

ORIGINAL

September 30, 1982

Mr. James E. Thornton
President
Joint Agricultural Consultative Corporation
Suite 1001
815 Connecticut Avenue
Washington, D. C. 20006

Subject: Grant No. OTR-0005-G-SS-2323-00

Dear Mr. Thornton:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to the Joint Agricultural Consultative Committee (hereinafter referred to as "JACC" or "Grantee") the sum of \$485,000 to provide support for a program to facilitate the transfer of U.S. agribusiness technology, marketing and managerial skills to private, for-profit agribusiness enterprises in selected developing countries, as more specifically described in the Schedule of this Grant and Attachment 2 entitled "Program Description."

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending March 29, 1984.

This grant is made to the Joint Agricultural Consultative Corporation on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule," Attachment 2, entitled "Program Description," and Attachment 3 entitled "Standard Provisions," which have been agreed to by your organization.

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Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the grant, and return the original and six (6) copies to the Office of Contract Management.

Sincerely yours,

Raymond Torrey

Raymond Torrey
Grant Officer
Central Operations Division
Office of Contract Management

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

Joint Agricultural Consultative Corporation

BY: *James E. Thompson*

Title: *President*

Date: *09 0 1982*

FISCAL DATA

Appropriation: 72-1121021.3
 Budget Plan Code: PDAA82-13430-AG61(243:34-099-00-68-21)
 PIO/T No.: 342-9055
 Project No.: 940-0005
 Total Estimated Amount: \$485,000
 Total Obligated Amount: \$485,000
 IRS Employer Identification No: (Pending - applied for)
 Funding Source: AID/W

FUNDS AVAILABLE
0104190
 SEP 30 1982
[Signature]
 Program Acctg. Division
 OFFICE OF FINANCIAL MANAGEMENT

ATTACHMENT ONE

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support to the Joint Agricultural Consultative Corporation (JACC) to facilitate the transfer of U.S. agribusiness technology, marketing and managerial skills to private, for-profit agribusiness enterprises in selected developing countries, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

The effective date of this Grant is September 30, 1982. The estimated completion date is March 29, 1984.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$485,000 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with the procedures set forth in Attachment 3, Standard Provision entitled "Payment - Reimbursement." (See Paragraph F.3 below.)

D. Financial Plan

The following is the Financial Plan for this Grant. In addition to the requirements of the Standard Provision of this Grant, entitled "Revision of Financial Plans," adjustments among line items which exceed 10% require the prior written approval of the Grant Officer.

Cost Element	Amount
	From: 9/30/82 To : 3/29/84
1. Salaries	\$174,492
2. Benefits/Payroll Taxes	32,095
3. Administrative -	
a. (Rental: office, furnishings, equipment) and supplies	85,150
b. communications:	
Postage, Telex/cable	42,575
Telephone/Telefax	20,960
c. Accounting/Legal	8,764
d. other administrative	8,515
4. Printing and Reproduction	65,919
5. Overseas Travel and Per Diem and In-country Travel	19,650
6. U.S. Travel	26,880
7. Consultants (up to 140 days)	
Total	\$485,000

E. Reporting and Evaluation

Monthly reports will be prepared by the JAC Corporation covering activities and progress under this project which will be sent to all JACC members and AID/ Bureau for Private Enterprise (PRE). These reports will cover the operations of each U.S. country committee as well as JACC related developments occurring in each U.S. country.

Quarterly financial reports will be prepared and distributed to both U.S. JACC members and to AID/PRE.

An annual report will be prepared and submitted to the AID Project Officer by October 1, 1983, covering all activities and progress achieved under this project. In addition to containing information accounting for the use of all funds in accordance with the stated objectives of this project, the report is expected to provide significant quantitative evidence of accomplishments based on available information and data on which the entire project can be evaluated; such information and data to include the following related to its activities in each country:

1. Number of ventures/expansions/investments
2. Estimated new employment opportunities created
3. New/added goods and services available to the host country or local market
4. Total investments made by U.S. versus local businesses
5. Export opportunities assisted and estimates of foreign exchange generated
6. Number of investment constraints identified, removed or altered
7. Number of technical information inquiries addressed
8. Number of JAC Committees and in-country Agribusiness offices established.

F. Special Provisions

1. As soon as possible, but not later than six months after the effective date of this Grant, the Grantee agrees to have established an accounting system which meets the standards set forth in the Standard Provision of this Grant entitled "Accounting, Records and Audit." When the accounting system has been established, the Grantee shall notify the AID Grant Officer who shall have an AID audit performed in order to verify the acceptability of the system.

2. The Grantee will obtain the written approval of the AID/PRE Project Officer prior to employing consultants hereunder.

3. At such time as the Grantee can demonstrate, and AID agrees, that the Grantee can meet the conditions for a Federal Reserve Letter of Credit as set forth in the Standard Provision of this Grant entitled "Payment - Federal Reserve Letter of Credit", AID shall open a Federal Reserve Letter of Credit in the remaining unpaid amount of this Grant.

G. Overhead Rate

Costs normally attributed to indirect costs will be reimbursed directly under this Grant as specifically set forth in the Financial Plan, until such time as the Grantee and AID have mutually agreed upon indirect cost rates to be made applicable to this Grant.

H. Standard Provisions

The following Standard Provisions are deleted from Attachment 3:

- 5A. and 5B - Negotiated Overhead Rates
- 10B - Procurement of Goods and Services over \$250,000
- 13B - Title to and Care of Property (U.S. Government)
- 13C - Title to and Care of Property (Cooperating Country)

The remaining Standard Provisions are applicable under conditions specified in the applicability statement preceding the Provision.

Attachment Two

PROGRAM DESCRIPTION

Background: Agriculture development for food production and cash crops is a major objective in most developing countries. A major thrust of AID's programs have been to introduce modern inputs (high-yielding seed varieties, fertilizers, water management, etc.) to increase yields per acre. However, in most developing countries, even after yields are improved, there remain major constraints in processing, storage, transport, packing, and marketing. Lack of these services and facilities frequently leads to severe post-harvest losses and waste. Addressing these problems will have immediate impact on increasing farmer income and establishing or enhancing a crucial role for the private business sector in the food production chain.

The U.S. has the world's greatest reservoir of technology, management and marketing expertise in agribusiness. To supplement AID's major on-going efforts in agricultural research, policy, and extension, the Bureau for Private Enterprise, through this program, will concentrate on small and medium sized indigenous agribusiness enterprise development by establishing workable private enterprise-to-private enterprise

relationships to identify technical assistance needs and agribusiness investment opportunities.

Project Description: This project will partially fund the establishment of a Joint Agricultural Consultative Corporation (JACC) to work with similar LDC committees, identify for-profit agribusiness investment opportunities and technical assistance needs in selected developing countries and to facilitate the transfer of U.S. management and technical expertise to specific LDC agribusiness enterprises. JAC Corporation is incorporated as a non-profit organization whose membership will consist of 50 to 60 U.S. agribusiness firms; many actively participated in the U.S. - Nigerian Joint Agricultural Consultative Committee (JACC).

The Joint Agricultural Consultative Corporation (JACC) will expand its existing operations and activities to include the PRE priority countries of Sri Lanka, Indonesia and Thailand, as well as to continue and strengthen its current activities in Jamaica and Nigeria. Funds provided by PRE for these purposes will be utilized to establish two professionally staffed "Secretariats" in Washington, D.C., one to cover operations related to Sri Lanka, Indonesia and Thailand, and the other to cover those related to Jamaica and Nigeria. These "Secretariats" will perform the following general functions:

1. Assist in the formulation and organization of U.S. private sector joint agriculture consultative committees for Sri Lanka, Indonesia and Thailand. It is expected that the Joint Committee for Thailand will be established before January 1, 1983, and the Sri Lankan and Indonesia Joint Committees will be operational before October 1, 1982. Proceeding with the formation of a similar committee for Jamaica, will depend upon the outcome of discussions expected soon with the U.S. Business Committee on Jamaica regarding its agricultural subcommittee.
2. Provide general staff support to these Committees, once they are established, in addition to doing the same for the U.S./Nigerian JAC Committee and the JAC Corporation's current activity in Jamaica.
3. Assist in the organization of counterpart JAC Committees within Sri Lanka, Indonesia, Thailand and Jamaica in cooperation with U.S. and host country private and public entities having an interest in the formation of such committees.
4. Provide both U.S. and host country agribusinesses opportunities to meet, communicate and exchange information about mutual interests and needs regarding investment opportunities, technical information, special personnel, training and research.
5. Assist in the eventual establishment of "JAC Agribusiness" offices within each host country which will perform many of the same functions as the U.S. JAC "Secretariat" offices perform.
6. Develop and make available specific information for potential U.S. investors and agribusinesses regarding the investment and trade policies of

each host country, their specific rules and procedures guiding such activities, as well as provide advice on the general conduct of business in such countries.

7. Help identify and evaluate specific investment and joint venture opportunities in each host country, with the help and consultation of that country's JAC Committee members, their agribusiness office, their government, or other interested parties, such as USAID Mission, U.S. Chamber of Commerce, U.S. Embassy Counselors or U.S. Agricultural Attaches.
8. Provide an "inquiry and response service" to host countries to assist them obtain information they might need quickly, of a technical or scientific nature, including such things as helping identify U.S. sources of technical expertise, specialized equipment, or a particular industry expertise (poultry, rice, etc.).
9. Coordinate, through the Senior Project Manager, JACC activities of other private and public entities and agencies, whenever appropriate, including helping insure that proper consultations among JACC, PRE, OICD and other such groups occur in a timely and effective manner.
10. Also, under the supervision of the Senior Project Manager, prepare and provide timely and meaningful activity reports to JACC member companies, PRE, host country JACC offices and Committees, and to the public at large.

The Senior Project Manager, "Secretariat" personnel and other JAC Corporation personnel involved in this project will also perform the following functions:

1. Maintain appropriate records and data.
2. Provide and facilitate communication and introductory services between U.S. and host country participants.
3. Develop and supply general data and information about host countries and the U.S. pertinent to JACC activities.
4. Provide travel and logistical support to U.S. JACC members in connection with JACC activities both in the U.S. and in host country members when traveling to and within the U.S., including accompanying them, when necessary.
5. Develop and maintain JACC member contacts.

Personnel and Organization: An executive of the JAC Corporation will be designated as the Senior Project Officer for this particular project. Although not expected to require that individual's full time, this executive will devote whatever time is required to oversee this project and any personnel operating under it to insure that project objectives are fully achieved. The Senior Project Officer will be expected to perform the following functions:

1. General management and supervision covering all aspects of the project.
2. Principal coordination between JAC Corporation and PRE regarding project administration and activities.
3. Principal spokesperson and coordinator for the project as it may relate to other government agencies or private entities, including the news media.
4. Approve and forward all reports required or provided for under the project.

5. Evaluate project activities and progress. Should any serious difficulties or problems be discovered as a result of such difficulties or problems be discovered as a result of such evaluations, they will be reported immediately to both the JAC Corporation and the PRE by the Senior Project Officer.
6. Assist the "Secretariats" funded under this project to carry out their general functions as were outlined earlier in this document.

In addition to a Senior Project Manager and two Secretariat directors, an Administrative Assistant will serve as assistant to Senior Project Manager, and two Secretariats for five countries. Will maintain project records, manage communications center and operations, handle all official meeting preparations and recordkeeping. In addition, this individual will establish and operate reference library covering agribusiness investment and technology transfer information for countries covered by the project, plus U.S. source material. Also as an adjunct to this reference library, this individual will establish and operate an "inquiry and response" service for the five countries covered by the project. Lastly, this individual will establish and maintain information on the capabilities and special expertise of U.S. agribusiness firms and other related companies that may be needed in countries covered by the project.

As to general organizational structure of this project, the project will provide for two Secretariat offices, one covering the countries of Sri Lanka, Indonesia and Thailand and the other, Nigeria and Jamaica. Country committees will be established with members consisting of U.S. agribusiness companies, cooperatives and nonprofit institutions. Members may, and probably will, serve on more than one committee. These committees will meet periodically to develop activity agendas in keeping with project objectives. They also will recommend and sponsor individual projects toward these ends.

Within the host countries, efforts will be made to organize and maintain counterpart committees to those established in the U.S. Like their U.S. counterparts, their membership will largely consist of private sector agribusiness entities. However, government agencies also are very likely to become members of these committees. The mission of these particular host country committees is to identify, develop and present on behalf of their country, the following type needs and opportunities to which their U.S. counterparts will respond:

1. Opportunities for joint agribusiness ventures, including shared management.
2. Opportunities for investments in host country agribusiness enterprises.
3. Technical assistance and technology transfer.

4. Technical personnel, specialists, scientists, etc.
5. Technical and special industry training.
6. Special processing equipment.
7. Trading opportunities (counter-trade, barter or buy-sell).

It also will be an objective of this project to encourage the establishment of "Agribusiness" offices in each of the host countries. These offices will be staffed with at least one agribusiness professional and a secretary. Like their counterpart in the U.S., their functions will include providing staff support to their in-country JAC Committee, as well as providing a focal point for communication and information exchange between the U.S. JACC and themselves. Such offices and personnel also will prove valuable in gathering and evaluating information about their nation's agribusiness investment opportunities for U.S. agribusiness consideration. They also will develop contacts and track important developments within their own governments as they may affect investment and agribusiness activities in their country. Funding for these offices and staff might be provided by the U.S. JAC Committees, host-country JAC Committees, host-country governments, USAID funds, or a combination of all four.