

**Land O'Lakes, Inc.**  
**International**  
**Development**

**Farmer-To-Farmer Program  
Special Initiative for the New Independent States  
of the Former Soviet Union**

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**Quarterly Report July 1 - September 30, 1993  
Year One Annual Report**

**October 28, 1993**

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**QUARTERLY REPORT**  
**4th Quarter/Year One**  
**July-September, 1993**

**VOLUNTEER ASSIGNMENTS**

During the final quarter of the Farmer To Farmer program's first year, Land O'Lakes fielded 18 volunteers from seven states: Minnesota, Wisconsin, Iowa, North Dakota, South Dakota, Idaho and Washington. Volunteer assignments were located in six Russian Federation oblasts: Ryazan, Tver, Vologda, Ivanovo, Tula and Moscow.

<b>VOLUNTEER SPECIALIST(S)</b>	<b>VOLUNTEER STATE(S)</b>	<b>ASSIGNMENT DATES</b>	<b>ASSIGNMENT LOCATION</b>	<b>BENEFICIARY ORGANIZATION(S)</b>
Leslie Deckert	Minnesota	July 15-31, 1993	Ivanovo Oblast RUSSIA	Ivanovo Oblast AKKOR Lezhnevsky District AKKOR Kineshma District AKKOR

Deckert worked with the AKKOR organizations in the above districts to develop cooperative associations of private farmers. His assignment included educating groups of private farmers on cooperative principles and identifying highly motivated groups that will benefit from follow-up assistance in developing their business activities.

Deckert met extensively with the 40 strongest, out of 90 total, Lezhnevsky District private farmers who are planning to be involved in the cooperative which is being formed in their district. He assisted these farmers in prioritizing their activities as a cooperative according to their greatest potentials. After working through this process with Deckert, the farmers decided on a first priority, potato and milk production and processing, and a secondary priority, meat and grain processing.

In addition to this immediate impact, Deckert provided the private farmers with a new view of cooperatives and how they function in the United States. After covering the basics of cooperative function and development, he proceeded with the following:

- Worked directly with cooperative leader Margerita Pavlova to inform private farmers of the benefits of cooperatives and enlist their support. They were able to identify 12-14 private farmers who were willing to commit capital.
- Advised Pavlova to consider the benefits of using a supply-type cooperative structure as a buying group to obtain inputs such as fertilizer and herbicides from state-owned enterprises.
- Presented a new concept of cooperative/processing plant structure to the private farmer group. Because many Russian farmers believe that cooperative is simply a different name for the old collective farm system, the Lezhnevsky farmers believed that any processing plant that the cooperative had a controlling interest would have to be staffed by the farmers themselves. Deckert suggested that by forming a cooperative, the farmers could hire other people to do the processing and run the plant, allowing the farmers to concentrate on farm production - their area of expertise. After introduction of this new concept, the farmers began to envision ways to process their potatoes without doing the processing themselves. Some of the farmers said they would even borrow money to be a part of the cooperative if it would take care of the processing.

Based on information supplied by Deckert, a follow-up volunteer assignment in the Lezhnevsky district was executed during September in potato production, storage and processing.

Deckert also responded to a request by the Kineshma District AKKOR to evaluate potential cooperative activities among private farmers in that district. As a result of information obtained during that additional trip, four follow-up volunteer assignments were executed in dairy processing, forage and dairy production, and potato production, storage and processing.

Evaluation interviews with the beneficiary organizations will be conducted in December, 1993, to ascertain the impact of the above recommendations. Impact information from these interviews will be reported in the first quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Chuck Keifer	Minnesota	July 29-August 14, 1993	Vologda Oblast RUSSIA	Vologda Oblast AKKOR
Charles McCullough	Iowa			

This volunteer team provided a much-needed bridge between the Vologda Oblast AKKOR and oblast and district level government officials as they carried out their assignment in cooperative development principles. Enthusiasm in the Vologda Oblast AKKOR had been waning due to lack of active support by the regional and local government for private farmer movements. Kiefer and McCullough met directly with these government officials, explaining the basics of U.S. cooperative structures, promoting the benefits of private farming and dispelling the belief that American agriculture is state-run.

Kiefer represents the agribusiness management element in a cooperative and McCullough is an experienced cooperative board member and farmer member. These areas of expertise complemented each other as the team explained farm credit system functions, cooperative credit systems, private farmer cooperative structure and the roles of board, management and private farmers in a cooperative. For most of the AKKOR and government officials, this was the first direct contact with a person of McCullough's background.

Because Vologda AKKOR's General Director, Nikolai Korotkov, was present at all of the meetings, he will now have better access to the district and oblast officials and AKKOR's ideas for development of the private farming sector will have a more open forum in government circles.

The team also participated in the writing of a concept paper, The Future of the Vologda Oblast Private Agricultural Sector, by the regional AKKOR directors. The team provided information on:

- how cooperatives/private farmers provide and share equipment
- how the equipment is used
- who owns the equipment
- payment for use of the equipment
- how private farms located far from one another can cooperate in pooling their harvests and processing their goods. The team suggested that farms on the same latitude cooperate because of strong differences in the growing season from north to south.

Evaluation interviews with the beneficiary organizations will be conducted in January, 1994, to determine the status of the relationship between government officials and the private farming sector and also the results of the concept paper. Impact information from these interviews will be reported in the second quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Clara Johnson	Iowa	July 29-August 14, 1993	Ryazan Oblast RUSSIA	Mostok Private Farmers' Cooperative

The Ryazan Oblast AKKOR arranged for Johnson to work almost exclusively with Raisa Petrovna Yakubova, the head of the Mostok Private Farmers' Cooperative. Yakubova is planning to open a dairy processing plant in the Pronsk district. Johnson's assignment included one-to-one education and assistance in planning for the following areas:

- plant buildings - design and construction
- processing plant operations
- milk supply
- sanitation issues - farm and plant
- preventative maintenance
- troubleshooting techniques
- insect/pest control
- hiring policies

Johnson concluded that Yakubova's weakest area was in planning and organization. Therefore, Johnson also introduced management and total quality tools addressing prioritizing and step-by-step planning and problem-solving.

The Ryazan Dairy Institute will add support to Johnson's advice, creating a synthesis of Russian and American ideas. An evaluation interview with Yakubova will be conducted in January, 1994, to ascertain her progress toward her goals. Impact information from this interview will be reported in the second quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Lawrence Hunt	South Dakota	August 5-21, 1993	Moscow Oblast RUSSIA	STI (Agricultural Technology Information) Zavorovo Private Farmers' Association
John "Jack" Danz	South Dakota			

The team worked in the Moscow Region with STI, a private company interested in constructing a dairy processing facility. Hunt provided expertise in the financial aspects and feasibility of a plant start-up and Danz advised on plant design and sanitation issues for both the plant and the farms providing milk for the plant.

The team provided several immediate benefits to STI:

- Cash-flow statements were developed by Hunt showing both a butter and a cheese operation. Based on these statements, STI decided to change their original plans from butter to cheese. This agreed with Hunt's analysis.
- A business plan, produced in conjunction with and including the cash-flow statement and start-up costs for the cheese operation, was used in meetings with local banks while the volunteers were still on assignment. The presence of the volunteers enabled STI to schedule these meetings - prior to that time, the banks would not see STI. During one meeting, the bank officer admitted to Hunt that he had never before seen a cash-flow statement.
- The business plan and cash-flow statement will be used in the future to apply for low-interest loans from banks and fund set up for private agriculture by the Russian Federation Government. STI now has the advantage of not only having such documents but also understanding how to use them.
- Upon return to the U.S., the volunteers, at their own time and expense, investigated potential funding sources for STI's proposed plant. They identified two possible sources and this information was passed on to STI. Land O'Lakes is assisting STI in putting together applications for funding and advising on document preparation, the core of which will be the business plan prepared by the volunteers. The volunteers' intention is to provide information on potential loans to the individual farmers who will be producing milk for the dairy so that each has an incentive to be involved in the project. The team believes that this project will stir interest in the U.S. because it involves farmers from the first privatized state farm in the Moscow region (Zavorovo).

Evaluation interviews with the beneficiary organizations will be conducted in January, 1994, to ascertain the impact of the above technical assistance. Impact information from these interviews will be reported in the second quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Steve Krikava	Minnesota	August 7-21, 1993	Ryazan Oblast RUSSIA	Ryazan Oblast AKKOR Mostok Private Farmers' Cooperative
Alton Krikava	Minnesota			

This team assisted the Ryazan Oblast AKKOR by further educating farmers regarding cooperatives and helping with cooperative development in the local districts. The team provided additional support to the Mostok Farmers' Cooperative assisted previously by volunteer Clara Johnson (see above). Their work with Yakubova, head of the cooperative, included:

- survey of and recommendations for improvements to proposed milk processing facility.
- training on how to form a board of directors for the fledgling cooperative, the functions of a board and its role in making progress checks for the cooperative.
- review and re-emphasis of the management and total quality tools Yakubova was trained in by Johnson, the previous volunteer. Yakubova is beginning to see the value of using these tools to help her make decisions.

The team also worked with private farmer L.N. Shpak from the Rybinski district. Their advice was perceived as "scientifically-proven" and sound because of the specialists' experience working directly in farming in the American system. A result of this contact is a scheduled follow-up volunteer assignment in potato production, storage and processing in October. This assignment will be executed by volunteers expert in the field of potato production and processing.

An evaluation interview with the Móstok Cooperative will be done in January, 1994, to ascertain the impact of the above technical assistance. Impact information from this interview will be reported in the second quarter report of year two. A report of the assignment with L.N. Shpak will be included in the next quarterly report. Evaluation interviews regarding these two assignments with Shpak will be in January and April, 1994, respectively with reporting in the second and third quarter reports.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Donald Anderson	North Dakota	August 12-27, 1993	Moscow Oblast RUSSIA	Moscow State University - Department of Economics
David Nelson	Minnesota			

Anderson and Nelson worked with the head of the Department of Economics, Moscow State University, Dr. Alexei M. Yemelyanov. Their technical assistance intervention provided information on free market economics and facilitated curriculum development in this topic. The volunteers made the following recommendations to respond to issues needing early resolution:

- train faculty for a better understanding of market systems in the Russian agricultural economy.
- develop an agricultural curriculum for Moscow State University and the agricultural institutes which would incorporate a training of trainers (TOT) element. TOT would emphasize curriculum development and planning, basic management principles, farm and coop management, market forces, risk uncertainty and principles of business management.
- develop a reference material base of state-of-the-art free market information material and determine what and how to translate.

Moscow State University has begun developing relationships with other institutes using a U.S. model of collaboration presented by Anderson and Nelson. The volunteers encouraged cooperation among different faculties to develop educational programs and materials on free enterprise, free market economies and privatization. Other higher education institutes have since heard of the results of the volunteers' work with Moscow State University because the University is connected with institutes across the Russian Federation. The Kameronovo International Business Institute has since requested a similar technical assistance intervention.

Anderson and Nelson were originally assigned to work with the Vologda Dairy Institute; however, immediately before the volunteers arrived in Moscow, as they were in transit, the Institute indicated that they would not be able to host the volunteers at that time. The technical assistance assignment with Moscow State University was arranged to cover this situation. Further technical assistance with Moscow State University is being evaluated at this time.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Harry Danz	Wisconsin	August 19-September 4, 1993	Ivanovo Oblast RUSSIA	Ivanovo Oblast AKKOR (Kineshma, Zavolzhsk, Lezhnevsky and Shuya Districts) Fermer (private agribusiness)
Bernard Quade	Wisconsin			

Danz and Quade provided expertise in dairy processing and production to the Ivanovo Oblast AKKOR and private farmers and businesses in that oblast. The team left materials on cattle feed, prepared by the Rice Lake Institute, with the Ivanovo AKKOR for further distribution among private Ivanovo farmers including those in districts Land O'Lakes works with: Kineshma, Zavolzhsk, Rodniki, Shuya and Lezhnevsky.

In the Rodniki district, the volunteers recommended that private farmers put emphasis on potato and swine production in order to realize their potential competitive advantage. In the Kineshma district, private farmers were advised to concentrate on grain, potato and swine production.

Danz and Quade also worked with a private company, Fermer, operated by Viktor Taraev. The team generated the following results:

- Produced a business plan for the company. This document has subsequently been used to attract business partners from the U.S. (see Funk & Love assignment below) and to submit with applications for low-interest loans from both banks and special funds set up by the Russian Federation government.
- Assisted Taraev in planning for the realities of setting up a cheddar cheese plant, including ensuring an adequate milk supply, organizing a dairy plant appropriately and the start-up of a dairy processing plant.

Evaluation interviews with the beneficiary organizations will be conducted in February, 1994, to ascertain the impact of the above technical assistance. Impact information from these interviews will be reported in the second quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Vernon Meyer	Iowa	September 2-18, 1993	Tula Oblast RUSSIA	Venev Technical Institute Venev District AKKOR

Meyer's assignment to present farm building construction concepts and procedures to private farmers was requested by the Venev Technical Institute and facilitated by the Venev District AKKOR. He provided new ideas to private farmers in the Venev area on how to construct buildings; however, his greater impact was providing suggestions for improving current buildings. Meyer said,

*"While a lot of their buildings need to be overhauled or rebuilt, it is not possible for them to finance new buildings. In the meantime, there are some very simple things that they can do to improve what they do have."*

For example, ventilation in cattle buildings is almost non-existent. Meyer explained that just opening windows and doors would greatly improve the situation, decreasing respiratory diseases and increasing the growth rate of animals.

Evaluation interviews with the beneficiary organizations will be conducted in February, 1994, to ascertain the impact of the above technical assistance. Impact information from these interviews will be reported in the second quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Robert Kunkel	Washington	September 2-18, 1993	Ivanovo Oblast RUSSIA	Ivanovo Oblast AKKOR Lezhnevsky District AKKOR

Through the Lezhnevsky District AKKOR, Kunkel worked with private farmer Margarita Alexevna Pavlove on potato production, storage, weed control, infestation/disease control and harvesting.

A major accomplishment of this assignment was the translation of a short book on potatoes. This translation work was done in the evenings and over the weekend. The book contains practical information, a detailed understanding of which Pavlove now has, and will be useful on an ongoing basis.

Evaluation interviews with the beneficiary organizations will be conducted in February, 1994, to ascertain the impact of the above technical assistance. Impact information from these interviews will be reported in the second quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Raymond Funk	Idaho	August 9-25, 1993	Ivanovo Oblast RUSSIA	Ivanovo Oblast AKKOR (Kineshma and Zavolzhsk Districts) Fermer (private agribusiness)
Steve Love	Idaho			

Funk and Love provided expertise in potato storage and processing to both district farmer organizations and individual private farmers. In addition, they further assisted the private business Fermer, a beneficiary organization first assisted by volunteers Harry Danz and Bernard Quade (see above).

Funk and Love worked on potato storage with private farmers in the Kineshma and Zavolzhsk district. The volunteers even built a small storage facility at one private Kineshma farm. A site for a similar storage facility was also identified for another private Kineshma farmer, Elena Urbanovich. Potato production topics were also covered, such as field rotation, seed depth, planting and harvesting.

In Zavolzhsk, Funk and Love convinced the private farmers to not only produce marketable potatoes but seed potatoes as well. The volunteers instructed the farmers in how to provide the proper insulation required for seed potato production. Field work included showing farmers how to build storage facilities with clamps to prevent water seepage.

Potato storage expertise is greatly needed in all oblasts with which Land O'Lakes works. Currently, farmers are selling their potatoes at harvest, when the market is flooded. By introducing better storage

techniques, the farmers can also sell fresh, wholesome potatoes in the winter and spring, when the market is open.

Processing was addressed in both districts with emphasis on turning potatoes into dehydrated potato flakes or starch products. The team's evaluation indicated that the farmers in this area are ready for this type of processing operation. In response to farmer inquiry, the volunteers advised against processing potatoes into fries and recommended chips on only a limited scale. This is because of limited storage and marketing capabilities.

The volunteers provided detailed materials on potato production, storage and processing to the Land O'Lakes Moscow office. These materials will be translated and distributed to the Ivanovo farmers.

Funk and Love also provided additional assistance to Fermer in Rodniki. This assistance took the form of potato processing information which Fermer needed to prepare the company for negotiations with potential partners in the U.S. The information was combined with the business plan developed by Harry Danz and Bernard Quade (see above) and subsequently disseminated in the U.S. by Funk and Love. An Idaho company has expressed interest in a possible business venture with Fermer as a result of this document and will be sending its representative to Rodniki for preliminary business discussions.

Also after their return to the U.S., these volunteers helped a member of the national Russian potato growers organization, The Russian Potato Concern, obtain seed potato stock during her visit to the U.S. The agricultural pathologist, Elena Barinova, was one of the people Funk and Love had contact with during their Farmer-to-Farmer assignment.

Evaluation interviews with the beneficiary organizations will be conducted in February, 1994, to ascertain the impact of the above technical assistance. Impact information from these interviews will be reported in the second quarter report of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Joe Kenworthy	Washington	May 24-28, 1993 September 6-10, 1993	Tver Oblast RUSSIA	Tver Oblast AKKOR Kushalino Farmers' Association

Kenworthy presented information on American potato production, sorting and storage technologies. In addition to providing this information to the Tver Oblast AKKOR representatives, he spent a large proportion of his assignment working with the Kushalino Private Farmers' Association on potato production, sharing equipment and planning production.

At the request of the Association leader, he focused on how production on each of the 14 Association farms should specialize and plan their potato production. In addition, he assisted in preparing a business plan for the Association pertaining to potato production and marketing.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Joe Kenworthy	Washington	May 17-21, 1993 August 30-September 3, 1993	Tula Oblast RUSSIA	Venev District AKKOR

As in Tver, Kenworthy presented information on American potato production, sorting and storage technologies. In addition to providing this information to the Tula Oblast AKKOR representatives, he spent some time working with the Venev Farmers Cooperative on potato production and planning production.

Subsequent technical assistance needs for Venev private farmers will be coordinated through the Land O'Lakes USAID-funded program in Venev.

### FFA SUBAGREEMENT

In response to the volunteer assignments completed by FFA under the Farmer To Farmer program this summer, several computer programs were shipped by courier to the Educational Methodology Center (EMC) at Novo-Sinkovo. The programs, donated by two software companies, are examples of computerized farm accounting systems used by private farmers in the U.S.

Two new curricula dealing with private farm management and agricultural marketing are being written by the EMC for release next summer to the agricultural schools around Russia. FFA is responding to requests for assistance with this activity both by providing volunteers and materials. Materials include U.S. curricula on farm management and agribusiness management. FFA has found that the content of their U.S. agrimarketing curricula does not apply in the NIS because of the emphasis in U.S. materials on commodity trading in the futures market. In the NIS, marketing is viewed as the merchandising of food products to processors or through food markets. FFA hopes to send materials on this topic when the FFA coordinator returns to Russia in November.

Land O'Lakes has received a workplan from FFA for the second program year. This workplan will be incorporated into the Land O'Lakes year two workplan. Land O'Lakes and FFA discussed plans to have Land O'Lakes field volunteers in curriculum development. FFA agreed that the demand for this type of technical assistance was greater than they could cover by themselves and therefore Land O'Lakes will also fill t.a. requests in this area. Land O'Lakes and FFA will keep in close contact on which schools are to receive technical assistance and will exchange information on volunteer recommendations for changes in curriculum and materials so that materials can be used by subsequent volunteers from either FFA or Land O'Lakes.

### IMPACT REPORTING

In October, 1993, Land O'Lakes U.S. and NIS program management staff finalized a methodology for timely evaluation and monitoring of long-term impact resulting from technical assistance interventions. Each beneficiary organization will be interviewed by Land O'Lakes NIS staff four to six months following each technical assistance intervention. This interview will determine the following:

- long-term, measurable impact resulting from technical assistance such as implementation of technical expert recommendations, use of expert tools, increased profitability, dissemination of technical assistance information or skills to other organizations
- process toward beneficiary organization goals
- beneficiary organization desire for further technical assistance (if such has not already been completed)
- changes or improvements necessary in future assistance for maximum efficiency and effectiveness

In addition to the above interview, volunteer debriefings will continue to be conducted to capture immediate assignment outcomes and to obtain the written recommendations of the volunteers for the beneficiary organizations. Exceptional reports of impact will be forwarded to USAID/Washington and USAID/Moscow or Kiev as soon as the information becomes available. This evaluation and monitoring process is intended to be dynamic and will be improved as the situation and feedback warrant.

## PROGRAM MANAGEMENT

This quarter, program management in the U.S. focused primarily on refinement of existing systems in order to more efficiently prepare volunteer assignments, volunteers themselves and all the appropriate clearances and visas. Another emphasis was on enhancing tracking systems designed to provide information about the volunteers and their assignments. A division-wide database has been created to contain technical expert and assignment information for both this and other Land O'Lakes international development programs. Currently, historical and active information is being entered into this database. USAID information needs have been considered in all aspects of database planning and implementation as well as in manual tracking of information.

In the NIS, program management continued the process of recruiting qualified, enthusiastic and dedicated personnel to act as coordinators in the Russian Federation and Ukraine. In Ukraine, arrangements have been made to work with the L'viv Institute of Management, Business Support Group, to obtain in-country support for the Farmer To Farmer program. This organization's involvement will be to provide logistical arrangements for volunteers coming to Ukraine and to receive incoming technical assistance requests. In the Russian Federation, an effort is being made to recruit a Russian national who is an agricultural specialist to enhance the expertise of the current Moscow staff.

Land O'Lakes in-country staff hosted the USAID meeting of agricultural program implementors in Moscow. Included in the meeting were representatives from the following organizations: CNAA, ABS, Winrock, US Embassy, USAID, Agrarian Institute, Russian Potato Concern, PIET, World Bank, ACDI, TVG, Boston Consulting Group and VOCA. The topic of the meeting was the food processing industry in the Russian Federation - problems today, what it hold for the future, and where USAID technical assistance should be directed. The guest speaker was Glen Steeves, General Director, McDonald's/Moscow. A tour of the McDonald's plant was provided.

Revisions of current technical assistance application forms and technical assistance evaluation forms are being completed. These revisions will enhance Land O'Lakes ability to match volunteers to assignments and to measure assignment impact.

## **PROGRAM OBSTACLES/MAJOR CHANGES**

Program focus will be broadened in year two to include direct involvement in curriculum development technical assistance. This will satisfy a pressing need in the NIS to reform the agricultural education system as well as providing another source of technical assistance requests in addition to AKKOR. Land O'Lakes anticipates approximately 15 technical assistance interventions in curriculum development and reform by the end of the program, located primarily in Land O'Lakes targeted oblasts. Educational institutions outside these areas will receive some consideration. The overall focus of Land O'Lakes Farmer To Farmer program will remain on providing assistance in cooperative development, storage and processing systems.

Program activities continued to be delayed in Ukraine due to logistical difficulty in communicating with and traveling to L'viv and complications in finalizing arrangements with the L'viv Institute of Management for logistical support. These obstacles have largely been overcome at this point. Volunteer assignments are scheduled for the L'viv region in November and December in private farm management, cooperative development and collective farm privatization.

## **UPCOMING**

Land O'Lakes will endeavor to maintain volunteer numbers during the next two quarters encompassing the winter months. Weather and holidays present obstacles to volunteer travel, especially since some of the districts are more primitive than Moscow, but assignments should proceed between Thanksgiving and Christmas. At least one assignment in curriculum development is planned for this period at the current time. Other assistance requests are still open and will be filled throughout the winter as possible.

During the next quarter, 13 volunteers will be fielded - eleven in Russia and two in Ukraine. Assignments will be in curriculum development, cooperative development, privatization of collectives, dairy extension, milk processing, potato storage and potato processing.

## **ATTACHMENTS**

### **A. Quarterly Financial Report**

ANNUAL REPORT  
Year One  
1992-1993

**VOLUNTEER ASSIGNMENTS**

Volunteer Demographics

Through the end of year one of the Farmer To Farmer program, Land O'Lakes fielded 22 volunteers. Under a subagreement with Land O'Lakes, FFA fielded four volunteers during that same time period. All 26 volunteer assignments during year one were in the Russian Federation.

Volunteers represented nine states: Illinois, Louisiana, Iowa, Minnesota, Washington, South Dakota, North Dakota, Wisconsin and Idaho. There were 24 male and two female volunteers. All volunteers are or had been actively involved in post-harvest aspects of agriculture: storage, distribution, processing, marketing, cooperative development, curriculum development, education, government policy, financial and business management.

Beneficiary Organization Demographics

Volunteers worked with at least 23 different Russian Federation organizations. Documented organizations include:

Ivanovo Oblast AKKOR	Ryazan Oblast AKKOR
Lezhnevsky District AKKOR	Moscow State University -
Kineshma District AKKOR	Department of Economics
Vologda Oblast AKKOR	Zavolshek District AKKOR
Mostok Private Farmers' Cooperative	Shuya District AKKOR
STI	Fermer
Zavorovo Private Farmers' Association	Venev Technical Institute
Tver Oblast AKKOR	Kushalino Farmers' Association
Venev District AKKOR	Salyut Farm
Venev Farmers Cooperative	Russian Education Methodology Center
Yakhromsky State Farm and College	Russian School of Management and Agribusiness
Institute of Comparative Social Research	Private Farmers' Cooperative (unnamed as yet - Lezhnevsky district)

The above organizations are located in six oblasts of the Russian Federation: Moscow, Tula, Tver, Ivanovo, Vologda and Ryazan. Two of the organizations, both cooperatives, are headed by women. Organizational focuses include: dairy distribution and processing; grain production, storage and distribution; potato production, distribution, storage and processing; value-added product marketing research; and farm building construction. Institutional focuses include: national, district and local agricultural policy; agriculture policy and methodology education; curriculum development; and cooperative, agribusiness association and farm association development.

Assignments/Scopes of Work

All volunteer assignments were a minimum of two weeks. The average assignment length was 2.5 weeks. Volunteers participated in a U.S. briefing, an in-country orientation and debriefing, and a U.S. debriefing. A briefing book was provided to each volunteer containing country information, emergency contact numbers, health and safety information, assignment description, in-country contacts, program description and various other information deemed helpful to the volunteer.

Each volunteer was given an extensive scope of work for his or her assignment. Volunteers were encouraged to adapt their scope of work to the situation - deleting items that were inappropriate due to weather, experience level of beneficiary or lack of equipment or funding; adding items from their experience which better fit the situation, level of expertise or available tools.

Given the volatility of the situation in Russia and the lack of many things U.S. agribusinesses consider basic operating conditions, volunteers faced definite challenges in adapting a high level of technical expertise to the availability of expertise and materials and the expectations of the beneficiary organizations. However, each volunteer showed creativity and initiative in dealing with the unique needs of each beneficiary organization. Volunteers drew from the past, connecting years of related experience with current materials and giving the beneficiary organizations assistance that is viable now.

As Land O'Lakes collected more information from each returned volunteer, more information was given to each volunteer going out. This resulted in improved volunteer scopes of work, less volunteer and beneficiary organization frustration, greater levels of trust and more efficiency in the assignment. Land O'Lakes continues to focus on removing as many barriers as possible to a successful volunteer assignment. A recent project has been to develop a list of the questions most frequently asked of beneficiary organizations by the volunteers. These questions and answers can easily be provided before the assignment begins, thereby eliminating beneficiary frustration at being asked the same questions repeatedly and to better prepare the volunteers.

At the end of year one, Land O'Lakes believes that building on past assignments and working consistently with a beneficiary organization until they have attained a sustainable level of expertise builds trust and raises the efficiency of each follow-up assignment with that organization, minimizing the time each volunteer spends explaining Land O'Lakes, USAID and the Farmer To Farmer program and maximizing the time spent in technical assistance.

### Impact

Volunteers often interacted with groups of private farmers and agribusiness people. Volunteers developed or provided materials which were then left with the district- and oblast-level AKKOR's. These materials are being used as reference by many more farmers and agribusiness groups. It is likely that volunteers have impacted people outside of the above organizations, perhaps even during their assignments as beneficiary organizations invited their colleagues to sit in on planning, educational and field work sessions.

Land O'Lakes has designed a methodology for evaluating and monitoring long-term measurable impact of volunteers assignments. This methodology is based on the development of specific goals, purposes and outputs for the Land O'Lakes Farmer To Farmer program. The second year implementation plan includes a revised logical framework which supports these benchmarks. Further information regarding the evaluation and monitoring methodology is contained above in the fourth quarter report of year one.

Based on this evaluation methodology, the first beneficiary organization interview for fourth quarter volunteer assignments will be conducted in January, 1994. Land O'Lakes has determined for purposes of its program that a time period of four to six months between volunteer assignment and impact interview will assure that impact information gathered is sustainable and accurately reflects a long-term benefit for the beneficiary organization. This time period will be reassessed periodically to determine effectiveness.

## **FFA SUBAGREEMENT**

The National FFA Foundation subrecipient continues to focus on curriculum development and agricultural education institutions as beneficiary organizations. The FFA has formed a close relationship with the Educational Methodology Center outside of Moscow. This organization is responsible for developing curricula for Technical Institutes through Russia. In addition to participating directly in curricula development sessions, the FFA has provided course materials and agribusiness management computer programs to the Educational Methodology Center. Evaluation of progress towards goals for the EMC will be done in October, 1993, with return technical assistance in the second quarter of year two.

Demographic information regarding FFA volunteer assignments has been included above in combination with Land O'Lakes information. FFA administrative activities such as reporting, travel clearances and volunteer data tracking are performed by Land O'Lakes program management staff.

## **PROGRAM MANAGEMENT**

Land O'Lakes program management for year one consisted primarily of start-up activities. Start-up activities include but are not limited to:

- development of a methodology for receiving and processing beneficiary organization technical assistance requests;
- development of methodologies for recruiting and fielding volunteer experts;
- establishing, equipping and staffing a local office in Russia;
- initial stage of development of volunteer database;
- establishment of target regions in Russia and Ukraine;
- preparation of volunteer briefing materials; and
- connection of Land O'Lakes Arden Hills and Moscow office to MCI Mail, an e-mail communication system. This system also allows Land O'Lakes to communicate via e-mail with USAID/Washington and, if applicable, USAID Missions in the NIS.

During year one, Land O'Lakes administrative staff responded to USAID requests for information in a timely manner. Travel authorization requests and notifications were sent to USAID/Washington within the timeframe requested by that office. All volunteers and staff received the appropriate clearances before travelling to the NIS. All quarterly reports were submitted on or before the deadlines stated in the cooperative agreement.

Land O'Lakes will maintain previous levels of volunteer assignments during first two quarters of year two. The year two implementation plan contains projected numbers of volunteers, logical framework and level of effort in person months. Since start-up activities are complete for the most part, program

management activities in year two should focus on maintaining appropriate levels of volunteer activity and evaluation and monitoring of volunteer assignment impact on beneficiary organizations.

In October, 1993, Land O'Lakes program management staff participated in a two-day workshop to finalize plans for this monitoring and evaluation system. See the fourth quarter report of year one above for additional information on this system. In addition to ascertaining the success of technical assistance assignments, this system will improve timeliness of outstanding impact reporting to USAID/Washington.

## **OBSTACLES/MAJOR CHANGES**

During year one, the following challenges were met by Land O'Lakes:

- poor communications between the NIS and U.S.
- poor roads and transportation systems in Russia and between Russia and Ukraine
- hyperinflation of the Russian economy, resulting in weakened economic conditions for some beneficiary organizations
- expectations of beneficiary organizations which did not fit the mandates of the Farmer To Farmer program

Through consistent cooperation and excellent teamwork between Land O'Lakes Arden Hills staff, Land O'Lakes Moscow staff and USAID, each of these challenges, if not completely resolved, were addressed to the extent possible in order to keep the program moving forward efficiently and effectively. Land O'Lakes staff continues to improve communications with its internal staff, USAID, other implementors and Russian and Ukraine beneficiary and government organizations in order to continue this pace and effectiveness. In response to information from Land O'Lakes' network of in-country information, the original oblasts targeted for assistance were changed slightly to reflect changes in mind-set towards development of the private sector within each of the oblasts originally proposed. The final targeted oblasts are: Moscow, Ryazan, Vologda, Ivanovo, Kaliningrad. Requests from outside these oblasts will be filled if Land O'Lakes is in a unique position to provide effective technical assistance; however, it has been decided that concentrated effort is necessary in a limited amount of regions to obtain long-term measurable and sustainable impact.

## **ATTACHMENTS**

### **B. Year One Financial Report**

**ATTACHMENT A**  
**QUARTERLY FINANCIAL REPORT**

**FARMER TO FARMER  
# FAO-0705-A-00-2091  
FINANCIAL REPORT**

	Expenditures		
	Actual Grant to Date	Actual 7/1/93 to 9/30/93	Projected 10/1/93 to 12/31/93
1. Direct Labor	116196	38847	23496
2. Fringe Benefits	31720	13156	5639
3. Consultants	14841	5399	6696
4. Travel/Per Diem	130003	85349	43722
5. Expen. Supplies/Materials	2029	1883	2700
6. Nonexpendable Equipment	0	0	17000
7. Subcontracts/Subagreements	23617	23617	21925
8. Other Direct Costs	8368	2130	23050
9. Evaluations	0	0	10000
10. Indirect Cost	<u>143277</u>	<u>72376</u>	<u>65297</u>
Total Federal Funds	470051	242757	219525
Non-Federal Funds	<u>22425</u>	<u>10073</u>	=
Total Program	<u><u>492476</u></u>	<u><u>252830</u></u>	<u><u>219525</u></u>

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.

**ATTACHMENT B**  
**YEAR ONE FINANCIAL REPORT**

**FARMER TO FARMER  
GRANT # FAO-0705-A-00-2091  
FINANCIAL REPORT**

	Expenditures		
	Actual Grant to Date	Actual 10/1/92 to 9/30/93	Projected 10/1/93 to 9/30/94
1. Direct Labor	116196	116196	174440
2. Fringe Benefits	31720	31720	41866
3. Consultants	14841	14841	63431
4. Travel/Per Diem	130003	130003	304000
5. Expen. Supplies/Materials	2029	2029	14874
6. Nonexpendable Equipment	0	0	17000
7. Subcontracts/Subagreements	23617	23617	68390
8. Other Direct Costs	8368	8368	37570
9. Evaluations	0	0	10000
10. Indirect Cost	<u>143277</u>	<u>143277</u>	<u>323914</u>
Total Federal Funds	470051	470051	1055485
Non-Federal Funds	<u>22425</u>	<u>22425</u>	<u>238730</u>
Total Program	<u>492476</u>	<u>492476</u>	<u>1294215</u>

This report represents a summary of actual and accrued expense 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.