

Land O'Lakes, Inc.
International
Development

**LAND O'LAKES / TRI VALLEY GROWERS
QUARTERLY REPORT ON ACTIVITIES
July 1, to September 30, 1993**

and

**ANNUAL REPORT ON ACTIVITIES
October 1, 1992 to September 30, 1993**

October 27, 1993

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**LAND O'LAKES/TRI VALLEY GROWERS
COOPERATIVE AGREEMENT NUMBER: FAO-0192-A-00-2081-00
Project Number: 938-1092**

**QUARTERLY REPORT
APRIL 1 TO JUNE 30, 1993**

I. Activities This Quarter

Land O'Lakes

As was intended, Land O'Lakes involvement in this program has decreased as Tri Valley Growers implementation and administrative expertise has grown. Therefore, Land O'Lakes activity for this quarter was minimal. Activity included:

- Mary Hotchkiss provided Tri Valley Growers with instruction in equipment procurement authorization procedures.
- A copy of the brochure covering HAC insurance for training participants was sent to Tri Valley Growers. Discussion about the most current procedures for processing training participants from the NIS continues periodically.

Tri Valley Growers

The quarterly report submitted by Tri Valley Growers is included as Attachment A.

- II. There were no problems/delays/adverse conditions that substantially affected program objectives, time schedules or project work activities.
- III. Consequently, there were no actions taken or contemplated nor any assistance needed to resolve any situations.
- IV. There were no favorable developments or events that enabled time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

No new USAID funding was received this quarter.

V. Financial Report

- 1) The quarterly financial report is included as Attachment B.

VI. Attachments

A. Tri Valley Growers Quarterly Report

B. Quarterly Financial Report

**ANNUAL REPORT
YEAR ONE**

OCTOBER, 1992 THROUGH SEPTEMBER, 1993

I. Activities This Year

Land O'Lakes

The following activities took place during year one of this program:

1. Land O'Lakes conducted a training session with Tri Valley Growers staff at Land O'Lakes headquarters in Arden Hills, MN. This training took place during January of 1993. Information presented included: report writing, financial accounting, travel authorization procedures and training participant procedures.
2. Land O'Lakes acted as a resource to Tri Valley Growers in the submission of an implementation plan for this program.
3. Training participant procedures particular to the NIS were researched and disseminated to Tri Valley Growers. Programs involving training participants from some of the smaller republics of the NIS will need to allow extra time for processing of training participants until training staff is designated at the Missions.

Upcoming in year two of the program will be an on-site training session by Land O'Lakes controller Sally Collins. This is scheduled for November, 1993.

Tri Valley Growers

The year one annual report submitted by Tri Valley Growers is included as Attachment C.

- II. There were no problems/delays/adverse conditions that substantially affected program objectives, time schedules or project work activities.
- III. Consequently, there were no actions taken or contemplated nor any assistance needed to resolve any situations.
- IV. There were no favorable developments or events that enabled time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

No new USAID funding was received this year.

V. Financial Report

- 1) The annual financial report is included as Attachment D.

VI. Attachments

C. Tri Valley Growers Annual Report

D. Annual Financial Report

ATTACHMENT A

Tri Valley Growers Quarterly Report

**LAND O'LAKES/TRI VALLEY GROWERS
COOPERATIVE AGREEMENT NUMBER FAO-0192-A-00-2081-00
Project Number 938-0192**

**QUARTERLY REPORT ON ACTIVITIES
FROM JULY 1 TO SEPTEMBER 30, 1993**

This report covers the period from July 1, 1993 to September 30, 1993 for Cooperative Agreement FAO-0192-A-00-2081-00 between the US Agency for International Development (AID) and Land O' Lakes (LOL) and the Subagreement between LOL and Tri Valley Growers (TVG).

The following activities took place during third quarter, 1993:

INTERNSHIP

Victor Roshca and Vasile Boumacov, Associate Professors at the Agrarian State University in Chisinau, Moldova, arrived for training August 15, 1993. They will be in the US until December 13, 1993. Dr. Roshca is a specialist in vegetable crops, with specific interest in the post harvest preservation and storage of vegetables, organic farming and sustainable agriculture. Dr. Boumacov is an agricultural engineer, with specific interest in the design and manufacture of farm machinery, irrigation, and energy use in agriculture. Both Drs. Roshca and Boumacov have extension responsibilities with private and former collective and state farms and industry in Moldova in addition to their research and teaching roles at the University. Dr. Roshca works with farmers in seed production, variety testing, and vegetable production. Dr. Boumacov works with both farm managers and equipment manufacturers in the design, manufacture and testing of farm equipment.

For this program, Tri Valley is working with the University of California, Davis, the Sacramento-Chisinau Sister City Program, and numerous California agribusinesses to provide intensive, individualized training. The program has been structured to give both professors an overview of California agriculture and agricultural practices during the first month and a half of their training. After a week of orientation at Davis and Sacramento, California, they were enrolled in a short course on the Scientific Concepts and Principles of Post harvest Biology and Technology of Horticultural Perishables developed by the Post harvest Group and University Extension, University of California, Davis, in cooperation with the Post harvest Institute of Perishables, University of Idaho, Moscow. After the short course, Professors Roshca and Boumacov worked with professors in various departments of the University of

California, Davis, and with University Extension Farm Advisors in their areas of specialty. They visited farms specializing in organic farming, a seed production and packaging company, and met with members of the California Energy Commission. Their training schedule is attached as Appendix A.

In October, training will be individually tailored to each participant's needs. Dr. Roshca will spend a month at Peto Seed's research station in Woodland, California learning techniques in breeding four vegetable crops. Dr. Boumacov will be placed with Johnson Farm Machinery, working in their factory and design shop, learning about the design and manufacture of mechanical harvesters and tillage equipment. In November, they will work on individual research projects at the University of California, Davis.

The training participants have been highly visible in the local communities that they have visited. They have already received television coverage from two local stations, with a follow-up to be taped at the end of their program. They will give lectures at the University of California, Davis, speak at Rotary Club meetings and at the World Trade Center, and visit cooperative and small business associations. They have brought with them a tape of agriculture in Moldova and will teach the Californians they meet about Moldova. They will take back with them an idea of the workings of a free market economy, and the kind of private support available for agribusiness in the US. Dr. Boumacov has already realized that they need training in business knowledge more than in production technology. After a tour of Tri Valley's "Super cannery", he commented that they have plants that are just as big or bigger in Moldova, but they don't know how to run them this efficiently.

Both Professors Roshca and Boumacov are extremely well-connected with agricultural organizations in Moldova. In addition to their research, they work with and advise local farmers and equipment manufacturers. They will have a great deal of influence upon their return on the agricultural community in Moldova.

TECHNICAL ASSISTANCE

In July and August, 1993, TVG provided follow-up technical assistance and advise to the Barbados League of Cooperative Credit Unions in their attempt to privatize and revive in a cooperative form a bankrupt government sponsored food processing company. Yoo-Mi Lee had visited Barbados at TVG's expense at the end of June, following a technical assistance mission in February, to assist in a feasibility review and to meet with the government officials to encourage privatization and cooperative development. In August, the government formally agreed to the proposals written with assistance from TVG, but took so long to do so that a proposed key financial participant lost their funding and ability to invest. The matter has been referred back to the government, which may or may not be able to act on the situation.

On September 1, 1993, TVG hosted a group of Bulgarian fruit and vegetable

technologists sponsored by the USDA Agricultural Marketing Service as part of an FAS Emerging Democracies program. TVG provided a program on grade standards and quality control in the US food industry, including a review of our plants and discussions with experienced TVG personnel. Eric Forman, Deputy Director for the Fruit and Vegetable Division wrote in a thank you letter, "The visit to Tri Valley was the highlight for the group. ... and, I know the Bulgarians benefited greatly from the experience." (See Appendix B for the attached letter and list of participants.) This cost of this effort was paid by TVG.

In July and August, 1993, Ed Thor visited Bulgaria under the USAID-sponsored RAAPS - Bulgaria program. In addition to RAAPS activities, he met with private farmers and cooperatives about possible cooperative development and technical assistance missions. Farmland privatization is currently taking place, where large collective farms are being broken up and given to individual farmers. Many of the plots or portions of orchards being given to the farmers are not economically viable on their own and there is great interest in US style cooperatives as a way of farmers working together. Ed Thor will return to Bulgaria in early November and on that trip arrange technical assistance missions.

In early September, 1993, TVG hosted representatives from throughout Eastern Europe and the NIS to assist in the Global Fellows Program of Arizona State University. The Global Fellows were provided a plant tour and a presentation on US fruit and vegetable processing.

WORKSHOP

Yoo-Mi Lee, International Business Development Specialist, travelled to Western Russia on August 25, 1993, to make arrangements for a workshop on labor management to be conducted in Voronezh in May 1994. Details of her trip are presented in her trip report, which is attached as Appendix C. While she was in Russia, she identified and developed a workshop on "What is an Agribusiness?" to be conducted in Pushchino in November, 1993. Details on that seminar will be presented in the next quarterly report.

DEVELOPMENT COORDINATION

In early September, 1993, Ed Thor meet with Juan Miranda of the development side of the European Bank for Reconstruction and Development (EBRD) while there to discuss a proposed project with the Merchant Banking side of EBRD. TVG's programs were presented, and the types of development (as opposed to commercial) projects EBRD might be willing to fund were discussed. In particular infrastructure and cooperative development activities in Bulgaria were reviewed.

TVG has started to explore appropriate development roles for TVG in India. TVG held extensive discussions with three groups of Indian business people about the food situation and value added food processing and distribution needs in India; and, they were given plant tours. Kirt Menon, TVG Senior Accountant, has explored existing AID programs within India, including the Agricultural Commercialization and Enterprise Project (ACE) being implemented by Chemonix.

DEVELOPING CDO CAPABILITY

Kirt Menon developed, tested and validated a sustainable indirect cost rate to be used for future AID agreements. Kirt attended an Indirect Cost Rate and Advanced Strategies for Indirect Cost Rate seminar in Washington, DC in July, 1993 and met with AID program and procurement officers on grant accounting and funding.

FINANCE

The financial report for third quarter 1993 is attached as Appendix D. A total of \$33,346 was spent on program costs during the quarter. TVG contributed \$20,974 for cooperative development coordination as matching funds for this cooperative agreement.

THURSDAY, AUG. 19 - FRIDAY AUG. 20

Library research at UC Davis.

SATURDAY, AUG. 21

8:00 am - 4:00 pm

Tri Valley Growers Plant and Field Tour: Production tour of canning facilities, field tour of peach orchard - cultivation and harvesting of peaches for processing, tour of distribution, label and fibre warehouse.

SUNDAY AUG. 22 - FRIDAY SEPT. 3

UC Davis, Postharvest Group and University Extension in cooperation with
Postharvest Institute for Perishables, University of Idaho, Moscow
Postharvest Biology and Technology of Horticultural Perishables
Module 2 - Scientific Concepts and Principles of Postharvest Biology and Technology
Short course

APPENDIX A

**TRI VALLEY GROWERS INTERNSHIP PROGRAM
SCHEDULE FOR VICTOR ROSHCA AND VASILE BOUMACOV,
AGRARIAN STATE UNIVERSITY OF MOLDOVA**

SUNDAY, AUG. 15, 1993

6:25 pm

Arrive Sacramento, California
Picked up by Maureen Work, Sacramento-Chisinau Sister City Program

MONDAY, AUG. 16

9:00 am - 11:00 am

Maureen Work, Sacramento-Chisinau Sister City Program
Marita Cantwell, UC Davis
Yoo-Mi Lee, Tri Valley Growers
Orientation meeting to discuss objectives, activities and programming for training participants.

TUESDAY, AUG. 17

Orientation at UC Davis with Marita Cantwell. Learn to use libraries and other facilities on campus.

WEDNESDAY, AUG. 18

9:00 am - 4:00 pm

Cultural orientation with Maureen Work and officials of the Sacramento-Chisinau Sister City Program. Visit City Hall, Sacramento, CA. Introduced on the floor of the Senate. Tour downtown Sacramento.

Program for Visits at UC Davis by:

<p>Dr. Vasile Boumacov Professor, Dept. Agricultural Engineering Agrarian State Univ. of Moldova Chisinau, Moldova</p>	<p>Dr. Victor Roshca Professor, Dept. Vegetable Production Agrarian State Univ. Moldova Chisinau, Moldova</p>
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TUESDAY, SEPT. 7

10:00 am

Dr. Charles Iless, Director
Ms. Anne Rundstrom, Program Assistant
International Program Office, College of Agric. & Environmental Sciences

Ms. Linda Ortloff
International Visitors Office
W.H. Beuhler Center, Tel: 752-8117
(Charles Hess is in China until Sept 13; meet with Anne Rundstrom and perhaps Ms. Linda Ortloff; discuss current and future activities as it relates to interests of peoples/republics of former Soviet Union)

1:30 pm

Dr. Bill Steinke
Extension Agric. Engineer
Director, Farm Safety Program
Dept. Biol. & Agric. Engineering
3024 Bainer Hall; Tel: 752-1613
(pesticide application technologies; farm safety)

3:00 pm

Eng. Jim Mehischau
Sr. Development Engineer
Dept. Biol. & Agric. Engineering
1329 Bainer Hall (or 1330B
752-2687; 752-2737
(design and construction of agricultural equipment)

Program for Visits at UC Davis - Continued
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WEDNESDAY, SEPT. 8

9:00 am

Dr. Steve Grattan
Extension Specialist, Irrigation and water management
Dr. Larry Schwanki
Extension Specialist, Design, operation and management of irrigation systems
Dept. Land Air, and Water Resources
231 Veihmeyer Hall; Tel: 752-1130

1:30 pm

Dr. Ron Voss
Extension Specialist, Potatoes/Onions
Director, UC Small Farm Program
101 Asmundson Hall; Tel: 752-1249
(will be going to eastern Russia for establishment of a potato seed program at the end of Sept.)

3:30 pm

Dr. Henry Studer
Professor, Dept. Biological and Agricultural Engineering
2040 Bainer Hall; Tel: 752-7420
(agric. machinery for production and harvest; discuss own and department research, teaching and extension activities)

Program for Visits at UC Davis - Continued
Page 3

THURSDAY, SEPT. 9

8:00 am

Dr. Vincent Rubaizky
Extension Specialist, Cool Season Vegetables
(call Thursday/Friday)
102 Asmundson Hall; Tel: 752-1247

10:30 am

Dr. Michael Reid
Statewide Associate Dean Cooperative Extension
275 Mrak Hall; Tel: 752-8473; 752-8474
(discuss Cooperative Extension role and programs; statewide coordination of extension efforts)

1:30 pm

Dr. Jill Auburn
Acting Director SAREP (Sustainable Agriculture Research & Education Program)
Offices of program at 258A Hunt Hall, Tel: 752-2379, but you will meet Jill Auburn
at an off-campus office: corner of 2nd and "E" Streets, in the office above the coffee
shop at Mansion Square Bldg.; Tel: 757-3278
(discuss the goals and activities of SAREP; how interacts with departments and other
programs at UC)

Program for Visits at UC Davis - Continued
Page 4

FRIDAY, SEPT. 10

1:00 pm - 2:30 pm

Dr. Mary Louise Flint
Director, IPM Education Program
Tel: 752-7692
(verify on Wednesday; appt. made with Christine; where to meet)
(provide an overview of the IPM program; historical as well as contemporary activities and emphasis)

4:30 pm

Attend the CAPS Awards Ceremony and Harvest Festival Reception
Main Theater, UC Davis
Awards ceremony at 4:30 pm; reception (California wines and appetizers) at 5:30 pm

Week of Sept. 13 to 17, 1993

MONDAY, SEPT. 13

8:00 am - 11:00 am

Tour of Red Davis Farm with Councilman Toby Johnson, officials of the Sacramento-Chisinau Sister City Program, Marita Cantwell, UC Davis and Roy Sterns, reporter for Channel 3 TV.

TUESDAY, SEPT. 14 - WEDNESDAY, SEPT. 15

Library research at UC Davis.

THURSDAY, SEPT. 16

9:00 am - 11:00 am

Brett Sanders
Station Manager
Peto Seed Woodland Research Center
Tour of facility: breeding station, plant protection labs., greenhouses.

1:00 pm - 3:00 pm

Joe Zane
Ad Jordan
Peto Seed Williams Production/Northern California Mill
Tour of milling operation; field tour of seed harvesting, washing, and drying.

FRIDAY, SEPT. 17

Gene Meow
Yolo County Farm Advisor

Week of Sept. 20 to 24, 1993

MONDAY, SEPT. 20

12:00 noon

Leave Davis from the Mann Lab for Salinas area visits

3:00 pm (tentative)

Richard Smith, UC Advisor San Benito and neighboring counties; Small-Farm Advisor
649A San Benito St.
Hollister, CA 95023
Tel: 408-637-5346

(sustainable/organic vegetable production; research on soil fertility, plant health; peppers, onions, tomatoes and other crops)
(will meet Richard at the site of a sweet corn fertilization trial, leaving Hollister towards San Juan Bautista, (just before S.J. B.) turn left on Lucy Brown Lane,; this is a dirt road, follow long distance, after crossing small bridge, the sweet corn field will be on the left, drive along the field (you'll be on the hill side of the field) until you meet up with him)

pm drive to Salinas; overnight at Laurel Inn (on Laurel Inn Drive, turn east after exiting 101)
Tel: 408-449-2474

TUESDAY, SEPT 21

8:00 am

John Inman, Monterey UC County Director and Agricultural Engineer
118 Wilgart Way,
Salinas, CA 93901
Tel: 408-758-4637

(John will pick you up at your hotel; John was in Moldavia in 1975 for 3 weeks)
stay overnight at the Laurel Inn, 408-299-2474

WEDNESDAY, SEPT 22

9:00 am to 12:00 noon

meetings with UC Advisors, Monterey County (tentative)
Steve Koike, Plant Pathology (not available this day)
Bill Chancy, Entomology
Kurt Schulbach, Vegetable Production/Irrigation
Harry Agamalian, Weed Control (retired, he has prior commitment, will meet later)
remain in Salinas overnight and drive to Stanislaus early on Thursday

THURSDAY, SEPT. 23

8:00 am

leave hotel; Mr. Larry Hirahara of Summit Seeds will pick up for the drive to Stanislaus County and the tomato field trial

10:00 am

Jesus Valencia, UC Vegetable Advisor, Stanislaus County
attend the Processing Variety Trial Field-day -- growers, seed company
representatives and other personnel attend these field-days

733 County Center III Court., Modesto, CA 95355;
Tel: 209-525-6654

(Jesus was in Armenia in May 1993 for short-term work in fruit/vegetable production)

1:30 pm - 3:00 pm (approximate time)

meet with Jesus Valencia for discussion of vegetable production in Stanislaus county
Jesus will drop you off at the bus station for the 4:00 pm bus to San Francisco (directions regarding overnight stay in SF will be provided during the day of the 23rd.

FRIDAY, SEPT. 24

10:00 am - 5:00 pm

meet with Tri Valley Growers International Development Department. View video tape on Moldovan agriculture. Discuss business opportunities in Moldova.

Week of Sept. 27 to Oct. 1, 1993

WEDNESDAY, SEPT. 29

Barbara Crowley, Vice Chair, California Energy Commission
Art Kevorkian, Commissioner, California Energy Commission
Dennis Fukumoto, Advisor to Commissioner Crowley
Bill Pennington, Advisor to Commissioner Kervorkian
Nick Bartsch, Executive Office, California Energy Commission
Ricardo Amon, Farm Energy Assistance Program, California Energy Commission
Cornell U. Kay, Euroconsult
Maureen Work, Sacramento-Chisinau Sister City Program
Discuss interests and needs of Moldova and services available from the Energy Commission to assist Moldova.

THURSDAY, SEPT. 30 - FRIDAY, OCT. 1

Research at Energy Commission library.



United States
Department of
Agriculture

Agricultural
Marketing
Service

P.O. Box 96456
Washington, DC
20090-6456

SEP 21 1993

Dr. Edward C. Thor
Vice President
International Development
Tri Valley Growers
P.O. Box 7114
San Francisco, California 94120-7114

Dear Dr. Thor:

On behalf of the Agricultural Marketing Service, Mr. James Swenson, and the group of Bulgarian food technologists, I want to extend a special thank you to you and your colleagues, particularly Harry Yeghoian, for a truly exceptional tour of your Modesto facility on September 1. The group was quite impressed with the plant, generating quite a bit of interest. The visit to Tri Valley was the highlight for the group.

Their training in the United States is part of a technical assistance program intended to help the Bulgarian fruit and vegetable processing sector improve the realistic use of standards and quality control. We greatly appreciate your willingness to accommodate this group, and I know that the Bulgarians greatly benefited from the experience.

Please feel free to call on me if I can ever be of service.

Sincerely,

Eric M. Forman
Deputy Director
Fruit and Vegetable Division



**AMS/BULGARIAN QUALITY CONTROL TRAINING PROGRAM
PARTICIPANTS**

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APPENDIX C

TRIP REPORT August 25 - September 9, 1993 Yoo-Mi Lee Tri Valley Growers

This report provides information gathered during my trip to Western Russia during the period of August 25 to September 9, 1993. Most of the time was spent in Voronezh, Russia. The primary purpose of the trip was to make arrangements for a workshop on labor management to be held in Voronezh in May, 1994. I also made trips to Pushchino and Moscow to introduce Tri Valley Growers' USAID-funded training programs to the Institute of Biochemistry and Physiology of Microorganisms (IBPM) and the Pushchino Town Council in Pushchino, and to USAID/Moscow. An itinerary and list of contacts is attached to this report.

PUSHCHINO

The first portion of the trip, August 26-27, was spent in Pushchino, speaking with officials at IBPM and the Major's office to gather information on the "Agrizone". Pushchino is a town of eight institutes of the Russian Academy of Sciences, located about 2 hours east of Moscow and 30 minutes from the town of Serpukhov. Most of the institutes are operating at a bare bones level, fighting to meet payroll every month. Some have gone bankrupt. Research scientists are being encouraged to start agribusinesses to commercialize their basic research in biotechnology (plant protection, embryotechnology, biomedicine, genetic engineering, etc.) within the framework of the Agrizone, which is detailed below.

Agrizone

The concept of an agrizone is being developed in the Zaoksky and Yasnogorsky regions of the Tula oblast and the Zaoksky part of the Serpukhov region of the Moscow oblast to develop and introduce new agricultural technologies, to train personnel, and to provide assistance to local farmers. The Agrizone is also designed to be a center of processing and marketing of agricultural products. In this way, the participants in this project hope to revitalize the region by:

1. Providing the conditions for advanced technological, economic and social development of the Southern Moscow Region,
2. Creating an efficient regional system for the organization of agribusiness, and

3. Securing the resettlement and social rehabilitation of individuals relocated from the territories subjected to radioactive contamination as a result of a breakdown at the Chernobyl atomic power station as well as of military men transferred to the reserve from the Army.

The Russian participants in the Agrizone include:

Pushchino Research Center (Russian Academy of Sciences),
Pushchino Town Council,
Ministry of Agriculture, Russian Federation,
Ministry of Science, Higher Education and Tech. Policy, Russian Federation,
Chernobyl State Committee, Russian Federation,
Moscow and Tula regional councils,
Serpukhov, Zaoksky and Yasnogorsky regional councils,
Agrizone Holding Corporation Branches, which are to include leasing, marketing,
construction, management and consulting companies, and
Private and former state and collective farms.

These participants hope to work with US universities (University of California, College of Natural and Agricultural Sciences, Washington State University), non-governmental organizations and companies to implement their strategies.

One of the strategies used to develop the Agrizone will be to organize production and marketing cooperatives. There will be a number of cooperative development possibilities in Pushchino with the local area farmers, returning military, and relocation of Chernobyl residents, once the Agrizone participants are ready to start implementation of their plan. I did not have enough time in Pushchino to pursue these projects, but will do so on subsequent trips. However, the Chairman of the Pushchino Town Council (Major), Vladimir V. Dynnik, requested a seminar on "What is an Agribusiness?" for the participants in the Agrizone. The designated leaders of this project will be developing an action plan in November, and want to educate the participants on free market concepts. This seminar had been scheduled for the third week in October, but has been postponed due to the political instability in Russia.

VORONEZH

I spent the week of August 29 through September 4 in Voronezh. Voronezh is approximately 500 km. (an overnight train ride) south of Moscow, in the Black Earth region of Russia. (Peter the Great started the Russian fleet on the banks of the River Don in Voronezh.) Voronezh produces grains (wheat, buckwheat), oil crops (sunflower), fruits (apples, pears, plums), vegetables, meat and dairy products, skins, and wool. Voronezh is the third largest producer of apples in Russia, behind Krasnodar and Rostov. Details of my visits with educational institutions, private companies and farmers' and small business associations are outlined below.

Voronezh Agricultural University

The primary purpose of this trip was to make arrangements for a seminar to be held in Voronezh next May, in cooperation with the Voronezh Agricultural University. The seminar on agricultural labor management will be held at the University and given by Gregory Billikopf, Labor Management Farm Advisor with the University of California, Cooperative Extension. Billikopf served as a Tri Valley Farmer-to-Farmer volunteer in Voronezh in June, 1993, working with a vegetable storage facility to help them structure their labor management practices within the framework of a market economy. He is anxious to go back to Voronezh to reach a larger agricultural audience. He hopes to work with professors at the Voronezh Agricultural University, whom he can train to work on agricultural labor management issues in the region.

I visited the Rector of the Agricultural University, Vladimir Shevchenko, who, like every other institutional head I have visited in Russia, is looking for funds to continue basic education and research. Shevchenko indicated that they had submitted a proposal to the World Bank to restructure the University, a move that he believes, if approved, will bring lots of money to the University. (World Bank officials will be in Russia from September 19 to October 19, 1993, and will be in Voronezh September 23-26.) They are also looking to start commercial businesses that will help them survive without having to rely completely on federal or foreign funding. The Agricultural University is working with the French, who currently have seven people at the University, to install a bakery in the canteen.

Private Agribusiness School

The Rector of the Agricultural University is supporting a colleague, Vladimir Belousov, who has started a private agribusiness school in Voronezh. The agribusiness school shares facilities and instructors with a private business school run by Olga A. Zaitseva that has been in operation for three years. The facilities were given to them by the state, but were repaired and equipped with private funds. Their only current source of income is tuition. The school offers a B.A. in Management and in Agribusiness Management. Apparently, the World Bank is also working with Belousov. They have given the school literature, computers and computer programs. Belousov is working on a program to start training secondary school children in market economics so that they will develop the ability to solve problems and think in the "new way". He hopes that these school children will become his future students. Belousov expressed an interest in working with Tri Valley on the up-coming seminar.

Kominternovskoe Enterprises (Vegetable Storage) "Baza-2"

I met with the Director, Aleksandra Mogilyevskaya, and the Head of the Planning Department, Dmitrii Filatov, of the Vegetable Storage ("Baza-2") facility that hosted Billikopf in June. They were happy with his assistance, and were glad to learn that they were "on the right track" as they reorganized to try and work within the market economy.

The facility has been private for two years, and they are now able to implement some of Billikopf's suggestions on employee selection and incentive pay. They were particularly interested in his suggestions on incentives for management personnel. They believe that a seminar would be helpful in bringing other organizations to their way of thinking. They have offered to be a workshop site to demonstrate various elements of Billikopf's seminar.

Farmers' Association of the Black Earth Region

The Farmers' Association of the Black Earth Region, which encompasses 5 Black Earth oblasts, and which is associated with the Voronezh Regional Association of Peasants' (Farmers') Economies (AKKOR) is working to establish enterprises that will allow their members to survive in the current economic climate. Last year, they formed an insurance company, and this year, they have formed a bank, "Black Soil Farmer" in Voronezh that had its official opening on September 3, 1993. The Association also plans to create a reinsurance company, retail shops, equipment repair shops, and small processing facilities for Association members as they earn enough profits from successful ventures to broaden their member services.

The construction of the bank was paid from profits of the insurance company. The bank has an authorized capital of 145 million rubles, which the Association is trying to raise to 500 million so that it can buy 3 billion in credit from the Central Bank. The Association plans to lend money to its members at half the Central Bank rate, which was running at 170 percent when I was there.

The Association plans to open branches of the insurance company and bank in all districts of the Black Soil region. The bank plans to hire graduates of the Economics division of Voronezh State University and Voronezh Agricultural University as employees. They have negotiated with these institutions to provide classes in banking. The first classes started this September. Bank officials want to hire young people who are not trained in the "old ways". The Director of the bank, Viktor Sitnikov, asked for technical assistance in agricultural credit, and for training in mortgages and leasing. I have arranged for Eric Thor, Director and Professor of the School of Agribusiness and Environmental Resources, Arizona State University; and former President and CEO of the Farm Credit System Assistance Board, Associate Administrator of Farmers Home Administration, and Vice President of Crocker National Bank and Bank of America, to provide technical assistance on agricultural credit to the bank in November, 1993. Sitnikov has also identified two young women to receive training in the US in agricultural credit, mortgages and leasing. Their training is tentatively scheduled to be initiated in January, 1994.

Association of Small and Medium-Sized Enterprises of the Central Black Soil Economic Region

The Association of Small and Medium-Sized Enterprises of the Central Black Soil Economic Region unites small private enterprises of 6 oblasts. The Association's primary goals are to:

1. Help set up mini processing plants to process agricultural products;
2. Help biotechnology companies, particularly companies focussing on plant protection; and;
3. Set up a regional business center.

The Association has a staff of 9 people who are trained in economics, law and technology. Members of the Association (300 in Voronezh) pay a symbolic membership fee. The Association's main activities, legal and business consulting, are provided free of charge. The Association does, however, charge for installation of processing plants. Sergei Vladimirovich, the Association's Food Processing Expert, has set up 15 mini processing plants in the Black Soil region, 13 of them in Voronezh. These plants process meat, sunflower, wheat, and dairy and bakery products. The Association is involved in all stages of setting up the processing plants, from the initial technical studies, to installation of equipment, to issuing certificates for the products. The Association supervises the plants for 3 years.

The regional business center does not yet exist. The World Bank has supported the idea of the center, and has suggested creating a bank or an investment fund to help small businesses. The Association likes the idea, and has agreed to be a partner, but realizes that it will take a long time to implement. The Association is determined to make things work by themselves. They will not refuse all help, but feel that they must find their own way out of the problems their members face. For now, they have agreed to participate in a seminar on business planning that is going to be put on by a group from Northern Ireland in September/October, 1993 with money from the European Community.

MOSCOW

I spent the last part of my trip, September 6 - 8, in Moscow. The primary purpose of this portion of the trip was to meet with USAID officials in Moscow to discuss Tri Valley's training and technical assistance program. I also met with a representative of Partners in International Education and Training (PIET) to discuss procedures for processing training participants from Russia, and visited with representatives of other USAID program implementors.

CONCLUSIONS

There is a mad scramble everywhere I visited for survival, from state funded institutions whose funding is drying up, to private citizens who can no longer get by on their salaries. University and institute rectors, farm directors, small business entrepreneurs, and government officials are all trying to find ways to make some money so that they can meet payroll and continue operations. The vast majority of these institutions and organizations are not interested in technical assistance or training unless it comes with money. Their lack of

interest is due to many reasons, but for some, it is simply that they cannot support voluntary technical assistance that requires that they provide certain in-kind contributions such as room, board and interpreters. Many believe that training in Western business practices will not be useful until government laws and policies are changed first. All are looking for joint venture partners. Yet none have any idea of what it takes to start a joint venture.

Only those institutions and organizations that have found ways to get around these difficulties, and have had some financial success are willing to listen to offers for technical assistance and training. These are the entities that US training and technical assistance programs need to target. They are beginning to emerge and are actively looking for ways in which to improve their organizations, both from a management and financial perspective. They know that they need Western help in order to source equipment and market products internationally. By showcasing these entities, and by helping them help other fledgling organizations, US NGOs and CDOs can support and encourage private and privatizing entities working within the Russian system.

ITINERARY FOR YOO-MI LEE
Western Russia
August 24 to September 9, 1993

August 24, 1993

3:20 pm Leave San Francisco - Delta Flight 134.

August 25, 1993

11:05 am Arrive Frankfurt.

12:25 pm Leave Frankfurt - Delta Flight 60.

5:25 pm Arrive Moscow.

8:00 pm ACDI Reception.

August 26, 1993

10:00 am Leave for Pushchino.

12:00 pm Arrive Pushchino. Meeting with Alex Boronin, Yuri Mshensky and Del Farnham, IBPM.

2:15 pm Meeting with Yuri Mshensky.

6:30 pm Meeting with Vladimir Dynnik, Chairman of Pushchino Town Council.

August 27, 1993

9:30 am Meeting with Alex Boronin and Yuri Mshensky.

10:30 am Meeting with Vladimir Ivkov, Science Secretary for the Pushchino Research Center.

1:00 pm Leave for Moscow.

August 28, 1993

8:50 pm Train to Voronezh.

August 29, 1993

9:20 am Arrive Voronezh.

August 30, 1993

9:00 am Leave for Anna, Voronezh Oblast.

11:00 am Meeting with Nickolai Parinov, Farm Director.

2:00 pm Meeting with Lyuba Katz, Interpreter. Schedule appointments.

August 31, 1993

12:00 pm Meeting with Pyotr Ovsyannikov, Farmers' Association of the Black Earth Region, and Viktor Sitnikov, Chairman of the Board of the Regional Farmers' Bank "Black Soil Farmer".

3:00 pm Meeting with Aleksey Kluchnikoff, General Director and Sergey Nikolaenko, Technical Director, Association of Small and Medium-Sized Enterprises of the Central Black Soil Economic Region.

4:30 pm Meeting with Nikolay Sulzhenko, Vice Chairman, Voronezh Regional Association of Peasants' (Farmers') Economies. (AKKOR)

September 1, 1993

10:00 am Meeting with Viktor Nesterenko, Vice Chairman, Administration of Voronezh Region Foreign Economic Relations Committee.

1:00 pm Meeting with Olga Anatolyevna, Head of Business School, and Vladimir Belousov, Head of the Agribusiness Center.

September 2, 1993

- 10:00 am Sitnikov, Farmers' Bank, "Black Soil Farmer". Request for technical assistance in agricultural credit.
- 1:00 pm Meeting with Vladimir Shevchenko, Rector of the Voronezh State Agricultural University.
- 3:00 pm Meeting with Alexandra Mogilyevskaya, Director, and Dmitrii Filatov, Head of the Planning Department, Vegetable Storage "Baza-2".

September 3, 1993

- 10:00 am Meeting with Nikolay Klimenko, General Director, Spartan & Co., Ltd.
- 2:00 pm Official opening of Farmers' Bank "Black Soil Farmer".

September 4, 1993

Day off.

September 5, 1993

- 9:10 pm Train to Moscow.

September 6, 1993

- 9:00 am Arrive Moscow.
- 12:00 pm Meeting with Peter Thatcher, Regional Director, CNAA.
- 1:45 pm Meeting with Al Krueger, Vice President Special Projects, PRC.

September 7, 1993

- 11:00 am Meeting with Martha Denney, Training Specialist, Partners in International Education and Training.
- 3:30 pm Meeting with Steve Zelener, CEO, Slava International, Inc.; Jan Ostrovsky, Perkins Coie; Sveta Zapetskaya, Deputy Director, NUTACO; and Boris Sinetskiy, Professor, RF Ministry of Foreign Economic Relations, Higher Commercial Management School.

September 8, 1993

10:00 am Meeting with Cathy Norris, Agricultural Advisor, USAID/Moscow.

1:00 pm Lunch with Craig Infanger, Resident Agricultural Policy Advisor,
Ministry of Agriculture of Russia.

September 9, 1993

8:35 am Leave Moscow - Delta Flight 61.

9:45 am Arrive Frankfurt.

11:10 am Leave Frankfurt - Delta Flight 135.

1:50 pm Arrive San Francisco.

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APPENDIX D

**TVG International Development
Innovative Grant- Land O' Lakes**

QUARTER ENDED : September 30, 1993

Line Items	Quarter			YTD		
	AID Funding	TVG Match	Total	AID Funding	TVG Match	Total
Salaries	\$4,422.36		\$4,422.36	\$25,198.44	\$8,447.52	\$33,645.96
Payroll Added Cost	\$1,796.80		\$1,796.80	\$7,075.85	\$3,442.66	\$10,518.51
Travel & Per Diem						
Consultants and Staff	\$11,990.88		\$11,990.88	\$14,389.69	\$1,536.49	\$15,926.18
Trainees	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Consultants	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Training	\$0.00		\$0.00	\$250.00	\$0.00	\$250.00
Other Direct Items						
Office Space	\$578.68		\$578.68	\$3,920.92	\$0.00	\$3,920.92
Communications	\$16.30		\$16.30	\$329.38	\$0.00	\$329.38
Copying, Postage & Delivery	\$22.52		\$22.52	\$22.52		\$22.52
Computer Equipment	\$0.00		\$0.00	\$7,939.44	\$0.00	\$7,939.44
CDO Coordination	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Total Subcontract Costs	\$18,827.54	\$0.00	\$18,827.54	\$59,126.24	\$13,426.67	\$72,552.91

The undersigned hereby certifies that:

- a) to the best of my knowledge and belief this report is correct and complete in all outlays and unliquidated obligations are for the purpose set forth in the Subcontract,
- b) the amounts shown above as expenditures are true and duly supported by evidence of disbursements and/or other appropriate documentation,
- c) any additional supporting information as Land O' Lakes, USAID or their duly appointed representative(s) may reasonably require will be furnished by Subcontractor upon request,
- d) the said expenditures were affected in accordance with the terms of the Subcontract and its amendments relating to USAID Agreement number FAO-0192-A-00-2081-00, Project number 938-0192, and
- e) appropriate refund will be promptly made to Land O' Lakes and/or USAID in the event that any costs claimed or disbursements made later prove to be non-reimbursable under the terms of the aforesaid Subcontract.

By *Edward C. Thor*
Edward C. Thor
 Title Vice President
 Date 10-Sep-93

ATTACHMENT B
Quarterly Financial Report

LAND O'LAKES/TRI-VALLEY GROWERS
COOP AGREEMENT# FAO-0192-A-00-2081-00
PROJECT # 938-0192
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	2058	155	1843
2. Fringe Benefits	864	59	75
3. Consultants	0	0	0
4. Travel/Per Diem	39	0	1147
5. Expen. Supplies/Materials	0	0	0
6. Nonexpendable Equipment	0	0	0
7. Subcontracts/Subagreements	71026	33345	15000
8. Other Direct Costs	16	0	0
9. Evaluations	0	0	0
10. Indirect Cost	<u>7198</u>	<u>2827</u>	<u>3922</u>
Total Federal Funds	81201	36386	21987
Non-Federal Funds	<u>34401</u>	<u>22049</u>	—
Total Program	<u>115602</u>	<u>58435</u>	<u>21987</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 financial summary.

ATTACHMENT C

Tri Valley Growers Annual Report

**LAND O'LAKES/TRI VALLEY GROWERS
COOPERATIVE AGREEMENT NUMBER FAO-0192-A-00-2081-00
Project Number 938-0192**

**ANNUAL REPORT ON ACTIVITIES
FROM OCTOBER 1, 1992 TO SEPTEMBER 30, 1993**

PROJECT ACTIVITIES

During the first year, project activities fell into four main areas: 1) building the technical and staff capabilities within TVG to conduct cooperative development projects in various parts of the world, 2) building the CDO management, administrative, and logistical capabilities needed within TVG to carry out projects, track funding, meet funding requirements, and work with USAID and other funding agencies, 3) carrying out a program of technical assistance and training, and 4) becoming aware of the needs and assistance opportunities for TVG in various parts of the world through project development activities.

Technical and Staff Capabilities

During the year, TVG conducted the following activities supported, in whole or part, by the cooperative agreement:

1. Created a separate international development department focussed exclusively on development. Three individuals who had worked on development projects plus other duties were assigned to international cooperative development full time. A full time secretary and accountant were added.
2. Learned how to work on a variety of typical development and assistance activities by doing initial projects. (see below for descriptions)
3. Obtained two major additional cooperative agreements (Farmer to Farmer (FTF) and Food Systems Restructuring Project (FSRP)) which added six people to the staff in San Francisco and allowed us to open five field offices in the former Soviet Union. The FSRP project would not have been awarded without the financial tracking capability created through the innovative grant LOL-subagreement. Also, Christine Pascal who became volunteer coordinator for the FTF project gained experience as development coordinator under the subagreement, allowing her to be fully functional from the beginning.

4. Established a network of companies and individuals who can be called upon to support TVG's international development projects. This support ranges from providing technical assistance, teaching at workshops, providing short or long term training to interns brought into the US, and providing business linkages to start-up cooperatives and agribusinesses for supplies, technology, and access to export markets.

5. In total, went from three part time professionals to a staff of twelve American development professionals, three staff support individuals, and a number of local employees in five foreign offices. While the big growth was paid for through other grants, the innovative grant subagreement provided the initial and continuing back-stopping support needed to make these grants possible.

Management, Administrative and Logistical CDO Capabilities

During the year, TVG went from initial start-up to having management, administrative and logistical capabilities well established and running smoothly. These include:

1. Developed the accounting and financial management systems needed for USAID project management. TVG visited Land O'Lakes headquarters to learn and obtain technical assistance, hired a consultant to organize our accounting, then hired a CPA/MBA accountant to establish systems and track finances on a full time basis.
2. Created separate financial reporting systems, time sheets, and expense reports to meet USAID grant accounting needs and put them into use. A separate accounting computer program and general ledger system was installed to facilitate grant accounting.
3. Established a separate office for the new international development department so that the staff could work together and be managed as a unit. A full time secretary was hired to work on development and learn the requirements for travel and other logistics.
4. Installed a new computer network, electronic mail system, and the use of portable computers for travel to improve operations and communications.
5. Four individuals attended training sessions and workshops to learn administrative and financial requirements necessary for USAID contracting. The entire staff has learned to carry out the necessary time and expense reporting, as well as the basic rules governing travel and other activities.

Technical Assistance and Training Projects

A number of technical assistance and training programs were conducted under this subagreement, sometimes in conjunction with TVG funded activities or other projects.

Internships

1. Two of the five internships called for in the implementation plan started in August. (see fourth quarter report.) Two people from Moldova who will both teach at the university and function in a role equivalent to agricultural extension agents to farmers and agribusinesses in Moldova are undertaking a four month training program in post harvest activities and US agribusiness and farm management techniques. TVG received assistance from LOL in the administrative aspects of arranging these internships and obtaining the necessary approvals and visas so that we will be able to arrange future internships independently.
2. TVG provided all the technical training and day-to-day management of three internships for Hungarians brought to the US through the Hungarian RAAPS program, in addition to contributing approximately \$12,000 in matching funds to pay for the cost of the program for these interns. This developed our internship program planning and budgeting capabilities.

Technical Assistance Missions

1. Four technical assistance missions by Yoo-Mi Lee and Ed Thor were conducted in Barbados to help the Barbados League of Cooperative Credit Unions in their attempt to privatize and revive in a cooperative form a bankrupt government sponsored food processing company. One of these was paid for under the subagreement, and three others were paid for by TVG when it appeared there might be a business connection if the project were successful. As reported earlier, the project went to the government for a decision, but the government delayed the decision so long the funding TVG had helped arrange was no longer available. It is unclear whether this project will be revived, but the Barbados League of Cooperative Credit Unions learned how to evaluate such opportunities and possible ways to structure deals for reviving failed businesses.
2. While in Bulgaria under the RAAPS program Ed Thor met with private farmers and cooperatives about possible cooperative development and technical assistance missions. Farmland privatization is currently taking place, where large collective farms are being broken up and given to individual farmers. Many of the plots or portions of orchards being given to the farmers are not economically viable on their own and there is great interest in US style cooperatives as a way of farmers working together. Ed Thor will return to Bulgaria in early November and on that trip arrange technical assistance missions.

3. While not part of the subagreement, TVG organized and provided 29 technical assistance missions to Russia under the FTF program in the last six months. This provided our staff with extensive training on how to conduct such missions. It also provided leads on cooperative development projects both in Russia and other parts of the NIS that can be assisted through technical assistance under the subagreement.

4. As reported in the quarterly reports, TVG has cooperated with a number of different organizations and groups to provide access to our facilities and technical staff as part of training programs in post harvest technology and management, quality control, and agribusiness.

Workshops

Two workshops have been committed to and arranged, but not yet conducted. Others are in the planning stage.

1. A workshop on "What is an Agribusiness?" was to be conducted in Pushchino, Western Russia in October, 1993. Due to the political problems in Moscow at the time, this has been rescheduled for November. It will be conducted by TVG staff who worked to develop the program during the fourth quarter. There have been additional requests for this workshop, so it may be repeated in other locations.

2. Also during the fourth quarter, arrangements were made for a workshop on labor management to be conducted in Voronezh in the spring of 1994.

Project Development Activities

The subagreement implementation plan called for a number of project development missions to acquaint USAID missions with TVG's capabilities and to better acquaint TVG with the needs and opportunities to provide assistance in a variety of locations. The first of these will not occur until December. This is still considered an important aspect of the subagreement, but with the two major NIS projects awarded to TVG it has been delayed. Now that the FTF and FSRP are firmly underway, we have identified a limited number of places where expansion of TVG activities seems warranted. Management attention which was needed on the hectic start-up can now focus on the future.

PROJECT EVALUATION

During the first year of the project TVG made major accomplishments in building its CDO capabilities, was awarded two major USAID assistance programs, carried out extensive training and technical assistance activities (although only partly under the

subagreement), and broadened its program far beyond the scope of the subagreement. All of this activity was after a slow start and accompanied by some growing pains which now have been overcome.

Most of the cooperative agreement activity the first quarter of the year was devoted to establishing the subagreement and preparing a budget and implementation plan. This process was slowed on USAID's side by contracting, which had a rush of NIS projects, and on TVG's side by the need to staff up and start a Farmer to Farmer program awarded to TVG just before the cooperative agreement.

During the second quarter the main effort under the cooperative agreement was spent building TVG's CDO capabilities and internal management and control systems, especially in the financial area. This went very well, and led to major improvements within TVG. The first technical assistance to Barbados was conducted. Also, in the second quarter, TVG was awarded an FSRP program and organized to carry it out.

In the third quarter TVG started the process of arranging for the interns from Moldova, and learning about internships in general. TVG also began the arrangements for the western Russian workshop which will now take place in November. Staff organization, administrative, and financial management CDO capabilities (including identifying an indirect cost rate) was polished.

Much of the cooperative agreement activity in the fourth quarter was in preparation for fall and winter activities. This was often in conjunction with other programs or TVG activities where major expenses such as travel were already covered. In part, this was due to a concentrated effort to make the first summer of two new programs successful. In the last five months TVG sent 29 highly qualified Farmer-to-Farmer volunteers to Russia in what is now a well established program. It opened field offices in Moldova, Moscow, and Far Eastern Russia for the Food System Restructuring Project and worked to make this project successful. A major effort under the RAAPS - Bulgaria project is nearing successful fruition. And, almost three person-months were devoted to an AID sponsored study of herb and spice industry possibilities in Morocco, a study that originally was scheduled to be performed the summer before when proposed by the prime contractor and agreed to by TVG. A delay in funding and schedule changes by the prime contractor led to the effort taking place this summer instead. This crunch of activities came at the same time as an across-the-board cost reduction program at TVG that resulted in the loss of one TVG funded development position.

As a result of these factors, some of the general development activities which might have taken place in the summer were pushed back into the fall and winter. However, also as a result of all of these activities, TVG staff was exposed to and able to explore many potential cooperative agribusiness development situations without having to spend cooperative agreement funds on special trips. Thus, a higher portion of the funding will go for development activities than originally proposed. With the first summer and start-up of these other programs behind us, staff time is now available to

vigorously pursue the cooperative agreement activities.

A comparison of planned and actual accomplishments for the year in each of the major areas under the cooperative agreement is included below.

Technical and Staff Capabilities

During the year TVG went from three employees working part time on international development to a separate department of fifteen full time American employees. During the year we have learned how to identify, organize and manage technical assistance missions, with thirty-nine missions undertaken under our complete control. We learned about bring over USAID sponsored interns for the first time; planning and managing the training and day-to-day management portions for five interns, and the full process for two. The staff learned the process of identifying the need for, organizing and preparing the training program and materials for workshops; with a workshop designed and to be presented by different members of the development staff to be given in November. During this year the staff gained a great deal of overseas experience. And, during this year we were able to identify where additional capabilities would enhance our programs. During the year the development effort also had to become more dependent on USAID funding as one of the TVG funded development positions was cut as part of a company-wide cost reduction program. The existing staff is extremely good and covers a broad range of capabilities. However, it is lean for the programs being conducted and requires careful management. It reached its current capabilities through a hectic start up period which impacted on carrying out project activities under the cooperative agreement.

Management, Administrative and Logistical CDO Capabilities

During the year TVG went from initial start-up to having management, administrative and logistical capabilities well established and running smoothly. TVG accomplished all that was envisioned in this area under the cooperative agreement, and more. The cooperative agreement was vital to creating these capabilities. A great deal of USAID project management experience was also gained through starting up two large USAID programs. At the present time TVG is in excellent shape in its management, administrative and logistical capabilities.

Technical Assistance and Training Projects

A number of technical assistance and training programs were conducted under or in conjunction with this cooperative agreement. The work plan developed for the project calls for a number of internships, technical assistance missions, and workshops to be carried out over the life of the agreement.

Internships

The work plan called for five internships overall, with two scheduled for the summer and early fall of 1993, and three to start in the winter of 1993/4 and finish by September. The two 1993 internships occurred on schedule. In addition, in the spring of 1993 TVG contributed about \$12,000 in matching funds and provided US training to three internships arranged through the RAAPS Hungary program as part of its development coordination activities.

Workshops

The work plan calls for two workshops, one in the summer of 1993 and another in the late spring of 1994. The first workshop was scheduled for October when the planned participants said that late summer was not a good time, and then delayed until November with the trouble in Moscow. The second workshop is proceeding on schedule.

Technical Assistance Missions

The work plan calls for seven technical assistance missions over the life of the project. The first was scheduled to take place in April of 1993, followed by three more in the summer of 1993. The first mission, to Barbados actually occurred in February of 1993. This was followed by three additional missions to Barbados with the last one ending in August. The result of this effort was the Barbados government formally accepting a plan prepared with TVG's assistance to restructure debt and allow cooperatives to restart a bankrupt, government owned agroprocessing facility. Unfortunately the government delayed so long that the financing that TVG had help arrange lost its source of funds so the project is once again stalled. TVG did not use USAID funds for the last three missions because there was some uncertainty about whether TVG might become involved in the project as a business partner to the League of Cooperative Credit Unions and so took the conservative funding approach.

Thus there was, and still is funding for six more assistance missions. With the start-up of two major projects TVG put its effort into getting those projects up and running. This delayed the assistance missions. Now that the programs are better established, TVG can put more effort into assistance missions. The locations and nature of future assistance missions have been identified to assure satisfactory performance on the cooperative agreement. Arrangements for these missions will be organized in the next month or two, as discussed in the next section on up-coming events.

Project Development Activities

The subagreement implementation plan called for six project development missions to acquaint USAID missions with TVG's capabilities and to better acquaint TVG with the needs and opportunities in-country so it could become more active in those regions. In part this effort was put on hold while starting major USAID programs, and in part, a significant portion of the objective of these activities was accomplished by TVG's participation in the new programs. These missions had two main goals, to get TVG more involved with USAID programs and to introduce TVG to other parts of the world besides those with which it was familiar. TVG has definitely become extremely involved with USAID programs in the last year, but has not broadened its scope to other parts of the world as much as desired. This was the result of a conscious decision to organize and perform on the programs already awarded TVG before looking for programs elsewhere. The FTF program has proven very successful by the end of the summer, and the FSRP is now well organized and has just submitted enough proposals so it can be considered to be functioning properly.

Under the auspices of other programs the same people who would have gone on the project development missions visited many locations in the NIS and Eastern Europe. While on these missions they identified specific needs which have led to action under other programs and identified needs that will be filled in the winter and spring under this cooperative agreement.

UPCOMING EVENTS

INTERNSHIP

TVG has identified 2 women from the Black Earth Farmers' Bank in Voronezh, Russia for training in the United States in January and February, 1994. The Black Earth Farmers' Bank is a bank that was recently started by the Farmers' Association of the Black Soil Region. The women will be trained in agricultural credit, leasing and mortgages at financial institutions in California.

TECHNICAL ASSISTANCE

Eric Thor, Director and Professor of the School of Agribusiness and Environmental Resources at Arizona State University, and former President and Chief Executive Officer of the Farm Credit System Assistance Board, will be providing technical assistance in agricultural credit to the Black Earth Farmers' Bank in Voronezh, Russia in November, 1993.

TVG expects to provide four technical assistance missions to Bulgaria in 1994. These projects will be arranged during Ed Thor's trip to Bulgaria in November.

WORKSHOP

TVG will conduct a workshop on "What is an Agribusiness?" in Pushchino, Russia in November, 1993. The workshop will be given by members of TVG's International Development department. A workshop on labor management is being planned for May 1994 in Voronezh, Russia.

PROJECT DEVELOPMENT

TVG plans to make a trip to India in December, 1993 to explore development activities in food processing and cooperative development, and to acquaint the in-country mission with TVG.

ATTACHMENT D
Annual Financial Report

LAND O'LAKES/TRI-VALLEY GROWERS
COOP AGREEMENT# FAO-0192-A-00-2081-00
PROJECT # 938-0192
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	2058	2058	2641
2. Fringe Benefits	864	864	229
3. Consultants	0	0	0
4. Travel/Per Diem	39	39	1147
5. Expen. Supplies/Materials	0	0	0
6. Nonexpendable Equipment	0	0	0
7. Subcontracts/Subagreements	71026	71026	196956
8. Other Direct Costs	16	16	0
9. Evaluations	0	0	0
10. Indirect Cost	<u>7198</u>	<u>7198</u>	<u>17980</u>
Total Federal Funds	81201	81201	218953
Non-Federal Funds	<u>34401</u>	<u>34401</u>	<u>122510</u>
Total Program	<u>115602</u>	<u>115602</u>	<u>341463</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.