Brazilian Cooperatives (OCB) is responsible for representing the national cooperative system. It is a non-profit, civil society, structured according to this Law, that provides technical/consulting services to the Government and has its headquarters in the Federal Capital. It is essentially (...)

[22]Art. 5 ... - XVIII – the creation of associations and, under the terms of the law, that of cooperatives is not subject to authorization, and State interference in their operation is forbidden.

The regulation of the cooperative system by these three agencies was not prohibited by the Constitution. What was prohibited was the need for authorization for the creation and operation of cooperatives by *State agencies*; consequently, Incra was removed from this process of creation and inspection of cooperative societies. There was also a strong directive disallowing state interference in cooperative operations, thus definitively removing Incra and CNC from this role. These two agencies drew up rules through their resolutions. These rules had had coercive power which cooperatives were compelled to obey; thus, they interfered with cooperative operation.

As for the system's representation, the Constitution was silent—first of all, because it did not involve state agencies, as they are civil societies governed by private law, and second, because OCB and its state organizations never had any authorizing or inspecting roles over cooperative societies. Even if they had, however, the constitutional ban would apply *only* to *state agencies*.

The legal enforceability of registering with OCB, a requisite factor for the applicability of a single representation system, has two theoretical explanations deriving from the way that cooperatives are constituted. The first is that registration is a requirement for bestowal of legal status on the cooperative society; the second explains registration as being merely a regulating condition for the creation of a society as a "cooperative," along the same lines that registration in regulating agencies is necessary for some professional activities or even, as an extreme example, registration is obligatory with the Ministry of the Treasury for tax purposes or with the Board of Trade.

In any case, one of the theories explains the enforceability of registration as an inherent factor for a society to belong to the Brazilian cooperative system—a consequence of cooperative principles, which posit mutual association as a source of strength for the cooperative system.

The enforceability of registration in no way runs against the broader legal context, because the Federal Constitution specifically states that legislation outside the Constitution shall regulate the matter. We should also analyze this issue from a systemic constitutional perspective, because there are other cases of mandatory registration of individuals and, even more so, of legal entities, that do not impede freedom of creation or operation. For instance, unions must register with the Ministry of Labor, but this registration does not constitute some kind of interference.

At this point, it is necessary to write a brief exposition of the content of clause XVIII, in reference to the phrase "according to the applicable law." To this end, we need to understand the concept of the effect of *"adaptation of laws in light of the enactment of a constitution."* This effect allows for the systemic harmony of the legal system. Theoretically, immediately after the enactment of a new constitution, all laws that conflict with it no longer belong to the nation's legal system. This effect is called *implied repeal* and derives from the recognition of the "declaratory unconstitutionality", under the responsibility of the Judicial Branch—whether under concentrated or diffuse control.

Thus the adaptation of Law 5764/71 by the aforementioned clause in the Constitution stipulates that the creation of cooperative societies shall occur according the legislation that regulates it, whether this legislation was enacted before or after the Federal Constitution, as long as that legislation does not conflict with the content of the Constitution. Consequently, the idea of a single system of representation as established by the 1971 law remains constitutional.

In conclusion, we believe that the institution of this kind of national cooperative system is a product of cooperatives' own wishes. The system is freed from state tutelage but contains a series of rules that delimit the operation and structure of cooperative societies, reproducing the universal principles that underlie this type of society. It benefits from a system of representation enacted by the cooperatives themselves. It is consonant with the Principle of Cooperation, one of the universal cooperative principles, and a direct result of the constitutional directive expressed by the constituent assembly members who wrote Article 5, clause XVIII.

FINAL CONSIDERATIONS

In this text, we sought to make it clear that in Brazil, not only is there regulation of cooperative societies, but also the construction of a cooperative system based on three legal entities: the cooperative itself, the representational entity, and the cooperative education service.

Cooperative societies have their own distinct characteristics, as the rules governing them have been established by Brazil, that is, international structural principles were enacted into law by chapter VII of the 2002 Brazilian Civil Code as well as by Federal Law No. 5764 of 1971.

The system of representation remains valid and was accepted by the 1988 Federal Constitution, the same political document that barred state interference in cooperative societies, breaking its chains and thus allowing for sustained and deliberate development.

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LEGAL FOUNDATIONS OF THE BRAZILIAN COOPERATIVE MOVEMENT IN THE 1970s AND 1980s

Fernando Torres Lima*

In Brazil, Cooperative Societies submit to the jurisdiction of Law No. 5764 of 16 December 1971, which defined National Cooperative Policy as activity resulting from initiatives connected to the cooperative system, originating in the public or private sector, in isolated or coordinated fashion, as long as they take the public interest into account (Article 1). With the declaration of the aforementioned law, the legal regime of cooperative societies was instituted, defined as a "civil society of persons, having a unique structure and legal status, not subject to bankruptcy, and constituted to provide services to its members" (Art. 4).

Thus defined, cooperatives are societies of individuals who previously undertook economic activity independently and now voluntarily unite to attain their common needs and economic, social, and cultural aspirations and needs. To this end, they institute a democratic association of collective property, based on the principles of mutual help, responsibility, democracy, equality, equity, and solidarity.

Defined by specific legislation, cooperative societies are distinct from commercial societies, charitable associations, foundations, associations, and other public or private legal entities. They have distinctive features, including:

- they are civil societies, not subject to bankruptcy, with variable capital, represented by shares, with capital share limits per member—they must be proportional to the quantity of services used by the cooperative member;
- they are societies constituted with the sole purpose of providing services to their members;
- democratic management, with decisions voted in General Assemblies, where votes are based on number of associates and not on shares of capital;
- profits from operations are returned directly to members, in proportion to the volume of services they have used, and not in proportion to their share of capital in the society, since the society does not seek profits in its commercial operations;
- specific, obligatory, and indivisible funds to provide socio-economic assistance to members and—when included in the bylaws—to cooperative employees;
- freedom of association—both in entering and in leaving the cooperative—for all those who wish to use the services offered by the cooperative, as long as they exercise the economic activity autonomously, compatibly with the other members, and do not engage in partisanship or religious, racial, and social discrimination.

With a view to reforming the large number of so-called "cooperatives" created under the structures of previous legislation, the new law attributed the coordination and stimulus of cooperative activities to the federal government. It established mainly government actions to provide technical assistance, financial incentives, and special credit—all necessary for the creation, development, and integration of cooperative entities.

Cooperatives societies were granted the right to adopt any service, operation, or activity as their business purpose. At the same time, they were guaranteed the exclusive right—and also obligated—to use the expression "Cooperative" in their official name. As a result, the name automatically differentiates them from other kinds of associations. Credit cooperatives were also prohibited from using the word "bank" in their names.

A new authorization was required for cooperatives to be created and for existing cooperatives to adapt to the new statutes that altered the previous system's regulations. A period of 36 (thirty-six) months counting from December 18, 1971 was granted for obtaining this authorization; for new

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cooperatives, previous authorization was required from the National Institute for Colonization and Agrarian Reform (Incra – *Instituto Nacional de Desenvolvimento e Reforma Agrária*). This federal government agency was charged with inspecting and controlling cooperative societies, with the exception of credit and housing cooperatives, which were now governed by Brazil's Central Bank (*Banco Central do Brasil*) and the National Housing Bank (*Banco Nacional de Habitação*). The latter no longer exists.

Incra, according to legal requirements, inherited the prerogative of monitoring cooperative societies from the Ministry of Agriculture's Rural Social Service (*Serviço Social Rural*), which had been dissolved. It created the Rural Development Directory (*Diretoria de Desenvolvimento Rural*), with a Cooperative Division and a Technical Assistance Division, both of which inspected and maintained control of cooperatives and rural unions.

Throughout Brazil, Incra's Regional Superintendencies, coordinated and centralized by Incra's Rural Development Board with headquarters in Brasilia, Federal District, examined documents relating to the creation of cooperatives; subsequently, they continued to control and inspect them.

Incra's inspection of cooperatives was geared chiefly to defending member interests, seeking to preserve the integrity of the cooperatives' unique features and to ensure that they maintained proper relations with their members.

Art. 92, Paragraph 2 of Law No. 5764/71 stipulates that cooperatives must permit any kind of verification by the appropriate control agencies, providing all explanations that are requested. They were also required to annually remit a list of new members and members that left the cooperative for various reasons; minutes from assembly meetings; balance sheets; fiscal year reports; and the Board of Directors' analysis.

Once this documentation was examined and the cooperative was deemed to be operating normally, Incra issued an annual "Certificate of Proper Operation" ("*Certificado de Regularidade de Funcionamento*"). This certificate allowed cooperatives to enjoy tax exemptions in their normal operations, which were called the "Cooperative Act" ("*Ato Cooperativo*") and defined by Art. 79 of Law 5764/71 as follows:

> On the Cooperative Act
>
> Art. 79. Activities practiced between cooperatives and their members, and between cooperatives when they are associated, for the achievement of stated business purposes, are called cooperative acts.
>
> Sole Paragraph. The cooperative act does not include market transactions, nor purchase and sale agreements of products and merchandise.

If Incra identified irregularities, the cooperative was advised, through its Audit Committee, to carry out the needed corrections within 90 (ninety) days in order for its Certificate of Proper Operation to be issued. If the corrections were not made by the cooperative, an "Inspection Process" was initiated. If serious irregularities were detected, as stipulated in Art. 93 of the Cooperative Law, Incra intervened in the cooperative, removing the directors and designating provisional directors—who could be members or outside persons—with a view to reestablishing cooperative compliance in properly providing services to its members.

> Art. 93. The Government, through the central administration of the competent federal executive agencies—whether by its own initiative or by request of the General Assembly or Audit Committee—shall intervene in cooperatives in any of the following cases:
>
> I - contumacious violation of legal provisions;
> II - threat of insolvency due to poor cooperative administration;
> III - suspension of activities for more than 120 (one hundred twenty) consecutive days;
> IV - Violation of article 56, paragraph 2.
>
> Sole paragraph. This article applies to housing cooperatives in what appertains to them.

Examining the balance sheets sent annually by the cooperatives, compliance with legal provisions relating to proper accounting and distribution of surplus was analyzed. The surplus was distributed after deduction of the quantity required for the obligatory funds created when the cooperative was founded (called Technical and Social Assistance Fund, or Fates – *Fundo de Assistência Técnica e Social*).

Contribution to these funds, which are exclusively for cooperative societies, is compulsory. The minimum percentages are established by Art. 28 of Law No. 5764/71, which states:

> Art. 28. Cooperatives are obligated to create:
>
> I – Reserve Fund to make up for possible losses and to meet needs for development of their activities. At least 10% (ten percent) of annual net surplus must be contributed to this fund;
>
> II – Technical, Educational, and Social Assistance Fund to provide assistance to members, their families, and, when included in the bylaws, to cooperative employees. At least 5% (five percent) of annual net surplus must be contributed to this fund.
>
> Paragraph 1. Besides those mentioned in this Article, the General Assembly may create other funds—including revolving funds—whose resources are earmarked for specific purposes. The General Assembly shall determine the method of formation, application, and liquidation of said funds.
>
> Paragraph 2. Services to be provided for by the Technical, Educational, and Social Assistance Fund may be contracted for through agreements with public or private entities.

Services offered to members create costs that are covered by contributions called service fees, which are divided proportionally, according to the volume of use of the services by the members.

By contrast to for-profit organizations, the capital of a cooperative society, represented by shares, is rooted in the number of members and on the quantity of services needed that are offered and utilized by the members. In other organizations, capital owned by partners is intended only to bring profits to its trustees, shareholders, or quota holders. Based on this principle, corporations are not permitted to associate with cooperatives, since the main objective of the former is profit.

Exceptionally, paragraphs 2 and 3 of Article 29 of Law No. 5764/71 permit legal entities to be admitted to certain cooperatives—agricultural, rural electrification, irrigation, telecommunications, and fishing—as long as these companies practice the same economic activities as the members and are acting in the cooperative's field of activity. In addition, nonprofit associations may participate in cooperatives, according to clause I of article 6 of Law No. 5764/71.

> Art. 29. Membership in cooperatives is open to all who desire to use the services offered by the cooperative, as long as they adhere to the established purposes and fulfill the conditions established in the bylaws, except as provided for in article 4, item 1, of this law.
>
> Paragraph 1. Admission of members may be restricted, at the discretion of the respective regulating agency, to those persons who exercise a specific activity or profession or who are linked to a specific organization.
>
> Paragraph 2. Membership in fishing cooperatives, or those constituted by rural producers or placer miners, is open to legal entities that practice the same economic activities as the persons who are already members.
>
> Paragraph 3. In electrification, irrigation, and telecommunications cooperatives, legal entities located in the same area of operation may join the cooperatives.
>
> Paragraph 4. Commercial agents or business owners may not become members of a cooperative that operates in the same economic field as them.

Cooperative societies are structured on principles of equal participation for the attainment of benefits for members through their socio-economic protection, always keeping productive processes in mind.

The common objective of all cooperatives—whatever their specific modality—is the provision of services to members and the substitution of intermediaries, with a view to providing economic advantages to members by streamlining shared costs, strengthening bargaining power in the market, eliminating intermediaries, and allowing more efficient quality control over products acquired and products produced by the cooperative.

The provision of services to members simply means that which would be performed by the cooperative individually. It is merely intermediation for members in their dealings with the market, facilitating the execution of these activities, representing them and acting as a service agency for all members in helping them expand their economic activities.

From an economic standpoint, cooperatives are business organizations that provide support, intermediating a group of consumers and producers, promoting their common economic interest.

This function is carried out in two manners:

- in its consumer role, savings are obtained by the cooperative through the acquisition of goods at the lowest cost;
- in its producer role, members use the cooperative to intermediate the sale of their products through organized transactions, seeking to reach consumer markets with goods or utilities produced individually or collectively.

The removal of the intermediary, however, is not strictly an essential element of the cooperative concept. It benefits cooperative economies. What is certainly essential for the cooperative concept is that it promotes the protection and improvement of the economic situation of members, whether by obtaining lower costs for goods that they need or by offering what they produce on the market at fair prices.

Cooperative societies seek to make the economic activities practiced individually by their members viable, adopting as their business purpose the provision of types of services that—within the constraints of the law and cooperative principles—offer higher quality and prosperity for their participants in the exercise of legitimate activities. The business purposes that distinguish and characterize the various cooperative branches of activity relate to the common economic needs of groups of people who, in order to successfully carry out their economic endeavors, seek through association to absorb the impacts brought by the commercial and financial speculation of corporations whose main objective is profitability in their business transactions.

In order to meet their needs, people practicing typical economic activities—individually and independently—create many kinds of associations with the support of cooperative legislation. The most useful are those belonging to the following branches of activity:

- Rural Producer Cooperatives (Agricultural Cooperatives);
- Urban Consumer Cooperatives: for food products, clothing apparel, household appliances, and other basic consumption goods (Consumer Cooperatives);
- Autonomous Professionals Cooperatives that exercise their professionally regulated activities autonomously, without being employed by a company—doctors, dentists, architects, engineers, lawyers, taxi drivers, truck drivers, seamstresses, tailors, trash collectors, teachers, janitors, etc. (Labor Cooperatives);
- Cooperatives of persons seeking to obtain financial resources to cover contingent expenses (Personal Credit Cooperatives).

Rural producer cooperatives seek to provide services to their members by undertaking joint purchase and sale of goods, buying supplies needed by members for their activities, and also acquiring basic consumption goods, such as: objects for personal and household use, not only for members (farmers, cattle breeders, placer miners, fish breeders, etc.) but also for their families and employees. In addition, the joint sale of members' production, after processing, selection, or classification, is carried out through sales on the internal and external markets.

Consumer cooperatives serve their members by acquiring goods for personal and household use necessary for their survival on better terms, providing them with these products at lower prices than those practiced by merchants in the region.

Currently, in accordance with Article 5, clause XVII of the Federal Brazilian Constitution of 5 October 1988, the creation of associations and, according to the applicable law, of cooperatives, does not depend on authorization, and state interference in their operation is prohibited.

Hence, to create a cooperative society, it is no longer necessary to present documents to obtain the "Operating Authorization," Those interested in creating a cooperative must simply follow these steps:

- Identification of a group of at least twenty persons with a common economic objective that, after analyzing other options, wish to create a cooperative.
- Preparation of a bylaws proposal.
- Public notice of convocation of a General Constituent Assembly, including date, location, time, and issues to be discussed. Among these issues, the bylaws themselves must be discussed and voted on, elections for a new Board of Directors and Audit Committee must be held, and those who win the vote must be installed.
- Minutes, signed by all participants, of the General Assembly meeting for voting on cooperative bylaws and electing Board members. The bylaws should include the name and abbreviation of the cooperatives, as well as headquarters address, period of existence, field of activity, beginning and end of the fiscal year, business purposes, form of administration, rights and responsibilities of cooperative members, as well as the method for dissolving the cooperative.
- Proof of Registration with the Brazilian Ministry of Finance's Corporate Taxpayer Registry (CNPJ – *Cadastro Nacional da Pessoa Jurídica*).
- Registration document from the Board of Trade.
- Registration document from the respective State Cooperative Organization (OCE).
- Business license.

The formalities for creation of cooperatives do not differ, in terms of procedures, from those needed by other associations. Cooperative societies are created by deliberation of the General Assembly of Founders. They are similar to other types of associations of persons but they are governed by bylaws and not by articles of association. Their acts must be registered with the Board of Trade for them to be legally valid. It is also necessary for them to register with the Organization of Brazilian Cooperatives (OCB), according to Article 107 of Law 5764/71.

EARLY MILESTONE FOR COOPERATIVE SELF-MANAGEMENT

Guntolf Van Kaick*

A LONG PATH TOWARD COOPERATIVE SELF-MANAGEMENT

The first milestone for cooperative self-management in the state of Parana, Brazil, occurred concomitantly with the establishment of the Organization of Cooperatives of the State of Parana (Ocepar – *Organização das Cooperativas do Estado do Paraná*) on April 2, 1971. The next day, an assembly of the 34 cooperatives that founded Ocepar approved the Cooperative Orientation Association (*Assocep – Associação de Orientação às Cooperativas*) bylaws.

From its inception, Ocepar had already incorporated into its bylaws the legal foundations contained in the bill that was making its way through the National Congress. Once approved, this bill became Law No. 5.764, effective nationwide as of December 16, 1971. This General Law, which applied to all branches of cooperatives, was technically well structured, functional, and advanced by the standards of that time. Its general thrust was to advance the economic needs of cooperatives and it was faithfully aligned with the principles and values consecrated by the worldwide cooperative movement and defended by the International Cooperative Alliance (ICA). The Law created a unified federal system of cooperative representation, the Organization of Brazilian Cooperatives (OCB – *Organização das Cooperativas Brasileiras*), with national representation, and state organizations (OCEs – *Organizações de Cooperativas Estaduais*)—with the same rights and responsibilities in their area of jurisdiction as OCB had nationally.

Nonetheless, the Law sustained a State-controlled cooperative system: the government had to authorize the operation of cooperatives as well as any changes in their organization; it inspected them, with complete discretionary power to intervene in their operations—contrary to the treatment dispensed by the State to other business organizations, whether service or product oriented. This regime of State tutelage was later abolished by the 1988 Federal Constitution, which granted national cooperatives the legal responsibility to manage themselves.

The cooperatives that founded the second society, Assocep, determined that it should be the cooperative entity responsible for the introduction, in the state cooperative system that was beginning to be constructed, of the successful self-management formula practiced by German cooperatives. This decision was incorporated into Assocep's mission by being officially acknowledged in its corporate purpose. In Germany, cooperative legislation provided for the existence of audit associations, which, by law, register all cooperatives in their areas of jurisdiction, which are determined by the State. In order for cooperatives to be legally recognized as such, they must possess this registration. The associations, invested with authority by the State, must conduct independent audits in the cooperatives that are registered with them. The audits are for the purpose of monitoring and oversight and are paid for by the cooperatives themselves. They are carried out by independent auditors who are either trained and maintained by the audit associations or hired by them. The conclusive findings and reports issued by the auditors are first evaluated by the technical staff of the respective association and then sent expressly to the Executive Committee (*Conselho de Administração*) or Board of Directors (*Diretoria*) and to the Audit Committee (*Conselho Fiscal*) of the audited cooperative. In addition, they are analyzed in detail and discussed with these bodies and, finally, also taken to the general assembly of the cooperative

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members for their information and consideration. The associations are granted power to act in a preventive manner in the registered cooperatives. They have legal authority, delegated by the State, to force them to correct the imperfections in their management, thus avoiding painful corrective intervention. These self-management procedures are founded on the principals of prevention and absolute transparency in cooperative management procedures; they rely on open and upright practices by the professional managers hired, who must abide by legal requirements, the cooperative's articles of association, the deliberations and decisions of the general assemblies and the boards of directors or management, and—no less importantly—by the principles of sound professional management. They allow members, the government, and civil society, to trust in the complete integrity and transparency of the services and business provided by the cooperative society.

Assocep also set out to support the education and training of staff human resources, cooperative leaders, and audit committee members, and to promote—in all cooperatives—audits of administrative and operational management and of the practice of transparency with the membership in cooperative business dealings .

THE POLITICAL AND SOCIAL ENVIRONMENT IN WHICH SELF-MANAGEMENT BEGAN

At the time, Brazil was experiencing the effects of political, social, and economic restructuring brought by import substitution, the military regime's economic policy implemented in mid-1964. One of the purposes of this policy was to modernize the country's legal, productive, and social infrastructure.

The modernization of Brazilian agribusiness was one aspect of this strategy, emphasizing the organization of farmers and of agricultural production and focused on supplying the domestic market and generating surpluses for export. These efforts met the call by leaders of industrialized nations concerned with increasing scarcity of foodstuffs and the high risk of food shortages in developing nations.

The prices of the main food commodities were at very high levels and led the Food and Agriculture Organization of the United Nations (FAO) to mobilize and warn world public opinion of an imminent threat. Political leaders were also clamoring for effective initiatives to counter this tendency. From these efforts, the Green Revolution emerged, led by the celebrated agronomist and Nobel Peace Prize winner Norman Borlaug.

Brazil also found itself, at this time, extremely dependent on foreign wheat for its food supply. In the 1960s, since it was having difficulties in meeting its domestic demand on the international market, the government implemented a National Wheat Self-Sufficiency Program (*Programa de Auto-Suficiência do Trigo Nacional*). It began in Rio Grande do Sul and spread rapidly to other regions suited to the crop, including the state of Parana, which benefited from strong government support for basing wheat production on the cooperative system. Farmers and their respective cooperatives began to produce for the government and were dependent on its policies of minimum price guarantees or exclusive purchase, as well as on rural insurance and rural credit with technical support, which were financed by the State.

FAVORABLE CIRCUMSTANCES HELP THE DEVELOPMENT OF COOPERATIVES IN THE STATE OF PARANA

In the beginning of the 1970s, Parana was already considered a state with great agricultural potential due the abundance of its production. A large portion of the state had arable land that lent itself to easy mechanization, a varied climate resulting from its peculiar topography consisting of elevated plains, and a regular distribution of rainfall during the year. It was also in the 60s and 70s that migrants coming largely from the states of Rio Grande do Sul and Santa Catarina began developing Parana's last agricultural frontier—the west and southwest of the state.

Parana was, then, already known as the "Land of All Peoples." Since it had broken off from the state of Sao Paulo—of which it had been a province—150 years earlier, it had begun its socio-economic development with extensive beef cattle raising in the Campos Gerais region. Fifty years later, with the arrival of foreign immigrants, wooded areas within Campos Gerais were also settled and the maté as

well as lumber and timber export sectors developed. After another fifty years, the north and northwest regions of the state were incorporated in the productive process by the strength of the coffee sector. Finally, beginning in the 1970s and 80s, with the downfall of the world coffee sector, Parana diversified and became a granary for Brazil. Its agricultural economy took on national and international importance due to the size of its production, at different times, of cotton, soybeans, corn, wheat, barley, manioc, coffee, tropical and temperate fruits, vegetables, sugarcane, sugar and alcohol, wood and wood pulp, beef cattle, dairy cattle, swine, fowl, and silk. This importance also derived from the vigorous agro-industry developed with the objective of adding value to raw materials being produced in abundance.

SYSTEMIC VISION OF THE COOPERATIVIST MODEL

With the arrival of immigrants and internal migrants, rich cooperative experiences took place in Parana. During this period of settlement, with the development of the maté and wood sectors, the cooperative system began to make its mark. When agricultural production began in the Campos Gerais region, settlers began cooperatives and thus enriched our cooperative system by contributing experiences from European cooperatives, particularly from Holland and Germany, in addition to cooperatives established by settlers of Japanese descent. With the expansion of coffee production, new coffee cooperatives emerged, supported by the Brazilian Coffee Institute (IBC – *Instituto Brasileiro do Café*). Finally, with the advent of wheat farming and, in succession, of soybeans as a secondary crop, agricultural and agribusiness cooperatives were formed.

The consolidated cooperative model emerged from a Cooperative Development Project springing from the strategic vision of the federal government to modernize agriculture and to organize farmers and their production through cooperatives. At the end of the 1960s, three public agencies were dedicated to the fulfillment of this vision. At the federal government level, the National Institute for Colonization and Agrarian Reform (Incra – *Instituto Nacional de Desenvolvimento e Reforma Agrária*) was the agency responsible for—among other responsibilities—promoting cooperatives and associations in general, as well as controlling the system through monitoring and inspection. At the state level, the Cooperative Assistance Bureau (DAC – *Departamento de Assistência ao Cooperativismo*), which promoted courses and training, fostered the creation of new cooperatives. Finally, the Parana Rural Credit and Assistance Association (Acarpa – *Associação de Crédito e Assistência Rural do Paraná*), which worked with the professional training of farmers and their relatives and provided them with access to rural credit with technical support. These three agencies, along with the Far South Regional Bank for Economic Development (BRDE – *Banco Regional de Desenvolvimento Econômico do Extremo Sul*) and the Bank of Brazil (*Banco do Brasil S.A.*)—which was also responsible for managing the Production Financing Committee (CFP – *Comissão de Financiamento da Produção*)—decided to act jointly to streamline activities and pool scarce professional and financial resources. They sought a joint synergy in their efforts to organize producers and implement cooperatives in the new agricultural frontier being opened in the west and southwest of the state.

These agencies, armed with a diagnosis and evaluation of rural realities, decided to act jointly and consensually—without formal protocol—within a pact of mutual and reciprocal assistance. They created a pilot project covering the aforementioned west and southwest regions of the state, called *Projeto Iguaçu*.

In joint meetings of cabinet members of the aforementioned agencies with agricultural leaders, the following work strategy was adopted for further development:

1. Maintain and strengthen viable cooperatives in the region.
2. Incorporate, join, merge, or close cooperatives that have not demonstrated economic viability or sustainability.
3. Develop new cooperatives in areas where they do not yet exist or do not yet adequately meet local needs.
4. Locate the cooperative headquarters in the most economically important and central city of the region that the existing or planned cooperative encompasses.

5. Give the cooperative a meaningful name that appropriately portrays the region and avoids local disputes between municipalities.
6. Clearly delimit the area encompassed by cooperatives, including the central municipality where the headquarters are located and the neighboring municipalities. The entire area should be designated as the "area of responsibility," meaning that rural producers living in that region should all be served by that cooperative and thus avoiding overlap between neighboring cooperatives.
7. Establish a mutual responsibility agreement—a "gentleman's agreement"—of non-competition between cooperatives in the grain sector, safeguarding the viability of payments for projects that need to be financed. This financing is necessary for the building of an efficient support infrastructure for cooperatives' business, such as administrative headquarters, warehouses for drying and storing grains and supplies, among others needs.
8. Promote intensive training for farmers that seek to develop cooperatives and their families on cooperative legislation, principles and values, rights and responsibilities, and advantages for members.
9. Democratically elect leaders to constitute the first board of directors and audit committee for the cooperative and provide assistance in the choice and training of managers; in addition, provide professional technical support as the cooperative is being constituted.
10. Create central cooperatives responsible for the vertical integration of economic cooperation to help affiliates in meeting the needs of cooperatives.
11. Make procedures uniform and divulge and disseminate them in an egalitarian fashion to all leaders participating in the project, through seminars coordinated initially by agency leaders, and later, by Ocepar, with the aim of strengthening the sharing of knowledge among leaders and to seek a firm commitment to solidarity and cohesive activities from leaders of cooperatives participating in the project.
12. Strengthen the commitment of the relevant public agencies to the project's leadership to provide needed support for the approval, in the national Congress, of the new cooperative law and its agency of federal cooperative representation. It mirrored the format that already existed at the state level as Ocepar, even before OCB was constituted.

On April 2 and 3, 1971, Ocepar and Assocep were formed. They participated in intense efforts to functionally structure PIC (Iguaçu Cooperative Project – *Projeto Iguaçu de Cooperativismo*), which was transformed, first of all, into an institutional political arm of representation for cooperatives and to provide technical support on demand for the government. Secondly, it was transformed into an entity for technical professional training of human resources, for consulting and advisory services demanded by the cooperatives that founded it, and for audits and independent monitoring of these cooperatives.

PIC's successful experience was later extended to the north and northeast regions of the state with the creation of the North Cooperative Project (Norcoop – *Projeto Norte de Cooperativismo*), which had the same basic philosophy but was adjusted to the specific demands of the region. This region was more complex and had more diverse interests on the part of the cooperatives as well as strongly rooted traditions resulting from their origins.

In less than a decade, the entire state was covered, as the Center-South Cooperative Project (Sulcoop – *Projeto Centro-Sul de Cooperativismo*) was also created, covering cooperatives already extant in this region.

THE OCEPAR COOPERATIVISM SYSTEM

The evolution over time of the cooperative movement in Parana was the fruit of the assimilation of European cooperative experiences brought by immigrants of various ethnicities. These immigrants established agricultural cooperative settlements, sustained by the immigrant communities themselves, and later, coffee cooperatives and agricultural production and agroindustrial cooperatives fostered by the government or founded by private initiatives.

The cornerstone of the structured phase of the cooperative system in Parana was laid in the beginning of the 1970s with the successive implementation of three projects for cooperative integration. These projects were cited earlier and—covering the entire state geographically—they structurally linked all the existing cooperatives.

In 1971, Ocepar and Assocep were created. In 1972, Ocepar's Research Department, sponsored by the registered agricultural cooperatives, was created, as well as a Research Center with headquarters in the city of Cascavel and a center in Palotina. In 1995, Ocepar's Research Department was transformed into the Central Cooperative for Agricultural Research (Coodetec – *Cooperativa Central de Pesquisa Agrícola*).

In 1983, Ocepar signed an agreement with Incra wherein it was delegated authority and responsibility to manage a self-monitoring pilot project for cooperatives. The project comprised cooperatives that were considered well structured by the official monitoring agency, with leaders who were aware of the mandate that cooperatives had to foster self-help, self-responsibility, and self-monitoring among their members. The cooperatives, which were chosen by common accord between Incra and Ocepar based on the existence of a solid self-management culture among the members—including several agricultural cooperatives of economic and social importance in the state—undertook this initiative that was unprecedented in Brazil.

In 1988, with the passage of the Federal Constitution by the National Constituent Assembly, the Brazilian cooperative movement attained its cherished goal of a constitutional right to determine its own destiny. This right was set out in Clause 18 of Article 5.

In 1991, the General Assembly decided to implement the Self-Management Program, which linked all registered cooperatives. This program involves the ongoing monitoring of the cooperatives through the Cooperative Monitoring System (SAC – *Sistema de Acompanhamento das Cooperativas*). It also offers guidance through a "Cooperative Incubator" to any party interested in creating new cooperatives and a Cooperative Development Program (Procoope – *Programa de Desenvolvimento de Cooperativas*), charged with providing guidance and technical assistance to small cooperatives in initial phases of development. It holds biannual seminars on improving uniformity of procedures with cooperative leaders from the five cooperative centers extant within Ocepar's functional structure. Whenever necessary, it calls for a "Forum of Presidents" of registered cooperatives to make consensual decisions on points of general interest to the Ocepar Cooperative System.

Still in 1991, the distribution of cooperative centers was reviewed in light of the three integration projects, and five regional centers were created—Center-South, North, Northwest, West, and Southwest—respecting each region's features and the cooperatives' most important common interests.

During a General Assembly, the cooperatives approved the "Parana Cooperative Plan 2000" (*"Plano Paraná Cooperativo 2000"*), a five-year strategic development plan. This plan was in line with consolidated strategic planning agreed on previously by Ocepar and the cooperatives, based on cooperative members' chief wishes and demands. It took into account the changing global economy with its trends toward globalization and it was based on market, business, and rural realities. The Plan's goal was to improve the positive image of cooperatives by fostering observance of fundamental cooperative principles such as self-help, self-responsibility, and self-monitoring. Accordingly, it promoted self-management of cooperation among cooperatives as well as the establishment of a commitment among leaders to continually offer high-quality services and products to its members and its consumers on the market.

In 1997, Ocepar incorporated into its scope activities the leadership of employer representation in labor negotiations involving cooperatives registered with it. It changed its name to Union and Organization of Cooperatives of the State of Parana (Ocepar – *Sindicato e Organização das Cooperativas do Estado do Paraná*), having statewide jurisdiction.

In 1999, Ocepar strengthened the Parana Cooperatives Self-Management Program (*Programa de Autogestão das Cooperativas Paranaenses*) with the creation of the Ocepar/Sescoop System. It was granted authority and responsibility at the state level to carry out the duties of the National Cooperative Education Service (Sescoop – *Serviço Nacional de Aprendizagem do Cooperativismo*).

In 2002, Ocepar prepared and edited the first Parana Cooperatives Performance Appraisal – Year 2001/2002. This annual report publicized the economic and social aspects of the state's cooperatives. To both civil society and established authorities, it elucidated the performance and the importance of cooperatives within the state's socio-economic context: they already accounted for 14% of Parana's GDP in 2003.

In 2003, the Ocepar System progressed further in the consolidation of cooperative interests through the creation of the Federation and Organization of Cooperatives of the State of Parana (Fecoopar – *Federação e Organização das Cooperativas do Estado do Paraná*), an organization that pooled together Employees' Associations. Its role is to support affiliated Employees' Associations in labor issues, analyzing platforms and demands and offering counterproposals with a view of reaching general workers' agreements.

Thus, the Ocepar System integrated three different non-profit societies that, in a tight-knit synergistic strategy, represent, foster, train, promote, and monitor cooperatives in Parana: the Union and Organization of Cooperatives of the State of Parana (Ocepar); the National Cooperative Education Service (Sescoop/PR); and the Federation and Organization of Cooperatives of the State of Parana (Fecoopar).

The series of efforts made by state cooperative leaders and, above all, the victories obtained in the pursuit of cooperative self-management illustrate well what great opportunities are open to true leaders who believe in freedom, equality and the power of solidarity in work, based on the cooperative principles and values consecrated by ICA for building a better world. In Parana, Ocepar is, without a doubt, a model of these virtues.

COOPERATIVE SELF-MANAGEMENT – PUTTING THE PROJECT INTO PRACTICE IN THE STATE OF PARANA

João Paulo Koslowski*

Beginning in 1983, Parana cooperatives had their first formal experience of freedom from state interference in their activities. It is widely known that, by legal order (Law 5.764/71), cooperatives were subordinated—in accordance with Chapter 13, Article 92—to inspection and control by government institutions. Credit cooperatives and agricultural credit divisions (which no longer exist) were subordinated to Brazil's Central Bank, housing cooperatives to the National Housing Bank (which also no longer exists), and all others to the National Institute for Colonization and Agrarian Reform (Incra – *Instituto Nacional de Desenvolvimento e Reforma Agrária*).

In the context of a broad discussion between the government, organizations representing cooperatives, and the interested cooperatives themselves, the first **self-monitoring** pilot project was implemented in Parana. This project can be considered the first milestone in the state's current self-management program.

In practice, the purpose of the project was to delegate the responsibility for self-monitoring to the cooperative system; to seek administrative improvements with the introduction of internal and external audits, thus guaranteeing greater security in the management of cooperative societies; to avoid the extrapolation of information or problems that are the exclusive interest of the cooperative system; and to confer a greater degree of security to the board of directors and/or management, audit committee, and to the cooperative members. Several positive points were observed in the evaluation of the pilot project, including:

- **Adoption of guidelines**. There was a good deal of acceptance of the guidelines provided by external auditing, allowing for administrative improvements in the majority of the cooperatives participating in self-monitoring.
- **Inputs for the audit committees**. The auditing reports were used by members of the audit committees to assist them in carrying out their responsibilities.
- **Training for audit committees member**. As one of the conditions of the agreement, the Organization of Cooperatives of the State of Parana (Ocepar – *Organização das Cooperativas do Estado do Paraná*) held—and has been holding since 1984—courses for audit committee members. These courses have obtained good results as they are aimed at enabling audit committee members to make use of auditing reports to carry out their work.
- **Timely correction of flaws**. In the method adopted, in which reports must be remitted to the cooperative within 20 days after the auditor's visit, corrections have been quickened.
- **Awareness of the role of audits as stimulus for correction of flaws.** It was clearly observed that the project created, in the heart of cooperatives, a greater awareness of the role and importance of auditing in management. The presence of external and internal audits was a factor that galvanized the correction of detected flaws.
- **Specific consulting projects.** As a result of the work done by the auditors, many cooperatives undertook specific consulting projects in order to improve the performance of a certain department or sector.
- **Staff restructuring**. The combined work of the external and internal audits led many cooperatives to restructure their staff (downsizing, hiring more competent workers, transfers, etc.)
- **Central cooperative participation**. On certain occasions during the execution of the Project, the the Central Cooperative was called on to participate in the process. It

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supported measures to solve various impasses that had arisen in the cooperatives, thus avoiding publicizing issues of sole interest to cooperative members.

- **Increased confidence among cooperative members, the audit committee, the board of directors, and management**. Without a doubt, the demands imposed by the Self-Monitoring Project led to increased confidence in the administrative management of the cooperatives who participated in the process.

Some negative points were also raised, such as:

- **Executives' initial refusal to accept the Project**. In the beginning of the Project's implementation, we observed that some cooperative executives were rejecting it. In light of this dilemma, we made direct contact with the most important cooperative executives, explaining and discussing with them the importance of the Project. From this point on, we gained their unconditional support.
- **Limitations for the audit committee members to accompany the external and internal audits**. Since the audit committee members do not work full time, they usually do not accompany the actual audits and cannot participate in meetings held with management or executives at the end of each visit. This factor limits their ability to put new measures into practice.
- **Short terms of service on audit committees**. Another salient factor that substantially limits the audit committee members' actions is their one-year terms. Just when they have acquired a significant amount of experience, they normally have to leave the function.
- **Relationship between the external and internal audits**. In the beginning of the Project, some problems occurred in the relationship between the two audits. These were partially mitigated by the preparation of a manual establishing procedural norms between the two audits.
- **Internal circulation of external audit report**. In some cooperatives, it was observed that the forwarding of the reports to the competent departments, in order for corrections to be made, was not systematically carried out, causing tardiness in receipt of documents and consequent delays in correcting flaws. In addition, some audit committee members had trouble gaining access to the reports.
- **High staff turnover**. In the beginning of the Project's implementation, a high turnover was noted among the staff of the Cooperative Guidance Association (*Associação de Orientação às Cooperativas*), the organization responsible at the time for the external audit services.

Nonetheless, there is no doubt that this initiative was of great importance to the cooperative system in the state of Parana.

A NEW REFERENCE POINT

In December 1986, the 5th Meeting of Presidents and Executives of the Organization of Brazilian Cooperatives, held in the city of João Pessoa, approved the creation of a commission comprised of executives, OCB employees, and the representative of the Friedrich Naumann Foundation in Brazil. The commission's purpose was to recommend guidelines for the Brazilian Cooperative System's Self-Control Program. The commission met in the beginning of 1987, prepared a draft for the program, and soon after, the OCB board of directors approved the guidelines for the Brazilian Cooperative System's Self-Control Program. Its scope was very similar to the program being executed in Parana, but with significant improvements.

Another important reference point, which we consider a "decisive milestone" for self-management, was the proposals approved by the 10th Brazilian Cooperative Conference, held between March 7 and 11, 1988, in Brasilia. Proposals coming from all over Brazil pointed to the need for organization of the membership and participative management, education and training, financial autonomy and credit policies, the relationships between cooperative members, cooperatives, and civil society, the relationships between cooperatives and the State and the system's representation.

Also in 1988, at the 7th Meeting of Presidents and Executives of the OCB System, based on the results of the 10th Brazilian Cooperative Conference, the policies that the cooperative system should adopt with regard to self-management were delineated.

NEW FEDERAL CONSTITUTION – BEGINNINGS OF SELF-MANAGEMENT

For the first time in history, the Brazilian cooperative movement, under OCB's direction, was able to include articles supporting the cooperative system in the new Constitution. The inclusion of cooperatives in the nation's new Constitution illustrates their importance to Brazilian society as well as the strength of our system of representation. Wisely and through integrated actions, it was able to raise awareness among constituent assembly members of cooperatives' real importance as instruments of development and social justice.

Few constitutions around the world contemplate cooperative activities as Brazil's does—this is a tribute to our cooperatives, which have proved themselves to be the best choice for development.

The main articles approved in the new Constitution, enacted on October 5, 1988, are listed below.

COOPERATIVE AUTONOMY

Art. 5 - "All persons are equal before the law, without any distinction whatsoever, Brazilians and foreigners residing in the country being ensured of inviolability of the right to life, to liberty, to equality, to security and to property, on the following terms:

Clause XVIII - the creation of associations and, under the terms of the law, that of cooperatives is not subject to authorization, and State interference in their operation is forbidden."

STATE SUPPORT

Art. 174 - "As the normative and regulating agent of economic activity, the State shall, in the manner set forth by law, perform the functions of control, incentive and planning, the latter being binding for the public sector and indicative for the private sector.

Paragraph 2 - The law shall support and encourage cooperative activity and other forms of associativism."

TAX REGIME

Art. 146. - " A supplementary law shall:

Establish general rules concerning tax legislation, especially with regard to:

a) appropriate tax treatment for the cooperative acts of cooperative societies."

PLACER MINING ACTIVITY

Art. 174. - "As the normative and regulating agent of economic activity, the State shall, in the manner set forth by law, perform the functions of control, incentive and planning, the latter being binding for the public sector and indicative for the private sector.

Paragraph 3 - The State shall favor the organization of placer-mining activities in cooperatives, taking into account the protection of the environment and the socio-economic advancement of the placer-miners.

Paragraph 4 - The cooperatives referred to in the preceding paragraph shall have priority in obtaining authorization or grants for prospecting and mining of placer

resources and deposits in the areas where they are operating and in those established in accordance with article 21, XXV, as set forth by law."

Art. 21. - " The Union's role is to:

XXV - establish the areas and conditions for the exercise of placer mining activities in associative form."

STRENGHTENING OF CREDIT COOPERATIVES

Art. 192. - "The national financial system, structured to promote the balanced development of the country and to serve the collective interests, shall be regulated by a supplementary law which shall also provide for:

VIII - the operation of credit cooperatives and the requirements for them to obtain operational and structural conditions characteristic of financial institutions."

COOPERATIVES IN AGRICULTURAL POLICY

Art. 187.° - "Agricultural policy shall be planned and carried out as established by law, with the effective participation of the production sector, comprising producers and rural workers, as well as the marketing, storage and transportation sectors, with special consideration for:

VI - Cooperativism."

RECOGNITION OF THE ROLE OF COOPERATIVES IN THE AREA OF HEALTH

Art. 199.° - " Health assistance is open to private enterprise:

Paragraph 1 - Private institutions may participate in a supplementary manner in the unified health system, in accordance with the directives established by the latter, by means of public law contracts or agreements, with preference being given to philanthropic and non-profit entities.

Paragraph 2 - The allocation of public funds to aid or subsidize profit-oriented private institutions is forbidden.

Paragraph 3 - Direct or indirect participation of foreign companies or capital in heath assistance in the country is forbidden, except in cases provided by law."

While the cooperative system's demands were largely met by the National Constituent Assembly—which represented important progress—tremendous responsibility was transferred to it, which will have to be fully assumed by cooperativism.

It is worth emphasizing the content of Article 5, clause XVIII, which states: "the creation of associations and, under the terms of the law, that of cooperatives is not subject to authorization, and State interference in their operation is forbidden." The approval of this clause definitively unyoked cooperatives from state tutelage, transferring unprecedented responsibility to the cooperative system.

Although the removal of government control over cooperatives is highly positive and laudable, it is vital that that the system actually assume the liberty conceded by the new Constitution. It must establish guidelines that are compatible with its own evolution and that are in accord with the decisions approved by the cooperativism congresses. The system must order and standardize all procedures involving the creation, operation, and liquidation of cooperatives.

We must not lose sight of the changes deriving from the new Constitution, enacted in October 1988. The cooperative system's adaptation has been very slow: Only a few years ago did it finally approve the guidelines for carrying out the Self-Management Program on a national scale.

OCB'S SELF-MANAGEMENT COMMISSION AND SOME EXPERIENCES

The Commission on Self-Management was created by a decision of the board of directors of the Organization of Brazilian Cooperatives. It was assigned the mission of making recommendations to OCB's management on measures to get the self-management program started. This commission was comprised of professionals from OCB and its state organizations, with distinguished participants such as Paulo Roberto de Moura from OCB, Newton Amaral Cesar from Ocepe, José Norberto Kretzer from Ocesc, and João Paulo Koslovski from Ocepar.

In the first meeting, held on March 14, 1990, the members established a roster of activities, which were carried out in the same year, seeking to make self-management known among cooperative organizations. Since most people knew little about the issue at the time, the plan was developed to provide basic knowledge, focusing first on leaders and technical staff of the state cooperative organizations in the first phase, and subsequently, on leaders and technical staff at cooperatives themselves. Thus, the commission members recommended the following activities:

a) Self-management courses for:
   - updating OCE leaders;
   - OCE specialists on the cooperative system;
   - experts on the cooperative system within cooperatives;
   - teacher training in specific areas of the cooperative system.
b) Preparation of a video on self-management for the North/Northeast regions, and another for the South/Southeast and Center-West regions;
c) Preparation of a primer on self-management;
d) Preparation of an information booklet on self-management;
e) Writing of text for a brochure about self-management.

All of the recommendations were approved by the OCB board of directors and put into practice by the Commission. Some of them were concluded in the beginning of 1991. In order to establish a consistent image of self-management, the publications such as the primer, the brochure, and the information booklet were prepared according to the same guidelines in terms of content. The videos and courses followed them as well.

Seeking to learn more about self-management, the commission traveled at the end of 1990 to Europe and visited various cooperatives and organizations. They visited Germany, Italy, France, Spain, and Portugal. In a subsequent article in this publication, the self-management experiences of these five countries are discussed.

Due to the high volume activities required for self-management, OCB management hired agricultural engineer Silvio Galdino de Carvalho Lima to coordinate it with the expressed intent of accelerating the development of self-management activities. Various events were planned for 1991, among which is worth mentioning the National Cooperative Self-Management Convention, held in June 1991 to approve the program's guidelines on a national level. Next, regional planning meetings were held to which the OCEs sent professionals to draw up a plan of action at the state level for self-management activities. Training courses for state self-management coordinators were also held.

On June 24, 1991, in its eighth meeting, the members of the self-management commission proposed its dissolution. They agreed that it had fulfilled its purpose and, since OCB had hired a professional to work specifically in this area, there was no further need for the commission.

During the 1990s, the program made significant progress, especially in the state of Parana, where the State Cooperative Organization created and still maintains a Cooperative Analysis and Monitoring System for the agricultural, health, and infrastructure branches. Through this system, the program is able to assist and monitor the development of cooperative societies and change their course of action when necessary. With the creation of the National Cooperative Education Service (Sescoop) in 1999, through a Provisional Measure, in which monitoring of cooperatives was included as one of the program's purposes, OCB formed a team to work specifically on the program.

This step, along with discussions in the 10th, 11th, and 12th Brazilian Cooperative Conferences, allowed OCB to approve, in a general assembly, the Self-Management Program to be implemented across Brazil.

Similarly to what happened at the national level, states had to approve their programs while taking national guidelines into consideration. Parana is one example, where Ocepar's regular general assembly, held on March 30, 2000, approved the self-management program, on the condition that each cooperative had to sign separately a commitment to self-management for the program to be implemented.

CONCLUSIONS AND COMMENTARY

Despite all of the effort expended by the OCB System to consolidate the self-management program in Brazilian cooperatives, there are countless difficulties that impede its full application in the heart of the cooperative system. The lack of up-to-date cooperative legislation that delegates this important role to the System is, without a doubt, the main factor that has restricted the program.

Our current cooperative law is from 1971. It is quite good; however, with the enactment of the 1988 Brazilian Constitution, it was not properly adapted to the new constitutional rules, thus creating a vacuum that adversely affects the Cooperative System. It is important to underscore that there are bills in the National Congress that deal with this matter and that would properly regulate cooperative self-management in Brazil.

Another factor that has made the process more difficult are the marked regional differences in Brazilian cooperativism. These differences create heterogeneous conditions that obstruct a more rapid implementation of self-management. It is also important to understand that much of the movement's leadership has not grasped the importance of self-management's role to the development of cooperatives. As a result, leaders position themselves against self-management or are simply waiting to see how the program develops.

Nonetheless, experiences in the states where the program has been implemented indicate that, despite some setbacks, cooperatives have evolved, grown, and organized; self-management has brought tangible benefits to all who have taken part in the program.

It is important to understand that self-management goes to the heart of the cooperative system. Representative entities, cooperatives, leaders, and, above all, cooperative members must go deeper in the discussion of the topic because the success of cooperatives depends on a frank discussion of their problems. This analysis will lead to self-initiated measures that can bring about improved socio-economic conditions for members. In this regard, the correct path lies in the full and continuous implementation of a self-management program. Thus, the System can lay solid foundations for projects that address all the needs of the different branches of Brazilian cooperatives.

PARANA STATE SELF-MANAGEMENT PROGRAM

João Paulo Koslovski*

INTRODUCTION

The National Cooperative Education Service (Sescoop - *Serviço Nacional de Aprendizagem do Cooperativismo*) was created to make the Self-Management Program viable. It reflected a long-standing goal of the cooperatives, which was manifested at the 11th Brazilian Cooperative Conference. Sescoop will make possible the effective monitoring, supervision, auditing, and control of cooperatives, as well as the education and professional development of cooperative members, employees, and their families and their integration in the community. They are the professed targets of the Self-Management Program. Thus, the Organization of Brazilian Cooperatives (OCB – *Organizaçao das Cooperativas Brasileiras),* through a General Assembly decision, will delegate the responsibility for the operation of the Self-Management Program to Sescoop.

Accordingly, OCB remained responsible for coordinating the Program at the national level and the State Organizations at the state level; the national Sescoop and respective state Sescoops became responsible for the program's operation.

1 PROGRAM OBJECTIVES

1.1 GENERAL OBJECTIVES

a) put the monitoring, supervision, auditing, and control of the cooperatives into operation;
b) organize, manage, and implement instruction for the professional education of cooperative workers, employees, and their family members and their integration in the community;
c) help cooperative societies who are employing workers in the preparation and implementation of training programs and in providing methodical and ongoing learning experiences;
d) establish and disseminate methodologies that can effectively provide professional education in cooperative management and can help workers, cooperative members, and their families integrate in the community;
e) perform the coordination, supervision, and inspection of the implementation of professional education and management projects and programs for cooperatives, for cooperatives employees, and for cooperative members;
f) provide advisory services for the government in issues relating to professional education and cooperative management, in addition to other similar activities.

1.2 SPECIFIC OBJECTIVES

- be a true instrument for the modernization of cooperative societies and the improvement of their business methods, thus adding value for the cooperative members;
- guarantee the transparency of the cooperative society's management to its members;
- foster the cooperative system's adoption of an orientation process for the creation and registration of cooperatives;
- promote the professional development of cooperative members through education, training, capacity building, and refresher programs for cooperative leaders, members, future members, families, and the community;

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- improve the professionalism of cooperative enterprises, making them more agile and competitive in their respective marketplaces, through training and capacity building programs for the professionals who work in them;
- make the cooperative system a model of market enterprise, reflecting quality and reliability to the general public, through monitoring, supervision, management auditing, and control of cooperatives.

2 IMPLEMENTATION

- National coordination by the Organization of Brazilian Cooperatives (OCB), through specific authorization at a special meeting of the General Assembly.
- State coordination by the Organization of Cooperatives of each state, through specific authorization at a special meeting of the General Assembly.
- Technical implementation by Sescoop, with the support and approval of a special General Assembly meeting at the Organization of Cooperatives of each state.
- Adhesion of cooperatives by General Assembly approval and signing of Adhesion Agreement.
- Change in cooperative bylaws in order to allow Ocepar to participate in the General Assemblies and intervene—when necessary and within the constraints of the monitoring objectives—in order to guarantee transparency in management.
- Change in the bylaws of cooperatives, which benefit from public resources, to allow the "system," by federally granted authority, to monitor the application of their resources.

3 SERVICES TO BE IMPLEMENTED

3.1 COOPERATIVE MONITORING/DEVELOPMENT

Monitoring of cooperative enterprises is necessary in order to maintain the management quality, credibility to third parties, transparency for members, and primarily, to guarantee the cooperative's continuity that it may fulfill its stated purposes. Several combined means will be used toward these objectives. They will be grouped according to their nature and the type of professional expertise required. This procedure will provide best results at the lowest possible cost. These means of control should be seen as administrative tools and not as mere inspection. The aim is to provide improved conditions that will allow cooperatives to become, in truth, democratic societies that meet their owners' aspirations, without losing sight of the market. Seeking to optimize resources and the best possible results from monitoring, activities were classified as follows:

3.1.1 Creation and Registration

This category involves activities aimed at guidance and follow-up in the period of creation and registration of new cooperatives. This phase should respect the principles that underlie the cooperative movement, assess the viability of the business to be undertaken, and respect the Law. It is considered a preventive monitoring phase. It is carried out using the cooperative's own structure, and comprises the following principles:

a) guidance on cooperatives for groups interested in constituting them;
b) promotion of the cooperative movement (videos, publications, educational material, talks, etc.);
c) economic/financial feasibility project (preparation manual);
d) legal guidance in opening a cooperative (legislation, bylaws, fiscal aspects, etc.);
e) guidance on obtaining legal registration;
f) operational guidance/controls to begin activities (talks);
g) creation of partnerships with central cooperatives, federations, universities, and other groups;
h) definition of criteria for registering cooperatives with Ocepar/OCB;
i) formalizing cooperative agreements with the National Business Registration Bureau/Board of Trade.

3.1.2 Monitoring System

This category involves activities aimed at monitoring the management of cooperatives. It is done remotely, by analyzing data on the cooperative enterprise, its human resource, and the feasibility for members. Scenarios are compared to guide business strategies, considering the market and the competition. Partnerships with central cooperatives, federations, and confederations, among others, are used to in monitoring cooperative management, through electronic data processing.

3.1.2.1 Economic/financial monitoring of cooperatives

This category involves economic/financial analysis aimed at monthly assessment of the following elements: capital structure used by the cooperative, its efficiency, solvency, indebtedness, financial cycle, use of working capital vs. need for working capital, treasury, efficiency in use of financial resources for the enterprise and of fixed resources, financial results obtained, cost and expenditure structure, and profitability. Similarly, an annual analysis of the following is performed: participation of members in the cooperative, indebtedness/capitalization reduction through cooperative business profits, indebtedness/capitalization reduction through ongoing progress of retention of a percentage of members' production, operational risks involved in conceding credit, market share, etc. These analyses will be conducted in keeping with predetermined parameters based on data furnished by the cooperatives, according to each branch of cooperative activity, seeking to reflect the reality of the enterprise, regardless of the accounting criteria utilized in the cooperatives themselves.

Steps for implementing economic/financial monitoring:

a) sign agreement between cooperatives and Ocepar to preserve information and avoid ceding the operational system to third parties;
b) Codification of each cooperative in order to preserve its individuality, according to its branch of activity, and registration of information on activities developed by it;
c) information criteria standardization through system implementation in each cooperative;
d) establishment, in conjunction with cooperative professionals, of quality standards for information and of deadlines for systematizing them;
e) grouping of information, creating scenarios for comparative analysis of cooperatives that are similar in terms of primary product, branch of activity, region of activity, solvency, and others;
f) creation of comparative scenarios through databases of other companies in similar lines of business as the cooperatives;
g) provision of consolidated information to cooperatives for their analysis;
h) monitoring of each cooperative, verifying its performance and trends in comparison with others. If any trends are noticed that may present a risk to the cooperative's operation, the cooperative must be notified for it to undertake a more in-depth diagnosis. Support for performing partial and/or complete diagnoses will be guided by specific rules and will be considered a Specialized Consultancy service.
i) periodic meetings with the cooperative's Board of Directors and Audit Committee for individualized assessments, in order to correct strategies that present potential flaws detected through the analyses.
j) setting of deadlines, in conjunction with the cooperative, for measures to correct any flaws that have been detected;
k) non-compliance with measures to correct detected flaws by the established deadlines, without formal justification, will lead to communication to the cooperatives' Audit Committee and Board of Directors and/or Management, requesting that immediate measures be taken;
l) should the failure to take steps to correct detected flaws persist, after the new deadline transpires, the case will be taken to Ocepar, who will then communicate it to the cooperative's General Assembly;
m) the cooperative's continued noncompliance may lead to its registration with Ocepar/OCB being cancelled.

3.1.2.2 Monitoring of human resources

This category involves a specific database and specific data analysis procedures for cooperatives' human resources, with a view to optimize the use of personnel. Various occupations are monitored—according to their similarity—analyzing remuneration, taxes, direct and indirect benefits, standardization of functions, etc. The monitoring of human resources is a derivative of the process of economic/financial monitoring of cooperatives. It seeks to streamline their personnel costs.

Steps for implementing human resource monitoring:

a) signed agreement between the cooperative and Ocepar, seeking to preserve information and avoid its dissemination to third parties;
b) description of basic functions of each cooperative unit; remuneration, benefits, list of individuals, and description per unit;
c) creation of database, through standardized management information of cooperatives' human resources (total collaborators trained during a certain period, missed work days, payroll amounts, workplace accidents, employee lawsuits, employee turnover, direct and indirect benefits granted, etc.); basic classification, by state, region, cooperative, line of business, main activity, field of work, department, work responsibilities, and others;
d) periodic updates of cooperative data to keep up with personnel turnover;
e) grouping of information, calculating averages and forming comparative scenarios for analysis, as in economic/financial monitoring;
f) half-yearly information analysis at the human resources forums, and comparison with data from economic/financial monitoring of cooperatives that relate to human resources.

3.1.2.3 Monitoring of viability of cooperative member activity

Database and analysis of cooperative members with the purpose of monitoring the viability of their activities through performance indicators for their operations. The basis of cooperatives' sustainability depends on ensuring the viability of members' activities and on the financial results of cooperative production. These factors can be analyzed by gauging and comparing individual and collective results. The improvement of these results is undertaken in such a way as to minimize efforts expended. Monitoring efforts should be adopted according to basic guidance for the development of cooperative business and member traits.

Steps for implementing the monitoring of viability of cooperative member activity:

a) sign agreement between cooperative and Ocepar to restrict use of the information system to cooperatives and their members;
b) train cooperative technicians to use the system of analysis, in benefit of the cooperative and its members, for:
   - registration of cooperative members, classifying them by specialty and/or primary product, techniques used, etc.;
   - organization of cooperative members according to characteristics of their activity/production in order to create interest groups seeking their collective improvement;
   - use of information with a view to the improvement of quality of production among cooperative members according to market demands;
   - organization of information to set cooperative-wide quality standards for member activities;
   - grouping of information, creating scenarios for comparative analysis of similar cooperative members, according to the main product or service that they offer;
   - professional guidance for cooperative members offered by the cooperative and geared toward the target market;
   - adjustment of steering of cooperative business activities through changes in members' professional behavior;
   - periodic meetings to assess performance, update systems, and make any needed corrections to basic information;
   - periodic assessment of training needs of cooperative members by cooperative, segment, region, and state.

3.1.3 Management Audit

The common **business** of a group of members of the same cooperative or of various cooperatives comprising one central cooperative, federation, or confederation, considering their stated objectives, should be well managed by those charged with its execution. To monitor the performance of this business in all relevant aspects, there is a series of controls that determine the security and reliability that cooperative members and outside entities (suppliers, banks, etc.) demand to conduct this business. Together, these controls constitute what is called a complete audit or an audit of management; the following groups perform it: the (regular) Audit Committee, the Internal Audit Group, and, most importantly, the Independent Audit Group. With the enhancement of business relations, cooperatives face more and more difficulty in obtaining "**certification**" in business quality. In this respect, the Independent Audit constitutes an important instrument for the consolidation of self-managed cooperatives, because its certification inspires "**public confidence**." The leap in quality is directly linked to the requirement—in monitoring cooperatives and through the self-management process—of independent *certification, no longer by traditional auditing, but by complete auditing or management auditing*. The Independent Auditor is considered an indispensable figure for the market credibility and an invaluable tool for protecting cooperative members. He or she is responsible for the trustworthiness and reliability of the accounting reports of the audited cooperatives. The responsibility for analyzing and reporting on all the business' management procedures lies with this Independent Auditor, as well as the accuracy and clarity of the accounting reports. Finally, he or she must divulge, in explanatory notes, indispensable information to apprehend the finances and assets and liabilities, as well as the results, of the audited cooperative.

Steps for implementing the management audit:

a) promotion of training on management auditing or complete auditing in light of the need of cooperatives to have highly qualified independent auditors who also enjoy a high degree of independence in carrying out their activities.
b) technical analysis of the registration processes and of independent auditing activity carried out within cooperatives according to standards established and approved by the Organization of Brazilian Cooperatives (OCB);
c) maintenance of updated registration of professionals, businesses, and independent auditing businesses and authorized technical staff who can issue and sign evaluations accredited by OCB/Ocepar;
d) hiring, by the cooperative, of an independent audit group properly accredited by OCB/Ocepar, must meet the criteria established in relation to the size and service capacity;
e) in carrying out his or her activities within cooperatives, the independent auditor has some additional duties beyond the basic work plan; in order to fully meet the requirements of management monitoring, the independent auditor should:
    - Verify:
        - whether the assets presented as redeemable in at most 360 days can actually be converted into money in this period—regardless of accounting criteria being used according to habit and custom, classifying them in terms of operational and non-operational;
        - timeline for real future conversion of assets classified as long term, classifying them in terms of operational and non-operational;
        - values registered as investments and as fixed assets considered outside the focus of the cooperative's activities;
        - whether the maturity of liabilities of up to 360 days and of long-term liabilities is compatible with the probable conversion of assets, in a clear and transparent manner;
        - whether the cooperative's revenue and operational results, summed with its capitalization process, are compatible with its future need;
        - whether the proposed measures and budgets approved by the General Assembly were followed and, if not, if they were duly justified and reported in the management's rendering of accounts;
        - whether the cooperative's structures are being fully utilized, and if the operational costs are compatible with revenue generation;

- whether financial management is safely handled, especially billing and allowance of credit;
- whether inventory stored is restricted to what is strictly necessary, and if it is managed in a way that minimizes costs and provides optimal results to cooperative members;
- whether the market practices and policies adopted by the cooperative are satisfactorily fulfilling cooperative members' expectations and meeting established standards;

▪ Indicate clearly the existence and extent of accounts or subgroups of accounts of assets, liabilities, results, and liquid assets and liabilities that are compromised by the adoption of accounting procedures that conflict with the Fundamental Accounting Principles, as well as the effects on the cooperatives' results, whenever an opinion and/or report is issued.

▪ The independent auditing reports must be made available to:
- coordinating and executing agencies of the monitoring process
- the cooperative's Management and/or Board of Directors
- the Audit Committee
- the General Assembly

f) regulate and establish criteria for special audits of specific projects;

g) the independent auditor—both the individual and the auditing office—cannot audit the same cooperative for more than four consecutive years, counted from January 2000; a minimum interval of two years is required for them to be rehired;

h) the independent auditor, whether individual or firm, cannot provide consulting services to the same cooperative for which it has provided auditing services, or to members of staff of that cooperative;

i) the executing agency will maintain control of the quality of the audits, verifying and monitoring their activities in the cooperative;

j) the independent auditor—both the individual and the firm—and the responsible technical staff can receive a warning or have their registration with OCB/Ocepar suspended or revoked, in addition to other legally established sanctions, if:
▪ they act in contradiction to legal rules and regulations that regulate the cooperatives' activities, including noncompliance with the Self-Management Program's provisions;
▪ conduct inept or fraudulent auditing, falsify data or figures, or unlawfully withhold information that should be disclosed;
▪ lead the General Assemblies to make decisions based on flawed, erroneous, missing, or fraudulent information;
▪ fail to comply with technical standards and existing legislation that regulate the exercise of the profession;

k) insertion of internal cooperative auditors, integrated with the work performed by the Audit Committee, into the concept of management auditing;

l) the work performed by the internal audit should be perfectly integrated with that performed by the independent audit;

m) small-scale cooperatives, according to OCB/Ocepar criteria, can be exonerated from the need for an independent audit; in this case, after they have been submitted to a preliminary diagnosis, an individual project must be developed for monitoring their development, which must be submitted to the General Assembly for approval by a simple majority of cooperative members;

3.1.4 Specialized Consulting

This category involves activities aimed at ordering and supporting actions needed at the regional/branch level and in individual cooperatives. These activities are intended to improve management and the cooperatives' ability to fulfill their mission. They include:

a) registration of service providers, identified according to their specific fields, and monitoring of satisfaction of the cooperatives who hired them in the service they provided, thus creating a quality control system;

b) steering of consulting work based on needs detected by the monitoring of results in the cooperatives and on the recommendations made by the Independent Audit, or by a request made at the cooperatives' own initiative;
c) promotion of special studies for the various branches and/our regions, aiming to improve cooperatives' business according to market changes and demands;
d) preparation of situation diagnoses and projects containing measures to revitalize cooperatives;
e) monitoring of the implementation of special programs and projects, accompanied by any necessary reformulations.

3.2 EDUCATION/HUMAN DEVELOPMENT

This category aims to organize, manage, and implement professional training for cooperative workers and members; help cooperatives societies who hire workers prepare and implement training programs and provide methodical and ongoing instruction; and provide community development programs for cooperative workers, members, and their families, seeking all-round human development and the resulting improvement in cooperative business management.

3.2.1 Professional training and capacity building

This category includes activities aimed at educating and training human resources at the executing agency and at cooperatives—both leaders and members. Training needs will be assessed and prioritized in conjunction with the Monitoring/Development of the Cooperatives, through management monitoring and auditing processes. Programs organized by cooperative, by branch, or for the entire state will then meet these training needs. They will be conducted in either a centralized or a decentralized manner, according to the demand specific kinds of training; the duration of training will be determined after overall planning has been done. Training and capacity building programs seek to meet the needs of individuals involved in cooperatives.

Steps for Implementation of Professional Training and Capacity Building

a) **Technical courses and training** of short to medium duration, using training centers—in the cooperatives themselves or through cooperation with public or private educational institutions—for collaborators, employers, and workers in coordinating and executing agencies and for cooperatives in general;
b) **Specialized forums**: specialized training for professionals in coordinating and executing agencies through brief forums and/our medium-term training courses, study trips, including through post-graduate courses, especially for professionals in areas relating to: Human Resources, Market, Financial, Administrative, Accounting, Auditing, Cooperatives, Judicial, Communications, etc.;
c) **Board of directors and audit committee**: preparation of training at two levels: for candidates to boards or committees, aiming to prepare them through medium-term training courses; and for specialization in management for those who already occupy elected positions in cooperatives;
d) **Training of educators**: special training courses for monitors, coordinators, and teachers/professors linked to the cooperative movement, so as to create a multiplying effect, expanding knowledge and skills: programs on the cooperative system should give priority to leaders, member and employee families, etc.;
e) **Youth cooperative members**: special emphasis should be given to training youth to revitalize the cooperative system in the future, through training, exchange programs, and, mainly, seeking the inclusion of departments specializing in cooperatives in primary education and professional schools;
f) Activities related to **integrated gender development** in cooperatives, seeking greater integration of families and made up of men, women, and youth, in the application of an integrated cooperative system in business, the community, social issues, and the environment;
g) Production of auxiliary teaching material, through support for the production, reproduction, and dissemination of publications, technical books, brochures, primers, videos, etc.;

h) Commitment to modernization, through the diffusion of new teaching methodologies, such as distance learning, videoconferencing, online debates, etc.

3.2.2 Community development

This category involves activities aimed at social integration and well being of cooperative workers, members, and their families. These activities seek, through social action, to improve the performance of all those directly or indirectly involved in the management of cooperatives, through implementation of benefits relating to health, leisure, sports, culture, social integration of families in the community, and organizations involving various cooperatives.

Steps for Implementing Community Development

a) support in the formation of a health insurance system for cooperatives, through agreements with hospitals, health cooperatives, and cooperatives of users of medical and dental services;
b) support for specific prevention programs and projects in benefit of the health, hygiene, and wellbeing of cooperative members and employees;
c) support and incentives for sports in cooperatives, seeking the integration of employees and cooperative members, through mini-Olympics and open team games;
d) support for leisure activities for workers, cooperative members, and their families, utilizing their own infrastructure or through agreements with public or private institutions, especially with the "S" system[23];
   - support for social activities depends on availability of resources and will be provided only within the annual program;
e) incentives for the development of culture among cooperative families, through support for development of libraries, organization of art exhibits, competitions, and so forth.

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[23] *Translator's Note*: the "S" System (*sistema "S"*) is a group of semi-autonomous institutions that provide training programs and educational and cultural activities that, directly or indirectly, reach millions of Brazilians. It includes the following institutions: SESI, SENAI, SESC, SENAC, SENAR, SENAT, SEST, SEBRAE, and SESCOOP.

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TRANSITION OF BRAZILIAN COOPERATIVES' MANAGEMENT MODEL

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INTRODUCTION

The transition of Brazilian cooperatives' management model was a critical factor in keeping this type of business organization—of vital importance to Brazil—competitive. Brazilian cooperatives experienced a long period of state control through regulatory agents that had police power. Thus, from the 1960s to the 1980s, cooperatives developed under the aegis of a paternalistic state and within a model of development that was dependent on whatever public policies were in force.

Institutional changes brought by Brazil's redemocratization, consolidated by the 1988 Constitutional reform, brought a deep need for behavioral change in organizations—particularly in cooperative societies. The end of the paradigm of state paternalism and protection was essential for Brazilian cooperatives to be able to adapt to the new world economic order marked by increasing globalization and international competition. In this article, we set out to elucidate the transition process from the developmentalist period, whose height was in the 1970s, to new, modern-day paradigms.

DEVELOPMENTAL PERIOD – 1970s AND 1980s

The development of cooperatives in the 1970s and 1980s was characterized, in Brazil, by the military regime's nationalist and developmentalist doctrine, which lasted for more than 20 years. From this ideology sprouted an immense state apparatus to support economic activities in general. For cooperatives, this meant, above all, various regulatory and development-promotion activities specifically tied to agriculture.

INSTITUTION	PURPOSE
National Institute for Colonization and Agrarian Reform (*Incra - Instituto Nacional de Colonização e Reforma Agrária*)	Promote development, control, and inspection of cooperative operations.
National Cooperative Credit Bank (*BNCC - Banco Nacional de Crédito Cooperativo*)	Promote financial support and credit for cooperative societies.
Brazilian Agricultural Research Corporation (*Embrapa - Empresa Brasileira de Pesquisa Agropecuária*)	Develop research and technology for agricultural activities.
Brazilian Technical Assistance and Rural Extension Agency (*Embrater - Empresa Brasileira de Assistência Técnica e Extensão Rural*)	Promote technical and agricultural support and disseminate technologies.
Cocoa Farm Plan Commission (*Ceplac - Comissão Especial do Plano da Lavoura Cacaueira*)	Promote research and development on cocoa farming in Brazil.
Sao Francisco Rivery Valley Development Company (*Codevasf - Companhia de Desenvolvimento do Vale do Rio São Francisco*)	Promote and foster the development of cooperatives within irrigation projects of the Sao Francisco River Valley.

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Executive Group on Rural Electrification (*GEER - Grupo Executivo de Eletrificação Rural*)	Promote and foster the development of rural electrification.
Brazilian Storage Company (*Cibrazem - Companhia Brasileira de Armazenamento*)	Promote the planning and development of storage infrastructure.
Sugar and Alcohol Institute (*IAA - Instituto do Açúcar e do Álcool*)	Promote the development of sugar and alcohol production.

This institutional apparatus had an important role in the creation of infrastructure for the economic and social development of the Brazilian economy's primary sector from the 1960s through the 1980s, because it laid solid foundations of support for a competitive and dynamic agribusiness structure. In this context, agricultural cooperatives, electrification cooperatives, and others boasted a strong pace of development. Most agricultural cooperatives that exist today began or grew during this favorable period.

With plentiful and subsidized credit, resources for promoting development and opening agricultural frontiers in extremely fertile areas of Brazil, cooperatives experienced a period of sustained growth, obtaining relative importance particularly in the agricultural sector. Ample credit to meet expenses and make investments, programs for building storage infrastructure, increasing production, stimulating technological development, and capacity building for producers, among other factors, led some regions of Brazil, such as the west of the state of Parana and the southwest of the state of Goias, to be completely transformed.

However, this state approach brought with it a paternalistic and welfare-type behavior toward cooperatives that was concomitantly interventionist. Incra's police power, which maintained cooperatives under rigid inspections and control, and its broad influence in conjunction with the other support and development agencies, led to the emergence of a series of cooperative leaders that, in a sense, reproduced this state behavior. As a result, the vast majority of cooperatives did not have management models based on business efficiency, due to government assistance, low costs, and low capitalization by cooperative members.

In practice, the physical and financial resources needed for the development of cooperatives came from public programs. Resources were abundant, and loans had long repayment periods and low interest rates—and were often subsidized. In this favorable environment, and with a high rate of economic growth in Brazil, a large number of cooperatives developed rapidly, enjoying spectacular growth rates.

This model began to show signs of crisis in the mid-80s, when a large number of agricultural cooperatives needed to be rescued financially, due to high indebtedness incurred during the 70s followed by difficulties in repayment. These difficulties were spawned by the state's inability to maintain favorable credit and development policies. At this time, cooperatives in general began feeling the negative effects and pitfalls of the model of state control and paternalistic policies. As a result, they began efforts for emancipation from the yoke of excessive state control.

Despite the great development of agricultural cooperatives during this period, other branches—such as credit, consumption, and labor, among others—were rigidly controlled and had critical organizational problems since they were not the State's center of attention.

The inherent flaws of this model became quite evident in a large number of cooperatives, because their members did not feel that they were truly owners of the business and did not adopt business practices. Instead, they appealed to the State as if it were a Messianic agent capable of solving all of society's maladies. This passive behavior, expectant of constant assistance, was responsible for the disappearance of a plethora of cooperatives. It was central in leading to a paradigm shift and the building of a new development model for Brazilian cooperatives, culminating in the 1988 Constitution.

PARADIGM SHIFT

With the enactment of the 1988 Constitution, which established the autonomy of Brazilian cooperatives, a new business management model was drawn up by cooperatives, with the support of the system's representative and regulatory agencies. The 1990s were defining years for the movement, because the changes made from 1998 to the present were extremely important in formulating current standards for cooperative management.

Parallel to Brazil's redemocratization and its new Constitution, a series of rapid changes in macroeconomic, political, and social factors has occurred, creating a new framework for cooperative development. The Constitution itself, the normalization of Brazil's democratic institutions, the adjustments to the Civil Code, among other legal regulations, created a new political/legal framework for the operation of cooperatives. On the one hand, these kept some tax benefits intact, such as exemption from paying income taxes and other taxes and contributions levied on cooperative activities. On the other, it removed the blanket of credit incentives and other incentives that benefited cooperatives in the 1970s and 80s.

The center of power, which had previously resided almost exclusively in the Executive Branch, shifted partially to the Legislature, creating the need to maintain Congressional cooperative coalitions at the federal and state levels and requiring the movement to adopt a new strategy for making their demands.

On the economic side, the internationalization of the Brazilian economy—resulting from the brisk and decisive opening of the Brazilian market, the influx of capital from around the world, the increased involvement of international regulatory agencies such as the WTO, and the consolidation of economic blocs—forcefully reoriented cooperatives' business efforts. Free competition in the domestic and foreign markets demanded a new management model from cooperatives, firmly based on business efficiency—which in the past was not vital for the system's survival, given the governmental protection network for cooperative business.

Evidently, cooperatives that were already active on international markets had less trouble adapting. They already possessed management models based on business efficiency, since the regulation of the international market already imposed standards of competition based on cost, quality, and productivity. Accordingly, cooperatives tied to agribusiness exports adapted with greater ease to the new circumstances. Conversely, those cooperatives whose business was centered on the domestic market or who were only indirectly linked to the international market, had to undertake substantial changes in their management models in order to survive.

In terms of technology, the introduction of computers in management, the development of international communications networks, quality standards like the ISO system, and the search for cost competitiveness in industrial and administrative processes, forced cooperatives to seek new strategies for their investment and development policies. The search for competitiveness in terms of cost, scale, and customer-driven organization led to new market-oriented management strategies, with the integration of production within these standards.

Finally, there were significant cultural and demographic changes, including deep changes in consumer behavior, which required a new management perspective. Rapid urbanization and internationalization of cultural standards forced cooperatives to acquire market insight, which in the past had always been relegated secondary importance.

These more recent changes in general aspects of the external environment—which were briefly summarized in this section—created, without a doubt, an increasing need to change cooperative management models. Cooperatives were required to consider the market as an essential component of their survival. The challenge of the day was to rapidly remove paternalistic behavior and the habit of government dependence; they needed to be substituted by a well-trained leadership, capable of acting within the context of business efficiency without distorting cooperative principles.

Beyond the issue of management, the success of cooperatives now depended on their members' ability to grasp the need for—and to implement—a balance between market demands and

cooperative principles. To this end, the role that cooperative business promotion agents played to jump ahead was dominant.

NEW INSTITUTIONAL FORMAT

At the end of the 1980s and beginning of the 90s, the large State apparatus gave way to a new concept of a streamlined State whose role is to stimulate the private sector. A large number of public institutions were closed; others saw their roles change completely, while yet others were grouped together according to similar objectives. The Brazilian state sought to take on the role of public policy guide, reducing its interference in business development.

Hence, throughout the 1990s, the public and private institutional apparatus for cooperatives gradually changed its role and its way of doing business. The State, through its specific institutions for supporting cooperatives, dropped its inspecting role and took on an incentive-providing role. The National Cooperatives Secretariat (Senacoop – *Secretaria Nacional de Cooperativismo*), which substituted Incra, and later, the National Cooperatives Department (Denacoop – *Departamento Nacional de Cooperativismo*), developed an important role in financing capacity building, research, and development programs for cooperatives. Subsequently, these roles were transferred to the National Cooperative Education Service (Sescoop – *Serviço Nacional de Aprendizagem do Cooperativismo*).

This State agent definitively substituted Incra, and acted specifically to provide stimulus and development by supplying financial resources for developing capacity-building programs. In partnership with the Organization of Brazilian Cooperatives (OCB – *Organização das Cooperativas Brasileiras*), it provided the extensive network needed for these projects to reach their intended beneficiaries, especially in cooperatives with smaller economic power and unable to finance their own capacity-building projects.

The creation of the National Cooperative Education Service was undoubtedly a tremendous step forward for Brazilian cooperatives. With a national network of activity, it contributed resources generated by cooperative employee income taxes back into the system—a value equivalent to 2.2% of each cooperative's payroll. Accordingly, from the North to the South of Brazil, Sescoop has provided for the training of cooperative leaders and directors in cooperative business management. There have been thousands of programs for boards of directors and audit committees, as well as for directing and managerial staff and cooperative members. This training process is essential for building a new critical mass in cooperatives, capable of overcoming the paternalistic and dependent attitudes that resulted from the model in force before the 1988 constitutional reform.

Taking on autonomy and self-determination requires cooperatives, and especially their leaders, to have a proactive attitude toward the market and external environment. It also demands a high capacity for mobilization of internal forces toward fulfilling the chief mission of this group of societies.

Beyond this institutional context, cooperatives also benefit from quality, productivity, and entrepreneurial programs carried out by the S system—Sebrae, Senai, Sesi, Sesc, and others—as well as partnerships with universities in preparing programs for managerial development. Various non-governmental organizations, such as the Naumann Foundation and VOCA, played a crucial role in supporting a new institutional design that permitted the swapping of management models to allow cooperatives to survive in a free-market regime.

REGIONAL DIFFERENCES

Brazil's continental size, regional differences, and different stages of cooperative organization are important elements to consider in this context.

In the South, Southeast, and part of the Center-West regions—which are more developed and centered on strong agribusiness with well-defined and integrated production chains—cooperatives somewhat naturally perfected this business model in a short time, forming large business

conglomerates with strong participation and even dominance in the market. In these cases, the development of business attitudes among cooperative members played an especially important role.

Ocepar and other organizations helped connect cooperatives, leading to a strong cooperative movement tied to agribusiness in Parana, where seven of the ten largest Brazilian agribusiness cooperatives are located. Investments in training, which began in the 1970s before the new Constitution, buffered cooperatives in this state from the impact of the changes that occurred in the 1980s and 90s. In fact, they obtained strong leverage in the new institutional/economic context.

The vast majority of cooperatives now have professional management, with their leadership prepared for the dual management function inherent to cooperatives—simultaneously businesses and associations of persons. These cooperatives have been largely successful in the harmonious management of these two aspects. In many cases, cooperatives lead the markets in which they compete, besides stimulating the productive chains involved.

In other regions of Brazil, a different environmental context and economic problems, among other factors, do not allow for as successful of a development as in the South, Southeast, and Center-West regions. In these cases, there is still a lot of work to be done. The North and Northeast regions of Brazil are still in an incipient phase of political and economic development. Cooperatives need exhaustive support to move ahead and adapt to the development context of the other regions. This is one of the greatest challenges that cooperatives face in Brazil.

EVOLUTION OF COOPERATIVES AFTER THE CONSTITUTIONAL MILESTONE

The cooperative movement in Brazil has undergone a broad change in its development profile since the 1988 Constitution, as the tables below illustrate.

TABLE 1 – CHANGE IN NUMBER OF COOPERATIVES BY BRANCH OF ACTIVITY – BRAZIL – 1988/2002

BRANCH OF ACTIVITY	1988	2002	PERCENTAGE VARIATION
Agriculture	1,742	1,624	-6.8
Consumer	485	170	-64.9
Credit	662	1,066	61.0
Educational	82	301	267.1
Housing	263	313	19.0
Health	219	880	301.8
Labor	718	2,807	290.9

SOURCES: Panorama of Brazilian Cooperatives (1988) - OCB, GETEC-OCB, Database Center (2002)

TABLE 2 – CHANGE IN NUMBER OF COOPERATIVE MEMBERS BY BRANCH OF ACTIVITY - BRAZIL - 1988/2002

BRANCH OF ACTIVITY	1988	2002	PERCENTAGE VARIATION
Agriculture	1,258,646	865,494	-31.2
Consumer	781,770	1,702,387	117.8
Credit	742,705	1,127,955	51.9
Educational	11,334	73,223	546.0
Housing	42,261	73,223	73.3
Health	53,026	384,215	624.6
Labor	137,060	400,099	191.9

SOURCES: Panorama of Brazilian Cooperatives (1988) - OCB, GETEC-OCB, Database Center (2002)

Changes in the macroeconomic, political, and social context had a significant impact on some cooperative branches in Brazil, especially the consumer and agricultural branches.

In the consumer branch, the development of large retail groups and supermarkets along with a strong economic policy of price and inflation control radically altered this sector's makeup. Economies of

scale and bargaining power in purchases, along with market strategies, came to determine success in this sector. Cooperatives with a low level of working capital and great difficulties in attaining economic integration—most were constituted by closed groups of state and private employees—gradually became less competitive and economically unattractive to their members.

Thus, there was a drastic 65% reduction in the number of cooperatives operating between 1988 and 2002. The cooperatives that survived in this context were those that followed the competitive logic of the market, considerably increasing the number of cooperative members (there was an 118% increase), gaining economies of scale, and adopting the sector's latest business strategies. Other types of consumer cooperatives, such as those involving medicine, books, and other more specific consumer items, have survived with difficulty.

The agricultural branch also experienced effects of the 1980s economic crisis, with a reduction in the number of cooperatives and cooperative members. In addition, the sector underwent significant adjustments, including countless mergers and acquisitions that are still underway. Despite the reduction of 7% in the number of cooperatives and 31% in the number of members, these cooperatives have been improving their economic position. They play a significant role in agriculture and food exports—more than US$1 billion per annum. Business concentration was strong in the past two decades.

The agricultural branch is the most powerful economically. According to *Exame* magazine, 17 cooperatives are among Brazil's largest enterprises, generating about US$5 billion, especially in the development of Brazilian agribusiness. There is an ongoing process of economic integration due to natural market tendencies toward a reduction in the number of cooperatives and an increase of involvement in the agricultural economy.

The cooperative health system has distinguished itself by becoming the largest system of private medicine in Brazil. With more than 850 cooperatives and more than 384,000 members, this branch of cooperative has grown rapidly. Unimed, with more than 300 cooperatives, 80,000 doctor-members, and 10 million users, has been the flagship of this process. This model of cooperative enterprise is extremely organized in terms of its vertical structure, with hundreds of small cooperatives organized and integrated into state or regional federations, and these, in turn, into national technical/political institutions. There is an appropriate division of labor and of market action. Its activities are focused on the areas of medicine, dentistry, and psychology, among others.

The credit branch also underwent significant change in this period. There are now more than 1,000 cooperatives with more than 1,500 branches that are already responsible for approximately 2% of financial transactions in Brazil. The opening of two cooperative banks—Bancoob and Bansicred—and the establishment of cooperative networks integrated with them, was a milestone for the development of this branch. It has also been maintaining a fast pace of operational integration with second-tier organizations.

Another branch that has experienced strong development in the past 15 years is that of labor cooperatives. Countless cooperatives in all areas of human activity have arisen. They constitute the largest cooperative branch in Brazil in terms of the amount of societies (more than two thousand), comprising more than 400,000 workers. Its development is recent, and it is undergoing stages of economic integration and consolidation.

Other cooperative branches, such as housing and education, had relatively solid growth in this period.

The main branches of cooperative activity are maintaining high rates of growth. Economic integration is a common business strategy: they are organizing themselves into central cooperatives and federations, with operational and business integration at the national level. These same aspects led to the disappearance of the vast majority of consumer cooperatives, which were not able to overcome institutional barriers to integration, losing scale and competitiveness within new economic realities. Their inability to integrate economically was a predominant factor in sealing their fate, in light of the strong concentration of capital in this sector.

Despite the removal of State control as an accelerating factor in the development of cooperatives, the inadequacy of the legal framework and the emergence of sector regulating agencies remain restrictive

factors for cooperatives—to a greater degree for labor cooperatives and to a lesser degree in the health and credit sectors.

From an internal perspective, lack of institutional clarity and slow economic integration also restrict the development of some branches.

In light of the situation presented in this chapter, certain factors can be seen as critical to the development and success of cooperatives in the context of the transition that occurred:

a) autonomy in cooperative operation, with full liberty of association and self-determination in their development;
b) predominantly independent behavior, utilizing State support mechanisms to speed up the development process.
c) pioneering implementation, by the Organization of Parana State Cooperatives *(Organização das Cooperativas do Estado do Paraná – Ocepar*), of the first complete support program for cooperative autonomy, which served as a national model;
d) reorganization of superstructures with the creation of the National Cooperative Education Service (Sescoop) within the OCB system, having the crucial role of rapidly training leaders. Its central focus is on professionalizing business management and on the development of strategic vision; in addition, it has a regulating function as it is in a phase of concretizing the national system of self-control and self-inspection;
e) development of fundamental elements of strategic management, with ongoing capitalization, market insight, economy of scale, perception of changes in the external environment and adaptation of business strategies, dynamic integration in production chains, insertion in competitive production chains, and ongoing monitoring of general and activity-specific economic-financial results;
f) incentives for active participation and for business training of leaders, and integration of cooperative members in the market context, making production more competitive and installing a stronger business mindset in cooperatives;
g) economic integration of productive bases and development of continual technology transfer strategies;
h) firm action by Social Agencies, cooperative Boards of Directors and Audit Committees, and maintenance of a transparent administrative process, with ongoing monitoring by the OCB System;
i) use of cooperative principles as competitive advantages.

CONCLUSION

In this article, the main circumstances surrounding the transition of cooperatives from the model extant before the 1988 Constitution to a new model of self-determination were discussed. Emphasis was given to efforts made toward the development of autonomous behavior and business vision among leaders as essential factors for the success of cooperatives in the new globalized context of free competition.

Striking the balance between the business and social aspects of cooperatives, using cooperative principles to engender competitive advantages, consolidating self-determining behavior, and reducing regional differences constitute the great challenges for the Brazilian cooperative movement at the beginning of this new millennium.

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THE 10TH BRAZILIAN COOPERATIVE CONFERENCE – MILESTONE FOR DEVELOPMENT OF SELF-DETERMINATION

Carlos Claro de Oliveira Junior*

The 10th Brazilian Cooperative Congress had a decisive role in the context of recent changes in cooperatives in Brazil. Led by then-president of the Organization of Brazilian Cooperatives (OCB – *Organização das Cooperativas Brasileiras*), Dr. Roberto Rodrigues, the Conference was held in the midst of the country's democratic transition in March 1988, a few months before the enactment of Brazil's new constitution. With a view to defining the political and strategic direction for the development of cooperatives in the new institutional context, the Conference was designed—beyond reaching its general objective—to draw on the participation of cooperative members themselves in this discussion.

This effort was needed because Brazil's institutional organization at that time led many cooperatives and their members into a position of passivity in face of all the changes that were occurring, and with a very low level of participation by the millions of cooperative members and their leaders in the redemocratization process. Democracy is a core principle of OCB, and participation is a matter of principle and philosophical belief. OCB sought, therefore, a discussion process in which the bases of the cooperative movement would be shaken up and stimulated to active participation.

With this objective in mind, the Conference held in March 1988 actually began one year earlier, through an unprecedented model of mobilization.

In a first phase of work, cooperatives from all over Brazil and from all branches of activity were encouraged to hold local meetings with their members in order to prepare proposals on policies and strategies to be voted on at the Conference. Based on an initial list of more than 30 issues, more than 350 meetings were held at individual and central cooperatives in 23 states over the course of four months. They led to the preparation of 187 consolidated reports, presenting more than 3,500 different proposals to be included in an initial document.

This formidable series of proposals was then consolidated into eleven general topics: cooperatives and cooperation, social organization, education and training, participative management, credit policy, financial autonomy, system of representation, relations among cooperatives, relations between cooperatives and civil society, relations between cooperatives and the State, and legislation. These topics made up the first document as a basis for discussion. The document was taken to 21 state seminars held between November 1987 and January 1988. The state seminars constituted a second phase of the Conference, with the participation of more than 2,000 representatives from more than 1,000 cooperatives. In their meetings, they discussed and revised the initial base document.

From this series of meetings, hundreds of suggestions for changes and reformulations of the text arose. They were again consolidated and systematized in order to constitute a base document for the 10th Congress. This enormous contribution from cooperatives was periodically revised, analyzed, systematized, and consolidated by a technical commission that worked constantly for one year. This commission was coordinated by the president of OCB and benefited from the participation of representatives of all regions of Brazil and of the various lines of cooperative thought.

With the final consolidated document in hand, the Conference began in March 1988 with more than 1,000 cooperative representatives and more than 700 delegates with a right to vote on it. The delegation of votes was done by the cooperatives in specific assemblies called for this purpose, and their validity was confirmed by the presentation of the minutes of the assembly meeting.

The third stage of the event began with special sessions of cooperative branches. On the first day, the proposals of the base document were exhaustively discussed. At the end of this day, more than 650

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* Technical-methodological coordinator for the event.

amendments were made to the base document and were voted on, one by one, in the nine branch sessions on the following day. Having once again consolidated the document, topic-based sessions were then held, considering six general topics in the document. From these topic-based sessions, 250 amendments were voted on that led to the Conference's final document. This final version could only be modified by a plenary mark-up session with amendments presented bearing at least 100 signatures of delegates present at the event.

The final document was read in an official session and a deadline was stipulated for delegates to present final modifications. More than 21 amendments were added to the final document and voted on in a plenary assembly, creating the event's final document, which served, from that point on, as the basis for the formulation of the overarching political and strategic framework for the development of cooperatives.

Beyond the document's excellent content, the mobilization of this enormous contingent of cooperative leaders and members definitively established a participative, dynamic, and democratic stance for setting the course of cooperatives. The participation, debate, and discussion helped the cooperative system mature and, above all, overcome the inertia and apprehension surrounding the changes that were taking place.

The strong presence of political leaders from the National Congress during the event showed that there was a new balance of government powers and that participation and mobilization would play a fundamental role in the approaching political landscape.

Without a doubt, democratic and participatory practice for the Conference during 1987 and 1988 was decisive in helping cooperative leaders, captained by OCB, to take on self-determination and the cooperative self-management program.

HOW CAN THE GOVERNMENT SUPPORT THE SELF-MANAGEMENT PROCESS FOR COOPERATIVE SOCIETIES?

José Roberto Ricken*

Before focusing on the relationship between government and cooperative societies and the possibility of support for cooperative self-management, it is important to understand the role of cooperatives in the context of society in general. In other words, what makes cooperative businesses different from other businesses that exist on the market? This analysis will facilitate the understanding of the **cooperative-government** relationship.

In any given community anywhere in Brazil or in the world, various institutions exist: commercial enterprises, political parties, unions, churches, philanthropic organizations, social clubs, non-governmental organizations (NGOs), schools, and so on—and, almost always, cooperatives. Each of these institutions has certain characteristics, functions, and roles in the community's "social map." There are private and public enterprises, or enterprises organized on a self-management model—that is, those that involve many people and that need to engage in shared management. Most of these "self-managed" enterprises do social or cultural work and are nonprofit. Cooperatives, however, constitute an exception, because, although they are self-managed societies, they are profit-oriented.

In this context, the success of the cooperative movement essentially depends on two factors: finding its niche in society and making the people who comprise cooperatives understand how they work. The primary purpose of cooperatives is to organize their members economically such that they have more work and, consequently, higher income. When more people are included with a higher level of income, the community develops and the benefits extend to all of Brazilian society.

The government needs to understand the dynamics of cooperative societies in order to establish laws and regulations that are suited to this sector. Then, the government/cooperative relationship becomes appropriate and productive. In Brazil, both cooperatives and the government have sometimes failed to understand this relationship. This lack of understanding is one of the reasons for the comparatively low impact cooperatives have on the nation's economic and social life. Only 8% of the population has a direct relationship with cooperatives, while the world average is approximately 40%.

Historically, changes in the cooperative movement in Brazil have been related to the type of government and the political situation. There have been five distinct phases:

- **Introduction**: Decree No. 1637 of 1907 (introduction as a type of limited liability, anonymous commercial society); Law No. 4984/26 and Decree No. 17339/26 (Raiffeissen Rural Savings Banks and Luzatti Banks);
- **Partial Consolidation**: Decree No. 22239/32 (which consecrated basic principles of the state in relation to cooperatives); Law No. 1521/51 (crimes against the popular economy);
- **State Centralization**: Decree-Law No. 59/66 and its Regulation (Decree No. 60597/67); Decree-Law No. 60/66, later altered by Law No. 5636/70; Decree No. 58337/66; Decree No. 60.443/67 (income tax exemption); Law 5316/67 (medical cooperatives); Decree-Law No. 1110/70 (Incra) and its Regulation (Decree No. 68153/71). Decree-Law No. 59/66 came after the Bank Reform Law (Law No. 4595/64 and Central Bank Resolutions Nos. 11/65, 15/66 and 27/66); by Tax Reform Law (Law 5892 of 10/25/66, based on EC 18/65), and Decree-Law No. 73/66 (insurance);
- **Structural Renovation**: Law No. 5764/71; Law No. 6981/82 (altered Law No. 5764/71); Law No. 7231/84 and Decree No. 90.393/84 (authorizes Incra to delegate power to the cooperative system); 34 CNC Resolutions; Law No. 6024/74 (intervention and extrajudicial closure of financial institutions);

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- **Liberalization**: 1988 Federal Constitution. Law No. 8028/90 (dissolution of CNC and of Senacoop). Law No. 8029/90 and Decree No. 99192/90 (dissolution of BNCC). Decree No. 99621/90 (creates Denacoop). Law No. 8949/94 (changes the CLT, Art. 442, Sole Paragraph). Laws No. 8541/92, No. 8981/95, No. 9430/96 and No. 9532/97, and Decree No. 3000/99 (Income Tax). Law No. 9074/95 and Aneel Resolutions No. 333/99 and No. 012/2002 (rural electrification). Supplementary Law No. 84/96; Law No. 9711/98, No. 9876/99, No. 10.256/2001, and No. 10.666/2003; Decrees No. 1826/96, No. 3048/99 and No. 3265/99 (Social Security). MP No. 2168-40 and Decrees No. 2936/99, No. 3017/99, No. 3263/99,and No. 3641/2000 (creates Recoop and Sescoop). Laws No. 9656/98 and No. 9961/2000; MP No. 2177-44 and Decree No. 3327/2000, and Resolution ANS 39/2000 (medical and dental cooperatives). Supplementary Law No. 70/91; Law No. 9715/99, No. 9718/99, No. 10.637/2002, No. 10.676/2003, and No. 10.684/2003; MP No. 2158-35 and Decree No. 4524/2002 (PIS and Cofins). Decrees No. 2219/97 and No. 4494/2002 (IOF). Law No. 9867/99 (social cooperatives). CMN/Bacen Resolutions No. 1914/92, No. 2193/95, No. 2608/99, No. 2645/99, No. 2771/2000, No. 3058/2002, No. 3087/2003, and No. 3106/2003 (credit cooperatives). Laws No. 9964/2000 and No. 10.189/2001 and Decree No. 3431/2000 (Refis). New Civil Code (Law No. 10.406/2002: Articles Nos. 982, 983, 1093 to 1096, and 1159). (Source: OCB).

The current relationship between the cooperative movement and the Lula administration is very promising. The president himself has publicly manifested his intention to promote the development of cooperatives. He said:

> *Cooperatives are an important lever for attaining a more balanced development in Brazil. Precisely for this reason, my administration is working to strengthen its presence nationally.*
>
> *Strengthening the structure of the cooperative movement is an indispensable aspect of a development policy committed to solidarity and social justice.*
>
> *We will strengthen and expand the cooperative movement because it meets two of this country's current urgent needs: beginning to grow again and doing so with social equality (statements during President Lula's address on International Cooperatives Day, July 4, 2003).*

The Minister of Agriculture, Roberto Rodrigues, recognized as one of the most important leaders of the cooperative movement, has also manifested his support:

> *Cooperatives are a doctrine, a philosophy that has been making its away around the globe without any borders, without any ideology, without any ideological partisan position, for more than 300 years.*
>
> *...All of this transforms cooperatives into a completely perfect partner for governments who hold a vision of democracy and peace, because with the government in these conditions, the cooperative movement seeks justice, full employment, nutritional security and food security, defense of the environment, equitable income distribution and, finally, overall wellbeing, within a regime of absolute political neutrality.*
>
> *Cooperatives are the economic arm of societal organization, and a developed country cannot exist without an organized society (excerpts from Minister Roberto Rodrigues' address on International Cooperative Day).*

Based on this guidance, Denacoop, as the official government agency for supporting cooperatives, has structured itself to provide incentives for the development of cooperative societies. There are three basic concerns that guide its activity: 1) establishment of government policies in support of cooperatives ("Cooperative Brazil" Plan – *Plano "Brasil Cooperativo"*); 2) establishment of Denacoop's Technical Program (PPA 2003-07); and 3) training of public and private agents to disseminate and guide the practice of the cooperative system at all levels of society.

The guidelines that should underpin new laws for cooperatives, in light of current constitutional precepts, are: a) **self-management** – determination of social responsibilities, authority, and, primarily, controls, keeping in mind that the constitutional ban on state interference in cooperatives (Art. 5, XVIII of the Federal Constitution) encourages self-control; b) **integration** – improve cooperation among the various cooperatives branches; c) **respect for autonomy** – with greater organizational freedom, and greater freedom in framing cooperative articles of association and bylaws; d) **equality** – both in the political/partisan aspects and in relation to gender; e) **commitment to the community** – favoring sustainable models of economic and social development; f) **State support** – with a view to strengthening and developing cooperatives.

The interministerial working group on cooperatives, created by presidential decree during the commemoration of International Cooperative Day in July 2003, found that cooperatives have many demands for government policies. Three demands that all cooperative branches seem to share are:

- Reform of the Cooperative Law (Law No. 5764 of 1971);
- Adaptation of new Civil Code to the Law on Cooperative Societies;
- Definitive stipulation, for all cooperative branches, of activities that can be classified in the **Cooperative Act**.

Some official cooperative development programs should mainly address financing programs. The following were suggested:

- Cooperative Capitalization Program: used to supplement the shares tied to the cooperative's viability project;
- Program to Add Value to Cooperative Production, so that all branches of cooperatives can develop industry and add value to their members' products and services;
- Cooperative Export Support Program, with the goal of providing financial support to the production of goods for export;
- Cooperative Business Network Development Program to create economies of scale for cooperatives—especially small ones—providing them with improved ability to be competitive in markets they are already in and in new markets, thus increasing members' income;
- Cooperative Rural Settlement Program, allowing children of cooperative members to stay on the land through financing for purchase of rural properties and for investments in the land by young farmers;
- Cooperative Research Program, making cooperative members' production more competitive on the market. It is important to remember that the structure of cooperative societies allows for a rapid diffusion of technology and for research to be steered toward the concrete needs of its beneficiaries.

Finally, Denacoop/Mapa's Support Plan for Brazilian Cooperatives, already in its organization and implementation phase, prioritizes the following measures:

- diagnosis of cooperatives' economic and social potential;
- capacity building for cooperative members, directors, executives, and employees;
- training of new cooperative professionals, fostering cooperative schools, courses for cooperative administrators, and incentives for Master's theses on topics relating to cooperatives;
- development of small and new cooperatives through training programs and support for cooperative planning and structuring;
- local, regional, and national cooperation among cooperatives with a view to identifying appropriate models and administrative structures for cooperatives;
- dissemination and promotion of cooperatives to the general public.

In this manner, the goal is to guide the use of public resources with the objective of fostering human development, prioritizing the implementation of the Self-Management Program among cooperatives through capacity building, cultural and conceptual training, and sharing of experiences and information. Clearly centering our efforts on management quality and style, credibility to third parties,

and transparency to members will enhance the existing opportunities in the Brazilian cooperative model.

The raison-d'être of cooperatives is the economic organization of persons so that they can increase their income and thus reach the level of citizenship that they need for the well-being of their families and, by extension, for their community's development.

CONGRESSIONAL COALITION FOR COOPERATIVES

Nelson Vieira Fraga Filho*

The history of the Congressional Coalition for Cooperatives (Frencoop – *Frente Parlamentar do Cooperativismo*) in the National Congress began in 1983, and its presence was felt in the Constituent Assembly. This Assembly inserted into the 1988 Federal Constitution items that guaranteed freedom and adequate treatment for cooperatives. The result has been the economic and social development in evidence today, despite the countless difficulties that they have gone through.

After a period in which the cooperative movement's political representation was relatively inactive, at the end of 1995, Congresspersons began a movement to strengthen the Congressional Coalition, which culminated in 1996. In that year, a solemn ceremony was held at the *Palácio do Planalto* (the presidential palace), presided over by president Fernando Henrique Cardoso. The movement's political arm was thus strengthened, primarily by the fact that it comprised Congresspersons from all political parties and all states.

Frencoop is composed of Congresspersons—federal deputies and senators—regardless of party affiliation. It is a political organization, not an ideological one, and it works with solidarity and coordination to defend cooperative interests everywhere, representing cooperatives in the National Congress and in all areas and levels of government, acting in a participatory manner in the Legislature, and getting involved, when necessary, in the Executive as well. Frencoop always had at its helm important figures in national politics, such as ex-federal deputies Ivo Wanderling and Dejandir Dalpaqualle, senator Jonas Pinheiro, federal deputies Carlos Melles and Silas Brasileiro. It is currently presided over by deputy Moacir Micheletto.

Just as in the Cooperative System, Frencoop has Branch Coordinators, such that each of its branches, through its Coordinator, can focus on more specific issues with the support of the Frencoop Board of Directors and of the Cooperative System. In total, it represents 13 branches and its leadership consists of one Coordinator and two Assistant Coordinators. The branches are: Agriculture, Credit, Consumption, Educational, Special, Housing, Infrastructure, Mineral, Production, Health, Labor, Transport, and Tourism and Leisure.

Since it was reinstated in 1996, Frencoop has acted effectively with the three branches of government, especially in the National Congress, to implement significant measures that have already benefited various segments of the country's economy, such as agriculture, credit, health, education, housing, transport, electric, among others, thus contributing to job and income creation in various states. Over the years, several programs have been consolidated, such as: the program to extend rural debt, securitization, Special Program for Asset Restructuring (Pesa – *Program Especial de Saneamento de Ativos*), the Constitutional Funds (*Fundos Constitucionais*), the Special Program for Agrarian Reform Credit (Procera – *Programa Especial de Crédito para a Reforma Agrária*), the National Program for Strengthening Family Agriculture (Pronaf – *Programa Nacional de Fortalecimento da Agricultural Familiar*) and the Program for Revitalization of Agricultural Cooperatives (Recoop – *Programa de Revitalização das Cooperativas de Produção Agropecuaria*).

Currently, cooperatives are responsible for economic transactions equivalent to 6% of gross domestic product (GDP), directly involve 21 million people, and have approximately 168 thousand employees. Ten million people use health cooperatives, and in transport the fleet has five thousand vehicles. Cooperatives have built 10 thousand residential units and have 11 thousand students enrolled in their schools. The importance of cooperatives to Brazilian society extends even beyond these figures. They have become a significant source of income and tax revenue that sustain at least 1,572 municipalities.

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United action among Frencoop, the Organization of Brazilian Cooperatives (OCB – *Organização das Cooperativas Brasileiras*), the 27 unions and state organizations, the 10 confederations and almost six thousand cooperatives allowed for the announcement of innumerable measures in benefit of productive segments of society. Among them, the exemption from income tax for agriculture cooperatives and electrification cooperatives; equalization of finance charges and interest rates based on average levels for rural financing offered by cooperative banks; inclusion of these banks among agencies authorized to administer resources from the Coffee Economy Defense Fund (Funcafé – *Fundo de Defesa da Economia Cafeeira*); approval of the regulation that controls the creation and operation of credit cooperatives, bringing, among other benefits, the maintenance of "Luzzatti"-type cooperatives; and the limitation of taxes for Recoop at 9.75% per year.

In relation to dairy farming, Frencoop's activities, as well as those of other entities representing the sector, were decisive in the implementation of several measures. For example, they undertook an analysis of dumping practices, especially in Argentina, which led to the adoption of protective measures for Brazilian products. Other noteworthy measures include the ban on rehydrating powdered milk for the production of long-life and pasteurized milk; the inclusion of powdered milk on the list of Basic Mercosul Exceptions with an initial tariff of 35%; the lowering of financing deadlines for importing cheeses to a maximum of 30 days; the increase in TEC (*Tarifa Externa Comum* – Common External Tariff) for dairy products from 16% to 27% and deferment of ICMS (*Imposto sobre Circulação de Mercadoria e Servicos* – Value Added Sales Tax) for milk provided for social programs; the creation of the Incentives Program for Mechanization, Refrigeration, and Bulk Transport of Milk Production (Proleite – *Programa de Incentivo à Mecanização, ao Resfriamento e ao Transporte Granelizado da Produção de Leite*) and the National Program for Recovery of Degraded Pastures (Propasto - *Programa Nacional de Recuperação de Pastagens Degradadas*); the implementation of a discount on Rural Bills (DR – *Duplicata Rural*) and Rural Promissory Notes (NPR – *Nota Promissória Rural*); and, finally, the inclusion of milk in the federal government's Minimum Price Guarantee Policy (PGPM – *Política de Garantia de Preços Mínimos*), with a set minimum price for milk.

Among benefits for the national productive sector were: a reduction of 0.5% in Funrural (*Fundo de Assistência ao Trabalhador Rural* – Rural Worker Assistance Fund) Tax Rate; an exemption from IPI (*Imposto sobre Produtos Industrializados* – Tax on Industrialized Products) for agricultural machinery and equipment; and a reduction in interest rates for rural credit, which were set at a maximum rate of 8.75% per annum. In addition, financing programs were created with interests limited to, at most, 8.75%, such as the Incentive Program for Use of Fertilizers (Prosolo – *Programa de Incentivo ao Uso de Corretivos de Solo*) and the National Program for Systematic Use of *Várzeas*[24] (*Programa Nacional de Sistematização de Várzeas*); the Support Program for Tilapia, Saltwater Shrimp, and Mollusk Production Development (*Programa de Apoio ao Desenvolvimento da Produção de Tilápias, Camarões e Moluscos*); and the Support Program for Fruit Farming, Winegrowing, Sheep Farming, Goat Farming, Cashew Farming, and Beekeeping (*Programa de Apoio à Fruticultura, Vitivinicultura, Ovino-caprinocultura, Cajucultura e Apicultura*).

In 2002, the federal government, with the support of Frencoop, implemented new programs that provided incentives for agricultural production and the generation of jobs and income. These included the Support Program for Irrigated Agriculture (Proirriga – *Programa de Apoio à Agricultura Irrigada*), the Program for Commercial Planting of Forests (Propflora – *Programa de Plantio Comercial de Florestas*), the Program for Cooperative Development to Add Value to Agriculture and Livestock Revenue (Prodecoop – *Desenvolvimento Cooperativo para Agregação de Valor à Renda Agropecuária*), the Support Program for Development of Cocoa Farming (Procacau – *Programa de Apoio ao Desenvolvimento à Cacauicultura*) and the Program for Eradication of Animal Brucellosis and Tuberculosis. In 2003, all of these programs were classified in only 8 large groups as follows: Modefrota, Moderinfra (Proazem and Proirriga), Prodecoop, Moderagro (Prosolo, Propasto and Sisvárzea), Prodefruta (Profruta, Prodevinho, Provaju, and Procacau), and Prodeagro (Prodecap, Prodamel, Prodeflor, and Aquiultura), Proleite and Propflora.

A ceiling of 11.95% per annum in interest rates and financing charges was established for financing from the National Bank for Economic and Social Development (BNDES – *Banco Nacional de*

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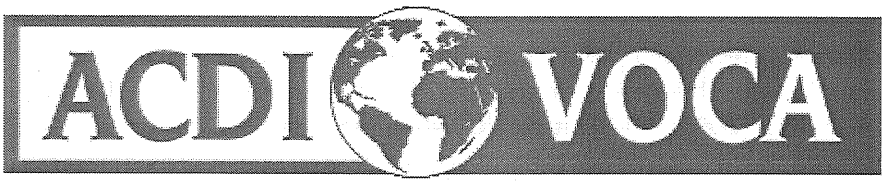
[24] *Translator's Note: Várzeas* are low and flat lands alongside a watercourse.

Desenvolvimento Econômico e Social) through the Special Agricultural *Finame* (*Finame Agrícola Especial*) for the purchase of machinery and equipment. The Rural Job and Income Creation Program (Proger Rural – *Programa de Geração de Emprego e Renda Rural*), that since its implementation in 1995 has served thousands of small producers all over the country, had interest rates for its loans reduced to a maximum of 8.75% and financing limits increased to R$42 thousand per beneficiary or R$60 thousand when investment costs are shared.

Another program that certainly deserves mention is the Family Agriculture Strengthening Program (Pronaf – *Programa de Fortalecimento da Agricultura Familiar*), launched in 1995 by then-Minister of Agriculture and senator Arlindo Porto. It is the main incentives program for agricultural production on small rural properties. Currently, it finances this sector and promotes fair income distribution. Payback periods are up to 12 years and interest rates vary from 1.17% to 4% per annum, with a right to a compliance bonus, providing this sector with credit on conditions that make its activities feasible. Additionally, it runs harvest insurance (*seguro-safra*), which benefits thousands of producers in the Northeast Region and the Semi-Arid region in the north of the states of Minas Gerais and Espirito Santo.

The Light in the Country Program (*Luz no Campo*), projected to benefit approximately one million people, only garnered the real participation of electrification cooperatives after the approval of Law No. 10438 of 2002, which included these cooperatives as beneficiaries resources earmarked for this purpose.

Over the years, Frencoop's efforts have always been directed toward issues of extreme importance to Brazilian cooperatives. Adequate tax treatment has been a constant battle, and the reduction of the base for calculating *PIS* and *Confins* social security taxes for agricultural and electrification cooperatives represented a great advance in legislation, which is likely to benefit all other branches already being analyzed by the Executive Branch. The new cooperative law that will substitute Law No. 5764 of 1971 is also a priority that lies ahead. Cooperatives are present in all economic and social sectors and have contributed, and will continue to contribute, a great deal to improvements in the Brazilian people's quality of life. Times have changed, and cooperatives need up-to-date legislation. They will certainly continue to require the active participation of all members of Frencoop and sector leaders.



Revitalizing Market-Oriented Agricultural Cooperatives in Ethiopia

A Case Study

Conducted In Cooperation with

USAID's Cooperative Development Program

By

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Executive Summary

Since 1997, ACDI/VOCA has been assisting Ethiopian cooperatives with the transition from a socialist orientation under the repressive Derg regime, to a free market, business-driven approach. This case study compares the growth and progress of the Kolba Farmers' Multi-Purpose Primary Cooperative and the Lumme-Adama Farmers' Cooperative Union as a result of two ACDI/VOCA development assistance projects: 1) The Cooperative Union Project (CUP), a two-year program (1998-1999) with the goal of enhancing food security and rural income, and 2) Agricultural Cooperative Development in Ethiopia (ACE), an extension and expansion of CUP (2000-2004) with major additional components including expanding the participation of women, diversification of cooperative businesses, natural resources management, and an HIV/AIDS intervention. The study employs a participatory methodology, including interviews at national, regional and local levels with government officials, outside experts, farmer cooperative members, board members and management of the union and primary cooperatives.

The Policy Environment. This is a success story of democratization and policy change and the concurrent transformation of cooperatives. As the previous authoritarian, centrally-controlled economy of Ethiopia has been replaced by the present government (in power since 1991), decentralized free-market economic development has ensued. The government has placed a high priority on food security and self-sufficiency. Cooperatives have gained prominence in Ethiopia's rural and agricultural development strategy, within the national macro-economic policy framework of agricultural development-led industrialization.

A government policy and an accompanying strategy for cooperative development in Ethiopia, previously incomplete, have been developed and submitted to Parliament for approval. The new proclamation for the establishment of cooperatives satisfies the internationally accepted principles adopted by the International Cooperative Alliance (ICA). Within this context, ACDI/VOCA's technical assistance has helped carry out the government's plan to privatize business and industry by assisting agricultural cooperatives in becoming farmer-owned and -controlled, profitable and governed in a democratic fashion.

Democratic Participation. Farmer members at the grassroots level freely and democratically elect their leaders without government intervention. Cooperatives are no longer state instruments; they are demand-driven institutions owned, managed and controlled by members. Members interviewed during the course of the case study were generally satisfied with the democratic process. Government involvement in promotion and organization during the transitional period was regarded as positive and supportive. Democratic rights and economic benefits have inspired members and given them confidence in cooperatives. Members' perception of cooperatives has dramatically changed. Growth of membership and the corresponding unprecedented growth in equity capital provide substantiating evidence of this shift in attitude.

Salience. By giving ownership of the project to the cooperatives, the Cooperative Promotion Bureau (COPB) and ACDI/VOCA have promoted sustainability. The growth and profitability of cooperatives has removed the negative stigma of co-ops as an extension of the government's political machinery. Cooperatives are now valued as essential in a free market economy and democratic society. As business organizations, cooperatives are recognized as part of the private sector and given a level playing field on which to compete with other enterprises. Market-oriented multi-purpose primary agricultural cooperatives have been restructured and registered as private business organizations. Concurrently, cooperative

unions with greater economies of scale, bargaining power and influence at regional and national levels have been formed. To date, 1,587 primary cooperatives have been restructured and registered. Of these, 422 have been directly organized by ACDI/VOCA under the CUP and ACE programs. The total number of unions is over 30, and of these, 26 were directly organized by ACDI/VOCA under CUP and ACE.

Growing Professionalism. This case study illustrates the success of cooperatives in managing their businesses efficiently and effectively. Professionalism in cooperative management has become the hallmark of cooperative development in Ethiopia. Employment of non-member managers, especially at the union level, has become the norm rather than an exception. Board members and managers know their duties and responsibilities and controllers are no longer seen as "faultfinders" and "rumormongers." Governance of cooperatives is therefore no longer a vexing issue. Books of accounts are regularly audited and no embezzlements or financial irregularities have been reported since cooperatives have been restructured. Cooperatives had in the past invariably been victims of such problems, and accounting improvements are a major breakthrough.

Access to Credit. Through the Loan Guarantee Fund, which has been supported by USAID and the visionary Bank of Abyssinia, cooperatives have been able to access credit and have sufficiently demonstrated their creditworthiness (100% on-time repayment). This development has coaxed the largest parastatal commercial bank in the country to open its door to cooperatives. In addition, the rapid promotion, establishment and development of savings and credit cooperatives (SACCOs) has created a conducive environment for the provision of sustainable rural financial services to cooperatives and individual members.

Change Strategies. This case study shows that, with a conducive enabling environment, it is possible to restructure top-down cooperatives to serve members effectively and profitably. To change and revitalize cooperatives in Ethiopia, several interventions were critical: (1) organizational changes were required including hiring of professional managers to manage the unions, training board members and managers for their duties, and training controllers to conduct regular control; (2) cooperatives learned to operate as businesses in which membership is voluntary and based on profits and incentives such as patronage dividends (annual business plans are now required at both the union and primary cooperative levels); (3) cooperatives needed to become creditworthy as is now evidenced by the Commercial Bank of Ethiopia (CBE) providing working capital (in the past, cooperatives were isolated and none of their assets were acceptable as collateral); and (4) savings and credit services needed to be institutionalized through the establishment of rural SACCOs so that local savings could be mobilized, and primary cooperatives as members of SACCOs could borrow working capital for grain purchases -- a major breakthrough in rural finance.

Impact on the Rural Economy and Community. USAID support and ACDI/VOCA's intervention have had visible impacts on improving the rural economy through cooperative development. The progress made by cooperatives toward enhancing food security and rural income and reducing rural poverty in the areas served is attributable to such intervention. Cooperatives receive no subsidy and many cooperative members pay up to 60 percent of the down payment on inputs. This shows the declining dependency of cooperative members on government-guaranteed input loans. Through systematically linking training, capacity building and market linkages, the CUP and ACE projects have ensured sustainable economic results for cooperative members.

Cooperatives are becoming increasingly important to individual members, the community, the business sector, and the national economy in Ethiopia. More than 85 percent of the total inputs supplied to the rural community are distributed through cooperatives. Cooperatives are responsible for over 75 percent of coffee exports, the major foreign exchange earner of the country. Coffee unions are exporting high-quality, organic and Fair Trade coffee to the United States, Europe and Japan, fetching premium prices on behalf of smallholder coffee farmers. Through cooperative unions, primary cooperatives have unfettered access to inputs at competitive prices (with substantial price reductions) and have attained a strong bargaining position in marketing their outputs. In general, cooperatives are moving toward financial self-sustainability. Today, cooperatives as business organizations regularly pay patronage dividends to members, and such dividends have impacted household economies.

Work Remaining. There are still substantial differences between the primary cooperative and the cooperative union in the degree of business planning and management sophistication. Literacy levels are low among primary co-op members and, as a result, understanding of cooperative concepts and principles within primary cooperatives needs to be further developed. Training has focused on cooperative managers, accountants, board members and cooperative promoters, and now needs to expand to reach additional farmer members. The participation of women as members and leaders should be expanded. Promising HIV/AIDS intervention activities are just beginning and can be enhanced through the existing cooperative structure.

Input supply now constitutes the major activity of the cooperatives, which should be diversified into agro-processing (value-added products). Marketing needs additional attention: several cooperatives have cereals (teff) and pulses in storage, while the country is facing a famine. This is due primarily to low prices as a result of low demand in accessible target markets.

Additional challenges include: 1) addressing natural resource management through cooperatives; 2) expanding technology transfer (including, but not limited to, expanding the use of tractors); 3) forming additional business linkages of unions with the private sector; 4) developing short and long-term strategic plans; and 5) continuing to improve the auditing system, including building the capacity of the auditors.

Conclusion. Progress made to date in Ethiopia clearly demonstrates that the negative attitude toward cooperatives has been reversed. Ethiopia serves as an excellent example to other countries that socialist cooperative societies designed to serve solely the interests of the government can be successfully rehabilitated and revitalized as market-oriented private business organizations.

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Acronyms/Terms

ACDI/VOCA	Agricultural Cooperative Development International/ Volunteers in Overseas Cooperative Assistance
ACE	Agriculture Cooperatives in Ethiopia
ADLI	Agricultural Development-Led Industrialization
AIDB	Agricultural and Industrial Development Bank
AISCO	Agricultural Inputs Supply Corporation
Birr	Ethiopian Currency -- $1 US=8.64 Birr in 2003; 8.62 in 2002; 8.61 in 2001; 8.36 in 2000; 8.17 in 1999 and 7.54 in 1998
BOA	Bank of Abyssinia
BSD	Business Services Development
CBAs	Cooperative Business Agents
CBE	Commercial Bank of Ethiopia
CPBs	Cooperative Promotion Bureaus
CUP	Cooperative Union Project
DBE	Development Bank of Ethiopia
FOAs	Farmer Outreach Agents
HA	Hectare
ICA	International Cooperative Alliance
INRM	Integrated Natural Resource Management
KFMPPC	Kolba Farmers' Multi-Purpose Primary Cooperative
LAFCU	Lumme-Adama Farmers' Cooperative Union
LGF	Loan Guarantee Fund
MIS	Market Information System
MOA	Ministry of Agriculture
OCFCU	Oromia Coffee Farmers Cooperative Union
OCPB	Oromia Cooperative Promotion Bureau
ODPPB	Oromia Disaster Prevention and Protection Bureau
PAs	Peasant Associations
Qtl	Quintal (100kg)
SACCOs	Savings and Credit Cooperatives
SCFCU	Sidamo Coffee Farmers Cooperative Union
TOTs	Training of Trainers
Woreda	District

Cooperative Development Program
Ethiopia Case Study

Structure of the Report

This report is structured in four major parts: Part I provides an overview of the goals, implementation process and performance of the Cooperative Union Project (CUP) and the Agricultural Cooperatives in Ethiopia project (ACE), from 1998-2002; Part II presents the case study of the selected primary cooperative and union; Part III discusses lessons learned, salience of cooperatives, major issues and recommendations for further action; and Part IV presents the results and interpretation of the financial analysis.

Part I: THE IMPLEMENTATION PROCESS

A. Project Description

1. Background and Overview

Food security in Ethiopia depends largely on smallholder agriculture. The sector has a very low capacity and is unable to meet the demand of agro-industries for food and raw materials. Productivity of smallholder agriculture lingers at the subsistence level, due primarily to the unreliable supply and unaffordable prices of farm inputs, and to poor rural marketing infrastructure. Consequently, rural income is low and poverty looms large. Cooperatives are indispensable institutions for addressing such a structural problem but, unfortunately, the Derg regime abused cooperatives in Ethiopia. Excessive government intervention and control, coupled with mismanagement, devastated the cooperative movement. As a result, prejudice against cooperatives persisted for some time after the change of government in 1991.

The incumbent government has made several constructive policy changes toward creating an enabling environment for the private sector. Market liberalization and currency devaluation are among the most pertinent policy measures. The emerging private sector encourages competitive markets, but individual farmers have weak bargaining power. In view of this, a new cooperative law was issued in 1994 (Proclamation no. 85/1994) to encourage smallholder farmers to organize into agricultural service cooperatives based on internationally accepted principles and a free-market economy. The proclamation encouraged the formation of voluntary, private, democratic and business-oriented cooperatives. However, the chronic need for training and capacity-building hampered the emergence of

truly viable cooperatives. At the time, the cooperative sector had the following inherent problems:

- Lack of professional management and weak accounting systems;
- Inadequate supply of inputs;
- Lack of market information and limited access to markets;
- Limited bargaining power;
- Insufficient number of and poor management of storage facilities; and
- Inadequate banking services and weak savings mobilization.

Following the initial intervention of ACDI/VOCA in September of 1995, U.S. cooperative specialists conducted a four-week training of trainers (TOT) course on the basic elements of free-market cooperative management. The majority of the participants were drawn from the Oromia Region and a few attended from each of the other three major regions (Amhara, Tigrai and Southern regions). Subsequently, additional cooperative board members, managers, accountants and farmer members were trained in the management of modern business cooperatives.

The Oromia Cooperative Promotion Bureau (OCPB) was the first to show a keen interest in revitalizing the cooperative sector, stimulating ACDI/VOCA's committed involvement and the initiation of the pilot Cooperative Union Project (CUP). Oromia Region has major agricultural potential and a large number of agricultural cooperatives, making this region a good choice for launching the pilot project.

2. Goals and Objectives

The Cooperative Union Project was a two-year program (1998-1999) with the goal of enhancing food security and rural income. This was done by increasing the production levels of smallholder farmers and improving the capacity of cooperatives, in compliance with Ethiopia's agricultural development-led industrialization policy (ADLI), poverty reduction strategy, and rural and agricultural development policy. The purpose of CUP was to promote competitive, profit-oriented and professionally managed farm supply and marketing businesses, providing farmers with better access to inputs and output markets.

Specific project objectives were to enhance the efficiency and competitiveness of cereal and coffee production and marketing cooperatives in Oromia, and to establish cooperative unions through which member cooperatives could benefit from bulk-purchasing and marketing. The scope of the project was to improve the management practices of cooperative businesses, and to form cereal and coffee cooperative unions on a pilot basis in Oromia covering the three cereal growing zones of Arsi, East Shoa and West Shoa, and coffee growing zones

including: Jimma, Bale, East and West Wollega, East Hararghe, Illu Aba Bora, and Borena. Thirty five primary cooperatives are affiliated with the Oromia Coffee Union.

Project components included training and study tours, capacity-building and infrastructure support, union formation, establishment of a mobile resource center, establishment of rural Savings and Credit Cooperatives (SACCOs), and facilitation of access to credit services.

The Agricultural Cooperatives in Ethiopia (ACE) project is an extension and expansion of CUP. The goals and objectives of ACE are similar to those of CUP. The difference is in scope (area coverage and project life) and project components. The proposed lifetime of the ACE project is 5 years (2000-2004) and the coverage includes four regions: Oromia, Amhara, Tigray and Southern (SNNPR). It includes nine zones in the Oromia region alone. The major additional components in the ACE project are promotion of women's participation, diversification of cooperative businesses, natural resource management, and an HIV/AIDS intervention.

The major intermediate impact indicators common to the two projects are: a) volume and value of agricultural inputs purchased and sold by the primary cooperatives and unions; b) volume and value of agricultural outputs purchased and sold by the primary cooperatives and unions; and c) the amount of patronage dividend paid to members.

B. Project Implementation

1. Management and Organization

For the purpose of this study, the implementation process reviewed is the period from January 1998 through December 2002, including the CUP period (1998-1999) and partial implementation of ACE project (2000-2002). Because the case study cooperatives are selected from the Oromia Region, which is under the supervision of the OCPB, close examination has also been made of the role of OCPB.

The organization, staffing and management of the project were set forth in the project documents. The two projects are based on a tripartite agreement involving the OCPB, ACDI/VOCA and the Oromia Disaster Prevention and Protection Bureau (ODPPB). ODPPB supervises the project on behalf of the government and facilitates movement of technical experts and duty-free goods. ACDI/VOCA provides financial, material and technical support, assists in identification and recruitment of technical advisors and volunteers, and implements the project in collaboration with OCPB. ACDI/VOCA deals directly with USAID, the funding agency.

CUP was successfully implemented as anticipated. The management and organization of CUP has continued for the ACE project. The head of the OCPB is the coordinator of the project. The deputy project coordinator, who has been seconded by the bureau, serves as liaison between the OCPB and ACDI/VOCA, and is actively involved in field operations. He is also the head of the ACDI/VOCA office in Oromia Region. Other staff members working within this office include a secretary-cashier, an accountant, one savings and credit officer, and a driver. The savings and credit officer is stationed outside Addis Ababa. The bureau pays all the staff of OCPB involved in the implementation of the project.

ACDI/VOCA maintains a few core staff including the country director, regional representative, a senior program officer (now deputy director) and a program officer who works closely with the deputy project coordinator. To date, three long-term technical advisors have been assigned to assist implementation of the two projects (one for CUP and two for ACE). They worked closely with and assisted ACDI/VOCA and the Cooperative Promotion Bureaus (CPBs). Two ACE and CUP advisors dealt with cooperative management, and the third was exclusively involved in developing the savings and credit scheme. All three left after accomplishing their missions.

ACDI/VOCA, in consultation with the OCPB, prepares projects and annual work plans and activities. Annual work plans are prepared based on a needs assessment conducted through unions and submitted to USAID for approval and financing. Subsequently, the same document is submitted to ODPPB for approval.

Through ACDI/VOCA, US volunteers, technical advisors, and/or local consultants conduct Training of Trainers (TOTs) at the regional level for the staff of OCPB and for selected union board members, managers, accountants and controllers. At the woreda level the staff of the OCPB, together with cooperative promoters, conduct training for primary cooperatives. The deputy project coordinator coordinates and follows up on the regional TOT, facilitates farmer member training at the woreda level, and provides technical advice in union formation and operation.

2. Reporting and Monitoring

ACDI/VOCA, in collaboration with the OCPB, closely monitors project implementation and tracks the impact of project activities. It prepares quarterly progress reports for USAID and ODPPB. ACDI/VOCA also carries out six-month and mid-term project reviews, as well as time-line evaluations of varying durations, measuring progress against the baseline surveys and intermediate impact indicators that were developed prior to project implementation.

The ACDI/VOCA regional representative provides technical support and monitoring. An advisory committee, composed of the four regional cooperative bureau heads, and representatives of USAID and ACDI/VOCA's Ethiopia office has been facilitating the implementation of the ACE project.

C. Project Outputs, Results and Impacts

1. CUP

As noted earlier, CUP was a two-year pilot project launched in the Oromia Region. Its accomplishments had broad implications for revitalization and development of the cooperative sector in Ethiopia. Although the life of the project was short, the outputs, results and impacts exceeded targets. Highlights included the following:

- The project created broad awareness of the concepts, principles and roles of cooperatives, and changed the negative attitude toward cooperatives in Ethiopia. Farmers, cooperative promoters and government officials developed a positive and supportive approach in favor of cooperatives. Members exercised their rights and obligations. As a result, over the project period, a total of 313 primary cooperatives were restructured and registered, according to internationally accepted principles.

- For the first time, primary cooperatives worked together to form unions. Five unions, consisting of over 60 primary cooperatives with a total of more than 47,000 farmer members, were established. Of these, four were cereal cooperative unions and one was a coffee farmers' cooperative union. The union was an additional achievement that was not envisioned in the original project concept.

- Diversified training was provided: 112 technical staff from OCPB participated in TOTs; and 363 board members, 86 cooperative managers or accountants, and 36,000 farmer members participated in various training sessions. In addition, three- to six-month training courses were given in Kenya to 18 OCPB staff. Study tours to Kenya, Tanzania and India were organized for 15 cooperative board members and 24 participants from various government organizations.

- Five unions and 58 primary cooperatives hired professional managers.

- The volume of inputs purchased through cooperative unions increased several fold. The unions bought over 130,000 quintals of fertilizer worth over Birr 13 million

during the life of the project. In 1998 alone, the fertilizer bidding process saved primary cooperatives in Oromia Region Birr 28 million.

- Four unions provided loans amounting to Birr 1.3 million to members of primary cooperatives for the purchase of grain; and in 1998, two cereal cooperative unions alone handled 5,480 quintals of grain with a value of Birr 1.2 million.

- Union cooperatives made a net profit of over Birr 275,000 from which they paid 70 percent as dividends to member cooperatives.

- Unions began providing tractor rental services and assisting member farmers in the transportation of grain and straw from farm to market. One union managed to obtain a long-term loan from a private bank to buy a tractor and accessories.

- ACDI/VOCA facilitated a Loan Guarantee Fund for the unions with a partnership between USAID and Bank of Abyssinia (BOA). USAID agreed to cover 50 percent of the loan in case of default, and BOA the remaining 50 percent. The initial coverage of the LGF provision was Birr 5 million. This agreement was signed under CUP, but implemented under ACE.

- A manual for the organization and promotion of SACCOs was developed, and the establishment of three SACCOs at three primary cooperatives was initiated.

- Primary cooperatives strengthened their storage capacity and two unions made the necessary preparations to construct their own storage facilities.

- One audio-visual mobile resource center was established.

- All union member primary cooperatives closed their accounts on time and were audited.

- All unions amended their bylaws based on the new proclamation.

3 ACE

Following the successful implementation of CUP, OCPB requested that ACDI/VOCA broaden its scope. Together with OCPB, ACDI/VOCA proposed a five-year project (2000-2004) to further enhance the development of agricultural cooperatives in Ethiopia. This expansion of CUP, Agriculture Cooperatives in Ethiopia (ACE), is intended to address constraints that persist in the cooperative sector. The project provides direct assistance in the

restructuring, formation and management of primary cooperatives and unions, including intensive classroom type and hands-on training of cooperative board members and staff. The ultimate objective is to upgrade the capacity of primary cooperatives through a series of linked interventions. The project is also strengthening the capacity of cooperative promotion bureaus.

ACE has been implemented as planned. To date, the project has had significant impacts on unions, primary cooperatives, and their members. Achievements gauged in terms of outputs, results and impacts by far exceed project targets. This has been accomplished despite low agricultural output prices including those for coffee in 2001 and part of 2002; low usage of fertilizer and improved seeds by farmers, due to depressed agricultural produce prices in 2001 and the first two quarters of 2002; late rains which caused the 2002 drought; and interruption of the civil restructuring program at the regional level in 2002.

Significant improvements in the cooperative policy environment gave additional impetus for the success of the project. Outputs include:

- A total of 1,274[1] primary cooperatives (in the four major regions) have been restructured and 25 unions -- comprising 399 primary cooperatives and 369,957 members (31,457 women) -- established. This includes two coffee farmers' cooperative unions (Sidama and Yirgafcheffe), two dairy unions (Selale and Debre Berhan) and one sugarcane producers' union. In addition, 42 SACCOs with a membership of 2,853 (16 percent women) have been established.

- Awareness training has been given to over 275,000 cooperative farmer members, and over 4,200 primary cooperative managers and board members have participated in additional training.

- Over 1,000 staff of the CPBs have participated in staff training.

- TOTs and training sessions on HIV/AIDS have been given to 90 participants.

- Training in business diversification, post-harvest loss minimization, savings and credit, cooperative accounting, cooperative auditing and internal control and participatory rural appraisal has been conducted for over 750 participants.

- 107 participants have attended training on natural resources management.

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[1] Including the CUP period the total number is 1,587 cooperatives

- 73 participants have attended three-month courses in Kenya.

- Study tours to Kenya and the USA were organized for 121 and 16 participants, respectively.

- Three mobile resource centers were established in the Amhara, Tigrai and Southern regions.

- Eight unions received computers and motorcycles were provided to 20 unions.

- Women's participation has increased significantly. Over 325 women joined cooperatives. Close to 100 women have been hired as promoters, two women have attended study tours and short courses, and for the first time, women were elected as board members of primary cooperatives and unions; and

- Professional managers now run all unions and a growing number of primary cooperatives. The managers of three unions are paid and supervised by the unions.

In terms of project impacts, levels of input supply and output marketing through unions and primary cooperatives assisted through ACE have noticeably increased over those recorded during CUP. The aggregate volume of inputs recorded during the first three years of ACE was over 225,000 tons, with a value of approximately US $71.5 million. This is lower than had been anticipated since unfavorable agricultural output prices in 2001 discouraged farmers from using fertilizer and improved seeds.

During the same period, the aggregate output marketed through unions and primary cooperatives was close to 143,000 tons, or an average of about 48,000 tons per year. This is equivalent to over US $1.8 million. The volume of production in 2001 was a third of the production total for 2000, while production in 2002 was 60 percent higher compared to 2000. However, in value terms the picture is different. The difference in volume is masked due to the premium prices of high-value crops such as coffee, sesame and sugarcane. Because of the favorable prices for coffee as well as cereals, the value in 2000 by far exceeds that of 2002, despite the lesser volume.

The total dividend paid to member cooperatives was about US $2.1 million. Dividends in 2001 and 2002 were low compared to those of 2000 for the reasons explained above that were beyond control of the ACE project. In 2001 many cereal cooperative unions and primary cooperatives experienced declining profits or losses in their input supply and grain marketing activities. Overall, the situation would have been much worse without ACE.

During ACE, unions have specialized in different commodities. Coffee, sugarcane, sesame, dairy and dairy product unions have been formed. In aggregate terms, these high-value products have offset low cereal prices. With the assistance of ACDI/VOCA, the Ethiopian coffee sector, through the unions, has been able to penetrate niche markets for organic coffee for the first time. For example, ACDI/VOCA has made considerable effort in introducing the OCFCU to the Specialty Coffee Association of America (SCAA) that resulted in increased exports of Ethiopian coffee to the US and Europe. OCFCU-affiliated primary coffee cooperatives have also received organic certification.

The union has become a member of the Fair Trade Labeling Organization (FLO) and the Eastern African Fine Coffees Association (EAFCA), both entry points for accessing potential export markets. In July 2001, the Sidama Coffee Farmers Cooperative Union (SCFCU) was established by 39 primary cooperatives. OCFCU and SCFCU potentially control 75 percent of Ethiopia's coffee production. Therefore, the impact of ACE on the Ethiopian coffee sector is very significant.

In addition, ACE's interventions in organizing and establishing market contacts for dairy, sugarcane and sesame cooperative unions have shown tangible results. Selale Dairy Union, for example, has launched a business relationship with Sebeta Agro-Industry, the only private retailer of pasteurized milk and milk products. The union sells over 3,000 lts of whole milk per day at Birr 1.70 per liter, while dairy farmers can individually fetch only Birr 0.40/ltr in the local market. By the end of 2002, the Union had sold 260,936 liters for Birr 342,724. The second dairy Union (Debre Berhan Dairy Union) has also signed a contract with Sebeta.

Wonji Sugar Cane Union negotiated contracts with sugar processors to provide a regular supply at the higher price of Birr 8.30 per qtl instead of the local prevailing price of Birr 5.9 per qtl. In 2002, the union sold 72,317 tons of sugarcane to two local factories.

Because of the success of ACE, a three year business services development project was approved by USAID to assist the Meki Batu and Alemya vegetable unions. Business linkages were initiated between the Meki Batu vegetable union and Ethiopian vegetable exporters to Europe and between the Alemya vegetable union and Dire Dawa fresh vegetable exporters to Djibouti.

Another major breakthrough is the LGF effort to allow unions and primary cooperatives to access working capital for the purchase of grains. During 2000 and 2001, unions borrowed $584,235 to purchase more than 5,500 tons of grain. As a result, all participating unions made substantial profits from grain sales and were able to pay substantial dividends to member primary cooperatives. Moreover, the unions generated additional capital to construct their own warehouses.

To date the loan repayment rate has been 100 percent. USAID and the partner bank, BOA, have been pleased with the outcome and have agreed to extend the LGF coverage from Birr 5 million to up to Birr 10 million to finance co-ops on other regions of the country. Such recognition and positive steps by USAID and BOA have deepened the confidence and independence of cooperatives. CBE has learned from the results of the LGF and decided to relax its credit policy, hence agreeing to provide short-term loans for grain marketing with a guarantee of the regional government to cooperatives in the Oromia Region. Since 2000, the unions in Oromia Region participating in ACE have borrowed a total sum of Birr 42 million from CBE. This is an indicator of the success of ACE in establishing the creditworthiness of primary cooperatives and unions.

A final impact that merits mention is the promotion of rural SACCOs. Rural SACCOs have received attention for the first time in Ethiopia. To date, SACCOs established through the ACE project have mobilized savings amounting to Birr 265,729 and shareholdings of Birr 64,079. This is significant progress in rural finance.

D. Implementation Problems

There were no significant implementation problems. Coordination of activities and collaboration among OCPB, ACDI/VOCA and other collaborators has reportedly been excellent.

Unanticipated, however, was regional civil restructuring that caused a delay in the implementation of the 2002 work plan. Some of the core team members trained for redirection and refocusing of training and technical assistance have been transferred to other offices within or outside the Oromia Cooperative Promotion Bureau. This has disrupted scheduled activities and may necessitate training of new core team members.

E. Sustainability of Project Services

It is difficult to assess conditions at the end of the project because CUP has been overshadowed by ACE, and the latter is still being implemented. However, attempts will be made to indicate the direction of change and the sustainability of project services, based on observations made during the preparation of this study.

1. CPB Capacity

The capacity of Cooperative Promotion Bureaus in training, organization (facilitation), licensing and supervision (and to some extent in auditing) has greatly progressed over the last five years, through involvement with CUP and ACE. Staff of the CPBs have been trained and

have developed from co-facilitators during the early stage of the project implementation to full-fledged facilitators in restructuring primary cooperatives and forming unions. They carry out these activities at their own cost.

2. Sustainable Cooperative Management

Union managers, board members and accountants, as well as the board members and accountants of primary cooperatives who participated in training and visits outside Ethiopia, now have the capacity to manage cooperatives in a professional manner. ACDI/VOCA's active involvement in primary cooperatives and unions established early in the project is diminishing, as is the involvement of CPB staff.

Input supplies are dependably available at competitive prices. This has a direct impact on extension activities and food security. Farmer members have stronger bargaining power in selling their production. Books of accounts are audited regularly, and no embezzlement or shortfalls have been reported. As a result, patronage dividends are paid regularly.

3. Credit Services

Credit services, the establishment of SACCOs, commodity diversification, and market connections facilitated through ACDI/VOCA have all become effective instruments for empowering cooperatives to enhance food security and rural income in a sustainable manner. In the remaining life of ACE there will be more focus on building the capacity of primary cooperatives and unions, as well as achieving sustainability of project services.

4. Recognition of the Role of Cooperatives in Rural Development

Cooperatives have a sustainable place as institutions dedicated to rural development in Ethiopia. The cooperative promotion and organization department within the Ministry of Agriculture (MOA) was elevated first to the level of bureau and recently to the level of commission. A more comprehensive proclamation (No.147/98), providing for the establishment of all types of cooperatives, was issued in 1998, and it is now being revised to create an improved environment for cooperative organization, management and regulation.

5. Policy

The policy and strategy for cooperative development in the country have been developed and are pending ratification by Parliament. Cooperatives are also gaining prominence in the rural and agricultural development policy within the macroeconomic policy framework of ADLI.

As business organizations, cooperatives are a recognized part of the private sector, and have started interacting with their partners on an equal footing. Primary cooperatives have a stronger voice through their unions. A federations of unions (the formation of which is underway) will provide them with even more clout.

In sum, ACDI/VOCA's training, advocacy and facilitative roles have been critical to the advancement of cooperative development in the country. Activities envisioned in the project documents, and carried out during CUP and ACE have contributed to the sustainability of cooperatives as an institution in Ethiopia.

PART II: THE PARTICIPATING COOPERATIVES

A. Case Study 1 – Kolba Farmers' Multi-Purpose Primary Cooperative

1.1 Background

Kolba Farmers' Multi-Purpose Primary Cooperative (KFMPPC) is located in East Shoa, Lumme woreda, about 75 kms south of Addis Ababa. The cooperative's office is located in a small village known as Kurmaa, 3 km east of Modjo, on the way to Nazareth (see Annex I). The locality is commonly known as Kolba, and it is considered the central location for most of the member peasant associations (PAs) in the area.

The cooperative was founded in 1977 with about 600 members drawn from 10 PAs[2], and registered in 1983 under Proclamation No.138/78, which provided for the establishment of cooperatives during the Derg regime. The cooperative, officially known as "Kolba Farmers' Service Cooperatives (KFSC)," was among the first of the agricultural service cooperatives established during the early euphoric period of the Derg regime. The MOA was in charge of organizing, licensing and supervising of all agricultural cooperatives at the time. Under the old directives, it was compulsory for PAs to be members of an agricultural service cooperative, and heads of households -- usually men -- became *de facto* members of the cooperative. The membership requirement was only Birr 12 (Birr 2 for registration and Birr 10 for membership).

The major activities of the cooperative were input supply, grain marketing, and the provision of consumer goods. Agricultural inputs (fertilizer in particular) were highly subsidized and made available through a joint arrangement involving the MOA, Agricultural Inputs Supply Corporation (AISCO) and Agricultural and Industrial Development Bank (AIDB, recently renamed the Development Bank of Ethiopia). Consumer goods were also made available to

[2] Normally a peasant association includes 800-100 households.

cooperative members at preferential prices. All members of the cooperative were, however, obliged to hand over their production on a quota basis at very low prices (probably much lower than the production costs) to the parastatal Grain Marketing Corporation. Failing to do so resulted in denial of input and credit services and exclusion of membership (undocumented, but often exercised actions). At times farmers had to fill their quota from other sources whenever they were short of supplies.

Two producer cooperatives were organized under the service cooperative. The service cooperative provided services to the producer cooperatives. For example, the service cooperative borrowed from AIDB on behalf of the producer cooperatives and supplied improved dairy breeds to the producer cooperatives. Apart from input loans and working capital loans for grain purchase, they made term loans for purposes of fattening cattle and purchasing oxen and dairy animals.

Despite the subsidies, the system was not favorable to the cooperative. The cooperative was subjected to poor service and treatment by the defunct government and it was not an independent member-driven, member-owned and member-managed institution. The leaders were closely affiliated with the regime, and served as mere conduits of directives from above. Transparency and accountability were unheard of.

Consequently, embezzlement, corruption and frequent unexplained financial shortfalls were the order of the day. Subsidized inputs, loans and consumer goods were entry points to make the cooperative subservient to the system, and to make it a channel of local administration. Furthermore, the cooperative was used for the recruitment of militia, and for the mobilization of resources for the civil war.

Approximately a decade after its formal establishment, the cooperative was engulfed in the political turmoil that toppled the Derg regime. While the producer cooperatives were instantly dissolved, Kolba somehow managed to survive until it was restructured in 1996. The members determinedly protected the cooperative assets in order to maintain the indispensable services of input supply and the provision of consumer goods. Members claim that they built the cooperative offices and the store themselves, and that it was a moral obligation for them to protect their property from the looting and vandalism that was rampant elsewhere.

Kolba Cooperative managed to survive the political turmoil and economic crisis in rural Ethiopia. It was restructured and registered in July 1996 under a new name, Kolba Farmers' Multi-Purpose Service Cooperative (KFMPPC). The legal framework for its restructuring and registration was Proclamation No.85/1994, which provides exclusively for agricultural cooperative societies. This proclamation is based on internationally-accepted cooperative

principles of the International Cooperative Alliance (ICA), and it is identical in this respect to the subsequently issued Proclamation No. 147/98 which provided for the establishment of all kinds of cooperative societies.

In collaboration with the former cooperative promotion department of the Bureau of Agriculture, ACDI/VOCA played a key role in restructuring and registering this cooperative. At the time of registration, as shown in the bylaws, the cooperative had 809 members and a total equity capital of Birr 111,076. Of this total capital, Birr 48,540 was converted into share capital and allocated to each member, a par value of one share being Birr 60. The remaining Birr 62,536 was set aside as a reserve fund. With this arrangement, all old members voluntarily became members of the cooperative. They were not required to raise additional capital. New members are required to buy a minimum of one share (Birr 60). The maximum share that a member can have is 10 percent of the equity capital (total share stock). At present, the par value of a share has been raised to Birr 120.

According to the new proclamation, individuals who can fulfill the requirements stated in the bylaws of the cooperative can be members, and more than one person from a household can be a member of the same cooperative. Land ownership is not required for membership, however, all members have to be farmers residing in the area. Land redistribution has not been carried out in the area, and reportedly the same landholding of about 2-3 ha per household on average has been maintained ever since the cooperative was initially established. Because no more land is available, new members can be accepted under the condition that they acquire a parcel of farmland from their parents or buy, lease or rent from other farmers. This is a common phenomenon in the area.

At the time of registration, the physical area of the cooperative had been diminished due to the restructuring that took place during the Derg regime. Out of the 10 PAs, three had been made part of other cooperatives. Based on the recent restructuring of the physical area covered by the cooperative, the seven PAs remaining in July of 1996 have merged into four PAs. The population is roughly estimated at 10,000.

1.2 Objectives

The objectives of the Kolba Farmers' Multi-Purpose Primary Cooperative are:

- To improve the living conditions of members by increasing production and productivity;
- To promote self-reliance among members;
- To solve problems collectively which an individual farmer cannot solve alone;
- To help members obtain modern technologies at fair prices;

- To satisfy the needs of the community and to increase the income of individual members through value-added products (agro-processing) ; and
- To promote the cultures of members through training and education.

1.3 Organization, Governance and Management

1.3.1 Organization

In order to attain the above stated objectives the cooperative adopted a practical organizational structure (see Annex II).

As a major departure from old practices, the general assembly became the sole decision-making body. However, with the exception of sensitive and far reaching issues, the board members are fully mandated to act on behalf of the general assembly.

The board consists of seven members, all with modest formal education[3]. All board members are executive committee members (not shown on the organizational chart), from whom the chairman of the committee is elected. The control committee is elected by the general assembly and consists of three members, with a dynamic chairman who has completed 7th grade. At present, the cooperative does not have a hired manager. The employed staff includes the accountant (who is acting as a manager/accountant) and three guards.

The cooperative has an active credit committee, which manages and controls input loans, grain marketing loans, and loans extended to members. There is no independent grain purchasing committee in this case, contrary to the standardized organizational arrangement adopted by most primary multi-purpose cooperatives, but such a committee could be established if the need arises. At the present time the executive committee handles this, in addition to its other duties and responsibilities. The commodity purchasing committee is no longer active because the consumer goods shop has been closed.

The cooperative is one of the founding members of Lumme-Adama Farmers' Cooperative Union with a current share capital of Birr 65,000, ranking second in terms of shareholdings among the 21 member cooperatives.

[3] Their educational background is as follows: Chairman 3rd grade; Secretary 6th grade; Treasurer 3rd grade; and the other members have completed grade 7-12.

1.3.2 Governance

Under the former government, in the first round of the election process, two representatives from each PA were nominated by political cadres without the prior knowledge of the members, and it was from among these nominees that seven or nine board members with political affiliations were elected. There was neither transparency nor accountability, and as a result, nepotism and embezzlement were not uncommon. Board members used various coercive means to collect grain from members to fill the quota requirements of the government at fixed prices. Fulfilling the quota was one way of demonstrating allegiance to the government.

In contrast, today, elections of board members and the control committee are based on democratic principles. A minimum of half of the members directly participate in the election of board members. Nominations are made openly, and elections are conducted by a show of hands. Potential cooperative leaders are seen as individuals who: a) are responsible and are concerned about the needs and problems of the community; b) can properly mange their homes and businesses; c) are debt free; and d) are respected in the community.

Nominees' level of education is important, but education alone or active performance in public meetings (i.e., as explained by members,"talkative personalities") are given less weight. This is a sharp digression from the old practice whereby political cadres dominated proceedings in order to serve their own ends. A person can serve only two three year terms. Uniquely, in this cooperative a person cannot be elected for the same position twice. For example, the present treasurer was chairman of the cooperative during his first term of office. This is done with the intent of avoiding corruption and the abuse of power. These procedures are expressed in the bylaws. Membership requirements, and the rights and obligations of members are exercised according to the new proclamation (147/98) and the bylaws, which reflect the democratic principles of cooperatives.

Members believe that the present board members are true representatives and servants of the community. When asked about their perception of democracy, board members and ordinary farmer members replied in no uncertain terms that democracy meant the following: being free from politics and government interference; members participating of their own free will; a timely farm gate supply of fertilizer at reasonable prices; and selling grain to the cooperative for cash at prevailing prices and receiving back part of it on credit during winter for seed and consumption. In addition, they pointed out that the board members decide on the grain purchases and sales without any instruction from an external body; that the controlling system is very strict; and that balances of accounts are reported to the cooperative promotion office every week and accounts are closed every month. Finally, they affirmed: "This is, in short, the meaning of democracy to us."

1.3.3 Management

The management committee meets once a month, but most of the executive members go to the office frequently and work closely with the accountant and treasurer. This is unusual compared to other cooperatives.

On the whole, business activities are conducted in a transparent and accountable manner. The bylaws are strictly adhered to. The executive committee members and the accountant know their roles and responsibilities. Major decisions are forwarded to the general assembly. The accountant works on fulltime basis. The cashier works closely with the accountant. The secretary keeps records of all meetings. The controller closely supervises the movement of assets.

Members expressed satisfaction with input distributions, grain marketing, and dividend payments. They are free to talk to committee members and ask for what they need. There is no nepotism or embezzlement, and no discrepancies have appeared in the accounts, according to audit reports from the five years following restructuring.

In general, the members believe that they have strong and decent leadership that is committed to discharging its duties and responsibilities, and that their cooperative can be a role model for other cooperatives.

1.4 Membership

The cooperative is proactive in encouraging young men and women to join, despite the land constraint. As shown in Table 1, the membership and capital base have steadily grown.

Table 1: Members and Capital of the Cooperative

Year	Members			Capital (Birr)
	Male	Female	Total	
1977*	Na	Na	600	Na
1983**	Na	Na	650	Na
1988/1996***	745	64	809	110,076
1997	745	64	809	110,076
1998	745	64	809	173,471
1999	745	64	809	214,480
2000	785	64	849	255,209
2001	835	65	900	277,508
2002	850	65	915	342,031
2003	1000	168	1168	>378,000

* Initial formation; ** registered under the old proclamation; and *** restructured and registered under the new Proclamation 85/1994. Source: Kolba Farmers' Multi-Purpose Primary Cooperative

Today the membership has increased from 809 in 1996 to 1168: a growth of over 40 percent. Noticeably, the number of women members has tripled, representing over 14 percent of the total membership. This is remarkable progress by Ethiopian standards. The national average of women membership is seven percent. The corresponding equity capital has also grown considerably from Birr 110,000 in 1996 to over 378,000 today.

One observable shortcoming is that women members are not participating on the board or in the executive committee. The explanation given by board members is that to date, a nomination has not been made, and that it is difficult to choose women without the approval of the general assembly, but they feel that it is likely that women will actively participate in the future.

1.5 Training

ACDI/VOCA has made considerable impact through its training efforts, especially in changing the attitude of members towards cooperatives. A majority of members understand the general concepts and principles of cooperatives and the members' role. They understand that cooperatives are business organizations owned, managed and controlled by members without government intervention. This is the result of a one-day awareness-creating training session and discussions with member farmers repeated two or three times per year.

Frequent training in a wide variety of topics has been given to board members, executive committee members, and to the accountant. In primary cooperatives, accountants are being groomed to be managers, and they generally attend courses designed for managers. Thus the accountant and the board chairman have attended several courses designed for managers. The specific training offered through ACDI/VOCA over the last five years to participants from the cooperative is shown in Table 2. The first two years (1998-1999) were covered under CUP and the following three years (2000-2003) under the ACE project.

Table 2: Training Conducted through ACDI/VOCA for Kolba Farmers' Multi-Purpose Primary Cooperative

No.	Title of Training	1998	1999	2000	2001	2002
1	Training of Farmer Members	681	-	-	608	-
2	Board Training on Cooperative Development (3 Modules)	5	-	-	-	-
3	Training of Managers on Cooperative Development (4 Modules)	1	-	-	-	-
4	Board Training on Cooperative Development	-	3	-	5	-

	(3 Modules)					
5	BSD Training for Managers (3 Modules)	-	-	1	-	-
6	Training on Grain Marketing Analysis and Monitoring for Managers	-	-	1	-	-
7	BSD Training for Managers (5 Modules)	-	-	-	1	
8	BSD Training for Board Members (5 Modules)	-	-	-	1	
9	Training for Board Members (3 Modules)	-	-	-	7	-
10	Training on Internal Control System Installation for Managers	-	-	-	-	1
11	Training on Internal Control System Installation for Board Members	-	-	-	-	7
12	Training on Financial Planning and Credit Management for Managers	-	-	-	-	1
13	Grain Quality Control for Board Members			1		
14	Grain Quality Control for Managers			1		
15	Study Visit to Kenya for Manager and Board Members		1			
16	Study Visit to Kenya for Board Members		1			

Source: ACDI/VOCA ACE-Oromia Office

Many farmer members have had two one-day general awareness training sessions (1998 and 2001). The board members have been given training in general cooperative development, business management, marketing, savings and credit, storage management and grain quality control, as well as internal control systems.

The accountant and the board chairman have participated in a variety of training in topics such as cooperative management and accounting, business skill development, financial planning and credit management, savings and credit, grain quality control and post-harvest loss minimization, working capital and warehouse management, and internal control systems. In addition to the local training, the previous chairman and the accountant participated in a study tour of Kenya. This unique opportunity was given to KFMPPC from among all the member cooperatives of the Lumme-Adama Farmers' Cooperative Union in recognition of its outstanding performance and dedicated leadership. For example, the progress made in grain marketing and uninterrupted dividend payment are unique achievements. Even during 2001, when most cooperatives declared a loss due to the depressed agricultural commodity prices, this cooperative managed to pay dividends.

While training could have been more frequent and more intense, the impact of the training on improved cooperative management capacity has been impressive. Examples include:

- The training in post-harvest handling has helped the cooperative to control the quality of grain purchased. The cooperative has also been able to avoid considerable loss from grain spoilage through storage management training. The cooperative was among the first to have its storage facility inspected by CBE and to qualify to receive loans for grain marketing. To date, it has received working capital twice as discussed in a later section. Two facilities are now in use: one for grain purchasing (a provisional store), and the other for storage.

- Books of accounts are properly prepared and managed and, as a result, no financial irregularities have been reported since restructuring (1997-2002). Accounts have been audited every year with no reports of embezzlement or mismanagement. This represents a very significant improvement.

- ACDI/VOCA's training in permanent cash checking systems has helped the accountant, the cashier and the controller to interact professionally. Only a limited amount of cash is kept on hand and the rest is immediately deposited in the bank. Monthly bank statements are available for counter checking.

- Due to improved accountability and the reporting system, the board members, the accountant and the treasurer better understand their duties and responsibilities. No conflict of interest has been reported.

- The training in credit and finance has been instrumental in helping members to effectively manage input loans and personal loans, which are significant.

- Training related to marketing and price information has helped regarding decision making on when and how to buy and sell grains, and in assessing the competition.

- Prices are determined based on the full costs involved: for example, prices of grains take into account depreciation and interest expenses, per diem and transport expenses, etc. The cost accounting system has helped business planning, though more improvements are necessary. The annual plan essentially focuses on inputs supply and grain marketing (as opposed to other services such as credit services and tractor services). Other activities have also been considered. For example, "consumer goods services" has been discontinued because it was found to be unprofitable due to stiff competition with small private retailers.

- Dividend payments have been properly managed based on the training received. This cooperative is among the first in Lumme woreda to pay patronage dividends to its members.

In conclusion, the cooperative's young leadership is responsive to the training by ACDI/VOCA. Executive members are receptive to new ideas and working hard to make their cooperative dynamic and a role model within their community. They closely monitor the active participation of each member. For example, through the input loans and personal loans, all members are actively participating in the activities of the cooperative. They are exercising owner-user, owner-managed and owner-controlled principles of a primary cooperative learned through ACDI/VOCA's training.

1.6 Business Operations

The major business activities of the cooperative are input supply (fertilizer, improved seeds and agro-chemicals), grain marketing, and credit services. The cooperative needs a greater diversity of activities to enhance income and provide essential services such as flour milling, tractor services and a consumer goods shop. Providing these services at the co-op would mean higher quality of services, proximity and more reasonable prices than those charged by the private sector. Unfortunately, the level of diversification of cooperative services has been restrained due to a lack of funds and the non-viability of some activities, such as the consumer goods shop.

Annual plans are prepared for input supply and grain marketing activities, and approved by the cooperative's general assembly. Major activities are closely linked with the union, and the cooperative benefits significantly from such association. Most importantly, the cooperative is benefiting from a low priced timely supply of inputs, market information, and credit services for the purchase of grains.

1.6.1 Fertilizer Supply

Fertilizer supply involves complex planning and management. Full cooperation between the cooperative and the union is vital. First, the cooperative submits its members' request to the union. The union aggregates all the requests of member cooperatives and buys from the suppliers based on competitive bidding. The union distributes the required fertilizer to the cooperative, and the cooperative further distributes to member farmers. Members receive the fertilizer upon agreeing on a down payment, which may vary from 25 to 60 percent of the total cost. The balance is covered through input credit obtained from the CBE under the regional government's guarantee. The bank charges 7.5 percent interest and the cooperative charges an additional 3 percent, plus 7 Birr per quintal to cover its operational expenses. The credit is payable within 6-9 months; it may be extended up to 12 months. Improved seeds and agro-chemicals are also supplied through the union, either for cash or credit. The cooperative is responsible for the recovery of the credit.

1.6.2 Grain Marketing

The grain marketing process is less complex. The union and the cooperative assess the market situation and collect the relevant market information. Then the latter buys from farmers -- members and non-members -- at prevailing prices. The difference between members and non-members is that the former are entitled to dividends. The normal marketing strategy is for the cooperative to buy the grain in October and November, i.e., immediately after harvest, and retain a good portion of it until the lean periods (June, July and August) in anticipation of better prices. Wholesalers sometimes buy directly from the farmers at competitive prices, but farmers prefer to sell to the cooperative because of the reliability of the cooperative's weighing scale, and the expected dividend at the end of the process.

The cooperative is not obliged to sell all the grain to the union, despite the credit and other services it enjoys. It is free to sell to wholesalers or directly to consumers, although priority is always given to the union (at competitive prices) upon the union's request. As a result of ACDI/VOCA training, a free-market policy governs the cooperative grain marketing process.

The primary problem with grain marketing is that cooperatives buy from farmers at the prevailing market price, which is often high (e.g., Birr 260 for a quintal of teff), and plan to sell it at Birr 280, with a margin of only Birr 20. Since the area is a surplus producer, other cooperatives and wholesalers bring their grains to the market at the same time during the lean season. Traditionally, consumers buy sufficient quantity of grains for the year when the price is relatively low after harvest. Thus, supply and demand during the lean season do not match, and as a result prices tend to go down. Such a marketing strategy has proved to be less effective than selling the grain immediately after harvest in this part of the region where the secondary and terminal markets are within reasonable reach. Cooperatives are forced to keep their grain for a long time, even after the critical lean season, speculating for better prices. The union cannot resolve this problem because the primary cooperatives, wholesalers and the union share the same market. During the field visits, piles of teff and pulses were observed in the storage facilities of some cooperatives for lack of market. However, the situation was surprisingly different at Kolba because grains are extended to members on credit during the lean season, and only the leftovers are supplied to the outside market.

1.6.3 Credit Services

The cooperative is very popular for its valuable credit services to its members. Member farmers are allowed to take on credit 1-2 quintals of grain (teff and/or wheat) at the prevailing prices and repay in cash without any interest charge. The grain is for seed and home consumption. The progress of such credit services is shown in Table 3.

Table 3: Credit Provided to Cooperative Members

Year	Loan Amount (Birr)	Recovery (%)	No. of Borrowers
1996	25,300	100	248
1997	62,943	100	428
1998	59,866	100	506
1999	91,220	100	619
2000	149,349	100	790
2001	221,674	100	898
2002	Na	Na	Na

Source: Kolba Farmers' Multi-Purpose Primary Cooperative

Almost all the members use the credit facility. The facility started modestly with a loan amount equivalent to about Birr 25,000 for 248 members. It has been expanded since the onset of ACDI/VOCA's training, and the loan amount has now grown to over Birr 220,000. Such progress is attributable to the 100 percent loan recovery performance. A similar system has been initiated in other cooperatives too, but it has not been successful due to the low recovery rate.

In addition to its own sources (including reserves and member contributions) the cooperative obtains working capital for the purpose of grain marketing from the Lumme-Adama Farmers' Cooperative Union and from CBE, as shown in Table 4 below.

Table 4: Working Capital Sources

Year	Union	CBE
1998	110,000	
1999	50,000	
2000	70,000	
2001	50,000	200,000
2002	10,000	200,000
2003	250,000	
Total	540,000	400,000

Source: Lumme-Adama Farmers' Cooperative Union

To date, the union has on-lent to the cooperative working capital totaling Birr 540,000 from the credit it has obtained from the BOA under the LGF mechanism. Kolba is the leading beneficiary of the LGF. During 2001 and 2002, CBE directly provided to the cooperative a grain marketing loan amounting to Birr 400,000. All loans have been fully repaid. That the cooperative proved its creditworthiness through the LGF and has qualified for loans from other sources is a good indication of the sustainability of ACE project services.

An additional achievement of ACDI/VOCA, in collaboration with the OCPB, is the establishment of a SACCO. Kolba assisted in its establishment and provided office facilities. The SACCO was registered early this year and it is an independent legal entity. The SACCO provides savings and credit services to members and non-members of Kolba. The cooperative itself is contemplating joining the SACCO soon.

ACDI/VOCA, together with the cooperative promotion office, has played a leading role in organization of the SACCO, and provided initial support for the necessary accounting documents and passbooks for members. The SACCO members and executive committee members have received short-term training on savings and credit services.

1.7 Project Impacts

On the basis of the three major intermediate impact indicators, the performance of the cooperative over the last five years, covering the two years of CUP (1998-1999) and the first three years of ACE (2000-2001), are examined.

1.7.1 Fertilizer Supply

Table 5 shows the volume and value of fertilizer purchased and sold through the cooperative. For simplicity, the aggregate volume and value of fertilizer have been considered, instead of by type of fertilizer (i.e., DAP and urea).

Table 5: **Volume and Value of Fertilizer Purchased and Sold Through Kolba Farmers' Multi-Purpose Primary Cooperative**

Particulars	Unit	1998	1999	2000	2001	2002
Purchased Volume	Qtl	3,600	2,824	3,155	3,798	3,626
Value	Birr	705,095	574,092	732,373	901,552	716,320
Sold Volume	Qtl	3,600	2,824	3,155	3,798	3,597
Value	Birr	730,291	593,860	754,454	928,138	726,968

Source: Kolba Farmers' Multi-Purpose Primary Cooperative

The volumes of fertilizer purchased and sold each year are identical during the first four years (1998-2001), while the volume sold is slightly lower than that purchased in 2002. As an exception, the volume of fertilizer purchased and sold during 1999 was relatively low (2,824 qtls) because a sizable number of farmers obtained fertilizer through the Bureau of Agriculture under an extension package program which required lower down payments. During the rest of the period, the volume was reasonably high (3,200-3,800 quintals), with some erratic behavior. Low prices in 2001 and late and erratic rains affected the use of inputs (fertilizer and improved seeds) by the farmers in 2002.

The volume of fertilizer intake has not grown in proportion to membership size for the simple reason that the aggregate land supply is constant. However, as a whole the average intake per member with an average landholding of 2.5-3 ha over the four-year period (excluding 1999) was reasonably high (3.9 qtls) by the smallholder standard in Ethiopia. The average productivity for KFMPPC members is 12 and 15 quintal per ha for teff and wheat, respectively -- far better than the national average for small-scale farmers. Farmers in the Kolba area are familiar with fertilizer use; in fact, they don't grow teff and wheat without it.

The difference between purchase and selling prices is Birr 7 per quintal. As a consequence of ACDI/VOCA's training and support in establishing the union, farmers enjoy the two major advantages of lower prices and a timely supply.

1.7.2 Grain Marketing

The cooperative's grain marketing operation since ACDI/VOCA's intervention started has shown steady growth, except for 1999 due to the reason explained above and the resultant low supply to the cooperative. KFMPPC's performance in general has been much better than some of the bigger cooperatives with high agricultural potential and large membership such as Dibandiba. The volumes of grain purchased and sold are identical, showing no inventory due to a lack of market outlet or depressed prices as witnessed in other cooperatives. The volume of grain purchased in 2002 represents a 27 percent increase over 1998. Compared to the volume of grains marketed through the cooperative in earlier periods the cooperative's performance during the project period is strong.

The cooperative's grain marketing strategy is unique in that it holds the grain until the price picks up and sells most of it to member farmers at going prices on credit. That means that the co-op faces little to no competition with the outside market. The strategy provides member farmers with a dependable supply of grain during the lean season and an adequate dividend. This cooperative may be unique in generating profits and making dividend payments in 2001 when other cooperatives were on the verge of collapse due to the unprecedented low agricultural product prices. As pointed out by the members themselves during the

interviewing process for this study, ACDI/VOCA's training in price information, marketing, and storage management helped them significantly.

In general, the grain marketing activity has exceeded any standard in the region. The cooperative has made a breakthrough in demonstrating that farmers have confidence to sell their produce through their own cooperative, given that the cooperative system under the command economy of the Derg regime discouraged farmers from selling their outputs through cooperatives.

Table 6: Grain Marketing Activity of Kolba Farmers' Multi-Purpose Primary Cooperative

Particulars	Unit	1998	1999	2000	2001	2002
Purchased Volume	Qtl	1,786	1,535	2,082	2,096	2,267
Value	Birr	379,739	325,563	496,106	488,255	459,763
Sold Volume	Qtl	1,786	1,535	2,082	2,096	2,267
Value	Birr	439,150	399,886	546,923	540,294	537,515
Margin		59,411	74,323	50,817	52,039	77,752

Source: Kolba Farmers' Multi-Purpose Primary Cooperative

1.7.3 Dividend Payment

Dividend payments were unheard of during the Derg regime. Based on the new proclamation that provided for the establishment of cooperatives, one of the incentive systems at the primary cooperative level is the patronage dividend. KFMPPC is one of the first cooperatives to pay patronage dividends in the history of cooperative development in the country. This is a clear demonstration of the effect of the new cooperative law and the influence of ACDI/VOCA's technical assistance. Since ACDI/VOCA's intervention began, the annual patronage dividend has exceeded Birr 20,000, averaging approximately Birr 25,000 per year, as shown in Table 7. It is a rare for a cooperative to pay dividends without interruption, especially when prices are extremely low and weather conditions unfavorable. KFMPPC's strength in grain marketing accounts for this strong performance.

The number of members involved in grain marketing through the cooperative was somewhat erratic over the period under study, ranging from 228 to 366. One noticeable trend during the ACE project, however, is the growth in women patrons as a proportion of the total. The main reason why most members are not participating in grain marketing is that the grain storage is far from some of the PAs and member farmers of these PAs sell their products to wholesalers or to neighboring cooperatives. Another reason is that the cooperative is quality conscious and very selective and, as a result, the grain supplied by some members is not acceptable.

The amount of dividend paid per patron is significant for a poor rural farmer. The maximum payout peaked at Birr 517 during CUP, and averaged almost Birr 400 over the five-year period. The maximum dividend paid to women during the ACE project was on average approximately Birr 270 per year, 23 percent lower than that paid to men over the same period. Although there are a few patrons who only received a token amount of dividend, half of the patrons got on average more than Birr 100. Dividends are used for purchase of oxen, hiring farm labor for harvesting, and partial settlement of input loans.

Table 7: Dividend Payments of Kolba Farmers' Multi-Purpose Primary Cooperative (Birr)

Particulars	1998	1999	2000	2001	2002
Patronage Dividend Paid	20,881	31,584	22,451	22,290	27,151
Member patrons	230	234	366	266	228
Male	NA	NA	310	217	226
Female	NA	NA	56	49	52
Max. Payment	375	517	306	348	386
Male	NA	NA	306	348	386
Female	NA	NA	266	238	302
Min.Payment	4	4	2	3	3
Male	NA	NA	3	4	5
Female	NA	NA	2	3	3
Median	NA	NA	100	100	100

Kolba Farmers' Multi-Purpose Primary Cooperative

1.7.4 Volume and Value of Improved Seeds Purchased and Sold

In addition to the above three impact indicators, the cooperative has been involved in the distribution of improved seeds and agro-chemicals. As shown in Table 8, since 2001 the cooperative has been distributing a fairly small quantity of improved seeds. Selected cooperative members have been involved in seed multiplication and the cooperative buys from them and sells to the union for further distribution to other farmers in the area.

Obviously, farmers who use improved seeds with fertilizer are more productive than farmers who do not, but due to the high prices, most farmers could not afford the purchase of such seeds. The cooperative was compelled, therefore, to sell at cost, as shown in the table. The cooperative may not continue this activity.

Table 8: Volume and Value of Improved Seeds

Particulars	Unit	1998	1999	2000	2001	2002
Purchased Volume	Qtl	-	-	-	15	17
Value	Birr	-	-	-	4,131	3,458
Sold Volume	Qtl	-	-	-	15	17
Value	Birr	-	-	-	4,131	3,458

Source: Kolba Farmers' Multi-Purpose Primary Cooperative

1.7.5 Volume and Value of Agricultural Chemicals

Since the commencement of the ACE project, the cooperative has been distributing agro-chemicals obtained through the union. All purchased chemicals were sold, as shown in Table 9. The supply during 2001 was relatively high because of the disease infestation level in the area.

The margins made by the cooperative on agro-chemical transactions were very modest, the main purpose being to cover its operating expenses.

Table 9: Volume and Value of Agricultural Chemicals

Particulars	Unit	1998	1999	2000	2001	2002
Volume purchased	Qtl	NA	NA	60	300	120
Value	Birr			3,120	12,300	4,800
Volume Sold	Qtl			60	300	120
Value				3,240	12,900	5,070

Kolba Farmers' Multi-Purpose Primary Cooperative

1.7.6 Tractor Services

Records are not available on tractor rental services. However, the union provides only limited services to members of this cooperative for several reasons: 1) members are far away from the union and inaccessible; 2) private tractor rental services provide the service; 3) three member farmers reportedly own their own tractor and meet their own demand and the demand of neighboring farmers in the area; and 4) the land terrain and the soils are not conducive to tractor operations. Mechanized plowing should be done before the rainy season, and this is not advisable because the time lag between plowing and planting exposes the soil to weeds.

In general, the union is not keen to provide the service due to high mobilization costs and limited economies of scale.

1.8 Individual Members: Illustrative Cases

1.8.1 Mr. Abo Melka is 41 years old and has been a member of the cooperative for over 17 years. He has four daughters and three sons. His eldest daughter is 15 years old and the rest are under 10. All of them attend school, which is very unusual by Ethiopian standards.

Abo's farm is 3.25 ha, with the usual cropping pattern of teff (2 ha), wheat (0.5 ha), barley, peas and lentil (each with 0.25 ha). He buys 8 qtl of fertilizer (4.5 qtl DAP and 3.5 qtl urea) through the cooperative, and applies it on all crops including pulses. He also buys improved seed (wheat) and agro-chemicals from the cooperative. Abo asserted that the productivity of his land is extremely low without fertilizer. Due to a lack of crop rotation or fallowing, even pulses need fertilizer. Abo secures his fertilizer with a 50 percent down payment and 50 percent in credit.

Abo sells 15 qtls of teff and one qtl of peas to the cooperative. He has received a patronage dividend of about Birr 300 on average (Birr 267- 355) over the last four years[4]. Abo uses his dividends to purchase sheep and goats for holidays; to buy stationery and clothes for his children; and most important of all to hire labor, which is desperately needed during the harvest. In addition to his dividend, Abo gets credit (in kind) from the cooperatives for seed and/or consumption.

Abo is considered to be among the most active members of the cooperative. He has confidence in his cooperative and appreciates all of the services. Although his wife is not a member, she is very supportive of all his activities and participation in the cooperative. Abo completed 3rd grade at school, and has attended only the awareness training offered by ACDI/VOCA. Abo is naturally intelligent and is likely to be a strong candidate for leadership in the next round of elections.

Abo made the following remarks: "I am happy that I am a member of the cooperative. It is good that I have survived so many problems and am still alive to see the changes. Today there is no quota system. I sell my produce for cash at market prices. I get all the inputs I need at reasonable prices from the cooperative. I get credit for seed and consumption during the lean season (rainy season). I also get a dividend at the end of the year. What else do I want? I am happy. I wish all the farmers in other cooperatives enjoyed the same thing. I hope this government will not change its present policy. We want ACDI/VOCA and the cooperative promoters to be by our side all of the time."

[4] 1999- Birr 355; 2000- Birr 320; 2001- Birr 277; and 2002- Birr 267

1.8.2 Mrs. Keshie Dere, who is 30 years old, has been a full member of the cooperative for five years since her husband's death. He was a member for over 15 years. Keshie has three children: one daughter (10 years old) and two sons (12 and seven years old). She is a very dynamic farmer cultivating 3.25 ha -- 0.75 ha is her own holding and 2.5 ha have been obtained through an informal rental arrangement with different farmers, including her father[5]. Keshie pays a total of Birr 200 per year in rent, and she can use the land for 4-5 years without being interrupted.

Keshie's major crops are white teff (1.25 ha), red teff (0.75 ha), wheat (0.5 ha), peas (0.25 ha), haricot beans (0.25 ha) and maize (0.25 ha). She buys 4 qtls of fertilizer (2.5 qtl DAP and 1.5 qtl urea), plus 0.75 kg of improved seed (wheat) and agro-chemicals. She pays 50 percent in cash. The balance is paid with credit from the CBE. Keshie pays for hired farm labor in kind (a kind of sharecropping system). The farm labor receives a total of 4 qtls of teff and 1 qtl of wheat worth approximately Birr 640, plus Birr 50 for clothing for services provided from land preparation through to harvesting and storage.

Keshie is self-sufficient and sells only 10 qtl of white teff through the cooperative. She has been receiving a dividend since 2000: Birr 88 on average, and steadily increasing over time[6]. Keshie uses the dividend for household needs during holidays, including the purchase of goats, stationery and clothes for her children and herself. She gets 1-2 qtls of grain on credit, and because she is self-sufficient, she uses part of it for seed and sells the remainder, generating a good profit.

In addition to farming, Keshie is involved in non-farming income-generating activities such as the production and sale of beverages, from which she makes over Birr 1,200 per year. She hires two women to assist her in making the beverages. Unfortunately, a large ox and a crossbred cow were stolen at the beginning of 2003, and the local police force has been unable to apprehend the burglar. The cooperative has not helped her to make up her loss, although individual members have assisted her.

Keshie is a dedicated supporter of the cooperative because of the valuable services it provides. She greatly appreciates the input supply system, the grain marketing, the dividend and the credit service. She gives recognition to the cooperative leaders who encourage member farmers to plant their crops on time, to repay their loans on time, and to join the SACCO. Keshie will join the SACCO quite soon. She has completed 5th grade at school, and has attended ACDI/VOCA's awareness training. Keshie stated that she needs more training, and has a strong desire to be elected as a board member one day.

[5] Farmers who rent out their land are either very old or cannot afford to buy fertilizer.
[6] 2000- Birr 50, 2001- Birr 65 and 2002- Birr 150

B. Case Study 2 - Lumme-Adama Farmers' Cooperative Union

2.1 Background

The office of Lumme-Adama Farmer's Cooperative Union is located in East Shoa, Lumme woreda, in an old town called Modjo, about 70 km South of Addis Ababa (see Annex III).

The union is the first of its kind in the history of the Ethiopian cooperative movement -- its creation was truly demand-driven. The farmers in the area reached a stage where they could not produce teff and wheat (the major crops in the area) without the application of fertilizer. The removal of fertilizer subsidies and the resultant unaffordable prices charged by wholesalers and retailers triggered the establishment of the union. Eight cooperatives in Lumme woreda took the initiative and asked AISCO for a wholesale license. It was, however, difficult for them to fulfill all the requirements, such as finding a warehouse and reliable management capacity.

In 1996, cooperative promoters from the Bureau of Agriculture and ACDI/VOCA began providing assistance. The decision to establish the union was not unanimous. While some farmers argued that cooperatives must be free from the grip of the government and that one way of achieving this would be the establishment of a union, others countered that the primary cooperatives were not strong enough to federate at a union level. Dynamic personalities including Haile Gebre[7], Hine Hasenu[8] and Demere Demisse[9] (all from the Bureau of Agriculture) and Worku Mekasha[10] (from ACDI/VOCA) were the leading supporters of union formation. With considerable efforts and lobbying, the union was finally officially established in July 1997 and registered four months later in November 1998 with four founding cooperatives and initial capital of Birr 150,000.

Subsequently, ACDI/VOCA and the Oromia Cooperative Promotion Bureau played a critical role in making the union operational by developing bylaws and business plans. The manager of the union admitted that without ACDI/VOCA's involvement it would have been unthinkable to establish operations because nobody had experience in running a cooperative union.

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[7] At present Commissioner of the Cooperatives Commission
[8] Deputy Coordinator of the CUP and ACE project in Oromia
[9] Manger of Lumme-Adama Farmers' Cooperative Union (since establishment)
[10] ACDI/VOCA's Country Director for Ethiopia

2.2 Objectives

The objectives of the union are to:

- Improve the bargaining power of farmer members;
- Procure products and services at a lower cost;
- Improve market access;
- Increase the income of members through value-added products;
- Supply members with agricultural inputs;
- Promote agro-industry; and
- Provide cooperative education.

2.3 Organization, Governance and Management

2.3.1 Organization

The organizational structure of the union (see Annex IV) is simplified, involving no committees for the execution of its various functions like that of the primary cooperatives. The board members are accountable to the general assembly, and the manager is accountable to the board. The control committee, composed of three members, is directly accountable to the general assembly and is a mechanism for controlling the board members and the general manager. There are four sections under the direction and supervision of the manager, namely Accounts, Property Administration, Tractor Services and General Services.

2.3.2 Governance

The primary cooperatives are represented in the union by their chairman, secretary, treasurer and chairman of the control committee, plus one person representing each 100 members (either from within or outside the executive committee). This means that, for most cooperatives, there are 3-4 representatives in addition to the four executive members.

The general assembly is composed of 123 representatives of member primary cooperatives. The 23 union board members are elected from members of the general assembly. Each primary cooperative is represented by at least one person on the board. Because of the large number of board members, a standing committee of four members is elected from the board members (not shown on organizational chart). The four elected persons are assigned to different positions based on their capacity, not by the number of votes (chairperson, secretary, treasurer and a member).

Elections of the leadership are transparent and democratic. The term of office for elected members is three years, and members can be re-elected for a second term. Representatives of the cooperative promotion office assist and facilitate the election process.

2.3.3 Management

Standing committee members work closely with the manager and monitor the union's activity. They meet once a week, the board members meet once every two months, and the general assembly meets once a year. Emergency meetings can be called at any time at all levels.

The manager of the union is currently seconded by the Bureau of Agriculture and is in the process of having his employment transferred to the union. Other staff members are contractual employees whose contract is renewable every three months. Terms of employment will be improved in the foreseeable future in order to attract professionals.

The incentive system is defined in the bylaws and, accordingly, five percent of the net profit is set aside for bonuses, of which three percent is allocated to the manager and his staff, and two percent to the board members. Bonuses awarded to the standing committee members are usually higher than those given to the remainder of the board members. In addition to the bonus, the standing committee members and the other board members receive transportation and daily allowances when they are on duty. The union's bylaws delineate the functions and responsibilities of the general assembly, board members, controller and the manager; accountability, therefore, is not a problem.

In consultation with the board members (especially the standing committee), the manager prepares a detailed annual business plan showing the targets of each activity and the associated costs and expected returns. The business plan must be approved by the general assembly. The board members and the manager strictly adhere to the business plan and the bylaws in the business operations of the union and, as a result, transparency and accountability levels are high. The direct involvement of the controllers in supervising, guiding and directing the board members and the manager has furthered these goals. The annual report submitted to the general assembly explains how each business activity was undertaken and discusses the reasons for underachievement or overachievement.

The general assembly meets once a year to review the annual and audit reports, to approve the following year's budget, and to address other important issues. Representatives from the woreda administration council, kebele administration, and the OCPB attend the general assembly meeting.

2.4 Membership

Over the last 5.5 years, two additional woredas, namely Adama and Boset (see map) have joined the union, and the number of member cooperatives has grown from 4 to 21, as shown in Table 10, representing a growth of 525 percent (an average annual growth rate of approximately 35 percent). Individual membership has grown from 3,974 to 16,700, representing a 320 percent growth (an average annual growth rate of 30 percent). The corresponding equity capital has increased from Birr 150,000 to 485,000, representing a growth of 223 percent. So far, the maximum share stock is Birr 70,000 and the minimum is Birr 5,000, equivalent to one share. The number of family members in the union is 81,628, accounting for approximately 28 percent of the total population of the three woredas. Women comprise roughly 50 percent of the total population, but representation in the union is a mere 9 percent on average, with marked variations from cooperative to cooperative (5-9 percent). On the whole, progress made in increasing the membership and capital base is remarkable.

Table 10: Equity Capital of Lumme-Adama Farmers' Cooperative Union as of Mid-2003

Year	Member Coops	Farmer members			Equity Capital (Share) Birr
		Male	Female	Total	
1998	4	3,714	261	3,975	150,000
1999	7	6,206	380	6,586	199,000
2000	11	8,466	682	9,148	219,012
2001	15	10,795	1,072	11,493	305,555
2002	20	14,795	1,462	16,257	360,555
2003	21	15,175	1,494	16,670	485,000

Source: Lumme-Adama Farmers' Cooperative Union

2.5 Training

ACDI/VOCA has devoted considerable effort through training programs of both the CUP and ACE, to developing the role of the union and helping it to function as an independent business organization. Table 11 shows training conducted for all member cooperatives and the union. The board members, manager, accountant, and controller of the union have participated in various training programs, including cooperative management and structure, cooperative accounting, marketing analysis, grain quality control, strategic business planning, and inventory credit. They have also participated in training in post-harvest loss minimization, BSD, HIV/AIDS prevention, project planning and management, business diversification, technical feasibility assessment, financial planning and credit management, internal control system installation, mentoring and integrated natural resource management (INRM). In addition, three persons -- including the manager and the previous chairman of the

board -- visited Kenya under CUP. The present board chairman has been to India for exposure visits under the ACE project, and the present treasurer has been to Kenya.

All participants have confirmed that they have benefited greatly from the training and are satisfied with the union's level of efficiency and effectiveness. All know their roles and responsibilities, and the manager and board members in particular work together harmoniously. The accounting system is effective: auditing is done regularly and no irregularities have been reported. The controller is pleased with the way the union is managed. The bylaws are religiously followed. In short, professionalism in the management of the union is deepening.

Members acknowledge that the competitive bidding in input purchasing and the resultant substantial cost reductions, the grain quality control and proper storage management, the credit services, tractor and storage services, improved seeds and agro-chemical supplies, and dividend payments based on patronage and capital are all the results of ACDI/VOCA's training. In fact, the chairman of the board confirmed that the success of the union manager is due to ACDI/VOCA's training and support. He further stressed that ACDI/VOCA's involvement created an opportunity for a dynamic person like the present manager to successfully run the first organization of its kind. As a result, he proudly asserted that the union has served as model for the rest of the country.

Table 11: ACDI/VOCA Training

No	Title of Training	1998	1999	2000	2001	2002
1	Farmer Members' Training	4198	-	1425	5307	5198
2	Accountants' Training in Cooperative Accounting	-	-	2	-	-
3	Managers' Training in Marketing Analysis	-	-	5(1)	-	-
4	Training of Managers and Accountants in 4 Modules	8(1)	1(1)	7(1)	-	-
5	BSD Training in 3 Modules	-	-	5(1)	-	-
6	BSD Training in 5 Modules for Mangers and Board Members	-	-	-	30(6)	-
7	Training in Grain Quality Control for Managers and Board Members	-	-	29(4)	-	-
8	Board Members Training in 3 Modules	47	19	4	-	-
9	Board Members Training in Savings and Credit	-	-	-	-	20
10	Pre-Union Awareness Workshop on Savings and Credit	-	-	-	-	15
11	Training in HIV/AIDS Preventive for Managers and Board Members	-	-	-	-	2(1)
12	Training in Financial Planning and Credit Management	-	-	-	-	2(2)
13	Training in Project Planning and Management	-	-	-	-	1(1)

14	Board of Directors Mentoring	-	-	-	-	2(2)
15	Training of Farmer Members in Savings and Credit	-	-	-	-	123
16	Training in INRM	-	-	-	-	3(1)
17	Training in Internal Control System Installation	-	-	-	-	99(23)
18	Audit Service for Cooperatives	-	-	-	-	4
19	Study Tour					
	Kenya	2(2)	3(1)	-	-	-
	India	-	-	-	-	1(1)
20	Training in Internal Control and Audit System Management	-	-	-	1(1)	-

The total figures show all participants from the union and member cooperatives, while the figures in brackets show the number of participants from the union only.
Source: Lumme-Adama Farmers' Cooperative Union

2.6 Business Operations

The union provides the following major services to member primary cooperatives:

- Input supply (fertilizer, improved seeds and agro-chemicals);
- Grain marketing;
- Tractor rental services;
- Storage services;
- Secretarial services; and
- Credit services.

2.6.1 Input Supply

The primary purpose of organizing multi-purpose primary cooperatives (agricultural service cooperatives) and of creating a union in grain producing areas is to facilitate a dependable supply of inputs, particularly fertilizer, without which production of cereal crops, especially teff, wheat and barley, is becoming increasingly unimaginable. With the objective of enhancing food security, inputs are made available to farmers on credit with the support of the regional governments. Private and parastatal companies supply the required amount of fertilizers, and the union plays a critical role in its timely supply to member farmers at reasonable prices.

The process of fertilizer supply is somewhat complex. Based on the demand of member cooperatives, the union floats a tender and the lowest bidder is accepted to supply the fertilizer (DAP and Urea). To obtain the fertilizer, farmers are required to deposit at least 25

percent of the total cost, and the rest is covered through input loans provided by the CBE, as explained earlier in the case study of the primary cooperative.

The union obtains fertilizer from suppliers through short-term credit (three months). Member cooperatives collect a 25-55 percent down payment and deposit it in the union's bank account, and the remaining 45-75 percent is collected from the CBE. Upon agreeing on a down payment, the woreda credit committee together with the cooperative promotion office notifies the CBE to allow the cooperative access to the input loans. After approval of the loan by the CBE, the union delivers the input to the cooperative. The cooperative advises the CBE to transfer the loan to the union's account, and then the union pays the suppliers. This process takes up to three months. As such, the union acts as an agent and does not directly deal with the CBE nor is it accountable for the recovery of the loan. The fertilizer selling price established by the union covers transportation costs plus Birr 3 per quintal on average, to cover operational expenses.

The union obtains improved seeds from the parastatal Seed Multiplication Agency and from farmers involved in seed multiplication. Agro-chemicals are purchased on the open market. The distribution process and financing arrangement is more or less the same as for fertilizer, discussed above.

2.6.2 Grain Marketing

The union provides market information and credit services to member cooperatives to facilitate competitive grain marketing. However, currently the proportion of grain marketed though the union is very low for several reasons, including: a) limited market outlet due to transportation constraints; b) low prices (experienced by all market actors); and c) the union's limited storage facility.

For these reasons, member cooperatives are free to sell their produce to anyone (union, wholesalers and consumers) at prevailing market prices. It is interesting to note that even though member cooperatives receive credit from the union for grain purchases, they are not obliged to sell the grain to the union: the union is more concerned with the timely recovery of the loans. However, cooperatives prefer to deal with the union just as farmers prefer to deal with cooperatives because of trust in the integrity of the institution.

Similarly, the union buys either from member or non-member cooperatives or wholesalers. Prices determine the deal. However, upon the request of the union, depending on its market outlet and storage facility, member cooperatives give priority to the union, and thus the linkage between member cooperatives and the union is maintained. The union buys from

member cooperatives at competitive prices but farmers do not mind selling to the union at slightly lower prices due to the services it provides.

As explained earlier in the case of the primary cooperative, the strategy of producing surplus grain and storing it until the lean season in expectation of better prices does not work, simply because producers and wholesalers follow the same strategy. Most consumers also buy earlier in anticipation of higher prices later so the demand is low during the lean season and ironically prices go down. The present strategy in the area is to sell agricultural production as soon as possible after harvest with a reasonable margin (Birr 10-20 per quintal is considered sufficient). This option seems to have two positive implications from the farmers' perspective: first, storage is no longer an issue; and second, farmers need the money to pay back their input loans, due after harvest season. The fluid state of grain marketing deserves the special attention of ACDI/VOCA.

2.6.3 Tractor Services

The union provides tractor rental services directly to individual farmers (members and non-members). The charge for plowing is Birr 240/ha and for disking or harrowing Birr 120/ha. Farm landholdings less than 0.5 ha can not access tractor services because of the limited scale of operation. In addition, tractors are used for hauling grain and hay from farm to market. The union bought the first two tractors in 1998 with a loan obtained from a private bank (Wegagen Bank). At present, the union has seven tractors with accessories. The farm mechanization scheme has shown significant impact on productivity and production due to better cultural practices and timely planting. It also reduces livestock feed requirements.

2.6.4 Storage Services

Initially, the union rented a 1,600 qtls-capacity warehouse for storage of grain purchased from member cooperatives. It has recently constructed its own storage facility of about 13,000 qtls capacity and it is planning further expansion in the near future. The union provides free storage for some cooperatives that are inaccessible during the rainy season, and lack storage capacity and market opportunity.

2.6.5 Secretarial Services

The union provides member cooperatives with secretarial services including typing, photocopying, duplication and printing at competitive prices. This is a valuable service for members and a supplementary source of income for the union.

2.6.6 Credit Services

Primary cooperatives cannot obtain credit directly from banks because they do not have bankable assets to be used as collateral. This constraint has been resolved by working through the union. The union has pioneered a way to make working capital available to member cooperatives for the purchase of grain: member cooperatives have become beneficiaries of the loan obtained from the BOA through the LGF mechanism supported by USAID. In addition, the union has been accessing working capital loans to purchase grain from different sources, as discussed later.

2.7 Project Impacts

The impacts of CUP and ACE are measured primarily by the improvements made in volume and value of inputs and outputs transacted through the union and by the amount of dividends paid to member cooperatives.

2.7.1 Inputs Supplied to Member Cooperatives

The main activity is fertilizer distribution. As shown in Table 12 below, fertilizer distribution over the period 1998-2002 has grown by 91 percent. The distribution in 1999 was extremely low because only 60 percent of the demand was supplied through the union and the rest was distributed through the Bureau of Agriculture under an extension package program with low down payments. Volumes rose abruptly in 2001 because all input supplies (including the extension package program) were distributed through the union. The level of distribution in 2002 was lower than expected due to the influence of depressed agricultural output prices in 2001, and the drought in 2002.

In value terms the growth is clearly considerably more than double. The volume of fertilizer that the union is handling today is worth over Birr 17 million, unthinkable some five years ago when the union was in its formative stage. Farmers save on average 10-15 percent of their fertilizer cost every year through the union's competitive bidding. For example, at the start of its operation in 1998, the union managed to reduce the cost of fertilizer to member cooperatives by Birr 1.2 million. This is a significant savings. In addition, the modest profit generated from input transactions is distributed to member cooperatives in the form of dividends, an important motivating factor for members' participation.

Table 12: Fertilizer Supplied to Member Cooperatives through the Union

Particulars	Unit	1998	1999	2000	2001	2002	Average*
Volume	Qtl	34,898	25,925	46,236	72,747	66,594	55,119
Value	Birr	6,919,496	5,289,690	10,600,733	17,799,615	17,040,990	13,090,208

* Average for 4 years excluding 1999

Source: Lumme-Adama Farmers' Cooperative Union

2.7.2 Grain Marketing Specifics

As noted earlier, through its dependable input distribution at favorable prices and dividend payments, the union has been able to attract member cooperatives to sell their grain to it of their own free will. The input and grain marketing linkages are quite effective for creating the necessary trust between farmers and cooperatives and between cooperatives and the union. The union provides credit services and a flexible system that permits farmers or cooperatives to sell to whomever they want for cash at prevailing prices. This conducive environment has inspired the supply of enormous quantities of grain to the union. Indeed, had it not been for its storage capacity and market outlet limitations, the supply would have been greater by several fold.

As shown in Table 13, the union started with a modest purchase of about 3,500 quintals in 1998 at approximately Birr 759,000, and after four years the supply has increase by 6 times and reached close to 21,000 quintals. The value has also increased to over Birr 4 million. The growth has shown a steady increase and this is a reflection of the farmers' trust in their cooperatives and unions.

Table 13: Grain Purchased from Member Cooperatives

Particulars	Unit	1998	1999	2000	2001	2002
Volume	Qtl	3,468	6,300	8,648	9,348	20,945
Value	Birr	758,721	1,412,386	1,952,728	2,056,126	4,029,100

Source: Lumme-Adama Farmers' Cooperative Union

Depressed grain prices in 2001 did not seriously affect union members, due to the proximity of the union and other wholesalers to the major secondary and terminal markets of the country. As well, farmers in the Lumme-Adama woreda produce quality teff, which fetches better prices than anywhere else in the country. The grain price escalations in the third and fourth quarters of 2002 and availability of better market outlets have substantially increased the supply to the union, mainly from retained stock. Farmers elsewhere in the country have been greatly affected by low prices because of their limited access to markets.

2.7. 3 Dividend Payments

At the union level, dividend payment to member cooperatives is based on patronage and share capital. According to the bylaws of the union, 5 percent is deducted from the net income. The remainder is distributed as follows: 60 percent based on patronage, 10 percent based on share capital, 15 for expansion, 5 percent for social services, and 10 percent is held in reserve.

As shown in Table 14, the total dividend paid grew from approximately Birr 29,000 in 1998 to 94,500 in 2002, representing over three fold growth. Year 2000 shows a much better performance because it was the most favorable period for agricultural production. Year 2001 shows a minor decline due to low prices, but it was a good performance compared to unions and cooperatives in other areas. The growing trend of dividends paid based on share capital reflects the increase in number of member cooperatives and the corresponding growth of share capital (equity capital). The number of member cooperatives increased from 4 in 1998 to 20 in 2002. For this reason, when the patronage dividend increased by three fold, the dividend paid based on capital increased over four fold. For the same reason, the dividend paid to each cooperative has not grown proportionately to the total dividend paid.

The patronage dividend grew up to 2000 and shows a declining trend in the following two years because of low prices in 2001, and low production and consequent relatively low supply to the union in 2002.

The maximum patronage dividend to participating cooperatives was Birr 11,717 in 2000 while the minimum was Birr 8,525 in 2002, reflecting the reasons explained above. The corresponding values for dividends based on capital were 3,508 in 2002 and Birr 1,805 in 1998, consistent with the amount of share capital.

The minimum patronage dividend payments were reasonably high until 2000 and show a sharp decline in the following two years. The median patronage dividend was relatively low during the first two years, significantly higher in 2000 (Birr 8,700) and gradually declined thereafter, but dividends based on share capital gradually increased up to 2000 and sharply declined in the following two years.

In general, during the CUP period, the volume of activity was low and the low total dividend was acceptable. During the ACE project, the total dividends were much higher due to a higher volume of business. The maximum patronage dividends to member cooperatives are more or less the same during CUP and ACE with noticeably better performance in 2000. The maximum dividend based on share capital was low in 1998 and 2001, the former due to low capital base and the latter due to a decline in total dividend paid.

The minimum dividend payments both for patronage and share capital were markedly lower during the ACE project, reflecting the low level of participation of some cooperatives. The median values for patronage dividends were much better during the ACE project, especially in 2000, whereas the median values based on share capital were significantly lower during the last two years of ACE project, signifying the small differences of dividend income.

Table 14: Dividend Payments of Lumme-Adama Farmers' Cooperative Union (Birr)

Particulars	1998	1999	2000	2001	2002
Dividend Paid	29,012	47,722	96,237	89,328	94,557
Patronage Dividend	23,597	36,653	82,654	75,006	72,258
Dividend on Capital	5,415	11,069	13,584	14,323	22,298
Members Paid (No. cooperatives)	4	7	11	15	20
Patronage Dividend	4	7	11	15	20
Dividend on Capital	4	7	11	15	20
Max. Payment					
Patronage Dividend	8,880	9,122	11,717	9,457	8,525
Dividend on Capital	1,805	3,074	3,118	2,786	3,508
Min. Payment					
Patronage Dividend	4,472	3,270	3,241	215	97
Dividend on Capital	1,083	505	223	199	251
Median					
Patronage Dividend	4,718	4,703	8,701	6,932	6,418
Dividend on Capital	1,083	1,796	1,781	597	250

2.7.4 Supply of Improved Seed

The quantities of improved seed purchased and sold by the union are not available. However, one can observe from the audited income statements that a sizable quantity of improved seed has been distributed through the union since 1999. For example, farmer members sold up to 400-800 qtls of improved seed through the union per year.

The purchase value of improved seed has substantially increased from approximately Birr 30,000 in 1999 to Birr 500,000 in 2001, but a sharp decline in improved seed purchase is observed in 2002 due to the huge stock in 2001. In terms of sales, there were no sales in 1999 but a better performance was recorded in 2000 with a value over Birr 230,000. In 2001, only about 65 percent of available stock was sold leaving a substantial surplus in stock. In 2002, the union decided to sell this stock rather than buy additional quantities. The strategy was effective, and the major portion of the stock was sold. However, because of low demand, the union was forced to sell at cost.

The main reason for the low demand is not a lack of appreciation of improved seeds on the part of the farmers, but because of high prices and an unreliable market for the crop. Unless

the market situation is improved in a sustainable way, it is likely that the present condition of high prices and low demand will prevail for a long time to come.

2.7.5 Tractor Services

As noted earlier, the union has been actively involved in providing tractor rental services to individual farmers in the area. In view of the short duration of the rains and the problem of recurrent drought, tractor services enable farmers to accomplish necessary pre-planting preparations in a short period of time. Quite a number of farmers with suitable soils have benefited, with positive impact on their productivity and labor savings.

As shown in Table 15, the period 1998-2001 shows a steady increase in tractor users from 52 to 450 farmers and corresponding land area cultivated from 115 ha to close to 1,200 ha, representing more than a ten fold increase. The sharp decline in 2002 is due to the late Belge and Meher rains. Most farmers plowed later with oxen when the rain came.

The tractors are not kept idle during slack periods; they are used for hauling grains and hay. With these additional services, the tractor service generated income of up to Birr 274,000 in 2001, which is a significant increase from approximately Birr 18,000 in 1998.

The impact of tractor use is very positive. Tractors increase productivity significantly [at least 10 qtls (wheat) more per ha when plowed with a tractor] due to better cultural practices and more timely planting. According to farmer members, a tractor can plow in one day what two oxen plow in 20 days.

Table 15: Tractor Rental Services Provided by the Union

Particulars	**1998**	**1999**	**2000**	**2001**	**2002**
No. of Beneficiaries	52	280	400	451	347
Land Cultivated (ha)	115	382	795	1,187	615
Transport service (Birr)	-	15,000	21,600	10,762	15,000
Revenue (Birr)	17,669	89,495	173,292	273,811	162,811

2.7.6 Credit Services

So far, as shown in Table 16, the union has obtained a total loan amounting to Birr 5.7 million from different sources: Birr 3.65 m from the Bank of Abyssinia (BOA); Birr 1.2 m from the United Nations Development Program (UNDP); Birr 650,000 from the Commercial Bank of Ethiopia (CBE) and Birr 192,572 from the Wegagen Bank. Over 64 percent of the total loan has been secured from BOA through the Loan Guarantee Fund scheme. The union has been on-lending the funds obtained from BOA to member cooperatives. The union

borrows from the BOA at 8.5 percent interest and on-lends to member cooperatives at 11 percent. Some qualified member primary cooperatives have borrowed directly from the CBE under a special arrangement. In other areas such a loan has been extended through unions.

So far the Commercial Bank of Ethiopia is the only commercial bank that is willing to provide working capital to co-ops, after witnessing the success of the Bank of Abyssinia under the loan guarantee fund. Other private commercial banks in the country are risk averse when it comes to the rural financial market.

The loan from UNDP is a soft loan that is used exclusively by the union, mostly as working capital for purchasing grain from member farmers. The loan from Wegagen Bank is a term loan directly used by the union for the purchase of a tractor.

Table 16: Loan Sources of the Union

Source	Year	Amount of loan	Recovered incl. interest	Outstanding	Interest rate
BOA	2000	1,000,000	1,055,748		8.5 %
	2001	1,400,000	1,520,000		
	2002	1,250,000	958,000	292,000	
Wegagen Bank	1999	192,572	215,618		NA
CBE	2002	650,000	661,136		7.5%
UNDP	1998	350,000	350,000		Free
	2000	350,000	350,000		
	2001	300,000	300,000		
	2002	200,000	100,000	100,000	
Total		5,692,572			

This is a clear indication of the key role that the union plays in supporting its member cooperatives in credit services and in demonstrating its creditworthiness at large. ACDI/VOCA's facilitative role and trainings related to financial planning and credit management have made dramatic changes in the financial services available to cooperatives.

PART III: LESSONS LEARNED, SALIENCE OF COOPERATIVES, MAJOR ISSUES AND RECOMMENDATIONS

A. Lessons Learned

The most important lessons include, but are not limited to, the following:

1. Implementation Strategies Foster Sustainability

Through the systematic linking of training, capacity-building and market linkages, the implementation process of the CUP and ACE projects has been cost effective and geared toward assuring the long-term sustainability of cooperative services. Projects activities have been targeted to the needs in Ethiopia and have made significant changes in the revival and restructuring of cooperatives as private business organizations.

ACDI/VOCA, working closely with the Cooperative Promotion Bureaus, has given ownership of the projects to the cooperatives. To implement the projects ACDI/VOCA used a few core staff of its own, and the staff of the CPBs at the regional, zone and woreda levels collaborated closely with ACDI/VOCA in training, monitoring and tracking project progress. At the end of the project, CPB staff is expected to withdraw from active involvement in supporting management of the unions, and some measures have already been taken toward this end. This goal will further ensure unions' autonomy as private business organizations. As noted in the case studies, additional training of board members, managers, accountants, internal controllers and farmer members at both primary cooperatives and unions would be useful in assuring continuing sustainability at all levels after the project phases out.

The new cooperative proclamation limits government intervention primarily to training, organizing, licensing, supervising and auditing. The implementation process of the project has reinforced this stipulation and, as a result, cooperatives should be largely autonomous institutions. Regular monitoring and evaluation by cooperative promotion bureaus will detect any positive or negative changes in the policy environment and help in taking appropriate actions.

2. Couple Training With Changes in the Enabling Environment

Past practices of bad governance, corruption and misuse of cooperatives as channels of government directives had stigmatized the cooperative sector in Ethiopia. Government officials and experts as well as farmers were suspicious of and prejudiced against cooperatives until the new proclamation for the establishment of agricultural service cooperatives was issued and ACDI/VOCA's intervention began in 1994-1995.

The application of international cooperative principles in restructuring and organizing cooperatives and the simultaneous advocacy and training roles of ACDI/VOCA have, together, changed the environment and transformed cooperatives into indispensable institutions in the agricultural and rural development of Ethiopia. Broad-based awareness, formal short-term training, study tours and exposure visits for cooperative officials and

experts, federal, regional, zonal and woreda administrative council members[11], board members, managers, accountants and farmer members have increased skills and discernibly changed negative attitudes.

Cooperatives in Ethiopia are no longer associated with socialism or communism. Unlike the past, there are no longer direct orders from above dictating that cooperatives should contribute money for social services. If there is any request for cooperatives' support, the board chairman or the manager cannot decide unilaterally. The board members or the general assembly must approve the disposition of funds. Farmer members' confidence in their primary cooperatives and unions has grown. The decision to become a member is based on economic benefit and training has developed an attitude of ownership. Members' perceptions of cooperatives have changed as they understand their obligations and their rights. They refer to their cooperatives with confidence as their own institutions. There is a high level of trust among members, leaders and promoters. Government interventions have been regarded as positive and supportive.

3. Democratization: A Product of Training and Professional Development

Democratization results from training. Members now join the cooperative of their own free will, without coercion. They elect their leaders at both primary and union levels in a transparent and democratic manner. Members state that the past system of "Deregitawe Asserar" (organized manipulation of leaders' elections) no longer exists. Cooperative promoters dutifully discharge their facilitative roles. Other government bodies, such as the kebele administration and woreda council, are involved only upon invitation to witness elections. An office bearer can be elected only twice, and a member has only one vote regardless of his/her share capital. Women have equal rights.

The board members and the control committee members are elected by, and are directly accountable to, the general assembly. The board members hire the manager, and with the approval of the board members, the manager can hire his/her staff members. The bylaws govern the duties and responsibilities of all office bearers.

It is strongly believed that professional managers who are not members of cooperatives should manage the cooperative business. This is particularly a reality at the union level. Most, if not all, primary cooperatives would also like to have hired mangers. Members have developed confidence in employed managers and accountants. The past attitude that only

[11] For example, from the East Shoa Zone and Lumme woreda where the case study union and primary cooperative are found, two administrative council members were sent to Kenya and India for exposure visits.

farmers' children should manage the business instead of outsiders is fading away. Initially, there was a misunderstanding between the board members and managers as to their respective roles and responsibilities, but this confusion has been dealt with and the board members do not interfere in the day-to-day activities of the manager.

In the past, controllers had no constructive role. They were viewed as faultfinders, rumor mongers, etc., but, through training, their role is now understood and they are respected and fully authorized to oversee the activities of board members and managers. They stated that they are servants of the members or the general assembly who owns the cooperative. This is an impressive change from the past. With such attitudes the management capacity of cooperatives has improved substantially. The strength of cooperatives can be measured by the professional competence of the board members, managers, accountants and controllers.

4. Improving Business Management Increases Confidence in Co-ops

In the past, cooperative leaders managed as they saw fit and money was expended without a plan. Loans given to individual members were based on personal connections and rarely repaid. The secretaries and treasurers had full authority over the cooperatives' money. Controllers had little status. Further, all executive members wanted to be involved in financial matters: the division of labor and responsibility was not clear. The cooperative office within the MOA was loosely organized, with no controlling system. There was a 3-4 year backlog of audit services, so that it was often difficult to trace financial shortfalls and enforce repayment. In general, financial resources were mismanaged and members had no confidence in their own cooperatives. For this reason, members were indifferent and had no intention to closely follow-up on the business activities and performance of their institutions.

Due to ACDI/VOCA's training, all executive members now have an understanding of business management. Treasurers, controllers and accountants have been given accounting training and, as a result, the cooperatives' accounting systems have significantly improved. Internal control functions are well understood and audits are performed regularly. Cooperatives use bank checks, and bank statements are prepared every three months. Management submits monthly reports to the board. Members closely track the performance of their cooperatives. Consequently, there has been no embezzlement or financial irregularities. Members interviewed during the preparation of this report indicated that past practices have been altogether changed.

5. Formation of Unions Increases Purchasing Power

Primary cooperatives have for the first time been federated to form unions. ACDI/VOCA's training in management issues, and regarding the roles of board members, managers and

promoters have brought about significant changes. Exposure visits have changed the common thinking that cooperatives are only relevant in communist or socialist societies.

Members have gained bargaining power through unions in bulk purchasing of inputs and marketing of agricultural products. They have enjoyed substantial cost savings on inputs and generated profits through the higher prices obtained for their products.

6. Facilitating Financial Services Increases Co-op Creditworthiness and Independence

Most of the old cooperatives owe excessive input loans and some medium- and long-term loans to the Development Bank of Ethiopia (DBE), and this situation has eroded their creditworthiness. Because of their weak bankable capital base, neither the parastatal nor private banks are willing to extend loans to cooperatives. Since 1996, under the guarantee of the regional governments, CBE has been providing input loans to smallholder farmers through the Bureau of Agriculture, microfinance institutions, and cooperatives. Cooperatives are now handling the lion's share of the loan portfolio.

Cooperatives have been starved of credit for many years. Since the end of 1999, however, ACDI/VOCA has for the first time facilitated a Loan Guarantee Fund through a collaborative partnership between USAID and BOA. Through this credit mechanism, cooperatives have proved to be creditworthy for the first time since the restructuring and union formation. In recognition of this, the LGF facility has been expanded and the CBE, based on results so far, decided in 2000 to relax its credit policy and provide short-term loans for grain marketing to cooperatives in the Oromia Region. Such recognition and positive steps have deepened the cooperatives' confidence and feeling of independence. This is a major result of ACDI/VOCA's assistance.

7. SACCOs Institutionalize Rural Savings and Credit Services

In collaboration with CPBs, ACDI/VOCA has launched several trainings relating to savings and credit services in different regions and assisted in the establishment of 42 rural SACCOs in the last three years through the ACE project. Members and non-members of primary cooperatives benefit from SACCOs. Primary cooperatives themselves have already become beneficiaries of SACCOs. For example, two multi-purpose cooperatives in East Shoa (Tade and Hidi) have borrowed sizable working capital loans from SACCOs to purchase grain. SACCOs are likely to be sustainable financial intermediaries in rural areas.

8. Other Accomplishments and Lessons Learned

Additional accomplishments and lessons learned during the course of the projects include the following:

- Fertilizer supply has dramatically increased through primary cooperatives and unions. Farmers, through their unions, are directly involved in price bargaining. Unions buy fertilizer at a reasonable price through competitive bidding, and farmers have benefited from price reductions.

- The number of farmers participating in grain marketing has increased considerably through cooperatives and unions. Between 1992 and 1996, it was difficult for cooperatives to obtain grain from members. The situation has changed and members are now willing to sell all their grain though cooperatives and unions. Members have been induced by the business consciousness of cooperatives and unions, as well as the resultant dividend payments.

- Dividend payments greatly motivate member participation. Unions distribute dividends based on patronage and share stock, while at the primary cooperative level the dividend payment is solely based on patronage. Dividend payments are the outcome of good management, increased member participation, and business volume. An increase in the number of farmers who receive dividends and an increase in average dividends paid are indications of increased patronage. Dividends paid to farmer members have direct impact on the household economy.

- The incentive system which primary cooperatives and unions have adopted for boards of directors and management has encouraged good performance.

- The production and distribution of improved seed through primary cooperatives and the involvement of smallholders in improved seed multiplication is a step toward self-sufficiency and enhanced farm productivity.

- Tractor services provided by Unions have improved farmer productivity. Some farmers have expanded their farm operations through land lease or rental because of the tractor services. This has implications for popularizing

appropriate farm technology and for food security at large. ACDI/VOCA has assisted the unions in the preparation of a business plan for tractor services.

- The new grain storage management system has contributed to maintaining the quality of grain and to a reduction of grain losses, which has translated into financial benefit. After the farmers received the training in this area, there was a broader understanding of the value of grain storage facilities, and a higher priority was placed on constructing new ones and/or improving older ones. The unions that have recently constructed new warehouses (Lumme and Erer) have provided a good example of how storage facilities can be an effective basic infrastructure element of a cooperative.

- The adoption of comprehensive bylaws, and preparation of annual business plans and financial viability assessments at the enterprise level have all improved the standing of cooperatives as private business organizations in Ethiopia.

B. Salience of Cooperatives

1. Importance of Cooperatives to Members and Their Significance in the Community

Farmers' multi-purpose cooperatives are very important institutions for the rural community. Indeed, many see them as more important than some government organizations and NGOs. Individual farmers cannot access input loans without the primary cooperatives and unions. Cooperatives account for more than 85 percent of the total input supply to the community, and the price reduction to members through competitive bidding is on average 10-15 percent. The timely supply at farm gates is also highly valued by cooperative members.

Bank loans for grain marketing are also facilitated through unions and primary cooperatives. Banks are not willing to deal with individual farmers. The support of USAID and BOA to the LGF mechanism has been realized through the unions.

Cooperatives buy grain from members and non-members and sell to private wholesalers, consumers and unions at competitive prices. Members prefer to sell to cooperatives and cooperatives prefer to sell to unions because of the trust, in terms of price and weights, and confidence in the institutions. Primary cooperatives and unions provide fallback options for members when grain prices are low in the open market.

Providing tractor rental services, agro-chemical supplies, storage services and transport services to farmer members through cooperatives has broad implications for food security. Tractor services enhance productivity. Insecticides and herbicides reduce crop losses and save farmers' time, which can then be used for other non-farm income generating activities. Both members and non-members of cooperatives benefit from SACCOs. These grassroots institutions provide dependable rural financial services which formal banks cannot.

2. Importance of Cooperatives in the Business Sector and to the National Economy

In the business sector in Ethiopia, cooperatives represent a significant potential market force. For example, the demand for fertilizer through Lumme-Adama Farmers' Cooperative Union alone is over 8,000 tons, with a value of over Birr 16 million. This supply covers only about 30 percent of the farming population in the three member woredas. This is a guaranteed market, and supplying credit through the union stimulates increased usage. In the future, when unions start direct importation of inputs, the economic impact will be even greater. The fact that the regional government has trusted cooperatives to channel large loans under its guarantorship bodes well for the future role of cooperatives in the business sector and the national economy.

Unions, as the major supplier of inputs to member cooperatives, are providing a valuable service to the national economy. Fertilizer dealers, as importers and wholesalers, can deal with one organized business organization instead of retailing to small-scale individual farmers. Similarly, it is cost effective and reliable for banks to deal directly with organized business entities like the unions in enhancing agricultural production, which in turn has direct implications for food security and for agricultural competitiveness and profitability. Individual farmers, with fragmented organization and poor infrastructure, have the best chance for competitiveness in the free market though business entities like the union, a dependable community business organization.

Regional governments offer a credit guarantee for inputs to ensure food security in the country. Cooperatives are regarded as private business organizations, and no subsidy is provided to them. Some farmer members of cooperatives pay up to 50-60 percent down payment for inputs. This is evidence that the farming community is gaining financial strength.

In terms of commodities, coffee is Ethiopia's principal foreign exchange earner, and cooperatives command the bulk of the supply. Hence, cooperatives have a significant role in the national economy in terms of foreign exchange earnings. In addition, the market contacts

created through ACDI/VOCA for dairy, sugar cane and sesame unions have shown tangible results. Taken together, these commodities make a significant contribution to the economy.

The proliferation of SACCOs will enhance savings mobilization and create a fertile ground for promoting strong cooperative banks. This is an important contribution to the building of a sustainable rural financial market in the county.

The potential of cooperatives for rural livelihoods is enormous. It is a counter measure to rural-urban migration, in a setting where farmers have little alternative employment opportunities in urban areas. Today co-ops and unions are the single most important livelihood creating institutions in rural Ethiopia. Close to 7,000 people are estimated to be employed by the existing re-structured primary co-ops and unions.

C. Major Issues

Major issues have been discussed throughout the report and are summarized below:

1. **Marketing strategies.** Improved marketing strategies are needed to maximize farmer dividends. The union extends short-term credit to primary cooperatives for the purpose of grain purchase, but there is no binding agreement that cooperatives supply their production to the union. Member cooperatives supply to the union only upon request. The union in general seems satisfied as long as the loan is repaid on time. As explained earlier, the main reason for such a situation is that the union could not obtain a sufficient market, nor make available sufficient storage capacity to enhance its temporal and spatial price advantages. The implication of the present practice is that the union is forgoing the profit margin that would have been obtained and, as a result, member cooperatives forgo income that would have accrued to them in the form of dividends. Wholesalers or direct consumers are instead taking advantage of the situation. This issue is directly related to the lack of a viable marketing strategy.

2. **Training**. The field assessment revealed that both cooperative officers and members desire more and longer training sessions. Half-day or one-day awareness creation training sessions are not deemed adequate for farmer members, the majority of whom are illiterate. At the primary cooperative level, ACDI/VOCA's training is focused on elected board members (executive members), managers and accountants. Cooperative promoters and union managers, especially diploma holders, are not satisfied with short-term training alone. Providing opportunities for continuing education and training can lead to retention of needed employees who have indispensable hands-on experience in cooperative development.

2. **Auditing systems.** Auditing systems have improved, but further improvement is needed. The capacity of all auditors is reportedly not up to the desired standard.

3. **Management capacity in primary co-ops.** Management capacity in primary cooperatives is weak. With the assistance of the CPBs and ACDI/VOCA, both the primary cooperatives and unions have drawn up comprehensive bylaws. These bylaws are strictly followed at the union level, but more loosely respected at the primary cooperative level. The reason is that at the union level there are hired mangers, accountants and other supporting staff. For example, at Lumme-Adama Farmers' Cooperative Union the standing committee members drawn from the board meet once a week and work closely with and supervise the manager. Because of this interaction, the bylaws are rigorously followed and division of labor and accountability are clear.

   At the primary cooperative level, however, members manage the cooperative business, and the executive committee meets only once a month. Only the accountant and, to some degree, the treasurer work on a regular basis. In sum, compared to unions, the primary cooperatives have a weaker management capacity.

4. **Primary cooperative planning and reporting**. The planning and reporting system at the primary cooperative level is not up to the desired standard. The annual business plan and strategic plans at the primary co-op level need to be better articulated. Even at the union level, the strategic plan could be strengthened.

5. **Young cooperative members.** Young men and women joining the cooperative report having limited resources to cope with other senior members of the cooperative and to derive the maximum benefit from their membership. Kolba, for example, is encouraging landless men and women to join the co-op. They lease small areas of farmland and their production is mostly only suitable for home consumption. Their benefit from the co-op through a patronage dividend will be limited. Perhaps some mechanism could be found for the older more established members with sufficient landholdings to support these younger members.

6. **Women's participation.** Participation of women in cooperatives is limited and special awareness creation programs or training modules have not been designed for women.

7. **HIV/AIDS.** HIV/AIDS prevention campaigns and integrated natural resource management awareness programs through cooperatives are just beginning. They have not been given sufficient attention in the past.

8. **Diversification.** Limited diversification, few value-added products, and limited market opportunities for agricultural producers seem to be characteristics of cooperatives, both primaries and unions.

9. **Mechanization.** Farm mechanization is limited to the increased use of tractors.

10. **Warehouse storage.** The structure of the union's warehouse does not seem to be adequate. The architectural design is not cost- and space- conscious.

D. Recommendations for Further Action

Based on the issues articulated above, recommendation for further action and assistance include the following:

1. **ACDI/VOCA should intensify its support toward the development of a viable marketing strategy** and establish local and export market connections for grain and pulses, as it has done for the coffee, dairy, sugar cane, and vegetable production sectors. The market information system as it has been envisaged in the ACE project amendment document should receive immediate attention.

2. **ACDI/VOCA should intensify its training programs and technical support to primary cooperatives and farmer members.** If possible, adult education (including literacy and numeracy) should be incorporated in training for farmer members. The amended strategy for redirecting and refocusing training and technical support on primary cooperatives and unions is welcome and should be given full attention. In particular, the new approach articulated in the plans for ACE (using a Core Team, Cooperative Business Agents and Farmer Outreach Agents) should be implemented without delay.

   In addition, advanced diploma and/or degree programs should be arranged either through correspondence or at specialized institutions in or outside the county for capable cooperative promoters and union managers. Special training should also be given to auditors and the audit system streamlined to stimulate the needed improvements.

3. **All primary cooperatives should hire a manager and an accountant** to enhance their management capacity and to improve planning and reporting systems. Members can manage their business operations as they have been doing to date, but professional management is required with a greater number and range of activities. Unions also need to develop their capacity to prepare strategic plans.

4. **ACDI/VOCA should design special training modules for women** and introduce mechanisms to enhance women's participation and leadership. Young men and women joining cooperatives should also be supported by older members in ways that could maximize their patronage dividends.

5. **ACDI/VOCA should support diversification of union activities, as well as agro-processing**. For example, Lumme-Adama Farmers' Cooperative Union has great potential for cattle fattening, poultry production and value-added processing of wheat.

6. **ACDI/VOCA should assist unions in introducing cost-effective farm mechanization** including, but not limited to, harvesters, threshers and winnowers.

7. **ACDI/VOCA should introduce appropriate warehouse designs**, and

8. **HIV/AIDS prevention campaigns and integrated natural resource management training** should be integrated into the programs of unions and primary cooperatives.

PART IV: FINANCIAL ANALYSIS

A. General Comments

In previous years, normal practice has been for both the union and the primary cooperative to close their accounts and prepare a trial balance on the basis of which auditors prepare the financial statements (income statement and balance sheet). The union is, however, now in the process of developing its own capacity to prepare the completed financial statements beginning next year.

Based on observation and confirmation by the auditors, the books of accounts are simple and a complete set of bookkeeping and accounting documents are in use and are well maintained. With the support of ACDI/VOCA, the union has commenced operations in an organized manner and the accounting practices are almost flawless. The primary cooperative has also shown a substantial improvement over the last five years. In both societies, experienced and qualified accountants are employed and accounts are kept up-to-date and in an orderly manner. The impressive result of ACDI/VOCA's support in this area is that both the union and the primary cooperative have been audited on time. In the past, four to five years of audit backlogs were not uncommon.

However, the major concern is the capacity of the auditors. They are neither meticulous nor consistent in their reporting, and this poses difficulties in the financial analysis. The audit reports tend to lump figures without identifying sources. It is difficult to identify old and new loans, short- and long-term loans, etc. In some cases dividend payables are recorded as expenses. In other cases, the same amount of dividend payable is shown for three consecutive years, implying that either there was no incremental dividend or no payments were made to members, while the reality is completely different. In general, the auditing system needs strengthening.

The financial analysis below covers five years (1998-2002), including CUP (1998-1999) and ACE (2000-2003) assistance. The approach to generating the required data for the ratio analysis was according to the guideline given as follows:

- First, from the audit reports, adjusted balance sheet and income statements (financial statements, hereinafter) were generated following generally accepted accounting principles and formats, without changing the end result. The adjustment exercise involved translation of the local vernacular into English and aggregation and/or disaggregation of the various accounting entries.

In the case of the primary cooperative, old input loans[12] obtained from the AIDB (now DBE) during the Derg regime have been excluded from both assets and liabilities, as well as from the income and expenses (in terms of accrued interest income and expenses). This decision was made in order to avoid distortions in the financial analysis and to provide a common basis for comparison with similar cooperatives elsewhere.

- Second, the adjusted financial statements were re-organized and tailored to fit into the ACDI/VOCA financial format designed for the study (summarized operating statement and balance sheet).

- Third, the local currency was converted into a dollar equivalent based on the official exchange rates prevailing for the respective years (average rates for the year).

- Fourth, the financial ratios were calculated based on the formula given for the case study.

- Finally, the ratios derived from the given formula were compared with the target values provided for the purpose of the study. The results and implications were then interpreted and discussed, taking into account the nature of cooperatives' business activities in particular and the level of cooperative development in general. It would have been more appropriate to compare the results with norms or target values/best practices based on Ethiopian conditions.

It is probable that some of the ratios and targets are not applicable to this situation in view of the level of cooperative development and the nature of their business activities and financing mechanisms. Therefore, only relevant ratios should be considered for the purpose of comparison with the performance of other cooperatives elsewhere. For example, day's sales in receivables, day's sales in payables and day's sales in inventory are only remotely applicable because neither the union nor the primary cooperative deals with typical merchandise. The major activities are input distribution and grain marketing which are seasonal and the transactions takes place within a fixed timeframe.

The financial sustainability of the case study cooperatives has been determined based on their liquidity, solvency and profitability. The different ratios under each sub-heading are strictly

[12] Such loans have been written - off from the bank's account but no action has been taken at the cooperative level. The regional governments are expected to make efforts to recover the loans. Obviously, pressing the cooperatives to pay old loans after a decade or so would have negative consequences. Some of the old members have died and others have left. And legally it is a different cooperative that has taken the loan. It is unfortunate that the auditors simply treat them like other loans and this practice affects bankability of primary cooperatives.

followed as required in the financial ratio analysis. The profitability analysis at the enterprise level was attempted for the last two years (2001& 2002) for which the breakdown figures are available.

It should be noted that some of the data collected directly from the cooperatives during the field assessment do not agree with the financial data in the audit reports. The difference lies in the timing and sometimes in the classification of information. Audited reports show the balance of accounts when they were closed for the fiscal year. For example, dividend payables in the audit reports simply show 70 percent of the total net income, whereas the information available in the records of the cooperatives are the actual figures based on the decisions of the general assembly. Similarly, liabilities shown in the audit reports have already been settled and the actual information available is completely different. In spite of these anomalies, attempts were made to reflect the actual situation by making certain adjustments where necessary and appropriate without tampering with the end result of the audit reports.

The analysis begins with the primary cooperative and is followed by the union.

B. Kolba Farmers' Multi-Purpose Primary Cooperative

Results of the liquidity, solvency and profitability ratios for the period of five years (1998-2003), along with the average values and standard deviation are presented in Table 17. It should be noted at the outset that this cooperative has fully repaid old term loans and the short-term loan (input loans) in arrears, amounting to approximately Birr 575,000, has been excluded from the financial statements for the reasons explained earlier.

1. Liquidity Ratios

1.1 Working Capital to Sales Ratio: Compared to the target, the working capital to sales ratios are significantly high. This shows that the cooperative has had sufficient working capital in relation to its sales or operating income.

1.2 Debt Service Coverage Ratio: On the other hand, the debt service coverage ratios are significantly lower than the target. This shows that the margins before depreciation and interest expense were very small in proportion to the substantial amount of principal debts (which were mainly short-term input loans) and associated interest expense. This implies that the cooperative is not profit-motivated in its major input distribution service.

1.3 Current Ratios: The current ratios show mixed results. They were lower than the target value during 1998 and 2002, slightly higher during 1999 and 2000, and in a break-even position during 2001. On average, the ratios represent a borderline case. However, by Ethiopian standard, as shown in the balance sheet, the current assets are reasonably higher than the current liabilities signifying availability of sufficient working capital. The cooperative has also confirmed that working capital is not a serious constraint given the credit services from the union and direct inventory credit from CBE.

1.4 Interest Cover Ratio: During 1998, 1999 and 2002 the results were better than the target. During 2000 it was a borderline case. It was nonetheless significantly lower during 2001 when the operating income was low and interest expense was higher than the rest of the period.

1.5 Day's Sales in Receivables: The result shows that the cooperative needed on average 180 days or 6 months to recover its receivables. In reality, the cooperative collects its receivables (input loans) within 6-12 months and personal loans (in kind) in 5-6 months. Although there is no target to compare with, the result appears to reflect (by coincidence) more or less the actual practice.

2. Solvency Ratios

2.1 Term Debt to Total Fixed Assets: The cooperative had no term debts and according to the book value its fixed assets are fully salvaged, so this ratio is not meaningful. The situation has not changed even today. The implications are: a) formal financial institutions are not willing to provide term loans to primary co-ops; b) the fixed assets are totally dilapidated and need replacement or they are undervalued. The latter situation seems to be true, based on observation.

2.2 Local Leverage Ratio: Similarly, this ratio is not meaningful for the explanation given above. The cooperative has sufficient equity capital compared to the equity it has in the union (associated organization).

2.3 Ownership Percentage: The ownership percentage ratio was on average noticeably below the target, although the results for 1999, 2000 and 2001 were very close to the target. This shows that the equity capital in relation to total assets is low. This is acceptable because of the high value of input loans (current assets) shown as receivables.

2.4 Total Debt to EBITDA: The results are significantly higher than the target, except in 1999. This shows that the cooperative's debt obligations in proportion to its earnings before interest and depreciation are much higher. This is acceptable because of the sizable amount of short-term loans (input and grain marketing loans). It must also be noted that cooperatives are exempted from income tax.

2.5 EBITDA to Interest: On average, the results are greater than the target, showing that total earnings satisfactorily cover interest expense which is the major expense item in the face of little or no depreciation expense and income tax. The result of 2001 is lower than the target because of conspicuously high interest expense and low operating margin.

2.6 Day's Sales in Payables: The result shows on average 136 days with high coefficient of variation. In reality, the cooperative repays its input loans and grain marketing loans within 6-12 months.

3. Profitability Ratios

3.1 Return on Sales: The results are favorable compared to the target value. In fact, in view of the huge amount of input and grain sales with low level of profit motivation, the return per unit of sales have been unexpectedly very high.

3.2 Return on Assets: The result on average reflects a borderline case compared to the target. Clearly, the current asset (input loans) is the major factor that affects the ratio. For example, during 1999 the result by far exceeded the target when the value of the current asset was relatively lower than the rest of the period. As explained earlier, the operating margin expected from input distribution is not high.

3.3 Productivity Ratio: The results are within the target value. This shows that cost of goods sold is a major cost while the operating expenses are minor. This is the true picture of most primary cooperatives in Ethiopia.

3.4 Labor to Gross Income Ratio: Expenses incurred for labor (salaries and wages, travel and per diem expenses) in comparison to the gross operating income or sales are generally insignificant. Thus, the results are very low compared to the target. This result is compatible with the reality.

3.5 Day's Sales in Inventory: Inventory or goods in stock is not a problem with this cooperative. The relatively high amount observed in 2001 was partly due to the quantity not distributed to members and partly due to extremely low prices. The

position during 2002 does not reflect the true situation because auditing was conducted before the grain was distributed to members.

In conclusion, compared to the given targets, the cooperative has generally performed well, in terms of profitability, while its liquidity and solvency positions show mixed results. By Ethiopian standards, the cooperative has generally been financially self-sustainable over the period considered for the study.

Table 17: Kolba Farmers' Multi-Purpose Primary Cooperative Financial Ratio Analysis Over a Five Year Period
(Based on NCBA, CHF, ACDI/VOCA, NTCA, AAC/MIS)

Ratio	Target	Year					Average	Standard Deviation
		1998	1999	2000	2001	2002		
Liquidity								
Working Capital to sales	>8%	22.9%	31.7%	25.3%	32.3%	29.3%	28.3%	3.6%
Debt Service Coverage	>2.0	0.2	0.1	0.1	0.1	0.1	0.1	0.0
Current Ratio	>1.8	1.4	1.9	1.9	1.8	1.5	1.7	0.2
Interest Cover Ratio	>3.0	4.3	8.8	2.9	2.0	3.5	4.3	2.4
Days' Sales in Receivables	N/A	194	165	145	197	197	179	21
Solvency								
Term Debt to Total Fixed Assets	<50%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Local Leverage Ratio	<50%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ownership Percentage	>50%	31.1%	47.8%	47.8%	44.8%	33.3%	41.0%	7.3%
Total Debt to EBITDA	<3	7.7	3.8	5.2	5.9	7.3	6.0	1.4
EBITDA/Interest	>5	7.6	14.9	6.8	4.3	7.4	8.2	3.5
Days' Sales in Payables	N/A	180	106	84	125	180	135	39
Write-offs as % Revenue	<5%	NA	NA	NA	NA	NA	NA	NA
Profitability								
Return on Sales	>2.5%	5.3%	7.8%	4.3%	5.2%	7.0%	5.9%	1.3%
Return on Sales Assets	>8%	6.9%	11.6%	8.1%	7.2%	7.9%	8.3%	1.7%
Productivity Ratio	<10%	4.2%	4.6%	3.9%	5.4%	5.2%	4.6%	0.6%
Labor to Gross Income Ratio	<30%-40%	1.5%	1.9%	1.6%	2.3%	2.2%	1.9%	0.3%
Days' Sales in Inventory	N/A	1	1	4	23	100	26	38

Source: Study Findings

4. Profitability Analysis by Enterprise Level

Fertilizer distribution and grain marketing are the two major activities carried out by the cooperative, as shown in the financial annex. Both activities were profitable during 2001 and 2002. In 2001, grain marketing and fertilizer respectively accounted for 62 percent and 13 percent of the total net income. Other incomes account for a significant proportion of the net income (25 percent). In 2002, fertilizer and grain marketing activities accounted for 33 percent and 50 percent, respectively. Similarly, other income accounted for a significant proportion of the net income (17 percent). See the income statement for details.

It is indeed unique that the major source of income is grain marketing. For this primary reason members have benefited considerably through the dividend payment. This cooperative has even managed to pay dividends during bad years including 2001. In contrast, in most other cooperatives inputs distribution constitutes the major source of income.

The primary cooperatives in general, as has been witnessed from Kolba, deal with a few activities and the level of diversification is limited.

C. Lumme-Adama Farmers' Cooperative Union

Lumme-Adama Farmers' Cooperative Union began its operation in 1998 with a clean sheet (without old loans from the Derg regime). In the following analysis, its liquidity, solvency and profitability over the project period (1998-2002) shown in Table 18 will be analyzed in a similar manner as that of KFMPC.

1. Liquidity Ratios

1.1 Working Capital to Sales Ratio: The results over the reported period are by far lower than the target. This clearly shows that the working capital in relation to total sales or operating income has been small. Relatively, the situation was severe during the first three years (1998 – 2001) due to the low level of current assets as compared to current liabilities and the proportionately high operating income derived from input sales, the major activity of the union.

1.2. Debt Service Coverage: Compared to the targets, the results for all years are high. The margins before depreciation in relation to principal and interest payment are generally favorable. The positions during 1998, 1999 and 2002 were above target, while those in 2000 and 2001 were lower due to the relatively high interest expense. Clearly, there was a large amount of loan in 2001, but it is difficult to explain the situation in 2000 because the interest expense is significantly high in proportion to the total loans. It is probably due to short-term loans settled during the year and not shown in the audit report.

1.3 Current Ratio: the results are consistently lower than the target value showing that the union has been short of liquidity or working capital. Year 1999 in particular shows lower value than the normally accepted threshold of 1.0.

1.4 Interest Cover Ratio: The results for 1998, 1999 and 2002 were high compared to the target, showing that the operating margins have been sufficient to cover all its operating expenses including the interest expense. The relative decline observed during 2000 and 2001 are attributable to high interest expenses as explained earlier.

1.6 Day's Sales in Receivables: The short-term credit which the union extends to member cooperatives for the purchase of grain are repayable within 6-12 months and the result (13 days on average) is entirely unrealistic. So this ratio may not be applicable to this situation.

2. Solvency Ratio

2.1 Term Debt to Total Fixed Assets: The union had no medium- or long-term debts in 1998 and 2002 so the ratios are not meaningful. The results for the remaining years are within the given range. The trend shows that fixed assets are steadily growing while term debts remain proportionately very low. Perhaps this shows that the union is building its fixed assets (stores, tractors, etc) from its own sources.

2.2 Local Leverage Ratio: The values for 1998 and 2002 are apparently not meaningful for the reasons given above. The result for year 1999 is higher than the target value because the amount of medium-term loans secured for the purchase of tractors was high in relation to members' equity. The values for year 2000 and 2001 are within the given range. By Ethiopian standard, such a relationship between term loan and members equity is reasonably good; in fact, the ratio would have been very low if the term loan were compared with the total equity capital.

2.3 Ownership Percentage: The results are lower than the target showing that the total equity covers less than 50 percent of the existing assets. This is mainly because of the sizable amount of short-term loans for grain purchase and partly due to inputs extended to member cooperatives and shown as receivables. The ratio for 2000 is closer to the target value because the incremental equity exceeded the incremental assets.

2.4 Total Debt to EBITDA: The results of 1998 and 2000 are within the target range, while 1999 and 2001 show slightly higher values because of loans secured for tractor purchase in case of the former and for grain purchase in case of the latter. Year 2002 shows an abnormally high result because in that particular year the audit was

performed before the Union paid the collected down payments to the CBE. So the recorded debt shows only the routine double-entry accounting operation. The short-term debts comprising input loans and grain marketing loans are not a major concern because their recovery through the existing system is almost 100%.

2.5 EBITDA Interest Ratio: During 2000 and 2001 the ratios were lower than the target due to the high interest expenses as explained earlier; results of the remaining years were by far greater than the target. On average the result is markedly higher than the target value.

2.6 Day's Sales in Payables: As explained earlier, the union, like the primary cooperative, is mainly dealing with input distribution and grain marketing and the duration of loans is fixed: 3 months for input loans and 6-12 months for grain marketing loans. Therefore, the results —36 days on average (8-116 days) —are far from the reality.

3. Profitability Ratio

3.1 Return on Sales: The results have been lower than target throughout the period. This implies that the margins from the operating income were low. By and large, this is true because the union is not intended to make much profit from business transactions with members. For example, the tractor rental service is almost at cost and sometimes below cost. Storage services are free. The only opportunity for the union to make a good profit is on grain marketing when prices are favorable.

3.2 Return on Assets: On average, the results are significantly higher than the target. During the first three years the recorded assets were relatively low in relation to sales or operating income so the ratios are high. In 2001 the sales and assets have proportionately grown and the result more or less agrees with the target. But the assets recorded during 2002 were artificially high for the reasons explained earlier, and the operating margin was also proportionately low.

3.3 Productivity Ratio: All the results over the reported period are favorable compared to the target. This shows that direct costs have significant weight in the operation of the union.

3.4 Labor to Gross Income Ratio: The results are very low compared to the target. Similar to that of the primary cooperative, expenses incurred for labor (salaries, wages, travel and per diem expenses) in comparison to the gross operating income or sales are very small.

3.5 Day's Sales in Inventory: The low number of days more or less reflects the reality. The union has not been maintaining inventory, except in 2001 when it was forced to keep some grain due to low prices.

Conclusion: The financial performance of the union gauged in terms of liquidity, solvency and profitability shows mixed results compared to the target values set for the purpose of the study. Obviously, it has a working capital constraint and it also needs term loans to build up its fixed assets. The modest return on sales is in conformity with its objectives of providing services to its members. As a whole, the union has been showing a steadily growing net income throughout the period. In view of this, it can be safely concluded that the union has been financially sustainable during the reporting period.

Table 18: Lumme-Adama Farmers' Cooperative Union

Financial Ratio Analysis Over a Five Year Period

(Based on NCBA, CHF, ACDI/VOCA, NTCA, AAC/MIS)

Ratio	Target	Year					Average	Standard Deviation
		1998	1999	2000	2001	2002		
Liquidity								
Working Capital to sales	>8%	0.1%	-0.6%	-0.1%	0.1%	2.0%	0.3%	0.9%
Debt Service Coverage	>2.0	13.5	11.1	4.3	3.9	13.6	9.3	4.3
Current Ratio	>1.8	1.0	0.9	1.0	1.0	1.1	1.0	0.0
Interest Cover Ratio	>3.0	9.4	7.8	2.6	2.0	8.2	6.0	3.1
Day's Sales in Receivables	N/A	0	5	9	11	38	13	13
Solvency								
Term Debt to Total Fixed Assets	<50%	0.0%	27.4%	11.5%	11.2%	0.0%	10.0%	10.1%
Local Leverage Ratio	<50%	0.0%	65.3%	21.6%	28.8%	0.0%	23.1%	24.0%
Ownership Percentage	>50%	38.6%	37.7%	49.3%	34.1%	18.6%	35.7%	9.9%
Total Debt to EBITDA	<3	2.4	3.5	1.4	3.9	13.0	4.8	4.2
EBITDA/Interest	>5	13.5	11.1	4.3	3.9	13.6	9.3	4.3
Day's Sales in Payables	N/A	16	22	8	26	118	38	40
Write-offs as % Revenue	<5%	NA	NA	NA	NA	NA	NA	NA
Profitability								
Return on Sales	>2.5%	1.6%	1.9%	1.8%	1.2%	1.6%	1.6%	0.2%
Return on Sales Assets	>8%	21.6%	12.2%	20.9%	8.7%	3.8%	13.4%	6.9%
Productivity Ratio	<10%	1.6%	4.0%	4.0%	3.7%	4.5%	3.6%	1.0%
Labor to Gross Income Ratio	<30%-40%	0.2%	0.6%	0.5%	0.5%	0.7%	0.5%	0.2%
Day's Sales in Inventory	N/A	0	1	0	5	1	1	2

4. Profitability Analysis By Enterprise

The profitability analysis was done for only two years (2001 and 2002) for which the cost breakdowns are available.

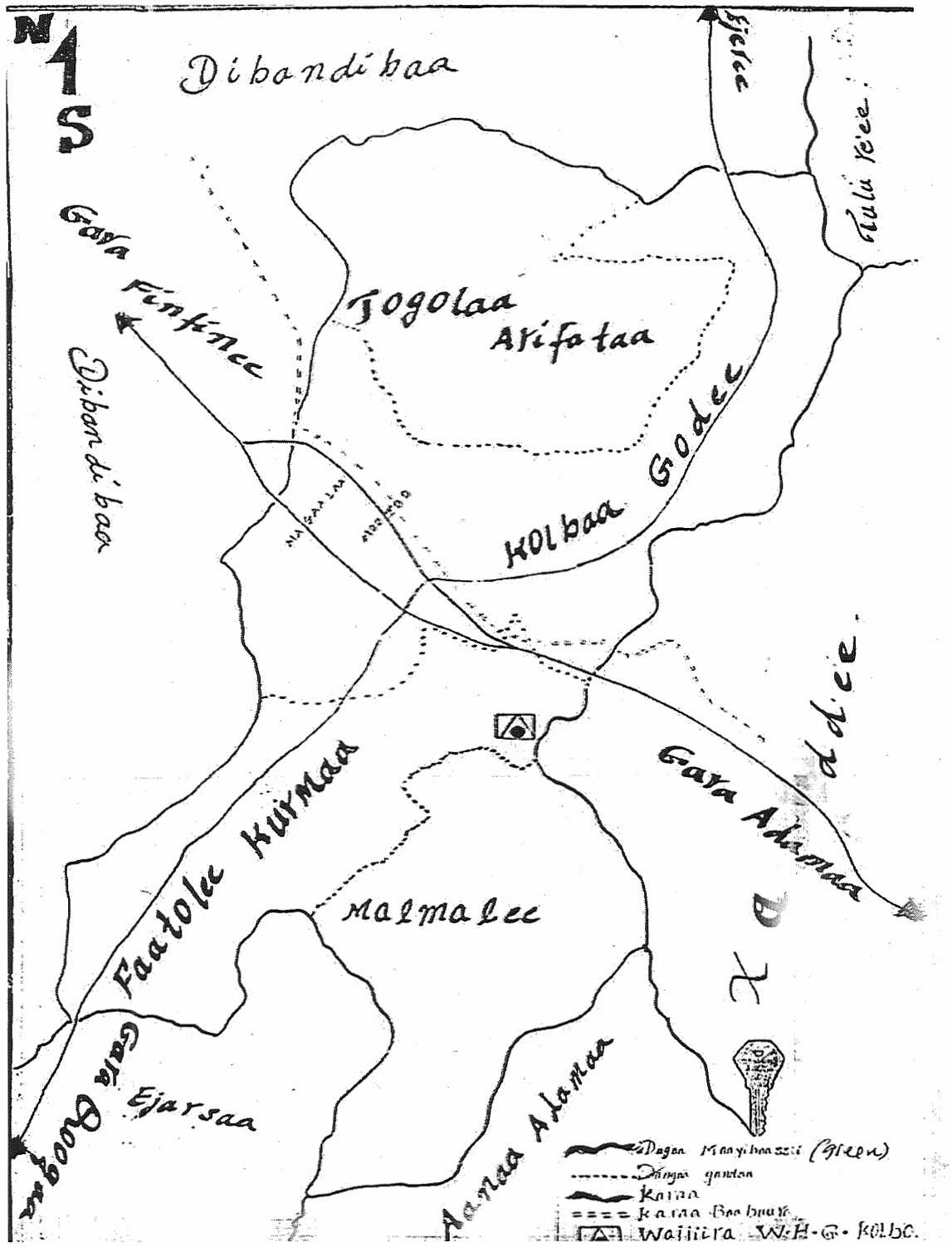
The union is mainly involved in input supply (fertilizer, improved seeds and agro-chemicals) and grain marketing. It also provides tractor rental services, secretarial and storage services (other services). However, its major activity is fertilizer supply, which contributes over 90 percent of its total net income. The contribution of grain marketing is low.

In 2001, as shown in the financial analysis section of the annex, all activities generated profit with fertilizer accounting for 86 percent of the total net income, grain sales 6 percent, improved seeds 6 percent, grain marketing 4 percent, agro-chemicals 4 percent and other services 1 percent. Tractor rental service was in a break-even position. In 2002, fertilizer accounted for the lion's share (91 percent) of the net income, followed by agro-chemicals (5 percent), grain marketing (2 percent) and other services (2 percent). Tractor rental service incurred a loss.

The union has been and still is engaged in limited diversified activities, with a heavy emphasis on one commodity (fertilizer) alone. The union itself is not actively involved in grain marketing; it is rather playing a facilitative role in terms of providing market information and credit services (for the purchase of grain) and establishing market contacts for member cooperatives.

ANNEXES

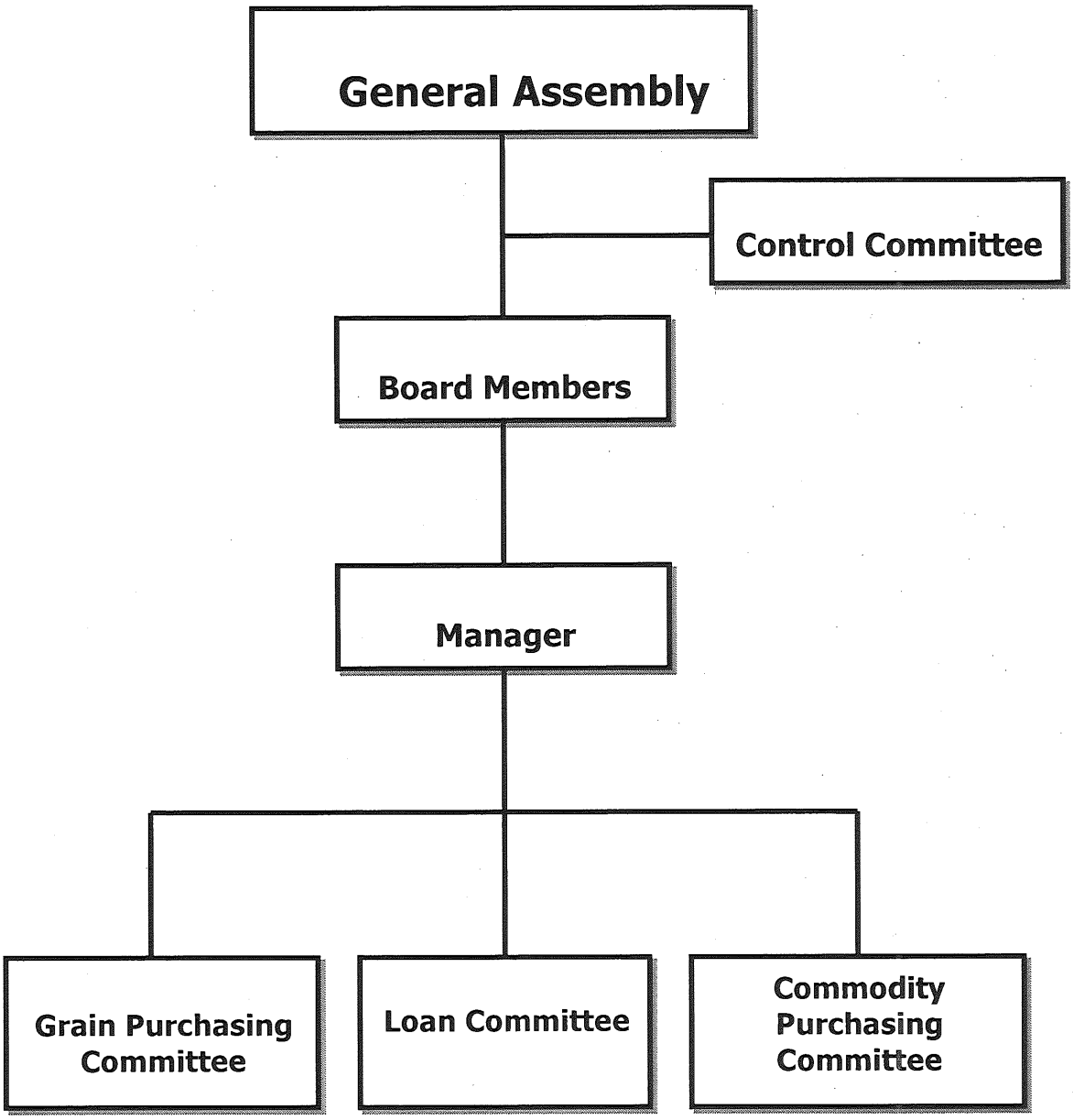
Annex I
Map of Kolba



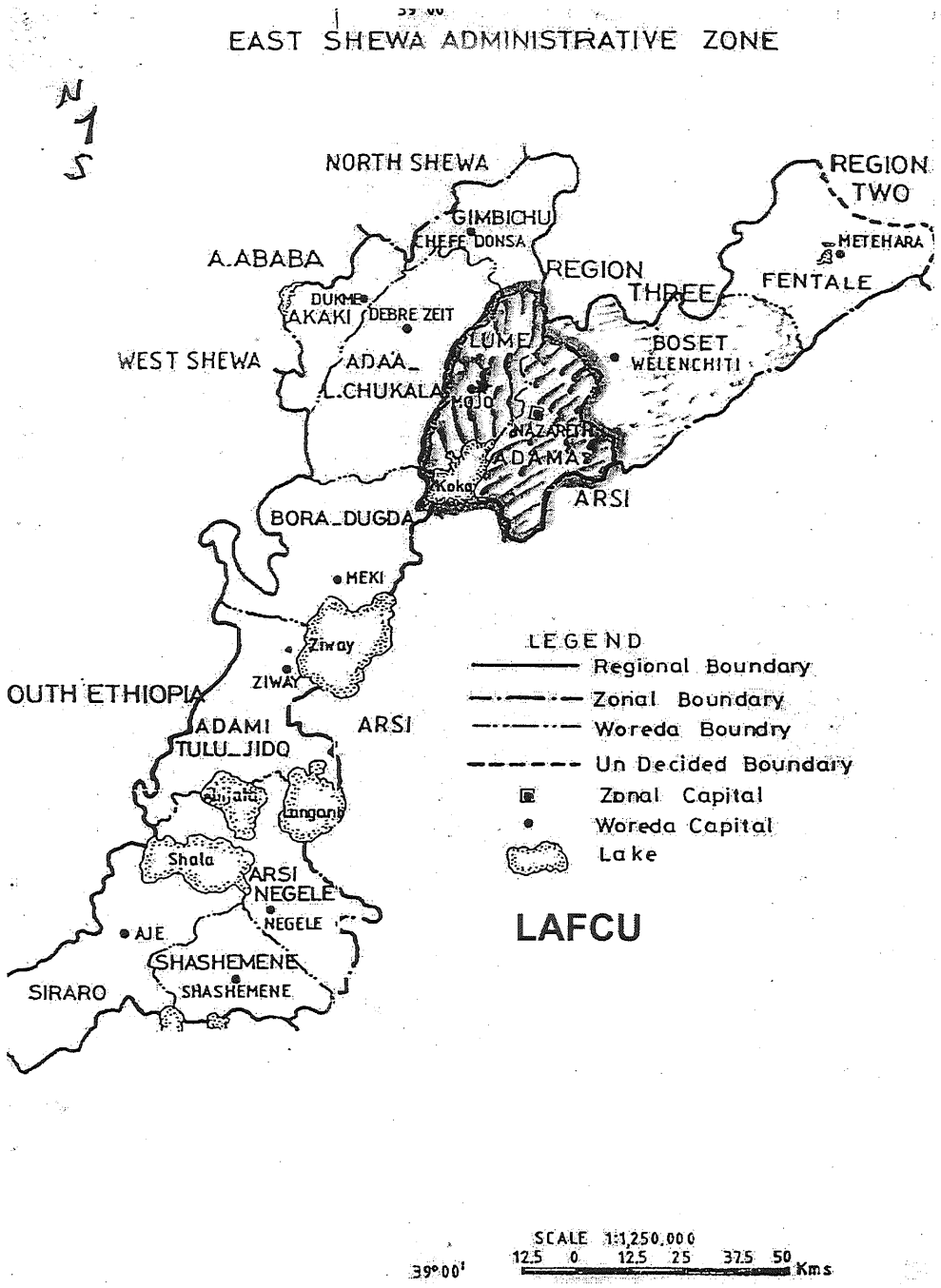
Annex II

Organizational Chart of

Kolba Farmers' Multi-Purpose Primary Cooperative



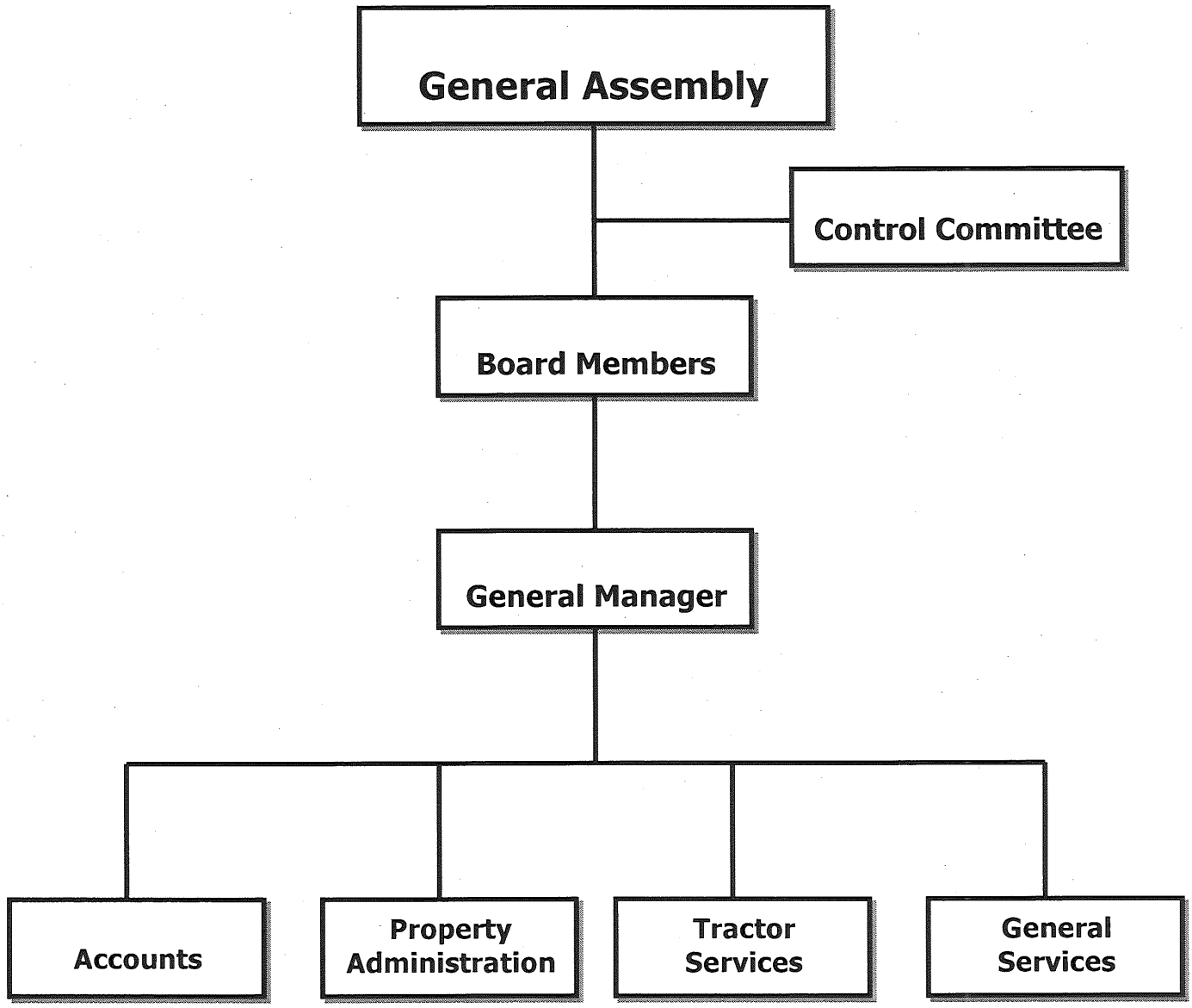
Annex III
Map of Lumme-Adama



Annex IV

Organizational Chart of

Lumme – Adama Farmers' Cooperative Union



Annex V

List of Shareholders of Lumme –Adama Union

	Name of Cooperative	Woreda	No of share	Amount (Birr)	Members as of Mid-2003	Remarks
1	Dibandiba	Lumme	14	70,000	1596	Founding member
2	Kolba	"	13	65,000	915	"
3	Dkebora	"	12	60,000	779	"
4	Ejerie	"	12	60,000	868	"
5	Tedena Bola	"	7	35,000	1564	
6	Tulurae	"	8	40,000	447	
7	Horogumbu	"	3	15,000	686	
8	Teliete	"	4	20,000	590	
9	Keltu Ourja	"	1	5,000	412	Last coop to join the union
10	Mukeye Kechema	Adama	7	35,000	1173	
11	Arogaye Adama	"	4	20,000	583	
12	Geldeya	"	1	5000	1000	
13	Osona Ono	"	1	5000	245	
14	Boku Mechael	"	1	5000	568	
15	Cheka Deworo	"	1	5000	485	
16	Kechema	"	2	10,000	465	
17	Buta	Boset	1	5000	889	
18	Bofa	"	1	5000	1589	
19	Beressa	"	1	5000	581	
20	Amecha	"	2	10,000	952	
21	Bekektu	"	1	5000	313	
	Total		97	485,000	16,700	

Annex VI

Financial Statements

(See Attached Excel Spreadsheets)

Lumme-Adama Farmers Cooperative Union

Financial Ratio Analysis Over a Five Year Period

(Based on NCBA, CHF, ACDI/VOCA, NTCA, AAC/MIS)

Ratio	Target	Year					Average	Standard Deviation
		1998	1999	2000	2001	2002		
Liquidity								
Working Capital to sales	>8%	0.1%	-0.6%	-0.1%	0.1%	2.0%	0.3%	0.9%
Debt Service Coverage	>2.0	13.5	11.1	4.3	3.9	13.6	9.3	4.3
Current Ratio	>1.8	1.0	0.9	1.0	1.0	1.1	1.0	0.0
Interest Cover Ratio	>3.0	9.4	7.8	2.6	2.0	8.2	6.0	3.1
Days' Sales in Receivables	N/A	0	5	9	11	38	13	13
Solvency								
Term Debt to Total Fixed Assets	<50%	0.0%	27.4%	11.5%	11.2%	0.0%	10.0%	10.1%
Local Leverage Ratio	<50%	0.0%	65.3%	21.6%	28.8%	0.0%	23.1%	24.0%
Ownership Percentage	>50%	38.6%	37.7%	49.3%	34.1%	18.6%	35.7%	9.9%
Total Debt to EBITDA	<3	2.4	3.5	1.4	3.9	13.0	4.8	4.2
EBITDA/Interest	>5	13.5	11.1	4.3	3.9	13.6	9.3	4.3
Days' Sales in Payables	N/A	16	22	8	26	118	38	40
Write-offs as % Revenue	<5%	NA	NA	NA	NA	NA	NA	NA
Profitability								
Return on Sales	>2.5%	1.6%	1.9%	1.8%	1.2%	1.6%	1.6%	0.2%
Return on Sales Assets	>8%	21.6%	12.2%	20.9%	8.7%	3.8%	13.4%	6.9%
Productivity Ratio	<10%	1.6%	4.0%	4.0%	3.7%	4.5%	3.6%	1.0%
Labour to Gross Income Ratio	<30%-40%	0.2%	0.6%	0.5%	0.5%	0.7%	0.5%	0.2%
Days' Sales in Inventory	N/A	0	1	0	5	1	1	2

This sheet to be filled out in local currency
Operating Statement for Cooperative: Lumme Adama Farmers Cooperative Union
For the Period October 1 through September 30
(In Ethiopian Birr)

Line	Item	Year 1998	Year 1999	Year 2000	Year 2001	Year 2002
	Operating Income					
	Exchange Rate Local Currency per US$ as of 12/31	7.5405	8.1747	8.3556	8.6135	8.6237
1	Income from Sales of Goods	6,919,497	5,698,465	11,514,576	18,006,282	14,806,981
2	Income from Sales of Services	17,669	89,495	173,292	252,663	162,811
3	Income from Rents of Assets	-	-	-	4,500	790
4	Income from Loans Net	-	-	-	-	-
5	Total Operating Income	**6,937,166**	**5,787,960**	**11,687,868**	**18,263,445**	**14,970,582**
	Non-Operating Income					
6	Interest Income on Short Term Investments	23,022	6,877	61,453	74,368	22,671
7	Interest Income from Long Term Investments					
8	Income from Sales of Assets-Net					
9	Patronage Income from associated Organizations					
10	Income (Loss) from Equity Investments					
11	Income from Grants					
12	Other Non-Operating Income-Net	7,470	4,335	6,779	31,418	9,071
13	Total Non-Operating Income	**30,492**	**11,212**	**68,232**	**105,785**	**31,743**
	Cost of Operations					
14	Cost of Goods Sold	6,750,097	5,459,236	11,078,402	17,477,343	14,093,034
15	Personnel Costs-Salaries plus cash cost of benefits	13,886	37,363	53,217	91,899	100,807
16	*Fixed Costs of Operations*					
17	Interest on Long Term Debt					
18	Depreciation	8,074	37,821	70,944	99,559	119,112
19	Property Taxes on Assets					
20	Insurance Costs					
21	Rents and Utilities	453	814	944	3,927	4,721
22	Other Fixed Costs	343	-	245	6,344	769
23	Total Fixed Costs of Operations	*8,871*	*38,635*	*72,133*	*109,830*	*124,602*
24	*Variable Costs of Operations*					
25	Interest on Short Term Debt (less than 12mo.)	9,299	14,706	85,964	108,310	28,037
26	Interest on Deposits					
27	Supplies and Materials	2,016	1,000	7,222	8,197	10,295
28	Taxes on Sales (if included in Income)					
29	Costs of Contracted Services	72,282	116,155	189,061	247,411	278,180
30	Commissions Paid					
31	Income Taxes Paid	-	-	-	-	
32	Other Variable Costs	2,885	21,480	61,123	110,439	132,651
33	Total Variable Costs of Operations	86,482	153,340	343,370	474,357	449,163
34	Total Cost of Operations	**6,859,336**	**5,688,575**	**11,547,122**	**18,153,428**	**14,767,605**
	Annual Margin					
35	Total Operating Margin	77,831	99,385	140,745	110,016	202,977
36	Total Non-Operating Margin	30,492	11,212	68,232	105,785	31,743
37	Total Operating and Non-Operating Margin	**108,323**	**110,598**	**208,977**	**215,802**	**234,719**
	Other Information					
38	Amounts Billed for Sales (anticipated operating income)	-	-	-	-	-
39	Amount held in reserve for bad debts-total	-	-	-	-	-
40	Amount of Receivables written off	-	-	-	-	-
41	Percentage of purchased goods lost or spoiled					
42	Principal Payments on Debt made during period	-	-	-	900,000	1,150,000

DO NOT Enter Information on this sheet

erating Statement for Cooperative: Lumme Adama Farmers Cooperative Union

r the Period October 1 through September 30

(In USD)

Line	Item	Year 1998	Year 1999	Year 2000	Year 2001	Year 2002
	Operating Income					
	Exchange Rate Local Currency per US$ as of 12/31	7.5405	8.1747	8.3556	8.6135	8.6237
1	Income from Sales of Goods	917,644	697,090	1,378,075	2,090,484	1,717,010
2	Income from Sales of Services	2,343	10,948	20,740	29,334	18,880
3	Income from Rents of Assets	-	-	-	522	92
4	Income from Loans Net	-	-	-	-	-
5	Total Operating Income	919,988	708,038	1,398,815	2,120,340	1,735,981
	Non-Operating Income					
6	Interest Income on Short Term Investments	3,053	841	7,355	8,634	2,629
7	Interest Income from Long Term Investments	-	-	-	-	-
8	Income from Sales of Assets-Net	-	-	-	-	-
9	Patronage Income from associated Organizations	-	-	-	-	-
10	Income (Loss) from Equity Investments	-	-	-	-	-
11	Income from Grants	-	-	-	-	-
12	Other Non-Operating Income-Net	991	530	811	3,648	1,052
13	Total Non-Operating Income	4,044	1,372	8,166	12,281	3,681
	Cost of Operations					
14	Cost of Goods Sold	895,179	667,825	1,325,874	2,029,076	1,634,221
15	Personnel Costs-Salaries plus cash cost of benefits	1,842	4,571	6,369	10,669	11,690
16	*Fixed Costs of Operations*					
17	Interest on Long Term Debt					
18	Depreciation	1,071	4,627	8,491	11,559	13,812
19	Property Taxes on Assets					
20	Insurance Costs					
21	Rents and Utilities	60	100	113	456	547
22	Other Fixed Costs	46	-	29	737	89
23	Total Fixed Costs of Operations	1,176	4,726	8,633	12,751	14,449
24	*Variable Costs of Operations*					
25	Interest on Short Term Debt (less than 12mo.)	1,233	1,799	10,288	12,574	3,251
26	Interest on Deposits					
27	Supplies and Materials	267	122	864	952	1,194
28	Taxes on Sales (if included in Income)					
29	Costs of Contracted Services	9,586	14,209	22,627	28,724	32,258
30	Commissions Paid					
31	Income Taxes Paid	-	-	-	-	
32	Other Variable Costs	383	2,628	7,315	12,822	15,382
33	Total Variable Costs of Operations	11,469	18,758	41,095	55,072	52,085
34	Total Cost of Operations	909,666	695,880	1,381,970	2,107,568	1,712,444
	Annual Margin					
35	Total Operating Margin	10,322	12,158	16,845	12,773	23,537
36	Total Non-Operating Margin	4,044	1,372	8,166	12,281	3,681
37	Total Operating and Non-Operating Margin	14,365	13,529	25,011	25,054	27,218
	Other Information					
38	Amounts Billed for Sales (anticipated operating income)	-	-	-	-	-
39	Amount held in reserve for bad debts-total	-	-	-	-	-
40	Amount of Receivables written off	-	-	-	-	-
41	Percentage of purchased goods lost or spoiled	-	-	-	-	-
42	Principal Payments on Long Term Debt during period	-	-	-	119,355	152,510

This Sheet to be filled out in Local Currency
(In Ethiopian Birr)

Summarized Balance Sheet for Cooperative: Lumme-Adama Farmers Cooperative Union						
Line	Item	As at September 30,				
	General Information	1998	1999	2000	2001	2002
1	Number of Members					
2	Number of Employees					
3	Exchange Rate Local Currency to US$ at 12/31	7.5405	8.1747	8.3556	8.6135	8.6237
	Current Assets					
4	Cash	311,823	292,082	127,555	601,709	3,503,473
5	Special Deposits in Other Institutions					
6	Short Term Investments					
7	Accounts Receivable (less than one year)-Net	760	79,740	293,512	534,342	1,570,325
8	Inventory valued at lesser of Cost or Market	-	14,510	2,259	248,518	44,031
9	Goods in transit	-	-	-	-	-
10	Prepayments	1,009	2,851	2,905	6,110	6,087
11	Other Current Assets	-	-	-	165,034	160,529
12	Total Current Assets	**313,592**	**389,184**	**426,231**	**1,555,714**	**5,284,445**
	Long Term Assets					
13	Total Fixed Assets in Service	195,589	566,535	689,979	1,146,517	1,171,899
14	Construction Work in Progress	-	-	-	-	-
15	Total Fixed Assets	*195,589*	*566,535*	*689,979*	*1,146,517*	*1,171,899*
16	Accumulated Provision for Depreciation	8,074	45,894	116,838	216,397	335,510
17	Net Fixed Assets	*187,515*	*520,641*	*573,140*	*930,120*	*836,389*
18	Equity in Associated Organizations	-	-	-	-	-
19	Long Term Receivables (over 1 year)-Net	-	-	-	-	-
20	Long Term Deposits	-	-	-	-	-
21	Long Term Loans	-	-	-	-	-
22	Other Assets	-	-	-	-	-
23	Total Long Term Assets	**187,515**	**520,641**	**573,140**	**930,120**	**836,389**
	Total Assets					
24	Sum of Current and Long Term Assets	**501,107**	**909,825**	**999,371**	**2,485,834**	**6,120,834**
	Current Liabilities					
25	Short Term Debt	-	-	-	-	-
26	Accounts Payable (less than 1 year maturity)	307,777	354,182	261,378	1,284,676	4,822,215
27	Obligations under Short Term Leases	-	-	-	-	-
28	Consumer Deposits	-	-	-	-	-
29	Other Current Liabilities	-	69,569	179,529	249,771	158,459
30	Total Current Liabilities	**307,777**	**423,752**	**440,907**	**1,534,447**	**4,980,674**
	Long Term Liabilities					
31	Long Term Debt	-	142,912	66,066	103,927	-
32	Accounts Payable (more than 1 yr maturity)	-	-	-	-	-
33	Obligations under Long Term Leases	-	-	-	-	-
34	Other Long Term Liabilities	-	-	-	-	-
35	Total Long Term Liabilities	**-**	**142,912**	**66,066**	**103,927**	**-**
	Margins and Equities					
36	Memberships	150,000	219,012	305,555	360,555	445,555
37	Patronage Capital-Net	-	-	-	-	-
38	Accumulated Operating Margins Prior Years-Net	-	31,132	68,651	110,875	143,880
39	Operating Margin-Current Year	31,132	37,519	42,224	33,005	60,893
40	Accumulated Non Operating Margin Prior Years	-	12,197	15,707	36,176	67,912
41	Non Operating Margin Current Year	12,197	3,510	20,469	31,736	9,523
42	Other Margins and Equities	0	39,792	39,792	275,113	412,397
43	Total Margins and Equities	193,330	343,161	492,398	847,460	1,140,159
	Total Liabilities and Member Equity					
44	Sum of Liabilities, Margins and Equities	501,107	909,825	999,371	2,485,834	6,120,834

DO NOT Enter Information on this Sheet
(In US$)

	Summarized Balance Sheet for Cooperative:	Lumme-Adama Farmers Cooperative Union				
Line	Item	As at September 30,				
	General Information	1998	1999	2000	2001	2002
1	Number of Members	0	0	0	0	0
2	Number of Employees	0	0	0	0	0
3	Exchange Rate Local Currency to US$ at 12/31	7.5405	8.1747	8.3556	8.6135	8.6237
	Current Assets					
4	Cash	41,353	35,730	15,266	69,857	406,261
5	Special Deposits in Other Institutions	-	-	-	-	-
6	Short Term Investments	-	-	-	-	-
7	Accounts Receivable (less than one year)-Net	101	9,755	35,128	62,036	182,094
8	Inventory, valued at lesser of Cost or Market	-	1,775	270	28,852	5,106
9	Goods in transit	-	-	-	-	-
10	Prepayments	134	349	348	709	706
11	Other Current Assets	-	-	-	19,160	18,615
12	Total Current Assets	41,588	47,609	51,012	180,615	612,782
	Long Term Assets					
13	Total Fixed Assets in Service	25,938	69,304	82,577	133,108	135,893
14	Construction Work in Progress	-	-	-	-	-
15	Total Fixed Assets	25,938	69,304	82,577	133,108	135,893
16	Accumulated Provision for Depreciation	1,071	5,614	13,983	25,123	38,906
17	Net Fixed Assets	24,868	63,690	68,594	107,985	96,987
18	Equity in Associated Organizations	-	-	-	-	-
19	Long Term Receivables (over 1 year)-Net	-	-	-	-	-
20	Long Term Deposits	-	-	-	-	-
21	Long Term Loans	-	-	-	-	-
22	Other Assets	-	-	-	-	-
23	Total Long Term Assets	24,868	63,690	68,594	107,985	96,987
	Total Assets					
24	Sum of Current and Long Term Assets	66,455	111,298	119,606	288,599	709,769
	Current Liabilities					
25	Short Term Debt	-	-	-	-	-
26	Accounts Payable (less than 1 year maturity)	40,817	43,327	31,282	149,148	559,182
27	Obligations under Short Term Leases	-	-	-	-	-
28	Consumer Deposits	-	-	-	-	-
29	Other Current Liabilities	-	8,510	21,486	28,998	18,375
30	Total Current Liabilities	40,817	51,837	52,768	178,145	577,557
	Long Term Liabilities					
31	Long Term Debt	-	17,482	7,907	12,066	-
32	Accounts Payable (more than 1 yr maturity)	-	-	-	-	-
33	Obligations under Long Term Leases	-	-	-	-	-
34	Other Long Term Liabilities	-	-	-	-	-
35	Total Long Term Liabilities	-	17,482	7,907	12,066	-
	Margins and Equities					
36	Memberships	19,893	26,792	36,569	41,860	51,666
37	Patronage Capital-Net	-	-	-	-	-
38	Accumulated Operating Margins Prior Years-Net	-	3,808	8,216	12,872	16,684
39	Operating Margin-Current Year	4,129	4,590	5,053	3,832	7,061
40	Accumulated Non Operating Margin Prior Years	-	1,492	1,880	4,200	7,875
41	Non Operating Margin Current Year	1,618	429	2,450	3,684	1,104
42	Other Margins and Equities	0	4,868	4,762	31,940	47,821
43	Total Margins and Equities	25,639	41,979	58,931	98,388	132,212
	Total Liabilities and Member Equity					
44	Sum of Liabilities, Margins and Equities	66,455	111,298	119,606	288,599	709,769

Lumme Adama Farmers Cooperative Union
Comparative Income Statement
For the Period October 1 through September 30
(In Ethiopian Birr)

Particulars	1998	1999	2000	2001	2002
Sales					
Fertilizer Sales	6,919,497	5,289,690	10,846,001	17,084,235	13,546,360
Selected Seeds Sales			233,689	327,265	245,631
Food Grain Sales		391,730	419,027	354,310	773,793
Chemicals Sales		17,045	15,860	240,472	240,247
Herbicides Sales					950
Tractor Services	17,669	89,495	173,292	252,663	162,811
Total Sales	6,937,166	5,787,960	11,687,868	18,258,945	14,969,792
Cost of Goods Sold					
Beginning Inventory			14,510	2,259	248,518
Purchases					
Fertilizer	6,743,573	5,068,570	10,413,206	16,538,205	12,859,706
Selected Seed		30,360	201,557	502,032	36,096
Food Grain		345,774	393,153	355,471	679,759
Chemicals				229,169	219,966
Herbicides					5,730
Fuel and Lubricants	6,523	29,042	58,235	98,725	85,540
Goods Available for Sale	6,750,097	5,473,746	11,080,662	17,725,861	14,135,315
Ending Inventory		14,510	2,259	248,518	42,281
Cost of Goods Sold	6,750,097	5,459,236	11,078,402	17,477,343	14,093,034
Gross Profit	187,070	328,724	609,466	781,602	876,758
Other Income					
Secretarial Services		2,714	3,469	4,520	2,619
Machine Rental Income				4,500	790
Interest Income	23,022	6,877	61,453	74,368	22,671
Other Income	7,470	1,621	3,310	26,898	6,452
Total Other Income	30,492	11,212	68,232	110,285	32,533
Total Income	217,562	339,936	677,697	891,887	909,291
Operating Expenses					
Fuel and Lubricants					
Repair and Maintenance	638		10,896	20,282	18,423
Spare Parts				18,492	25,854
Transportation Expense	71,644	116,155	178,165	227,129	259,757
Loading and Unloading			28,516	50,940	64,023
Travel and Per diem	9,902	20,908	25,568	49,786	55,371
Salaries and Wages	3,984	16,455	27,650	42,112	45,436
Stationery	2,016	1,000	7,222	8,197	10,295
Utilities	453	814	944	3,927	4,721
Bank Charges	343		245	6,344	769
Interest	9,299	14,706	85,964	108,310	28,037
Miscellaneous Expenses	2,885	21,480	32,607	41,008	42,773
Total Operating Expenses	101,165	191,518	397,776	576,527	555,459
Net Income Before Depreciation and Tax	116,396	148,418	279,921	315,360	353,832
Income Tax					
Depreciation	8,074	37,821	70,944	99,559	119,112
Net Income	108,323	110,598	208,977	215,802	234,719

Lumme-Adama Farmers' Cooperative Union
Comparative Balance Sheet
As at September 30, 2003
(In Ethiopian Birr)

	1998	1999	2000	2001	2002
Assets					
Current Assets					
Cash in Hand	513	14,289	13,568	5,287	5,881
Cash in Bank	311,310	277,793	113,987	596,423	3,497,592
Receivables	760	79,740	293,512	534,342	1,570,325
Merchandize Inventory		14,510	2,259	248,518	44,031
Pre-payments					
Telephone	1,009	1,009	1,009	1,009	1,009
Electric				3,611	3,611
Insurance		1,843	1,896	1,491	1,467
Tractor Spare Parts				165,034	160,529
Total Current Assets	313,592	389,184	426,231	1,555,714	5,284,445
Fixed Assets					
Total Fixed Assets	195,589	566,535	689,979	1,146,517	1,171,899
Less: Accumulated Depreciation	8,074	45,894	116,838	216,397	335,510
Net Fixed Assets	187,515	520,641	573,140	930,120	836,389
Total Assets	501,107	909,825	999,371	2,485,834	6,120,834
Liabilities					
Accounts Payable (Primary Cooperative)	80,660	48,199	43,461	99,975	3,259,253
Accounts Payable to Suppliers (Fertilizer)	101,625	305,984	217,063		1,075,070
Accounts Payable to AISCO	125,492			138,205	105,819
Accounts Payable to Seed Enterprise				294,000	171,500
Accounts Payable to RCPB's				100,000	100,000
Accounts Payable to Tractor Plant				151,641	101,641
Accounts Payable to MOA					8,077
Accounts Payable to MOF			855	855	855
Dividend Payable		69,569	179,529	238,981	145,813
Bonus Payable				10,790	12,646
Bank Loan Payable (Medium-Term)		142,912	66,066	603,927	
Total Liabilities	307,777	566,664	506,973	1,638,374	4,980,674
Capital					
Share Capital	150,000	219,012	305,555	360,555	445,555
Donation		9,226	9,226	248,968	248,968
Reserve (General)	16,248	114,924	177,617	196,934	360,037
Expansion (Reserve)	16,248			30,752	64,199
Social Services (Reserve)	10,833			10,251	21,400
Total Capital	193,330	343,161	492,398	847,460	1,140,159
Total Liabilities and Capital	501,107	909,825	999,371	2,485,834	6,120,834

Lumme-Adama Copperative Union
Breakdown of Profit/Loss Statement for the Period October 1,2001 - September 30,2002
by Enterprise/Activities
(In Ethiopian Birr, Except Percents)

	Fertlizer	Selected Seed	Grain Marketing	Chemicals	Tractor Services	Others	Total
Sales	13,546,360	245,631	773,793	240,247	163,761		14,969,792
Cost of goods sold/fuel	12,843,031	248,014	710,910	221,688	69,391		14,093,034
Gross Profit	703,329	(2,383)	62,882	18,559	94,370		876,758
Other Income						32,533	32,533
Direct operational expense	353,521		55,613		240,630	24,807	674,571
Operational Income	349,807	(2,383)	7,269	18,559	(146,260)	7,726	234,720
Percentage of Contribution	91%		2%	5%		2%	100%
Loss on Projects		(2,383)			(146,260)		(148,642)
Proration (Absorption) of Loss on G.Profit	135,632		2,818	7,196		2,996	148,642
Other Indirect Expense							
NI before Bonus	214,176	-	4,451	11,363	-	4,731	234,720
% Contribution of NI	91%	_	2%	5%	_	2%	100%

October 1, 2000 - September 30, 2001

Sales	17,084,235	327,265	354,310	240,472	252,663		18,258,945
Cost of goods sold/fuel	16,558,796	289,950	324,290	226,173	78,134		17,477,343
Gross Profit	525,440	37,315	30,021	14,298	174,529	-	781,603
Other Income						110,285	110,285
Direct operational expense	213,787	15,446	17,207	1,218	321,593	106,835	676,086
Operational Income	311,653	21,869	12,814	13,081	(147,064)	3,450	215,802
Contribution Percentage	86%	6%	4%	4%		1%	100%
Loss on Projects					(147,064)		(147,064)
Proration (Absorption) of Loss on G.Profit	126,308	8,863	5,193	5,301		1,398	147,064
Other Indirect Expense							
NI before Bonus	185,345	13,006	7,621	7,779	-	2,052	215,802
% Contribution	86%	6%	4%	4%	0%	1%	100%

Lumme Adama Copperative Union
Break-down of Profit/Loss Statement for the Period October 1,2001 - September 30,2002
by Enterprise/Activities
(In US $, Except Percents)

	Fertlizer	Selected Seed	Grain Marketing	Chemicals	Tractor Services	Others	Total
Exchange Rate Local Currency per US$ as of 12/31							8.6237
Sales	1,570,829	28,483	89,729	27,859	18,990	-	1,735,890
Cost of goods sold/fuel	1,489,272	28,760	82,437	25,707	8,047	-	1,634,221
Gross Profit	81,558	(276)	7,292	2,152	10,943	-	101,668
Other Income						3,773	3,773
Direct operational expense	40,994	-	6,449	-	27,903	2,877	78,223
Operational Income	40,563	(276)	843	2,152	(16,960)	896	27,218
Percentage of Contribution	91%	_	2%	5%	_	2%	100%

Loss on Projects	_	(276)	_	_	(16,960)	_	(17,236)
Proration (Absorption) of Loss on G.Profit	15,728	_	327	834	_	347	17,236
Other Indirect Expense	-	_	-	-	_	-	-
NI before Bonus	24,836	_	516	1,318	_	549	27,218
% Contribution of NI	91%	_	2%	5%	_	2%	100%

October 1, 2000 - September 30, 2001

Exchange Rate Local Currency per US$ as of 12/31							**8.61345**
Sales	1,983,437	37,995	41,135	27,918	29,334	-	2,119,818
Cost of goods sold/fuel	1,922,435	33,662	37,649	26,258	9,071	-	2,029,076
Gross Profit	61,002	4,332	3,485	1,660	20,262	-	90,742
Other Income						12,804	12,804
Direct operational expense	24,820	1,793	1,998	141	37,336	12,403	78,492
Operational Income	36,182	2,539	1,488	1,519	(17,074)	401	25,054
Contribution Percentage	86%	6%	4%	4%		1%	100%
Loss on Projects					(17,074)		(17,074)
Proration (Absorption) of Loss on G.Profit	14,664	1,029	603	615	-	162	17,074
Other Indirect Expense							
NI before	21,518	1,510	885	903	-	238	25,054
% Contribution	86%	6%	4%	4%	0%	1%	100%

- O Chefe de Produção, deve registar os dados individuais dos membros para o caderno da associação. Os Registos devem ter informações sobre as despesas e as vendas realizadas pelos membros da associação.
- O Chefe de Produção deve sempre informar a ACDI/VOCA ou UDACs - UCAMA sobre os registos das despesas e vendas da associação para estes parceiros saberem o desempenho e rendimento de cada associação.

4 - Participar no Controlo de Qualidade da Produção

- O Chefe de Produção é a pessoa responsável na associação de verificar os membros que não cumprem com os trabalhos de manuseamento pós colheita, isto é : secagem, peneiragem, limpeza selecção, ensaque, pesagem e embalagem de maneira que todo produto entregue pode ser de boa qualidade.

5 - Lidar com os promotores de negócios nas aldeias (PNAs).

- Os PNAs são um recurso de apoio para os Chefes de Produção.
- Os PNAs são formados para ajudar as associações a fazerem as interpretações das listas de preços entregues todas as semanas. Eles podem ajudar a fazer os cálculos de custos de comercialização da produção
- Os PNAs são formados em controlo de registo de vendas e nas estimativas de produção.
- Eles podem ainda apoiar a associação na criação e gestão de pontos de recolha.
- Os PNAs ajudam as associações a controlar a qualidade da produção vendida. Por conseguinte, os Chefes de Produção devem coordenar a sua acção em conjunto com o PNA designado na localidade.

Quem pode ajudar o chefe de produção a seguir as suas tarefas e funções na sua associação?

Nós podemos!

ACDI VOCA

Projectos RENDER e CDP

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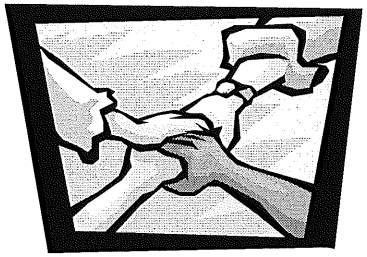
TAREFAS E FUNÇÕES DO CHEFE DE PRODUÇÃO

" Pôr mais dinheiro nos bolsos dos camponeses"



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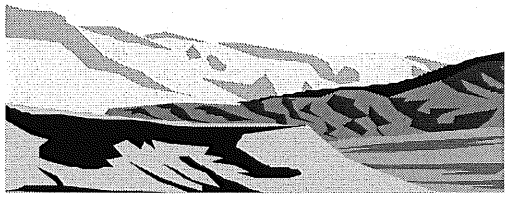
As Funções e Tarefas do Chefe de Produção

É a pessoa chave no desenvolvimento ou avanço da associação como empresa. Por isso o chefe de produção deve saber ler e escrever e ser capaz de preencher registo das vendas. Se houver dificuldades de encontrar uma pessoa com estas habilidades na associação, deve -se informar aos Técnicos da ACDI/VOCA ou aos Assistentes do Campo das UDACs -UCAMA, para ajudar a recrutar e formar uma pessoa que possa auxiliar ou substitui-lo.

O trabalho do Chefe de Produção pode ser auxiliado pelo Vice-Presidente da associação ou por uma pessoa escolhida ou eleita pela Assembleia Geral da associação.

O Chefe de Produção deve sempre acompanhar todas as visitas dos Técnicos da ACDI/VOCA ou Assistentes do Campo das UDACs -UCAMA.

O Chefe de Produção é responsável de receber todas as mensagens para melhorar as técnicas e introduzir as novas práticas de produção e

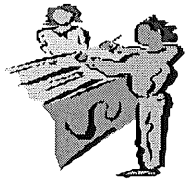


comercializacão.

Chefe de Produção é Responsável de:

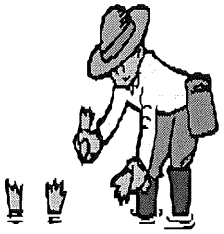
1— **Planificar a Produção e Garantir o Cumprimento do Programa.**

- O Chefe de Produção é a força dinamizadora na planificação das metas de produção de cada campanha. Para tal deve sempre motivar aos membros a aumentarem as suas áreas de cultivo para aumentarem a produção e o seu rendimento (receitas).



2— **Zelar pelo Cumprimento das Metas / Plano de Produção.**

- O Chefe de Produção deve fazer o acompanhamento das metas ou plano de produção de cada membro para verificar se o membro está ou não a seguir o seu plano para a campanha, de modo que a associação não venha a ter problemas de cumprir com os seus compromissos no momento da colheita.
- O Chefe de Produção deve garantir que os membros da associação estão a seguir as recomendações técnicas. Por exemplo:
- O Chefe de Produção deve verificar se os membros estão a seguir as quantidades de semente por área, a época de sementeira, os compassos e outras recomendações que garantem a qualidade do produto.



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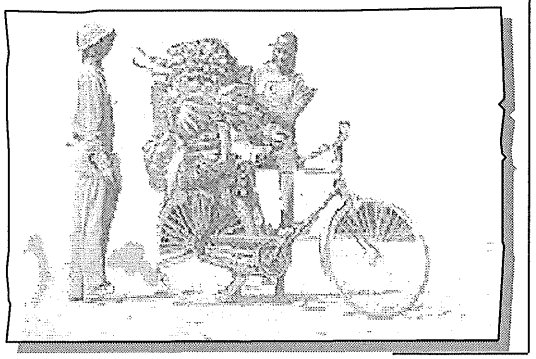
- O Chefe de Produção deve garantir a rotação de parcelas para evitar doenças e pragas nas culturas.
- O Chefe de Produção deve fazer o levantamento dos problemas ou dificuldades que os membros estão a encontrar
- O Chefe de Produção deve visitar as parcelas dos membros e procurar saber quais os problemas que os membros estão a encontrar na realização das suas tarefas para o cumprimento das metas.
- O Chefe de Produção deve transmitir ou reportar estas dificuldades para os Técnicos da ACDI/VOC ou aos assistentes de campo das UDAC, UCAMA e DPA.

3— **Registar todas as vendas e despesas efectuadas pela associação**

- O Chefe de Produção deve verificar e controlar todos os registos de vendas efectuados pelos membros para garantir que os dados que a associação tem estão certos.
- Garantir que todos os membros estão a registar as suas despesas e todas as suas vendas mensais.



Adubação

- Se o produtor tiver **poucos recursos**, deve aplicar um saco de adubo de fundo, N-P-K (12-24-12) por hectare.

Se o produtor tiver **médios recursos**, , ele pode aplicar dois sacos de N-P-K (12-24-12) por hectare, de maneira que aumenta os seus rendimentos.

- **A aplicação correcta do adubo de fundo** consiste em abrir um buraco com uma pua ou pau a 10 cm da base do caule da planta e a uma profundidade de 15-20 cm. Logo coloca uma ou duas tampas de garrafa de Coca-Cola em cada buraco, assim permitindo o adubo ser consumido pelas raízes.

Como regra geral, a colheita faz-se 120 a 130 dias

Colheita e Maneio pós—Colheita

após a sementeira, dependendo das variedades.

- A maturação do Girassol caracteriza-se pelo amarelecimento das folhas a partir da base do caule. Nota-se a secagem das costas das cabeças: estas passam de côr amarela a castanha.

- **Maneio pós—Colheita**: o girassol pode sair do terreno com 20% de humidade. Devendo secar até obter 10% de humidade. Para entrega ao comprador deve fazer a selecção, eliminando sementes vazias, impurezas, lixos, pedrinhas, etc. Se guardar os sacos em casa, assegurar que os mesmos estão fora de contacto com o chão.

Rendimento

Em sequeiro duma maneira geral a produção vai de 500—1000 kg/há . O rendimento depende muito da variedade de semente ,tipo do solo, amanhos culturais e esforço para cumprir com as exigência de rotação com outras culturas.

Utilização da Semente de Girassol

A semente é utilizada para extracção do óleo.

Os resíduos ou bagaços vulgarmente chamados por tortaev, é semelhante a da soja e possui cerca de 61% de gordura e 40% de proteína; por conseguinte — é excelente complemento na ração de gado e galinhas

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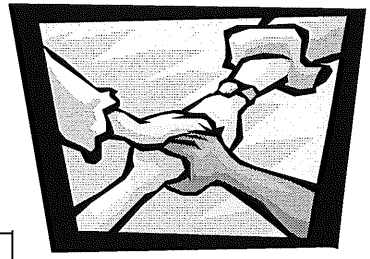
PRODUÇÃO DE GIRASSOL

" Pôr mais dinheiro nos bolsos dos camponeses"



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Girassol

O Girassol é uma cultura produzida para extracção de óleo. Ultimamente tem concorrido com outras culturas oleaginosas e em certos casos quase que substitui o amendoim pelos seguintes aspectos:

- produção de maior teor de óleo.
- Ciclo vegetativo curto
- Custo de produção baixo.

Exigência da Cultura

Clima

De um modo em geral o girassol dá-se bem em todo tipo de clima, desenvolve-se bem em climas tropicais subtropicais e temperados. Resiste a seca porque tem raízes profundas.

Pluviosidade

A cultura com uma pluviosidade de 250 mm pode desenvolver. A óptima anda em volta de 400 –500 mm. De notar que as variedades puras ou altas são as mais exigentes em água.

Solos

Pode desenvolver-se em todo tipo de solo, no entanto a preferência está nos solos arenosos, argilosos, argilo—arenosos férteis de consistência média, bem drenados, ricos em matéria orgânica (estrume), com um pH de 6—7,5.

Rotação da Cultura

Sendo uma cultura esgotante do solo não é aconselhável que se faça 2 anos seguintes no mesmo terreno. Aconselha-se em cada 1-2 anos sempre seguido por uma leguminosa .

É uma excelente cultura para entrar em rotação com feijão nhemba, amendoim, trazendo a vantagem de não esgotar o terreno.

Consorciação

O girassol poderá se consorciar com milho. Mas atenção, o girassol poderá só se semear depois do milho estiver com as espigas prontas, isto é Janeiro/Fevereiro. Fazendo-se em monocultura, goza da vantagem de maior rendimento.

As sementes recomendadas ultimamente por qual quer

Sementes

interveniente no sector são as híbridas, por estas terem o maior teor de óleo, ser de estatura baixa, ciclo curto e de bom rendimento.

Sendo recomendadas as seguintes sementes híbridas:

PAN 7369 - Bem adaptado aos factores climáticos
- Maturação e colheita: 135 - 140 dias
- Boa uniformidade na maturação
- Estatura média 160 Cm
- Sementes listradas
- Conteúdo de óleo 46%
- Rendimento excelente

PAN 7351 " Alta performance"
- Colheita 130—140 dias
- Excelente uniformidade
- Altura média da planta 150 Cm
- Sementes listradas
- Conteúdo de óleo é de 46 %
- Rendimentos excelentes

Nota : Quantidade de semente por hectare é de 5kg.

Época de Sementeira

Para a boa produção e rendimento a sementeira em sequeiro deve começar em Janeiro até meados de Fevereiro de maneira que a colheita conceda com uma época onde não haja chuva.(seca e fresca).

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Compasso

De um modo geral os compassos estão relacionados com:

- O grão de humidade.
- fertilidade do solo.

Os compassos mais utilizados em Moçambique são : 20 -30 x 90 Cm

23 - 30 x 90 Cm

Entre linhas

Entre Plantas

Profundidade de Sementeira

A profundidade não deve ser exagerada porque, poderá não germinar a semente. não pode usar uma profundidade que exceda 7.5 Cm e com uma cobertura de terra normal.

Amanhos Culturais

1º **Desbaste:** - com o objectivo de fornecer o espaço suficiente para o desenvolvimento da planta de modo a obter plantas robustas que fornecem-nos bons aquénios com um bom teor de óleo e bem formados. Recomenda-se deixar uma planta por covacho.

2º Sacha manual— Deve –se realizar 1 a 2 sachas, dependendo do estado de desenvolvimento das ervas daninhas. Durante as primeiras 4 semanas depois da germinação, deve ter providência ao controlo. Os rendimentos máximos são obtidos com um controlo das erva durante o primeiro mês

PRAGAS: pássaros: podem ser controlados através de espantalhos ou pessoas batendo em latas ou tambores ruidosos ou ainda através de armadilhas.

Vantagem dos Pontos de Recolha

- Vendas colectivas
- Reduz os custos de transporte, refeições e alojamento.
- Melhor controle de qualidade dos produtos.
- Volume do produto, que possa atrair o comprador
- Encoraja os transportadores a chegar onde está o produto.
- Preparação antecipada de organizar e manter o produto pronto a ser transportado.
- Fácil localização para os compradores
- Se tudo correr bem, maiores receitas aos produtores.

Quem nos poderá ajudar com o escoamento dos nossos produtos?

Nós podemos!

ACDI VOCA

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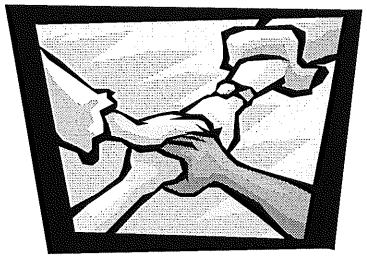
PONTOS DE RECOLHA

" Pôr mais dinheiro nos bolsos dos camponeses"



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O que é um Ponto de Recolha?

Um Ponto de Recolha é um local onde os membros das associações irão concentrar ou juntar os seus produtos para enquanto esperam pelo transporte para escoarem e venderem os produtos.

O transportador quer a sua vida facilitada. Ele não quer ir de machamba a machamba para recolher o produto porque ele gasta tempo, pneus e combustível.

Um Ponto de Recolha deve estar bem situado, isto é, perto da estrada e com as vias de acesso (estradas) transitáveis e com fácil localização. A limpeza das estradas para garantir que os carros passem é da inteira responsabilidade dos membros das associações

Os Pontos de Recolha deverão ter infrastruturas mínimas como alpendre, com cobertura para evitar que os produtos se molhem e com mecanismo para garantir a segurança do produto. Um Ponto de Recolha deve ser feito de material local, sem requerer muitos custos (despesas). Um Ponto de Recolha deve possuir no mínimo uma balança para facilitar a pesagem dos produtos.

Principais características de um Ponto de Recolha

1–Reúne um volume de produto para que possa encher o camião do comprador.

2–Tem estradas transitaveis que ligam o ponto de recolha a estrada principal

3–Serve como um ponto de concentração da produção dos membros dos grupos.

4–Servé de ponto de colecta para várias associações

5–Protegé minimamente o produto

6–Facilita o controle do peso, da qualidade e da organização para a venda em grupo

7–Serve como ponto de encontro e ponto de pagamento aos produtores membros

Principais Actividades de um Ponto de Recolha

- Peneragem dos produtos para retirar sujidades.
- Pesagem dos produtos para o seu controlo.
- Controlo da qualidade do produto.
- Ensacamento dos produtos.
- Registo do produto e da respectiva quantidade.
- Arrumação do produto para facil carregamento.
- Limpeza do local para garantir um bom ambiente entre os produtores e os seus clientes.
- Penalização dos membros que não cumprem com as regras de controlo de qualidade.
- Contacto com os transportadores para escoar o produto.
- Ponto de negociação com transportadores ou outros compradores.
- Fixação das listas de preços semanais num local onde os membros podem ler e estudar.
- Ponto onde se faz o calculo de custos de comercialização para cada produto de modo a estimar os lucros esperados

Como organizar um Ponto de Recolha

Para organizar um ponto de recolha, as associações devem fazer o seguinte:

- Criar uma comissão voluntária dos membros envolvidos
- A comissão deve verificar e garantir a qualidade e a quantidade do produto entregue e registar o produto.
- Fazer a escala (programa) de guarnição para os membros e fiscalizar o cumprimento.
- A comissão deve decídir sobre quais os grossistas e transportadores a contactar para o escoamento e negociar a modalidade de pagamento e o preço do produto entregue.

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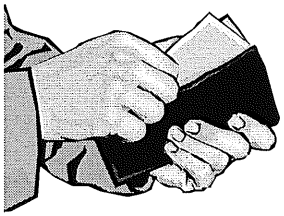
A NOSSA METODOLOGIA

- Promover a criação e gestão de associações – empresas.
- Recrutar e formar promotores de negócios locais (PNAs).
- Estabelecer sistemas de formação intensiva ao nível de cada associação.
- Ajudar os grupos assistidos a desenvolverem uma variedade de actividades económicas rentáveis.
- Incluir a alfabetização funcional e cálculos básicos como partes integrais da formação prestada.
- Facilitar o acesso à tecnologia melhorada e as informações de comercialização.
- Promover vendas em grupo através da gestão de pontos de recolha.
- Facilitar a ligação da associação – empresa com serviços financeiros.



Neste momento a ACDI/VOCA funciona com Centro de Desenvolvimento de Negócios (CDN's) em Manica, Sussundenga e Chimoio / Gondola. Nestes centros funcionam os departamentos de produção agro-pecuária, comercialização, assistência técnica e formação.

Exemplos de ACDI/VOCA Global:

Na Etiópia, os especialistas da ACDI/VOCA formaram 590 promotores rurais do estado sobre os princípios das associações empresas. Estas associações fornecem milho sob contrato à PMA.

No Malawi, o programa criado pela ACDI/VOCA-NASFAM têm mais de 100,000 membros e providencia serviços de transporte colectivo, compra a grosso de adubos e serviços de comercialização de amendoim, arroz, piri-piri sacana e outros.

Em Moçambique, 70 Associações de pequenos produtores na província de Manica celebraram e cumpriram com os contratos de produção de mais de 1.000 hectares de girassol com a SAGREV e 275 hectares de Feijão Nhemba com SEMOC.

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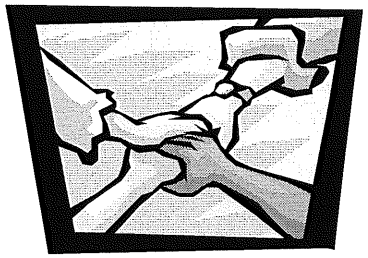
O QUE É ACDI/VOCA?

" Pôr mais dinheiro nos bolsos dos camponeses"



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O QUE É ACDI/VOCA?

- Somos uma organização privada sem fins lucrativos.
- Representamos e implementamos o sistema de desenvolvimento de cooperativas e associações de pequenos produtores em países em vias de desenvolvimento.

MISSÃO DA ACDI/VOCA

- Prepara e ensina mulheres, homens e jovens camponeses e outros pequenos empresários no mundo inteiro para ter sucesso na economia

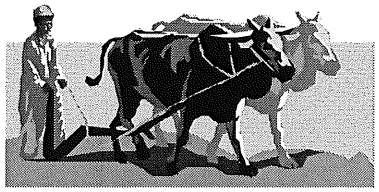
Presença

global.

No mundo: 37 países e 52 projectos.

Em África: 11 países incluindo Malawi, Kénya, Ruanda, África do Sul, Etiópia, Uganda, Cabo Verde, Camarões, etc....

- Ajuda aos camponeses a produzirem lucros e a gerirem as suas finanças.
- Constrói economias rurais.
- Promove acções em grupo (a criação de associações e cooperativas) no âmbito do sector privado.
- Ajuda aos camponeses a controlar melhor as suas actividades através da formação em planificação e gestão de negócios e comercialização.



Moçambique

A ACDI/VOCA começou as suas actividades em Sofala em Junho de 1997 com o objectivo de fortificar as associações locais através do fornecimento de uma parceira única de assistência técnica, usando as perícias de profissionais locais e internacionais altamente qualificados.

Em 1998 a ACDI/VOCA trabalhou numa iniciativa com as comunidades locais, INDER e a PNUD em Tete para melhorar a oferta dos serviços financeiros sustentáveis.

Na actualidade a ACDI/VOCA implementa duas iniciativas na Província de Manica. O Projecto RENDER (Reforçar Negócios para o Desenvolvimento Rural) cria associações empresas e fornece formação e assistência técnica a estas. O componente CDP (Projecto de Desenvolvimento Cooperativo) trabalha com RENDER e outros intervenientes no sector de associações e empresas rurais. CDP consolida, cria e dissemina matérias didácticas e metodologias adequadas para a formação destas na áreas de negócios, comercialização e gestão de empresas.

A ACDI/VOCA é financiada pela Agencia Norte-americana de Desenvolvimento Internacional (USAID), ajudando a esta a atingir o primeiro objectivo estratégico – aumentar o rendimento dos pequenos produtores rurais no centro e norte do País.

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A ACDI/VOCA

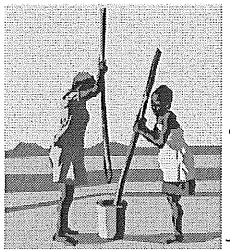
- NÃO promove programas sociais.
- NÃO oferece donativos
- NÃO cria dependências.

A ACDI/VOCA faz o seguinte :

- SIM, trabalha com camponeses e pequenos empresários rurais.
- SIM, reduz a pobreza através de ensino e troca de experiência em gestão de empresas, comercialização e a responsabilização dos nossos parceiros.
- SIM, trabalha com mulheres, homens e jovens.
- SIM, dar formação e assistência técnica.

AREAS DE INTERVENÇÃO

- Produção em agricultura e pecuária, processamento e sistemas de comercialização.
- Desenvolvimento de Cooperativas e Associações.
- Sistemas de banco rural e gestão financeira.
- Gestão de recursos naturais.
- Serviços de consultoria e voluntários (Banco de dados DE 5.500 voluntários profissionais.)



- Serviços de extensão rural com base na planificação e gestão de empresas.
- Programas de valorização e engajamento económico de mulheres e jovens rurais.

Perguntas frequentes sobre o HIV/SIDA?

O que significa HIV positivo?

- Uma pessoa é HIV positiva se tiver provado através de um teste de laboratório de HIV que tem HIV no seu sangue. A isto chama-se ter um resultado "positivo".

O que significa HIV negativo?

- Diz-se que uma pessoa é HIV negativo se fizer um teste de HIV e este indicar que não possui HIV no sangue. Contudo, uma pessoa pode ter HIV no sangue e o teste indicar que é negativo. Isto acontece porque podem passar até seis meses depois da infecção para que o sangue reaja ao HIV. Por isso se quiser ter a certeza e segurança de que é HIV negativo, tem de fazer outra vez o teste.

Onde é que se faz o teste de HIV?

- Existem agora disponíveis nos centros de saúde os chamados " Gabinete de Aconselhamento e Testagem Voluntária" (GATV).

- Os GATV servem para você fazer o teste de HIV ou para saber o seu estado de saúde em relação a HIV. O GATV serve também como local de aconselhamento para as pessoas que vivem com HIV ou que são HIV positivos.

Como sabemos se a pessoa tem HIV/SIDA?

- Não podemos ver que uma pessoa tem HIV. Muitas pessoas HIV positivas tem um aspecto mais ou menos saudáveis durante muitos anos. Só depois de ficar infectado muitos anos é que a maior parte das pessoas ficam doentes com o SIDA.

Como evitar a HIV/SIDA?

É preciso evitar as HIV?SIDA e não existe vacinas contra SIDA.

- Usar o preservativo (o Jeito) nas relações sexuais que acontecem fora da casa, isto é, relações sexuais com pessoas que não são nossas esposas ou maridos.

- Retardar o início da actividade sexual para os jovens que ainda não iniciaram a praticar o sexo.

- Fidelidade mútua entre o marido e mulher ou entre namorado e namorada.

- Usar o preservativo nas relações sexuais com namorada/o antes de fazerem teste e ter a certeza que o resultado será negativo.

NOTA: Para as pessoas casadas e se estas são fiéis um ao outro, não será necessário usar o preservativo (Jeito) nas suas relações sexuais.

ACDI VOCA

Projectos RENDER e CDP

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Administrador: Joaquim Guita

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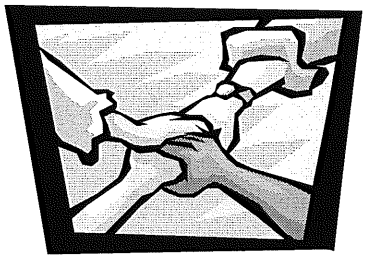
HIV/SIDA

Para que os camponeses vivam sem HIV/SIDA



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O que é HIV/SIDA?

HIV é uma abreviatura de Vírus de Imunodeficiência Humana.
Um Vírus é um tipo de micróbio, extremamente pequeno e não pode ser visto a olho nu.

O que é SIDA?

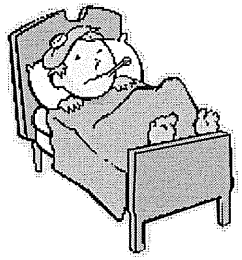
SIDA é uma abreviatura do Síndroma de Imunodeficiência Adquirida.
Síndroma não é uma doença única, pode ser uma entre muitas doenças.
Imuno é capacidade que o organismo tem de combater doença.
Deficiência é insuficiente capacidade para combater a doença.
Adquirida é obtida de fonte exterior do nosso organismo.

HIV não é SIDA. O HIV enfraquece o corpo e o SIDA é qualquer doença que provem deste enfraquecimento. Qualquer doença pode incluir Malária; Cancro; Tuberculose, Pneumonia ou grandes perdas de peso devido a um desarranjo estomacal constante que se contraia quando o corpo está debilitado.

É verdade que as pessoas que não tem HIV também podem contrair estas doenças, mas as melhorias são muito mais difíceis ou impossíveis se a pessoa tiver HIV/ SIDA.

A palavra "SIDA" é usada para descrever qualquer doença que possa pôr uma pessoa HIV positiva muito doente devido ao enfraquecimento causado pelo HIV.

Existe alguma Cura do SIDA?



De momento não existe nenhuma cura médica para o SIDA e não está garantida nenhuma forma de eliminar o HIV do corpo.
Duas razões explicam o facto de ainda não existir a cura:

- O HIV esconde - se nas partes do corpo onde poucos medicamentos o podem atingir.
- O HIV está sempre a mudar. Um medicamento que o pode combater hoje pode não ter efeito seis meses mais tarde.

Como é que se transmite o SIDA?

O SIDA transmite - se apartir de:

- Ter relações sexuais sem usar o preservativo, Lembre que a outra pessoa também nos pode transmitir doenças
- Usar a mesma agulha com outras pessoas
- Pode ser transmitida duma mãe grávida para o bebé.
- Pela amamentação de uma mãe infectada para o bebé.
- Usar a mesma lâmina de barbear com outra pessoa.
- Receber sangue directamente numa ferida aberta no nosso corpo de uma outra pessoa.

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O que é seguro?

Não se pode infectar outra pessoa com HIV/SIDA por:

- Partilhar mesmos alimentos (comida), faca, pratos e garfos com outras pessoas.
- Dormir na mesma cama com outra pessoa
- Usar a mesma casa de banho ou cadeira com outras pessoas.
- Tocar, abraçar e beijar de saudação a outras pessoas.
- Ninguém é infectado pelo HIV por ser picado por mosquito.

Não há HIV suficiente para provocar infecção do corpo apartir das seguintes substâncias:

- vómitos,
- fezes (coco),
- lágrimas,
- urina (chichi) e outras.

Os Lideres da Associação apresentam seus Relatórios na Assembleia Geral

Os Líderes da associação (Presidente, Tesoureiro, Conselho Fiscal, Chefe de Produção e outras comissões) devem apresentar os seus relatórios de actividades na Assembleia Geral para o conhecimento dos membros e aprovação ou definição de novas actividades que geram lucros.

A apresentação de relatórios por parte dos líderes é uma forma de avaliar e melhorar as actividades destes órgãos na associação.

Sumário

As doze características de uma Associação Empresa são:

- Ter um sistema de contabilidade que funciona
- Ter Conta Bancária
- Ter os três Órgãos Sociais a funcionar (Assembleia Geral, Conselho de Direcção, Conselho Fiscal).
- Ter um Plano de Campanha Agrícola
- Ter um Plano de Comercialização
- Estabelecer Pontos de Recolha
- Exigir a Transparência e Responsabilidade dos seus Líderes
- Ter membros que pagam Jóia e Quotas
- Receber e utilizar informações do Mercado (Preços)
- Ter Registos de Vendas.
- Cumprir contratos com parceiros do sector privado
- Ter capacidade para negociar melhores preços

Quem pode ajudar a tornar a vossa Associação em "Associação Empresa"?

Nós podemos!

ACDI VOCA

Projectos RENDER e CDP

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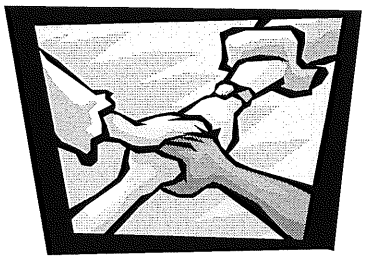
ASSOCIAÇÃO EMPRESA

" Pôr mais dinheiro nos bolsos dos camponeses"



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O que é uma Associação Empresa?

Uma associação empresa é um grupo de pessoas que fazem o mesmo tipo de trabalho ou que têm os mesmos interesses para fazer lucros. A associação empresa faz a comercialização para os mercados que pagam os melhores preços pelos produtos dos seus membros.

Características de uma Associação Empresa

1- Os membros da associação pagam jóia e quotas com o fim de criar um fundo operacional

2- Existe um regulamento interno ou estatuto que é respeitado.

3 - Existe um plano anual de campanha agrícola .

4 - Os membros criam um plano de comercialização da sua produção.

5 - Existe um plano de actividades que está sendo cumprido;

6 - Existe um sistema de registo de vendas mensais .

7 - Existe um sistema de contabilidade que funciona e uma conta bancária.

8 - Existe um sistema de controlo de qualidade da produção a ser vendida.

9 - A associação vende os produtos fora da machamba para obter maiores lucros

10 - A associação empresa assina e cumpre contratos de produção e venda dos seus produtos com parceiros do sector privado.

Os Benefícios de uma Associação

Benefício da Assistência Técnica

A associação empresa é composto por vários membros e representa vários interesses que estão virados para o grupo obter lucros.

– Os membros da associação podem beneficiar-se da assistência técnica gratuita. Se estes membros não estiverem filiados na associação não poderão beneficiar-se desta assistência porque é quase impossível assistir a todos os produtores individuais dum determinado distrito/localidade.

Assim os membros da associação podem trocar experiências e compartilhar a assistência técnica de modo a garantir uma boa produção, um produto de qualidade e melhor escoamento da produção .

Vendas em Grupo ou Colectivas

– Muitas vezes os compradores (grossistas) só compram os produtos em grandes quantidades, e são eles que pagam o melhor preço. Como pode ver, um único membro será incapaz ou não reúne as quantidades do produto para este comprador, e assim não terá os lucros que deseja obter.

Então a venda colectiva é o melhor caminho ou solução para que os membros possam vender os seus produtos a grandes compradores ou grossistas.

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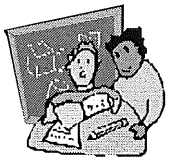
Portanto a venda em grupo irá trazer vários benefícios para os membros da associação, tais como;

- Redução de custos de transporte.
- Possibilidade de melhorar o controlo de qualidade do produto.
- Volume do produto que pode resultar no pagamento de melhores preços.
- A concentração do produtor num só ponto facilita as negociações com transportadores/ compradores.

Capacitação dos membros e informação dos mercados (preços)



- As associações empresas procuram sempre melhorar a qualidade do seu produto ou serviço no desenvolvimento da associação. Este desenvolvimento requer a capacitação dos membros para garantir o melhoramento do produto ou serviço.

- As associações empresas buscam informações de mercado (preços) e divulgam estas informações para os seus membros de modo a melhorar o seu poder de negociação e de venda dos produtos.

- O Chefe de Produção, deve registar os dados individuais dos membros para o caderno da associação. Os Registos devem ter informações sobre as despesas e as vendas realizadas pelos membros da associação.
- O Chefe de Produção deve sempre informar a ACDI/VOCA ou UDACs - UCAMA sobre os registos das despesas e vendas da associação para estes parceiros saberem o desempenho e rendimento de cada associação.

4 - Participar no Controlo de Qualidade da Produção

- O Chefe de Produção é a pessoa responsável na associação de verificar os membros que não cumprem com os trabalhos de manuseamento pós colheita, isto é : secagem, peneiragem, limpeza selecção, ensaque, pesagem e embalagem de maneira que todo produto entregue pode ser de boa qualidade.

5 - Lidar com os promotores de negócios nas aldeias (PNAs).

- Os PNAs são um recurso de apoio para os Chefes de Produção.
- Os PNAs são formados para ajudar as associações a fazerem as interpretações das listas de preços entregues todas as semanas. Eles podem ajudar a fazer os cálculos de custos de comercialização da produção
- Os PNAs são formados em controlo de registo de vendas e nas estimativas de produção.
- Eles podem ainda apoiar a associação na criação e gestão de pontos de recolha.
- Os PNAs ajudam as associações a controlar a qualidade da produção vendida. Por conseguinte, os Chefes de Produção devem coordenar a sua acção em conjunto com o PNA designado na localidade.

Quem pode ajudar o chefe de produção a seguir as suas tarefas e funções na sua associação?

Nós podemos!

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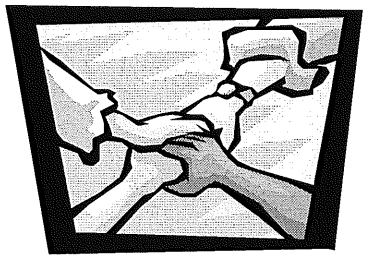
TAREFAS E FUNÇÕES DO CHEFE DE PRODUÇÃO

" Pôr mais dinheiro nos bolsos dos camponeses"



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As Funções e Tarefas do Chefe de Produção

É a pessoa chave no desenvolvimento ou avanço da associação como empresa. Por isso o chefe de produção deve saber ler e escrever e ser capaz de preencher registo das vendas. Se houver dificuldades de encontrar uma pessoa com estas habilidades na associação, deve -se informar aos Técnicos da ACDI/VOCA ou aos Assistentes do Campo das UDACs -UCAMA, para ajudar a recrutar e formar uma pessoa que possa auxiliar ou substitui-lo.

O trabalho do Chefe de Produção pode ser auxiliado pelo Vice-Presidente da associação ou por uma pessoa escolhida ou eleita pela Assembleia Geral da associação.

O Chefe de Produção deve sempre acompanhar todas as visitas dos Técnicos da ACDI/VOCA ou Assistentes do Campo das UDACs -UCAMA.

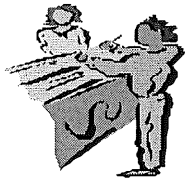
O Chefe de Produção é responsável de receber todas as mensagens para melhorar as técnicas e introduzir as novas práticas de produção e

comercializacão.

Chefe de Produção é Responsável de:

1— **Planificar a Produção e Garantir o Cumprimento do Programa.**

- O Chefe de Produção é a força dinamizadora na planificação das metas de produção de cada campanha. Para tal deve sempre motivar aos membros a aumentarem as suas áreas de cultivo para aumentarem a produção e o seu rendimento (receitas).



2— **Zelar pelo Cumprimento das Metas / Plano de Produção.**

- O Chefe de Produção deve fazer o acompanhamento das metas ou plano de produção de cada membro para verificar se o membro está ou não a seguir o seu plano para a campanha, de modo que a associação não venha a ter problemas de cumprir com os seus compromissos no momento da colheita.
- O Chefe de Produção deve garantir que os membros da associação estão a seguir as recomendações técnicas. Por exemplo:
- O Chefe de Produção deve verificar se os membros estão a seguir as quantidades de semente por área, a época de sementeira, os compassos e outras recomendações que garantem a qualidade do produto.

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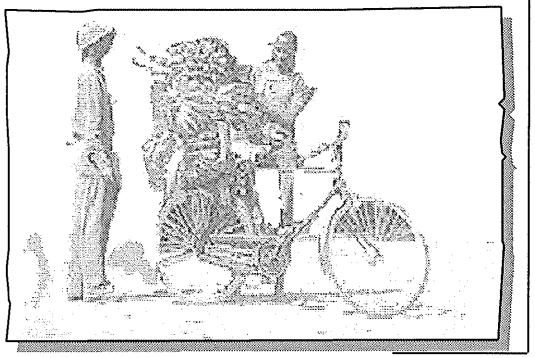
- O Chefe de Produção deve garantir a rotação de parcelas para evitar doenças e pragas nas culturas.
- O Chefe de Produção deve fazer o levantamento dos problemas ou dificuldades que os membros estão a encontrar
- O Chefe de Produção deve visitar as parcelas dos membros e procurar saber quais os problemas que os membros estão a encontrar na realização das suas tarefas para o cumprimento das metas.
- O Chefe de Produção deve transmitir ou reportar estas dificuldades para os Técnicos da ACDI/VOC ou aos assistentes de campo das UDAC, UCAMA e DPA.

3— **Registar todas as vendas e despesas efectuadas pela associação**

- O Chefe de Produção deve verificar e controlar todos os registos de vendas efectuados pelos membros para garantir que os dados que a associação tem estão certos.
- Garantir que todos os membros estão a registar as suas despesas e todas as suas vendas mensais.



ACORDO DE COOPERAÇÃO INTERNACIONAL MAPA/DENACOOP – OCB – ACDIVOCA/USAID

ACDI VOCA

RELATÓRIO ANUAL
PROGRAMA DE APOIO AO DESENVOLVIMENTO SUSTENTÁVEL DA AMAZÔNIA LEGAL
2003-2004

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APRESENTAÇÃO

A ACDIVOCA iniciou os seus trabalhos no Brasil em 1973 com o envio do 1° Consultor Voluntário ao Estado de Minas Gerais, por iniciativa do então Secretário de Agricultura, Senhor Alysson Paulinelli. A partir de 1995 a ACI Aliança Cooperativa Internacional, presidida pelo Senhor Roberto Rodrigues, assinou um Acordo de Cooperação com o Ministério da Agricultura, Departamento Nacional de Cooperativismo e Associativismo-MAPA/DENACOOP e a Organização das Cooperativas Brasileiras –OCB que proporcionou a ACDIVOCA executar projetos de Apoio ao Desenvolvimento Sustentável e Inclusão Social das Cooperativas no Brasil, beneficiando direta e indiretamente cerca de 45.000 pessoas, entre associados, dirigentes, comunidades e pequenos e médios produtores rurais.

METODOLOGIA

Como o Projeto de Apoio ao Desenvolvimento Sustentável das Cooperativas da Amazônia Legal é implantado?

1º Passo: Através da OCB/SESCOOP do Estado e/ou cooperativa, associação, sindicato ou produtor da área rural interessado em ter o apoio da ACDI/VOCA deverá manifestar-se formalmente e preencher o formulário denominado "Solicitação de Assistência/Assessoria Técnica", indicando o nome da entidade ou pessoa interessada, o endereço completo, telefone(s), fax e e-mail (se houver), nome (s) do (s) dirigente (s) da organização, bem como de técnicos e burocratas, atividade principal, área (s) geográfica de trabalho, descrição da assistência e/ou assessoria técnica requerida, local onde os trabalhos serão desenvolvidos, objetivo(s) técnico (s), beneficiários do projeto, benefícios esperados , data prevista para início dos trabalhos, duração estimada, atividades a serem desenvolvidas, bem como outros comentários pertinentes ao projeto. A seguir o Formulário de Solicitação, será submetido ao Comitê Gestor ACDIVOCA-OCB/SESCOOP que fará as seleções finais, levando em consideração os seguintes critérios: Atividade focada; Demanda bem explicitada; Poder de irradiação; Contabilidade em dia; das cooperativas dos Estados da Amazônia Legal. Após a seleção das Cooperativas, análise dos formulários/informações e visando uma otimização para o inicio dos trabalhos, o Técnico Avaliador da ACDIVOCA Brasil, fará viagens aos Estados onde se encontram Brasil as cooperativas selecionadas, para a construção do Termo de referência de "Assistência e/ou Assessoria Técnica Requerida". Tal documento é parte principal para o inicio dos Projetos, isso porque, a coleta de maiores informações no local, além das contidas no formulário, proporcionará um levantamento detalhado das necessidades, tornando a intervenção mais objetiva e com resultados em curto prazo, bem como, auxiliar na formação do perfil do Consultor Voluntário a ser selecionado.

2º Passo: Após essa fase de levantamento e criação do Termo de Referência de "Assistência e/ou Assessoria Técnica Requerida" no local, será identificado no Programa "STARS" da ACDIVOCA-Internacional os Consultores Voluntários para as Cooperativas já selecionadas nos Estados da Amazônia Legal ("vide Informações Complementares").

3º Passo: Será comunicada previamente a OCB/SESCOOP Estadual, Cooperativa, ou entidade, sobre a chegada do Consultor Voluntário, contendo perfil e informações sobre o Projeto e Assistência Técnica, onde a duração poderá se estender, por mais de 4 (quatro) semanas. Cada Profissional Voluntário será acompanhado por um tradutor/interprete que fale fluentemente a sua língua, sendo que alguns deverão se deslocar até as Cooperativas do interior. Ao final dos trabalhos o Consultor Voluntário incumbido da realização dos serviços, apresentará o relatório circunstanciado dos trabalhos executados e dos resultados alcançados na OCB/SESCOOP estadual e ou outro local a ser definido durante o Projeto, com a presença de representante(s) da DFA Estadual, convidados. Serão feitas também viagens do Técnico Avaliador da ACDIVOCA Brasil às Cooperativas (04 dias em média por Estado), para a avaliação dos trabalhos do Consultor Voluntário e elaboração dos relatórios de avaliação e outros documentos.

4º Passo: Serão contratadas consultorias de apoio Administrativo, financeira e contábil para acompanhamento e confecção dos documentos e relatórios necessários para a prestação de contas dos 20 projetos. A ACDIVOCA Brasil se responsabilizara pela apresentação dos relatórios, quando da entrega da prestação de contas do convênio, comprometendo-se também a fazer monitoramento dos projetos, por um período de até 24(vinte e quatro) meses, propiciando às comunidades atendidas suporte técnico à distância.

DEMONSTRATIVO DOS PROJETOS PDC 2003-2004

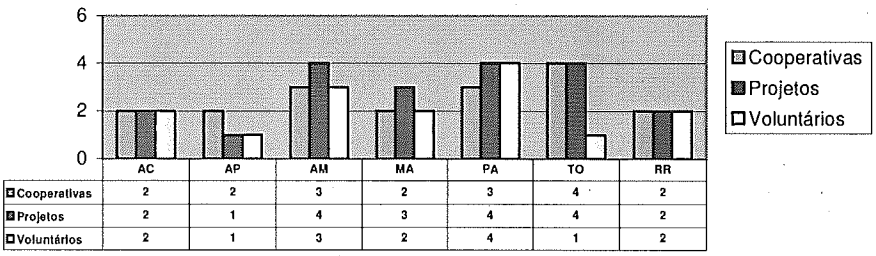
PROJETO DE CONSULTORIA TÉCNICA/ADMINISTRATIVA
MAPA/DENACOOP – OCB – ACDIVOCA/USAID

NÚMERO DE COOPERATIVAS ATENDIDAS: 19
ESTADOS: AP, AC, AM, MA, PA, RR, TO & CE.

- Consultoria Técnica para a **implantação dos Programas BMF (Boas Práticas de Fabricação) e APPCC (Análise de Pontos e Perigos Críticos de Controle) no processamento e produção de polpa de frutas**
- Elaboração em duas fases de um **Estudo de Viabilidade para o desenvolvimento do Turismo na Região**;
- Consultoria Técnica em **melhoramento na produção de farinha de mandioca;**
- **Estudo de viabilidade técnica para a criação de uma central de Leite;**
- Consultoria na melhoria de **coleta e reciclagem de resíduos sólidos**;
- Elaboração de um **Planejamento Estratégico de Marketing**/ Melhoria na **Produção de Leite**;
- Elaboração de um **Estudo de Viabilidade** para a integração das Cooperativas à uma **Central de Leite**;
- Consultoria para a **melhoria do processamento** da **polpa de Cupuaçu e na produção do Abacaxi;**
- **Reorganização Administrativa da Cooperativa** – Guaraná da Amazônia;
- **Estudo de Viabilidade** de **parceria**/Análise da produção da **Castanha do Brasil nas Cooperativas do Acre, Amapá e Pará;**
- **Circuito** de **palestras** e treinamentos direcionados ao **Cooperativismo de Crédito**

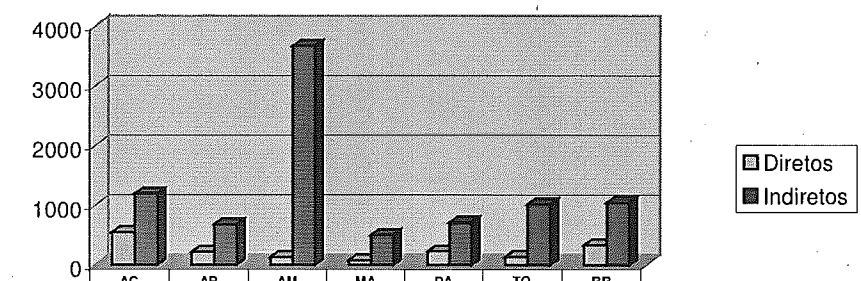
Beneficiários Diretos e Indiretos
Aproximadamente 10.500

PDC 2003-2004
COOPERATIVAS-PROJETOS-VOLUNTÁRIOS



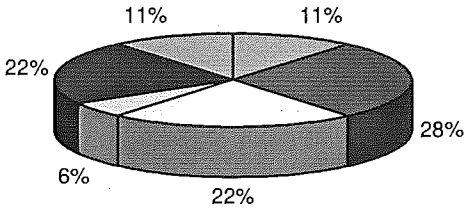
	AC	AP	AM	MA	PA	TO	RR
Cooperativas	2	2	3	2	3	4	2
Projetos	2	1	4	3	4	4	2
Voluntários	2	1	3	2	4	1	2

PDC 2003-2004
BENEFICIÁRIOS



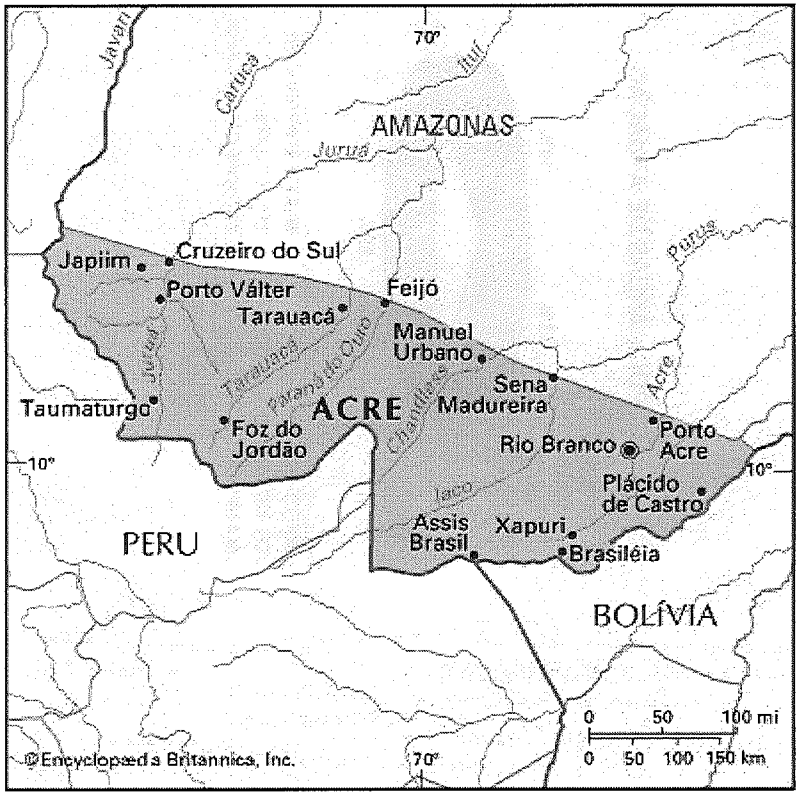
	AC	AP	AM	MA	PA	TO	RR
Diretos	550	220	132	76	227	138	335
Indiretos	1200	680	3670	500	712	1017	1050

PDC - ÁREAS DE ATUAÇÃO



ECOTURISMO	LEITE E DERIVADOS
CASTANHA DO BRASIL	RECICLAGEM
AGROINDUSTRIA	COOPERATIVISMO DE CRÉDITO

ACRE



OCB/AC

ORGANIZAÇÃO DAS COOPERATIVAS BRASILEIRAS DO ESTADO DO ACRE

- VOLUNTÁRIO: BILL EYMAN
- ÁREA: COOPERATIVISMO DE CRÉDITO
- CIDADE: RIO BRANCO
- BENEFICIÁRIOS
  - DIRETOS: 200
  - INDIRETOS: 550

COMPAEB

COOPERATIVA AGROEXTRATIVISTA DE BRASILÉIA

- VOLUNTRÁRIO: WALTER PAYNE
- ÁREA: CASTANHA DO BRASIL
- CIDADE: BRASILÉIA
- BENEFICIÁRIOS:
  - DIRETOS: 350
  - INDIRETOS: 650

OCB/AC
ORGANIZAÇÃO DAS COOPERATIVAS BRASILEIRAS DO ESTADO DO ACRE

UF	AC
PROJETO	Circuito de palestras e treinamentos direcionados ao Cooperativismo de Crédito
VOLUNTÁRIO	Bill Eyman Formado em Química, Agronomia e Matemática pela Universidade de Missouri. Vice-Presidente do Banco Cooperativo Lewistown Diretor-Tesoureiro do Holding River Valley Bancshares Inc
OBSERVAÇÕES	• Baixo número de Cooperativas de Crédito no Estado. • Baixa procura/atração de novos associados/cooperativas. • Necessidade de um Planejamento Estratégico para a implantação de novas Cooperativas de Crédito nas 5 (cinco) regiões administrativas do Estado do Acre.
RECOMENDAÇÕES	• Ausência de um diagnóstico preciso sobre o Cooperativismo de Crédito. • Necessidade de um Plano de capacitação sobre o Cooperativismo de Crédito para os membros, associados e empregados.
RESOLUÇÕES	• Palestras proferidas em Cidades do Interior e na Capital/ Divulgação dos Princípios Cooperativistas para a Comunidade. • Diagnóstico elaborado, sobre os pontos fortes e fracos do Cooperativismo de Crédito no Estado.

TERMO DE REFERÊNCIA OCB/AC

ACDI/VOCA – BRASIL

Título: Fortalecimento e expansão do Cooperativismo de Crédito

Localização: Acre

Duração: 20 dias

Resumo:
O quadro diretor da Cooperativa identificou a possibilidade de novos mercados e negócios, visando a capacitação e treinamento de futuros associados em Cooperativismo de Crédito. A OCB/AC solicitou a ACDIVOCA uma consultoria/assistência para a melhoria dos mecanismos de controle interno, suporte e reestruturação organizacional, proporcionando treinamento e capacitação à futuros Presidentes e membros em potencial, localizados nas 5 regiões administrativas do Estado.

Contato: Presidente: Eudemir Gomes Bezerra

Contrapartida: Ministério da Agricultura/ MAPA/DENACOOP

Endereço: Diretor Executivo: Márcio Heleno de Souza Rodrigues

Endereço: Av. Nações Unidas, 1.412-2 - Bosque.

Fone: (68) 227.2712 - 227.2747

Fax: (68) 227.2850

E-mail: sescoop.ac@brturbo.com e ocea@brturbo.com

Authors: Daniel da Silva ACDI/VOCA-Brazil & Michael McNulty-ACDI/VOCA-HQ

A. PERFIL DA ORGANIZAÇÃO

A OCB/AC é a Organização das Cooperativas Brasileiras do Estado do Acre, e representa todas as cooperativas no cenário político e administrativo, provendo suporte e capacitação técnica em cooperativismo através do SESCOOP/AC e estudos de viabilidade para o crescimento e melhoria das atuais e novas cooperativas do Estado.

B. DESCRIÇÃO DO PROJETO

Introdução

A dificuldade em conseguir empréstimos nos Bancos do Brasil, fez com que buscassem novas alternativas, como por exemplo, a criação de Cooperativas de Crédito.Esse tipo de Cooperativa proporciona suporte desde o pequeno produtor até os grandes fazendeiros e empresários com pequenas taxas e grande

credibilidade. Fazendeiros, famílias e trabalhadores podem ter beneficio a partir destas oportunidades, aumentando sua produção e qualidade de vida.

Justificativa
Não há uma estrutura e ou sistema de Cooperativismo de Crédito no Estado do Acre. A possibilidade de encontrar novos lideres e criar Cooperativas de Crédito poderá proporcionar uma eficiente e transparente estrutura organizacional, desenvolvendo produtos novos, novas formas de empréstimo e expandir seus serviços para atingir pequenos e médios produtores e contribuir para o desenvolvimento desse tipo de Cooperativa no Estado do Acre.

Objetivos

Gerais
· Proporcionar apresentações motivacionais;
· Estudo de viabilidade para as 5 regiões;
· Melhoria do quadro Diretivo;
· Identificar novos membros em potencial;
· Proporcionar treinamento em negócios para os membros e gerência;
· Preparar a gerência, membros e outros clientes para a criação do Credito de Cooperativa;

Específicos
· Descobrir novos líderes;
· Melhoria das ferramentas gerenciais;
· Desenvolver planos de treinamento diretos;
· Auxiliar na delegação de responsabilidades de forma responsável e eficiente através da
Organização;
· Proporcionar consultoria em procedimentos gerenciais em IT/MIS;

Beneficiários

Diretos: 200
Indiretos: 550

Perfil do Consultor
· Experiência em planejamento estratégico e métodos em treinamento organizacional;
· Conhecimentos em negócios de pequeno e médio porte e experiência em gerencia de
Cooperativas de Crédito;
· Venda/marketing e desenvolvimento de novos produtos e procedimentos;
· Reestruturação Organizacional, focada na eficiência e transparência;
· De preferência o voluntário deve ter experiência sobre o Cooperativismo de Crédito no
Brasil ou América Latina.

COMPAEB
COOPERATIVA AGROEXTRATIVISTA DE BRASILÉIA

UF	AC/AP/PA
PROJETO	Estudo de Viabilidade de parceria/Análise da produção da Castanha do Brasil nas Cooperativas do Acre, Amapá e Pará
VOLUNTÁRIO	Walter Payne Presidente da Blue Diamond – Maior exportadora de Castanhas e Nozes do mundo Formado pela Universidade de Stanford em Economia no ano de 1957 e com mestrado em Administração com ênfase em Marketing/Finanças no ano de 1962.
OBSERVAÇÕES	• Baixa produtividade e desvio de dividendos para outros paises. (Venda do produto em casca para a Bolívia) • Falta de controle sanitário e microbiológico. • Aquisição de novos equipamentos. • Baixo rendimento e valor agregado nos produtos com casca. • Ausência de um controle de vendas diretas para o cliente. (Grande número de atravessadores)
RECOMENDAÇÕES	• Necessidade de uma Reestruturação Administrativa e de Pessoal. • Necessidade de treinamento e capacitação dos Recursos Humanos. • Busca de financiamentos junto ao BASA para a aquisição de novos equipamentos. • Busca de parcerias com o Ministério da Agricultura e outras entidades responsáveis pelo extrativismo e produção da Castanha do Brasil.

Relatório Final COMPAEB

Projeto #080025

Plano Estratégico de Marketing / Estudo da possibilidade de parceria /Castanha do Brasil

I. RESUMO EXECUTIVO

1. **Organização e país anfitriões:** COMPAEB, BRASILEIA – Brasil

2. **Datas do trabalho**: 26 –28 de junho de 2004

3. **Foco do trabalho:**

COMPAEB é uma cooperativa pequena de marketing e processamento de Castanha do Brasil localizada no coração de uma das maiores áreas de produção de castanha do Brasil no país. Eles querem atrair possíveis parcerias ou investidores para ajudar a financiar a expansão do seu processamento e marketing de volumes.

Foram gastos três dias de discussões com a gerência principal da cooperativa pra melhor entender a dinâmica da sua indústria e capacidades atuais. Viagens de campo foram feitas à Bolívia para ver a operação de uma plantação competidora bem sucedida; a cooperativa anfitriã possui plantação recém construída; e vinte milhas floresta a dentro para observar a condição muito difícil na qual as castanhas selvagens são recolhidas e trazidas para o mercado.

4. **Resumo de Recomendações:**

Qualquer parceria em potencial teria melhores prospectos que a COMPAEB no momento atual. Para a COMPAEB atraia atenção, ela deve construir uma reputação como um "jogador" viável no mercado internacional onde 75% da produção do Brasil é vendida. Para alcançar isso, eles devem atualizar sua tecnologia de plantação para produzir um produto microbiologicamente superior e agressivamente comercializar sua capacidade para usuários internacionais de castanha do Brasil. Sua maior esperança para financiar essas despesas, pelo menos inicialmente, é o governo brasileiro.

II. NARRATIVA E SUPORTE

A COMPAEB parece ser uma organização bem gerenciada, na qual a grência tem uma visão forte e ampla da missão da cooperativa. Parece estar em sintonia com os objetivos do governo federal.

- Social: Manter um modo de vida viável para as "pessoas da floresta" para que nem eles nem seus filhos emigrem para as cidades.
- Ecológico: Manter esse modo de vida protegendo a "Floresta Tropical".
- Econômico: Ajudar esses objetivos ao operar uma empresa de sucesso que trabalhe com esses "produtos da floresta".

Competição Boliviana:

Pode parecer que, apesar do Brasil ser o maior produtor de castanha do Brasil, o país e as cooperativas de castanha do Brasil e as não cooperativas não estão indo muito bem em alcançar sua missão como eles poderiam. Em 2003, O Brasil exportou 6,600,000 pounds de castanhas com casca e 1,700,000 pounds de castanhas sem casca para o mercado, um total de aproximadamente 4,000,000 pounds de equivalente de semente. Naquele ano, a Bolíva exportou 10,800,000 pounds de sementes e 500,000 pounds de castanha com casca por equivalente de semente de aproximadamente 11,000,000pounds, ou quase três vezes mais que o Brasil.

De significância ainda maior é que mais da metade das exportações da Bolívia estima-se ser matéria prima crescida no Brasil. Mais especificamente, 25% da produção brasileira é crescida na área do Acre. É estimado que somente de 10% a 15% seja realmente processado lá, com 99% do balanço processado na Bolívia.

Para compor ainda essa questão está o fato de que a maior parte da exportação boliviana é de material de valor agregado, enquanto a brasileira é que castanhas com casca a preço de comodity. Há rumores de que para proteger seu suprimento e negócio lucrável, investidores bolivianos estão considerando investir nas acomodações de processamento no Brasil. Isso iria ajudar a melhorar a imagem do Brasil quanto a qualidade e poderia inclusive expandir o mercado para a castanha, mas os lucros seriam expropriados para investidores estrangeiros.

Nós aprendemos na viagem de campo à plantação boliviana que lidera o processamento de castanha do Brasil porque a Bolívia está "roubando" o mercado internacional do Brasil (usando a produção das florestas brasileiras!). Tahuamanu, o nome do competidor boliviano está localizado logo na fronteira com a COMPAEB. Sua produção é aproximadamente o triplo da COMPAEB. Mais de 55% das castanhas que eles processam é originária do Brasil. Eles têm visivelmente adereçado a preocupação dos compradores internacionais sobre afloxina e o problema da ransosidade pelo uso de moderno equipamento que detecta tais toxinas, um laboratório a vista impressionante para o teste de produtos e controle de clima para armazenamento de matéria prima.

Imagem da Indústria:

A indústria de castanhas no Brasil foi taxada com a imagem de uma qualidade inferior.

- Desde quando começa a colheita em Dezembro, muito da Quarta parte da demanda mundial foi satisfeita com a colheita do ano anterior.
- A difícil e vagarosa corrente de suprimento da coleta ao processamento implora pela deteriorização do produto.
- Alta ransisidade e níveis de afloxina prejudicam a comercialização do produto em uma época em que o mundo desenvolvido está plenamente ciente quanto a qualidade alimentar.
- A castanha do Brasil não é considerada isolada internacionalmente, com exceção do Reino Unido. Ela é geralmente misturada com outras castanhas. A porcentagem geralmente depende do preço. A castanha do Brasil, devido ao seu tamanho maior (comparando a outras castanhas em geral) e a problemas microbiológicos já começa em desvantagem.
- A disponibilidade da castanha do Brasil tem flutuado. Por sua origem ser selvagem, não cultivada, os compradores não podem ter certeza qual é a produção anual. Isso torna o planejamento difícil, especialmente para produtos de castanha do Brasil a longo prazo.
- A falta de uma indústria lider, ou coesão industrial tem prejudicado. Ninguém está desenvolvendo novos produtos, campanhas nutricionais ou esforços promocionais.

Grandes Oprotunidades:

Atualmente, a imagem das castanhas em geral está em alta. (essas castanhas incluem a castanha de caju, pistache, almonds, hazelnuts, macadamias, pecans and walnuts.)

- Castanhas têm a gordura "boa"
- Elas são amigas do coração e sistema cardio-vascular
- Elas contém traços de certos elementos que são considerados importantes hoje
- Elas são incentivadas pela dieta do Atkins
- Têm gosto bom.
- Têm alto índice de satisfação (deixa satisfeito com poucas castanhas)
- O consumo está em nível recorde
- Os preços são bem altos e propensos a permanecer assim pelos próximos 3 a 5 anos.

Aspectos fortes da COMPAEB

- Eles estão localizados no coração de uma das maiores áreas de cultivo do mundo (25% da produção do Brasil é crescida no Acre)
- Eles têm bons contatos com fornecedores locais
- Eles têm uma boa corrente de coleta a processamento já existente

- Eles têm tecnologia nova, mas não alta, plantação que pode ser adaptada a novas tecnologias.
- Eles têm baixo custo (4%) de operação (não extensão de plantação)

Pontos fracos da COMPAEB

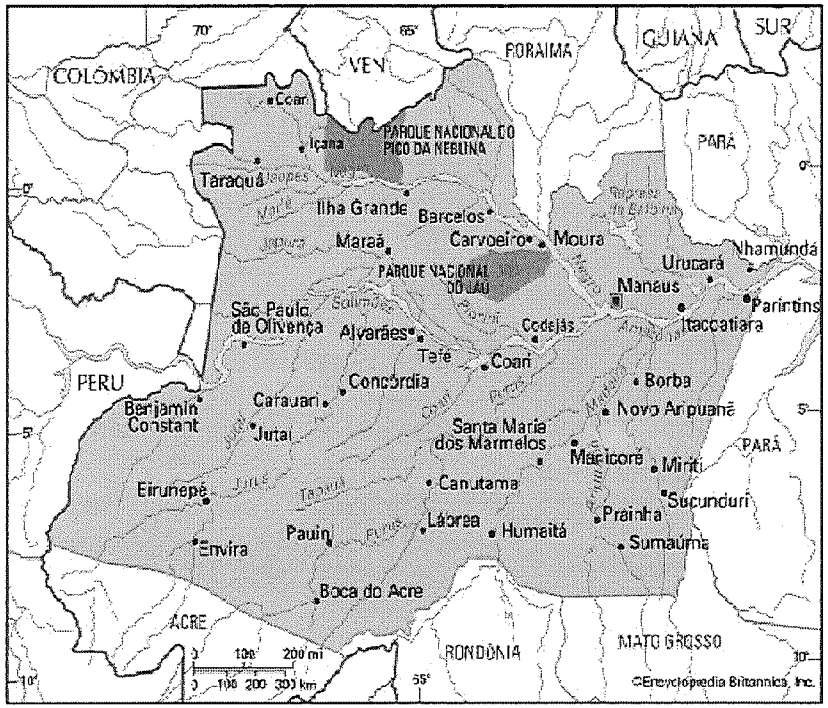
- Freqüentemente o governo é sua única fonte de capital.
- Eles têm exposição limitada internacionalmente
- Eles precisam de assistência técnica
- Eles precisam de capital agora para melhorar a criar presença internacional

Linha de plano estratégico para COMPAEB

1. Estabelecer plano de negócios *
2. Obter certificado de qualidade internacional * (HAACP)
3. Instalação de equipamento ultravioleta para identificação de aflatoxin.**
4. Instalar detectores de metal. Mudar linha de embalagem de alumínio para poly. **
5. Anunciar aos consumidores de castanha do Brasil ao redor do mundo dessas mudanças de todas as maneiras possíveis, incluindo uma brochura multi-linguistica. **
6. Comercializar o fato da plantação ser nova, mesmo antes da atualização.
7. comercializar o conceito de que sua plantação e dez estações receptoras estão no coração dessa imensa área de produção, em adição a redução da corrente de suprimento "coleta -mercado" (Produtos mais frescos!)
8. Marcar encontros para o presidente da COMPAEB visitar os dez maiores usuários mundiais de castanha do Brasil. **
9. Contar-lhes a história da COMPAEB. Pedir 10% dos seus negócios se provarem como fornecedores eficientes.
10. Convidá-los a visitar a COMPAEB
11. Concentrar em produtos de valor agregado(sem casca)
12. Influenciar o governo brasileiro a financiar as atualizações tecnológicas para a plantação. Não farto, excessivo, mas funcional. (Compradores ficam impressionados com essas capacidades)
13. Considerar o desenvolvimento de alguns novos produtos que usam a castanha do Brasil. Isso pode ser intermediado por fora e deve incluir chocolate, sorvete, petiscos e produtos de bebidas. Compartilhe essas idéias e fórmulas com consumidores. Pegue essas idéias para os produtos deles não só dos compradores. **
14. Considerar oportunidades especiais das castanhas com casca na China e Índia (Visite-as) **
15. Tornar-se ativa no Conselho Internacional de Castanhas. **
16. Construir uma reputação de confiança, qualidade e continuidade (Preço será um problema muito menor)
17. Expandir enquanto cresce, não antes
18. Investidores virão se essas coisas forem bem feitas.

* ACDI-VOCA poderia ajudar nisso.
** Isso requer financiamento externo.

AMAZONAS



COOPESCA

COOPERATIVA MISTA DE SERVIÇOS PESQUEIROS DO MÉDIO AMAZONAS

- **VOLUNTÁRIO: FRED VOIT**
- **ÁREA: MELHORIA NA FABRICAÇÃO DO GELO PARA O PESCADO**
- **CIDADE: PARINTINS**
- **BENEFICIÁRIOS:**
  - **DIRETOS: 60**
  - **INDIRETOS: 3.420**

ASCOPE

COOPERATIVA DOS PRODUTORES RURAIS DA COMUNIDADE SAGRADO CORAÇÃO DE JESUS DO PARANÁ DA EVA

- **VOLUNTÁRIOS: MAURICE WESTBERG & DEAN WHEELER**
- **ÁREA: AGROINDUTRIA - FRUTAS EXÓTICAS**
- **CIDADE: PARANA DA EVA**
- **BENEFICIÁRIOS:**
  - **DIRETOS: 30**
  - **INDIRETOS: 120**

AGROFRUT

COOPERATIVA AGROFRUTIFERAS DOS PRODUTORES DE URUCARÁ

- **VOLUNTÁRIO: MAURICE WESTBERG**
- **ÁREA: AGROINDUSTRIA – FRUTAS EXÓTICAS – GUARANÁ**
- **CIDADE: URUCARÁ**
- **BENEFICIÁRIOS:**
  - **DIRETOS: 42**
  - **INDIRETOS: 130**

COOPESCA
COOPERATIVA MISTA DE SERVIÇOS PESQUEIROS DO MÉDIO AMAZONAS

UF	AM
PROJETO	Melhoria na produção de gelo e no processamento do pescado
VOLUNTÁRIO	FRED VOIT 82 anos. 25 anos de experiência em consultoria internacional. Especialista em agroindústria, com sólidos conhecimentos em controle de qualidade, treinamento de pessoal entre outros. Formado em Tecnologia de alimentos pela Universidade de Massachusetts. e Química pelo Instituto de Tecnologia de Oregon. Já trabalhou no Brasil nas Cooperativas: COOPERAVES. COPABA.
OBSERVAÇÕES	Falta de um controle de qualidade na produção e processamento do gelo. Falhas na recepção do pescado Falta de um programa contra acidentes. Falta de um plano de ação para a correta utilização do maquinário. Falta de manutenção: Apenas 1 (uma) máquina de produzir gelo, funcionando. Falta de pessoal especializado. Baixo índice de novos associados.
RECOMENDAÇÕES	Contatos com exportadores Busca imediata de novos associados. Início de um planejamento para a utilização de novos pescados para outros mercados. Elaboração por parte da nova Administração de um Projeto para ser apresentado ao Sescoop/AM para cursos de capacitação dos membros e associados.
RESOLUÇÕES	Devido a mudança no quadro diretivo durante a intervenção do Voluntário, as implantações estão sendo estudadas por um Comitê, formado por membros da antiga e nova gestão.

TERMO DE REFERÊNCIA COOPESCA

ACDI/VOCA – BRASIL
PDC
Programa de Apoio e Desenvolvimento Sustentável das Cooperativas da Amazônia Legal
Em parceria com a:
OCB-SESCOOP

Titulo: **Melhoria na Produção de Gelo**

Projeto Nº: **082042**

Localização: **Rua Rua Araújo s/n bairro São Benedito – Parintins – Amazonas**

Duração: **15 dias**

Resumo: **COOPESCA** é uma cooperativa de serviços pesqueiros e tem como principal atividade a produção de gelo. Com uma produção diária de 9 a 20 toneladas de gelo na forma escama, incluindo a capacidade de estocagem a cooperativa comercializa para mais de 3.000 pescadores da região de Parintins que disponibilizam o pescado para o mercado interno e externo.
A cooperativa está em busca de novas técnicas para o melhoramento da produção de gelo e aumentar o rendimento nas épocas de estiagem.

Contato: DONALDSON PESSOA DE FARIAS 9968-1812

Contrapartida: MAPA/DENACOOP

Endereço:

Autores: Daniel da Silva, Osca Neto,Celso Claro-ACDI/VOCA-Brazil
Michael McNulty-ACDI/VOCA-HQ

A. PERFIL DA COOPERATIVA

COOPESCA é uma cooperativa de serviços pesqueiros e tem como principal atividade

a produção de gelo. Com uma produção diária de 9 a 20 toneladas incluindo a capacidade de estocagem a cooperativa comercializa para mais de 3.000 pescadores da região de Parintins que disponibilizam o pescado para o mercado interno e externo.

B. DESCRIÇÃO DO PROJETO

Introdução

Com a alta safra de pesca na região que vai até Dezembro a COOPESCA está em plena atividade, e com o novas técnicas de produção e estocagem a cooperativa poderá evitar perdas melhorando a preparação do pescado e provendo aos membros e pescadores a entrada de mais rendimentos.

Justificativa

O gelo atualmente é usado para a manutenção do pescado para a venda, mas existe uma grande possibilidade de conquistar novos mercados, vendendo o gelo em cubos ou em barra, dando a oportunidade de aumentar o rendimento da cooperativa na época de estiagem.

Objetivos

Gerais

- Aumentar a qualidade do atual produto
- Proporcionar treinamento e orientações na produção de gelo e seus subprodutos;
- Desenvolver novos procedimentos de produção e armazenamento;
- Melhorar a qualidade dos produtos;
- Melhorar o gerenciamento da cooperativa e sua estrutura operacional;

Específicos

- Proporcionar alianças com outras cooperativas de pesca e troca de idéias e produtos;
- Proporcionar assistência técnica geral;
- Proporcionar o aumento do mercado interno e externo para outros tipos de pescado;

Beneficiários

Diretos: 60 membros
Indiretos 420 famílias e aproximadamente 3.000 pescadores

Perfil do Consultor Voluntário

- Experiência no mercado da pesca;
- Sólidos conhecimentos em Marketing e desenvolvimento de novos produtos;
- Preferência de outros trabalhos executados no Brasil ou América Latina;

RELATÓRIO CONSULTORIA COOPESCA

PARINTIS, AMAZONAS, BRAZIL

PROJETO
MELHORIA NA PRODUÇÃO DE GELO E MARKETING
PROJETO NÚMERO
082042

PREPARED BY:
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Telephone: (502)232-5084, 253-5865
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E-mail: voit@.citel.com.gt

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Phone: 202/383 4961
Fax: 202/783 7204

DEZEMBRO 2003

RELATÓRIO FINAL

PROJETO NÚMERO 082042

MELHORIA NA PRODUÇÃO DE GELO E MARKETING

SUMÁRIO

1. PROJETO NÚMERO: 082042 -VOLUNTÁRIO FRED VOIT, ACDI/VOCA

2. Organização anfitriã e local: COOPESCA, PARINTINS, AMAZONAS, BRASIL

3.PERÍODO DO PROJETO 30 de Novembro – 14 de Dezembro de 2003

4. ESCOPO DO TRABALHO: ACDI/VOCA Coopesca é uma cooperativa de serviços pesqueiros que processa e vende peixes

5. RECOMENDAÇÕES: Plano de Ação

II. CORPO DO PROJETO
6. PROCESSING FOR COOPESCA, PARINTIS, AMAZONAS.

A: INTRODUÇÃO:

COOPESCA é uma cooperativa que auxilia pescadores na comercialização e preparação do pescado;
No presente momento, a cooperativa possui aproximadamente 160, em sua maioria inativos;
O local consiste em um túnel frigorífico, depósitos para peixes congelados.
Salas para embalar o peixe no gelo e armazenar na sua chegada.
Área de processamento.

B: LOCAL DE PRODUÇÃO DE GELO

TÚNEL DE CONGELAMENTO

O túnel foi desenvolvido para grandes movimentos de ar e gerar altas temperaturas.
Esse local tem capacidade para congelar aproximadamente 15 toneladas de peixe, diariamente. O peixe é cortado em filés, empacotado e congelado em bandejas.

SALAS DE ESTOCAGEM
As salas foram bem construídas e projetadas para manter o peixe fresco ou congelado.

ÁREA DE PROCESSAMENTO:

A área de processamento em prateleiras de aço inoxidável e um lavatório rotativo, onde o peixe é cortado em filés ou em outros pedaços de acordo com o que é aceito no mercado.

C - EQUIPAMENTO DE PRODUZIÇÃO DO GELO

A mTabela 0-1áquina de produzir gelo é moderna e preparada para produzir gelo de boa qualidade.

D- SUGESTÕES PARA A MELHORIA:

É essencial para uma cooperativa de sucesso, ter um grande número de membros. Uma prioridade deverá ser a de encontrar um caminho para aumentar o número de membros em torno de 2000. Para manter os membros ativos, a cooperativa terá que oferecer algum benefício, tal como pagar a mais, um pequeno montante por peixe para os membros do que os pescadores ou oferecer uma porcentagem sobre o lucro no final de cada ano fiscal. Mil membros podem ter grande influência junto ao Governo para melhorar as condições de pesca.

E- PLANO DE AÇÃO:

A fábrica terá de ser reestruturada. A cooperativa deverá receber todo o tipo de peixe disponível para o processo. Essa reestruturação deverá ser em um ano durante as operações, o que é essencial para justificar o investimento. Eles terão que contratar uma pessoa para dialogar com os pescadores e pedir a eles que vendam/entreguem o pescado para a cooperativa. Essa pessoa terá também a capacidade de trabalhar com os pescadores para assegurar que o peixe será de boa qualidade e fresco.

F- VENDAS

O vendedor deverá ser contratado para verificar o comércio, preços e buscar novos mercados para as variedades de peixe disponíveis.

G- ECONOMIA:

Um bom contador deverá estar disponível para verificar os custos diários. O gerente deverá estar hábil para manter na linha os custos diários.

O comércio de gelo deve ser mantido. Capital para trabalho deverá ser obtido.

Se possível, o comércio de filé deve ser mantido assim como devem ser obtidos os custos atuais.

H- APÊNDICE:

O local pode ser reestruturado para ser um negócio, mas somente se for operado como negocio. A obtenção de capital e um programa anual deverão ser iniciados. Procurar novos e lucrativos mercados disponíveis para o pescado. Os filés que são processados atualmente são de boa qualidade. Eles podem ser aceitos no mercado americano por um preço melhor do que são obtidos atualmente.

Um Programa sanitário deverá ser iniciado
Controles de bactérias deverão ser iniciados

O aproveitamento de todas as partes do peixe pode ser economicamente necessário. A de carne na cabeça do peixe pode ser aproveitada. Os ossos e a cabeça moídos podem ser e vendidos como ração para animais. .

A reestruturação da cooperativa deverá ser feita a partir de uma demanda para o capital de trabalho

A fábrica é mecanizada e com um largo investimento já investido, o capital deve estar disponível com a contratação de um bom Gerente.

Fred Voit
ACDI/VOCA

VOLUNTÁRIO

REPORT No. 082042

ASCOPE
COOPERATIVA DOS PRODUTORES RURAIS DA COMUNIDADE SAGRADO CORAÇÃO DE JESUS DO PARANÁ DA EVA

UF	AM
PROJETOS	Projeto I – Elaboração de um Plano de Marketing para a produção e comercialização do Abacaxi e Cupuaçu. Projeto II – Consultoria para a melhoria do processamento da polpa de Cupuaçu e na produção do Abacaxi.
VOLUNTÁRIO	Projeto I Maurice Westberg Formado em Agronomia pela Universidade do Estado de Oregon Voluntário da ACDIVOCA desde 1996. Mais de 20 projetos executados em 10 Paises. Projeto II Dean Wheeler Agrônomo formado pela Universidade da Califórnia: Davis Administração Internacional pela Universidade da Florida
OBSERVAÇÕES	PROJETO I Falta de um padrão no cultivo do Abacaxi. Falta de um sistema de controle de pragas. Falta de equipamentos necessários para o beneficiamento do abacaxi. Sucateamento de materiais. Dependência de um só produto. Instalações inacabadas (futura unidade de agroindústria). PROJETO II Necessidade de início imediato no processamento do suco e outros produtos. O acondicionamento das polpas está fora dos padrões sanitários. Ausência de um controle na qualidade da produção

	Utilização incorreta de pesticidas para o controle de praga.
RECOMENDAÇÕES	PROJETO I Elaboração de um orçamento prévio para a compra de equipamentos. Buscar alternativas para seguir com a continuação das obras da unidade. Elaboração junto ao Sescoop-AM de um plano de treinamento para os membros e associados, nas áreas de finanças, gestão, produção e cooperativismo. PROJETO II Melhoria nas áreas de cultivo e trocas sazonais com outros produtos para a manutenção da qualidade do solo. Utilização de outros pesticidas e a obrigatoriedade no uso de equipamentos de segurança. Implantação do Programa de Boas Práticas de Fabricação. Visitas à outras cooperativas do ramo para a absorção e troca de informações.
RESOLUÇÕES	PROJETO I e II Novos procedimentos no cultivo do Abacaxi e Cupuaçu estão sendo implantados. Treinamento dos membros da Cooperativa e produtores em Boas Práticas de Fabricação. Implantação de procedimentos Sanitários no processamento e produção da polpa de fruta Inicio das obras da unidade de beneficiamento e produção de polpa de frutas.

Solicitação de Assistência Técnica – ASCPOPE

1. DESCRIÇÃO DO PROJETO

- Assessoria para conquistas de novos mercados;
- Acompanhamento para montar uma infraestrutura adequada para o beneficiamento e armazenamento na cooperativa;
- Assessoria na conquista de capital de giro, a juros mais baixos, para ajudar os produtores nas grandes safras;
- Assessoria de marketing, para a divulgação dos nossos produtos no mercado.

2. LOCAL DO TRABALHO

Comunidade Sagrado Coração de Jesus do Paraná da Eva, município de Itacoatiara, zona rural, Estado do Amazonas.

3. OBJETIVOS TÉCNICOS

- Garantir mercado para nossos produtos;
- Aumentar a qualidade e variedade dos nossos produtos;
- Melhorar a estrutura física da indústria;
- Adequar as embalagens dos produtos, para facilitar o consumo;
- Criar alianças com outras cooperativas do ramo.

4. BENEFICIÁRIOS DO PROJETO

- Membros da cooperativa;
- Pessoas da comunidade;
- Membros de comunidades vizinhas;
- População do município de Itacoatiara;
- Compradores dos produtos.

5. BENEFÍCIOS ESPERADOS

- Garantir mercado para nossos produtos;
- Melhor a estrutura física da agroindústria;
- Aumentar o intercâmbio entre as cooperativas e com a nossa empresa cooperativa;

Disponibilizar empréstimos a juros mais baixos para nossos cooperados.

6. PLANOS DE TRABALHO

Data prevista:
Duração:
Atividades a serem executadas:

7. ORGANIZAÇÃO SOLICITANTE

Nome: Cooperativa dos Produtores Rurais da Comunidade Sagrado Coração

de Jesus do Paraná da Eva – ASCOPE

Endereço: Comunidade Sagrado Coração de Jesus do Paraná da Eva, Itacoatiara, zona rural, Estado do Amazonas.

Tel: (92) 9976-6417 ou (92) 400-7325

Fax:

E-mail;

8. NOME E CARGO DO DIRIGENTE

Edsomar Soares de Mendonça – Presidente

9. ATIVIDADES PRINCIPAIS DA ORGANIZAÇÃO

- Produção de Abacaxi;
- Produção de Cupuaçu;
- Criação de Gado;
- Farinha de Mandioca;
- Produção de Tucumã.

10. ÁREAS GEOGRÁFICAS DE TRABALHO

Comunidade Sagrado Coração de Jesus, se localiza à margem esquerda do Paraná da Eva, na fós do Rio Preto da Eva, no município de Itacoatiara, Estado do Amazonas. Nessa área, esta o lago, onde residem mais de 30 moradores. A comunidade possui um ramal, que vai da com,unidade até a estrada estadual de Itacoatiara.

11. COMPOSIÇÃO DO QUADRO DIRETIVO E FUNCIONAL

Conselho de Administração

Conselho Fiscal

Gerente da Cantina (comprador, cuida do açougue e é o contador)

Secretário de Transporte:

Secretário de Produção:

Secretário de Promoções e Eventos:

Secretário de Construção e Obra:

12. OUTROS COMENTÁRIOS

RELATÓRIO FINAL ASCOPE

PROCESSAMENTO DO SUCO DO ABACAXI - ASCOPE, NO. 080017
ITACOATIARA, AMAZONAS, BRASIL.
1-13 JUNHO, 2004.

VOLUNTÁRIO ACDIVOCA
DEAN WHEELER,

RESUMO

O Escopo de trabalho para este Projeto incluía treinamentos para os membros em Boas Práticas de Fabricação e Padrões e Procedimentos Operacionais Sanitários na Industria de Processamento de Sucos. Essa parte do trabalho não pôde ser executada, pelo o motivo de não existir uma industria ou unidade. A construção de uma unidade para beneficiamento foi iniciada pelo Governo do Estado, mas interrompida a 2 anos atrás. O treinamento somente foi feito nos Procedimentos Básicos Operacionais Microbiológicos e Sanitários.

Como o principal cultivo dos membros é o abacaxi, e eu tenho sólidos conhecimentos em produção de abacaxi, visitei algumas áreas cultivadas e deixando algumas recomendações para a melhoria dos campos, qualidade e rentabilidade na produção de abacaxis.

Conforme solicitado pelo Sr. Edsomar Soares Mendonça, Presidente da Cooperativa, nos reunimos com o Sub-Secretário de Agricultura do Estado do Amazonas, para discutir sobre a conclusão da obra e colocar, minhas recomendações para certas modificações. Essa reunião veio em boa hora e o Governo prometeu terminar a obra e buscar melhorias.

Uma reunião sobre o Estudo de Viabilidade foi feita por mim, indicando que processando uma parte da produção do abacaxi da Cooperativa, pode trazer melhorias na renda para os seus membros.

O método atual para a extração da Polpa de Cupuaçu dos pomares, não é consistente com os padrões higiênicos. A conclusão da fábrica de processamento de polpa poderá permitir para a Cooperativa, produzir a polpa seguindo os padrões e condições sanitárias, resultando eventualmente em valores altos e um produto limpo.
Todos os membros da Cooperativa e da Comunidade são bastante gentis e simpáticos e o tradutor tornou meu trabalho mais produtivo e agradável.

Essa Cooperativa necessita de uma ajuda adicional. Eles merecem isso, até eles se tornarem auto-suficientes e rentáveis.

INTRODUCTION

A Cooperativa ASCOOPE, localizada na Comunidade Sagrado Coração de Jesus do Paraná da Eva, Itacoatiara, Estado Amazonas, Brasil, produz abacaxi in natura e polpa congelada de Cupuaçu. O Governo do Estado do Amazonas fez a doação de um prédio e equipamentos para o processamento de suco de Abacaxi e polpa de Cupuaçu a um bom tempo atrás. A construção foi interrompida a 2 anos atrás e nunca foi reiniciada. A maioria dos equipamentos necessários para a operação neste local, estão guardados em um armazém. Quando nos reunimos com o Governo Local, eles prometeram reiniciar os trabalhos e fazer severas modificações a partir das minhas recomendações.

Em Outubro de 2003, o Sr. Maurice Westberg, Voluntário da ACDIVOCA, visitou a Cooperativa e recomendou que um Estudo de Viabilidade fosse feito para a produção e venda do suco de Abacaxi. Seu relatório iniciou o meu trabalho na Cooperativa. Foi daí que incluí o treinamento em Boas Práticas de Fabricação e Padrões Sanitários e Procedimentos Operacionais. Como não havia uma Fábrica, essas atividade foram limitadas a uma aula em procedimentos microbiológicos e sanitários.

CULTIVO DO ABACAXI

A plantação cresce no meio de uma área de mata secundária e são cultivadas entre troncos e galhos. De alguma forma não há uma preparação da terra com tratores e outros equipamentos para preparar o terreno e colher. Como a terra contém árvores e arbustos o solo é macio e fácil para o plantio.

O espaço de uma planta a outra é aproximadamente de 30cm, o que é corretamente adequado para o tamanho da fruta.

A pedido da Cooperativa, eu fiz uma pequena aula, sobre a cultura do abacaxi, que foi observada por mais de 70 pessoas. Os parágrafos a seguir sumarizam as minhas observações e recomendações.

A variedade cultivada é a Pérola, que é um abacaxi de cor amarelada e muito doce. As folhas e a coroa contêm espinhos, que tornam a colheita difícil. Alguns produtores plantam a Cayenne, que não cheguei a ver. Fui apresentado a uma pequena plantação de abacaxi Imperial, que a EMBRAPA está produzindo de forma híbrida cruzando com do tipo Cayenne e Pérola. Essa forma híbrida sem espinhos o que é interessante.

O abacaxi Cayenne é mais suscetível à doenças de fungo em comparação com a Pérola. Orientei que os membros tomassem cuidado com o gerenciamento no cultivo, que é o mais difícil para crescer. Investindo o mínimo no cultivo do Abacaxi Pérola, poderá se tornar o melhor caminho, já que é o mais resistente a pragas e doenças.

Os produtores estão utilizando um limitado número de pesticidas, sendo alguns não apropriados. Em Manaus, nós visitamos uma companhia fornecedora de produtos agrícolas e constatamos que já existem pesticidas novos e permitidos disponíveis e que podem ser solicitados pela Cooperativa.

Minha grande preocupação é sobre o uso do Parathion, aplicado com spray para controle de insetos. Parathion é um dos inseticidas mais tóxicos no mundo e tem sido constantemente retirado na maioria das produções de abacaxi no mundo, por causa do perigo para quem o aplica. Pior ainda, luvas, mascaras e outros protetores obrigatórios não estão sendo utilizados. Os produtores estão a ponto de morrerem com esse produto além dos empregados e membros da Cooperativa. Sugeri que parassem com essa prática imediatamente.

O controle de pequenas pragas é vital e é uma das principais razões para o uso do Parathion. Os insetos não só sugam os sucos da planta, como também transmitem doenças. Presenciei vários casos dessa praga, que não puderam ser curadas,sendo somente controladas. Os sintomas são o amarelado gradual, pouca quantidade de folhas e finalmente a produção de um abacaxi pequeno ou sem forma. A planta deve ser retirada e queimada longe da plantação.

O mais eficiente meio de combate aos insetos, é a imersão da semente em produtos adequados, antes do plantio. Como o inseto vive normalmente embaixo das folhas do abacaxi, é quase impossível extermina-las com o uso do spray. De qualquer forma, raramente é utilizado o Parathion, sugerindo então que toda a plantação seja imersa em uma solução de 50ml de Diazinon 60%, mantendo a solução bem agitada durante a aplicação/imersão. Após 1-2 minutos, deixe secar em um compartimento ou cesta, para que a solução não seja perdida. O Presidente da Cooperativa possui um bom vídeo da EMBRAPA sobre o cultivo de abacaxi. O sistema de imersão é explicado no vídeo, onde sugeri que todos os produtores vissem o vídeo. É uma grande oportunidade utilizar essas informações na apresentação.

Após o plantio, os campos devem ser inspecionados freqüentemente no controle de insetos. No momento em que forem vistos alguns insetos, utilizar o Diazinon de 20ml em 20 litros de água. Utilizar um spray fino e com maior pressão possível. O objetivo é de formar uma camada fina nas bordas das plantas, para que o inseticida penetre nas axilas das folhas. Repetir esse procedimento sempre que necessário. Sugeri que fosse pelo menos a cada três meses.

As formigas são privilegiadas nas plantações. Essas formigas vivem simbioticamente com os insetos. De qualquer forma o controle das formigas ajuda também no controle dos insetos. Mirex está disponível em Manaus, mas suas partículas são muito grandes para permitir que as pequenas formigas carreguem o Mirex para os ninhos. Ao menos que a colônia, em especial a Rainha, se alimente de Mirex, matando algumas formigas. A colônia inteira precisa ser morta. Eu sugeri que o Mirex seja colocado em formatos finos, possibilitando que as pequenas formigas carregassem para o ninho e depois dividindo uma parte em 25gramas, para cada ninho, repetindo esse procedimento quantas vezes necessárias até a morte de todas as formigas.

Nós fomos capazes apenas de rever as analise do solo d uma pequena amostra do plantio de abacaxi, portanto, a nossa informação sobre a fertilidade é pequena. De qualquer forma, baseado em alguns exemplos e com as minhas observações sobre o tipo e condição do solo, tenho a certeza de que o nível nutricional do mesmo é baixo. Os produtores têm que aplicar 25 gramas por plantio 10-10-10 e fazer de duas a três aplicações durante o primeiro ano. Isso é um alto nível de utilização de fertilizantes, mas é provavelmente necessário para dar status ao solo. Recomendei que esse procedimento continue mas que a primeira aplicação fosse feita bem antes do plantio.

A maioria dos produtores está preocupada com o florescimento irregular, que causa colheita precoce. Alguns plantadores utilizam Ethrel e outros usam Calcium Carbide, mas todos parecem aplicar esses produtos durante o dia. Essa área é muito quente o que dificulta na indução das frutas. Poderia ajudar se esses hormônios pudessem ser aplicados durante o período mais frio na noite, aproximadamente entre 11:00pm até as 3:00am. Sugeri que fossem colocadas lanternas em cada capacete para que possam ver com mais clareza o coração da planta. Enquanto isso for difícil de fazer o esforço valerá a pena na colheita.

Quanto maior for o plantio do material, maior será a tendência do fruto nascer prematuro. Parece que as maiorias dos produtores colhem os produtos com aproximadamente de 25 a 30 cm de altura. Esse tamanho é bom, mas o cuidado deve ser para todo o restante.

As ervas são o problema contínuo em todas as plantações de abacaxi. Glyphosate é utilizado como herbicida e é utilizando a tanto tempo que os produtores entendem que esse produto pode matar os plantios de abacaxi. Esse uso deve ser limitado somente ao pré-plantio, ou com a devida e correta utilização do spray.

Nós vimos que o Diurion está acessível. Sugeri que esse herbicida fosse testado imediatamente, com 50 gramas de Diurion misturados a 20 litros de água e aplicados sob as plantas, mas não antes do início do crescimento da plantação. Isso significa que o limite de uso deve ser de 3 semanas aproximadamente. Assim que o fruto começar a abrir, Diurion poderá trazer sérios perigos ao abacaxi. Diurion deverá ser usado quando não aparecerem mais ervas ou quando essas ervas estiveram pequenas. Diferentemente do spray para insetos, Diurion deve ser aplicado na forma de pastilhas.

Alguns frutos são infectados durante o ano pela larva Thecla. O resultado é a deformação da fruta, com buracos marrons dentro da fruta. Expliquei o ciclo de vida desse inseto, que inclui o deposito do ovo no tamanho de 5-7 cm e depois a alimentação da larva dentro da fruta em crescimento. Recomendei que utilizassem 5%Sevin 5 gramas granulado sobre o fruto no momento mais cedo do estágio. Se não puderem utilizar o Sevin granulado, usar o spray do mesmo nos frutos de 5-7 cm de tamanho.

PROCESSO DO SUCO DE ABACAXI

Uma parte do trabalho foi o de proporcionar um treinamento no local sobre o processamento do suco de abacaxi, incluindo equipamentos, procedimentos sanitários e programa de boa fabricação. Como mencionado, a fábrica ainda não foi construída, portanto, eu só fui capaz de discutir tais assuntos em uma aula para os membros.
Durante a discussão, expliquei que Bactérias, fungos e germes são os principais organismos que causam o apodrecimento dos alimentos. Os passos necessários para minimizar a perda incluem:

1. Manter o produto sempre limpo, incluindo a limpeza na fábrica;
2. Manter o prédio e os equipamentos limpos
3. Não utilizar o local para outras atividades fora o processamento de alimentos
4. Os empregados devem estar sempre limpos, incluindo seus uniformes e roupas de proteção.
5. Esterelizar os containers ou armazem dos alimentos
6. O produto deve ser pasteurizado
7. Os micro-organismos não devem crescer em produtos altamente ácidos, como o suco de abacaxi, assim como em produtos com baixa acidez
8. A fábrica precisa de um pequeno laboratório para avaliar amostras contaminadas
9. Procedimentos Padrões de Operações Sanitárias devem ser escritas e seguidas diariamente

Algumas discussões sobre o assunto foram iniciadas. Informei ao grupo que algumas embalagens necessitam de mais equipamentos e mais processamentos

também. A recomendação foi a de que a Cooperativa embalasse o suco congelado em sacos plásticos para começar. Uma vez feito, eles então poderão investigar e adicionar outros tipos de produtos.

PROCESSAMENTO DA POLPA DE CUPUAÇU

Até o presente momento, o Cupuaçu é trazido por residências particulares, abertos na mão e a polpa separada da semente em tubos plásticos. Esse produto é embalado em sacos de 7 kilos, congelado e vendido em Manaus. Enquanto é reconhecido que esse trabalho é feito pelas mulheres elas tentam sem sucesso manter o produto limpo. A probabilidade de infecção microbiológica e por insetos é muito alta.

Assim que possível essa fábrica necessita iniciar processo de produção do Cupuaçu de forma mecânica, utilizando equipamentos limpos. Sugeri que a polpa seja pasteurizada e depois embalada em sacos esterilizados. Será necessário um bom espaço no prédio para a utilização desses equipamentos.

GERENCIAMENTO DA UNIDADE DE PROCESSAMENTO

Até o momento, ninguém da Cooperativa possui alguma experiência em operar uma fábrica e seus equipamentos. Quando o prédio estiver completo os fabricantes dos equipamentos devem instalar e fornecer treinamento em operação e manutenção dos mesmos.

Também, alguns membros da Cooperativa devem ir a outras cooperativas para ver e aprender como operar os equipamentos. Eu visitei uma Cooperativa no Estado do Pará, CAMTA por duas vezes e eles podem ser bastante úteis em treinamentos para a ASCOOPE. Podem também ter cooperativas que no Estado que possa também ajudar além de serem mais próximas.

REUNIÃO COM O SUB-SECRETÁRIO DA AGRICULTURA DO ESTADO DO AMAZONAS

O Sr. Edsomar me perguntou se eu poderia me encontrar com algum representante do Governo do Estado do Amazonas, a entidade que iniciou a construção da unidade de beneficiamento para perguntar se eu teria idéias para o término ou forma de disposição da unidade. Durante o tempo que passei em Manaus, nos reunimos com o Sr. Valdenor Pontes Cardos, Sub-secretário de Agricultura, Luiz Carlos do Herval Filho, Edson Cavalcanti Catâo, and Hélio Silva Pontes.

O meu conselho foi de que o layout do prédio e o tipo de equipamentos para o processamento do suco de abacaxi e cupuaçu, tem os seguintes pontos.

1. Não há um pasteurizador, o que é vital para o sucesso dos produtos.

2. Não existem meios de transporte dos produtos colhidos até a unidade.
3. Não há provisão para o produto acabado ou a polpa
4. O armazenador opera muito devagar e quando é aberto, permite a contaminação de bactérias, principalmente nas bordas. Recomendei que fosse adquirido um selador automático.
5. O prédio está construído pela metade e os equipamentos estão guardados. A finalização das obras deverá ser a de maior prioridade.

Os engenheiros do Governo indicaram que eles possuem pequena experiência no processamento de alimentos e disseram que podem incorporar as minhas idéias na finalização da fábrica. Eles perguntaram se eu poderia desenhar um modelo das minhas propostas e entregar a eles, e que já foi feito.

Concluí que os produtores são pessoas muito trabalhadoras e merecem a oportunidade de crescerem, agregando valor aos seus produtos no processamento. O Sub-Secretário prometeu que o prédio será finalizado. Senti que a reunião foi muito proveitosa e valeu a pena.

É recomendável que a ACDIVOCA e a OCB continuem discutindo com o Sub-Secretário sobre a fábrica. Como essas promessas foram feitas, é necessário que continue discutindo esses compromissos até o completo sucesso.

SUCO DE ABACAXI - ESTUDO DE VIABILIDADE

Uma parte deste Projeto incluiu a previsão de estimativas da viabilidade e vantagens do processamento do suco de abacaxi. Durante a parte de Manaus neste trabalho, nós visitamos outros locais, para determinar os preços do suco de abacaxi e produtos similares. Nós determinamos que a venda do suco de R$ 2,10 para R$ 3,19. Em todos os casos esse produto é diluído em água e é adicionado com outros produtos que reduz bastante o sabor do suco. ASCOOPE planeja produzir um suco puro e de boa qualidade.
Nós também encontramos polpa de sucos de abacaxi e cupuaçu de 0,5 litros por R$ 4,45. Esses são produtos que eu pretendo ver a Cooperativa vender. Por causa de um feriado nacional, nós não fomos capazes de determinar preços de venda para que a Cooperativa pudesse pagar. Assumimos pelo menos que o preço a ser pago seria de R$ 4,00 por kilo. Calculei depois uma análise sensitiva para determinar o beneficio mesmo vendendo a um preço baixo. Mesmo com o preço abaixo vendido a R$ 2,50/L, o retorno com o suco é maior para o produtor em termos de porcentagem do que vender a fruta in natura. De qualquer forma é evidente que os produtos do suco são bastante populares no Brasil e que também são atrativos. A minha recomendação é de que a Cooperativa venda tanto o abacaxi in natura como processado.

AGRADECIMENTOS

Eu gostaria de expressar minha gratidão ao Sr. Edsomar Soares de Mendonça, Presidente da ASCOOPE e a sua esposa Nazira pela hospitalidade em sua casa e por serem tão prestativos durante a minha estadia. Todos os membros da ASCOOP foram gentis e hospitaleiros comigo.

Agradeço também ao Srª Corrie Ault, meu interprete, que fez um excelente trabalho e com os seus serviços pudéssemos ajudar a todos da melhor forma possível.

Estou grato pela VOCA, por ter solicitado os meus serviços para esse Projeto. Sr. Celso de Oliveira e Sr. Daniel da Silva do escritório de Brasília, que organizaram a minha viagem e trabalhos. Também a Srª Suz Van Alstine e Caroline Martin, ambas da ACDIVOCA Estados Unidos-Sacramento, que organizaram esse Projeto e que foram bastantes úteis durante os acertos da viagem.

Mr. José Merched Chaar, President of OCB/AM, and Mr. and Mrs. Jenner Gadelha Costa, also of OCB Manaus, were both very hospitable and helpful. My thanks to them both.
Sr. José Merched Chaar, Presidente da OCB/AM e o Sr e Srª Costa, todos da OCB Manaus, onde foram hospitaleiros e gentis os meus sinceros agradecimentos a todos.

AGROFRUT
COOPERATIVA AGROFRUTIFERAS DOS PRODUTORES DE URUCARÁ

UF	AM
PROJETO	Reorganização Administrativa da Cooperativa – Guaraná
VOLUNTÁRIO	➢ Maurice Westberg ➢ Formado em Agronomia pela Universidade do Estado de Orego ➢ Voluntário da ACDIVOCA desde 1996. ➢ Mais de 20 projetos executados em 10 Paises.
OBSERVAÇÕES	➢ Procedimentos inadequados na preparação do Guaraná em Pó ➢ Falta de procedimentos sanitários na fabricação dos Produtos. ➢ Baixa produtividade na linha de produção.
RECOMENDAÇÕES	➢ Fabricação do Guaraná em cápsulas e tabletes. ➢ Implantação de um controle de qualidade no processamento do ➢ Busca de certificações nacionais e internacionais para o produt Itália.
RESOLUÇÕES	➢ Criação de um Estudo de Viabilidade dos equipamentos neces: produção do Guaraná em pó e outros produtos. ➢ Montagem do novo Organograma, permitindo uma divisão e oti ➢ Criação de um Plano de Fluxo, necessário para a correta produ

TERMO DE REFERÊNCIA – AGROFRUT

ACDI/VOCA - BRAZIL
Cooperative Development Program
In partnership with:
OCB-SESCOOP

Title **Reorganização Administrativa – Guaraná da Amazônia**

Project Nº:

Location Localizada na Rua Dona Doquinha 247 – Aparecida Urucará Amazonas.

Start Date: 15/09 a 29/09 de 2003
Duration 15 dias

Summary: O Guaraná é um dos produtos mais exportados da Amazônia e a AGROFRUT tem um grande mercado externo, exportando quase 40% da sua produção de grãos para a Itália e no mercado interno está conquistando um excelente espaço com a comercialização do Guaraná em cápsulas e em pó. A AGROFRUT no ano passado teve a sua produção de grãos em torno 60 toneladas e toda ela comercializada com sucesso, mas esbarrando nas dificuldades de maquinário e transporte e a reformulação em seu layout administrativo e de pessoal, além de melhorar as formas de comercialização dos seus produtos no mercado interno e externo ajudará a cooperativa a crescer aperfeiçoando sua capacidade de Marketing

Contact: Manuel Pedro Braga Paes

Counterpart:

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Authors: Daniel da Silva, Osca Neto,Celso Claro-ACDI/VOCA-Brazil
Michael McNulty-ACDI/VOCA-HQ

THE COOPERATIVE A AGROFRUT produz, processa e comercializa o Guaraná e outros produtos para o mercado externo

sendo um deles a Itália e para variados estabelecimentos de sua região. é uma cooperativa que cultiva frutas, cria gado além de artesanalmente produzir farinha de mandioca e tucumã.

Com 42 associados e 130 famílias ligadas a cooperativa, a AGROFRUT produziu no ano passado mais de 60 toneladas de grãos que foram comercializados para Itália e o comércio local. Apesar destes números a Cooperativa está em busca de novos mercados e um deles é a conquista do mercado Regional e Nacional, podendo para isso fazer acordos com parceiros interessados em seus produtos.Hoje os seus atuais compradores são os feirantes e a parte que não é beneficiada (grãos) são comercializados com algumas empresas, uma delas é a Coca-Cola.

PROJECT DESCRIPTION

INTRODUTION

Trabalhos de consultoria será feito no seguinte período

- 15/09 a 29/09 de 2003
- Duração de 15 dias
- 11/09 – chegada em Brasília para reuniões na ACDI/VOCA Brasília;
- 30/09 – Apresentação do projeto na Casa do Cooperativismo- OCB

Justification

A AGROFRUT tem apenas um mercado externo sub-desenvolvido, comercializando para apenas um País não podendo fazer novos acordos devido ao pequeno desenvolvimento administrativo e funcional, ou seja, a cooperativa tem grande capacidade de crescimento mas enfrenta dificuldades com equipamentos inadequados para produção e falta de transporte, faltando para isso

se organizar para cumprir todos os requisitos exigidos pelo mercado externo e interno

Objectives

-General Equipamentos adequados para o Processamento provendo com isso uma maior e melhor qualidade do produto

Beneficiaries

Diretos: 42 sócios
Indiretos: 130 famílias

Board Members Manoel Pedro Braga Paes – Diretor Presidente
Antônio Carlos Monteiro Fonseca – Diretor Administrativo
Rui Marques Filho – Diretor Financeiro

Profile of the Consultant O voluntário terá de possuir sólidos conhecimentos em Administração de Empresas , Marketing e Comercio Exterior.

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Other information

Permanent Farming – Urucará village-informations

Guaraná - área destinada à colheita	651	hectare
Guaraná - área plantada	650	hectare
Guaraná - quantidade produzida	97	tonelada
Guaraná - rendimento médio	149	quilograma/hectare
Guaraná - valor	728	mil reais

Área da unidade territorial (km2)	27.904
Pessoas residentes - 2000	18.372
Homens residentes - 2000	9.603
Mulheres residentes - 2000	8.769

RELATÓRIO FINAL-AGROFRUT

- Organização anfitriã: AGROFRUT

Rua Dona Doquinha 247
Aparecida Urucará - Amazonas.
☎ (92) 571 - 1819 Fax: (92) 571 – 1269
e-mail agrofrut@argo.com.br

- Contato: Manuel Pedro Braga Paes.

Diretor /Presidente. O próprio presidente se disponibilizou apenas um dia durante a visita do voluntário. Toda conversa relacionada às operações das cooperativas foi dada ao voluntário por Antonio Carlos Monteiro Fonseca, Secretario da Cooperativa.

- Data do trabalho: 21 de outubro a 28 de outubro, 2003.

- **FOCO DO TRABALHO**:

AGROFRUT é uma cooperativa em Urucará da Amazônia, o número atual de membros é 42. O grupo cultiva guaraná em 150 hectares.

A produção do ano passado foi de aproximadamente 45 toneladas, 35 toneladas foram vendidas como sementes para a Coca Cola. 5 toneladas foram transformadas em pó e aproximadamente 5 toneladas foram enviadas para a Itália, 11% . Os carregamentos para a Itália são geralmente colocados em um container com itens artesanais nativos, que a cooperativa também promove na área. A produção média por hectar é 300Kg.

A cooperativa tem mostrado interesse em melhorar a área de produção do pó para torna-la mais eficiente e limpa. Equipamento para a produção do pó existe na cooperativa, contudo, melhoramentos são necessários. Eles também desejam aumentar as vendas do pó, tabletes e cápsulas. A cooperativa está preocupada em reduzir os custos da produção, para que uma maior rede de lucro vá para o produtor. Eles estão fazendo vários planos de forma que isso possa ser alcançado. Por exemplo, eles estão tentando identificar certos custos de produção que possivelmente possam ser reduzidos. Sua estrutura organizacional foi revista e sugestões foram feitas onde fraquezas foram identificadas. A cooperativa também está preocupada em desenvolver novos mercados, provavelmente mercados além-mar.

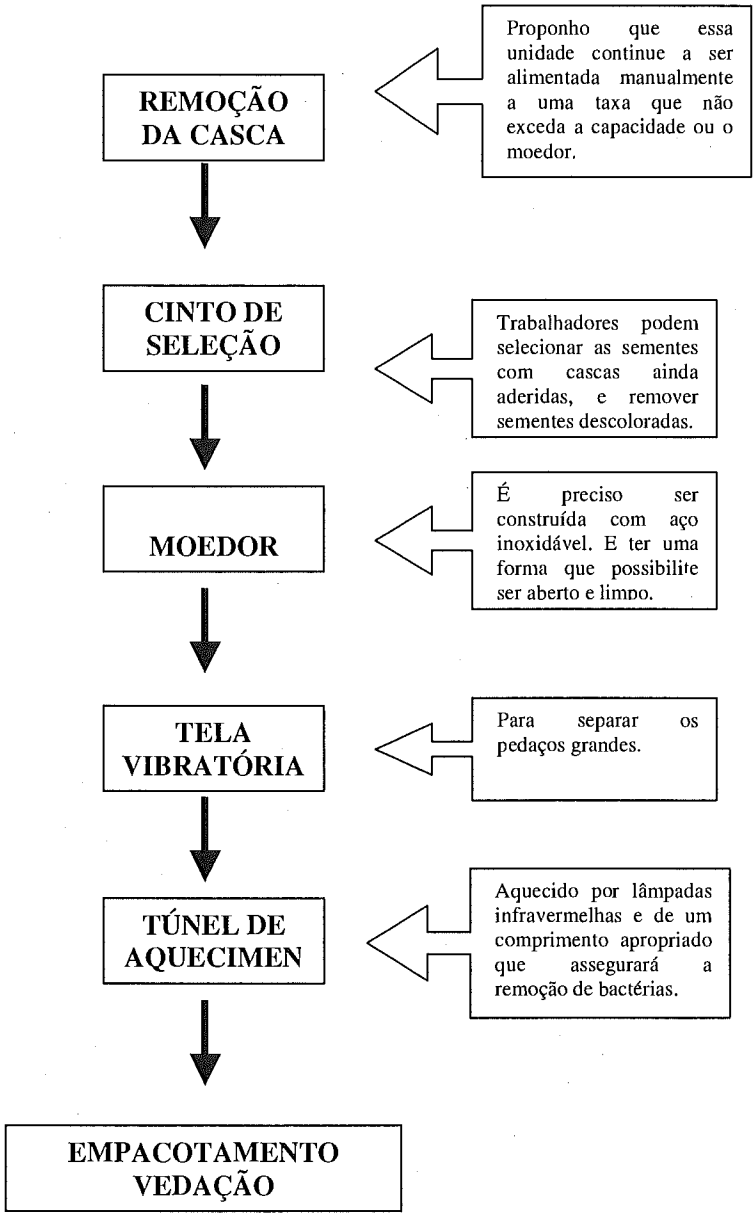
Cada uma das questões mencionadas acima será discutida no RESUMO DE RECOMENDAÇÕES que segue.

QUESTÃO 1: A cooperativa freqüentemente produz pó. O equipamento para isso constitui em: 1. Uma máquina de descascar com uma capacidade de 60 kg por hora, 2. Uma máquina de moer com a capacidade de 26kg por hora. O moedor é feito de ferro preto (devia ser de aço não oxidável). A quantidade de pó da máquina que transforma pó em farinha deve ser passada por uma tela muito fina. Isso é feito a mão em pequenas fornadas. O passo final antes de embalar o pó é secá-lo em um forno por 10 minutos a 180°C. Essa é uma operação de fornadas usando panelas de 3-2kg por vez. Essas são colocadas no forno para secar.

O pó deve ter um selo APPCC do departamento de agricultura para ser vendido. O processo de aquecimento é feito para eliminar qualquer contaminação bacteriana no pó. Ao voluntário foi dito que um certo limite ou nível de bactérias é permitido, mas as pessoas da cooperativa não souberam me dizer o nível limite. Eles precisam descobrir isso. Além do mais eles precisam coordenar com o departamento de agricultura a diminuição da temperatura de esterilização de 180°C para um nível em que o pó terá o limite de bactérias permitido sem tão alta temperatura. Este voluntário está preocupado que alguma degradação do produto esteja ocorrendo a tal temperatura. Isso precisa ser examinado. O maquinário atual é organizado e utilizado com é dito a seguir.

a. <u>Remoção da casca:</u> Guaraná é colocado na unidade e semente sem casca é coletada em uma cesta no final do processo da máquina. Os conteúdos são selecionados para caso haja alguma semente que ainda tenha parte da casca aderida a ela. Estas são colocadas na máquina novamente.
b. <u>Moer:</u> As sementes sem cascas são coletadas em panelas e levadas à máquina de moer e lá são colocadas. O controle de poeira nessa unidade é muito precário, como conseqüência, a área onde esse trabalho é feito fica muito empoeirada e a poeira prega em tudo. O pó é capturado em um container e levado para outra sala onde é servido a mão e colocado em panelas (2kg de pó) e secado, então embalado e vedado.

Um plano foi revisado com a cooperativa o qual pede por reorganização do equipamento existente e acréscimo de outras peças que permitiriam a produção de pó ocorrer numa base contínua em vez do atual sistema de fornada empregado. Um equipamento de controle de poeira adicional é incluído no layout. A seguir está uma sugestão de organização de equipamentos:


REMOÇÃO DA CASCA
Proponho que essa unidade continue a ser alimentada manualmente a uma taxa que não exceda a capacidade ou o moedor.
CINTO DE SELEÇÃO
Trabalhadores podem selecionar as sementes com cascas ainda aderidas, e remover sementes descoloradas.
MOEDOR
É preciso ser construída com aço inoxidável. E ter uma forma que possibilite ser aberto e limpo.
TELA VIBRATÓRIA
Para separar os pedaços grandes.
TÚNEL DE AQUECIMEN
Aquecido por lâmpadas infravermelhas e de um comprimento apropriado que assegurará a remoção de bactérias.
EMPACOTAMENTO VEDAÇÃO

Essa arrumação permitirá operação continua da linha do pó, aumentar a quantidade de produção e deve melhorar o padrão de qualidade.

Equipamento necessário:

1. Cinto de seleção, de aproximadamente 1.9 metros, ligado por uma força de velocidade variada	$ 2500.00 USD
2. Moedor inoxidável	$ 8000.00 USD
3. Tela vibratória Sweco	$ 3000.00 USD
4. Túnel de aquecimento e esteira	$25000.00 USD
5. Sistema de remoção de poeira	$ 5000.00 USD
	$43500.00 USD
	(123975 R$ reais)

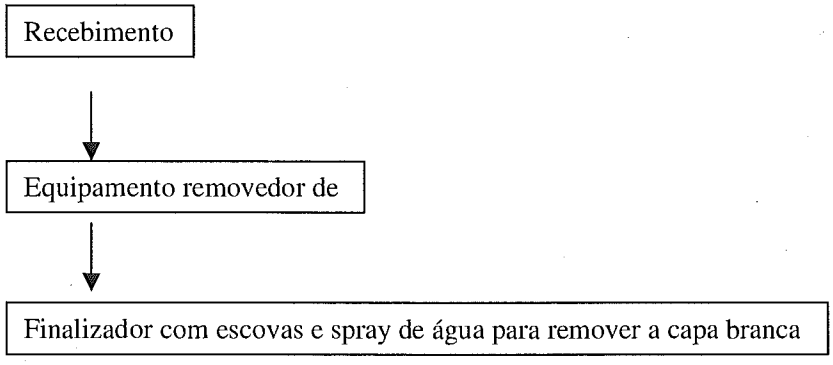
Deve ser notado que o custo do equipamento citado aqui é aproximado.
Custo de instalação teria que ser adicionado.
A cooperativa tem planos para um prédio de processamento em Urucará. Assim que o fizerem, este voluntário sugere que o equipamento para o pó seja instalado para alcançar um fluxo contínuo de produção de pó.

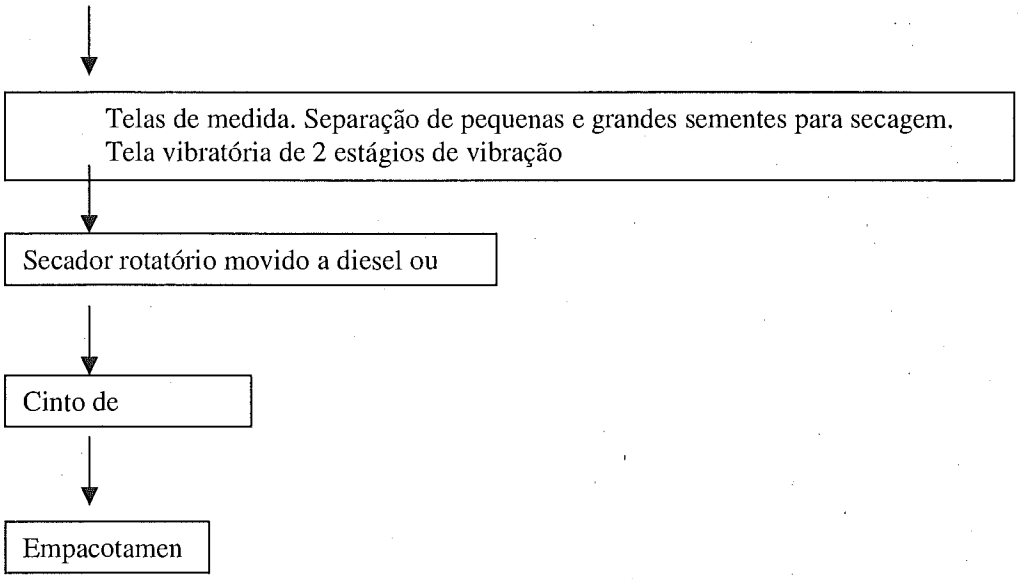
QUESTÃO 2: Atualmente a cooperativa está vendendo pó engarrafado sob a sua marca. Eles querem também se envolver em vender tabletes de Guaraná e cápsulas. Esse tipo de equipamento para produção é muito caro e é necessário conhecimento técnico, o que a cooperativa não tem. O voluntário sugere que a cooperativa contate uma empresa que esteja no ramo de fazer estes itens (talvez uma empresa farmacêutica) para ver se um contrato de acordo de embalagem pode ser negociado. A cooperativa pagaria taxas para ter seu pó feito em tabletes ou cápsulas, e colocados em garrafas com a marca da cooperativa. A cooperativa daria o pó, garrafas e rótulos. O acordo de venda e transporte também precisaria ser discutido. A questão se o embalador contratado venderia e transportaria para a cooperativa ou o produto precisaria ser manejado pela cooperativa também teria que ser negociada.

QUESTÃO 3: Atualmente a cooperativa está vendendo sementes de Guaraná a R$ 6,00 por kg. Esses R$6,00 são divididos da seguinte forma:
6,00 reais preço de venda:
1,00 recolhido pela cooperativa
4,06 despesa de cultivo
,94 REDE DE LUCRO/kg para o agricultor

Essa rede de lucro calcula a 282 reais de lucro por hectar para o agricultor. Um custo que a cooperativa identificou na área de cultivo que pode ser reduzido é o

de transporte. O custo deste transporte é para mover o guaraná dos campos às casas dos agricultores onde é feita a separação dos grupos, a lavagem e onde são assadas as sementes. A cooperativa atualmente trás a produção de seis áreas de produção na área de Urucará. A cooperativa esta considerando um plano de construir seis prédios satélites de processamento. Um no centro de cada área de cultivo do guaraná. Cada um desses centros de processamento teria maquinários e acomodações para todas as funções de processamento através do processo de assar. Com esse plano os cultivadores trariam sua produção de guaraná dos seus campos para essas acomodações onde eles processariam as sementes ao invés de arrastar as sementes dos campos para a casa de cada agricultor individualmente. Isso provavelmente reduziria a cobrança de transporte que parece ser 0.25 reais/kg. Como mencionado acima, este voluntário acredita que outras despesas de produção podem ser reduzidas depois de uma re-análise e re-cálculo das despesas de cada área. Na opinião deste voluntário, construir seis centros de processamento seria muito caro para a cooperativa já que os prédios seriam requeridos em cada uma das seis localizações e cada prédio precisaria de equipamentos para os agricultores usarem nos passos do processamento. É a opinião deste voluntário que toda função de processamento seja localizada em Urucará, onde energia elétrica e combustível estariam disponíveis. Para alcançar isso a cooperativa precisaria mandar um caminhão para todas as seis localizações de cultivo uma vez por dia ou quantas forem necessárias para pegar o guaraná que foi coletado no dia anterior. Custos calculados por cima para esse percurso dos caminhões seria alguma coisa entre 0.16 reais/kg contra os 0.40 reais/kg que a cooperativa usa hoje para essa atividade. Este voluntário calcula 0.08 reais para combustível e 0.08 reais para paramento do motorista e conservação do caminhão juntos. Nesse plano, os grupos seriam colocados em caixas de plástico que agüentariam 22kg desses grupos. As caixas precisariam ser dadas pela cooperativa e a cada agricultor seria dado o numero que ele precisaria para lidar com a sua colheita. Ao final da colheita ele teria que prestar contas por aquelas caixas que lhe foram designadas. Se houvesse alguma faltando ele teria que pagar por ela. Depois da colheita todas as caixas devem ser devolvidas a cooperativa para armazenamento até a próxima temporada de colheita. A seguir está o fluxo de produção que seria desejável manter um fluxo contínuo de sementes sendo processadas. Esse seria o plano de fluxo para uma acomodação central de processamento em Urucará.

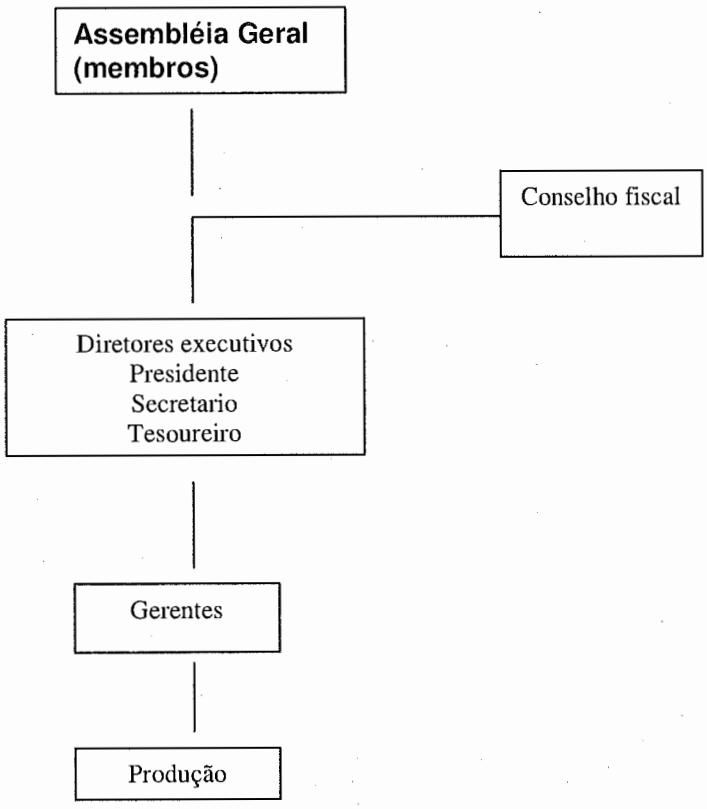




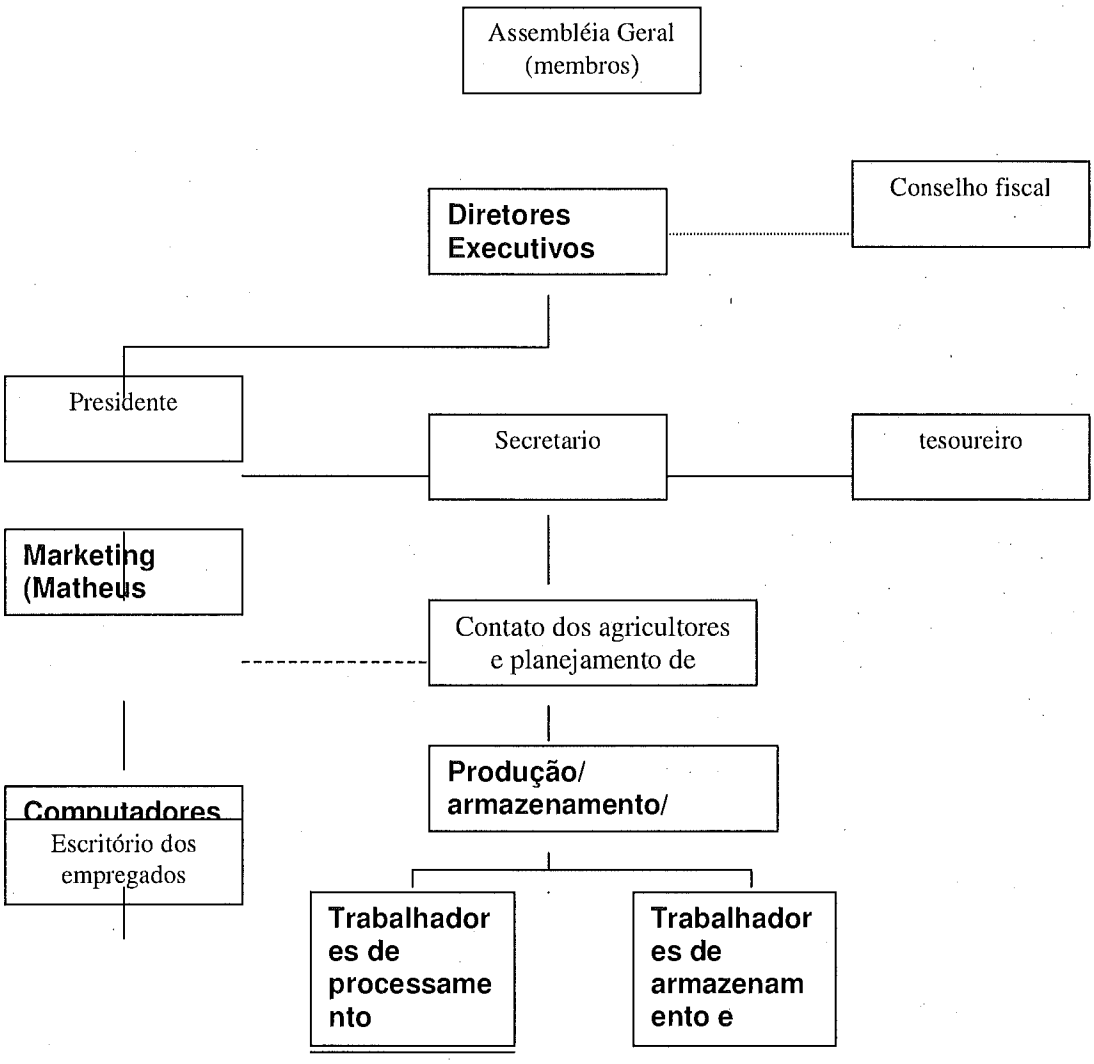
É opinião deste voluntário que esse plano seja considerado como uma alternativa ao plano de seis centros satélites de processamento pelas seguintes razões:

1- Eficiência de produção para a cooperativa será grandemente melhorada. Este é um grande fator a considerar enquanto a cooperativa olha para uma produção crescente e volumes de vendas.
2- Controle de qualidade do produto final será assegurado. Toda secagem pode ser feita à temperatura controlada. A atual secagem de sementes sem dúvida tem grande variação de controle, se tem alguma.
3- Higienização da produção será alcançada. Método atual de lavagem das sementes caseiro é pegar uma panela com água, jogar as sementes dentro e com as mãos rolar as sementes na água até que a capa branca seja removida. Todos os níveis de pouca higiene existem. As mãos estão limpas? Com que freqüência a água é trocada? É da opinião deste voluntário que muito da quantidade de bactéria nas sementes da produção do pó provavelmente venha dessa etapa de lavagem à mão.

QUESTÃO 4 – A estrutura organizacional da cooperativa, ou plano foi revisado para ver se dá definições de linhas de autoridade responsabilidade apropriadas. A seguir está o quadro organizacional dessa cooperativa:



O quadro organizacional não define ninguém autoridade e só leva a confusão. O plano seguinte foi revisado e sugerido a cooperativa.



Este quadro organizacional pretende definir linhas de responsabilidade mais claramente que o quadro em uso. Essas linhas claras são necessárias quando a cooperativa deseja fazer planos de expansão de produção e vendas.
Atualmente as regras da cooperativa pedem a eleição de todos os membros no Conselho fiscal para ser eleito a cada ano. Os diretores executivos são eleitos por três anos. Foi sugerido que o tempo do conselho seja aumentado par dois anos e que só metade do conselho vá a cada vez. Já que este é um quadro de governo eleito pelos membros é importante que se mantenha a continuidade dos objetivos e planos da cooperativa. Ter metade do conselho fiscal indo de cada vez haverá continuidade. Também seria desejável se o grupo de membros pudesse concordar que o presidente, o secretário e o tesoureiro mantenham-se indefinidamente em suas posições até o tempo em que o conselho fiscal e os membros sintam que essas pessoas não estão mais exercendo suas funções no interesse geral de todo o grupo de membros.

QUESTÃO 5 – A cooperativa deseja aumentar seu mercado. O voluntário sugeriu que quando eles pensarem em fazer isso, eles devem pensar também em aumentar seus níveis de produção. É importante que, uma vez que os mercados estejam desenvolvidos, que a cooperativa será capaz de manter os mercados com suprimentos ininterruptos.
A cooperativa indicou que eles acabaram de concluir um acordo com três partes entre AGRORIZA, AGROFRUT e SATERE-MAUÉ, que formaria um grupo chamado SAPOPEMA.
SAPOPEMA além de ser composta por esse três, também teria um parceiro de processamento em Manaus que faria extrato concentrado de guaraná. Aparentemente esta seria uma firma alemã. Sapopema também faria o marketing. Em face disto, essa parece ser uma boa oportunidade para a cooperativa. Agrofrut indicou que a Coca-Cola tem plantado 400 hectares de guaraná perto de Manaus. Duzentos (200) hectares estarão em produção esse ano. Em vista desse desenvolvimento, o acordo mencionado acima parece apropriado. Coca-Cola tem sido uma compradora de sementes, mas talvez, o fato de plantarem mudará as coisas de figura para a cooperativa. No mês de novembro de 2003, haverá uma exposição de agricultura em Manaus. O voluntário encorajou veemente que a cooperativa tenha um stand de demonstração na exposição. Este deve ser um bom lugar para a cooperativa fazer contatos com mercados em potencial e conseqüentemente ter um aumento nas vendas.

COMENTÁRIOS GERAIS

Os escritórios da Agrofrut estão localizados em um dos prédios do CETRU. Cetru foi fundado em 1972 por produtores rurais da área de Urucará. Seu propósito era treinar produtores agricultores regionais nos melhores métodos culturais. Há uns três anos atrás a escola fechou por falta de verba. Agora os prédios, que estão em relativo bom estado, estão vazios. Parece-me uma vergonha permitir que uma acomodação dessas caia em ruína, especialmente porque ou residentes dessa área precisam de treinamento técnico em agricultura e mecânica. Além dos

prédios, CETRU tem aproximadamente 100 hectares de terras, Campo aberto, gramado. À luz do fato de que a cooperativa gostaria de expandir sua produção, este voluntário sugeriu que a cooperativa devia ver se eles de alguma forma possam plantar guaraná nessa terra. O presidente disse que a terra é pobre por cultivar mandioca por muitos anos. Este voluntário sugeriu que o manuseio apropriado e com o cultivo de legumes que este solo poderia ser trazido de volta a uma fertilidade própria e cultivaria guaraná.

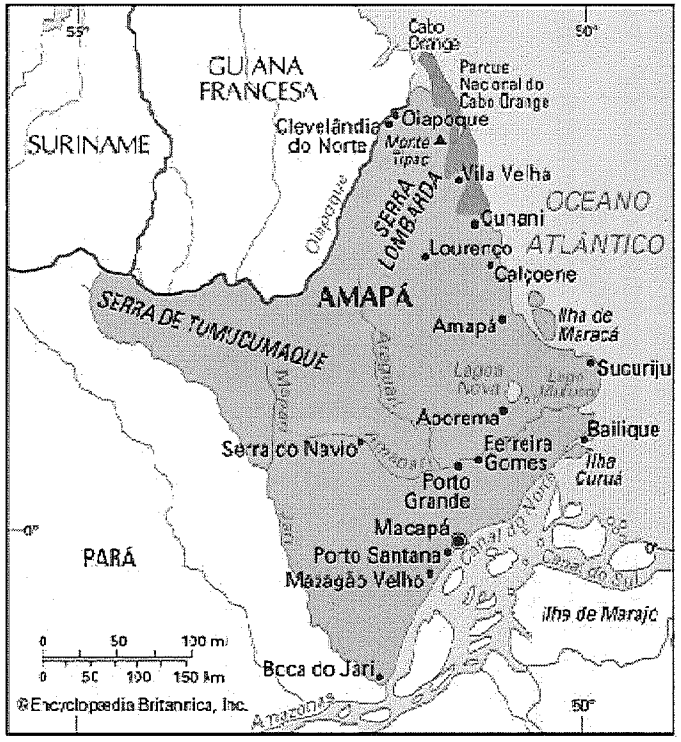
A cooperativa afirmou que seu foco era conseguir o certificado apropriado para produzir produtos "naturais". Isso significa que todo fertilizante e pesticida deve ser feito com material orgânico. O voluntário sugeriu que pesassem essa decisão cuidadosamente. Baixas produções de guaraná ocorrem por falta de solo fértil e pesticida (controle de insetos). I. Essas baixas produções são compensadas pelos preços mais altos que a cooperativa afirmou que poderia obter pelo guaraná "natural"? Quando plantações de guaraná foram observadas, muitas plantas mostraram sinais de solo pouco fértil e muitas estão infestadas com "thrips" que tem o efeito de destruir totalmente as flores causando redução da produção. A cooperativa diz que meios naturais de controle de insetos estão sendo trabalhados assim como biofertilizantes, mas até esse ponto eles não têm soluções.

A planta do guaraná também é empestada com antracnose, uma doença do tecido condutor da planta. O único remédio para o problema é plantar clones resistentes a antracnose que a EMBRAPA tem selecionado e tornado acessível para cultivadores de guaraná. A cooperativa precisa ter um papel ativo em ver que os cultivadores troquem plantas existentes pelo material da planta clone. A cooperativa deveria estar estabelecendo estufas com as plantas que surgiriam desses clones e as tornariam acessíveis aos agricultores.

Durante a visita, a cooperativa mencionou várias organizações: IDAM, EMBRAPA, INPA, 3º CICLO. Para obter assistência para empréstimos, treinamento etc, pareceu haver alguma confusão quanto a qual entidade eles deveriam pedir ajuda. Foi sugerido que eles primeiro deveriam contatar a SESCOOP, explicar suas necessidades e pedir para serem guiados na direção certa.

Essa cooperativa precisará de assistência técnica (treinamento) e empréstimos a baixo custo se eles quiserem realizar seus objetivos.

AMAPÁ



COMAJA

COOPERATIVA AGRO- EXTRATIVISTA DO LARANJAL DO JARÍ

- **VOLUNTÁRIO: WALTER PAYNE**
- **ÁREA: CASTANHA DO BRASIL**
- **CIDADE: LARANJAL DO JARI**
- **BENEFICIÁRIOS**
  - **DIRETOS: 123**
  - **INDIRETOS: 380**

COOPERALCA

COOPERATIVA MISTA DOS TRABALHADORES AGROEXTRATIVISTAS DO ALTO CAJARI

- **VOLUNTÁRIO: WALTER PAYNE**
- **ÁREA: CASTANHA DO BRASIL**
- **MUNICÍPIO: ALTO CAJARI**
- **BENEFICIÁRIOS**
  - **DIRETOS: 97**
  - **INDIRETOS: 300**

COMAJA

Cooperativa Agorextrativista do Laranjal do Jarí

COOPERALCA

Cooperativa Mista dos Trabalhadores Agroextrativistas do Alto Cajari

PROJETO	Estudo de Viabilidade de parceria/Análise da produção da Castanha do Brasil nas Cooperativas do Acre, Amapá e Pará
VOLUNTÁRIO	○ Walter Payne • Presidente da Blue Diamond – Maior exportadora de Castanhas e Nozes do mundo • Formado pela Universidade de Stanford em Economia no ano de 1957 e com mestrado em Administração com ênfase em Marketing/Finanças no ano de 1962.
OBSERVAÇÕES	• Baixa produtividade e desvio de dividendos para outros paises. (Venda do produto em casca para a Bolívia) • Falta de controle sanitário e microbiológico. • Aquisição de novos equipamentos. • Baixo rendimento e valor agregado nos produtos com casca. • Ausência de um controle de vendas diretas para o cliente. (Grande número de atravessadores)
RECOMENDAÇÕES	• Necessidade de uma Reestruturação Administrativa e de Pessoal. • Necessidade de treinamento e capacitação dos Recursos Humanos. • Busca de financiamentos junto ao BASA para a aquisição de novos equipamentos. • Busca de parcerias com o Ministério da Agricultura e outras entidades responsáveis pelo extrativismo e produção da Castanha do Brasil.
RESOLUÇÕES	• Diagnóstico elaborado sobre a atual situação da linha produtiva da Cooperativa. • Apresentação na OCB com a presença dos representantes das Cooperativas da Amazônia Legal, MAPA/DIV e ACDIVOCA. • Criação de um comitê para diagnosticar e elaborar estratégias para a melhoria no cultivo e produção da Castanha do Brasil.

TERMO DE REFERÊNCIA
ACDI/VOCA – BRASIL

Titulo: Estudo de Viabilidade / Joint Venture

Localização: Laranjal do Jari, Amapá-Brazil

Período: Julho de 2004

Duração: 6 dias

Resumo:

A principal atividade da COMAJA é a processamento da Castanha do Brasil e do óleo de Castanha para Saladas frias. Sua produção atual é de 800kg/dia, mas visando a busca de outros mercados, inclusive o internacional, a cooperativa está finalizando as obras da sua unidade de beneficiamento, que irá aumentar em 700kg, chegando então a 1.500kg de castanha do Brasil por dia.

COMAJA solicita a assistência de um Voluntário da ACDI/VOCA com experiência em Marketing e elaboração de Planejamentos Estratégicos e de Estudos de Viabilidade para possíveis acordos.

Contato: José Ribamar Mafra Soares, -Presidente.

Contrapartida: MAPA/DENACOOP

Endereço: Av. Tancredo Neves, 2935 – Agreste. Laranjal do Jarí.

Autores: Daniel da Silva, Celso Claro-ACDI/VOCA-Brazil

Michael McNulty-ACDI/VOCA-HQ

A. THE HOST ORGANIZATION

Estabelecido em 2000 a cooperativa possui 123 membros e vende seus produtos para o Mercado Regional e Nacional. Com um financiamento do Banco da Amazônia-BASA, a COMAJA iniciou suas atividades, adquirindo os equipamentos necessários para o processamento da Castanha do Brasil, tais como:

- · 1(uma) caldeira com capacidade de 1.500kg de vapor por hora;
- · 1 (uma)secador industrial com capacidade de 100 litros por processamento;
- · 100 máquinas de metal, manual, utilizadas na quebra de castanha;
- · 1(uma) empacotadora a vácuo

B. DESCRIÇÃO DO PROJETO

Introdução

A região do Laranjal do Jari possui muitos produtores de Castanha do Brasil, que vendem para o mercado internacional. A COMAJA produz e processa a Castanha do Brasil, comercializando bem abaixo em comparação das outras companhias, para o mercado regional e nacional.

Justificativa

Em 2003 a cooperativa não produziu nenhuma castanha e isso foi por causa da reforma na unidade de beneficiamento. A busca pela melhoria trouxe por um lado uma situação arriscada que só agora a cooperativa está começando a ter bons resultados. A vontade de exportar com a possibilidade de receber a ajuda da ACDIVOCA, fazem desse projeto, segundo os seus membros, uma possibilidade de

alcançar o mercado internacional e gerar mais renda para seus membros, familiares e comunidade do Laranjal do Jarí.

Objetivos

-Geral

· Prover através de um Estudo de Viabilidade, oportunidades de comercialização para o Mercado internacional, gerando novos postos de trabalho e renda para os membros e comunidade local.

· Contribuir para a melhoria geral e da estabilidade da cooperativa e conseqüentemente na melhoria da produção da Castanha do Brasil, preparando a cooperativa para o Mercado internacional.

Específicos

- · Prover assistência geral técnica e consultoria na compra e aquisição de novos equipamentos e materiais.
- · Prover uma visão geral dos procedimentos padrões e da produção.
- · Elaborar estudos de viabilidade/custo beneficio.
- · Compartilhar experiência e liderança.
- · Orientar e preparar a cooperativa para a exportação dos seus produtos.

Beneficiários

-Direto: 123.

-Indireto: 380, incluindo famílias e comunidade.

Relatório Final
Projeto #080022

Plano Estratégico de Marketing / Estudo da possibilidade de parceria / Castanha do Brasil

I. RESUMO EXECUTIVO

5. **Organização e país anfitriões:** COMAJA – Brasil

6. **Data do trabalho:** 3 e 5 de julho de 2004

7. **Foco do trabalho**

COMAJA é uma pequena cooperativa de processamento e marketing de castanha do Brasil. Eles processam castanha do Brasil com e sem cascas e manufaturam óleo de castanha do Brasil. Eles têm uma plantação relativamente nova e estão no processo de dobrar sua produção e empregos.

Eles querem fazer o seguinte:

a. Melhorar a qualidade de seus produtos
b. Desenvolver novos produtos
c. Atualizar a tecnologia da plantação
d. Aumentar sua produção com o objetivo de exportar mais mercadorias
e. Encontrar uma parceria para ajudá-los a financiar essa expansão

Metade de um dia foi gasto visitando suas acomodações, que estavam em operação. Muitas horas foram gastas, mais do que um período de dois dias, discutindo seus objetivos com a gerência principal e os membros da direção.

8. **Resumo de recomendações:** A plantação parece bem dirigida. No entanto, algumas possibilidades de melhoramento foram observadas durante o tour.

a. **Qualidade**

- A área de descarregamento de castanha do Brasil é uma área de terra. Ela se tornou lamacenta e é difícil para um caminhão manobrar. Espalhar pequenas pedras ou o pavilhamento básico deve facilitar o descarregamento.
- A área de escolha da castanha com casca é bem empoeirada, e os pilares de sustentação estão cheios de teias. Apesar do produtor ainda estar na casca, é produto comestível. Essa área deveria ser limpa regularmente.
- Tem muita poeira gerada do material com e sem casca. Para a proteção deles mesmos, os colhedores dessa área deveriam usar máscaras.
- As castanhas com cascas são carregadas em tubos plásticos de 15 kgs, manualmente, a trinta e três passos da área de descascamento. Não só isso é ruim para as costas, mas também é um acidente esperando para acontecer. Eu entendo que há um plano para transportar esse produto mecanicamente por uma máquina (espécie de esteira rolante), essa mudança deve ter prioridade máxima.
- Na área de colheita final, o saneamento é excelente. Na área de descascamento, os colhedores estão trabalhando com o mesmo material descascado. Para a extensão possível, padrões de saneamento devem ser similares. Como um começo, os colhedores e técnicos de qualidade devem usar máscaras.
- Garrafas de óleo de castanha de cajú são armazenadas do lado de fora. Elas são totalmente lavadas e higienizadas antes de serem cheias. Armazenar essas garrafas de cabeça para baixo reduziria impurezas e pelo menos daria a impressão de que está sendo feito para manter a higiene.
- Vidro na produção de produtos é sempre um risco. (Não sei se há alternativas)
- Não há teste microbiológico do produto a não ser que vá ser exportado. O teste é então feito no deck em uma base de container-por-container. Mais deve ser feito para assegurar que todos os produtos são microbiologicamente aceitáveis. (Foi notado que nenhuma rejeição aconteceu para com as mercadorias a serem exportadas.)

- Uma nota especial deve ser feita para o treinamento de alfabetização bancado para todos os empregados e suas famílias. Essas atividades devem ser aplaudidas.

Também deve ser notado que algumas dessas observações foram feitas por inspetores federais e são correntemente adereçadas pela COMAJA para obter o certificado brasileiro de qualidade.

b. **Novos Produtos**

A COMAJA já está fazendo nessa área mais do que a maioria das cooperativas no Brasil. Eles estão produzindo castanha do Brasil com e sem casca, óleo da mesma castanha e vendendo o "bolo" residual para o mercado de comida.

A COMAJA poderia considerar oferecer produtos cortados em cubos, fatiados e cozidos para o mercado doméstico. É importante notar que esse produto tem uma "vida de prateleira" curta e não deve ser vendido a não ser que exista um pedido. Padarias são as maiores candidatas a esses produtos. Apesar de ter citado esses produtos minha recomendação é não entrar nesse mercado neste momento.

Mais uma vez, é um problema de dinheiro e prioridades, mas eu acredito que dinheiro pode ser mais bem gasto desenvolvendo formulações para produtos usando a castanha do Brasil. Esse trabalho pode ser vendido para cozinhas comerciais especializadas nessa área. Receitas para produtos de chocolate, lanches, sorvetes e entradas de restaurantes podem então ser divididas com consumidores que possam usá-las para desenvolver e comercializar novos produtos. Financiamento pode ser de várias cooperativas, organizações de cooperativas, governo, ou uma combinação de todos estes.

c. Atualizar da tecnologia da plantação

Esse é um problema da "galinha versus o ovo". Eu poderia sugerir dezenas de maneiras para melhorar a tecnologia da plantação, mas de onde virá o dinheiro? Minha recomendação é "vão devagar". Façam as coisas que têm sido identificadas acima e aquelas recomendadas pelos inspetores federais. Para uma presença internacional, eu

também recomendaria que a plantação fosse certificada pela HAACP. ACDI-VOCA poderia ajudar nessa área, mas primeiro eu acredito que nós precisemos saber mais sobre quão perto da HAACP a certificação federal nos deixa. (Eu entendo que o governo também tem um grupo da HAACP, mas não é o mesmo departamento da certificação federal.)

d. Aumentar a Produção para exportação

A COMAJA já está aumentando a produção rapidamente. Sua plantação é boa e com algumas modificações pode produzir para o mercado internacional.

Foi sugerido que a COMAJA considerasse apontar intermediários de negócios em alguns dos maiores mercados exportadores. Por uma taxa de 2.5% para castanhas com casca e 2% para sem casca, esses intermediários teriam o trabalho de representar a COMAJA para consumidores existentes e em potencial nos seus respectivos mercados. Esses negociadores já estão em contato com outros usuários de castanheiras. Esses usuários são os mais propensos candidatos para a castanha do Brasil. É muito importante notar que esses negociadores não levam direito às mercadorias. Eles simplesmente representam os vendedores , nesse caso a COMAJA, para os compradores. Eles ajudam a resolver problemas que possam ocorrer, mas qualquer defeito na qualidade, falha na embarcação como combinada, falha do comprador em pagar, etc. é problema da COMAJA.

A COMAJA sentiu que eles não estavam prontos para assumir essas responsabilidades, mas estariam em aproximadamente um ano, quando os aprimoramentos estiverem completos. Nós podemos ajudá-los a identificar negociadores de boa reputação quando estiverem prontos. (Isso também resultará em uma melhor informação de preço de mercado.)

e. Encontrar uma parceria ou parceiro investidor

COMAJA tem algumas idéias únicas nessa área. Eles tiveram algumas discussões com um investidor doméstico em potencial, que é associado com o negócio de castanhas. Eles discutiram a

possibilidade de um investidor ter a parceria somente de uma tonelada fixa. Eles dividiriam lucros na tonelada, o qual, no caso da COMAJA, poderia ser usado para atualizações ou capital de trabalho. Eu os encorajo a perseguir esse conceito. É possível que eles possam atrair investidores internacionais nessa base, mas provavelmente não antes deles concluírem as atualizações, obterem certificação internacional e estabelecerem uma reputação positiva de provedor de qualidade que entrega como e quando combinado.

Nós discutimos, finalmente, pagar os catadores por melhor qualidade. (O governo freqüentemente tem um programa de educação desses catadores em como manter a qualidade da castanha depois da colheita) A COMAJA tem um esquema de penalidade de pagamento por qualidade recebida.

- Para mercadorias recebidas com até 10% de defeito, nenhuma penalidade é aplicada. (o catador recebe 100% do pagamento)
- Para mercadorias com 11% a 25% de defeito, o catador tem deduzido o total de defeito que exceda os 10% (exemplo, para 11% do total de defeitos, o pagamento é 99 %.)
- Para mercadorias com defeitos acima de 25%, a penalidade é a perda do montante deficiente total (por exemplo, 26% com defeito resulta em 74% do pagamento)

Nossa sugestão foi abordar isso de um ângulo positivo, e pagar prêmios em oposição a dar penalidades. Nós sugerimos começar com o que podemos chamar de "pagamento total" a 75% e adicionar prêmios para qualidade que passe disso. A mensagem é positiva e está implícito para o catador que a qualidade é responsabilidade dele e que ele pode fazer alguma coisa a respeito.

I I. NARRATIVA E SUPORTE

A COMAJA está definitivamente no caminho certo. Eles estão sistematicamente atualizando sua plantação e expandindo seu volume. Eles têm um programa ativo para melhorar qualidade. Eles têm treinamento de alfabetização para seus empregados e famílias. Eles estão debatendo com possíveis investidores. Eles são únicos em outra maneira, tendo o presidente da OCB do Amapá no seu quadro

de diretores. Ele está obviamente lhes dando alguns bons conselhos de negócios.

Em discussões comigo, o Sr. Viana (O presidente da OCB citado acima) pediu para que eu lhe desse uma linha de plano estratégico como eu fiz no Acre para a COMPAEB. Eu estou cumprindo com o pedido apesar de algumas das sugestões estarem fora do alcance financeiro da COMAJA a não ser que material externo de financiamento apareça.

Linha de plano estratégico para COMAJA

19. Estabelecer plano de negócios *
20. Obter certificado de qualidade internacional * (HAACP)
21. Instalação de equipamento ultravioleta para identificação de aflatoxin.**
22. Mudar linha de embalagem de alumínio para poly.
23. Instalar detectores de metal **
24. Anunciar aos consumidores de castanha-do-Brasil ao redor do mundo dessas mudanças de todas as maneiras possíveis, incluindo uma brochura multi-linguistica. **
25. Marcar encontros para o presidente da COMAJA visitar os dez maiores usuários mundiais de castanha-do-Brasil. **
26. Concentrar em produtos de valor agregado
27. Influenciar o governo brasileiro a financiar as atualizações tecnológicas para a plantação. Não farto, excessivo, mas funcional. (Compradores ficam impressionados com essas capacidades)
28. Considerar o desenvolvimento de alguns novos produtos que usam a castanha do Brasil. Isso pode ser intermediado por fora e deve incluir chocolate, sorvete, petiscos e produtos de bebidas. Compartilhe essas idéias e fórmulas com consumidores. Pegue essas idéias para os produtos deles não só dos compradores. **
29. Considerar oportunidades especiais das castanhas com casca na China e Índia (Visite-as) **
30. Tornar-se ativa no Conselho Internacional de Castanhas. **
31. Construir uma reputação de confiança, qualidade e continuidade (Preço será um problema muito menor)

* ACDI-VOCA poderia ajudar nisso.

** Isso requer financiamento externo.

TERMO DE REFERÊNCIA - COOPERALCA
ACDI/VOCA - BRASIL

Titulo: Projeto Castanho do Brasil/ Estudos de viabilidade e comercialização

Localicação: Alto Cajari, Amapá - Brasil.

Duração: 6 dias

Resumo: Atualmente a COOPERATIVA MISTA DOS TRABALHADORES AGROEXTRATIVISTAS DO ALTO CAJARI enfrenta problemas de escoamento da produção, na qualidade do produto conforme a atual legislação do Ministério da Agricultura, além de um baixo capital de giro. A busca de novos mercados e da melhoria na produção é o objetivo principal da cooperativa, isso tudo aliado a novos investimentos nas áreas de produção e gestão administrativa. COOPERALCA solicita a assistência de um Técnico Voluntário da ACDIVOCA para elaborar um Estudo de Viabilidade para a construção de um Plano de Negócios para a Cooperativa.

Contato: Sr. Raimudo Arruda.

Contrapartida: DENACOOP / SESCOOP – Ministério da Agricultura e Pecuária

Autores: Michael McNulty-ACDI/VOCA-HQ
Daniel da Silva – ACDIVOCA-Brasil

PERFIL DA COOPERATIVA/ORGANIZAÇÃO

Atualmente a cooperativa enfrenta problemas de escoamento da produção, na qualidade do produto conforme a atual legislação do Ministério da Agricultura, além de um baixo capital de giro. COOPERALCA possui 97 membros incluindo 300 clientes e famílias da comunidade. Com o plano de negócios a intenção da Cooperativa é o de produzir 30 toneladas por mês, mais do que as 157 toneladas

produzidas durante todo o ano passado e comercializadas para São Paulo, seu principal cliente.

DESCRIÇÃO DO PROJETO

Introdução e Justificativa

Para aumentar os rendimentos dos seus membros e associados, a cooperativa precisa estar preparada para vender seus produtos com boa qualidade para o mercado local e outros. Com a consultoria da ACDIVOCA a cooperativa terá a possibilidade de melhorar sua produção e processamento da Castanha do Brasil, através de um Joint Venture com um parceiro internacional.

Objetivos

Gerais
Proporcionar à CAMPEALTA com um Estudo de Viabilidade e de um Plano de Negócios, visando a melhoria da qualidade no processamento e produção da Castanha do Brasil.
Contribuir para a melhoria geral e da estabilidade da cooperativa e conseqüentemente a qualidade dos seus Produtos para o Mercado local e externo.
Aumentar o rendimento da Cooperativa a partir de investimentos em Educação e no Social.
Desenvolver novos procedimentos/ idéias.

Específicos

Gerar possibilidade de novos negócios.
Melhorar sua capacidade gerencial.
Desenvolver novos planos de treinamento.
Delegar estratégica e eficazmente as responsabilidades para a Organização.
Prover consultoria contábil se necessário.
Melhorar de forma eficaz e transparente todas as suas atividades.

Beneficiários

Direto: 97
Indireto: 300

Perfil do Voluntário

Experiência no Desenvolvimento de Planos Estratégicos e de métodos de treinamento Organizacional.
Larga experiência no gerenciamento de Cooperativas.
Experiência em vendas e marketing e na produção de novos produtos.
Experiência em reestruturação organizacional focada na eficiência.

Relatório Final - COOPERALCA
Projeto #080023

Plano Estratégico de Marketing / Estudo da possibilidade de parceria /Castanha do Brasil

I. RESUMO EXECUTIVO

9. **Organização e país anfitriões:** COOPERALCA – Brasil

10. **Datas do trabalho**: 2 e 5 de julho de 2004

11. **Foco do trabalho:**

COOPERALCA é uma cooperativa muito pequena de marketing e processamento de Castanha do Brasil. Ela processa somente castanhas com casca. Seus membros são as famílias que recolhem as castanhas da floresta tropical que os rodeia.

Eles têm algumas deficiências nos seus procedimentos de processamento que freqüentemente são tratadas pelo Departamento de Agricultura Brasileiro. A plantação não estava ativa enquanto estivemos lá, portanto é difícil comentar sua operação além de dizer que é muito básica.

Eles querem atrair possíveis parceiros ou investidores para que estes possam ajudar a financiar a expansão do processamento e marketing dos seus volumes.

Metade de um dia foi gasto na plantação em discussões com seu presidente e gerência principal para melhor entender suas capacidades atuais e as bases para seus objetivos fixados. Mais um tempo foi gasto com a gerência mais alta da área da OCB e da SESCOOP, para se ter mais conhecimento sobre a operação e as bases para seus objetivos.

12. Resumo de recomendação:

COOPERALCA não é uma grande candidata para parceria de empresas ou investidores no momento. Para a COOPERALCA atrair atenção, eles devem, primeiramente, resolver os seguintes problemas:

"Massa crítica." COOPERALCA processou somente 123 toneladas métricas de castanhas com cascas ano passado.Essa é uma média de menos de 1.5 tonelada métrica para cada um dos 86 membros.

Para expandir o quadro de diretores, a COOPERALCA vai ter que representar um papel principal na educação dos seus membros (que estão dividindo entregas com um processador privado em Belém por dinheiro) e membros em potencial quanto aos benefícios de envolvimento na cooperativa. (exemplo. Eleger gerência, eliminação de interceptores ou "homens de meio" e uma posição mais forte de negociação com compradores.) A OCB no Macapá está disponível para ajudar neste esforço educacional, mas o papel diário recai sobre os ombros dos membros atuais e da direção especial.

Para expandir, ou mesmo manter a associação de membros atual, a COOPERALCA vai ter que pagar constantemente um retorno para seus membros que seja competitivo com o que está sendo pago pelos processadores em Belém e comercializar com membros em potencial nas suas áreas de produção em que são competitivos (por exemplo, por meios de cartas periódicas e/ou reuniões).

A COOPERALCA aparentemente responde a inquéritos como se opor a ligar para compradores. A pressão de membros para pagamentos pelo processo influencia sua vontade de vender.

Um bom começo seria estabelecer um processo para conhecer preços de mercado em uma base regular, não só quando estiverem prontos para vender. Mais uma vez, talvez seja possível que a OCB-Macapá possa ajudar.

Eles também devem identificar consumidores preferenciais e falar com eles regularmente e não simplesmente esperar que o telefone toque. É possível que, mantendo um bom relacionamento, o comprador possa

querer adiantar o dinheiro da cooperativa para ajudar no pagamento adiantado dos membros. Supostas vendas para esses compradores teriam um desconto, mas ainda um prêmio para os preços "interceptores".

Um planejamento de pagamento mais favorável deve ser trabalhado e publicado para os membros da associação. (A principal orientação deve ser a realidade de mercados prováveis, oposto a desejos de membros) Esta aproximação deve minimizar a pressão dos membros da associação para vender, inesperadamente, e tornar-se um "amigo" do comprador.

Eu não tenho solução imediata para a necessidade do dinheiro adiantado sem ajuda do governo ou bancos locais. Na falta desse suporte, a cooperativa terá que fazer seu melhor para arrecadar um fundo para o pagamento gradual adiantado ou a implementação bem sucedida do esquema de cliente preferencial citado acima.

Melhorar qualidade. A certificação de qualidade da COOPERALCA está freqüentemente sob a supervisão do Departamento de Agricultura Brasileiro. A cooperativa precisa desse certificado para seguir em frente e obter melhores preços no mercado.

II. NARRATIVA E SUPPORTE

Completar os itens acima listados com sucesso não garantirá a atração de parcerias/ investidores, mas o não cumprimento dos mesmos, com quase certeza, garante que um parceiro não vai ser encontrado. A linha de produto da COOPERALCA é tão restrita, (somente castanhas com casca), que limita a lista de potenciais parceiros tanto de usuários como do ponto de vista dos lucros de valores agregados. (Eu não estou sugerindo que a COOPERALCA amplie sua linha de produção.)

Eu também questiono o objetivo da COOPERALCA de expandir seus espaços de trabalho. Eles dizem poder processar 600 toneladas métricas correntemente e que podem duplicar ao expandir a temporada de processamento ou dobrar os turnos. Como eles só processaram 123 toneladas métricas ano passado, eles têm bastante capacidade de processamento.

Acredito que o principal problema seja a "massa crítica". Seus membros e potenciais membros têm a opção de vender seus produtos para processadores em Belém por dinheiro na entrega. A sua cooperativa tem poucos recursos para fazer mesmo um pagamento parcial na entrega e pode somente começar os pagamentos depois que o produto foi vendido e pago. Mais ainda, o membro não sabe quanto será o pagamento total, mesmo que ele escolha entregar para a cooperativa. Muitos desses "catadores" não tem recursos pessoais para esperar por esse dinheiro. Eles precisam de dinheiro para despesas de sobrevivência básica. Os bancos, aparentemente, não consideram a castanha do Brasil como garantia ao fazer empréstimos.

Em Segundo lugar, a COOPERALCA é muito pequena para contratar uma gerência profissional e não estará em posição de fazê-lo até que tenha crescido substancialmente.

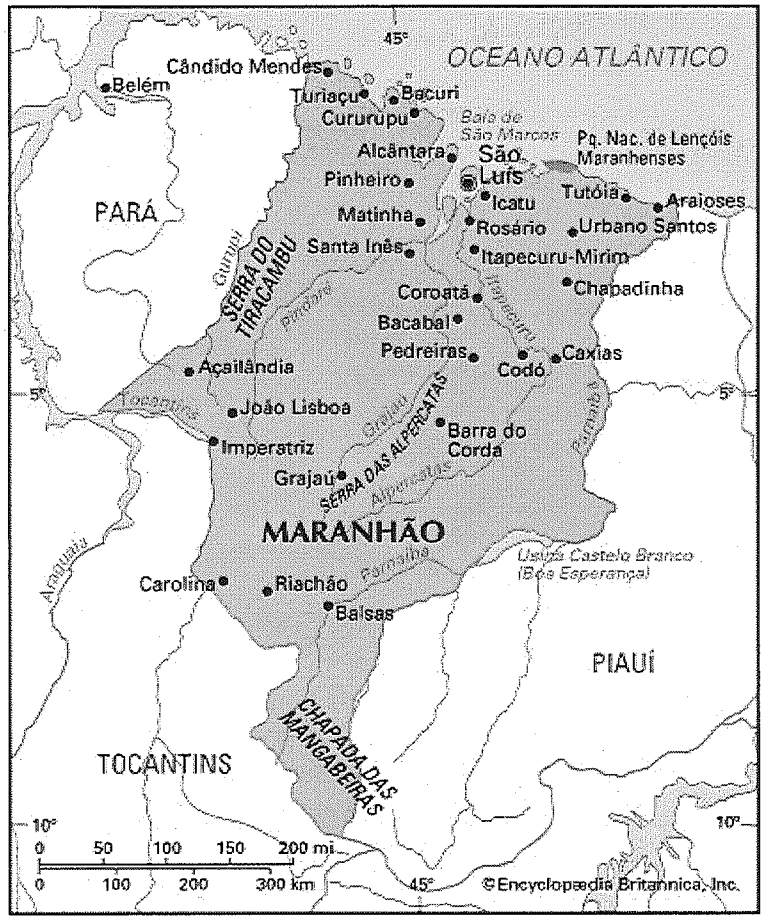
Ao discutir como os preços de venda são determinados com a COOPERALCA, eles disseram que geralmente ligavam para os maiores "jogadores" em Belém (há apenas um processador em Belém) se fazendo passar por compradores para descobrir o preço atual. Um conhecido vendedor em Belém pode possivelmente identificar esses compradores "fantasmas". Também se tornou aparente nas nossas discussões que a COOPERALCA freqüentemente não sabia muito sobre seus compradores ou como seu produto estava sendo usado. Eles não podiam ter certeza que eles não estavam vendendo para "interceptores", homens de meio que procuram por pechinchas para revender com lucros.

Parece haver um papel para a OCB exercer. Seria simples como "conectar" com os preços mundiais atuais (Eu posso identificar esses provedores) e prover as cooperativas com um número gratuito para ligar para descobrir quais são os níveis de preços.

Eu não quero fazer a situação parecer sem esperança, já que quase todas as cooperativas recém formadas passam pelos mesmos problemas. Ajuda externa na forma de empréstimos governamentais certamente ajudariam novas organizações como a COOPERALCA a se estabelecer. Na falta dessa assistência, a COOPERALCA tem que usar os meios disponíveis para ser competitiva nos retornos, construir

uma reputação positiva para qualidade e expandir a associação de membros.

MARANHÃO



COPASINO

COOPERATIVA MISTA DOS AGROPECUARISTAS DE SITIO NOVO DO MARANHÃO

- **VOLUNTÁRIO: DAMON SZYMANSKI**
- **ÁREA: LEITE E DERIVADOS**
- **CIDADE: SÍTIO NOVO**
- **BENEFICIÁRIOS:**
  - **DIRETOS: 40**
  - **INDIRETOS: 150**

COTRAFUS

COOPERATIVA DOS TRABALHADORES RURAIS DO MUNICÍPIO DE FORTALEZA-URBANO SANTOS

- **VOLUNTÁRIO: RAMANA GOVIN**
- **ÁREA: AGROINDUSTRIA – FARINHA DE MANDIOCA**
- **CIDADE: URBANO SANTOS**
- **BENEFICIÁRIOS:**
  - **DIRETOS: 36**
  - **INDIRETOS: 350**

COPASINO
COOPERATIVA MISTA DOS AGROPECUARISTAS DE SITIO NOVO DO MARANHÃO

UF	MA
PROJETO	**Estudo de viabilidade técnica para a criação de uma central de Leite**
VOLUNTÁRIO	➢ ➢ Damon. Szymanski ➢ Técnico em Agronomia, já executou pela ACDIVOCA, mais de 60 projetos/consultorias em Pecuária de Leite. ➢ Produtor de Leite em Wisconsin com mais de 10 prêmios, todos voltados aos trabalhos como Cooperativista e Voluntário da ACDIVOCA Internacional.
OBSERVAÇÕES	➢ Nenhuma melhoria nas instalações. ➢ Falta de um plano para a atração de mais associados. ➢ Ausência de equipamentos necessários para o aumento da produção. ➢ Falta de um planejamento financeiro e administrativo
RECOMENDAÇÕES	➢ Determinar os tipos de Produtos a serem produzidos. ➢ Visitar outras cooperativas e fazendas produtoras de leite para a coleta de novas informações/tecnologias. ➢ Planejar orçamentos para a aquisição de equipamentos e materiais necessários para a produção do queijo. ➢ Estabelecer padrões para o leite recebido na central. ➢ Estabelecer critérios de pagamento. ➢ Elaborar um plano de treinamento para os empregados e membros da cooperativa. ➢ Fazer reuniões mensais com os membros da cooperativa e assembléias anuais com todos os associados.
RESOLUÇÕES	A Cooperativa está iniciando a implantação das recomendações do Voluntário

SCOPE OF WORK – COPASINO

ACDI/VOCA - BRAZIL
Cooperative Development Program
In partnership with:
OCB-SESCOOP

COPASINO

Title: Milk Production Facility Work Plan Restructuring

Project Nº: 082039

Location: Maranhão, Brazil

Start Date: 9/29/03 to 10/16/03

Duration: 2 weeks

Summary:

Cooperativa Mista dos Agropecuaristas de Sítio Novo do Maranhão (COPASINO) is currently involved in basic milk production and limited cut meat distribution. With a daily production of 4,000 liters of milk, the cooperative has an established local municipal market and is looking to increase overall production over the next five years to reach other markets and perhaps diversify and sell additional products such as: cheese, yogurt, cream, etc. The cooperative currently receives on-going assistance from the municipal government through agricultural and veterinary technical assistance and services, but they are in search of new, state-of-the-art technologies and methods for the improvement of their overall production levels. COPASINO requests the assistance of a volunteer expert to provide them with technical assistance and an action plan to reach a daily production level of 10,000 liters of milk over the next five years.

Contact: João Batista Gomes Cordeiro – President

Counterpart: João Batista Gomes Cordeiro – President
Address: Cooperativa Mista dos Agropecuaristas de Sítio Novo do Maranhão, rua Antônio
Bandeira, S/N
Tel: (99) 532-0173 / 532-0170
Fax: (99) 532-0170
Authors: Daniel da Silva, Osca Neto, Celso Claro-ACDI/VOCA-Brazil
Michael McNulty-ACDI/VOCA-HQ

A. TARGET ORGANIZATION PROFILE

Cooperativa Mista dos Agropecuaristas de Sítio Novo do Maranhão (COPASINO) is currently
involved in basic milk production and limited cut meat distribution. With a daily production of 4,000 liters of milk, the cooperative has an established local municipal market and is looking to increase overall production over the next five years to reach other markets and perhaps diversify and sell additional products such as: cheese, yogurt, cream, etc. The cooperative currently receives on-going assistance from the municipal government through agricultural and veterinary technical assistance and services, but they are in search of new, state-of-the-art technologies and methods for the improvement of their overall production levels. Most of the producers already vaccinate systematically against Aftosa Fever, Carbuncle, Brucellosis, and they also combat Endo- and Ecto-parasites at times; however, herd management practices and newborn care could be significantly improved. There are currently 40 members associated with the cooperative at this time who wish to increase their overall production

and processing capabilities via technological advancements, herd improvement, increased animal health etc.

B. PROJECT OVERVIEW

Introduction

When: Last week of September/Early October for approximately 3 weeks.

What: The volunteer consultant will work with COPASINO to formulate a five-year work plan, identifying various areas of improvement/intervention and the technological advancements and practices needed to increase their overall production from 4,000 liters/day to 10,000 over a five-year period. The plan should identify, prioritize and evaluate various steps that can be taken to achieve the various objectives listed below.

Schedule:

- 9/26/03 Arrival in Brasília for meetings with ACDI/VOCA staff.
- 9/27/03-1016/03 Field visits with COPASINO managers and technical coordinators.
- 10/17/03 Presentation of findings for USAID, OCB and ACDI/VOCA-Brazil personnel.
- 10/18/03 Return to U.S.

Justification

The cooperative has arrived at a point that only with new, innovative techniques, can it increase production and further develop social activities and economic benefits for its membership through coordination with local and national government programs and services. To achieve these objectives, increased milk production over

time and the creation of a diversified processing facility with pre-identified markets is necessary.

Objectives

General

- Develop training activities on milk production best practices and state of the art techniques with identification and transfer of appropriate production technology;
- Increase the current production level from 4,000 liters/day to 6,000 liters/day in the first year, then incrementally to 8,000 liters/day in the second year, thus easily arriving at 10,000 liters/day in the fifth year;
- Increase the cooperative's flock from 8,000 head to 23,000 over a five year period;
- Introduce registered reproducers to improve genetics;
- Adopt artificial insemination techniques;
- Compile list of characteristics of the cooperative's herd: species, sex, production, age etc.
- Improve infrastructure of members' properties, including: pastures, facilities, equipment etc.

Beneficiaries

Direct: 40 associated members and their families.

In direct: 150 people, mostly service providers, suppliers etc. and also the residents of the municipal district.

Profile of the Consultant

Technician with significant knowledge (15-25 years) in dairy farm management, herd

management, dairy processing and production and marketing.
Portuguese or Spanish language
skills are preferred, but not requisite.

Other Information:

Work area (km2) 2,916
Resident people (2000 census) 15,114
Residents (men) 7,949
Residents (women) 7,165
Milk production: 5.157 liters/head
Milk production total value: R$853,999
Efetivo dos rebanhos – bovines 75.84/head

C. DESCRIPTION OF PLACE OF ASSIGNMENT

The capital of Maranhão was founded in 1612 and is the latest town to be listed as a World
Heritage Site by UNESCO. Beaches surround the town, such as those at Calhau, Ponta D'Areia
and São Marcos, where there are the ruins of the eighteenth century São Marcos Fort. The city's
greatest era of prosperity was reached in the second half of the eighteenth century, when cotton
exports were at their height. During this period, the province of Maranhão furnished a considerable part of the revenues of the Royal Treasury, beating various other provinces of the
Portuguese empire.
In the same period São Luís became the capital of Maranhão, with direct links to the Portuguese court. A great deal happened between its apogee and its economic decline, and some of the story can be

discovered in areas like Praia Grande, a historic centre listed by the National Heritage Department. The main tourist attractions of the city are contained in an area of 107 km2, with buildings from the seventeenth to the nineteenth centuries. The capital has more than 3,000 listed buildings, most of them with facades decorated with the glazed tiles typical of the Portuguese colonial style. Among them are the Palácio dos Leões (Lion Palace), which until 1615 was a fort which protected the then capital of Equinoctial France, as São Luís was called under French rule;
the Catedral da Se, built by the Jesuits in 1726; the church of Carmo, one of the oldest in the city, constructed in 1627; and the Arthur Azevedo Theatre, built between 1815 and 1817 and thought to be the first theatre to be erected in a Brazilian capital. São Luís has been the birthplace of some important names in Brazilian literature, such as the poet Gonçalves Dias (1823-1864); the writer Graça Aranha (1868-1931), a founding member of the Brazilian Academy of Letters and member of the Modernist Movement in 1922; the novelist Aluísio Azevedo (1857-1913) and his brother, the dramatist Arthur de Azevedo (1855-1908). The
extensive literary output of local writers, and of writers from other regions of the country, is
preserved in the Josué Montello Cultural Centre.

D. ADDITIONAL COMMENTS

__Soon after arrival, the volunteer should prepare a work plan in conjunction with the host
organization. Additionally, in coordination with this team, he/she should prepare a final

report including recommendations addressed to them.

__The volunteer shall be advanced travel funds for the assignment from ACDI/VOCAWashington in accordance with his/her travel schedule for the assignment. Lodging in Brasilia will be direct-billed to ACDI/VOCA; the volunteer will be advanced sufficient funds via the Brasilia office for lodging and per diem in the field. Details about travel expense reporting will be discussed with the volunteer during the initial in-country briefing.

Upon arrival to Brazil, CDP volunteer consultants usually stay at least one day in Brasilia for internal briefings at the ACDI/VOCA office and a program briefing with OCB/SESCOOP. Upon completion of the field portion of the assignment, volunteer consultants will spend one or two days in Brasilia to finalize reports and for debriefing with ACDI/VOCA, OCB/SESCOOP, other interested parties such as the Cooperative Department of the Ministry of Agriculture and SAID/Brazil for assignments of direct interest to the USAID mission.

E. ACDI/VOCA – BRAZIL ACTIVITIES

In 1995 ACDI/VOCA launched a program in Brazil to develop local cooperatives and alleviate poverty while minimizing the effects of negative environmental impacts. The first of its kind, the program brought together all the major cooperative development players, including the Organization of Brazilian Cooperatives (OCB), in an effort to effectively impact small- and medium-sized producers in isolated and under-served areas. In 2002 the program began working in closer cooperation with OCB's nationwide Cooperative Development Program for Selfmanagement. Since the inception of the program, more than

100 ACDI/VOCA volunteers and consultants have offered guidance in nearly every field of agricultural production, in addition to marketing, strategic planning, management and cooperative development. The program continues to help local producers move toward greater profitability in an atmosphere that promotes sustainable farming and business operations while conserving Brazil's natural resource base.

. Relatório Final –COPASINO

Cooperativa Mista dos Agropecuaristas de Sitio Novo do Maranhao (Coopasino)

Projeto número :080007

Presidente: João Batista Gomes Cordeiro

13 April – 23 April 2004

São 40 membros nessa cooperativa, de qualquer forma, somente a metade é ativa, não atendendo o coro necessário para as reuniões ou assembléias. Desde a minha última visita, à 6 meses atrás, pouca coisa foi feita para a construção do Estudo de viabilidade da COPASINO e a aquisição de equipamentos na unidade de processamento. Nenhum plano de desenvolvimento foi feito, nenhum orçamento para a aquisição de equipamentos foi estabelecido para um possível empréstimo.

RECOMENDAÇÕES:

Para direcionar um comitê de 3 para 5 membros o Presidente necessita coletar as seguintes informações:

1. Determinar o tipo(s) de produto a ser produzido;
2. Visitar outros produtores de queijo para observar e adequar seus modelos a cooperativa;

O local de produção / área de trabalho necessita dos tamanhos e dimensões adequadas;

- Sala de produção do queijo;
- Refrigeradores e câmaras;

- Tanques para o armazenamento do leite
- Equipamentos necessários e custos.
- Formas diferenciadas para a produção de queijo, etc
- Quantidade de leite que será processado
- Como o leite deve ser entregue a cooperativa
- Desenvolver um plano de marketing;
- Estabelecer padrões para a entrega do leite na Cooperativa;
- Estabelecer critérios de pagamento;
- Contratar ou direcionar um gerente para a produção de queijo

1. Visitar outras unidades produtoras de leite/queijo para determinar quais os equipamentos necessários, espaço para a produção e armazenamento do queijo ou outros produtos manufaturados;
2. Criar rotinas transparentes e educacionais para serem informadas aos membros de toda a cooperativa;
3. Elaborar estimativas mensais dos custos e investimentos feitos e examina-los juntamente com o quadro de diretores;
4. Efetuar reuniões mensais e uma assembléia por ano;
5. Permitir que os membros possam ter acesso aos documentos financeiros, despesas, investimentos e responder sobre as operações;

Após visita a uma fazenda que processa leite em queijo, eu aprendi que o equipamento para a produção de um queijo de boa qualidade, não necessariamente deve ser caro ou altamente moderno. Outra visita a Cooperativa Mista dos Produtores Rurais do Brejão LTDA (COMPAP), deu-me a oportunidade de ver uma excelente unidade de Processamento de queijo. Por causa dessa visita, obtive diversas opiniões para a COPASINO, considerar. Que podem ser:

1. Construir e equipar uma unidade de queijo para os fazendeiros na exata área que negociam. Os fazendeiros podem entregar diretamente o leite na unidade.

2. Ajustar os pontos de coleta nas regiões onde os fazendeiros podem entregar o leite imediatamente após cada ordenhada (manhã e noite). Esses pontos de coleta podem ter tanques refrigeradores para garantir a qualidade do leite.O leite desses pontos de coleta podem ser coletados e entregues a unidade de queijo mesmo uma vez ao dia ou diariamente, dependendo da capacidade da unidade ou do tamanho do tanque de armazenamento.

3. Se unir com outra Cooperativa de Processamento de Leite, COMPRAP. Visita ao Presidente da COMPRAP, (COOPERATIVA MISTA DOS PEQUENOS PRODUTORES RURAIS DO SÃO JOAO DO PARAISO –COMPRAP) Luis Coelho Neto e o vice Presidente e Secretário de Agricultura de, Genésio Barros de Castro. Tal parceria entre as cooperativas poderá resultar em baixos custos de operação.

Para isso será necessário criar um estudo de viabilidade para a verificação dos custos e melhorias possíveis. Dessas três opções, a que mais me agrada é a 1ª. De qualquer formar eu primeiro, pegaria o modelo adotado pela Cooperativa BREJÃO e depois executaria várias visitas em outras Cooperativas de Leite da região, no intuito de aprimorar com o que for visto. Tais estudos devem ser implementados imediatamente. Infelizmente, nada foi feito após minha primeira visita à 6 meses atrás. Se existe algum progresso para ser feito, esse processo, deve levar em consideração os estudos e planejamentos ou muitos membros podem ficar desiludidos e conseqüentemente, se desligarem da Cooperativa. Não se deve desligar ninguém da

Cooperativa até que o Estudo de Viabilidade seja feito, questionando o porquê de se ter ou não membros ativos e quantos são participativos. Com as respostas a Cooperativa poderá se fortalecer e seus membros se tornaram mais ativos e interessados.

PARA MELHORAR A PRODUÇÃO:

- Iniciar a inseminação artificial
- Rações Concentradas – Recursos de proteína e energia disponíveis
- Implementar testes de qualidade no leite, pelo menos a cada mês
- Cruzar as raças, Girolando e Holandesa. Tal cruzamento, resultará no aumento na produção de leite em comparação com o Nelore, além de que as duas raças são mais comuns na região.
- Utilizar intensivamente as práticas existentes. Cultivar alguns hectares com pastagem mais intensa ao invés de utilizar grandes áreas que no total não são aproveitadas. (Isso requer pouco investimento com fertilizantes e outros produtos químicos), sendo também mais eficiente no uso das máquinas e tempo.

Damon Szymanski

COTRAFUS
COOPERATIVA DOS TRABALHADORES RURAIS DO MUNICÍPIO DE FORTALEZA-URBANO SANTOS

UF	MA
PROJETO	**Consultoria Técnica em melhoramento na produção de farinha de mandioca**
VOLUNTÁRIO	• RAMANA GOVIN • **Consultor Internacional** • **PHD em Engenharia de Alimentos pela Universidade da California, DAVIS.** • **Trabalhos de consultoria na Africa, Asia, America Latina, Iran, America do Norte e Russia pelas Nações Unidas – FAO, ILO, UNIDO e ACDI/VOCA**
OBSERVAÇÕES	• **Necessidade de um treinamento direcionado para a melhoria da produção** • **Falta de um controle de qualidade.** • **Falta de procedimentos sanitários.** • **Falta de um planejamento administrativo e financeiro.** • **Organização administrativa irregular.** • **Comprometimento com a produção da mandioca e seus produtos:**
RECOMENDAÇÕES	• **Aumentar e diversificar a produção da mandioca.** • **Transformar a Goma no produto principal na cooperativa.** • **Mudança e melhoria do local de produção.** • **Trabalhar na implementação de um Programa de Controle de Qualidade.** • **Incentivar os associados a partir dos princípios do Cooperativismo.** • **Produzir e comercializar a Farinha e seus subprodutos sob sua marca.**
RESOLUÇÕES	• **Elaboração de dois Projetos:** • **Construção da nova casa de farinha com o suporte da SUZANO BAHIASUL.** • **Capacitação e treinamento em Administração de Cooperativas.**

TERMO DE REFERÊNCIA – COTRAFUS

ACDI/VOCA - BRASIL

Title:

Estudo de Viabilidade/Construção de uma unidade de beneficiamento de Farinha de mandioca

Localicação:

Urbano Santos, Povoado Fortaleza - Maranhão.

Duração:

2 semanas

Resumo:

COTRAFUS é uma pequena cooperativa de trabalhadores rurais do Município de Urbano Santos no Maranhão. Sua principal atividade é o cultivo e produção de farinha de mandioca, além de produzir em pequena escala, muda de eucalipto que é vendida para a SUZANO Bahia Sul, uma industria de papel e celulose que auxilia a cooperativa através de programas sociais. A cooperativa necessita de uma assistência técnica para a organização
administrativa e a elaboração de um Plano Estratégico para a criação de uma nova unidade de beneficiamento da farinha de mandioca.

Contato: Joaquim Alves da Cunha Filho – Presidente

Contrapartida: MAPA/DENACOOP

Endereço: Estrada Municipal Urbano Santos/Cajazeiras Km. 05

Autores: Daniel da Silva, Osca Neto,Celso Claro-ACDI/VOCA-Brazil
Michael McNulty-ACDI/VOCA-HQ

A. PERFIL DA COOPERATIVA

COTRAFUS atualmente está envolvida na produção da farinha da mandioca que é a sua fonte de subsistência. Iniciou seus trabalhos com algumas famílias que escapavam da estiagem e pobreza e se organizaram em uma cooperativa produtora de mandioca. Além da produção da farinha a cooperativa produz e

comercializa, sementes de Eucalipto para uma grande empresa de Papel e Celulose chamada Suzano Bahia Sul.

A COTRAFUS possui 23 associados, u (um) Diretor Presidente, 1(um) Diretor Administrativo 1(um) Diretor Financeiro e 6(seis) Conselheiros Fiscais (3 suplentes).

B. DESCRIÇÃO DO PROJETO

Introdução

Toda a produção é feita artesanalmente. Atualmente a única atividade que prove renda é a venda das sementes de Eucalipto para a empresa de Papel e Celulose.

Justificativa

A atividade base/principal da comunidade está na produção de mandioca. Eles possuem um

grande potencial para se tornarem grandes produtores de mandioca podendo ultrapassar outras 260 comunidades que trabalham com a mandioca.

Objetivos

Gerais

- Criar uma unidade de processamento;
- Aumentar a produção da farinha e seus subprodutos
- Se transformar em uma cooperativa bem estruturada;
- Agregar valor a produção;
- Tornar o seu produto mais competitivo no Mercado

local;

- Introduzir novas tecnologias e idéias Administrativas;
- Difundir a filosofia Cooperativista

Beneficiários

Direto 36

Indireto 90 famílias e 260 pessoas da comunidade

Perfil do Voluntário: Sólidos conhecimentos no cultivo e produção de mandioca e em Cooperativismo.

ACDI/VOCA-CONTATOS

1. ACDI/VOCA-Brazil

Centro Empresarial-Brasilia

Bloco A, Sala 517

Brasilia, DF Brazil

Telefax: 55-61-225-2688/226-3944

Country Representative: Celso Claro de Oliveira

E-mail Address: daniels@cni.org.br

Home Telefax: (55-61) 577-3916

Cell Phone: (55-61) 9-972-3916

2. ACDI/VOCA-Washington, D.C.

Thelonious Trimmell, Project Coordinator-Latin America and Global Programs

Email: ttrimmell@acdivoca.org

Tel: 800-929-8622 Extension 3973 Fax: 202-783-7204

3. ACDI/VOCA-California Recruiting Office

Henry Garcia/ Suz Van Alstine

1008 "S" Street, Suite B

Scope of Work #

CDP ACDI/VOCA-BRAZIL

Sacramento, CA 95814

Telephone: 800 or 916-556-1620

fax: 916-556-1630

e-mail: svanalstine@acdivoca.org

***Emergency Hotline Number:** 1-703-259-2288 (A multilingual line which accepts collect calls

from anywhere in the world at anytime.)

FINAL REPORT - COTRAFUS

I. EXECUTIVE SUMMARY

Project Title:	Manioc Production and Processing
Project Number:	082040
Volunteer:	Dr. Ramana R. Govin
Host Organization:	C O T R A F U S Cooperative Development Program In Partnership with OCB-SESCOOP
Host Location:	Urbanos Santos, Povoado Fortaleza – Maranhão
Assignment Dates:	November 30 – December 12, 2003

Scope of Work

COTRAFUS has requested the aid of an ACDI/VOCA Volunteer consultant to provide technical assistance in Manioc Production and processing methods, alternative value added product development, and cooperative principles and organizational strengthening. COTRAFUS is currently in great need of focused training and technical assistance, as they are very vulnerable at this time and have yet to successfully escape subsistence agricultural production levels. Increased yields and product diversification, coupled with basic cooperative structure and business management training will provide COTRAFUS members with the means to escape the rural poverty endemic in the region.

Objectives:

- Increase primary production levels
- Provide training and feasibility evaluation of alternative manioc-based products
- Improve the cooperative,s management and operational structure
- Improve the quality of current products
- Develop new processing skills
- To place more competetive products in the local market
- To introduce new technology and administrative ideas

- Provide general technical assistance and advice on possible equipment needs and purchases
- Provide overview of necessary quality control/sanitary systems
- Comment on existing feasibility/cost-benefit studies
- Provide a larger local market for manioc producers and generate employment opportunities in the rural community
- Contribute to the overall improvement and stability of the coopetrative, and consequently the improvement of the locally-produced products available in both Maranho and regional markets.

Recommendation Summary

An observation of the current processing operations at COTRAFUS was made to determine the technical assistance need of the organization. It was immediately obvious that the raw material they were using is the toxic variety of Manioc. This is important, as it establishes the scope of the technical assistance needed. The main products currently produced by COTRAFUS are: White Farina of Manioc, Brown Farina of Manioc, and Starch (*Goma*), produced as a byproduct of the White Farina.

It must be pointed out that the said Farinas are unique to the region and Brazil, as they are toasted in butter, and are not the same as Manioc/Cassava flour produced elsewhere in the world.

There is a misconception among the members of COTRAFUS that *Goma* (Starch) can be produced <u>only as a byproduct</u> of the White Farina, and not as a main product. This misconception has since been dispelled, and a complete <u>technology-transfer and training</u> in starch production as a main product has been provided to the members. This is an important accomplishment as starch production in the area is lucrative (more so than Farina), and it is understood that there is a ready market demand from the paper industry.

In addition to starch manufacturing as a main product, COTRAFUS members are also trained in manioc flour production.The people in the region (and perhaps in the country) are not aware of manioc flour. Currently, the local people use starch in foods such as cakes and breads. It was demonstrated that manioc flour is a better and more economical choice in these applications.

In addition, several new product applications, utilizing the manioc flour and starch have been demonstrated to COTRAFUS members.

The members of COTRAFUS are completely sold on the idea (and technology) that starch could be produced as a main item, rather than as a byproduct. Needless to say, this new knowledge should materially increase the lucrative starch production by the members. The members were equally sold on the manioc flour production technology. It was emphasized to the members that since manioc flour is new to the country, they can virtually capture the market (under COTRAFUS label) if they act decisively in producing the product commercially.

Fundamental principles of Quality Control and Food Safety were discussed with the COTRAFUS members. In this connection it must be pointed out that the existing processing facilities at the Cooperative are in an extremely unsanitary condition and are unfit for food processing. COTRAFUS needs to upgrade its operations and relocate to a modern food processing facility. This means, a need for financial assistance, as COTRAFUS is not in a position to afford the cost of upgrading or relocation to a modern manufacturing facility. COTRAFUS desperately needs and deserbves financial support.

COTRAFUS is ambitious about exporting its products abroad. But the Cooperative is nowhere near being ready for this. The immediate concern of COTRAFUS should be:

(1)to move into a modern food processing facility
(2)to work on a Quality Control program
(3)to increase starch production, using the new technology provided
(4)to produce and promote manioc flour, under COTRAFUS label

II. BODY OF REPORT

Host Organization Description

COTRAFUS is a small cooperative whose main activity is manioc production and processing. Currently, all of their production and

processing is very primitive and done by hand. Their current methods, products, existing markets and organizational structure are not competetive enough to provide their membership with adequate financial resources at this time. If increased production is achieved, additional products such as liquor, starch, and flour can be developed and sold to both local and regional markets.

Started with a limited number of families to escape abject poverty, COTRAFUS was created for the primary purpose of collective manioc production. During sporadic episodes of drought,COTRAFUS members sell eucalyptus seedlings to a large paper and cellulose manufacturer. COTRAFUS has 23 Associates, 1 President, 1 Administrative Director, 1 Financial Director, and 6 Fiscal Counselors (three substitutes).

The small producers, their children, and wives, all help with manioc production and most of the time they can not produce and sell sufficient quantities to improve their quality of life and escape subsistence agriculture. The Cooperative needs technological and administrative innovation to increase production, restructure the Cooperative, and produce other value-added derivative products such as liquor, starch, and flour.

Issues/Problems & Solutions/Recommendations

Issue/Problem # 1
The members of COTRAFUS believe that they can produce Starch only as a by product of their Farina operation and not as a main product.

Solution/Recommendation:
It was demonstrated that this was a misconception on their part. A complete technology transfer and training was provided to members of COTRAFUS in starch manufacture, as a main product.

Issue/Problem # 2
Starch manufacturing is lucrative in the area, more so than Farina. Also, it is understood that there is a ready market for starch in the paper industry. However, because COTRAFUS produces starch only as a byproduct, their starch production is far below the paper industry demand. The problem is further compounded by the misconception on

the part of COTRAFUS that starch can not be produced as a main product.

Solution/Recommendation:
Now that the misconception is dispelled, COTRAFUS is in a position to produce as much starch as they can, as a main product, to meet the market demand.

Issue/Problem # 3
People in the region use starch in item such as cakes and bread. Use of starch in these applications is not only not appropriate, but also is expensive. However, the people have no choice, because they have no other alternative. They are not aware of a product called manioc flour.

Solution/Recommendation:
The members of COTRAFUS have been trained in manioc flour production technology. Manioc flour is a better and cheaper choice in the said applications.

Issue/Problem # 4
There is need for promotion of manioc flour in Brazil, as it is new to them.

Solution/Recommendation:
Because the product is not available in the market, COTRAFUS is in an excellent position to virtually capture the market by being the first ones to produce and market under the COTRAFUS label.

Issue/Problem # 5
The sanitary conditions at the COTRAFUS processing site are extremely bad: with mud floors, chickens, dogs, donkeys, and cattle running around the premesis, and with chicken droppings and dust. This situation neither meets the Good Manufacturing Practices (GMP) standards, nor the Food Safety standards.

Solution/Recommendation:
COTRAFUS should either move out of the existing location into a modern manufacturing facility, or rennovate the existing location:

enclosed building with cement floors, with no animals/dust around the building.

Issue/Problem # 6
There is no proper control of quality of the products currently being produced at the COTRAFUS site.

Solution/Recommendations:
Fundamental principles of Quality Control have been explained to the members. However, this needs to be followed by on-the-job training, when they move into a modern food processing facility.

Issue/Problem # 7
COTRAFUS is ambitious about exporting their products abroad.

Solution/Recommendation:
While COTRAFUS has a very long way to achieve this objective, their immediate concern should be:

(1) to rennovate their existing processing operations to meet sanitary standards, or move into a modern food processing facility,
(2) Work on developing and implementing a good Quality Control program
(3) Concentrating on producing starch, for which there seems to be a ready market
(4) Produce and commercialize manioc flour under COTRAFUS label

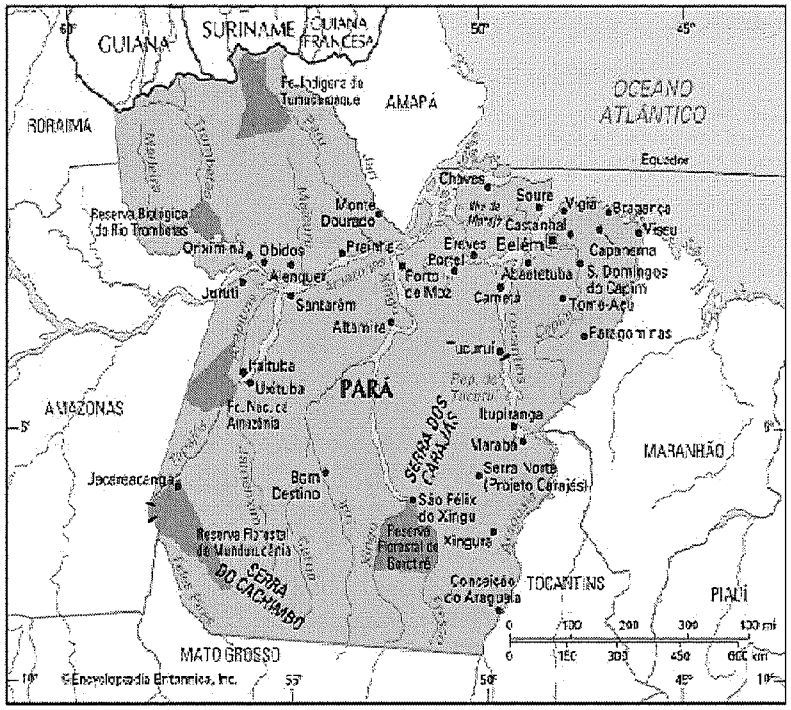
Contacts

1. Dr. Hans Krogh
2. Mrs. A. Monteiro
3. Joaquim Alves da Cunha Filho, President, COTRAFUS
4. Members of COTRAFUS

Promises made to Host Organization

None

PARÁ



CAMTA

COOPERATIVA MISTA DE TOMÉ-AÇU

- **VOLUNTÁRIO: DEAN WHEELER**
- **ÁREA: CONTROLE DE QUALIDADE – APPCC & BPF**
- **CIDADE: TOMÉ-AÇU**
- **BENEFICIÁRIOS:**
  - **DIRETOS: 109**
  - **INDIRETOS: 400**

COOPETTUR

COOPERATIVA DE TURISMO E LAZER DA AMAZÔNIA

- **VOLUNTÁRIOS: ALAN ROBINSON & ELLEN JACOBS**
- **ÁREA: ECOTURISMO**
- **CIDADE: BELÉM**
- **BENEFICIARIOS:**
  - **DIRETOS:88**
  - **INDIRETOS:222**

CAMPEALTA

COOPERATIVA EXTRATIVISTA DE ALTAMIRA

- **VOLUNTÁRIO: WALTER PAYNE**
- **ÁREA: CASTANHA DO BRASIL**
- **CIDADE: ALTAMIRA**
- **BENEFICIÁRIOS**
  - **DIRETOS: 30**
  - **INDIRETOS: 90**

CAMTA
COOPERATIVA MISTA DE TOMÉ-AÇU

UF	PA
PROJETO	Consultoria Técnica para a implantação dos Programas BMF (Boas Práticas de Fabricação) e APPCC (Análise de Pontos e Perigos Críticos de Controle) no processamento e produção de polpa de frutas
VOLUNTÁRIO	➢ ➢ Dean Wheeler ➢ Agrônomo formado pela Universidade da California: Davis ➢ Administração Internacional pela Universidade da Florida.
OBSERVAÇÕES	➢ Falta de um acompanhamento dos 7 (sete) princípios do APPCC pela comissão e funcionários ➢ Controle de qualidade regular ➢ Necessidade de testes microbiológicos adicionais ➢ Aquisição de um Registrador Termográfico para o Pasteurizador ➢ Melhoria dos Equipamentos ➢ Baixo controle dos resíduos líquidos
RECOMENDAÇÕES	➢ Necessidade da criação de uma comissão para revisão e execução das práticas do APPCC e BPM ➢ Aquisição de equipamentos exigidos pelos padrões do APPCC, como o detecto de metais e o registrador Termográfico para a Pasteurização e Congelamento ➢ Total comprometimento com a implantação do BPF e APPCC ➢ Acompanhamento do orçamento anual para o seu uso coordenado no Projeto ➢ Instalar equipamentos como o detecto de metais e o registrador termográfico ➢ Desenvolver procedimentos de verificação de limpeza e manutenção dos equipamentos a cada turno ➢ Treinamento para os operários em Procedimento Padrão de Operações Sanitárias – (PPOS).
RESOLUÇÕES	➢ Implantação do Programa de Boas Praticas de Fabricação - BPF ➢ Aquisição do Registrador Termográfico para o Pasteurizador. ➢ Elaboração de compra do detector de metais. ➢ Padronização das operações de processamento, através de treinamentos diários e mensais. ➢ Implantação até o final do ano do Programa APPCC.

TERMO DE REFERÊNCIA-CAMTA

ACDI/VOCA - BRAZIL
Cooperative Development Program
In partnership with:
OCB-SESCOOP

Title:

Project Nº:

Location: Tomé-açu - Pará

Start Date:

Duration:

Summary: A Cooperativa Agrícola Mista de Tomé-Açu, tem como principal atividade a produção de polpa de fruta, além de produzir e exportar Pimenta do Reino, Cacau e Amêndoa de Cupuaçu. Devido ao aumento na produção de polpa de fruta que atualmente é de 2.250 ton/ano a CAMTA está com perspectivas de que os seus produtos sejam aceitos no mercado mundial. Com o inicio das exportações Cooperativa encontrará novas formas de investimentos e criação de mais postos de empregos um auxílio na implantação de duas atividades que são elas:

- Boas Práticas de Fabricação –BPF
- Análise de Perigo e Pontos críticos de contaminação – APPCC

A CAMTA necessita da ACDI/VOCA a Assistência de um profissional com formação na área e com habilidades em Controle de qualidade de Frutas Tropicais e processamento. Assistências prévias no

Brasil ou América Latina são benéficas.

Contact: Getúlio Carneiro de Sousa (Presidente)

Counterpart: DENACOOP / SESCOOP – Ministério da Agricultura e Pecuária

Address: Praça Benjamim Fernandes de Souza, n° 339
Tel: (63) 474-2044
Fax: (63) 474-2074
Araguatins-TO

Authors: Daniel da Silva, Osca Neto,Celso Claro-ACDI/VOCA-Brazil
Michael McNulty-ACDI/VOCA-HQ

C. COUTERPART ORGANIZATION PROFILE

A Cooperativa Agrícola Mista de Tomé-Açu, tem como principal atividade a produção de polpa de fruta, além de produzir e exportar Pimenta do Reino, Cacau e Amêndoa de Cupuaçu. Devido ao aumento na produção de polpa de fruta que atualmente é de 2.250 ton/ano a CAMTA está com perspectivas de que os seus produtos sejam aceitos no mercado mundial. Com o inicio das exportações Cooperativa encontrará novas formas de investimentos e criação de mais postos de empregos um auxílio na implantação de duas atividades que são elas:

- Boas Práticas de Fabricação –BPF
- Análise de Perigo e Pontos críticos de contaminação – APPCC

Criada em 1929 a CAMTA está sempre focada na melhoria de vida dos seus produtores rurais e associados, garantindo escoamento, assistência técnica e etc. Continuam atuando no atacado com (40%) e no varejo (60%) e mantendo também como prioridade as vendas de Açaí e Cupuaçu e atualmente do Maracujá e Acerola.

D. PROJECT DESCRIPTION

Introduction

A CAMTA tem um alto padrão de produção e já possue boa parte do mercado Regional e Estadual com a vendas dos seus produtos, em especial das polpas de frutas, como o Açaí, Acerola e Maracujá que nos últimos 2 anos tiveram um aumento significativo na produção.

Justification

Com esse significativo aumento na produção, a CAMTA está em busca do mercado internacional, e para isso quer agregar maior valor em seus produtos, preparando-os de acordo com as exigências necessárias para a exportação através da implantação do programa de (HAACP) - Hazard Analysis and Critical Control Point ;

Objectives

Primary

22. Implementar o (HAACP) - Hazard Analysis and Critical Control Point & Reduction of spoilage
23. Insert the Procedures for the Safe and Sanitary Processing and Importing of Juice, FDA regs.
24. Gerar novas receitas;
25. Buscar novas técnicas de produção;
26. **Vender produção para o Exterior;**

Secondary

27. Repassar os lucros aos cooperados
28. Investir na melhoria da Cooperativa, com a aquisição de novos equipamentos.
29. Criar oportunidades de empregos para a comunidade local;

Beneficiares

Direct: Falta coletar os números
Indirect : Falta coletar os números
Volunteer Consultant Profile

30. **Voluntário especialista em controle de qualidade na produção de frutas exóticas e Marketing**

Additional Project Profile
Falta coletar dados atualizados com a Cooperativa;

C. ADDITIONAL COMMENTS

- Soon after arrival, the volunteer should prepare a work plan in conjunction with the host organization. Additionally, in coordination with this team, he/she should prepare a final report including recommendations addressed to them.

- The volunteer shall be advanced travel funds for the assignment from ACDI/VOCA-Washington in accordance with his/her travel schedule for the assignment. Lodging in Brasilia will be direct-billed to ACDI/VOCA; the volunteer will be advanced sufficient funds for lodging and per diem in the field. Details about travel expense reporting will be discussed with the volunteer during the initial in-country briefing.

- Upon arrival to Brazil, CDP volunteer consultants usually stay at least one day in Brasilia for internal briefings at the ACDI/VOCA office and a program briefing with OCB/SESCOOP. Upon completion of the field portion of the assignment, volunteer consultants will spend one or two days in Brasilia to finalize reports and for debriefing with ACDI/VOCA, OCB/SESCOOP, other interested parties such as the Cooperative Department of the Ministry of Agriculture and USAID/Brazil for assignments of direct interest to the USAID mission.

D. DESCRIPTION OF THE ASSIGNMENT SITE

PARA

Belém é parada obrigatória para quem vem conhecer o norte do Brasil. "A cidade das mangueiras", com cerca de 1 milhão e 200 mil habitantes, tem clima quente e úmido o ano todo. E a famosa chuva da tarde que dá à cidade um charme especial. Como toda metrópole, Belém cresce apostando no futuro, sem perder as marcas do

passado.De um lado edifícios modernos, de arquitetura arrojada. De outro a Cidade Velha, com seus casarios seculares e igrejas imponentes. A poucas horas de Belém é possível desfrutar de um delicioso banho de água doce nas praias de Mosqueiro e Outeiro. Mais adiante, praias paradisíacas de água salgada. Tem a belíssima Atalaia, em Salinas, onde a praia parece não ter fim. E a natureza selvagem das praias de Algodoal e Ajuruteua, vilas de pescadores que guardam paraísos intocados.

Como Chegar:

Rodoviário: O acesso é realizado pela Rodovia federal BR 316 e estadual PA 391 (Augusto Meira). As empresas de transporte fazem viagens diárias chegando a Belém diariamente no terminal rodoviário de Belém, Av. Almirante Barroso, s/nº Tel.: (oxx91) 246-7442 Aéreo: Através do Novo Aeroporto Internacional de Belém que está completo com uma ala internacional concluída, que ampliou em 13.000 m2 aquele que já era o maior da região e um dos mais modernos do país. Localizado na Av. Júlio Cesar, s/nº Tel.: (0xx91) Fluvial: Em virtude da magnífica situação geográfica, em plena faixa equatorial, a margem oriental da Baía de Guajará, Belém é ponto estratégico de acesso a região Norte através dos rios: Moju, Acará e Guamá. É a porta principal de entrada e saída do Rio Amazonas.

C. ACDI/VOCA – BRAZIL ACTIVITIES

In 1995 ACDI/VOCA launched a program in Brazil to develop local cooperatives and alleviate poverty while minimizing the effects of negative environmental impacts. The first of its kind, the program brought together all the major cooperative development players, including the Organization of Brazilian Cooperatives (OCB), in an effort to effectively impact small- and medium-sized producers in isolated and under-served areas. In 2002 the program began working in closer cooperation with OCB's nationwide Cooperative Development Program for Self-management.

Since the inception of the program, more than 100 ACDI/VOCA volunteers and consultants have offered guidance in nearly every field

of agricultural production, in addition to marketing, strategic planning, management and cooperative development. The program continues to help local producers move toward greater profitability in an atmosphere that promotes sustainable farming and business operations while conserving Brazil's natural resource base.

REALTÓRIO FINAL - CAMTA

DEAN W. WHEELER

CONSULTORIA EM BOAS PRÁTICAS DE MANUFATURA
E
ANÁLISE DE PERIGOS E PONTOS CRÍTICOS DE CONTROLE

CAMTA, TOME ACU, PARÁ, BRAZIL

1 a 14 de dezembro de 2003

Introdução

A minha última experiência com a CAMTA foi em 2000, quando a ACDI/VOCA solicitou a minha consultoria para a garantia dos procedimentos de qualidade e melhoria de renda. Novamente fui solicitado para orientar a CAMTA no gerenciamento dos princípios das Boas Práticas de Fabricação (BPF) e Análise de Perigos e Pontos Críticos de Controle (APPCC). Durante o projeto fui auxiliado habilmente pelo interprete, Sr° Luca Maggini.

CAMTA estava preocupada com as práticas de gerenciamento após a conclusão de uma auditoria feita na fábrica. Essa auditoria foi executada pelo ABI Internacional, organização americana de auditoria em processamento de alimentos. Essa auditoria determinou que a CAMTA não seguiu o número necessário de procedimentos na produção dos seus produtos. Alguns desses procedimentos não foram tomados, incluindo a falta de Procedimento Padrão de Higiene Operacional (PPHO), BPF e o programa APPCC.

A gerência da CAMTA já havia iniciado a instalação destes procedimentos, através do trabalho da consultora do SENAI, Srª Célia Guimarães. A Cooperativa formou uma comissão de sete empregados, responsáveis pela revisão e execução das práticas do programa APPCC. Quando cheguei, a comissão havia preparado seu próprio PPHO, e estava pronta para treinar os seus operadores. Também escrito e nas mãos da Srª Guimarães estava o BPF, mas nenhum trabalho havia sido feito até então, quanto ao programa APPCC. Reuni-me com a comissão com o objetivo de completar os procedimentos. Os membros da comissão são os seguintes:

Mr. Ivan Saiki, Director General
Mr. Valter Tadayuki, Product Director
Mr. Fabiano Sousa, Production Manager

Mr. Jailson, Agronomist
Ms. Helena Moritsuka, Quality Assurance Supervisor
Mr. Amarildo Nunes da Silva, Warehouse Supervisor
Ms. Dieuma Silva Almeira, Q.A. Laboratory Assistant

É importante ressaltar o suporte/ajuda do Diretor da Cooperativa, Sr. Ivan Saiki e Valter Oppata, que foi de grande valia para o sucesso deste Projeto.

A comissão escolheu a Srª Helina como Secretaria e como as discussões foram conduzidas em Português, todas as anotações ficaram mantidas nessa língua e eu solicitei que as utilizassem após a minha partida.

Procedimento Padrão de Higiene Operacional (PPHO)

Para que se utilize o programa APPCC é necessário que se construa passos preliminares. O primeiro é o PPHO, que em outras palavras, é a forma de como cada equipamento, local e produto devem ser limpos a cada dia, a fim de assegurar que o mesmo está asseado.

Através das minhas observações a cooperativa faz todos os dias um trabalho completo de limpeza do local e dos seus equipamentos, assim como cada empregado e seus uniformes.

Como o PPHO já estava sendo escrito, juntamente com a consultoria da profissional do SENAI e em Português, eu não revisei os procedimentos que estão disponíveis para o pessoal da CAMTA. Acredito que o primeiro passo foi completamente adequado.

Boas Práticas de Fabricação (BPF)

O Segundo passo necessário para o sucesso na operação do programa APPCC é a utilização do BPF. Em vários casos, mas não em todos, CAMTA usa as Boas Práticas de Fabricação.

Uma boa base para a avaliar e operar o BPF pode ser encontrada na página p da Internet www.fsis.gov. Essas informações estão com o título 21-Alimentos e Medicamentos, Capítulo 1-Alimentos e Administração de Alimentos e Medicamentos, Departamento de Saúde e Serviços Humanos, Parte 110 – Atuais Boas Práticas de Manufatura em processamento, embalagens ou Holding Human Food. Para referência coloquei como apêndice no final deste relatório, as 14 páginas dessas práticas encontradas no site.

A comissão já havia iniciado os trabalhos para a implantação da BPF no local. O esboço estava nas mãos da Srª Guimarães. Infelizmente ela não estava presente durante o tempo que estive em Tomé-Açu, não podendo gerar, nenhum acréscimo técnico ao programa BPF. De qualquer forma eu revisei, com o auxílio do site

www.fsis.gov, e expliquei à comissão sobre a necessidade do programa e quais decisões deveriam ser tomadas. Solicitei que muitas BPF's estivessem já no lugar.

APPCC

O uso perfeito do APPCC depende primeiramente do desenvolvimento de planos de ação para a utilização do PPHO e BPF. Com os princípios acertados pela comissão para os dois programas (PPHO e BPF), descrevi os sete princípios do APPCC, que são eles:

1. Conduzir uma análise de perigos;
2. Identificar pontos de controles críticos
3. Estabelecer limites críticos
4. Estabelecer monitoramento dos procedimentos para cada PCC (Ponto Crítico de Controle);
5. Estabelecer ações corretivas para serem tomadas quando acontecer desvio do limite crítico;
6. Estabelecer procedimentos de verificação;
7. Estabelecer arquivamento e documentação de sistemas e procedimentos;

Existem diversos manuais que esboçam a metodologia do APPCC. O manual que utilizei tem 177 páginas em inglês. Claro que é impossível incluir tal material neste relatório, e traduzi-lo. De qualquer forma, eu pedi para CAMTA que adquirisse o manual APPCC em Português. É provável que o SENAI possa dar algum suporte. Ao mesmo tempo a Comissão deverá acreditar nos treinamentos já feitos, nas anotações tomadas durante os exames e nos relatórios.

Nós selecionamos a polpa congelada do Açaí para usar como exemplo de APPCC. Infelizmente o tempo foi curto para completar todos os passos para a produção do suco, então nós selecionamos três etapas de processamento e as usamos como pontos de discussão no treinamento.

Para cada um desses três passos, nós aplicamos os sete princípios do APPCC. Enquanto cada principio era aplicado, os registros eram mantidos pela Srª Helina, para uso da comissão, não só aplicáveis nos treinamentos mas também para a continuação do trabalho do APPCC em todos os passos para todos os produtos.

Primeiro um diagrama de fluxo da produção do Suco de Açaí foi feito pela comissão, ambos na sala de conferência e na fábrica. Esse diagrama de fluxo está anexado ao final deste relatório. Uma vez completado esse diagrama, nós então, fomos através dos sete princípios do APPCC em três etapas de processamento. Essas etapas são:

Primeira elevação
Tratamento da água quente
Pasteurização e congelamento

Um resumo das nossas decisões são as seguintes:

PRIMEIRA ELEVAÇÃO

- Perigo potencial do metal que entra na linha do produto
- Perigo potencial baixo
- Não há ponto crítico de controle com o detector de metal usado nos filtros
- Esse detector de metal precisa ser instalado e usado
- Validação da instalação e o constante uso do detector;
- Manter relatórios de verificação do instrumento instalado e o seu uso diário
- Desenvolver procedimentos para serem usados, no caso do metal ser detectado na embalagem.

TRATAMENTO DA ÁGUA QUENTE

- Perigos potenciais do equipamento sujo e do vapor contaminado quando o produto é fervido;
- Ambos são pontos de controle críticos, durante a possível contaminação da embalagem e a falta de corrigir um ou outro problema no processo;
- O equipamento deve ser monitorado para limpeza, no início de cada turno e os relatórios devem ser mantidos, verificando que o supervisor de operação fez inspetoria no equipamento. O Gerente de Produção precisa rever os relatórios diariamente. O turno deve ser interrompido no caso de problemas com a limpeza, até a sua adequada regularização.
- Pelo menos ¼ da água usada para fazer o vapor deverá ser analisada por poluentes. Um relatório deve ser mantido, verificando que a água foi analisada e livre de produtos químicos. Se a contaminação estiver sempre presente na água, o vapor não pode ser usado até que o mesmo seja eliminado. Relatórios deverão ser mantidos, verificando a não contaminação da água ou que ela não foi usada até a remoção total dos poluentes. Esses relatórios deverão ser verificados pelo Gerente de Produção.

PASTEURIZAÇÃO E CONGELAMENTO

Dois Potenciais de Perigo possuem baixa probabilidade de ocorrência que são o equipamento sujo e a presença de resíduos de limpeza no maquinário.
O Supervisor de Turnos deverá antes do início de cada turno, verificar a limpeza do equipamento e a ausência de resíduos.

Sugeri que a CAMTA instale um registrador termográfico e de um medidor de fluxo na unidade. Dessa forma poderá determinar a temperatura do aquecimento de

volume atual. O gráfico de temperatura deve ser mantido todos os dias e deverá ser revisado pelo Gerente de Produção a cada dia. O medidor de fluxo deve ser verificado freqüentemente durante o turno, assim como, a cada 15 minutos. A taxa de fluxo atual deve ser registrada, verificada e mantida. Ambos instrumentos devem ser verificados, pelo menos manualmente.

Em uma revisão feita durante o nosso trabalho do APPCC, foi a de listar os pesticidas utilizados em cada colheita. Essa informação foi fornecida pelo Agrônomo, Sr. Jailson.

Produção	Produtos Químicos sendo usados por alguns Produtores
Acai	Glyphosate 2,4-D Flumazine
Cupacú	Same as Acai
Acerola	Glyphosate 2,4-D Flumazine
Maracujá	Glyphosate 2,4-D Flumazine Decis Captan Copper Oxychloride(Up to 10 days before harvest.) Benomyl(Up to 17 days before harvest.)
Pineapple	Unknown or none.
Taperibá	Unknown or none.
Graviola	Unknown or none.
Cajú	Unknown or none.
Goiaba	Unknown or none.
Bacurí	None.
Murcí	None.

É do meu conhecimento a partir do Sr. Jailson, que as informações acima estão em concordância com as normas do Governo Brasileiro. Sugeri que a CAMTA discutisse esses produtos químicos e os utilizassem de acordo com a Agência do

Governo e tendo daí a comparação dos produtos autorizados com os produtos que estão sendo vendidos.

Meu único comentário quanto ao uso dos pesticidas é que esse CAPTAN é um fungicida muito velho e que tem sido utilizado em vários outros cultivos. A CAMTA poderia verificar uma alternativa para esse Produto Químico.

Como a maioria dos produtos da fruta que são processados na CAMTA, é bastante provável que os registros para o uso desses pesticidas não existam. Eu sugeri que uma analise dos resíduos fosse feita periodicamente nos produtos finais para garantir que não existem resíduos após o processamento.

Os resultados desses treinamentos do BPM e APPCC deverão incluir mais relatórios escritos sobre o que está sendo feito na fábrica, a capacidade de validar o que é feito diariamente e sobre a melhoria nos procedimentos sanitários e praticas de manufatura.

PROCEDIMENTOS DIÁRIOS DE FABRICAÇÃO

O Senhor Saiki me pediu para comentar como a fábrica estava operando e para fazer sugestões que poderiam melhorar os resultados. Por passar a maioria do tempo em reuniões com a comissão, eu não estive na fabrica diariamente, mas gostaria de oferecer algumas sugestões que possam ajudar. Todas essas sugestões foram discutidas com o Senhor Saiki e com a comissão durante nossa última sessão.

Algumas cerâmicas presentes no chão estão quebradas ou estão faltando. Como a cooperativa tem menos de 4 anos de idade, eu acredito que os pisos poderiam ganhar um serviço de manutenção mais longo do que há atualmente. Eu não estou acostumado a usar cerâmicas no chão quando produtos altamente ácidos estão sendo processados e equipamentos pesados sendo operados. O Sr. Saiki me informou que a maioria das fabricas no Brasil usam pisos similares e que o problema está mais propriamente na forma que foi instalado do que propriamente em como ele é utilizado.

Minha melhor experiência com pisos tem sido a utilização de base de concreto e de um revestimento resistente a ácidos. Sugeri a CAMTA que procure tal método antes de refazer o piso com mais cerâmica.

Durante a minha visita em 2000, comentei da falta de um registro termográfico do pasteurizador/congelador. Até hoje esse essencial instrumento não havia sido instalado. Os princípios do APPCC exigem tal instalação. Mesmo sem o APPCC, esse dispositivo é necessário para garantir que todos os produtos estão na pasteurização correta. Além de ter que instalar na linha de pasteurização para garantir que ao mesmo tempo e temperatura estão com as devidas especificações.

Eu havia perguntado também em 2000 que observassem o Sistema de Tratamento do efluente gerado pelo processo (esgoto industrial). O mesmo sistema existe até hoje e é inadequado para a limpeza da água e para os padrões de saúde e é também uma ponte crescente para os insetos e microrganismos.

A frente da fabrica é bastante limpa e as gramas e arvores fazem com que ela pareça sempre bem cuidada. De qualquer forma, atrás da fábrica existem várias pilhas quebradas de concreto, baterias e outros tipos de lixos. Tal área pode deixar uma opinião negativa para um cliente ou auditor e é fato de que estão procriando do chão, ratos, insetos, etc. Eu sugiro que esses rejeitos sejam retirados e entulhados.

CONCLUSÕES E RECOMENDAÇÕES

Durante meu pouco tempo na CAMTA, não fomos capazes de completar os estudos do APPCC e as verificações em todos os passos para cada produto. De qualquer forma, nós fizemos um grande acerto no processamento do Açaí, que concedeu a comissão da CAMTA, experiência suficiente para completar o trabalho. Sugiro que a comissão continue o mais rápido possível enquanto esperam pelo retorno pelo SENAI do relatório final das Boas Práticas de Fabricação. A comissão deverá também iniciar um treinamento para operadores no Procedimento Padrão de Operações Sanitárias, o qual está completo.

Tudo isso é uma grande oportunidade de negócio para a comissão, cujos membros estão sempre muito ocupados com suas responsabilidades. Sugiro que um tempo seja combinado a parte, toda a semana para trabalhar no APPCC. É necessário talvez trabalhar durante algumas noites ou nos finais de semana, até que as tarefas se completem.Durante a nossa última sessão, o Sr. Saiki me questionou se eu achava se a CAMTA estava perto de se tornar qualificado a vender seus produtos nos mercados internacionais, ou se esse objetivo estava distante. Respondi que isso depende do nível de comprometimento que a comissão exercitar em completo e implementar o BPF e o APPCC. O sucesso no mercado internacional depende também de financiar melhorias fundamentais, como os Procedimentos Diários de Manufatura enumerados e outros. Não será possível ter sucesso neste cenário, sem investimento de capital. Sugeri que a CAMTA siga o procedimento do orçamento anual, ambos para o capital e gastos operacionais. Prioridades devem ser acertadas para definir o quanto deverá ser gasto a cada ano e para cada necessidade. Se os gastos projetados excederem os fundos disponíveis, então um empréstimo deve ser considerado ou outros meios de aumentar o lucro de venda na CAMTA.

Durante a minha estada, um Importador Americano ligou para a Cooperativa, solicitando o considerável pedido de 100 toneladas de Pimenta Preta. Eu fui o

único no local que falava inglês e peguei o telefone no esforço de ajudar a CAMTA. Esse incidente ilustrou a necessidade de usar a língua Inglesa nas negociações comerciais. Orientei que alguém da comissão aprenda Inglês. Isso foi dito, não porque eu sou um Americano. Meus 44 anos de comércio internacional me ensinaram que o inglês é a língua mais usada no mundo do comércio e que a CAMTA deveria aprender para usá-la.

O desenvolvimento do programa necessário para o comercio internacional é complexo. Felizmente, CAMTA tem acesso a consultoria profissional do SENAI.Adicionando, eu estou disposto a responder as questões por e-mail e encorajar a gerência da CAMTA a me procurar quando achar necessário a minha ajuda. Meu e-mail é o agresults@aol.com.

Novamente, agradeço a VOCA, CAMTA e o Sr. Maggini por fazer desse trabalho um prazer. A minha esperança é que os resultados virão após a minha visita.

COOPETTUR
COOPERATIVA DE TURISMO E LAZER DA AMAZÔNIA

UF	PA
PROJETO	➢ Fase I ➢ Alan Robinson ➢ **Zoólogo – Formado pela Universidade da Califórnia, Berkeley (AB, 1964)** ➢ **Biologo Oceanografico pelo Instituto Scripps (MS, 1966)** ➢ Especialista em Planejamento de Parques Ambientais, Áreas de Proteção Ambiental e Turismo Sustentável. ➢ Fase II ➢ Ellen Jacobs ➢ **Formada em Administração de Negócios pela Universidade do Texas – 1976** ➢ **Mestre em Educação Ambiental** ➢ **Coordenadora educacional do Parque Nacional das Montanhas Rwenzori.**
VOLUNTÁRIO	➢ **Elaboração em duas fases de um Estudo de Viabilidade para o desenvolvimento do Turismo na Região**
OBSERVAÇÕES	➢ **Baixo número de recursos humanos e baixa preparação.** ➢ **Má conservação de toda a área do Parque dos Igarapés.** ➢ **Falta de um planejamento para a utilização do Parque e de toda a estrutura da Cooperativa**
RECOMENDAÇÕES	o **Fase I** ➢ **Montagem de um roteiro detalhado sobre as opções Turísticas da região.** ➢ **Conclusão de acordos/parcerias com hotéis, pousadas, fazendas e etc.** ➢ **Maior definição da área de trabalho, optando mais pelo Turismo Cooperativo Sustentável.** o **Fase II** ➢ **Utilização de produtos naturais na limpeza e conservação do Parque dos Igarapés.** ➢ **Reforma dos apartamentos, Cozinha e Auditório.** ➢ **Elaborações de um acordo de parceria com os proprietários do Parque, visando a utilização para o turismo e lazer em nível nacional.**
RESOLUÇÕES	➢ **Com o diagnóstico, foi firmado um acordo para que a Cooperativa Administre o Parque dos Igarapés além de desenvolver Projetos ambientais e turísticos com Universidades do Estado.**

SCOPE OF WORK – COOPETTUR

ACDI/VOCA - BRAZIL
Cooperative Development Program
In partnership with:
OCB-SESCOOP

Title: Ecotourism Cooperative Development

Project Nº:

Location: Para, Brazil

Start Date:

Duration: 2 weeks

Summary: COOPERTUR is a recently formed cooperative whose principal activity is to aid ecotourism development throughout the state of Para. Last year the cooperative received the assistance of a seasoned eco-tourism development expert to assess the possibilities of eco-tourism in the region and guide the nascent cooperative and help develop a detailed work plan, and identify future points of intervention. A partir dessa assistência a cooperativa iniciou os trabalhos de Eco-turismo na região, ficando responsável em preparar e administrar uma área de 150.000m² no meio da Cidade de Belém.

The Cooperative requests a expert in Tourism management to study with the members of the cooperative a situational diagnoses

From this assignment the cooperative started this Startegic Plan and This assistance wasto built a Strategic Plan for thePara possesses strong potential as an eco-tourism destination because of the large, intact natural resource base, the various watersheds throughout the area, and also the many islands off of the coast. In addition, the properties of various members of the cooperative also hold potential for tourism development and related activities.

The cooperative requests the assistance

Contact: Francisco Pessoa

Counterpart: Francisco Pessoa, COOPERTUR

Address: Av. Senador Lemos – N° 345 – Bairro Umarizal
Tel: (91) 3614-9934 – 9605-6179
Fax: (91) 224-8940

Authors: Daniel da Silva-ACDI/VOCA-Brazil
Michael McNulty-ACDI/VOCA-HQ

A. COUNTERPART ORGANIZATION PROFILE

COOPERTUR is a new cooperative formed on the premise that the state of Para has a large potential for eco-tourism development and the necessary infrastructure to absorb its growth.

The cooperative is in need of technical assistance on a variety of areas, most especially work plan development and the elaboration of a sound feasibility study that identifies the potential of various scenarios for intervention and investment.

The cooperative is composed of twenty members, three of which sit on the board of directors and the other seventeen members are distributed among the budget, operations and management committees.

B. PROJECT DESCRIPTION

Introduction and Justification

According to the Brazilian Ministry of Tourism, EMBRATUR, tourism grows 20% each year and one in nine Brazilians are employed by the tourism service industry. There has been an increasing amount of rural migration to the cities because of unemployment and lack of development opportunities.

COOPERTUR's membership has noticed these trends and has identified many possibilities for rural economic revitalization based on eco-tourism industry development.

Objectives

-Primary

31. Economic development of the rural economy in Para via eco-tourism development.
32. Aid in the elaboration of a feasibility/market study.
33. Provide training for members about tourism and hospitality services.
34. Improve cooperative's management and operational structure.
35. Develop new administrative skills for members.

-Secondary

- Vested conservation of local natural resources.

36. Aid cooperative-movement development.

- Provide general technical assistance and advise cooperative on possible needs and purchases.
- Comment on existing feasibility/cost-benefit studies.
- Contribute to the overall improvement and stability of the cooperative and consequently the improvement of the tourism industry.

Beneficiaries

Direct	88 (20 members of the cooperative and their families)
Indirect	222 associated individuals in local community.

Products and Expected Results

- Evaluate the potential local and regional markets for eco-tourism.
- Develop a work plan with immediate and long-term goals.
- Provide cost estimates for administrative/marketing needs.
- Train members via a seminar on strategies for small business and service industry development.

- If possible do a small evaluation of cooperative and determine if addition technical assistance is needed and what type. These recommendations should be included in the final report.

Volunteer Consultant Profile

- **A** specialist in tourism development.
- Experience with Eco-tourism.
- Knowledge of contemporary, applicable administrative development and marketing practices.
- Preferably the volunteer will have cooperative experience in Brazil or Latin America.
- Experience with training methodologies.
- Intermediate to advanced knowledge of Portuguese or Spanish preferred, but not requisite.

FINAL REPORT - COOPETTUR

ACDI/VOCA Assignment
Ecotourism Cooperative Development (Brazil) 082041

Pará, Brazil November 14-December 4, 2003

By Alan Robinson
National Parks and Tourism Adviser
December 3, 2003
(reviewed without change and submitted to ACDI-VOCA December 31, 2003)

ACKNOWLEDGMENTS

I would especially like to thank ACDI/VOCA Brasilia staff Celso Claro, Daniel da Silva and Oscar Neto for their kindness and hospitality, which after my second assignment I can confirm is a Brazilian cultural characteristic. I also owe much to the friendly and professional treatment from COOPETTUR Director Francisco Pessoa and my highly qualified and helpful translator Ana Lucia.

I. EXECUTIVE SUMMARY

1. Project Number Brazil 082041 Volunteer Alan Robinson

2. Host/Counterpart Organization: COOPETUR (Belém) and Organization of Brazilian Cooperatives (OCB) (Brasilia and Pará)

3. Complete dates of project assignment: November 14-December 4, 2003

4. The original Scope of Work for the Belém assignment was not changed in writing but was mutually agreed upon by the Volunteer and ACDI/VOCA Brazil and the host. The objectives listed in the original SOW were:

Primary

- Economic development of the rural economy in Para via eco-tourism development.

- Aid in the elaboration of a feasibility/market study.
- Provide training for members about tourism and hospitality services.
- Improve cooperative's management and operational structure.
- Develop new administrative skills for members.

Secondary

- Vested conservation of local natural resources.
- Aid cooperative-movement development.
- Provide general technical assistance and advise cooperative on possible needs and purchases.
- Comment on existing feasibility/cost-benefit studies.
- Contribute to the overall improvement and stability of the cooperative and consequently the improvement of the tourism industry.

The changes agreed to were to emphasize a practical and systematic analysis of some seven opportunities which the small cooperative was considering becoming involved with. The objectives noted above would all be dealt with in the process of this analysis.

5. A significant addition to the SOW was a request made by ACDI VOCA for the volunteer to make a presentation to interested representatives of the cooperative movement in Brasilia and local students in tourism. This was accomplished after the field work was completed in Para State. A Powerpoint presentation entitled ***COOPERATIVISM AND TOURISM IN THE STATE OF PARA****: RESULTS OF A VOLUNTEER PROJECT OF ACDI-VOCA BRAZIL and COOPERATIVA DE LAZER E TURISMO DA AMAZONIA (COOPETTUR)* is submitted on CD, in both English and Portuguese versions, as an annex to this report, and should be considered a principal output.

6. Summary of recommendations

The Volunteer worked with COOPETTUR President Pessoa and several of the primary members of this new cooperative on all the

following subjects, but is recommending they continue to be considered:

- Better define COOPETTUR goals, and establish more specific objectives
- Establish criteria for evaluating potential projects to become involved with
- Set priorities for selecting first projects
- Concentrate on one or two projects with highest probability of success
- Adopt a policy that most projects must have professional planning and management and all must be operated on sound business principles
- Identify and recruit socios with professional tourism experience
- Continue training and motivating socios; involve more in planning and future direction
- Fully appreciate the competitive nature of tourism industry, and strive to be the best in the local ecotourism niche market

In addition, following the Volunteer's assistance in analyzing available opportunities, three specific projects were recommended

Working with an existing small nature/leisure recreational development (Parque dos Igarapes) within Greater Belém which is in need of physical rehabilitation and professional management as well as better promotion and marketing

Developing a formal business structure as a tour operator (COOPETTUR ECOTRAVEL) in partnership with an existing professional operator, with a focus on ecotourism but flexibility to deal with various local and eventually future international markets; priorities for this business were set (for the island of Marajó in the mouth of the Amazon River)

Entering the true international ecotourism market by working with a local museum (Museo Goeldi) which operates a high class facility in a remote reserve (Caxiuana) in Para

The other four opportunities were considered of low priority for various reasons. The cooperative was urged to lower expectations in two rural municipalities where there are currently too many constraints on successful projects, and to monitor progress in two other proposed developments which are currently not at a stage that the cooperative should become directly involved.

II. THE MAIN REPORT

1. Host Organization:

As described in the SOW, COOPETTUR is a new cooperative formed on the premise that the state of Para has a large potential for ecotourism development and the necessary infrastructure to absorb its growth.

The cooperative is in need of technical assistance on a variety of areas, most especially work plan development and the elaboration of a sound feasibility study that identifies the potential of various scenarios for intervention and investment.

The cooperative is composed of twenty members, three of which sit on the board of directors and the other seventeen members are distributed among the budget, operations and management committees.

The Volunteer adds, for context, that some nine tourism cooperatives are functioning in Brazil, all very new, and facing similar issues. There are few successful models yet to choose from. COOPETTUR itself has very little technical expertise in tourism among its current membership, and the level of understanding of markets, resources to be visited, professionalism required and investment strategies is very basic.

2. Issues/problems, Recommendations, Actions and Impacts

The following section is identical to the material presented to COOPETTUR and its membership at the close of the field work. It is

being translated locally in a preliminary form to be immediately useful. The format in this final ACDI VOCA report is not being changed to avoid confusion when the report eventually reaches the host.

General observations on Belém and Pará ecotourism potential and markets

In general the Plan for Tourism Development for the State of Pará 2001 is an accurate analysis and presents a good strategy. COOPETTUR should become familiar with the Plan so that they can take advantage of opportunities which the state authorities will be promoting.

Certain Pará destinations far from Belém have undisturbed world class natural resources attractive to international markets in true ecotourism (turismo legitimo). This is true both now and potentially will be increasing in the future. It seems Para is in a good position to compete with Manaus, although it needs better promotion, marketing and some improvements in access. Examples are Marajó Park Resort, Reserva Caxiuana, Xingu River areas and probably many more area. If COOPETTUR is successful in developing its skills in domestic local/national tourism in the short term, it should be in a good position to participate in international tourism (receptivo) in the future.

Destinations closer to Belém have leisure resources attractive to local and possibly Brazilian regional/national markets, but the natural resources are not competitive for international ecotourists; leisure and other tourism products near Belém should target the domestic local/national market, which has different desires and expectations than true ecotourism. COOPETTUR should focus its efforts in the short term on these products and these markets.

Summary of recommendations for COOPETTUR

The Volunteer suggests that COOPETTUR should

- Better define goals and establish more specific objectives

- Establish criteria for evaluating potential projects to assist
- Fully appreciate the competitive nature of tourism industry, and strive to be the best in the local ecotourism market
- Set priorities for selecting first projects
- Concentrate on one or two projects with highest probability of success
- Adopt a policy that most projects must have professional planning and management and all must be operated on sound business principles
- Identify and recruit socios with professional tourism experience
- Continue training and motivating socios; involve more in planning and future direction

Suggestions how COOPETTUR should operate in short term

Highest priority (first activities)

Step 1: Supervise operations and control quality for certain local regional/market leisure and recreational activities especially for Parque dos Igarapes.
Passo1: Supervisionar o controle de qualidade e as operações das atividade de lazer e recreação dos locais em especial o Parque dos Igarapés.

Specific suggestions:

- Contratar Gerente que ficará sob a supervisão da COOPETTUR
- A COOPETTUR sera responsável e inspecionará os serviços e sua boa qualidade
- Solicitar consultoria em programas educacionais em desenvolvimento ambiental;
- Garantir que a equipe esteja bem treinada com o Programa de Educação Ambiental;
- Disponibilizar vendas de pacotes/sociedade

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Passo2: Criar em separado uma Empresa de Turismo Receptivo com o possível nome de COOPETTUR Eco Travel, isso para atrair e direcionar os clientes locais e nacionais para destinos selecionados (Parque dos Igarapés, Marajó, SF do Pará, Salinas/Ilha Itanaranja; trabalhar para o desenvolvimento de produtos atrativos para esses destinos e relações de confiança (Prioridade: Pousada Ventania e Museu Goeld/Reserva Caxiuana).

Sugestões Específicas:

To create COOPETTUR ECOTRAVEL first find a partner who is already an established and respected tourism operator (Turismo receptivo). In this way you can use the professional experience of the partner. COOPETTUR would bring to the partnership the support of its socios, the contacts already established (with Goeldi Museum, Parque dos Igarapes, Pousada Ventania etc.) AND access to the market among the socios of the cooperatives in Belém and Para.

Para criar a COOPETTUR ECOTRAVEL, primeiramente é necessário achar uma empresa operadora de Turismo respeitada e estabelecida como parceiro. Desse jeito será possível usar a experiência do parceiro. Coopettur poderá trazer para a parceria o suporte dos associados, os contatos existententes com o Museu Goeldi, Parque dos Igarapés, Pousada Ventana, etc e acesso ao mercado através de outras cooperativas associadas em Belém e Estado.

Uma idéia para a COOPETTUR TRAVEL é a de oferecer através de websites e outros materiais promocionais, informações sobre destinos e pousadas que estão trabalhando. Um exemplo disso é a Pousada do Boto em Salva terra. Claro que será necessário de profissionais para isso.

A oportunidade para trabalhar com o Museo Goeldi/ Reserva Caxiuana é muito boa. Não percam essa oportunidade. Volte as

relações com o Dr. Horácio Huguchi para discutirem sobre mais opções.

Também a possibilidade de se trabalhar com a Pousada Ventania é uma excelente abertura para a COOPETTUR. Entrem em contato novamente com a Olívia e discutam, como a COOPETTUR poderá representar a Pousada Ventania em Belém, especialmente em como vocês poderão prover a inclusão de mais clientes(sócios) da UNIMED e outros profissionais de outras cooperativas de classe média e alta.

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Secondary efforts and future options

Promote understanding of sustainable tourism among Brazilian cooperatives in general, and stimulate demand for Belém tourism activities among cooperatives whose members are professionals with adequate income to participate. For example the doctors and dentists cooperatives UNIMED, UNIODONTO, UNICRED (first in Belém, then in Pará, then regional/national).

Continue to develop relationships with PARATUR so they will promote COOPETTUR as a local specialist in ecotourism; Position COOPETTUR to become the recommended ecotravel agent for future Parque Amazonia travel in Pará State.

Support and promote certain natural and cultural conservation initiatives to protect resources on which sustainable tourism (ecotourism legitimo) depends (e.g. Reserva Rio Ariri - Ilhas Belém)

Recommendations in detail

Goals and objectives

Although COOPETTUR already has mission and vision statements (see brochure: to extend the idea of cooperatives to tourism) it is necessary to set specific goals and objectives. I cannot foresee those in detail but suggest that they 1) be discussed and adopted by all socios (not just by a Board or Committee) and 2) they consider recommendations of this report.

Criteria for evaluating potential projects (see MATRIX on next page)

The following is a list of criteria which should be considered in a systematic way before COOPETTUR decides to work with or support a particular tourism product:

1) Do the resources (forests, rivers, birds, animals, and scenic vistas, cultural attractions) to support the intended tourism actually exist, and are they of interest to the intended market? Are conditions good only in one season or year round?
2) Are there mechanisms to protect these resources over the long term, to make the proposed tourism sustainable? Like national parks, state or private reserves, cultural and community commitment...
3) Do you have a realistic understanding of the target market? What kind of activities are they interested in? What level of services and comfort are they accustomed to? How much money they are willing to spend? How many people are in the market? How would you contact them?

4) What is the extent of local interest and support? It is very important to have both community and political support of a project.
5) Have all the affected and interested actors been contacted and brought into the project? Do they have realistic expectations of what they will gain or lose? Do you expect any conflicts between local people and future tourists? Is it necessary and desireable to have some written agreements with some or all of these
6) What is the condition of local infrastructure and services? Are they adequate to support the intended level and type of tourism or would the project itself have to provide or improve them?
7) What about accessibility and means of transportation? If by road, are the roads paved and passable all year, or do they need four wheel drive? Are the distances very far? If by boat, what is the distance in terms of time, what boats are available and does their standard of service match what your market will require?
8) Have you considered this project as you would any other business proposal? This includes estimating how much capital needs to be invested in construction of buildings, roads and utilities, the cost of future routine maintenance, the cost for recruiting, training and paying staff and for daily operation, the cost of marketing and promotion (and many other details).
9) Do you or others have a good plan for physical facilities which the project will need, one which indicates the location, size, architectural style, materials and other details? Do you understand what environmental impacts the physical development may have, and will these have a negative effect on the resources you are protecting for tourism?
10) Have you identified any potential partners who can assist in different aspects of the project? Like a community group who would provide a piece of land, and contribute labor, or an investor who is anxious to be involved, or any NGO who would like to participate, or an existing remote tourism destination that needs a representative in Belém?

MATRIX FOR ANALYZING POTENTIAL PROJECTS FOR COOPETTUR
HIGH=3 MEDIUM=2 LOW=1 NONE=0

	RESOURCES YES/NO/WHAT QUALITY	ARE RESOURCES PROTECTED	IS MARKET WELL DEFINED	EXTENT OF SUPPORT	ALL ACTORS INVOLVED	INFRA-STRUCTURE AND SERVICES	ACCESS AND TRANSPORT	VIABLE AS BUSINESS; PLAN AVAILABLE	PHYSICAL PLAN AVAILABLE	PARTNERS IDENTIFIED AND STRONG	SCORE AND RANK
Sao Francisco Do Para											
Magalhaes Barata											
Parque dos Igarapes											
Ilha Marajó											
Parque Amazonia											
Reserva Caxiuana Salinas											

Set priorities for selecting first projects; concentrate on one or two

With the criteria above you can analyze several different projects objectively and then decide on which project which is most likely to succeed. For a new institution and a new concept of cooperatives it is important to choose a simple project with high probability of success. You then can go on to more difficult projects.

Competitive nature of tourism industry

Although perhaps it does not seem so today in Belém, in the future it will become very competitive between destinations and between tour operators. COOPETTUR Ecotravel will have to be very good, very professional if it is to be successful.

Professional planning and management required

In many cases, development of a new or improved tourism destination or product will require professional planning, and later need a professional manager. COOPETTUR should NOT assume it has the professional capacity among its own socios; they will continue to have their own personal jobs and not have enough time to devote to the project. Socios need to be responsible for periodic evaluation, supervision and quality control. To increase credibility with your partners, some COOPETTUR socios should have professional tourism experience, and these need to be recruited.

Training and motivating socios; involve in planning and future direction

Both existing and future socios need continued training, not only in the general policies of cooperativism but also in the specifics of tourism. More socios should be involved in decision-making.

Study and monitor the "backpacker" market (mercado dos mochileros)

There are already some backpackers visiting Para. Especially they arrive downriver from Manaus or by air from French Guiana or Surinam. This market can often be important to small communities like Salvaterra and Joanes even though each backpacker usually wants to pay a very low price for accommodation and food. This is because backpackers come in fairly large numbers, often continue throughout the year, and usually are not frightened when there is a problem like terrorism or bad economic conditions in other parts of the world. Communities can often provide lower standard accommodations in small family-owned pousadas, and small restaurants will develop, and even internet cafes. This spreads the benefits of tourism to more and more families, and avoids the problem of having only one or two large hotels, often owned by outside investors (like Pousada dos Guaras). COOPETTUR ECOTRAVEL should study this market to see how

it could take advantage of the backpacker's special interests. But you should understand that backpackers do not usually ask for assistance from a tour operator. They usually get their information from a travel guidebook like the Lonely Planet Guide to Brazil, and they request the services of a guide only from the small pousadas where they stay.

Volunteer's own analysis of the opportunities; specific suggestions

Sao Francisco do Pará

REMEMBER THAT I BELIEVE WORKING IN SF DO PARA IS LOW PRIORITY AND SHOULD NOT BE STARTED UNTIL TWO OR THREE YEARS IN FUTURE

Activities under consideration and comments/suggestions

- Assist local forest association to develop sustainable forestry plan.

Comment: This seems like an excellent idea but COOPETTUR does not itself have the expertise to assist. If COOPETTUR can find and recruit this expertise in a socio then this is a feasible project. The other option is to locate the expertise within an existing government agency or university institute, and connect them with the association. This is feasible if the cost to COOPETTUR is small and still feasible if the cost is higher and COOPETTUR can locate a source of funds. An added benefit would be if this local association eventually becomes a full cooperative. Note that there would probably be a need for COOPETTUR's supervision and advice in actually implementing any plan, and this would require much more effort over a longer period.

Suggestion: COOPETTUR should proceed with this project, with first step to try to recruit a socio with sustainable forestry experience.

- Assist association to develop rural tourism/environmental education activities on former Good Year properties and in association forest

Comment: Although in concept this is a reasonable objective, it would be very difficult to actually complete. The cost of rehabilitating and then maintaining the Good Year buildings would be quite high; developing trained environmental education teachers from candidates in rural schools would require great effort and probably a lot of money. Other details would also be difficult including transport.

Suggestion: COOPETTUR should not encourage this activity in the short term; possibly it would later be appropriate to use Good Year area as a rural activity for the program to be developed at Parque dos Igarapes.

- Develop local swimming areas (Jambuacu and Agua Azul) for outside leisure tourists

Comment: This is probably feasible, but requires some capital investment in parking areas, sanitary facilities and management of trash. Plans need to be considered to avoid conflicts with current local users of these pools. The most likely market for users is not farther than SF do Para itself and possibly Castenhal.

Suggestion: COOPETTUR should assist with planning, but insist that capital investment come from local sources.

- Assist local SF do Para hotel owner to further develop his property for leisure weekend tourism, and to advertise his facilities outside of the local area

Comment: This particular owner and facility seem to have good potential for small expansion of their market, since there is little other competition, the facility is clean and simple and the quality of service is high.

Suggestion: COOPETTUR should find some way to provide some technical advice (on the type of service and improving facilities) and help in promotion of this activity, maybe among other cooperatives in Belém.

- Assist local landowner (fazendero) to open his property to weekend rural tourists.

Comment: This has the best potential for a small scale project in SF do Para; the owner himself seems quite capable of doing the construction, service, and maintenance. COOPETTUR's role might be only in promoting the existence of the fazenda, perhaps targeting members of professional cooperatives in Belém.

Suggestion: COOPETTUR should explore a relationship with the owner relating to promotion and identifying locally qualified "guides" to go on trails and accompany visitors to other localities in SF do Para.

Magalhaes Barata ALSO LOW PRIORITY

The Volunteer does not think that there are any feasible projects in this municipality at this time.

When COOPETTUR ECOTRAVEL is functioning, it would be possible to direct certain Brazilian and backpacker tourists to Magalhaes Barata who are looking for a low-budget kind of adventure tour to places which have little tourist development.

Parque dos Igarapes

Please see Highest Priority (first steps) in earlier section

Ilha Marajó

Activities under consideration and comments/suggestions

- Working with small pousadas to increase their business in tourism

Comment: In order for this to be of financial benefit to COOPETTUR, it is important to develop the partnership which will create a tour operator business called COOPETTUR ECOTRAVEL (turismo receptivo). This business could then begin assisting pousadas like Pousada do Boto, Pousada Bosque do Aruas and Pousada Ventania to increase their business by helping them in ways which are difficult for them to do themselves. The pousadas themselves might become socios of COOPETTUR. Through the pousadas, COOPETTUR might be able to assist local tourist boat owners, small restaurants, handicraft sellers and others providing tourist service to develop associations which would standardize prices, set standards for service and safety, and help distribute profits to the community more evenly.

COOPETTUR ECOTRAVEL might provide the following services:

1. Create and manage websites;
2. Develop brochures and distribute them in Belém;
3. Discover best locations in Belém to contact potential customers for services available in Ilha Marajó (locate small hotels, restaurants and Internet Cafes used by backpackers and other independent tourists who don't regularly use travel agencies)-provide brochures and posters and offer special packages at these locations
4. Develop legitimate ways to reach the membership of professional cooperatives in Belém to attract them to Ilha Marajó, and promote special discounts and packages for coop members;
5. Assist pousadas to help groups of handicraft makers or dancers and musicians in their communities to get access to Belém to sell goods or perform;
6. Advise pousadas on the advantage of using other services provided by associations rather than by individuals;

Suggestion: Quickly follow up our field visit by going back to meet with Pousada Ventania, Pousada Boto and Pousada Bosque Aruas and discuss what services they might request from COOPETTUR ECOTRAVEL, and what might be a good relationship between them and COOPETTUR ECOTRAVEL.

Caxiuana Reserve

- Become a specialist in marketing and sending true ecotourists to Caxiuana Reserve

Comment: This is an excellent way for COOPETTUR TRAVEL to begin its future career in working with the true international ecotourism market. It will require a lot of work to become familiar with the high standards necessary to serve this market. The professional partner you have found when you create COOPETTUR TRAVEL should be familiar to some extent already with this market, and they must study it in order to understand how you can successfully compete with other operators both in Brazil and outside the country. Also monitor the development of the Brazilian market for this kind of ecotourism, even though it will continue to have a high cost per person. Also think about managing the visits of foreign and Brazilian scientists, and student groups.

Suggestion: Quickly return to Museo Goeldi and Dr Higuchi and begin discussions on how COOPETTUR can be of assistance. When you find your professional partner, go to the Reserve and study the conditions of the accommodation, the activities, and the transportation issues. Begin to develop certain packages of a 5 or 7 day tour and identify ways to make this the most interesting and comfortable that you can. There will be many other details to learn, but your professional partner must be responsible for getting these details properly worked out. Eventually you will need your own website offering packages to Caxiuana and other destinations. You will also want to develop good relations with some specialized ecotourism operator in the United States and Europe so that later they will promote COOPETTUR ECOTRAVEL as the best local operator for Caxiuana packages.

Parque Amazonia

- Work with Parque Amazonia as their specialist in arranging ecotours outside of Belém

Comment: Since Parque Amazonia does not yet exist, and may be many years before it is operating, I do not think this is a priority for COOPETTUR now. However, if this does develop in the future it would be an excellent opportunity since it would give COOPETTUR ECOTRAVEL a big advantage.

Suggestion: Continue to monitor development at Parque Amazonia, and look for ways that you can maintain a high visibility for the future. Continue to have a close relationship with PARATUR as the agency COOPETTUR ECOTRAVEL develops, so that PARATUR will recognize you as specialists and professionals in ecotourism and leisure tourism.

Salinas

- Possibility to work with Ilha Itanaranja/Salinas/Ramos development

Comment: I did not have very much confidence in the presentation of Toni Ramos. Perhaps in the future, if he is successful in developing a good destination, COOPETTUR TRAVEL could include his area as a destination. His concept is OK for general beach recreation and leisure but I did not see that he really understands the needs of ecotourists (ecoturismo legitimo). Possibly you could give him some advice when you have developed COOPETTUR ECOTRAVEL.

Suggestion: Continue to monitor this project but do not become directly involved.

III. CONTACTS

In Belém, Para

Francisco Pessoa President COOPETTUR and six members of the cooperative

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Sr. Erivaldo, President of OCB Para

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Flavio Augusto da S. Contente, coordinator of flora and agriculture engineer

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Jose Varela and Jose Maria, representatives of PARATUR (State Tourism Authority), representing Adenauer Goes, President

PARATUR

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CAMPEALTA
COOPERATIVA EXTRATIVISTA DE ALTAMIRA

UF	AC/AP/PA
PROJETO	Estudo de Viabilidade de parceria/Análise da produção da Castanha do Brasil nas Cooperativas do Acre, Amapá e Pará
VOLUNTÁRIO	Walter Payne Presidente da Blue Diamond – Maior exportadora de Castanhas e Nozes do mundo Formado pela Universidade de Stanford em Economia no ano de 1957 e com mestrado em Administração com ênfase em Marketing/Finanças no ano de 1962.
OBSERVAÇÕES	1. Baixa produtividade e desvio de dividendos para outros paises. (Venda do produto em casca para a Bolívia) 2. Falta de controle sanitário e microbiológico. 3. Aquisição de novos equipamentos. 4. Baixo rendimento e valor agregado nos produtos com casca. 5. Ausência de um controle de vendas diretas para o cliente. (Grande número de atravessadores)
RECOMENDAÇÕES	6. Necessidade de uma Reestruturação Administrativa e de Pessoal. 7. Necessidade de treinamento e capacitação dos Recursos Humanos. 8. Busca de financiamentos junto ao BASA para a aquisição de novos equipamentos. 9. Busca de parcerias com o Ministério da Agricultura e outras entidades responsáveis pelo extrativismo e produção da Castanha do Brasil.
RESOLUÇÕES	10. Diagnóstico elaborado sobre a atual situação da linha produtiva da Cooperativa. 11. Apresentação na OCB com a presença dos representantes das Cooperativas da Amazônia Legal, MAPA/DIV e ACDIVOCA. 12. Criação de um comitê para diagnosticar e elaborar estratégias para a melhoria no cultivo e produção da Castanha do Brasil.

TERMO DE REFERÊNCIA - CAMPEALTA

ACDI/VOCA - BRAZIL
Cooperative Development Program
In partnership with:
OCB-SESCOOP

Title: Estudo de Viabilidade/Joint Venture

Project Nº:

Location: Altamira, Pará - Brazil

Start Date: **June 29 to July 01**

Duration: 3 days

Summary: A Cooperativa Agricola Mista dos Produtores e Extrativistas de Altamira, é uma cooperativa formada 90% por índios e que tem como atividades a produção de café, produtos farmacêuticos, mais conhecidos como "Farmácia Verde" e produz e beneficia a Castanha do Pará. A cooperativa exporta alguns produtos para a Inglaterra.

Contact: Mauro Gumercindo Machado, President

Counterpart: Ministry of Agriculture – MAPA/DENACOOP

Address: Av. Alacid Nunes 3318, Sala 1

Authors: Daniel da Silva, Celso Claro-ACDI/VOCA-Brazil
Michael McNulty-ACDI/VOCA-HQ

E. THE HOST ORGANIZATION

A Cooperativa Agricola Mista dos Produtores e Extrativistas de Altamira, é uma cooperativa formada 90% por índios e que tem como atividades a produção de café, produtos farmacêuticos, mais conhecidos como "Farmácia Verde" e produz e beneficia a Castanha do Pará. A cooperativa exporta alguns produtos para a Inglaterra.

B. PROJECT DESCRIPTION

Introduction

A natureza fornece produtos que são muito utilizados pela cooperativa, e a castanha assim como, os produtos farmacêuticos, são a atração no mercado internacional mas devido ao pouco tempo de atividade a cooperativa está crescendo conforme sua produção e está em busca de novas fronteiras quanto avenda dos seus Produtos no Brasil e exterior..

Justification

CAMPEALTA quer atingir outros níveis no mercado internacional com a exportação de castanhas através de um acordo de Joint Venture com um parceiro internacional, agregando rendimentos a comunidade

.

Objetivos

-Geral

- Proporcionar a CAMPEALTA um Estudo de Viabilidade e um Plano de Negócios, focando a melhoria na qualidade no processamento e produção da castanha.
- Contribuir com a melhoria geral e na estabilidade da Cooperativa e consequentemente melhorar a produção da castanha, preparando a Cooperativa para o mercado internacional.

-Específicos

- Proporcionar uma assistência geral e consultoria para a compra e ou aquisição de novos equipamentos.
- Proporcionar padrões de procedimentos na produção da castanha
- Comentar sobre o custo benefício e viabilidades da cooperativa
- Dividir liderança e consultoria

Beneficiaries

Profile of the Consultant

CAMPEALTA está solicitando um voluntário com sólidos conhecimentos em gerenciamento e Administração de Cooperativas e especialidade em Comercio Exterior.

CI. ADDITIONAL COMMENTS

- As mentioned earlier, CAMPEALTA received previous ACDI/VOCA technical assistance assignment under the CDP activity. The present assignment will be the second in a new series of assignments that will provide support to the cooperative and its membership.

- The volunteer will stay near the facilities of the project in Altamira. However, if field work is required, he/she will spend a few nights in encampments or with host families.

- Soon after arrival, the volunteer should prepare a work plan in conjunction with the host organization. Additionally, in coordination with this team, he/she should prepare a final report including recommendations addressed to them.

- All the volunteer in-country expenses will provide by the ACDI/VOCA Brazil staff, through the DENACOOP agreement.

DI. DESCRIPTION OF THE ASSIGNMENT SITE

The city of Belém, capital of Pará, is full of indentations and recesses forming islands all around it; there are fifty five of these islets, most of

which are wild and uninhabited, although some are home to small populations. These include the islands of Mosqueiro - fringed by fourteen fresh water beaches - and Caratateua which receive a large number of visitors in summertime. In addition to these and also near Belém, is the island of Tatuoca which is the location of the only geodesic station in Latin America, one of seven in existence in the world.

Situated in the Guajará bay, on the estuary of the Rivers Tocantins and Pará, the city began as a river port in 1616, immediately after the French were driven out of São Luiz, the present day capital of the state of Maranhão. Known as the "city of the mango trees" because of the large number of those trees growing there, Belém's historic buildings reflect cultural traces of the seventeenth century. These buildings include the City Market for meat and the Iron Market for fish. Around the markets and forming part of the same complex is the quayside Ver-o-Peso market, like a picture postcard where colours, smells and flavours are all mixed together into a scene that is varied and original. Tied up at the quay are picturesque fishing boats and canoes that unload a variety of products each day, from indigenous ceramic articles to herbs and aromatic roots from Amazonia.

In many ways, Belém's colonial architecture reflects the seventeenth century architecture of Lisbon in Portugal which served as the inspiration for the main housing projects of the time, with the frequent use of tile-hung facades. Many of the buildings at the end of the nineteenth century and early twentieth century also echo French architecture.

Belém is also renowned for its festivals, such as that of Círio de Nazaré. The town is also famous for its Emílio Goeldi Museum, an important study and research centre on the Amazon forest

C. ACDI/VOCA – BRAZIL ACTIVITIES

In 1995 ACDI/VOCA launched a program in Brazil to develop local cooperatives and alleviate poverty while minimizing the effects of negative environmental impacts. The first of its kind, the program brought together all the major cooperative development players, including the Organization of Brazilian Cooperatives (OCB), in an effort to effectively impact small- and medium-sized producers in isolated

and under-served areas. In 2002 the program began working in closer cooperation with OCB's nationwide Cooperative Development Program for Self-management.

Since the inception of the program, more than 100 ACDI/VOCA volunteers and consultants have offered guidance in nearly every field of agricultural production, in addition to marketing, strategic planning, management and cooperative development. The program continues to help local producers move toward greater profitability in an atmosphere that promotes sustainable farming and business operations while conserving Brazil's natural resource base.

RORAIMA

COOPEFAR

COOPERATIVA DE AGRICULTURA FAMILIAR DO ESTADO DE RORAIMA

- **VOLUNTÁRIO: AGUSTIN ABARCA**
- **ÁREA: AGROINDUSTRIA - MANDIOCA**
- **CIDADE: BOA VISTA**
- **BENEFICIÁRIOS**
  - **DIRETOS: 300**
  - **INDIRETOS: 900**

UNIRENDA

COOPERATIVA DOS AMIGOS CATADORES E RECICLADORES DE RESÍDUOS SÓLIDOS DO ESTADO DE RORAIMA

- **VOLUNTÁRIO: MARJORIE GRIEK**
- **ÁREA: RECICLAGEM - RESÍDUOS SÓLIDOS**
- **CIDADE: BOA VISTA**
- **BENEFICIÁRIOS**
  - **DIRETOS: 35**
  - **INDIRETOS: 150**

COOPEFAR
COOPERATIVA DE AGRICULTURA FAMILIAR DO ESTADO DE RORAIMA

UF	RR
PROJETO	Elaborar um Projeto para a produção da farinha de mandioca e seus sub-produtos à serem vendidos no mercado interno – Boa Vista
VOLUNTÁRIO	Juan Agustín Abarca ➢ Agrônomo formado pela Universidade de Davis. ➢ Especialista em Engenheiro de alimentos. ➢ Sólidos conhecimentos sobre a Farinha e seus derivados.
OBSERVAÇÕES	➢ Ausência de um planejamento para a criação de uma fábrica de processamento de Farinha de Mandioca. ➢ Falta de um Plano de Ação imediato, voltado para o beneficiamento da atual safra de mandioca. (400 toneladas).
RECOMENDAÇÕES	➢ Comprometimento das Instituições e Órgãos do Governo, ao Programa de Agricultura Familiar da Cooperativa, doando ou por meio de concessão disponibilizando áreas e equipamentos para o beneficiamento dos seus produtos.
RESOLUÇÕES	➢ A Cooperativa possui apoio total da Prefeitura da Cidade de Boa Vista além de suporte Técnico da ACDIVOCA e SEBRAE que disponibilizam técnicos/especialistas para a implantação de Projetos voltados a Agricultura Familiar. ➢ Elaboração de um Relatório final da Assistência Técnica contendo informações direcionadas a criação das Fábricas de Processamento de Farinha de Mandioca, Etanol e Fécula

INFORMAÇÕES DA COOPEFAR PARA O PROJETO DE ASSISTÊNCIA TÉCNICA ACDIVOCA
COOPERATIVA DE AGRICULTURA FAMILIAR DO ESTADO DE RORAIMA

Essa cooperativa aglomera várias famílias nas mais diferentes áreas. Atualmente eles estão focando o trabalho nas famílias produtoras de mandioca. Essas famílias estão com 400 hectares de mandioca plantados e como só produziam para consumo próprio, eles não tem noção tecnológica para aproveitar de forma comercial a mandioca e seus sub-produtos;

Perfil do Voluntário:
1. Vasto conhecimento na produção da mandioca;
2. Especialista na produção de farinha, tiquira, doces e etc;
3. Conhecimentos em nutrição (mandioca)
4. Conhecimentos em marketing (venda dos produtos no mercado)
5. Conhecimentos do maquinário utilizado para a produção da farinha;

OBS:
Serão incluídas visitas à fabricas que estão abandonadas e que possuem equipamentos para a produção da farinha de mandioca que estão inutilizados.

OBJETIVO:
Treinar, capacitar os cooperados na produção e processamento da farinha de mandioca e seus sub-produtos além de elaborar um estudo de viabilidade dos equipamentos que será entregue a Prefeitura de Boa Vista com o objetivo dos mesmos serem doados a cooperativa. Serão beneficiados somente nessa 1ª intervenção, mais de 300 famílias;

SCOPE OF WORK- COOPEFAR

ACDI/VOCA - BRAZIL
Cooperative Development Program
In partnership with:
OCB-SESCOOP

Title: Manioc Flour Production and Expansion

Project Nº: **TBD**

Location: Roraima

Start Date: **may**
Duration: **15 or 20 days**

Summary:

The cooperative is involved in manioc (*Manihot esculenta Crantz*) processing into flour and starch. At the present time, they have 400 manioc hectares for their own consumption to be harvested and they needs to establish within the new technology introduction by the volunteer an another's types of products like alcohol processing/manioc liquor (tiquira), using the residual materials from the starch extraction process. This activity would broaden the cooperative's product line without increasing significant costs in production, diversify their income sources and ultimately benefit the members and their families with increased household income. COOPEFAR requests the assistance of an ACDI/VOCA volunteer consultant with experience in manioc flour production to advise them on the start-up and sustainable structure of this new product initiative and start a feasibility study to increase their production.

Contact: Raimundo Tragino - President

Counterpart: Ministério da Agricultura/ MAPA/DENACOOP

Address:

Authors: Daniel da Silva ACDI/VOCA-Brazil & Michael McNulty ACDI/VOCA-HQ

THE HOST ORGANIZATION

COOPEFAR- Cooperativa de Agricultura Familiar do Estado de Roraima is responsible to agglomerate producers and their in 20 most different cooperative activities (From Dairy, fishing, to manioc and other's crops).

COOPEFAR currently has almost 150 coop members, including their families small farmers working in the agricultural sector cultivating manioc.

B. PROJECT DESCRIPTION

Introduction

The economy of the State of Roraima, hinders the increasing process of all farmers and producers, through administrative lack's and non social projects. The COOPEFAR cooperative provides great possibilities to increase their quality of life through the organizational cooperative methods.

Justification

Current manioc cultivation and processing practices is far from the expected. 70 % of all manioc producers utilize the manioc for their own consumption. This assistance can provide to the cooperative members and their families a possibility to increase and introduce new technology skills from the crop to the manioc flavor and the other sub-products processing.

Objectives

-General

- Increase primary production levels.

- Provide training and feasibility evaluation of alternative, manioc-based products.
- Improve cooperative's management and operational structure.
- Improve the quality of current products.
- Develop new processing skills.
- Provide a larger, local market for manioc producers and generate employment opportunities in the rural community.
- Contribute to the overall improvement and stability of the cooperative and consequently the improvement of the locally produced products available in both Roraima's and regional markets.

-Specific

37. To place more competitive products in the local market.
38. To introduce new technology and administrative ideas.

- Provide general technical assistance and advise cooperative on possible equipment needs and purchases.
- Provide a larger, local market for manioc producers and generate employment opportunities in the rural community.
- Provide overview of necessary quality control/sanitary systems.
- Comment on existing feasibility/cost-benefit studies
- Provide general production guidance to COOPEFAR new processing unit for the production of alcohol and manioc liquor after the construction has been completed.

Beneficiaries
Direct and indirectly: almost 300 between producers and their families

Products and Expected Results

-Technical assistance and additional comments on feasibility/cost-benefit studies on new unit's viability.
-Detailed list of equipment needs and industry contacts for their purchase or to receive donation.
-Advisory services during construction component.
-Alcohol distillation technical guide and training for COOPEFAR management and membership.

Volunteer Consultant Profile

- A specialist in root crop processing.
- Experience with manioc/cassava processing.
- Knowledge of new product development and marketing.
- Preferably the volunteer will have cooperative experience in Brazil or Latin America.
- Experience with training methodologies.
- Intermediate to Advanced knowledge of Portuguese or Spanish preferred, but not requisite.

13. ADDITIONAL COMMENTS

- The volunteer will stay near the facilities of the project in Roraima. However, if field work is required, he/she will spend a few nights in encampments or with host families.

- Soon after arrival, the volunteer should prepare a work plan in conjunction with the host organization. Additionally, in coordination with this team, he/she should prepare a final report including recommendations addressed to them.

- The volunteer shall be advanced travel funds for the assignment from ACDI/VOCA-Washington in accordance with his/her travel schedule for the assignment. Lodging in Brasilia will be direct-billed to ACDI/VOCA; the volunteer will be advanced sufficient funds for lodging and per diem in the field. Details about travel expense reporting will be discussed with the volunteer during the initial in-country briefing.

- Upon arrival to Brazil, CDP volunteer consultants usually stay at least one day in Brasilia for internal briefings at the ACDI/VOCA office and a program briefing with OCB/SESCOOP. Upon completion of the field portion of the assignment, volunteer consultants will spend one or two days in Brasilia to finalize reports and for debriefing with ACDI/VOCA, OCB/SESCOOP, other interested parties such as the Cooperative Department of the Ministry of Agriculture and USAID/Brazil for assignments of direct interest to the USAID mission.

DII. DESCRIPTION OF THE ASSIGNMENT SITE

RORAIMA

Capital: Boa Vista
Area: 225,116.1 km2
Towns: 15
Location: North-West of the North Region
Population: 324,152 inhabitants (2000)
Population in the Capital: 210,000 inhabitants
Climate: Tropical
Mean Annual Temperature: (capital) 26º C
Time in Relation to Brasília: -1h
Density of Population: 1.5 inhabitants/km2
Urbanization Index: 76.1% (2000)
Infant Mortality: 38.1 per thousand live-born (2000)
Illiteracy Rate: 8.6% (2000)
Contribution to GDP: 0.11%
Representation at National Congress: 11 Members of Parliament
Vegetation: Amazon rain forest, with a small strip of savanna to the East

C. ACDI/VOCA – BRAZIL ACTIVITIES

In 1995 ACDI/VOCA launched a program in Brazil to develop local cooperatives and alleviate poverty while minimizing the effects of negative environmental impacts. The first of its kind, the program brought together all the major cooperative development players, including the Organization of Brazilian Cooperatives (OCB), in an effort to effectively impact small- and medium-sized producers in isolated and under-served areas. In 2002 the program began working in closer cooperation with OCB's nationwide Cooperative Development Program for Self-management.

Since the inception of the program, more than 100 ACDI/VOCA volunteers and consultants have offered guidance in nearly every field of agricultural production, in addition to marketing, strategic planning, management and cooperative development. The program continues to help local producers move toward greater profitability in an atmosphere

that promotes sustainable farming and business operations while conserving Brazil's natural resource base.

Cooperatives in Brazil

Brazilian cooperatives are fundamental to the economic development of rural Brazil. The Organization of Brazilian Cooperatives (OCB) is the national-level coordinating body of cooperatives throughout Brazil's 26 states. OCB is the central management structure through which all Brazilian cooperatives interact. Structured under the OCB are the various state cooperative organizations (26 and the District of Brasilia), organized as State Cooperative Organizations (OCE) which are affiliated members of the OCB and focus largely on assisting the spectrum of cooperatives in their particular state. Within each state "cooperative federations" are formed when three or more cooperatives are created. At the beginning and end of this organizational model is the makeup of the cooperatives themselves; which under Brazilian cooperative law, can be legally registered whenever you have 20 or more producers organized.

The board of directors of OCB is made up of representatives of each state cooperative organization and representatives from the Ministry of Agriculture. The OCB's central offices are located in the capital city of Brasilia and liaise through the state offices located in each state's capital.

Agriculture in Brazil

Agriculture is an important part of the economy accounting for 10% of GDP, 40% of export receipts, and 30% of employment. Forty percent of Brazil's agricultural output is produced by its 1,406 agricultural cooperatives.

Brazil has a long history of intervention in agriculture. Outputs were taxed (explicitly and implicitly) and inputs were protected by import substitution. Businesses continue to be taxed whether they make a profit or not. Large credit subsidies were used to offset these disincentives. Rapid agricultural growth however, has neither reduced rural poverty nor stimulated employment. Rather, agricultural policy interventions, other policy distortions, and poor allocation of public expenditures have aggravated both.

Initial policy changes were made in the late 1980s and the pace of reform increased under the Collor government. These included a more competitive exchange rate; liberalization of agricultural exports and imports; elimination of many interventions in agricultural marketing; promotion of risk management and finance for marketing; privatization of storage facilities; and reduction in subsidized agricultural credit, with higher real interest rates on remaining credits.

As a result of legislation and regulations, agriculture in Brazil is unusually capital-intensive. Farms tend to be either medium/large commercial operations or semi-subsistence farms.

Brazil Overview

- The 5th largest country in the world
- The 6th most populous
- Larger than the continental U.S.
- covered by forest – about 65% of its territory
- lowland- less than 5% of Brazil lies above 3,000 feet
- the largest economy in South America; 9th largest in the world (GDP $755.1 billion in 1996)
- A population of 161 million (with 1.2% annual growth rate)
- A concentrated population – 90% of the people live on 10% of the land in a strip 320 kilometers wide along the coast
- A young population – 50% are less than 20 years old
- A diverse population- 55% European, 32% mixed heritage and 11% Black African
- Ethnic communities of German, Italian and Japanese (largest community of Japanese outside of Japan)
- only about 150,000 pure indigenous people left
- Unequal income distribution- 40% of households earn 7% of the nation's income
- Undergone economic reform with the Real Plan (inflation went from 2700% in 1994 to 8.4% (estimate) in 1997)

Land Ownership

Brazil has a highly skewed distribution of farmland compared to other countries - and even compared to other South American countries. The result is a highly dualistic agriculture, where farms are either medium-to-large commercial operations or small semi-subsistence farms. Such

distribution is inefficient and capital intensive, producing lower output for a given level of inputs and also reducing employment and self-employment in agriculture. The unequal distribution of farmland ownership in Brazil has its origin in administrative procedures to allocate land. Perverse tenancy legislation, macroeconomic instability, distorted tax and credit policies, and biases in the provision of public services to agricultural procedures.

In the Amazon, much of the land is still unallocated to either the public or private sector. An estimated 25% of the Amazon's 5 million square kilometers is government-owned (either as federal or state conservation units, indigenous areas, or military bases). Less precise is the figure for private control: it is at least 2.3 million square kilometers (46%) and may be 3 million square kilometers (60%). Given these figures, between 14.5 to 28.5 % of the Amazon is still unallocated although some of this land is already occupied. Given the importance of the Amazon to Brazil and the global community, high priority should be given to identifying the location, soil quality and biological diversity of this unallocated land.

Agriculture Extension

By the mid-80s, Brazil's EMBRAPA was one of the strongest public agricultural research institutions in the developing world. Today, its capabilities are threatened by fiscal crisis. Agricultural extension has also been successful in some areas, primarily in Southeast Brazil. In recent years, however, it has suffered from the same lack of funding which has plagued all public enterprises in Brazil. In some areas, this has led to the near collapse of extension services. Thus, the most immediate problem is the severe budgetary constraints that impact both research and extension.

In recent years, EMBRAPA research has emphasized noncommercial crops and farming systems. Increasing attention is being given to the issue of sustainability- an issue of social value but one on which it is hard for the private sector to capitalize. Increased resources are also being allocated to the development of integrated pest management, which also is not provided by the private sector. Despite this gradual shift in public research, commodity research continues.

Brazil continues to suffer from a plethora of agencies that duplicate efforts. Agricultural extension is carried out by EMATER (Empresa Estadual de Assistência Técnica e Extensão Rural- a state rural extension agency), EMABRATER (Empresa Brasileira de Assistência Técnica e Extensão Rural- a federal rural extension agency) as well as SEBRAE (Serviço Brasileiro de Apoio as Micro e Pequenas Empresas-Service for Small and Medium Enterprise Support) and several others.

Agriculture Credit

Past agricultural credit policies in Brazil have been extremely costly, have contributed to concentration of land ownership and reduction of rural employment, and have failed to generate viable private rural financial institutions.

Many small producers find it difficult to get credit, unless they produce cash crops or they are in regions that benefit from targeted rural-credit programs. Few commercial lenders will accept the high risks involved in lending to small farms. For those, access to formal credit is limited to regional funds and to the National System of Rural Credit (SNCR). Subsidized credit has become concentrated on commercial farmers who, presumably, have access to commercial credit.

The total rural lending has declined dramatically from 1987 to 1992. Official lending (over $ 8 billion in 1988) accounts for the bulk of agricultural lending (78% in 1988); financed by the Federal Treasury and by special funds, it fell by two thirds. Private commercial lending, which peaked at $2.9 billion in 1988, had also dropped by two thirds at the end of 1992. Only 11% of rural credit is devoted to investment; most goes to finance operating expenses.

Tax and Subsidies

Taxes and subsidies have played a major role in Brazil's agricultural growth. Tax distortions and subsidies have increased investment in big farms and assisted in the substitution of capital for labor. Labor-intensive, small-scale farmers were put at a disadvantage, as the distortions were capitalized into the price of land. Because small farmers are too poor to benefit from income tax exemptions and do not have access to subsidized credit, they cannot pay for land purchases from agricultural profits. Therefore, high land prices undermined their competitiveness relative to large farms. Such policies have thereby

reduced agricultural employment and self-employment, and accelerated rural-urban migration.

In the past forty years, taxation of agricultural land has declined in most of the developing world, despite the merits of land taxation. In Brazil, 1992 revenues from the progressive land tax were only 0.5% of GDP. This has been partly due to the unwillingness of farmers to pay the taxes, half of which were accruing to the federal government. The Federal Government levies an industrial products tax (IPI), municipalities levy a tax on services (ISI) and states impose a value added tax (ICMS), of which 25% goes to municipalities. The ICMS discriminates against exports of raw agricultural products and so the tax is not refundable. Nor is it for semi-processed agricultural, where the content of agricultural raw materials is more than 60% of the value of the commodity. For poorer agricultural states, this tax on raw agricultural products provides a large portion of their revenues. These states tend to levy ICMS on agricultural products at rates higher than richer, urbanized states. Such bias, however, distorts the location of agricultural production towards those richer, urbanized states.

Natural Resources in Brazil

Brazil has abundant and diverse natural resources. It is the fifth largest country in the world and is larger than the continental United States. Most of Brazil is lowland; less than five percent of its territory lies above three thousand feet. Sixty-five percent of Brazil is covered by forest. Almost the entire spectrum of ecosystems is represented- from tropical rainforests in the North, the semi-arid region in the Center, to temperate areas in the South. Half of the Amazon forest and the extensive wetlands of Pantanal lie within Brazil. In recent years, these (and other natural resources) have come under increased pressure from users. Brazil is the sixth most populous country in the world; its current population is 161 million. Population continues to grow 1.2% annually. Ninety percent of the people live in a 320 kilometer wide strip along the coast. Despite this concentration humans are impacting the Amazon. Management of fragile resources, the implications of agricultural policy on their use, and the welfare of local people continue to be concerns of the government.

The Amazon region is formed basically by the following ecosystems: the majority is the Tropical Moist Broadleaf Forests, the surroundings

of the rivers are usually covered by flooded grasslands and at the estuaries there are highly developed mangroves. This region contains a great complexity of forest types including stable soil forest, igapo forests, varzea forests, and swamp forests. This region is threatened by logging operations that may expand considerably in the next few years. Road building by international timber companies will likely spur the colonization. Gold mining, pollution, and road building all pose threats to habitat.

The interest in the Amazon wealth and agricultural potential started in 1960s and 1970s. Changes in legislation governing mineral concessions and the readiness of state companies to form joint ventures with foreign corporations increased exploration and mining. The government sponsored a variety of colonization schemes, all predicated on the notion that the uninhabited reaches of the Amazon forest were a safety valve to absorb the land hungry peasants of the northeast.

Government incentives to encourage farming in the Amazon resulted in the region becoming increasingly threatened by environmental degradation. Development and domestic migration during the 1970s and 1980s led to deforestation of 160,000 sq. miles of the region. Forest fires became a worldwide concern. Accordingly, the Brazilian government launched various policies to control development. Fiscal incentives and official credits to livestock and agricultural projects in the area were suspended. Exportation of timber was also prohibited. Today, protection of the Amazon is being monitored by satellite.

RELATÓRIO FINAL – COOPEFAR

COOPERATIVA AGROPECUARIA CENTRAL DE AGRICULTURA FAMILIAR DE RORAIMA

ESTUDO DE VIABILIDADE PARA A CRIAÇÃO DE UMA EMPRESA PRODUTORA DE DERIVADOS DE MANDIOCA NO MUNICÍPIO DE CANTA RORAIMA-BRASIL

INTRODUÇÃO:

Através da solicitação da Cooperativa COOPEFAR e por intermédio da Organização das Cooperativas do Estado de Roraima OCB-RR, foi enviado a ACDIVOCA Brasil, um escopo de Projeto de Consultoria Na montagem de um Estudo de Viabilidade de uma fábrica para a produção de Fécula de Mandioca.

A Cooperativa foi fundada em 2003 e desde então, seus Diretores estão empenhados na consolidação de sua base associada. Simultaneamente, há uma busca de acordos com Instituições de ordem local, regional e nacional que possam contribuir para o fortalecimento econômico, técnico e social.

No assunto acima citado, não significa somente a busca desses acordos na base Social, mas também importantes resultados com a vinculação das Instituições com recursos econômicos para o benefício dos associados e no reconhecimento da Cooperativa como uma alternativa certa para o desenvolvimento da Agricultura Familiar do Estado e dentro das diretrizes das Políticas do Governo.

A realização de um diagnóstico participativo direcionou para a formação de um Planejamento Estratégico da Cooperativa para os próximos 10 anos. Foram identificados pontos de Produção Agrícola, Pecuária, potenciais de comercialização, destacando a mandioca com o alvo prioritário pela importância dentro do contexto social e economico das famílias no Brasil, incluindo seus derivados,

subprodutos e suas aplicações em outras atividades complementares da alimentação humana.

No município de Canta e na sua área de influência, são cultivados de acordo com dados do SEBRAE, cerca de 200 hectares de mandioca. Neste caso há uma grande preocupação por parte dos Organismos do Governo em achar uma alternativa imediata de industrialização e aproveitamento para impedir a perda da produção e assim ocasionar um fracasso economico para os produtores.

Adicionalmente e de acordo com o programa elaborado pela Cooperativa em conjunto com o SEBRAE, o desenvolvimento de uma estratégia para iniciar o Projeto da Agricultura Familiar, se baseia inicialmente na montagem de unidades demonstrativas que incluem a área de 5 hectares de mandioca por unidade (50 unidades financiadas), mais outros cultivos que formam parte da economia da região, com aplicação de tecnologia para elevar os rendimentos, melhorar a qualidade da produção, diminuir os custos de produção, incrementar o ingresso dos agricultores no mercado, diminuir a dependência do monocultivo, baixar o conceito de sustentabilidade. A meta do Programa é de envolver 300 famílias associadas a Cooperativa nos próximos 2 anos, com os quais chegariam a 1500 hectares de mandioca dos associados mais a produção das outras famílias que também estariam disponíveis para a industrialização, gerando um total de 500 hectares nos próximos 3 anos nas áreas vizinhas ao Município de Canta.

Com este panorama, e logo avaliando a possibilidade de utilizar uma infra-estrutura de industrialização para a produção de farinha existente no Município de Canta, que por suas características físicas e de capacidade não se pode aproveitar para a industrializar a produção de mandioca do município, se decidiu em comum acordo com os Diretores da COOEPFAR, elaborar um Projeto de instalação e implantação de uma Fábrica para a produção de farinha proveniente de 500 hectares de cultivo, outra para a produção de fécula de mandioca e aproveitamento de subprodutos (fertilizantes, rações para animais, fibras para enriquecimento de alimentos dietéticos) para processar 3.000 hectares de mandioca por ano.

Tendo em conta as grandes possibilidades de mercado que tem estes produtos, tanto no mercado nacional como internacional e também se contempla a possibilidade da instalação de uma Fábrica para a produção de Etanol com capacidade de 15.000 litros diários a partir de 130 toneladas de mandioca, para uma demanda anual de 39.000 toneladas provenientes de 500 hectares.

Este documento apresenta o resultado da realização de um estudo em que mostram as considerações respectivas dos aspectos mais relevantes que tomam conta e que conduzem a viabilidade dessa iniciativa. O Consultor agradece a excelente contribuição de que acompanhou as etapas deste trabalho e espera que a contribuição se conduza a realização dos objetivos dos produtores. De alguma maneira, este documento deve constituir a base para futuras aplicações do Projeto, tendo em conta que as possibilidades de desenvolvimento dos derivados da mandioca a partir da fabricação de fécula são múltiplas e que o somente na medida que se desenvolve a expertise de quem participa diretamente do Projeto poderá ampliar as fronteiras de si mesmo.

1. Matéria Prima

Uma parte importante para o êxito deste Projeto dependerá da quantidade, qualidade e do tipo de matéria prima. Particularmente, no caso da produção de fécula, se deve determinar com a EMBRAPA, os cultivos mais aconselháveis para este propósito, em primeiro lugar, em termos de adaptação as condições agro-ecológicas da área: clima, solo (cujo caráter físico-químico deve ser estabelecido em caso de não apresentar dados).

Deve-se prestar especial atenção à possibilidade de adiantar práticas de conservação, manejo de solo, fertilização e manejo cultural dentro do conceito de conservação e com características orgânicas (naturais), mediante as quais, pensando no mercado internacional, se possa posicionar como um Produto Orgânico Ecológico, agregando valor, além de ser utilizar a fécula na elaboração de produtos alimentícios.

Desde o ponto de vista do rendimento na fábrica, o fator importante é o conteúdo de amido na raiz, a relação da polpa com a casca, o

conteúdo de fibra, a cor da polpa e a quantidade de água. É necessário, buscar o maior conteúdo de amido, menor de fibra, polpa branca e menor umidade. Deve-se consultar a EMBRAPA para melhor orientação no cultivo e melhores resultados.

É de muita importância o manejo adequado do tempo de colheita para a industrialização, pois esta poderá ser realizada no menor tempo possível depois da colheita para evitar a perda de qualidade de amido. Por esta razão se recomenda a localização da fábrica mais próxima ao cultivo.

Em relação aos rendimentos, se estima como objeto de calculo da produção, um valor médio de 30 toneladas por hectare.

2. A preparação e Transporte da Matéria Prima

A proposta se baseia na seguinte metodologia: O produtor se compromete a entregar a mandioca devidamente embalada. A empresa coletará a mandioca e pesará no momento da recepção para pagar ao produtor o valor correspondente. O transporte se realizará durante o primeiro ano em caminhões da Secretaria de Agricultura sendo que a Empresa irá se comprometer a dar o combustível e manutenção; a partir do segundo ano a Cooperativa terá seus próprios caminhões com capacidade de carga de 18 toneladas cada um.

3. As Fábricas

3.1 Fábrica de Farinha

Em primeiro lugar será instalada uma linha de produção de farinha. Esta fábrica terá a capacidade para transformar 50 toneladas diárias de mandioca (trabalhando 20 horas), para obter 12,5 toneladas de farinha. Trabalhando 300 dias ao ano, significará uma industrialização de 15.000 toneladas de mandioca, ou seja, 500 hectares e uma produção anual de 3.750 toneladas de farinha. Do resíduo desse processo poderá se recuperar, 3% do peso da matéria prima em fécula, equivalente a 450 toneladas ao ano.

3.2 Fábrica de Fécula

Para a outra parte do acordo, foi selecionado uma fábrica com capacidade de processo para 400 toneladas de mandioca (com a possibilidade de expansão futura de 100 toneladas de matéria prima ao dia) em 20 horas de operação diária, para produzir 60 toneladas de fécula. Trabalhando 300 dias ao ano, significará uma demanda de matéria prima de 90.000 toneladas ou 3.000 hectares e uma produção de 18.000 toneladas de fécula.

3.3 Fábrica de Etanol

No caso da produção de Etanol, o Projeto contempla a instalação de uma fábrica para a produção de 15.000 litros ao dia, para o qual exige 130 toneladas de mandioca. Em 300 dias de trabalho, significa 39.000 toneladas, equivalente a 1.300 hectares.

O resíduo desse processo, tanto no caso da Fécula como do Etanol, será utilizado para a produção de rações para alimentação animal e como fonte de fibra para a elaboração de alimentos dietéticos para humanos.

O complexo industrial estará construído e na área urbana do município de Canta, em um prédio de propriedade da Cooperativa na qual contará com facilidades de infra-estrutura de energia elétrica, água e também uma construção estratégica a respeito das estradas (50 km). Estima-se um tempo de funcionamento de 300 dias ao ano o que significa a industrialização de 150.000 toneladas de mandioca, correspondente a 5.000 hectares. Esta produção deverá ser planejada de maneira que disponha de matéria prima fresca durante todo o ano.

4. A Empresa

De acordo com as considerações sobre a atividade da Cooperativa em diferentes áreas de produção (mandioca, arroz, fruticultura, pecuária) e de comum acordo com as diretrizes da Cooperativa, se propõe a formação de uma Empresa chamada de DEPARTAMENTO DE PRODUÇÃO, INDUSTRIALIZAÇÃO E COMERCIALIZAÇÃO DE MANDIOCA E SEUS DERIVADOS.

Este Departamento terá sua própria estrutura administrativa e operacional, liderada por um Gerente de Produção e Comercialização, que terá a sua disposição uma esquipe técnica em campo e outra na fábrica, um Auxiliar Administrativo e uma Secretária. A equipe técnica em campo, contará de 1 Agrônomo e 3 Técnicos Agropecuários, com transporte próprio que ficará encarregado diretamente no Serviço de Assistência Técnica aos Agricultores.

A equipe técnica na Fábrica contará com um Engenheiro Químico, um Técnico de Laboratório de Analise e um Técnico Eletromecânico, que ficará encarregado de todo o relacionamento com o controle de processos, análise de qualidade e manutenção da Fábrica.

O Gerente de Produção e Comercialização formará parte de um Comitê de Produção junto com os Gerentes das outras Empresas da Cooperativa (Grãos e cereais, Fruticultura, Pecuária) que irão reportar ao Conselho Administrativo da Cooperativa encarregado de definir as políticas e ações dos diferentes departamentos. Em relação com as outras Empresas (Departamentos) da Cooperativa, se propõe uma estrutura técnico-administrativa similar entre cada setor.

Desde o ponto de vista Contábil e Financeiro, cada Empresa terá um Capítulo independente e a Cooperativa se compromete a respeitar os pressupostos individuais. Ao final do exercício, cada empresa reportará seu respectivo balancete e as atividades.

UNIRENDA

COOPERATIVA DOS AMIGOS CATADORES E RECICLADORES DE RESÍDUOS SÓLIDOS DO ESTADO DE RORAIMA

UF	RR
PROJETO	Consultoria na melhoria de coleta e reciclagem de resíduos sólidos
VOLUNTÁRIO	Marjorie Griek • Graduada em Conservação Ambiental com ênfase em Gerenciamento de Resíduos Sólidos – Universidade do Colorado - 1991 • Gerencia e coordena vários Programas de coleta seletiva e reutilização de resíduos como Metal, plástico entre outros no Estado do Colorado. • Presidente da Associação dos Recicladores do Estado do Colorado.
OBSERVAÇÕES	• Carência em treinamentos/capacitação. • Falta de equipamentos para o manuseio de outros recicláveis. EX:METAL • Falta de um planejamento para organizar as vendas e controlar os custos/finanças • Busca de outras atividades • Baixo comprometimento/união dos associados
RECOMENDAÇÕES	• Produção, venda de artesanatos além do metal. • Divisão nos turnos da coleta, selecionando da melhor forma o material (papelão). • Treinamento dos associados quanto a importância da coleta seletiva. • Explorar artesãos em potencial entre os membros. • Buscar novas atividades para as mulheres. • Treinamento e capacitação do quadro administrativo, contábil e financeiro. • Construção de uma área para soldagem e corte dos metais e outros materiais. • Planejamento de todas as ações, formalizando-as com o objetivo de formar parcerias com a Prefeitura, Organizações e outras Instituições em potencial OCB/SESCOOP-RR, SEBRAE • Buscar a venda direta à empresas interessadas no papelão, deixando de lado o papel do atravessador.
RESOLUÇÕES	• Construção de uma área exclusiva para o manuseio do metal. • Correção nos turnos de coleta. • Início de um estudo para a coleta de outros materiais, tais como latas, alumínio, etc. • Criação de um projeto, solicitando treinamento aos membros, via SESCOOP.

TERMO DE REFERÊNCIA - UNIRENDA

ACDI/VOCA - BRAZIL
Cooperative Development Program
In partnership with:
OCB-SESCOOP

Title:

Project Nº:

Location:

Start Date:

Duration: Two weeks

Summary:

- A Cooperativa dos Amigos Catadores e Recicladores de Resíduos Sólidos do Estado de Roraima - UNIRENDA, que tem como principal atividade a coleta e triagem de resíduos que são vendidos para as empresas de reciclagem na Capital Roraima. Com características de trabalho voltado para a inclusão social a UNIRENDA quer com essa atividade gerar mais empregos para as famílias da região com a abertura de postos de compra e venda, desenvolvendo também práticas produtivas para a coleta.

  A UNIRENDA esta precisando da ACDI/VOCA a assistência de um voluntário para prover informações para a melhoria na prática da coleta e triagem dos resíduos.

  .

Contact: Donaldson Pessoa de Farias

Counterpart: COOPESCA

Address: Rua Araújo s/n bairro São Benedito – Parintins, Amazonas

Authors: Daniel da Silva-ACDI/VOCA-Brazil, Michael McNulty-ACDI/VOCA-HQ

A. COUTERPART ORGANIZATION PROFILE

- A Cooperativa dos Amigos Catadores e Recicladores de Resíduos Sólidos do Estado de Roraima - UNIRENDA, que tem como principal atividade a coleta e triagem de resíduos que são vendidos para as empresas de reciclagem na Capital Roraima. Com características de trabalho voltado para a inclusão social a UNIRENDA quer com essa atividade gerar mais empregos para as famílias da região com a abertura de postos de compra e venda, desenvolvendo também práticas produtivas para a coleta.

B. PROJECT DESCRIPTION

Introduction and Justification

Por ser uma cooperativa nova a Unirenda não possui funcionários e recebe através da parceria, apoio e assistência com algumas instituições, que são o SESCOOP/RR e o SEBRAE/RR. Tendo em vista a grande quantidade de famílias mas sem o devido suporte administrativo, a Cooperativa necessita de orientações e auxílio para as operações de coleta, aumentando assim a renda das famílias e gerando mais empregos em uma área carente na cidade de Boa Vista.

Objectives

Primary

Increase the quality of current processing.

Provide training and feasibility evaluation of new collect process.

Develop new and improved processing to reutilize the residues.

Improve the cooperative's management and operational structure.

Secondary

- Melhorar a qualidade de vida dos associados;
- Gerar mais empregos as novas famílias interessadas;
- Diminuir a pobreza local, através da inclusão;

Beneficiaries:

Direct	35 members
Indirect	100 families

Schedule

The specific work plan will be developed after the volunteer has arrived in-country. Together with the counterpart, a schedule will be developed that suits the volunteer and the host. A tenative schedule as a guide follows:

Week 1:

- Arrival in Brasilia for meeting at ACDI/VOCA offices.
- Depart for Boa Vista-Roraima.
- Meet with UNIRENDA, decide upon schedule of activities.
- Field visits (if needed) and development of new strategies for production and organization based on assessment.

Week 2:

- Hold training for current employees/management.
- Prepare and discuss assignment results and draft report with host organization

Products and Expected Results

- Evaluate the potential for new products in local and regional markets.
- Develop a work plan with immediate and long-term goals relating to new production methods and product development.
- Develop a strategic business plan.
- Hold training on production and organizational strengthening if necessary.

- Provide cost estimates for administrative, technical (equipment) and marketing needs.
- If possible do a small evaluation of cooperative and determine if addition technical assistance is needed and what type. These recommendations should be included in the final report.

Volunteer Consultant Profile

- Experience with strategic business plan development and organizational training methods.
- Preferably the volunteer will have cooperative experience in Brazil or Latin America.
- Intermediate to Advanced knowledge of Portuguese or Spanish preferred, but not requisite.

C. ADDITIONAL COMMENTS

- Soon after arrival, the volunteer should prepare a work plan in conjunction with the host organization. Additionally, in coordination with this team, he/she should prepare a final report including recommendations addressed to them.

- The volunteer shall be advanced travel funds for the assignment from ACDI/VOCA-Washington in accordance with his/her travel schedule for the assignment. Lodging in Brasilia will be direct-billed to ACDI/VOCA; the volunteer will be advanced sufficient funds for lodging and per diem in the field. Details about travel expense reporting will be discussed with the volunteer during the initial in-country briefing.

- Upon arrival to Brazil, CDP volunteer consultants usually stay at least one day in Brasilia for internal briefings at the ACDI/VOCA office and a program briefing with OCB/SESCOOP. Upon completion of the field portion of the assignment, volunteer consultants will spend one or two days in Brasilia to finalize reports and for debriefing with ACDI/VOCA, OCB/SESCOOP, other interested parties such as the Cooperative Department of the Ministry of Agriculture and USAID/Brazil for assignments of direct interest to the USAID mission.

- The volunteer should be prepared for a change in climate and living conditions. The climate here is tropical - hot and humid - so the volunteer should bring light clothes, comfortable hiking footwear, rainwear, insect repellent, day pack, water bottle, bath towel, bathing suit and flashlight. Meals and accommodation will be adequate but basic. National and international telephone service is available here.

RELATÓRIO FINAL – UNIRENDA

Recomendações para a Cooperativa UNIRENDA – Boa Vista, Roraima, Brasil

Após rever e estudar essa cooperativa e o seu programa, ficou claro que eles enfrentam muitos desafios. A coleta e processamento do papelão e outros recicláveis tomam um grande investimento de tempo, energia e recursos com pouco retorno.

A mais de 15 meses atrás, muitos membros da Cooperativa viviam no lixão da cidade. Eles coletavam materiais quando podiam e vendiam a compradores quq apareciam com esse propósito. As crianças não freqüentavam a escola e muitos adultos eram analfabetos. A maioria se alimentavam com o que achavam do lixo. Rivalidades\Competições se desenvolveram entre os indivíduos e as famílias.Nesse momento, eles possuíam pouca habilidade disponível para executar funcionarem em suas novas posições. Eles não estavam organizados como uma cooperativa, ninguém os auxiliou com os métodos de organização e eficiência. Esses são conselhos que continuaram sendo necessários para a inserção no contexto de dá-los habilidades técnicas necessárias para o sucesso.

Toda a Cooperativa está envolvida nos processos de coleta, triagem e prensagem. Eles iniciam os trabalhos as 7:00 até às 19:00 da noite e as vezes passando até das 22:00. Metade dos membros da cooperativa partem em cada caminhão; um carregamento feito pela manhã e outro a tarde. Caminhões circulam em uma certa área da Cidade de Boa Vista. Nessa área, alguns comerciantes tem acordo de separar para a cooperativa seus papelões e plásticos. Algumas vezes os materiais são realmente separados, em outras os trabalhadores tem que separar através do lixo para pegar os devidos materiais. Esse processo lento ocasiona a coleta de muitos materiais desnecessários, que exigem uma nova triagem pela cooperativa e o transporte para o lixão.

Todos esses procedimentos do processo de coleta são manuais; do recolhimento em cada área até o carregamento nos caminhões da cooperativa, e para os boxes de prensa. Até mesmo o materiais

prensados são movidos manualmente. Eles possuem somente um equipamento, uma prensa além de um pequeno caminhão que é utilizado em muitos trabalhos (não sendo funcional neste momento) os outros dois caminhões são disponibilizados através de leasing e a outra prensa é emprestada por uma compania de Manaus que compra o papelão da Unirenda.

Eles tentaram algumas mudanças para tornar o sistema mais eficiente. Primeiro, eles dividiram os trabalhos em dois turnos, quando coletavam tudo em uma só viagem. Isso fez com que a coleta aumentasse no mesmo período de tempo. Os carregamentos diurnos trouxeram também algumas pequenas mudanças, através da distribuição dos catadores em certas áreas, que coletavam os materiais a pé e levavam até a central onde o caminhão efetuava a coleta. Fazendo isso eles conseguiram recolher, 4 toneladas de papelão, vendidos a R$ 0,50/kilo ou R$ 200,00.

Eles não conseguiram acertar um sistema de coleta não diária, isso porque existe muita competição por esses materiais. Se eles não coletarem o papelão diariamente, outros farão. É também uma dificuldade arranjar comeciantes que separem o papelão, plástico e o metal para a cooperativa. Eles não outro motivo do que o altruísmo para fazer isso. Não há carga para essa coleta de lixo, ele é recolhido quase que diariamente não gerando, portanto nenhum problema em armazenar uma grande quantidade de papelão não havendo também demanda para reciclagem. Mesmo se houver demanda, (e parece que o Prefeito está acertando um Plano Piloto para a triagem e a coleta seletiva na vizinhança) existe uma pequena oportunidade no mercado.

Há uma companhia chamada, Copel Rio localizada em Manaus que compra o papelão. Eles possuem representantes trabalhando em Boa Vista que compram localmente da cooperativa. De qualquer forma o preço pago é baixo em parte, por esse grupo ser o único concorrente na coleta de papelão e no acordo de vender à um preço baixo já que a companhia empresta uma das prensas.

Há um Mercado limitado para a comercialização do plástico. A cooperativa tem oferecido R$0.10 por garrafa plástica se separado dos outros plásticos, com a capa e anéis removidos. Um kilo da garrafa

plástica leva um bom tempo para ser coletado e a esse preço, certamente não vale o trabalho envolvido. Portanto, todas as garrafas e os sacos plásticos empilhados fazem com que a cooperativa se torne suja e sem manutenção.

Os caminhões devem ser abastecidos e conservados (óleo, pneus, mecânica, etc), o que custa uma boa quantia de dinheiro. Atualmente, a Prefeitura arca com esses custos, como também paga o leasing dos próprios caminhões.

De qualquer forma, eu recomendo que eles diversifiquem os seus negócios, dando continuidade no processo de coleta dos materiais que possuem valor (i.e, papelão, papel e outros materiais) retirando eles mesmos os materiais que são problemáticos e levados á central e vendidos como produtos de varejo.

PROCESSO:

Baseado no pedido recebido da ACDI/VOCA, e das observações acima citadas, a cooperativa participou de uma oficina para um Plano de Ação no Processamento, desenvolvido pelo Instituto de Assuntos Culturais, que utiliza projetos comunitários como esse em todo o mundo.

Guiados pelos membros através de passos severamente detalhados, eles desenvolveram um Plano de Ação para a Cooperativa. Durante essa oficina, os membros determinaram que produzir e vender os produtos podem trazer mais rendimentos do que atualmente podendo até levá-los a uma independência o mais cedo possível.

Em conversa com os membros da OCB, SESCOOP e o Governo Federal, nós determinamos que esse acordo não impactará nenhuma cooperativa ou negócios na área.

As resoluções da oficina são as seguintes:

A cooperativa quer manufaturar seus itens para venda com o objetivo de fazer mais dinheiro e se tornar independente. Eles têm um compromisso de produzir e vender "muitos" itens feitos de materiais

reciclados em cinco anos e cada um pode contribuir com esse objetivo.

Após essas discussões, ficou determinada que os metais poderam ser a melhor opção para iniciar este Projeto.

Metais partes de bicicletas, cilindros de aço e vários outros metais estão prontamente disponíveis para a coleta.

A inclusão de capital necessária é baixa para os outros tipos de manufatura e equipamento
O treinamento será menos especializado e a manutenção dos equipamentos será fácil;.
As fontes de uso estarão prontamente disponíveis
Baixa necessidade de habilidade de precisão.
Envolverá à todos da cooperativa
As vendas não necessitarão de conhecimento especializado;

1) Os produtos de artesanato possuem um grande potencial de comercialização e podem ter razoáveis preços.
Simples mas atrativos e úteis, assim como itens decorativos, podem se facilmente produzidos.
O prazo para início das vendas pode ser mínimo;
Crianças podem aprender essas habilidades na Escola, como matéria adicional;
O caminho para a auto-suficiência é menos complexo do que outro processo de manufatura

Recomendações
Que o esboço do Representante Técnico da ACDI/VOCA faça com que a cooperativa inicie a exploração do potencial de produzir e vender artesanatos além do metal.

Áreas que necessitam ser dirigidas

Coleta: Deve haver um pequeno grupo carregado com o material coletado. Eles precisam saber quais tipos de materiais são melhores para os artesões e coletá-los de acordo.

Artesões – Essa categoria é divida em dois sub-grupos: Aqueles que fazem a limpeza corte, formato, polimento e soldagem do material cru e daqueles que fazem o acabamento e decoração. Esses membros precisam aprender as habilidades necessárias para a operação e manutenção do equipamento – Sugestão de pelo menos duas semanas de oficinas intensivas no local e de beneficiarem-se de ter algum projeto de trabalho educacional.

Vendas e comercialização – Esse grupo precisa desde já, iniciar seus trabalhos através de pesquisa de mercados em potencial.

Equipamentos necessários

a) maçarico
b) Soldador, ferros de solda
c) Cortadores de metal, parafuso e anéis de lata
d) Moedores e polidores
e) Cortador de arruelas
f) Furadores de Metal
g) Torneadora
h) Ferramentas de mão (martelos, alicates, brocas, limas,etc)
i) Rebitador
j) Cabos de extensão
k) Equipamentos de segurança (Capacete de soldador, Óculos de segurança, botas, etc.)

Outros itens:

Suprimentos necessários – Isso inclui itens contínuos como soldador, bastão de solda, lixas, suprimentos de limpeza, etc, tintas e outros itens para acabamento.

(Espólio Fixo) - Uma área a prova de fogo (Aço ou metal) deve ser construída para a soldagem e corte dos metais. Sugestão para que se construa aproximadamente uma área de 4m x 10m, devendo ser projetada para crescer conforme a necessidade. Tabelas e espaços de trabalho seriam incluídos. Alternadamente, o prédio existente que já possui a prensa e os fardos de papelão poderá ser adaptado e modificado para trabalhar inicialmente.

Treinamento – Os membros da cooperativa necessitam de treinamento para operação e manutenção dos equipamentos, bem como em instruções de como cortar, moldar, ajustar e polir metais. Por

causa das diferentes ações e reações do metal, eles necessitam de uma razoável fundação na base. O treinamento será também requerido para as habilidade em negócios e para o marketing e recomendado para o desenvolvimento de treinamentos e trabalhos contínuos de equipe/treinamento motivacional.

Administração de negócios – A Senhora Edileuza Sette, recomendou que contratasse um empregado externo para dirigir os trabalhos diários e os negócios e prover uma supervisão nos custos, orçamento, planejamento do fluxo de caixa e finanças.

Esse Projeto foi desenvolvido para ser de 5 anos. De qualquer forma, fornece as ferramentas corretas e com os treinamentos a Cooperativa estará hábil para afazer a transição e iniciar a busca dos dividendos e 3 anos. Eles necessitam consideravelmente de uma assistência e suporte imediatos. Quanto mais cedo isso acontecer, melhor será para a Cooperativa. Apesar da falta de conhecimento sobre os detalhes e exigências técnicas, todos eles estão motivados a seguirem em frente com esse projeto. Como vocês sabem a motivação é a chave para o sucesso e a sua perda pode ocasionar falha. Eles possuem uma pequena experiência no mundo do Capitalismo, dos negócios e da industria, mas eles têm muita vontade de aprender..

O treinamento continuado nas habilidades da equipe de trabalho poderia beneficiar o grupo. Tempos atrás a Competição entre os indivíduos era forte e parece que essas sensações continuam a tocar fundo. Os contínuos lembretes sobre a importância de se trabalhar em conjunto com mesmo objetivo serão de grande importância para o sucesso deles.

Acordo das necessidades e parceiros em potencial

Educação e treinamento

Seminário Inicial dos projetos de trabalho: Irá permitir aos membros da cooperativa à plenejar como o seu produto deverá parecer, fornecendo idéias de como vender, e idéias de como produzir e trabalhar os objetos.

Parceiros sugeridos

SENAI ou SESCOOP local (SESCOOP - necessita de uma aprovação do SESCOOP nacional)

Vendas e marketing: desde que esse é o mais importante aspecto a cooperativas beneficiará dando início o mais cedo possível. Eles precisam obter acordos com o governo, aeroportos, terminais de ônibus e outras destinações turísticas. Localmente, eles poderiam fazer uma pesquisa de mercado para determinar quais tipos de objetivos são necessários para vender. Eles necessitam também de entender o marketing através da Internet e buscar potenciais oportunidades em outros Estados.
Parceiros Sugeridos

SEBRAE para Assistência em Marketing e o acompanhamento e avaliação.

Apoio da Cidade de Boa Vista e o Estado de Roraima com a divulgação do produto;
Informações do Técnicos da ACDI/VOCA para possíveis tratados com os EUA.

C) Treinamento Técnico: Isso requer aproximadamente, o mesmo tempo que da chegada do equipamento ou logo após.
Parceiros sugeridos

City of Boa Vista:
Edileuza Sette
Caixa postal 202 – Boa Vista
69301-970
edileuzasette@hotmail.com
55 95 9977 9273

Prefeita Teresa Juca

Secretaria da SEMDES (Secret. De Trabalho e Desenvolvimento Social)
Simone Queiroz

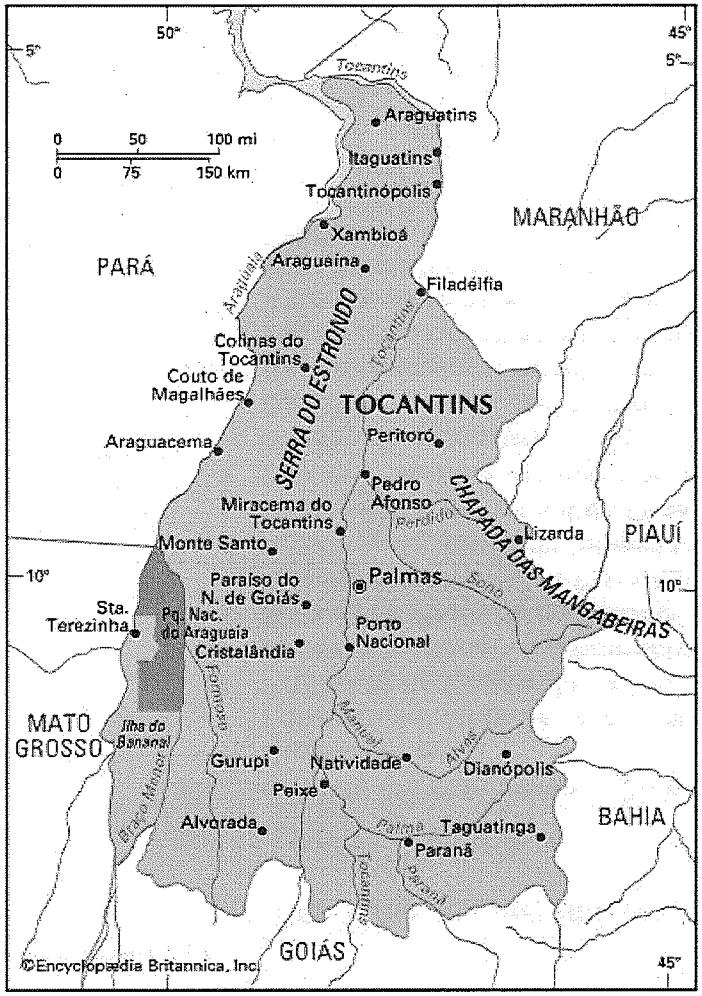
Superintendente do SESCOOP-RR

Jean Flavio C. de Oliveira

SENAI-RR
Director: Aldemurpe Barros

SEBRAE-RR
Director: Dr. Ladeira

TOCANTINS



COOPERNORTE

COOPERATIVA AGROPECUÁRIA TOCANTINENSE LTDA

- VOLUNTÁRIO: QUENTIN DOMBRO
- ÁREA: REORGANIZAÇÃO ADMINISTRATIVA
- CIDADE: PARAÍSO DO TOCANTINS
- BENEFICIÁRIOS
  - DIRETOS: 48
  - INDIRETOS: 600

CAB

COOPERATIVA AGROPECUÁRIA DE BARROLÂNDIA

- VOLUNTÁRIO: QUENTIN DOMBRO
- ÁREA: LEITE E DERIVADOS
- CIDADE: BARROLÂNDIA
- BENEFICIÁRIOS
  - DIRETOS: 19
  - INDIRETOS: 50

COOPAG

COOPERATIVA DOS PEQUENOS PRODUTORES AGROPECUÁRIOS DE GUARAÍ

- VOLUNTÁRIO: QUENTIN DOMBRO
- ÁREA: LEITE E DERIVADOS
- CIDADE: GUARAÍ
- BENEFICIÁRIOS:
  - DIRETOS: 21
  - INDIRETOS: 60

COOPERCRED

COOPERATIVA DE CRÉDITO RURAL DO BICO DO PAPAGAIO

- VOLUNTÁRIO: BILL EYMAN
- ÁREA: COOPERATIVISMO DE CRÉDITO
- CIDADE: ARAGUATINS
- BENEFICIÁRIOS
  - DIRETOS: 50
  - INDIRETOS: 407

COOPERNORTE
COOPERATIVA AGROPECUÁRIA TOCANTINENSE LTDA

UF	TO
PROJETO	Elaboração de um Planjeamento Estratégico de Marketing/ Melhoria na Produção de Leite
VOLUNTÁRIO	• Quentin Dombro • Formado em Administração pela Universidade da Pensilvânia –EUA • Professor de Economia da Universidade de Mayne –EUA • Membro fundador da Companhia York de Computadores – Pensilvânia - EUA • Mais de 30 Projetos de Voluntariado pela ACDIVOCA
OBSERVAÇÕES	• Ausência de um Plano Estratégico para o crescimento da Cooperativa. • Ausência de uma rede integrada para os atuais computadores. • Necessidade de um sólido Organograma.
RECOMENDAÇÕES	• Implementar uma estrutura de planejamento contínua, voltada a análise do Produto. • Divisão de autoridade. Eleição de um responsável pela a Administração, outro para a Produção. • Descrição dos procedimentos operacionais para cada empregado. • Reuniões periódicas entre os empregados. • Organizar programas de treinamento para os membros e empregados.
RESOLUÇÕES	• A Cooperativa está melhorando gradativamente a qualidade dos seus produtos, adequando aos seus membros e empregados as novas políticas de controle de qualidade e de Boas Praticas de Fabricação.

TERMO DE REFERÊNCIA – COOPERNORTE

Programa de Desenvolvimento cooperativo
Em sociedade com:
OCB-SESCOOP

Título: Planejamento de Restructuring/Strategic Organizacional

Projete Nº: 082035

Local: Paraíso fazem Tocantins, Estado de Tocantins - o Brasil

Data de começo: Fase 1 - Previsão durante agosto / setembro - 2003
Fase 2 - Previsão durante outubro / novembro - 2003

Duração: Fase 1 - 21 dias
Fase 2 - 24 dias

Resumo: A atividade principal da COOPERNORTE é a produção de leite derivados (queijo e manteiga) para os habitantes da região e mercados regionais. A capacidade de processo atual é 25,000 litros por dia e eles também têm a habilidade a processo, loja e arroz seco e alimento de mistura para os seus sócios. A cooperativa está operando atualmente a menos que meio de sua capacidade, ao redor 12,000 litros por dia.

As necessidades cooperativas mais adiante analysis/training organizacional e planejando estratégico para criar um bem organizou, negócio sustentável. A estrutura administrativa de COOPERNORTE requer reorganização e uma sessão de planejamento estratégica é precisada assegurar uma visão comum para o desenvolvimento de produtos novos e expansão em mercados novos. Atingir estes objetivos e assegurar o futuro econômico dos sócios e das famílias, COOPERNORTE pede para a ajuda de um ACDI/VOCA ofereça facilitar reorganização e exercícios de planejamento estratégicos.

Contato:
Adson Loureço da Silva-presidente, COOPENORTE,

Contraparte: Cooperativa Agropecuária Tocantinense Ltda (COOPERNORTE)

Endereço: BR 153 - km 472 - Zona Suburbana - Paraíso fazem Tocantins
Tel.: (63) 602-1620 Fac-símile.: (63) 602-1620

Autores: o Daniel da Silva, Celso Claro-ACDI/VOCA-Brazil,
Michael McNulty-ACDI/VOCA-HQ

A . ORGANIZAÇÃO

Cooperativa Agropecuária Tocantinense Ltda (COOPERNORTE) é uma cooperativa de leiteria que produz manteiga, queijo e empacotou leite.

COOPERNORTE tem mais de 300 sócios e foi fundado em 1979 com a intenção para processar e grão de mercado (especialmente arroz). políticas nacionais Desfavoráveis conduziram a dificuldades em produção de grão, enquanto forçando sua sociedade a considerar outras alternativas como produção de leite. Em 1993 a cooperativa construiu sua planta de leiteria atual que provê leite pasteurizado, queijo de mozzarella e unta com manteiga para o mercado local.

Além de suas operações de leiteria, COOPERNORTE armazena grão e mistura alimente para seus sócios, e oferece ajuda técnica e tem acesso para uma loja cooperativa.

B. DESCRIÇÃO DE PROJETO

Introdução

O Voluntário facilitará as atividades seguintes a ser executadas em duas fases, se possível:

Fase 1 - Previsão durante agosto / setembro - 2003

" Análise, verificação e avaliação dos procedimentos administrativos nas posições e funções executadas pelos diretores, sócios de comitê de tábua e colaboradores e das instalações;
" Elaboração e implementação de normas internas, adaptação nova de funções e das pessoas; e
" Execução de um processo de planejamento estratégico.

Fase 2 - Previsão durante outubro / novembro - 2003
Apresentar resulta da primeira fase; e
Implementar as estruturas administrativas novas e próprios controles.

Justificativa

COOPERNORTE está no meio da reorganização processa, mas precisa reorganizar a estrutura administrativa e pôr em lugar um mecanismo seguro para o controle de ações e no final das contas, os ativos da cooperativa.

Objetivos

-geral

Proporcionar para COOPENORTE um alfaiate fizeram estrutura necessário assegurar o desenvolvimento das atividades atuais deles/delas e preparar para projetos de futuro. Isto precisa estar de um modo eficiente e transparente, com respeito às características da sociedade, de forma que os objetivos legais e sociais também é alcançado.

-específico

" Proveja cursos básicos e treinamento técnico em reestruturação organizacional e planejamento estratégico, enquanto aplicando a filosofia cooperativa standard.

" Facilite o implementação de administração nova estrutura e contabilidade pratica, dirigiu a controle rígido de comercial e despesas administrativas.

" Facilite o processo de planejamento estratégico.

Beneficiários

- O Presidente cooperativo, Administração Reps. (9), diretores (3), Comitê de Auditoria Members(6), e Colaboradores (30), dentro de COOPERNORTE.
- Sociedade global e as famílias deles/delas (600).

Produtos e Esperou Resultados

Relativo à cooperativa:

Desenvolver atividades com maior eficiência e profissionalismo, conforme o objetivo das metas sociais da cooperativa e em defesa dos interesses da sociedade.

Introduzir práticas administrativas novas.

Relativo a Administração e Sócios de Tábua:

Desenvolver competência profissional e responsabilidade pelas atividades das posições respectivas.

Relativo a Membership/Leaders Geral:

" Understand/comprehend philosophy/goals cooperativo global e a visão de COOPERNORTE para o futuro.

Indicadores de avaliação

" Número de gerentes e sócios treinou.
Reestruturação " organizacional completou.
Exercício de planejamento " estratégico completou.
" 5-10 desenvolvimento de ano e plano de negócio publicaram e em uso.

Perfil do Consultor

COOPERNORTE pede para um voluntário com administração cooperativa significante e experiência administrativa com contabilidade

adicional e conhecimento de recurso humano. Capacidade de idioma portuguesa ou espanhola é uma vantagem, mas não requereu

RELATÓRIO FINAL – COOPERNORTE

ACDI/VOCA - Brasil

Programa de Desenvolvimento Cooperativo em Parceria com a OCB–SESCOOP

I. Sumário Executivo

Título do Projeto:	Reestruturação Organizacional/ Planejamento Estratégico
Número do Projeto:	082035
Voluntário:	Quentin Dombro, Burlington, Vermont.
Organização Anfitriã:	Cooperativa Agropecuária Tocantinense Ltda. (Coopernorte)
Localização Anfitriã:	Paraíso do Tocantins. Estado do Tocantins, Brasil
Datas Designadas:	De 07 a 27 de agosto de 2003
Escopo de Trabalho:	O voluntário proveu assistência quanto à estrutura organizacional e ao planejamento estratégico. Uma revisão abrangente foi conduzida para determinar os pontos positivos e negativos tanto nas descrições quanto nos fluxos trabalhistas. Também foram analisados assuntos relativos ao modelo cooperativo e administradas sessões múltiplas de planejamento relacionadas a assuntos a longo prazo com administração sênior.
Recomendações:	O voluntário compreende que esta Cooperativa é muito bem administrada. Certamente existem diferenças distintas em práticas administrativas como também em controle cooperativo, mas a

equipe de administração atual e seu grupo de empregados capacitados fazem um excelente trabalho mantendo uma organização efetiva. Uma simples administração costuma revisar de modo que uma unidade de governo e empregados formais não produziriam, necessariamente, benefícios significantes à Coopernorte.

Devido às alterações das diferentes recomendações do voluntário (descritas abaixo), o mesmo esforça-se para esclarecer qualquer pedido urgente cujo reconhecimento imediato não seja necessário.

II. Corpo de Informação

Descrição do Anfitrião: Cooperativa Agropecuária Tocantinense Ltda. (agora chamada Coopernorte) é uma Cooperativa local de leite e derivados, que produz leite empacotado, manteiga, queijo e ração animal (grãos mistos). A Coopernorte tem aproximadamente 300 associados e foi fundada em 1979. Com menos de 40 empregados, a Coopernorte produz entre 10.000 e 20.000 litros de leite por dia.

Descrição da Localização: Tocantins é um Estado bastante novo, localizado próximo ao centro do Brasil. A cidade de Paraíso é um local próspero e agradável, com

uma variedade comercial e de serviços comunitários. Oportunidades na área para desenvolvimento e negócio são vantajosas uma vez que a capital do Estado, Palmas, é próxima, revelando um ambiente pioneiro. Este é um bom local para iniciar negócios.

Assuntos e Recomendações:

(a) Integração do Computador

Vários computadores são usados para administração de dados e funções de controle, mas precisam estar integrados a um programa local, o que reduziria a necessidade de várias quantidades de dados que entram e de informações copiadas no papel, e aumentaria a habilidade para prover ampla capacidade posterior. O sobreposto supermercado está no processo de ter seu computador e softwares atualizados.

A Coopernorte poderia contratar um consultor externo ou utilizar um perito interno para investigar várias alternativas de trabalho que seriam compatíveis com os sistemas em uso. Padronização e apoio são importantes e para isso, é recomendado equipamentos modernos e software de venda com credibilidade. Esta necessidade de processo de integração não acontece imediatamente. É recomendado que os sistemas sejam integrados durante um certo tempo, talvez com uma duração de 6 meses a um ano.

(b) Inovação do Produto

A Coopernorte precisa implementar uma estrutura de planejamento contínua, voltada a análise do produto, distribuição, promoção e custo. Como o mercado local para produtos de leite e

derivados desenvolve-se, a Coopernorte desejará estar em uma posição para ser suscetível tanto às exigências do consumidor quanto às pressões competitivas. (Já há algum esforço investigativo em uma universidade local para determinar a possibilidade de se produzir iogurte).

A administração sênior deveria criar um grupo de planejamento a ser composto de pessoal indispensável e associados mantenedores de uma atenção especial surgida na Feira do Estado de Tocantins. Deveria ser enfatizado o desenvolvimento de mecanismos em captar informação vital sobre preferências do consumidor e progressos do concorrente.

Quanto a esta consideração, o grupo de associados poderia revisar regularmente produtos competitivos, questões enfocadas pelo grupo consumidor, discutir dinâmica de mercado com distribuidores e acompanhar o desenvolvimento de produtos e processos dentro e fora da área de mercado imediato.

(c) Controle Cooperativo

O pessoal da administração atual é bastante capacitado e demonstra forte talento de administração e motivação. Em sua estrutura atual, a administração sênior da Coopernorte é eleita pela sociedade geral, significando que um alto grau de autonomia administrativa é adquirido. No futuro, esta metodologia poderia resultar em significantes obstáculos lidando com a possibilidade de uma administração deficitária, resultando em conflitos de interesses com os associados.

A administração e os associados devem examinar o método usado atualmente para eleger a administração sênior da Cooperativa. Talvez um indivíduo com um bom conhecimento da Organização de Cooperativas Brasileiras (OCB) poderia trabalhar com a Coopernorte para desenvolver um seminário que enfocasse esta questão particular. (O voluntário entende que a OCB é atualmente interessada por assuntos relacionados ao controle cooperativo).

(d) Comunicação com Outras Cooperativas

Embora existam algumas cooperativas de leite e derivados dentro de Tocantins, seria benéfico manter um vínculo de comunicação com elas. Poderá chegar um momento que será importante a cooperação aumentada entre cooperativas no Estado de Tocantins.

A administração da Coopernorte deveria desenvolver contatos com as cooperativas de leite e derivados tanto dentro quanto fora do Estado de Tocantins. Também é importante manter contato com a Organização de Cooperativas Brasileiras, tanto em Palmas quanto em Brasília. Este trabalho poderia provar ser uma valiosa fonte de informação e idéias.

(e) Promoção da Compra de Produtos Locais

Como a importação de produtos competitivos fica mais evidente, será importante para a comunidade enfatizar os benefícios em comprar produtos de origem local. Estes benefícios incluem:

- Manter o fluxo de caixa e lucro na comunidade local;
- Manter trabalhos e negócios relacionados à comunidade local;
- Adquirir nutrição superior devido à novidade e maior qualidade característica de produtos locais.

A Coopernorte pode medir o esforço da comunidade para promover produtos locais em uma ação continuada. Esta promoção educaria o público e poderia passar por Câmara de Comércio Local ou, inicialmente, por um grupo de negócios locais.

(f) Promoção de Apoio Técnico aos Associados

Um dos objetivos da Coopernorte é aumentar a produção de leite de suas fazendas associadas. Como qualidade e demanda de eficiência torna-se ainda mais evidente, a Coopernorte deveria instituir um programa regular de apoio técnico a seus associados.

Este apoio poderia incluir assuntos como administração fazendária, cuidado animal e manutenção da qualidade do leite. Poderá ser necessário contratar pessoal dedicado a esta função, particularmente, como são exigidos conhecer regulamentos governamentais novos. (É conhecido no local, que tanques de leite refrigerado serão requeridos em 2007).

(g) Divulgação do Valor Nutricional do Leite e Derivados

A sociedade precisa ser informada sobre o valor nutricional relativo aos produtos derivados de leite. Este é um movimento compreensivo para dissuadir os consumidores em converter a alimentação menos natural e bebidas.

A Coopernorte poderia considerar parcerias com o hospital local e escolas para promover os benefícios de consumir produtos derivados de leite. Panfletos e cartazes seriam grandes veículos de divulgação.

(h) Listagem de Ativos Fixos

Para melhor salvaguardar os ativos da companhia, a Coopernorte deveria desenvolver uma listagem compreendendo seus ativos fixos. Isto incluiria equipamentos, veículos, mobília, computadores e outros ativos fixos.

Etiquetas individualmente numeradas precisariam ser adquiridas e anexadas a cada recurso, em seguida o número, descrição, localização e valor seriam informatizados.

(i) Processos Trabalhistas/ Manual Técnico

As tarefas variam consideravelmente de empregado para empregado na Coopernorte, e o mesmo empregado pode ter uma grande variedade de responsabilidades. Também existem tarefas administrativas e operacionais que requerem conhecimentos significativos que deveriam ser documentados.

Deveriam ser escritos os processos de trabalho para todos os empregados e deveriam ser esboçadas as tarefas deles/delas e como estas tarefas se relacionam ao trabalho de outros. Onde as tarefas são bastante complexas, deve ser feita uma tentativa para descrever em detalhes como aquela tarefa é executada.

(j) Orçamento

A Coopernorte deveria desenvolver orçamentos financeiros que refletissem a renda esperada, as despesas operacionais e os gastos mais representativos. A dificuldade de prever lucro e perda com precisão é certamente compreendida, mas um planejamento financeiro permitiria à Cooperativa obter um melhor entendimento sobre sua situação financeira contínua.

Para começar, a Coopernorte deveria projetar seu fluxo de caixa em uma base mensal com antecedência de pelo menos um ano. Este processo reforçará a importância em adquirir conhecimento de todos os fatores relacionados, como produção de leite que tem impacto fundamental. Com isso, será possível tomar ações preventivas, com antecedência, frente a uma dificuldade financeira projetada.

(k) Preservação de Arquivos dos Associados

As Cooperativas são formadas pelos associados. Assim, é importante para a Coopernorte manter informação detalhada sobre cada associado, determinar os fatores que contribuem para a manutenção de um associado em boa posição, conduzir revisões periódicas de forma que contas inativas poderiam ser investigadas.

Este esforço pode ser dirigido por pessoas determinadas. Precisa ser dada atenção especial às contas velhas e inativas.

(l) Integração e Treinamento

O grupo de empregados da Coopernorte é excelente, e deve-se fazer um esforço para integração deste precioso recurso. Além disso, deveriam ser identificadas as oportunidades para aperfeiçoar o conhecimento e a criatividade dos empregados.

Uma possibilidade seria efetuar reuniões periódicas de empregados nas várias áreas de incumbências da empresa. Por exemplo, uma reunião dedicada a promover a higiene ou a segurança dos empregados poderia ser interessante, uma reunião para discutir contabilidade ou planejamento financeiro também seria uma boa opção.

Além disso, organizar programas com treinamentos próprios como utilização do computador ou administração financeira poderiam se tornar favoráveis. (A Coopernorte já possibilitou ao técnico de laboratório a aquisição de um treinamento adicional externo).

(m) Polarização dos Associados

A administração deveria ficar atenta à evolução da polarização dos associados, observando a crescente diferença de tamanho entre pequenas e grandes fazendas. A prática de um membro/um voto, como também a aceitação geral dos associados de todos os níveis, poderia ser colocada em perigo caso a polarização se torne extrema.

A Coopernorte deveria continuar promovendo e apoiando as pequenas e médias fazendas, tomando o cuidado de assegurar que seus interesses sejam mantidos a todo momento na organização. Os

pequenos e médios fazendeiros deveriam ser encorajados a participar em atividades dos associados e funções do conselho.

Contatos Indispensáveis: Marcelo Barroso - Organização de Cooperativas Brasileiras/ Brasília - DF

Ruiter Pádua - Organização de Cooperativas Brasileiras/ Palmas - TO

Maria José A. L. - Organização de Cooperativas Brasileiras/ Palmas - TO

José Roberto Ricken - Ministério da Agricultura/ Brasília - DF

Vera Lúcia Oliveira - Ministério da Agricultura/ Brasília - DF

CAB & COOPAG

Cooperativa Agropecuária de Barrolândia & Cooperativa dos Pequenos Produtores Agropecuários de Guaraí

UF	TO
PROJETO	Elaboração de um Estudo de Viabilidade para a integração das Cooperativas à uma Central de Leite
VOLUNTÁRIO	➢ Quentin Dombro ➢ Formado em Administração pela Universidade da Pensilvânia –EUA ➢ Professor de Economia da Universidade de Mayne –EUA ➢ Membro fundador da Companhia York de Computadores – Pensilvânia - EUA ➢ Mais de 30 Projetos de Voluntariado pela ACDIVOCA
OBSERVAÇÕES	➢ Baixa produção ➢ Falta de confiança por parte dos fazendeiros. ➢ Dificuldade de alcançar novos mercados
RECOMENDAÇÕES	➢ Prover suporte técnico aos membros (Cuidado animal, manutenção do maquinário). ➢ Capacitação dos membros e empregados ➢ Promover a comunicação com outras Cooperativas de Leite. ➢ Criar manuais técnicos para área de trabalho.
RESOLUÇÕES	➢ As recomendações estão sendo analisadas pela Cooperativa em conjunto com a OCB/SESCOOP Tocantins.

PROJETO GERAÇÃO DE EMPREGO E RENDA COM FOMENTO À BACIA LEITEIRA

Diagnóstico elaborado com base nos dados do IBGE relativo ao ano de 1996, aponta que a produção leiteira no Estado do Tocantins é de 113.910.500 litros de leite, com um rebanho de 327.084 vacas ordenhadas, com a produção média por vaca/lactação de 348,7 litros.Os dados indicam ainda que da produção acima citada, 9.500.000 litros são pasteurizados nos laticínios dos municípios de Araguaína e Colinas e nas cooperativas situadas nos municípios de Paraíso do Tocantins e Gurupi.

Estimava-se ainda, para o ano de 1997, um crescimento da ordem de 10% na produção leiteira, em função das linhas de financiamento do governo (FNO e PRONAF). Estes índices, considerados baixos, são reflexo da pouca produção de forragens, do baixo padrão genético do rebanho bovino e de fatores de sanidade e manejo.

O consumo de produtos lácteos no Brasil, encontrava-se na casa de 135 litros/pessoa/ano, abaixo dos 146 litros então estabelecidos pela Organização Mundial de Saúde – OMS.

Entendiam que, no Estado do Tocantins, a média de consumo daqueles produtos encontrava-se ainda abaixo da média nacional.

A bovinocultura de leite, em sua cadeia produtiva, já era uma atividade que despontava na economia tocantinense com grande potencial para a geração de empregos no meio rural e urbano, aumentando a renda do produtor, além de incentivar a fixação do homem no campo.

Apesar de tal atividade ainda estar sendo explorada de forma rudimentar, entendiam possuir forte tendência a expansão, graças a crescente demanda dos mercados consumidores.

Dados oficiais informam que a economia do Estado do Tocantins tem a pecuária extensiva como atividade predominante, embora no Centro-Sul e Sudeste do Estado, esteja em processo de expansão a agricultura mercantil, caracterizada pelo uso intensivo de técnicas modernas.

O Tocantins, por se tratar de um Estado novo, ainda em formação, sente a falta de investimento para o seu desenvolvimento.

Ao mesmo tempo, o processo migratório existente no Estado vem provocando reordenhamento na distribuição demográfica e na estrutura econômica, determinando que o Governo assuma a responsabilidade de buscar soluções para amenizar o êxodo rural, criando condições para fixar o homem no campo, em um processo que permita o acesso à formação de mão-de-obra qualificada, garantindo a auto-sustentação e geração de renda.

Entendem as autoridades tocantinenses que o melhoramento genético do rebanho através da introdução de matrizes leiteiras de alto valor zootécnico e de aquisição de sêmen de reprodutores devidamente testados, aliado à produção de forragens por meio de técnicas modernas, melhorarão

consubstancialmente a oferta de alimentos de boa qualidade aos animais, bem como o aumento da produção e produtividade de leite.
Face à realidade apresentada pelos estudos, o Governo do Estado do Tocantins, por meio da Secretaria do Trabalho e Ação Social, decidiu implantar o Projeto de Fomento à Produção e Pasteurização de Leite, em 20 (vinte) municípios do Estado, o citado Programa Bacia Leiteira.
A expectativa é de que a bovinocultura leiteira cresça e se desenvolva a partir da implantação das bacias leiteiras, apresentando boas perspectivas de crescimento no Estado, devido ao grande potencial consumidor dos centros urbanos e do aumento do consumo "per capita", tornando a atividade atrativa do ponto de vista do retorno financeiro e oferecendo, portanto, condições ao produtor atendido pelo Projeto, de agregar valor à sua produção, proporcionando-lhe melhores rendimentos, que acarretarão investimentos tecnológicos, processo "feed-back", geração de emprego e fortalecimento da agricultura familiar, melhorando, conseqüentemente, as condições de vida no meio rural.
Assim, o Projeto do Governo do Estado do Tocantins tem como objetivo geral o atendimento de 700 (setecentas) famílias de mini e pequenos produtores rurais, proporcionando-lhes o aumento de renda, a geração de 4.200 empregos e melhoria de qualidade de vida, assim como incrementar a pecuária leiteira, mediante a introdução de técnicas modernas de melhoramento genético e nutrição animal, com emprego de técnicas alternativas de suplementação alimentar, considerando a introdução de pastagem rotacionada, sistema sustentável de utilização de capineiras, melhoramento do manejo, além de, em sua etapa final, diminuir a comercialização do leite 'in natura ", proporcionando à saúde pública melhorias significativas.
O conteúdo da exposição acima apresentada foi extraído, em toda a sua abrangência, de trabalho elaborado pelo governo do Estado do Tocantins, através da Secretaria do Trabalho e Ação Social, da Secretaria da Agricultura.
Consideramos de suma importância a sua inclusão neste Relatório Preliminar, para que possamos melhor entender com quais objetivos foram constituídas as Cooperativas Agropecuárias que reuniram os produtores rurais atendidos pelo Projeto de Geração de Emprego e Renda com Fomento à Bacia Leiteira, uma vez que das 09 (nove) cooperativas que serão avaliadas 05 (cinco) pertencem ao citado Projeto.

Durante o decorrer deste primeiro mês da implantação do projeto, visitamos todas as cooperativas, com o objetivo de manter um primeiro contato com as suas diretorias, funcionários e quadro social , além de conhecermos as suas instalações e estrutura organizacional.
Em nossas viagens estivemos acompanhados pelo Sr. Laércio Vinicius Vanzo, representando a OCB/TO
Aproveitamos as nossas primeiras visitas para esclarecer tanto as diretorias quanto os funcionários de cada cooperativa sobre o objetivo do nosso

trabalho e a metodologia que usaremos para o desenvolvimento da cada uma das suas etapas.
Aproveitamos, também, para solicitar todos os documentos que julgamos necessários para as nossas análises. Alguns dos documentos encontravam-se disponíveis, porém, a maioria não pode ser exibida neste primeiro momento, motivo pelo qual ficaram pendentes de apresentação por ocasião da próxima visita.
Nas atividades que desempenhamos em Palmas, tivemos a suporte da Organização das Cooperativas do Estado do Tocantins, através do seu quadro de funcionários.
Por último, estivemos visitando as dependências da RURALTINS, especificamente junto à coordenaria das baixas leiteiras do Estado, onde fomos atendidos pela Dra. Márcia Ribeiro Alves, Engenheira de Alimentos, responsável pela difusão de tecnologia de alimentos derivados do leite junto aos produtores das bacias leiteiras.
As atividades desenvolvidas neste primeiro mês de implantação do nosso projeto foram importantes e suficientes para nos inteirarmos da realidade de todas as cooperativas objeto das nossas análises.
Pelo que pudemos verificar no decorrer deste mês, estamos certos de que o nosso trabalho será desenvolvido dentro do cronograma constante em nosso Contrato ou, talvez, ainda dentro de um prazo até mais curto.

É o que tínhamos a apresentar-lhes neste Relatório Preliminar.

Campinas, 28 de agosto de 2002.

Diamantino Barrionuevo Junior
Coordenador Geral do Projeto

Relatório Intermediário
1ª Parte

DIAGNÓSTICO DAS COOPERATIVAS AGROPECUÁRIAS PERTENCENTES AO PROGRAMA DAS BACIAS LEITEIRAS

As Cooperativas de Produtores de Leite constituídas pelo Projeto Geração de Emprego e Renda com Fomento à Bacia Leiteira, instituído pelo Governo do Estado do Tocantins, através da Secretaria do Trabalho e Ação Social e implantado pelo Instituto de Desenvolvimento Rural do Estado do Tocantins – RURALTINS, que foram selecionadas pelo Sindicato e Organização das Cooperativas do Estado do Tocantins (OCB/TO) para participarem do Plano Diretor de Reestruturação das Cooperativas do Estado do Tocantins são:

- **Cooperativa dos Produtores Rurais de Miracema – COOPERMIRA**
- **Cooperativa dos Pequenos Produtores Agropecuários de Guaraí – COOPAG**
- **Cooperativa dos Produtores Rurais de Porto Nacional – COOPERBRAS**
- **Cooperativa Agropecuária de São João – CASJ**
- **Cooperativa Agropecuária de Barrolândia – CAB**

Ao visitarmos tais Cooperativas, tivemos o cuidado de registrar em nosso Relatório Preliminar **algumas informações sobre o objetivo com que foi instituído o Programa das Bacias Leiteiras, tendo em vista as semelhanças encontradas em todas elas, desde o real motivo para as suas constituições, as suas estruturas de recepção de leite, até o perfil dos seus cooperados.**
Convém já ressaltar o real motivo pelo qual as Cooperativas das Bacias Leiteiras foram constituídas.
Para agregar os produtores de leite de cada Bacia Leiteira e receber os equipamentos, insumos e animais fornecidos pelo Projeto do Governo, foram constituídas Associações dos Produtores de Leite.
No momento da venda do produto dos seus "associados" é que tomaram conhecimento da impossibilidade imposta pela legislação no sentido da proibição de comercialização por parte das Associações "sem fins lucrativos", como foram constituídas as das Bacias Leiteiras.
Para contornar tal situação constituíram, para cada Bacia Leiteira, uma Cooperativa Agropecuária dos Produtores de Leite.
Portanto, a constituição daquelas Cooperativas não representou a vontade ou ideal cooperativista ou associativista dos produtores rurais, mas sim a única alternativa encontrada para solucionar um problema fiscal.
Se as Associações "sem fins lucrativos" pudessem praticar o ato do comércio, não existiriam as Cooperativas que estão sendo objeto dos nossos estudos.

Para dar início às suas atividades, cada Associação recebeu e mantém em seu poder as seguintes máquinas e equipamentos, que ainda se encontram em utilização, tanto pela Cooperativa como pelos produtores:

- ✓ **01 Pasteurizador;**
- ✓ **01 Embaladeira Pneumática;**
- ✓ **01 Conjunto de refrigeração;**
- ✓ **01 Datador Hot Stamp;**
- ✓ **01 Laboratório Físico-Químico-Microbiológico**
- ✓ **01 Tanque de recepção e resfriamento;**
- ✓ **25 hectares de cana;**
- ✓ **50 hectares de forragem;**
- ✓ **200 matrizes;**
- ✓ **04 Kits de inseminação;**
- ✓ **02 tratores 7,5 CV;**
- ✓ **01 Ensiladeira;**
- ✓ **01 Colhedeira de Forragem (Raboot);**
- ✓ **01 Carreta de 04 toneladas;**
- ✓ **01 Caminhão ¾;**
- ✓ **1.000 doses de sêmen;**
- ✓ **01 conjunto de edificação;**

De acordo com o Cronograma de Desembolso contido no Projeto das Bacias Leiteiras, elaborado em Julho de 1997, as máquinas e equipamentos acima relacionados foram adquiridos pelo valor total de R$ 442.934,71, previsto para ser liberado em 03 parcelas nos meses de Julho, Agosto e Setembro daquele ano. Considerando o valor de cada parcela e a cotação do dólar em cada um daqueles meses, conclui-se que o valor investido em cada Associação e seus produtores-associados foi equivalente a US$ 409.942,18.

Levantamento de dados e informações

Esta atividade foi desenvolvida nas dependências de todas as Cooperativas das Bacias Leiteiras e constou do levantamento de todos os documentos constitutivos da Cooperativa e dos documentos que registram as suas tarefas desenvolvidas nas áreas Administrativa, Financeira, Operacional, Comercial e Social, além da coleta de informações a respeito do seu funcionamento, para que fossem elaboradas as análises Econômico/Financeira/Organizacional e, então, apresentar o Diagnóstico da Situação Atual de cada uma delas.

Esta atividade foi totalmente prejudicada pelos seguintes fatos:

1. **Os únicos documentos existentes nas Cooperativas são:**

- **Ata da Assembléia Geral de Constituição;**
- **Estatuto Social;**
- **Cartão do CNPJ;**
- **Inscrição Estadual;**
- **Inscrição Municipal**

2. **Inexistência de quaisquer documentos oficiais que registram as atividades desenvolvidas nas áreas:**
   - **Administrativa;**
   - **Financeira;**
   - **Contábil;**
   - **Operacional;**
   - **Social;**

Análise Econômico/Financeira

Nenhuma das Cooperativas oferece condições para a elaboração desta análise, tendo em vista a total falta de documentos contábeis necessários para este tipo de análise.

Análise Organizacional

As Cooperativas não possuem qualquer tipo de estrutura formal de organização.
Os atos praticados pela cooperativa com os seus cooperados são tratados e controlados da forma mais amadora e inconsistente.
Os funcionários recrutados para exercerem as atividades do laticínio não são registrados como "empregados" conforme determina a Consolidação das Leis trabalhistas.
Nenhuma das Cooperativas tem as suas operações controladas por Sistema Informatizado. Suas operações são controladas manualmente através de folhas de papel, blocos de vales, anotações das mais diversas ordens, tudo da maneira mais inconsistente já vista, sujeitas a desencontros que poderão dar origem a dúvidas e demandas insolúveis.
Nenhuma das Cooperativas contabiliza **as suas operações. Por esta razão, nenhuma delas apresenta os balancetes mensais, os balanços patrimoniais dos exercícios passados, as demonstrações de resultado, as declarações do Imposto de Renda, os livros de entrada e saída de mercadorias, enfim, não existe nenhum documento exigido pela legislação para ser analisado e que possa colocar a cooperativa em situação de legalidade.**
Ao analisarmos as áreas financeiras das cooperativas, detectamos o mesmo descontrole existente nas áreas administrativas.
Não existem controles confiáveis das contas a receber e nem das contas a pagar, inexistindo, portanto, um setor de tesouraria.
Da mesma forma inexiste um controle das contas-movimento dos cooperados.

As atividades da área operacional são desenvolvidas de forma inconsistente. A arrecadação de leite é controlada pela emissão de "vales" entregues aos cooperados que, posteriormente, são utilizados como comprovantes para os acertos de contas com a Cooperativa.
Somente é emitida Nota Fiscal da venda de leite desde que o comprador faça tal exigência, fato que ocorre com a minoria das operações comerciais.
O custo operacional da cooperativa não é apurado. Portanto, impossível afirmar se as suas operações geram lucros ou prejuízos.
Nenhum representante das cooperativas visitadas pode nos afirmar, com precisão, a posição do atual quadro social, ou seja, qual a quantidade de cooperados que a cooperativa possui.
Tal fato ocorre em razão de nenhuma possuir o Livro de Matrícula dos Cooperados, Livro este obrigatório e exigido pela Lei 5.764/71, que é a Lei que disciplina o funcionamento das cooperativas brasileiras. A falta deste Livro de Matrícula classifica todas as operações realizadas pela Cooperativa como sendo "operações com terceiros" e estarão sujeitas à tributação do Imposto de Renda.

Porém, todas as Cooperativas, com exceção da Cooperativa Agropecuária de São João – CASJ, iniciaram as suas atividades junto aos seus cooperados.
Ao final deste Relatório, apresentaremos a qualificação de cada Cooperativa, juntamente com as informações apuradas nos nossos levantamentos.

COMERCIALIZAÇÃO DE LEITE "IN NATURA"

Fato comum e que ocorre em todos os municípios onde se situam as Cooperativas das Bacias Leiteiras é a venda do leite "in natura", popularmente chamado de "leite de canequinha".
Uma parte da produção de leite de cada região é vendida diretamente do "curral" para o consumidor final. O leite é transportado pelos galões e os consumidores retiram o leite através de canecas domésticas (esta é a origem da denominação "leite de canequinha"), sem que tenha sido observado o menor cuidado com a sua análise fitossanitária.
Porém, visto sob o aspecto único e estritamente comercial, a venda do leite "in natura" diretamente ao consumidor final, pode proporcionar um ganho maior ao

produtor que se utiliza desta prática, mesmo porque poderá até estar vendendo leite "contaminado", que, fatalmente, não seria aceito pelas cooperativas.

O Decreto-Lei nº 923, de 10 de outubro de 1969, que dispõem sobre a comercialização do leite, em seu Artigo 1º diz: " Fica proibida a venda de leite cru, para consumo direto da população, em todo o território nacional".

Determina ainda a legislação que rege a matéria, que " as autoridades locais competentes respondem pela observância das disposições deste decreto, sem prejuízo da fiscalização federal".

É importante registrar que a Secretaria do Trabalho e Ação Social, do Governo do Estado do Tocantins, ao elaborar o Plano de Trabalho do Projeto de Geração de Emprego e Renda Com Fomento à Bacia Leiteria, tanto se preocupou com a venda de leite "in natura", que apresentou, como uma das justificativas da proposição, a seguinte:

"Um dos graves problemas do Estado do Tocantins é o consumo do leite 'in natura", sem pasteurização, colocando em risco as populações de mais de 95% dos municípios. Nestes o leite é vendido sem qualquer tratamento. Outro aspecto, é que a falta de apoio aos produtores vem reduzindo a oferta de leite até para atender as crianças em idade escolar. Este projeto visa iniciar um processo permanente de atendimento à alguns municípios, funcionando como uma célula multiplicadora, cujo objetivo final é aumentar a produção de leite por unidade produtora, difundir as novas tecnologias existentes, gerar novos empregos e, principalmente, proteger a saúde da população".

Desta forma, consideramos importante deixar registrado, que a falta de fiscalização e do combate contra a comercialização do leite "in natura" será um incentivo cada vez maior a esta prática delituosa, um desestímulo à entrega do leite na cooperativa e, portanto, um obstáculo a mais para a sua consolidação, além de uma demonstração de desrespeito a uma Lei e a um Programa Governamental e, o que é mais importante, um desrespeito para com a população consumidora deste tipo de leite, deixando-a vulnerável a todo tipo de doenças causadas pelo seu consumo, caso o leite consumido esteja contaminado.

Portanto, cabe às autoridades do Governo Estadual, através dos órgãos que instituíram o Programa das Bacias Leiteiras, a incumbência de cobrar das autoridades municipais que determinem à Vigilância Sanitária Municipal a efetiva fiscalização da comercialização do leite "in natura",conforme determinações impostas pelo Decreto-Lei nº 923, notificando o Ministério Público se tal fiscalização não for exercida.

CONCLUSÕES DO DIAGNÓSTICO

Análises efetuadas sob quaisquer dos ângulos que queiramos adotar, nos levam a concluir que para as 05 (cinco) Cooperativas das Bacias Leiteiras, que foram objetos dos nossos estudos, existem apenas duas alternativas possíveis de serem adotadas:

1. Liquidação;
2. Imediata implantação de um Plano Diretor para a sua Reestruturação.

Estas duas alternativas foram apresentadas e explicadas aos Presidentes das Cooperativas em uma reunião realizada na sede da OCB/TO.
Após terem sido ampla e profundamente debatidas, os Presidentes, por unanimidade, solicitaram que fosse elaborado e implantado um Projeto de Reestruturação que
pudesse colocar as cooperativas dentro da legalidade necessária para o seu pleno funcionamento, pois esta alternativa representa a vontade de todos.
Convém deixar registrado que o Plano Diretor para a Reestruturação das Cooperativas deverá contemplar uma análise retroativa de todas as suas operações, a fim de apurar e regularizar eventuais operações realizadas no passado, que podem estar colocando as sociedades em situação fiscal bastante comprometedora, sujeitas a autos de infração que poderão resultar em elevadas multas fiscais ou tributárias, bem como comprometer o futuro de cada uma delas.
A fim de ilustrar a semelhança existente entre todas as Cooperativas integrantes do Programa das Bacias Leiteiras, basta analisar, no final deste, algumas fotografias tiradas de duas delas, ou sejam, da Cooperativa dos Produtores Rurais de Miracema, situada no Município de Miracema do Tocantins e da Cooperativa Agropecuária de São João, situada no Município de Palmas, esta última, não tendo ainda iniciado as suas atividades.
Desta forma e em função do resultado apresentado pelo Diagnóstico da Situação Atual das Cooperativas que fazem parte do Programa das Bacias Leiteiras, será desenvolvido e apresentado em documento próprio, o Plano Diretor de Reestruturação, previsto para a 3ª Etapa do Projeto denominado "Plano Diretor de Reestruturação das Cooperativas do Estado do Tocantins", objeto do Contrato de Prestação de Serviços firmado em 25 de julho de 2002.

Campinas, Novembro/2002

Diamantino Barrionuevo Junior - Coordenador Geral do Projeto
Norberto Lucas Alvim - Analista Econômico / Financeiro
Adagmar Sampaio - Pedagoga/Analista de Organização & Métodos

COOPAG

COOPERATIVA DOS PEQUENOS PRODUTORES AGROPECUÁRIOS

DE GUARAÍ – COOPAG

- **Localização: Avenida Rio Grande do Sul, s/nº - Guarai/TO**
- **Localização no Mapa: nº 2**
- **Data da Constituição: 14 de Dezembro de 1998.**
- **Presidente: Sr. Joaquim Freire Nunes**
- **Quadro Social "estimado" pelo Presidente:**
  - **Total de Cooperados: 30**
  - **Total de Cooperados Ativos: 20**
- **CNPJ/MF: 03.215.052/0001-73**
- **Inscrição Estadual: 29.02.059.220-8**
- **Municípios da área de atuação:**
  - **Guarai**

- **Principais atividades:**

  - **Pasteurização, industrialização e comercialização de leite e derivados.**

- **Outras Informações fornecidas pela cooperativa:**

  - **Arrecadação de Leite dos Cooperados: Média de 4.500 litros/dia.**
    - **Da quantidade arrecadada, a cooperativa vende, em média:**
      - **800 litros/dia, pasteurizados;**
      - **3.700 litros/dia, in natura, diretamente para outros laticínios de Guaraí.**

  - **Preço do Leite pago ao Cooperado: R$ 0,32/litro.**

  - **Preço de Venda do Leite pela Cooperativa: R$ 0,60/litro**

  - **Faturamento Bruto Médio: R$ 81.000,00/mês**

  - **Venda de Leite "in natura" em Guarai:**
    - **Quantidade: 2.500 litros/dia - 56% da quantidade vendida pela coperativa**
    - **Preço: De R$ 0,60 a R$ 0,70/litro**

CAB
COOPERATIVA AGROPECUÁRIA DE BARROLÂNDIA

- Localização: Rua Capitão Georginho, s/n - Barrolândia/TO
- Localização no Mapa: nº 05
- Data da Constituição: 13 de Dezembro de 1998.
- Presidente: Sr. José Nazaré de Abreu Cabral
- Quadro Social "estimado" pelo Presidente:
  - Total de Cooperados: 24
  - Total de Cooperados Ativos: 24
- CNPJ/MF: 03.210.059/0001-00
- Inscrição Estadual: 29.02.065.422-0
- Municípios da área de atuação:
  - Barrolândia
  - Dois Irmãos
  - Divinópolis
  - Paraíso do Tocantins
  - Monte Santo
  - Miranorte

- Principais atividades:
  - Pasteurização, industrialização e comercialização de leite e derivados.

- Outras Informações fornecidas pela cooperativa:

  - Arrecadação de Leite dos Cooperados: Média de 700 litros/dia;

  - Preço do Leite pago ao Cooperado: R$ 0,35/litro;

  - Preço de Venda do Leite pela Cooperativa: R$ 0,65litro;

  - Faturamento Bruto: R$ 6.001,20 em Julho/2002;

  - Demonstrativo do Resultado de Julho/2002:
    - Receita Bruta: R$ 6.001,20
    - Despesa total : R$ 4.500,00

- Receita Líquida: R$ 1.501,20

- Venda de Leite "in natura" em Barrolândia:
  - Quantidade: 300 litros/dia - 43% do leite vendido pela cooperativa.
  - Preço: R$ 0,60/litro

RELATÓRIO FINAL – CAB

ACDI/VOCA – Brasil
Programa de desenvolvimento cooperativo
Em parceria com OCB-SESCOOP

Resumo executivo

Título do projeto: Estudo de parcerias e Reestruturação da Cooperativa
Número do projeto: 080018-005
Voluntário: Quentin Dombro, Burlington, Vermont
Organização anfitriã: Cooperativa Agropecuária de Barrolândia
Localização anfitriã: Barrolândia, estado de Tocantins, Brasil
Datas do projeto: 6 de junho a 17 de junho de 2004
Foco do trabalho: O voluntário deu assistência relacionada à estrutura organizacional e planejamento estratégico. Uma revisão compreensiva foi conduzida nas áreas operacional e administrativa para determinar aspectos fortes e fracos. Questões específicas relacionadas à gerência, equipe, contabilidade, marketing, distribuição, recursos fixos, e o modelo cooperativo também foram analisados
Recomendações: Deve ser entendido que o voluntário é de opinião que essa cooperativa é muito bem gerenciada. O time de gerenciamento atual é composto por indivíduos dedicados e de alta integridade. Os problemas identificados resultam diretamente daqueles típicos desafios iniciais de baixa capacidade, competição local, falta de confiança por parte dos fazendeiros locais no modelo cooperativo, mercados difíceis de achar, e confiança em um único produto de baixa margem. A gerência não está progredindo na tentativa de manter bases que não dêem prejuízo enquanto procura por opções apropriadas para desenvolvimento comercial e

aumento de capacidade. A gerência está fazendo bravos esforços.

Corpo do relatório

Descrição da anfitriã: A Cooperativa Agropecuária de Barrolândia (referida como CAB a partir de agora) é uma cooperativa local de laticínios que produz leite embalado. A COOPAG tem 14 membros assim com 14 fazendeiros adicionais que trazem leite à cooperativa. A média de contribuição por fazendeiro individual varia de 15 a 150 litros por dia por uma média total diária de 1100litros. Há cinco empregados, incluindo um segurança noturno. Os dois trabalhadores que realmente processam o leite estão na CAB há um ano e 4 meses, respectivamente. 90% do leite embalado é vendido a um distribuidor na capital do estado Palmas.

Descrição do local: Tocantins é um estado relativamente novo, localizado perto do centro do Brasil. Barrolândia é uma pequena cidade rural com comércio limitado e serviços comunitários. No entanto, a cidade é localizada em uma grande rodovia norte-sul que serve primariamente para caminhões. Há evidências de que uma linha de trem próxima será desenvolvida nos próximos anos.Oportunidades na área de desenvolvimento e comércio são muito boas. Um crescimento significativo na população e valores de terra apontam para um rápido desenvolvimento de uso da terra, particularmente relacionado ao cultivo de soja para exportação.

Questões e Problemas:**(a) Integração de computadores**

O uso de um computador pessoal daria eficiência em relação à contabilidade e armazenamento de informação. Essas tarefas são bem feitas agora, mas a compra de um computador com acesso a internet é recomendada. Um expert em computador de Paraíso de bom grado ajudaria com essa compra e instalação.

(b) Inovação de produto

A CAB precisa continuar sua investigação nos métodos e fontes de requerimento relacionados à futura produção de produtos relacionados ao leite como o queijo. Com o desenvolvimento do Mercado de laticínio, a CAB vai querer está em uma posição de responsabilidade tanto para com as preferências do consumidor como para com demandas comerciais e pressões competitivas.
A gerência pode criar um grupo de planejamento composto por pessoas chaves e membros que ficariam de olho em locais de comercio emergentes no estado de Tocantins. Ênfase deve ser dada no desenvolvimento de mecanismos para colher informações vitais tanto de preferências do consumidor como desenvolvimento competitivo.

A esse respeito, membros do grupo podem regularmente revisar produtos competidores, abordar grupos de consumidores foco, discutir dinâmica de mercado com distribuidores, e observar o desenvolvimento de produtos e processos dentro e fora da área imediata de mercado.

(c) Direção da Cooperativa
O pessoal da gerência atual tem bastante conhecimento e são bastante capazes, demonstrando forte talento gerencial e motivação. Dentro do atual acordo, a gerência da CAB é eleita por toda a associação de membros, o que significa que é preciso um alto grau de autonomia gerencial. No futuro, essa metodologia pode resultar em obstáculos significantes ao lidar com a possibilidade de gerências pobres. Isso também pode resultar em conflitos de interesse, com membros, não gerentes profissionais, têm a possibilidade de serem eleitos.

A gerência e os membros devem examinar o método atualmente em uso para eleger gerente sênior da cooperativa. Talvez um individuo reconhecido pela Organização das Cooperativas Brasileiras(OCB)

poderia trabalhar com a CAB nesse assunto. (O voluntário entende que a OCB e o Departamento de Agricultura estão muito interessados em questões relacionadas à direção.)

(d) Comunicações com outras Cooperativas
Apesar de haver relativamente poucas cooperatives de laticínio no estado de Tocantins, seria provavelmente de algum benefício manter algum canal de comunicação regular com elas. Como a CAB é uma cooperativa relativamente pequena e nova, os benefícios ao adquirir conselhos e conhecimento de cooperativas em uma posição mais avançadas não deve ser subestimada. Por exemplo, a Cooperativa Agropecuária Tocantinense Ltda (referida como Coopernorte) é localizada mais ou menos 30kms ao sul.

Cooperativa Agropecuária Tocantinense Ltda é uma cooperativa de laticínio local que produz leite embalado, manteiga, queijo e suplementos alimentícios para animais (grãos misturados) A Coopernorte tem aproximadamente 300 membros e foi fundada em 1979. Com menos de 40 empregados, a Coopernorte processa entre 10,000 e 20,000 litros de leite por dia.

(e) Promover a busca por produtos locais
Como a importação de produtos competitivos está se tornando mais e mais evidente, será importante para a comunidade enfatizar os benefícios de comprar produtos originados localmente. Esses benefícios incluem:

- Manter o fluxo de dinheiro e o lucro na comunidade local.
- Mantém-se empregos e negócios relacionas na comunidade local.

- Aquisição de maior nutrição devido à alta qualidade e frescura característica dos produtos locais.

A CAB pode liderar um esforço comunitário para promover os produtos locais de forma contínua. Essa promoção educaria o público é poderia ser dirigida pela câmara de comerciantes locais.

(f) Prover suporte técnico aos membros
Um dos objetivos da CAB é aumentar a produção de leite vinda das fazendas de membros. Como a demanda de qualidade e eficiência se tornam cada vez mais evidente, a CAB deve instituir um programa regular para trazer suporte técnico para seus membros. A OCB freqüentemente oferece cursos, apesar de parecer difícil obter participação.

Esse suporte poderia incluir assuntos como gerência de fazenda, cuidado animal e manutenção da qualidade do leite. Também é importante desenvolver planos relativos ao regulamento recém instituído pelo governo, como aqueles que dirigem tanques refrigerados. (Pensa-se que tanques refrigerados de leite serão adquiridos até 2007) Outras novas regras estão por vir.

(g) Promover o valor nutricional dos produtos laticínios
O público precisa ser educado quanto ao valor nutricional dos produtos laticínios. Isso é um movimento preventivo para persuadir os consumidores de converter menos comida e produtos naturais.

A CAB deve considerar parcerias com hospitais locais assim como escolas para promover os benefícios de consumir os produtos laticínios. Brochuras, pôsteres, e outros materiais seriam de grande ajuda.

(h) Listar recursos fixos
Para melhor salvaguardar os recursos da empresa, a CAB deve desenvolver uma lista compreensiva de recursos fixos. Isso incluiria equipamento,veículos, móveis, computadores e outros recursos fixos.

Etiquetas individualmente enumeradas necessitariam ser adquiridas para cada recurso para identificação mais clara.

(i) Descrições de trabalho/ Manuais técnicos
As funções variam muito de empregado para empregado na CAB, e um único empregado pode ter uma grande variedade de responsabilidades. Além disso, há funções administrativas e operacionais que requerem conhecimento significante, todos dos quais devem ser documentados.

Descrições de trabalho devem ser escritas para todos os empregados, destacando tanto suas funções como de que forma essas funções estão relacionadas com o trabalho dos outros. Onde as funções forem mais complexas, deve ser feita uma tentativa de descrever de detalhes como essa função deve ser feita.

(j) Orçamento
A COOPAG deve desenvolver orçamentos que reflitam o rendimento e o capital operacional e despesas. A dificuldade de prever com exatidão lucro e perda é certamente compreensível, mas planejamento financeiro permitiria a cooperativa ganhar melhor entendimento da sua posição financeira corrente.

Para começar, a CAB deve considerar projetar fluxo de dinheiro numa base mensal de pelo menos um ano antes. Este processo reforçará a importância de ganhar conhecimento avançado dos vários

fatores,como a produção de leite, que impactam a linha final. Isso começará a dar alguma capacidade para tomar ações preventivas antecipadas de uma dificuldade financeira projetada.

(k) Manter arquivos compreensivos da associação de membros
Cooperativas são todas sobre os membros! Então é importante para CAB manter informações em cada membro, para determinar os fatores que contribuem para manter um membro em um bom "lugar". Esse esforço pode ser feito por pessoal já existente.

(l) Formação de empregados e treinamento
O grupo de empregado da CAB é excelente,e um esforço deve ser feito para solicitar informações regulares desse recurso valioso. Em adição, oportunidades devem ser procuradas para melhorar o conhecimento e criatividade dos empregados, além de encorajar satisfação no emprego.

Uma possibilidade seria reuniões periódicas com empregados para discutir tópicos específicos. Por exemplo, uma reunião dedicado à limpeza da plantação ou segurança dos empregados, pode fazer sentido.

Contatos chave: Ruiter Padua Presidente da OCB – Palmas
Silvia Maria S. Arouyo Agronomista – Barraolandia
Manuel de Jesus Gomes Presidente – CAB
Dilson Vieira da Silva Contador – CAB
Ivone Maria Quintino Secretária – CAB
Adson Lourenco Presidente - Coopernorte

Contatos chave: Ruiter Padua Presidente da OCB – Palmas
Francisco Parente Consultor agrícola - DOA
Sergio Luiz Dall:Agnol Presidente – COOPAG

Sidonio Terre de Oliveira Contador – COOPAG
Silvana Lopez Ribeiro Soares Diretor – escola local

Resumo da discussão: Em 1998, o governo federal do Brasil financiou a criação de 25 cooperativas de laticínios dentro do estado de Tocantis. Muito desse financiamento veio na forma de equipamento de processamento, tratores e vacas. No entendimento desse voluntário que só três desses 25 originais estão atualmente ativos. Enquanto o programa pode estar fadado ao fracasso, alguém pode concluir também que as três cooperatives restantes precisam de maior atenção e financiamento na base de sua tenacidade demonstrada e comprometimento total.

CAB é provavelmente a menor dessas cooperativas remanescentes Ela continua a usar o equipamento original e corrigiu um número de erros feitos pela gerência anterior. Ela continua a enfrentar situações difíceis devido a mercados distantes, competição próxima e uma falta de confiança geral por parte da comunidade fazendeira local.. A necessidade imediata é uma infusão de equipamento de processamento de maior capacidade já que o equipamento original não consegue suportar o volume requerido. Tanto o preço pago a fazendeiros como o lucro marginal da cooperativa precisam melhorar.

É opinião do voluntário que o estado atual dos negócios é insustentável, e que ajuda adicional deve ser disponibilizada assim que possível. Essa recomendação é baseada nos fatos de que 1.) Uma operação contínua está agora estabelecida, 2.) Um time de qualidade de gerenciamento está no lugar, e 3.) o governo brasileiro quer o desenvolvimento de uma indústria de laticínio na região.

O voluntário gostaria de reconhecer o serviços excelentes do tradutor local, Glaydon Jose de Freitas Filho. Além disso, a Mariela, motorista do escritório da OCB em Palmas, foi extremamente confiável ao levar o voluntário as locações chave.

III Memorando confidencial

O voluntário acredita que o trabalho foi bem sucedido devido a combinação perfeita das qualificações do voluntário e interesse da organização anfitriã e suas questões particulares. Como é provável que projetos adicionais possam vir a um período relativamente curto, é imperativo que ACDI/VOCA qualifique cuidadosamente voluntários para garantir a continuação da boa vontade e dos resultados positivos.

Também é importante que futuros voluntários estejam preparados para aceitar aproximações diferentes ao modelo cooperativo, particularmente quando e onde essas aproximações aparecerem, para trabalharem com sucesso. Por causa de uma desconfiança reiterada dos Estados Unidos e nossas intenções no exterior, particularmente entre administradores do governo brasileiro, é importante manter uma aproximação aberta, amigável e sincera em nossos esforços.

A CAB está esperando uma cópia das minhas recomendações, então é minha expectativa que elas sejam traduzidas para o português e enviada ao presidente, Manuel de Jesus Gomes. Também houve algumas discussões relacionadas a trabalhos mais pra frente que podem ser planejados para ajudar com a implementação dessas recomendações.

Quanto a promessas e comprometimentos requerendo trabalhos posteriores, o voluntário não fez nenhum. Todas as perguntas e requerimentos para mais informações formam tratados no local, com exceção de dar o preço mais recente de vacas leiteiras do Vermont Holstein. (O preço aumentou drasticamente em poucos meses devido a retomada no preço pago aos fazendeiros por leite no estado original) Essa informação foi passada para o Brasil e o voluntário escreveu cartas de apreciação a todos os contatos chave.

O voluntário fez uma apresentação pública no prédio municipal de Barrolândia. Os presentes incluíam membros da cooperativa e outros cidadão interessados. A apresentação incluiu uma análise comparativa detalhada de Vermont e Tocantins assim como 25 fotos e cartazes. Um período animado de perguntas e respostas veio em seguida.

Talvez devesse ser notado que não houve comunicação entre o escritório da ACDI/VOCA de Brasília e o voluntário durante o trabalho. A maior parte da coordenação relacionada a logística foi trabalhada pelo escritório da OCB em Palmas. Prestes a voltar para os Estados Unidos, o voluntário sugeriu ao Daniel Silva que deveria ser dada atenção prioritária às cooperativas de Barrolândia e Guarai porque suas operações, apesar de estáveis, estão bem vulneráveis a mudanças na condição de mercado e outras circunstâncias imprevisíveis.

O voluntário está profundamente comprometido com o modelo cooperativo, tanto aqui como nos Estados Unidos e exterior, Não há alternativa óbvia para dar a infraestrutura necessária para garantir a continuidade do sucesso de fazendas de pequeno e médio portes. A região de Tocantins é de agricultura, é essa economia baseada na terra é responsável pelo sucesso de comunidades como Paraíso, Barrolândia, e Guarai.

Por favor, não hesitem em contatar esse voluntário caso qualquer pergunta ou requerimento surjam como resultado do trabalho. O voluntário agradece a ACDI/VOCA pela oportunidade de servir e pela confiança mostrada nas suas habilidades e, sobretudo aproximações.

RELATÓRIO FINAL – COOPAG

ACDI/VOCA – Brasil
Programa de desenvolvimento cooperativo
Em parceria com OCB-SESCOOP

Resumo executivo

Título do projeto: Estudo de parcerias e Reestruturação da Cooperativa
Número do projeto: 080019-005
Voluntário: Quentin Dombro, Burlington, Vermont
Organização anfitriã: Cooperativa Agropecuária de Guarai
Localização anfitriã: Guarai, estado de Tocantins, Brasil
Datas do projeto: 17 de junho a 23 de junho de 2004
Foco do trabalho: O voluntário deu assistência relacionada à estrutura organizacional e planejamento estratégico. Uma revisão compreensiva foi conduzida nas áreas operacional e administrativa para determinar aspectos fortes e fracos. Questões específicas relacionadas à gerência, equipe, contabilidade, marketing, distribuição, recursos fixos, e o modelo cooperativo também foram analisados
Recomendações: Deve ser entendido que o voluntário é de opinião que essa cooperativa é muito bem gerenciada. O time de gerenciamento atual é composto por indivíduos dedicados e de alta integridade. Os problemas identificados resultam diretamente daqueles típicos desafios iniciais de baixa capacidade, competição local, falta de confiança por parte dos fazendeiros locais no modelo cooperativo, mercados difíceis de achar, e confiança em um único produto de baixa margem. A gerência não está progredindo na tentativa de manter bases que não dêem prejuízo enquanto procura por opções apropriadas para desenvolvimento comercial e aumento de capacidade. A gerência está fazendo bravos esforços.

Corpo do relatório

Descrição da anfitriã: A Cooperativa Agropecuária de Guarai (referida como COOPAG a partir de agora) é uma cooperativa local de

laticínios que produz leite embalado. A COOPAG tem 21 membros assim com 60 fazendeiros adicionais que trazem leite à cooperativa. A média de contribuição por fazendeiro individual varia de 20 a240 litros por dia por uma média total diária de 4300litros. Há seis empregados mais, o que parece ser significante, o visível tempo dependido pelo presidente da cooperativa. Dois trabalhadores são designados para entregar o leite, e um tem responsabilidades administrativas. A maior parte do leite é vendida em estado primário para um processador local de leite desidratado. Porque os mercados significantes estão localizados for a da região imediata, a gerência tem uma necessidade prioritária de caminhão de entrega refrigerado.

Descrição do local: Tocantins é um estado relativamente novo, localizado perto do centro do Brasil. Guari é uma cidade vibrante de 15,000 pessoas com um conjunto de serviços comerciais e comunitários. A cidade é localizada em uma grande rodovia norte-sul que serve primariamente para caminhões.

Oportunidades na área de desenvolvimento e comércio são muito boas. Um crescimento significativo na população e valores de terra apontam para um rápido desenvolvimento de uso da terra, particularmente relacionado ao cultivo de soja para exportação. Uma linha de trem próxima está sendo desenvolvida.

Questões e problemas:**(a) Desenvolvimento comercial**

A COOPAG deve, de alguma forma, quebrar essa confiança no processador de leite local . (Apesar da sua existência ser bem afortunada como outros mercados locais que não estão prontamente disponíveis!) Uma idéia é comprar um caminhão de entrega refrigerado para que o leite possa ser transportado para áreas que estejam vivenciando uma maior demanda,como a capital Palmas.

(b) Inovação de produto

A COOPAG precisa continuar sua investigação nos métodos e fontes de requerimento relacionados à futura produção de produtos relacionados ao leite como o queijo. Com o desenvolvimento do Mercado de laticínio, a COOPAG vai querer está em uma posição de responsabilidade tanto para com as preferências do consumidor como para com demandas comerciais e pressões competitivas. A organização já demonstrou um comprometimento com a qualidade ao instalar unidades de amostragem refrigeradas em padarias. O voluntário ficou impressionado!

A gerência pode criar um grupo de planejamento composto por pessoas chaves e membros que ficariam de olho em

locais de comercio emergentes no estado de Tocantins. Ênfase deve ser dada no desenvolvimento de mecanismos para colher informações vitais tanto de preferências do consumidor como desenvolvimento competitivo.

A esse respeito, membros do grupo podem regularmente revisar produtos competidores, abordar grupos de consumidores foco, discutir dinâmica de mercado com distribuidores, e observar o desenvolvimento de produtos e processos dentro e fora da área imediata de mercado.

(c) Direção da Cooperativa
O pessoal da gerência atual tem bastante conhecimento e são bastante capazes, demonstrando forte talento gerencial e motivação. Dentro do atual acordo, a gerência da COOPAG é eleita por toda a associação de membros, o que significa que é preciso um alto grau de autonomia gerencial. No futuro, essa metodologia pode resultar em obstáculos significantes ao lidar com a possibilidade de gerências pobres. Isso também pode resultar em conflitos de interesse, com membros, não gerentes profissionais, têm a possibilidade de serem eleitos.

A gerência e os membros devem examinar o método atualmente em uso para eleger gerente sênior da cooperativa. Talvez um individuo reconhecido pela Organização das Cooperativas Brasileiras(OCB) poderia trabalhar com a COOPAG nesse assunto. (O voluntário entende que a OCB e o Departamento de Agricultura estão muito interessados em questões relacionadas à direção.)

(d) Comunicações com outras Cooperativas
Apesar de haver relativamente poucas cooperatives de laticínio no estado de Tocantins, seria provavelmente de algum benefício manter algum canal de comunicação regular com elas. Como a COOPAG é uma cooperativa relativamente pequena e nova, os benefícios ao adquirir conselhos e conhecimento de cooperativas em uma posição mais avançadas não deve ser subestimada. Por exemplo, a Cooperativa Agropecuária Tocantinense Ltda (referida como Coopernorte) é localizada mais ou menos 200kms ao sul.

Cooperativa Agropecuária Tocantinense Ltda é uma cooperativa de laticínio local que produz leite embalado, manteiga, queijo e suplementos alimentícios para animais (grãos misturados) A Coopernorte tem aproximadamente 300 membros e foi fundada em 1979. Com menos de 40

empregados, a Coopernorte processa entre 10,000 e 20,000 litros de leite por dia.

(e) Promover a busca por produtos locais
Como a importação de produtos competitivos está se tornando mais e mais evidente, será importante para a comunidade enfatizar os benefícios de comprar produtos originados localmente. Esses benefícios incluem:

- Manter o fluxo de dinheiro e o lucro na comunidade local.
- Mantém-se empregos e negócios relacionas na comunidade local.
- Aquisição de maior nutrição devido à alta qualidade e frescura característica dos produtos locais.

A COOPAG pode liderar um esforço comunitário para promover os produtos locais de forma contínua. Essa promoção educaria o público é poderia ser dirigida pela câmara de comerciantes locais.

(f) Prover suporte técnico aos membros
Um dos objetivos da COOPAG é aumentar a produção de leite vinda das fazendas de membros. Como a demanda de qualidade e eficiência se tornam cada vez mais evidente, a COOPAG deve instituir um programa regular para trazer suporte técnico para seus membros. A OCB freqüentemente oferece cursos, apesar de parecer difícil obter participação.

Esse suporte poderia incluir assuntos como gerência de fazenda, cuidado animal e manutenção da qualidade do leite. Também é importante desenvolver planos relativos ao regulamento recém instituído pelo governo, como aqueles que dirigem tanques refrigerados. (Pensa-se que tanques refrigerados de leite serão adquiridos até 2007) Outras novas regras estão por vir.

(g) Promover o valor nutricional dos produtos laticínios
O público precisa ser educado quanto ao valor nutricional dos produtos laticínios. Isso é um movimento preventivo para persuadir os consumidores de converter menos comida e produtos naturais.

A COOPAG deve considerar parcerias com hospitais locais assim como escolas para promover os benefícios de consumir os produtos laticínios. Brochuras, pôsteres, e outros materiais seriam de grande ajuda.

(h) Listar recursos fixos
Para melhor salvaguardar os recursos da empresa, a COOPAG deve desenvolver uma lista compreensiva de recursos fixos. Isso incluiria equipamento,veículos, móveis, computadores e outros recursos fixos.

Etiquetas individualmente enumeradas necessitariam ser adquiridas para cada recurso para identificação mais clara.

(i) Descrições de trabalho/ Manuais técnicos
As funções variam muito de empregado para empregado na COOPAG, e um único empregado pode ter uma grande variedade de responsabilidades. Além disso, há funções administrativas e operacionais que requerem conhecimento significante, todos dos quais devem ser documentados.

Descrições de trabalho devem ser escritas para todos os empregados, destacando tanto suas funções como de que forma essas funções estão relacionadas com o trabalho dos outros. Onde as funções forem mais complexas, deve ser feita uma tentativa de descrever de detalhes como essa função deve ser feita.

(j) Orçamento
A COOPAG deve desenvolver orçamentos que reflitam o rendimento e o capital operacional e despesas. A dificuldade de prever com exatidão lucro e perda é certamente compreensível, mas planejamento financeiro permitiria a cooperativa ganhar melhor entendimento da sua posição financeira corrente.

Para começar, a COOPAG deve considerar projetar fluxo de dinheiro numa base mensal de pelo menos um ano antes. Este processo reforçará a importância de ganhar conhecimento avançado dos vários fatores,como a produção de leite, que impactam a linha final. Isso começará a dar alguma capacidade para tomar ações preventivas antecipadas de uma dificuldade financeira projetada.

(k) Manter arquivos compreensivos da associação de membros
Cooperativas são todas sobre os membros! Então é importante para COOPAG manter informações em cada membro, para determinar os fatores que contribuem para manter um membro em um bom "lugar". Esse esforço pode ser feito por pessoal já existente.

(l) Formação de empregados e treinamento
O grupo de empregado da COOPAG é excelente,e um esforço deve ser feito para solicitar informações regulares desse recurso valioso. Em adição, oportunidades devem ser procuradas para melhorar o conhecimento e criatividade dos empregados, além de encorajar satisfação no emprego.

Uma possibilidade seria reuniões periódicas com empregados para discutir tópicos específicos. Por exemplo, uma reunião dedicado à limpeza da plantação ou segurança dos empregados, pode fazer sentido.

(m) Recrutamento de membros
A COOPAG deve continuar a promover e ajudar pequenas e medias fazendas, tendo o cuidado de garantir o interesse delas seja mantido em todos os pontos da organização. Fazendeiros devem ser encorajados a participar de atividades da associação e papeis de aconselhamento. Também havia alguma evidência de membros existentes relutantes em expandir a associação. O voluntário conduziu a apresentação que incluiu a discussão da importância de crescimento tanto da associação quanto do volume. Esse problema deve ser monitorado.

Contatos chave:	Ruiter Padua	Presidente da OCB – Palmas
	Francisco Parente	Consultor agrícola - DOA
	Sergio Luiz Dall:Agnol	Presidente – COOPAG
	Sidonio Terre de Oliveira	Contador – COOPAG
	Silvana Lopez Ribeiro Soares	Diretor – escola local

Resumo da discussão: Em 1998, o governo federal do Brasil financiou a criação de 25 cooperativas de laticínios dentro do estado de Tocantis. Muito desse financiamento veio na forma de equipamento de processamento, tratores e vacas. No entendimento desse voluntário que só três desses 25 originais estão atualmente ativos. Enquanto o programa pode estar fadado ao fracasso, alguém pode concluir também que as três cooperatives restantes precisam de maior atenção e financiamento na base de sua tenacidade demonstrada e comprometimento total.

COOPAQ é provavelmente a mais agressiva dessas cooperativas remanescentes Ela substituiu a maior parte do equipamento original e corrigiu um número de erros feitos pela gerência anterior. Ela continua a enfrentar situações difíceis devido a mercados distantes, competição próxima e uma falta de confiança geral por parte da comunidade fazendeira local.

A necessidade imediata é um caminhão de entrega refrigerado.

É opinião do voluntário que o estado atual dos negócios é insustentável, e que ajuda adicional deve ser disponibilizada assim que possível. Essa recomendação é baseada nos fatos de que 1.) Uma operação contínua está agora estabelecida, 2.) Um time de qualidade de gerenciamento está no lugar, e 3.) o governo brasileiro quer o desenvolvimento de uma indústria de laticínio na região.

III Memorando confidencial

O voluntário acredita que o trabalho foi bem sucedido devido à combinação perfeita das qualificações do voluntário e interesse da organização anfitriã e suas questões particulares. Como é provável que projetos adicionais possam vir a um período relativamente curto, é imperativo que ACDI/VOCA qualifique cuidadosamente voluntários para garantir a continuação da boa vontade e dos resultados positivos.

Também é importante que futuros voluntários estejam preparados para aceitar aproximações diferentes ao modelo cooperativo, particularmente quando e onde essas aproximações aparecerem, para trabalharem com sucesso. Por causa de uma desconfiança reiterada dos Estados Unidos e nossas intenções no exterior, particularmente entre administradores do governo brasileiro, é importante manter uma aproximação aberta, amigável e sincera em nossos esforços.

A COOPAG está esperando uma cópia das minhas recomendações, então é minha expectativa que elas sejam traduzidas para o português e enviada ao presidente, Sergio Luiz Dall:Agnol. Também houve algumas discussões relacionadas a trabalhos mais pra frente que podem ser planejados para ajudar com a implementação dessas recomendações.

Quanto a promessas e comprometimentos requerendo trabalhos posteriores, o voluntário não fez nenhum. Todas as perguntas e requerimentos para mais informações formam tratados no local, com exceção de dar o preço mais recente de vacas leiteiras do Vermont Holstein. (O preço aumentou drasticamente em poucos meses devido à retomada no preço pago aos fazendeiros por leite no estado original) Essa informação foi passada para o Brasil e o voluntário escreveu cartas de apreciação a todos os contatos chave.

O voluntário fez três apresentações enquanto estava em Guarai. Uma aconteceu para membros da cooperativa e suas famílias. As outras duas para estudantes em uma escola pública local. Todas as apresentações incluíram uma analise comparativa detalhada de Vermont e Tocantins assim como 25 fotos e cartazes. Um período animado de perguntas e respostas veio em seguida. (Estou sempre surpreso com a participação mesmo em turmas de adultos.)

Talvez devesse ser notado que não houve comunicação entre o escritório da ACDI/VOCA de Brasília e o voluntário durante o trabalho. A maior parte da coordenação relacionada à logística foi trabalhada pelo escritório da OCB em Palmas. Prestes a voltar para os Estados Unidos, o voluntário sugeriu ao Daniel Silva que deveria ser dada atenção prioritária às cooperativas de Barrolândia e Guarai porque suas operações, apesar de estáveis, estão bem vulneráveis a mudanças na condição de mercado e outras circunstâncias imprevisíveis.

O voluntário está profundamente comprometido com o modelo cooperativo, tanto aqui como nos Estados Unidos e exterior, Não há alternativa óbvia para dar a infraestrutura necessária para garantir a continuidade do sucesso de fazendas de pequeno e médio portes. A região de Tocantins é de agricultura, é essa economia baseada na terra é responsável pelo sucesso de comunidades como Paraíso, Barrolândia, e Guarai.

Por favor, não hesitem em contatar esse voluntário caso qualquer pergunta ou requerimento surjam como resultado do trabalho. O voluntário agradece a ACDI/VOCA pela oportunidade de servir e pela confiança mostrada nas suas habilidades e, sobretudo aproximações.

COOPERCRED
Cooperativa de Crédito Rural do Bico do Papagaio

UF	TO
PROJETO	Consultoria para a elaboração de um Planejamento Estratégico de desenvolvimento Administrativo e contábil.
VOLUNTÁRIO	Jeffrey Kuntz • Mestre em Agronomia pela Universidade de Iowa. • Consultor Internacional trabalhou em vários paises, desenvolvendo palestras, cursos, seminários sobre Cooperativismo de Crédito. Gerente de Desenvolvimento do Departamento de Agricultura dos Estados Unidos
OBSERVAÇÕES	• Presença de outros concorrentes com melhores opções de mercado. • Ausência de um planejamento interno, voltado para o crescimento (MISSÃO/OBJETIVO/PONTOS FORTES E FRACOS, ETC). • Poucas opções para atrair novos membros. • Pouca interação da Cooperativa com a comunidade, na apresentação dos seus serviços
RECOMENDAÇÕES	• Desenvolvimento de um slogan. • Proporcionar vantagens nos empréstimos aos membros e também nos depósitos a longo prazo. • Manter a procura de oportunidades com outras cidades e instituições. • Proporcionar orientação para os novos membros, eleitos da diretoria e comitê. • Atualizar os Diretores sobre as mudanças de regulamento e acordos econômicos nas reuniões de Diretoria.
RESOLUÇÕES	A Cooperativa já está estruturada e preparada para acordos com Organizações voltadas ao Cooperativismo de Crédito.

TERMO DE REFERÊNCIA- COOPERCRED

ACDI/VOCA - BRASIL

Resumo: A Cooperativa de Crédito Rural do Bico do Papagaio proporciona aos seus cooperados, serviços voltados as atividades específicas de Instituição Financeira com o objetivo de promover o desenvolvimento econômico e os interesses comuns dos associados. Atualmente a cooperativa está em pleno funcionamento, mas precisa aprimorar sua estrutura organizacional e implantar mecanismos confiáveis para controle interno e do patrimônio da cooperativa e assim passar a desenvolver suas atividades com maior eficiência e profissionalismo.

A COOPERCRED necessita da ACDIVOCA a assistência de um profissional formado em Administração com especialidade em controle e gestão de finanças para reorganizar administrativa e financeiramente a cooperativa e prepará-la para uma expansão sem equívocos.

Contato: Getúlio Carneiro de Sousa (Presidente)

Contrapartida : DENACOOP / SESCOOP – Ministério da Agricultura e Pecuária

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Michael McNulty-ACDI/VOCA-HQ

F. PERFIL DA COOPERATIVA

A Cooperativa de Crédito Rural do Bico do Papagaio proporciona aos seus cooperados espalhados em mais de 9 municípios do Estado, serviços voltados as atividades específicas de Instituição Financeira com o objetivo de promover o desenvolvimento econômico e os interesses comuns dos associados. Atualmente a cooperativa está em pleno funcionamento, mas precisa aprimorar sua estrutura organizacional e implantar mecanismos confiáveis para controle interno e do patrimônio da cooperativa e assim passar a desenvolver suas atividades com maior eficiência e profissionalismo.

Fundada em setembro de 1999, inaugurada em abril de 2001, com 135(cento e trinta e cinco) sócios fundadores, com área de atuação em 15(quinze) municípios da região do Bico do Papagaio, hoje contamos com mais de 400(quatrocentos) cooperados. Temos convênio com Banco do Brasil (Compensação e Cheque Cooperativo), Prefeitura (arrecadação de Tributos Municipais) , Câmara dos Vereadores, Comerciantes e Produtores Rurais em Araguatins. Temos a pretensão para nos próximos meses inaugurar um Posto de atendimento no município de Augustinopolis/TO,

G. DESCRIÇÃO DO PROJETO

Introdução
O objetivo da Cooperativa é firmar termos de cooperação com o Banco da Gente, no sentido de ser o agente recebedor e repassador de recurso, visando contemplar uns dos princípios que é servir a população priorizando a de menor renda.

Justificativa
Com uma estrutura organizacional assegurada, a cooperativa poderá garantir o desenvolvimento das suas atividades atuais e prepará-la para as futuras de forma eficiente e transparente, respeitando as suas características e dos seus cooperados, para que sejam atingidos os objetivos estatutários e sociais.

Objetivo

Geral
- Desenvolver suas atividades com maior eficiência;
- Gerar novas receitas;
- Implantar ferramentas gerenciais;
- Implantar custos de serviços prestados;

Especifico
- Que os membros conheçam as atividades desenvolvidas por suas cooperativas;
- Deleguem responsabilidades e tarefas, cobrando resultados;
- Desenvolver cursos e treinamentos técnicos;

Beneficiarios

Direto: 50
Indireto : 407

Additional Project Profile

- Esta Cooperativa está sediada na região onde mais existem assentamentos rurais do Tocantins.

- O Município de Araguatins tem características da floresta amazônica, fica as margens do Rio Araguaia. Nesse período há ocorrências de muita chuva. O Clima é bastante ameno;

- Esta cooperativa é beneficiária do Programa de Desenvolvimento do Cooperativismo de Crédito para o Tocantins, desenvolvido em parceria da OCB-SESCOOP Tocantins com Sicredi Serviços;

- (*) – Araguatins/TO – fica a 620 km de Palmas, é uma cidade com aproximadamente 30 mil habitantes, a base econômica é a agropecuária, e agricultura de subsistência. A cidade é cortada pela rodovia TO 404 e o Município pela rodovia Transamazônica.

Quadro dos membros da Cooperativa
Conselho de Administração: 9 membros sendo 6 conselheiros e 3 diretores
Conselho Fiscal: 6 membros sendo 3 efetivos e 3 suplentes

RELATÓRIO FINAL COOPERCRED

A cooperativa de crédito de Araquatins começou no final dos anos 90. Gradualmente, ela construiu sua base de consumidores, mas deseja expandir e aumentar o capital de ações. Esta também deseja ter volume suficiente para participar da SESCOOP, uma cooperativa de crédito maior que tem muitos serviços que poderiam estar disponíveis aos seus membros. Meu trabalho foi avaliar a cooperativa como um membro potencial da SESCOOP e assisti-los em um aumento na sua área de mercado em potencial. Era para eu avaliar suas operações e dar sugestões para melhoramentos.

Coopercred tem outros competidores na área. As vantagens da Coopercred são seu tamanho, habilidade de adaptação a diversos mercados e ter participação na comunidade. Sendo pequena, ela pode recrutar e prover oportunidade de créditos menores que outras instituições não buscam. A equipe tem a experiência e conhecimento da comunidade para focar em créditos melhores. A gerência reconhece os riscos de crédito e compensa requerendo hipotecas e garantias adicionais de parentes ou indivíduos apropriados. Seus índices de interesse são competitivos.

A principal vantagem é ser uma cooperativa. Ela deve enfatizar as qualidades e características da cooperativa e como esta beneficia os membros e a comunidade. Eu recomendo desenvolver um slogan, frases visão/missão que possam ser colocadas no lobby da cooperativa, em cartões de negócios e cabeçalhos.

Eles estão muito entusiasmados e compromissados a aumentar a associação de membros junto com a orientação dos princípios das cooperativas. A gerência está promovendo o conceito cooperativo diariamente. Coopercred tem começado a lidar com os pagamentos de água da cidade por uma taxa. Isso foi encorajado por atrair mais consumidores em potencial e construir a confiança do consumidor.

Realizações do trabalho

Eu preparei e entreguei cinco apresentações e falei com numerosos membros e membros em potencial em Araquantins e Augustinopolis, e também várias vilas. No total, eu participei de mais de 200 contatos através de reuniões, visitas, e correspondência de um a um.

Plano de trabalho com objetivos de médios e longos prazos desenvolvidos:

Em curto prazo, a Coopercred procura aumentar ações pelo recrutamento de novos membros. Aconteceu um jantar para mais de 125 pessoas para ouvir as vantagens de ser um membro de uma cooperativa e como as cooperativas funcionam.

Uma visita foi feita a uma escola profissionalizante de agricultura e eu falei com a equipe e o conselho estudantil para promover a filosofia das cooperativas e como isso os ajudaria e suas famílias. Isso deve ajudar a cooperativa a aumentar a associação de novos membros no futuro.

A cooperativa também pode oferecer um melhor serviço individual, que eles demonstraram visitando grupos e comunidades longínquas. Nós visitamos a vila de Falcon e falamos com 25 pessoas, assim como em Petrônio onde fiz uma apresentação tanto em cooperativas como planejamento estratégico (mais de 16 pessoas estavam presentes).

Sugestões para aumentar o capital "de ação":

- Prover maior índice de interesse para certificados de depósitos em longo prazo; três meses, seis meses, ou mais (quanto maior = mais alto o índice).
- Para aqueles que quiserem ser membros, mas não têm a taxa mínima para se associar: permiti-los pegar emprestado a um índice descontado, por exemplo, R$1000,00 de empréstimo + R$300,00 da taxa de associação – pagar R$1000,00 a uma taxa de interesse "X" e associação à metade da taxa. (só um exemplo) Oferecer a todos os membros que não tiverem toda taxa de associação uma oportunidade especial.
- Continuar a procurar oportunidades de contas com outras cidades e instituições. Essa é uma boa maneira de atrair pessoas para a Coopercred e mais provavelmente eles usaram os serviços da mesma.
- (CUIDADO) Tenham cuidado ao oferecer redução nas taxas sem restrições de qualidade de crédito. O risco precisa ser analisado e refletido a uma taxa de interesse alta – assim como a história de pagamento em dia deve ser recompensada.
- Continuar a educação dos membros sobre os benefícios das cooperativas e COOPERCRED em particular. Educação do público também será vantagem para recrutamento.

A mais longo prazo a Coopercred deseja expandir em outras 12 comunidades. Essa é a esperança deles de tornarem-se membros da OCB-SESCOOP e poder prover mais serviços para seus consumidores e membros. Anteriormente, uma instituição cooperativa usou de forma errada o capital dos membros e eles estão tentando reconstruir a confiança das regiões em cooperativas. Uma história de sucesso e o boca-a-boca serão de grande ajuda na empreitada.

O voluntário também deu os slides da cooperativa das apresentações "O que são cooperativas? (What are Cooperatives?)" e "Planejamento estratégico (Strategic Planning)" para ajudá-los com futura expansão e desenvolvimento interno.

- Plano de negócios estratégico e guia de reestruturação

O voluntário revisou o power point do "Planejamento Estratégico" com a gerência. O intérprete e eu traduzimos para o Português como um guia para as cooperativas usarem para anualmente re-acessarem seu progresso. Ele envolve criar ass frases de visões e missões, avaliar um trabalho (as cooperativas); Força, Fraqueza; Oportunidades e Tratados (FFOT - sigla em inglês: SWOT). Também incluído está o conceito de marketing alvo e manter um equilíbrio entre marketing, produção (empréstimos e serviços) e gerência financeira. E continua ao tocar nas regras de reuniões da diretoria e diretrizes.

A cooperativa está desejando estabelecer uma posição de marketing direcionando pessoal existente para diferentes atividades. Isso deve funcionar bem equilibrando as três áreas de gerenciamento bem sucedido. O programa Power point deve ser útil para preparar o gerenciamento e equipe para focar e receber novos clientes.

Mandarei uma amostra de estrutura de uma união de crédito para ser traduzida e enviada para a cooperativa para assisti-los mais à frente.

- Quadro de gerenciamento da direção
    1. Dar orientação para o grupo recém eleito e membros do comitê. Introduzi-los à política de crédito, às leis que se aplicam à área, história, serviços financeiros, assim como aos deveres e expectativas para com a direção.
    2. Atualizar diretores de mudanças regulamentares e econômicas em reuniões de direção.

3. Marcar datas para diretores individuais passarem o dia na cooperativa a ser adquirida com operações totais.
4. Desenvolver biblioteca de recursos com livros sobre finanças e outros materiais de relação operacional.
5. Marcar várias reuniões por ano para possibilitar diretores e membros trocarem idéias em políticas, programas e possíveis problemas e mal-entendidos.

Função gerencial da direção

1. Planejar
   a) Nós temos todos os objetos definidos?
   b) Estamos alcançando nossos objetivos?
   c) Estamos provendo um serviço útil ou expandindo nossos serviços?
   d) Estamos contribuindo para melhoramentos em nossa comunidade?
   e) Nossos empregados estão trabalhando de forma efetiva?
2. Organizar

   Descrever claramente os objetivos e resultados esperados. Então delegar autoridade e responsabilidade
3. Dirigir

   A direção delega, acompanha e dá o suporte necessário para completar os objetivos.
4. Coordenar

   A direção precisa comunicar progressos, mas não gerenciar o projeto. Ela não deve entrar além das suas obrigações.
5. Alcançar

   Alcançar envolve comparações entre o que foi planejado e o que realmente rendeu bons resultados

Área chave de performance	Indicadores chave
MEMBROS ASSOCIADOS	- Número total de membros - Novos membros por mês - Membros que deixaram a

Cooperativa e razões pela qual o fizeram.
- Mudanças entre grupos de membros potenciais (demográficos)

Reuniões de direção –

- Agenda deve ser mandada uma semana antes com documentos apropriados de suporte para tomadas de decisão
- Todos participam
- Ninguém domina
- Deve-se considerar membros em decisão
- Decisão é final e desacordos são deixados na sala de reunião
- Manter-se nos pontos da agenda primeiro

- Meios de alcance para resultados-

- Pesquisas de membros, diretores e empregados (em português) para ajudar a COOPERCRED com treinamento organizacional e gerenciamento.
- Programa Power Point e slides da "O que é Cooperativa?" em inglês para ser traduzido para o português, para uso presente e futuro.
- Programa Power Point e slides intitulados "Planejamento Estratégico" em inglês e português para uso presente e futuro.
- Exemplo organizacional de uma união típica de crédito a ser traduzida para o português para a cooperativa. Por favor, faça com que a cooperativa note que deveres organizacionais estão em acordo com as três áreas de gerenciamento de produção (empréstimos e serviços), marketing e gerenciamento financeiro.