

Land O'Lakes, Inc.

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PD-ABC-698
96139

April 27, 1994

Frank E. Mertens
CDO Project Officer
AID/FHA/PVC
Room 729, SA-8
1515 Wilson Boulevard
Rosslyn, VA 22209-0804
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RE: Cooperative Support Agreement
Cooperative Agreement Number: PDC-0192-A-00-1045-00
FINAL REPORT

Dear Frank:

Enclosed is the final report for Land O'Lakes' cooperative support agreement, covering the period June 1, 1991, through March 31, 1994.

As you can see, it is short. If I were to go into detail, it would be quite long and would be a repeat of reporting in other annual reports and the evaluation report.

Any comments, questions, my phone number is 612-481-2508.

Sincerely,



Colleen Bryn
Program Specialist
International Development

attachment

cc: AID/CDIE

LAND O'LAKES, INC.
COOPERATIVE PROGRAM SUPPORT GRANT
COOPERATIVE AGREEMENT NUMBER: PDC-0192-A-00-1045-00

FINAL REPORT
JUNE 1, 1991 - MARCH 31, 1994

The goal of the \$1,375,000 Land O'Lakes Cooperative Program Support grant (CPSG) was to increase farm production and income levels of small producers organized in cooperatives through providing for their participation in a complete farm-to-consumer system. The purpose was to provide training, technical and managerial assistance to small producers and their cooperatives in order to increase the supply and improve the quality and availability of their products to the consumers. Other purposes were to strengthen Land O'Lakes as a development institution and to provide stable financing to maintain a capability to develop innovative cooperative development projects, undertake targeted project exploration, and respond to requests from developing country cooperatives. The term of the agreement was June 1, 1991, through March 31, 1994.

To summarize the project activity, following is a table of the projected program outputs and the number achieved.

	Projected	Completed
New development projects	6	15
New country assessments	7	19
In-country training participants	470	1,772
Regional workshops	18	0
Short-term consultancies	30	21
U.S.-based training participants	41	66

All of the \$1,375,000 was expended. Match was 37%. The life-of-project financial report is included as the appendix. The Baltics New Initiatives amendment reached all of its goals, but expended only \$51,081 of the \$100,000 allocated.

Land O'Lakes met its goals in the four functional categories: organizational development, resource enhancement, limited program services, and program development.

Organizational Development

Land O'Lakes International Development Division strengthened the linkages and tapped the resources of other departments, plants, member cooperatives, and general membership. Many from these resources participated in training and technical assistance in the CPSG and other development projects. The organization gained by broadening the experiences of its staff, while assisting cooperatives in lesser-developed countries. Other means of connecting

to others were issuing a marketing brochure/folder and staffing booths at Land O'Lakes annual meetings.

Resource Enhancement

In the original proposal, Land O'Lakes promised to undertake at least one PL-480-type of monetization project. The Russia butter distribution system was studied to determine the best logistics for butter distribution system in Russia and St. Petersburg. As a result, Land O'Lakes obtained a butter monetization program from USDA whereby 5,000 metric tons of donated butter were shipped to and sold in Russia. The profits are used to purchase equipment for Russian agriculturalists.

Land O'Lakes initiated joint programs with private voluntary organizations and universities: with Texas A&M University in Mexico and with Development Alternatives in the Morocco Agribusiness Promotion Project. Land O'Lakes has submitted proposals for other projects in conjunction with other private voluntary organizations, as well, as either the prime or as a subcontracting entity.

Limited Program Services

Limited program service activities included eight in-country workshops to support the development of dairy cooperatives. A Dairy Production and Management Techniques course and technical assistance were conducted for small dairy farmers and cooperatives in the Northern Mindanao region of the Philippines. Members of dairy cooperatives in Mexico learned about dairy nutrition and alfalfa production. The Baltics New Initiatives provided a vehicle for assistance to the dairy sectors of Latvia, Estonia, and Lithuania: Latvia--milk procurement and assembly; Estonia--dairy plant maintenance; Lithuania--dairy plant operations.

The Tadu Dairy Cooperative Society (TDCS) of Cameroon grew stronger from the assistance provided through the CPSG and the Cameroon Mission-funded grants leveraged through it. The U.S. internships and in-country training reach over 1,500 Cameroonians. The men learned cooperative principles and formation, dairy cow artificial insemination, and pasture management techniques. The women improved dairy sanitation and milking techniques, which resulted in purer milk, better health for their children, and more income from selling excess milk. The closing of the Cameroon Mission ends funding for what has been a successful five-year association between Land O'Lakes and the TDCS.

Program Development

Land O'Lakes explored projects in nineteen new countries: Cameroon, Estonia, Estonia, Gambia, Ghana, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Malawi, Malaysia, Mali, Mexico, Morocco, Philippines, Poland, Russia, South Africa, Ukraine, and Zambia. Of these, projects were funded for work in nine: Cameroon, Estonia, Kyrgyzstan, Latvia, Lithuania, Morocco, Poland, Russia, and Ukraine.

The project leveraged \$25 million in funding from the CPSG, which is 2,142% leveraging over the life of the project.

Summary of Funding Awarded (figures in millions)

	1991	1992	1993	Total
Eastern Europe Regional Training and TA Grant	4.0	4.0	5.0	13.0
Baltics New Initiatives Amendment		.1		.1
Russia/Ukraine Farmer-to-Farmer		2.0		2.0
Tri-Valley Growers		.3		.3
RAAPS/Poland (Privatization)	4.6			4.6
Restructuring Agriculture in Russia			3.5	3.5
Poland Training Subcontract through Univ. of Minn.	.3	.2		.5
ACDI Subcontract for Training	.5			.5
Cameroon Mission grants to train TDCS			.1	.1
USDA Butter Monetization			.2	.2
Other Miscellaneous	<u>.0</u>	<u>.1</u>	<u>.1</u>	<u>.2</u>
Total	9.4	6.7	8.9	25.0

During the life of the CPSG project, Land O'Lakes International Development Division experienced tremendous growth. Staff size grew from 8 in August 1991 to a current staffing of over 50 employees and consultants worldwide. The CPSG provided the essential foundation upon which Land O'Lakes explored new projects. Those explorations have resulted in great success in garnering funds for development projects.

The staff at Land O'Lakes sees challenges in the future of development, and the next Cooperative Programm Support program will be key to meeting them.

APPENDIX

FINANCIAL REPORT

**COOPERATIVE SUPPORT GRANT
#PDC-0192-A-00-1045-00
FINANCIAL SUMMARY**

	<u>Expenditures</u>	
	<u>Grant to Date</u>	
	<u>A.I.D.</u>	<u>Match</u>
Africa		
Program Development	\$98,606	\$6,440
Limited Program Svcs	35,022	0
Subtotal	133,628	6,440
ANE/CEE/APRE/Baltics		
Program Development	90,454	4,654
Organizational Development	28	0
Limited Program Svcs	18,620	6,109
Subtotal	109,102	10,763
NIS		
Program Development	204,540	4,464
Limited Program Svcs	38,918	188,953
Resource Enhancement	12	0
Subtotal	243,470	193,417
Latin American/Caribbean		
Program Development	8,006	0
Limited Program Svcs	22,224	0
Subtotal	30,230	0
Headquarters		
Program Development	255,317	1,439
Organizational Development	89,845	73
Limited Program Svcs	8,197	0
Resource Enhancement	56,203	7
Evaluation	204	0
Staffing	6,167	0
Program Management	46,834	237
Land O'Lakes Contribution	0	189,117
Subtotal	462,767	190,873
Total Direct Costs	979,197	401,493
Indirect Costs	<u>395,802</u>	<u>105,594</u>
Total Program Costs	<u>\$1,374,999</u>	<u>\$507,087</u>

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

04/19/94

COOPERATIVE SUPPORT GRANT
SUMMARY OF EXPENSES SUBMITTED TO AID/WASHINGTON
JANUARY THROUGH MARCH 1994

PDC-0192-A-00-1045-00

SF 269

Category	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>TOTAL</u>
<u>FULL OVERHEAD</u>				
P Management	752.82	1,160.38	0.00	\$1,913.20
P Implement	20,040.75	15,336.45	0.00	35,377.20
Evaluation	0.00	0.00	0.00	0.00
Indir Costs	7,693.62	6,103.83	0.00	13,797.45
YE Adjust	<u>0.00</u>	<u>0.00</u>	<u>(95.10)</u>	<u>(95.10)</u>
SUBTOTAL	28,487.19	22,600.66	(95.10)	50,992.75
 <u>SUBCONTRACT</u>				
P Management	0.00	0.00	0.00	\$0.00
P Implement	0.00	0.00	0.00	0.00
Evaluation	0.00	0.00	0.00	0.00
Indir Costs	0.00	0.00	0.00	0.00
SUBTOTAL	0.00	0.00	0.00	0.00
 <u>MATCH</u>				
P Management	0.00	0.00	0.00	\$0.00
P Implement	530.97	7.09	0.00	538.06
Evaluation	0.00	0.00	0.00	0.00
Indir Costs	254.87	2.62	0.00	257.49
Other Match	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
SUBTOTAL	785.84	9.71	0.00	795.55
 GRAND TOTAL	 <u>29,273.03</u>	 <u>22,610.37</u>	 <u>(95.10)</u>	 <u>\$51,788.30</u>