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Land O'Lakes, Inc.
International
Development

**FARMER-TO-FARMER PROGRAM:
Special Initiative for the New Independent
States of the Former Soviet Union**

**Agreement Number: FAO-0705-A-00-2091-00
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**Quarterly Report
Second Quarter/Year Two
January - February, 1994**

April 27, 1994

**Farmer-To-Farmer Program
Quarterly Report**

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QUARTERLY REPORT
Second Quarter/Year Two
January-February, 1994

VOLUNTEER ASSIGNMENTS

During the second quarter of the Farmer To Farmer program's second year, Land O'Lakes fielded 12 volunteers from seven states. Volunteer assignments were located in three Russian Federation oblasts and two Ukraine regions. Volunteer tracking information, including technical assistance objective categorization, is located in Attachment A. During this quarter, slightly more emphasis was placed on working with educational institutions as these were among the few recipient organizations able to host volunteers during the winter months and provide them with opportunities for hands-on technical assistance. Each institute was directly involved in the training of or providing assistance to private farmers.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Leonard Harzman	Illinois	December 17, 1993 - January 1, 1994	Vologda Oblast, Russia	Vologda Institute

"Enthusiasm and dedication to assisting the private farmers and to agriculture education is the best way to describe the people in the Vologda institute and AKKOR. At every meeting and discussion there was a high level of discussion to learn more about technical agriculture, farm management and how farmers are educated in the united States, in a market-based economy. It was also exciting to see the potential for the relationship that can be developed between the Vologda Institute, AKKOR and the private farmers..."

The above quote summarizes Harzman's assignment to educate the teachers and students at the Vologda Technical Institute in financial management in agriculture, including strategic planning, goal setting, budgeting and analyzing financial management. During Harzman's assignment, a curriculum for a farm management training program was developed. As part of the development process, the concept of a customer survey was introduced and a questionnaire was developed, translated and distributed to ascertain which specific topics within the farm management curriculum were most immediately needed. While Harzman was still there, the results were tabulated and discussed. Harzman donated a farm management text book to the Institute to use as a basis in the development of course materials.

In addition to the farm management coursework, a plan for the implementation of an extension education program was also developed. Harzman indicated, "The teachers [at the institute] have many good ideas on what can be done and how it should be done. Their ideas [should be used] because this will develop creativity and enthusiasm in working with the private farmers. Keep in mind, there are many ways to effectively teach private farmers."

Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the third quarter of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Jeanne Schwaller Edward Schwaller	Missouri Missouri	January 19 - February 5, 1994	Kaliningrad Oblast, Russia	Polesska Lycee Leonid Bykov, Private Farmer

This team worked with the secondary agricultural institute in Polesk, Kaliningrad Oblast. Jeanne, a specialist with extensive experience in school administration and international assignments, worked with the school authorities on curriculum development, private farmer training, and revenue generating activities that the school could undertake. She helped the institute evaluate the needs of the school and community for the development of curriculum and extension curriculum through a survey. As an offshoot of the survey preparation, school resources were also investigated. It was at that point Ms. Schwaller discovered something which would be surprising to ag high schools in the U.S.:

"Currently the girls are enrolled in one curriculum and the boys in another and even the Russian language classes, the Russian literature classes, and the basic mathematics instruction are given separately. If we can make no other change than to integrate the general education classrooms with a mixture of boys and girls, this will be a positive step. The administration seemed to [develop an understanding] that some courses could be given for both curriculums and could better utilize staff."

The focus of Mr. Schwaller's assignment was working with private farmers on the farm management curriculum being developed by the Polessk Lycee as part of an extension service to area private farmers. He provided an understanding of the importance of private farmers keeping track of their finances in order to know if they are profitable or not. His ideas met with some resistance because the reality in Russia is that it is viewed as harmful for the private farmers to keep track of their finances. With records, the government can tax them and taxes can run as high as 80% of their income. Despite this situation, however, Schwaller found that the farmers he met with were interested in farm management and how they could utilize certain aspects of it to fit their situations.

Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the fourth quarter of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
William Thiel	Wisconsin	January 26 - February 16, 1994	L'viv's'ka Region, Ukraine	Private farmers group associated with L'viv Farmers Association

Thiel was assigned to conduct a team technical assistance intervention with a volunteer fielded by Citizens Network in the L'viv region of Ukraine. The team worked on developing plans for small scale dairy processing in the region. Thiel's assignment focussed on cooperative development, milk procurement logistics, production and sanitation issues.

Thiel thought much was accomplished with regard to creating the awareness of the importance of business planning. The farmers recognize that both they and processing plant managers need to know how to write effective business plans. Also, the L'viv Farmers Association now has the capability to work with the private farmers on the process of writing business plans.

Dairy production and sanitation issues were discussed with all of the private farmers Thiel met. At this point, since there is no competitive pricing of milk for varying quality levels, sanitation and on-farm quality are not given a high level of priority. However, in meetings with private farmers and Bill Lehner, the Citizens Network volunteer, about dairy processing plants, the various issues surrounding paying for milk were discussed. These discussions emphasized the need to differentiate between the various levels of milk quality and to receive payment accordingly, promoting the beginnings of an understanding as to why on-farm production quality is important.

Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the fourth quarter of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Dennis Dieterich Duane Seibert	Iowa Iowa	February 2 - 19, 1994	Vologda Oblast, Russia	Ust-Kubensky District private farmers

This team worked with private farmers in the Vologda oblast on hog production and processing. Seibert, the operator of a small processing company since 1958, provided technical assistance on processing issues. He spent his assignment in discussions on how to set up a plant, explaining plant plans which he brought with him, giving observations on their buildings and working on both immediate and long-range planning. Plant activities and timing were critical factors which the Russians needed to understand. According to Seibert "one of their greatest problems is that they are trying to do 12 different things at once." Producing a long range business plan will help a plant stay on track in meat processing.

Seibert's main accomplishment was providing the people he worked with with an understanding of the size and scope of their meat processing plant. He was able to advise them on equipment size, number of animals to be slaughtered and the number of employees needed. For example, originally their thought was to have about 20 employees. By the time Duane left, they realized a more realistic number would be three to four.

Dieterich, a hog producer from Iowa, focussed on hog production and cooperative organization. Originally, he was to have worked with individuals in a different district in the Vologda Oblast. However, with the valuable expertise of Seibert having impact on the hog processing plant in the area, it was determined that a hog production expert would add to the quality of meat going into the plant. This allowed the team to present the entire spectrum of swine production and processing issues while emphasizing the importance of quality and sanitation throughout the process.

Dieterich worked primarily with Alexander Pavlushikov, a private farmer in the Ust-Kubinsky District, who has made quite a stir with his abilities to succeed in the private enterprise arena. Land O'Lakes reported major impact for Pavlushikov in the last quarterly report as well as a separate "success story." Pavlushikov is the farmer who trucked his potatoes to Murmansk for sale at higher, non-seasonal prices. Dieterich worked with Pavlushikov to produce a long-range business plan for his farm. It was a new concept for Pavlushikov to sit down and plan for the next five years, taking into account goals, assets, debts and expenses but he was excited about the process and thought he would at least be able to use the business plan, a combination of production and processing, to apply for loans and grants to buy equipment.

Dieterich commented on the determination and willingness of Pavlushikov to learn and could see the benefits to the district of a farmer of Pavlushikov's caliber. Pavlushikov will attend an agribusiness development and management course in the U.S. as a training participant in the USAID NET program, implemented through AED, in April, 1994.

Two articles from Russian newspapers about Dieterich and Seibert's technical assistance are included in Attachment B. Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the fourth quarter of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
John Butterbrodt	Wisconsin	February 9 - March 5, 1994	Kyyivsk'ka Region, Ukraine	Ukrainian Farmers Association Nikolayev Regional Farmers Association

John Butterbrodt, founding member and first president of the AMPI dairy cooperative, was hosted by the Ukrainian Farmers Association (UFA) to work on cooperative development with the UFA and the Ministry of Agriculture. Butterbrodt held meetings with the Ministers of Agriculture and Economics to discuss the content of proposed cooperative legislation, government officials in several regions, and the leaders of the UFA. He also held meetings at several private farmer cooperatives around the country to discuss practical aspects of cooperative operations and administration.

During the break-up of the state/collective farms in Ukraine, farmers often end up with land plots that are not adjacent. Since state/collective farms average about 20,000 acres, the potential distance between land plots can be a hindrance to effective farming. Butterbrodt recommended to the government policymakers that private farmers be allowed to trade land as long as they retain the same number of hectares in total. The Ministry of Agriculture was very interested in this idea, to the extent that Butterbrodt believes they will follow through and change the laws to make this possible.

Butterbrodt also had a meeting with Alexander Zhuk, Chief of the Agricultural Regional Management. Zhuk is in charge of distributing several combines to farms throughout the Nikolayev Region. Zhuk wanted to give one combine to private farmers, but did not know how this was possible without creating bad feelings among the private farmers who did not receive it. Butterbrodt suggested giving the combine to the "Mir" Cooperative, a cooperative which was started by Alexander Zourba, a Ukrainian who had recently returned from the U.S. where he had had training in cooperative development. Butterbrodt suggested that the cooperative could then maintain a schedule for use and costs. Zhuk had never heard of this concept and was excited about the possibility. The matter was discussed with members of the cooperative who were present at the meeting. A dialogue ensued about how the cooperative was organized and where they were based. This dialogue would have been unlikely prior to Butterbrodt's assignment.

Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the fourth quarter of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Peter Waletich Charles Atkins	South Dakota South Dakota	February 23 - March 12, 1994	Ryazan Oblast, Russia	Farm associations: NADEJDA, ORELJEVO-2, SODRUJESTVO Private farmers

Hog and dairy production and processing issues were the focus of this team's assignment in the Ryazan Oblast. Their activities centered around organizing private farmers into cooperative groups and developing recommendations for dairy and meat processing activities for the groups to pursue in the future. The team also worked with the Ryazan Oblast AKKOR on organization and political representation activities.

During the first week, the volunteer worked separately with individual private farmers on their farms. The team then came back together again for the second week and brought the private farmers together to hold larger group information meetings and discussions. Waletich and Atkins showed the farmers how, with the current economic conditions, they could make money more quickly by raising hogs than they could by raising barley. The private farmers quickly realized the advantages and were eager to learn more about hog production and processing.

Waletich and Atkins, both active in the political process in the U.S., encouraged the private farmers, AKKOR and private businesses to be more actively involved in the political process in Russia. They indicated to their hosts that by gaining insights into how the process works, private farmers and private farm organizations should be able to contact their government representatives about their needs. This led to further discussion of the need for private farmers to have a unified voice when speaking to the Duma.

A newspaper article about Waletich and Atkins is included as Attachment C. Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the fourth quarter of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Dennis Lehto	Minnesota	March 2 - 19, 1994	Ryazan Oblast, Russia	Podvazje Educational Center Podvazje Farmers Training College

Lehto worked with the Podvazje agricultural institute on cooperative education, curriculum reform and private farmer extension programs. In addition to working with the school administrator and staff on relevant issues, he instructed private farmer groups associated with the school in cooperative principles.

Lehto observed that the Podvazje Educational Center has a good start on the development of farm management curriculum as a result of Dale Dunivan's Farmer To Farmer assignment with Land O'Lakes in September/October of 1993. Lehto talked with the school administration about incorporating analysis into the curriculum and how analysis of farm management records is important for private farmers.

A rather unique element of cooperative formation surfaced in the cooperative principles instruction. An issue arose about what to do with farmers in a cooperative that had different assets - an uneven playing field, so to speak. Lehto explained how different types of stock in a cooperative can account for the different investments and that by working together, a cooperative structure can benefit all private farmers in an area even if their assets differ greatly.

Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the fourth quarter of year two.

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
Peter Brauhn	Wisconsin	March 2 - 19, 1994	Kaliningrad Oblast, Russia	

This was the second assignment Brauhn completed in the Kaliningrad Oblast. The primary focus of this assignment was to assist in the privatization process at a failing collective farm. Brauhn recommended that the privatizing state farm use the existing labor/workers in labor intensive projects that could be profitable such as mushroom production, small animal husbandry, fruit and vegetable farming or fish production. Working in groups on projects would facilitate the transition process from state to private farm and lessen the risk of failure to a single group rather than the entire organization.

Brauhn was also able to follow up on activities undertaken during his last assignment regarding cooperative business development with the regional AKKOR. He reported:

"Y.A. Pavlovskii, the President of the Kaliningrad Oblast Regional AKKOR association, with his fellow leaders, has made considerable progress since my last visit in November, 1993. Specific goals such as coupling existing school systems with the cooperative movement, the creation of dairy, meat, farming equipment and other cooperatives, credit arrangements, strengthening the infrastructure related to building local leadership, development of processing plants and building a market have all moved ahead -- each, however, at its own specific rate of progress."

After suggestions from Brauhn, the political process is becoming more important to the Regional AKKOR. They are observing which candidates are supporting private farmer concerns and will use this information in future elections. Brauhn also recommended forming political units within the cooperatives and lobbying for ag reform.

In addition to working with the state farm and AKKOR, Brauhn also met with a group interested in forming a cooperative in the Ozersk district. Historically, this is the most conservative region in the Kaliningrad oblast, so this constituted a break-through for private agribusiness. Also in this region, he was able to connect the school system with a privatizing state farm to further the cooperative movement. The school and state farm will pool resources and work together on ideas and plans for different types of cooperatives. The plan is for private farmers to supply products such as milk and meat to a processing plant located at the school. The farmers would then receive training in farming and plant operations.

An article from a newspaper in Kaliningrad regarding Brauhn's first trip is located in Attachment D. Evaluation interviews with the beneficiaries of this assignment will be conducted in and reported after the fourth quarter of year two.

FFA SUBAGREEMENT

During this quarter, FFA fielded one volunteer in the Ukraine. At the end of the quarter and continuing into the next, Curt Stutzman, FFA's Farmer To Farmer program coordinator, traveled to Russia to meet with beneficiary organizations for volunteer assignments in the summer and fall of 1994. Also at this time, FFA fielded a volunteer, Dr. J. Cano, in an assignment with the Russian Rural Youth Association. Since Stutzman and Cano's trips ended in the third quarter of year two, reporting on their trips will be done in the next quarter's report.

Volunteer Assignments

VOLUNTEER SPECIALIST(S)	VOLUNTEER STATE(S)	ASSIGNMENT DATES	ASSIGNMENT LOCATION	BENEFICIARY ORGANIZATION(S)
John "Dale" Dunivan	Oklahoma	February 28 - March 11, 1994	L'viv's'ka Oblast, Ukraine	L'viv State Agricultural Institute

Dale Dunivan, a retired agriculture teacher and farmer from Stillwater, Oklahoma, was the FFA's first volunteer to work in Ukraine under the Farmer to Farmer program. Dunivan was hosted by the L'viv State Agricultural Institute. L'viv is the only agricultural institute in western Ukraine and serves the eight regions along the border with Poland. Dunivan presented lectures, regularly attended by 200 or more, to the staff and students at the Institute. Lectures included information about how private farmers in the U.S. market their products and how they organize their finances and operate agribusinesses. Dunivan left curricula from the Oklahoma Department of Vocational Education which included the topics of Farm Business Records, Processing, Marketing and Small Business Management.

It appears likely that the Institute will have the responsibility of training private farmers as privatization occurs. At this point, with little privatization complete, the Institute is interested in improving teaching methods and materials for business management and marketing. According to Dunivan: "their technical and academic skills appear to be quite high." However, the staff does not have much experience in teaching western style marketing. FFA expects that this topic may be the top choice by the Institute staff for a follow-up technical assistance intervention this fall.

During the final days of his assignment, Dunivan met with a student organization that was very interested in hearing how the FFA program operates in the U.S. and what activities may be adopted in Ukraine. The "Student Brotherhood," organized by 50 students at the Institute, has the goals of improving educational standards to Western levels and providing for improved recreational and educational opportunities for students.

A small problem surfaced during Dunivan's stay in Ukraine that prompted him to return to the U.S. before March 11, the original end date of his assignment. International Women's Day, still widely celebrated in the NIS, was held on Monday and Tuesday, March 7 & 8, 1994. This was a two day holiday for the Institute and other businesses and schools in the area. The dates for Dunivan's trip were set up at the request of the Ukrainians and the holiday was not mentioned prior to Dunivan's arrival in Ukraine. On Saturday, March 5, 1994, FFA made contact with a former FFA member

located in Kiev to arrange for other schools to be visited in the Whitechurch area south of Kiev. However, due to the holiday and the short notice, no arrangements could be made. The flights in and out of L'viv are not very convenient and efficient scheduling is a problem. Therefore, when a flight became available on March 6, Dunivan returned to the U.S.

IMPACT

Clara Johnson, Ryazan Oblast, July 29-August 14, 1993

Contact was made with Raisa Petrovna Yakubova, private farmer from the Pronsk district of the Ryazan oblast and Chairman of the Mostok (Little Bridge) Private Farmers' Cooperative, to determine the impact of volunteer Clara Johnson and to determine follow-up activities. The following impact was determined:

- Johnson noted that the building to house a mini-dairy processing facility was constructed poorly with no proper assessment of the site. Johnson recommended that Yakubova determine whether or not the building would withstand the weight of a cement roof before continuing construction. Yakubova had an assessment made and determined that a wooden roof would have to be built with added corner post support. She has begun the roof construction.
- The specialist also advised Yakubova to pasteurize milk only (initial processing) and then send it for further processing to the local dairy plant, rather than carry out more complete processing such as butter production at her operations at this time. Yakubova is still able to sell her milk, receives more profit for it than other private farmers who normally sell raw milk and does not yet have to deal with the problems of marketing.

A U.S. newspaper article about Johnson's assignment and her impressions of Russia is located in Attachment E.

Steve and Alton Krikava, Ryazan Oblast, August 7-21, 1993

Contact was made with private farmer Alexie Ivanovich Androsov, Chairman of the Rossija Cooperative, Spasski District of the Ryazan' Oblast to determine the impact of volunteers Steve and Alton Krikava and to determine follow-up activities. The following impact was determined:

- During their stay, the specialists provided a model cooperative structure to suit the specific needs and interests of Androsov's group of farmers. Androsov has begun to restructure the cooperative in accordance with these recommendations.
- The specialists advised Androsov against purchasing high capacity milk processing equipment due to the unreliable milk supply from the neighboring collective farm. Androsov followed this advice to his advantage as the collective farm has since folded.
- The Krikavas advised Androsov not to establish a joint stock dairy in collaboration with the neighboring collective and state farms because of potential property rights disputes. Androsov followed this advice with the same advantages as mentioned above.

Contact was also made with Raisa Petrovna Yakubova (see Johnson impact above) to determine the impact of volunteers Steve and Alton Krikava and to determine follow-up activities. The following impact was determined:

- Yakubova agreed with the specialists recommendation not to purchase an abandoned dairy facility as its scale was too large for her own operations. Instead, she purchased smaller-scale dairy equipment which saved her 1.1 million rubles.
- With the money she saved, based on further recommendations from the Krikavas, Yakubova purchased fertilizer and herbicides for the spring crop. By purchasing ahead of time, she saved 250,000 rubles as input costs later increased due to inflation.
- Finally, the specialists advised Yakubova to give more emphasis to hog breeding on her farm in order to increase cash flow. Yakubova purchased several sows and each farrow is now bringing her a profit of 450,000 rubles.

Yakubova will attend an agribusiness development and management course in the U.S. as a training participant in the USAID NET program, implemented through AED, in April, 1994.

Robert Kunkel, Ivanovo Oblast, September 2-18, 1993

Contact was made with private farmers Margerita Pavlova and her husband Alexander of the Ivanovo Oblast to determine the impact of volunteer John "Dale" Dunivan and to determine follow-up activities. The following impact was determined:

- The beneficiaries are convinced that Kunkel saved them 10 million rubles by persuading them not to buy potato processing equipment. Kunkel proved, through working with them on their business plan, that in their particular situation it would turn out to be unprofitable.

Ray Funk and Steve Love, Ivanovo Oblast, September 9-25, 1993

Contact was made with Elena Vladimirovna Urbanovich, private farmer in the Kineshma District of the Ivanovo oblast to determine the impact of volunteers Ray Funk and Steve Love and to determine follow-up activities. The following impact was determined:

- Urbanovich and the volunteers looked at a fruit and vegetable storage facility in Kinishma during the assignment. The specialists recommended that Urbanovich try to acquire it. She is now renting it and using it for potato storage.
- The specialists provided Urbanovich with actual storage techniques which she now calls her "secret formula." According to Urbanovich, Funk and Love indicated that potato quality is determined by the amount of sugar, not starch as is widely believed in Russia. Because sugar content is easily affected, potatoes should be stored at a very specific temperature, with as little deviation as possible. The particular effect these storage temperatures has on potatoes is on how they fry. As Urbanovich is interested in processing potatoes into fries, this is extremely important to her. Having been stored this way, the potato fries to a golden color rather than the brown/gray which is typical in Russian cafeterias. Urbanovich stored some of her potatoes as Funk and Love suggested and when fried, her potatoes turned out golden too. She is now working on setting up her storage facility in order to maintain the required temperature conditions.
- Love and Funk also analyzed the quality of the three potato varieties grown by Urbanovich and other Kineshma district farmers. Based on their conclusions, Urbanovich will grow the Svyatanok

potato because it is a variety which is suited for a complete processing cycle in which the entire potato and its by-products may be used for different consumer products.

Dale Dunivan, Ryazan Oblast, September 23-October 10, 1993

Contact was made with the Ryazan Agricultural Institute (Agricultural Technology Department), the Ryazan Agricultural School for Continuing Education (Private Farming Department) and the Podvazje Farmers' Training College of the Ryazan' oblast to determine the impact of volunteer John "Dale" Dunivan and to determine follow-up activities. The following impact was determined:

- The Ryazan Agricultural Institute (Agricultural Technology Department) and the Ryazan Agricultural School for Continuing Education (Private Farming Department) have included Dunivan's materials in curricula for their Economics of Agricultural Production courses. Specifically, Dunivan left *The Journal for Bookkeeping on Farms*. Pertinent sections of this journal have been translated and incorporated into the curricula.
- The same book has been incorporated into the curricula of the Podvazje Farmers' Training College in courses for future farmer wives/accountants, particularly the section dealing with standard accounting procedures.
- The above institutes also incorporated strategic planning and goal-setting for private farmers and agricultural enterprises into their curricula based on Dunivan's recommendations.

Course descriptions with topics recommended by Dunivan will be provided in future quarterly reports.

PROGRAM MANAGEMENT

Land O'Lakes/Moscow received its Chevrolet Astro passenger van in late March. The registration process is proceeding with difficulty as Land O'Lakes is not registered in Russia. Customs has indicated that Land O'Lakes should pay \$40,000 in customs charges to register the vehicle. Land O'Lakes is seeking assistance from James Leo of USAID. The van will be used for the Farmer To Farmer program in Moscow, Ryazan and Ivanovo oblasts. Staff and volunteers will continue to fly to Vologda and Kaliningrad.

Land O'Lakes continues to collaborate on Farmer To Farmer activities with CNAA and VOCA in Ukraine and ACDI in Kaliningrad.

In March, Land O'Lakes Arden Hills staff met with the Farmer To Farmer evaluation team at Development Associates headquarters in Rosslyn, Virginia. Nathaniel Carin, Land O'Lakes/Moscow, met with evaluators in Russia in March as well.

PROGRAM OBSTACLES/MAJOR CHANGES

Scott McManus, Ukraine, February 2-19, 1994

McManus was fielded in the Kiev Oblast of Ukraine to work with a hog production cooperative on feed milling, hog and grain production and business planning for future meat processing activities.

McManus' assignment was coordinated with that of a VOCA meat processing specialist who was scheduled to visit the cooperative during the same time period. McManus was not able to complete his assignment due to personal problems and returned home after approximately five days of his 15 day assignment.

UPCOMING

Land O'Lakes/Moscow is currently seeking larger office space. In addition to more space, a non-residential location is being sought due to new laws prohibiting offices to be located in residential buildings.

Land O'Lakes/Arden Hills administration staff continues work on an ongoing evaluation process to determine impact from all programs in process. This includes documentation of the interview process used to obtain impact from the Farmer To Farmer volunteer assignments.

QUARTERLY FINANCIAL SUMMARY

The quarterly financial summary is located in Attachment F.

ATTACHMENTS

- A. Volunteer Tracking Information
- B. Dieterich and Seibert Articles
- C. Waletich and Atkins Article
- D. Brauhn Article
- E. Johnson Article
- F. Quarterly Financial Summary

Attachment A

Volunteer Tracking Information

LAND O'LAKES, INC.
 FARMER TO FARMER PROGRAM
 VOLUNTEER TRACKING

YEAR TWO, QUARTER TWO January - March, 1994						
Volunteer	State	Dates In-Country	Oblast, Country	T.A. Objective Code	# of Beneficiaries	
					Male	Female
Leonard Harzman	IL	12/17/94-1/1/94	Vologda, Russia	6	3	2
Jeanne Schwaller	MO	1/19-2/5/94	Kaliningrad, Russia	6	4	2
Edward Schwaller	MO	1/19-2/5/94	Kaliningrad, Russia	6	4	2
William Thiel	WI	1/26-2/16/94	L'vivs'ka, Ukraine	2B	7	2
Duane Seibert	IA	2/2-19/94	Vologda, Russia	2B	2	--
Dennis Dieterich	IA	2/2-19/94	Vologda, Russia	1	2	--
John Butterbrodt	WI	2/9-3/5/94	Kyyivsk'ka, Ukraine	2A	7	--
Peter Waletich	SD	2/23-3/12/94	Ryazan, Russia	2B	6	4
Charles Atkins	SD	2/23-3/12/94	Ryazan, Russia	2B	6	4
Dale Dunivan	OK	2/28-3/11/94	L'vivs'ka, Ukraine	6	7	1
Dennis Lehto	MN	3/2-19/94	Ryazan, Russia	6	4	1
Peter Brauhn	WI	3/2-19/94	Kaliningrad, Russia	3A	4	2
					Total by Gender	
					56	20
					GRAND TOTAL	
					76	

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LAND O'LAKES, INC.
 FARMER TO FARMER PROGRAM
 VOLUNTEER TRACKING

YEAR TWO, YEAR-TO-DATE October, 1993 - March, 1994																
# of Volunteers			Technical Assistance Objective											# of Beneficiaries		
Total	Male	Female	1	2A	2B	3A	3B	4	5	6	7	8	9	Total	Male	Female
22	21	1	2	3	9	1	1	0	0	5	0	1	0	161	132	29
Volunteer States																
ID	IA	IL	MN	MO	OK	SD	VA	WI	TOTAL							
1	4	1	3	2	2	2	1	6	22							

PROGRAM-TO-DATE September, 1992 - March, 1994																
# of Volunteers			Technical Assistance Objective											# of Beneficiaries		
Total	Male	Female	1	2A	2B	3A	3B	4	5	6	7	8	9	Total	Male	Female
48	45	3	3	10	16	1	4	0	0	13	0	1	0	393	297	96
Volunteer States																
ID	IL	IA	LA	MN	MO	ND	OK	VA	SD	WA	WI	TOTAL				
3	2	10	1	11	2	1	2	1	4	3	8	48				

LAND O'LAKES, INC.
 FARMER TO FARMER PROGRAM
 VOLUNTEER TRACKING

YEAR TWO, YEAR-TO-DATE October, 1993 - March, 1994												
OBLAST	# OF VOLUNTEERS PER T.A. OBJECTIVE CODE*											TOTAL
	1	2A	2B	3A	3B	4	5	6	7	8	9	
RUSSIA												
Kaliningrad		1	1	1				2				5
Moscow					1							1
Ryazan			4					1		1		6
Vologda	1		3					1				5
UKRAINE												
Kyyivsk'ka		1										1
L'vivs'ka	1	1	1					1				4
TOTALS												
6 Oblasts	2	3	9	1	1	0	0	5	0	1	0	22

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LAND O'LAKES, INC.
 FARMER TO FARMER PROGRAM
 VOLUNTEER TRACKING

PROGRAM-TO-DATE September, 1992 - March, 1994												
OBLAST	# OF VOLUNTEERS PER T.A. OBJECTIVE CODE*											TOTAL
	1	2A	2B	3A	3B	4	5	6	7	8	9	
RUSSIA												
Ivanovo	1	1	4									6
Kaliningrad		1	1	1				2				5
Moscow					4			7				11
Ryazan		2	5					1		1		9
Tula		2	1					1				4
Tver			1									1
Vologda	1	2	3					1				7
UKRAINE												
Kyyivsk'ka		1										1
L'vivs'ka	1	1	1					1				4
TOTALS												
9 Oblasts	3	10	16	1	4	0	0	13	0	1	0	48

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Attachment B

Deiterich and Seibert Articles

ДИТРИХ И САЙБЕРТ УЧАТСЯ У НАШИХ ФЕРМЕРОВ ВЫЖИВАНИЮ

Вот уже третья делегация американцев, представляющих самый крупный кооператив «Лэнд о'Лэйкс», объединяющий 340000 фермеров, чья деятельность распространяется на 15 штатов, знакомится с работой вологодских крестьян-единоличников.

На этот раз приехали двое, Деннис Дитрих и Дуэйн Сайберт. Они, значит, будут знакомиться с тем, как наши фермеры еще умудряются что-то производить, зажатые со всех сторон, притесняемые почти всеми органами власти, но упорно верящие в свое правое дело. Конечно, американцам есть что рассказать и посоветовать. Ведь отработка технологии производства и переработки свинины в «Лэнд о'Лэйкс», что называется, на мировом уровне. И твоей опыт нам только на пользу. Послушаем. Посмотрим!

Нынешний маршрут американцев начнется с хозяйства Александра Павлушкова, фермера из Усть-Кубинского района. Здесь будет остановка на несколько дней. Александру (Сан Санычу, как называют его товарищи-коллеги) есть и самому что рассказать-показать. Этот фермер до сих пор не получил ни гектара пашни («Ни сотки!» — как сам говорит). Несмотря на это, его крестьянское хозяйство самое что ни на есть товарное. Особенно требует внимания его современная свиноферма, отстроенная собственными руками. Дала бы власть ему развернуться в полную силу — и сам класс показал!

После Павлушкова гости-коллеги отправятся в Тотемский район, к Марине Беляевской. Скорее всего, на этом хозяйстве и закончится недолгое деловое путешествие американцев по Вологодчине. Надо добавить, что именно их знакомство, Дениса Дитриха и Дуэйна Сайберта. Ведь, как сказали в АККОРе, в нынешнем году дружеские связи фермеров обеих стран продолжатся.

Юрий МАЦНЕВ.

Deitrich and Seibert are Taught By Our Farmers to Stay Alive

This was already the third delegation of Americans representing the large company "Land O'Lakes," that is 340,000 farmers strong and with operations in 15 states, which is being introduced to the working of new-made Russian farmers.

This time two Americans came: Dennis Deitrich and Duane Seibert. Here they will be looking at our farmers still producing something even though being hampered from different sides - especially by the government. But they truly believe that they are doing the right thing. Of course, there are a lot of things that American guests can tell and advise. Everybody knows that pork production by "Land O'Lakes" is, as it is said, on the "world level", and every experience for us will be very useful. So, let's see what they can tell us!

Their route this time will begin at the farm of Alexander Pavlushkov, farmer of the Ust-Kubinsky district. Our guests will spend several days here. Alexander (or San-Sanych, as he is called by his friends) has some things to show and to tell about. He has not yet got any land ("Not even a little bit"--as he said himself), but in spite of this his business is pretty productive. Especially his modern pork farm, which was built by his own hands and which attracts the most attention. If only government gave him a chance to act, he would show his full power and ability to work!

After this the American guests-colleagues will go to the Totemsk district and will visit another farmer--Marina Beliaevskaya. Actually, it will be the last stop of this short trip of the Americans in our region. But it will be only the end of the trip of Dennis Deitrich and Duane Seibert, because, as we have learned, such friendly contacts of farmers from both countries will continue.

By Yuriy Matznev.

Американским фермерам тепло в России

О государственном стяге потом, а сначала надо рассказать, что делали американские гости в хозяйстве фермера Александра Павлушкова.

Нет, конечно, не природная красота прикубенских мест тому причиной, хотя фермерское хозяйство «Святой рожок» располагается в почти курортном месте. Кубена-река одна что стоит! А леса вокруг, а поля! И не случайно в деревне Бакрылово, где на окраине и располагается усадьба Сан Саныча, в последнее время вырос целый городок коттеджей и дачников из числа областной элиты.

Но Дениса Дитриха и Дуэйна Сайберта привлекли сюда более прозаичные мотивы, чисто деловые. Представители фирмы - кооператива «Лэнд о' Лэйкс» выделили из всех вологодских фермеров именно Павлушкова. Почему его? Данное хозяйство обладает всеми условиями для организации малярного завода по пе-

реработке сельскохозяйственной продукции. Кстати, технология позволяет обрабатывать и рыбную продукцию.

— Глава районной администрации Владимир Чусов поддерживает нашу идею, — радуется Павлушков, — обещает помочь в финансировании.

И еще бы не поддержать! В районе до сих пор нет предприятия по переработке мяса, а потому скот отсюда возут на мясокомбинаты в Сокол или в областной центр. Как не говорить тут о потерях?

Вот и два американских гостя Павлушкова не просто наслаждались деревенской тишиной, а скрупулезно считали и смотрели возможные варианты дальнейшего развития данного фермерского хозяйства. Если хотите, работали над своеобразным бизнес-планом. Делается все это согласно договоренности в высших правительственных сферах в рамках помощи в проведении экономической реформы.

— Главное, — считает Александр Павлушков, — помещения мои позволяют сразу ставить оборудование. Опять же удобное расположение хозяйства, его доступность.

— Много вложено средств, которые хорошо используются, — заметил Денис Дитрих. — В будущем здесь наверняка можно ждать отдачи.

— Хозяин учится, — считает Дуэйн Сайберт, — и надо думать, что программа нашей фирмы пойдет ему на пользу. Мы понимаем, с момента приватизации — что очевидно! — все для ваших людей ново.

Интересные они, простые американские фермеры! Стоило Сан Санычу в послеобеденный час взять в руки гармонь да продемонстрировать свое умение, как и Денис подхватил гитару и с большой эмоциональностью исполнил что-то нам неведомое, а для них — национальное.

Добродушно посмеялись на подачу само-

вара: ну, мол, этот милый надоед. Часто вы, русские, чай пьете.

Кстати, насчет национального. Дитрих особенно отметил это наше качество: дескать, русские люди очень гордятся своей историей, культурой. Мол, очень мы это приветствуем. Присущ ли патриотизм американцам, верно ли, что каждый хозяин поднимает в праздник у своего дома государственный флаг? Да, согласились оба, как правило.

Понятно, граждане своей страны и должны быть таковыми, должны гордиться причастностью своей к делам державы, должны чувствовать эту гордость — и за флаг, и за гимн. И за власти.

Все у нас так? А за власти? В районном земельном комитете насчитывают у Павлушкова четыре гектара пашни. Он не согласен: «Эта «пашня» — вся моя усадьба и дорога к ней. И нет у меня больше никакой пашни!»

Все верно, у нас есть свобода слова (каждый волен говорить свое), но



по-прежнему отсутствует свобода дела. Не дают ее!

Хозяин Павлушков по большому счету должен быть большим государственным, чем все члены коллективного хозяйства, совхозные рабочие, живущие рядом. Он является собственником и потому сильно заинтересован в крепкой государственной власти, в защите, наконец, своих хозяйских интересов. Ему есть что терять!

Почему и подумалось: не за горами праздник, который должен быть для всех нас главным — День принятия Декларации о государственном суверенитете Российской Федерации. Так вот: только от власти зависит — с каким настроением фермер Александр Павлушков станет поднимать во дворе своего хозяйства российский государственный флаг. И вопрос еще: станет ли поднимать?



Юрий МАЦНЕВ,

Дмитрий ЧЕСНОКОВ, [фото].

Американским фермерам тепло в России



Фоторепортаж Юрия Мацнева и Дмитрия Чеснокова
читайте на 2-й стр.

BEST AVAILABLE DOCUMENT

It is Warm for American Farmers in Russia

We'll talk later about national things, but first we must tell you what we are doing with American guests at the farm of Alexander Pavlushkov.

No, of course, the beauty of picturesque landscapes around the farm is not the reason of this visit, even though it is situated almost in the resort area. What a beauty the Kubena-River is! And look at these wonderful forests and fields! That is why the small town of summer cottages appeared here not long ago.

But only business motives have led Dennis Deitrich and Duane Seibert to this farm. From all farmers in this regions, the representatives of the company "Land O'Lakes" have chosen Alexander. Why him? His farm has all the conditions for a livestock processing plant as well as the technology to process fish products.

"The director of the local administration supports our ideas," says Alexander Pavlushkov. And they also promised to help with finances.

And it would be wrong not to support such an endeavor. This region still doesn't have its own factory for processing meat and that is why farmers have to transport cattle far away to the nearest plant. Of course, you can imagine the financial losses.

So the two American guests of Alexander Pavlushkov were not only enjoying the silence of the beautiful evenings, but were also calculating and looking for possible variants for development of this small factory. Actually, they were working out their own business plan. This action was planned by governmental structures as part of a program in carrying out economic reforms.

"The most important thing," in the opinion of Alexander Pavlushkov, "is that my buildings are ready for work. I just need the necessary equipment."

"A lot of resources were invested which are being used intelligently and I think in the future we can expect profits," noticed Dennis Deitrich.

"Alexander is still learning new things and hopefully the our company's program will be helpful for him. We understand that with the arrival of privatization, everything is new for your people," thinks Duane Seibert.

They are very interesting and at the same time simple ordinary Americans! As Alexander took his accordion and began to play it, Dennis immediately grabbed a guitar and began to play something very strange to us and, at the same time, common for them. Of course, the guests couldn't avoid good-natured laughter when they saw "samovars" with tea. It is still hard for Americans to understand such national Russian traditions as drinking tea as often as possible.

By the way, let's talk now about national. Deitrich especially mentioned one quality of the Russian people. He likes it that our people are very proud of the history and culture of their country. "Is it the same way with Americans? Is it true that every American raises the national flag at their house during holidays?" we asked. Certainly, both guests agreed. And it

is understandable. Good citizens of the country must be proud of being an active participants in deciding the future of their motherland.

But is it like this in our country? Do we really feel proud of our government, for example? The representatives of the local land committee say that Pavlushkov has a whole lot--four hectares of land. "But all my 'land' is my house, farm buildings, and the road around it!" disagrees Alexander.

Yes, we've got freedom of speech (everybody does say whatever he wants), but we still don't have free enterprise, the freedom to act. We don't get it!

Master Pavlushkov is even more dependent now upon strong federal power than all his colleagues in collective farms. Alexander is a private owner and he has some things to lose!

That's why we are all looking forward to the great holiday for us---the Day of passing the Declaration of Independence and Sovereignty of Russian the Federation. And now it's up to the government to determine what mood Alexander Pavlushkov will have to make him raise the Russian flag in the yard of his house, if he wishes.

by Yuriy Matznev

Attachment C

Waletich and Atkins Article



PETE WALETICH of rural Langford, left, and Chuck Atkins of Rapid City in Red Square, where in the past the Russians displayed their arms for public view. "This is the place that for years and years we

scared Americans," their Russian interpreter joked. The two men also viewed Lenin's Tomb and the Kremlin Wall where many Russian dignitaries are buried.

Hopes to return there

Waletich relates to Russian farmers

BEST AVAILABLE DOCUMENT

by Rhonda Rylance

No matter how our governments feel about each other at any given time, we have a lot in common with the people of Russia, according to Pete Waletich of rural Langford who traveled to Russia in late February through mid-March.

He was part of a Land 'O Lakes volunteer program called Farmer-to-Farmer made possible through a grant by the U.S. Agency for International Development. It placed 128 farmers from our country in a position to help farmers new to the free enterprise system emerging in Russia and the Ukraine.

Waletich traveled in partnership with Chuck Atkins of Rapid City. They spent the first four days of their trip in Moscow where they were briefed about the job ahead. They stayed at the Americanized Radisson Hotel and also had time to do some sightseeing and souvenir shopping.

The men found a little touch of home by eating at a McDonald's in Moscow and found the prices and the taste of the food comparable to home.

They were amazed at the number of Russians eating there, however, as a meal there would mean about two days of an average salary to the Russians who work three out of four days to pay for food while people in this country work one day out of four to pay for food. Four of Pete's group ate cheeseburgers, fries and drinks for around \$13.

Traveled with an interpreter

The men traveled around the large city with an interpreter who told them much about Russian life. They were surprised to find that few people own cars there because it is just too expensive—most vehicles on the roads are small and very basic.

The individual farmers they worked with were from the region near Ryazan, south and east of Moscow. The number one need of the Russian farmers according to Waletich, is a business plan because an estimated 70 to 80 percent of

the farm products never reach market.

He explained that the farmers are anxious to learn about the business from beginning to end—from the raising of the crops to the marketing process. They want to get their food to the people (who are desperate for groceries) but they don't trust "the middle man."

The work ahead for farmers there will be insurmountable unless they work together with the help of their government as well as ours, the two South Dakota farmers opined.

A union of farmers there is forming and is known as AKKOR. It's a voluntary cooperative association of private farms, rural co-ops, partnerships and other farms. "They should combine voices and select representatives to communicate with the government (or Duma)," our farmers indicated. "They must communicate amongst themselves and educate each other on how the Russian government operates."

The American farmers would also like to see the Russian government "recognize the need for food and insure the food supply. They should arrange long-term, low-interest financing. They should continue programs like the Farmer-to-Farmer set-up, and establish trade relations with other nations." Perhaps most important of all, the South Dakota men said, the Russian government should provide education for farmers.

Government should get involved

They also see the U.S. government involved in the improvement of the farming industry in Russia. Their plan would call for the U.S. to create trade and technical relations with Russia. "The U.S. must help Russians raise their standard of living so the Democratic free enterprise system succeeds and the people don't revert to the Communist way of life," they concluded.

They would also like to see model hog and dairy operations set up to teach the Russian farmers about the basics of profitable production. "Only if they

become prosperous will they be able to become trade partners with us."

"They have the capability to feed the people of Russia and beyond," Waletich explained. "But they need help setting up the steps to assure that the product gets to the people."

Sold his hog from vehicle

They found that the farmers they visited with were often better off than many in Russia. Waletich accompanied his new friend Alexander to market to sell a hog one day—they drove to town and sold it from the back of Alexander's farm vehicle.

Waletich explained that much of the selling and buying of farm products occurs in open air markets. The grocery stores are understocked and quality is poor while prices are high. The price Alexander receives for his products is very comparable to here.

In contrast, one of the travelers' interpreters explained that he is a student and his wife teaches at the medical institute where future doctors are educated. She gets a wage of \$42.50 a month and he works odd jobs and they just meet their monthly bills. He gets a grant from the government of eight or nine dollars a month while he is going to school.

Another interpreter is the son of a doctor and accountant. They are not wealthy either. Their combined income is \$170 a month. She receives \$70 per month as a physician at the medical clinic in Ryazan, and her husband makes \$100 a month as an accountant. They do not own a car. They travel by public transportation—streetcar type buses that run on electric overhead lines.

Even though he found things so different there, Waletich predicts a bright future for the Russian farmers. He found them bright and energetic with a real mission for the future.

"They are like us in that they want to improve their way of life and they are

See WALETICH RELATES Page 3

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PETE WALETICH, center, shakes hands with his new Russian farmer friends, Luda and Alexander. The structure at right is the farmers' home that they share with their two teenage daughters. Although he found their living conditions primitive, Waletich said he also found their hearts and ambitions to be large. Alexander is wearing a Waletich Hog Farm cap and Waletich has a hat on from his Russian friends.



THIS WAS the view from the Langford farmer's room at the Radisson Hotel in Moscow.

Waletich relates

CONTINUED FROM PAGE 1

willing to work for it," Waletich related.

He said the people who he came to know in the country were warm and giving. They bestowed many gifts on him and shared whatever they had with their visitors. He enjoyed their warm hospitality and their good cooking from Russian heritage.

Would like to go back

He would like to go back in the summer so he can see how their summer operations work. The ground and equipment were covered by three to four feet of snow this trip, and the farmers had sealed back even their milking and herd productions.

The Waletichs are expecting some Russian visitors later this month, and are anxious to show them how an American farm is managed. Pete and his wife Lorraine live on their diversified operation 23 miles north of Webster, 23 miles southeast of Britton, 8 miles west of Eden and 15 miles east of Langford. Joined in the operation by their sons Allan and Dennis, they raise small grains, raise pigs, farrow to finish, and have a cow/calf operation.

Their daughter Janae is married to Harold Hamilton. They live in Mina. She works at the Adjustment Training

Center in Aberdeen. He is a used car sales manager at Harr Motors.

Allan is married to Kelsey who works at Community Oil in Roslyn. They live on a farm near Roslyn and have three children, Garth, Gavin and Grey.

Dennis is married to Lisa. She works at the Claremont State Bank. They live on the home place and have twin daughters, Andrea and Brittany.

Waletich found the people friendly and enjoyed his visit to Russia. But Pete Waletich doesn't want to see it end there. He has high hopes for his new friends. He wants to see them receive the support they will need to build a new life in a new democracy. He does admit to being glad to be home. "Even when we think our government needs fine tuning, we have a lot to be thankful for," he mused.

BEST AVAILABLE DOCUMENT

Attachment D

Brauhn Article

"FARMER TO FARMER"

This is the name of the American assistance program to developing countries and the countries of Eastern Europe. Russia is also among these countries. No matter how regrettable it is, foreign farmers are coming here to teach our peasants how to sow, how to feed the cows. But there were times when our wheat was considered to be the best in the world and our cows gave more milk and peasants loved the soil as their mother - breadwinner. Foreign merchants were surprised at many things in Russia. But now everything is lost, everything is forgotten...

The Russian peasant is bright by nature, he isn't arrogant: Why should not he learn, if Western countries have made such good progress in the development of agriculture? All the more so because, according to the conclusions of American specialists, we have the necessary human and natural resources. We just have to learn a little bit... This was the aim of the humanitarian mission of Peter Brauhn who came on a business trip to the regional farmers association situated in our town.

Mr. Brauhn has the scientific degree of Doctor of History. He goes in for Russian history and is learning the Russian language. He is a charming, sociable person and he would have appear very much a Russian but for his accent.

Our dank Baltic weather wasn't hospitable to our guest. It was raining constantly. Peter went on saying with a charming smile: "It is cold. I wish the weather were sunny." Then he kept admiring this small Russian island in the West, completely isolated from the rest of the country. He admired its architectural monuments, vast fields and hospitable people. And, being a historian, he drew parallels with Constantinople and tried to forecast the future of the "free economic zone" and perspectives of its development.

Economical and political unbalance leads to the fact that agriculture suffers most of all. This is obvious in Russia as well. The aim of Mr. Brauhn's visit, as he has put it, is to help to create higher standards of living and welfare for people who live in this region. And we do have resources for these purposes. Mr. Brauhn thinks that it isn't necessary at all to receive economic aid from other countries. That's why Americans are planning to render only humanitarian assistance now. This assistance includes instruction in farming economy, problems of nutrition of livestock and poultry, veterinary services, development of cooperatives. There are about 300 million members of different types of cooperatives in the world. Mr. Brauhn thinks Lenin's work "About cooperation" is not a bad one, and he thinks that it is possible to apply many ideas from this work to our life. Mr. Brauhn delivered lectures in the villages of Uljanovo, Zagorskoje, and in the town of Polesk.

"Land O'Lakes" is the largest cooperative in the USA, and it includes about 500 thousand members. It covers vast territory from the Mississippi river to the Pacific Ocean. Another representative of "Land O'Lakes," Kristen Penn, also visited Ghernjahovek not long ago: she met with the members of regional AKKOR association.

A week's stay for Mr. Brauhn in the Kainingrad region, his observations, conclusions and meetings with farmers formed the basis of the account which he took with him to the USA. In February 1994 Mr. Brauhn plans to come to Russia again. He said that during this visit he found many friends here.

M. Deneshkina
translated by T. Kassina

BEST AVAILABLE DOCUMENT

Attachment E

Johnson Article

Udder confusion



Courtesy Photo

Unfinished stone walls and a handful of dairy cows show the rudimentary beginnings of a private dairy farm in formerly communist Russia. Pictured is Natasha Yakubova, granddaughter of the dairy's owner.

Russians building dairy from ground up

By **BILL SLAKEY**
Courier Staff Writer

HUDSON — When Clara Johnson signed up to go to Russia last summer, she expected to pass on technical advice to a fledgling dairy operation.

What she didn't expect were a half-finished building, new equipment left open to the rain and sun, or facilities without running hot water.

"You're over there to talk sanitation and efficiency to these people and basically what they did is haul cooking water from town," Johnson said. "We considered them a nuclear threat for all those years, but when you get out to the country it's like the Third World."

Johnson, who manages the Land O' Lakes Hudson Spreads Plant, visited Russia for two weeks last summer in a program sponsored by Land O' Lakes and the U.S. Agency for International Development.

Her hosts were a family of free-market pioneers, entrepreneurs who left their local collective farm to start a 100-acre private dairy farm. The new farm was located near Pronsk, a village approximately three hours southeast of Moscow.

Conditions on the new farm were primitive, Johnson said. Meals were eaten outdoors. The family lived in a converted livestock building — too crowded for an extra guest. Johnson stayed in an apartment in the village, 25 miles away.

The dairy, designed to serve private farmers who each keep a herd of two or three cows, was under construction and needed a roof and floor.

Johnson said she quickly set aside the technical information she had gathered before the trip.

"I left it to be translated," she said. "It's good information, but they weren't ready. It's 10 or 20 years too soon."

Instead, she gave lessons in basic business practices: setting goals,



GREG BROWN / Courier Staff Photographer

From the well stocked storage room at the Land O' Lakes Hudson Spreads Plant she manages, Clara Johnson said she traveled back at least 30 years last summer on a trip to a fledgling dairy in the Russian Republic.

working on one thing at a time, and preventive maintenance.

For example, some of the new dairy's equipment was stored in a roofless shed, so Johnson advised better protection for it. The family wanted to buy more land even before the dairy was up and running. Johnson advised against it.

"This is a family that is struggling going from a collective to a farm and they want to do everything," she said. "They want to make cheese, they want to make butter, they want to grow fruit trees."

Johnson said she admired her host, Raisa Yakubova, for struggling to put those dreams into practice.

"She has a vision and a dream," Johnson said. "I've never worked with anyone that had so much fortitude to go out and fulfill (their dream)."

Yakubova, a 40- or so year-old former teacher and representative to her district's farm financing committee, faces tremendous prejudice in getting her farm started, Johnson said.

First of all, Russian women get little or no respect in the business world, she said. Secondly, the would-be private farmers get little help from the better-equipped collectives.

Entrepreneurs in the former Soviet Union also struggle with obstacles that Americans have a hard time imagining, Johnson said.

Work ethic was often nonexistent. For example, progress on the dairy stopped for weeks because the contractors simply did not show up.

Transportation was difficult on primitive roads. Even a single meeting was hard to arrange.

"If you held a meeting and it happened within a two-hour time frame, you were on time," Johnson said. "It was so frustrating because as Americans we're used to being more productive and there you're at the mercy of everyone."

Johnson said she hopes to meet Yakubova again this summer when the Russian businesswoman comes to the United States on a trip also sponsored by Land O' Lakes and U.S. AID.

Johnson also hopes to go back a second time, because she understands the country better. She also wants to see her hosts and translator again. In the Russian way, they made her a friend for life.

"The people were so caring, warm and loving. They were so happy to have you there," she said.

Attachment F
Quarterly Financial Summary

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

	Expenditures		
	Actual Grant to Date	Actual 01/01/94 to 03/31/94	Projected 04/1/94 to 06/30/94
1. Direct Labor	\$186,449	\$32,824	\$29,555
2. Fringe Benefits	49,310	7,691	7,093
3. Consultants	26,576	15,506	25,125
4. Travel/Per Diem	242,903	58,693	120,338
5. Expen. Supplies/Materials	9,281	2,537	4,258
6. Nonexpendable Equipment	31,838	27,758	3,400
7. Subcontracts/Subagreements	23,617	0	43,185
8. Other Direct Costs	12,528	(3,532)	5,991
9. Evaluations	0	0	0
10. Indirect Cost	<u>248,649</u>	<u>69,349</u>	<u>84,494</u>
Total Federal Funds	831,151	210,826	323,439
Non-Federal Funds	<u>47,745</u>	<u>33,365</u>	
Total Program	<u>\$878,896</u>	<u>\$244,191</u>	

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

BEST AVAILABLE DOCUMENT

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