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ASSESSMENT OF OILSEEDS COOPERATIVE PROCESSING PROJECT - INDIA
DURING FELDER'S VISIT, NOVEMBER 15TH THROUGH DECEMBER 6TH, 1968

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6p.

I SUMMARY

A. Status of the Project -

The project has developed far beyond original expectations in terms of number of plants in operation, under construction or purchased, development plans in the various states and the establishment of trial units.

B. Performance of CLUSA Technicians -

The technician's time is being utilized to the fullest in terms of actual work performed. In fact, it is not possible for him to meet all requests and perform adequately due to the magnitude of work. He is well respected and appreciated by his counterparts, concerned Central and State Governments officials, non officials, representatives of manufacturing firms, the CLUSA-India Representative and the concerned AID officials.

There is scope for improvement indicated if there were counterparts at the State level, more time for counterpart participation at the Central National Cooperative Development Corporation (NCDC) level, and if there were participant training.

C. Action Indicated -

There is need for immediate review of the project involving a study by a local research agency, and short visit by a delegation of top U.S. oilseeds cooperative specialists to determine future development and justification for the project beyond June 1969.

II STATUS OF PROJECT DEVELOPMENT

A. Impressions were formulated during Felder's visit to India - November-December 1968. Discussions were held with the CLUSA Representative, CLUSA's Oilseeds Specialist, NCDC officers, concerned AID officials and in follow up discussions during CLUSA/AID Administrator's brief visit to Delhi, 29th November - 2nd December 1968.

B. Comparison of developments at the beginning of the project and present status is shown in Annexure "A". From an original four projects two years ago there are five in operation, seven in the construction or purchase stage and six under consideration. In addition the drying research project at Khanna financed by AID is progressing on schedule.

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C. It appears that there are possibilities of growth of the oilseeds cooperative processing sector similar to that of sugar processing cooperatives which now process more than 30% of all the sugar processed in India. Also extraction of oil from rice bran, soybean processing, continuation of the drying experiment appear to be the vital areas to be developed in the future.

III PERFORMANCE OF CLUSA TECHNICIAN

A. There is every indication that the CLUSA technician is performing in a competent manner. He is well respected at the Central and State Government levels and has excellent liaison with the CLUSA Representative and concerned AID-Agriculture officers. There appear to be more requests for services and visits than the technician can perform adequately alone. He has established logical priorities and appears to be doing the best possible under existing circumstances.

B. If there were counterparts at the State Cooperative Marketing level, the CLUSA technician's work might be more effective. While the counterpart relations at the NCDC have improved somewhat, it is possible that the CLUSA technician's skills and experiences would be absorbed and utilized to the fullest if such counterparts could give more time to the project.

C. Participant training appears to be badly needed. None was provided in the last Operational Work Plan..

D. Though effective liaison has been established with the CLUSA Representative and there have been joint field visits there is scope for improvement in the way of involving the non-official leadership in the activities as a part of U.S. cooperatives' overall effort to assist Indian cooperatives.

E. A draft of article to be released by AID-India is attached.

IV. ACTION INDICATED

A. There is rather spotty indication in NCDC and COI of the significance and potential of this project. Probably there is more interest among government officials and cooperative leaders in the individual states.

B. If the pattern of financing of such projects shifts from NCDC to the individual state governments as it appears it may develop, NCDC's role as a promotor, technical advisor without financial influence may be affected. On the one hand this might be good because NCDC could perform a more technical and supervisory role and hopefully utilize the CLUSA Oilseeds Technician's expertise more fully.

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C. In our judgement it may not be appropriate to entertain or promote extension and/or expansion of the project activities until a comprehensive review is made. One factor is that NCDC and GOI are under the impression that the recent eight month extension of the CLUSA Technician is adequate for the time being.

D. CLUSA and AID are willing to consider expansion and/or extension on the basis of merit and pending further indication of appreciation and need. This would be contingent upon the outcome of the review procedure which would be:

1. A local study and review by a local market research agency (recommend Eric D'costa's .....). AID has indicated willingness to finance the study. The cost is estimated at 3-4 thousand dollars in rupees.

2. Examination of soybean acreage developments and need for processing especially in collaboration with the U.P. University Vice Chancellor D.P. Singh.

3. A delegation of one or two top U.S. cooperative oilseeds management specialists such as D.W. Brooks, Roy Davis and Ralph Olsen should visit India for a few days to review the D'Costa study, overall project development, and convey U.S. cooperative experiences and willingness to support the project further if it is indicated. (The CLUSA International Department will have to contact individuals regarding the visit and review. If their contribution will not be in kind CLUSA will have to find such funds from grant funds.)

4. If the study and review of the U.S. delegation prove positive, hopefully a program request to AID for extension of the present CLUSA Technician and/or additional persons would be forthcoming.

5. Time is of the essense. The research review should begin the first of the year. The CLUSA Representative will coordinate development of an outline for developing a contract between AID and the local marketing research firm. The estimated maximum time for completion of the study - six weeks.

6. The U.S. cooperative delegation should arrive just before or after the completion of the study. The visit should be completed around mid-March.

7. If results of the study and review are positive and a request from the GOI to AID for extension and/or expansion of the project develops, the processing of the request will have to be completed by the end of March.

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8. CLUSA's Oilseeds Technician has stated his willingness to consider extending provided there is definite need for his services; there is a concrete program drawn up which is acceptable to the CLUSA Technician and the CLUSA oilseeds cooperative backstopping committee and US AID.

9. It is understood that the CLUSA Technician will not become involved in any promotional activities regarding the extension with any of his associates. If enquired about this he will convey the impression that he is only willing to consider the matter if such positive developments take place as are outlined in 7 above.

10. The CLUSA-India Representative will be responsible for coordinating all activities regarding the specific procedures outlined above and pertaining to action required in India.

11. The CLUSA International Department Director's office and especially the Administrator of AID Projects, will take necessary action in the U.S.A.

December 9, 1968 ALLIE C. FELDER, JR.

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ANNEXURE "A"

PROJECT STATUS - NOVEMBER 1, 1966

Plants in Operation -

1. Sangli, Maharashtra

Plants under Construction -

1. Gadag, Mysore
2. Latur - Maharashtra
3. Khanna - Punjab

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PROJECT STATUS - NOVEMBER 15, 1968

Plants in Operation -

	Location	Process
1.	Sangli	Groundnut Cake
2.	Latur	Groundnut
3.	Khanna	Groundnut or Rice Bran
4.	Tanjore District - Madras	Rice Bran
5.	Khanna	Groundnut Dryer

Plants under Construction or Purchased -

	Location	Process	Status
1.	Gadag - Mysore	Cottonseed or Groundnut	Start up in 2 weeks
2.	Budaun - U.P.	Groundnut	Oil mill purchased & land
3.	Durg District - M.P.	Rice Bran	Plant delivered no land
4.	Andhra Pradesh	Rice Bran	Tenders November 20
5.	Mandya - Mysore	Rice Bran	Civil works building
6.	Mandya - Mysore	Cattle Feed	Plant bought
7.	Sangli - Maharashtra	Cattle Feed	Plant ordered

Projects under consideration -

1.	Rajasthan	Groundnut
2.	Rajasthan	?
3.	Gujarat	Cottonseed
4.	Anand - Gujarat	Soybean Storage
5.	Gujarat	Groundnut
6.	U.P. & A.P.	Soybean projects.

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