

I. PROJECT IDENTIFICATION

1. PROJECT TITLE Assistance to the Interamerican Institute of Agricultural Sciences' Interamerican Program in Agricultural Marketing		APPENDIX ATTACHED <input type="checkbox"/> YES <input type="checkbox"/> NO	
3. RECIPIENT (specify) <input type="checkbox"/> COUNTRY _____ <input checked="" type="checkbox"/> REGIONAL _____ <input type="checkbox"/> INTERREGIONAL _____		2. PROJECT NO. (M.P. FORM) 598-13-150-548	
4. LIFE OF PROJECT BEGINS FY 1974 ENDS FY 1976		5. SUBMISSION <input checked="" type="checkbox"/> ORIGINAL Nov. 12, 73 <input type="checkbox"/> REV. NO. _____ DATE _____ CONTR. PASA NO. _____	

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. OWNED)		
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY (A) JOINT (B) BUDGET	
1. PRIOR THRU ACTUAL FY												
2. OPRN FY 74	44	28	8				16					
3. BUDGET FY 75	44	28	8				16					
4. BUDGET +1 FY 76												
5. BUDGET +2 FY												
6. BUDGET +3 FY												
7. ALL SUBQ. FY												
8. GRAND TOTAL	88	56	16				32					

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER'S Laurie Schaefer	TITLE Agricultural Economist LA/DR/RD	DATE 1/17/74
2. CLEARANCE OFFICER Carl van Haeften	TITLE Chief, Rural Development Division LA/DR/RD	DATE 1/20/74

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

2. CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR OFF.	SIGNATURE	DATE
LA/DR	Charles Stockman	3/6/74	ARA/LA/MFSD	Phoebe Hausdal	2/27/74
LA/DR	John R. Breen		MBFAC	John Craig	
LA/DP	Glenn Patterson	2/27	LA/OPNS	Cecil Uyehara	3/14/74

3. APPROVAL AA's OR OFFICE DIRECTORS

SIGNATURE John R. Breen	DATE 3/14
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4. APPROVAL A AID (See M.O. 1025.1 VIC)

SIGNATURE	DATE
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* TITLE John R. Breen
Acting Deputy U.S. Coordinator

ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

Assistance to the Interamerican Institute of Agricultural Sciences'
Interamerican Program in Agricultural Marketing

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Assistance to the Interamerican Institute of Agricultural Sciences'
Interamerican Program in Agricultural Marketing

I. Introduction

A. History and Status of the Project

1. The Setting

Agricultural marketing in Latin America has been sufficiently identified as a critical constraint to the agricultural development process. Since 1963 AID has made agricultural loans and grants to 19 Latin American countries totalling approximately \$113 millions for various kinds of marketing activities and another \$63 million for farm-to-market roads, (Attachment 1). In spite of these sizeable investments, marketing of the non-traditional agricultural export crops, basic grains, fruits, vegetables, and livestock have been plagued by unstable prices, high marketing losses, and wide fluctuations in seasonal and in some cases annual supplies.

AID is placing considerable emphasis in the development process upon sector planning as a means to improve existing production systems and improve existing marketing systems or develop new systems and institutions through better planned investment programs and management techniques.

The performance of numerous market improvement investment projects or marketing components of larger projects suggests inadequate analysis of the marketing problems themselves. This has been evidenced by the inefficient location of storage facilities, the failure to develop all linkages within marketing systems, the failure to adequately estimate the cost of price and supply stabilization programs, and similar disequilibriums in the respective agricultural marketing and delivery systems. Latin American agricultural sector planners can no longer depend solely upon the traditional sources of foreign marketing expertise to assist them in finding solutions to the ever increasing array of marketing problems.

2. AID's Role in Latin American Agricultural Market Development

Traditionally the USAID Missions have been assisted in the field of agricultural marketing primarily through technical assistance contracts with selected American Market Planning (MSU/LAMP) Center and the Food and Feed Grains Institute of Kansas State University, USDA PASA's, various TAB contracts or by AID direct hire personnel. These sources will continue to be available as a source of marketing expertise conditioned from Latin American experiences into Latin American Institutions. The ATAC (American Technical Assistance Corporation) evaluators

of AID/LA-364 contract with Michigan State University were disappointed that no center of marketing expertise, paralleling MSU/LAMP, had emerged within Latin America which could be drawn upon for technical assistance by the various nations.

The fact is that insufficient quantities and qualities of marketing technologies have been transferred and institutionalized into Latin American institutions for one reason or another. To be sure, AID's contracts over the past decade have provided various American universities and institutions with considerable experience and insight into Latin American agricultural marketing structure, problems, and solutions to these problems.

One major contractor during the period of March 1966 through December 1970 was Michigan State University (contract No. LA-364, MSU/LAMP). A total of \$906,729 was allocated to develop the Latin American Planning Center at Michigan State University which became known as the LAMP project. Its purpose was ".....to establish and operate a National Market Development Center for Latin America....." which in turn was ".....to assist Missions and host countries to develop the capacity to plan and implement programs which will integrate the urban and rural populations into a more efficient national marketing structure, reducing the barriers to expand agricultural output and helping to expand and effectively redistribute the incomes of the mass of population." Countries receiving the major assistance through LAMP activities (and its predecessor AID Contract TCR-786) were Colombia, Bolivia, Brazil, Costa Rica, Panama, Dominican Republic, and Argentina.

The transfer and institutionalization of marketing expertise has progressed to some extent as a direct result of AID training programs, increasing numbers of Latins receiving advanced degrees in marketing and in related fields from U.S. universities, improved planning capabilities on the part of some Latin Ministries of Agriculture, and the emergency of Latin institutions with increasing marketing expertise. Yet the demand for such marketing expertise is estimated to be substantially greater than supply for several years to come.

The pool of trained Latin agricultural marketing technicians has increased in recent years and they are beginning to have an impact upon agricultural policy formulation and on market development in some Latin countries. This is evidenced by an increased awareness of the importance of agricultural marketing and the increased demand by Latin American countries for more sophisticated analyses and solutions to their marketing problems. The climate for more fruitful transfer and institutionalization of the kind of expertise needed probably is better today than at any time in the history of the AID program and its predecessor agencies.

3. Why Should AID Assist the Interamerican Institute of Agricultural Sciences?

Technical assistance in the field of agricultural marketing to Latin American countries comes in many forms and from numerous sources. Some of these more important sources are: AID, Canada (CIDA), FAO, the various foundations, IDB, IBRD, OAS in the form of CICOM, and CIPE, AGROSYSTEMS, Latin American Agri-business Corporation (LADD), INCAE - Central American Institute of Management, CEIMA - Agricultural Marketing Research and Training Center, CEAT in the form of their Agricultural Economics Program, and the Interamerican Institute of Agricultural Sciences (IICA). Despite the wide range of functions performed by the above Latin and international organizations, the demand for training and technical assistance is quite strong, still largely unfulfilled, and the audience is quite heterogeneous. The Latin institutions mentioned above tend to concentrate in a specific marketing or related subject matter area and do not individually provide a wide spectrum of marketing technical assistance. The IICA Hemispheric Agricultural Marketing Program, which was formulated by direct request from its membership was planned and designed considering all the activities undertaken by other international and Latin bodies.

IICA is an autonomous inter-governmental institution with its executive headquarters located in San Jose, Costa Rica. In order to provide country level technical assistance on a continuing basis, develop rapport with host country officials, acquire intimate knowledge of the host country capabilities and cultural constraints, focus upon problems which have a regional connotation, and provide a wide spectrum of technical assistance inputs, IICA has established fifteen national offices and three regional offices (Peru, Guatemala, and Uruguay). In addition, IICA has developed an Interamerican Center for Documentational and Agricultural Information at Turrialba, Costa Rica, and an Interamerican Center for Rural Development and Agrarian Reform in Bogota, Colombia.

AID has supported IICA since its inception in October 1942 as a legally recognized, autonomous, intergovernmental institution acting within the general policy framework the OAS adopts for the Hemisphere. At the present time, as a member government, the United States contributes 66% to the regular IICA budget of \$5.2 million (1973-74). This amount represents a sizeable and significant input into the development and institutionalization of IICA as a Latin American institution.

The general objectives of IICA are consistent with those of AID and the program is designed to foster essentially the same development objectives. IICA's general objectives are to increase agricultural production and productivity in line with increases in population and purchasing power, increase employment opportunities in the rural sector, and increase the participation of the rural population in development activities that allows a continuous significant transformation towards equal opportunities of all active members of the rural community.

To accomplish these general objectives IICA has developed seven lines of action. These are: 1) agricultural education, 2) analysis of and information on rural development, 3) agricultural research, 4) promotion of agricultural production, 5) support to multi-national integration institutions, 6) promotion and implementation of structural change, and 7) administration of agricultural policies.

In recent years IICA has moved from an Institute concentration primarily on the biological sciences to a program almost totally directed toward comprehensive rural development. Within this framework IICA is increasingly being recognized by member countries as a valid and technically competent source of technical assistance. This is evidenced by requests from member countries to expand existing technical assistance programs and to branch into new programs such as the Hemispheric Agricultural Marketing Program. IICA is now offering technical assistance in agricultural marketing to twenty-two Latin American countries. IICA's Hemispheric Agricultural Marketing Program has, since October 1972, put together a professional staff and developed an organizational structure designed to provide technical assistance in agricultural marketing problem areas. While the professional staff is academically trained, some with a number of years of marketing experience, the new marketing program requires a great deal of internal coordination, modifications of existing marketing technologies, acquisition of newer technologies, an interdisciplinary team approach to problem identification and problem solving, and an intellectual capability and flexibility to solve a wide array of marketing problems posed by member countries requesting assistance. In order for IICA to weld together a technically qualified, highly coordinated interdisciplinary team capable of responding to member countries' marketing problems in the manner envisioned in the shortest possible time frame, external technical and management assistance will be required.

4. AID's recent commitments to IICA

- a. On June 30, 1971 AID made a grant (AID-la-683 Regional) to IICA for the development of a Latin American Agricultural Management Program. This grant was extended June 1, 1973 to run through May 31, 1974. The output from this grant has direct application in managing agricultural marketing institutions.
- b. Upon written request from the IICA "Hemispheric Marketing Program," AID provided for 1.5 man-months of Technical Assistance from Michigan State University under Contract No. AID/CM/LA-C-73-9 which expired 6/30/73, for the purpose of providing technical assistance to IICA in the design and formulation of its agricultural food marketing program, and to provide training experience for the IICA marketing staff through formal and informal seminars.
- c. On April 8-11 the Agricultural Development Council (contract AID csd-2813 TAB) met in San Jose, Costa Rica for an agricultural marketing workshop designed to help IICA develop their...

agricultural marketing program. The workshop, entitled "Seminar of Analysis and Orientation for the IICA Hemispheric Marketing Program," became one of the major building blocks of IICA's program.

5. Formation and Evolution of the Project

Responding to its twenty-two member country technical assistance requests, IICA initiated in October 1972 a comprehensive Interamerican Program in Agricultural Marketing. This program is designed to reinforce ongoing IICA programs and to assist member countries in the identification and analysis of marketing constraints, to provide assistance in resolving marketing constraints and to implement the necessary changes in the respective systems. IICA considers this new agricultural marketing effort of such importance to the future of IICA and to the development of Latin America that it has committed approximately \$350,000 per year as a vital and continuing component of IICA's overall program to develop and implement this program in member countries. This represents the largest budget allocation by IICA for a current single program and the second largest program input by the Institute in its history.

To implement this program, IICA's management structured the marketing project to include a project coordinator and two marketing economists to be stationed in the head office in San Jose, Costa Rica, with country level techniques in Haiti, Venezuela, Ecuador, Peru, Argentina, and Uruguay. This type of an organizational structure is designed to provide on site assistance and interdisciplinary coordination as needed. While the academic qualifications of the staff selected to implement the IICA agricultural marketing program is commendable, IICA feels that much could be gained from a direct interaction between the IICA staff and selected American institutions having extensive Latin American experience and highly efficient in practical marketing research, methodology, and implementational experience.

As a result on May 21, 1973 LA/DR/RD received a formal request from Dr. Malcolm, H. MacDonald, Associate Deputy, Director General, IICA, to finance a technical assistance input into their Hemispheric Agricultural Marketing Program.

6. IICA's Hemispheric Agricultural Marketing Program

a. Characteristics

The main objective of IICA's Hemispheric Agricultural Marketing Program is to promote improvements in the agricultural marketing institutions, particularly those dedicated to food products, in order to achieve greater benefits for the producers and lower the cost of living. To accomplish this, the Hemispheric Marketing Program will place primary emphasis upon assisting member countries in the solution of the internal marketing problems of the national markets. This is due to the following reasons:

- The fact that the marketing processes take up a significantly high proportion of total employment justifies, in light of the growing need for the generation of employment, giving priority to the study of the marketing problems in the internal market.
- The marketing channels and institutions of those products totally or partly devoted to the internal markets generally show a higher degree of fragmentation than those specialized in traditional export products, so that they require a greater organization and coordination effort.
- The larger part of the resources devoted to research and promotion have been traditionally concentrated on the support products, disregarding the products which are mainly placed in the internal markets.
- Other technical cooperation bodies and private businesses focus their total attention to the basic products which form part of international trade.
- The limited resources that the Program has at its disposal.

Nevertheless, the interrelation between internal and external markets will be taken into consideration, and eventually the Program will work in conjunction with other technical cooperation organizations to solve the internal marketing and foreign trade problems of those products (or inputs) which justify it. The technical cooperation will be mainly directed and channeled through the public sector institutions, though this does not exclude cooperation with special entities and private institutions.

This project is primarily economic and socioeconomic in nature and will directly and to some extent indirectly contribute to the realization of the following objectives;

- i. Provide an abundant, nutritious and reliable supply of agricultural products at economical prices.
- ii. Increase the level of farmer incomes, thus improving his relative income position.
- iii. Promote and facilitate the production and distribution of that combination of agricultural products and related services which best reflect the preferences of consumers and the real relative costs of production.
- iv. Stimulate the development and adoption of improved technologies and organizational arrangements that will lead to increased resources productivity in all aspects of agricultural production and distribution.
- v. Stimulate the creation of productive and remunerative employment opportunities.
- vi. Create the conditions necessary to ensure the development of equitable and competitive exchange relationships in agricultural markets.
- vii. Discourage uneconomic uses and pollution of natural resources and the environment in agricultural production and distribution.
- viii. Foster a sense of belonging and participation among participants in the agricultural production-distribution systems.

b. Strategy

In order to carry out the objectives of the Hemispheric Agricultural Marketing Program (HAMP), IICA feels that it is necessary to seek cooperation and collaboration with national and international organizations, principally those who provide technical and financial assistance.

Contacts have been made to seek a system of mutual cooperation in the field of agricultural marketing with such organizations as FAO, IDB, AID, universities in the United States, OAS SIECA, INCAE, Grupo Andino, CIAT, and others.

Many representatives of these organizations have met with IICA recently and discussed their agricultural marketing programs and the areas of technical cooperation. Also, approximately ten institutions participated directly in the workshop seminar of HAMP held in San Jose last April.

With FAO it was discussed at the directorial technical levels the marketing programs actually being carried out and the different types of technical assistance given to the countries. It was analyzed, at the technical levels, the possibility of joining programs of the two institutions (IICA-FAO) with the purpose of ensuring a more effective contribution to strengthening national marketing institutions. A joint regional conference for Latin America on the Rural Marketing System has been proposed.

Contacts have been made with IDB on several occasions. Three possible areas of cooperation have been identified at the present time:

- i. Joint publication.
- ii. Training, preparation, and evaluation of agricultural marketing projects.
- iii. Direct technical assistance on feasibility studies.

With AID, it is expected that through this proposed contract, IICA would receive cooperation from an American university in assisting the Program to develop what will serve as a technical assistance resource to Latin American countries and secure the transference of this experience to a viable and effective Inter-American agricultural marketing program.

Presently, IICA is involved in a cooperative effort in Costa Rica with AID involvement. It is hoped that the IICA Marketing Program will work on some of the major agricultural sector studies presently being carried out in several Latin American countries. Currently, the HAMP program at the country level is cooperating with Paraguay, Nicaragua, and El Salvador in this respect.

IICA has contacted and discussed areas of technical cooperation with the OAS Marketing Training Center, CICOM, and the new agroindustry pilot project of the Sectorial Studies Division.

With the OAS programs, namely CICOM, CIPE and the new agroindustry pilot project, IICA could cooperate and expect cooperation in the areas of training, research, and technical assistance in specific projects at the country level. Internal marketing studies and programs are essential to export development and vice versa. Thus, IICA's relationship with this sector would be more of an indirect manner.

Several meetings have been held with directorial and technical level staff members of INCAE. Information exchange, in Central America, primarily through IICA-CIDIA was one specific area recommended for future study. Also, the cooperation of management and agricultural marketing interdiscipline, any projects at the country level, case studies development in Central America, and joint research programs at the regional level were discussed. With CIAT it was discussed the ways to interrelate the programs of research on new plant varieties and some seminars on agricultural policy at the international level with the programs of IICA on agricultural marketing policies.

Other institutions such as Michigan State University, University of Wisconsin and others have manifested interest in the program and would be interested in collaborating in the areas of research and training, as well as direct technical assistance.

It is possible that in some zones that the Program can support the strengthening of graduate training in agricultural marketing.

Permanently, the Program will try to look for maximum cooperation between the national and international institutions with the purpose to achieve the maximum benefit of the Hemispheric Agricultural Marketing Program.

c. Staff Qualifications, Training, and Professional Skill Development

Over the next two to five years the IICA Marketing Program will be in a development phase while actually providing marketing services to member countries. Initially only a limited number of countries and marketing problems will be approached. Without question the academic credentials of the marketing staff presently assembled leads one to question the need for further technical and training assistance to pull the team together into a highly coordinated, experienced, and interdisciplinary functioning team. The team overall is young with three members holding

PhD's in marketing, one doctoral candidate, and four Masters degrees, all from American universities. Each marketing economist has been employed for his subspecialty or particular marketing skill. The skill composition that now exists within the team can be classified in the following categories: 1) rural assembly marketing, 2) urban distribution, 3) input marketing, 4) grain marketing, 5) project preparation and evaluation, 6) fruits and vegetables marketing, 7) marketing training and education, and 8) marketing development planning.

The first staff management and training problem encountered by IICA is the geographic distribution (separation) of the marketing staff itself. Only three of the total staff of ten will remain at the Institutes' headquarter office in Costa Rica. The rest will be stationed in national offices throughout a Hemisphere.

IICA plans to concentrate its initial efforts upon developing a pilot project similar to the MSU PIMA Project in Costa Rica in order to establish the methodology needed to develop similar types of programs in other countries. After this pilot project has reached its evaluation phase another pilot project may then be implemented. The first pilot project will be used as a "grassroots training grounds" for the IICA marketing staff members and will be directed by a member of the IICA HAMP regular staff. Each member of the staff will be taken step by step through the process of problem identification, analysis, report preparation, project design, facility design, implementation and evaluation in an attempt to standardize as much as practical the IICA approach to market development. During this training period individual staff members will be working on specific country marketing problems or projects located in their assigned geographic areas when not involved in the "pilot project" marketing activities of the Program. The development period referenced above will vary as a function of the type of "pilot laboratory situations" studied and the kind and quality of the in-service training program. It is estimated that if IICA carries out the development phase without outside technical assistance the development period will require upwards to five years to reach a level of technical creditability and capability urgently needed by IICA's member countries. On the other hand, should IICA receive a grant from AID to procure the kinds and quality of services needed to supplement and reinforce existing IICA marketing skills it is estimated that the development period can be shortened by three years. This Grant will permit IICA to in turn contract with such experienced American institutions for such technical services as may be required to improve the technical efficiency and proficiency of the IICA marketing staff through actual problem solving experiences. Such an input by an American institution would not be a series of training seminars and classroom workshops but rather involvement of the team in all phases of project planning and implementation.

The kind of assistance for which IICA is requesting a Grant falls into the following three categories: The first involves the skill development of the marketing staff itself in the following five areas:

- a) further development and institutionalization of the latest and more advanced applicable marketing analysis methodologies known.
- b) internationalization of the marketing research process.
- c) development of training materials for use by the marketing program field staff.
- d) development of advanced planning and evaluation techniques. (which will include "real-life" effective T.A. Techniques.)
- e) development of a marketing publication program designed to widen the exchange of marketing information, marketing newsletters, and professional type journal articles in agricultural economics and marketing in Latin America.

A second set of activities would require assistance to the IICA/HAMP staff in the development of major marketing improvement projects in countries requesting such assistance. At the present time the most promising countries for new major marketing improvement projects are Nicaragua, El Salvador, Peru, Ecuador, and the Dominican Republic. IICA is already involved in the Costa Rica marketing activity and giving varying and increasing technical assistance to numerous other countries in the development of a nation's agricultural marketing plans and policy statement.

The third major area which technical marketing assistance is being requested to build the IICA staff competence, would involve specific consultations on important marketing problems in country projects. This assistance would also possibly include helping the IICA staff in negotiations with host country officials, in establishing terms of reference, in planning and in implementing project activities, developing more effective coordination between other international organizations in the realm of agricultural marketing and helping the HAMP program to become linked with Development Credit Lending Institutions.

d. Present Status IICA's Program of Work

DEVELOPMENT PHASES OF PLANNING, COORDINATION, IMPLEMENTATION, AND EVALUATION OF THE HEMISPHERIC AGRICULTURAL MARKETING PROGRAM OF IICA

PHASE	PRESENT STATUS AS OF JULY 1973
1. Program and strategy development	Completed
2. Program and strategy evaluation-Hemispheric Seminar.	Completed
3. Recruiting technical team of marketing economists.	12 members (including 2 marketing specialists of PNCA-Colombia (Programa Nacional de Capacitación Agrícola).

<u>PHASE</u>	<u>PRESENT STATUS AS OF JULY 1973</u>
4. Integration of technical team.	In progress
5. Coordination of projects and activities at hemispheric and country levels.	Continuous process.
6. Development of a methodology for analyzing and diagnosing the institutional system of agricultural marketing.	In progress
7. Development of a methodology for diagnosing and analyzing the agricultural marketing system.	In progress
8. Diffusion of the Hemispheric Agricultural Marketing Program.	In progress
9. Identification of viable projects and activities: Actual technical cooperation in specific marketing projects and activities in Latin America:	Preliminary for FY 1973/74
- Direct advisory cooperation	11 countries
- Training activities	12 countries

II. Goal

A. Statement of the Goal

1. IICA's Program Goal

The stated IICA Agricultural Marketing program goal is: To strengthen agricultural marketing institutions in Latin America through the development of adequate marketing facilities, marketing systems, diagnostic capabilities and human resources within the context of national policies and plans. The basic IICA strategy to attain program goals is to recruit a technically qualified marketing staff, provide this staff with adequate funding to permit a systematic and permanent approach to market development, structure and locate the marketing staff in zone offices near or in countries requesting technical assistance, develop within the marketing staff the experience and capabilities to respond to a wide range of marketing problems, and finally to offer implementation services as well as advisory and training programs to member countries.

2. The Goal of this Grant to IICA

The primary goal of this grant is to assist Latin American countries to more adequately develop one of the essential components of their overall agricultural development program to increase the income of the small farmer target groups through greater marketing efficiency. A secondary goal is

to design or redesign marketing systems and policies, which will optimize country development goals as they pertain to marketing of agricultural commodities from the farm to consumer.

B. Measurement of the Grant Goal Achievement

Increases in agricultural output from the subsistence sub-sector in particular is a function of a total technical assistance and investment package whose elements collectively bring forth a given level of output. Marketing is one of these elements. The principle goal measurement is a redesigned or newly designed and implemented marketing system, generally commodity or commodity group specific.

III. Project Purpose:

A. Statement of Purpose

To assist IICA's Hemispheric agricultural marketing program develop into a Latin American center of marketing expertise through the use and institutionalization of advanced techniques in diagnosing member countries' agricultural marketing problems which will provide incentives to efficient production and marketing of agricultural commodities through IICA's new permanent research policy formulation and determination program in agricultural marketing.

This purpose will be achieved by making available to them the capital resources in the form of a grant to IICA from A.I.D. to obtain scarce Latin American Market and Administration expertise developed through previous A.I.D. 211D grants with the specific objectives of establishing an effective, viable "Action type training program" which will be physically located in a specific country in which grassroots training at the country level will occur, such as designing methodologies of how to provide help to governments and motivate an effective interest in how to do it. These grant funds will be used to assist IICA in the following five target areas:

1. to assist the Institute's marketing staff to gain experience in working as a technically integrated marketing team to develop, refine and modify technical analytical techniques through in-depth involvement in pilot country market development problems;
2. to provide technical guidance to the marketing staff as the staff becomes involved in the broader spectrum of marketing problems;
3. to assist the marketing staff to establish its own methodology in approaching and researching marketing problems;
4. to provide guidance to the marketing staff throughout all phases of program implementation activities; and,
5. to assist IICA in focusing upon those in-service staff training activities which have demonstrated greatest effectiveness in transferring information to Latin American country marketing and policy personnel. To accomplish this objective IICA will take advantage of the experience gained by selected American institutions in Latin America and will focus upon increasing their capabilities to (1) diagnose agricultural marketing problems; (2) design effective strategies, implement programs, and specific projects to improve market system performance, (3) develop institutional capabilities and (4) develop a marketing information exchange network among Latin American countries.

B. Evaluation Criteria for Measurement of Grant end of Project Accomplishments

1. A professionally qualified staff totalling at least ten persons capable of responding to the major marketing problems in Latin American.
2. At least eight of the professional staff stationed in regional offices.
3. A detailed scope of work for each project or project activity undertaken.
4. A formularize IICA policy and criteria for screening and accepting requests for marketing assistance from IICA member countries.
5. An IICA Hemispheric Marketing Program budget sufficient to adequately support local and inter-regional travel and supervision.

6. A mobile IICA central and regional marketing staff which permits a rapid short-term inter-regional transfer of indigenous professional marketing expertise between regions as project priorities and programs dictate.
7. Based upon a sampling of IICA member countries receiving assistance from the IICA Hemispheric Marketing Program, a consensus of the performance of the activities completed or about to be completed relative to the scope of work for that particular activity. This performance level should be correlated to follow-up requests for assistance in proportion to member country technical and managerial capabilities and marketing problems.
8. A minimum of one IICA member country project activity per region annually.
9. Standardized list of background data requirements and the acquisition of this background data for country and region by mid FY 1976.
10. A minimum of one seminar/planning session involving total marketing staff annually.
11. Completed project reports published and transferred to the IICA data center for use as reference subject matter on a timely basis.

IV. Project Outputs

- A. A pilot training project planned and conducted in at least one Latin American country.
- B. In addition to the pilot project activities, consultation in non-pilot project countries on specially troublesome pilot project related or line activities carried out by individual IICA staff member having received training in the pilot project.
- C. In-service training for entire IICA marketing staff in connection with pilot project or projects.

V. Inputs

A two year program of eight man months/year of short-term technical assistance is contemplated with a two year budget commitment. The short-term advisors will be totally involved in the planning and program development phase leaving the actual program implementation to the IICA staff members themselves.

AGRICULTURAL MARKETING BUDGET

<u>Type of Inputs</u>	<u>1st year</u>	<u>2nd year</u>
1. Marketing Specialist (Program-pilot project development)	3m/m 10,500	1m/m 3,500
2. Agricultural Economist (Food Marketing Systems)	2m/m 7,000	3m/m 10,500
3. Agricultural Policy-Program Specialist	1m/m 3,500	1m/m 3,500
4. Other professional subcontracts for short-term field specialists subtotal personnel	<u>2m/m 3,500</u> 8m/m 28,000	<u>3m/m 7,000</u> 8m/m 28,000
5. Coordination and administration	5,000	5,000
6. Travel expenses	9,000	9,000
7. Other direct costs estimated annual cost	<u>2,000</u> \$44,000	<u>2,000</u> \$44,000

Two year total cost \$88,000

RESPONSES TO: AIDTO CIRCULAR A-1139

MISSION COMMENTS ON PROPOSED REGIONAL PROJECT ENTITLED "ASSISTANCE TO IICA'S HEMISPHERIC AGRICULTURAL MARKETING PROGRAM"

Country	What degree of priority does Mission place on Ag Marketing - high, medium, low ?	Is our approach to helping develop IICA's capabilities an effective way of handling long run country requests in the field of ag marketing?	If so: Does Mission feel that the grass-roots pilot-type training approach is the most effective way to institutionalize marketing procedures?	Is there sufficient interest in your host government to warrant investigating the possibility of having one of the pilot projects in your country?	In your opinion can the Mission and IICA work jointly in helping countries solve future ag marketing problems?
Bolivia					
Brazil	High	Not much help to Brazil because of limited funding offered.			
Chile					
Colombia					

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Costa Rica	High priority	agreed	Yes. Pilot-type projects such as one now in C.R. is effective way.	N/A	Yes but care should be taken to limit scope of work.
Dominican Republic	High degree of interest in Ag marketing. Priority not yet established.	Agreed with major emphasis being placed upon improvement of IICA capability.	Yes. Pilot-type project has a place in mix of inputs.	D.R. should be considered	Yes
Ecuador					
El Salvador					
Guatemala	High priority since a well-balanced in-country system is needed.	Yes		GOG possibly would welcome opportunity to participate	No problem.