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United States Agency for International Development
Bureau for Humanitarian Response
Office of Private and Voluntary Cooperation
Farmer-to-Farmer Program

Tri Valley Growers

*Farmer-to-Farmer Program
Final Technical Progress Report*

Years 1 - 3

September 30, 1992 - December 31, 1995

implemented under

Cooperative Agreement
FAO-0705-A-00-2096-0

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I. Executive Summary

In the thirteen quarters of Tri Valley's Farmer-to-Farmer ("FTF") program, one hundred twenty-eight (128) volunteers were fielded on a total of one hundred forty-two (142) primary projects. This represented a 16% increase over our original target of 110 volunteers. These volunteers provided intensive technical assistance to 73 agribusinesses and agricultural-related institutions. Of these project hosts, 43 were in Western Russia, 22 were in the Russian Far East, and 14 were in the Republic of Georgia.

The majority of host organizations in Russia and the Republic of Georgia received multiple volunteers. Many of these multiple and sequential volunteer interventions created ongoing personal and institutional linkages between Farmer-to-Farmer volunteers, U.S. companies and educational institutions and Russian and Georgian agribusinesses and institutions. While not the direct goal of technical assistance, these ongoing relationships are an integral part of the Farmer-to-Farmer program impact. Many of these linkages are outlined in the final evaluation which is attached to this report as an appendix.

Over the life of Tri Valley's program, technical assistance provided by Farmer-to-Farmer volunteers resulted in many quantifiable achievements. The impact of FTF volunteer assignments occurred over a broad spectrum of food sector activities, including the introduction of improved seed varieties and production practices, the broad dissemination of agricultural educational materials, procurement and installation of new processing equipment, reduction of post-harvest storage losses, the adoption of improved accounting and financial systems, and the successful procurement of investment capital for agribusiness ventures. Additionally, the FTF program has provided critical, though less easily quantifiable, training and technical assistance in farm and agribusiness management. This assistance has strengthened the capacity of managers and technical personnel to meet the challenges of operating their firms in the free market.

II. Program Activities

Western Russia

Volunteer assignments in Western Russia were concentrated in the Voronezh and Moscow Oblasts, with additional activity in the Tula and Krasnodar Oblasts. Volunteers worked with food processors, storage facilities, private farms, farm associations, and research and educational institutions. Assignments in Western Russia can be loosely grouped into three broad areas: projects focused on business planning and management, projects focused on institutional strengthening of agricultural-related institutions, and projects which focused in specific technical interventions.

Business planning and management projects were increasingly effective over the life of the program, particularly in the Voronezh Oblast. The TVG Voronezh office developed a volunteer intervention methodology which focused on initial operational assignments (e.g. assisting management on methods to improve production efficiencies, etc.), followed by assignments focused on business management and planning. In many cases, business planning assignments led to applications to several of the bilateral investment funds available to agricultural enterprises in Russia. Five separate companies produced business plans and funding applications with the assistance of Farmer-to-Farmer volunteers, including two meat processing plants, two bakeries and a agricultural supply company. Of these five, one has received preliminary approval for a loan from the Russian-Swiss Fund based in Voronezh, and the second most promising candidate is deciding whether it will fund expansion internally, or with outside funding.

Farmer-to-Farmer volunteers provided critical assistance to many Russian institutions engaged in agricultural education and extension. Volunteers helped institute revised curriculum and course modules, provided management assistance, and were also engaged in the direct training of Russian farmers, researchers and agribusiness managers. The three primary recipients of Farmer-to-Farmer assistance from Tri Valley sponsored volunteers are the Agriculture Department of the Zaoski Theological Seminary located in the Tula Oblast, the All Russian Agricultural College (ARAC), located in Sergiev Posad in the Moscow Oblast, and Pushchino State University (also known as the Biological Research Center, including the Institute of Biochemistry and Physiology of Microorganisms and the Agrocollege).

Each of these institutions is in the process of transforming the manner in which agricultural information is developed and disseminated in the Russian Federation. The Agricultural Department of the Zaoski Theological Seminary is a privately run farmers training school which has received considerable publicity in training hundreds of private farmers in a course developed by the American horticulturist,

Jacob Mittleiter. Dr. Mittleiter's books have been published by the department and have sold over 250,000 copies nationally. The All Russian Agricultural College in Sergiev Posad is the center for curriculum development for over 200 state sponsored agricultural training institutions throughout the NIS. With FTF volunteer help, they are in the process of revising all standard curriculum, including the incorporation of integrated pest management and other sustainable agricultural practices. They have also helped launch a private farming extension service providing technical and marketing services to private farmers in the region. Pushchino State University is a recent addition to the Russian agricultural education institutions, having been founded by the administrators and researchers of one of Russia's pre-eminent research institutions. By linking research and education more closely, PSU has begun to transfer basic research into applied projects (e.g. seed potato development, food safety laboratories) benefiting producers and consumers.

Finally, FTF volunteers have been targeted at a number of projects where they provided very specific technical advice, often removing bottlenecks in the food system. Individual volunteers have assisted in the installation of processing equipment, re-engineering storage facilities to reduce storage losses, and analyzing crop failures, among others. While projects of this type were in the minority, they often had immediate impact given the limited nature of the problems being addressed.

Russian Far East

Activities in the Russian Far East were concentrated in Primorskii Krai, particularly the Spassk Rayon, and in Khabarovskii Krai. Volunteers assisted several large joint stock farming operations, small private farm associations, several agribusiness enterprises, ranging from input providers to retail institutions, as well as local government entities. The bulk of the assignments were in the Spassk Rayon, where the concentration of volunteer assistance allowed for individual projects to benefit from volunteer work on other projects.

The greatest volunteer impact was achieved with enterprises and institutions who had entrepreneurial managers (who were usually younger Russians). There was no one element of the food system which was more fertile ground for technical assistance projects. This stands in contrast to Western Russia, where successful projects were usually to be found in the most competitive and private industries. The lack of competition in the Russian Far East - and the concomitant market opportunities - allowed individuals and groups with gumption and perseverance in almost any sector, to achieve significant levels of success in their agribusiness enterprises.

Among the highlights of technical assistance projects in the Russian Far East were the launch of a honey processing venture, the launch of a chicken hatchery

venture, business planning assistance to a large farm with on farm processing which succeeded in receiving final approval from the Russian American Enterprise Fund for \$300,000 for a dairy processing operation, the development and launch of a "Young Farmers Program" modelled on 4-H, and the introduction of new seed varieties and packaging technologies to a private seed company.

As with much of Russia, assistance at the producer level was stymied by capital constraints and the slow progress of privatization efforts at the local farm level. Assistance provided to agricultural producers tended to be to newly privatized joint stock companies whose management were often less successful in adopting new farming and management techniques. Greater success was achieved by focusing on downstream activities, e.g. processing and retailing, where ownership and management interests were more closely tied and more clearly private.

Republic of Georgia

Farmer-to-Farmer technical assistance efforts in the Republic of Georgia were focused on a seed development program and institutional strengthening of private farmers associations. The FTF program provided the technical assistance for a larger program funded by USAID through an umbrella grant administered by Save the Children. Additional agricultural inputs, primarily corn seed and wheat seed varieties was provided by the Brother's Brother Foundation of Pittsburgh, Pennsylvania and Oregon State University.

The seed development program in Georgia involved technical and commodity assistance to boost production of potatoes, corn and wheat. Initially, the FTF program assisted the distribution of hybrid maize seed by providing technical assistance to private Georgian farmers through the Union of Private Farmers, a 25,000 member association of farmers in the Republic of Georgia. Subsequently, certified and foundation wheat seed, as well as other inputs (fertilizer, etc.) was provided to select institutions and seed farms, with the goal of accelerating the development of a domestic seed industry in Georgia to fill the unmet demand for high quality wheat seed in this cereal deficit country.

While commodities were funded under the Save the Children grant, Farmer-to-Farmer volunteers provided technical assistance on the production of potatoes, corn and wheat. Volunteers also worked developing and strengthening new private farmer associations, providing linkages for many of the thousands of new private farmers who emerged from Georgia's privatization programs. Volunteer assistance resulted in the organization of the Alazani Valley Growers Association with 56 members in June of 1995. Six months alter, the membership had expanded to 104, and the group had successfully coordinated the planting of certified and foundation wheat seed as one of 12 selected sites for the multiplication of wheat.

III. Analysis of Program Activities

Program Statistics

The projected number of volunteers for the life of the program was exceeded by 18 volunteers, or 16%. The 128 volunteers fielded provided intensive consulting services to 73 institutions throughout Russia and the Republic of Georgia. While the absolute number of beneficiaries of project supported activities is almost impossible to measure, we estimate that technical assistance and donated commodities supported by the program, reached well over 4,000 farmers and agribusiness professionals.

A preliminary assessment of average volunteer costs showed a cumulative cost per volunteer of \$15,040, and a cost per assignment of \$13,557.00. The average length of a volunteer trip was 25 days, while the average duration of a volunteer assignments was 21 days.

The most conservative estimate of matching contributions from U.S. individuals and institutions is \$1.2 million, or app. \$9,375 per volunteer. Estimates of private support for FTF volunteers in-country were not made.

Program Management

The management of Tri Valley's programs evolved over the course of the 13 quarters. Tri Valley initially staffed field offices in Russia with expatriate managers: Richard Klein in Vladivostok, and Betsy Jacobs in Voronezh. Two full-time staff managed the program and volunteer recruiting in San Francisco, Derek Brown and Christine Pascal. In the second year of the program, Betsy Jacobs was replaced as Western Russia project manager by Dennis Vincent, while Jean Bouch assumed volunteer recruiting activities from Christine Pascal.

In the Fall of 1994, Tri Valley received permission from USAID to expand its Farmer-to-Farmer technical assistance efforts to the Republic of Georgia. Leveraging support from other funding sources, Tri Valley was able to launch a technical assistance initiative in Georgia at minimal cost to the program. In January of 1995, Paul Heinzen joined Tri Valley as a temporary project manager, who coordinated FTF volunteers in Georgia in addition to his other responsibilities under the SCF grant. At the same time, Tri Valley made the decision to manage its FTF technical assistance programs in Western Russia with solely a Russian national staff. While operating without an expatriate manager required additional oversight and management time, Tri Valley believes that transitioning to indigenous staffing should be stressed whenever possible.

Subcontracts

Tri Valley managed two subcontracting relationships throughout the life of the program. The University of California's Department of Agricultural and Natural Resources (encompassing the campuses of UC Berkeley, UC Davis and UC Riverside, in addition to the research stations and extension offices) provided an ongoing source of highly skilled enthusiastic volunteers. UC faculty provided advice and guidance on the direction of many of the Farmer-to-Farmer program initiatives. With the development of direct funding for UC supported activities in Pushchino, Russia, Farmer-to-Farmer involvement in projects was reduced to enable the channeling of resources to other technical assistance hosts. The Center for Citizen Initiatives managed several technical assistance projects in Western Russia with support from the Farmer-to-Farmer program. Both the University of California and the Center for Citizen Initiatives ongoing commitments to technical assistance and training in Russia deserve further support.

Administrative Constraints

Many difficulties were encountered in administering the Farmer-to-Farmer program in the Russian Federation and Republic of Georgia. Legal, administrative, cultural and resource constraints hampered the speed with which program activities were launched and developed over time. The absence of a Russian language certified bilateral agreement between the U.S. and Russian Federation government resulted in substantial and protracted negotiations with local government authorities over large and small administrative matters - from receiving permission to secure office space, to importing computers and one vehicle (in the Russian Far East) duty free. Generally, local governments were not actively disruptive of program activities, however in the absence of regulatory and commercial structures which many in the West take for granted (e.g. commercial markets for real estate, the ability to open bank accounts freely), government authority was often required to achieve simple administrative tasks. When government action was required for specific actions, it was usually slow to arrive.

Program Constraints

The development of a successful market based food system in Russia continues to be hampered by an incomplete privatization process, lack of capital resources for farmers, processors and distributors, coupled with the inefficient allocation of state subsidies to agricultural producers, and a distribution infrastructure which is riddled with holes. Despite these constraining factors, progress can be seen in many sectors, as competition increases and market leaders emerge. Technical assistance targeted at more efficient producers in competitive sectors has accelerated the growth of a market-based food system, and helped meet the food needs of Russian and Georgian consumers.

Program Publicity

The Farmer-to-Farmer program attracted a remarkable level of publicity, both in the United States and the Russian Federation. It is estimated that on average, individual volunteers would meet with at least two community groups (e.g. civic organizations, church groups, schools, etc.) to give formal presentations on their experiences abroad. Additionally, many volunteers received press coverage, usually from local newspapers. In Russia and the Republic of Georgia, publicity for the project was even more widespread. Many volunteers (and occasionally staff) received regional television and radio coverage, and in some cases volunteers were featured on national television programs. The consequences of this cross-cultural communication are difficult to measure, but for two societies which have had almost no citizen contact between one another, the bridges of friendship and mutual understanding which volunteers have built should not be undervalued.

**TRI VALLEY GROWERS
FARMER-TO-FARMER PROGRAM**

Program Statistics - Cumulative
September 30, 1992 - June 30, 1995

Number of volunteer trips:	128
Number of volunteer assignments:	142

Cost per volunteer trip (est.):	\$15,040
Cost per volunteer assignment (est.):	\$13,557

Average length per volunteer trip:	25 days
Average length per volunteer assignment:	21 days
Median length per volunteer trip:	18 days

Explanatory Notes:

1. Volunteer assignments are defined as the number of individual technical assistance interventions undertaken by the volunteer while in country. As many volunteers work on more than one assignment, and as some projects are developed while volunteers are in country, the number of assignments will be greater than volunteer trips.
2. Cost estimates are approximate, as not all volunteer expenses are recorded in the period incurred.

VOLTRACK.Q12

TRI VALLEY GROWERS
Farmer-to-Farmer Program

VOLUNTEER TRACKING SYSTEM
September 30, 1992 - December 31, 1995

Number of Volunteers (by trip)			Technical Assistance Objective (by assignment)											Number of Beneficiaries		
<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>1</i>	<i>2A</i>	<i>2B</i>	<i>3A</i>	<i>3B</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
128	111	17	19	28	18	16	40	2	5	7	2	4	0	791	399	1190

Notes:

1. "Number of Volunteers" tallies the total number of separate trips taken by individual volunteers, not the number of projects which they worked on.
2. "Technical Assistance Objective" tallies the primary objective of each assignment worked on by individual volunteers. As some volunteers worked on more than one assignment, the total number of objectives will be larger than the total number of volunteers.
3. "Number of beneficiaries" attempts to measure the number of Russian and Georgian hosts with whom the volunteers worked on a sustained basis (e.g. several days). It does not measure the number of individuals who were trained by the volunteers, or who may be impacted by the volunteer's technical assistance. These numbers are revised on a quarterly basis to include subsequent evaluations of previous projects.

TRI VALLEY GROWERS CONSORTIUM

Farmer-to-Farmer Program

Grant #: FAO-0705-A-00-2096-00

Summary of Expenditures (September 30, 1992 - December, 1995)
Final Billing

	<i>Budgeted</i> <i>Year 1 & 2</i>	<i>Actual</i> <i>Year 1 & 2</i>	<i>Budgeted</i> <i>Year 3</i>	<i>Actual</i> <i>Oct. '94 - Nov. '95</i>	<i>Actual</i> <i>Dec. '95</i>	<i>Year 3 (+ 3 months)</i> <i>To Date</i>	<i>Total End of</i> <i>Program</i>
Salaries & Fringe	\$597,369.00	\$510,263.02	\$335,001.00	\$340,959.98	\$21,082.50	\$362,042.48	\$872,305.50
Travel & Per Diem	\$450,469.00	\$299,226.66	\$239,322.00	\$298,052.56	\$7,702.86	\$305,755.42	\$604,982.08
Equipment	\$30,790.00	\$46,626.43	\$0.00	\$308.11	\$0.00	\$308.11	\$46,934.54
Communications	\$21,600.00	\$17,535.94	\$10,800.00	\$41,612.04	\$841.88	\$42,453.92	\$59,989.86
Other Direct Costs (1)	\$88,303.00	\$84,291.47	\$111,877.00	\$169,301.27	\$46,548.41	\$215,849.68	\$300,141.15
Indirect/Overhead (2)	\$61,216.00	\$59,549.32	\$53,000.00	\$57,416.71	(\$2,750.03)	\$54,666.68	\$114,216.00
Total AID Costs	\$1,249,747.00	\$1,017,492.84	\$750,000.00	\$907,650.67	\$73,425.62	\$981,076.29	\$1,998,569.13
Recipient/Other contributions (Non Federal) (3)	\$546,693.00	\$851,472.30	\$338,817.00	\$366,041.96	\$0.00	\$366,041.96	\$1,217,514.26
TOTAL PROGRAM COSTS	\$1,796,440.00	\$1,868,965.14	\$1,088,817.00	\$1,273,692.63	\$73,425.62	\$1,347,118.25	\$3,216,083.39

- Notes::
1. Administrative costs (Indirect/Overhead) billed at a lump sum, per grant. Due to extension of program indirect costs were billed in excess of budgeted amounts which is corrected in this period.
 2. Actual equipment costs include \$19,900 for purchase of Chevy Blazer for RFE office, however this transportation item was budgeted in the "Travel and Per Diem" line item.
 3. Other Direct Costs includes app. \$100,000 of subcontractor costs.

Russian farmers learn from PV man

By MARIANNE DIASOTTI
Sentinel staff writer

WATSONVILLE — When Ron Tyler traveled to Russia this summer with his wife Dottie, he was prepared to advise farmers there on updating their archaic agricultural practices.

Tyler, a county farm adviser for more than 20 years with UC Agriculture Extension, knew when he volunteered for the international farmer exchange that conditions would be radically different from those found in the highly technical Pajaro Valley.

But even the seasoned agriculture expert, who had visited the former Soviet Union in the past, was surprised by what he found last month 300 miles south of Moscow.

"One of their problems is they were growing crops they were told to grow by Moscow years ago, whether they were profitable or not," Tyler said. "Just now they're realizing that hey, we can grow what we want."

Cows milked at the dairy were soaked with mud and manure. Before milking, udders were wiped off with a towel — the same towel. Equipment was stored outside and rusted.

Unlike American farms that focus on one crop that grows efficiently, Russian farms tend to grow a bit of everything inefficiently.

Tyler concentrated most heavily on the farm's apple orchards, a longtime staple of Pajaro Valley farming. There, he

Please see PV MAN A2



Dan Covro/Sentinel

Ron and Dottie Tyler with a table full of Russian mementos from their trip.

PV man travels to Russia

Continued from Page A1

found workers using picking and packing procedures outdated in the United States decades ago.

Tyler is one of some 120 California agricultural experts in three years who have traveled to farms in the former Soviet Union as part of a farmer-to-farmer exchange sponsored by Tri Valley Growers, a statewide agriculture cooperative, and the U.S. Agency for International Development.

But as Tyler finishes a report on his three-week trip to Ostrogozhsk, he worries that proposed federal cuts could cripple the program.

"There's going to be a great degree of uncertainty whether or not it'll be continued," said Derek Brown, director of Tri Valley's Farmer to Farmer program.

Legislators are proposing cuts to the Foreign Assistance Act of up to 40 percent, Brown said. Funding for Russia will probably be 10 percent of what it was two years ago, Brown said, and will hurt technical assistance programs like his, as well as food assistance.

"It seemed the right time to assist the emerging democracies that were there," said Brown, given their high literacy rate, but severe food shortages as they moved from a command to a free market.

Tri Valley volunteers visiting Russia have helped farms transfer from state to private ownership. Volunteers also helped Russians start a honey processing business; organize 56 farmers into a shipping and storage cooperative; offer incentive pay

to their workers; market products that were previously sold under state order; and coordinated U.S. farmers to donate 60 tons of seed that doubled the yield on Russian farms.

And Pajaro Valley grower Mike Dobler was one of the volunteers who helped secure a \$300,000 grant to start a dairy operation.

New Tri Valley owners have decided to withdraw their support, but plan sending research by Tyler and others to agencies in other states still participating in the exchange, Brown said.

Tyler left a list of changes that could be implemented on the farm at a reasonable cost.

"I'd like to go back and see what they've adopted," Tyler said.

GUESTS WERE SURPRISED:

Our newspaper has already written about the fact of visiting the fields and greenhouses of the agricultural Department at Zaokski SDA Seminary by the government group of the Agricultural Ministry. The purpose was, -to get acquainted with their methods of growing vegetables.

The Ministry has many agricultural schools and many colleges in the sphere of its activities and is interested in the efficiency of training specialists.

So they travel about the country to find the places that show good practical results and the type of training program.

One of the places they heard about, was Zaokski Seminary. When they came they were surprised first of all to see the type of culture and the layout.

The fields cover 3 hectares (7½ acres) of land. There is also several greenhouses; a nursery and a large store-house.

First of all the guests went to the seedhouse, where the life of each plant begins.

The assistant of the Minister of agriculture is a doctor of economics and horticulture. In this group there were leaders of Management of the Ministry, and also Deans from the Institute. They wanted to know the technology of growing vegetables; the role of machinery; and green-house operation.

The assistant was surprised at the simplicity and care of the seedlings. Also, the construction of the seed-house and the type of soil, -consisting of sawdust and sand.

Is it hard to do this type of growing at Moscow University (Timirjazjev Academy) asked one of the leaders?

"WELL!", we will need sawdust, and clean sand, and they are not easy to find, --the leader tried to explain.

The assistant remarked, -"I think we complicate everything. But here we can see how easy and simple it can be done. And what is important, is the results.

The group wanted to know the level of education (training) given to the students during the training. Is it adequate to earn't a college degree

Valodia said; I don't think it is wise to compare- we grade the students in other areas. Our main concern is practical work and when our graduates start their projects, -we keep contact with them, and help them with advice.

-2- zaoski news cont'd

One of the University graduates in agriculture is now working at Zaoski as a supervisor with the students. He spent 5 years studying before graduating. He is from Madagascar and his government paid for his schooling. He has a degree in agriculture.

He heard about Zaoski and came for a visit. He spoke to the Minister. This is what he said! "In the College we study a lot in the rooms and laboratories. We study a plant in the labs. But here we are taught information about a plant by looking at it while it is growing. We are taught this way in order to get maximum results.

When the question about fertilizers arose, Valodia said; "I think they should be made available so that every one can use them and they should be mixed to avoid trouble when they are used.

The assistant asked! "Why don't we do it this way? It is really very simple ."

The guests were struck by the simplicity, easy procedures, and effectiveness of the growing method of Dr. Mittleider. They pointed out the culture of the gardening, cleanliness and order in the greenhouses; seed-house and even in the fields.

They have been talking about 4 hours and it is impossible to re-tell all the topics and problems that were discussed.

The guests were presented with Dr. Mittleider's books,-those that are printed in Russian.

THE END

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FINAL EVALUATION

TRI VALLEY GROWERS INC.

FARMER TO FARMER PROGRAM

(Cooperative Agreement FAO-0705-A-00-2096-0)

for

Office of Private and Voluntary Cooperation
Bureau for Humanitarian Response
U.S. Agency for International Development
1515 Wilson Blvd
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December 15, 1995

Executive Summary

This final evaluation fulfills the requirements of the cooperative agreement between Tri Valley Growers, Inc. (TVG) and the U.S. Agency for International Development (AID) for the Farmer-to-Farmer Program in Western and Far East Russia and Georgia between September 29, 1992 and December 31, 1995.

Over three years, TVG coordinated 128 technical assistance assignments in the Voronezh and Moscow Oblasts, the Primorskii Krai in Far East Russia and Georgia in which volunteers assisted 79 agribusinesses and related institutions. The evaluation finds that there were measurable impacts at 78% percent of these enterprises and institutions.

The lessons-learned are:

1. In a period of economic restructuring, corporations and trade associations may be increasingly reluctant to carry out development activities because of corporate downsizing and focusing on core businesses. It is incumbent on these organizations to make sure that international development is within their core mission. Senior managers and boards of such business groups must be engaged and see the benefits of development activities including the preparation of international mission statements.
2. Farmer-to-Farmer assistance in NIS transition economies is most successful when U.S. volunteers provide technical assistance to agro-industries, such as bakeries and meat processors, which are mostly private, face emerging competition in the marketplace and are least subject to state interventions and controls.
3. Technical advice must be appropriate to local conditions. Farmer to Farmer volunteers need to be cognizant of the economic and social constraints to market reform. Enterprises must be able to be restructured and capable of becoming more market oriented. Management must be willing to adopt changes. The greater impacts of the Farmer-to-Farmer Program were in assisting enterprises in marketing, business and financial planning.

Sectors and activities characterized by rapidly growing competition, experienced stronger impacts from volunteer assignments, especially when linked directly to retail markets (e.g., small private shops, direct marketing by agro-enterprises, farmers' markets).
4. Market leaders are generally smaller enterprises and groups of small private farmers. However, this will vary by region and country and should not exclude working with large enterprises.
5. The people-to-people attributes of the Farmer-to-Farmer Program are difficult to measure compared to financial and

technical impacts. Yet, they may be the most lasting impacts through the opening of minds and the motivation of change agents.

Lessons-learned are drawn from the following case studies which are integral to this evaluation:

A Recipe for Success demonstrates the importance of market competition in which Bread Plant #5 in Voronezh, Russia, carried out major organizational and marketing changes. The case study shows how relatively modest changes in recipes, product mix and marketing techniques can result in large increases in profitability.

Organic Farming by Necessity shows how private farmers, outside of Moscow, are turning the lack of inputs into a market advantage through the adoption and certification of organic farming. It also shows the effectiveness in working with educational institutions that are directly linked and committed to the nearby private farming communities.

Seeds of Recovery is Tri Valley Growers' most successful Farmer-to-Farmer project that combines volunteers with donated seeds to assist Georgia in its recovery from civil war and its transition to private farming. The case study demonstrates the increased impacts that volunteers can have when additional resources (i.e., seeds and other inputs) are integrated into project assignments. The project also illustrates the importance of hybrid seeds for short-term relief. But, more significantly, the project promotes long-term development through the importation of wheat seed for internal production, research in local seed breeding, and the development of U.S. joint ventures in seed production.

Will They Take My Cattle is an example of TVG's strengthening of two private farmers organizations, both of which participated in the donated seeds program in Georgia. The case study points out cooperation among cooperative development organizations and with two PVOs.

Capitalist Inside illustrates the importance of competition and how modest improvements in product lines (i.e., sausages) can result in increased profits. It demonstrates the importance of working with reform-minded leaders and managers in conservative regions such as Voronezh.

Exporting Bears to Russia focuses on the importance and motivation of U.S. volunteers who are at the heart of this type of people-to-people program. In this example, the volunteer continues the project with private beekeepers in Far East Russia beyond his initial assignment, including making a large personal investment with little prospects of financial return.

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Recipe for Success
Organic Farming by Necessity
Seeds of Recovery
Will They Take My Cattle
A Capitalist Inside
Exporting Bears to Russia

Itinerary/contacts
Evaluation Terms of Reference

FINAL EVALUATION

Tri Valley Growers

Farmer to Farmer Program
(Cooperative Agreement FAO-0705-A-00-2096-0)

I. Introduction

This final evaluation fulfills the requirements of the cooperative agreement between Tri Valley Growers, Inc. (TVG) and the Bureau of Humanitarian Response, U.S. Agency for International Development (AID) for the Farmer-to-Farmer Program in Western and Far East Russia and Georgia between September 29, 1995 and December 31, 1995.

The evaluation took place between November 6 and December 15, 1995, including field trips to Western Russia, Far East Russia and Georgia. The evaluation was carried out by Ted Weihe, an independent evaluator, with principal assistance from Jim Salisbury and Derek Brown who, respectively, are the overall manager and program manager of the program. Extensive discussions took place with TVG's local staff and interviews with Farmer-to-Farmer beneficiaries. A day-long workshop with TVG volunteers was especially helpful in fleshing out lessons-learned. (See Letter of Agreement and itinerary/interviews in appendixes).

Given that Tri Valley Growers has decided to withdraw from the international development field, the focus of the evaluation is lessons-learned and case studies. It is the intention that the evaluation shall be used as a discussion document within AID and among Farmer-to-Farmer implementors to learn from the Tri Valley experience. The case studies are intended to exemplify lessons-learned and provide evidence of project impacts.

Tri Valley Growers entered into the international development field to share its agribusiness expertise worldwide, especially with fruits and vegetables. As a large California-based cooperative, TVG represented a new development resource for AID and U.S. cooperative development organizations (CDOs) which was demonstrated by its successful award of three AID cooperative agreements and three subgrants, and participation in collaborative efforts with other CDOs.

Clearly, Tri Valley Growers saw long-term commercial benefits of its international development work through gaining an understanding of emerging fruit and vegetable markets overseas. It also saw prospects for eventual sales and joint ventures in Central Europe and the NIS. This linkage was exemplified by its investment in a cherry production facility in Bulgaria with the

Bulgarian-American Enterprise Fund, from which it has recently withdrawn.

During the four years of TVG's direct involvement in international development, increased U.S. and international competition in the canning of fruits and vegetables put severe pressure on TVG's core businesses. In the last 18 months, TVG experienced a significant turnover of senior management including three successive CEOs.

TVG's international department prepared a memorandum to the new management on the advantages of continuing to carry out AID-funded activities. Senior management decided that these activities were a "distraction" from its core business and in August 1995 notified AID of its intention to withdraw from the international development field. The new management is concerned about TVG's immediate prospects and considers itself in a turnaround situation. Their view is that Tri Valley Growers is not prepared to take advantage of the potential long-term benefits of development activities.

U.S. businesses face increased competition in an expanding global marketplace, often resulting in downsizing and narrowing of activities to core businesses. These corporate trends may adversely impact the involvement of businesses, cooperatives and trade associations that work directly or indirectly with AID and its project implementors.

The lesson-learned from Tri Valley Growers withdrawal from the development field is that corporations and trade associations may be increasingly reluctant to carry out development activities because of corporate downsizing and focusing on core businesses. It is incumbent upon these organizations to make sure that international development is within their core mission. In this regard, senior managers of such businesses and trade associations must be engaged and see the benefits of development activities, including their participation in overseas projects and involvement in the preparation of international mission statements or related policies.

II. Findings and conclusions

A. Summary

Tri Valley Growers' Farmer-to-Farmer Program fielded 128 volunteers who assisted 79 agribusinesses, private farmers groups and agriculturally-related institutions in 147 separate assignments in Russia and Georgia. The average cost per volunteer was \$14,780 and the average length of assignment was 25 days.

The evaluation finds that quantifiable impacts occurred in 78% of the beneficiary organizations.

B. Voronezh and Moscow Oblasts in Western Russia

Over three years, TVG sent 75 technical advisors to the Voronezh and Moscow Oblast who assisted 43 agribusiness and related institutions. The evaluation finds that there was measurable impact at 77 percent of these enterprises and institutions.

TVG's program had the broadest impacts when Farmer-to-Farmer volunteers assisted enterprises in the processing sector where 5 out of 13 enterprises became more profitable, as well as large integrated farms where 4 out of 11 became more profitable. Yet, less than 50% of these enterprises achieved quantifiable financial impacts which emphasizes the need for carefully targeting of large enterprises.

At both agro-processing facilities and integrated farms, TVG Farmer-to-Farmer clients were strongly receptive to improved technologies. However, only at processing facilities that faced new competition were clients receptive to recommendations for Western technology as well as management, financial planning and marketing advice. There was little interest in adopting improved Western management practices at large integrated farming operations.

Private farmers were slow to emerge in the Voronezh area, but more prominent in the Moscow Oblast. With most TVG Farmer-to-Farmer interventions in this area occurring over the last few months, it is too early to assess their broader impacts beyond immediate beneficiaries.

In related agricultural input and distribution enterprises, TVG volunteers had a mixed record. These institutions are not well developed, and their transition from state to private ownership is very recent.

TVG's volunteers had good results when working with agricultural educational and research institutions, particularly in new curriculum and extension activities. TVG projects with educational institutions were more successful when they were closely connected with surrounding farming communities. Agricultural institutions, cutoff from government subsidies and in crisis, were highly receptive to volunteer assistance in financial, management and technological areas.

For volunteer assignments in Western Russia, the TVG evaluation suggests the need for increased focus on successful private farmers and those agribusinesses that are facing competition. But, the evaluation of TVG projects suggests caution in working with most newly-privatized agribusinesses, particularly those

that are not facing immediate competitive conditions.

The evaluation of TVG projects indicates poor results when focusing on management reforms at large integrated farms, at least in Voronezh, as they tend not to be receptive to restructuring and major organizational changes essential to becoming market oriented.

Farmer-to-Farmer intervention was most successful in working with large integrated farms that provided fruits and vegetables because their crops are less regulated by the state. In contrast, assistance to large farms in cereal crops were less successful because grains are still highly regulated.

The evaluation also suggests being highly selective in working with agricultural research and educational institutions that are still state-controlled and not largely susceptible to restructuring and reforms. Interventions at those institutions, which were successful, included those that were largely independent from the state and which work directly with private farmers.

The evaluation recommends follow-on Farmer-to-Farmer assignments by other implementers to the following TVG clients in Western Russia: Bakery #5, Kolos Bakery, Novovoronezhsky Meat Processing Cooperative and the Center for Citizen Initiative project with the Farming Development Service in Sergiev Posad. In the case of the three Voronezh-based enterprises, they are strong candidates for the NCBA investment fund generated through the sale of U.S. commodities.

In Voronezh, TVG developed an effective methodology in which Farmer-to-Farmer volunteers provided technical assistance to host enterprises with additional financial, marketing and management assignments with managers who were receptive to change. As a follow-up to these assignments, local TVG staff helped five enterprises prepare business and financial plans to attract Western investment and/or to submit proposals to various enterprise funds. Local TVG staff became proficient in preparing simplified financial plans which will have a lasting impact since they plan on careers in Western-style business planning and finance. The evaluation proposes that other Farmer-to-Farmer implementers consider a similar methodology, especially as enterprise funds and Western investment become more available.

Finally, the evaluation finds that leadership in Voronezh remains exceedingly conservative, if not reactionary, and any Farmer-to-Farmer efforts at a policy dialogue with government officials are unlikely to succeed. However, Farmer-to-Farmer Programs have proven to be effective at the enterprise level especially since Voronezh is situated in one of the most fertile agricultural zone in Russia.

C. Far East Russia

Since 1993, TVG fielded 44 volunteers for 46 assignments to the Russian Far East, especially focused in the Spassk area of Primorskii Krai. These volunteers assisted 22 agribusinesses and related agricultural institutions. There were measurable impacts at 68% of these enterprises and institutions.

In the Far East, TVG found the most significant impacts took place at enterprises and agricultural institutions that were led by young entrepreneurial managers, regardless of the size or type of company or institution. The diversity of successful interventions included all types of organizations (e.g., small farmer associations, large integrated farms, research and educational institutions). The greatest impacts took place in the Spassk rayon of Primorskii Kria where more than 50% of assignments were targeted, thus, creating a synergism from multiple assignments. The Spassk rayon is the most agriculturally-productive in the region. By concentrating here, TVG built a strong base of support from government and business leaders, and gained a familiarity with local institutions that resulted in identifying the best candidates for reform.

Technological interventions had significant impacts at agro-processing facilities, large integrated farms and farmers associations. The relative openness of the economy in the Russian Far East allowed newly-introduced technologies to take hold and impact profitability.

Of particular note is a project that involved public/private cooperation. In the Spassk rayon, local government support for the Farmer-to-Farmer Program led to the formation of newly-registered nonprofit Spassk Young Farmer's Association that is modeled on the 4-H program. Its formation and development is supported for the Ohio State University Extension Program and is likely to receive funding from the Eurasian Foundation.

Due to a lack of local competition for agricultural and processed food products, the driving force behind institutional change in the Russian Far East was generally dynamic managers - individuals who saw opportunities for meeting the tremendous market needs in this food deficit region. Volunteers provided support for these managers and assisted them in initiating market-related efforts. However, the relative lack of competitive pressures on local producers in the Far East may account for a lower project success rate compared to Western Russia.

The evaluation recommends continued Farmer-to-Farmer assistance by other implementors to the following projects in the Russian Far East: the Spassk Young Farmer's Association, the Yevgenieskii Farm and the Spassk Marketing Board.

D. Georgia

In 1994 and 1995, TVG sent 14 Farmer-to-Farmer volunteers to Georgia who assisted 14 agribusiness and related agricultural institutions. There were measurable impacts at all of the targeted agribusinesses and agricultural institutions.

The evaluation finds that TVG implemented a highly effective Farmer-to-Farmer Program in Georgia through combining technical assistance with the provision of hybrid corn and wheat seeds to jump start agriculture. This effort points to the greater impacts of volunteer technical assistance when integrated and combined with additional resources.

TVG focused its limited resources on two interrelated activities: (1) the provision of hybrid seeds and other inputs, and propagation of wheat seed; and (2) institutionally strengthening the Private Farmers Union and the Alazani Valley Growers Association including their provision and monitoring of TVG donated seeds and inputs.

As this program is turned over to Agricultural Cooperative Development International (ACDI), the evaluation recommends that ACDI maintain the same focus. The evaluation recommends the following allocation of 25 prospective Farmer-to-Farmer volunteers in 1996:

12 volunteers relating to seeds and other inputs, six for the spring crop and six for the winter crops (i.e., pesticide application, seed propagation, low tillage);

8 volunteers to continue support to institutionally strengthen private farmers groups (i.e., legal reforms, accounting, setting up marketing/distribution system, extension); and

5 volunteers in agribusiness development (i.e., joint venture in private seed production such as for potatoes and small grains; soybean processing).

These Farmer-to-Farmer activities fit within USAID/Tbilisi's program goals for the transition from humanitarian assistance to sustainable development and to accelerate economic restructuring. Within the country strategy, the evaluation finds that continuing focus is essential on the agricultural sector. Not only is agriculture essential to food sufficiency, but it is critical to increase household incomes with over 40% of the population engaged in agriculturally-related activities.

TVG received additional support from Save the Children. Its PVO umbrella program is shifting from relief to development activities. Within this context, the evaluation finds that increased coordination is important among programs, federal

agencies and AID offices. Part of this coordination can be achieved through creation of a distinct agricultural component with the restructuring strategy.

ACDI is the most experienced voluntary agency within Georgia with broad capabilities in the agricultural field. The evaluation recommends that agricultural programs of AID and USDA should be centered in ACDI and that, where possible, clear and simpler lines of reporting should be established (i.e., USDA, USAID/Yerevan, USAID/Tbilisi, AID/NIS, AID/BHR, Save the Children).

Given limited resources, the Farmer-to-Farmer Program in Georgia should be linked where possible with other donor resources such as the Small Business Development Fund and World Bank Agricultural Sector Loan. TVG's Farmer-to-Farmer Program in Western Russia has been successful in preparing Western business and financial plans that can assist agribusinesses to apply for such resources. ACDI should consider a similar approach in Georgia.

III. Impact Tables

See below.

**Tri Valley Growers
Farmer-to-Farmer Program Evaluation**

Russia and Georgia Summary

	IMPACT CRITERIA					# Impacted	% Success
	# Assisted	Increased Profitability	New Financial & Marketing Sytems	New Management Practices & Systems	New Products & Technologies		
Processing Plants	19	7	9	11	11	14	74%
Large Integrated Farms	15	6	8	1	12	12	80%
Research and Educational Institutions	9	2	3	4	7	9	100%
Other Agribusinesses	10	4	3	4	5	7	70%
Private Farms and Farmer Associations	26	17	4	4	20	20	77%
Total	79	36	27	24	55	62	78%

Notes:

Project impact (or success) is measured on an institutional basis, rather than by individual volunteer projects. If individual assignments are measured, impact would average 62%. Success is defined as a quantifiable impact under any of the four criteria employed above.

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Tri Valley Growers
Farmer-to-Farmer Program Evaluation

A. Western Russia

	# Assisted	IMPACT CRITERIA				# Impacted	% Success
		Increased Profitability	New Financial & Marketing Systems	New Management Practices & Systems	New Products & Technologies		
Processing Plants	13	5	7	8	9	11	85%
Large Integrated Farms	11	4	7	0	10	10	91%
Other Agribusinesses	7	1	1	2	2	4	57%
Private Farms and Farmer Associations	7	2	0	0	3	3	43%
Research and Educational Institutions	5	1	2	2	4	5	100%
Total	43	13	17	12	28	33	77%

B. Russian Far East

	# Assisted	IMPACT CRITERIA				# Impacted	% Success
		Increased Profitability	New Financial & Marketing Systems	New Management Practices & Systems	New Products & Technologies		
Processing Plants	6	2	2	3	2	3	50%
Large Integrated Farms	4	2	1	1	2	2	50%
Other Agribusinesses	3	3	2	2	3	3	100%
Private Farms and Farmer Associations	7	3	3	2	5	5	71%
Research and Educational Institutions	2	0	1	2	1	2	100%
Total	22	10	9	10	13	15	68%

C. Georgia

	# Assisted	IMPACT CRITERIA				# Impacted	% Success
		Increased Profitability	New Financial & Marketing Systems	New Management Practices & Systems	New Products & Technologies		
Processing Plants	0	0	0	0	0	0	NA
Large Integrated Farms	0	0	0	0	0	0	NA
Other Agribusinesses	0	0	0	0	0	0	NA
Private Farms and Farmer Associations	12	12	1	2	12	12	100%
Research and Educational Institutions	2	1	0	0	2	2	100%
Total	14	13	1	2	14	14	100%

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IV. Lessons-Learned

A. Competition

Farmer-to-Farmer Programs are most successful when U.S. volunteers provide technical assistance to agro-industries, such as bakeries and meat processors, which are mostly private, face emerging competition in the marketplace and are least subject to state interventions and controls.

Often, good Farmer-to-Farmer clients have recently experienced major market share losses or are near bankruptcy, thus, they are highly receptive to technical assistance and change.

Common problems facing groups of private farmers, such as competition from state farms, the lack of title and/or short-term leases, help motivate them to seek assistance in the formation of associations.

With the breakdown of government allocation systems, many enterprises are interested in seeking new private marketing channels.

Technical assistance is most effective when the clients can easily grasp its immediate tangible benefits. Technical assistance is especially important for confidence-building in helping enterprises adopt higher risk strategies. Likewise, there must be sufficient opportunities and resources available to implement volunteer recommendations.

When presenting new marketing ideas or concepts (often an effective intervention), it is first important to understand why enterprises do what they are doing. Often, there is a government regulation that limits innovations in marketing (e.g., all bread recipes must be approved). It is best for volunteers not to oversell recommendations in marketing. Rather, the volunteer should work with enterprise leaders and change agents; and give those individuals confidence to make such changes. If they are successful, many other managers and enterprises will follow.

B. Technology and Management

Farmer-to-Farmer Programs are successful when technical advice is appropriate to local conditions; enterprises can be restructured and are capable of becoming more market oriented; and management is willing to adopt changes.

The managers of enterprises and educational institutions of the former Soviet Union are highly technology oriented because of how the communist system encouraged over-specialization and technically-related education. Because of this orientation, managers are susceptible to adopting new technologies based on

the word of Western salespersons. Thus, they may adopt inappropriate technologies or overbuilt systems.

In general, successful interventions in technology-related areas have been in refinements, modifications or greater efficiencies in the use of existing equipment. Some Farmer-to-Farmer volunteers have suggested U.S. technology that can not be transferred because of economic and other constraints.

The greater impacts of the Farmer-to-Farmer Program are in business planning, finance, consumer services and marketing, but only when enterprises and senior managers are ready and open to change and face market competition.

Usually, the major impact of business planning is the process and thinking, not the final document. Within a business plan, marketing is a critical element. To implement marketing changes takes great discipline and may require additional Farmer-to-Farmer interventions after the business plan has been completed. In general, implementation of a business plan will be more successful when it can be accomplished with internal resources and is not dependent on outside investors or donors.

Activities resulted in greater impacts in sectors characterized by rapidly growing competition, such as bakeries, meat processing, direct extension with private farmers and on-farm processing when linked to competition at the consumer level (i.e., proliferation of small private shops, direct marketing by enterprises, farmer's markets).

C. Small and Big Enterprises

There are generally two distinctive, but not exclusive approaches in carrying out a Farmer-to-Farmer Program: to focus on small private enterprises and groups of private farmers or to emphasize larger enterprises where impacts can be broader. In considering smaller private efforts, the cost per beneficiary is high and the impacts, more limited and long-term. Systemic change can occur only when many small private farmers and enterprises are assisted and private sector momentum is encouraged.

On the other hand, more widespread and immediate impacts can be achieved when working with larger enterprises where it is sometimes difficult to draw a distinction on what is truly private. Most enterprises have been "corporatized" and on paper are now private.

Generally in considering technical assistance for larger enterprises, Farmer-to-Farmer Program managers need to delve below the surface of what is private. Significant clues can be found by asking: did the management change, has the enterprise been reorganized, is there a more motivated and involved work

force (often stockholders) or has the enterprise changed approach to marketing or reaching customers?

In working with larger enterprises, the Farmer-to-Farmer volunteer must overcome inertia since large private enterprise are the norm and represent the status quo. It is more difficult for these managers to "see the way" and buy into recommended changes. Many large enterprises are "too far gone" and, while receptive to assistance out of desperation, can not be made profitable.

In contrast, smaller enterprises and private farmers tend to be willing to take greater risks. If such enterprises or groups of farmers carry out changes, they can become market leaders in which larger enterprises may follow.

The most successful Farmer-to-Farmer projects assisted market leaders and generally those were smaller enterprises and groups of small private farmers. However, this will vary by region and NIS country and should not exclude working with large enterprises.

D. Importance of people-to-people impacts

People-to-people assistance programs have a different quality than professional consulting. The heart of a successful people-to-people program is to understand the psychology of the volunteer and clients who are being assisted.

The first priority of a Farmer-to-Farmer volunteer is to listen and show respect for local hosts, their culture and viewpoints. Success should not be defined as getting hosts to think and act like Americans. The volunteer may want to "sell" one recommendation that is achievable rather than many recommendations. This recommendation may come from informal discussions rather than one-on-one consulting.

The most critical attributes of a good volunteer is to be non-prescriptive and flexible. Few assignments work out as proposed and the most successful ones tend to be in unanticipated components of an assignment.

Russian and other NIS cultures are more gloomy and fatalistic. American volunteers can inject optimism and confidence for change that may be the most important impact of an assignment.

Generally, U.S. volunteers are motivated by a sense of adventure, humanitarian concern, personal satisfaction and professional growth. Yet, the idea of volunteerism is poorly understood in the NIS. Thus, it may be best to refer to Farmer-to-Farmer volunteers as consultants. This is particularly sensitive given the national pride, high education levels and reluctance of NIS

hosts to accept charity.

The evaluation confirms stronger impacts and the important synergy of the reverse Farmer-to-Farmer program, especially when NIS participants gained training and experience at the volunteer's own business. In many cases, the U.S. training provides a break-through for NIS entrepreneurs and gives them confidence to carry out major market-oriented changes. The most notable impacts of the reverse Farmer-to-Farmer program are improved marketing and customer services.

Another major impact of people-to-people programs is the broad interactions of volunteers with many local people. Often, the Farmer-to-Farmer project managers were the first Americans in various regions and formerly closed cities to foreigners (i.e. Voronezh, Vladivostok). Many thousands of NIS citizens have been reached through Farmer-to-Farmer assignments who have had their first encounters and intensive experience with Americans. A significant portion of these local participants are likely to be at the forefront of market change in these regions and cities for years to come.

The people-to-people attributes of the Farmer-to-Farmer Program are difficult to measure compared to financial and technical impacts. Yet, they may be the most lasting impacts through the opening of minds and motivating of change agents.

V. Lessons from Case Studies

The case studies are integral to this evaluation and should be read in full to illustrate the lessons-learned. The case studies may be used for internal AID purposes. They will be provided to TVG volunteers for their use with local media. This approach also may be relevant to carrying out a final evaluation for other Farmer-to-Farmer implementors to emphasize the human impacts of the program.

A brief summary of the case studies and their lessons are:

A Recipe for Success

The successful Farmer-to-Farmer interventions with Bread Plant #5 in Voronezh, Russia, illustrate lessons-learned concerning the impact of market competition that results in receptivity to major organizational and marketing changes. The impact of several recommendations, funded entirely from internal resources, took the plant from near bankruptcy to phenomenal growth in market share. It demonstrates how relatively modest changes in recipes, assortments and marketing techniques result in giant gains in profitability.

Organic Farming by Necessity

This case study on organic farming, outside of Moscow, demonstrates how the lack of inputs for private farmers can be turned into an advantage through the adoption and certification of organic farming. It also shows the effectiveness of working with educational institutions that are directly linked and committed to nearby private farming communities and have the capacity to broadcast Farmer-to-Farmer project results to broader audiences.

Seeds of Recovery

Tri Valley Growers' most successful Farmer-to-Farmer Project combined volunteers with donated American and purchased foreign seeds to assist Georgia in its recovery from civil war and its transition to private farming. The case study demonstrates the increased impacts that volunteers can have when additional resources (i.e., seeds and other inputs) are integrated into project assistments.

The case study illustrates dramatic impacts from the importation of appropriate maize hybrid seeds. This program exemplifies the continuum from relief to sustainable development. A short-term relief effort has been expanded into long-term development through the importation of wheat seed for internal production, research into seed breeding and the development of U.S. joint ventures in seed production to meet internal and export markets.

Will They Take My Cattle

TVG provided institutional strengthening to two private farmers organizations; the National Private Farmers Union and the Alazani Valley Growers Association. Both of these organizations participated in the seed donation program through the monitoring and carrying out of the wheat seed multiplication program. The volunteers provided legal, accounting and desk top publishing assistance that greatly expanded the capability of these organizations and strengthens their links to private farmer groups.

The case study demonstrates the impacts of several U.S. cooperative development organizations working together (e.g., Land O'Lakes, TVG and ACDI) and cooperation with two PVO (e.g., Brothers Brother Foundation, Save the Children Federation).

A Capitalist Inside

This case study illustrates the importance of competition and how modest improvements in product lines (e.g., sausage) can result in increased profits. It demonstrates the importance of working with reform-minded leaders and managers.

Exporting Bears to Russia

Rather than looking at beneficiaries, this case study illustrates the importance of the U.S. volunteer and the nature of people-to-people assistance. In this case, the volunteer had a long-term interest in the Russian Far East and possessed relevant technical skills to help private beekeepers in the region. He is carrying out a "personal" development program that will continue for years beyond his initial Farmer-to-Farmer assignment.

Appendix: Case Studies

A Recipe for Success

Bread Plant #5 in Voronezh, Russia, was nearly bankrupt in early 1994. Its roofs were leaking, everything was rusty and the equipment fully depreciated from its founding in 1946. The bakery needed money to fix and buy new equipment with 75% of operations still done by hand. Desperate for help, Nina Dubliakova came to the Tri Valley Growers office. A business miracle has transpired since that knock on the door.

The plant had been privatized in 1993 and the workers kicked out the old manager in an election in 1994. Nina Dubliakova, an engineer and former employee of the local bakery association, was hired to turn the plant around. She said, "Before we were dictated to, now we can dictate in response to the marketplace, not the government. Before the state determined their recipes, now we make up our own." Bakery #5 was under increasing market pressure from the four other larger bakeries, now freed to compete against each other.

The first task of the new management was to prepare a business plan to become profitable and potentially to access Western funding. With accurate financial data and newly motivated workers who were fearful of losing their jobs, the plant began to turn a profit within several months. With initial profits, the management bought two delivery trucks, computers and a mixing machine.

But, their giant leap to profitability came about through advice of Farmer-to-Farmer volunteer, Joe Tuck, General Director of the Alvarado Street Bakery, who came to help them out and hosted two senior managers on a reverse Farmer-to-Farmer program at his workers cooperative. Joe Tuck advised the new management team to diversify their recipes and assortments from two types of bread to about a dozen higher priced pastries. *With the same ingredients and shelf availability, the new assortments resulted in 50% increased sales the first year, and 200% by the second year.*

Another recommendation was to market their products directly. Bakery #5 opened up two mobile and a permanent kiosk as well as selling from their trucks. A third suggestion by Joe Tuck sent sales skyrocketing. On his advice, the managers decided to change the return policy on day-old bread from shops where they sell their breads and pastries. Usually, they pay back to shop owners 75% of the price for returned bread that is used as part of the ingredients in preparing new bread. Now, Plant #5 pays the shop owner 100% of the selling price. The returned bread is put into plastic bags, extending its life by 1 1/2 to six days and they sell the bread directly from their own outlets at a discount. *The result is phenomenal. Their exclusive outlets increased from 43 to 72 and volume from two tons to 8 tons a day within 20 months. Now, the employees must work on weekends to keep up with business.*

Joe Tuck also advised management on how to manage quality control and incentive programs. The newly-motivated workers now make sure that all recipes are exact with regular testing of the dough mixes or they will lose their bonuses.

The bakery also has restructured with a new marketing department that develops new products, undertakes advertising and carries out market research, the latter unheard of in the region. "We test new products at our own shops," Nina Dubliakova said, "that way, we can observe and evaluate our customer's response before moving new products into the marketplace."

Bakery #5 decided to keep their old reliable name, but they have developed a modern logo. During a reverse Farmer-to-Farmer visit to Joe Tuck's bakery in San Francisco, the two women managers worked with a computer graphics artist to devise a new logo.

But, they are most excited about another innovation they saw. They want to introduce sprouted, whole grain bread in Voronezh. They are now seeking local quality ingredients and testing the market. If they can produce a quality whole grain bread, they plan to order new equipment from a former defense plant in Krasnoyaarsk that now produces this type of bakery equipment.

The Farmer-to-Farmer Program is funded through the 1990 Farm Act and administered by the U.S. Agency for International Development.

Organic Farming By Necessity

Russia's state dominated agriculture has traditionally over-relied on chemicals, but this is now beginning to change as private farming emerges. Most of the 300 private farmers in the Sergiev Posad region of the Moscow Oblast farm organically because they cannot afford expensive chemical fertilizers or pesticides. A new certification program by the Farming Development Service (FDS), a nonprofit grassroots extension service, in conjunction with EcoBios (a German/Russian initiative) is slowly reaching these farmers as they are taught new sustainable agricultural techniques.

Once certified, these farmers receive 10% more for their crops of potatoes, carrots and cabbage from special markets in Moscow where customers pay a premium for organically grown foods.

This move to organic agriculture is not limited to these farmers or a single region, because the Farming Development Service is attached to the All Russian Agricultural College, a correspondence and distance learning center with over 1,000 students that also prepares curriculum for technical colleges throughout Russia and other NIS republics.

Organic Farming is not new to Russia. Trauger Groh, a Tri Valley Growers (TVG) Farmer-to-Farmer volunteer from New Hampshire, reintroduced the techniques based upon his own work with Russian emigres. He told the local growers that he had watched three waves of Russian emigrants cultivate organically, and said "I am just bringing these techniques back to their homeland." In addition to this success, other TVG volunteers instituted a farmer's exhibition in Sergiev Posad that resulted in long term contracts for many of the private farmers.

"The private farmers have been slow to cooperate," said Natalya Andreeva, director of the FDS. "It will take time for the farmers to work together since they were forced to cooperate when they were part of the recently-dissolved collective and state farms." After four years of struggling as individuals, she said the time is now right and FDS is concentrating on creating a voluntary marketing cooperative.

Natalya Andreeva and a board member of FDS participated in a reverse Farmer-to-Farmer training program in the U.S. where they saw the benefits of marketing cooperatives. Natalya Andreeva said she was surprised to see that U.S. farmers "lived a sea of cooperatives." This project is a good example of close collaboration between a large American cooperative and a PVO, the Center for Citizen's Initiatives, that continues to support the FDS and the reintroduction of organic farming into Russia.

The Farmer-to-Farmer Program is funded by the 1990 Farm Act and administered by the U.S. Agency for International Development.

Seeds of Recovery

Asgrow Seed company was about to burn its excess maize seed before they received a call from Luke Hingson of the Brother's Brother Foundation. Mr. Hingson, Director of the Pittsburgh based foundation links donors of commodities and medical supplies with development and relief organizations around the world.

Hearing about the seed through Save the Children, Derek Brown, who manages TVG's Farmer-to-Farmer program, saw the opportunity to combine donated seeds and U.S. volunteers to jump start Georgia's agricultural economy and strengthen some 25,000 private farmers.

"The window of opportunity was brief because American seed producers do not want to hold excess seeds after they've cleared all of their orders. So, we took the risk and got the seed, then, figured out how to get it Georgia," said Derek Brown. Fortunately, Save the Children in Georgia financed the transportation costs and TVG's local staff handled the logistics.

The four containers of American seed, along with additional seed purchased in the region, resulted in the delivery of 122 tons of hybrid corn seed just prior to this year's spring planting. "The timing had to all work out," Derek said. Other donors had promised seeds and other inputs, but TVG was the only one to deliver.

With the positive response from local farmers and with success under their belts, TVG brought in 150 tons of parent wheat seed for multiplication for some 10,000 private small farmers in 26 districts in time for this fall's planting. TVG also imported fertilizer and herbicide for winter wheat planting. "Key to the projects success," Derek Brown said, "was the use of Farmer-to-Farmer volunteers to help select the right seeds and make sure they were properly planted." TVG volunteers helped prepare pamphlets on wheat seed production and conducted numerous seminars.

"The American hybrid corn accommodated very well to local conditions. It was found to be drought and wind-resistant," according to Raul Babjuashvili of the Private Farmers Union (PFU). "In some districts, we had record crops of 12-14 tons," he said. The increases in yields were 2 or 3 times higher than local varieties. The farmers became believers in high quality U.S. hybrid seeds that outperformed expectations with five or six ears per stock rather one or two, according to Babjuashvili.

As part of the American seed donation program, each farmer signed a contract and set aside one-half of his harvest. About 300 tons of the corn in 50 kg bags were given to some 4,500 displaced persons and other bags provided to the destitute. Of the remainder, 20 percent was kept by the farmer and 30 percent sold in the market or to feed mills.

Hybrid corn is a quick and economical way to help small farmers with little access and almost no cash for inputs. The corn program strengthened private farmers organizations who distributed and monitored the results. In the transition from disaster relief to development, donated American maize seeds begin to return Georgia to self-sufficiency in the aftermath its civil war and heavily reliance on donated food commodities.

TVG's wheat seed multiplication program will have longer lasting impacts because enough locally-grown wheat seeds will meet local farmers' needs within two or three years. Today, the program is providing wheat seeds to 12 multiplication farms that will, in turn, expand the number of certified seed producers. Wheat seeds sell at \$350 a ton compared to wheat at \$250, so its a good deal for the farmers who were carefully selected throughout Georgia for their best practices.

More dramatic changes are on the horizon as the result of two visits by TVG volunteer Mathias Kolding, a retired plant breeder from Oregon State. On his first trip, he helped develop the wheat seed program and selected the American cultivars which made up the 40 metric ton of wheat seed sent to Georgia. On the second, he brought 1,157 wheat and 150 corn varieties to facilitate local breeding and research. These publicly-held and many private varieties breed by the volunteer are worth about \$100,000 in kind, and would cost a research institution millions of dollars to replicate.

This winter over one-half of the experimental seed fields at the Mtskheta research station are these American varieties, never before tested in Georgia. The cross-breeding will combine the best genetic attributes of American and Georgian wheat that will then be multiplied to supply local farmer needs. Wheat originated in the Caucasus so this program truly merges the old and new worlds.

"We were very surprised Mat Kolding did it for us. He brought everything with him. It's the very best seeds of American science," said Jumber Patiashvili, director of the station. "Before we could get only poor quality seeds from the Soviet Union," he added. Patiashvili recently lost to Edward Shevardnadze in national elections with 21% of the presidential vote.

As TVG's program ends in Georgia, a priority of its successor, Agricultural Cooperative Development International (ACDI) who will continue the Farmer-to-Farmer and the seed programs, is to encourage one or more American seed companies to begin seed propagation in Georgia. Monsanto, Mycrogen and Pioneer have already expressed interest at the prodding of TVG volunteers, Mat Kolding and Bill Loughmiller, and ACDI staff. "With its strong scientific base, Georgia can become a major center for exporting

high quality seeds to its Asian neighbors," said ACDI's Bill Furtick, the former agricultural dean at Hawaii University and current project manager in Georgia.

The Farmer-to-Farmer Program is funded through the 1990 Farm Act and administered by the U.S. Agency for International Development (AID). The relief efforts of Save the Children are also supported by AID.

Will They Take My Cattle

"When I considered joining the association, I asked, Is it like the communist, are you going to take my cattle?" the woman farmer said about the newly formed Alazani Valley Growers Association. It's a serious question since many farmers assembled small herds when the state farms and collectives disintegrated as Georgia broke away from the former Soviet Union in 1992.

The 100 farmer-strong Alazani Valley Growers Association is one of the first bottom-up farmers groups that Tri Valley Growers (TVG) Farmer-to-Farmer volunteer Sarb Basrai helped get started. "They needed confidence and some legal advice so I got them together with the Tbilisi young lawyers association in preparing by-laws," said Sarb Basrai.

Local farmers in the fertile valley under the shadow of snow-capped Caucasian mountains joined the association to advocate for private land. Most farmers lease from the former state farms and many of these leases are up this year. "If you don't sell us land, people will starve. Farmers will not plow anything without ownership", said Jemal Khiatashvili, chairman of the association.

Farmers also have participated through the association in the distribution of wheat and corn seeds. However, much of the land in this rich agricultural valley remains fallow because of lack of inputs and credit.

"Farmers are eager to cooperate with us more and more because it is difficult to work alone, said Jemal Khiatashvili. "I can say that government is not helping private farmers. When we formed the association, local officials were suspicious, but now they are very supportive." he said.

Some 26,000 of the 400,000 private farmers in Georgia are members of the Private Farmers Union (PFU) that has received repeated assistance from TVG Farmer-to-Farmer volunteers. The director and deputy director Raoul Babounashvili and Koba Kobaladze came initially to the U.S. on a Land O'Lakes one month training course in 1994 where they spent time on a Iowa corn farm. "We didn't know how important it was until TVG began bringing in hybrid corn seeds and we helped distribute them and tell farmers how best to plant them," said Koba Kobaladze. "We transferred our personal knowledge from Iowa about plant chemicals, soil preparation, storage and types of hybrids directly here," he said.

Six-foot tall and blond, Farmer-to-Farmer volunteer Sue Wilkinson made a lasting impression on the PFU staff. "She was particularly helpful, Raoul Babounashvili said, "since she taught us modern desktop publishing and computerized our accounting system. She also helped design a data bank on PFU members with crop and other information. In strengthening the union outreach capability, TVG also contributed a computer, printer, scanner, Xerox and software for the only private farmers publication in

Georgia.

Operating through 30 chapters, PFU brings together farm leaders for month meetings and publishes a monthly newsletter, My Motherland, to its 26,000 members. The newsletter advocates on behalf of private farmers, especially the need for land titles, and provides them with technical information on the use of plant protection with minimum use of chemicals and other practical farming subjects. Most private farmers in Georgia are highly educated and it is not uncommon to find farm homes lined with books.

When volunteer Ed Plissey held a seminar at the PFU on growing potatoes with the minimum use of herbicides, it was the first time that Georgian farmers learned about the U.S. experience with potatoes. "We wrote a series of articles based on his lectures for the newsletter," said Raoul Babounashvili "that points out the importance in rotating potato varieties to avoid viruses and the need for quality potato seeds. We are trying to get potato seed production started here in Georgia as a result", he concluded.

The PFU has also been instrumental in TVG's seed distribution program in selecting lead farmers and providing them with critical planting information. PFU hosts regular strategy sessions with the Ministry of Agriculture, monitors the seed propagation results and generally makes the case before government for greater support to private farmers.

The Farmer-to-Farmer Program is funded through the Farm Act of 1990 and administered by the U.S. Agency for International Development.

Exporting Bears to Russia

Farmer-to-Farmer volunteer Alan Buckley grew up in Modesto, California with many classmates in the 1920s who were White Russians who fled Far East Russia. With a passion for bees, he had long known that the "best honey" in the world came from a small agricultural town of Spassk, several hours from Vladivostok on the Trans-Siberian railway. Now, he was having an adventure of a lifetime to provide these small Russian entrepreneurs with honey marketing assistance.

After walking several miles in the lime tree forest (that's nectar make the distinctive taste of the honey), Alan begin putting on his beekeeping paraphernalia. His host, Victor Katchan, in contrast, stripped to his bikini shorts. Seeing each other, the difference in bee handling attire caused both to laugh.

Alan spent most of his two weeks listening to his hosts. Bee pollination is his second career which began when his daughter asked him to help her with a 4-H project. Now, he produces hundreds of beehives, the only way to pollinate almond trees. His first career was as a stockbroker and he knows sales. He carefully waited during his assignment until the right moment to make his recommendation on how to market honey. He felt the need to bond with his Russian hosts first. He told them that they needed to change their marketing from large glass jars to distinctive plastic containers, capture the local market and, then, seek out new markets.

On returning, Alan located and shipped \$15,000 in 12 oz. plastic bears, tanks, strainers and other equipment at his own cost, an investment he does not expect to recover anytime soon. Each bear had a label that says in Russian "Packed under American Standards." This demonstrates the values Russians place on U.S. quality.

With his marketing advice, honey production by Victor Katchan in Spassk has increased from 300 to 1,600 pounds per day and from 40 to 300 hives. His colleague, Sergei Dorozskins and others are now following Victor's lead. The American honey bear in Russia has proved very popular.

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A Capitalist Inside

"I was always a capitalist inside," said Ivan Verba, the plant manager of the Novovoronezhsky Meat Processing Cooperative. The first American he ever met was Tri Valley Growers (TVG) volunteer, Stephen Kurylas who advised him on reequipping and modernizing his plant. "I learned not to think of Americans as my enemies. While today Russia is depressed, someday our countries will be good business partners," he said.

Ivan Verba credits most of his meat plants success to Stephen Kurylas, a former veterinarian and meat inspector for USDA. With his advice, the plant expanded its sausage lines from 8 to 40 and replaced 70% of the plant's equipment through plowing profits back into operations. Recently, the plant acquired a local farm to gain assured access to meat supplies and also has diversified into blue and grey fox fur production.

The Novovoronezhsky Meat Processing Cooperative is now one of the most efficient and profitable plants in Russia. *In the first quarter of 1995 after implementing the volunteer's recommendations, the plant went from a deficit of \$249,000 to making a profit of \$485,000, an increase of 300 percent.*

Ivan Verba was the elected mayor of a small town outside of Voronezh where the plant is located. He was one of the few elected officials from Yegor Gaidar's reform party in a region dominated by former communists. He said the workers called him back to manage the plant when it was privatized and commented, "I prefer to make profits than being a public official."

A second TVG volunteer, Barbara Sanderson, helped him prepare a Western business plan, which he is now presenting to several investment funds in the region. The financial plan includes a balance sheet, income statements and pro forma cash-flows and is essential to access Western capital. He expects to get a loan from the Russian Swiss Fund for a vacuum packed line, and is seeking additional investors to fully modernize and expand the sausage plant.

Legislation under consideration in the Duma could force him to break up and reorganize the plant that is currently owned by some 500 employees. The proposed law would limit worker cooperatives to less than 50 employee/owners. TVG recommended him for U.S. training and he will soon travel to Kentucky where he plans to learn about American cooperatives. He said, "I hope to see alternative ownership structures that I can adapt." Ivan Verba is a true democrat as a politician and business manager in a region of Russia that is resistant and slow to change.

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