



AGENCY FOR INTERNATIONAL DEVELOPMENT
 UNITED STATES A. I. D. MISSION TO GUATEMALA

USAID GUATEMALA



USAID GUATEMALA or c/o American Embassy
 APO MIAMI 34024 Guatemala City, Guatemala, C.A.

August 26, 1988

FUNDS AVAILABLE	
DATE:	08/17/88
INITIALS:	

Mr. Stewart A. Kohl
 COOPERATIVE LEAGUE OF THE USA
 1401 New York Avenue, Northwest
 Suite 1100
 Washington, DC 20005

Subject: Cooperative Agreement No. 520-0355-A-00-6062-00
 Amendment No. 2

Dear Mr. Kohl,

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, A.I.D. hereby amends the Cooperative Agreement in order to obligate the additional sum of Q180,801.

This Amendment is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending September 30, 1989.

Accordingly, Amendment No. 1 is modified as follows:

Schedule, Section D, Financial Plan, the following Illustrative Budget in Quetzales is added:

"ILLUSTRATIVE BUDGET

(QUETZALES)

<u>LINE ITEM</u>		
A.	OFFICE RENTAL AND UTILITIES	9,600
	Q 600 per month X 16 months	<u>9,600</u>
B.	SALARIES	69,600
	Daily Production Specialist	
	(Q3,750/mo X 16 months)	60,000
	Secretary (Q600/mo X 16 months)	<u>9,600</u>

C. FRINGE BENEFITS		14,000
Health Insurance	2,000	
13th Month	6,000	
Severance Pay	<u>6,000</u>	
D. Office Supplies and Expenses (telex, telephone, mail, etc. Q300/mo X 16 months)	<u>4,800</u>	4,800
E. CAR MAINTENANCE AND GASOLINE (1 AUTO)		8,800
Gasoline (25,000 mi X 15 mpg X Q3.10/Gal)	5,200	
Maintenance Q200.00/mo X 16 months	<u>3,600</u>	
F. TRAVEL AND PER DIEM		20,560
10 DAYS/MO X \$50/DAY X 16 months= \$12,000	<u>20,560</u>	
G. EQUIPMENT PURCHASES		37,000
Office Equipment	5,000	
Dairy/Veterinary Equipment	2,000	
2 Milk cooling collection centers	<u>30,000</u>	
H. TRAINING AND TRAINING MATERIALS		12,000
6 courses for 10 participants	<u>12,000</u>	
AT Q 1,200 each plus Q4,800 for training materials		
I. CONTINGENCIES		4,441
	<u>4,441</u>	
TOTAL		Q180,801"

Attachement 1, the Schedule, Section F, Special Provisions, Paragraph 1, Estimated Level of Effort, Page 2 add "Dairy Processing Specialist (Guatemala) 16 months"

Section III., PROJECT IMPLEMENTATION PLAN, B. Project Management, replace all of page 9 from "Section B. Project Management" and part of Page 10 up to, but not including 2. "Home Office Support" with the following:

"B. Project Management

1. Field Team

The Guatemala Dairy Development Project seeks to work at both the national and local levels, and in strengthening production, handling and transportation, and marketing. Given the diversity of areas covered, and the consequent required skills, the Recipient will field three specialists as described below.

a. Technical Team Leader/Dairy Economist

The technical team leader/dairy economist will exercise field responsibility for the work and welfare of the team. Specific duties and responsibilities would include:

- liaison with: home office, USAID/Guatemala, Government of Guatemala agencies, USDA Agricultural Attache, counterpart organizations, processing plants, etc.,.
- policy dialogue: in coordination with the Mission, articulate dairy policy reform proposals in consultation with the Consejo Nacional de Fomento Lechero on the support of the dairy sector.
- delivery of donated commodities: negotiate title to, manage the physical delivery of, and negotiate the sale of donated dairy and other commodities,
- program financial support: manage the allocation of funds resulting from monetization of project-donated commodities in support of the dairy sector,
- data collection: advise the Consejo Nacional de Fomento Lechero on collection and analysis of dairy production, consumption, and trade data.
- automated information system: will develop a system for analyzing actual and expected dairy farm production costs and other statistics.
- institution-building: assist in program development and human resource development at the "Consejo Nacional de Fomento Lechero" (CNFL). Will provide short term technical assistance and advise to the CNFL on setting priorities, developing strategies and tactics, recruitment, personnel evaluations, training needs, etc.,.

b. Processing Plant Specialist

The processing plant specialist will provide field-level technical assistance to beneficiaries. This will include technical assistance in processing technology, product development, and improved hygiene to small processing plants, particularly those utilizing raw milk. It will also include serving as a technical advisor to small farmers and their organizations in the sanitary and efficient handling and transport of milk from farm to plant or consumer.

In addition, the processing plant specialist will:

- define specialized plant and transportation technical needs, preparing terms of reference for short-term local and expatriate specialists,
- define and manage short training courses to be held in Guatemala, in collaboration with the Technical Team Leader, and
- identify candidates for placement in project training in the United States.

c. Dairy Development Specialist (Guatemalan), stationed in Quezaltenango.

The Dairy Development Specialist (DDS) will provide field-level technical assistance to dairy farmers and dairy farmer organizations participating in Phase II of the Dairy Development Project funded under USAID Agreement 520-0355-A-00-6062. The DDS will also work closely with the Processing Plant Specialist (PPS) within the same Project, in the areas of raw milk handling and transportation.

Specific Tasks will include:

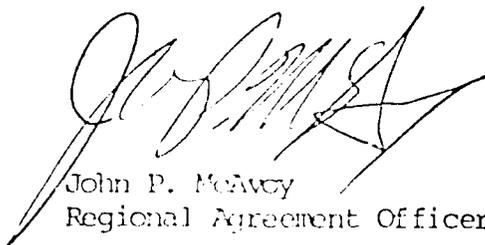
- Evaluation of producer groups in the highlands and in the Pacific Coast in order to select at least one in each region capable of establishing demonstration herd management systems.
- Train participating farmers and farmer organizations in the establishment of record-keeping for genetic improvement and herd control, and comprehensive farm management.
- Assist participants in the adequate exploitation of feed and fodder resources.
- Identify and recommend solutions to current impediments to the expansion of milk production.
- Determine costs of milk production for the various types of dairy operations in different regions of the country.

Mr. Stewart A. Kohl
Page 5

- Evaluate and select, in consultation with other team members and USAID/G Mission personnel, cooperatives that may handle donated commodities for mixing into feed.
- Coordinate the distribution of these donated commodities to selected cooperatives.
- In conjunction with the PIS, identify and assist farmers willing to establish on-farm cooling system and cooperative collection centers.
- Educate and promote among farmers ways of obtaining higher quality raw milk.

Please sign the original and five copies of this letter to acknowledge your receipt of this Amendment No. 2, and return the original and four copies to USAID/Guatemala.

Sincerely,



John P. McAvoy
Regional Agreement Officer

RECEIVED:

By: John P. Sandberg
Title: President *ChUSO/INBA Guatemala* Representative in
VP International Operations *by Power of Attorney*
August 30, 1988

FISCAL DATA

Appropriation No.	72FT800
Budget Plan Code:	YKAX-88-25520-KG00
PIO/T No.:	520-0355-3-80146
Project No.:	520-0355
Amount Obligated Prior to this Amendment:	\$1,200,000
Amount obligated by this Amendment:	0 180,801
Total Obligated Amount:	\$1,200,000 + 0180,801