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FINAL REPORT

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1. INTRODUCTION

The Small Farmers Organizations (SFO) Project for Bolivia began on March 24, 1976 with the support of USAID's financial participation, composed of:

\$us. 7.500.000 for credit

\$us. 3'417.000 for Technical Assistance

The National Service of the Community Development (SNDC) of the Ministry of Agriculture (MACA) as representative of the National part, and the Robert Nathan Consulting (RRNA) as a representative of the external part, were the responsible for the SFO Project's execution, which main goal was to organize the social and economic development to 210 rural associations.

Due to the difficulty to handle that quantity of base associations it was decided in 1977, to reorganize the assistance and create larger base units to rationalize the operational program of the SFO Project. Those units were called "Integral Cooperatives" and these creations were based on the edification of a structure of countable action, administrative, and of services for the members.

If the model "Integral Cooperative (CI)" permitted to fulfill the successful utilization of the SFO Project funds, the difficulties of application in the field (delinquent accounts) will indicate to adopt a parallel to the model CI, an alternative.

That alternative consisting to incorporate to the Project, agricultural cooperatives not "Integrals" and on the base of an autonomy of the concerned parts (at present USAID-FENACRE-Cooperatives) where the Technical Assistance is insured on negotiated "Conventions".

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If this formula of application of the project by Conventions obligate the assumption of responsibilities at the cooperative level, eliminating the paternalistic character of the CI model, the stated objective by the title of the SFO project (Small Farmers Organizations) still remains problematic and the solutions do not have anything of the miracle or of the spirit's visions.

I started the Mission 15 months ago, (XII.22.81) when the operations of the SFO's Project were advanced (1976), the scope of work, confused at first, with the Specialist of Administration and Finance one, was precised during the Mission by the ONCICOOP's Executive Director under the patronage of FENACRE and it is called "Agricultural and Cooperative Development".

These terms of reference were applied exclusively through the Direction of the National Office of Integral Cooperatives (ONCICOOP) and with the collaboration of its technical team.

The Specialist, at first of his Mission, on February, 1982, was invited by USAID and ONCICOOP to investigate the "alternative" sector of the "Integral Cooperative" of the SFO's Project and mainly the Coffee Cooperatives in the Yungas Region. (La Paz).

This research, lead to the numerous visits to the region, on a coffee's marketing credit operation to continue then in a feasibility study for the social and economical development of the cooperative coffee lands in Yungas, according to the operational formula of "Conventions" of application between the coordination entity (ONCICOOP transformed in "Consulting") and the several concerning National Institutions (Cooperatives and Ministries).

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This project constitutes the alternative formula to the Integral Cooperative Model, denominated initially by the SNDC/RRNA duo of 1976.

Following this introduction, this chapter will contain:

- Activities Summary
- General Observations
- Recommendations

To finalize this short presentation of the "Final Report", the Advisor wants to thank sincerely to the persons which have contributed to the performance of his 15 months Mission and specially:

- to the Director of the Rural Development Office and to the SFO's Project Manager of USAID.
 - To the Manager of FENACRE and to the ONCICOOP's Director
 - To the Specialists of the Ministerial Institutions whose collaborated for the organization of the DAI Project (MACA/IBTA-Sanidad Vegetal- Ministry of Industry/COBOLCA).
 - To the members of the SFO Project's cooperatives in general and to their leaders in particular.
 - Finally, to the USAID Advisors of FENACRE/ONCICOOP and particularly to Miss. Martha Vega M. for her capability and devotion to the labors of this Mission.
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2. ACTIVITIES SUMMARY

2.1. Operations at field level

NB: These operations have constituted the base of the treated subjects in the meetings for the operational organization (2-2) and, therefore, the execution of the research reports (2-5.1).

2.1.1. Integral Cooperatives

	<u>Dates</u>
- Gran Chaco - Yacuiba (Tarija's Province)	1982 01/21 - 23 05/18 - 23 1983 01/06 - 08
- Santa Cruz Norte Ltda. (Montero's Province)	1982 01/26 - 27 05/18 - 23 06/21 - 24 12/06 - 11
- Cochabamba Ltda.	1982 01/ 07 02/ 25 06/ 30 12 23

2.1.2. New Cooperatives

a) Yungas Region (La Paz's Province)

- Chulumani	1982 02/09 - 11 03/11 - 13 09/ 30 10/01 - 02 11/ 17
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<u>//..</u>	<u>Dates</u>
- Coroico	1982 03/14 - 15 09/ 29 10/23 - 25 11/ 16
- Caranavi	1982 03/16 - 17 06/13 - 19 09/27 - 28 11/ 15 1983 01/18 - 20
b) Chapare Region (Cochabamba's Province)	
- Chimoré	1982 03/04 - 05

2.2. Operational Organization

Number of Meetings

29	ONCICOOP	Progress meetings, divided in: 1981 4 (Information) 1982 24 (Progress) 1983 1 (Progress)
12	FENACRE	Activities'synthesis, Desjardins Mission, Project of Agricultural Cooperative Development.
6	COMITE CONSULTIVO	Participations about the extention of the Mission.
16	USAID/B.	Coordination and operational preparation.

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15	3	Technical Committee D.A.I.	For the operational coordination of the Development Project D.A.I. Coffee/Yungas.
	7	MACA (IBTA/Sanidad Vegetal)	
	3	COBOLCA	
	1	Ministry of Industry	
	1	FENACOAB	
	3	DESEC	Projection of Agro-Cooperative Development.
	3	FAO	Coordination between the Cochabamba IC and the Land's water Project in the Valle Alto.

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Thus, a total of 6 meetings per month

2.3. Collaboration to FENACRE

- Translator for the Cooperative Mission Desjardins/Canada (Savings and loans popular Center of Quebec/Canada)
- With trips in the month of May, 1982

- La Paz from 08 to 11
- Cochabamba from 11 to 13
- Santa Cruz from 13 to 15

2.4. Credit and Saving Seminar

Organized by USAID/Bolivia in Cochabamba, date: February 12-14, 1982.

Participation as "support personnel" in the work groups.

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2.5. Reports

2.5.1. Of Agro Cooperative Research

- N°1A "Development Perspectives"
COPROYFA Cooperative, Sur Yungas 2 Pages. Feb,82
- N°1B Gran Chaco Cooperative, Yacuiba-Tarija
"Reorganization" 6 pages. March,82
- N°2 "Credit for Coffee Marketing"
Central de coops. Caranavi-Nor Yungas
13 pages. March,82
- N°3 Coffee and citrics production in Yungas"
La Paz 51 pages. April,82
- N°4 Agricultural Integral Cooperatives"
(Agro Associative joint and basic recommendations"
64 pages. July, 82

Without
Number

Redaction in collaboration with Lic. Juan Rodriguez
(Specialist in Administration and Finance).
"Agro Institutional Development of Yungas. Coffee's
Marketing and Agricultural Rationalization".
202 pages, Dec., 82

NB: This Report was prepared in a first version
entitled "Project of Agro Institutional Develop-
ment - Los Yungas" which concerned the ration -
alization of the main traditional crops in Yun-
gas; but it was sustituted for another project
specific for the coffee.

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2.5.2. Progress Reports (Quarterly)

N°1	January	-	April	1982
N°2	May	-	June	1982
N°3	July	-	September	1982
N°4	October	-	December	1982

3. GENERAL OBSERVATIONS

3.1. The Integral Cooperatives

In a numeric growth's point of view, the Integral Cooperatives have had since their creation in 1979, a constant increase of their clientele, while the annual balance of each one, shows a favorable situation in the case of the Cochabamba Cooperative or improvement perspectives in the other two Integral Cooperatives.

The number of members of these Cooperatives, including their basic agrupations (GABs) would be as follows: (December 31, 1982)

	<u>Cochabamba</u>	<u>Santa Cruz del Norte</u>	<u>Gran Chaco</u>
Members	2.487	782	325
GABs	25	14	10

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The general annual balances of 1982 presented the following situation: (1)

	<u>Cochabamba</u>	<u>Santa Cruz Norte</u>	<u>Gran Chaco</u>
Pesos Bolivianos	23'129.390.00	1'662.476.00	-(1'375.223.-)

On the other hand, the credits awarded in 1982 to the Integral Cooperatives by the Banco Agrícola de Bolivia (BAB) through the CROFOC Fund have represented a total of \$h. 205.5 millions to finance the following activities: (The following pertain to the CIs)

	<u>Bolivian Pesos Millions</u>	<u>Destinity</u>
Cochabamba	53,8	Fertilizers' infrastructure
	36,8	Corn and Potatoes' cultivation
Santa Cruz del Norte	4,2	Dry bean's cultivation and marketing
	35,8	Rice's cultivation and marketing.
Gran Chaco Ltda.	64,2	Agricultural products' production and marketing.
	<u>194,8</u>	

Finally, on the financial point of view, the Integral Cooperatives, at present, are self-sufficient as the Cochabamba Cooperative and on the eve of be self-sufficient. the other two ones.

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(1) This situation is influenced by the terrible inflation which affects to the country and, according to the Evaluation of CLUSA it provoked in the past 3 years, a decapitalization of: 47% Cochabamba, 44% Santa Cruz and 40% Gran Chaco.

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These verifications represent a group of positive elements which shows the good technical assistance contributed by ONCICOOP to the three Integral Cooperatives.

In the Agro Cooperative development point of view, the result can not be evaluated exactly as for the credit and the annual balances for instance, but the situation seems to be problematic.

For this reason, the Evaluation Report of CLUSA states:

Cochabamba Integral Cooperative

- The activity related to the milk is insignificant
- The fertilizers' marketing to the members is not based in any technical orientation
- The output of the potatoes crop are of 10 tons. per Ha., which constitute a very low average, being those, altitude areas and exploitations of small superficies that could adopt cultivation's horticultural techniques.

Santa Cruz Norte Integral Cooperative

- The activity related to the milk was negative
- The "dry" bean production was affected by the lack of technical experience and the poor marketing.
- The rice cultivation has low outputs because of the lack of base's technique, while the agro-industry potential (benefitings) es sub-utilized. The commercialization, also, is realized through the commerce's middlemen.
- Finally, the "Cooperative consumption" sector has not sold a kilogram of fertilizer to the members, which shows that because of the lack of sistematic restitution, the salaries are being worn out.

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Gran Chaco Ltda. Integral Cooperative

This cooperative has suffered the consequences of an inadequate heavy mechanization, which was abandoned due to the menace of an economical break in 1982, while the other agricultural activities are based dangerously on the soya's mono-production, that, under the dependence of just one buyer, the oil factory of Villa Montes at 90 kms. away from the production land.

This problem is due not only because of the absolute insufficiency of technical formation of the members-cultivators, but also of the lack of cooperative formation at the base groups' level.

The "tradicional" criticism is gratis, when we know that the small farmer, client of the SFO Project, is, in general, a subject of "extraction" proceeding from another cultural and social medium, who do not have knowledge required to dominate the life's medium. It was known by many experiences, that the extension services of the Agricultural Ministries could not, by them selves, insure this transformation from "campesino" (country boy) to "farmer" if they have not had a minimum educative infrastructure. This type of formation should not be confused with sporadic meetings like "field days" for example.

3.2. The New Cooperatives

While ONCICOOP was incorporating a new Integral Cooperative, the San José de Obrero one, located in Monteagudo, the Advisor was invited by USAID to realize a feasibility study for the credit and coffee cooperative production's development in the Yungas region (La Paz). This was performed with the Specialist in Administration, Lic. Juan Rodriguez, who made the entire

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study of coffee's export and marketing.

At first, the credit operation of a value approximately of 4,5 millions of Bolivian pesos, was realized in the Coffee Cooperatives' Central of Caranavi CELCCAR (N. Yungas.), for the marketing and direct export of coffee on the external market. The net profit was 162%.

At the same time, during 1982, the advisors increased their visits to the 3 Coffee Cooperative Centrals in Yungas and on the base of those contacts they reacted, under the patronage of USAID/B., an Agro Institutional Development Project (D.A.I.). This study changes the style of work of ONCICOOP, because it exceeded the "Integral Cooperative Institution" panel, including the effective marketing subjects to the producer, the technical assistance to the production with the coordination and national institutions' reinforcement at the basic level (cooperatives) as well as the higher level (Ministerial).

Keeping in mind the CIs' experience, in spite of the positive apparent results, the debility of the production sector, constitutes a constant menace to the CROFOC credit, as well as to the P.L.480 investments' (or another institutions), the DAI Project was conceived with a complete program for the production's rationalization, including of course, the agro cooperative formation, within reach of the adolescent farmer-members, who participate in the Project.

The DAI Project being of immediate application for what concerns to the first part: "Credit to the coffee's commercialization", but to the second part: "Assistance to the production" is, at present, March 83, menaced of means' restriction. //..

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Therefore, the responsibility of the national and foreign authorities of the development program for the Yungas region, is to find the successful solution to the problem provoked by this restriction.

4. RECOMMENDATIONS

4.1. Integral Cooperatives and Development

These recommendations are based mainly on the Technical Report N°4 and are the following: (1)

Cochabamba Ltda. Integral Cooperative

- Integration of the agricultural development activities to the FAO's land's water project in the Valle Alto.
- Specific production projects with an adequate orientation (presence) of technical personnel at the field level. For instance, there is a perspective of a Floral Production Project with the export that should interest to the members of the cooperative.

Santa Cruz Norte Ltda. Integral Cooperative

- Create a department of "Colonization" to insure, systematically, the technical orientation to the members who have in this region of Montero-Yapacaní, a position of pioneers debilitated by the large distances between the exploitations, the GABs and the CI's headquarters

(1) Technical Report N°4 "Integral Agricultural Cooperatives", July 1982.

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Gran Chaco Ltda. Integral Cooperative

- The reorganization of the agricultural activities, leaving the heavy mechanization (Machinery Pool) states the need of introduce a new methodology of cultivation in decentralized project style, as regards to:
 - * The agricultural diversification of the agricultural development's potential, which characterizes the Chaco Húmedo land.
 - * The small or animal mechanization
 - * The cottony production at the small exploitations' level and the product's agro-industry.

The "Decentralization" at the field level includes specific programs of production's rationalization and commercialization service.

4.2. The DAI Project/Yungas

- To initiate the Project's operations according to the document's calendar.

4.2.1. Immediately (March 1983)

The export and commercialization's credit to the Coffee Cooperative Centrales: Caranavi, Coroico, and Chulumani with the CROFOC funds of the Banco Agrícola de Bolivia.

4.2.2. As soon as possible

The signature of the "Convenios" of coffee production's rationalization with:

- a) The Agricultural Ministry, IBTA for the plantules production, and for the agro cooperative formation at the project level (Coroico)

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b) The Commerce and Industry Ministry, through COBOLCA for the coffee's exportation.

c) The Coffee Cooperative Centrals of:

Caranavi (N. Yungas)

Coroico (S. Yungas)

Chulumani (S. Yungas)

for the implementation at the members' level of the commercialization and rationalization's operations on the base of the stated "Convenios".
