

PROJECT APPRAISAL REPORT (PAR)

730025 P17
90-AAG-354-A1
26p

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1. PROJECT NO. 730-11-140-291.02	2. PAR FOR PERIOD: Jan 1, 1972 to Oct 31, 1972	3. COUNTRY Vietnam	4. PAR SERIAL NO. 730-73-023
5. PROJECT TITLE			

Farmers Organizations

6. PROJECT DURATION: Began FY 70 Ends FY 74	7. DATE LATEST PROP -	8. DATE LATEST PIP -	9. DATE PRIOR PAR December 31, 1971
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$255,000	b. Current FY Estimated Budget: \$ 283,000	c. Estimated Budget to completion After Current FY: \$ 11,000

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

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Agricultural Cooperative Development International (ACDI)	AID/CSD-2219
Chinese Agriculture Technical Group (CATG)	AID/430-2882
(Funded under Project 730-11-199 363)	

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

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
x	x		<p>Based on evidence presented herein there is indication that the purpose of the project is being achieved, the reorganization within the Ministry to combine the Directorates of Farmers Organizations and the Director of Cooperatives is a fact, a survey of thirty Farmer Association and Cooperatives (FO's) provided basis for a firm footing to concentrate on ten selected pilot FO's, a management system for FO's has been designed and is being implemented, paid managers have been installed in eight of the ten, a financial reports system was developed and is working, training materials were developed, training program is in progress, and the change in attitude of Ministry officials about the role of the Directorate from one of control of farmers organizations to one of support appears is sincere. It is recommended that assistance to the Directorate of Farmers Organizations and Cooperatives continue.</p> <p>Action:</p> <p>That the Mission recommends funding the ACDI contract for an 18 month period beginning December 31, 1972 through June 30, 1974. However, the project is to be evaluated again prior to September 30, 1973.</p> <p>J. B. Davis, ADFA W. S. Lefes, EVAL</p>	November 30, 1972

D. REPLANNING REQUIRES	E. DATE OF MISSION REVIEW
REVISED OR NEW: <input type="checkbox"/> PROP <input type="checkbox"/> PIP <input checked="" type="checkbox"/> PRO AC <input checked="" type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input checked="" type="checkbox"/> PIO/P	November 10, 1972

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE
Dr. Ernest Nesius, Assistant Dir Econ/Agric Spt. 11/15/72	John R. Mossler, 11/15/72

II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

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

Comment on key factors determining rating

1. Contractor's understanding of project purpose and his participation in developing 10 pilot organization was excellent. Progress made or in planning stage to accomplish output targets under A and B. 1, 2, 10, 11, 12, 14 and 16 by contractor is considered outstanding. Management and utilization of staff excellent, performance in initiating project and involving local officials is superior. Preparation of teaching and training materials excellent. (See output #7) 2. On-site and day to day advice to pilot FOs excellent. Knowledge of the culture, crops and business practices is excellent. Its performance in helping on-site application of business practices taught at Training Center is superior. Its help to FO managers in preparing annual business plans is excellent.

4. PARTICIPANT TRAINING			X										X	
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Comment on key factors determining rating

Four candidates selected for US training; one withdrew from English training and one became ill. Two (2) qualified in English and departed for six-month course at University of Wisconsin. Twelve participants programmed in FY 73 for training in Taiwan and Korea for 6 mos. and two to US for 6 weeks. New nominations requested from officers in TC, DFOC, Pilot Farmers Organizations, CFA and NFAC.

5. COMMODITIES						X								X
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Comment on key factors determining rating

Commodities (audio-visual aids) arrived, operation and maintenance, manuals translated into Vietnamese language; training course in maintenance and operation scheduled for late FY 73 for 2 maintenance personnel. (See outputs A.5)

6. COOPERATING COUNTRY	a. PERSONNEL				X									X
	b. OTHER					X								X

Comment on key factors determining rating

a. Personnel:

Continuity in project leadership and counterpart acceptance of project purpose is superior.

GVN is weak in its pay and allowance schedules and its ability to attract and hold technically qualified staff.

b. Other:

GVN diffusing results of the project throughout the farmers organization system. They are providing support and leadership to those organizations that have some degree of predictable success. DFOC officers make frequent visits to farmers organizations and coops to offer assistance and counsel.

7. OTHER DONORS	NA													
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(See Next Page for Comments on Other Donors)

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

NA

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMU- LATIVE PRIOR FY	CURRENT FY		FY 74	FY ____	
			TO DATE	TO END			
1. Trained staff assigned to each of 10 pilot and other FOs. Training course at TC for (Managers).	PLANNED	-		10			10
	ACTUAL PERFORMANCE	-	-				
	REPLANNED						
2. Trained staff assigned to each of 10 pilot and other FOs. Training course at TC for (bookkeepers, 4 weeks).	PLANNED	-		10	40		50
	ACTUAL PERFORMANCE						
	REPLANNED						
3. Trained Boards of Director members (at least 3 per organization). Pilot and other Training at TC, 1 week course.	PLANNED	-		30	120		150
	ACTUAL PERFORMANCE	-	-				
	REPLANNED						
4. Officials and trained professional staff provides observation training in the U.S. and third country.	PLANNED	-		14	14		28
	ACTUAL PERFORMANCE	-					
	REPLANNED						
5. Trained audio-visual staff for TC. One week formal on-the-job training.	PLANNED	-		2	3		5
	ACTUAL PERFORMANCE	-	-				
	REPLANNED						
6. Trained GVN and private individuals in principles of evaluation.	PLANNED	-		10	10		20
	ACTUAL PERFORMANCE	-	-				
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED		3				

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III. KEY OUTPUT INDICATORS AND TARGETS

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

1. Completed re-organization of the DFO and DOC into single Directorate. Key indicators to reorganization success are:

- a. Elimination duplication of functions
- b. Efficient utilization of available manpower.
- c. Unified objectives and goals.
- d. More efficient management system and communications.
- e. A system of evaluation...consistent and equitable in measuring progress,

2. Restructured the DFO and DOC along functional lines and based on a system of line and staff responsibilities and authority. Key indicators will be:

- a. Functions defined with appropriate staff assignments.
- b. Authority and responsibilities more clearly defined.
- c. Actions indicating service to organizations rather than control.

Comment:

1.0 Reorganization implemented and currently in effect at Saigon level. Operational procedures for headquarters currently being prepared by Ministry. Implementing decrements to re-organize at province level pending approval by the Prime Minister. Estimated date of issue December 1, 1972.

1.1 Operational procedures to carry out provisions of decree will be prepared by Ministry of Agriculture following issuance of decree. Discussions regarding provisions of implementing decrees currently underway with DFOC staff.

2.0 New reorganization charts developed and presented to Ministry for approval along with draft for a new law covering regulations and duties of the FOs. Implementing regulations to decree were prepared by Ministry of Agriculture staff with frequent consultations with contract staff.

2.1 While formal decree is pending approval de facto reorganization has taken place. Saigon Directorate have merged functions. Implementation under way to affect changes in the field organizational structure.

2.2 DFOC officials travel to field about two days per week, up from rare annual visits 2 years ago. Initial interviews with FOs is for data collection. Analyses is made and discussed with FO leadership. DFOC provides liaison with other agency's of GVN. Director of DFOC intervened with tobacco monopoly on behalf of Thap Cham coop and improved selling contracts for its members.

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III. KEY OUTPUT INDICATORS AND TARGETS

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

Comment:

3. Reorganization of DFO and DCC provincial service offices to conform to reorganization of the Directorate's office. Indicators will be:

- a. Combined provincial offices.
- b. Unify efforts toward meeting overall goals and objectives.
- c. Eventually unify accounting and reporting systems.
- d. More efficient communications.
- e. Unified management system.
- f. Closer cooperation at all levels.

3.0 A three-day seminar was held to explain the proposed reorganization and how it will affect the field service offices and branch chiefs. Held Aug. 10, 11, and 12. Nineteen service chiefs, 29 branch chiefs and 8 province field personnel attended. There is now field follow-up by the DFOC. (Decree in #1 above will formalize these procedures.)

3.1 Decree to reorganize and consolidate FA and Coop offices at province level is in office of the Prime Minister for approval. Issuance is expected about December 1, 1972. Current estimates are that this schedule will be adhered to.

4.0 The establishment of a coordinating committee to assist in guiding the pilot organizations. Committee comprised of GVN and non-governmental personnel.

4.0 Memorandum #4994/TMM/TCMD. of 5/10/72, established the committee.

5. Recommended that initially the committee evaluate business plans and credit worthiness.

5.0 Committee has organized and provides services to D/DFOC on call. Committee has met three times to evaluate and advise on three pilot operational plans and make recommendations on loan applications. Loans obtained as a result of committee recommendation to prepare realistic financial plans for bank review.

6. Established system for the committee to evaluate progress of the pilot organizations; to assist in isolating problems based on factual data.

6.0 This is a new concept for DFOC that is being accomplished through introduction of basic management controls, such as: measurement of sales volume, return on sales and return on investment...only the basic measurements to begin with including capital development methods and suggestions. Too early to see definitive results.

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IX. KEY OUTPUT INDICATORS AND TARGETS

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

7. Course and syllabi for managers, bookkeepers, and members of Board of Directors in business and management practices.

7.0 Syllabi for manager's course approved and in use at TC. Fifty hours of course material used with a course held Aug. 1 to Sept. 1, 1972. Course material prepared includes:

- a. Developed, translated and used: "Basic FO Management Manual" - 102 pages.
- b. Prepared for future use: "Basic Financial Management" - Part I - 14 pgs.
- c. Prepared for future use: "Financial Management - Part II - 31 pgs.
- d. ACDI has, in addition, prepared an "Advanced Cooperative Management Manual" - 93 pgs.

8. On-the-job training at FOs for operational personnel and members.

8.0 Five CATM members assigned to Farmers Associations work directly with Boards of Directors and FO officers. CY 72 business activity plans completed for 10 pilot organizations and in operation. Now working on CY 73 plans. Members of CATM focus efforts specifically on developing work plans for pilot FOs.

9. Eight trained instructors assigned to TC to teach business related courses to management and operational personnel.

9.0 Four Saigon University graduates and 3 BAC I graduates assigned as instructors to the TC are undergoing orientation through rotating assignments in the DFOC and TC, participating in first management school, as students. Three are presently on membership development work in provinces and four attending the management institute.

10. Trained Vietnamese in survey techniques to complete initial phase of project, i.e., survey and selection of pilot farmers organizations.

10.0 Action completed.

11. Completed survey of about 30 FOs as means for selecting 10 pilot FOs.

11.0 Action completed.

12. Established salary incentive program for managers. Director of FOs to issue policy decision.

12.0 Recommendations for development of an incentive salary system were made but not implemented as yet. There is an apparent reluctance on part of some officials to support an incentive system although they

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B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

12.0 (Continued)

maintain there is no "official" objection. The question of equity vis-a-vis non-pilot FOs may be an impediment. There are cases where coops are paying up to VND 40,000/mo. for well trained managers.

13. Established policy to permit the TC or DFOC to recruit and train potential managers for FOs.

13.0 Accepted, in principle. Policy decision required by Ministry.

14. Adoption of policy by DFOC to discourage day-to-day management role by Members of Boards of Directors (P/D) of FOs.

14.0 Eight of 10 pilot organizations now have managers (increase of 6). Current RDD course stresses division of responsibility and separation of function as regards management and members of the Board.

15. Established procedures for Dir. FO, NFAC and CFA field staffs to provide regular liaison with FOs.

15.0 Recommended procedures for D/DFO, FOs, NFAC and CFA field staffs to provide regular liaison with FOs. D/DFO and Dir. General have proposed assignment of RD Cadre to each FO. RD Ministry has not yet acted. Travel funds inadequate.

16. Established format to DFOC for FO reporting requirements.

16.0 A simplified format developed requiring such information as: gross sales/project, cost, administration expenses and net sales. This report is now required of 10 pilot FOs and 27 non-pilot FOs on a semi-annual basis. One report prepared to date.

17. Established policy to require minimum of 25% capitalization of all new organizations through capital share participation by members.

17.0 Recommendation made and accepted in principle. Analysis of 10 pilot organizations indicates that equity is far too low a proportion of total worth. The Directorate is currently discussing a means of increasing capital retention with FOs.

NOTE: The most recently formed Coop has about 25% share participation.

17.1 There is little hope of increasing equity among established organizations. Increased equity is now expected through capital accumulation of the FOs.

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III. KEY OUTPUT INDICATORS AND TARGETS

**B. QUALITATIVE INDICATORS
FOR MAJOR OUTPUTS**

18. Board of Directors for existing FOs established policy to increase capital retention.

18.0 A specific policy for increasing capital retention has not been devised as yet. This is largely a training objective and is being stressed in current training and in consultation. See End of Project Condition Number four (4) for details of legal requirements.

19. Procedures and guidelines prepared for uniform audit, accounting and reporting system for use by DFOC, FAs and Coops.

19.0 An ad hoc committee was appointed by the Director of FOs to revise and simplify the current accounting and reporting system. The Committee includes: representatives of DFOC accounting staff, Gen'l Mgr of Nat'l Union of Rural Electric Cooperatives, Accounting Advisor of ACDI, and a representative of CMG. (NOTE: ACDI Accounting Advisor's contract terminated on June 1, '72.)

20. Prepared and published an in-house communications organ with distribution to selected FOs and Ministry personnel.

20.0 First volume of newsletter published July 27, 1972, by Central Farmers Association, on bi-weekly basis. The publication includes: import levels of commodities, provincial location and amounts of supplies, re-affirmation of procedures, notification of meetings, listing of debts and individual organization notes.

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IV. PROJECT PURPOSE

A. 1. STATEMENT OF PURPOSE AS CURRENTLY ENVISAGED	2. SAME AS IN FY 72 PAR and PBS <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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To establish the management and economic viability of a select group of Farmer Organizations.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
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1. The Training Center (TC) adequately staffed and providing competent skills in planning, management, communications and member relations to the managers, members of Boards of Directors and operational staff for pilot Farmers Organizations and others.

NOTE: The Training Center, previously called the Cooperative Research Training Center (CRTC) formerly under Director General of Agriculture is currently under the responsibility of the office of the Secretary General of Agriculture. This change is formalized in a decree. The maintenance of its physical facilities therefore, is no longer within the purview of this project.

Progress to Date

1.0 Director of Training

Under his leadership the training center reviewed, revised and published the Basic Farmers Organizations manual.

Translated 90 pages of manual in Vietnamese, rewrote about 50% of original draft and TC has reproduced it for use in training course. TC administration and professional staff on committee required a minimum of outside assistance.

Administration of TC facilities much improved. Plumbing and sewerage facilities in fair working order, grounds show systematic care and buildings are in an improved state of repair and maintenance.

The accounting efficiency of the center was significantly improved with the assignment of a competent accountant, business manager and administrator. The Ministry apparently realized the importance of this function and selected trained staff for the job.

There has been a history of changing directors for the center since its inception in 1959.

The incumbent has been on the job since February 10, 1972. Six other Directors have served since July 1959.

1. Mr. Nguyen Manh Tu - from 25-7-59 to 26-6-68.
2. Mr. Nguyen Van Vuong - from 26-6-68 to 27-2-69.
3. Mr. Ngo Van Quyen - from 22-12-70 to 25-5-71 (Acting).
4. Mr. Tran Viet Yen - from 27-3-69 to 22-12-70 (Acting).
5. Mr. Nguyen Qui Dinh - from 25-5-71 to 24-1-72.
6. Mr. Can Quan - from 25-1-72 to 1-10-72.
7. Mr. Tran Van Du - from 2-10-72 to current (Deputy Sec. Gen. of Agric.)

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B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
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1.1 Training Capability

Director of Training

Incumbent/is trained entomologist with skills as a trainer. Has reworked Management school course from 12 weeks to 4 weeks. He prepares and handles training budget, administrative and personnel matters for the Center. He supervises final translations and revisions of course matter from English to Vietnamese. This Chief has developed training course test form which was revised from 4-day test to two-hour test. The revised test form was first used in the course from August 1st to 26th. The results will be evaluated to provide guidance regarding course changes.

1.2 Research and Development

The responsibilities of this position include general library and information collection functions. The major thrust of the job is to provide information of general relevance to the training course, translation, etc.

The incumbent is not qualified for the job, consequently the job is not being done. The Ministry plans to reassign the incumbent by December 1972. A replacement staff member has not been selected as yet, however, the Ministry said it would provide a replacement.

1.3 Teaching Staff

Current, 4 graduates at 4-year university level and 3 at the BAC II level hold teaching positions at the Center.

None of the 7 has had prior teaching experience or farm management backgrounds. The instructors were enrolled in the first basic management course at the Center.

Generally, the instruction staff is untested as yet under classroom conditions, as instructor.

1.4 Reproduction Services Capability

The center is equipped with two memographs, tape recorders, overhead projectors, public address system and typewriters. The unit is capable of producing virtually all of the teaching materials and training aids required in carrying out its educational programs. It does not have the capability to produce hard cover bound materials, however, as this is the pervue of the central GVN printing facility.

The Ministry assigned a well qualified technician for the audio visual center, October 1972. He has had electronics training and experience. One of his first tasks was the successful repair of a tape recorder.

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IV. PROJECT PURPOSE

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
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2. Established up to 10 viable demonstration farmer organizations located in various parts of the country engaged in economic supply/marketing activities for its members.

Indicators:

- a. Membership growth trends (active membership)
- b. Capital growth trends
- c. Sales volume trends
- d. Savings and income distribution profile

2.0 While the "pilot" organizations have some characteristics in common, each operation varies in management capability, size, locality, type of business, and other variables, making comparisons between them difficult. However, as a training tool and to get organization leadership to think in business terms, it is important to begin to develop, and use, certain types of information for analyses. Certainly a better job can be done as improved data becomes available and uniform accounting and reporting systems are developed.

Analyses, such as these, will assist the farm organization leadership to recognize the importance of financial management analysis and its value in managing and guiding organizations to more effective and efficient operations and improved planning.

The following analysis and ratios are used in the decision-making process and in providing guidance to the farmer organizations.

These analyses deal almost entirely with basic operating statements (profit and loss), condensed, and the Statement of Financial Condition (balance sheet), condensed.

The balance sheet reflects the ways in which capital has been used and its source at a given point in time. The operating statement measures the results of operations over a stated period of time.

Due to the uneven definition of current assets and current liabilities, analysis of the working capital situation is not covered here. Additional work is required to develop uniform definitions and valuations within the accounting system.

There are many conclusions and observations which could be drawn from the tables in Appendix I. Due to the fact that much of the data is being obtained for the first time and, due to the lack of uniformity in accounting and reporting, further analysis may be counter-productive at this time.

It is acknowledged that ratios are neither a management cure-all nor a substitute for judgement on the part of management. Ratios, when properly used, however, can assist in management decision-making and planning.

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B. 1. Conditions which will exist when above purpose is achieved.		2. Evidence to date of progress toward these conditions.	

2.0 (Continued)

Table A and Table B show a wide variation in gross operating margins which may have several meanings. It is apparent, however, that the cooperatives (Pilots) as a group have a lower cost of goods ratio as compared with the FAs. Conversely, the operating expense ratios favor the FAs. Some of the operating expense for the FAs is subsidized by the GVN... figures are not presently available to show exactly how much. Regardless of this, gross margins before operations indicate that FAs either buy at higher prices or sell at lower prices than might be necessary or wise. Realistic purchasing and pricing policies need to be established. If Thap Cham 1971 (loss) is omitted, the cooperatives are much stronger in this regard. NOTE: Thap Cham operated during 1971 without a manager, with predictable results.

Table A and Table B show that the amount of capital development is limited although the profit percentage is pretty fair. Ways must be found to increase the volume of sales while maintaining a profit percentage of 5-10%. These organizations would then be able to develop the equity capital necessary for financial strength and stability.

Table C, D and E show that members have a very small investment share in capital (equity) in these organizations. (In some cases investment per member is equal to the cost of a bowl of Chinese soup.) The cooperatives have a much higher member equity than the FAs.

Work in membership development and education must become an integral part of the management plan. The organization must develop loyalty among the members, assuming the organization can justify that loyalty by producing benefits. The area of membership development is basis and appears to have been neglected.

Ratios showing return on equity (Tables C, D and E), appear to be high due to low equity capital. Additionally, return on fixed assets is extremely high. Since we do not yet have a clear picture of just how the organizations evaluate fixed assets but do note the lack of uniformity, it would be unwise to draw conclusions at this time.

Tables C, D and E also show that current assets are a high proportion of total assets, and that current liabilities are a high proportion of total liabilities. Such relationships are not necessarily bad. If, however, the relationship is due to high short-term borrowings or to high inventories due to low turnover, it is bad. At this point it appears the organizations need assistance in developing longer-range projects making greater use of reasonable long-term debt with a "pay-back" over 5 years or so. The high interest charges make it difficult to operate with short-term money, but sound long-term loans with lower interest could increase the returns on total investment.

Table E shows the annual purchased per active member is approximately 20% higher for cooperatives than for the FAs. More important, however, are statistics which indicate that 1/3 of the members did not patronize the organization, at all. It is the job of management to determine the reason for this deficiency and develop the patronage. Increased sales volume, as has been noted, is badly needed.

IV. PROJECT PURPOSE

- B. 1. Conditions which will exist when above purpose is achieved. 2. Evidence to date of progress toward these conditions.

2.0 (Continued)

Net worth capital (equity) is most important for it is the foundation of risk capital in any business. Foundation capital must be developed soundly, then debt capital can be used as a supplement...not as a substitute. The cost of debt capital based on return on investment and/or sales is presently too high to develop equity when such a high proportion of debt capital is used. Increase of net worth capital depends upon increased member equity. Increased member equity must be developed through member education, demonstration of benefit and planned retention of earnings. This can only happen if a planned membership development program can be developed based on integrity of operation and the production of tangible benefits which accrue to the member and the members' clear understanding of the potential benefit of purchasing and marketing in concert.

3. A capability within the DFOC to provide support services to FAs and COOPs such as: auditing, chartering, training, extension, publicity, business and financial analyses and recommendations for improvement for FAs and Coops.

3.0 Reorganization of DFO has been accomplished in practice, even though the decree has not yet been issued. Reorganization is along functional lines, limited to 4 Divisions and combines the staffs of DFO and DOC into a single unit. One of stated purposes of reorganization is to move from concept of "control" over FOs to one of "support".

A comparison of organizational charts for the Directorate of Framers Organizations and Director of Cooperatives indicates the changes contemplated in the new decree currently pending the Prime Minister's approval.

3.1 Of several important skills needed by officials of DFOC those regarding the analyses of financial and business data are the most important.

The contractor is introducing, albeit on a limited scale, skills training in financial analysis for the benefit of the Pilot Group Guidance Committee.

These new skills are related to a working knowledge of:

- a. Profit Relationships
 - 1) Net profit to sales ratio - overall efficiency.
 - 2) Expense to sales ratio - operating efficiency.
 - 3) Gross margin to sale ratio - are sales productive.
 - 4) Direct selling expense to sales - are they justified.
- b. Capital Relationships
 - 1) Borrowed capital to net worth - who owns.
 - 2) Current assets to Current Liabilities - borrowing capacity
 - 3) Sales to net working capital -

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B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
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3.1 (Continued)

c. Merchandise Relationships

- 1) Inventory turnover - efficiency
- 2) Inventory to net working capital - too much or too little

3.2 To date insufficient attention has been given to this phase of the project. Up until the last six to eight months Ministry personnel were not sufficiently interested or motivated to concern themselves with these skills. DFOC staff currently appears receptive to learning these skills and possess the academic background for it. It will require another year to firmly internalize the analytical processes within the DFOC leadership.

Revised Table of Organization

For Directorate of Farmers Organizations and Coops (DFOC)

Director/Deputy Director - Inspection Teams (Not line department)
 General Management Bureau (Support) - General Management (Support)

- (i) Organization Service
- Legal Bureau
 - Organization Bureau
 - Accounting Bureau
 - Non-Agricultural Coops Bureau

- (ii) Business Service
- Supply Business Bureau
 - Marketing Bureau
 - Agricultural Services Bureau

- (iii) Credit Service
- Credit Bureau
 - Credit Administration Bureau
 - Savings and Investment Bureau

- (iv) Coordination Service
- Programming Bureau
 - Coordination and Control Bureau
 - Statistics and Document Bureau

Farmers Organizations and Coops have direct command line to Deputy Director.

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B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
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3.1 (Continued)

PRIOR ORGANIZATIONAL STRUCTURE

Director of Cooperatives

- (1) Director/Deputy Director
 - (i) Bookkeeping Bureau
 - (ii) Rice Coop Service
Organizational Bureau
Technical Bureau
 - (iii) Agr/Forestry/Livestock Coops
Agriculture Service
Forestry/Livestock Service
 - (iv) Fisheries Coops
Continental Fish Coops
Sea Fish Coops
 - (v) Non-Agric Coops
Industry Coops
Consumer Coops
Misc. Coops
 - (vi) Supply Service
Mktg Bureau
Supply Bureau
 - (vii) Admin. Bureau
 - (viii) Prov/Inter Prov.
Crop Service

Directorate of Farmers Organizations

- (1) Director/Deputy Director
 - (i) Organization Service
Legal Bureau
Bookkeeping Bureau
Agri-development Bureau
 - (ii) Inspection Team
 - (iii) Coordination Service
Coordination Bureau
Bookkeeping Bureau
 - (iv) Business Service
Credit Bureau
Business Bureau
- (2) The Farmers Organization Branch Chief reported directly to the Deputy Director. Other subordinate levels down to the village Farmers Associations reported through a claim of command to the Deputy Director.

3.3 The reorganization of the Directorate of Farmers Organizations and Cooperatives (formerly the Directorate of Farmers Organizations and the Directorate of Cooperatives) is significant for the following reasons:

1. Merges two Directorates having similar and, in some cases, identical responsibilities into a single directorate under the direction of a single deputy.
2. Minimizes conflicts between two staffs doing similar but sometimes competing work.
3. Allows the Directorate to make better use of available technical talent as bureau chiefs (40% fewer bureaus).
4. Provides optimum use of that always scarce commodity, leadership, in top positions (as Service Chiefs).

USAID/VN (72)	Project No. 730-11-140-291.02	Country Vietnam	PAR Serial No. 730-73-023
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IV. PROJECT PURPOSE

- B. 1. Conditions which will exist when above purpose is achieved. 2. Evidence to date of progress toward these conditions.

3.3 (Continued)

5. Organization mirrors the major division of work and responsibilities of the Directorate.
6. Provides opportunity to improve accessibility, cut time lags and pinpoint responsibilities.
7. Provides model for merging and reorganizing the coop services and FO branches at the provincial and inter-provincial levels.
4. Substantial source capital necessary to establish and expand. FOs provided by member share participation of at least 25% of total capital requirements.

Indicators:

- Initial share subscription
- Capital retention

4.0 Less than 1% of capital for pilot organizations from initial member share participation.

It appears unlikely that existing organizations will force members to increase their member participation.

The latest Coop formed, An Trac, Ba Xuyen Province, has over 25% share participation. DFOC officials use substantial share participation as one of their criteria in approving new charters.

4.1 The current law requires an entrance fee of VN\$ 10 per member, annual fee is VN\$ 20 per member and nominal value of each share is fixed at VN\$ 100 with a limitation of shares per member not to exceed 5% of total number of shares issued.

The current law also provides for the establishment of reserves in addition to the mandatory legal reserve of 10% of net profit. However, any increase of capital or issuance of new shares by incorporation of reserve funds is forbidden.

5. Improved communications between DFOC, central organizations, FOs, ADB and other agencies of the CVN.

5.0 Communications and liaison improved at the higher levels of DFOC. Discussions are carried out on a regular basis with officers of CFB. DFOC officials now travel to the field to visit individual associations and coops about two days a week on the average. This applies to the top management officials including the service chiefs. This is in contrast to virtually no travel heretofore. Substance of visits now follows a prescribed pattern where central government officials make inquiries about the business aspects of the organizations being visited.

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IV. PROJECT PURPOSE

- B. 1. Conditions which will exist when above purpose is achieved. 2. Evidence to date of progress toward these conditions.

5.1 In a specific case, the Thap Cham Tobacco Coop, DFDC officials noting that the organization was doing very little business and was losing money made the following recommendations: 1) Admonished the board of directors to hire a business manager, 2) Required them to prepare an annual business plan, 3) Interceded with the ADB and its branch bank to provide a loan to the coop after it demonstrated that it had a manager and plan of work, and 4) Interceded with the tobacco monopoly to cease the practice of considering the coop a residual supplier of tobacco. It thus placed the coop on a business basis with a requirement for meeting its obligations to supply tobacco of a certain quality on a timely basis.

V. PROGRAMMING PURPOSE

A. Statement of Programming Goal.

To increase agricultural production efficiency, achieve surplus production in commodities with favorable economic advantage, and equitably distributed farm income with expansion in exports of agriculture commodities.

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

The ten pilot organizations have a present membership of about 18,000 of which 13,000 are considered active, i.e., patronized organization at least once in past 12 months.

CY 1970 Sales Volume was VN\$130.6 million

CY 1971 Sales Volume was VN\$143.0 million

CY 1972 Sales Volume first six months VN\$159.4 million (based on January 1972 - June 1972 data) Projected Sales for CY 1972 VN\$340.6 million.

Agricultural economic development requires efficiency in production and distribution of agricultural products sufficient supply and kind to provide an adequate diet at reasonable costs. In addition, the income to farmers should increase and be equitably distributed. Stability, a corner stone of a progressive and developing countryside, demands and infrastructure of competitive and democratically controlled institutions. In developing countries, it has been proven many times that farmers' associations, and cooperatives (FO's) are important to stability and development.

Development of an effective structure of FO's in Vietnam heretofore can be characterized as a near failure. Much of the effort by USAID and GVN in prior years has gone into their development. However, the desired success was not forthcoming. After a careful survey by the contractor and ADFA in 1970 of the causes of failure, it was found that the single ingredient most lacking was management, or in more specific terms, the absence of the skills of management, inefficiency, ineffectiveness, under capitalization, lack of member participation, GVN lack of knowledge about the status of 694 coops and 135 Farmers Associations, and no budget control.

USAID/VN (72)	Project No.	Country	PAR Serial No.
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B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

After the survey the major emphasis of the contractor and the USAID was shifted from assistance in developing agriculture credit capability to development of management capability in the FO's. Out of thirty surveyed FO's ten were selected to be handled as this PAR describes.

The DFOC has selected an additional 20 FO's for special emphasis. It applies to these 20 FO's techniques, management procedures and reports developed under this project. It plans to select an additional 20 next year for similar treatment. While a total of 829 farmers organizations and coops were chartered by the Ministry, about one third or 253 are considered inactive while 351 are marginally weak operations. Only 225 are classified as active organizations. The DFOC has given highest priority to upgrading the active organizations and secondary priority to the marginal ones. The inactive organizations are given least priority. (See table C.)

If the project is successful, the management training concentrated on the pilot FO's will be diffused to the countryside so that all farmers will have voluntary access to a farmers association or a farm cooperative. Subsequently a strong democratically controlled central farm organization should follow. Towards this broad objective the project is directed. Progress is being made, but it has been slowed by the reoccurring spurts of war activity. At this point in time it is too soon to predict whether success will come, but it is also too soon to stop trying.

"PILOT" F.O. DISTRICT FARMERS ASSOCIATIONS
ANNUAL COMPARATIVE OPERATING STATEMENTS (CONDENSED)
(VN\$000)

(CONDENSED)	DUC TU				BUU SON				DUC TRONG				CHAU PHU				TU NGHIA			
	1970	%	1971	%	1970	%	1971	%	1970	%	1971	%	1970	%	1971	%	1970	%	1971	%
GROSS SALES & INCOME	17457	100	34329	100	31066	100	34068	100	12069	100	6506	100	10305	100	9532	100	38701	100	16699	100
COST OF GOODS SOLD	15459	88.6	30899	90.0	28939	93.2	32388	95.0	11286	93.5	5924	91.0	8550	83.0	8475	88.9	57539	97.0	15239	91.3
GROSS OPERATING MARGIN	1998	11.4	3430	10.0	2127	6.8	1680	5.0	783	6.5	582	9.0	1756	17.0	1057	11.1	1162	3.0	1460	8.7
OPERATING EXPENSE	952	5.4	1569	4.6	1143	3.6	1449	4.3	238	2.0	232	3.6	734	7.1	632	6.6	855	2.2	1022	6.1
NET OPERATING SURPLUS(PROFIT)	1046	6.0	1861	5.4	984	3.2	231	.7	545	4.5	350	5.4	1022	9.9	425	4.5	307	.8	438	2.6

"PILOT" COOPERATIVE
ANNUAL COMPARATIVE OPERATING STATEMENTS (CONDENSED)
(VN\$000)

(CONDENSED)	THAP CHAM				THANH AN				KHANH HOA				HON KEOI			
	1970	%	1971	%	1970	%	1971	%	1970	%	1971	%	1970	%	1971	%
GROSS SALES & INCOME	20326	100	8979	100	4784	100	9976	100	4435	100	4056	100	9479	100	14811	100
COST OF GOODS SOLD	16460	81.3	7764	86.5	3738	78.1	9049	90.7	3311	74.6	2390	63.2	6925	73.1	10254	69.2
GROSS OPERATING MARGIN	3867	19.5	1215	13.5	1046	21.9	927	9.3	1124	25.3	1676	34.8	2554	26.9	4557	30.8
OPERATING EXPENSE	3081	15.0	3775	42.0	1005	21.0	851	8.5	948	21.4	682	16.8	1338	14.1	1832	12.4
NET OPERATING SURPLUS(PROFIT)	777	3.9	(2560)	(28.5)	41	.9	76	.8	176	4.0	794	20.0	1216	12.8	2725	18.4

TABLE B

"PILOT" ORGANIZATIONS CONSOLIDATED OPERATING RATIO COMPARISONS (BASED ON % OF SALES)				
	DISTRICT FARMERS ASSOCIATIONS (5)		COOPERATIVES (4)	
	1970	1971	1970	1971
TOTAL SALES VOLUME (VN\$000)	109,599	101,134	39,024	37,832
AVERAGE % COST OF GOODS	91.0%	91.2%	76.7%	67.4%
AVERAGE % MARGIN	9.0%	8.8%	23.3%	22.6%
AVERAGE % EXPENSE	5.0%	5.1%	17.8%	19.9%
AVERAGE % PROFIT (SURPLUS)	4.88%	3.75%	5.4%	2.67%
SALES FOR EMPLOYEE (VN\$000)	3,321	3,064	2,054	1,991
TOTAL NUMBER OF EMPLOYEES	33	33	19	19

DISTRICT "PILOT" FARMERS ASSOCIATIONS
BALANCE SHEET (CAPITALIZATION) COMPARISONS - FISCAL YEAR END
(VN\$000)

TABLE C

	DUC TU		BUU SON		DUC TRONG		CHAU PHU		TU NGHIA	
	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
ASSETS:										
CURRENT ASSETS	13309	9179	12897	8883	3975	3661	10308	8252	11470	4388
FIXED ASSETS	2018	2553	608	1539	670	533	194	172	2510	2714
OTHER ASSETS	484	484	112	69	438	507	---	6	---	719
TOTAL ASSETS	<u>15811</u>	<u>12216</u>	<u>13617</u>	<u>10491</u>	<u>5083</u>	<u>4701</u>	<u>10502</u>	<u>8430</u>	<u>13980</u>	<u>7821</u>
LIABILITIES:										
CURRENT LIABILITIES	7714	2509	7167	3452	1626	1247	6683	4338	6820	193
LONG-TERM LIABILITIES	2629	2538	1513	2119	700	647	896	975	2809	2885
TOTAL LIABILITIES	<u>10373</u>	<u>5047</u>	<u>8680</u>	<u>5571</u>	<u>2326</u>	<u>1894</u>	<u>7579</u>	<u>5313</u>	<u>9629</u>	<u>3078</u>
NET WORTH: (MEMBER EQUITY)										
SURPLUS SAVINGS (OPERATIONS)	1046	1861	984	231	545	350	1022	425	307	438
CAPITAL STOCK	237	238	700	739	177	191	160	528	714	747
RESERVES	4155	5070	3253	3950	2035	2266	1741	2164	3330	3558
TOTAL NET WORTH (EQUITY)	<u>5438</u>	<u>7169</u>	<u>4937</u>	<u>4920</u>	<u>2757</u>	<u>2807</u>	<u>2923</u>	<u>3117</u>	<u>4351</u>	<u>4743</u>
TOTAL LIABILITIES&NET WORTH	<u>15811</u>	<u>12216</u>	<u>13617</u>	<u>10491</u>	<u>5083</u>	<u>4701</u>	<u>10502</u>	<u>8430</u>	<u>13980</u>	<u>7821</u>

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"PILOT" COOPERATIVES
BALANCE SHEET (CAPITALIZATION) COMPARISONS FISCAL YEAR ENDING
1970 AND 1971

	THAP CHAM		THANH AN		KHANH HOA		HON KHOI	
	1970	1971	1970	1971	1970	1971	1970	1971
<u>ASSETS:</u>								
CURRENT ASSETS	10850	27022	5261	4017	5762	6206	3059	4035
FIXED ASSETS	1401	1273	204	410	243	199	1018	1151
OTHER ASSETS	2113	275	455	426	1723	52	--	--
TOTAL ASSETS	<u>14364</u>	<u>28570</u>	<u>5920</u>	<u>4853</u>	<u>7728</u>	<u>6457</u>	<u>4077</u>	<u>5186</u>
<u>LIABILITIES:</u>								
CURRENT LIABILITIES	6391	24589	5071	3979	587	817	1151	--
LONG-TERM LIABILITIES	393	771	654	578	2821	532	534	563
TOTAL LIABILITIES	<u>6784</u>	<u>25360</u>	<u>5725</u>	<u>4557</u>	<u>3408</u>	<u>1349</u>	<u>1685</u>	<u>563</u>
<u>NET WORTH (MEMBER EQUITY):</u>								
SURPLUS SAVINGS OPERATIONS	777	(2560)	41	76	176	794	1211	2725
CAPITAL STOCK	2675	957	154	154	611	749	137	104
RESERVES	4128	4813	--	66	3533	3565	1039	1794
TOTAL NET WORTH(EQUITY)	<u>7580</u>	<u>3210</u>	<u>195</u>	<u>296</u>	<u>4320</u>	<u>5108</u>	<u>3292</u>	<u>4623</u>
TOTAL LIABILITIES&NET WORTH:	<u>14364</u>	<u>28570</u>	<u>5920</u>	<u>4853</u>	<u>7728</u>	<u>6457</u>	<u>4077</u>	<u>5186</u>

"PILOT" ORGANIZATIONS
BALANCE SHEET (CAPITALIZATION) COMPARISONS.

TABLE E

	DISTRICT FARMERS ASSOCIATIONS									
	DUC TU		BUU SON		DUC TRONG		CHAU PHU		TU NGHIA	
	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
AVERAGE SHARE CAPITAL VALUE PER MEMBER	VN\$106	107	268	283	130	140	36	120	230	241
EQUITY TO DEBT RATIO	1:1.9	1.4:1	1:1.8	1.1:1	1.2:1	1:4.1	1:2.6	1:1.7	1:2.2	1.5:1
RETURN ON MEMBER EQUITY	19.0%	26.0%	20.0%	4.8%	20.0%	12.0%	34.0%	16.0%	7.0%	9.3%
RETURN ON FIXED ASSETS	52.0%	72.5%	161.0%	15.0%	81.0%	66.0%	526.0	246.0%	12.3%	16.2%
RETURN ON TOTAL ASSETS	6.6%	15.6%	7.2%	2.2%	10.7%	7.5%	9.7%	5.0%	2.2%	5.6%
	COOPERATIVES									
	THAP CHAM		THANH AN		KHANH HOA		HON KHOI			
	1970	1971	1970	1971	1970	1971	1970	1971		
AVERAGE SHARE CAPITAL VALUE PER MEMBER	VN\$2231	800	321	321	448	549	285	218		
EQUITY TO DEBT RATIO	1:1.1	1:8	1:29	1:15	1.2:1	3.8:1	2:1	8:1		
RETURN ON MEMBER EQUITY ANNUAL SURPLUS ÷ EQUITY	9.9%	Loss (8.0%)	21.0%	25.6%	4.0%	15.0%	36.0%	60.0%		
RETURN ON FIXED ASSETS ANNUAL SURPLUS ÷ FIXED ASSETS	55.0%	Loss (200.0)	20.0%	18.5%	74.6%	400%	112.0%	256.0%		
RETURN ON TOTAL CAPITAL ANNUAL SURPLUS ÷ TOTAL CAPITAL	5.4%	Loss (8.8%)	6.9%	1.57%	2.48%	12.1%	30.0%	52.5%		

"PILOT" ORGANIZATIONS
MEMBERSHIP COMPARISONS 1/

TABLE F

	SALES VOLUME 2/ VN\$000 1970	SALES VOLUME 2/ VN\$000 1971	TOTAL MEMBERS	ACTIVE 3/ MEMBERS	POTENTIAL MEMBERSHIP	PURCHASES PER ACTIVE MEMBER 1970	PURCHASE PER ACTIVE MEMBER 1971
<u>DISTRICT FARMERS ASSOC.:</u>							
DUC TU	17,457	34,329	2230	1650	9000	VN\$10,500	VN\$20,600
BUU SON	31,066	34,068	2600	2600	3000	11,900	13,100
DUC TRONG	12,069	6,506	1360	1360	2800	8,850	4,800
CHAU PHU	10,306	9,532	4372	1700	6000	6,100	5,580
TU NGHIA	38,701	16,699	3079	2070	4000	18,510	8,080
TOTALS	<u>109,599</u>	<u>101,134</u>	<u>13641</u>	<u>9380</u>	<u>24800</u>	<u>11700</u>	<u>10,800</u>
<u>COOPERATIVES:</u>							
THAP CHAM	20,326	8,979	1197	400	2000	50,700	22,100
THANH AN	4,784	9,976	480	480	4700	9,950	20,600
KHANH HOA	4,435	4,066	1369	1369	2200	3,280	3,100
HON KHCI	9,479	14,811	483	483	1000	19,700	30,600
TOTAL	<u>39,024</u>	<u>37,832</u>	<u>3529</u>	<u>2732</u>	<u>9900</u>	<u>14,700</u>	<u>14,300</u>

- 1/ Membership data from field survey 1971
 2/ Sales volume from operating statements and field survey information
 3/ Members who have transacted business within past year.

Summary of Farmers Associations and Cooperatives

Organization/Classification	Organizations Established by Charter	Active as of Sept. 1972	Marginal Operations	Inactive as of Sept. 1972
<u>CCOP.:</u>				
- Agriculture, Forestry, Animal Husbandry	154	22	55	77
- Rice	42	5	22	15
- Fishery	85	15	16	54
- No Agriculture	413	130	218	65
Sub-Total	694	172	311	211
<u>FARMERS ASSOCIATIONS:</u>				
- District Farmers Association	135	53	40	42
<u>Grand Total</u>	<u>829</u>	<u>225</u>	<u>351</u>	<u>253</u>

The DFOC is currently working with the active and the marginally weak organizations. The inactive organizations have been given lowest priority for human and financial resources of the Ministry and DFOC.

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project:
From FY 1970 to FY 1974
Total U. S. Funding \$540,000
Date Prepared: November 10, 1972

Project Title & Number: FARMERS ORGANIZATIONS - 730-11-140-291.02

Eval. Period: Jan. 1, 1972/Oct. 31, '72
IMPORTANT ASSUMPTIONS

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																																																																														
<p>Program or Sector Goal: The broader objective to which this project contributes: To increase the efficiency of production and distribution of agricultural products; to increase and equitably distribute farm income; to provide an adequate diet for the people of Vietnam at reasonable costs; to achieve surplus production of commodities with favorable economic advantage; and to expand exports of agricultural commodities and of products derived from agriculture commodities.</p> <p>Project Purpose:</p> <p>To establish the management and economic viability of a select group of Farmers' Organizations to serve as examples for other organizations.</p>	<p>Measures of Goal Achievement:</p> <ol style="list-style-type: none"> 1. Agriculture production increases by members of Farmer Organizations. 2. Increased farm income resulting from membership participation in farmer organizations. 3. Increased exports 	<ol style="list-style-type: none"> 1. Analysis of Farmer Organizations business activity 2. Analysis of business activity of control group for comparative analysis 3. Analysis of Farmer Organizations members farm records expenditures, net income, etc. 4. Analysis of financial records of control group 	<p>Assumptions for achieving goal targets:</p> <ol style="list-style-type: none"> 1. The demonstration effect of the pilot organizations will be extended throughout the country by GVN. 2. Agriculture production credit will be available to Farmers Organizations as needed. 																																																																														
<p>Outputs:</p> <ol style="list-style-type: none"> 1. Trained staff assigned to TC and FOs. 2. Prepare and conduct courses and syllabi for mgrs, accts, bookkeepers, and Members of Boards. 3. Complete mgmt survey of FOs. 4. Establish salary incentive, for mgrs. 5. Combine functions of IFO and ICC. 6. Train staff in survey planning, methodology and evaluation for FOs. 7. Est. uniform audit and reporting procedures and guidelines. 	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> 1. Training Center (TC) adequately staffed and providing skills training. 2. 10 financially successful demonstration Farmer Organizations 3. GVN alter its approach to farmer organizations from supervisory to support. 4. About 25% capitalization of new FOs derived from member share participation. 	<ol style="list-style-type: none"> 1.1 Review and evaluation of trainers. 1.2 Review and evaluation of trained officers on basis of performance of skills. 2. Analysis of fiscal and other records of 10 pilot FOs. 3. Review GVN relationships with FOs. 4. Review of capitalization records. 	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> 1. GVN will continue to decrease control over FOs. 2. TC will remain in continual use for benefit of training for FOs. 3. Security conditions improved, transport impediments ameliorated to permit intra and inter provincial movement of agric commodities and supplies. 4. That thru Agri-Business project Marketing and distribution facilities will be improved to permit FOs to 																																																																														
<p>Inputs: U.S.</p> <p>Personnel:</p> <p>Contract - 154 man months</p> <p>Training:</p> <p>U.S. - 4 man months</p> <p>Third Ctry- 22 man months</p> <p>GAN:</p> <p>Personnel:</p> <p>Staff - DFOC and CI - 135</p> <p>Candidate for training - 26</p>	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1. Eight for TC, about 8 each to 10 pilot FOs. 2. Courses and syllabi for Mgrs, Acct, bookkeepers, Members of Boards and instruction material. 3. 29 FOs surveyed with help of Vietnamese trained in this area. 4. Preparation guidelines. 5. Preparation guidelines. 6. Preparation of survey design, forms, training in methods/techniques. 	<ol style="list-style-type: none"> 1. Review and evaluation TC staff and FOs relationship. 2. Review of course instructions. 3. Task completed October 1971. 4. Evaluate inventive system and effect on managers. 5. Combined field forces observed on the job. 6. Review and evaluate survey method and results. 	<p>Assumptions for achieving outputs: /function.</p>																																																																														
<p>Implementation Target (Type and Quantity)</p> <table border="1" data-bbox="531 1183 951 1324"> <thead> <tr> <th></th> <th>1972</th> <th>1973</th> <th>1974*</th> </tr> </thead> <tbody> <tr> <td>Man/Plan</td> <td>12</td> <td>12</td> <td>12</td> </tr> <tr> <td>Fin/Buss</td> <td>12</td> <td>12</td> <td>12</td> </tr> <tr> <td>Training</td> <td>12</td> <td>12</td> <td>12</td> </tr> <tr> <td>Acct</td> <td>10</td> <td>-</td> <td>-</td> </tr> <tr> <td>Admin Asst</td> <td>12</td> <td>12</td> <td>12</td> </tr> </tbody> </table> <p>* To be off USAID rolls by 6-30-74.</p>		1972	1973	1974*	Man/Plan	12	12	12	Fin/Buss	12	12	12	Training	12	12	12	Acct	10	-	-	Admin Asst	12	12	12		<p>(Cont'd)</p> <p>GAN:</p> <table border="1" data-bbox="997 1183 1423 1324"> <thead> <tr> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Personnel: (Qualified)</td> <td></td> </tr> <tr> <td>Key Personnel DFOC</td> <td>27</td> </tr> <tr> <td>Key Personnel & Staff of TC</td> <td>40</td> </tr> <tr> <td>Sub Total</td> <td>67</td> </tr> <tr> <td>Other</td> <td>68</td> </tr> <tr> <td>Total</td> <td>135</td> </tr> </tbody> </table>			Personnel: (Qualified)		Key Personnel DFOC	27	Key Personnel & Staff of TC	40	Sub Total	67	Other	68	Total	135	<p>Assumptions for providing inputs:</p> <table border="1" data-bbox="1434 1183 1913 1387"> <thead> <tr> <th></th> <th colspan="3">CY</th> </tr> <tr> <th>MAC Budget (Millions)</th> <th>1971</th> <th>1972</th> <th>1973</th> </tr> </thead> <tbody> <tr> <td>Salaries & Allowances</td> <td></td> <td></td> <td></td> </tr> <tr> <td>- VNS</td> <td>.17</td> <td>1.0</td> <td>.69</td> </tr> <tr> <td>Materials & Mgmt Svc.</td> <td>1.33</td> <td>9.0</td> <td>26.10</td> </tr> <tr> <td>Repair</td> <td>10.00</td> <td>12.0</td> <td>2.00</td> </tr> <tr> <td></td> <td>11.50</td> <td>22.0</td> <td>28.79</td> </tr> <tr> <td>Trust Fund (Million):</td> <td>30/71</td> <td>1/1/73-</td> <td></td> </tr> <tr> <td></td> <td>12/31/72</td> <td>6/30/74</td> <td></td> </tr> <tr> <td>Support of Contract(VNS)</td> <td>2.4</td> <td>3.2</td> <td></td> </tr> </tbody> </table>		CY			MAC Budget (Millions)	1971	1972	1973	Salaries & Allowances				- VNS	.17	1.0	.69	Materials & Mgmt Svc.	1.33	9.0	26.10	Repair	10.00	12.0	2.00		11.50	22.0	28.79	Trust Fund (Million):	30/71	1/1/73-			12/31/72	6/30/74		Support of Contract(VNS)	2.4	3.2	
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