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CERTIFIED A TRUE COPY THIS 1 DAY OF June
BY M. Salmon

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

931 1121 DP
4201

FUNDING DATA
Date 4-20-79
Project No. 931-1121
Project No. 3698180
Project Code 4190
Account 943-36-099-00-20-91
Amount $240,000.00
Initials Brelian

19 APR 1979

Mr. Walter W. Simons
Executive Director
Industry Council
for Development
821 United Nations Plaza
New York, NY 10017

Subject: Specific Support Grant
AID/DSAN-G-0087
Cognizant Technical Office:
DS/AGR/AB

Dear Mr. Simons:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Industry Council for Development (hereinafter referred to as "ICD" or "Grantee") the sum of $240,000 to provide support for a program in Commercial Seed Industry Promotion Development 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 furtherance of program objectives during the period April 1, 1979 through November 30, 1982.

This Grant is made to ICD, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled "Program Description," and Attachment 2 entitled "Standard Provisions," which have been agreed to by your organization.

Please sign and return the Statement of Assurance of Compliance, enclosed herein, and the original and six (6) copies of this letter to acknowledge

your acceptance of the conditions under which these funds have been granted.

Sincerely yours

Morton Darvin
Grant Officer
Agriculture/Nutrition Branch
Central Operations Division
Office of Contract Management

Attachments:

1. Program Description
2. Standard Provisions
3. Statement of Assurance of Compliance

Accepted: Industry Council for Developmen

BY: V S Bu

TITLE: Chairman

DATE: 10th May 1979

Fiscal Data

Appropriation: 72-1191021.3
Allotment: 943-36-099-00-20-91
PIO/T No.: 3698180
Project No.: 931-1121
Total Grant Amount: $825,000
Amount Obligated by this Grant: $240,000

Program Description

A. Purpose of Grant

The purpose of this Grant is to provide support for ICD's promotion of commercial seed industry projects in the LDCs.

B. Specific Objectives

The specific objectives of this Grant are further set forth in the Grantee's proposal which is made a part of this Grant as Enclosure 1

C. Implementation

To achieve the above objectives, the Grantee shall carry out the activities set forth in Enclosure 1 with funds provided by this Grant.

D. Reporting

a) Five (5) copies of a semi-annual report of project performance and progress
b) A budget summary for each sub-activity prior to implementation

These reports will be sent to the project manager

DS/AGR/Agribusiness, William Rodgers
Room 409 SA-18
Agency for International Development
Department of State
Washington, D.C. 20523

The project will be evaluated on an annual basis by the DS/AGR/Agri business unit, following evaluation procedures established within A.I.D. A major in-depth evaluation utilizing outside experts, as well as A.I.D. representatives, will be conducted 30 months after project initiaiton.

E. Budget

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

Cost Elements	Total Obligated Amount	Balance	Total Est. Cost
1. Salaries	$ 76,656	$186,844	$263,500
2. Overhead	10,824	26,376	37,200
3. Consultants	18,912	46,088	65,000
4. Travel	17,448	42,552	60,000
5. Training	100,080	243,920	344,000
6. Other Direct Costs	16,080	39,220	55,300
Total	$240,000	$585,000	$825,000

The Grantee may not exceed the total obligated amount of the Budget. Adjustments among the line items are unrestricted. The total estimated cost of the grant is $825,000.
Presently $240,000 is obligated and additional funds to cover the balance is subject to availability of funds and the Agency's determination of its priorities.

F. Special Provisions

1. Work Plan - Within 30 days before implementation, the Grantee will submit to AID/W for approval a detailed work plan indicating the areas of project emphasis and relative manitude of effort.
2. Training - Training funded under this project must be coordinated with AID/DS/AGR/Agribusiness as to the nature of training and location of appropriate training institutions prior to scheduling such training.
3. Name of Grantee - Since submission of the proposal, the Grantee has changed its name from Industry Cooperative Programme (ICP) to Industry Council for Development (ICD). References to ICP refer now to the ICD.
4. Vouchers - Each voucher (Form 1034) submission shall include the grant number, the project number (931-1121) and DS/AGR/Agribusiness.
5. Background - The grant will be executed and implemented by the ICD. The officer will be located in ICD headquarters, New York City, and will report directly to the executive director of ICD or to a designated official. ICD will enlist the support of other U.N. agencies. The project officer will be determined within 30 days of signing of grant agreement.
6. Standard Provisions - The following Standard Provisions are deleted from Attachment 2:

7B. Payment--Periodic Advance
7C. Payment--Reimbursement
11. Government Furnished Excess Personal Property
12A. Title to and Use of Property (Grantee Title)
12C. Title to and Care of Property (Cooperating Country Title)
15. Voluntary Participation
16. Prohibition on Abortion - Related Activities
17. Voluntary Participation Requirements for Sterilization Programs

G. Overhead Rate(s)

As of execution of the grant there is no overhead rate to be used to determine the billing of overhead charges. The intenion is that a rate will be established following the first government audit of this grant. Until an overhead rate is established, indirect costs will be absorbed on a proportionate basis by the Grantee's projects.

5

Attachment A

Applicant: Industry Cooperative Programme

Date : August 2, 1978

Title : Commercial Seed Industry Promotion Development

Amount : $825,000 for four years

Sponsor : Agency for International Development

TABLE OF CONTENTS

	Page
Logical Framework	i - ii
I. Project Background and Problem	1
A. General Statement	1
B. Related AID-Sponsored Activities	1
C. Status of Commercial Seed Industry	2
D. Background of Present Proposal	5
II. Description of Grantee	6
A. Grantee	6
B. Administration of Grant	7
III. Purpose, Objectives and Activities	7
A. Purpose of the Grant	7
B. Major Objectives/Outputs	7
1. Identify and Classify International Seed Industry Resources and Interests in LDCs	7
2. Promotion and Assistance to Industrial Cooperation	8
3. Training	10
IV. Project Analysis	12
A. Technical Analysis	12
1. General	12
a. Scope of Project	12
b. Justification for Choice of Approach	12
c. Implications of Approach Chosen	13
2. Surveys	15
a. Methods to be used	15
b. Justification for Action	16
c. Implications of Choice	16
3. Cooperative Arrangements, Developed - developing countries	17
a. Methods to be used	17
b. Justification for this approach	18
c. Implications of Choice	18

Table of Contents continued

	Page
4. Training Activities	19
a. Methods to be used	19
b. Justification for this approach	20
c. Implications of Choice	20
V. Implementation and Evaluation Planning	21
A. Implementation Plan	21
B. Evaluation	23
VI. Funding and Budget Summary	23

Life of Project: FY 79 to FY 82

Total U.S. Funding: $825,000

Project Title: Commercial Seed Industry Proomotion Development

Date Prepared: June 22, 1978

	Narrative Summary	Objectively Verifiable Indicators	Means of Verification
GOAL:	To improve the production of basic grains in developing countries	Increased per unit-area yields of major crops in target countries	1. National Production statistics 2. FAO reporst on world production
PURPOSE:	To stimulate development of commercial seed industries in target developing countries	Enumeration of organized commercial seed enterprises in target developing countries, and appraisal of their effectiveness in supplying high quality seeds to farmers	1. Official reports by host country regulatory agencies 2. Reports of USAID country missions 3. Reports of UNDP, FAO, and World Bank
OUTPUTS:	1. Viable commercial seed enterprises 2. An operating seed industry system in each target country 3. Trained personnel involved in commercial seed activities	1. Tabulation of businesses or other seed agencies 2. Appraisal by government agency 3. Data provided by business or governmental agencies	1. Seed association or regulatory agency reports 2. Report of Ministry of Agriculture, USAID, FAO, UNDP, World Bank 3. Projects reports, reports from above agencies
INPUTS:	1. Host country cooperating offices and agencies 2. Cooperating firms from developed countries 3. AID funding - total of $625,000, life-of-project 4. Qualified project director	1. Evidence of actual cooperation 2. Evidence of participation 3. Appropriation and transfer of funds 4. Staffing and competent performance	1. Reports provided by project, USAID and host government 2. Reports of project and cooperating firms 3. AID and project reports 4. Project reports, evaluation by AID and Executive Secretary, ICP

9

Important Assumptions

1. That weather and climate remain favorable for improved crop production and higher yields

2. That condidtions in target developing countries are favorable for improvement of agricultural production

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1. That host countries are receptive to concept of commercialized seed industry in major role

2. That farmers in developing countries will need and use improved seeds, and be willing to buy them

3. That several seed firms in developed countries will be willing to cooperate in project program and activities

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1. That there are no insuperable barriers to establishment of viable commercial seed enterprises in target countries

2. That improved seeds will yield high enough returns to farmers that ongoing viability of the seed enterprise is favored

3. That personnel receiving training overseas will be employed in the seed trade and trained in the system for reasonable periods of time

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1. That the governments of host countries will cooperate with the program

2. That cooperating developed-country firms will retain their interest and willingness to participate in the program at least for life-of-project

3. That AID will continue to receive and appropriate the necessary funds

4. That a well-qualified, experienced individual can be recruited and retained for service as Project Director

10

PART I. PROJECT BACKGROUND AND PROBLEM

A. General

Quality seed of adapted, improved crop varieties is the lowest-cost major input for increasing crop production. Not only are better seeds low in relative cost, compared with other yield-increasing inputs, but farmers can adopt them without making other major changes in technology. Thus, improved agricultural practices to the more traditional farmers.

In developed countries, effective commercial seed enterprises are almost universally present. Whether these are in the public or the private sector (good examples of both could be cited), they insure a reliable and economic supply of this important input to all farmers. In contrast, most developing countries do not have any effective commercial sources of seed. Governmental or other public sector seed agencies typically are ineffective and inefficient in such countries. The result is that few farmers, or even large-scale public farming enterprises, have access to reliable sources of good seed. It is rare in developing countries for the traditional farmers to have any access at all to improved seed, and most of them do not even know that the possibility of such an input exists.

B. Related AID-sponsored Activities

AID and its predecessor agencies have funded central service programs in seed improvement work since the mid-1950's. Most of this work has been under the Mississippi State University GTS project now entitled "Seed Program and Seed Industry" (a central technical services contract), under which MSU has provided a wide range of technical and advisory services, largely to public-

sector and governmental agencies in developing countries. These services have included surveys of the need for seed programs, design of legislation and regulations relating to seed improvement and distribution, plans for public-sector seed agencies, plans and specifications for seed plants, training of personnel to be involved in seed production and distribution, monitoring of progress in seed system development, and "trouble-shooting" when public-sector seed agencies become operative. MSU also has served as a contractor for the establishment and initial operation of a public seed system in at least one country (Thailand).

The service given by MSU has been effective in the initial stages of seed program development in a number of countries, but has not done much to create commercially-viable organizations capable of meeting large-scale needs for high quality seeds. By its very nature as a university-based operation, the MSU program has had difficulty in developing and maintaining contact with the commercial sector which is based on private industry even in many developing countries

Many AID country missions have undertaken seed development projects, again almost entirely in the public sector. MSU has been involved in advisory roles with many of these projects. Countries where such projects have been active in recent years include Tanzania, Cameroon, Thailand, Costa Rica, Ecuador, Honduras, Ghana, Rwanda, Chad and the Central African Empire.

C. Status of Commercial Seed Industry

Surveys by both AID and FAO in the past few years have indicated a need for developing the commercial aspects of the seed industry as an adjunct to general agricultural development. At a Seed Symposium sponsored by FAO in Vienna in 1973,

an FAO Seed Review indicated that 85% of the developing-world countries had improved crop varieties available, but that nearly all these countries suffered from an inadequate seed supply at the user level. A specific case of this was noted by an AID contract project development team in the Upper Blue Nile Province in the Sudan in late 1977. In this case, national research services and the activities of ICRISAT had resulted in the availability of improved sorghum and pearl millet varieties at the central research station (Wad Medani). Some improve material was being grown on one large state mechanized farm near Damazin. However, even this farm could not obtain enough improved seed to meet its own needs, and there was no question of any surplus seed being available for the small cultivators nearby. In fact, the state farm itself was in the process of setting up a seed service to meet its own needs. It did not contemplate selling seed to farmers in the near future, and there seemed to be no interest on the part of any governmental agencies to provide better seed to traditional farmers. The result was that these farmers had not heard of new varieties, and had no recognition of the improved yields that could be obtained by using better seed.

The nature and magnitude of obstacles to seed industry development vary from country to country. The most common constraints to such development encountered in the majority of countries are:

- lack of adequate and consistent support for realistic seed enterprise operation. This often results from the absence of clear recognition and conviction by government offiicals of what needs to be done and what is required to do it successfully;

- lacking or insufficient institutional framework;
- lack of physical facilities, especially seed processing and distribution plants;
- lack of trained specialists and manpower. This is often the most serious constraint of all. The quality of any development program is directly related to the quality of the human resources involved. Initiation of adequate training programs therefore is a fundamental requirement for successful seed industry development;

  lack of adequate and continuing financing also is a common constraint. This is often directly related to lack of recognition and support from governments, and particularly to failure to recognize that the need for the seed input is a continuing one which must be financed on a rational, self-sustaining basis.

As previously stated, the private seed industry, or adequate commercial seed operations in the public sector, are well established in almost all developed agricultural countries. However, the seed industry is not large by current international business standards, and tends to be either in the hands of fairly small private businesses or as a small division of a larger, more complex firm. Many seed enterprises operate in fairly small, delimited geographical areas or produce and sell speciality products. Thus, the transferability of special expert knowledge and improved materials is hampered.

In recent years, there has been a tendency in Western countries for successful private seed firms to be absorbed or taken over by larger companies, sometimes by companies with little direct knowledge of seed operations. Even more recently, several multinational complex firms, particularly in the petrochemicals or agricultural chemical fields, have acquired sizeable seed operations. Such programme of the United Nations, would appear to afford a rational entree for commercial seed enterprises into the developing world, since pharmaceuticals and agricultural chemicals normally are distributed on a worldwide basis through satisfactory commercial channels.

D. Background of Present Proposed Project

Conference between representatives of AID/Washington and the Industry Cooperative Programme (then directly part of FAO) late in 1975 led to a preliminary decision to explore further the possibility of cooperation between the two agencies in a number of agrobusiness areas, of which seeds were a prominent example.

During 1976, AID/W and ICP officials discussed possible cooperation in seed activities with representatives of other FAO offices, particularly with the head of the Seed Industries Development Programme (SIDP) which has funded a number of public-sector seed interventions in developing countries. It was mutually agreed that a program for involvement of the commercial seed industry of developed countries, particularly the U.S. and some of the Western countries, would be useful. This point of view and possibility was expressed and discussed at a meeting of the Consultative Group on Food Production and Industry (CGFPI) late in 1976.

15

II. Description of Grantee and Administration of Grant

A. The Grantee Industry Cooperative Programme (ICP) is a cooperative effort between the U.N. System and international business enterprises. Up to the present, it has been headquartered with FAO/Rome and has been active largely in the field of agrobusiness, particularly with herbicides, pesticides and other agricultural chemicals. Present plans are to enlarge its industrial base and scope of operation, and to transfer its operational base to an independent Secretariat, closely affiliated with the U.N. Thus, ICP will operate a global program from a New York headquarters. Funding of ICP operations has largely been from industrial contributions, and it is not supported from general U.N. or FAO funds. For purposes of operating the proposed project, it is expected that ICP will receive a grant-in-aid-which will be reserved specifically for project-related expenses.

Reactions of the commercial seed industry have been favorable, on a worldwide basis. Direct contact has been established with the headquarters and officers of the International Seed Federation (F.I.S.) and International Plant Breeders' Association (ASSINSEL), as well as with national seed trade organizations, particularly the American Seed Trade Association (ASTA). In discussions with these representatives of the industry, it has been clear that the industry would prefer that initial contacts with developing countries be made through recognized international development machinery, such as ICP or the other assistance agencies, rather than relying on purely industrial contact work. Thus, the basis seems to be established for a favorable operating climate for the project, insofar as the industry is concerned.

B. Administration of Grant

The Grant will be executed and implemented by the Industry Cooperative Programme. The project officer will be located in ICP headquarters, New York City and will report directly to the Executive Director of ICP or to an official he may designate. ICP will enlist the support of other agencies, i.e. FAO, UNDP under the U.N. system.

The project officer will be determined within 30 days of signing of grant agreement.

II. Purpose, Objectives and Activities

A. Purpose of the Grant

The purpose of the Grant is to stimulate and promote the development of private and/or parastatal commercial seed industries in target developing countries.

B. Major objectives/Outputs

The objectives of this proposed grant are considered under three types of outputs: 1) identify and classify international seed industry resources and interests operating in developing countries; 2) Promotion assistance of Industrial Cooperation; and 3) Training of seed specialists and trained manpower to operate seed enterprises.

The first objective of the project will be to identify and classify international seed industry resources and interests in operation in developing coun-

tries. This will necessitate contacts with all interested commercial seed firms, both private and public, in developed countries. Resources and cooperation of seed trade associations, such as the International Seed Federation (FIS), International Association of Plant Breeders (ASSINSEL), the American Seed Trade Association (ASTA) and others will be utilized to the fullest possible extent in making this survey. Also, close liaison will be maintained with the Seed Industry Development Programme (SIDP) of FAO, and with the AID-funded project at Mississippi State University.

Concurrently, seed industry needs in developing countries will be inventoried. Initially, this inventory will be based on information obtained from SIDP and from AID missions in these countries. As the inventory is developed, the Project Officer will make personal visits to selected developing countries and enlarge the scope of the inventory by obtaining more detailed information from appropriate officials and from seed merchants and farmers organizations. The ultimate objective will be to build a current, accurate inventory of developing country interests and needs which can be matched on a case-by-case basis with the resource inventory of the seed trade in developed countries. It is estimated that about nine months will be required to develop an adequate working inventory to enable further operations of the project to proceed. The inventories will be constantly updated and information will be exchanged with SIDP on a continuous basis.

1. Promotion and Assistance of Industrial Cooperation

When sufficient information has been assembled in the first project phase, the Project Officer will undertake selected cases of "brokerage", in which the resources of developed-country commercial seed enterprises will be

matched with needs and interests of developing countries. This will take various forms as may be most appropriate to the specific circumstances, but the basic rationale will be to promote and assist in the development of cooperative arrangements between governmental agencies and appropriate entepreneurs in the developing country involved and public or private developed-country seed enterprises. The objective will be to bring about appropriate transfers of know-how, seed materials, and capital equity where the latter is needed. Successful partnership arrangements between agencies in developed and developing countries, on a long-term basis, are the goal of this operation.

The selection of developing-country agencies will, in the first instance, be made through the respective USAID Missions. Working principles and policies of the UNDP/ICP system will be followed to insure impartial selection of the best-qualified participating agencies in respective developing countries. Emphasis will be placed on the establishment of operations which are commercially viable and capable of delivering high-quality seeds in a timely fashion to farming end-users. Special efforts will be made to ensure that the systems which are established reach and are responsive to the needs of small-scale farmers.

Cooperation from developed-country seed enterprises will be solicited initially from active participants in the ICP system. However, since many leading seed firms and all of the smaller-scale seed enterprises do not presently belong to ICP, it will be necessary at an early stage to invite participation by non-member firms. Establishment of successful linkages will require strong interest and capability of the developed-country.

The particular type of cooperative arrangement to be reached between the agencies involved will be determined by policies and laws of the developing country involved and by the arrangements which developed-country firms find compatible with their commerical interests. The project will assist both partners in these arrangements to arrive at mutually satisfactory and enduring working ties.

2. Training

Lack of adequate seed specialists and trained manpower to operate seed enterprises at all levels presently is perhaps the most serious constraint to successful seed systems in the majority of developing countries. The quality of any seed system is directly related to the abilities of the people who are given responsibility for developing and operating it. Therefore, the early initiation of training programs to develop adequate know-how for the operation of commercial seed enterprises is a major objective of the proposed project.

The project will structure and initiate a program for training personnel from developing countries in all aspects of commercial seed operations. Persons selected for training will be individuals who are already employed or scheduled for employment in managerial or technical positions in seed enterprises. They will be trained in developed countries, in cooperation with commercial seed firms in such countries, and their training activities will chiefly be on-the-job, hands-on experience in commercial seed operations. The length of training periods will vary with the needs of the individual, from perhaps three months to as much as a year, but will average about 8 months to enable

the trainee to experience a variety of operations with the seasonal cycle. The site of training and cooperating firm will be chosen with particular attention to their relevance to the intended post-training activities of the trainee.

Project activities will include selection of the trainees in co-operation with host-country officials and USAID staff, arrangements for travel and housing at the training site, approval of training plans on an individual basis, and monitoring of training progress and of post-training placement of each trainee.

The major importance accorded the training aspects of the project is indicated by the fact that approximately 50% of the project expenditures during the 3 middle years of the project — Years 2, 3 and 4 — will be devoted to the training function. These funds will permit the selection and thorough training of the key administrators and technicians in a number of developing country seed enterprises. Funds will be available for support, living expenses, travel and training of the selected candidates. Length of individual training programs will, as stated previously, be determined by the needs of each trainee.

It is expected that no trainees can be selected and started in training programs during the first project fiscal year (FY 79) but that a fully-developed training program can be undertaken early in FY 80. As reflected in budget plans, it is expected that training activities will be substantially completed by the end of the fourth project fiscal year (FY 82) and that only residual training activities and short follow-up training tours will be funded in FY 83.

Responses from interested commercial firms in developed countries during project development, and previous experience with AID-sponsored training utilizing the facilities and cooperation of U.S. seed firms indicates that there will be no difficulty in arranging for adequate training programs involving the assistance and facilities of commercial companies. It is estimated that 6 to 10 trainees per year can easily be accomodated in available U.S. firm facilities alone. Firms in other developed countries also have indicated willingness and interest in cooperating in the training programs.

PART IV. PROJECT ANALYSIS

A. Technical Analysis

1. General

a. Scope of Project. This project proposes to develop the commercial aspects of a major agribusiness activity — the supply of high quality seed to cultivators. The need for developing effective seed systems if agriculture is to be modernized has been thoroughly proven in developed countries and in the more progressive developing countries. A sound, commercially oriented seed trade is the objective of project operations.

b. Justification for Choice of Approach. Experience worldwide has shown that major agricultural inputs need to be supplied on a timely, efficient and effective basis. Where possible, a self-sustaining business or industry has proven to be the most reliable supplier of such inputs. The seed business, while requiring technical know-how, can be sustained with modest capital in-

vestments, can return a satisfactory level of profit to its operating agencies, and provides an input which is not only vital to high agricultural production but which has a high ratio of returns to costs. Since progress in establishing commercial seed enterprises in developing countries has been slow to date, it is considered that the most promising approach to speeding the development of such enterprise is to utilize the well-established UNDP/ICP mechanism and to aggressively solicit the working cooperation of successful seed firms in developed countries. It is expected that relatively modest investments of AID funds, utilized in this way, will yield large returns.

c. Implications of Approach Chosen

(1). Employment effects. Since at present there are almost no established seed enterprises in most developing countries, the successful implementation of the project should lead to substantial employment opportunities wherever seed firms are created. In most cases, seed production and processing operations will not be highly mechanized, and each successfully established company would furnish employment for 50 to several hundred persons, some of whom would require appreciable levels of technical training. Once a steady flow of improved seed is made available in a given country, the overall level of rural prosperity should rise and the eventual result will be improvement in the total rural employment picture.

(2). Suitability for replication and diffusion

The approach suggested in this project is highly suited to replication and diffusion, both within any given host country and from country to country. No major innovations from established practice in developed countries are suggested; the seed trade wherever it is successfully established operates much in the same way with interchangeable methods and procedures. Equipment used is of standard design, and even the improved types of seed developed can be interchanged between areas and countries. What is needed more than anything else is a series of successful interventions to supply effective seeds operations in countries where these are not now known.

(3). Host country capabilities for operation and maintenance

Inherently, the seed business should be well adapted to local operation and maintenance in almost any country, once a viable operation is set up and operated for a few years. The proposed project has the great advantage that it strives to establish ongoing commercial linkages between the various host countries and operating firms in developed countries; thus, it would be expected that adequate incentives and structure would be put in place to warrant expectations of success and continuity in the developing-country seed enterprises.

2. Surveys

a. Methods to be used

(1). Developed-country capabilities

Capacity and interest of seed firms in developed countries to assist in developing countries will be determined by actual contacts with managerial and executive officials of established firms, and by soliciting assistance and cooperation from the major trade associations (ASTA, FIS, ASSINSEL, etc.). Preliminary contacts with these associations and with seinor executives of about 10 major seed firms have indicated that the associations and firms will be highly cooperative in assembling this inventory.

Cooperation of FAO/SIDP also will be sought in finalizing both this inventory and the listing of the needs of developing countries. FAO/SIDP has already spent considerable effort in making such listings, but apparently does not have a full appraisal of the real interests and capacities of major seed firms in the U.S. and some other Western countries for operating in developing-country situations.

(2). Developing-country needs

Needs of developing countries for establishment of commercial seed enterprises, and the interest of governmental and private agencies in utilizing the capabilities of developed-country enterprises to bring about effective seed systems, will be established by the project director by

assembling all available information from governmental, private and assistance agency sources. In the first instance, the cooperation of USAID missions in the respective countries will be sought. Also, any information available from FAO/SIDP and the World Bank, as well as from representatives of the international crop improvement centers, will be taken into consideration. Government officials responsible for seed supply and distribution, and private businesses with agribusiness orientation, will be asked to express their views and to set forth their appraisal of needs.

Developing countries considered promising "targets" for early appraisal and possible intervention include Sudan, Cameroon, Nepal, Honduras, Bolivia, and Jamaica. This is only a preliminary listing and others will surely be added as the survey is begun.

b. Justification for action

Both Surveys are required before effective decisions can be made, either as to interventions on the establishment of cooperative relationships, or training to be given. At present, AID does not have an effective appraisal of the needs and capacities of developing countries for commercial seed enterprises. FAO/SIDP and the World Bank have made some surveys relating to this problem, but for different reasons and with different objectives. Thus, while their information is useful, it cannot be taken as complete or definitive with regard to the purpose of this project.

c. Implications of choice

Initiation of the surveys will serve to stimulate interest on the part of both the host countries and firms and trade associations in the developed

countries. Completion of the surveys will provide a firm basis for subsequent actions and interventions in the seed systems. Host countries participating actively in the surveys probably will expect early action in the next stages of the project, and this expectation should be given due consideration when surveys are undertaken since major delays or disappointments on the part of host country officials and commercial interests could seriously impair the chances of eventual success of the project. It will also be important that the surveys be conducted impartially by the project office, and that any information developed be made available to host country agencies and to developed-country seed firms or trade associations on an open basis. Secrecy or favoritism cannot be tolerated since the unbiased position of the project must not be jeopardized.

3. Cooperative arrangements, developed - developing countries

a. Methods to be used

Since the purpose of the project is to create viable and effective commercial seed enterprises in developing countries, it seems most logical to utilize the existing extensive know-how and resources of established commercial firms in developed countries as the major catalyst in setting up enterprises in the developing world. The only effective and enduring method for achieving this seems to be to involve the developed-country firms in cooperative arrangements with partner agencies in the developing countries. This is, for the most part, not the present situation, and it appears that special efforts and incentives will need to be provided to obtain effective cooperation.

It is proposed that the project will provide contacts and "impartial brokerage" between developed and developing countries to establish the desired

levels of cooperation. In the case of United States firms, certain financial guarantees and support also are available through other governmental agencies, such as the Overseas Private Investment Corporations (OPIC) and other government programs. The project will therefore assist U.S. firms, where appropriate, in obtaining support and guarantees through such agencies.

b. Justification for this approach

In many developing countries, efforts to establish effective seed enterprises through non-commercially oriented (public sector) agencies have not been successful. The success of profit-oriented agencies, both in the public and private sector, in developed countries is conspicuous. Most of the seed supply to farmers in the developed world is provided through private business, and the remainder is through effective public-sector or cooperative, commercially-oriented seed suppliers. There appears to be ample justification for assuming that such commercial orientation is necessary to ensure long-term viability to such an important input element as seed supply. By logical extension, it is assumed that once effective and lasting contacts between the developed-country firms and developing-country agencies is established, a rational basis will be created for viable seed enterprises in the developing countries.

c. Implications of choice

The principal implication of this choice is that AID will take the posture of encouraging the development of commercial enterprise in the seed trade of developing countries, and also will give assistance to cooperation between commercial enterprises in developed countries and those in developing areas. This

will represent a departure from previous policies, which have almost entirely supported public-sector seed operations, most of which are government controlled and nearly all of which have proven to be not economically viable. In many cases at present, government subsidies are provided to keep seed prices low. This has not provided an economically rational basis for the ongoing operations of seed enterprises. Such subsidies will, for the most part, not be provided if the operations of the proposed project prove successful. While this may result in higher first-hand prices of seed, the final result is expected to be highly beneficial to farmers and end-users of seed since they will be insured timely, continuing supplies of high-quality seeds which will give a very considerable cost-return advantage over the seeds they now use.

4. Training activities

a. Methods to be used

The principal training provided under this project will be on-the-job, hands-on experience in operating seed firms, mostly those located in developed countries. The training program of each trainee will insure that his activities are oriented to meet the particular needs of commercial seed operations in his particular home country, and that due attention will be paid to the demands of the position he is likely to operate or fill in the early post-training years. Each program will be individually planned by the project officer, in close consultation with officials of the trainee's home firm and government, the developed-country firm or firms involved in the training, and the trainee hinself. Opportunity will be provided for the trainee to observe

the field and business operations of firms other than his training base, insofar as these may be pertinent to his expected duties. Travel funds will be provided for visits to successful seed operations in related regions of the world, at the conclusion of his training program and before return to his home base.

b. Justification for this approach

Trainees selected for the programs under this project will be required to have sufficient academic background, education and experience to insure that on-the-job training will be appropriate to their needs. With such backgrounds, there is no other logical method of providing the needed skills and experience to enable them to participate effectively in commercial operations. Previous experience with similar training programs, under AID sponsorship, has shown that relatively short training periods in favorable environments can fit trainees for demanding positions in practical seed operations, and that the failure rate in such training programs is very low. It is felt that this choice is by far the most cost-and time-effective way of providing the needed know-how to developing country personnel.

c. Implications of choice

Trainees chosen for this program will expect that they will be provided appropriate employment in seed enterprises on the completion of the training programs. This should be guaranteed, preferably by selecting for training only those individuals already employed or designated for employment in the seed industry of the respective countries. Also, steps should be taken to retain such individuals in appropriate positions in the seed industry for some

years; often, there is a tendency for trainees sent overseas to be shifted to other positions than those for which they are trained. Safeguards also will need to be provided against "raiding" the best human resources of the developing countries' seed enterprises by the developed-country cooperating firms, international centers, etc. Unless some sort of continuity of the trained individuals' employment in the host country seed trade is required, the effects of the training program under project auspices will be diminished.

PART V. IMPLEMENTATION AND EVALUATION PLANNING

A. Implementation Plan

1. AID/DS/AGR Agribusiness Unit will solicit through the Regional Bureaus Tech offices, the USAID Missions to obtain a list of countries to be selected for involvement in this Seed Industry Promotion Development project and a possible list of candidates for training. This list will be given to ICP.

2. ICP will develop a definitive work plan to 1) identify and classify international seed industry resources that are interested in operating in LDCs; and 2) identify seed industry needs in specific LDCs. This work plan will be submitted to DS/AGR Agribusiness who will notify the Missions in the selected LDCs.

3. ICP will formally contact the developing country agencies and the developed-country firms to determine interest.

4. ICP will develop working agreements for cooperation between developed country firms and the developing countries.

5. ICP will identify training locations and will schedule training for participants. Participants selected by Missions will be considered for training as well as those selected from other sources.

The following implementation schedule is proposed for project activities:

Month	Activity
0	Project approved and grant-in-aid made.
1	Project Director selected
2	Project Director and Secretary report for duty
3	Work plan for survey completed and countries identified and given AID for approval
6	First semi-annual report
9	Surveys of needs and resources completed to usable levels
9	First group of trainees selected and enroute to training locations
12	First AID evaluation of progress; second semi-annual report
13	First formal contacts between developing country agencies and developed-country firms
18	First working agreement for cooperation between developing and developed country seed enterprises
18	Second group of trainees selected and enroute to training locations. Semi-annual report.
24	Semi-annual report and AID evaluation
24 - end of project	Additional working agreements developed between developing countries and developed-country seed firms
Each year of project life	Training groups selected and dispatched to training location; trainees return at completion of individually-formulated training program and become active in seed enterprises of home country
30	In-depth evaluation of project; decision as to need for extension; arrangements for ongoing program as substitute if project extension not recommended. Semi-annual report.
36	Semi-annual report.
42	Semi-annual report.
48	Final report.

B. Evaluation Plan

The project will be evaluated on annual basis by the DS/AGR Agribusiness unit, following evaluation procedures established within AID. Annual reports of the project performance and progress will be required.

A major, in-depth evaluation, utilizing outside experts as well as AID representatives, will be conducted 30 months after project initiation.

C. Reports

ICP will submit the following reports to DS/AGR Agribusiness unit:

1. Definitive work plan as described in paragraph Part V.A.2 above.
2. Semi-annual reports of project performance and progress
3. A Budget Summary for each sub-activity prior to implementation

VI. Funding and Budget Summary

Expenditures over the life of project are estimated to be as follows:

	FY 79	FY 80	FY 81	FY 82
Item	12/1/78 11/30/79	12/1/79 11/30/80	12/1/80 11/30/81	12/1/81 11/30/82
P-5 Project Director (Includes base + fringe)	46,000	48,000	52,000	57,000
G-4 Secretary	14,000	15,000	15,500	16,000
Overhead	8,250	8,850	9,600	10,500
Consultants	25,000	15,000	15,000	10,000
Travel	20,000	15,000	15,000	10,000
Training	--	108,000	123,000	113,000
Other Direct Costs	14,700	14,700	15,200	10,700
Total	127,950	224,550	245,300	227,200

931/121 - ③
PD-AAA6-276-E1

931-1121

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE ("X" appropriate box): [XX] Original [ ] Change [ ] Add [ ] Delete

PID — DOCUMENT CODE 1

2. COUNTRY/ENTITY: Interregional - GTS - RDA 2

3. DOCUMENT REVISION NUMBER:

4. PROJECT NUMBER:

5. BUREAU: a. Symbol: TAB; b. Code: 6

6. PROPOSED NEXT DOCUMENT: a. [ ] PRP [XX] PP b. DATE mo. 11 yr. 76

7. PROJECT TITLE - SHORT (stay within brackets): [Commercial Seed Industry Development]

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: a. INITIAL FY 78 (77 or) b. FINAL FY 82 (81 or)
(FY 77 if funds available, otherwise FY 78)

9. ESTIMATED COST (life of project) ($000 or equivalent, $1 = 1,050

FUNDING SOURCE	AMOUNT
a. AID APPROPRIATED	1,050
b. OTHER U.S.	
c. HOST GOVERNMENT	
d. OTHER DONOR(S)	
TOTAL	1,050

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

a. Appropriation (Alpha Code)	b. Primary Purpose Code	c. Primary Tech. Code	FIRST YEAR FY 78 d. Grant	FIRST YEAR FY 78 e. Loan	ALL YEARS f. Grant	ALL YEARS g. Loan
			300		1,050	
		TOTAL	300		1,050	

11. OTHER U.S. ($000)

a. FUNDING SOURCE	b. FIRST YEAR	c. ALL YEARS
TOTAL		

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

13. SPECIAL CONCERNS CODE (maximum six codes of four positions each)

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (stay within brackets)

[To improve the production of basic food grain supplies in developing countries]

16. PROJECT PURPOSE(S) (stay within brackets)

[To stimulate development of commercial seed industries in developing countries, with particular emphasis on involvement of private sector resources from developed areas]

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

Internal staff and resources adequate

18. ORIGINATING OFFICE CLEARANCE

Signature: Leon F. Hesser

Title: Leon F. Hesser
Director, Office of Agriculture

Date Signed: mo. 01 day 15 yr. 76

19. Date Received in AID/W, or For AID/W Documents, Date of Distribution: mo. day yr.

34

I. Summary of the Problem and Proposed Response.

A. Problem:

The importance of seed industry development as an essential step in expanding agricultural production is widely recognized. Better seeds are one of the least expensive inputs for agriculture, and do not require the farmer to make major changes in his technology for their adoption.

In most developed countries, and a few developing countries, effective commercial seed industries have been established. However, seed industries in most developing countries are rudimentary, nonexistent, or at the most, ineffective. In recent years, little transfer of commercial know-how has occurred between countries with effective seed industries and those lacking them, and this situation does not appear to be improving.

Although extensive development resources for the seed industry are available in the commercial seed trade in developed countries, little has been done to mobilize and utilize the management, technology, training, and distribution skills of the commercial trade. A recent FAO expert consultation and the February 1976 CGFPI meeting both have strongly recommended action to utilize these resources.

B. Proposed Solution:

The proposal aims at removing constraints on involvement of the commercial seed industry in development activities and expects to mobilize the available commercial trade resources, by establishing a coordinating mechanism which can realistically relate commercial resources to developing country needs, and which can promote cooperative agreements between the commercial trade and developing countries.

C. State of the Art:

Recent surveys by both A.I.D. and ICP have confirmed that U. S. and other international seed firms are interested in playing a greater role in the development of Third World seed industries, through both traditional investment as well as special contractual arrangements. However, they have been frustrated by a variety of constraints - some particular to the seed industry, others related to "investment climates" in developing countries - and the lack of any coordinating mechanism that could realistically relate their resources to developing country needs and promote cooperative agreements.

The seed industry today is not large by current international business standards, and in developed countries it is to a great extent in private hands. A major proportion of its members are relatively

small organizations usually operating in a defined geographical area and specializing in crops either grown or used in the areas in which they operate. There is a trend for smaller seed companies to be absorbed into larger international organizations, thereby leading to greater diversification of such enterprises. More recently, organizations in allied fields, such as chemicals, have become more active in the seed industry.

While basic breeding and research in economic crops is largely in the hands of government agencies, much practical breeding and variety improvement is carried out by private seed companies.

The private seed industry has developed skills and management expertise which will be needed by any country embarking on a seed development program. These skills and expertise cover seed production, seed processing, storage, and distribution, as well as variety improvement.

At the initial Seed Symposium in Vienna in October 1973, a recent FAO Seed Review indicated that 85% of the developing world had improved varieties available but that nearly all of these countries suffered from an inadequate seed supply.

The nature and magnitude of obstacles to seed industry development vary among countries. However, the most common constraints encountered in the majority of countries are as follows:

- lack of adequate and consistent support for realistic requirements. This is generally attributed to the absence of a clear recognition and conviction on the part of some governments as to what needs to be done and what is required to achieve it;

- insufficient, or lack of an efficient and well established institutional framework;

- lack of physical facilities such as research stations, seed processing and storage plants, seed-testing laboratories, seed distribution network and facilities;

- unavailability of adequate specialists and trained manpower. This is perhaps among the most serious constraints in the majority of developing countries and requires early attention. The quality of any seed industry program is

directly related to the quality of people who are given the responsibility of developing and operating it. Initiation of substantive training programs for the needed personnel is therefore one of the primary requirements for seed industry development;

- unavailability of adequate and continuous financing is also a common constraint. This is perhaps directly related to lack of adequate recognition and support from governments, and lack of a viable seed industry in the commercial sector.

II. Description of the Project.

A. Project Proposal:

This project proposal is designed to provide a coordinating mechanism through the Industry Cooperative Program (ICP). Headquartered at FAO, the ICP is a joint venture between the United Nations system and international agro-industry, designed to provide a direct link between the leaders of developing country governments and agro-allied industries worldwide. U. S. companies are the single largest group in this program and contribute significantly to its leadership. Over the past decade, ICP has attracted the support of more than one hundred international firms that today finance the Program's activities. By focusing on the mutual interests of governments and industry, ICP serves to mobilize and attract industry resources to cooperative arrangements to implement government development priorities. Following the global priorities set by the World Food Conference, ICP has recently increased its efforts in input areas such as pesticides, farm mechanization, storage and food losses, and new seed industry development.

It is proposed that, under the supervision of the ICP Executive Secretary, a Senior Liaison Officer (P.5)would be assigned full time to the following seed industry development program, whose objectives would be:

1. To create an efficient coordinating mechanism that would identify and classify international seed industry resources and help make them more available for projects in developing countries, according to the priorities of those countries. The Officer would also determine the location and nature of seed industry needs within the developing countries, in conjunction with SIDP and other international seed industry efforts.

37

2. Consistent with the basic principles of ICP, the project would promote and assist cooperative arrangements between developing country governments and local entrepreneurs and foreign seed companies to realize the resources transfer required. In so doing, he would study equity, management contracting, technical assistance and other enterprise forms which are providing, or could provide, successful partnership arrangements between developed and developing country entrepreneurs, including local governments.

3. To structure, initiate and supervise a scheme for training developing country seed industry personnel with the cooperation of seed companies in both developed and developing countries. In particular, this activity would exploit the still largely untapped training potential of seed companies in the U.S.A. and other developed nations.

4. The project could commence about January 15, 1977, if FY 77 funding is made available. Otherwise, it would begin as soon as possible in FY 78. The project is planned for a five-year duration.

B. Major Assumptions.

Assumptions most pertinent to project success are:

1. Approval by FAO, and cooperation from the Seed Industry Development Program (SIDP) of that organization.

2. Staffing with an experienced and highly competent coordinator.

3. Cooperation by the commercial seed trade in developed countries.

4. Interest of at least some developing countries in establishing seed industries which are commercially oriented and economically viable.

C. Alternatives.

In addition to the alternative of doing nothing in this area, the relation of this proposal to two existing alternative seed advisory systems should be considered.

1. The Mississippi State University GTS Project in Seed Programs and Seed Industry (Contract AID-ta-c-1219) is in place, and provides excellent advisory and technical service on a wide variety of topics related to seed program development. This service is well suited to the initial stages of seed program development in the public sector, but has not so far been effective in stimulating the development of effective commercial enterprises. By its nature as a university-based program, effective contact with the commercial sector, mostly private-industry based, is difficult.

2. The Seed Industry Development Program (SIDP) of FAO has been in operation for about 10 years. Here again, the principal orientation has been toward the public sector, and SIDP has had little or no success in the development of viable commercial seed programs in DCs. The ICP group plans to work in cooperation with SIDP. ICP can much more effectively relate to private industry, and appears to be the only FAO Agency with much chance of successfully stimulating industrial involvement in seed program development.

D. Beneficiaries.

While the immediate beneficiaries of the project would be the seed firms involved, there would be an immediate beneficial effect for the farmers reached by effective seed enterprises in the developing countries. The major objective of the project would be to obtain, for farmers at all levels, the benefits of a reliable, commercially rational supply of modern, high quality seeds.

E. Spread Effect.

This project is considered likely to have a high spread factor, if it can be effectively implemented. Once a mechanism is established for involvement of commercial seed firms in development, and present constraints are removed, it is anticipated that further development of the commercial seed industry will be largely self-generating and self-sustaining. This anticipation is based on experience over the past 20 years with successful commercial seed development in countries which previously had not had a well established seed trade.

F. Energy Considerations.

No adverse effects on energy requirements are anticipated. Energy requirements for modern seed plants are low, and the benefits resulting

from a reliable supply of high quality seed would far out weigh any additional energy costs involved. In fact, increased efficiency in use of high energy inputs is likely to result from improved seed supply.

G. Environmental Considerations.

The program as proposed has no direct environmental implications of any kind. It will be an administrative and training activity which would not affect the quality of air, water, or other environmental features. Adoption of commercial seed enterprises in developing countries would not introduce environmental considerations different from those to be expected from any other method of supplying seed, except for the application of tested and regulated chemical seed protectants. The use of such protectants would not be unique to commercial seed processing, and the presently proposed project does not depend for its success on the use of such materials.

A Negative Determination of environmental effects is expected for this project. When given, such determination will be made part of the Project Paper.

III. Financial Requirements and Plans.

A. The best estimate of total project cost is $1,050,000 for five years. The cost for the first two years (initial fiscal year funding) is estimated at $300,000.

B. Funding would start in FY 77 if funds are available, otherwise it would begin in FY 78. Project activities could begin about January 15, 1977.

C. This would be a General Technical Services Project, centrally funded.

IV. Project Development.

A. Basic information needed for project paper development is already available. Details will be worked out in consultation with the regional bureaus, FAO/ICP and FAO/SIDP, and appropriate representatives of internationally oriented commercial seed firms.

B. The next document planned is a PP to be submitted by November 1, 1976.

C. No additional consultant services are expected to be required.

40

D. The major responsibility for preparing the PP will be with TA/AGR. Consultation with the regional bureaus, FAO agencies, and the commercial seed industry will be accomplished. Time requirements for A.I.D. personnel outside the sponsoring office are estimated to be less than five worker/days.

V. Issues of a Policy or Programmatic Nature.

A. Planned Relationship with FAO/ICP.

The proposed arrangement involves an unusual type of cooperation with an FAO Agency -- the Industry Cooperative Program (ICP). This cooperation, and funding of the project by A.I.D. appears appropriate because ICP has excellent capabilities of serving as an intermediary between commercial firms and governmental agencies in developing countries. As an autonomous FAO organization, it operates from its own subscription or grant funds, and not from FAO appropriations or budget allocations. Thus, the question of "double funding" an FAO activity through U. S. contributions does not arise.

B. Nature of Involvement with Private Business.

For the project to succeed, it will be necessary for private, commercial seed business to cooperate fully. This no doubt will lead, if the project is successful, to establishment of profit motivated business operations in some of the countries being given assistance. Questions of interest conflict may arise, and should be dealt with on a policy level at an early stage. Since the goal is in fact to facilitate commercial intervention in developing countries, it is important that attainment of this goal not be blocked by undue restrictions on the relations with private firms.

C. Relation to the Mississippi State GTS Contract Project.

This problem was considered under "Alternatives" above. It will be important to harmonize activities under the proposed new project with the very effective, ongoing MSU project. This will be an important task for the AID/W project manager, who should be the same individual for both projects.

D. Relation to Regional Bureau and Mission Interests.

Special attention must be given to early involvement and constant liaison with regional bureaus and country missions in regard to seed program development in the various countries. To be effective at all,

the project must secure and promote cooperative activities within developing countries. Most such countries are presently oriented toward public sector operations in seed programs. This also is true for Bureau and Mission personnel of A.I.D. Bureaus and Missions must be thoroughly informed about the project during its development, and their inputs should be sought. Once the project is established, the coordinator and the project manager must maintain the closest possible contact with RB specialists and mission personnel in countries where project activities are to take place.

E. Relation to the Seed Industry Development Program (SIDP) of FAO.

This also was mentioned under "Alternatives" above. While the initial clearance and coordination will be the responsibility of ICP, it will be necessary for close and harmonious working relations to be established with SIDP if the proposed project is to succeed.

F. Timing and Availability of Funding.

High interest in seed development has recently been manifested at policy making levels. The time is presently ripe for prompt action in this field. CP levels for FY 77 do not appear to permit funding of this project during the coming fiscal year; if this is the case, an opportunity to take effective action may be lost. The priority need for this project would appear to be great enough to warrant its consideration for extraordinary funding, perhaps by deferring some work of less urgency.

42

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DOCUMENT ACTION FORM

1. TRANSACTION CODE: A (A = ADD, C = CHANGE, D = DELETE)

PDAF

2. DOCUMENT CODE: 4

3. COUNTRY/ENTITY: TA/AGR -- Interregional-GTS-RDA 2 (D-Institutionalizing with LDCs)

4. DOCUMENT REVISION NUMBER: Original

5. PROJECT NUMBER (7 digits): 931-1121

6. BUREAU/OFFICE: A. SYMBOL: TAB; B. CODE: 08

7. PROJECT TITLE (Maximum 40 characters): Commercial Seed Industry [redacted]

8. RELATED DOCUMENT CODE: 1 (1 - PID, 2 - PRP)

9. PROJECT DOCUMENT ACTION: (ENTER COMMENT FOR * ITEMS IN BLOCK 13)

ACTION TAKEN: A - APPROVED; D - DISAPPROVED*; S - SUSPENDED*; CA - CONDITIONALLY APPROVED*; DD - DECISION DEFERRED*

10. APPROVED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH CODE C. GRANT	PRIMARY TECH CODE D. LOAN	E. FIRST FY 77 or 78 F. GRANT	E. FIRST FY G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) FN	130(I)	GI1	.	300		1,050	
(2)							
(3)							
(4)							
TOTALS							

11. PROPOSED PLANNING RESOURCES: (1 - APPROVED, 2 - DISAPPROVED, 3 - APPROVED AS MODIFIED)

12. PROPOSED NEXT DOCUMENT: A. 3 (2 - PRP, 3 - PP); B. PROPOSED NEXT DOCUMENT DATE: 03/77

13. COMMENTS (Maximum 240 characters)

14. ACTION REFERENCE: A. CABLEGRAMS AIDTOA; TELEGRAMS STATE; MEMORANDA

B. ACTION REFERENCE DATE: MM DD YY

15. CLEARANCES

	TYPED NAME	TITLE	DATE	INITIALS
A.	Earl Leng	Chief, TA/AGR/CP		11/16/76
B.	Leon F. Hesser	Director, TA/AGR		11-16-76
C.	Doug Clark	Chief, TA/AGR/P		11-16-76
D.	Charles Molfetto	TA/PPU/PPA		11/18/76
E.	John Gunning	Chief, TA/PPU/PPA		11/18/76
F.				

16. RESPONSIBLE BUREAU SIGNATURE: Mary C. Pappagelli

17. ACTION DATE: MM 12 DD 07 YY 76

AID 1330-5 (5-76)

DATE: November 18, 1976

TO: AA/TA, Mr. Curtis Farrar

FROM: TA/PPU, John Gunning

PROBLEM: Your Approval is Requested of the Project Identification Document (P.I.D.) for Commercial Seed Industry Development
Proposed Project Begins: FY 77 or 78 Proposing Office: TA/AGR-RDA #2

A. TA/PPU Review.

1. Does PID Adequately Describe and Justify Project?

Yes.

2. Funding Adequate? If T.Q. or FY 77, How Compares to FY 77 C.P.

Funds are currently programmed for FY78. TA/AGR plans to prepare for contingency FY77 financing. We see a good chance for FY77 funds.

3. Are Plans for PP Development, Approval and Project Initiation Realistic?

Yes.

B. This PID has been in TA/PPU; staff work is incomplete because of:
_____ TA/PPU work pressure; _____ Tech. Office work pressure.
Recommend you return the PID for further work prior to your final decision.

C. TA/PPU recommends the following action:
X Approval.
_____ Approval subject to _____
_____ Return for further work prior to AA/TA decision.
_____ Disapproval.

D. AA/TA Action.
_____ Approved.
✓ Approved subject to working with the appropriate channel for supporting an activity of FY 78/TCP.
_____ Disapproved.

M Beeler for C Farrar — Signature
Nov. 22 76 — Date

44

ENVIRONMENTAL THRESHOLD DECISION

TO: AA/TA, Mr. Curtis Farrar

THRU: TA/PPU, John Gunning

FROM: TA/ARR, Leon F. Hesser

SUBJECT: Environmental Threshold Decision

Project Title: Commercial Seed Industry Development

Project #: _____

Project Manager: Earl Long

REFERENCE: Initial Environmental Examination (IEE) contained in PID, page 7, and PID Attachment, Page 10 dated 6/15/76

On the basis of the Initial Environmental/Examination (IEE) referenced above and attached to this memorandum I recommend that you make the following decision.

XXX 1. The proposed agency action is not a major Federal action which will have a significant effect on the human environment.

____ 2. The proposed agency action is a major Federal action which will have a significant effect on the human environment, and:

____ a. An Environmental Assessment is required; or

____ b. An Environmental Impact Statement is required.

The cost of and schedule for this requirement is fully described in the referenced document.

____ 3. Our environmental examination is not complete. We will submit the analysis no later than ____ with our recommendation for an environmental threshold decision.

Approved: [signature]

Disapproved: _____

Date: NOV 22 1976

115

ATTACHMENT

PID, Commercial Seed Industry Development

Initial Environmental Examination *

The activities of this project as proposed fall in the area described in par. 216.2 (a) " Education or training programs not designed to result in activities directly affecting the environment". This is within the general classes of activities which will normally not require the filing of an Environmental Impact Statement or the preparation of an Environmental Assessment.

Under these guidelines, after comparing the documentation within the PID on page 7, this activity clearly qualifies for a Negative Determination at the time when a Threshold Decision is determined.

* Developed in conformance with information on pp. 26913 - 26919, Federal Register, Vol. 41, No. 127-Wednesday, June 30, 1976.

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-areas 1/	Impact Identification and Evaluation 2/
A. LAND USE	
1. Changing the character of the land through:	
a. Increasing the population	N
b. Extracting natural resources	N
c. Land clearing	N
d. Changing soil character	N
2. Altering natural defenses	N
3. Foreclosing important uses	N
4. Jeopardizing man or his works	N
5. Other factors	
_____	N
_____	
B. WATER QUALITY	
1. Physical state of water	N
2. Chemical and biological states	N
3. Ecological balance	N
4. Other factors	
_____	N
_____	

1/ See Explanatory Notes for this form.

2/ Use the following symbols:
N - No environmental impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

August 1976

C. ATMOSPHERIC

1. Air additives ---------- N
2. Air pollution ---------- N
3. Noise pollution ---------- N
4. Other factors

_____ N

_____ _____

D. NATURAL RESOURCES

1. Diversion, altered use of water ---------- N
2. Irreversible, inefficient commitments ---------- N
3. Other factors

_____ N

_____ _____

E. CULTURAL

1. Altering physical symbols ---------- N
2. Dilution of cultural traditions ---------- N
3. Other factors

_____ N

_____ _____

F. SOCIOECONOMIC

1. Changes in economic/employment patterns ---------- N
2. Changes in population ---------- N
3. Changes in cultural patterns ---------- N
4. Other factors

_____ N

_____ _____

G. HEALTH

1. Changing a natural environment ---------- N
2. Eliminating an ecosystem element ---------- N
3. Other factors

_____ N

_____ _____

H. GENERAL

1. International impacts ---------- N
2. Controversial impacts ---------- N
3. Larger program impacts ---------- N
4. Other factors

_____ N

_____ _____

I. OTHER POSSIBLE IMPACTS (not listed above)

_____ N

_____ _____

_____ _____

See attached Discussion of Impacts.