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LAND O'LAKES, INC.

**COOPERATIVE SUPPORT GRANT
COOPERATIVE AGREEMENT NUMBER:
PDC-0192-A-00-1045-00**

**ANNUAL REPORT
JUNE 1, 1992 - JUNE 30, 1993**

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I. EXECUTIVE SUMMARY

The Cooperative Support agreement provides a base of support from which Land O'Lakes initiates and maintains relationships with agribusinesses and cooperatives of developing countries, who in turn benefit from the expertise and 72 years of cooperative experience that Land O'Lakes offers. The agreement benefits the cooperatives both directly and indirectly. It directly funds technical assistance and training activity. By extension, as USAID awards other grants/agreements for project work first identified under the Cooperative Support agreement-funded project exploration, it has indirectly benefitted many other agribusinesses and cooperatives.

Over the past year, the project development team at Land O'Lakes explored ten countries for cooperative development projects: Cameroon, Kazakhstan, Malawi, Mexico, Morocco, Philippines, Russia, South Africa, Ukraine, and Zambia. In general, much of the project development efforts previously planned for Latin America and Asia have been redirected towards Russia and other New Independent States (NIS) because of new emphasis by the U.S. government on assisting that region.

The agreement was successful in acting as a springboard for procuring other funding to assist cooperatives. In the past year, USAID has awarded Land O'Lakes almost \$15 million in additional grants and agreements to assist cooperatives in developing countries, most of it for Central and Eastern Europe and the NIS.

Land O'Lakes' training was highlighted by dairy production training for women of the Bamenda Highlands in Cameroon, dairy production training for farmers of the Northern Mindanao region of the Philippines, and free market concepts training for Russians from the Tula Region. Through a Baltics New Initiatives amendment to this agreement, technical assistance and short-course training was also provided to Latvia, Lithuania, and Estonia. Land O'Lakes provided technical assistance via a needs assessment of the Mexican dairy industry and advice on cooperative formation and finance for the Venëv dairy cooperative in Russia. A study of the butter distribution system in northeast Russia has assisted Land O'Lakes in initiating a program whereby the U.S. Department of Agriculture will donate U.S. butter for monetization in Russia, those profits then used to benefit Russian agricultural projects.

Refer to Appendix A for the financial reports of the main agreement and the Baltics New Initiatives amendment.

II. ACTIVITIES

A. AFRICA AND NEAR EAST

1. PROGRAM DEVELOPMENT

Kristin Penn, part of Land O'Lakes project development team, traveled to **Morocco** in February 1993 to identify possible development interventions for the Tadla Region that would support and improve domestic dairy production and the role of agricultural cooperatives. In response to the visit to Tadla, Land O'Lakes submitted a proposal to USAID, in collaboration with Winrock International, that focuses on development efforts in irrigation, soil management, on-farm production and private agricultural cooperative/association renewal in the Ta'la Region.

Also in February, Rosemarie Kelly-Rieks, marketing manager for Land O'Lakes International Development, initiated visits to **Malawi, Zambia, and South Africa** to review Africare's programs, the dairy/livestock and agribusiness sectors, and other possible areas of collaboration between Land O'Lakes and Africare.

2. LIMITED PROGRAM SERVICES

Sciolarships (U.S. Training): Land O'Lakes provided quality/quantity milk production training and technical assistance for an emerging private dairy organization, the Tadu Dairy Cooperative Society (TDCS), located in the Bamenda Highlands of northwestern **Cameroon**. Five Cameroonian women participated in a three-week U.S. training course in September 1992 in the proper collection, handling and storage of milk.

In-Country Workshops: As a follow-up to the U.S. training, in-country technical workshops were held February in **Cameroon's** Tadu Dairy Cooperative region to assist women in adapting their newly learned skills and in transferring these skills to fellow women cooperative members. Eileen Eichten-Carlson, milk production technician, and Mary Crave, adult education trainer, carried out three-day training sessions in five regions of the Bamenda Highlands to a total of 110 women, covering such topics as proper sanitation and milk storage. Because trainees were non-literate, training materials involving illustration of the basic techniques were developed. The training was co-funded by the USAID/Yaounde Mission, who contributed \$12,000 for in-country expenses and training materials.

The training was unprecedented in several ways: 1) it was the first time the Tadu women had gathered together and participated in an organized, public fashion; 2) this was the first formal education the women had ever received; and 3) a women's organization was formed to continue training women in other locations within the

TDCS. See the picture section of this report for three photographs of the Cameroonian in-country training.

3. PROGRAM ADJUSTMENTS

Changes from proposal: Originally, a regional Africa workshop was planned. However, this plan was abandoned because the USAID missions lack the money to send participants to regional workshops, and the coordination time and travel for Land O'Lakes would be excessive. Instead, training efforts were focused on Cameroon.

Gambia was slated for project exploration in year two, but that was completed in year one.

Changes from past year's plan: Land O'Lakes conducted the Cameroon training and the program development trips to Morocco and southern African countries as planned. Turkey is no longer a viable development opportunity for Land O'Lakes so that program development trip was cancelled.

4. ACTIVITIES PLANNED FOR JULY 1992 THROUGH MARCH 1994

The marketing manager and vice president of Land O'Lakes International Development plans to travel to Cameroon in August to firm up plans with USAID/Cameroon and Tadu Dairy Cooperative Society for artificial insemination training for the TDCS, the training to be funded by USAID/Yaounde.

B. LATIN AMERICA AND CARIBBEAN

1. PROGRAM DEVELOPMENT

On a trip to Mexico in August 1992, Jill Kohler, project development manager, explored with USAID, USDA/FAS, and governmental and commercial counterparts ways in which Land O'Lakes could collaborate to strengthen the Mexican private sector's readiness to increase trade under the terms of NAFTA.

2. LIMITED PROGRAM SERVICES

Technical Assistance: A team of four Land O'Lakes employees conducted a needs assessment of the Mexican dairy sector March 1-10, 1993. Please see the picture in section III. Team members:

- Jorge Marin, International Marketing Manager, Agricultural Services
- Dennis McGonegle, Regional Seed Sales Manager

- Jill Kohler, Project Development Manager, International Development
- Michael Gormley, Manager, Private Enterprise Development, International Development

The objective of the Mexico needs assessment was to survey existing conditions of the dairy production sector and determine the inputs needed for improving this sector. Land O'Lakes surveyed the financial, dairy nutrition, and forage grass aspects of the sector and met with public and private sector officials, as well as organizations representing dairy cattle farmers.

Texas A&M University representatives traveled with the team. Land O'Lakes and A&M are working together to design a dairy development project for Mexico and access multinational institution funding.

3. PROGRAM ADJUSTMENTS

Changes from proposal: Land O'Lakes decided to assess Mexico's dairy sector rather than Nicaragua's. The reasons for this were to take advantage of possible NAFTA opportunities and because the Nicaragua USAID mission is not encouraging project exploration until later.

Efforts originally planned for project exploration in some of the Latin American countries, such as Peru, Colombia, and Bolivia, were diverted to the more pressing priorities of the New Independent States (NIS).

Changes from past year's plan: No changes. The anticipated travel of Jill Kohler to Mexico that was mentioned in last year's annual report went forward as planned.

4. ACTIVITIES PLANNED FOR JULY 1992 THROUGH MARCH 1994

Jorge Marin and one other employee will travel to Mexico in late 1993 to provide two weeks of follow-on technical assistance in forage and other aspects of dairy production.

C. ASIA

1. PROGRAM DEVELOPMENT

No activity planned or undertaken in past year.

2. LIMITED PROGRAM SERVICES

In-Country Workshop: In September-October of 1992, Michael Sohl conducted a five-day seminar entitled "Dairy Production and Management" and five days of follow-on technical assistance in the **Philippines**. To 24 representatives of cooperatives in the Cebu, Davao, and Northern Mindanao regions, he taught the topics of dairy calf and heifer management, feed, silage production, mastitis, and record management. The follow-up technical assistance consisted of quality milk production interventions at several dairy cooperatives and dairy farms of the Northern Mindanao region, a regional semen processor, a feed manufacturing facility, and a Northern Mindanao Federation of Dairy Cooperatives processing plant.

3. PROGRAM ADJUSTMENTS

Changes from proposal: Originally, a regional Asia workshop was planned. However, this plan was abandoned because the USAID missions lack the money to send participants to regional workshops, and the coordination time and travel for Land O'Lakes would be excessive. Instead, training efforts were redirected to the Philippines.

Changes from past year's plan: Two more workshops scheduled for the Philippines were not provided because the services of the in-country logistical support person were no longer available and because the targeted beneficiaries decided they no longer wanted the offered training.

4. ACTIVITIES PLANNED FOR JULY 1992 THROUGH MARCH 1994

Rosemarie Kelly-Rieks plans a trip to Malaysia in the next quarter to explore possibilities for collaboration on development projects. She will meet with the Ministry of Agriculture, with a Malaysian hog producers cooperative, and with the Federation of Livestock Farmers Association of Malaysia, which is the national umbrella body of all livestock farmers in Malaysia.

D. NIS COUNTRIES, BALTICS, CENTRAL AND EASTERN EUROPE

1. PROGRAM DEVELOPMENT

As development priorities shifted to Russia and other New Independent States (NIS), Land O'Lakes explored ways in which its expertise could be of help. Kristin Rens traveled to **Ukraine, Russia, and Kazakhstan** in October-November of 1992 to evaluate and reconfirm contacts and focuses of grants received for implementation in Russia and to develop additional in-country collaborators and concepts for Land O'Lakes in new areas of the emerging private agricultural sector.

Kristin became familiar with the dairy sector and agricultural cooperative movements in Kazakhstan and established relationships with counterpart organizations for collaborative development activities. In-country training for all levels of dairy producers and assistance in forming a women's dairy association was recommended, as a mission buy-in. The purpose of the trip to Ukraine was to evaluate and reconfirm contacts and focuses of a grant received for implementation in Ukraine and to develop additional in-country collaborators and concepts for Land O'Lakes in new areas of the emerging private agricultural sector. As a result of this trip, Kristin recommended developing a rural development commission to generate a stronger voice of support for and information to the farmers and agricultural entrepreneurs in the rural, private, agricultural sectors of the L'viv Oblast.

2. LIMITED PROGRAM SERVICES

In-Country Workshops: Funded by the Baltics New Initiatives, Gary Seiler, manager of a Land O'Lakes dairy plant, conducted a five-day training course November 23-27, 1992, in **Latvia**. Gary taught 28 people from the Valmiera milk district the principles of milk procurement and assembly, including such topics as establishing cooperatives, milk pricing, maintaining milk quality, managing mastitis, and staffing a field force. Upon the request of the Latvian government, he conducted an impromptu half-day seminar with dairy officials of the Riga district. In conjunction with the training, he also provided technical assistance, described in the section below.

Technical Assistance:

A team of Land O'Lakes managers met in October 1992 with the farmers and management of the Venëv cooperative in **Russia**, explaining how a cooperative and its board is formed and how they operated. The team consisted of Martha Cashman, Vice President, International Development; Bob Tenner, Director of International Ventures, Dairy/Foods Division; and Dave Gray, Vice President, Foodservice Marketing. They emphasized that Land O'Lakes can offer much in

increasing dairy production through improved nutrition, sanitation, forage, herd health, and management practices. The team also met with AKKOR, a large farmer cooperative, regarding future technical assistance programs and the placement of Land O'Lakes trainers in Russia.

Summit Ltd., subcontractor to Land O'Lakes, and Keith Springer, logistics expert at the Land O'Lakes spreads plant, studied the Russia butter distribution system. The purpose of the study was to provide logistics recommendations for an upcoming **Section 416 butter monetization program** in Russia. The team researched the distribution and marketing system in Moscow and St. Petersburg areas with the goal of designing the best butter distribution and sales network. As a result, Land O'Lakes has obtained a butter monetization program from the U.S. Department of Agriculture, whereby 5,000 metric tons of donated U.S. butter will be sold in Russia and the profits used to purchase equipment and other things for Russian agriculturalists.

Michael Gormley, Land O'Lakes private enterprise development manager, evaluated the financial condition of the Venëv Farmers' Cooperative in the Tula Region of **Russia**. He analyzed the country's macro-economic condition, reviewed the cooperative's financial systems and records, determined its credit needs, and developed financial projections for the cooperative's proposed butter production facility and feed mill.

As part of the Baltics New Initiatives amendment, Land O'Lakes assisted the dairy industry in each of the three Baltic countries via technical assistance interventions in November-December, 1992. Gary Seiler provided technical assistance to several **Latvian** large collective farms and some of the country's private farms in the area of quality dairy production. Joel Stangeland, Land O'Lakes quality assurance manager, provided technical assistance to six dairy plants in **Estonia**, providing training in cooperative organization, raw milk and product quality, pasteurizer functionality, and energy conservation. Ken Wahlin, retired vice president of Land O'Lakes' Bridgeman ice cream division, conducted one week of technical assistance in **Lithuanian** food plant operations.

Scholarships (U.S. Training):

Jaan Madis, head of the mechanical department at Paide Dairy in Paide **Estonia**, traveled to Minnesota for a one-month participant training program in January 1993 that featured training in dairy plant engineering and quality assurance. The training was funded by the Baltics New Initiatives amendment. The goal of this internship was to improve the technical knowledge and skills of processing plant engineers as they strive to maintain and maximize Estonia's milk processing plants. The majority of the technical training focused on instruction in equipment maintenance and preventative maintenance at four Land O'Lakes cheese plants. Jaan Madis shared his experience with many agricultural leaders at the Estonian National

Forum sponsored by USAID and Land O'Lakes on March 15, 1993. There are two pictures in the photo section of this document.

Three **Russian** men from Venëv in Russia's Tula Region received an orientation to the free market system and to cooperatives. They attended the Land O'Lakes annual meeting in February 1993 and experienced firsthand how the governance of the cooperative works. They were impressed that young producers asked tough questions of the president and chairman of the board in open sessions, a practice that in the past did not happen in Russia. They also visited member farms, local cooperatives, processing plants, and a farm credit service. Please refer also to the two photographs in the photo section.

3. PROGRAM ADJUSTMENTS

Changes from proposal: There has been much more activity in the NIS and Baltics than anticipated because of new emphasis by the U.S. government on assisting this region.

Yugoslavia has been eliminated because of the civil war. Hungary was omitted from the list of countries to explore in year two because it is well covered under other USAID grants/cooperatives that Land O'Lakes has been awarded.

Changes from past year's plan: Land O'Lakes did everything it projected in last year's annual plan and more.

4. ACTIVITIES PLANNED FOR JULY 1992 THROUGH MARCH 1994

Kristin Penn plans to travel to Kazakhstan, Kyrgyzstan, and the Kaliningrad Oblast of Russia in October of 1993. In Kazakhstan she will follow upon contacts made last year with the women dairy producers around Alma Ata with the aim of developing a women's dairy cooperative program. Land O'Lakes has been invited to Kyrgyzstan by their Ambassador to the U.S. to investigate the possibilities of developing a women in private agriculture program. Because Kaliningrad is a major port oblast, Land O'Lakes is interested in looking at the commodity distribution possibilities and helping the private sector develop their marketing and distribution.

E. ALL OTHER ACTIVITY

1. WOMEN IN DEVELOPMENT (WID)

- The women of the Tadu Dairy Cooperative Society in Cameroon received U.S. and in-country training in the proper collection, handling and storage of milk.
- A proposal was submitted to the USAID/WID office with an idea for forming a women's cooperative society in Kazakhstan.
- Through an amendment to a current USAID grant, Land O'Lakes has instituted a program that concentrates on benefitting Albanian women, who are the primary animal caretakers. By creating a rural extension service that employs ten educated women agriculturalists, it is a program where women teach women dairy production and distribution.

2. ORGANIZATIONAL DEVELOPMENT

- The International Development Division hosted a booth at Land O'Lakes' Annual Meeting in February (picture in following section). This is a forum whereby the division can keep its members informed of international development activities and can recruit members interested in overseas development travel.
- Many Land O'Lakes staff and members travel overseas under the various grants/cooperative agreements funded by USAID. Land O'Lakes staff from both the Dairy/Foods and the Agricultural Services Division broaden their perspectives and develop professionally as a result of sharing their expertise with others.
- Land O'Lakes continues to have a Washington, D.C. representative at 25% time.

3. PUBLICATIONS

- The Land O'Lakes International Development Division issues a quarterly newsletter that keeps USAID, members, consultants, and other organizations informed of its activities. The second issue is included as Appendix B.
- Patty Miller, Land O'Lakes writer, wrote an article intended for publication in *Frontlines* regarding Land O'Lakes development efforts worldwide.

- A publication on a methodology for cooperative dairy development in developing countries and linkages between agribusiness development and increased trade for the U.S. and developing countries is in the draft stage. The author is awaiting feedback from various sources before finalizing.

4. RESOURCE ENHANCEMENT

One of the goals stated in the proposal is to "undertake at least one PL-480 or Section 416 monetization project within three years." Land O'Lakes has accomplished that with the start-up of the butter monetization project in Russia described earlier.

In fulfillment of another resource enhancement goal, Land O'Lakes has initiated two joint programs with universities and/or PVOs. Land O'Lakes and Texas A&M University are working together to design a dairy development project for Mexico. Development Alternatives, Inc. has subcontracted with Land O'Lakes to provide technical assistance and U.S. internships under the Morocco Agribusiness Promotion Project (MAPP). Land O'Lakes will provide six person-months of short-term technical assistance in Morocco over five years in animal livestock and feed production. Eighteen agribusiness internships will also be provided with the project objective of improving Morocco's capacity to train agribusiness managers to meet the needs of the private sector.

5. STAFFING

This agreement funds that part of the salaries and travel of the Land O'Lakes project development team that is spent on exploratory travel and on the proposals for projects identified during that travel. The three members of the project development team are Jill Kohler, project development manager; Kristin Rens, project development specialist; and Rosemarie Kelly-Rieks, international marketing manager. The team has been very successful to date in obtaining further funding for projects that benefit cooperatives.

Over the past year, Land O'Lakes has been awarded nearly \$15 million in USAID funding to assist **cooperatives** in the next few years:

- \$4,000,000 Amendment to Land O'Lakes' grant, Agricultural Cooperative/Business Development and Training in **Central and Eastern Europe**, grant number: EUR-0024-G-00-1072-00
- \$5,000,000 Verbal approval of amendment to Land O'Lakes' grant, Agricultural Cooperative/Business Development and Training in

Central and Eastern Europe, grant number: EUR-0024-G-00-1072-00, for activities in **Bulgaria** and **Romania**.

- \$3,500,000 Restructuring Agriculture through Agribusiness Formation: Private Sector Program for Russia (cooperative agreement CCN-0006-A-00-3039-00). 1993-1997. To strengthen the AKKOR cooperative in the Tula region of **Russia**.
- \$2,000,000 Farmer-to-Farmer Program for **Russia** and **Ukraine**, cooperative agreement number FAO-0705-A-00-2091-00
- \$300,000 USAID/Land O'Lakes/Tri-Valley Agreement, cooperative agreement number FAO-0192-A-00-2081-00
- \$100,000 Amendment to Land O'Lakes' Cooperative Support Grant, cooperative agreement number PDC-0192-A-00-1045-00 for initiatives in the **Baltics**.
- \$12,000 Tadu Dairy Cooperative Member Training (funded by USAID/Yaounde, 631-0463-G-00-3507-00). First Quarter, 1993. To train the women of the Tadu cooperative in the **Cameroon** Bamenda Highlands in dairy production.

6. EVALUATION

The final evaluation of this cooperative agreement is currently under evaluation by a USAID-approved outside evaluator, Gar Stock.

III. PICTURES

The following pages depict activities of the past six months.

93ANNUAL.REP

CAMEROON IN-COUNTRY TRAINING

Quality Milk Production seminars were held in February 1993 in five regions of northwestern Cameroon. The purpose of the seminars was to introduce improved milk collection, handling, and storage techniques to the women participants. In this photo, Fulani women learn the importance of sanitary milk handling to ensure proper milk storage. A woman is filtering the milk using a paper filter and the proper equipment. Previously, milk was often collected and stored in large gourds (calabashes) without filtering.



- ▽ The participants in the Kishong region gather to learn and practice quality milk production techniques. The group was instructed by four Cameroonian women who had learned improved milk production methods during training in the U.S. during September 1992. Two U.S. trainers, Mary Crave and Eileen Eichten-Carlson, assisted in the training.



- ▽ Eileen Eichten-Carlson, the U.S. technical assistant for the quality milk production seminar in Cameroon, directs the milk collection technique of a woman from the village of Barare.



TECHNICAL ASSISTANCE

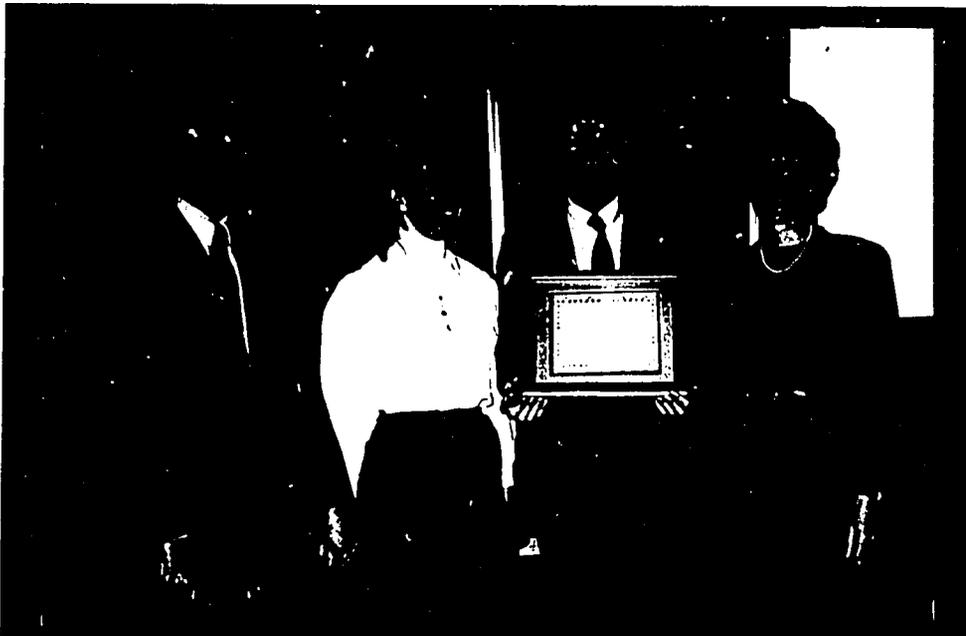


- △ Dennis McGonegle, regional seed sales manager for Land O'Lakes, inspects ryegrass, also known as greenchop, at a dairy farm in Torreon, Mexico. McGonegle was the forage expert member of a four-person team from Land O'Lakes who conducted a needs assessment of the Mexican dairy production sector.

TECHNICAL TRAINING



- △ Jaan Madis, Head of the Mechanical Department at Paide Dairy in Paide, Estonia, participated in a one-month U.S. internship on dairy plant engineering and quality assurance, as part of Land O'Lakes' Baltics new initiatives effort. Joel Stangeland (right), Land O'Lakes' quality assurance manager, shows Madis how to inspect a huge cheese vat for cracks, at the Land O'Lakes cheese plant in Denmark, Wisconsin.
- ▽ Jaan Madis, pictured below with his training certificate, enjoys a graduation ceremony with his host family, Antone and Mary Gregory (left) and Diane Bruns (right), Land O'Lakes project assistant, upon completion of his one-month U.S. internship in dairy plant engineering and quality assurance.



Land O'Lakes

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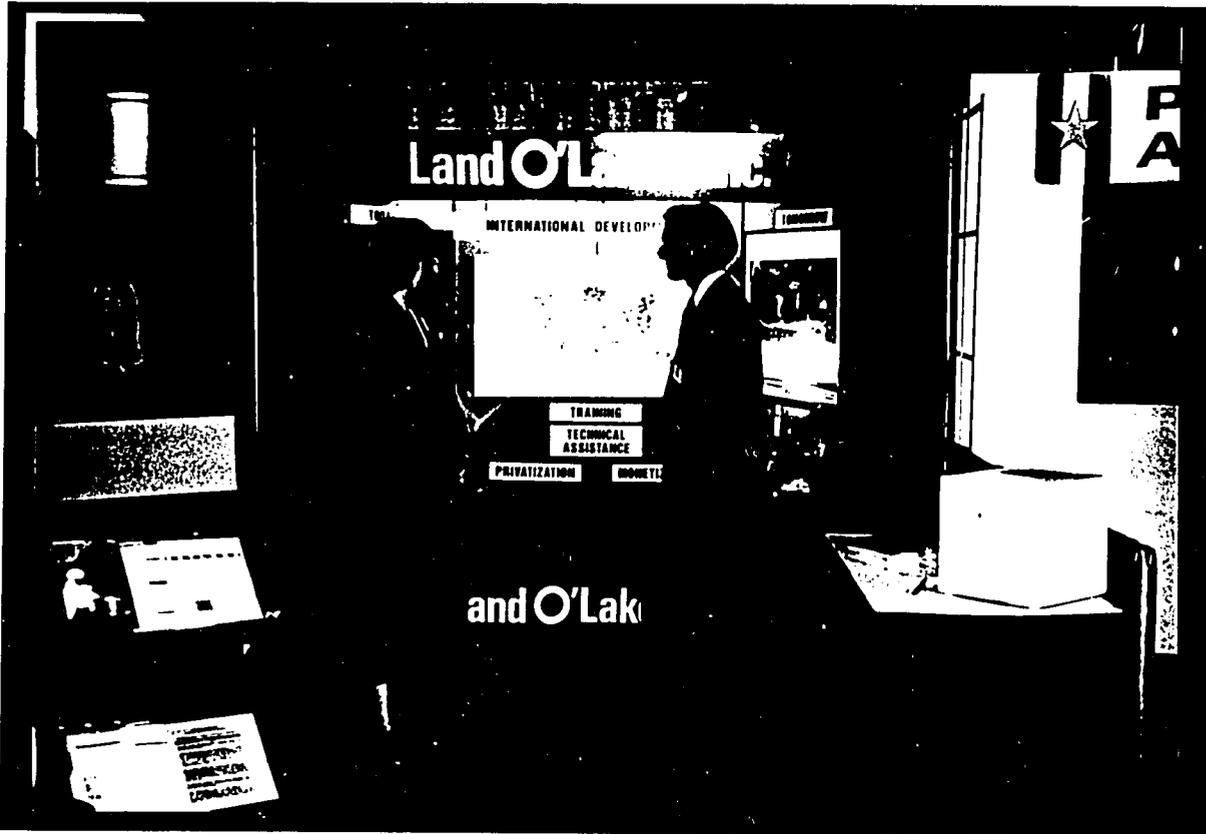
TECHNICAL TRAINING



- △ Mayor Vladimir Rotin of Venëv, Russia, (far right) and private farmer Vladimir Pugachev (center) questioned Iowa farmer Mark Hanna (far left) about the differences in feeding according to the age of the hog. They were especially impressed with the pneumatic feeding system and the ability of one farmer to care for such a large number of hogs. Vladimir Pugachev said, "In Russia many people would [have worked] a farm of this size." The Russians participated in two weeks of training conducted by Land O'Lakes regarding the U.S. free market system in February and March of 1993.
- ▽ Alexandr Kondratenko, manager of the Venëv dairy cooperative in Russia, helps out farmer Everette Herness in the feeding of young heifers on his farm. Kondratenko spent a weekend, along with Vladimir Pugachev and Vladimir Rotin, learning about private farming in rural Wisconsin. They were able to make comparisons about the size and production capabilities of private farms in Wisconsin and near their home town of Venëv.



ORGANIZATIONAL DEVELOPMENT



- △ The Land O'Lakes International Development Division operated a booth at the February 1993 Land O'Lakes annual meeting in an outreach effort to tap the resources of its membership. Individual and cooperative members are a vital link in the development effort, providing expertise in U.S. internships and short courses and in technical assistance and training courses overseas.

APPENDICES

A. FINANCIAL REPORTS

- COOPERATIVE SUPPORT GRANT**
- BALTICS NEW INITIATIVES**

B. "INTERNATIONAL OUTLOOK" NEWSLETTER

APPENDIX A

FINANCIAL REPORTS

COOPERATIVE SUPPORT GRANT
 FINANCIAL REPORT
 Thru 6/30/93
 #PDC-0192-A-00-1045-00

Expenditures

	Grant to Date		Projected 7/1/93 to 3/31/94	Year 7/1/92 TO 6/30/93
	A.I.D.	Match		
Africa				
Program Development	55,976	5,732	10,000	17,084
Limited Program Services	<u>34,498</u>	<u>0</u>	<u>0</u>	34,498
Subtotal Africa	90,474	5,732	10,000	51,582
ANE/CEE/APRE/Baltics				
Program Development	80,956	4,654	20,000	54,215
Organizational Development	28	0	0	28
Limited Program Services	<u>18,595</u>	<u>6,109</u>	<u>0</u>	7,432
Subtotal ANE/CEE/APRE	99,579	10,763	20,000	61,675
NIS				
Program Development**	100,423	3,036	30,000	100,423
Limited Program Services	38,918	188,953	47,564	38,918
Resource Enhancement	<u>12</u>	<u>0</u>	<u>0</u>	12
Subtotal Russia	139,353	191,989	77,564	139,353
Latin America/Caribbean				
Program Development	7,634	0	0	6,336
Limited Program Services	<u>19,273</u>	<u>0</u>	<u>25,000</u>	19,273
Subtotal Latin America/Caribbean	26,907	0	25,000	25,609
Headquarters				
Program Development	193,064	1,174	31,945	118,190
Organizational Development	82,115	73	16,473	47,134
Limited Program Services	4,672	0	3,000	4,672
Resource Enhancement	53,509	7	0	43,601
Evaluation	0	0	30,000	0
Staffing	6,167	0	0	64
Program Management	39,767	237	15,015	21,618
Land O'Lakes Contribution	<u>0</u>	<u>113,257</u>	<u>0</u>	<u>0</u>
Subtotal Headquarters	379,295	114,749	96,433	235,279
Total Direct Costs	735,609	323,233	228,997	513,498
Indirect Costs	<u>320,686</u>	<u>97,808</u>	<u>90,974</u>	<u>214,073</u>
Total Program Costs	<u>1,056,295</u>	<u>421,040</u>	<u>319,971</u>	<u>727,571</u>

**Summit Limited was contracted by Land O'Lakes to conduct a butter marketing and distribution study to be completed by the end of January 1993. The cost of this study was not included in the financials. The estimated remaining cost of the study is \$47,564.

This report represents a summary of actual and accrued expenses for the referenced agreement or grant. If accrual expense amounts were not available for activities occurring in the reported quarter, those expenses will be included in the next quarterly financial summary.

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COOPERATIVE SUPPORT GRANT
SUMMARY OF EXPENSES SUBMITTED TO AID/WASHINGTON
APRIL THROUGH JUNE 1993
SF 269

Category	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>TOTAL</u>
<u>FULL OVERHEAD</u>				
P Management	1,442.90	352.33	600.88	\$2,396.11
P Implement	23,173.81	16,116.35	12,685.05	51,975.21
Evaluation	0.00	0.00	0.00	0.00
Indir Costs	<u>11,816.02</u>	<u>7,904.97</u>	<u>6,377.25</u>	<u>26,098.23</u>
SUBTOTAL	36,432.73	24,373.65	19,663.18	80,469.55
 <u>SUBCONTRACT</u>				
P Management			0	\$0.00
P Implement			3475.84	3,475.84
Evaluation			0	0.00
Indir Costs	0.00	0.00	283.98	283.98
SUBTOTAL	0.00	0.00	3,759.82	3,759.82
 <u>MATCH</u>				
P Management	0.00	0.00	0.00	0.00
P Implement	34.30	1.54	38.33	74.17
Evaluation	0.00	0.00	0.00	0.00
Indir Costs	<u>16.46</u>	<u>0.74</u>	<u>18.40</u>	<u>35.60</u>
SUBTOTAL	50.76	2.28	56.73	109.77
 GRAND TOTAL	 <u>36,483.49</u>	 <u>24,375.93</u>	 <u>23,479.72</u>	 <u>\$84,339.14</u>

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New Initiatives Baltics
June 1993

	<u>M-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Budget</u>	<u>Under/</u> <u>(Over)</u>	<u>G-T-D</u> <u>Actual</u>	<u>Total</u> <u>Budget</u>	<u>\$ Left</u> <u>to Spend</u>
Program Management							
Salary & Fringe	0.00	145.16	2,390.00	2,244.84	1,039.43	7,650.00	6,610.57
LOL Person	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consulting Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consulting Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel and Transp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	32.00	32.00	6.54	0.00	(6.54)
Subtotal Prog Mgmt	0.00	145.16	2,422.00	2,276.84	1,045.97	7,650.00	6,604.03
Estonia							
Salary & Fringe	0.00	1,108.67	8,289.00	7,180.33	2,001.77	0.00	(2,001.77)
LOL Person	0.00	2,146.00	0.00	(2,146.00)	9,218.00	0.00	(9,218.00)
Consulting Fee	0.00	456.00	1,680.00	1,224.00	558.50	13,159.00	12,600.50
Consulting Expense	0.00	136.50	0.00	(136.50)	510.45	6,065.00	5,554.55
Travel and Transp.	0.00	(4,202.49)	1,500.00	5,702.49	136.94	1,500.00	1,363.06
Miscellaneous	0.00	5,658.63	4,268.00	(1,390.63)	5,748.17	4,688.00	(1,060.17)
Subtotal Estonia	0.00	5,303.31	15,737.00	10,433.69	18,173.83	25,412.00	7,238.17
Latvia							
Salary & Fringe	0.00	15.61	0.00	(15.61)	882.01	0.00	(882.01)
LOL Person	0.00	2,945.33	0.00	(2,945.33)	2,945.33	0.00	(2,945.33)
Consulting Fee	0.00	0.00	0.00	0.00	1,007.95	7,982.00	6,974.05
Consulting Expense	0.00	0.00	0.00	0.00	0.00	13,700.00	13,700.00
Travel and Transp.	0.00	158.65	0.00	(158.65)	5,929.02	0.00	(5,929.02)
Miscellaneous	0.00	0.00	0.00	0.00	21.36	1,250.00	1,228.64
Subtotal Latvia	0.00	3,119.59	0.00	(3,119.59)	10,785.67	22,932.00	12,146.33
Lithuania							
Salary & Fringe	0.00	0.00	0.00	0.00	527.94	0.00	(527.94)
LOL Person	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consulting Fee	0.00	0.00	2,149.00	2,149.00	2,867.40	3,991.00	1,123.60
Consulting Expense	0.00	0.00	6,790.00	6,790.00	3,206.87	7,330.00	4,123.13
Travel and Transp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	371.00	371.00	0.00	250.00	250.00
Subtotal Lithuania	0.00	0.00	9,310.00	9,310.00	6,602.21	11,571.00	4,968.79
Evaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Direct Costs	0.00	8,568.06	27,469.00	18,900.94	36,607.68	67,565.00	30,957.32
Indirect Costs	0.00	4,112.67	7,608.91	3,496.24	17,571.69	32,435.00	14,863.31
Adjustment for OH	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(3,098.52)</u>	<u>0.00</u>	<u>3,098.52</u>
Total Revenue	0.00	12,680.73	35,077.91	22,397.18	51,080.85	100,000.00	48,919.15

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APPENDIX B

"INTERNATIONAL OUTLOOK" NEWSLETTER

INTERNATIONAL

O U T L O O K

VOLUME 1, No. 2

SPRING 1993

The Cashman Report

Dear Readers:

During a time of difficult transition in Poland one of the people's greatest needs is education. Few people understand about the workings of a free market economy; those who do, who may have worked or studied abroad, have a tremendous advantage and are working to create Poland's fast-growing private sector.

Land O'Lakes, through funding from the United States Agency for International Development (USAID), is extending that educational advantage to the Polish agricultural sector. Land O'Lakes' history in Poland goes back to 1989, when real reform of the Polish economy began. In 1990, Land O'Lakes saw the establishment of its first overseas office and the development programs in Poland. The programs focus on three areas: Agricultural cooperative business development; privatization of State-owned Enterprises (SOEs); and applied management training.

Land O'Lakes' specialists return from their assignments with a real sense of accomplishment. Scott Gottschalk, Land O'Lakes' Livestock Production Specialist, describes his experience this way: "I have never seen such curiosity and will and desire to learn like that. I felt like I made] a difference [in their lives]." Gottschalk, whose story on his Polish assignment appears on page 2 of this issue, was one of 43 Land O'Lakes professionals to go on assignment to Poland in 1992. In all, 1,450 Polish agribusiness professionals in 29 provinces participated in 58 seminars in 1992, and over 20 agribusinesses received short-term technical assistance.

While Gottschalk's work typifies one aspect of Land O'Lakes involvement in

Poland, a second program targets small-to medium-sized agribusinesses that are in the process of privatizing. These companies will participate in intensive workshops in Poland and the U.S.—workshops geared toward making them financially viable companies.

Land O'Lakes' third program focuses on teaching applied management seminars at the Agricultural University in Olsztyn in northern Poland. In November of last year, Lynne Heuton, Land O'Lakes' Inventory and Technical Resource Manager, introduced the concept of Logistics Management—getting the product to the right place at the right time—to 36 Polish business men and women.

1993 is busier than ever for Land O'Lakes trainers and technical specialists. Thirty-two advanced seminars will be offered that will reach participants in all of the 49 voivodships. Land O'Lakes specialists will respond to increased requests for technical assistance from past course participants who have had time to assimilate and put into practice what they have learned in 1992.

We believe Poland is well on its way to asserting itself in the European market and Land O'Lakes is proud to be a partner in its development. The International Division extends a warm "thank you" to all the dedicated Land O'Lakes' trainers and consultants and to their Polish counter-parts who help to make it happen.

Sincerely,



Martha Cashman, Vice President
International Development

POLAND'S PROGRESS

In just four years, the changes in Poland have been so dramatic that it is hard to visualize what the country looked like prior to 1989. Many goods—most notably gas—were rationed resulting in long lines outside the stores. Foodstuffs were scarce; streets were dark and dreary, and deserted in the evenings.

IMAGES OF THE PRESENT

Now the images are more varied—a reflection of the mixed blessing the transition to a market economy brings. Billboards splash color on gray buildings. The many colors of Bennetton, the Italian clothing outlet, shout at passersby from display windows. Store shelves are crowded and the clerks are generally courteous and interested in the customer's needs. In the open market, you can find the latest clothing styles including LA KINGS jackets imported from the States.

Progress, continued on page 3

**Agriculture embodies
the obstacles Poland
faces and the
ingenuity Poles use to
overcome them.**

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Doing Business In Poland

By Al Wanous

My 27 years experience of farming rocky terrain in central Minnesota served as good preparation for doing business in Poland. To be sure, Poland has its fair share of challenges to the would-be entrepreneur. Following are a few examples:

- ▶ A communications system that fails to communicate about half the time.
- ▶ A banking system where one must beg for the privilege of leaving his money, then pay for the privilege of drawing it out at one to three dollars per transfer (makes a dime a time and free checking seem like heaven) and occasionally one finds out approximately the amount of his balance.
- ▶ A legal and regulatory environment in a state of flux—no one really knows the answer to some questions.
- ▶ Finally, an economy which is still plagued with high inflation, interest and currency devaluation.

Nonetheless, there are many potential rewards to the astute business person both personally and professionally. There are significant opportunities to leverage western technology and experience here. The vast majority of the markets are growth markets.

Generally, the workforce is well educated and quite receptive to training and retraining. Perhaps one of the greatest personal rewards



Al Wanous – meeting the challenges in Poland.

is watching young people take wing in their new found freedom. There are seeming paradoxes in the way some very intelligent people can be quite naive when faced with situations requiring common sense judgments. Yet the learning curve is sharp and performance impressive. We have been fortunate in putting together a team of young professionals who are helping build a successful agricultural business that is contributing benefits on both sides of the Atlantic Ocean.

One such benefit is that, as a result of strengthening the newly developing infrastructure, a significant contribution is made to the democratic stability of the region.

The European heritage of many Americans, like myself, makes cultural adjustment relatively easy in Poland. The climate and seasons are very similar to the upper midwestern United States. The vast majority of the Polish people are friendly, helpful and hospitable; making the "rocky" road to doing business in Poland more bearable. ■

Al Wanous is General Manager of LOL AGRA International, a company based in Poland.

The Poland Experience

By Scott Gottschalk, Dairy Production Specialist,
Land O'Lakes, Inc.

From November 18 to December 5, 1992 I had the privilege of representing Land O'Lakes on a training mission to Poland. "It was a wonderful experience. It felt like opening a door into another world." I was asked to put together a one-week teaching course on "Dairy Production and Management." I was then to go to Poland and teach the first few sessions of the course, fine-tuning it for repeated use in many other countries.

The flight to the other side of the globe was long, but I felt it was worth every hour after I arrived in Warsaw. I was impressed by the many statues, and crowded sidewalks. The people seemed serious and hardworking. I spent just one evening there and then I was shuttled to the southeastern corner of Poland near the border with the former Soviet Union.

My first week of instruction was quite an eye opener. I was not really prepared for the small size of Poland's private dairy farms. The large state-run dairies owned hundreds of cows on thousands of acres of land, but now the average private farm is four to five cows on ten to fifteen acres of land. I was also shocked at how far their dairy technology lags behind ours in the United States.

My feeling is that they are anywhere from fifteen to twenty-five years behind us. I had many opportunities to tour private dairies as well as state dairies with students. Response to the first week's course was very positive, focusing on the strength of the course material, but that response didn't come without the challenge of rewriting and reworking each day of my original course materials.

My second week took me to the other end of Poland near the former East German border. The week went extremely well as my interpreter and I started working more effectively together in class presentations. This particular class had highly educated participants, which not only added to the challenge, but also to the enjoyment of educating people of a foreign country.

Looking back on my trip now, I am amazed by several factors. For one, Poland's geography reminded me exactly of our own diverse state of Minnesota. I was also amazed at how the Polish people reminded me so much of the people back home, with the only real difference being the language. Thirdly, I was surprised to find Poland's climate much like our own (it was very cold in November).

This opportunity to share a small part of my dairy background with the people of a less-developed country like Poland has been one of the most fulfilling experiences of my life. I hope each small part that every one of us contributes will have a cumulative effect towards making our planet a better place to live. ■

Progress, continued

Gone are the long lines, partly the result of the frugal spending Poles must practice these days.

CHANGE & VESTIGES OF THE PAST

In the countryside, one sees images from the past. Horses pull wagons or ploughs, while tractors sit idly in storehouses for lack of gas. As they have done for centuries, Poles hang unrefrigerated sausages and bacon from hooks and sell unpasteurized milk. Yet even in the countryside, changes are evident—skim milk and UHT (Ultra High Temperature) milk are readily available. Clearly, Poland's march toward modernization has included steps both backward and forward.

SHOCK THERAPY

Poland has charted its own path toward the future. It was the first Eastern European country to engineer a way out of Communism, when Solidarity leaders struck a deal in 1989 that paired an old-guard president with a popularly elected prime minister. This arrangement soon gave way to the dismantling of Communist leadership, ending 45 years of Iron Curtain rule.

Poland has taken a different course toward economic reform from Hungary or the Czech Republic or Slovakia, not only because it led the way but because its circumstances differed. Destruction of Polish cities was more extensive than elsewhere; its debt was bigger and inflation higher. Therefore, Poland embarked upon the radical reforms known as "shock therapy", freeing prices to climb to world market levels,

eliminating trade barriers, ending subsidies to state-owned enterprises and making the currency convertible.

The resulting "shock" caused 4-digit inflation and a sharp drop in production. The phenomena of unemployment, largely unknown in a Communist system that over-staffed its factories, re-emerged. On

Poland embarked upon radical reforms known as "shock therapy," freeing prices, . . . eliminating trade barriers, ending subsidies to state-owned enterprises. . .

the positive side, the retail sector moved quickly toward privatization and now contributes over 40% of the Gross Domestic Product. Inflation has dropped to a more manageable, but still worrisome 40% and agriculture is looking forward to better days as the drought has finally come to an end.

INCOME TAX—A MODERN INVENTION

STILL, the pain that Poles agreed to endure in taking the "shock" continues. Adding to the burden, the government has instituted its first income tax, due at the end of April. While Polish citizens have always paid social security tax (zus), the bulk of revenue for government came from a few profitable state-owned companies such as Rolimpex, Hortex, Ciech, Budimex, and Orbis. When some of the state-owned companies were privatized,

they enjoyed a five-year tax break extended to all new enterprises. The resulting cash flow problems for the government took on nightmare proportions making it difficult to provide even basic services. The need for revenue pushed the government to create additional taxes—taxes on producers, a value-added tax or VAT; sales tax—even a tax for the paid service of informing on fellow citizens to the police! Poland's experiments in raising revenue are necessarily of the trial-and-error kind.

Agriculture embodies the obstacles Poland faces and the ingenuity Poles use to overcome them. Faced with expensive inputs, some farmers are turning to sustainable agriculture or organic produce to find a market niche. Turning this sow's ear into a silk purse is simply not feasible in some parts of Poland, such as those where levels of cadmium, zinc and lead in the soil and water rules out farming altogether. But some farmers are able to make a virtue out of necessity.

THE WINDS OF CHANGE

As Poland looks outward, better prospects come into view. A free-trade zone with Hungary, the Czech Republic and Slovakia, and also improved ties with the European Community, will help to replace the much-needed markets that were lost when the communist trading system, Comecom, fell apart.

Although serious trouble is still possible, Poland appears to have weathered the storm of change. Two of its greatest needs, foreign investment and education in the workings of a free economy, are

Progress, continued on page 4

Progress, continued

getting more response from the West. The International Monetary Fund, approving a Polish budget that emphasized reduced spending and the sales tax, made loans available. Companies like McDonald's, PepsiCo, and the Marriott Corporation are creating local supplies and facilities. With further education and development, many are wagering that Poland can succeed in the task of rebuilding itself. ■



Mark Hanna (2nd from right) receives a Russian butter dish after giving Russians a tour of his hog operation. Pictured: (l to r) M. Bayevsky, LOL employee & interpreter; V. Pugachev; V. Rotin; A. Kondratenko; M. Hanna; & R. Hanna, Project Officer, F-T-F program.

Update on Russia

Five distinguished Russian visitors paid a visit to Land O'Lakes in February: Dr. Vladimir Bashmachnikov, President of the Association of Peasant Farms and Agricultural Cooperatives (AKKOR); Mr. Nikolai Korolev, Vice-Governor of the Tula region; Mr. Vladimir Rotin, Mayor of Venev, Tula region; Mr. Alexandr Kondratenko, Manager of Venev cooperative; and Mr. Vladimir Pugachev, board member of the Venev cooperative and a private farmer.

As a part of their two-week stay they attended the Land O'Lakes' Annual Meeting—February 24-25. Our Russian visitors were very surprised that young

producers asked tough questions of Jack Gherty, President and CEO, and Stan Zylstra, Chairman of the Board, in open sessions. Dr. Bashmachnikov remarked that in the past "the questioning of authority or people [in positions of authority] did not happen in Russia. If it did, the people would definitely not get their questions answered."

Their stay included visits to member farms—where they got in some chores—local cooperatives, processing plants, and a farm credit service. They

even met Secretary of Agriculture, Mike Espy!

The Russians returned home with lasting impressions of the U.S.—the abundance of spare parts at implement dealers, forty-year old equipment that looks like new, the low rate of interest on loans (in Russia the interest rates are anywhere from 60-100%), the positive work attitudes of coop and plant employees and their pride in producing quality products—impressions that will inspire them to work toward reform in their homeland. ■

Russia Technical Assistance—A Partial Schedule—calendar year 1993

Focus of Assignment	Quarter	Length of Assignments	Focus of Assignment	Quarter	Length of Assignments
Packaging & Production	2	2 - 3 weeks	Feed Technology/Marketing	3	2 - 3 weeks
Marketing & Sales	2	2 - 3 weeks	Feed Ration Balancing	3 & 4	2 - 3 weeks
Equipment Design	2	2 - 3 weeks	Grain Receiving and Storage	3 & 4	3 weeks
Forage Production	2	2 - 3 weeks	Cooperative Management	4	2 - 3 weeks
Forage Harvesting & Storage	2 & 3	2 - 3 months	Farm Building Construction	2	3 - 4 weeks
Grain Storage	2 & 3	2 - 3 months	Dairy Processing	2	3 - 4 weeks
Potato Production & Storage	2	2 - 3 weeks	Cooperative Development	2	3 - 4 weeks
Potato Processing	3	2 - 3 weeks			

Technical Assistance will focus on Nizhny Novgorod, Yaroslavl', Vologda, Kalingrad, St. Petersburg, Yekaterinburg, Tyumen' and Tula regions of Russia

For more information on Russia, contact:

Kathy Maro, Project Officer, Venev Project, at (612) 481-2345; Rich Hanna, Project Officer, Farmer-To-Farmer program, at (515) 588-3600; or Ellen Nodland, Project Assistant to Rich and Kathy, at (612) 481-2391.

Opportunities

Ted Kjos, Land O'Lakes' Producer Services Manager, described his feelings on his overseas assignment this way — "The thought that stands foremost in my mind when I start to summarize this training experience is this: It came across quite clearly from the participants that they had a tremendous desire for information—information in a general sense."

"I feel I have made a difference!" declared Don Eck, Land O'Lakes' Milk Procurement Division manager and an expert on cooperative structure. Don Eck and Dave Belina, Land O'Lakes' Director of Member Services, team-taught the seminar "Cooperatives: Principles and Practices" from June 13-17, 1992 in Poland.

"Overall, [it was] an incredible experience. From a personal standpoint, it is an enriching experience. I feel I have made an impact," said Kim Ewers, Marketing Director, Land O'Lakes' Dairy Foods Division, about her participation in Land O'Lakes' applied management program in Poland in June 1992. Kim Ewers and Howard Gochberg, retired Group Vice President, Land O'Lakes, team-taught the seminar "Advanced Marketing" from June 8-19, 1992 in Poland.

"I felt a sense of accomplishment that I wouldn't pass up for anything," said Lynne Heuton after returning from Poland where she taught a seminar on Logistics Management in February 1993.

Many people who travel and work abroad, whatever the experience, report the same feeling of reward. International Development offers interested members and employees of Land O'Lakes and CENEX many opportunities to share their expertise with agricultural professionals in foreign countries. Interacting with people of other cultures can be one of the highlights of your career. ■

To find out how you can participate in these international opportunities, please contact:

- ◆ Cheryl Yasis, Project Officer, Poland, Estonia, Latvia, Lithuania, Czech Republic and Slovakia at 612/481-2579;
- ◆ Collette Younan, Project Officer, Bulgaria, Romania, Albania, and Hungary at 612/785-0282;
- ◆ Kathy Maro, Project Officer, Venev Project, Russia at 612/481-2345;
- ◆ Rich Hanna, Project Officer, Farmer-To-Farmer program, Russia and the Ukraine at 515/588-3600; and
- ◆ Lori Anderson, Project Officer, Philippines, Cameroon, Morocco, and U.S. customized courses at 612/481-2507

Partnerships

Land O'Lakes, in partnership with Olsztyn Agricultural University, launched its second year in applied management training by sending Lynne Heuton, Manager of Inventory Technical Resource in Land O'Lakes' Logistics Division, to conduct two five-day seminars in Logistics Management at the Olsztyn University of Agriculture and Technology in Olsztyn, Poland.

Thirty-six participated in the two seminars held November 16-20 and 23-27, 1992. The course's objective was to introduce business men and women to the concept of integrated logistics, the consolidation of distribution warehousing, transportation, and customer service: to move product from production through marketing channels to the customers effectively and efficiently.

Heuton conveyed the importance of logistics in the US economy and the evolutionary process of logistics management. One of the goals of the seminars was to introduce course participants to the evolutionary process of logistics management. The integration of traditional warehousing and distribution activities, production planning, purchasing, and sale forecasting provides tremendous opportunity for cost savings and improved customer service and has become a major management strategy in the US in the last 10-15 years. Developing an integrated logistics approach with a marketing orientation will provide Polish firms effective and efficient distribution systems.

In keeping with the Land O'Lakes' practical approach to training, this seminar included a field trip to warehousing facilities. Participants visited a small dairy ice cream and frozen food facility, a small dairy, producing butter, cheese, and yogurt, and a modern meat packing plant exporting to the US. The latter was a good example of good logistics principles in practice. "Both the students and I found the tours of the facilities to be valuable." The tours seemed to animate the students and created questions and discussions of logistics issues that we probably would not have encountered by staying in the classroom," Heuton observed.

In this second year of the program, Land O'Lakes continues its partnership with Olsztyn University, a relationship that Dr. Leslie Koltai, AID Principle Evaluator reviewed favorably. In the September 1992 evaluation report to USAID, Dr. Koltai wrote, "Olsztyn University hosted seminars taught by Land O'Lakes' staff. It was a wonderful demonstration of the benefits of involving Olsztyn University. The Evaluation Team supports the recommendation of future involvement [of the university]." Koltai continued by commending Land O'Lakes' seminar techniques, "... instructors, with whom the evaluation team met (Kim Ewers and Howard Gochberg), added a field trip element not previously incorporated into the session. They felt strongly that specific topics require hands-on exposure. Such knowledge and modifications improve the quality of a program."

Land O'Lakes' partnership with the University continues with the addition of computer equipment to assist the University to improve its infrastructure and develop a School of Agribusiness. Land O'Lakes will conduct a total of 10 five-day seminars at Olsztyn University through June 1993.

For more information on Land O'Lakes activities at Olsztyn University, contact Cheryl Yasis at 612/481-2579. ■

TRAVELER TO TRAVELER: WHEN IN POLAND...

THEORY OF TEN. Based on my "theory of ten," in which one should read ten books before claiming to know a subject, I'd say I benefited from trying to talk to ten different Poles, eating in ten different restaurants and visiting several cities. The impressions you get are all so different and so fascinating. Don't be afraid to try a variety of restaurants; some of my fondest memories are of dinners.

VISIT THE OLD TOWN. Every city seems to have an "old town" that may date back as far as 600 or 700 A.D. If you get a chance, go out and see it! You get an incredible sense of history. Even Warsaw, which lost about 80% of its original buildings in W.W.II has reconstructed some old buildings to specification. Warsaw is not all cookie-cutter apartment blocks.

MORE IS AVAILABLE. PACK LESS. Free enterprise is moving so quickly that you can see the changes. I found I did not need to pack toilet paper, pharmaceuticals or some clothing items. You can find almost anything you need for sale, depending on the city you're in. Leave some room in your bags for purchased items. Don't take a large wardrobe.

SPRECHEN SIE DEUTSCH? SO DO MOST POLES. If I had known how many Poles spoke German, I would have brushed up on mine. Lots of Poles understand German.

U.S. COOPERATIVE V. COLLECTIVES—THERE IS A DIFFERENCE. It's useful to know that the word "director" or "dyrektor" means a general manager in Poland, while in the U.S. it refers to a board member. There is intense interest in the American corporate version of a coop, the Communist cooperative is what they're familiar with. It would be helpful for Americans to know something about Communist coops to help clarify the differences.

These tips come courtesy of Lynne Heuton and Ken Schamberger, Land O'Lakes trainers.

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