

I. PROJECT IDENTIFICATION

6210129 (2) 34

PROJECT TITLE
Dairy Production Assistance
 (Heifer Project International)

RECIPIENT (specify)
 COUNTRY Tanzania
 REGIONAL INTERREGIONAL

APPENDIX ATTACHED
 YES NO

PROJECT NO. (ASO, JOPS, J)
 621-15-130-129

4. LIFE OF PROJECT
 BEGINS FY 75
 ENDS FY 75

5. SUBMISSION
 ORIGINAL 5/14/75 DATE
 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) JOINT	(3) BUDGET
PRIOR THRU ACTUAL FY												
OPRN FY 75	152	6	*			30	116 **					124
BUDGET FY												
BUDGET 1 FY												
BUDGET 2 FY												
BUDGET 3 FY												
ALL BUDG. FY												
GRAND TOTAL												

OTHER DONOR CONTRIBUTIONS

DESCRIPTION	KIND OF GOODS/SERVICES	AMOUNT
Return travel of project personnel, salaries to be paid by HPI.		
Transportation of cattle and contingency costs		

III. ORIGINATING OFFICE CLEARANCE

OFFICER	TITLE	DATE
Everett Headrick	Agriculture Advisor, AFR/ESA	7/6/75
Joanne Cowell	Tanzania Desk Officer	5/14/75

IV. PROJECT AUTHORIZATION

CONDITIONS OF APPROVAL

As a condition of disbursement, HPI and TanGov will have signed detailed agreement covering TanGov financial and other support of this project. The agreement must have HPI concurrence.

This constitutes a first phase. Evaluation of the animals authorized in this PROP for the first 70 HPI animals shipped under a separate agreement with the TanGov will provide a basis for possible expansion of this activity in a second phase. The initial evaluation will be done by HPI, Tanzanian Government and AID representatives.

APPROVALS

OFFICE	SIGNATURE	DATE	DIR/OFF	SIGNATURE	DATE
USA	Jerry Knoll	5/15/75	GC/AFR	Thomas Muntzing	5/15/75
OP	Robert Huesmann	5/19/75	PPC/DPRE	Howard Sharlach	5/15/75
OS	Princeton Lyman	5/15/75	PHA/PVC	Erwin Wendt	5/15/75

ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

Signature: James C. Adams Date: 5/29/75



WORTHEN BUILDING
LITTLE ROCK, ARKANSAS 72203
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CABLE: HEIFER

HEIFER PROJECT INTERNATIONAL

March 21, 1975

Project Title: Dairy Production Assistance Project

Government of Tanzania - Heifer Project International, Inc.

Project Location: Arusha and Mbeya Regions, Tanzania

PVD Name & Location: Heifer Project International, Inc.
P. O. Box 808
Little Rock, Arkansas

Contact Persons: Edwin Geers, Executive Director
Thurl Metzger, Program Director

Total OPG Request: U.S. \$1,000,000.00

Date of Submission to AID: March 21, 1975

I. Project Purpose & Description

The Aims of the project are:

- (a) To reduce the foreign exchange used for importation of milk and dairy products.
- (b) To improve the economic and nutritional status of the rural population and to increase milk supplies to the Urban population.
- (c) To build a base on which the Tanzania dairy industry can expand.
- (d) To increase livestock productivity and open new export market opportunities through the establishment of a Foot & Mouth disease free zone.

Major emphasis within the Project will be placed on increasing milk production by better feeding, breeding and management of dairy cows. The Tanzanian Government requested an IDA credit to help in financing the dairy development project and to establish a pilot zone free of Foot and Mouth Disease. The results of the Tanzanian Government of IDA Appraisal team can be summarized as follows:

- (a) Establishment of 17 large scale dairy farms.

- (b) Development of dairy units in 50 Ujamaa Villages.
- (c) Breeding and rearing of 1000 dairy heifers.
- (d) Importation of 1000 Friesian dairy heifers in conjunction with bilateral assistance.
- (e) Establishment of adequate milk collection services in project areas, and improvement of processing and distribution.
- (f) Provision of Project Management and technical services.

Subsidiary companies of the Livestock Development Authority (LIDA) will operate the dairy farms, the heifer breeding and rearing program, the milk collection, processing and distribution component. Financing will be undertaken by the Tanzania Rural Development Bank, which will also finance and supervise the Ujamaa dairy programs.

The Project is designed to produce some 30 million Kg. of milk per year by the tenth year, compared with less than 7 million Kg. purchased by dairies in Tanzania in 1973. This milk will substitute for imported products costing T. Shs. 27.5 millions (at present prices).

It will enlarge and improve the national dairy herd and will develop management expertise in dairy farming. The nutritional and economic status of participating Ujamaa Villages will be raised. The FMD disease-free zone will increase the productivity of beef and dairy cattle in the zone, open new external markets and provide a base for further FMD control.

II. Project Background

Heifer Project International:

In October, 1973, the Ministry of Agriculture entered into an agreement with Heifer Project International, a U.S.A. non-profit organization, where by Tanzania would receive (70) seventy dairy heifers at the beginning of a programme to assist in improving the national dairy herd. The heifers were to be donated by Heifer Project International and Tanzania would pay the transportation costs. Heifer Project International stated that they would return at a later date after the arrival of the heifers to examine the animals and discuss the expansion of a programme to bring more animals to Tanzania. The animals were delivered in August 1974.

Thurl Metzger, Heifer Project International's Director of International Programme returned to Tanzania in October 1974 to examine the heifers and discuss implementation of Phase II of their project in Tanzania. The results of the examination were very good. The heifers were not able to receive Foot and Mouth inoculations in U.S.A. and it would have taken 10 days to build immunity, so they were shipped without vaccinations. On their arrival in Tanzania, they were dipped and inoculated against other diseases existing in Tanzania. Nine of the heifers were sent to a farm in Lushoto and sixty-one to Kitulo Plateau in Iringa Region.

The examination was conducted by Heifer Project International and it was found that six heifers died; 3 by accidents in transport to Iringa Region - 2 by Foot and Mouth disease after effects and 1 because of dystocia. Foot and Mouth disease has been contained very well and those heifers affected were recovering. The Heifer Project International Team was quite satisfied with the animals progress and health. Discussions were then held with the Ministry of Agriculture and Tanzania Livestock Development Authority (LIDA) to plan the implementations of Phase II of the Heifer Project International Dairy Assistance Programme.

Heifer Project International Field Inspection Report and Observations:

After the Heifer Project International field inspection, Mr. Metzger, Director of International Programme, reported and made the following general observations;

- (a) The need for milk is obvious both from the standpoint of National Health and to avoid a heavy drain on the economy.
- (b) The Government of Tanzania is to be commended for giving the highest priority to livestock and dairy development in National Planning.
- (c) There are areas in the country where the climate is tolerable and which can produce sufficient feed, both fodder and grain to maintain dairy cattle of highest genetic potential.
- (d) Livestock observed in the area of Mbeya, including Heifer Project International heifers were in good physical condition even at the end of the dry season.
- (e) However, among indigenous herds there were only a few animals, which exhibited a potential for reasonable milk production.
- (f) Management may be the most critical factor in obtaining optimum production.
- (g) There appears to be inadequate assistance to private farmers either through extension or training programmes.
- (h) We were advised that 5 dairy plants exist in the country, each running at partial capacity, and two more under construction. This increases the cost of production and discourages proper attention.

Heifer Projects International's Proposed Dairy Assistance 2 Year Project:

- (a) Will deliver a minimum of 1,000 Holstein heifers (9 to 12 months of age) for an amount not to exceed 1,000 dollars U.S. per animal within a period of 18 months from the time of the agreement. Any economy which can be effected in this transaction will be added to programme input. Detailed reports of expenditures will be submitted by Heifer Project International to the Tanzanian Government at the

of each shipment of animals.

- (b) Provide a Veterinarian specialized in Dairy Cattle to arrange disease control programmes, establish diagnostic laboratories, provide technical back stopping in relation to the imported animals.
- (c) Provide a Veterinary Library.
- (d) Provide dairy farm technicians to work on a new large scale farms accepted by the IDA Appraisal Team, that would receive the 1,000 heifers.
- (e) Receive and train Tanzanians on Dairy Farms in practical dairy farm management.
- (f) Provide semen, veterinary supplies, and other equipment in support of the project.
- (g) Donate additional dairy in-calf heifers on a basis to the Phase I arrangements.

Government of Tanzania Proposed Contributions:

- (a) Establish Dairy Farms to receive the heifers.
- (b) Construct an air strip at Kitulo to receive the animals.
- (c) Construct two (2) Quarantine/Reception areas to prepare the heifers for distribution to the farm areas.
- (d) Provide housing, travel allowance and transportation in country, in addition to a monthly salary allowance equivalent to 200 dollars, U.S. for the veterinarian.
- (e) Provide housing and salary to dairy farm technicians working on the large scale farms.
- (f) Deposit 1,000,000 U.S. dollars with Heifer Project International to be used for purchase of the 1,000 heifers stated above.

JUSTIFICATION FOR THE PROJECT

The Government of Tanzania has given the Livestock Industry the highest priority in its development plans. The industry is vital to national health and nutrition and is the most likely industry which could improve Tanzania's balance of payments situation with other countries. It's livestock herd is the largest in Central and Southern Africa and the second largest in Continental Africa.

As previously mentioned, Tanzania Government is embarking on a large and intensive effort to improve its livestock industry both in the beef and dairy sectors. It has an \$18,500,000 Credit with International Bank for Reconstruction and Development for livestock; is proposing the estimated \$15,000,000 dairy project recently reviewed by an IDA appraisal team, a livestock marketing and livestock development project with US AID

\$4,500,000 is and will receive a large amount of technical assistance from various institutions such as UNDP/FAO.

In the Tanzania Government's plans to improve the industry, it has created the Tanzania Livestock Development Authority (LIDA). LIDA is a holding corporation to be staffed mainly with highly trained technicians both local and expatriate to service and strengthen its subsidiary companies, which include all major commercial organizations in the livestock industry. The Ministry of Agriculture is insisting that the various companies, farms and ranches concentrate on developing a high standard of management. Staffing requirements are being carefully examined and technicians must be qualified to contribute practical improvements to the industry. The Tanzania Government is convinced that the livestock industry must be developed as quickly as possible and to a high productive level.

REQUEST FOR BILATERAL ASSISTANCE

The Tanzania Government wishes to see that this project is implemented immediately and requests for bilateral assistance, for the purchase of the 1,000 Friesian heifers provided for in the project. Since the heifers are to come from the United States of America and because US/AID already has committed funds for the livestock development in Tanzania, it is requested that US/AID deposit \$1,000,000 with Heifer Project International in U.S.A. for the purpose of procuring the 1,000 Friesian heifers at \$1,000 each.

III. BACKGROUND

GENERAL

Geography, Topography and Climate

Tanzania is an agricultural nation located in East Africa, south of the equator; and bordering the Indian Ocean. It has a total area of 362,820 sq. mi. of which 20,650 sq. mi. is covered by lakes and rivers. The mainland is divided into three main topographical and climatic regions as follows:

- Coastal strip - generally below 1,000 ft. altitude, varying from 10-40 miles wide, tropical with temperatures from 80°-95° F, annual rainfall up to 76 in. and high humidity.
- Central plateau - averages 3,000-4,000 ft. altitude, covering much of the country, hot and dry with annual rainfall 20-30 in.
- Highlands - to over 6,000 ft. altitude, semi-temperate, fertile and cool with annual rainfall from 40-100 in. The southern highlands occasionally experience frost.

The climate of Tanzania is of the equatorial type, although there are considerable modifications caused mainly by altitude. In general, there are two rainy seasons, the short rains and the long rains. The long rains are usually at their peak from January to March in the South and from March to May in the North. The short rains are generally

centred in the months of October to December. The temperature regime throughout the country is typical of equatorial latitudes. Variation between the hottest and coldest months of the year is small and the annual range is smaller than the daily range.

Population

The population of Tanzania is now about 15 million people and growing at an annual rate of about 3 per cent. Overall population density is 16 persons per square kilometre of land area, but much of the population is concentrated in particular regions of the country. Ninety per cent of the people are engaged in agriculture with smallholder farming traditionally the dominant element.

Agriculture and the Economy

GDP in 1973 is estimated to have been T.Shs. 11,257 million (US \$1,577 million) or about T.Shs.805/- (US \$113) per head. GDP grew between 1964 and 1973 at an average rate of 8.1% per annum in current prices or 4.8% at constant prices. During the same period the gross value of agricultural production is estimated to have grown 5.3% per annum (at current prices), and declined from 50% to 40% of GDP. Substantial increases in world commodity prices provided most of the increase in 1973 of 10.6%.

In 1973 agricultural exports earned T.Shs.1,828 million or 81.7% of Tanzanian export receipts, and the overall balance on current account was a deficit of T.Shs.712.7 million.

The value of dairy product imports in 1973 was T.Shs.69.2 million.

Land Tenure

Land in Tanzania is held under traditional rights of usufruct and there is no private land ownership. Cultivation rights are extended to farmers by Government or, in the case of land held under customary law, by the local community. Land is not, therefore, a marketable commodity and cannot be offered as collateral for credit purposes.

GOVERNMENT POLICY

Agricultural development in Tanzania at the national level is based on five year plans. The Second Five Year Plan (1969-74) set forth guiding principles for agricultural policy aimed at improving the nutritional status of the mass of the people. The plan gave primary attention to rural development and to the strengthening of the socialist society through Ujamaa Villages as well as through cooperative ventures. The Plan was intended to increase self-sufficiency and improve nutritional levels through the establishment of priorities for all major agricultural and livestock commodities. Wheat and dairy products which were among the major food items imported were given priority among the national agricultural programmes of the Plan.

THE DAIRY INDUSTRY

The Tanzanian dairy industry is divided into commercial and non-commercial sectors. The dominant feature of the commercial sector is a large milk deficit filled by reconstituted or recombined milk made from imported solids. The commercial sector is geared to meeting urban liquid milk requirements. In the past, the bulk of the milk production came primarily from large private farms and a little from peasant farms located near milk plants or collection routes. The non-commercial sector is made up of peasant farmers with a few cows which barely produce sufficient milk for calf rearing and family needs. However, occasionally there are small surpluses during the rainy season, most of which are sold directly to consumers.

Milk Production

Total Production: Accurate production figures for the non-commercial sector are not available, and the total number of milk cows is uncertain. Much of the milk produced is utilised for calf rearing. Milk is a by-product of the beef herd, therefore, the main indicator of total cow milk production is the distribution of cattle population. There are wide differences reported on the total number of cattle in Tanzania and no division into sub-classes of dairy and beef.

Commercial Production: Commercial milk production is concentrated in the Arusha/Kilimanjaro and Dar es Salaam regions with lesser amounts near urban centres. The two largest dairies in Tanzania are in these regions: Coastal Dairies Ltd. at Arusha. Milk received annually by these dairies is a measure of the trend in commercial milk production.

The substantial decline in milk delivered to milk plants has occurred largely amongst the larger farms, and arises from the following two factors:

- abandonment of farms by non-African farmers;
- inadequate farm investment.

The average quantity of milk sold to the above two dairies by each supplier was about 66,000 kg. in 1973.

Imports

Domestic production has failed to keep pace with consumption requirements causing a need for increasing imports of milk and milk products. Total imports of milk and milk products for the period 1961 to 1973 are summarised in the Appendix, Table 13. Within these imports the main growth items were evaporated and condensed milks, and milk powders, including infant's milk. For skimmed milk, milk powder and infant milk, the import figures constitute total domestic consumption and for butter and cheese they represent about 90 per cent of the total. Reconstituted or recombined milk manufactured from imported materials, together with a little imported fresh milk, made up about 75 per cent of the milk sold by the two largest milk plants. During this period imports rose to an all time high of 18 million tons costing more than T.Shs. 73 million in 1972, with the statistics showing a decline to a cost of T.Shs.69.2 million in 1973.

Collection

Most of the milk processed in Tanzania is delivered to milk plants by farmers, but Northern Dairies and Mara Dairy Co. do provide collection mainly with hired transport. Cooling is not provided for farmers by the companies, and the collection arrangements require substantial improvements.

Commercial Processing

There are presently five commercial dairy processing units in operation in Tanzania, located at Dar es Salaam, Arusha, Tabora, Musoma and Utegi. These plants primarily produce pasteurized liquid milk but some yoghurt and a little butter, cheese and ghee are also manufactured. Additional units are planned for Tanga and Mbeya. There are also small dairies at Iringa and Mwanza, operated by individual large farmers and catering for small urban pockets. The milk plants, owned and operated by subsidiaries of the National Agricultural and Food Corporation (NAFCO), will be brought under the control of a single company, Tanzania Dairies Limited (TDL), responsible to the Tanzania Livestock Development Authority (LIDA).

Marketing

The milk plants deliver liquid milk in Tetra Pak cartons to a large number of retail outlets. Transport has presented a problem in Dar es Salaam where further milk kiosks are required, but the distribution system generally works adequately. Milk is transferred to a limited extent from urban centres with milk plants to towns with no processing facilities. The bulk of the manufactured milk products consumed in Tanzania is imported. The importer is General Foods Company Ltd. and the wholesalers are Regional Trading Corporation with retailing undertaken by local food stores.

Consumption

Liquid milk supplies in urban areas are insufficient to meet consumer demand. With consumer demand unsatisfied, meaningful elasticities of demand are not calculable. The size of the unsatisfied demand, and the rate of market expansion in Dar es Salaam is such that the extra throughput from CDIL envisaged in the project is within market requirements.

TECHNICAL CONSIDERATIONS

Feeding

Inadequate feeding particularly in the dry season, is a major limiting factor to dairy farm efficiency in Tanzania. Underfeeding or malnutrition is considered to be responsible for low milk production, slow growth rates, delayed puberty and age at first calving and extended calving intervals. The main source of feed is natural pasture. Basal and protein feed stuffs are in short supply throughout the country. By-products of the agricultural industry provide the majority of high-energy and proteinaceous feedstuffs available as animal feeds. Competition between man and animal, especially for basal feeds such as maize, wheat and barley hinders the development of the animal industry in general. In spite of the fact that feeding of concentrates is superficially attractive because of their low prices relative to milk, it is not in accordance with national priorities to feed grain fit for human consumption to animals. While hay of varying quality is made, practically no silage is conserved.

Most project farms will rely on pasture for their basic animal feed requirements. Natural pasture will be improved through introduction of better species, fencing, and management. Although a considerable amount of research has been carried out into various aspects of pasture agronomy, the level of technology in pasture use, management and conservation is low on farms. Through the Project, applied research will be directed to these areas. Improved species used initially will be Rhodes grass (*Chloris gayana*) which has already been grown with some degree of success. Legumes, especially those of the genus *Stylosanthes*, will be introduced to the natural pastures where applied research indicates their suitability. At Kitulo improved temperate zone pasture species will continue to be used. Ujamaa farms will establish improved pasture appropriate to their location.

Fodder crops conserved as silage will provide the main supplementary feed in the dry season, and on the three intensive units will provide a greater proportion of total feed supplies. Maize will be the main crop, but sorghum and possibly cassava will be used in the coastal areas. Hay will also be made; oats will be grown for hay at Kitulo. Ujamaa farms will conserve hay from improved pasture.

A limited quantity of concentrates will be used, especially for calves and higher yielding cows. They will be derived from locally available by-products and milled and mixed on the farms.

Dairy Cattle Health

The health of dairy cattle in Tanzania is affected by (1) poor feeding, especially in the dry season; (2) endemic diseases of varying importance; (3) external and internal parasites; (4) a lack of on-the-farm sanitation and animal hygiene practices.

Foot and Mouth Diseases

Foot and Mouth disease (FMD) is very important economically. It is intended as part of the current project, to commence the control and eradication of FMD by developing a disease-free zone in the southwest. On project farms in other areas, regular vaccination will provide control

Other Major Diseases:

Vaccination programmes continue to ensure effective control of brucellosis, anthrax and blackquarter Rinderpest and Bovine Contagious Pleuropneumonia have been virtually eradicated so that vaccination is no longer necessary on the country-wide basis. Tuberculosis, while present in some areas, is not regarded as of sufficient economic importance to justify eradication as yet.

Parasitic Diseases:

Parasitic diseases are a major problem in Tanzania. The tsetse fly and the tick are the two major disease-transmitting insect vectors in Tanzania causing Trypanosomiasis and East Coast Fever, Anaplasmosis, Babesiosis and Heartwater, respectively. The diseases are being controlled through the use of drugs and widespread government programmes aimed at elimination and/or control of the insects. Tsetse fly control consists of bush clearing, and/or aereo spraying. Government policy for tick control involves: (1) construction of cattle dips, (2) dip-testing centres and (3) the use of approved acaricides. Project farms will adhere to rigorous programmes to prevent these diseases from interfering with animal health and productivity.

Indigenous cattle appear to have but limited immunity to the main diseases, and whether Zebu or temperate zone breeds of cattle are used, similar strict procedures are required to achieve a satisfactory animal health status. It appears that the diseases present in Tanzania involve a high level of expenditure in control measures, but neither preclude the use of exotic cattle nor necessarily cause lower levels of production.

Breeds and Breeding

Breed Policy: While some areas of Tanzania provide a climate suited to exotic cattle, the coastal region has high temperature and humidity that makes management of exotic cattle difficult. Until management expertise develops sufficiently, these areas will use cattle with some Zebu blood.

The breed of cattle used on project farms will be determined more by availability than optimal technical considerations. A shortage of dairy cattle in East Africa means that traditional import sources cannot be relied upon for any cattle, let alone those of adequate quality. Existing stock on both project and existing private farms, are various crosses of Tanzanian Zebu, Boran, and temperate zone dairy breeds.

Ujamaa dairy farms will be stocked initially with animals of at least 50 per cent exotic blood whether or not to continue top-crossing with European dairy breeds beyond F-2 level will depend on the ability of Ujamaa dairy farm management to continue to improve especially with regard to feeding and disease control. Whether or not it will be necessary to back-cross to Zebu (e.g. Sahiwal) will be determined following an assessment of the degree to which management has and is improving.

Temperate zone breeds of cattle have proved suitable for the higher altitude regions of Tanzania. The Friesians imported under the Project will be used in these areas in large scale farms. With the proposed animal health regime, and the levels of feeding being provided for in project farm management plans, these animals are expected to do well.

Artificial Breeding: All cows on large scale farms in the Project, (and wherever possible Ujamaa cows as well) will be artificially bred with Friesian semen from the best bulls available. The SIDA project facilities will be used, together with some imported semen.

Breeding Efficiency: A low level efficiency, with an intercalving interval of 15-18 months, is leading to low levels of productivity on existing farms. Available evidence suggests that the problem is caused mainly by inadequate nutrition and a lack of good management rather than disease. Management on project farms will be directed towards improved breeding efficiency through better feeding, good recording systems, and the personal involvement of farm managers and assistant managers in carrying out artificial insemination.

Management

The success of the Project depends mainly on the level of management achieved on project farms. Few men in Tanzania have experience in modern dairy management, but basic farming and cattle handling techniques are well known.

Large-scale project farms will be managed by Tanzanians who have received practical and theoretical training in dairy farming (including some trained overseas under bilateral programmes).

Regional or group managers, initially expatriates, will each be responsible for about 6 project farms, and will provide both supervision and technical support for farm managers. Regional managers will have staff to carry out the accounting function for their farms, and will be responsible to their respective head offices for all aspects of the operation of the farms in their area. By this means, lines of responsibility will be clear-cut, and primary technical support will come from within the management structures.

The management of Ujamaa dairy farms will follow the pattern of other Ujamaa activities, but villages will pay a wage to men who have been trained on large scale farms to provide the necessary dairy expertise. The location of Field Assistants in these villages will provide technical back-up.

JUSTIFICATION AND BENEFITS

DAIRY COMPONENTS

The Project will assist the economy by bringing into production underutilized resources of land and labour, and thus will contribute to economic growth. Substantial foreign exchange savings will be made.

The dairy components of the Project are designed to form a base on which Tanzania can develop its dairy industry, by starting to overcome the existing constraints of:

- limited stock numbers
- inadequate managerial expertise
- low levels of productivity
- bottlenecks in its infrastructure of collection and processing

The Project is complementary to other investment in the dairy industry from national and bilateral sources.

When in full production, the large scale farms will produce some 30,000 tons of milk annually, thus saving about T.Shs. 30 million each year in foreign exchange. Additionally, about 6,000 tons of beef will be produced each year, worth about T.Shs. 6 million at export prices.

The milk flow from the large scale farms will support a collection processing and servicing infrastructures which will enable smaller producers to produce and sell milk. The surplus stock from these farms will enable the dairy industry to expand, and the management skills and technical knowledge on them will spill over to other farms. A substantial contribution to rural employment by the creation of about 1,000 new jobs, and good housing will benefit these employees.

The import of the Project on Ujamaa villages will be social as much as economic. Initially, all the milk produced will be consumed within the villages, thus raising the nutritional level of their members and reducing the demand for imported milk products. With a considerable beef output as well, Ujamaa villages participating will also receive an increase in cash income.

The heifer breeding and rearing component will provide dairy stock from local resources, and thus reduce one of the main difficulties Tanzania now faces in the expansion of its dairy industry. It will also give a substantial cash inflow to NAOO.

The milk collection, processing and distribution components will tidy up those parts of the dairy infrastructure which are not already being dealt with through other financing, and will enable a more adequate supply of better quality milk to reach urban consumers.

FINANCIAL BENEFITS

Financial benefits will accrue to parastatal corporations, district development corporations, and Ujamaa villages. While considerable taxation will also be paid to Treasury by the parastatal corporation this has not been calculated separately because of the similar effect on government finances and parastatal profits and revenue receipts.

All components have adequate rates of return and the dairy components, together with the technical services and management unit, show a financial rate of return of about 15%.

ECONOMIC BENEFITS

The economic rate of return for the dairy components has been calculated at 12%. The following shadow prices have been used:

- Unskilled and semi-skilled labour on large scale farms have been costed at T.Shs.1,250 per annum, which is about the subsistence level of income.
- Housing for these workers has been costed at T.Shs.1,000 per house, (estimated value of existing rural housing.)
- Foreign exchange has been weighted by 40% (T.Shs.10/-=US\$1) to reflect its scarcity value to the economy.
- Milk produced on farms, or utilised in the expanded processing at CDIL, has been priced at slightly below the current import price for imported wholemilk powder, for which it directly substitutes at milk plants. The figure is T.Shs.7,000 per ton for wholemilk powder, giving a shadow price for milk of T.Shs.1/40 per litre (including foreign exchange weighting).
- Surplus heifers produced by large scale farms have been priced at Shs. 2,800 (including foreign exchange weighting), which is approximately the cost of Kenyan imported heifers of equivalent standard (these project heifers will be at least 75% Friesian and the second generation artificially bred by high quality bulls).
- Physical investment contingencies in the dairy components have been removed for consistency with other projects, but because of local price movements since the costings were prepared contingencies for operating costs have been retained. Both sets of contingencies have been retained in the analysis of the FMD component because of the greater uncertainties.

In addition to the benefits included, an improvement in nutrition is expected in participating Ujamaa villages, and the effect of better cooling and collection systems will improve the quality of urban milk. No value has been attributed to the development of technical and management expertise, which after five or six years of the project, will place Tanzania in a much stronger position to develop its dairy industry.

The economic rate of return of 12% on the dairy components is high for a project such as this which is to some extent a pioneering venture, and in which full allowance has been made for technical uncertainties by using high levels of physical inputs.

The scale of the project has but slight effect on the rates of return. It has been designed at the proposed size because of the urgency of replacing foreign exchange, and the need to remove existing constraints on dairy development as soon as possible.

The 30% economic rate of return on the FMD disease-free zone component reflects the considerable benefit to the economy of commencing systematic control of this disease.

PROPOSED COSTS BY CATEGORY AND SOURCE OF FUNDS

PHASE I (Completed in August 1974)

	<u>HPI</u>	<u>Tanzania Govt.</u>	<u>Aid</u>	<u>Total</u>
1. 70 Bred Holstein Heifers	\$ 70,000		-	
2. Transportation	45,000	\$49,000	-	\$ 94,000
Phase I totals	<u>115,000</u>	<u>\$49,000</u>		<u>\$164,000</u>

PHASE II

1. 1,000 Holstein Heifers (9-12 mo)			\$1,000,000	\$1,000,000
2. Veterinarian Services (in Tanzania)	\$150,000	18,000	-	168,000
3. Dairy Farm Technicians	50,000	200,000	-	280,000
4. Equipment & Supplies	50,000	(as requested)	-	50,000
5. Semen for A.I. & Bulls	25,000	-	-	25,000
6. Quarantine/Receiving Facilities	-	80,000	-	80,000
7. Veterinary Library	10,000	-	-	10,000
8. Tanzanian Field Staff-Dairy Farming	<u>100,000</u>	<u>100,000</u>	-	<u>200,000</u>
Phase II totals	\$415,000	\$398,000	\$1,000,000	\$1,813,000
Total Phase I & II	\$530,000	\$447,000	\$1,000,000	\$1,977,000

Planned steps in carrying out of Phase II

- A. An initial shipment of 140 head of Holstein heifers will be made to Tanzania in mid 1975. These will be younger heifers 9-12 months of age. They will be placed on a presently developed dairy farms and observed closely for acclimatization and disease control. This will be done in cooperation with technicians of the Tanzanian Government, Ministry of Agriculture, F.A.O., A.I.D. and Heifer Project International.

~~Some A.I. semen bulls will be provided by Heifer Project~~

- C. Heifer Project International will recruit and provide a Veterinarian who will work with local technicians at the farms where the heifers are placed and will serve as the Heifer Project International representative on the project in Tanzania. Housing and transportation will be provided by the Tanzanian Government.
- D. Heifer Project International will provide a veterinary library for the use of local technicians involved in the project.
- E. A.I.D. in negotiations with Heifer Project International, Inc. will make an initial OPG Grant of \$152,000 to assist in costs related to the first shipment of heifers under Phase II.

Application of Grant:

1. Purchase and Procurement of 140 heifers	\$ 30,000
2. Shipping and Shipping related costs	110,000
3. HPI staff travel to Tanzania	3,000
* 4. Veterinarian return from Tanzania	1,000
* 5. dairy farm technicians return from Tanzania	2,000
6. Contingency	6,000
	<u>\$152,000</u>

- * Travel of these personnel to Tanzania will be with the initial shipment of heifers, i.e. at no added cost.



P.O. BOX 600
WORTHEN BUILDING
LITTLE ROCK, ARKANSAS 72203
PHONE / 501 / 376-6836
CABLE: HEIFER

HEIFER PROJECT INTERNATIONAL

HEIFER PROJECT INTERNATIONAL, INC.

Heifer Project International, Inc. is a non-profit, self-help organization financed by voluntary contributions that provides livestock, poultry and related agricultural services to people in developing areas of the world.

The purpose of Heifer Project International is to assist small farmers in achieving a better living through efficient use of human and natural resources. The method is to introduce genetic improvement in livestock and to provide opportunities for learning management and production practices.

Distribution of Heifer Project livestock is made without regard to race or creed and in a manner that requires the recipient to share the increase.

Projects are designed so that they will be self-supporting and self-sustaining. To accomplish this, plans and agreements in providing the livestock and services are made with local organizations which have the capacity and facilities to develop and maintain a viable livestock program.

The program of Heifer Project International, Inc. is supported by voluntary contributions from individuals, churches, foundations, etc. who believe in and support the aims and objectives of Heifer Project International.

Heifer Project International, at the invitation of the Tanzanian Government, entered into discussions in 1973 regarding the possibility of providing some Holstein heifers for assisting in the development of the Government's dairy programs. Negotiations led to an agreement to provide an initial shipment of 70 head of in-calf Holstein heifers. This shipment was made by Heifer Project International, Inc. in August 1974. The agreement included follow-up negotiations for additional shipments, contingent upon H.P.I. staff evaluation of the first shipment. Mr. Thurl Metzger, Director for International Programs for H.P.I., made the evaluation in October, 1974 and entered into further negotiations with the Tanzanian Government for the provision of an additional 1000 head of Holstein heifers and related services and supplies. The related services included recruiting a veterinarian who would work with the Tanzanian Government programs. H.P.I. agreed to provide up to 17 U.S. dairy technicians who would accompany the cattle shipments to Tanzania and work with local staff at the farms during the first year after the cattle arrived at the Tanzanian farms. Arrangements will also be made to provide on-the-job training opportunities for Tanzanian dairy technicians on dairy farms in the U.S. H.P.I. also agreed to provide a veterinarian library, semen for the A.I. program, veterinary pharmaceutical supplies, etc. as available and needed.

Although Heifer Project International, Inc. is a voluntary agency dependent upon voluntary contributions from the private sector to carry out its program, because of its contacts over the past 30 years of operation, is in a very healthy position to generate the resources it has pledged to this project. There are available to us contacts with dairy farmers who will assist in locating and collecting the dairy cattle. Several dairy farms have already been identified for on-the-job training. A veterinarian has been recruited for the assignment in Tanzania. The U.S. dairy technicians will accompany the shipments of cattle to Tanzania and to the farms. Equipment and supplies, as needed, will be included with each shipment of cattle.

Heifer Project International, Inc. has a ranch facility in Perryville, Arkansas where the cattle will be collected and processed for each shipment. Here they will be given careful screening for production potential and health requirements. They will also be given all the vaccinations that are required for shipment into Tanzania and essential for prevention against diseases prior to and after arrival in Tanzania.

Heifer Project International has the technical capacity on its staff and through contact persons around the country to adequately handle the logistics involved for responding to this project.



P.O. BOX 818
WORTHEN BUILDING
LITTLE ROCK, ARKANSAS 72203
PHONE 7501 / 376-6836
CABLE: HEIFER

EIFER PROJECT INTERNATIONAL

EVALUATION PLANS AND SCHEDULE

- I. For the initial shipment of 140 head of yearling heifers:
 1. A report on the condition of the heifers one month after arrival at the Kitule farm.
 - (a) Processes involved in quarantine, FMD inoculations and transport to Kitule.
 - (b) Adaptation to climatic conditions
 - (c) What, if any, health problems were encountered
 - (d) What were the most serious stress factors
 - (e) Availability of feed and forage
 2. 6 Months after arrival
 - (a) What were the health problems encountered
 - (b) A complete report on each animal from the veterinarian
 - (c) A report on the nutritional program - feeds, forage, minerals, etc.
 - (d) General report on the growth characteristics in their development to maturity.
 3. After 12 Months
 - (a) What health problems
 - (b) Report on the breeding program - what difficulties were encountered, if any
 - (c) Report on feed and forage
 4. After Calving
 - (1) What health problems & why
 - (2) Any calving difficulties - what and why
 - (3) What percentage of original 140 head have calved
 - (4) What is the estimated average milk production
 - (5) What additional management requirements, if any, would be useful or necessary for subsequent herds

If possible, it would be expected that a similar schedule of reports be submitted for each input of 140 head.

- II. Prior to the Second shipment of Heifers (6 Months after the arrival of the first shipment)

The Reports under I, 1 a-d, 2, a-d will be carefully studied and submitted to AID to study and evaluate. The second shipment will be contingent upon positive results.

- III. On the completion of providing the total of 1000 head of heifers and prior to the time when the last of the U.S. dairy technicians are phased out, an overall evaluation of the project results will be made.



WORTHEN BUILDING
LITTLE ROCK, ARKANSAS 72203
PHONE /501/ 376-6836
CABLE: HEIFER

HEIFER PROJECT INTERNATIONAL

U.S. DAIRY TECHNICIANS

Heifer Project International, Inc., in reviewing a project request for livestock places high on its list of criteria when examining a project, the level of technical assistance available within the project to care for and manage imported livestock. In negotiations with the Tanzanian Government, an invitation was extended to Heifer Project to provide technical assistance, especially within the first year after arrival of the cattle. The request was for dairy technicians who would be able to work at the farm level to assist the local farm staff and to train them in dairy management practices. H.P.I. has made a commitment to provide the technicians.

H.P.I. will recruit dairy technicians (2 for each shipment of cattle) to be available at the time that the shipment is being processed. They will be involved in the procurement, screening and testing of the animals prior to shipment. Through this process, they will already be thoroughly acquainted with the cattle even before they leave the U.S.

The technicians will accompany the shipments to Tanzania and to the farms where the animals will be located. It is understood that all the technicians which H.P.I. will provide will be English speaking. Although, in some circumstances, this may present a certain limitation in their ability to communicate with local staff, their short term involvement would not justify the additional time and expense for adequate language training.

Duties and Responsibilities of the U.S. Dairy Technicians:

1. Assist in procuring, screening and testing the livestock prior to shipment to Tanzania.
2. Accompany and supervise the care of the animals enroute to Tanzania and to the farms.
3. Work together with local staff at the dairy farms in the care and management of the cattle.
4. Assist in the selection of potential Tanzanian candidate for on-the-job dairy training in the U.S.
5. Provide assistance in training local farm staff in livestock management skills.

6. Provide regular reports to H.P.I. etc. on the care and condition of the imported cattle.
7. Assist in evaluations as needed and as they apply to the cattle under their care.

The role of the U.S. technicians and their relationship to other expatriot technicians working on the dairy project will be spelled out in the agreement to be signed by Heifer Project International and the Government of Tanzania.



P.O. BOX #08
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PHONE: /501/ 376-6836
CABLE: HEIFER

HEIFER PROJECT INTERNATIONAL

QUESTIONS REGARDING THE TANZANIAN LIVESTOCK PROJECT

1. (a) The heifers will be shipped to Dar Es Salaam. A quarantine facility will be established in the Dar Es Salaam area where the cattle will be placed and inoculated against Foot and Mouth disease. They will be held there for such time as required to determine the results of the inoculation.

From Dar Es Salaam they will be transported to the Kitule Ranch. Two planes for transporting are under consideration. One is to use a smaller aircraft to fly them to Kitule. This is contingent upon the development or construction of an airstrip adequate to handle the smaller aircraft. The other is to transport by truck. Kitule is approximately 500 miles from Dar Es Salaam. The cattle shipped in August 1974 were trucked to Kitule - without rest stops. This placed them under additional stress. Rest stops along the route are being identified and will be arranged in such a way that precautions will be taken to avoid contact or exposure to other diseases enroute. USAID, Tanzania and LIDA will supervise the transportation of the animals.

Plans are to place the total 1000 head of heifers being provided through Heifer Project International at farms in the Mbeya Area. At Kitule there is one ranch of 80,000 acres on which there are 3 dairy units. The first shipment will go to the same unit where the heifers shipped in 1974 presently are. Some additional shipments will be placed on this same unit. Other shipments will go to other units within the Mbeya Area. There are three more ranches in this same area, each with two or more dairy units.

1. (c) Focus on the role of women:

Women are presently employed on the dairy units. The input of more animals will increase the need for employees. Most of these will be women.

Increased milk production will also increase the need for employees in the dairy plants. Women will also be employed in these jobs.

In the village situation, the traditional cultural pattern is for the women to care for the animals. They will fulfill an important function in the care and management of the cattle that are placed with village farmers.

The input of cattle with higher milk production will increase the availability of milk to the women for their own use and for their children, thus generally improving the health and physical well-being of the women and children in the villages.

How will the project benefit the small farmer?

It is the present policy of the Tanzanian Government to make available dairy cattle to small farmers. The cattle being distributed come from the offspring of the herds at the dairy units that are in operation.

Selection of the villages is based on need within the village and the capacity of the farmers in the village to manage dairy cattle. Distribution is made in two ways. (a) On a grant basis. This depends on the economic situation of the villages. (b) On a small fee basis - If the economic situation of the village or of the farmers is such that they can afford to pay a fee for the dairy animals, such a fee is charged.

In the Heifer Project input, distribution would be made on the basis that the recipient of the animal would return one heifer calf to the farm, after which the cow would be fully owned by the recipient farmer.

Continued application of the present Tanzanian Government's policy is expected.

TANZANIA LIVESTOCK DEVELOPMENT AUTHORITY

P.O. Box 4243,
DAR ES SALAAM

Telephone: 25589

Ref.No. LIDA/T/6

Date: 2 April 1975

Mr. Thurl Metzger,
Director of International Programs,
Heifer Project International,
P.O. Box 808,
Little Rock, Arkansas 72203,
U.S.A.

Dear Thurl:

The Government is pleased to hear that our Heifer Importation Project soon will begin and we would like to explain how we understand the method of implementation, and our agreement to the same.

LIDA held a meeting with Dr. V.C. Johnson, Mission Director, USAID and Jack Cornelius, Food and Agriculture Officers soon after Dr. Johnson's return from Washington D.C.

As you know the proposal forwarded to your organisation by Mr. Cornelius and Mr. Soria during their visit to Little Rock has the approval of the Ministry of Agriculture and the Ministry of Finance. An official request is now on its way from Treasury to USAID for US \$ 1,000,000 to cover the cost of transport to Tanzania of 1,000 heifers. After an examination of Mr. Cornelius's letter to Heifer International dated February 7, 1975, your letter to Mr. Cornelius dated March 5, 1975, and as a result of our discussion with Dr. Johnson we understand the following:-

a) That Mr. Headricks of AID/Washington and USAID in Tanzania have agreed to finance transport costs if the heifers are shipped in separate groups. The first shipment (for which AID has agreed to pay) should consist of approximately 140 heifers. It must be demonstrated that they can be safely shipped to Tanzania, received properly, and cared for to the satisfaction of all concerned. If this can be done successfully USAID will recommend that the U.S. Government continue to finance transport costs for the remaining shipments of heifers until all 1,000 have arrived in Tanzania. Your proposal to AID/Washington regarding transport should verify this in advance.

b) This approach does not alter our original proposal with the exception that the heifers would be shipped in groups, which might only alter the total time period of our agreement beyond the eighteen months previously envisaged.

Therefore, we assume that it will be necessary to have the Government of Tanzania and Heifer Project International sign an agreement to formalize the project. Kindly forward your suggestions on the contract.

c) Certainly we are prepared to re-phase, or delay part of the total technical assistance program. However, we would like to begin part of the training and veterinarian aspects of the program immediately as agreed to, and will prepare necessary arrangements to send our participants to the USA when our first shipment of heifers arrive.

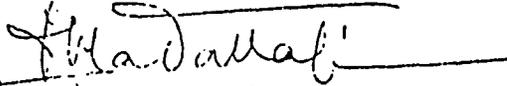
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We will also make arrangement to house the veterinarian and that number of Dairy Farm Technicians that will be sent in view of the staggured shipments of heifers. Our proposal clearly indicates our acceptance to make available all of the local costs, including shillings equal to \$ 200 per month salary for the US technicians.

d) We will immediately begin making the necessary plans to receive the animals at an established quarantine area for inoculation then moved to diseased free areas. LIDA will be responsible for the ongoing care of the heifers but USAID will assist supervising the receipt and care of the animals upon their arrival.

The Government is pleased that this vital project which is such an important part in increasing milk production in Tanzania is about to begin. We await your comments on contract terms and wish you well on your revised submission to USAID, Washington D.C.

Faithfully yours
for: TANZANIA LIVESTOCK DEVELOPMENT AUTHORITY



Dr. S.A. Madallali
MANAGING DIRECTOR

- c.c. Principal Secretary
Kilimo
P.O. Box 9192
DAR ES SALAAM
- " Principal Secretary
Treasury
P.O. Box 9111
DAR ES SALAAM
- " Principal Secretary
Devplan
P.O. Box 9242
DAR ES SALAAM
- " Director
Livestock Development Division
P.O. Box 9192
DAR ES SALAAM
- " Dr. V.C. Johnson
USAID
DAR ES SALAAM
- " Mr. Hendrick
USAID
Washington D.C.
U.S.A.

UNITED STATES GOVERNMENT

Memorandum

Proj. No. 6210129
P.V.

T-

TO : AA/AFR, Dr. Samuel C. Adams, Jr.
THRU : AFR/DP, Mr. Robert G. Huesmann *RH*
FROM : AFR/ESA, Jerry Knol *JK*
SUBJECT: Heifer International

DATE: 15 May 1975

Problem: The original Heifer Project International (HPI) proposal (Tab A) requests funding of \$1,000,000 to provide for delivery of a minimum of 1,000 dairy heifers to Tanzania. In view of HPI's prior experiences with shipping seventy bred heifers to Tanzania, ECPR has concerns regarding the level of management available in Tanzania and believes initial approval should be limited to a shipment of 140 heifers and related services at a cost of \$152,000. The shipment will be followed by a thorough evaluation of the performance of a previous shipment of 70 head by HPI (not under AID financing), which are now in lactation, as well as the 140 heifers authorized by this activity. This evaluation will provide a basis for considering approval of the remainder of the project which consists of shipment of an additional 860 heifers.

Discussion: The Tanzanian Government (TanGov) has negotiated an IDA credit to help in financing a dairy development project and to establish a pilot zone free of Foot and Mouth Disease (FMD). The aim of this project is to build a base upon which the Tanzanian dairy industry can expand, thereby reducing the foreign exchange used for importing milk and dairy products and increasing the production and exportation of livestock through the establishment of a FMD free zone. The strategy is to enlarge the state farm herds and, after a period of 3-4 years, distribute the off-spring to small dairy farmers. (The HPI proposal is taken directly from the proposal submitted to IDA by the TanGov and therefore implies that the HPI project will have an impact greater than one would anticipate.) Previous negotiations between the Tanzanian Government and Heifer Project International, led to an agreement to provide an initial shipment of 70 head of in-calf Holstein heifers. This shipment was made by HPI in August 1974. The agreement included follow-up negotiations for additional shipments, contingent upon HPI staff evaluation of the first shipment. The Director for International Programs for HPI made an evaluation in October 1974, and entered into further negotiations with the Tanzanian Government for the provision of an additional 1,000 head of Holstein heifers, related services, and supplies. The related services included recruiting a veterinarian who would work with the Tanzanian Government programs. HPI agreed to provide up to 17 U.S. dairy technicians who



would accompany the cattle shipments to Tanzania and work with local staff at the farms during the first year after the cattle arrived at the Tanzanian farms. Arrangements will also be made to provide on-the-job training for Tanzanian dairy technicians on dairy farms in the U.S. HPI also agreed to provide a veterinary library, semen for the artificial insemination program, veterinary pharmaceutical supplies, etc. as available and needed.

Because of inadequate quarantine upon arrival in Tanzania, HPI's initial shipment of 70 bred heifers contracted FMD resulting in eleven abortions and three deaths. Although HPI's October 1974 evaluation of this shipment showed the remaining animals were recovering satisfactorily, ECPR felt the project proposed for AID OPG grant financing should be phased to provide assurance that initial problems had been resolved. Accordingly Phase I, in an amount of \$152,000, will consist of (A) the purchase and shipment of 140 yearling (rather than bred) heifers, (B) return international transportation for one veterinarian and two dairy farm technicians (to be provided at HPI cost and TanGov in-country logistic support and to travel to Tanzania with the heifer shipment), and (C) round-trip transportation for one HPI representative to evaluate HPI inputs to date under its and AID's financing.

This evaluation, scheduled for February 1976, will cover the original HPI shipment of 70, and the AID-financed shipment of 140 heifers. It will measure performance and adaptability against other cattle at the ranches, including domestic and imported breeds, review, inter alia, rates of survival, breeding rates (if applicable), lactation records, and management (including animal health and feeding/nutrition requirements and availabilities); and address the question of the total number of dairy farm technicians required if the full project is ultimately approved.

Impact on small farmers will be expected to commence when the Kitule ranch is stocked and in operation, and when selected offspring of the herds at the operational dairy units are distributed. Selection of villages is based on need within the village and the capacity of farmers in the village to manage dairy cattle. Distribution will be made in two ways: (A) on a grant basis, depending on the economic situation of the villages; (B) on a small fee basis, depending on the economic situation of the village or, if the farmers can afford to pay a fee for the dairy animals.

HPI delayed finalization of agreements with the TanGov pending ECPR review. Pending HPI completion of arrangements with the TanGov, the ECPR believes the Tanzanian Livestock Development Authority letter No. LIDA/T/6 to HPI dated 2 April 1975 (Tab B), can be accepted as an official request. We, therefore, propose that this project be approved, but authority for expenditure of funds be conditional upon signature of HPI agreements with the TanGov, concurred in by USAID.

HPI meets the criteria within the "Guidelines Governing Funding for Private and Voluntary Organizations in Connection with Development Assistance Under the Foreign Assistance Program", as a philanthropic U. S. organization which is non-profit, non-political, and non-governmental. It is registered with AID, and is a member of the American Council of Voluntary Agencies for Foreign Service.

HPI has satisfied AID that it possesses managerial competence in planning and carrying out development assistance projects and that it will practice mutually agreed upon methods of accountability for funds and other assets provided by the U.S. taxpayer.

Recommendation: It is recommended that you (1) sign the attached Project Authorization providing \$152,000 for Phase I of the HPI project for the provision of 140 heifers, (2) approve our informing HPI that AID is willing to look sympathetically at financing Phase II of the proposal (consisting of the shipment of an additional 860 heifers), subject to satisfactory results of the February 1976 evaluation and AID financing (subject to the availability of funds) of not to exceed \$1 million for the full project, and (3) sign the attached authorization cable (Tab C).

Approved: AC Adams

Disapproved: _____

Date: 20 May 1975

PRIOR NOTIFICATION

OPERATIONAL PROGRAM GRANT

(\$600,000)

Bureau/Office	Africa
Country	Tanzania
PVO	Heifer Project International
Project Title	Dairy Production Assistance
Appropriation Account	Food and Nutrition
Intended Obligation FY 76	\$600,000

JUSTIFICATION: In accordance with Section 113 of the Foreign Assistance and Related Programs Appropriation Act, 1975, we are providing notification that we intend to obligate funds in the amount of \$600,000 for the above grant activity.

The intended obligation appeared in the FY 1976 Congressional Presentation on page 237 as part of the Africa Regional Programs, Food and Nutrition category, in the amount of \$1.9 million for Private Voluntary Agency Operational Program Grant. The purpose of this notification is to identify the intended obligation of this sum in part through an Operational Program Grant to Heifer Project International (HPI), a qualified private voluntary organization. The \$600,000 requested will finance the procurement and shipment to Tanzania of 560 head of heifers. The breakdown of costs is as follows: \$120,000 for purchase and procurement of heifers; \$440,000 for shipping and shipping-related costs; \$4,000 for return travel to U.S. of the technicians accompanying the shipment; and \$36,000 for miscellaneous supplies and services.

The three-year PVO project provides Tanzania with high-quality heifers as breed stock to build a genetic base from which the country's dairy industry can expand. The program emphasizes increased milk production through better feeding, breeding and management of dairy cattle. It also supports the Government of Tanzania's intensive effort to improve its livestock industry both in the beef and dairy sector.

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

T-Heifers

MON 24 1975

Mr. Edwin Geers
Executive Director
Heifer Project International,
Inc.
P. O. Box 808
Worthen Building
Little Rock, Arkansas 72203

CERTIFIED A TRUE COPY THIS

11th DAY OF *July* 1975
BY *E. L. Amis*

Subject: Grant No. AID/afr-G-1159

Dear Mr. Geers:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to the Heifer Project International, Inc. (hereinafter referred to as "HPI" or "Grantee") the sum of \$152,000 to provide support for dairy production assistance in Tanzania as more fully described in the attachment to this Grant entitled "Program Description".

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in dairy production assistance in Tanzania during the period May 15, 1975 through June 30, 1976.

This Grant is made to HPI on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description," and Attachment B entitled "Standard Provisions," which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant to the Office of Contract Management, Regional Operations Division, Africa.

Sincerely yours,



N. A. Caticchio
Grant Officer
Regional Operations Division, Africa
Office of Contract Management

Attachments:

- A. Program Description
- B. Standard Provisions
- C. Payment Provisions

PIO/T No. 621-129-3-50055
Appropriation No. 72-11x1023
Allotment No. 402-51-621-00-69-51

ACCEPTED:

Heifer Project International, Inc.

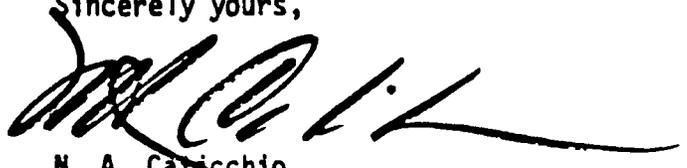
BY: Edwin Beers

TITLE: Executive Director

DATE: June 24, 1975

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant to the Office of Contract Management, Regional Operations Division, Africa.

Sincerely yours,



N. A. Caticchio
Grant Officer
Regional Operations Division, Africa
Office of Contract Management

Attachments:

- A. Program Description
- B. Standard Provisions
- C. Payment Provisions

PIO/T No. 621-129-3-50055
Appropriation No. 72-11x1023
Allotment No. 402-51-621-00-69-51

ACCEPTED:

Heifer Project International, Inc.

BY: Edwin Beers

TITLE: Executive Director

DATE: June 24, 1975

PROGRAM DESCRIPTION

A. Purpose of Grant

The purpose of this Grant is to provide partial support to develop a national dairy industry in Tanzania.

B. Specific Objectives

The objective of this activity is to provide high-quality Holstein-Friesian heifers and transportation of heifers, technicians and evaluation staff in support of the Government of Tanzania's efforts to develop a national dairy industry.

The Grantee (HPI) will be responsible for finalizing their agreement with the Tanzania Livestock Development Authority (LIDA), and obtaining approval by USAID. This is a condition precedent to disbursement.

This agreement will include details regarding technical support, housing, transportation, and working arrangements for the two dairy technicians and a veterinarian to be provided under this activity. Training for Tanzanian staff will be detailed and agreed upon. Selection of the trainees will be initiated. The Grantee will provide guidance and overall supervision as well as administration of funds and assure proper accounting and reporting. The Grantee will establish appropriate procedures to provide quarterly progress reports regarding both financial and operational activities. The Grantee will maintain complete records regarding the procurement of dairy heifers including lactation records of parent stock. Records of aircraft charters will also be retained for audit purposes. Personnel to be assigned to Tanzania must receive clearance from the Government of Tanzania prior to arrival of Grantee staff.

C. Implementation

To achieve the above objectives, the Grantee shall carry out the following activities with funds provided by the Grant:

1. Operations

a. The Grantee will assure that proper levels of management, nutrition, and veterinary care are provided for the dairy heifers at all stages of this activity.

b. The Grantee will deliver 140 Holstein heifers (9 to 12 months of age) for an amount not to exceed 1,000 dollars U.S. per animal (including any purchase of animals, if required), within a period of 6 months from the time of this Grant.

- c. Provide a Veterinarian specialized in dairy cattle to arrange disease control programs, establish diagnostic laboratories and provide technical back-stopping in relation to the imported animals.
- d. Provide two dairy farm technicians to work on new large scale farms receiving the dairy cattle.
- e. The dairy technicians will develop management and training criteria for the situation. Efforts will be made to implement these criteria.
- f. Receive and train Tanzanians on dairy farms and in the U.S. in practical dairy farm management.
- g. Provide a veterinary library.
- h. Provide semen, veterinary supplies, other equipment and supplies in support of the project.
- i. Develop plans for a thorough evaluation six months after arrival of the heifers in order to determine the feasibility of expanding this activity to provide for the total shipment as originally proposed by the Grantee. This evaluation will cover the 140 heifers being provided under the Grant and the original 70 head of in-bred heifers, provided under a separate agreement to Tanzania. The evaluation will review adaptability of the animals including rates of survival, breeding rates (where applicable), lactation records, management (including animal health and feeding/nutrition requirements and availabilities) and comparison of the animals provided by the Grantee in comparison to other imported and indigenous dairy animals.

2. Relationship of Grantee to Cooperating Country and to AID.

- a. Relationships and Responsibilities. The Grantee will be responsible for keeping the Tanzanian Government, USAID/Tanzania, and AID/W informed on the project.
- b. Cooperating Country Liaison Official. The Managing Director, Tanzania Livestock Development Authority, or his designee.
- c. AID Liaison Officials. The Director, USAID/Tanzania, or his designee.

3. Technicians

<u>Number</u>	<u>Specialized Field</u>	<u>Grade and/or Salary</u>	<u>Duration of Assignment (Man-Months)</u>
2	Dairy farm technicians	To be funded by Grantee	not less than 12 months
1	Veterinarian	To be funded by Grantee	not less than 12 months

b. Duty Post and Duration of Technicians' Services

Kitule Ranch

c. Language Requirements

Swahili if possible prior to arrival

d. Access to Classified Information

Not classified

4. Equipment and Supplies

140 Holstein-Fresian yearly-heifers of either purebred or high-quality grade stock, whose dams have yielded a minimum of 14,000 pounds of milk will be procured outside the Cooperating Country by the Grantee in furtherance of this Grant.

D. Reporting

1. The Grantee shall submit quarterly program and financial reports in six (6) copies each as follows: five (5) copies to AID/AFR/ESA; and one (1) copy to CM/ROD/AFR. The first reports will be submitted 30 days after close of the first quarter and every 90 days thereafter. The reports shall indicate, cumulatively and for the reporting period:

a. Progress reports

b. All financial transactions which are chargeable to this project.

2. Six months after arrival of the 140 dairy heifers, an evaluation, as discussed in paragraph C-1-1 above. Future periodic evaluation reports of a more general nature are to be submitted.

E. Budget

The funds provided herein shall be used to finance the following items:

Estimated Costs By Category And Source Of Funds

5/15/75 - 12/30/76*

	<u>HPI</u>	<u>AID</u>	<u>TanGov</u>
1. Purchase and Procurement of 140 heifers		\$ 30,000	
2. Shipping and shipping related costs		110,000	
3. Veterinarian return from Tanzania		1,000	
4. Two dairy farm technicians return from Tanzania		3,000	
5. HPI staff round trip travel to Tanzania		2,000	
6. Miscellaneous Supplies/Services		6,000	
7. Veterinarian Services (in Tanzania)	\$25,000		\$ 2,500
8. Dairy Farm Technicians	10,000		28,000
9. Equipment and Supplies	7,000		(as requested)
10. Semen for A.I. and Bulls	5,000		
11. Quarantine/Receiving Facilities			80,000
12. Veterinary Library	10,000		
13. Tanzanian Field Staff Dairy Farming	<u>14,000</u>		<u>14,000</u>
TOTAL	\$ \$71,000	\$152,000	\$124,500

TOTAL OF SOURCES \$347,500

The Grantee may not exceed the total amount of the Budget as provided by AID. Reasonable adjustments among the line items are unrestricted.

*The period of the Budget is extended beyond June 30, 1976 to cover the return of the Grantee's personnel.

STANDARD PROVISIONS

a. Allowable Costs and Payment (Oct. 1974)

The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by the Grant Officer to be allowable in accordance with the terms of this Grant and Subpart 15.2 of the Federal Procurement Regulations (FPR) (Principles and Procedures for use in Cost Reimbursement Type Supply and Research Contracts with Commercial Organizations)* in effect on the date of this Grant. Payment of allowable costs shall be in accordance with Attachment C of this Grant.

[*If this Grant is made to a university, the applicable cost principles are "Federal Management Circular, 73-8 (Cost Principles for Educational Institutions)" instead of Subpart 15.2 of the FPR as cited above]

b. Accounting, Records, and Audit (Oct. 1974)

The Grantee shall maintain books, records, documents, and other evidence in accordance with the Grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The Grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (1) until the expiration of three years from the date of termination of the program and (2) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures unless written approval has been obtained from the AID Grant Officer to dispose of the records. AID follows generally accepted auditing practices in determining that there is proper accounting and use of grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

c. Refunds (Oct. 1974)

(1) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of this Grant, Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

(2) Funds obligated hereunder but not disbursed to the Grantee at the time the grant expires or is terminated, shall revert to AID, except for funds encumbered by the Grantee by a legally binding transaction applicable to this Grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to AID.

(3) If, at any time during the life of the Grant, it is determined by AID that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to AID.

d. Equal Opportunity Employment (Oct. 1974)

With regard to the employment of persons in the U.S. under this Grant, Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, religion, sex, color or national origin of such persons and that, in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S. no person shall, on the grounds of race, religion, sex, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled "Non-Discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964."

e. Termination (Oct. 1974)

This Grant may be terminated at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he shall determine that such termination is in the best interest of the Government. Upon receipt of and in accordance with such notice, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within thirty (30) calendar days after the effective date of such termination repay to the Grantor all unexpended portions of funds theretofore paid by the Grantor to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Grantor to the Grantee prior to the effective date of this termination of this Grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Grantor within (90) calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in the Grant, the Grant Officer shall determine the amount or amounts to be paid by the Grantor to the Grantee under such claim.

f. Officials Not to Benefit (Oct. 1974)

No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Grant if made with a corporation for its general benefit.

g. Covenant Against Contingent Fee (Oct. 1974)

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this Grant without liability or, in its discretion, to deduct from the Grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

h. Nonliability (Oct. 1974)

AID does not assume liability with respect to any claims for damages arising out of work supported by its grants.

i. Amendment (Oct. 1974)

The Grant Agreement may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the AID Grant Officer and an appropriate official of the Grantee.

j. Grant Agreement (Oct. 1974)

The letter to the Grantee signed by the Grant Officer, the Program Description and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the Grant Agreement.

k. Notices (Oct. 1974)

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

To the cognizant AID Grant Officer

To Grantee - At Grantee's address shown in this Grant, or to such other address as either party shall designate by notice given as herein required. Notices hereunder, shall be effective when delivered in accordance with this clause or on the effective date of the notice, whichever is later.

1. Travel and Transportation (Oct. 1974)

(1) The Grant Officer hereby approves international travel hereunder provided that the Grantee shall obtain written concurrence from the cognizant technical office in AID prior to sending any individual outside the United States to perform work under the Grant. For this purpose the Grantee shall advise the Project Manager at least thirty (30) days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant USAID Mission or U.S. Embassy advance notification with a copy to the project officer of the arrival date and flight identification of Grant financed travellers.

(2) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, it will so notify the Grantee after receipt of advice of intent to travel required above. AID will issue a Government Transportation Request (GTR) which the Grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(3) The Grantee agrees to travel by the most direct and expeditious route, and to use less than first class transportation unless such use will result in unreasonable delay or increased costs.

(a) All international air travel under this Grant shall be made on United States flag carriers. Exceptions to this rule will be allowed in the following situations provided that the Grantee certifies to the facts in the voucher or other documents retained as part of his Grant records to support his claim for reimbursement and for post audit:

1. Where a flight by a United States carrier is scheduled but does not have accommodations available when reservations are sought;

2. Where the departure time, routing, or other features of a United States carrier would interfere with or prevent the satisfactory performance of official business;

3. Where a scheduled flight by a United States carrier is delayed because of weather, mechanical, or other conditions to such an extent that use of a non-United States carrier is in the Government's interest;

Travel and Transportation - Page 2 of 2

4. Where the appropriate class of accommodations is available on both United States and non-United States carriers, but the use of the United States carrier will result in higher total United States dollar cost to the grant due to additional per diem or other expenses; and

5. Where the appropriate class of accommodations is available only on a non-United States carrier and the cost of transportation and related per diem on the non-U.S. carrier is less than the cost of available accommodations of another class on a United States carrier and related per diem.

(b) All international air shipments under this grant shall be made on United States flag carriers unless shipment would, in the judgment of the Grantee, be delayed an unreasonable time awaiting a United States carrier either at point of origin or transshipment, provided that the Grantee certifies to the facts in the vouchers or other documents retained as part of the Grant records to support his claim for reimbursement and for post audit.

(4) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

m. Regulations Governing Employees Outside the United States (Oct. 1974)

- (1) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government Offices or facilities for support while so engaged.
- (2) The sale of personal property or automobiles by Grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the mission, except as this may conflict with host government regulations.
- (3) Other than work to be performed under this Grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage, directly or indirectly, either in his own name or in the name or through an agency of another person, in any business, profession or occupation in the foreign countries to which he is assigned.
- (4) The Grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- (5) On the written request of the Grant Officer or of a cognizant Mission Director, the Grantee will terminate the assignment of any individual to any work under the Grant and, as requested, will use its best efforts to cause the return to the United States of the individual from overseas or his departure from a foreign country or a particular foreign locale.
- (6) Allowances for employees assigned overseas shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

n. Conversion of United States Dollars to Local Currency (Oct. 1974)

In countries designated "excess" or "near-excess" currency countries, Grantee agrees to convert all United States dollars to local currency through the United States Disbursing Officer, (USDO), American Embassy, unless the Disbursing Officer directs the Grantee otherwise or certifies that no local currency is available.

o. Ineligible Countries (Oct. 1974)

Unless otherwise approved by the Grant Officer, no grant funds will be expended in countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

p. Subordinate Agreements (Oct. 1974)

The placement of subordinate agreements (e.g., leases, options, etc.), grants, or contracts with other organizations, firms or institutions and the provisions of such subordinate agreements are subject to prior written consent of the Grant Officer if they will be funded hereunder. In no event shall any such subordinate agreement, grant, or contract be on a cost-plus-a-percentage-of-cost basis. Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Grant.

q. Procurement of Equipment, Vehicles, Supplies, Materials, and Services (Oct. 1974)

(1) Except as may be specifically approved or directed in advance by the Grant Officer, or as provided in paragraphs (2), (3), and (4) below, all equipment, vehicles, materials, supplies and services the costs of which are to be attributed to this Grant and which will be financed with United States dollars shall be purchased in and shipped from the United States. In addition, for any U.S. purchase transaction in excess of \$2,500 the Grantee shall notify the seller that the item(s) must be of U.S. source and production and comply with the componentry limitations and other requirements applicable to suppliers under AID Regulation 1, and that the supplier must execute and furnish Form AID-282 "Suppliers Certificate and Agreement with the Agency for International Development".

(2) Exceptions to the foregoing are as follows (for Title X Grants only):

Grantee may permit a subgrantee (or the Grantee on his behalf) to procure commodities already in its country (with the exception of contraceptives, drug products, pharmaceuticals, and motor vehicles) in an amount not exceeding a total cost of \$5,000 per subgrantee per annum without regard to limitations, rules and procedures applicable to commodity transactions financed by AID. Such commodities shall not be considered "Already in its country" within the meaning of the aforementioned exception if the commodities have been imported or otherwise brought into the country at the request of the Grantee or subgrantee. A subgrantee's own country for this purpose shall in no event include any of the following: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Spain, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, South Africa, Sweden, Switzerland, and United Kingdom. The Grantee shall take all reasonable precautions to ensure that the subgrantee does not procure any commodity which has as its country of origin any of the following countries: Albania, Bulgaria, China (Mainland and other Communist-controlled areas), including Manchuria, Inner Mongolia, the provinces of Tsinghai and Sikkang, Sinkiang, Tibet, and former Kwantung Leased Territory, the present Port Arthur Naval Base Areas, and Liaoning Province, Cuba, German Democratic Republic, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist republics.

(3) Printed or audio visual teaching materials may, to the extent necessary, be purchased outside the United States when:

(a) Effective use of the materials depend on their being in the local language, and

(b) Other funds including U.S. owned and controlled local currencies are not readily available for procurement of such material.

The order of preference as to countries in which such purchases outside the United States are made shall be:

1. The AID receiving country
2. Countries falling within AID Geographic Code 901
3. Other Countries falling within AID Geographic Code 899

AID Geographic Codes are defined in AIDPR 7-6.5201.1.

(4) Procurements in the country in which an activity is being undertaken and which are less than \$2,500 and are for materials (regularly available and normally sold on the local market) which are to be consumed or expended during the period of this Grant, are exempt from the conditions of Paragraph 1 above, provided that the origin of such materials and supplies and the component parts thereof is a free world country as described in AID Geographic Code 935.

(5) All international air shipments made by the Grantee, to be financed hereunder, shall be made on U.S. flag carriers unless shipment would, in the judgement of the Grantee, be delayed an unreasonable time awaiting a U.S. carrier, either at the point of origin or transshipment, provided that the Grantee certifies to the facts in the documents retained as part of his Grant records for post audit by AID. All international ocean shipment made by the Grantee, to be financed hereunder, shall be made on U.S. flag vessels. Where U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may obtain a release from this requirement from the Transportation Support Division, Office of Commodity Management, AID, Washington, D.C. 20523, as appropriate, giving the basis for the request.

(6) The Grantee shall obtain competition to the maximum extent possible for any procurement to be financed hereunder. Procurement by the Grantee without consideration of more than one source must be approved by the Grant Officer. In no event will any procurement be on a cost-plus-a-percentage-of-cost basis. The Grantee shall take all reasonable steps necessary to insure that subgrantees procuring in accordance with Paragraph (2) obtain competition to the maximum extent possible. In addition to the foregoing, for purchases made in the United States the cost of which are to be attributed to this Grant, the Grantee shall comply with the following requirements:

To permit AID, in accordance with the Small Business Provisions of the Mutual Security Act, to give United States Small Business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee, shall, to the maximum extent possible, provide the following information to the Office of Small Business, AID, Washington, D.C. 20523 at least 45 days prior to placing any order or contract in excess of Five Thousand (\$5,000) Dollars, except where a shorter time is requested of, and granted by the Office of Small Business:

(a) Brief general description and quantity of commodities or services;

(b) Closing date for receiving quotations or bids;

(c) Address where invitations or specifications may be obtained.

(7) Funds provided under this Grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing", Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be attributed to this Grant. AID will provide Grantee with this list.

r. Salaries (Oct. 1974)

All salaries, wages, fees, and stipends reimbursed under this Grant shall be in accordance with the Grantee's policy and practice as reviewed and approved by the Grant Officer. In the absence of an approved policy the Grantee shall follow the regulations contained in Section 7-15.205-6 of the Agency for International Development Procurement Regulations.

PAYMENT PROVISIONPeriodic Grant Disbursement

Each month, or at less frequent intervals as agreed upon in advance, Grantee will submit to the Office of Financial Management, FI/CSD, AID, Washington, D.C. 20523 Voucher Form SF 1034 (original) and SF 1034-A, three copies, each voucher identified by the appropriate grant number, in the amount of estimated cash needs for the following month. The voucher shall be supported by an original and two copies of a report rendered as follows:

Amount of Grant	\$xxx
Expended to date	\$xxx
Expended this period (by line item as set forth in budget)	
1.	\$xxx
2.	\$xxx
3.	\$xxx
etc.	
TOTAL THIS PERIOD	\$xxx
Advances outstanding to subgrantees (if any)	\$xxx
Anticipated expenditures next month (dates)	\$xxx
Cash received to date	\$xxx
Cash required next month	\$xxx

The report shall include a certification as follows:

"The undersigned hereby certifies: (1) that the above represents the best estimates of funds needed for expenditures to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event funds are not expended, (3) that appropriate refund will be made in the event of disallowance in accordance with the terms of this grant and (4) that any interest accrued on the funds-made available herein will be refunded to AID.

BY _____
TITLE _____ DATE _____



P.O. BOX 806
WORTHEN BUILDING
LITTLE ROCK, ARKANSAS 72207
PHONE / 501 / 376-6836
CABLE: HEIFER

HEIFER PROJECT INTERNATIONAL

U.S. DAIRY TECHNICIANS

Heifer Project International, Inc., in reviewing a project request for livestock places high on its list of criteria when examining a project, the level of technical assistance available within the project to care for and manage imported livestock. In negotiations with the Tanzanian Government, an invitation was extended to Heifer Project to provide technical assistance, especially within the first year after arrival of the cattle. The request was for dairy technicians who would be able to work at the farm level to assist the local farm staff and to train them in dairy management practices. H.P.I. has made a commitment to provide the technicians.

H.P.I. will recruit dairy technicians (2 for each shipment of cattle) to be available at the time that the shipment is being processed. They will be involved in the procurement, screening and testing of the animals prior to shipment. Through this process, they will already be thoroughly acquainted with the cattle even before they leave the U.S.

The technicians will accompany the shipments to Tanzania and to the farms where the animals will be located. It is understood that all the technicians which H.P.I. will provide will be English speaking. Although, in some circumstances, this may present a certain limitation in their ability to communicate with local staff, their short term involvement would not justify the additional time and expense for adequate language training.

Duties and Responsibilities of the U.S. Dairy Technicians:

1. Assist in procuring, screening and testing the livestock prior to shipment to Tanzania.
2. Accompany and supervise the care of the animals enroute to Tanzania and to the farms.
3. Work together with local staff at the dairy farms in the care and management of the cattle.
4. Assist in the selection of potential Tanzanian candidate for on-the-job dairy training in the U.S.
5. Provide assistance in training local farm staff in livestock management skills.

6. Provide regular reports to H.P.I. etc. on the care and condition of the imported cattle.
7. Assist in evaluations as needed and as they apply to the cattle under their care.

The role of the U.S. technicians and their relationship to other expatriot technicians working on the dairy project will be spelled out in the agreement to be signed by Heifer Project International and the Government of Tanzania.