

CLASSIFICATION PROJECT EVALUATION SUMMARY (PES) - PART I

1. PROJECT TITLE AGRICULTURAL COOPERATIVE DEVELOPMENT			2. PROJECT NUMBER 669-0127	3. MISSION AID/W OFFICE LIEBRIA
4. EVALUATION NUMBER: Enter the number maintained by the reporting unit in column of AID/W Administrative Code, Fiscal Year, Serial No. beginning with the fiscal FY: 1			<input type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	
5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING	
A. Start PROGRAM or Equipment FY 77	B. Final Obligation Expected FY 77	C. Final Input Delivered FY 81	A. Total \$ 1,892,000	7. PERIOD COVERED BY EVALUATION From (month/year) May 1979 To (month/year) May 1980
			B. U.S. \$ 1,400,000	8. DATE EVALUATION COMPLETED June 6-25, 1980
9. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR				
A. List decisions and/or unresolved issues (list those items needing further study). (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., program, SPAR, PIC, which will present detailed request.)			B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED

This evaluation was made two years after the beginning of project and is the second of three evaluations scheduled. Three major findings are presented:

Jack M. Cornelius

August, 1980

- Farmers have significantly increased their sales of produce through cooperatives relative to that sold to private agents. The 1980 figures through May show cooperatives delivered \$19,700,000 to LPMC and private agents delivered \$8,200,000. In percentages the comparison is 71% cooperatives and 29% private agents.
- There is a definite need to up-date the present cooperative act and to create an autonomous cooperative agency.
- The assumption that Ministry of Agriculture would increase the budget of the Cooperative Division necessary to employ more qualified personnel and to provide more travel funds has not taken place.

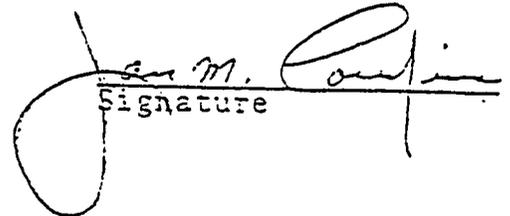
11. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			12. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan (SP, OP, Network)	<input type="checkbox"/> Other (Specify)	1. <input type="checkbox"/> Continue Project without Change	
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIC/T		2. <input type="checkbox"/> Change Project Design and/or	
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIC/C	<input type="checkbox"/> Other (Specify)	<input type="checkbox"/> Change Implementation Plan	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIC/P		3. <input type="checkbox"/> Discontinue Project	

13. PROJECT OFFICER AND HOST COUNTRY OF OTHER BANKING PARTICIPANTS (AS APPROPRIATE, Name and Title)	14. NAME AND OFFICE OF MISSION OFFICER
SEE ATTACHMENT	<i>Edward E. Anderson</i> Edward E. Anderson Acting Director, USAID/LIBERIA

Project Officer and Host Country or Other
Ranking Participants

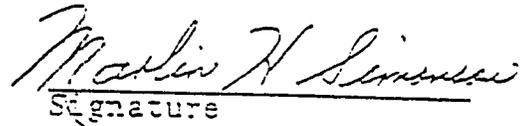
USAID/Liberia

Mr. Jack M. Cornelius
Agri. Development Officer

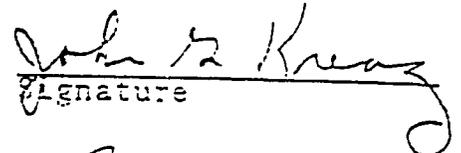

Signature

Contract Team

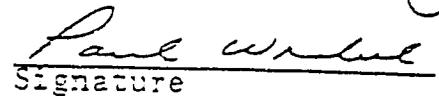
Mr. Marlin H. Simonson
Chief of Party - Administration
and Planning Advisor


Signature

Mr. John G. Kreag
Financial Advisor

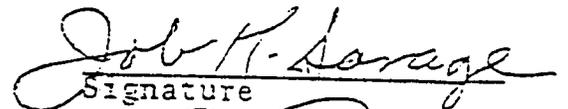

Signature

Mr. Paul Wrobel
Training Advisor

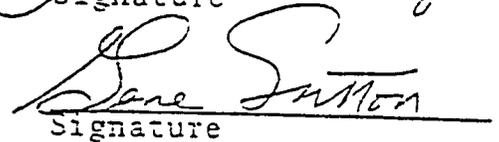

Signature

Evaluation Team

Dr. Job K. Savage
Consultant for ACIDI


Signature

Mr. Gene Sutton
Consultant for USAID


Signature

Mr. Arthur Summerville
Evaluator for MOA


Signature

ABBREVIATIONS

ACDB	Agricultural and Cooperative Development Bank
ACOSCA	African Cooperative Saving and Credit Association
CD	Cooperative and Marketing Division, Ministry of Agriculture
LCUNA	Liberia Credit Union National Association
LPMC	Liberian Produce Marketing Corporation
MOA	Ministry of Agriculture
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
LCADP	Lofa County Agricultural Development Project
BCADP	Bong County Agricultural Development Project

PROJECT EVALUATION SUMMARY PART II

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A N N E X E S

- A Evaluation Report on Status of Cooperatives in Liberia
- B Cooperatives in Liberia: A look at the present and recommendations for the future (AID Project # 669-0127)
- C Cooperative Act
- D Produce Marketing Cooperatives in Liberia (USAID Grant # 669-0127)

13. SUMMARY AND RECOMMENDATIONS:

The Agricultural Cooperative Development Project is designed to increase the Liberian small farmer's productivity through the development and functioning of a sound cooperative system. The Project, initiated in FY 77, is the first phase of AID support to Agricultural Cooperative Development in Liberia. It includes:

- 1) analysis of issues basic to expansion and evolution of the cooperative system in Liberia;
- 2) planning and design of future cooperative development efforts;
- 3) provision of technical advisory assistance to cooperatives;
- 4) the development of training courses for Ministry of Agriculture personnel, cooperative officers and members in cooperative theory, organization, management, finance, accounting and bookkeeping.

The project is being implemented through a host country contract with Agricultural Cooperative Development International, a U.S. consultant firm. The total estimated cost is \$1.4 million for three years, FY 77 through FY 80.

A. The major achievements on accomplishing objectives listed in logical framework since evaluation made in April of 1979 include:

- Planning and conducting two week seminar for Cooperative Division's auditors.
- Development of record keeping books and forms for use by cooperatives.
- Development of visual aids to be used in training cooperative personnel, Board of Directors and members.
- Designed and carried out three week training course for Division field staff.
- Conducted annual audits of the most active cooperatives.
- Conducted a number of unannounced spot audits.
- Conducted 7 special investigations in cooperatives where thefts had occurred.
- Conducted 2 special investigations where cooperatives were changing managers.
- Provided technical assistance to groups organizing new cooperatives.
- Reviewed and recommended revisions to the existing Cooperative Act.
- Reviewed and began a revision of standard by-laws used by cooperatives.

- Provided special assistance to the newly organized Liberian Federation of Cooperatives.
 - Developed in conjunction with the Ministry of Agriculture a plan for an autonomous agency to replace the present Cooperative Division.
 - Completed a study of farmer understanding and attitudes relative to two cooperatives, Wodo in Nimba County and Kpsoseimavala in Cape Mount County.
- B. Findings based on evaluation team's current survey of cooperatives - ten (10) visited, and analysis of information compiled by the ACDF team during first two years of Project:
- Farmers do want cooperatives and benefit from them, but benefits are only partial at this time.
 - There is a need being expressed by cooperative management for the development of a viable apex organization that would: a) help with development of a sound cooperative supply system, b) increase the voice of the farmer in his dealings with LPMC and ACDB, c) improve and support efforts to educate cooperative personnel and farmers as to the purpose and functioning of cooperatives, d) provide a bookkeeping and auditing service to agricultural cooperatives

- on a uniform centralized basis.
- On the negative side, many cooperatives do not operate on a true or bonafide basis and are too often dominated by businessmen in their own self interest.
 - There should be a requirement by LPMC that all Agents, Cooperative and Private, and their sub-agents issue all farmers from whom they buy produce a receipt of sale. This would facilitate monitoring of prices by LPMC and the cooperatives.
 - Accountability of cooperative management for loan funds shows some improvement, but is still not satisfactory. The Financial Section of the Cooperative Division has increased its effectiveness in helping cooperatives to detect malfeasance, but there seems to be a reluctance at higher levels to punish the culprits.
 - Efforts to develop an effective cooperative unit in the Ministry of Agriculture have met with little success to date.
 - The present Cooperative Act does not provide for an autonomous cooperative agency with adequate resources and authority to support a sound system of cooperatives.

- Cooperatives are not servicing all their members because some villages are located in remote areas. In most cooperatives outside the LCADP and BCADP project areas there has been no planned effort to organize village or town units. This system has met with success in the aforementioned project areas and with some other cooperatives and would appear not only to provide collection points for produce, but should be of proper size and homogeneity for cooperative education efforts. They are also reported to facilitate the granting and collection of credit for farm supplies.

RECOMMENDATIONS OF THE EVALUATION TEAM ARE THESE:

1. Encourage, to the extent possible, the Government of Liberia to enact, at earliest possible time, the revised Cooperative Act.
2. That Government of Liberia should create an autonomous cooperative agency as outlined in the report.
3. The ACDI Project Team should intensify their efforts to train staff during the remainder of Phase I. In Phase II a major effort would be made to take the training to the field in order to reach cooperative employees, board of directors and

farmer members.

4. The Training Advisor should continue his research efforts relative to development of a Phase II Project. In particular he should study cooperatives in the Lofa County Agricultural Development Project area where efforts to develop a sound system of cooperatives has been most intensive.
5. The Project Team Leader and Financial Advisor should give special attention to the sound development of the Agricultural Cooperative Apex organization during remainder of Phase I. Consideration should be given to bringing in a short term consultant to assist in development of an effective apex structure and operating plan. In addition this consultant might be used to locate reliable sources of farm supplies and advise on items to be supplied and merchandising practices. The development of this apex organization would continue in Phase II. Funds and at least one technical advisor should be earmarked for the apex organization.
6. Serious consideration should be given to the establishment and training of a section in the cooperative agency that would provide technical assistance to cooperatives in their formative

stage to assist groups to determine if their proposed cooperative can be successful, and to advise them as to facilities, equipment and how to acquire them.

The Financial Advisor is now providing such services on an ad-hoc basis. This section would be developed as a part of the Phase II project and would require one research-service type technician.

7. The need for financial management training will continue and intensify in Phase II. It would be advisable to bring in another financial advisor who would work under the present financial advisor. This advisor would among other duties work with the Apex organization to develop and operate a centralized bookkeeping and audit system.
8. Continued support for credit union development in terms of funds and technical assistance is recommended in Phase II. Consideration should be given to bringing in a credit union technician to serve as an advisor to the Federation.

CONCLUSION

Planned output achievements are in some instances less than anticipated. Where this is true there are justifiable reasons why this is so. There have been some outputs not planned that have resulted in significant achievements (see section No. 17 for further explanation).

Because of unsettled conditions in Liberia and because of some input failures by host country this project will not likely achieve all that it was intended to achieve. In spite of this however, it is judged that the project has already had some favorable impact on cooperative development in Liberia and more should occur as a result of the remainder of Phase I efforts.

The USAID/L Agricultural Program has as its goal increasing agricultural productivity and economic benefits for rural households engaged in small scale agricultural production. This project should have a favorable impact on that goal.

The project was drafted so as to provide considerable flexibility in its implementation; therefore such changes as have occurred are not considered unplanned.

The current plan is based on training Ministry of Agriculture employees to provide most of the technical services required by cooperatives. This approach has proven

unsuccessful. An alternate approach currently being pursued is to create an autonomous Cooperative Agency. This approach is recommended and details as to its proposed creation and functioning are presented elsewhere in this Report.

Experience to date indicates that the purpose of this project is likely to be more efficiently achieved by providing funds and technical services to train and develop the staff of an autonomous Cooperative Agency.

Changes that would improve the project include the following:

1. Government of Liberia create an autonomous Cooperative Agency that would:
 - a. employ a staff with a high potential for development into highly trained cooperative technicians;
 - b. pay its employees adequate salaries;
 - c. provide sufficient travel funds for its staff to maintain contact with cooperatives, including adequate per diem.
2. Government of Liberia to give this autonomous agency sufficient authority to properly administer the Cooperative Act.

3. A revised Cooperative Act along the lines of the one proposed by the ACDI Project team be enacted at earliest possible time.
4. Officially appointing a registrar of Cooperatives (provided for in the present act and the proposed act).

14. EVALUATION METHODOLOGY

Discussions with the ACDI Team and others listed below, Study of Cooperative Division, ACDI and MOA documents, and on-the-spot visits to 10 cooperatives served as the basis for this evaluation. The evaluation focused upon the methodology and implementation, and also covered the possible inputs relative to feasibility and preparation for Phase II of the project. It also identifies impediments to the present program in its progress toward viability for Phase II. Attention was given to output levels, efficiency and effectiveness of Management Systems, Training at all levels, and delivery of services to small farmer cooperatives, changes in Government of Liberia policies and practices, and the timeliness and adequacy of inputs.

Individuals/agencies participating in the evaluation
in addition to the team included but were not limited to:

MOA Planning Coordinator - Mr. Othello Brandy

Managing Director - Federation of Cooperative
- Mr. Eric Passewe

Acting Director - Cooperative Division
- Mr. Thomas B. Nimley

ACDB - Loan Manager - Mr. James Cooper

LPMC - Manager - Mr. Fritz Anderson

LCUNA (Documentation review only)

Deputy Minister of Agriculture - Mr. Francis Carpen

LCADP (World Bank) - Commercial Manager
- Mr. Albert Bass

USDA - Agricultural Sector Analysis - COP
- Mr. Bill Bolton

15. EXTERNAL FACTORS

The most important factor affecting successful implementation of this project is the uncertain conditions that prevail in the Government at this time. The proposed passage of a revised Cooperative Act that will provide for a registrar of cooperatives with sufficient power to enforce the provisions of the Act is needed. This proposed Act also provides for the creation of an Autonomous Cooperative Agency that is badly needed.

The Liberia Produce Marketing Corporation provides the only market in Liberia for coffee, cocoa, and palm kernels, the principal cash crops of small farmers. Its policies have in general been favorable to cooperative development and are expected to be so in the future. It is hoped that LMPC can be persuaded to be favorable to passage of a law that would require all buyers of produce to issue a properly executed and signed receipt to farmers.

The Agricultural and Cooperative Development Bank is now the major source of loan funds to cooperatives for produce buying and capital loans. Its first year's operations are reported to be successful, and are expected to continue so in the future.

The Nimba County and Bong County Projects mentioned in last year's Evaluation Report have caused no particular problems to date. The Nimba County Project is not significantly underway. The ACDI Project advisors continue to work with the staff of the Bong County Project. (See last year's Evaluation Report for more detail on these two projects).

Important assumptions as listed in the logical framework were examined and where changes have occurred are discussed:

- a. The assumption that Ministry of Agriculture would increase the budget of the Cooperative Division has not taken place.
- b. The assumption that each of the advisors would have a Liberian counterpart has only partially taken place.
- c. Every indication at this time is that the Government is continuing the position that cooperatives can help farmers to improve the marketing of their produce and to obtain higher returns. (Have been unable to meet with the Minister of Agriculture as he was out of the country).
- d. Promises given at time of last year's evaluation by responsible officials in the Ministry of Agriculture that the quality of personnel assigned

to the Cooperative Division would be improved have not been carried out.

16. INPUTS

Quality of personnel, frequent shifting of counterparts, and lack of travel funds for Cooperative Division employees continue to be problems.

It is noted that expatriate advisors have been able to spend more time in the field with cooperatives in recent months (a gig on last year's Evaluation Report).

17. OUTPUTS

The evaluation report prepared at end of first year of project operation listed and discussed each output in the logical framework in terms of the following categories:

- A. Progress
- B. Future plans
- C. Observations as to adequacy of progress and plans.

This report will use essentially the same format, but will expand the "observation" section to include recommendations of the evaluation team for the remainder of the present Project and for a possible Phase II Project. Summary form is used and readers are encouraged to look for more details in the Annex

section of this report, specifically, Annex I "Report Comparing Status of Cooperatives in Liberia - 1980," and ACDI Progress and Planning Reports from April 1979 to March 1980.

OBJECTIVES IN LOGICAL

FRAMEWORK OF REPORT

1. "Establishment of a Uniform System of Bookkeeping, Accounting and Audit"

PROGRESS

The Financial Section of the Cooperative Division has:

- a. Developed a code of ethics for the Audit Section.
- b. Developed an Audit program and put it into operation. All active cooperatives, particularly those receiving loans from ACDB are being audited on an annual basis with "spot audits" on an unannounced basis being made of some. Other cooperatives are being audited as time permits.
- c. Special investigations are being made by the Financial Section in Cooperatives where thefts have occurred. During the period October 1979 to March 1980 1980 seven such investigations were made. In addition, two investigations were made of cooperatives

where there was a change of business managers.

- d. The Financial Advisor provided technical assistance to two new cooperatives that were established during past six months.
- e. The Financial Advisor has participated in development of several training sessions for Cooperative Division employees during the past year.
- f. Several forms important to proper record keeping have been developed and are now being used by the cooperatives. These include:
 - 1. produce purchase receipts,
 - 2. payment vouchers,
 - 3. check/cash receipts, loan application books, and other forms to insure that cooperatives receive their full commission from LPMC.

FUTURE PLANS

Most of the aforementioned activities are ongoing and will be continued.

OBSERVATIONS

The above activities are having a favorable impact on the financial management of cooperatives. Evidence of this is that cooperative managers are seeking this help from the Financial Section. The

Evaluation Team noted that the Financial Advisor was well known to the managers of all the cooperatives visited as a part of their evaluation. Several managers stated they had received help from the Financial Section. Officials of the ACDB mentioned being helped with their loan activities.

It must be noted however, that the overall objective here is to establish a uniform system of bookkeeping and accounting. Some progress has been made on this, but the Financial Advisor, after two years experience on this project, concludes that a centralized system of bookkeeping and auditing would be more effective and efficient than the one called for in this Project. His reasoning is that the cooperatives do not have bookkeepers with sufficient training, background, or potential to develop into capable bookkeepers. Furthermore, the cooperatives are not willing to pay salaries that will attract the caliber of persons required. In addition it would be more effective and efficient to develop a centralized system in the first place. He further suggests this service might be provided by the Agricultural Cooperative Apex Organization on a fee basis.

The Evaluation Team has discussed this plan with the Financial Advisor, the Training Advisor, the President of the Apex Organization and with some of the managers of the cooperatives visited. The team concludes that the centralized system can be more effective and efficient and recommends that implementation begin during the remainder of the present project and be continued in Phase II.

2. "Development and use of a cooperative extension tools package"
3. "Cooperative staff, Board of Directors, and members, begin training"

PROGRESS

Since items 2, 3, are both training objectives they are discussed together.

A. The Training Advisor and his counterpart designed and carried out a 3 week in-service training course for all Cooperative Division field staff. Cooperative principles, duties and responsibilities of field officers were stressed. Also field staff were instructed in ways that cooperatives could help members receive better prices for their produce. Guest lectures from LPMC instructed field staff on proper methods to ferment and dry cocoa and how to prepare other produce for market.

B. The Training Advisor and the Financial Advisor planned and participated in the implementation of the second Horace Plunkett Foundation Cooperative Training Course. This was aimed at business managers and consisted of two two-week sessions with a total of sixty participants.

C. A Technical Consultant, Margaret E. May, an Agricultural Economist from Oxford University, was assisted by the Training Advisor in research study titled "E.S.A.D. Agricultural Development Project - Assessment of Research Requirements".

D. The Training Advisor worked with a technical consultant in the production of visual aids for use in cooperative training courses.

E. The Training Advisor was requested to work with Ministry of Agriculture on a plan to create an autonomous agency for cooperative development.

F. The Training Advisor also planned and conducted a research study relating to a Phase II cooperative project; this will be discussed as a separate topic.

FUTURE PLANS

It is expected that some training of boards and members will take place during the remainder of this Phase of the Project.

OBSERVATIONS

The work of the Training Section has been severely hampered by the inability of the MCA to provide a counterpart for the Training Advisor during most of the Project life. Mr. Kamara was assigned the role for a short period and was a great asset. Mr. Jabbie Mustapha, second man in the Section, received a 10 month scholarship to Loughborough College. These two men and the Training Advisor constituted the entire personnel of the Section. Plans are under way to create an autonomous cooperative agency. If this is done it should be possible to establish a viable Training Section. The major approach to achieving the objectives of this Project is to first "train the trainers." If there are no trainers the task becomes impossible. In the opinion of the Evaluation Team the spreading of knowledge to cooperative employees, board of directors and members as to the purpose and functioning of cooperatives is absolutely basic to achieving the goals of this Project. We recommend that every effort be made to get

personnel for this Section at earliest opportunity in order that training in the field can take place during the remainder of this Project and be continued and strengthened during Phase II.

4. Appraisal and Reform of Government of Liberia Cooperative Laws and by-laws

PROGRESS

The ACDI Team has made a study of the Cooperative Act and recommended some changes and additions that are needed to support future development of cooperatives.

FUTURE PLANS

The future plans call for enactment into law of a new cooperative Act including revisions suggested by Mr. M.H. Simonson in February 1980.

OBSERVATIONS

A review of this indicates it is a comprehensive act which anticipates the authority needed for successful implementation of the act. Except for some changes as suggested here on the composition of the Board of the Autonomous Cooperative Agency and revisions to the liability limitations the Evaluation Team feels the act as proposed will meet the present needs for Liberia. As such it includes the framework for proposed and needed changes in current cooperative operations. Progress to date finds the

proposed Cooperative Act ready for review by governmental authority. After recommended changes are considered a final draft should be developed and submitted for enactment into law. Work has begun in reviewing present By-Laws but a final recommended By-Law proposal has not been made of cooperatives. This awaits enactment of a new Cooperative Act. A draft proposal for Federation By-Laws has been completed and reviewed by Mr. Simonson.

5. "Staffing Pattern and job descriptions developed for cooperatives and Cooperative Division"

PROGRESS

The ACDI Project Team has prepared a staffing pattern for the Division, including job descriptions.

After about 2 years of in-country operations the MOA and the ACDI Team have concluded that the Project could not achieve its objectives under the present structure of a cooperative Division within the MOA. The problems include the quality of personnel provided, lack of counterparts, frequent change of Directors of the Division, lack of adequate budget and civil service regulations that made it virtually impossible for the Division to obtain competent personnel. In addition, the Division's head has no authority to enforce rules and regulations as called for in the existing cooperative Act. (See

"Cooperatives in Liberia" in Annex
for additional observations.)

FUTURE PLANS

The ACDI Project Team will continue to work towards achievement of the objective as called for in the logical framework, but recommends that an Autonomous Cooperative Agency be established.

OBSERVATION

The Evaluation Team has reviewed the proposal and plans for this agency and has discussed the idea with several USAID/L and MCA employees and with other contacts in Liberia. The team strongly recommends the creation of this agency and makes these additional observations.

Proposed laws for its structure and operation have been drafted and for a new Cooperative as part of the Project. The benefits of the proposed Autonomous Agency are many. First, it places the cooperative registration and conduct of business further outside political pressures. It assures the cooperative of regulatory procedures beneficial to its growth and identity in its business activities. It establishes a framework of authority through which cooperative leaders, officials and the cooperative can function

for organizational sophistication and growth. Its regulatory function will assure fiscal responsibility through registration qualifications and audits. Participation in annual meetings, board activities and recourse to the agency where infringement of rights occur, will all improve cooperative membership relations. More accurate measurements of sound growth and development will be assured by enactment of the Cooperative Act.

6. "Produce Marketing standards observed and understood by cooperative members."

PROGRESS

Training of Cooperative Division field staff has begun and contact has been made with cooperatives, but adoption by farmers has not taken place. This is a complex problem discussed in other sections of the report and Annex B.

FUTURE PLANS

Efforts to achieve this objective will continue.

OBSERVATIONS

In some areas excessive competition by sub-agents is a detriment to acceptance of cooperatives by farmers. These sub-agents accept any produce regardless of quality at a price that will insure them a profit. There was some evidence that the more enlightened

cooperatives are beginning to dock farmers for produce containing rocks, trash, damaged or improperly prepared cocoa and coffee. A requirement by LPMC that all purchases from individual farmers must be evidenced by receipts issued to the farmer and copies retained by purchaser would help, particularly if the receipt shows, not only weight and price paid, but listed deductions for quality.

The Evaluation Team recommends that the Cooperative Division continue to work with LPMC and the cooperatives to get farmers to improve the quality of produce delivered. Incentive methods should be studied in order to achieve this objective. Enactment of legislation forbidding drying of produce on bare ground would also be a significant step forward.

7. "Establishment of a Cooperative Information Network"

PROGRESS

Training Advisor reports that lack of staff has thus far made it impossible to get underway on this objective.

FUTURE PLANS

Creation of Autonomous Agency and establishment of a viable Training Section will make it possible achieve at least a beginning on this objective during

remainder of Project.

OBSERVATIONS

As the Federation of Produce Marketing Cooperatives gains strength it should be encouraged to take over this information function for its Agricultural Cooperatives. Credit Unions already have an Apex Organization and it is already beginning to take on this function for Credit Unions. This objective should be carried over in Phase II.

8. "Establishment of MOA non audit cooperative visitation program"
9. "Establishment and use of cooperative capital expenditure and financial management advisory service"

(Both objectives have been discussed under objective No. 1 this report).

10. Improvement of LCUNA Management's Capacity to service small farmer and Cooperative needs.

PROGRESS

The project continues to supply back-up support in terms of funds, a vehicle and technical assistance, particularly by the Finance section.

In assessing the progress toward achieving this objective, considerable reliance is placed on a recent study made by a technician reported to be from Credit Union National Association (CUNA) as working for the World Council of Credit Unions Global

Projects Office. The study is titled "Proposed Liberian Credit Union Development" dated December, 1979. This study points out that LCUNA Credit Unions face serious delinquency-related problems, have inadequate controls and are currently short of trained personnel.

FUTURE PLANS

The Cooperative Division will continue back-up support in technical assistance and available funds will be allocated.

OBSERVATION

LCUNA's leadership and the Cooperative Division express confidence that these problems can be solved and that the lessons learned can be transmitted to positive value to the Credit Unions and LCUNA. Some of these positive indications are:

- 1) The existence of sound financial position in some rural communities and occupational credit unions;
- 2) Recent detection of fraud in a large credit union by its voluntary supervisory committee.
- 3) Initiation of loan collection campaigns with legal back-up;
- 4) Voluntary participation of Credit Union leaders in training sessions;

- 5) New and better control and accounting systems being used by newly organized societies;
- 6) Continuing interest of groups to organize credit unions - both rural and urban;
- 7) The government of Liberia's endorsement and support of credit unions for its employees and the development of sophisticated payroll deduction system.

In the approach to Phase II, additional support to LCUNA is needed in technical assistance. This assistance may be provided by a credit union specialist to serve as a counterpart for LCUNA management. Also, additional funds to support LCUNA's proposed budget are recommended. An additional small capital grant to be used as a "stabilization fund" for making revolving loans to Credit Unions is recommended. It is further recommended that there be no encouragement to agricultural cooperatives to operate credit unions. Such credit unions should have entirely separate management and boards.

11. Provide assistance in the establishment of a Federation of Produce Marketing Cooperatives to serve Agricultural Cooperatives in Liberia

PROGRESS

The Project Advisors have concluded that development of an effective and efficient system of agricultural cooperatives in Liberia will be greatly assisted by a Apex (Federation) organization. The Team leader, Mr. Simonson, has devoted considerable effort in helping this Apex to organize during past year. It is now registered, but not yet operational. A request for a loan to construct a warehouse and purchase a truck has been made to ACDB. The business manager, Mr. Eric Passawee, is now officed in Monrovia with the Cooperative Division. For the time being his salary is being paid out of MOA funds. A detailed analysis of this organization is found in Annex I of the Evaluation Report. A major conclusion is that the present Apex organization requires more detailed planning. For example, no cost benefit analysis has been made for proposed activities. Sources of supplies have not been explored. Much more in the way of educating cooperative members must be done. See Section in Annex I report for additional comments.

FUTURE PLANS

The Project Team Leader should continue to work with his Apex Organization assisted by other Project Advisors as their duties permit.

OBSERVATION

The Evaluation Team places considerable importance on the sound development of this organization. It will speed the development of a cooperative farm supply system now almost completely lacking. It will give cooperatives and their members a stronger voice in policy affecting prices they receive for their produce. It can support and strengthen ongoing efforts to educate cooperative employees, board members and farmers as to the purpose and functioning of cooperatives. Also it can provide a system of centralized bookkeeping and accounting for agricultural cooperatives.

The Evaluation team recommends that the sound development of this organization be continued in Phase II and strengthened. Special funds and at least one technical advisor should be assigned to assist in development of this Apex organization. On this point consideration should be given to assigning John Kreag, Project Financial Advisor, to work with the Apex organization. If this were done, it would be advisable to bring in a Financial

Advisor to work specifically on the proposed centralized bookkeeping and accounting service.

ACDI PROJECT REPORT

(ACDI Project 669-0127 - June 1980)

12. "Prepare an analysis of issues related to achieving small farmer participation in an expanded Liberian Cooperative system and of its financial and managerial aspects. This assessment will consider needs and reactions of present and potential cooperative members, and experiences gained during early efforts to provide Ministry of Agriculture services to the currently operational cooperative."

PROGRESS

A positive start has been made by the ACDI team in a study by Paul Wrobel entitled "Cooperatives in Liberia: A Look at the Present and Recommendations for the future." A copy of this report is included in the appendix.

This report gives an insight to a composite group of farmers and was well-conceived and executed. It served as a listening post technique that elicited a significant amount of data from one hundred small farmers in two different counties. It should be pointed out that many of the farmers interviewed were not cooperative members. Some of those surveyed were from a newly organized cooperative in Cape Mount.

The Wode Cooperative area, also part of the survey, had experienced controversy and problems due to a disappearance of funds in past years. Negative responses may be read as uninformed in many instances. The person not "up on" a subject will likely be "down on" etc.

FUTURE PLANS/OBSERVATIONS

An additional study of cooperatives in Lofa County is under consideration. It is recommended that a similar study be made in the Lofa County area where more intensive cooperative development exists. Additional information should be solicited on credit needs and attitudes. Also further information is needed on the structure and viability of Town Cooperative Units as a vehicle for member information, representation, produce gathering and farm supply distribution for the cooperative. Information gathered in this area should be very relevant to judgements of membership attitudes and expectations. It should serve a valid basis for organizational and training programs.

Conclusions drawn in the report point up major development problems and recommend appropriate action to meet these problems. As indicated in the report the

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NO. 33

18-19. PURPOSE - GOAL/SUBGOAL

"Increasing agricultural productivity and economic benefit for rural householders in small scale agricultural production."

There is tangible evidence that cooperatives are providing economic benefits to farmers engaged in small-scale agricultural production. The indications for this are:

- 1) substantial increase in volumes of produce sold through cooperatives in 1979/80 marketing season through May 1980 this amounted to \$19,700,000. Allowing for inflated prices the increase is still significant;
- 2) a substantial increase in the volume percentage of produce marketed through cooperatives in 1980, 71 percent compared with 50 percent before the project started.

It is not possible to measure the ACDI Project's contribution to these changes, but it is logical to assume some favorable impacts.

20. BENEFICIARIES

See 1979 Evaluation Report, beneficiaries have not changed.

21. UNPLANNED EFFECTS

No unplanned effects noted.

22. LESSONS LEARNED

Too early to make a proper reply.

23. SPECIAL COMMENTS OR REMARKS

See Annexes A, B, C, and D.

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ANNEX A

EVALUATION REPORT ON
STATUS OF COOPERATIVES IN LIBERIA - 1980

A REPORT COMPARING THE STATUS OF COOPERATIVES IN 1976,
1978 and 1980

Prepared June 25, 1980

By Evaluation Team of:

Dr. Job K. Savage	- Consultant for ACDI
Mr. Gene Sutton	- Consultant for USAID
Mr. Arthur Summerville	- Director, Support Institution Division, MOA

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IN LIBERIA - 1980

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INTRODUCTION

This report was prepared as a part of the evaluation report required by USAID for the cooperative development project it funds in Liberia. It was prepared by a 3-man team selected by USAID and the host country, Liberia. The team was comprised of Dr. Job K. Savage, Cooperative consultant employed by ACDI, Mr. Gene Sutton, Cooperative consultant employed by USAID and Mr. Arthur Summerville of the Ministry of Agriculture (MOA).

Information gathering and report writing took place over the 3-week period, June 6 - 25.

The method of study employed was to review pertinent materials on file with USAID/L ACDI and the Cooperative Division of MOA; Data were obtained from the Liberian Produce Marketing Corporation (LPMC) and from the Agricultural Cooperative Development Bank (ACDB). We also visited many cooperatives as possible (10) and discussed their operations with managers and boards of directors. In some instances members were also present. We discussed cooperative development progress and problems with the two expatriate advisors working with the CD - Mr. John Kreag, Finance Advisor and Dr. Paul Wrobel, Training Advisor, and with members of the Cooperative Division, including the Acting Director, Mr. Tom E. Nimley, and with the President and General Manager of the Liberian Federation of Cooperatives.

The ACDI Team Leader, Mr. Marlin Simonson, was out of the country on home leave at this time. This report compares the present status of cooperative development in Liberia with two "base line" reports, one titled "Appraisal of Cooperative Development in Liberia", dated August 1976, and prepared by Savage and Goldman, and a second titled "Initial Monitor's Report on Agricultural Cooperative Development Project dated August 1976 by Savage. These two "base line" reports are on file at Project office and with USAID/L. Similar information gathering techniques and report analysis were employed in all three reports.

It should be noted that a major purpose of the "base line" study in 1978 was to determine if there had been significant changes since the first such study in 1976. The conclusion was that the cooperative status had not significantly changed during the two-year period between 1976 and 1978. Since the 1976 study was more extensive, it will be relied upon more heavily for cooperative purpose in this report.

Findings

In 1976 there were 47 cooperatives registered. Of this number, 18 were considered to be engaged in commercial operations, and five (5) of these accounted for \$2,592,302 - 86% - of total business. Sales figures

are from 1975 operations. All of these cooperatives were engaged in the sale of produce, primarily coffee, cocoa, and palm kernels with a small amount of rice.

At present there are 92 cooperatives registered, most of which are agricultural cooperatives. Of these, 29 sold produce during the 1979/80 season as of May 1980. Three of these had sales volumes of less than \$2,000 and for cooperative purposes are not counted. This leaves 26, or an increase in number of 6, or about 30 percent increase over the period 1975-1980.

Cooperatives have increased produce sales to LPWC relative to those by Private Agents. Of more significance is a comparison of the years 1975/76, 1976/77, 1979/80 for the cooperatives shown in the tabulation below:

<u>YEAR</u>	<u>No.</u>	<u>COOPERATIVES</u>		<u>No.</u>	<u>AGENTS</u>	
		<u>DOLLARS</u>	<u>PERCENT</u>		<u>DOLLARS</u>	<u>PERCENT</u>
1975/76	22	2,973,359	52	20	2,723,834	48
1976/77	18	6,384,809	50	17	6,478,653	50
1979/80 (thru May)	29	19,695,999	71	15	8,189,896	29

Major problems mentioned by cooperative management, board members and farmer members in 1976 were:

Need of credit for farm inputs such as machinery, fertilizers, chemicals, loans, and for cooperative

- facilities, transportation and small mills
(primarily rice)
- dissatisfaction with LPMC overweightts and dockage
 - disappearance of money from cooperative treasuries
 - need for better trained personnel
 - board meetings too infrequent

In 1980 these same problems exist, although some cooperatives have been able to borrow money to purchase transportation equipment and small mills. The Lofa County Agricultural Development Project (LCADP) and a similar project in Song County were begun after the "base line" study was made in 1976 and have filled some of the credit needs in those two counties. The Agricultural Cooperative Development Bank (ACDB) has also just recently (1979) begun operations. More credit needs are being met, primarily for produce buying but the credit problem still exists, particularly in counties outside these two project areas.

There were fewer complaints about LPMC weights and dockage this time. A couple of cooperatives mentioned it was often necessary to "dash" (pay bribe) to LPMC employees in Monrovia in order to get trucks unloaded or to get favorable treatment on grading.

Cooperative managers did not mention disappearance of money as a problem this time, but audit reports on file in the Cooperative Division of MOA show that this problem

continues. More of these cases are being investigated now by the audit section of the Cooperative Division and person or persons responsible are being found out. Unfortunately, there is little evidence that the guilty parties are being made to pay for their misdeeds.

The need for better trained personnel continues to exist, although the evaluation team was favorably impressed with several of the managers interviewed. The Evaluation Team Leader, who had visited these cooperatives in 1976 and 1978 was particularly impressed with improvement in calibre of personnel. This extended to employees keeping records and to those taking in produce at several of the cooperatives. A number of cooperatives mentioned have sent employees to training courses conducted by the Project in conjunction with the Plunkett Foundation.

Nearly all of the cooperatives reported they were holding Board meetings monthly. However, it was difficult to confirm such statements.

In the 1976 Report, and as confirmed in the 1978 Report, management overall was judged to be weakest in:

- keeping records
- budgeting and planning
- annual reports
- member relations and enlightenment of members
- not holding board meetings as required in the by-laws

- assembling and handling produce
- inability to keep money from disappearing from treasury
- making (sound) decisions regarding purchase of facilities, machinery and equipment
- money management, particularly in borrowing and repayment of loans.

The Evaluation Team's judgment on these points is as follows:

- Record keeping has improved, but is still not satisfactory. This conclusion was based on review of Audit reports, field trip reports and other documents on file in the Cooperative Division.
- There was no evidence of budgeting and planning on the part of cooperative management.
- More cooperatives stated they were holding annual meetings than was the case in 1976. Based on this there is probably a slight improvement in member relations and enlightenment. Project training efforts to improve this situation have not resulted in member training. "Training of trainees" is underway, as is preparation of training materials.

- Cooperatives report they are holding board meetings as required in the by-laws

- Cooperatives show some improvement in assembly and handling of produce. LFMC has held training sessions in some of the areas served by cooperatives. Cooperative Division personnel have encouraged management to give more attention to this problem. In particular, the Financial Advisor for the Project has stressed this need and has prepared receipt book forms in such manner as to encourage grading. There is evidence that cooperatives are getting the message but much still remains to be done.

As mentioned earlier in this Report, money continues to disappear from the treasuries of the Cooperatives too frequently, but a very active program by the Audit Section of the Cooperative Division is beginning to have a favorable impact. This program, however will not be successful unless it receives more support from the Minister of Agriculture and the Head of Government.

- Cooperatives are now receiving some help, largely from the Project Financial Advisor, on plans to purchase facilities, machinery and equipment. For example, several cooperatives have been advised to draw on their own resources to build warehouses, provide funds to purchase spare parts and gasoline for Government owned tractors and roto-tillers cultivating their rice fields. In some cases, cooperatives have been helped in preparation of loan applications to the ACDB for small rice mills, coffee hullers, etc. Because their applications were properly documented and the ACDB was assured that the Cooperative Division would provide follow-up assistance to the cooperatives the loans were made. The Evaluation Team saw two small rice mills, two warehouses, and one coffee huller that had been acquired by cooperatives on the aforementioned basis. Also, one cooperative had raised money from its members to provide gas and spare parts for tractors and roto-tillers.

- Some of the larger cooperatives are also being helped by the Financial Section of CD to properly evaluate their requests to ACDB for loans to purchase trucks, pick-ups, warehouses, etc.

- This service is very important to the successful development of sound cooperatives in Liberia. A small beginning to provide this service has been made but we stress that it is only "a beginning. At the present time most of this technical assistance is being provided by the Project Financial Advisor. In one County, Cape Mount, the Evaluation Team was most favorably impressed with activities of the cooperative Field Supervisor in working with the Financial Advisor to establish one new cooperative and to strengthen two other existing cooperatives.

The Project has developed and initiated several measures to improve money management in the cooperatives. These include:

- 1) Establishment within the Audit Section of the CD a sub-section to assist cooperatives in proper preparation of loan applications to ACDB. This sub-section developed the loan application form now being used by cooperatives.
- 2) Loan Section works closely with ACDB in the necessary follow-ups once a loan is made. This includes spot checking to determine that loan funds are being used

for purposes stated in loan application.

The Loan Section also provides assistance in collection of loans.

- 3) Audit Section makes unannounced audits and annual audits to promote sound money management.
- 4) budgets are for most part not being prepared at the present time. This problem will be discussed and recommendations made later in the Evaluation Report.
- 5) Money disappearance has been discussed earlier in this report.

OTHER IMPORTANT
COOPERATIVE DEVELOPMENT
ISSUES

In the planning stages of this Project, these key questions were raised:

Do farmers want Cooperatives?

Do farmers benefit from Cooperatives?

Do Cooperatives serve small farmers in Liberia?

The Evaluation Team has gathered such information as was available relative to these basic questions and analysed it. In particular, information and ideas generated by the Project Advisers and from their counterparts make it possible to provide more definitive replies to these questions than

was possible in the 1976 and 1978 "base line" reports. Turning now to findings of the Team on these questions it was found:

Farmers do want cooperatives as evidenced by the fact that the number of viable operating cooperatives have increased from 18 in 1976 to 26 in 1980, a 30 percent increase. The volume of produce sold through cooperatives relative to that sold to private agents has increased from 52 percent cooperatives and 48 percent private agents in 1976 to 71 percent cooperatives and 29 percent private agents in 1980. Another indication that farmers do want cooperatives is in the increased dollar volume of sales through cooperatives from 1976 to 1980. The volume in 1976 was \$2,973,359 and in 1980 was \$19,695,999. Allowing for inflation this increase is significant.

The fact that farmers have increased their patronage of cooperatives does not necessarily mean that their knowledge of the basics of cooperatives has increased. they are, however, aware of the fact that prices paid them for their produce by the cooperatives are better than those received from private agents. Also, it must be noted that cooperatives in Lofa County have exclusive buying rights for all produce delivered to LPMC. In addition, LCADP requires any farmer receiving

a loan through its program to be a member of a cooperative. After taking these two situations into consideration the Team still concludes that farmers do want cooperatives. This is evidenced by the fact that the number of viable cooperatives and volume of cooperative business also increased in counties other than Lofa where cooperatives were not the exclusive agents for LPMC.

Other evidence that farmers do want cooperatives is that they joined together to provide funds and labor to build warehouses; two were noted during the Team's visit to cooperatives. Rice mills were then purchased with a loan from ACDB and installed in the warehouses. Other such cooperative activities have been mentioned elsewhere in this report.

Farmers do obtain some benefits from cooperatives. Information cited in preceding paragraph is indicative of this. Before additional benefits are presented, it should be noted that the Team has interpreted this question to mean "Does the farmer (member) obtain all the benefits due him from his cooperative"?

The answer to that question is negative as applied to the majority of Liberian cooperatives. Some exceptions will be noted. Since a major objective of the Project is to help create a viable system of bonafide cooperatives in Liberia it is necessary to discuss the major factors that continue to limit cooperatives in providing these benefits. Perhaps the most

important of these factors was that cooperatives were for the most part organized on a "top down" basis by business people more concerned with serving their own self interest than in serving the farmers. Many of these early cooperatives still operate on that basis. The evidence to support this finding of the Team is that these cooperatives operate so as to deny members any residual benefits after all expenses of the cooperative have been met. Wodo Cooperative in Nimba County is an example to show how this is done. Sub-agents, some of whom are board members, purchase produce from Wodo members and deliver it to LPMC in Monrovia as sub-agents of Wodo. The money for this produce is to be paid to the account of the sub-agent and not to the cooperative. This is perhaps an extreme example and is not the only method used to avoid paying out or allocating the residual funds to cooperative members. The Project Advisors are aware of this practice and others that deny an important benefit to members, and are taking steps to change this method of operating. This practice will however, be difficult to eliminate for a variety of reasons, one being that the cooperatives do not have vehicles to pick up member produce. Sub-agents do. It is difficult to employ a buyer that will pick up produce at the village level. The more capable buyers will not work for wages. They prefer being on commission. Also, sub-agents often provide

their own funds to purchase produce. Perhaps the most critical problem is that many of the cooperatives turn funds borrowed from ACDB over to sub-agents, leaving no funds or insufficient funds for the cooperatives to purchase produce delivered to their doors by members. In some cases sub-agents do not return the funds provided them by the cooperatives, which further complicates the situation. These actions are an additional indication that many times the cooperatives are not giving members all the benefits they are entitled to.

Because there is no requirement in many cooperatives and all private agents that each farmer be given a signed receipt by sub-agents at the time they take his produce there is no way to check as to prices actually paid the farmers. Thus, the very basic service of honest weights and measures through use of cooperatives, is not being provided because of this practice. The Evaluation Team questioned cooperative managers and board members about the need to issue receipts for every delivery to cooperatives, private agents and their sub-agents. All replies were that cooperatives would support such a requirement. Until this requirement becomes law, there is no effective way to insure that farmers will receive the official prices established for them by LPMC.

The Evaluation Team encountered an excellent example of how cooperatives do benefit farmers when they work as intended. This was the Kpososeimavula Cooperative in Cape Mount County that began operating in 1979. It markets coffee and cocoa for about 250 members. When asked about price received for their coffee this year they at first complained that it was too low. Upon questioning, they said they received about 42.5 cents per gross pound for cherry coffee. The LPNC price is 45 cents and so they admitted this was a fair price. Then they were asked what price they received the year before the cooperative began operating. It was at this point they began to smile because they had received about half the present price from private agents. It should be noted that in all probability the cooperative was forcing private agents to pay prices in line with its price thus helping not only cooperative members, but all farmers in the area.

In spite of the fact that many of the cooperatives are not operating on bonafide basis they are to be preferred over private agents. This is true because they are subject to more supervision than are private agents. Also they are likely to change their operations to a more acceptable basis as members and board members become more aware of their rights and assume more control in their cooperatives. The

Evaluation Team found evidence that this was beginning to take place in some of the cooperatives, perhaps the best examples were Seh-leh-Tur and Intofawor, where all produce is purchased from members at the warehouse and receipts issued to them.

Some cooperatives are not providing a market benefit for all members. Major reasons for this are lack of pick-up vehicles to go to more remote villages, use of sub-agents, and lack of funds at times to purchase member produce. On the collection problem organization of members into village or town groups should be considered to improve this situation. The team noted that most of the cooperatives visited are already organized on a clan basis. It would seem that smaller units might not only help solve collection problem, but be desirable units for member training. The organization and functioning of such village units was discussed with Mr. Albert N. Bass, Commercial Manager for LCADP. Such units have been organized in the area of Lofa County served by LCADP and according to Mr. Bass are very effective, particularly in making and collecting loans for farm supplies.

Cooperatives in Liberia are serving small farmers. This is self-evident when it is known that nearly all farmers in Liberia fall into the classification of small. The USAID Agricultural Sector Analysis Team estimates that 99

percent of Liberian farmers have a maximum of seven acres or less under cultivation. The Evaluation Team asked cooperative managers about the size of their members' farming operations in terms of trees or bags of produce delivered. Their replies tend to confirm estimates of the Sector Analysis Team.

FEDERATION OF COOPERATIVES

A Federation of Cooperatives for all agricultural marketing cooperatives already exists. Its current status has been supported both in formation and in on going efforts by the ACDI team. Its overall objective (not yet achieved) is to institutionalize a vehicle for cooperatives development, growth and identity in Liberia separate from the regulatory functions of government. To become viable, this beginning must enlarge and expand upon services which make better cooperatives. The Federation and its member cooperatives will, through marketing and supply services, raise the productivity and living standards of the grass roots farmers who are their members. In field contacts with managers, board members, and members of 10 cooperatives, the answer to, "what other services should the cooperatives provide?", indicated that all wanted more production supplies. Most indicated that they needed "a voice" at the national level. They also demonstrated a need - though not always expressed - for improved record keeping. In total the services anticipated by the Federation are a composite of expressed wishes of these visits.

The Federation will serve as a spokesman of the membership. It will also carry out an informational and teaching function necessary to obtain active and responsible membership participation.

In addressing the development of the Federation, it must be pointed out that the present Federation is in a planning and organizational stage on proposed programs. Cost benefit studies should be made on the proposed warehouse with building plans, material and labor cost estimates to serve as a basis for financing. The current loan application on file with the Development Bank for \$80,000 needs this analysis - an estimate of cash flow, a management plan, equipment and other employee costs is an essential part of such plans. Operational funds required for anticipated supply purchases would be essential in anticipating operational capital needs. This information would help develop feasibility justification. The Federation as currently proposed would start by purchasing supplies on a commission basis for the three Integrated Rural Development Projects of an estimated \$6,000,000 annual volume. This project proposal is at best in a talking stage. The compatibility of the cooperative concept of purchasing for resale with margins which cover overhead

costs and operating otherwise as a self-sustaining business is somewhat contrary to these three projects operation. The LCADP operation has built in subsidies i.e. selling fertilizer at a price per bag which is lower than actual cost. For this reason the approach to LCADP distribution proposal must carefully avoid being identified as a Federation enterprise. It will at best invite unfavorable comparison because of low (subsidized) prices and a preponderance of technical assistance prices also at no cost to the farmer. It is recommended that the Federation, if and at such time as it has extra warehouse space, consider the warehousing function only after a careful cost analysis to assure payment for all investment and services rendered to LCADP, ECADP and NCADP.

The areas served by LCADP do not include all otherwise eligible farmers in Lofa County. This leaves an overlapping of small farmers not served by LCADP who deserve service by their cooperatives.

In attaining the ultimate membership participation and benefit through Federation action, there are four general service areas proposed for the Federation:

The first service is to work with LPMC in its on going marketing of cocoa, coffee, palm nuts, and rough rice to increase membership participation and volume.

The Federation will coordinate with other agencies to bring improved production techniques, produce gathering, preparation and handling procedures to the small farmers. This should improve both production and quality of produce grown in Liberia.

The second service of the Federation which is vital to effective financial stability and fair treatment of the members is a centralized Bookkeeping and Audit Service. Records of member sales or purchases must be made by the cooperatives as a beginning of significant bookkeeping and analysis: It is proposed that the very simple and essential records be recorded by the cooperatives with monthly reports to a centralized bookkeeping division. This division would prepare from these entries a monthly report for the Cooperative Board's information and analysis. It would further alert the Federation to problems needing immediate attention. This effort will provide the cooperative's management with constant analysis of operations, spot audits, and field assistance where needed will assure more financial responsibility and efficient operations. In this service, the members will benefit in long term by increased income through better management of their cooperative.

The Audit Service may be contracted by the Federation as an independent function but reporting directly both to the Federation and the individual cooperatives. It is vital that these services have strong backing through the Cooperative Act to respond in case of financial irresponsibility on the part of cooperative managers, board members, and supervisors.

As a third function the Federation can and should provide a back flow to the farmer members of those staple production needs such as fertilizers, chemicals, cement, zinc sheeting, farm tools, and other bulk items often not now available or not at a fair price. This proposal assumes the further development of a distribution system through the cooperatives to effectively reach all members. It also recognizes the need for a coordinated financial structure that will not burden the cooperative or prematurely put it in the credit business.

The fourth function of the Federation will be to serve as the voice - and the listener - for its farmers and members through their cooperatives. The level of communications will develop a 'two way' dialogue between the cooperatives and the Federation. This involves a level of conversation directed at information of a positive nature. For example, pricing would be bottom to top/top

to bottom giving consideration to world markets, grade discounts, trucking and gathering costs and all other items germane to a pricing structure. It will place emphasis upon understanding of each others' problems which is the essence of bargaining.

The Federation will be in close communication with the ACDB, LPMS, Integrated Rural Development Projects, and the MCA toward coordinated action and understanding of each others' programs and responsibilities. These activities should result in one strong voice for the cooperative and its membership. At the outset it is understood that the Federation must be a cooperative itself in its operation. This will allow it to rise or fall on its service to its membership of produce marketing cooperatives. It needs the legal framework to function free of political interference as a financially responsible and independent agency. Sufficient safeguards must be written into law to assure unhampered operation. This is not to say that the Federation's authority is without restraint of good operations and service delivery. As it (the Federation) is structured, the members through their cooperatives will indeed pass day-to-day judgment. Participation reflected in membership and unit volume will serve as a substantial measurement of the Federation's efficiency and effectiveness; and as a cooperative it will

fall under the regulatory authority of government over all cooperatives.

In consideration of the physical coordination with other agencies such as LPMC, ACDB, MOA and others, we believe that Monrovia must serve as the headquarters. There are several other considerations for recommending Monrovia as the headquarters for the Federation. All cooperatives will be delivering produce to the LPMC warehouse in Monrovia where LPMC also has its headquarters. This will make it a strategic location for back hauls of farm supplies and other bulk needs. Also cooperative managers and officers frequently visit Monrovia and it would make it convenient for more frequent contacts with Federation headquarters. The Cooperative Division Headquarters personnel are in Monrovia where their necessary contacts with other national agencies are more effectively carried out.

This choice of Monrovia headquarters does not preclude warehouses or offices at other locations as needed for supervisory or other personnel at a later date.

The measure of development and growth of the Federation down the road will be implementation. Purposeful activity can and should be the measuring stick for progress and should include:

1. A Record keeping or centralized Bookkeeping with an Audit Service in place and operating. It is assumed in this area in particular that the Cooperative Act will provide support to sound business operations.

2. Increases in the unit volume and quality of produce marketed through the Federation's cooperatives is also a very tangible and legitimate measure of its function.

3. The development of a distribution system by the Federation of farm supplies both in number of cooperative distribution points and in unit or dollar volume will be a significant criteria. It is recognized that sound financial progress must go hand in hand with merchandise volume. This program involves a high input of grass roots development recognizing cultural patterns, physical facilities, delivery systems, TCU's and other factors. It is anticipated here that too rapid growth in volume with resultant lack of basic structure may pose a problem. Inventory control may be developed on a "mail order" with cash in advance the basis for establishing a purchasing pattern for the Federation. In implementating this program additional technical assistance will be needed to support in further analysis, planning, and development of farm supply merchandising and in centralized bookkeeping.

CREDIT UNIONS

The Liberian Credit Union National Association (LCUNA) heads up the Credit Union movement in Liberia. It serves as a conduit for technical and financial support to all Credit Unions. Thirty-three Credit Unions are registered with 14 Rural, 10 Urban, 6 Industrial, and 3 Parochial. In 1979 only 14 of the 33 were audited. Total assets of all of the Credit Unions was \$860,930.30, membership 5,539.

*Currently Liberia's Credit Unions face serious delinquency - related liquidity problems, lack effective delinquency control and loan collection systems, have inadequate supervisory and internal control procedures, and confront a critical shortage of trained operating personnel. Fraud and default have forced many societies into insolvency. Yet there is evidence that these problems can be solved and that the lessons learned will be of value to credit unions and the entire Liberian Cooperative movement. Some of these indicators are:

1. The existence of healthy cash balances and relatively sound financial positions in some rural community and occupational credit unions;

2. The recent detection of fraud in one of the largest credit unions by its voluntary supervisory committee and the strong action they took to punish the alleged offenders;

3. Initiations of loan collection campaigns and the use of lawyers to initiate dispute declarations;

4. Voluntary participation of credit union leaders and personnel in Training Seminars;

5. New control systems and better accounting and bookkeeping methods being used by newer societies;

6. The continuing desire of groups to be organized into credit unions, in both rural and urban areas;

7. The Government of Liberia's endorsement and support of credit unions for its employees, and the development of a nationwide computerized salary check off system. Also LCUWA has considerable problems and potentials. It survived years of mismanagement and has now recognized, sought and obtained donor support, received seconded Government Cooperative Division officers and is now collecting new share and entrance fee payments from some member credit unions. Despite large financial losses, LCUWA has continued providing services to its affiliates, including supplies, training, risk management, internal auditing, policy guidelines and limited supervision."

*As shown in WORLD COUNCIL OF CREDIT UNIONS Study - Dated December 1979.

EXTERNAL INFLUENCES

The development of cooperatives in Liberia is dependent in large measure upon such external organizations as the Liberian Produce Marketing Corporation (LPMC), the Cooperative Division of the MOA, and the Agricultural Cooperative Development Bank (ACDB). Each of these organizations is discussed here:

LPMC is a wholly owned Government Corporation, and is the only market that cooperatives have for cocoa, coffee, and palm kernels. It also determines prices for these commodities, and determines grades and standards for these products. See 1976 "base line report" for more details on how LPMC operates.

The Evaluation Team met with the expatriate manager of LPMC prior to visiting the cooperatives. It was evident during this meeting that LPMC is more appreciative of cooperatives now than it was in 1976. For one thing the volume of business from cooperatives relative to private agents has increased significantly since that time, from 50 percent to 71 percent. In 1976 LPMC was providing the cooperatives with funds to purchase produce. This is now being done by the ACDB, therefore LPMC is not as vitally concerned about the financial responsibility of cooperatives as it once was. It is however, concerned that cooperatives increase their efforts to get farmers to improve the quality

of their produce. It was suggested at this meeting that one way to improve this situation was make it mandatory that all Agents, Cooperative and Private be required to issue receipts to farmers upon purchase of their produce and that receipts show deduction for foreign matter or moisture if made. This would be one way to educate farmers to the need to take better care of their produce, keep insects out and dry it on relatively clean surfaces. The receipt would also enable LPMC to better monitor prices being paid farmers by all agents and sub-agents.

The Evaluation Team asked all the Cooperatives contacted about their relations with LPMC. The cooperatives seemed to have less complaints about dockage than in 1976 and 1978. There were a few complaints but cooperatives are learning that much of this problem stems from members who bring produce with excessive amounts of stones and other foreign materials. Some cooperatives did complain about paying bribes in order to get unloaded at LPMC and to prevent excessive dockage.

The cooperatives are beginning to ask questions as to why LPMC prices are below world prices. They do not seem to be aware of the price stabilization reserves or the funds set aside for Agricultural Development by LPMC.

It was brought to the attention of LPMC by the Evaluation Team at the meeting that an excessive number of sub-agents were operating in some of the towns, particularly in Nizba County. In spite of the large numbers, sometimes as many as 20, there appears to be collusion among them and their prices are often significantly below official prices. With less agents a better job monitoring could be done. The Evaluation Team believes that working relationship between the Cooperative Division and LPMC is good.

THE AGRICULTURAL COOPERATIVE DEVELOPMENT BANK (ACDE)

The base line study made by Dr. Savage in 1976 found a serious shortage of production and operating funds for Cooperatives and their farmer members. Except for a few loans made by LPMC and the MOA no loans were available. ACDE has made a significant amount of loans with \$1,036,188 in cooperative loans placed currently. This amount involves 31 loans. Twenty-five of these loans were made during the past year. The support of ACDE has been helpful to cooperatives in placing both operating and facility loans. However, the lack of adequate funds for short and long term loans is still a deterrant to increased production and marketing volume.

There exists a positive approach to a closer working relationship between officials of the Bank and the Cooperative Division in participating in reviews of loan applications. The cooperative audit service is providing regular and spot audits which assist ACDB to monitor loans. The Bank has instituted a loan status summary of all cooperative loans, which will be given the Cooperative Division monthly. This coordination will be further reinforced by meetings between the Cooperative Division and Bank scheduled on a regular basis. The effectiveness of both agencies will be improved by this close cooperation. Results will be measurable in more and sounder loans which are anticipated.

The Cooperative Division now has a staff of approximately 50 people. Essentially, the same problems that were mentioned when project began in 1978 and again in the 1979 evaluation Report still exist. These are:

- 1) Inability of the MOA to offer salaries that will attract and hold able personnel in the Cooperative Division;
- 2) Inability to fire employees who are not competent;
- 3) Lack of adequate travel funds;
- 4) No funds for per diem;
- 5) Frequent shifting of counterparts to the three Project Advisors out of the CD - the advisor to the Division is now working with his fourth Division Director, and the other two advisors have just lost their counterparts.

CONCLUSIONS

Based on the findings the following conclusions are drawn:

- 1) Farmers do want cooperatives and benefit from them. This is indicated by an increase in the number of commercial cooperatives from 18 in 1976 to 26 in 1980, and in the increased volume of business during that period from \$2,973,356 in 1976 to \$19,695,599 in 1980.
- 2) Cooperative management is becoming more aware of the need for an agricultural apex organization to represent their concerns to LPMC and ACDB over prices for their produce and loan funds to purchase produce, build facilities, acquire transport equipment, buy farm supplies etc. Also, they are looking to the apex organization for help to establish a viable farm supply network, to provide bookkeeping and audit services, and to stimulate and assist in programs to improve cooperative management, boards of directors and members knowledge of the purpose and functioning of cooperatives.
- 3) Establishment of a cooperative credit system - The recently organized ACDB is now operating. This is a major achievement toward developing a sound cooperative system in Liberia.

- 4) On the negative side many cooperatives do not operate according to generally accepted principles. They are too often dominated by businessmen - sub-agents - who act as middlemen and operate them for their own benefit.
- 5) Efforts to improve the quality of coffee and cocoa through the establishment of purchases according to the grade of produce have met with little success to date.
- 6) A requirement by IFMO that all agents, both cooperative and private, and their sub-agents issue farmers a receipt for produce purchased from them is needed. This would facilitate monitoring of prices received by farmers. It would also reinforce present efforts by the Cooperative Division to require cooperatives to maintain more effective control over their sub-agents.
- 7) Accountability of cooperatives for loan funds shows some improvement, but has not yet reached a satisfactory level. Detection of malfeasance has improved, but penalties to match the deeds are too often not levied.
- 8) Efforts to develop an effective Cooperative Division in the MOA have met with little success to date.

COOPERATIVE ACT

The proposed act drafted by Mr. M.H. Simonsen, ACDI Team leader, in February 1980 is complete and anticipates the authority needed for successful implementation of the Act. The following exceptions to Mr. Simonsen's proposal are submitted for consideration:

Board membership of Autonomous Agency. The board membership should consist of the Ministers (or their designee) from Ministry of Agriculture, Ministry of Commerce, Ministry of Finance, Ministry of Planning and Economic Affairs. Additional members should be designated on an ex officio basis from the Federation of Cooperatives, Federation of Credit Unions, Agricultural Development Bank, and Liberian Produce Marketing Corporation. All board members nominated would be subject to approval by the Head of State. It is not recommended that the Registrar be a board member but be selected by the board and serve at its pleasure. The board should hold regularly scheduled meetings with a quorum required of both the regular and ex officio members. Written notice of all board meetings regular or special should go to all board members. The board should elect its chairman from its voting members.

It is recommended that the section of the act specifying unlimited liability of the membership on a pro rata basis be reconsidered. Corporate Treatment of membership

(liability limited to stock shares, accounts owned by members and patronage earnings) is recommended as more fair and equitable.

Since the autonomous agency is regulatory in function it is recommended that it be fully financed in its operation by the Government of Liberia. The solicitation of dependence on financial support from other sources may pose more problems than benefits.

The board should be responsible for establishing policies and general supervision of the agency. The term of office of the board members and procedures to be followed in the business of the agency should be specified in the Cooperative Act. Specific policies and general supervision of the board of directors should include but not be limited to the appointment of a registrar, approval of registration certificates, approval of the authorities' budget, and approving regulations concerning all Credit Unions and Cooperatives. The authority should receive its source of funds through annual budgetary appropriations provided by the Government of Liberia. With full financial support from the Government the agency can best maintain its status of autonomy. The Registrar should serve as secretary to the board and keep other records necessary to the conduct of the agency. The Registrar would also be responsible for the day-to-day operation of the agency. The agency should

have legal authority to issue rules and regulations necessary to properly administer the Cooperative Act. The agency would be responsible to coordinate the activities with Ministries and other agencies or institutions which would interact with the cooperatives. The agency should be legally authorized to administer and enforce the Cooperative Act. All applications and by-laws of proposed cooperatives should be received and reviewed for approval by the agency.

The concept and conduct of the autonomous agency is perceived to be a final authority. A vital reason for proposed enactment of the authority is to stop such practices of "by passing" the present cooperative authority to circumvent rules and, in fact, the law. By-passing of the cooperative director for personal and illegal gain is the history of cooperative operations in the past. Instances of these actions have in every case hampered the function and lowered the moral of cooperative administrators. Autonomy is the essence of this proposal.

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ANNEX 'D'

PRODUCE MARKETING
CO-OPERATIVES IN LIBERIA

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PRODUCE MARKETING
CO-OPERATIVES IN LIBERIA

Much has been written and more has been said about the "failure of Cooperatives in Liberia". While there certainly have been a lot of problems and failures, these tend to overlook the facts of the cooperative development progress which has been made.

The first and perhaps the most important fact is that for all intents and purposes the entire cooperative development has taken place in the last 9 years. Prior to 1971, only 4 cooperatives were registered. Other than the Register, no other record of their existence has been found.

In the early 1970's, several cooperatives were established, principally around the large scale "Agrimeco" projects (A). The initial focus of these cooperatives was on agricultural production. They were organized by the MOA to be the local organization on which the MOA could focus its development efforts. For the most part, activities of these "Cooperatives", if they can be called that were directed by MOA employees. The major effort was on agricultural production. Little effort was placed upon management and organizational development. Almost no emphasis was placed upon the economics of these projects. And in fact the cost of inputs to these projects always exceeded the ability of the cooperatives and their members to repay from the production. Consequently, the cooperatives never developed any capital from their association with these projects. The farmer members were often forced to pay between 50 - 75% of their production for MOA inputs. With regards to the ownership of land, and the rights of individuals to use the land, each project seemed to have its own rules and regulations. Often it left the member farmer unsure as to whether he would receive any reward for his hard work. It is no wonder that these cooperatives did not meet the MOA's expectations or goals for increased agricultural production.

The next group of cooperatives were primarily active in produce marketing activities i.e. coffee, cocoa, palm kernels, and rough rice sales to LPMC. While these cooperatives have had their ups and downs today most of the active societies are engaged in this activity. In addition, the principal activity of the two Lofa County cooperatives from the first group is now produce buying.

Many persons in Liberia tend to brush aside these cooperatives with statements like :

- . They're just produce buying cooperatives
- . They're not doing the job cooperatives are supposed to do
- . They're controlled by the politicians
- . They're controlled by Mandingoes
- . They don't represent the farmers
- . They cheat the farmers
- . Whoever is inside will eat the money.

All of these comments are valid with respect to some cooperatives (many of which are now inactive). They essentially overlook the tremendous benefit these cooperatives can bring to their farmers in the way of better prices. They also overlook the development which has taken place, and the time frame for this development.

Initially, almost all produce marketing was controlled by expatriates. In the countryside the Lebanese merchants purchased the produce and sold it to OAC, later LPMC. Only in the last few years has the government gained 100% ownership of LPMC and essentially driven the Lebanese traders out of the produce buying business. The Lebanese traders were quickly replaced by local "money persons" principally from the Mandingo tribe. These changes, while they may have been very beneficial to the Liberian economy as a whole, have had little real impact on the traditional farmers. There is adequate evidence that the price paid to farmer producers has remained far too low. Some of the reasons for this are explained below:

(1) By informal agreement, produce buyers appear to maintain a consistent and agreed-upon low price. This system tends to be strengthened by the fact that most of the buyers are of the Mandingo tribe while the farmers are generally from other tribes.

(2) The produce buyers often own the only source of transportation available to the farmers. Many instances of exorbitant charges and refusal to transport produce from the bush to market have been noted, particularly in the remote areas.

(3) Most of the produce buyers are much more interested in quantity than quality of produce. The price paid tends to be the same so long as it meets the minimum quality standard. This serves as a disincentive to farmers who take the time and care to prepare produce properly.

(4) Many farmers sell to a sub-agent because he has given them credit or is a potential source of credit. In this case, the farmer often is willing to sell at a lower price to protect his credit.

(5) Farmers sometimes sell the entire crop while it is still on the tree. In this extreme case the price received by the farmer will be very very low but the creditor may be responsible for the harvesting and preparation.

(6) Farmers are often unaware of means at their disposal to obtain a better price, such as direct sale to cooperatives or LPMC.

A 1979 produce marketing survey conducted by the Cooperative Division in Nimba County disclosed that farmers who harvested and prepared their own produce were generally receiving between 15% and 25% below the official buying price. Sometimes however, the farmers in remote areas did not even receive 50% of the official price. Nimba County has one of the most developed marketing structures. The evidence indicates that farmers in Bassa, Sinoe, Grand Gedeh and Maryland Counties are receiving even less. Many persons cite this as proof that cooperatives are not working, particularly since they are very strong in Nimba County. Again, it is extremely important to look at the history and development of cooperatives in Nimba County.

Successful Cooperatives in Nimba County have followed roughly the same line of development as those in Lofa. Initially they were started by groups of farmers and sub-agents who wished to get a better price for their produce. All of them started without any capital. Usually in the first year they functioned by:

1. Grouping the produce together
2. Arranging transportation of the produce to Monrovia
3. Selling the produce to LPMC
4. Paying the farmers with the money received from LPMC.

From the farmers stand point, there were two chief disadvantages to this method as follows:

1. It often took a month or longer for the farmer to receive payment after the produce was prepared.
2. His crop was at risk in the hands of others for quite some time.

Where there was a good honest business manager, the cooperative grew. More often than not it failed because the business manager or someone else ate the money. The little money that cooperatives earned in commissions was often spent or lost through poor business management such as:

1. Purchasing a truck before an adequate basis of produce supply was obtained. Thus expenses far exceeded the additional income generated.
2. Poor control over use of vehicles
3. Paying too high a price for produce. All too often a new cooperative would pay the official price ignoring the proper deductions for moisture and defects.
4. Poor control over produce. Every cooperative has been the victim of petty theft of produce from its warehouse and from trucks sent to Monrovia. There is a very high degree of integrity and trust in the traditional society in rural areas. It seems that every business manager must learn the hard way that the young man he hired to buy produce at the warehouse or deliver produce must be watched and checked.
5. Grants of loans to members which were never collected.

From this point, the cooperatives in Lofa and Nimba Counties took different paths. The Lofa County cooperatives continued to develop along the above lines gradually accumulating some capital with which to make purchases. In Nimba County the voices of the sub-agents seemed to prevail. They convinced most of the cooperatives that the only way to be successful was to use the sub-agent as a buyer for the cooperative and to pay half of the commission to the sub-agent. Little can be said for this system which was essentially the same as used by the private agents. The worst part was that farmer members were again without place to obtain the official price. It did however allow some of the cooperatives to grow and accumulate some capital. And, the commission earned went to persons and cooperatives who were rurally based. Most private agents were essentially Monrovia based.

When the Agricultural and Cooperative Development Bank (ACDB) opened in late 1978, seven Nimba county cooperatives were able to obtain substantial marketing loans ranging from \$25,000 to \$100,000 (B). This enabled the cooperatives to conduct business on a much larger scale than ever before. Unfortunately for the most part this money was given to sub-agents to allow the sub-agents to do more business. Again the cooperatives were not buying directly and the farmers had no place to go to obtain the official price.

All cooperatives must obtain the approval of the Registrar prior to obtaining any loan. For the 1979/80 marketing season the Cooperative Division attempted to meet this sub-agent issue. The Division intended to request cooperatives to use loan funds obtained from the ACDB to keep their warehouses open and pay the official price with receipts. In September, there was a training program for all marketing cooperatives. Lengthy debates were held on how these cooperatives should conduct their business. Agreement was reached that they should not give loans to or pay commission to sub-agents. Unfortunately, the ACDB did not require that the cooperatives obtain the approval of the Registrar. Therefore, there was no restriction placed on how the loan was to be used by the cooperatives. In the cooperatives strongly controlled by sub-agents, part or all of the money was again lent out to sub-agents to purchase produce. However, four of the cooperatives (C) changed their method and are essentially using their loan funds to purchase produce at their warehouses. They are paying the official price and are issuing receipts. However, all but one of these have made some advances to sub-agents to do buying. In addition, several cooperatives in Nimba and other Counties have started operating for the 1979/80 season using the traditional method of grouping and selling of produce to LPMC. Every effort is being made to encourage these cooperatives to avoid the use of sub-agents so that member farmers can obtain the official price. Within their first nine years, Liberian Cooperatives have made significant progress in developing their organizations and benefiting farmers through payment of better prices for produce.

It is expected that produce marketing cooperatives will soon begin to broaden their base and gradually move some of their buying activities from their central warehouses to surrounding markets.

Eventually, cooperatives may also get into the farm supply business. Farm services provided by cooperatives will undoubtedly expand. These activities require more capital and management capability than is available at this stage of development. Nevertheless some of the more viable cooperatives are already venturing into these areas.

The one area where Liberian cooperatives have been total failures is "group farms". We believe that this is because a "group farm" is very contrary to the traditional Kuu system. In the Kuu system, each farmer had his own land, others would help him prepare, cultivate and harvest in exchange for similar help on their land. This kuu system is almost the same as is found in every farming community in the world, particularly in activities which require extensive labor. Continuation of the kuu system is essential for agricultural development and community life in the rural areas. It is based upon trust, friendship and the needs of small groups of people. As such, they perform a completely different function than cooperatives. It appears that the key to success is land ownership. In the traditional society, each man "owned" the land he cultivated. Any land ownership system which offers only a possible share of the proceeds of his hard work is a much more difficult concept for the farmer to accept. It is harder yet to successfully implement. It is essential that the Ministry of Agriculture continue to encourage the kuu system with individual ownership of land. The Liberian experience to date indicates that group farming cooperatives with group ownership of the land have little chance of success.

SUMMARY

It appears that produce marketing cooperatives can make a tremendous impact on the price a farmer receives for his produce. This is perhaps the greatest direct benefit to the farmer that cooperatives can make. Certainly it offers the greatest potential to benefit the most farmers in the shortest period of time. As such, a major portion of the cooperative development effort should continue to be placed on this area.

N O T E S

- (A) (1) GAROULA TOMBE FCS, MEDINA, GRAND CAPE MOUNT CO.
(2) PULUKFEH FCS, RAYMOUND TOWN, BONG CO.
(3) INTOFAFAWOR FCS, FOYA AIR FIELD, LOFA CO.
(4) GBANDI FCS, (FANGODA) KOLBA CITY, LOFA CO.
(5) DOKODAN FCS, GBEDIN, NIMBA CO.
(6) AMENU FCS, ZLEH TOWN, GRAND GEDEH CO.
(7) TOUKPUE FCS, PHILADELPHIA, MARYLAND CO.
(8) JUARAZON FCS, JUARAZON, SINCE CO. (not registered)

(B)	(1)	Lao FCS	\$ 25,000
	(2)	Seh Leh Tur FCS	35,000
	(3)	Nimba Benkoma FCS	75,000
	(4)	Wala Laake FCS	25,000
	(5)	Wodo FCS	100,000
	(6)	N'Boe Tayee Zoe Geh FCS	35,000
	(7)	Zokarkiah FCS	<u>30,000</u>
			<u>\$325,000</u>

- (C) (1) Lao FCS
(2) Seh Leh Tur FCS
(3) Wala Laake FCS
(4) Dan Development FCS