

PD-ARM-728

98985

**LAND O'LAKES, INC.
COOPERATIVE PROGRAM SUPPORT PROJECT
FAO-0192-A-00-4035-00**

**ANNUAL REPORT FOR YEAR TWO
Period of April 1, 1995, through March 31, 1996**

April 24, 1996

LAND O'LAKES, INC.

**COOPERATIVE PROGRAM SUPPORT PROJECT
FAO-0192-A-00-4035-00**

**ANNUAL REPORT FOR YEAR TWO
Period of April 1, 1995, through March 31, 1996**

1. SUMMARY

PURPOSE

The Cooperative Program Support Project (CPSP) is a three-year cooperative agreement administered by Land O'Lakes, at a USAID-funded level of \$1,425,000. The purpose of the CPSP is to promote sustainable economic development through the creation and/or strengthening of democratic grassroots cooperatives in developing and transitional economies which provide a means for people to increase their incomes, productivity, and human dignity. It strengthens Land O'Lakes' capabilities as a cooperative development organization to promote cooperation among agricultural and food producers, and to enhance the governance and operations of cooperatives and producer associations.

RESULTS / IMPACT

Outputs identified at the outset as life-of-project targets are listed on the next two pages, along with the progress achieved to date. These are activities funded either by the CPSP or by projects initially developed using CPSP funds.

Later in the report, see also the project indicator table for institutions and beneficiaries.

LIFE OF PROJECT OUTPUTS	CURRENT STATUS
<p>1. Seven cooperatives created or strengthened. (institution-building level)</p>	<ul style="list-style-type: none"> • Uganda: 46 cooperatives created or strengthened. • Poland: 8 cooperatives strengthened • Bulgaria: 3 cooperatives created • West Bank: initial discussion of formation of sheep producers association
<p>2. Two process/production systems altered to reflect environmental and energy efficiency recommendations. (beneficiary level)</p>	<ul style="list-style-type: none"> • Lithuania and Poland: environmental audits of dairy plants • Poland: feasibility study of whey-drying (waste product of cheese processing) • Uganda: 46 co-ops cease dumping oil and/or promote and practice zero-grazing.
<p>3. Two women-producer associations created or strengthened. (institution-building level)</p>	<ul style="list-style-type: none"> • Moldova: Developed a communications link between Moldovan women agriculturalists and Midwestern women involved in agriculture, whereby Midwestern women write articles for a women's agricultural newspaper. • Albania: 1) Non-formal advocacy network of 340 volunteer women dairy producers, 2) artificial insemination association of 20 women formed, and 3) Law and Women's Rights association formed. • Uganda: 1) Iganga women's dairy cooperative - 40 members, 97% women. 2) Nyakaihita women's group - ghee production - 40 members, 97% women.

<p>4. Communications network for public communication of project successes in place. (CDO level)</p>	<ul style="list-style-type: none"> • Quarterly newsletter and annual report issued. • Introductory talks to groups who visit Land O'Lakes headquarters. • Articles in local newspapers. • Responded to information requests by sending out brochures. • IDD Annual Report
--	--

PROBLEMS / ISSUES

1. Land O'Lakes recognizes the necessity to source funding other than USAID. Some of the strategies to address this are to:
 - Access EC and EBRD funds through registering our Poland business as a potential contractor with EBRD and EC.
 - Establish relationships with European businesses and consulting organizations which lead to funding through EC sources.
 - Work with the Asian Development Bank in Philippines to pursue ADB-funded agricultural efforts in Philippines and Vietnam.
 - Pursue World Bank funding by developing collaborative relationships with businesses/consulting firms from countries which provide the original "trust funds" required to co-finance the projects.
 - Establish a for-profit subsidiary of the International Development Division to adjust cost pools to meet the demands of funding sources.

2. It has become increasingly difficult and time-consuming to push unsolicited projects through the review and approval process at AID. For example:
 - Lithuania: A decision was made by USAID to fund the project in July 1995. Since then, the Mission has had questions on the appropriateness of the proposal, and it is as of yet unresolved.
 - Romania: The decision was made to fund it in July 1995, and it only began processing through the Office of Procurement in February 1996.
 - Ukraine: Verbal approval for an unsolicited proposal was received in October 1995, and there is still no written confirmation of approval.
 - Bulgaria: Land O'Lakes submitted an unsolicited proposal in February 1996 and still awaits the technical review.

3. The trend by USAID Missions for implementors to collaborate by forming consortiums makes it difficult for implementors to pursue independent initiatives.

FINANCIAL INFORMATION

Note that expenditures to date have exceeded the obligated total by \$14,039. Land O'Lakes awaits obligation of the year three funding.

Total estimated cost	\$1,425,000
Federal funds obligated to date	\$ 950,000
Cumulative expenditures of obligated funds	\$ 950,000
Remaining unexpended balance of obligated	\$ 0
Federal funds expenditures January-March 1996	\$ 101,709
Cumulative expenditures to date	\$ 964,039
Total matching funds to date	\$ 324,604

The financial report is attached as Attachment A.

2. YEAR TWO - PERFORMANCE

A. CAPACITY STRENGTHENING OF LAND O'LAKES AS A CDO

Organizational Development – Quality Initiative

In 1995, the Land O'Lakes International Development Division (IDD) developed an aggressive plan to create a quality climate that supports leadership, learning, planning, and managing change. Some would call this a quality program, but IDD thinks of this as a shift in the way it works, rather than just another program. In the past year, IDD has achieved numerous successes that strengthen its project management and development capabilities, some of which were detailed in the last quarterly report. IDD's plan for quality focuses on customer-driven process management and measurement to achieve its strategic objectives and move toward its vision. Teams and individuals are actively involved in identifying, charting, and changing key systems and processes that need improvement or standardization.

Organizational Development – Project Development Trips Overseas

Travel to developing countries for on-site project needs assessment is critical to successful development of relevant, on-target projects with overseas partners.

Philippines, April 1-6: In a five-day visit to the Philippines, Keith Sherper carefully examined potential future agribusiness partnerships with Philippines cooperatives and other organizations. Among contacts were the Free Farmers Cooperative Federation, Access Asia, the Agribusiness System Assistance Program (ASAP) and the Asian Development Bank. In addition, Land O'Lakes used the opportunity to gain an increased understanding of the Philippine livestock sector. Subsequently, Land O'Lakes joined as a minority party in what proved to be Louis Berger's successful bid on the Growth in Equity USAID initiative in Mindanao.

Romania, April 2-8: The goal of this trip was to identify the future needs of clients and related associations that Land O'Lakes is currently working with in Romania and create a supportive program that will continue to encourage and foster growth in private dairy and dairy-related businesses. USAID has approved funding for the unsolicited proposal developed from this trip: Private Dairy Business Acceleration Program for Romania.

Poland, June 20 & June 23-28: The purpose of this trip was to work with the Land O'Lakes Warsaw office to solicit support for third-country training, meet with AID/Warsaw to answer budget questions for the agribusiness expansion proposal, and work with ACDI to develop a Poland/western Ukraine banking and agribusiness technical assistance program. Kristin Penn responded to AID/Warsaw's initial budget questions on what became the USAID-funded Agricultural Commodity Market Information project, and a detailed explanation regarding

cost-sharing was discussed. The agreement was finalized in September. The Third-Country Dairy Training Proposal was not well received and will not be considered by AID/Warsaw for funding consideration.

Albania, June 16-19: In a visit to Amsterdam, Kristin Penn sought to work with Astrid Bant from the Netherlands Development Agency (SNV) to develop a collaborative proposal to expand Land O'Lakes current methodology in Albania to include northeast Albania. A proposal was generated with SNV and Oxfam-Netherlands. They are very interested in collaborating with Land O'Lakes in Albania to expand the Dairy Development Campaign both geographically (northeast Albania) and programmatically (sustainable agriculture/vegetable production). SNV proposed to contribute two long-term experts and a vehicle to assist in campaign implementation and Oxfam-Netherlands proposed to provide between \$60,000 to \$100,000 to cover direct costs (overhead not included) over a three-year period. A proposal was developed as a result of this visit: A Proposal to Novib for The North-East Albania Sustainable Agriculture Development Campaign: Dairy/Vegetable Production and Marketing Netherlands.

Ukraine, June 21-23: The objective of this visit by Kristin Penn was to meet with individuals/groups active in private agribusiness activities and identify a possible partner for future programs; to investigate the current banking environment, and, specifically, the services made available for private agriculture; and to collect information regarding the agricultural business relationship between western Ukraine and Poland. Land O'Lakes has verbal approval on the \$5 million proposal that resulted: Accelerated Private Agricultural Sector Growth in Western Ukraine--Expanded Business Linkages with Poland and the Region.

Egypt, November 11-16 -- Keith Sherper traveled to Egypt to seek development initiatives with and outside of USAID. Land O'Lakes has been included in an unsolicited proposal by ACDI to USAID.

West Bank, December 4-13 -- Kristin Penn traveled to the West Bank December 4-13 to identify ways to assist West Bank sheep and goat producers improve their economic return from their livestock operations through the formation and strengthening of cooperatives and associations. One result of the trip is that Land O'Lakes and ANERA will technically and financially support a spring goat and sheep association conference for Israeli, Palestinian and U.S. sheep and goat breeders. Secondly, Land O'Lakes will develop, in collaboration with ANERA and MidEast Peace Fleece, a proposal which incorporates activities to create the Palestinian National Sheepbreeders Association and to disseminate information and provide training to Palestinian producers through a "third-party" extension program.

Bulgaria, January 27-February 4 -- Jill Kohler traveled to Bulgaria to participate in strategic objective meetings with USAID on economic growth and also designed and drafted a new dairy development project proposal which was submitted to USAID on February 27.

Organizational Development – Collaborations with Other Development Organizations

Land O'Lakes is working towards its goal of strengthening itself as a development organization by forming alliances and collaborative program relationships with strategic partners. Land O'Lakes has expanded its vision of its own projects and the ways in which these projects can be used to complement other non-Land O'Lakes development activities, thereby exponentially expanding the impact of the interrelated programs. Following is a partial list of organizations with whom Land O'Lakes has collaborated with or met to discuss collaboration on projects in the past year:

- Agricultural Cooperative Development International (ACDI)
- Citizen's Network for Agribusiness Alliance (CNAA)
- Delphi/STAR
- Federcoop Ravenna - Italy
- Heifer Project International
- International Dairy Consultants (Dutch)
- International Development Ireland, Ltd. (IDI)
- International Fund for Agricultural Development (IFAD)
- John Mellor Associates
- Louis Berger International
- Mid East Peace Fleece
- Overseas Cooperative Development Council (OCDC)
- RONCO
- Volunteers in Overseas Cooperative Assistance (VOCA)
- Winrock
- World Bank
- World-Wide Sires

Funding Accessed Through Project Development

Land O'Lakes was fairly successful in obtaining new funding in year two of the CPSP, considering the reduction in available development funds. In year two, Land O'Lakes signed agreements for a total of \$9,090,595. See Attachment B for a list of the projects. Of that, \$7,963,456 is USAID funding and \$1,127,139 is non-USAID funding. Out of nine unsolicited proposals submitted to USAID, USAID funded five unsolicited proposals written in year two of the CPSP, for a total of \$3,244,126. Two unsolicited proposals were not approved and two are pending. Two of the USAID agreements signed in year two, totaling \$4,266,950, were the result of unsolicited proposals written in year one. Attachment C lists all proposals submitted to AID and other organizations, both funded and unfunded, separated out by proposals where Land O'Lakes is the prime and where it is a subcontractor.

Organizational Development -- Newsletter and Annual Report

Land O'Lakes issued a quarterly newsletter called "International Outlook" to a distribution of about 1200 individuals and organizations both in the U.S. and overseas. For the first time, IDD wrote and distributed an annual report, covering the accomplishments of 1995.

Project Indicators

The following two pages are tables documenting Land O'Lakes growth at the CDO level, through the life of the project to date.

CDO LEVEL - PROJECT INDICATORS THROUGH MARCH 1996

Land O'Lakes, Inc.

Program Goal	Indicators	Total Project Targets	Project To Date Accomplishments
1. Able to perform background studies for coop development	# of cooperative needs assessments	9	Total: 13 Albania - 2 Bulgaria - 1 Latvia - 1 Macedonia - 2 Moldova - 1 Morocco - 1 Poland - 1 Romania - 1 Uganda - 1 Ukraine - 1 West Bank - 1
2. Able to write unsolicited proposals	Number of proposals - (successful and unsuccessful)	30	36
3. Distributing material demonstrating dev. through coops.	Number of newsletters and Land O'Lakes info packets distributed	11,100	19,550
4. Able to perform pilot projects to demonstrate effectiveness of co-ops as development tools.	Number of pilot projects. · Environment pilot projects in coops · Regional coop development · National assn development	6	Total: 49 Poland - 2 Bulgaria - 1 Uganda - 46

5. Able to create a network through meetings and seminars	# of meetings # of collaborative projects	24 6	47 15 (ABS, ACDI, CHF, Eurasia Found., Geonomics, Mercy Intl, Sparks, VOCA, etc.)
6. Able to attract additional funders for coop development	\$ from AID \$ from non-AID	AID: \$6 million non-AID: \$500,000	AID: \$13,040,186 non-AID: \$1,211,291
7. Enhanced communications and information systems	Number of U.S. and overseas people infomed through co-op publications and events	34,500 also see #6	43,285
8. INDICATOR ADDED BY LAND O'LAKES: Strengthening economic viability of women.	Number of women producer-associations created.	2	Total: 4 <u>Latvia</u> Goat Assoc.--150 members, 98% women. <u>Albania</u> artificial insemination association--20 members, 100% women. <u>Uganda</u> : Iganga women's dairy coop--40 members, 97% women <u>Uganda</u> : Nyakaihita women's group--40 members, 97% women

B. INSTITUTION-BUILDING: Strengthening partnerships with NGOs overseas

Land O'Lakes has improved its use of the CPSP to enhance activities funded under other Land O'Lakes USAID agreements and to expand particular facets of existing projects into entirely new projects. Attachment D is a table called **Utilization of the CPS** that details how the CPSP provides the linkage between old projects and new projects and how it leverages external funding to make these projects possible. Technical assistance and training activities under the CPSP have been used to expand new project opportunities, rather than simply complement existing activities. Specific technical assistance and training activities funded by the CPSP over the past twelve months are summarized below.

Monetization

Russia -- The Russian commodity monetization fund has provided loans to more than 30 private sector agribusinesses in Russia for the purchase of agricultural and food processing equipment. Land O'Lakes is providing technical assistance to maintain the fund and to assist the board in developing new lending strategies.

Ukraine -- Through a Ukraine commodity monetization project, Land O'Lakes is assisting in the creation of an agricultural credit fund which will provide credit to agribusinesses and farmers for the purchase of agricultural inputs. The fund will be capitalized by the proceeds from the sale of 10,000 tons of soybean meal donated to Land O'Lakes under USDA's Food for Progress Program. The soybean meal was monetized for \$4 million in January 1996. Land O'Lakes is in the process of resolving legal issues relative to the fund creation.

Technical Assistance

Albania -- June 23-28, Land O'Lakes Albania Program Manager, Rebecca Balogh, and four Albanian women attended a Balkan Women's Conference in Macedonia for over 50 women leaders and activists from independent women's NGOs working with the following nationalities: Croatia, Slovenia, Bosnia-Herzegovina, Macedonia, Serbia, Kosova, and Albania. The conference was put on by Delphi for the Star Project in Struga, Macedonia. The conference topics were NGO development, micro-enterprise, communications and media, women's health advocacy and violence prevention, and conflict resolution. The purpose of this was to help in building a women-producer organization in Albania.

Mexico -- Jeff Johnson, Land O'Lakes employee, traveled to Jalisco State October 23-26 to present a seminar on milk quality to forty (40) dairy farmers in the Jalisco region of Mexico, with follow-up technical assistance visits to some of the farms. The purpose was to convince the dairy farmers of the need for higher quality milk and to bolster support for a potential project with JADEFO, a non-profit development organization based in Guadalajara.

Land O'Lakes and JADEFO are seeking funding for a dairy livestock technical assistance and training program from the Inter-American Development Bank (IADB) and other non-USAID sources.

Moldova -- A technical assistance intervention in Moldova was planned but was canceled. Land O'Lakes is assisting from the U.S. Land O'Lakes has developed a communications link between Moldovan women agriculturalists and Midwestern women involved in agriculture whereby Midwestern women write informational articles for a women's agricultural newspaper. Through these articles the Moldovan women gain a better understanding of agriculture in the U.S. as well as the benefits of cooperatives and associations.

Ukraine -- Five Ukrainians involved in the dairy sector traveled to Poland May 8-14 for meetings with dairy cooperatives, government officials, the national dairy association, and others (see the picture on the next page). The goal was to provide the Ukrainians the opportunity to see and understand how Polish dairy cooperatives have changed to meet the needs of the new free-market reality. The idea was that those who are earlier on in the transition process--the Ukrainians--could learn from Poles who recently had made the transition from a centrally controlled economy to the free market and who know what it takes to make that transition.

Third Country Training

Macedonia -- Six Macedonians, mostly in government positions, traveled to Albania April 24-28, 1995, for intensive rural extension training. Seven Albanian government officials joined the Macedonians for the training sessions. Marilyn Grantham, a trainer from the U.S., provided the participants with alternative methods of extension beyond those traditionally provided by centrally controlled governments.

Project Indicators

The following two pages are tables documenting Land O'Lakes efforts at institution-building, through the life of the project to date.

PROJECT INDICATORS THROUGH MARCH 1996

The table below includes successes of other Land O'Lakes projects awarded from proposals which were developed with funds from both the current and the previous CPSP agreement.

INSTITUTION AND BENEFICIARY LEVEL				
Agency Goal	Objectives	Indicators	Total Project Target	Project To Date Accomplishments
Broad-based Sustainable Economic Growth	Create and/or strengthen coops/credit unions	Number of coop systems strengthened/created	7	Total: 62 Uganda - 46 Poland - 8 Albania - 2 Bulgaria - 3 Romania - 1 Russia - 1 Latvia pre-coop
		Estimated increase numbers of active coop members	Individuals: 500 Federated coop members: 10	Total individuals: 10,197 Bulgaria - 6,031 Uganda - 4,000 Latvia pre-coop - 95 Albania - 50 Romania - 20 Federated: Poland - 1
		\$ in savings & capital mobilized by assisted coop members	10% increased revenue for participating cooperatives	

	Change government policies to allow coops to compete as independent private sector entities	Number of policy reforms & programs to strengthen coops	2 countries	none
		Number of successful privatization models	6	Total: 4 Bulgaria - 1 Poland - 1 Romania - 2
Democracy	Introduce democratic principles through coop development	Number of coop members introduced	300	Total: 7,166 Bulgaria - 6,031 Uganda - 920 Romania - 100 Latvia pre-coop 95 Albania - 20
		Number of coop systems operating which were democratically created	4	Total: 51 Bulgaria - 3 Uganda - 46 Albania - 1 Romania - 1
Environment	Coop systems with improved environmental practices	Number of new and modified activities addressing conservation of environment and resource base	2	Instituted changes: 2 Poland dairies 46 Uganda co-ops Assessments: 2 Lithuania dairies
		Number of coops with renewable & energy efficient systems	2	none

ATTACHMENT A

FINANCIAL REPORT

15

Land O'Lakes, Inc.
Financial Summary

COOPERATIVE SUPPORT GRANT
FAO-0192-A-00-4035-00
March, 1996

	Actual Grant to Date thru 03/96	Actual Quarter 01/1/96-03/31/96	Year Two Expenses 04/01/95-03/31/96	1996 2nd Quarter Projection	Grant to Date Projection thru 06/96
Personnel	334,745.56	43,847.87	182,444.56	41,042.00	375,787.56
Fringe Benefits	110,254.48	17,680.89	67,109.48	14,111.00	124,365.48
Consultants	25,134.43	448.00	4,052.03	6,000.00	31,134.43
Travel & Per Diem	143,447.21	9,500.19	55,730.21	44,700.00	188,147.21
Training	45,737.10	0.00	44,722.10	0.00	45,737.10
Equipment/Procurement	0.00	0.00	0.00	0.00	0.00
Other Direct Costs	37,110.55	2,709.26	14,056.55	2,900.00	40,010.55
SUBTOTAL Direct Costs	696,429.33	74,186.21	368,114.93	108,753.00	805,182.33
Indirect costs	257,888.04	27,523.08	136,412.04	40,347.36	298,235.40
OH Adjustment 1994	6,438.01	0.00	6,438.01	0.00	6,438.01
OH Adjustment 1995	3,283.35	0.00	3,283.35	0.00	3,283.35
Total Federal Funds	964,038.73	101,709.29	514,248.33	149,100.36	1,113,139.09
Non-Federal Funds	324,604.09	188,863.29	155,028.28	10,875.00	335,479.09
TOTAL PROJECT	1,288,642.82	290,572.58	669,276.61	159,975.36	1,448,618.18

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

ATTACHMENT B

AGREEMENTS AND SUBAGREEMENTS SIGNED IN YEAR TWO

LAND O'LAKES

List of Funded Proposals, April 1, 1995 - March, 31, 1996

AID FUNDED:

NAME OF PROPOSAL	SUBMITTED	AMOUNT
1. Private Dairy Business Acceleration Program for Romania	October, 1995	\$485,230
2. Lithuania Dairy Restructuring Project Credit Component	September, 1995	\$750,000
3. Uganda Dairy Business Development	July, 1995	\$1,500,000
4. 1995 Hungarian Agribusiness Training Program	June, 1995	\$199,258
5. Integrated Dairy Development in Bulgaria: A Collaborative Effort Between USAID, the World Bank, and Land O'Lakes	May, 1995	\$309,638
6. Proposal for a Marketing and Livestock Improvement Project in Macedonia	March, 1995	\$2,766,950
7. Private Sector Polish Business Development	March, 1995	\$1,500,000

Total funding received: \$7,511,076

NON-AID FUNDED:

NAME OF PROPOSAL	SUBMITTED	AMOUNT	FUNDOR
1. Monetization Proposal for Feed Grains in Ukraine	June, 1995	\$622,600	USDA
2. Food for Progress Feed Grains Monetization Proposal	January, 1995	\$405,347	USDA

Total funding received: \$1,027,947

AID-FUNDED SUBCONTRACTS:

NAME OF PROPOSAL	SUBMITTED	AMOUNT
1. Small and Medium Agribusiness Resource Triangle (SMART) with VOCA, ACDI and CARESBAC	September, 1995	\$220,683
2. GEM Project for Philippines with Louis Berger II	August, 1995	\$299,630
Total funding received: \$520,313		

CUSTOMIZED TRAINING:

Customized training contracts signed through AID funded contracts - \$231,697.20

Customized training contracts signed through non-AID funded contracts - \$99,192.02

ATTACHMENT C

PROPOSALS AND THEIR FUNDING STATUS

LAND O'LAKES

List of Proposals, April 1995 - March 1996

AID FUNDED:

NAME OF PROPOSAL	SUBMITTED	AMOUNT	STATUS
1. Preparing for Regional Business and Service Opportunities, A Proposal to Extend Poland's Agribusiness and Financial Consulting Base into the New Era of Regionalism	March, 1996	\$1,969,397	N
2. Bulgaria Dairy Links	March, 1996	\$2,008,308	P
3. Strengthening Armenia's Agriculture Sector: A First Step	February, 1996	\$253,047	N
4. Private Dairy Business Acceleration Program for Romania	October, 1995	\$485,230	A
5. Accelerated Private Agricultural Sector Growth in Western-- Expanded Business Linkages with Poland and the Region	September, 1995	\$4,988,192.77	P
6. Lithuania Dairy Restructuring Project Credit Component	September, 1995	\$750,000	A
7. Uganda Dairy Business Development	July, 1995	\$1,500,000	A
8. 1995 Hungarian Agribusiness Training Program	June, 1995	\$199,258	A
9. Integrated Dairy Development in Bulgaria: A Collaborative Effort Between USAID, the World Bank, and Land O'Lakes	May, 1995	\$309,638	A

NON-AID FUNDED:

NAME OF PROPOSAL	SUBMITTED	AMOUNT	FUNDOR	STATUS
1. 1996 Monetization Proposal for Feed Grains in Russia	September, 1995	\$398,682	USDA	P
2. 1996 Monetization Proposal for Feed Grains in Ukraine	September, 1995 (Postponed until 1997)	\$410,690	USDA	P
3. Monetization Proposal for Non-Fat Dry Milk in Vietnam	August, 1995	\$308,179	USDA	P
4. A Proposal to IFAD for The North-East Albania Sustainable Agriculture Development Campaign: Dairy/Vegetable Production and Marketing	August, 1995	\$233,195.44	IFAD	P
5. Monetization Proposal for Feed Grains in Ukraine	June, 1995	\$622,600	USDA	A
6. Ashta-Vina Joint Venture, Vietnam		\$483,745.60	ASHTA-VINA JOINT VENTURE	P

P = Pending

A = Approved

N = Not Approved

LAND O'LAKES
LIST OF SUBCONTRACTS / SUBAGREEMENTS
March 1996 - April 1996

AID-Funded:

Land O'Lakes Subcontracts/Subagreements	Submitted	\$\$	Status
1. FLAG (Firm Level Assistance Group) Project	February, 1996	\$168,000	P
2. AgriLink Project for Egypt with ACIDI	November, 1995	NA	P
3. Armenia Farmer Business Assoc. Project with ACIDI	October, 1995	\$230,000	N
4. Small and Medium Agribusiness Resource Triangle (SMART) with VOCA, ACIDI and CARESBAC	September, 1995	\$220,683	A
5. GEM Project for Philippines with Louis Berger II	August, 1995	\$299,630	A
6. Macedonia Rural Finance Project with ACIDI	May, 1995	\$1.25 M	N
7. MOFSA Project For Russia with Abt Associates	April, 1995	\$1.3 M	N

NON-AID Funding Organization:

Land O'Lakes Subcontracts/Subagreements	Submitted	\$\$	Status
1. World Bank ARIS Project for Russia with Deloitte Touche-Guelph, Canada	January, 1996	NA	N
2. World Bank Albania Agro-Processing Project with IDC (Dutch)	November, 1995	NA	N

P=Pending
A=Approved
N=Not Approved

[c:\data\winword\proposal\sub1.doc]

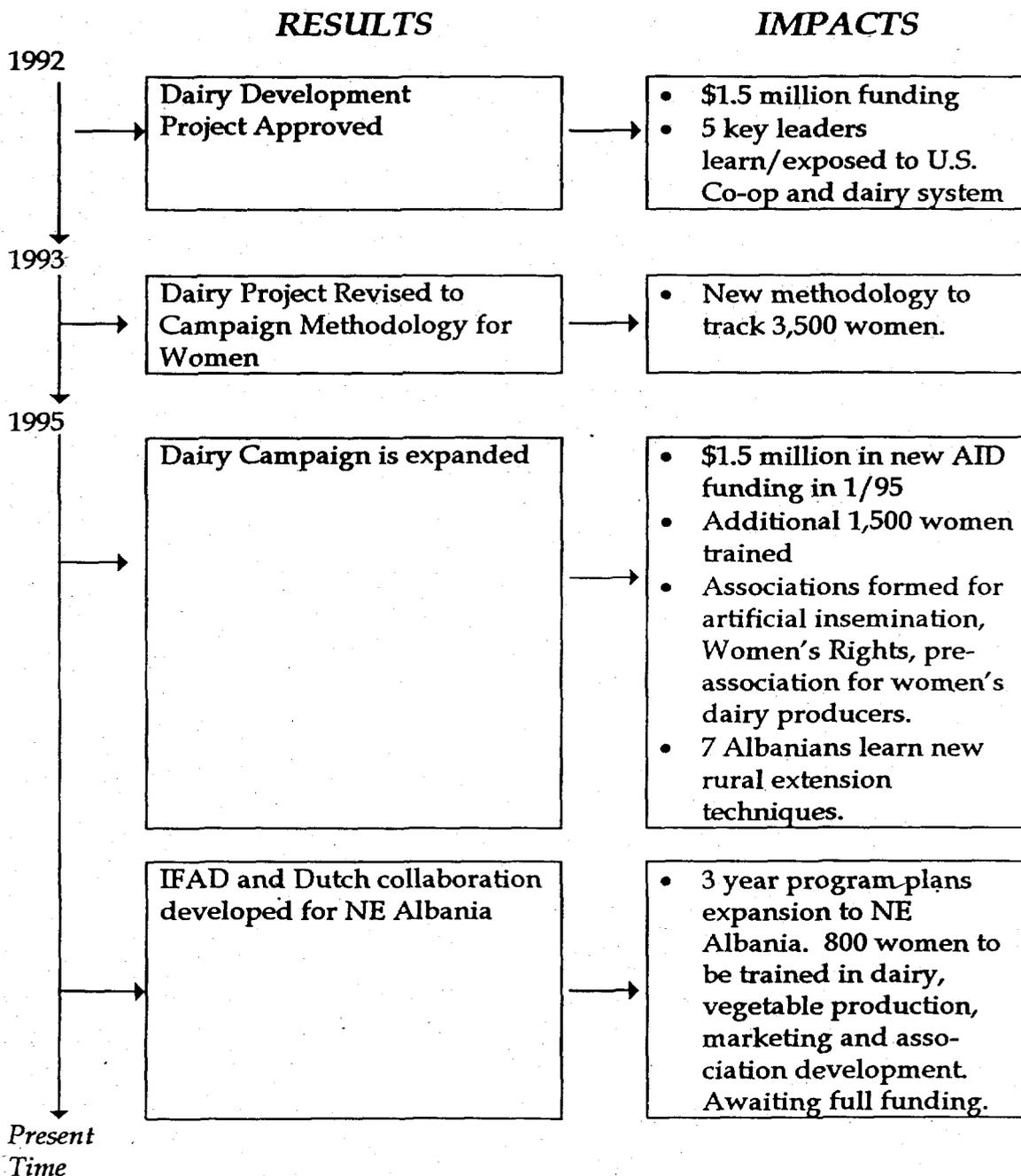
ATTACHMENT D

UTILIZATION OF THE CPS

Utilization of the CPS
International Development Division
Land O'Lakes, Inc.

Albania

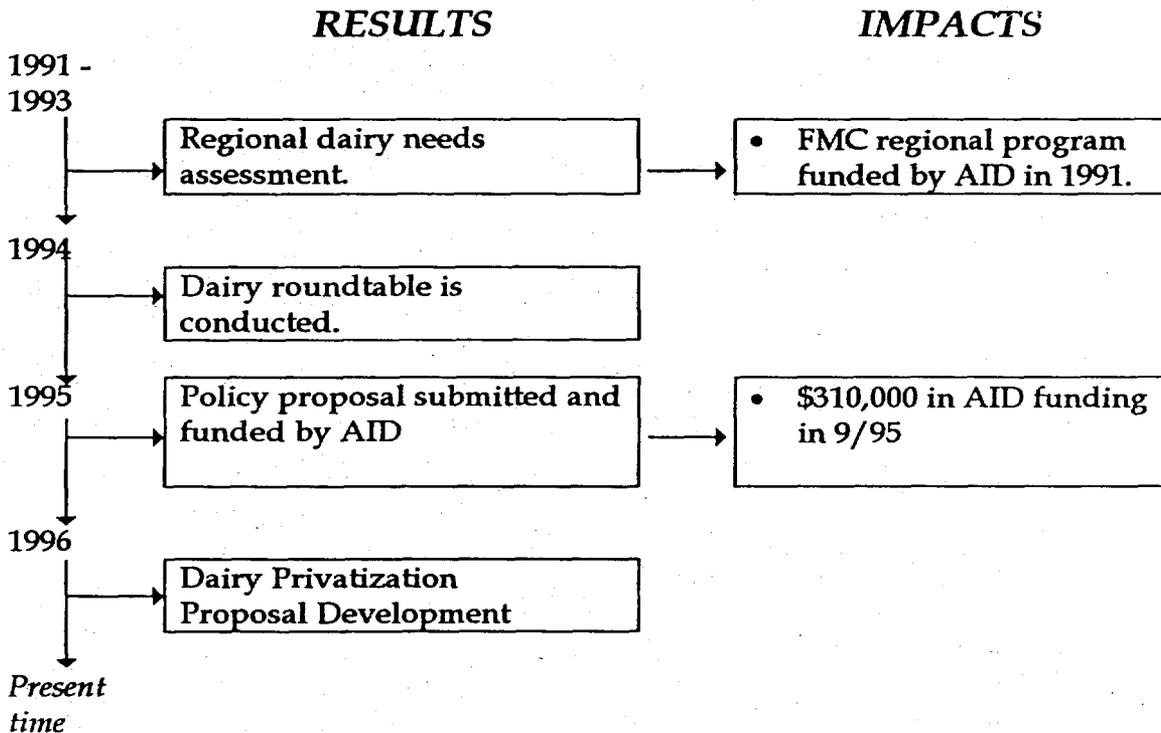
- . In 1992, CSG needs assessment conducted in the agricultural sector;
- . In 1993, CSG revises the current program to focus on women in dairy;
- . In 1994, CPS evaluates Campaign and proposes expansion;
- . In 1995, CPS funds U.S. training of Ministry of Agriculture participant in government dairy policy and private sector dairy operations;
- . In 1995, CPS funds extension training, providing alternative methods of extension to participants;
- . In 1995, CPS solicits funding from IFAD, NOVIB and SNV to work in NE Albania.
- . In 1995, CPS joins with IDC to prepare World Bank proposal.



24

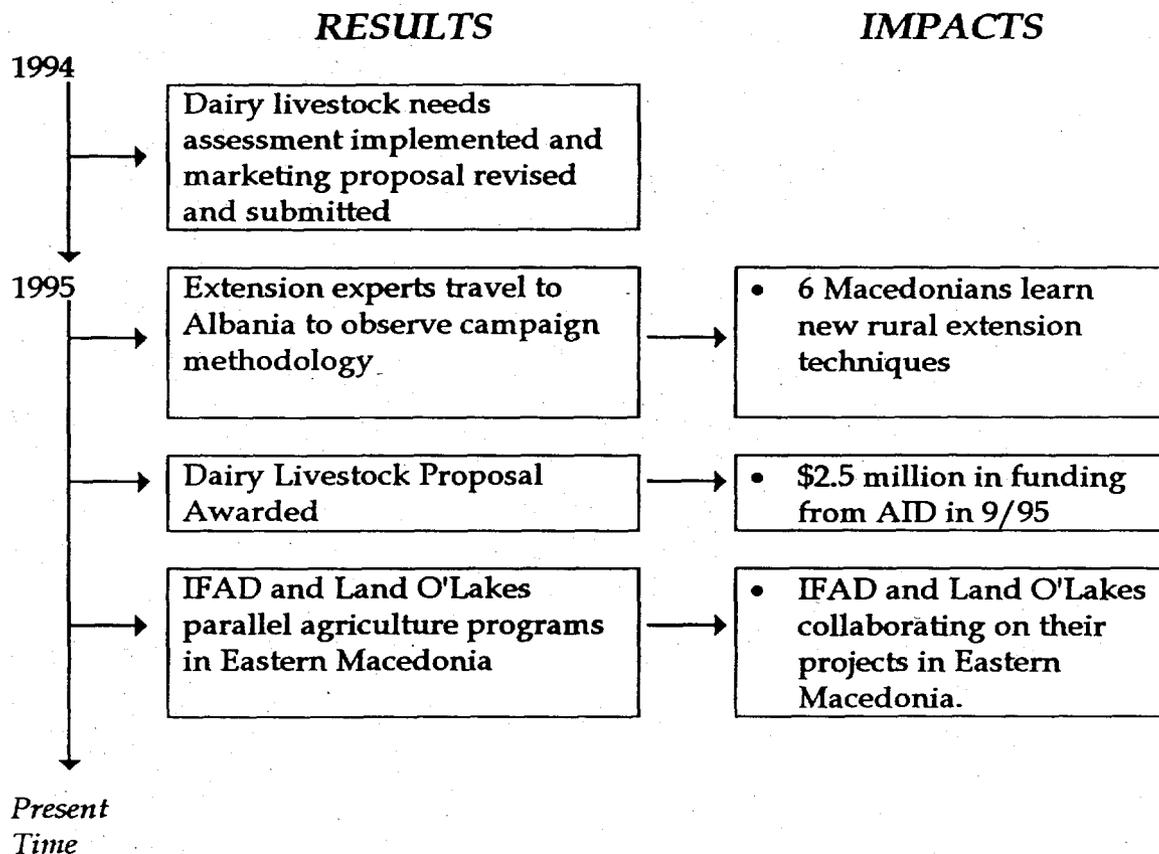
Bulgaria

- . In 1990, CSG funded concept development trip;
- . In 1994, CPS encourages World Bank to assist with dairy policy reform and host a dairy roundtable;
- . In 1994, CPS submitted a proposal to focus on dairy sector reform to AID;
- . In 1996, CPS will assess dairy privatization in regards to producer ownership and dairy processing and identify role for LOL to accelerate the process.



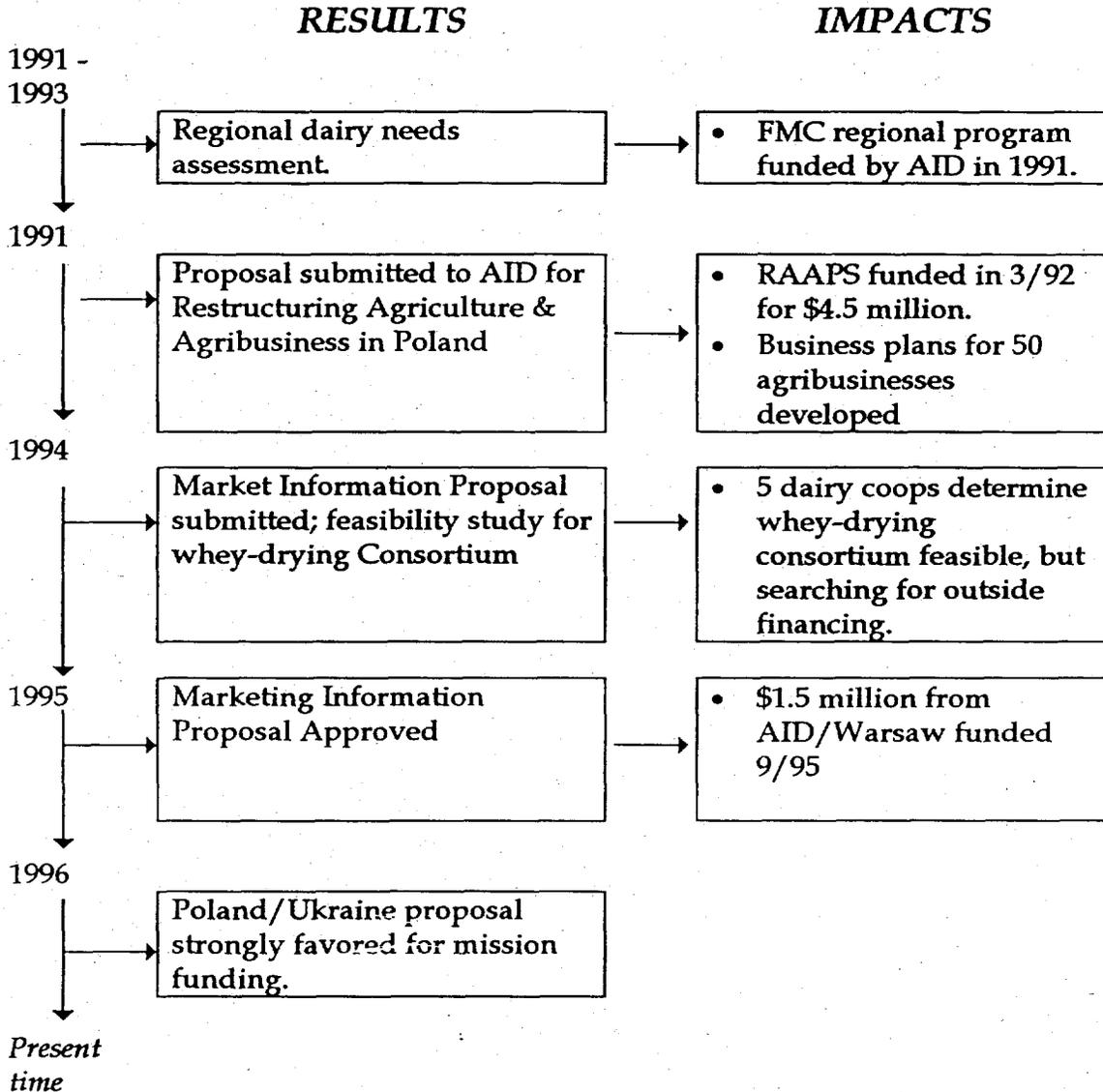
Macedonia

- . In 1994, CPS responds to an RFA and submits a dairy livestock proposal. Proposal not funded but is reviewed as unsolicited;
- . In 1994, CPS undertakes a needs assessment and unsolicited proposal is revised and re-submitted;
- . In 1995, Extension Experts travel to Albania to observe campaign methodology;
- . In 1995, CPS responds to an RFA for rural financing with ACDI;
- . In 1995, CPS solicits IFAD to parallel efforts in Macedonia.



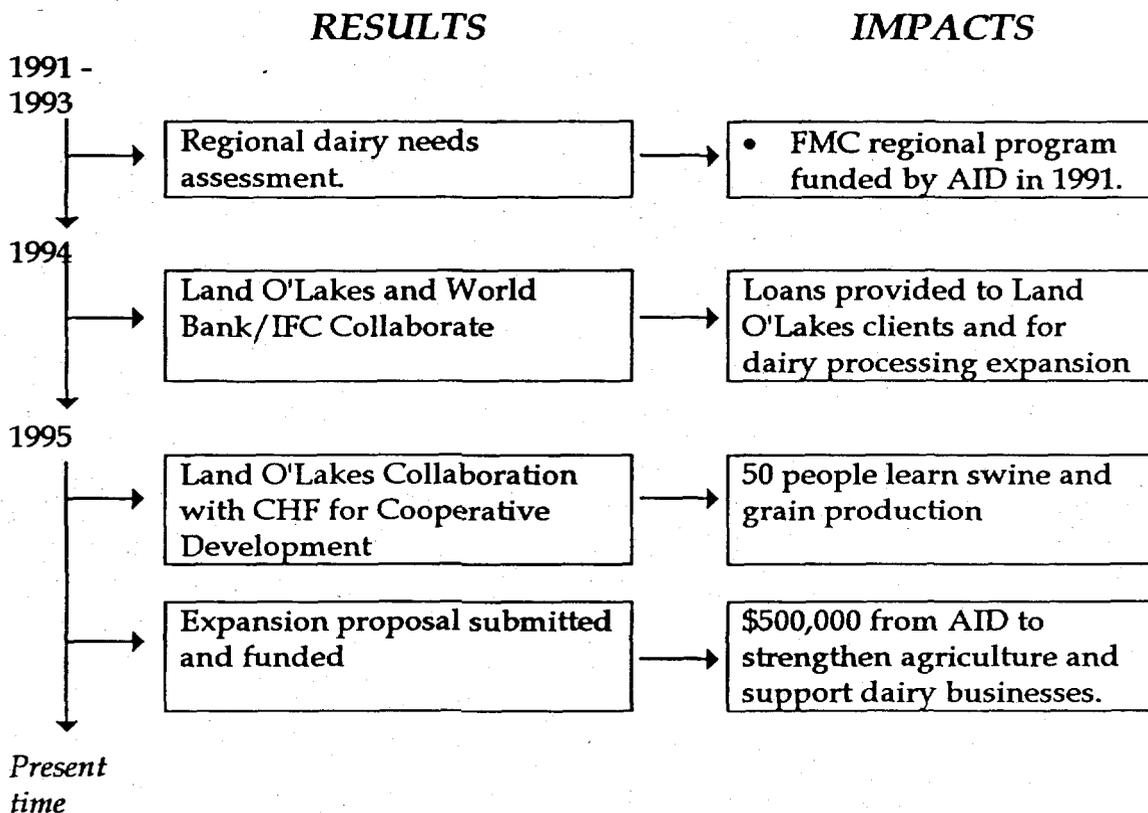
Poland

- . In 1990, CSG funded concept development trip;
- . In 1994, CPS evaluates progress with two existing projects and a concept is prepared and submitted to AID;
- . In 1994, CPS conducts feasibility study of whey drying consortium for five dairy cooperatives.
- . In 1995, CPS submitted a market information development proposal to AID;
- . In 1995, CPS assesses trade relations and potential between Poland and Ukraine for agriculture. Proposal is submitted, in collaboration with ACIDI, to AID.



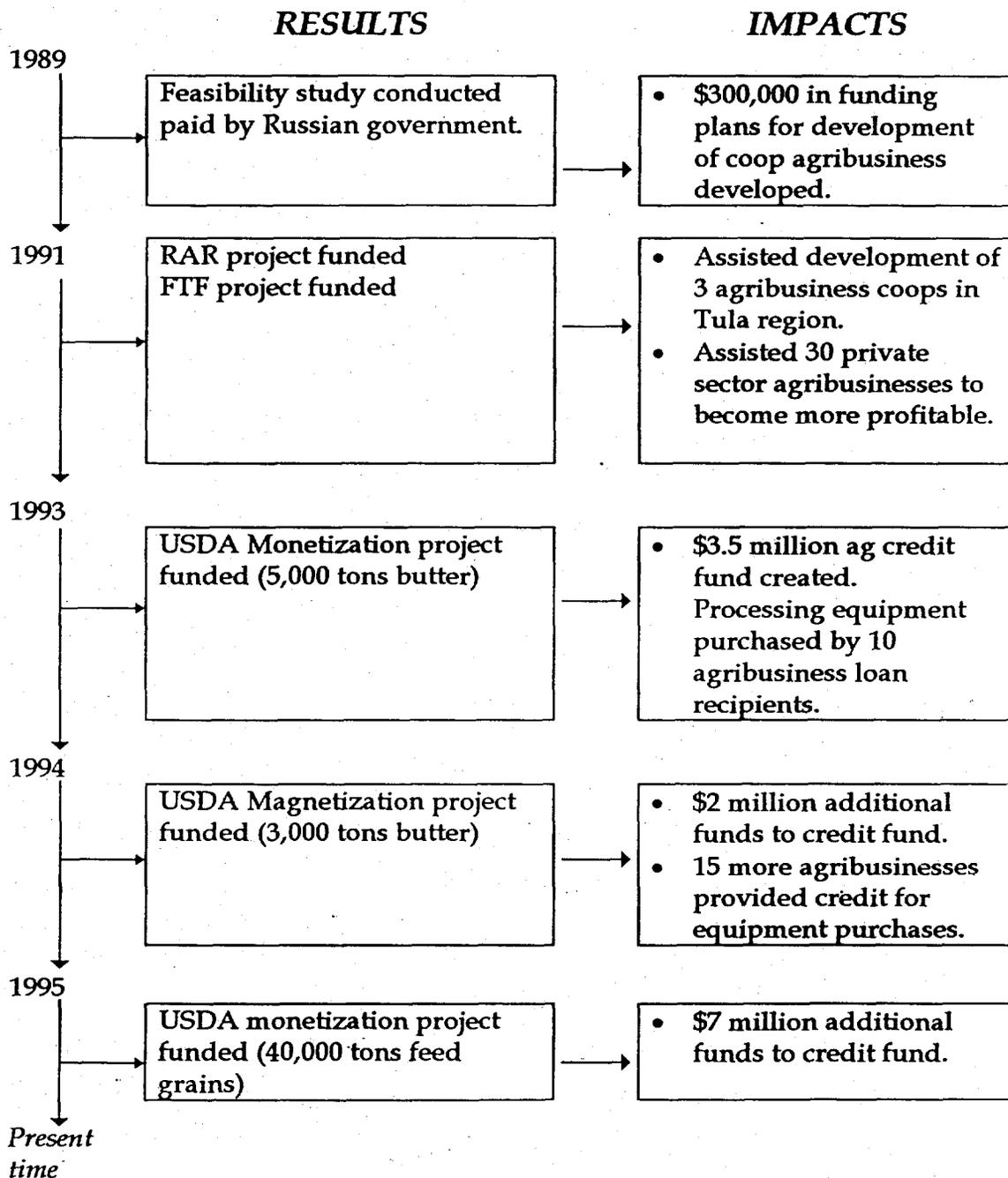
Romania

- . In 1990, CSG funded concept development trip;
- . In 1994, CPS encourages World Bank/IFC to utilize experts and program to increase lending to the dairy sector;
- . In 1995, CPS responds to requests from CHF to fulfill cooperative development task orders for Timisaora;
- . In 1995, CPS conducts an evaluation of the current program and submits a proposal for an expansion.



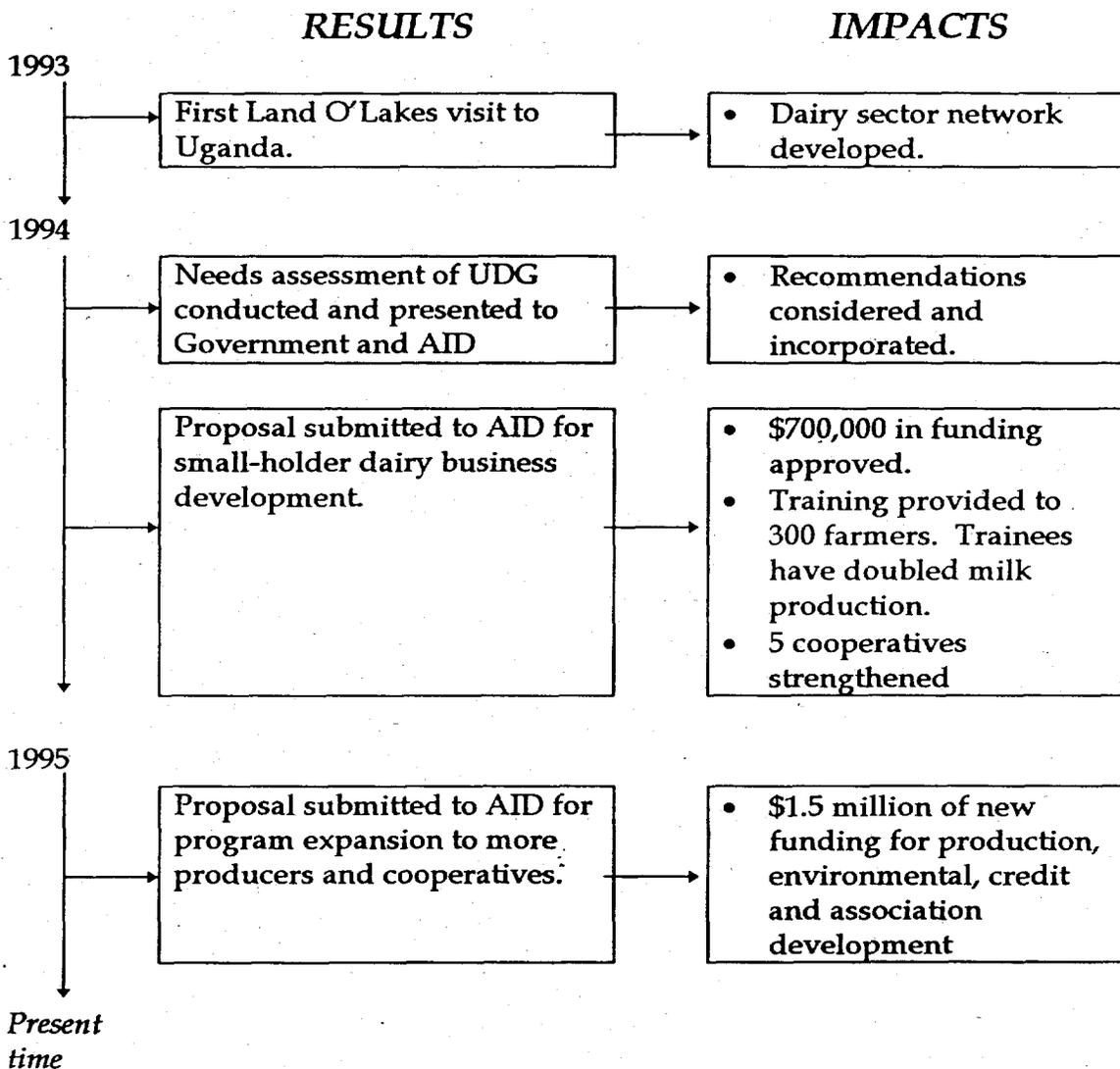
Russia

- In 1989, CSG funded pre-feasibility assessment of formation of integrated dairy coop in Russia;
- In 1991, CSG funded design of project to create coop agribusiness in Tula;
- In 1991, CSG funded design of FTF program in Russia/Ukraine;
- In 1992-1993, CSG funded development of butter monetization concept and creation of an ag credit fund for use of monetized proceeds.
- In 1993-1995, CPS funded monitoring and evaluation of monetization fund, subsequent project designs.
- In 1995, CPS funded Land O'Lakes portion of design of ag privatization program in Vologda



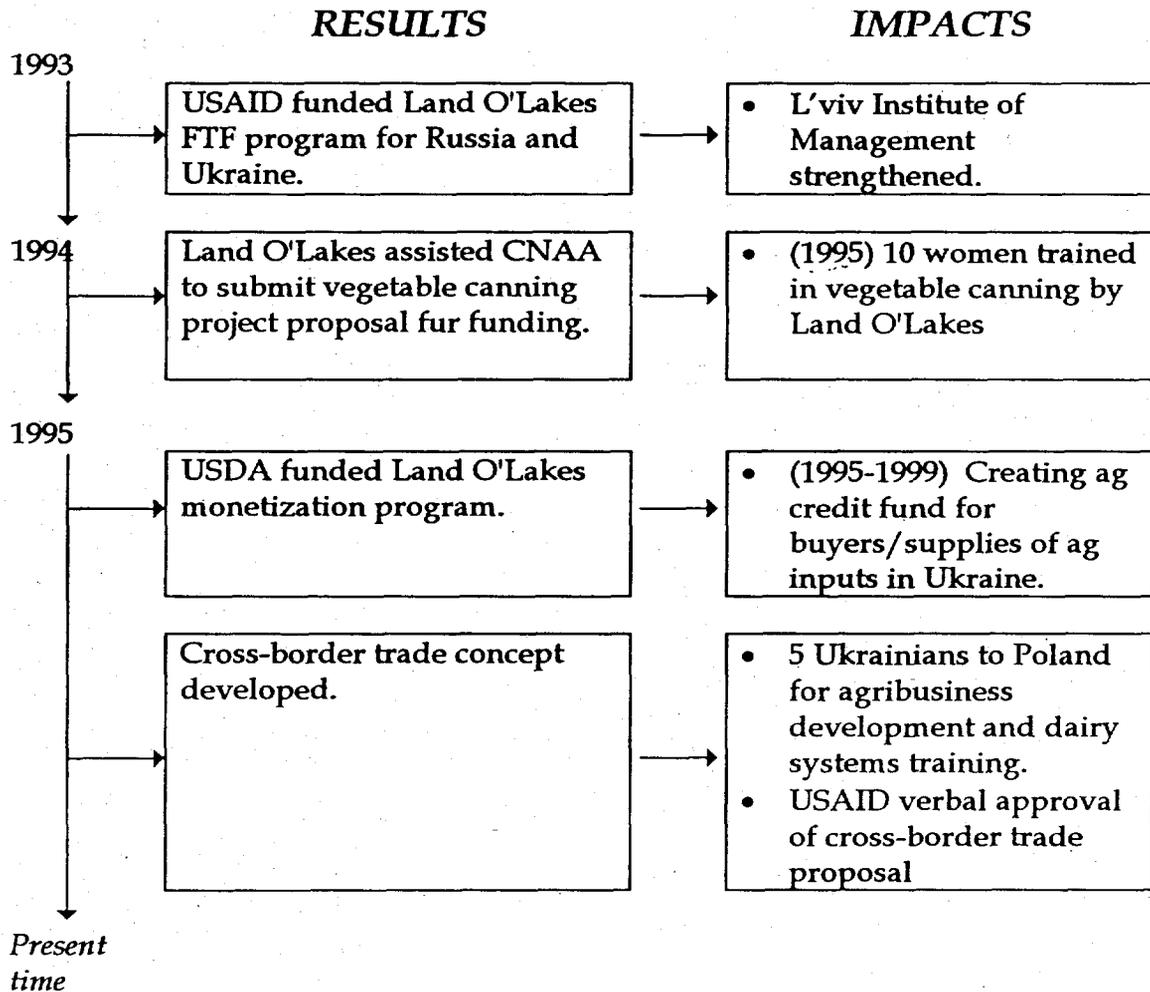
Uganda

- In 1993, the first visit to Uganda is conducted and dairy sector network is developed under CSG;
- In early 1994, CPS conducts a private sector, small-holder dairy livestock sector assessment and a proposal is prepared and submitted to AID;
- In late 1994, CPS conducts a needs assessment for the Uganda Dairy Cooperation (UDC). Recommendations presented to UDC and AID for privatization consideration;
- In the summer of 1994, CPS invites key dairy leader to Land O'Lakes for dairy processing training and hosts President Museveni and his delegation in Minneapolis and the Land O'Lakes system.
- In 1995, CPS develops and submits a proposal to AID for expansion of the dairy business training and technical assistance geographically and programmatically;
- In late 1995, CPS provides a consultant to evaluate the credit system for producers and association development progress.



Ukraine

- In 1993, CSG funded FTF proposal preparation.
- In 1994, CSG funded investigative trips to design development project for Ukraine and meetings with USDA ag implementors.
- In 1995, CPS funded trips to design monetization project for Ukraine
- In 1995, CPS funded trip to develop Poland/Ukraine cross border trade project.
- In 1995, CPS funded third country training whereby 5 Ukrainians traveled to Poland for agribusiness development training.



36