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

**Restructuring Agriculture through Agribusiness  
Formation: Private Sector Program for Russia**

**Cooperative Agreement Number: CCN-0006-A-00-3039-00**

**Quarterly Report  
January - March, 1994**

**April 27, 1994**

**Restructuring Agriculture through Agribusiness  
Formation: Private Sector Program for Russia**

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## OVERVIEW

The final quarter of year one of the Land O'Lakes/USAID program in Venev, Russia has been a quarter of review. Past progress has been held up against with future capabilities to form a pattern of transitions:

- from start up activities driven from the U.S. to a solid long-term field presence in Venev,
- from work with an existing joint stock company to organization of independent farmers,
- from little contact with regional and district government officials to high level support and interest,
- from private farmers bowing to old authorities to private farmers becoming their own authority.

As a part of this review, a year-one summary is included in this report. Also, in keeping with the theme of transition, this quarter's report format contains activities organized into three main subjects rather than by specific program objectives. After the new logical framework goals, purposes and outputs along with the year two workplan objectives are approved, upcoming reports will once again focus on monitoring progress against goals and evaluating impact within the program.

## SUMMARY OF ACTIVITIES

Three areas of activity received the greatest focus during the past quarter: working with the Venev Farmers Cooperative, working with a group of farmers who wish to form a different cooperative and planning the future of the Land O'Lakes/USAID program in Venev.

### Venev Farmers Cooperative

In January, Land O'Lakes long-term staff continued to work intensively with the management and board of directors of the Venev Farmers Cooperative (VFC). Land O'Lakes specialists had become concerned that the VFC was following the structure of a collective farm or state-owned enterprise rather than a western-style private farmers cooperative. As the farmer members of the cooperative became less and less informed about the use of their investment money or loans obtained by national organizations such as AKKOR, Land O'Lakes long-term specialist staff, John Brannaman and Nancy Barickman, held a series of meetings with the board of directors and management of the cooperative to try to convince them to adopt a more open structure, closer to what many of them had seen at Land O'Lakes when they attended the Land O'Lakes annual meeting in 1993.

Brannaman and Barickman had put together a newsletter for the VFC to promote the cooperative and draw in more members (a copy of this newsletter is located in Attachment A). In addition, they helped VFC management put together a member/future member survey which polled the district private farmers for their needs (a copy of the survey and summarized results is located in Attachment B). Both of these tools were to facilitate the growth of the cooperative and its usefulness to its farmer members. However, the board and management of the VFC instead closed the membership of the cooperative and limited the structure to that of a collective farm or joint stock company with the chairman of the board of directors and manager being the same person and the authority of the board and farmer members severely limited.

With the goals of the program and the needs of the private farmers in mind, Land O'Lakes reiterated the steps the VFC would need to take to become a viable and reputable private farmers cooperative. The VFC management and board made the decision to proceed under their current structure without the assistance of Land O'Lakes. As a result of this decision, Land O'Lakes has begun to focus its efforts away from the VFC onto organizations more likely to fall within the goals of the program - to strengthen the private farmers and food supply in the Venev region. Brannaman and Barickman will continue to work with the VFC at the VFC's request.

### New Cooperative Development

The Venev Farmers Cooperative contained a number of farmer members who were desirous of participating in a private farm cooperative, rather than the structure the VFC had adopted. With the help of district AKKOR and Venev agriculture representatives, Brannaman and Barickman began to look for other agribusiness opportunities for a farmers cooperative to form around. From the results of the survey, which had been distributed to all area farmers through the district AKKOR offices, they had found that grain storage and processing was a high priority item.

GATI, a local farmers association, had possession of a number of vacant, nonfunctional grain storage and processing buildings. This complex was located very close to Venev and seemed an ideal spot for the headquarters of a new grain handling and farm supply cooperative. The concept was discussed with the farmers from the VFC who were still interested and with the members of the GATI association. After communication with all players confirmed that this objective would still be within the scope of the program (see below), Brannaman and Barickman made plans to have potential cooperative members contribute their rights to the grain buildings in exchange for preferred stock in the new cooperative.

### Planning

Land O'Lakes staff, both in the U.S. and Russia, spent a large part of this quarter in the planning process. With the change in status of the Venev Farmers Cooperative, all aspects of the current program were reviewed, dissected, discussed and pondered. During meetings in the U.S., at the Arden Hills headquarters of Land O'Lakes, exciting new ideas were developed, always with an eye toward maintaining the integrity of the original program concept. The new ideas were incorporated into a revised program logical framework to be submitted to USAID. A proposed year two workplan was also constructed based on both optimism and the realities of working in Russia.

After their return to Russia, Brannaman and Barickman continued their search for optimum agribusiness opportunities to promote private agriculture industry in Venev. They continued to prepare for start-up of these agribusinesses by translating job descriptions and exploring the possibility of cooperating with local institutes on training. They also began organization of a new cooperative in the Venev area (see above).

## **TECHNICAL ASSISTANCE INTERVENTIONS**

There were no technical assistance interventions during this quarter.

## **PROGRAM MANAGEMENT**

During the last quarter of year one, a tutor was hired for Brannaman and Barickman's daughter, Hannah. Hannah takes courses at the local school in Venev but needed further work in American studies. The tutor, Katje Peterson, now resides in Venev near the long-term staff. She is a university student in the U.S. and speaks Russian. She was hired as an intern with her residency in Russia providing her with opportunity to further her advanced studies. The arrangement seems satisfactory for everyone.

During February, Brannaman and Barickman returned to the U.S., under separate funding, to attend Land O'Lakes International Development Division staff retreat. Team-building and planning were the focus of this retreat which culminated in attendance at Land O'Lakes corporate annual meeting. There Brannaman and Barickman were able to meet with the farmer members of Land O'Lakes and provide them with insight on development programs in Russia.

After the retreat and annual meeting, lengthy planning sessions with the Land O'Lakes International Development NIS team were held to determine the future focus of the Venev program. At these meetings, a rough framework for the revised logical framework and the new year two workplan were developed. Brannaman and Barickman returned to Russia in early March.

As new ideas are polished in the field, Land O'Lakes Arden Hills staff continues to keep current with USAID regulations and strategies. In particular, the procurement elements of the Venev program provide a continuing challenge to the administration staff to provide leadership, with the help of the Office of Procurement at USAID, on the regulations surrounding procurement of durable goods.

## **MAJOR CHANGES/ADJUSTMENTS/BARRIERS**

The single largest change this quarter was the decision, made by both Land O'Lakes and the Venev Farmers Cooperative, to move the focus of the program on to new cooperatives and agribusinesses in the Venev area. As indicated above, the Venev Farmers Cooperative will still receive assistance from both long and short-term specialists as requested.

This change may cause program activities to be shifted back slightly, including moving some things into the third and fourth years that were originally slated to be completed by the end of the second year. This shift was compounded by lack of long-term staff in Venev until the last half of the first year. However, with the right Russian partners and solid long-term personnel, activities should begin to increase. The ability to place some Russian partners into the USAID NET training participant program increases the likelihood of receptive program recipients.

A continuing obstacle to change in the Venev area is lack of credit for private farmers and farm organizations. Land O'Lakes continues to help program recipients search for creative ways to obtain financing for different cooperative projects. Inflation and fear of the tax authorities tends to mire efforts in this area, however.

Another item that will perhaps always be a challenge to all the parties involved is international communications. Land O'Lakes staff in Arden Hills, Moscow and Venev all have access to telephone, fax and e-mail, but the linkages between these systems are in a constant state of flux. Most recently, the outside phone line cable from Venev to elsewhere was cut and so were communications with Land O'Lakes staff in Venev. Brannaman and Barickman resorted to telegrams to Land O'Lakes/Moscow for rudimentary communication. Currently, Venev waits for a new phone system to be installed

"when the weather gets better." With help from local officials, with whom Brannaman and Barickman maintain good relations, they hope to have communication lines restored rather sooner than that.

## **UPCOMING**

Land O'Lakes will submit the revised logical framework for the program to USAID along with the second year workplan. This will update and bring on line new staff at USAID/ENI.

Procurement of grain handling and processing equipment will occur sometime during the first or second quarter of year two. The plan is to get the equipment into place at the new cooperative site prior to grain harvesting season.

New ideas for helping increase the stability of Venev area farmers will be brought forward and discussed with USAID for relevance to the program goals and purposes. It is Land O'Lakes desire to keep USAID/Washington and USAID/Moscow fully apprised of the status of this program and to have their input, as Land O'Lakes International Development Division customers, in the planning and implementation process.

## **QUARTERLY FINANCIAL SUMMARY**

The quarterly financial summary is located in Attachment C.

## **YEAR ONE SUMMARY**

The most prominent feature of the first year of the Land O'Lakes/USAID program in Venev is the nature of Venev itself. Land O'Lakes was asked to work in the Tula oblast, specifically Venev, by the Russian government because of its historically hard-line communist tradition and the chance for large scale reform that would effect change elsewhere in Russia. Far enough from Moscow to walk its own path, yet closely tied to the national government through Tula, Venev struggles to find its way politically. Simply put, Venev has not been easy to change.

Too far from Moscow to be an easy commute, especially with poor roads, Land O'Lakes' challenge was to find expatriates willing to live in the midst of this political struggle with few of the amenities of a larger city. While searching for the right candidate, short-term technical experts were sent to work with the fledgling Venev Farmers Cooperative. For the most effect, Land O'Lakes should have been in on the conception of the cooperative, to organize its ownership along western and democratic lines, but without staff in Venev, that level of involvement was not possible.

The short-term technical experts did help with the charter, bylaws and organization of the cooperative. They looked into business opportunities for the cooperative and attempted to penetrate the cooperative's financial status. Land O'Lakes continued to respond to requests from the cooperative, procuring and shipping a forage chopper and conditioner for the use of private farmers in the Venev area. Feed mill operations were undertaken through a joint venture between the cooperative and the firm which owned the local feed mill. Several fields of donated alfalfa were sown.

While each project and technical assistance intervention recognized a certain amount of success, the vital element was still missing - a long-term U.S./Land O'Lakes presence in Venev. The long-term

staff was the linkage between those projects. Finally, in April, 1993, Land O'Lakes made contact with John Brannaman, an agribusiness specialist from Cedar Rapids, Iowa, who was currently completing a program with the University of Iowa in the Ukraine.

Brannaman and his wife, Nancy Barickman, both have extensive agricultural education and experience both in the U.S. and internationally. Equally as important to Land O'Lakes, they were willing to spend another two years in Russia and they were willing to move, with their fourteen-year-old daughter, to Venev. In fact, they preferred to live in the country where the program was, rather than commuting from a large city.

By July, Brannaman had been hired by Land O'Lakes to fill one of the long-term positions in the program. In September, Barickman was hired as a temporary assistant to the program, although both reported to Land O'Lakes NIS manager in Moscow. Since that time, Barickman has been formally hired by Land O'Lakes to fill a second long-term position on the program. Both Brannaman and Barickman still report through Land O'Lakes/Moscow to Land O'Lakes/Arden Hills.

The program now began to take shape. Extensive meetings were held with the Venev Farmers Cooperative existing management and board of directors. By this time, the cooperative had structured itself so that the manager was also the chairman of the board of directors - similar to a collective farm or joint stock company. The Land O'Lakes team worked to change that structure and finally succeeded in convincing the board of directors to hire a separate manager.

Research into the assets and liabilities of the cooperative was considered of equal importance to organizational structure. Brannaman involved the cooperative management in each step of this process and in the day to day functioning of the cooperative. Despite obstacles in obtaining an apartment, Brannaman and Barickman and family were finally moved to Venev in September.

During the third quarter of the first year, Brannaman and Barickman began noticing subtle indications that all was not well with the management and board of directors of the cooperative. Meetings were missed and accounting records were harder and harder to access. Finally, the board of directors announced its intention to close the membership of the cooperative in order to limit the amount of investors. This was after a highly successful survey was developed and distributed by the Land O'Lakes team to ascertain potential farmer needs and to promote awareness of the cooperative among potential members.

Believing that there was a communication gap, and with support from local, regional and national government and farmers association officials, Brannaman and Barickman explained again the program goals and objectives and reiterated Land O'Lakes and USAID's commitment to them. A democratic, private structure with open membership to the benefit of all area private farmers was first on the list with access to accounts, commitment to free market style management and fair competition following closely after. They then requested that the Venev Farmers Cooperative board and management make a decision as to whether or not they wished to continue to work with Land O'Lakes to complete those program goals.

Despite a large element among the membership which wanted to pursue the program as Land O'Lakes explained it, the board of directors, lead by the former management and chairman of the board, decided to pursue their own goals. At this point, Land O'Lakes began to focus its efforts under the program in other directions as reported above.

Because of the strong efforts of Land O'Lakes to remain in the Venev area and Tula oblast, Land O'Lakes maintains strong ties with the local and regional government, the national leadership of

AKKOR, and the local private farmers. Interest in a western-style cooperative and free-market, privately-owned agribusinesses remains high. Before refocussing the program away from the Venev Farmers Cooperative, there were already requests for expansion of the program into other cooperative and agribusiness efforts in the area. Therefore, Land O'Lakes was prepared to go forward whatever the Venev Farmers Cooperative leadership decided. Indeed, Land O'Lakes has good relations with many of the members still involved in the Venev Farmers Cooperative and will continue to assist them upon request.

Land O'Lakes will continue to use lessons learned during year one to further program efforts during year two. Expectations are high that with solid field staff and innovative ideas, the program will process forward without further major problems.

## **ATTACHMENTS**

Attachment A: Venev Farmers Cooperative Newsletter

Attachment B: Member/Prospective Member Survey and Summary of Results

Attachment C: Quarterly Financial Report

**Attachment A**

**Venev Farmers Cooperative Newsletter**



***In this Issue:***

- **Welcome our First Newsletter**
- **What is the Farmers' Cooperative "Venev"?**
- **Meet the Manager**
- **Technical Assistance from the U.S.A.**
- **From the Manager's Desk**
- **Coming up this Month**
- **We Want to Hear From You**
- **What is a Western-Type Cooperative?**

***Welcome our first Newsletter!***

The purpose of this newsletter is to keep you, the owners and users of the cooperative, informed of the activities, new developments, and upcoming events of the cooperative. We plan to have space in the newsletter for your letters to the management; we want you to ask questions and offer suggestions.

***What is the Farmers' Cooperative "Venev"?***

The Farmers' Cooperative "Venev" (FCB) is a farmer supply and marketing cooperative started by a group of local private farmers and supported by USAID and AKKOR. USAID is supporting the cooperative through Land O' Lakes, a regional U.S. cooperative, by providing funds for technical assistance, equipment and long term management advice. AKKOR is supporting the cooperative by providing advice and credit. Russian Federation District,

Regional, and National Government officials have been very supportive of the project.

The Farmers' Cooperative "Venev" is to be modeled after an American-style agricultural cooperative. As the focus of this international project, the cooperative offers a unique opportunity for American agricultural professionals to work together with Russian agricultural professionals, together transforming the Russian Federation's agricultural system.

The FCB is still in the development stages and will be seeking members' input on the types of services it should offer. During this month, members will be asked what they want the FCB to do for them via a questionnaire. Please take some time to complete and return the survey. It is important to the future development of your cooperative.

***Meet the Manager***

Victor Dmitrievich Shurigin was hired as the manager of the FCB at a recent board of directors meeting. Shurigin brings his many years' experience in agriculture and management to the cooperative. As a life-long resident of Venev as a private farmer, Victor Dmitrievich has first-hand knowledge of the needs and challenges facing private farmers in the region.

***Technical Assistance from the U.S.A.***

Maybe you've seen some Americans walking around Venev, scouting bargains in the

*f*

market; taking pictures of people, of the churches, of the horse-drawn carts; and riding the bus to Tula. Most of the time these Americans were visiting farms and agricultural enterprises providing technical advice and suggestions; working side-by-side with hosting Russian farmers and agribusiness professionals.

No doubt the Americans you saw are part of the technical assistance program organized by Land O' Lakes and funded by USAID and the FCB for the benefit of the Farmers' Cooperative "Venev" and the private farmers in the district.

July through September saw a flurry of activity as five Americans came to town to stay for two weeks at a time. This past spring other Americans were in Venev and Tula laying the groundwork for the cooperative and establishing alfalfa demonstration plots.

Technical assistance has been provided in the areas of cooperative formation and management, feed mill operation, ration balancing, farm building structures and engineering, and potato storage and marketing.

An American couple, John Brannaman and Nancy Barickman, have moved to Venev to provide technical assistance and advice to the cooperative for the next two years. Joining Nancy and John is their daughter, Hannah, a 9th grade student.

Technical assistance designed especially for your farm or business is available. If you and your neighbors have a need for technical assistance and would like to host an American technical advisor for two or three weeks, we encourage you to discuss your

idea with Victor Shurigin, the cooperative manager.

### *From the Manager's Desk*

The cooperative recently moved to a new office on the second floor of building #15, Dekabriov St. Our new phone number is 2-10-79.

Currently, the cooperative is involved in feed mixing and sales. We'll be expanding our feed sales in the coming months -- watch for our advertisements.

To serve its members in other ways, the cooperative owns a store through which it can sell products raised by private farmers. In addition, the cooperative makes group purchases of machinery to gain a better price for members.

The cooperative is considering expanding its line of machinery available for lease to farmers. Currently, a hay conditioner and a forage chopper, donated for use in the district by USAID, are available for lease -- most appropriately next spring during forage harvesting season.

This past month the cooperative hosted a large delegation of American and Russian government officials from the Venev district, and the Tula region administration. Leadership from all levels of AKKOR participated. American government officials from USAID, the US Department of Agriculture, and the U.S. Embassy were a part of the delegation. Vice President of Land O' Lakes, Martha Cashman, was also a member of the delegation.

A few weeks later, the cooperative hosted another official from the U.S. Department of Agriculture, James Keifer, on a tour of

cooperative activities and the Venev milk processing plant.

To finish a busy month, Vice President of Land O' Lakes, Dave Eckholm, spent two days in Venev, meeting with cooperative management and government officials to prepare the cooperative for a new phase of development. A new manager is managing the cooperative, so management and Land O' Lakes wished to establish a process for proceeding forward in further developing the Farmers' Cooperative "Venev."

### ***Coming Up This Month:***

#### **Member/Prospective Member Survey**

We've started asking all members of the cooperative to complete a questionnaire so we can formulate a business plan which is focused and meets the needs of the local farmers. AKKOR members will be asked to complete the survey also, because we want the input of prospective members.

We want our membership to grow. We value your input and we will listen to your feedback. When you receive the questionnaire, please take a few minutes to complete it and return it to the cooperative office.

#### ***We Want to Hear From You***

If you wish to write letters asking questions or making suggestions to the cooperative's management and board of directors, please do so. Selected letters will be answered and printed in upcoming issues of, "*News*."

#### ***What is a Western-Style Cooperative?***

"Cooperative," is a word commonly used in both Russia and America. However, the meaning of a cooperative is quite different in Russia than in the United States. This article gives a brief introduction to a Western-style cooperative.

A Western-style cooperative is a business voluntarily owned and controlled by its member patrons, and operated for them on a nonprofit or cost basis. It is owned by the people who use it. The primary goal of a cooperative is to meet members' needs in an economical, efficient manner. The objectives of a cooperative are to:

- \* Increase financial returns to member-patrons.
- \* Increase bargaining power of the individual.
- \* Keep control in the hands of member-patrons.
- \* Provide a means of controlling quality of supplies.

The management of a cooperative is composed of three separate and distinct groups: members, directors and managerial staff. Members elect directors and establish broad policies. Directors hire the manager and act on major operating problems. The manager hires employees and implements the decisions of the board of directors.

Members formulate policies by adopting the Articles of Incorporation and Bylaws, and through action taken at annual and other meetings. However, the members delegate to the board of directors the responsibility of translating these policies into action. It is the duty of directors to safeguard the interest of the members.

The directors hire and supervise the manager. They interpret the policies of the members and take the necessary steps to put

them into effect. The directors prescribe how the cooperative shall be operated to carry out most effectively the expressed wish of the members. A capable board of directors is a "must" to operate a cooperative successfully.

Directors can act only as a group. An individual director, unless specifically authorized to act by the board, has no authority as an individual director. Directors as individuals should not:

- \* Interfere with management.
- \* Give orders to employees.
- \* Ask or receive favors from the cooperative.

- \* Speak for the board, unless authorized to do so.
- \* Show favoritism.

The manager's task is to supervise the operating details of the cooperative. A competent manager should operate the business according to cooperative principles and comply with the directors' policies.

The FCB is currently translating several cooperative publications from English into Russian. When available, we will distribute copies to members who are interested in learning more about cooperatives.

***Help Your Cooperative Grow!***

*Share this newsletter with your neighbors and farming friends. Have them contact the cooperative manager if they are interested in joining the cooperative or are interested in receiving this newsletter.*

**Attachment B**

**Member/Prospective Member Survey  
and Summary of Results**

## *Member Survey and Prospective Member Survey for the Venev Cooperative*

*This survey is to assist the management and the board of directors to develop a useful, productive and profitable cooperative for its members and to attract new members.*

*All information you provide will be kept strictly confidential, and no name will be associated with any of the information.*

*Please read the directions to each question carefully. To show our appreciation for the time you take completing this survey, a small gift will be provided for each survey which is thoroughly completed. Please return (even partially completed) surveys to the Venev Cooperative Office by November 15, 1993.*

*The information and ideas you provide will greatly assist the Venev Farmer's Cooperative develop a cooperative which will serve you and will make your farm more profitable. Thank you.*

1 Please circle your farm's *three major income producing enterprises or products* from the list below.

Barley	Wheat	Oats	Buckwheat	Rye	Potatoes
Vegetables (other than potatoes)	Beans	Peas	Alfalfa/ forages	Corn	Poultry: Chickens, Ducks, Geese
Eggs	Goats	Hogs	Beef	Milk, butter, cheese	Horses
Sheep	Fruit	Bees, Honey			

2. Please circle the *two enterprises or products you would like to expand into* if you had the resources.

Barley	Wheat	Oats	Buckwheat	Rye	Potatoes
Vegetables (other than potatoes)	Beans	Peas	Alfalfa/ forages	Corn	Poultry: Chickens, Ducks, Geese
Eggs	Goats	Hogs	Beef	Milk, butter, cheese	Horses
Sheep	Fruit	Bees, Honey			

3. *As you know, the Venev Cooperative owns a feed mill.* To serve you better, please answer the following questions about the feed needs on your farm.

a. Please check the feed you need to purchase over the course of a year:

- Grains
- Forages
- Protein
- Minerals & vitamins
- Salt
- Don't need feed

b. Please check all the statements that apply to the feed situation on your farm.

- 1. I can grind and mix all needed feeds on my farm myself.
- 2. I have trouble locating vitamin and mineral premixes to mix with my grain.
- 3. I have trouble locating protein supplements for the feed needs on my farm.
- 4. I raise my own grain for feed, but I need someone to grind it and mix it with premixes and protein for me. Number of tons per year: \_\_\_\_\_
- 5. I need access to grain storage to store the grain I raise for feed.
- 6. I need transportation to haul my grain to a feed mill to have it ground and mixed for feed.
- 7. I need transportation to have purchased feed brought to my farm.

4. *What type of services and products would you like the Venev Farmer's Cooperative to make available for you?* Think about the needs on your farm, and rate each item according to the need you have which could be fulfilled by the Venev Farmer's Cooperative. Number 1 is not important and number 9 is very important to the success and profitability of your farm. *Please circle only one number per row.*

	Not Needed on Your Farm	Not Important to Your Farm									Very Important to Your Farm
	0	1	2	3	4	5	6	7	8	9	
1. Source for purchasing animal feed	0	1	2	3	4	5	6	7	8	9	
2. Source for purchasing breeding livestock	0	1	2	3	4	5	6	7	8	9	

4 Source for purchasing animal health aids -- wormers, soaps, medications, disinfectants, teat dips, etc.	0	1	2	3	4	5	6	7	8	9
5. Animal nutrition expertise and advice	0	1	2	3	4	5	6	7	8	9
6. Animal production expertise and advice	0	1	2	3	4	5	6	7	8	9
7. Source for purchasing fertilizers	0	1	2	3	4	5	6	7	8	9
8. Source for purchasing herbicides	0	1	2	3	4	5	6	7	8	9
9. Source for purchasing crop seed & nursery stock	0	1	2	3	4	5	6	7	8	9
10. Source for purchasing garden seeds and garden supplies	0	1	2	3	4	5	6	7	8	9
11. Agronomic expertise and advice	0	1	2	3	4	5	6	7	8	9
12. Horticulture expertise and advice	0	1	2	3	4	5	6	7	8	9
13. Access to grain storage	0	1	2	3	4	5	6	7	8	9
14. Access to potato and horticultural crop storage facilities	0	1	2	3	4	5	6	7	8	9
15. Source for purchasing petroleum products -- diesel fuel, gasoline, motor oil, lubricants, propane.	0	1	2	3	4	5	6	7	8	9
16. Equipment/machinery repair service	0	1	2	3	4	5	6	7	8	9
17. Source for purchasing building materials for hog facilities, hog breeding facilities and milk parlors.	0	1	2	3	4	5	6	7	8	9
18. Source for building materials	0	1	2	3	4	5	6	7	8	9
19. Source for purchasing tools and hardware	0	1	2	3	4	5	6	7	8	9
20. Access to building contractors and construction crews	0	1	2	3	4	5	6	7	8	9

21. Source for purchasing concrete.	0	1	2	3	4	5	6	7	8	9
22. Source for farm building plans	0	1	2	3	4	5	6	7	8	9
23. An outlet for marketing livestock	0	1	2	3	4	5	6	7	8	9
24. An outlet for marketing grains	0	1	2	3	4	5	6	7	8	9
25. An outlet for marketing potatoes	0	1	2	3	4	5	6	7	8	9
26. An outlet for marketing horticulture crops	0	1	2	3	4	5	6	7	8	9
27. An outlet for marketing milk	0	1	2	3	4	5	6	7	8	9
28. Assistance with accounting or access to an accounting service	0	1	2	3	4	5	6	7	8	9
29. Farm management consulting	0	1	2	3	4	5	6	7	8	9
30. Educational short courses in Venev	0	1	2	3	4	5	6	7	8	9
31. Youth agriculture education/ youth development program (outside of school)	0	1	2	3	4	5	6	7	8	9

5. Please tell how satisfied you are with the following services which are provided locally. Circle 0 if you don't use these services. Number 1 indicates you are not satisfied, Number 7 indicates you are very satisfied. *Please circle only one number per row.*

	Never Use	Not Satisfied						Extremely Satisfied
1. Veterinarian services	0	1	2	3	4	5	6	7
2. Feed testing service	0	1	2	3	4	5	6	7
3. Soil testing service	0	1	2	3	4	5	6	7
4. Record keeping services	0	1	2	3	4	5	6	7
5. Livestock production advice	0	1	2	3	4	5	6	7
6. Livestock nutrition advice	0	1	2	3	4	5	6	7
7. Crop production advice	0	1	2	3	4	5	6	7

8. Educational/ training opportunities for private farmers	0	1	2	3	4	5	6	7
9. Credit/ lending services	0	1	2	3	4	5	6	7

6. *The Venev Farmer's Cooperative is considering expanding its equipment leasing services.*

We need to know what kind of equipment is needed by private farmers in the district. Please provide us with information about the following pieces of equipment needed for your farm. *Mark an X in the 1 square in each row which reflects your answer.*

	Don't need	Already own	Already share this equipment with another farm	Need to buy	Would consider leasing this equipment
1. Small grain seeder					
2. Planter for corn and other large seeds					
3. Potato planter					
4. Reduced tillage planter					
5. Soil packing implement					
6. Plow					
7. Disk/tillage equipment					
8. Chisel					
9. Cultivator					
10. Sprayer					
11. Fertilizer spreader					
12. Manure spreader					
13. Hay conditioner					
14. Forage chopper					
15. Hay baler					
16. Combine					
17. Potato combine					

18. Potato harvester					
19. Tractor					
20. Feed grinder					
21. Wagon					
22. Grain cleaner					

7. Please tell us about your situation:

- a. How many hectares of land would you like to own? \_\_\_\_\_  
 b. What would you like to build on your farm?

		Project	How many square meters?
Yes	No	A house	
Yes	No	Livestock buildings	
		What Specifically	For how many head?
Yes	No	Hog building	
Yes	No	Dairy barn	
Yes	No	Sheep barn	
			How many ton?
Yes	No	Seed and grain storage	
Yes	No	Potato storage	
Yes	No	Fuel Storage	
			How many square meters?
Yes	No	Equipment storage	
Yes	No	Roads	

8. What would you like to own together with the other members in the cooperative?

	Yes	No	Your Need
Seed storage	Yes	No	
Potato storage	Yes	No	
Fuel storage	Yes	No	
Equipment repair facility	Yes	No	
Storage and a store for spare parts	Yes	No	
Equipment to lease	Yes	No	

9. Do you have a need for the following things, if the cooperative provides you with these services?

	What volume?	How many tons?	How many Hectares?
1. Harvesting grain			
2. Spraying herbicides			
3. Tillage			
4. Feed storage			
5. Equipment repairs			

10. For which projects do you have construction permission documents?

	I have documents	I need credit to build the project
a. For equipment		
b. To build:		
a home		
livestock building		
storage		
roads		
c. To buy livestock		
pedigree cattle		

11. What do you need to finish existing projects? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

12. Where would you like to purchase breeding livestock?

\_\_\_\_\_

13. In your opinion, what are the *three* most lucrative markets for products which could be produced by private farmers in the Venev district and marketed or processed through the Venev Cooperative? Why?

A. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

B. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

C. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

14. As you know, the Venev Cooperative operates a cafe. Please circle YES or No to answer each statement below.

YES	NO	a. Have you ever eaten in the cafe?
YES	NO	b. Do you know that there is a shop on the side of the cafe building for buying and selling products produced by private farmers?
YES	NO	c. Have you ever sold products through the Cooperative's shop on the side of the cafe building?
YES	NO	d. Have you ever purchased products through the Cooperative's shop on the side of the cafe building?

15. How do you think the cafe benefits the cooperative? How could the cafe benefit the cooperative more? \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

16. Are you a member of the Venev Cooperative? YES or NO (circle one)

17. If you are not a member of the Venev Cooperative, why are you not a member? *Check all statements that apply.*

- I don't know about the Venev Farmers' Cooperative.
- I don't know how to join the cooperative.
- I plan to join the cooperative, I just haven't done so yet.
- I don't think cooperative membership is beneficial to me.
- I don't think cooperative membership is beneficial enough to me compared with the cost of joining.
- I don't know how cooperative membership can benefit me.
- It is not important for me to join the cooperative
- Other: \_\_\_\_\_

*Thank you very much for your time completing this survey. Your input is very valuable, greatly appreciated and will be very helpful to the cooperative.*

*Please return the survey to the AKKOR and Venev Farmers Cooperative office in Venev by November 15, 1993.*

## SUMMARY OF SURVEY RESULTS

1. Barley, hogs, wheat, buckwheat and potatoes are farms' major income producing enterprises
2. Hogs and barley are the two enterprises that farmers would expand if they had resources.
- 3A. Minerals and vitamins, and forage are feeds purchased over the course of a year.
- 3B. Most farms raise their own grain but need someone to grind and mix feed with premixes and protein for them.

Farms also need access to grain storage to store grain raised for feed.

Few need transportation to haul feed or grain.

4. Services that should be offered by the cooperative.

- Equipment repair service
- Marketing grains
- Source for purchasing building materials
- Grain storage
- Source for purchasing petroleum products
- Potato storage
- Marketing potatoes
- Source for purchasing herbicide

Services not needed to be offered by the cooperative.

- Horticultural advice
- Marketing milk
- Source for purchasing garden seeds and supplies

5. Most local services were never used. Soil testing and crop production advice rated the best in satisfaction and credit services the least in satisfaction.

6. Equipment identified that would be leased by farmers.

- Hay baler
- Sprayer
- Fertilizer spreader
- Manure spreader
- Grain cleaner

Equipment identified that would not be leased by farmers.

- Planter
- No-till planter

**Attachment C**  
**Quarterly Financial Report**

**RESTRUCTURING AG IN RUSSIA  
# CCN-0006-A-00-3039-00  
FINANCIAL SUMMARY**

	<b>Expenditures</b>		
	<b>Actual Grant to Date</b>	<b>Actual 01/01/94 to 03/30/94</b>	<b>Projected 04/01/94 to 06/30/94</b>
1. Direct Labor	\$143,191	\$52,689	\$40,529
2. Fringe Benefits	44,264	14,086	9,727
3. Consultants	7,667	3,551	8,850
4. Travel/Per Diem	56,351	15,179	51,140
5. Expend. Supplies/Materials	7,447	1,808	120
6. Nonexpendable Equipment	68,426	1,299	337,992
7. Subcontracts/Subagreements	0	0	0
8. Other Direct Costs	64,817	10,473	38,391
9. Evaluations	0	0	0
10. Indirect Cost	<u>173,292</u>	<u>47,561</u>	<u>180,097</u>
Total Federal Funds	565,455	146,646	666,846
Non-Federal Funds	<u>2,732</u>	<u>1,585</u>	<u>0</u>
Total	<u><u>\$568,187</u></u>	<u><u>\$148,231</u></u>	<u><u>\$666,846</u></u>

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