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526-050.4

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PROJECT APPRAISAL REPORT (PAR)

5260102-5

5p

1. PROJECT NO. 526-15-110-050.4	2. PAR FOR PERIOD: 11/1/73 TO 6/30/75	3. COUNTRY PARAGUAY	4. PAR SERIAL NO. 75-12
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5. PROJECT TITLE

MARKETING SERVICES COOPERATIVES

6. PROJECT DURATION: Began FY 1972 Ends FY 1977	7. DATE LATEST PROP 11/25/74	8. DATE LATEST PIP	9. DATE PRIOR PAR 12/2/73
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 257,000	b. Current FY Estimated Budget: \$ 194,000	c. Estimated Budget to completion After Current FY: \$ 446,000

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Agricultural Cooperative Development International	AID/526-305

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X			1. Prepare a revision to the November 1974 PROP to a) reflect increased financial requirements to fund additional UNIPACO personnel and b) delineate re-planned output indicators.	March 31, 1976
X		X	2. Develop a plan for increasing UNIPACO's membership. This plan should consider a gradual phase out of PCV's.	Dec. 31, 1975
X		X	3. Develop a joint operating plan for marketing and sale of inputs for submission to the Board of Directors of CREDICOOP and UNIPACO. The plan will specify the roles and responsibilities of each organization and include recommendations for formal contractual arrangements between these two organizations.	Dec. 31, 1975
X		X	4. Complete the survey of cooperatives and member farmers.	Sept. 30, 1975
X		X	5. Explore ways for increasing women participation in the project.	Open

D. REPLANNING REQUIRED

REVISED OR NEW PROP PIP PRO AG PIO/T PIO/C PIO/P

E. DATE OF MISSION REVIEW: 6/26/75

PROJECT MANAGER: Stanford W. White TYPED NAME AND SIGNED INITIALS AND DATE: Stanford W. White 6/26/75

MISSION DIRECTOR: Oliver L. Sauss TYPED NAME AND SIGNED INITIALS AND DATE: Oliver L. Sauss

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW		MEDIUM		HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Agricultural Cooperative Development International (ACDI)				X									X
2.													
3.													

Comment on key factors determining rating

Prior to this fiscal year contract staffing was not sufficient to meet the needs of UNIPACO's rapidly growing business. The only contract advisor on board until August 1974 had, of necessity, to give priority to technical assistance in marketing and could not give sufficient attention to internal organizational development and member coop organization and training programs. A second advisor arrived in August 1974 and the contract staffing is now adequate.

The ACDI advisors have cooperated with the Mission in providing information and details required for the Small Farmer Development Loan.

4. PARTICIPANT TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
			X									X

Comment on key factors determining rating

During this period, two cooperative managers were sent to a 6 week intensive cooperative course in Argentina. Both completed their training and returned to their former positions. The CY 1975 training plan calls for six additional participants to take similar courses.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5
			X									X

Comment on key factors determining rating. There has been a delay of approximately 18 months to date on the part of a US supplier in delivering some parts needed to complete the installation of a grain silo for UNIPACO. However, because 1974 was dry at harvest time, the delay has not significantly affected the quality of the grains for the marketing operations. In addition, some project equipment has been in the USAID warehouse for almost one year before being put into use in the project.

6. COOPERATING COUNTRY	a. PERSONNEL		1	2	X1	4	5	6	7	1	2	3	4	5
	b. OTHER				X2								X1	X2
					X1									X1

Comment on key factors determining rating

X1 - GOP (MAG): The Directorate of Cooperatives (DGC) of the Ministry of Agriculture has given minimal assistance in the training activities of UNIPACO, but has cooperated in helping UNIPACO in the promotion of new cooperatives. However, due to MAG's limited resources the input of the DGC has not been significant. During 1974 UNIPACO, at the request of the CAH (a semi autonomous agency of the GOP under MAG), signed a contract with the CAH whereby UNIPACO marketed a total of 1,375 tons of cotton and 248 tons of tobacco produced by small scale farmers participating in the program. However, certain member coops and marketing committees did not market products in conformance with standards and grades and against normal contract procedures for these commodities, thereby causing certain marketing difficulties for UNIPACO.

X2 - UNIPACO: UNIPACO has been concentrating efforts in developing a marketing structure and needs to put equal emphasis on expanding its membership and improving its administration.

7. OTHER DONORS	1	2	3	4	5	6	7	1	2	3	4	5
					X							X

(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors.

Peace Corps: The Peace Corps is providing volunteers according to schedule. One PCV is now working at UNIPACO's central office and four are assigned to the field to assist member cooperatives. The technical qualifications of the PCVs are good and they are all performing well. Another group of four more arrived in March/April 1975.

III. KEY OUTPUT INDICATORS AND TARGETS 1/

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY 75		FY 76	FY 77	
			TO DATE	TO END			
UNIPACO membership (Cooperative /members) Cumulative	PLANNED	25/ 3,000		35/ 7,000	40/ 9,000	45/ 10,000	50/ 12,000
	ACTUAL PERFORMANCE	2/	20/2,721				
	REPLANNED						
Supplies sold (\$000)	PLANNED	371		363	442	531	555
	ACTUAL PERFORMANCE	76	0				
	REPLANNED						
Cotton sold - MT	PLANNED	7,083		6,500	7,500	8,500	9,000
	ACTUAL PERFORMANCE	6,937	0				
	REPLANNED						
Soybeans exported - MT	PLANNED	12,089		8,000	10,000	10,000	12,000
	ACTUAL PERFORMANCE	12,253	0				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.		1/ All targets are on CY basis. 2/ Figure was not available.					
2.		COMMENT:					
3.		COMMENT:					

II. 7. Continued: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMULATIVE PRIOR FY	CURRENT FY 75		FY76	FY77	END OF PROJECT
			TO DATE	TO END			
Rice - MT	PLANNED	1,150		1,000	1,500	2,000	2,000
	ACTUAL PERFORMANCE	0	0				
	REPLANNED						
Net return on sales (Inputs/ag. products)	PLANNED	4%/2%		4%/2%	4%/2%	4%/2%	4%/2%
	ACTUAL PERFORMANCE	0/0	0				
	REPLANNED						
Number of trained managers (UNIPACO and cooperatives)	PLANNED	2		6	15	20	20
	ACTUAL PERFORMANCE	2	0				
	REPLANNED						
In country training courses/members trained	PLANNED	5/100		12/250	16/500	20/1000	30/1500
	ACTUAL PERFORMANCE	4/261	0				
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.							
2.		COMMENT:					
3.		COMMENT:					

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

D. 1. Conditions which will exist when above purpose is achieved.

2. Evidence to date of progress toward these conditions.

1. UNIPACO will: (a) no longer require USAID financial support; (b) have a growing capital and reserve base (80% of earnings capitalized for the first ten years); (c) well managed and operating at levels indicated in the output targets; (d) own basic marketing, farm supply and processing facilities, and (e) generate a net income of at least 4% of sales in CY 1977.

1. UNIPACO has not been able yet to build up enough capital to allow operations at targeted levels. Some unfortunate marketing operations due to low quality commodities shipped through CAH which prevented the premium market pricing by UNIPACO, as previously received for products marketed prior to the CAH marketing contract, caused UNIPACO to close their fiscal operations with a loss equivalent to \$41,385.

UNIPACO's management staff has not been able to handle adequately the expanded volume of marketing operations. Lack of funds and manpower prevented UNIPACO from continuing the sale of farm supplies during CY 1974. Reorganization and restructuring of the central organization is currently being developed with the assistance of the contractor's resident team.

2. Local member cooperatives will: (a) be well managed and (b) efficiently serve their small farmer members.

2. There is little information available on management and services provided by UNIPACO's member cooperatives. The ongoing census should provide accurate data on which future planning for improvement will be based.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To increase the net income of the small scale farmer.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Progress data on goal targets will be collected through sample surveys under the Small Farmer Development Loan program. The first survey will probably take place one year after the loan program has started.

Although no hard data is available, there is enough to conclude that the project has already contributed to the increase of small farmer's income. UNIPACO is the only marketing cooperative organization serving the small farmer that grades commodities and pays according to quality. Prices received by small farmers in areas served by UNIPACO have risen noticeably. In addition UNIPACO clients receive a patronage refund if UNIPACO makes a profit.

Another planned means to increase small farmer income is through the sale of lower cost agricultural inputs. However, due to the lack of operating capital, UNIPACO has not been able to engage in these activities during 1974 and 1975.