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Agricultural Cooperative/Business Development
and Training in Central and Eastern Europe
Grant No: EUR-0024-G-00-1072-00, Project No: 180-0024

Quarterly Report January - March, 1994

April 29, 1994

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1. Executive Summary

In Albania, demonstrations have been given to 3385 women. The demonstrations are designed to teach the women to produce cleaner, and thereby healthier, milk. Four key leader sessions were held. Key leaders are volunteers from the groups in the villages who travel to a central location to receive more advanced instruction in milk production. The Albanian Center of Information on Agriculture and Food filmed a twenty minute long documentary about the project.

Three Technical Assistance interventions were completed in Bulgaria. At the Milk Way dairy Land O' Lakes staff facilitated the formation of the Milk Way Producers Association.

The Estonian Dairy Improvement project was initiated with the United States based training for Nelly Oinus, Project Coordinator. The four dairies that will be participating in the project were formalized.

Dairy Goats were the focus of the grant activities in Latvia. Two interventions, one from December of 1993, and the other in March of 1994 focused on the development of goat keeping. A goatkeeper's association was formed, with its first meeting, the Goatkeepers Congress, being held in March.

In Poland, Land O'Lakes has selected 18 dairy cooperatives, private dairies, ag-input, and farmer organizations upon which to focus its technical assistance efforts. In the past quarter, technical assistance was provided to 14 organizations, including an environmental audit for five of the dairies. Institutionalization of course materials from previous courses began.

Ted Kjos, Project Leader, arrived in Romania on March 7. He interviewed several candidates for the project. Unfortunately, a car accident impeded his progress. He returned to the United States for medical treatment, in early April and will return to Romania, in early May.

An individual who works for a dairy processing company in Hungary attended a Land O' Lakes course and learned about private labeling as a tool for selling products. Using private labeling he negotiated a \$150,000.00 sale of sour cream to a large retailer. A technical assistance intervention helped a Czech farm increase production by 100 liters per week. A Hungarian manager of a joint venture with a United States milking equipment manufacturer credits the company's first year success to the customer oriented approach that he learned in two Land O' Lakes marketing courses. A farmer in Bulgaria learned about adding value to commodities at a Land O' Lakes marketing seminar. By applying the concept to his wheat sales, he tripled his profits. In Latvia, a new goatkeepers association was formed, thereby giving members new opportunities to sell breeding stock through the network it provides. In Poland a dairy cooperative increased yogurt sales by 20% through the application of two marketing courses. They accomplished the increased sales by redesigning the yogurt package.

II. Implementation

1. Albania

Dairy Improvement Campaign

Field agents working on the Dairy Improvement Campaign have given demonstrations to 3385 women since the beginning of the project. Each demonstration lasts approximately two hours and includes information on three topics:

1. More Milk and Better Milk means Better Health
2. How to Prepare the Cow for Milking
3. How to Clean Milking Equipment

After the demonstration the field agents request that one of the participants volunteer to be a "Key Leader". This volunteer is invited to attend additional training which she then shares with the women in her village. Four Key Leader training sessions were held during the first quarter of 1994. In January, the training focused on eliminating sediment in milk. In February, the key leaders were taught how to make different kinds of soft cheese and were provided with cultures. In March the group learned about milk quality testing, and received acidity test kits.

Ted Kjos, Program manager for the Romania project under the grant, traveled to Tirana for two weeks prior to moving to his new assignment in Romania. He worked with the communication specialist, and field coordinator to help design several training booklets and develop the topics for future key leader meetings.

A film about the project in Albania was made by the **Center of Information on Agriculture and Food**. Two reporters from the center followed Merita Uruci and Elda Xhakrosa, two field agents, as they presented demonstrations in February. The reporters created a twenty minute long film concerning the work that Land O' Lakes, Inc. is doing in Albania.

2. Bulgaria

Joseph Wimmer worked with the family owned cooperative in **Ezero** (1/31-2/4/94) to help them develop their business plan. He also worked with the family members to improve processes and resolve issues that have arisen with the operation of the dairy herd. A third issue that he addressed was future expansion plans for the cooperative. The manager of the dairy herd is **Chtilian Chtilianov**, who came to the United States as an intern in the 1993 international agriculturalist program. Unfortunately, due to a family emergency, Mr. Chtilianov was not able to participate in the intervention. The cooperative manager, who is a cousin of Mr. Chtilianov worked with Mr. Wimmer instead.

Darwin Stolte, of Sparks Companies, traveled to Bulgaria to conduct a marketing survey from January 10-15 for **Milk Way Dairy** in Nova Zagora. The survey is part of an effort to expand Milk Way's markets. Darwin reviewed the business plan completed by **Al Wanous** in January of 1993, and quantified present volumes of milk being received by

Milk Way. He assessed plant processing capacity for feta, kashkaval, butter, and processed cheese curd. Additionally, he surveyed the logistics of transporting and determined costs of distributing the company's products to current local markets, and other potential export markets. He worked with Mike Christenson, who arrived the following week, to prepare a marketing plan for the Milk Way Dairy.

Mike Christenson traveled to Bulgaria January 17-23 to assist the marketing director of **Milk Way Dairy**. Mike collaborated with Darwin Stolte, expanded on the survey that Darwin had just finished, and developed a marketing plan for Milk Way. He and the marketing director visited local retail stores and conducted personal interviews to gain an understanding of consumer awareness of Milk Way's product. Mike also conducted a taste test, while the director observed. Soon, she took over. The following week the director, following one of Mike's recommendations, went out on her own and conducted taste tests in some of the local stores.

A **producers association** was formed at the Milk Way dairy. On February 4, the first meeting was held. The producer association allows Milk Way Dairy to have access to a stable milk supply, and helps ensure that the members of the association have a dependable market for their milk. The board of directors was elected and an executive secretary was hired.

Gene Kuntz, project leader, identified the **Milks cooperative** as the site for implementing the private extension component of the project in Bulgaria.

On April 8, **Mr. Zhelyo Zhelev**, the **President of Bulgaria** visited the Milk Way dairy. More information will be forthcoming in the next report. (Photos in Appendix A)

3. Estonia

Nelly Oinus Project Coordinator, traveled to the United States for five weeks of internship and training on

- Milk quality
- Dairy production
- Business management of dairy farms
- Cooperative structure
- Cooperative management
- On farm experience

During the last week of her stay she attended the Land O' Lakes annual meeting and a staff retreat for all International Development Division staff. The focus of the retreat was team building and communications.

Jim Glaeser Traveled to Estonia (3/28-4/1) to meet with representatives of the four dairies that will be participating in setting up private advisory services. The four dairies are:

Polva Dairy
Viljandi Dairy
Tartu Dairy
Vana-Kuuste Dairy

A representative of each dairy signed a letter of intent to Land O'Lakes that outlines expectations of the project. Jim also met with Jaan Käär who is the new president of the Estonia Dairy Association. Mr. Käär indicated that he is supportive of the project.

4. Latvia

In December of 1993, **Mary Doerr** and **Brigitte Botnick** assisted goat owners to set up a goatkeepers association. They also conducted demonstrations in cheese making and goat type trait evaluation.

Mary Daubert traveled to Riga (3/9-19/94) to assist the newly formed goat keepers association with organizational development and growth. She also gave a presentation at the first goat keepers congress, and provided technical training to a veterinarian and several people who raise goats. (Photo in appendix A)

5. Poland

Courses

Marilyn Grantham taught a customized *Training of Trainers: Transfer of Materials* course near Plock, Poland (January 24-28), to institutionalize the training materials that Land O'Lakes developed and presented in these topics the previous two years: *Agribusiness Management, Cooperatives: Principles & Practices, Dairy Production and Management, Intermediate Marketing, and Milk Procurement and Assembly*. The purpose of the training was to teach extension personnel how to teach these materials, thereby continuing the usefulness of these materials. Several excellent teaching plans were developed from the class of ten men and five women that demonstrated the participants' grasp of the materials and teaching methods.

Past participants in Land O'Lakes U.S. internship programs have formed and officially registered the **Association for Future Leaders of Polish Agriculture**, a Polish young agriculturalists organization similar to the Future Farmers of America in the United States. Marilyn Grantham presented a specialized course entitled *Developing Youth Agriculture Experience Programs* in Siedlce (January 31 - February 4) to four men and thirteen women advisors and members, sharing ideas and practical information on leadership and teamwork that can be incorporated as the members define their goals and shape their

future. This organization will create a multiplier effect, extending the knowledge and experience gained by Poles in their U.S. internships to their fellow agriculturalists.

Technical Assistance

As a result of the baseline studies conducted in November and December 1993, Land O'Lakes selected 18 organizations to target in its technical assistance efforts. The eleven dairy cooperatives are **Nowy Targ, AGROMILK, Rawa Mazowiecka, Lowicz, Wloclawek, Mragowo, Piatnica, SPOMLEK, Wielun, Kolno, and LACPOL**. the four private dairies are **Luk Mil, Janow Podlaski, Bulkowo, and CEKO**. The agricultural input organization is **Alczes**. The farmer groups are in **Lisców** and **Sitno**. The technical assistance focuses on five major topics. 1) Farm Management, Crop Production and Nutrition. 2) Milk Quality, Production, and Procurement, 3) Milk Processing and Dairy Plant Maintenance. 4) Agribusiness Management, and 5) Marketing.

To strengthen the dairy cooperatives, **Les Deckert**, Land O'Lakes board member, conducted a seminar in Rabka January 25-26 on applied cooperative principles to participants from six dairy cooperatives, covering the relations issues between cooperative board members and management, among other topics. When he followed up with on-site technical assistance tailored to each of the six locations--**Nowy Targ, Nowa Huta, Lisców, Rawa Mazowiecka, Olsztyn, and Kolno**--the full board was present at each site and exhibited a high level of commitment to improving their situations (January 26 - February 4).

Ken Stalboerger provided technical assistance in animal husbandry and crop and forage management (January 28-February 12) to the **Lisców producers cooperative**, to the **Klewki** farm, the **Sierpc** dairy cooperative, and to farmers in **Sitno**. He advised on forage analysis and feed rationing and to all recipients he demonstrated a method of calculating farm profitability, which is the starting point in determining the value of current or proposed farm activities. At **Sitno**, for example, the net value of the crops produced were calculated and crops compared, based on profitability. He also made recommendations to the **Klewki** farm (owned by **Alczes**) on the utilization of their feed mill.

Marlin Reedstrom assisted dairy cooperatives in **Lowicz, Wloclawek, Rawa Mazowiecka, and Wielun** in setting up or improving their in-house advisory services. First, he presented a seminar March 14-16 on *Private Advisory Services* to all of them, then followed with individual technical assistance at each site (March 17-29). He assisted in providing information regarding possible mergers by two of the organizations. He also was able to show the improved profitability of adding inputs to increase outputs and, therefore, profits.

To introduce environmental considerations to Polish dairy plants, **Jim Hestad** provided environmental audits and recommendations on whey utilization in five locations: **Nowy Targ, Piatnica, Kolno, Wysokie Mazowieckie** and **Nowa Huta** (March 10-18). He made recommendations for future environmental projects for these dairies based on the environmental audits.

6. Romania

Ted Kjos, project leader, arrived in Romania on March 7. He started his two year full time assignment by interviewing potential candidates for the project in Romania. The names of the candidates were given to Land O' Lakes, Inc. staff by Romania Ministry of Agriculture staff. His work was interrupted by an automobile accident that he and Cabriel Cosa, (Coordinator,) were involved in during the last week of March. As of this writing, Ted has returned to the United States for medical treatment. He expects to return to Romania in early May.

III. Evaluation

Impact

Private Label for Profit

Mr. Peter Guba works for a dairy processing company in Hungary. He developed private label packaging of sour cream for one of the largest Hungarian food retailers. The idea came to him from information presented at a Land O'Lakes marketing course. Mr. Guba worked with the retailer on the specifics of the contract and in the last week of March, nearly a year from the date of the course, the contract was signed and the product appeared in the national chain of supermarkets. The contract is worth \$150,000 over the next six months and represents a new product utilizing cream that the processor had no market for. The sour cream is used in cooking typical Hungarian dishes.

Mr. Guba continues to use things he has learned from Land O'Lakes. Prior to his contact with Land O'Lakes, the processor never tested new products prior to market introduction. This often resulted in huge financial losses that the state absorbed. In the free market economy there is no state to devour such losses; all aspects of the company must be profitable and do their best to limit losses. Today as head of the New Product Development and Marketing department, Mr. Guba and his staff are out talking to the consumers to find out what they want and how much they are willing to pay. "The assistance from Land O'Lakes has helped me personally with my job. I have many other new ideas that I hope to advance" (Photos on appendix A)

Increased milk Production

John Molumby provided management help to the Bavoryne (EROUS) farm in November of 1993. (Czech Republic) By following John's feeding system recommendations the farm owners were able to produce 100 liters of milk per week over what their production had been previously. They also were pleased with John's cost effective nutrition recommendations utilizing brewer's grains and other inexpensive byproducts.

Improved milk Quality

Mr. Mikulka and Mr. Davidek, are renting a previously State owned and operated farm near Jasenova Slovakia. After attending a Land O' Lakes, Inc. dairy production course, Mr. Mikulka changed several management practices. As a result, the two have improved the quality of the milk that they sell. Before the course, their milk graded "third quality" which is the poorest grade in their market. After the course their milk consistently grades in the "first quality." The pay price for "first quality" is more than double the price that they received for the lower quality milk they used to sell.

Business Profits

Mr. Tibor Barkoezi of Hungary credits his success to information that he gleaned from two Land O' Lakes marketing courses in Godollo. He has successfully made the transition from managing a state owned company to running his own limited liability company. His company is a joint venture with DEC, which manufactures Bou Matic milking systems. Although he would not divulge the exact

amount, he credits the company's significant first year profits to the customer oriented approach that he learned in the two marketing courses. Mr. Barkoczi describes his approach to servicing customers.

"First I had to source information regarding products we wanted to distribute. A salesman needs to know about the product to be more competitive. The salesman also has to find the customer and realize the needs of the customer in order to be successful in the sale of any product. On the other hand, the next step is to find the decision maker in the group and transfer the information to that person. This procedure was realized by me after participation in the Land O'Lakes programs"

Value Added Marketing

Michal Tachev is a Bulgarian farmer who attended a Land O' Lakes marketing seminar. He went home from the seminar and immediately applied the techniques that he learned. The seminar stressed adding value to a commodity, so Mr. Tachev ground his wheat into flour, sold it directly, and tripled his profits. Another project that he embarked on was to press sunflower seeds and sell the oil, and meal. To sell the meal, he developed a relationship with a local state owned bank, and through them, was able to move the product to larger dairy producers in the area. Michal is also developing his influence in the area, he was recently elected as executive secretary of the Milk Way producer's association (see photos in appendix A)

A New Goatkeepers Association

Mara Liepina was able to start farming when land collectivized by the Soviets was returned to the original owners. Initially she started keeping goats to provide milk for her daughter, who can not drink cow milk. She expanded her herd to thirty-five animals. Ms. Liepina requested assistance in dairy goat management from Land O' Lakes. In response, Mary Doerr and Brigitte Botnick traveled to Latvia in December, 1993, and Mary Daubert traveled to Latvia in March of 1994. Mary Doerr and Brigitte Botnick held a workshop on veterinary and livestock issues related to goat-keeping. In addition to improving their goat keeping skills, the two helped Ms. Liepina and several other goat-keepers in the area form a goat-keepers association. A meeting of the association, dubbed the first congress, was planned and held in March 1994. Ninety four goat-keepers attended. Fifty-plus paid family memberships were recorded. Mara Liepina (association President) was interviewed by a local TV station and a report of the congress aired on the evening news. During the congress:

- Officers were elected
- A Board of Regional Directors meeting that was held
- Association goals were established
- Robert's Rules of Order were demonstrated
- A show and animal sale was scheduled for August 20, 1994
- Goat evaluation training was presented

One of the new goat association members (Photo in Appendix A) reported that she sold one of her kids as soon as it was weaned due to the networking opportunities afforded by her membership. (see photo in appendix A)

New Logo Equals More Sales

Based on two marketing courses that six staff of the Wloclawek Dairy Cooperative (Poland) took, key staff simplified their 30-letter Polish name to a 5-letter acronym and created a logo based on the traditional scene in the region. They carried out an entire marketing strategy, including consumer surveys and analysis; the repackaging of yogurt and other products based on their newly identified consumer preferences; and an advertising campaign. "Before, our yogurt was sad looking, in plain white," the marketing director said. "Now we have colorful packaging which has greatly enhanced sales by about 20% since April of 1993. Our product used to be on the back shelves. Now shop owners put our taller, more attractive product in front." As a result of the training, the cooperative has changed its management structure to delegate more responsibility to departments and staff. New time- and money-saving plant maintenance techniques have been instituted, such as testing a line before beginning production, writing detailed documentation, and using a higher-cost lubricant that pays off with lower maintenance costs. Land O'Lakes will continue to assist the Wloclawek dairy with specialized technical assistance.

Follow up on past interventions.

Livestock Judging Skills

Zenon, the new private owner of the Brzstany farm (Czech Republic) attended the Dairy Breeding course in December of 1992. He reported that he improved his ability to judge livestock traits and has improved the quality of his herd by applying his new skills as he culled animals in his herd and obtained replacements. He also said that the course materials that he received are a valuable resource as he selects replacement livestock.

IV. Program Adjustments

There are no program adjustments to announce in this reporting period.

V. Logical Framework summaries of program components

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Albania

Project Name: Albania Dairy Improvement Campaign

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: December 31, 1994

Hierarchy of Objectives	Objectively Verifiable Indicators (OVI)	Means of Verification (MOV)	Important Assumptions
<p>GOAL To increase the quality and quantity of milk produced in target villages.</p>	<p>1. Women milk producers know most factors affecting quality and quantity of milk.</p> <p>2. Milk produced by target audience tests better for various quality tests than milk from baseline survey.</p> <p>3. Perceived amount of milk produced by target audience is higher.</p>	<p>1.1 Field interviews.</p> <p>2.1 Baseline survey results from record of cheese processors, and random sampling.</p> <p>3.1 Field visits and interviews.</p>	<p>Purpose to Goal:</p> <p>1. Women have access and can afford more feed for cows.</p> <p>2. Women have access and can afford more water for cows.</p> <p>3. Women desire to increase milk production.</p> <p>4. Women have access and can afford equipment and chemicals needed to increase milk quality.</p> <p>5. Production records from cheese processors are maintained and access is permitted.</p>

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Albania

Project Name: Albania Dairy Improvement Campaign

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: December 31, 1994

<p>PURPOSE 1. To train 3,000 to 4,000 women milk producers three times each with information on milk handling, dairy nutrition, and marketing.</p>	<p>1.1 Numbers of women milk producers trained three times each.</p> <p>2.1 Numbers of additional handouts of dairy material given out.</p> <p>2.2 Numbers of advertisements in various media with estimates of audience reached.</p>	<p>1.1.1 Database containing name and address of each woman trained and in training.</p> <p>2.1.1 Records of amount of materials printed and amounts of materials handed out by field agents.</p> <p>2.1.2 Records of amounts of materials handed out by other organizations.</p> <p>2.2.1 Average audience reached if reports are available for advertisements placed in media.</p>	<p>Goal to Super Goal:</p> <p>1. Women are interested in changing their behavior to increase quality and quantity of their milk.</p> <p>2. Villages can be reached in a reasonable time frame with reasonable cost.</p> <p>3. Appropriate Field Agents who are willing to travel can be found.</p> <p>4. Additional materials given out are read.</p> <p>5. 25 women can be gathered and trained at one time.</p>
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LAND O'LAKES

LOGICAL FRAMEWORK

Country: Albania

Project Name: Albania Dairy Improvement Campaign

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: December 31, 1994

OUTPUTS		Output to Purpose:	
1. Increase of common dairy knowledge among producers.	1.1 3,000 - 4,000 women trained three times.	1.1 Project files on each woman. Random field interviews.	1. Field Agents can correctly impart information to producers.
2. 15 Albania-specific Dairy Information booklets.	2.1 Producers demonstrate new knowledge.	2.1 Copies of booklets.	2. Information imparted is practical, useful and easily remembered by women producers.
3. 10 Albanians trained and functioning as Extension Agents.	3.1 15 different booklets developed and published.	3.1 Project records and personal interviews with field agents.	3. Booklets can be printed at reasonable cost.
4. About 250 Local Key Leaders trained and functioning as technical resources for their communities.	4.1 Agents attend training courses and implement knowledge in field through campaigns.	4.1 Monthly sign-in sheets for Key Leader meetings and Key Leader's files showing learning activities conducted.	4. Albanians found who are willing to work for the program.
	5.1 Key leaders attend monthly training sessions and conducting learning activities in their villages.		5. Key leaders are interested and willing to travel once a month to come to regional training and are willing to train other women.
			6. Women in each group are willing to learn from their Key Leaders.

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Albania

Project Name: Albania Dairy Improvement Campaign

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: December 31, 1994

<p>ACTIVITIES (Key Activities Clusters)</p> <ol style="list-style-type: none"> 1. Hold In-Country Forum. 2. Hire and train staff. 3. Develop demonstrations. 4. Develop additional supporting materials. 5. Conduct baseline survey. 6. Conduct dairy campaigns. 7. Distribute supportive information through handouts and advertisement campaigns. 		<ol style="list-style-type: none"> 1.1 Participant list and registration list. 2.1 Project Manager Records 3.1 Project Files 4.1 Booklets, Flip Charts 5.1 Survey Reports 6.1 Project Files 7.1 Distribution List 	<p>Activities to Output:</p> <ol style="list-style-type: none"> 1. People interested in attending a forum. 2. Women Field Agents willing to travel can be found and trained. 3. Appropriate materials and demonstrations can be developed in a reasonable time frame. 4. A representative baseline survey can be done at reasonable cost and in a reasonable time frame.
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LAND O'LAKES

LOGICAL FRAMEWORK

Country: Bulgaria

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: November 30, 1993

Estimated Project Completion Date: June 1998

Hierarchy of Objectives	Objectively Verifiable Indicators (OVI)	Means of Verification (MOV)	Important Assumptions
<p>GOAL To restructure the Bulgarian dairy industry by assisting small private commercial dairy producers to effectively compete in the marketplace.</p>	<p>Competitive and profitable commercial sized dairy operations.</p>	<p>Survey of targeted area farms.</p>	<p>Dairy policy remains conducive to growth in dairy sector and farmers have access to funds to enlarge herds.</p>
<p>PURPOSE Formation and strengthening of private producers associations in order to increase their income, milk quality, and linkage to processors and input suppliers.</p>	<p>Progressive, functioning producers associations which positively contribute to producer success.</p>	<p>Interview with producer association, survey of their services and interviews with members.</p>	<p>Support from in-country organizations and associations in order to form the necessary networks.</p>

LOGICAL FRAMEWORK

Country: Bulgaria

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: November 30, 1993

Estimated Project Completion Date: June 1998

OUTPUTS			
1. Creation of a producers association.	1. Creation of Milk Way Producer Association.	1. Existence and functionality of Milk Way Producer Association.	1. Support is gained from Milk Way management to participate in program.
2. Model Quality program for private producers.	2. Creation of a model QQM program in Plovdiv region.	2. Existence and functionality of model QQM program.	2. Processing facility supports project and implements QQM objectives in work.
3. Strengthening of existing farm network organizations.	3. Marketing information system, information on QQM programs, dairy promotion, policy, and advocacy strengthening.	3. Interview with union representatives to assess activities on producer, national and federal levels.	3. Dairy union integrates knowledge of training into union action on all levels.
4. Formation of Dairy Service Cooperative.	4. Creation of Stara Zagora dairy service cooperative.	4. Existence of service cooperative.	4. All pertinent groups can be brought together to work as cooperative.

LOGICAL FRAMEWORK

Country: Bulgaria

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: November 30, 1993

Estimated Project Completion Date: June 1998

ACTIVITIES			
1. Individualized Log-frames are being created to meet the needs of each of the 4 organizational entities targeted.			

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Estonia

Project Name: Estonian Dairy Improvement through Private Extension

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: June 1998

Hierarchy of Objectives	Objectively Verifiable Indicators (OVI)	Means of Verification (MOV)	Important Assumptions
<p>GOAL To assist the Estonian private dairy industry to better compete within the evolving free market place.</p>	<p>1. Competitive and efficient processing facilities.</p>	<p>1.1 Up to four Private Extension Service organizations in processing facilities created.</p>	<p>1. Government dairy policy remains conducive to growth of dairy sector.</p> <p>2. Selected dairy plants willing to work with Land O'Lakes project.</p>
<p>PURPOSE To improve raw milk quality through creation of a model private extension service for small dairy producers.</p>	<p>1. Better quality dairy products.</p>	<p>1.1 SCC & bacteria counts.</p> <p>1.2 Financial stability of plants and recognition by other agricultural organizations.</p>	<p>1. Collection Specialists in private dairies will integrate knowledge into their work with farmers and are willing to establish appropriate policies on milk quality; farmers willing to make changes in their means of production.</p> <p>2. Management of private dairies is open and supportive of changes to strengthen their organization.</p>

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Estonia

Project Name: Estonian Dairy Improvement through Private Extension

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: June 1998

OUTPUTS			
1. Establish model Private Extension Service.	1.1 Up to four model Private Dairy Extension Services by the end of 1995.	1.1 Up to four established Private Extension Services.	1. Receive cooperation by the management of the four targeted processing facilities.
2. Improve sanitation on farms and in plants.	2.1 Improved sanitation in 50% of the farms the extension service has reached and good sanitation practices in up to 4 processing facilities worked with by the end of 1995.	2.1 SCC and bacteria count tests for 50% of farms reached and up to 4 processing plants.	2. Farmers and processors are open and committed to implementing quality procedures.
	2.2 Extension employees become technical experts in milk quality issues.	2.2 Interview employees to find out how much information was learned.	
3. Develop better marketing capability, through better quality products.	3.1 Marketing plans for up to 4 processing facilities by the end of 1995.	3.1 Existence and use of up to 4 new marketing plans by processing facilities.	3. Marketing department implements marketing plans.
4. Strengthen capability of Estonian institutions.	4.1 Materials and curriculum development concentrating on milk quality.	4.1 New curricula and training programs which include milk quality.	4. Gain support and assistance from Estonian Dairy Association, Farmers Union, and Vocational Education institutions.

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Estonia

Project Name: Estonian Dairy Improvement through Private Extension

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: June 1998

<p>ACTIVITIES</p> <p>1.1 U.S. quality internship for Estonian technical specialist.</p> <p>1.2 Focused short courses offered by Estonian technical specialists and U.S. Expert with immediate follow-up technical assistance.</p> <p>1.3 Information and materials campaign.</p>	<p>1.1 Technical staff person learns milk quality information and basics of how to organize a private extension service.</p> <p>1.2 Activities customized according to each organization's needs.</p> <p>1.3 Materials created by Communications staff person.</p>	<p>1.1 Internship completed.</p>	<p>1. Information provided will be applicable to Estonian situation.</p> <p>2. Materials generated will be presented and used by farmers & processors.</p>
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LAND O'LAKES

LOGICAL FRAMEWORK

Country: Latvia

Project Name: The Latvian Dairy Development Project

Project Number: EUR-0024G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: June 1996

Hierarchy of Objectives	Objectively Verifiable Indicators (OVI)	Means of Verification (MOV)	Important Assumptions
<p>GOAL To improve dairy/livestock production practices to enrich the standard of living for women and their families in three Rajons.</p>	<p>1. Increase production and viable dairy/livestock farms.</p>	<p>1.1 Data supporting increase in production and profitability.</p>	<p>1. Government dairy policies supporting increase of production. 2. Profitable dairy plants for farms to have outlet for their milk.</p>
<p>PURPOSE 1. To provide new experience information and enhance progressive dairy/livestock producers in Latvia through the advisory service (LAAS). 2. Enrich diets of rural families with quality milk products and food stuffs. 3. Instill community leadership and sense of community responsibility into groups of emerging rural entrepreneurial women.</p>	<p>1. Train Ag advisors in dairy production methods, family dietary practices and leadership organizational skills, through participatory training.</p>	<p>1.1 Course materials developed with the assistance of Latvian experts. 1.2 Participant evaluations and trainer reports. 1.3 More variety in rural diets. 1.4 Production costs lowered.</p>	<p>1. LAAS is willing to cooperate. 2. Gain support of dairy associations in three Rajons.</p>

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Latvia

Project Name: The Latvian Dairy Development Project

Project Number: EUR-0024G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: June 1996

OUTPUTS							
1.	Curriculum development in cooperation with LAAS.	1.1	At least four course topics developed in collaboration with Latvian experts.	1.1	LOL course materials in all 26 Rajons LAAS offices.	1.	Cooperation with LAAS and Latvian co-trainers.
2.	Courses implement by Latvia co-trainer provided for advisors from other 24 Rajons.	2.1	Advisory staff trained in LOL courses throughout Latvia.	2.1	At least one advisor in Rajons office knowledgeable in modern techniques who participated in course.	2.1	Cooperation with purebred livestock department of MOAG and Goat Association.
3.	Assist goat registration system with MOAG and Goat Association.	3.1	Improved on-farm animal registration practices.	3.1	Registration form approved by MOAG, animals tattooed and genetic improvement.	2.2	LAAS willing to assist where Goat Association does not exist.
4.	Provide training in goat product development and marketing.	4.1	Goat producers with newly gained skills in adding value to their products.	4.1	Goat products available to consumers.	3.1	Appropriate quality of products.
5.	Strengthen community leadership skills and democratic values for rural women.	5.1	Provide U.S. internships to four leading dairy producers in technical and rural women empowerment.	4.2	Rural consumers have access to a more diversified diet.	3.2	Market demand for products.
				5.1	Integrating gained knowledge into their existing grassroots organizations.	4.	Participants are in a position of authority to make necessary changes.

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Latvia

Project Name: The Latvian Dairy Development Project

Project Number: EUR-0024G-00-1072-00

Date of This Summary: April 29, 1994

Estimated Completion Date: June 1996

<p>ACTIVITIES</p> <p>1.1 Customize training and technical assistance in dairy production issues.</p> <p>1.2 Use of Latvian co-trainer and advisors to give credibility and to institutionalize programs.</p> <p>2. U.S.-based internships.</p>	<p>1.1 Twenty-five participants in courses consisting of progressive farmers and advisory staff in 3 Rajons.</p>	<p>1. Course evaluation forms and trainer reports.</p>	<p>1.1 Recipients open to customized training and technical assistance.</p> <p>1.2 Materials will be appropriately tailored to producers' needs in Latvia.</p> <p>2. Willingness and time of participants to share newly gained knowledge.</p>
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LAND O'LAKES

LOGICAL FRAMEWORK

Country: Poland

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: January 24, 1994

Estimated Project Completion Date: June 1998

Hierarchy of Objectives	Objectively Verifiable Indicators (OVI)	Means of Verification (MOV)	Important Assumptions
<p>GOAL To assist in the privatization and restructuring of the private dairy sector in Poland.</p>	<p>1. A more efficient private dairy system.</p>	<p>1.1 Up to 20 viable dairy and/or dairy-related organizations.</p>	<p>1. Positive Polish government dairy policies. 2. European dairy policy is conducive to Polish dairy growth.</p>
<p>PURPOSE To help dairy cooperatives and/or related industries (feed, seed, private advisory services) become more economically sustainable and increase competition in the dairy sector.</p>	<p>1. More profitable and democratically controlled dairy cooperatives/related industries. Market share increased by at least 5%.</p>	<p>1.1 Sales & market price figures. 1.2 Organization ownership status. 1.3 Expanded product lines. 1.4 Production costs lowered.</p>	<p>1. Local market conditions are receptive to change.</p>

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Poland

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: January 24, 1994

Estimated Project Completion Date: June 1998

OUTPUTS			
1. Private dairy firms/cooperatives with increased profitability, quality products, and increased market share.	1.1 10 private dairy firms/cooperatives by the end of 1994 with increased profitability, higher quality products and increased market share.	1.1 Sales and market price figures. 1.2 Shelf life of products. 1.3 Raw milk quality reports.	1. Management receptive to recommendations and employees follow through with recommendations.
2. Model dairy cooperatives which are democratically, producer-controlled, responsive co-ops.	2.1 5 or more of the 10 above organizations are democratically controlled dairy cooperatives by the end of 1994.	2.1 Documentation of organizational structure.	2. No resistance to member-controlled organizations.
3. Private dairy-related firms (feed, seed, private advisory services) which are competitive, high quality sources of inputs to the dairy industry.	3.1 Up to 10 private dairy-related firms with increased market share, better quality inputs by the end of 1994.	3.1 Sales and market price figures. 3.2 Analysis of product lines.	3. Small producer mentality is positive towards change.
4. Regions that promote private agribusiness and democratic values.	4.1 5 Young Agriculturalist Clubs (YACs) in 5 regions which expose young agriculturalists to ag opportunities.	4.1 A registered YAC organization with by-laws and an action plan.	4. Appropriate funding is sourced for YACs. 5. YACs willingness to volunteer. 6. Interest in continued participation by YAC agriculturalists, ODR centers, and VoAg institutions.

LAND O'LAKES

LOGICAL FRAMEWORK

Country: Poland

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of This Summary: January 24, 1994

Estimated Project Completion Date: June 1998

<p>ACTIVITIES</p> <p>1.1 Customize training and technical assistance.</p> <p>1.2 Conduct training and follow-up technical assistance.</p> <p>1.3 Use participants to spread model and give credibility to model.</p> <p>1.4 Use of Polish co-trainer and advisors to give credibility and to institutionalize programs.</p>	<p>1.1 Activities customized by organization.</p>		<p>1. Recipients open to customized training and technical assistance.</p> <p>2. Willingness and time of previous participants, Polish co-trainers and advisors to participate in programs.</p>
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LAND O'LAKES

LOGICAL FRAMEWORK

Country: Romania

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of this Summary: November 30, 1993

Estimated Project Completion Date: June 1995

Hierarchy of Objectives	Objectively Verifiable Indicators (OVI)	Means of Verification (MOV)	Important Assumptions
<p>GOAL To improve the capacity of small private agribusinesses to diversify products, improve packaging, conduct consumer market research, and improve distribution systems.</p>	<p>Existence of private food retailers, wholesalers, and ag input company with improved operations.</p>	<p>1. Individual company interviews and review of systems in place.</p>	<p>1. Targeted individuals/ companies exist, willing to participate in program and integrate knowledge into work.</p>
<p>PURPOSE To improve the capacity of small private agribusinesses to diversify products, improve packaging, conduct consumer market research, and improve distribution systems.</p>	<p>More diverse product lines, better packaging, market research and distribution systems.</p>	<p>1. Review of company's current operating lines and position.</p>	<p>1. Targeted individuals/ companies exist, willing to participate in program and integrate knowledge into work.</p>

LOGICAL FRAMEWORK

Country: Romania

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of this Summary: November 30, 1993

Estimated Project Completion Date: June 1995

OUTPUTS			
1. Private cheese plants with market oriented management systems.	1. At least 12 small private cheese plants with modern market oriented systems and larger market share.	1. Review of plants for market oriented systems in place and interview with management.	1. Targeted individuals/ companies exist, willing to participate in program and integrate knowledge into work.
2. Functioning ag-service input dealers.	2. At least 8 successful ag-service input dealers functioning.	2. Existence of 8 input dealers and review of their current operating situation.	
3. Dairy food retailers with improved operations.	3. At least 100 private food retailers which include dairy products trained in retailing (cash flow, cash services, advertising, business planning, inventory management, accounting).	3. Individual interviews and company review of management systems in place.	2. Consultants exist and project can tap into them as resources.
4. Wholesalers with improved operations.	4. At least 10 of the leading wholesalers in each town within the targeted region with improved sales, management, inventory control, computer use, and logistics.	4. Individual interviews and company review of management systems in place.	
5. Institutionalization of dairy & business information sources.	5. Strengthening the private consulting firms in above sectors.	5. Consultants exist and are willing to participate in project.	

LOGICAL FRAMEWORK

Country: Romania

Project Name: Free Market Cooperatives

Project Number: EUR-0024-G-00-1072-00

Date of this Summary: November 30, 1993

Estimated Project Completion Date: June 1995

ACTIVITIES			
<ol style="list-style-type: none"> 1. Targeted Courses in business management for each sector listed. 2. Long term follow up technical assistance with targeted organizations and individuals. 	<p>Currently being created.</p>		

VI. Financial Report

VII. Appendices

- A Photographs
- B Cover of demonstration booklet used for sediment demonstration in Albania
- C Newspaper articles

Appendix A

Photos



(Top)
Over two hundred farmers and milk collectors attended the standing room only informational meeting for the Milk Way Producer's Association held in Nova Zagora, Bulgaria, on February 6, 1994



(Bottom)
Pencho Monev (right), Manager of Milk Way, explains the cheese making process to the President of Bulgaria. Left to Right: Bulgarian First Lady Mrs. Zheleva, United Bulgarian Bank-Nova Zagora Manager Major, Bulgarian President Mr. Zhelyo Zhelev, Monev

2/4

(Top)
Bulgarian President Mr. Zhelyo Zhelev purchases a piece of Milk Way Cheese from plant manager, Pencho Monev, during his April 18th visit to the Milk Way plant in Nova Zagora, Bulgaria



(Bottom)
Bulgaria President Zhelyo Zhelev (left) watches the packaging of Milk Way Cheese along with Michael Tachev (next to President) Executive Secretary of the newly formed Milk Way Producers Association



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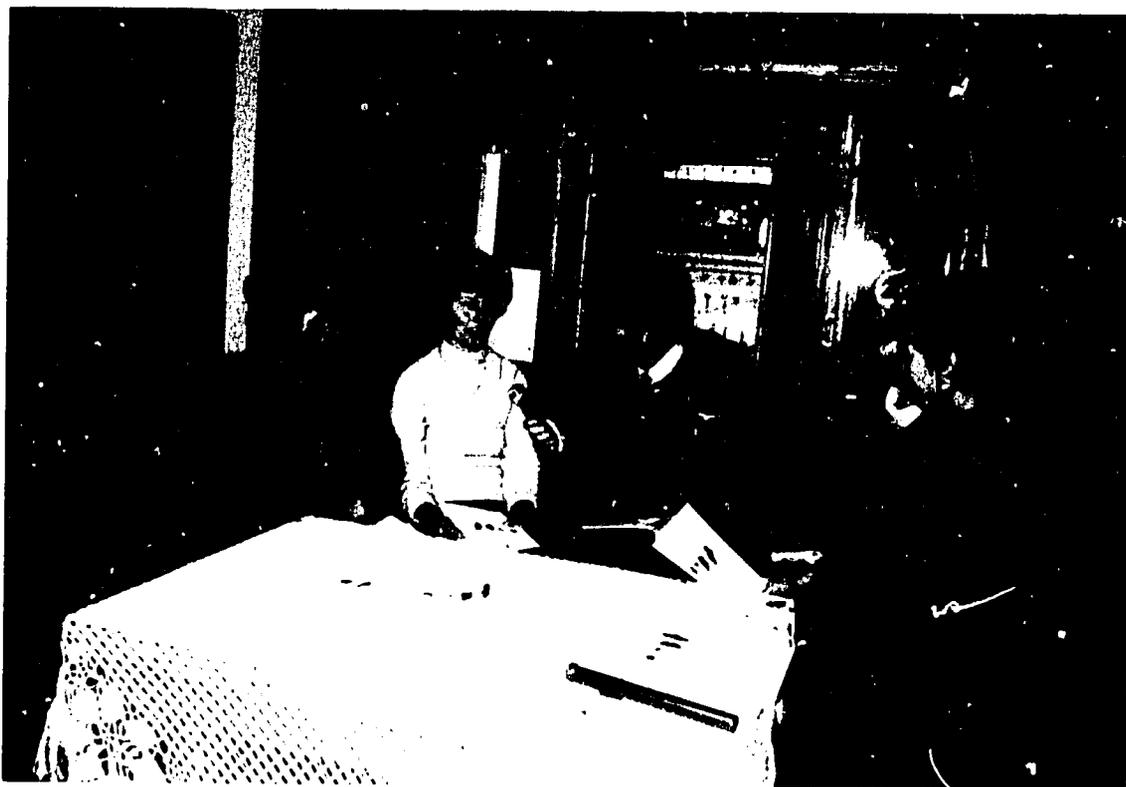
The Latvian translator (far right) is asking the goat's owner if she would mind if Mary Daubert examined the doe's udder. This Doe's triplets from this spring were kept in the owner's second-floor apartment. They did not have room in their barn, and were afraid the kids would be stolen if they were in an outside pen. One of the triplets was sold as breeding stock as soon as she was weaned. The goat's owner reported that new markets for breeding stock is one of the benefits of networking between goatkeepers in the new association.





Merita Uraci and Elda Xharosa demonstrate how to filter milk for a demonstration in Vashtemi.

Reported Fuat Memeli interviews women in Vashtemi for the documentary film.



Agricultural Cooperative/Business Development and Training in Central
and Eastern Europe
Grant number EUR-0024-G-00-1072-00, Project number 180-0024
Land O' Lakes, Inc

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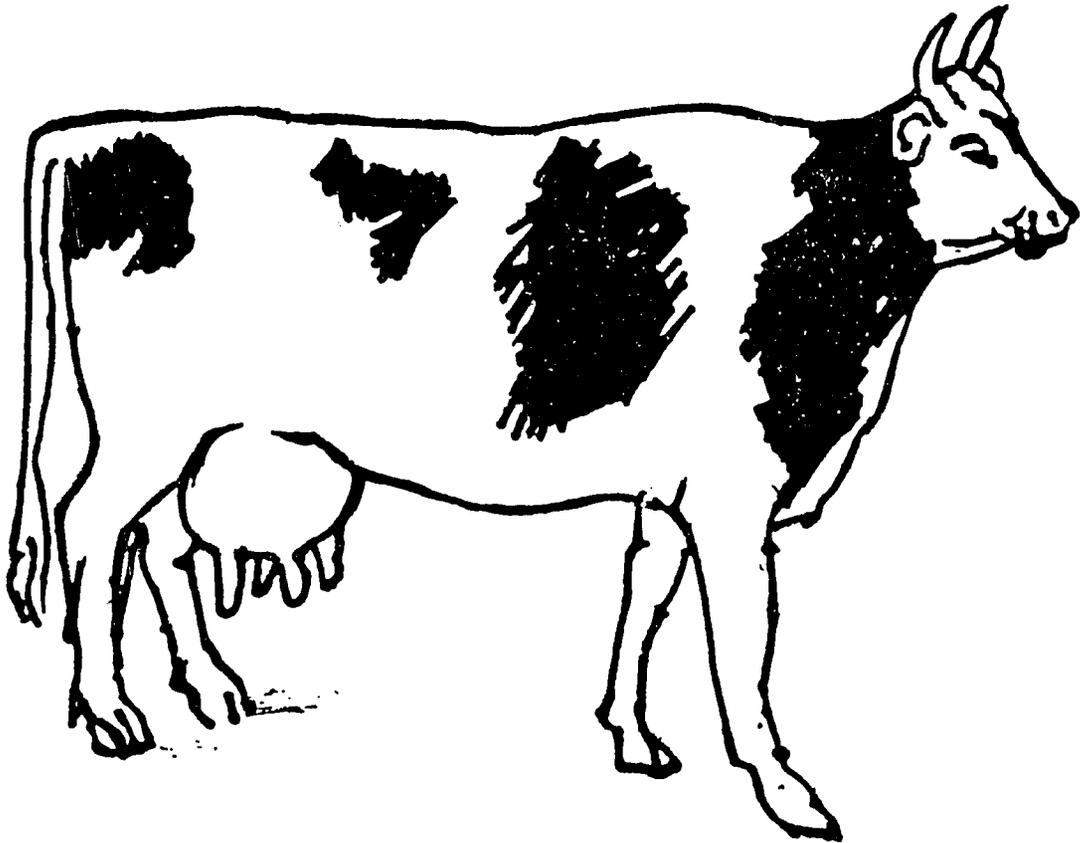
Hungarian Peter Guba shows the private label sour cream which was just introduced in the supermarket chain **Julius Meinl**. Guba developed the product after getting the idea from a Land O' Lakes Marketing course.



Appendix B

Cover of Training Booklet used in Albania For Sediment Demonstration

PRODHIM QUMESHTI PA SEDIMENT



LOPA JUAJ NDJEHET E SIGURT ME LAND O' LAKES

Land O'Lakes Dairy Improvement Campaign
Toka e Liqeneve Fushata e Fërmirësimit të Bulmetit

Appendix C
Newspaper Articles

Estonians don't fear new radical Russian

Kewaunee County farm is visited to learn modern farming methods

By Dan Satran

Estonians who live in a small country on Russia's western border do not view Vladimir Zhirinovskiy's influence in Russia as a threat to their security as a democracy.

That is the opinion of a young veterinarian who spent a week as a guest on a Kewaunee County farm, leaving for another week's stay in Door County on Monday.

Nellie Oinus, 28, who with her husband runs a riding stable and breeds riding horses at Otepaa, Estonia, interviewed Sunday at Larry and Mona's Restaurant in Kewaunee, was asked about the ultranationalist, Zhirinovskiy, who leads one of the biggest blocks in Russia's parliament. He has talked of reestablishing Russian control over their former satellites, including Estonia.

Ms. Oinus said, "The Estonian public is not afraid of him. We consider him a little bit of a lunatic. We felt more threatened three years ago at the time of the change in government."

For the continued security of their country which is about the size of Minnesota, Oinus said, "We depend more upon the West for moral support. We put our faith more in the U.S. and other western governments."

She said that Russia does not seem reluctant to withdraw from Estonia which they occupied since World War II. She said at the time that she left on a study trip to the United States, "There were only about 400 Russian military and officials in Estonia and this fall we will be completely free of them."

With a democratic system of government the Estonians elect a parliament, Oinus said. She admits Russia is considered some threat to them and she said they will feel more secure if they achieve "our ultimate goal, to be a full NATO member."

Her visit to farms in the United States is sponsored through an international development program by the Land O Lakes Dairy Cooperative of Arden Hills, Minnesota.

Before coming to Kewaunee County to stay a week with Ken Kinstetter and his wife Lori on their farm near Slovan, she stayed on farms in Brown and Outagamie counties. Kinstetter is the president of the Kewaunee County Farm Bureau and is a member of a Land O Lakes committee working on an international development program.

Ms. Oinus said in Estonia she is an advisor to the development of their farm program. It is largely a dairy farm country but its dairy industry is still developing and modernizing. She said they do have some herds of dairy cows from 75 to 80 head and some of their better managed, larger herds have a production average from 16,000 to 17,000 pounds. But when they average in the smaller and poorer farms, she said the herd average is closer to 10,000 pounds.

She said there are still many small farms in Estonia with just two or three cows. She said, "Most of them are milked only in summer



Nellie Oinus from Estonia, while visiting on the Ken Kinstetter farm near Slovan for a week, took time to also visit a noted farming theme restaurant in Kewaunee. From left to right: Ken Kinstetter, Ms. Oinus and Lori Kinstetter. —TRI-COUNTY PHOTO by Dan Satran

months when they can live off the pasture land. Farmers carry a stool out into the pasture and milk by hand into a pail carried back into their residence."

Though Estonia markets some of its milk production to Europe, she said most of the milk exported, goes to Russia. Oinus said, "Our hope is to be able to join in the European Common Market."

Oinus said information learned on her visit to farms as in this county will be used in efforts to encourage "the introduction of modern dairying methods so we can compete on the world market."

The Estonians are in the process of converting from collective farms to individual ownership and the free enterprise system. She said, "Every day additional farmers are given back ownership of farms. She described it as an escalating and rapid process."

Union State Bank bus trip to Fireside

Get ready for the roughest, toughest, most generous daughter of the west, the Unsinkable Molly Brown. Members of the Union State Bank's "55 BanClub" are planning a trip to the Fireside Restaurant and Playhouse in Fort Atkinson, on Thursday, March 24, to see the Unsinkable Molly Brown.

Full of rollicking fun and high-spirited energy, the Unsinkable Molly Brown tells the tale of the irrepressible backwoods girl and her silver-miner husband. Molly is spunky, full of life, and explosive as she takes the west by storm! One of the warmest and most joyful love stories ever told on a Broadway stage, Molly Brown is filled with bright music and high-stepping dancing. You'll hear great songs like "Belly Up To The Bar Boys" and "I Ain't Down Yet."

The bus will be departing from Kewaunee High School at 7 a.m. and will have another pickup at the Union State Bank Bellevue office in Green Bay at 7:25 a.m.

The cost per person is \$49 for "55 BanClub" members and \$53 for

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Re
You

ELECTION N TOWN OF MON

Notice is hereby given that the Primary Election will be open from Tuesday, February 15, 1994 at the 1 This primary election is for Kew voters only — for Kewaunee School

C-12

Attention Tourism I

Kewaunee County Promotional information for two br

- *Marina operators and charte for Kewaunee County "Mar
- *Restaurants, antique shops specialty stores for the "visitor

Businesses will be listed under the cate the major focus of their I

Businesses within Kewaunee C to be included should contact the to ensure inclusion in this

C-12

We should be set with salt supplies

Although a fast start next winter could

Algoma beach walkway project moving ahead

At least \$100,000 in grants certain, more money likely

TODAY'S THE DAY
 Stop Smoking.
 American Heart Association

Trud Daily (Labor)
April 14, 1994

Желю Желев получи индианска лула

Специален армаган получи от пребиваването си в Нова Загора президентът Желю Желев. Индианска лула му подари представителят на американската корпорация "Лендлейкс". Приемайки подаръка, д-р Желев се пошегува, че тази "лула на мира" трябва да изпушат Александър Йорданов и останалите политици.



Ж. Желев

След Нова Загора президентът със съпругата си посети и Сливен и почето освещаването на местния седмичник "Седмица". Домакините се отсрашиха с пълни маси с вкусотии, а д-р Желев не пропусна да опита пивките сливенски ракии и вина.

ZHELYO ZHELEV RECEIVED AN INDIAN PIPE AS A GIFT

A special gift was received during the visit in Nova Zagora, the President Zhelyo Zhelev. An Indian pipe was given to him by the representative of the American Corporation Land O'Lakes. Receiving the gift, the president made a joke that they have to smoke "the Peace Pipe" together with Alexander Jordanov (the Chairman of the Parliament) and the other politicians.

After Nova Zagora the President and his wife visited Sliven and attended the christening of the local weekly newspaper "Week". The hosts gave a good welcome with tables covered with delicious things and D-r Zhelev didn't miss to try the mallow brandies and wines from Sliven.

СЕРДИКА'90 с международна награда

Американците харесват добричкото сирене

Иво СТАНЕВ

НАЙ-ПРЕСТИЖНАТА награда в областта на хранителната промишленост и спомагателните производства е притежание на българска фирма. ЕООД СЕРДИКА'90 - Добрич, спря вниманието на Избирателния комитет на Trade Leaders Club, в който членуват 120 бизнесмени от 112 страни. В преценката са включени и данните от маркетинговите проучвания, осъществявани от наши и чуждестранни фирми.

Заместник-управителят на дружеството инж. Красимир Киров присъства на връчването на наградата в Барселона на 1 март тази година. Събитието съвпада с началото на втория международен панайр Алимента'94, проведен от 1 до 6 март в каталонската столица.

90 на сто от продукцията на ЕООД СЕРДИКА'90 се пласира в САЩ. Предвидливите американски търговци са платили авансово продукцията на добрички-

те производители, отчитайки високото качество на българското овче сирене. Англичаните също са проявили апетит към него и ще го имат тази година на своята трапеза макар и в по-ограничени количества.

Най-крупният производител на млечни продукти на Балканите тази година ще отбележи своя четвъртвековен юбилей. СЕРДИКА 90 фигурира в рекламните проспекти на Алфа Лавал. Част от техническия персонал е специализирал в Швеция. Производственият процес е напълно автоматизиран.

С всеки изминат ден количеството мляко, постъпващо за преработка, намалява. Затова идеята на ръководството на дружеството е в бъдещата приватизация да привлече за акционери частните производители. Производствените фондове са големи и проектът предвижда закупуването на завода от неговия колектив, твърди управителят на СЕРДИКА'90 инж. Илия Митев. Ако се наложи, готови сме

да работим година-две без заплати, но ще предотвратим порочната тенденция до построените млекопреработвателни предприятия да се появят и допълнителни частни млекозаводи, закънва се управителят.

В момента СЕРДИКА'90 е единственият дистрибутор на американската кооперация Лейд О'Лейкс и предлага на нашия пазар млекозаместителя за телета Промилк Е. Американската кооперация оказва помощ при разработването на приватизационните проекти и модели на страните бивши членки на СИВ. Организацията е изпълнила първия етап от програмата си за България и предвижда да започне съвместно производство с добричките млекопреработватели.

Наскоро управителят на СЕРДИКА'90 по покана на организацията Лейд О'Лейкс заедно с деветима свои колеги от България и двама от Полша е имал възможност да се запознае с начина на обслужване на

американските ферми и да участва в двуседмичен курс на тема Производство и дистрибуция на суровините в селското стопанство. Повече от 80% от фермите са включени в кооперативи, впечатлен е от американския опит инж. Илия Митев. Кооперациите, в които са организирани фермерите на щата Минесота, имат интересите им не само по отношение на изкупните цени, но впоследствие са създали и преработвателна промишленост и участват в разпределението на печалбите от готовите изделия. И тук за разлика от българската практика държавата оказва строг контрол върху суровината и продуктите, произведени от нея. Имат три категории за млякото, като само А стандартът е 321 страници, докато нашият е едва от 3 страници. Държавата пряко не дотира производството на мляко, но чрез своя програма защитава производителите и преработвателите на мляко, отбелязва инж. Митев.

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"PARY" (Money) Daily
March 15, 1994
An Article by Ivo Stanev

Serdica '90 won an international award
Americans like white brine cheese from Dobrich

The most prestigious award in the field of food processing and supporting industries is in possession of a Bulgarian firm. Serdica '90 Ltd. - Dobrich, caught the attention of Selection Committee of Trade Leaders Club. 120 businessmen from 112 countries are members of the club. The data from the marketing research, carried out by both our and foreign companies, are also included in the estimation.

Krasimir Kirov, assistant manager of the company, attended the ceremony for giving the award on March 1, in Barcelona. The event coincided with the beginning of the second international fair Alimentaria '94, which took place from March 1 to March 6 in the Catalonian capital.

90% of the production of Serdica '90 is sold in USA. The thoughtful American merchants have paid for the production of the firm from Dobrich in advance, having noticed the high quality of the Bulgarian white cheese. Englishmen have also displayed an appetite for it and are going to have it on their dinner tables, although in limited quantities.

The biggest dairy producer on the Balkans this year will celebrate its 25 year anniversary. Serdica '90 has found a place in the advertising brochures of Alpha Laval. Some of the technical staff have specialized in Sweden. The production process is completely automatic.

The amount of milk coming for processing becomes less every day. That is why the management of the company thinks about attracting private producers as future shareholders as the privatization process advances. The production funds are big and the project aims at buying the plant from its collective owners, says Ilia Mitev, manager of Serdica '90. If necessary, we are prepared to work without any payment for a year or two, but we are going to prevent the corrupt trend of additional dairy plants appearing next to established dairy enterprises, says the manager firmly.

At present Serdica '90 is the only distributor of the American cooperation Land O' Lakes and offers the product Promilk E at the Bulgarian market. The American cooperation provides assistance in developing the privatization projects and models in the former member countries of COMECON. The organization has carried out the first stage of its program for Bulgaria and is planning to start joint venture production with the dairy producers from Dobrich.

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Recently the manager of Serdica '90, nine colleagues of his from Bulgaria and two from Poland had the opportunity to become familiar with the extension of service for American firms. They were invited by Land O'Lakes to participate in a two week course called Agro Input Output Distribution. More than 80% of the farms there participate in cooperatives, says Mitev, impressed with the American experience. The cooperations, in which the farmers from the state of Minnesota are organized, protect their interests not only in connection with the purchasing prices. They have also organized a milk processing industry and they participate in the distribution of the profits from the ready products. There too, unlike the practice in Bulgaria, the state exercises strict control over the raw materials and the products manufactured from it. There are three categories for milk. The standard for category "A" consists of 311 pages, while ours consists barely of three. The state does not subsidize the production of milk directly but protects the dairy producers by means of a special program, notes Mitev.

Средногорско УТРО

ГОДИНА II БРОЈ 19
19 СЕПТЕМВР 1981
ЦЕНА 1 ДД

ОБЩИНСКИ
ВЕСТНИК
ИХТИМАН

Християнски празници

ПОКРОВ НА ПРЕСВЕТА БОГОРОДИЦА

В деня на Богородица Младя проточил се е в селските реки и в Бели и Удубра реки. Вече е настъпило време за богородични моления на Бели и Удубра реки. Младя е настъпило време за богородични моления на Бели и Удубра реки. Младя е настъпило време за богородични моления на Бели и Удубра реки.

ДОГОВОР ЗА МИЛОСЪРДИЕ

Градът на обемата в местните общности се осигурява със съдействието на икономически център за социални грижи в Иктиман. Това е резултат от договора за милосърдие, сключен между общината и икономически център за социални грижи в Иктиман.

Решението за сключване на договора за милосърдие е взето от Общинския съвет на 15 септември. Това е резултат от договора за милосърдие, сключен между общината и икономически център за социални грижи в Иктиман.



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Празникът, проведен в Иктиман

ДОВИЖДАНЕ И ЗДРАВЕЙ, АМЕРИКА!

С помощта на фирма "Дикс Салваж" Селски сдружения "ЕОД" и "Металургични" Селски сдружения "ЕОД" в Иктиман са сключили договор за милосърдие. Това е резултат от договора за милосърдие, сключен между общината и икономически център за социални грижи в Иктиман.

Бизнес — поща

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В ЛАПТЕ НА НАРКОТИКА

В Иктиман е настъпило време за милосърдие. Това е резултат от договора за милосърдие, сключен между общината и икономически център за социални грижи в Иктиман.

АЛТЕРНАТИВА ЗА ЗЕМЕДЕЛИЕ...

В Иктиман е настъпило време за милосърдие. Това е резултат от договора за милосърдие, сключен между общината и икономически център за социални грижи в Иктиман.

ИСКАТЕ ЛИ ДА ИЗГЛЕЖДАТЕ ДОБРЕ? ИСКАТЕ ЛИ ДА СЕ ЧУВСТВАТЕ УДОБНО? ИСКАТЕ ЛИ ДА СТЕ ЕЛЕГАНТНИ!

Туква Шопинг се на ЕФ-СИМЕНА, която го е изградила до дотам ДАМСКИ, МЪЖКИ И ДЕТСКИ ОБУВИ. Започнали са в услуга на съвременността фирма "ВОДА-Г", която с обемите си вълнува и съвременна дама.

Изминава във всички видове обувки в уютна, уютна обстановка. Класически БРЕЗЕНТИ, на здравей и на обръщане. СЪАТЪРНИКЪТ ПРЕМЕРТЕТИ.

Ще ви кажат много за всички модели за детство в 1001 стил. А това е кафе-буфет "Брикс". За повече информация тел. 84-80.

ДОВИЖДАНЕ И ЗДРАВЕЙ, АМЕРИКА!

До 30 септември е в сила единственият съвет за селските общности в Иктиман, който е резултат от договора за милосърдие, сключен между общината и икономически център за социални грижи в Иктиман.

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АЛТЕРНАТИВА ЗА ЗЕМЕДЕЛИЕ В ИХТИМАН

В Иктиман е настъпило време за милосърдие. Това е резултат от договора за милосърдие, сключен между общината и икономически център за социални грижи в Иктиман.

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КАКВО Е СРЕДНОГОРСКОТО КИНО

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"Srednogorsko Utro" Newspaper
September 29, 1993
An Article by Tzvetelina Kirovska

Hello and Goodbye America!

While she first goes briefly through the newspapers as she lays them on the stall and the shop window, so the newspapers can be seen and to attract the attention of the customers, she is thinking will she go anyhow to America. The dream is impossible but it is explainable for a person without a permanent job. In the name of a goal like this one, we are ready to do anything and it is difficult to imagine that it may happen at once. After five months and a half of training and experience in American farms, Velichka Zlatanova came back with six certificates. She is still living with this trip and the respect to the American way of life is trying to cope with the Bulgarian value system. The first thing she bought from Ichtiman was a thick English-Bulgarian dictionary because she thinks to continue studying the language. Time is passing by, we are talking for six hours already and she is still challenging the imagination with her descriptions of the State of Minnesota and explaining helplessly that she thinks of arranging her impressions under a title "160 days in America". She was brought there by the

STRONG AMBITION OF A MANNISH WOMAN,
who would rather prefer to challenge life than waiting for surprises. It was in 1990 when she had the idea to find money to enlarge the family farm in the village of Verinsko, Sofia District and to close the cycle of production. The newspapers paid her attention and the people who know her thought that it is a hard perspective: people were fighting for the land to be given back, there were no laws. But when the layers start moving and the wind of hope blows, every rational grain can germinate. The newspapers "Kurier" (Courier) and "Trudova Borsa" (Labor Exchange) are interested, then follow invitations for an interview with specialized programs on the TV. Several well-thought questions, asked in front of the participants of the International Forum at the NDK (National Palace of Culture) impress the American representatives and Velichka has the rare chance to fly across the ocean together with two more Bulgarians. The Group from Eastern Europe consists of fourteen people: four from Poland, five from Czechoslovakia, one from Latvia and one from Estonia. There are only two women. The program "Land O'Lakes" invests in knowledge and thrusts people who have resources and capabilities to work and share their experience in the farming area. A curious detail is that "Land O'Lakes" is the biggest American Corporation for milk production and processing into dairy products. The International Program financing the training includes computer training, a course on health of the dairy herds, language education and practice.

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VELICHKA VISITS GEORGE AND BETTY LIPINSKI.

At the same time when a lot of people in our country have almost forgotten how to cultivate the land and the migration from the villages has not at all stopped, the life in this average American family is successful. The most eminent and useful thing for this family is work as they work for 16 hours per day. Everything is mechanized and Velichka gives an example: for three hours five people have gathered and arranged 1067 bales only with one device attached to the tractor. She summarizes her observations this way: the Americans have subordinated their life to the Christian virtues and the code of humanity, they are pragmatic and thing ahead and

EVERYONE TRIES TO ACHIEVE SOMETHING MORE.

They do not look into their neighbours' plate. And for this family she says: everyday they get up at 4:00 am and go to bed at 10:00 pm. They garden their own garden of one and a half decars; they have one hectare seeded with sweet corn which they sell on the free market. Besides they have 150 cows, they own five-six tractors; three cars. Just before leaving the guest saw their last purchase - an automatic gears car for \$ 17 000. They have five children, they live in a comfortable house furnished with everything necessary - from the microwave oven to the gas heating. A farmer from the State of Minnesota (bordering Dakota) owns between 500 and 1000 decars of land and together with the other owners is a member of a cooperative.

An American journalist describes in an American newspaper the work of the Bulgarian woman with the Lipinski family and says that she is from Ichtiman, has two children, her family farm is in the village of Verinsko, she has 60 sheep and this is something to be proud with. This is an occasion to talk that the journalists there are trying to be useful anyhow. It is enough to explain to our farmers without any prejudices that the foreign production and the imported products would not compete theirs if they join their efforts and if they use the expertise of the Western countries and try to obtain laws to protect their business.

Probably no one would be surprised from the news that THE AMERICANS HAVE WONDERFUL SPIRIT AND THEY ARE ALMOST CRAZY TO LIVE HEALTHFUL LIFE,

that smoking is a bad habit and at the end of the day it's better to drink water with ice despite the wide range of beverages. The first time Velichka walked to the store she had been very glad at the thought that no one can steal anything because when he tries to go out the door will not open.

She told about an engagement party she had visited, for four days course on ice-cream production she had attended in Pipestone, for the animal Fair in Fandolakes, for the sportsshoes that are very convenient and everyone prefer to wear them. The American flag that she received as a present, she has put it in her living-room. The respect to the national symbols and the proudness of them is the first thing that Americans would show.

Zemgales Avize (The Zemgale Newspaper)

TINY, TINY CITY WHOSE SYMBOL - A WHITE GOAT

By Kristine Sedovska and Malra Dudareva

March 12, 1994

In Ozolnoki today, the first Goatkeepers Congress took place, where goatkeepers from all of Latvia participated. In the past, goatkeeping in Latvia had been unfairly forgotten, abandoned as an unviable agricultural sector. Even now, leading State agricultural representatives act with scorn and disregard, saying, "A goat is and remains 'Struika's cow,' whose 'Devil's face' brings little good." Government can only dream of State subsidies. These people, though, are not sitting idly with their hands folded in their laps and they are not waiting for a 'good fellow' to bring something to them. Already much has been achieved - a portion of Latvia's goatkeepers are identified, Latvia's Goatkeepers Association (LKAA) has formed with chapters in Riga, Valmiera, Ogre and Tukuma rajons [region]. Their goals are to unify goatkeepers, develop goatkeeping as a viable agricultural sector recognized at the State level, begin importation of purebred goats and promote selective breeding to improve Latvia's local goat breed.

Last week, we visited LKAA president Mara Liepina's farm in the Cenu pagasts [village], to learn more about her ideas, pride and joy.

In an enclosed area are goats of a variety of sizes and colors that observe us with open interest. We do the same. We are welcomed into the house to meet mommy by a little girl. We go. The farm is large with impressive buildings. Where did these new farmers get finances for such construction? Quickly, the matter is settled.

"All that was not built by us," Mara explains, "only the land was ours. The former collective farm's sauna was here and they began construction of a leisure complex. We reclaimed our land and had to buy the buildings. The sum, of course, was huge, but with fervor we borrowed money and now it's all ours. My husband and I are from Riga, neither have an agricultural background. Everything is based on enthusiasm, because we knew nothing to start with. Why did we start with goats? Our youngest daughter had allergies and goat's milk is revered for such illnesses. We started with one goat and I understood that this animal needs relatively little care and isn't a picky eater. It was a practical option for us. Currently, many children in Latvia suffer from allergies. Stomach and intestinal illnesses are widespread, too. There was no literature available in Latvia on goatkeeping when I began to search for such. There was no one to consult with. I met with other goatkeepers, read old books, but it was not enough. I met with the American firm 'Land O'Lakes' whose work concentrates in livestock. Their specialty are cows, but my problem interested them. Late last year, with their support and participation, a seminar for goatkeepers was organized. At this time, LKAA was founded".

"We have big plans. Goats have been kept in Latvia a long time. They are an inexpensive and undemanding critter, suitable even for very poor families. Goatkeeping is respected worldwide. Not only are there goat associations in Greece and Africa, but in the U.S. and Europe, too. It is a profitable sector. If a good cow 'earns' its worth in one year's time, a dairy goat does in a few months. LKAA is founded with a goal - that every goat brings profit to its owner. Not just from milk money, but from hides, goat wool and meat. We presently have an opportunity to import purebred animals from abroad, to upgrade the local stock, because some purebreds give eight or nine liters a day."

Recently, much has been said about goats being carriers of tick borne encephalitis. An order has been given [by the Veterinary Department] restricting sale of untested goat's milk.

Mara elaborates, "Yes, there is an order. No laboratory in Latvia can say if the goat is a carrier, only that it may have developed virus antibodies. Antibodies in the organism means that the animal has been sick. No one has proven if it [goat's milk] is a threat to humans. I spoke with English farmers who have an encephalitis problem. They solve it simply - vaccinate the goat and use pasturized milk. Why is there a State Veterinary Department if it doesn't see the necessity to oversee the purchase of such a vaccine? Goatkeepers are trying to accomplish this. We have ordered home pasturizers, but selling pasturized milk is also restricted in some cases. Our relations with State institutions are developing at an anecdote level. For example, we have discussed who should travel abroad to purchase purebred stock.

The Veterinary Department announced that their representatives would go, but the expenses picked-up by the goatkeepers. Why should people who are uninterested go, who don't understand what to look for in a goat? It is important to LKAA that our people would go, who would bring back not only goats, but knowledge. By solving our own problems, I have understood that not bureaucrats, but our goatkeepers must receive training. Goat overseers could be LKAA chapter leaders in some rajons. We have arranged four American experts to be sent to Latvia [by Land O'Lakes] over the next year to share their knowledge. This will be discussed at the Congress."

Mara further explains, "Frequently, people call me and ask, what will LKAA give to them. There is one answer - What you want is what you will get. It is important that people come forward with their ideas and recommendations, that they become active, because I can't do it all alone for everyone. There is not enough time. If we are persistent, I believe that soon we could import purebred goats and sperm for artificial insemination. Not everyone can afford expensive purebred animals, but by breeding a local goat with a purebred, the resulting doe will be a better milkier. Therefore, people, consider if it would be beneficial to join LKAA, because maybe even your farm is suitable for goatkeeping!"

That is our conversation with the president [of LKAA]. Mara is off to work in the barn with her daughter Laura, the middle child of three. The photographer and I say goodbye and go on our way to another farm where goatkeeping has become its source of profit.

Maruta and Arnis Dzeive also are not country folks. Arnis was a merchant marine and Maruta an architect. They farm on inherited land already the third year. It has been quite an experience, considering they were city people who never had kept livestock. Maruta tells the funny story of when their first calf was to be born. The cow had been bred with a black bull, and the inseminator said, the calf would be black. Soon after the birthing, Maruta went into the barn. In the dim light, she saw by the cow a small white thing. [Maruta said,] "He promised a black one! And it's so small..." It turned out, that a piglet had gotten out of its pen! What a good laugh about my farm knowledge! That was in the beginning. Now, we have greater experience and many animals - cows, pigs and, of course, goats.

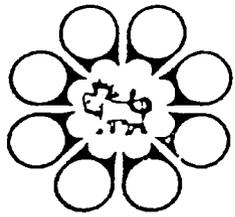
"We've had goats only a short while, since November," says Arnis, "but, I can say it immediately paid off. We bring our milk to two stores in Jalgava and receive our milk money right away, not as with cow's milk where payment is delayed. We don't sell our cow's milk anymore, but our neighbours have only received payment from last October. Is that right? How is one to survive if milk money is one's only source of income? Real profit could be had from 20-30 dairy goats. I would like to get cheap credit, so I could import purebred goats from abroad, which give two to three times more milk. These are our future plans".

Maruta comments, "Every goat has its own personality and they demand more attention and kindness than a cow. They are social animals and like to be amongst their own. It's best if they are kept in a pen together, not chained separately. They can live outside in the winter as long as they have a shed to get out of the wind and rain. A draft and dampness is congenous, but otherwise they are not too fussy eaters. They can eat anything. While milking, cleanliness is most important along with quickly cooling the milk. Our milk is sold in two Jalgava stores - Dzintavnieks and Menax. Milk is sold in Pepsicola bottles, labeled with a certificate, expiration date and my name. We have permission to sell milk, because our goats have been tested and found healthy. You can be sure our goat milk is real and meets all standards".

We tour the farm and see the owners' careful housekeeping and cleanliness. The animals are fed and calm. A couple of farm dogs bark at us out of a sense of responsibility. A sense of calmness and well-being rules here. In the house, a fireplace greets us as does our host's baked cake. After our visit, we ask the Dzeive couple if they regret the move to the countryside, where every mouthful has to be earned with hard work.

Arnis says, "What is there to regret? He who works will always have something. And who doesn't work.."

So goes it with our rajons goatkeepers. All is yet ahead for them, we wish them the best.



XXI. évfolyam, I. szám

1994. FEBRUÁR
Ára: 10,— Ft

TEJIPARI HÍRLAP

AZ EGYETEMES MAGYAR TEJGAZDASÁG ORSZÁGOS LAPJA

Évzáró, évnyitó sajtótájékoztató az FM-ben

BIZAKODÓ A MINISZTER

Szabó János földművelésügyi miniszter és vezető munkatársai sajtótájékoztatót tartottak az agrárgazdaság 1993. évi teljesítményét és az 1994. évi kilátásokat.

Úgy értékelte a miniszter, hogy az 1993-as év már a javuló piac éve volt a mezőgazdasági termelők számára. Ezt az állást támasztotta alá, hogy a mezőgazdasági értékesítési arányt éves időszakra vetve átlagosan 25%-kal emelkedett, ami részben a magyar agrárpiac kinalati-keresleti egyensúlyának helyreállításából, részben pedig az aszaly okozta termékkiesésből adódik.

Az előzetes adatok szerint a belföldi élelmiszer-fogyasztás csupán 2—3%-kal esökkent. Minden termékterületen szemmel láthatóan nő a magántermelői értékesítés, az ontogasztásra való termelés, a kolosonos termék- és szolgáltatásere.

A 139 állami alapítású élelmiszeripari vállalat 80% a már átalakult és 45 cég teljes vagy részbeni privatizációja megtörtént. A gabona-, hús-, tejparaszakágazataiban a kormány által elfogadott privatizációs stratégia alapján történik a magánosítás. Az élelmiszeriparban a privatizációt követően jelentős beruházások történtek az egyes társaságokban: 1992-ben az 1993-ban több mint 30 Mrd Ft értékű



Szabó János miniszter és vezető munkatársai a sajtótájékoztatón.

ság számára a stabilizáció éve lehet. Az idén megáll, illetve megfordul az agrár gazdaság csökkenő termelési trendje. Az élelmiszeripar növekedését az előzetes számítások 3—5%-ra teszik.

Összhangban a nemzetgazdasági ter

nyugati feltele — elsősorban Észak-Amerika — gazdasági ellenkúszásával, részben pedig az agrártermékek árnak szöved emelkedésével. A pénzügyi kormányzat értékálló árfolyampolitikája következtében a javuló értékesítési lehetőségek ked

A második teljes körű privatizáció

Többségi francia tulajdonba került a Veszprémetej Rt.

Egy évvel ezelőt — 1993 februárban lapszámunkban — számoltunk be arról a Fejertej—Parmalat Rt. sajtótájékoztatóról, amelyen a cég vezetői bejelentették a privatizáció megtörténtét. A következő, hasonló méretű tejjpar privatizációra kéreken egy évet kellett várnunk, ami bizonyítja, hogy az 1993-as év gyenge eredményt hozott a tejjpari vállalatok magánosításában.

A legújabb bejelentésre Veszprémben került sor, ahol a január 24-én Veszprém város és a Veszprémetej Rt. közösen szervezte sajtótájékoztatót a cég vezetői hivatalosan adtak tájékoztatást, hogy a francia BONGRAIN S. A. sajtógyártással foglalkozó vállalatcsoport 36 százalékos részesedést szerzett a Veszprémetej Rt.-ből. Ugyanakkor 370 millió forintot kölcsönre hajtott végre, s ezzel lehetővé tette a társaságban való részesedésének valamint több mint 50%-át, azaz meghatározó többségű részvényes lett.

A sajtótájékoztatót a magyar felet Csákvári László vezérigazgató képviselte, míg a francia cég részéről a vállalat csákvári vezérigazgatója jelen volt, elen *Bongrain, Alex Jan Marie* elnökkel, to-



Csákvári László: A privatizációval megteremtődik a biztonságos tőkeháttér.

Bevezetőként Csákvári László adott tájékoztatást a vállalatról, amelynek tőke-tőkeje 930 millió forint. Évente 10-300 tonna terméket állítanak elő, főképpen sajt és fűszertermékek formájában. Eddig is nagy figyelmet fordítottak a termék szerkezet folyamatos fejlesztésére, korszerűsítésére, bővítésére, jelenleg 60féle terméket gyártanak. Az országban első



XXI. Year., 1. Issue

February 1994

Dairy Industry Journal

National Journal of the Universal Hungarian Dairy Industry

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On study tour in America

The Minneapolis based Land O'Lakes, which is a dairy processing and marketing cooperative, has been organizing training programmes in Hungary since 1992 financed by the assistance program of US AID (United States Agency for International Development). The training is specifically targeted to agricultural and primarily to dairy entrepreneurs, company managers and employees in the topics of cooperatives principles and practices, dairy herd management, dairy herd nutrition, dairy processing and manufacturing, marketing, logistics, financial management, agribusiness management, etc. Beside the training courses also technical assistance was conducted free of charge. As a closing event of this assistance programme a two week study tour was organized where along with some of my colleagues I could participate. Here I assembled a small selection of the experiences I received.

What is Land O'Lakes, Inc.?

After our introduction at the International Development Division through a presentation we could understand what the name Land O'Lakes stands for. It refers to a cooperative that was organized in 1920 with the objective to solve the marketing problems of dairy farmers. For these days this organization grew up to the biggest of the dairy processing and marketing cooperatives of the United States. It distributes its products all over in the whole USA, has 1600 member local cooperatives in 15 states, and serves 350.000 farmers and ranchers.

Processes close to 2 billion kilogram milk annually with an equity of 19.3 %. This cooperative supplies its members with seed, fertilizer, feed, fuel and technical consulting. Purchases, processes and distributes as branded products the milk produced by farmers. The profit earned is returned to the members. The amount of profit share a member receives depends on how much business he did with the cooperative throughout the year. Thus, in order to get sufficient amount of raw milk the cooperative needs to produce sufficient revenue for farmers. The membership fee is 1 dollar and the members cannot bring their assets into the cooperative.

Thus the asset of the cooperative is entirely separated from the properties of the members.

The president and the whole staff of the cooperative are employees thus they are not working in owners capacity. Members practice their ownership rights through elected representatives, they set the policies and control business activities. The concentration of dairy industry is continuous also in this region of the USA.

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Land O'Lakes had approx. 80.000 dairy producer members in 1960, and 6.000 in 1993.

Annually more than 700 producer farmers go out of business, however, the amount of milk produced does not get reduced.

Finally, I would note some thoughts without the requirement of entirety, from the values of the cooperative, which can be found on the wall in every plant, and in order to prove that these are not only words the achievements of the cooperative's 70 years of history should be a suitable evidence:

Our heritage is rich in rural values, family and respect for the land. With determination and pride, we will continue our commitment to server farmers, rural America and customers. We believe in people - in valuing and recognizing a workforce of diverse individuals as the key to our success.

We believe in setting high standards - defining clear goals and rewarding initiative that turns ideas into action and goals into reality.

We believe the customer is fundamental to our success - working together to meet their needs is the basis for all that we do.

We believe Land O'Lakes stands for quality - striving to make our best better.

We believe in honesty - respecting each individual, fairness and open communication.

With these values as our guide, we will provide more than we receive and succeed both individually and as a company.

Perham, one of the most up-to-date Cheddar cheese plants of the world

Perham is situated approximately 150 km from Minneapolis. One of the biggest cheese plants of the cooperative was built here. Here daily 1 million litre of milk is processed into 200 kg size barrelled and approx. 25 kg size block Cheddar cheese units by 115 employees.

The milk required for the production is purchased and collected in a 110 km radius circle. The purchase price of raw milk is 26-30 cents per litre depending on quality. Price is primarily based on the total germ count of the milk. In the course of collection every time each farmer's milk is sampled which is analyzed on ingredients and total germ count upon shipping into the plant. This is one of the most important elements of the company's quality assurance system. A fast test method has been also developed for indicating antibiotic residues in milk. Thus it could be achieved that nowadays practically no milk from drug treated cow occurs to be transported into the plant.

During production cheese is enriched with protein recaptured by ultrafiltration from whey, and then treated by enzymatic ageing stimulator, thus the otherwise 6 months ageing process can be shortened down to 2 months. The packaged, weighed and coded cheeses are stored in such an ageing warehouse, where all three dimensions of space is perfectly utilized. Through a computerized warehouse registration system the exact location of every single piece of cheese can be determined. Filling the warehouse with cheese, also unloading, palletizing and weighing palettes are completely mechanized. Whey is dried after extracting protein and is sold as additive that can be used for confectionery and cookie industries.

If whey drying does not result in acceptable revenues, then after concentrating whey its lactose content can be fermented into alcohol by means of a special yeast and in order to utilize the distilled water created during spray drying, this water is sold to a nearby waste combustion plant. But why a waste combustion plant buys distilled water?

The answer for this question is a bit more complicated than being able to answer it with a single simple sentence. Let the waste combustion plant be the key to this short story, as a nice example for realizing the joint interest and for a rational cooperation. Increasing energy prices stimulated also American managers to operate their own systems in the most efficient way.

In Perham, not far from the cheese plant another great energy consumer, a pet food manufacturer plant also operated. The managers of the two plants calculated that it would be cheaper for both plants if the steam required would be produced in a jointly operated high performance facility instead of having two separate heater boilers for the two plants.

After long discussions the investment to built a joint energy supply system was decided. But, if such an investment is planned, would there be any ways to built it not only for providing savings for the plants but also for producing profit if it is possible?

A waste combustion plant was the answer for this question. So a combustion plant constructing company was contacted and jointly, the three organizations in concern built Quadrant Company, which in itself brings profit for the three ventures. In addition, as a service the company supplies the cheese and the pet food plant with steam. The necessary steam is produced using the distilled water created through whey spray drying. Thus the circle is completed, and we can observe, how profit can be directly produced through energy consumption. Naturally there are individuals negatively judging the establishment of a waste combustion plant from environmental point of view. I cannot make a real judgement in case of this problem. I just wanted to bring an example of utilizing the advantages hidden in bilateral interests.

The plant has its own sewage treatment system which consists of two separate storage ponds. The two ponds are used consecutively. The aeration of the sewage is completed by means of direct air in-spray. The waste contaminants are decomposed by microorganisms. The decomposition process is continuously kept track of and after completion purified waste water is applied as irrigation on the fields owned by the plant during the summer period. Otherwise these fields are rented from the plant by a local farmer and he has been producing corn on these lands for years now. And another way of making money! This amount cannot be considered significant compared to the revenues of the plant, however, it is still considerable. All waste papers at the plant after baling are sold to a specialized dealer company. After considering all of these aspects the information that was doubted at the first hearing by all members of the Hungarian group seems to be more believable i.e. raw milk cost gives 95 % of the total costs of the plant.

Milk marketing in America

In this region the towns are more similar to the "farmland" we can find on the southern part of our Great Plain than to any of those settlements we call a town. The



houses are built scattered several kilometers far from each other. Even those not living of farming have a several hectares sized "backyard". Only the "city" - center of the town shows town-like arrangements. In this part of the settlement there are stores more than houses. Most of the time the center of most towns consists of two diagonal 1.5-2 km long streets where in the downstairs of most two or three storey houses there is some kind of a store, shop or restaurant. Naturally, also in these small towns there are modern and for us huge sized supermarkets. We could also have the chance to visit a food store belonging to the Rainbow Food chain and could talk to the store managers.

They informed us that due to the strong competition it is the interest of both the store and of the suppliers to secure themselves by contracts. Contracts are signed by products for determined period of time or for quantity. If the supplier raises its prices the store looks for another supplier with lower prices. If he cannot find one he has to take the margin loss deriving from the price increase, but *they do not increase their retail prices*. The supplier gives 100 % guarantee for his produce, so the produce ageing over its shelflife or any damages in the packaging is immediately paid for even in cash by the supplier. Thus the store's risk due to these conditions is practically zero.

Normally dairy products are shipped twice a week. The inventory is developed by the item manager of the store and by the agent of the supplier company working together. This is not an extremely difficult task as this section of the store's business is also computerized. After determining the current inventory having a good understanding of the product flow in the store these parties together develop the new orders. The other way of ordering is when the order is transmitted through computer network to the supplier. In this manner the product ordered in the first half of the day can be delivered even in the afternoon of the same day.

Milk is sold in two different types of packaging. One is the cartoon pack 1 and 2 litre size packaging that is well-known also in Hungary. The other way of packaging is the 1 gallon plastic bottle. These bottles are put for sale on mobile carriages with shelves sliding onto one side, and stored in the refrigerated warehouse of the store. The side of the cold storage facing the customers is open, or better to say, is separated by glass doors. When the customer buys milk, he or she opens the glass door and picks up the milk from the cold storage. The boxes or bottles behind the one the customer picks up slide forward. With this simple solution the automatic and continuous refill of the shelves has been achieved. There is no need for a separate refrigerator installed in the sales floor and the earliest sale of the oldest product is guaranteed. It is true that this aspect is less important compared to our products as milk pasteurized at 72 C for 15 seconds has a shelflife of 18 days.

The price of this milk ranges 1.2-1.6 Dollar a litre.

Regarding the sales policy of our host I would note that they prefer on-pack coupons giving discount at repeated purchase for customers to costly commercials. On all boxes a toll free number, i.e. the contact number of customer service is printed. It is the responsibility of the customer service to collect product related customer reactions, positive or negative opinions, and in addition to give information on the products and the company. Thus the collection of primary information required for market research can be conducted at low cost. The producer can rapidly evaluate his own performance using the eyes of the customer. Otherwise,

continuous and thorough control can be observed in all fields of doing business in the States.

We could easily get into a 20 thousand hectare international military training base, but on the other hand we couldn't have an access to even one single fluid milk processing and packaging dairy facility. However, our guide tried everything when doing his best to get a permission for us. Maybe this is understanding when considering that a 18 days shelf life is a challenge strong enough not to risk the business.

(To be continued.)

Titles for Photos:

Dairy produce distribution truck

Milk truck at the farm.

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