

LAND O'LAKES, INC.
COOPERATIVE PROGRAM SUPPORT PROJECT
(CPSP)

USAID CA# FAO-0192-A-00-4035-00

FINAL REPORT

Period of April 29, 1994 - May 31, 1997

Land O'Lakes, Inc.
International
Development

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FINAL REPORT

Period of April 29, 1994 - May 31, 1997



Land O'Lakes, Inc.
International Development Division
P.O. Box 116
Minneapolis, MN 55440

June 25, 1997

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LAND O'LAKES, INC.

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

FINAL REPORT

Period of April 29, 1994 - May 31, 1997

PURPOSE

The Cooperative Program Support Project (CPSP) was a three-year cooperative agreement administered by Land O'Lakes, at a USAID-funded level of \$1,425,000. The purpose of the CPSP was 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 strengthened Land O'Lakes' capabilities as a cooperative development organization to promote cooperation among agricultural and food producers, and enhanced the governance and operations of cooperatives and producer associations. CPSP activities fell into three main categories: new project development, short-term technical assistance and training, and Land O'Lakes' own organizational development as a cooperative development organization.

As this report will show, Land O'Lakes has exceeded all the goals and indicator targets that it set for itself.

FINANCIAL INFORMATION

The financials will be submitted at a later date, when they are final.

RESULTS / IMPACT

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

LIFE OF PROJECT OUTPUTS	CURRENT STATUS
<p>1. Seven cooperatives created or strengthened. (institution-building level)</p>	<ul style="list-style-type: none"> • Uganda: 47 cooperatives created or strengthened. • Poland: 8 cooperatives strengthened • Bulgaria: 7 cooperatives created and/or strengthened • West Bank: initial discussion of formation of sheep producers association • Romania: 5 cooperative assoc. created and/or strengthened • Albania: 2 cooperative assoc. created
<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 -- Formed: 1) Non-formal advocacy network of 340 volunteer women dairy producers, 2) artificial insemination association of 27 women, and 3) Law and Women's Rights assoc. • 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 • Distributed information to members about USAID and International Development Division at Land O'Lakes Annual Meeting booth.
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CAPACITY STRENGTHENING OF LAND O'LAKES AS A CDO

At the beginning of the project, Land O'Lakes set itself goals for strengthening its capacity as a cooperative development organization (CDO). The life-of-project accomplishments exceeded the total project targets, and for some indicators greatly exceeded the goal. The two-page project indicators table on the next two pages shows the targets and the actuals.

Organizational Development – Collaborations with Other Development Organizations

One of the ways that Land O'Lakes worked towards its goal of strengthening itself as a development organization was by forming alliances and collaborative program relationships with strategic partners. Land O'Lakes collaborated with other development organizations on 27+ projects and proposals. Some of the organizations involved were ABS Global, ACDI/VOCA, American Near-East Refugee Aid (ANERA), CHF, Federation of Cattle Raisers Association of the Philippines (FCRAP), Geonomics, International Livestock Research Institute (ILRI), Jamaica Agricultural Development Foundation (JADF), PeaceFleece, and Sparks Companies.

CDO LEVEL PROJECT INDICATORS -- FINAL RESULTS

Land O'Lakes, Inc.

Program Goal	Indicators	Total Project Targets	Life-of-Project 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	39
3. Distributing material demonstrating dev. through coops.	Number of newsletters and Land O'Lakes info packets distributed	11,100	23,675
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: 56 Poland - 2 Bulgaria - 7 Uganda - 47

<p>5. Able to create a network through meetings and seminars</p>	<p># of meetings # of collaborative projects</p>	<p>24 6</p>	<p>81 28 (ABS, ACDI, CHF, ANERA, FCRAP, FLAG, Geonomics, ILRI, JADEFO, JADF, PeaceFleece, Sparks, etc.)</p>
<p>6. Able to attract additional funders for coop development</p>	<p>\$ from AID \$ from non-AID</p>	<p>AID: \$6 million non-AID: \$500,000</p>	<p>AID: \$24,353,056 non-AID: \$1,814,971</p>
<p>7. Enhanced communications and information systems</p>	<p>Number of U.S. and overseas people infomed through co-op publications and events</p>	<p>34,500 also see #6</p>	<p>47,410</p>
<p>8. INDICATOR ADDED BY LAND O'LAKES: Strengthening economic viability of women.</p>	<p>Number of women producer-associations created.</p>	<p>2</p>	<p>Total: 4 <u>Latvia</u> Goat Assoc.--150 members, 98% women. <u>Albania</u> artificial insemination association--27 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</p>

Organizational Development – Funding Accessed

The International Development Division had set a goal of obtaining \$6 million in USAID funding and \$500,000 in non-USAID funding over the life of the project. Those goals were exceeded. The new USAID funding reached \$18,653,887 for unsolicited proposals; non-USAID-funding was \$1,505,591. Attachment A lists all the projects for which Land O'Lakes obtained funding as a prime awardee, split out into unsolicited USAID-funded projects and non-USAID-funded projects.

Organizational Development – Newsletter

Land O'Lakes published 12 issues of the International Outlook newsletter over the course of the project. The newsletter, with a distribution of 1200, keeps beneficiaries, funders, PVOs, and project partners in general informed about Land O'Lakes development activities worldwide.

INSTITUTION-BUILDING: Strengthening partnerships with NGOs overseas

Below are some success stories that developed out of the training, technical assistance, and forums held over the course of the project.

Following that are indicator tables that report on the indicators for strengthening partnerships with NGOs overseas.

Attachment B is a brief table that lists the limited program services provided over the life of the project.

The Greater Horn of Africa

In the Greater Horn of Africa countries of Ethiopia, Kenya, Tanzania, and Uganda, key players in the private dairy industry are striving to create and strengthen cooperatives within their own country and to increase trade linkages among the countries. CPSP funds were used to fund a two-day Greater Horn of Africa Dairy Roundtable in October 1996 in Uganda that brought together 56 people from Ethiopia, Kenya, Tanzania, and Uganda who are representatives of private dairy industry and of organizations that provide support to the dairy sector. In April 1997, the second Greater Horn of Africa Dairy Roundtable was held in Limuru, Kenya. The outcomes of the Roundtables and follow-up to it have been:

1. Private cooperative development activities at milk collection centers in Tanzania have commenced.
2. The Ugandan dairy sector has begun the organization and registration of the Uganda Dairy Association to assist in the development of the sector.

3. The Regional Dairy Association for the Greater Horn of Africa is in its formative stages.
4. Dairy sector partners within and between countries have linked with each other for sourcing of equipment, artificial insemination services, and other essentials to the industry.
5. Work is currently under way to develop a Regional Dairy Promotion Campaign directed towards children and others to increase milk and milk product consumption and improve nutritional intake within each country.

Guatemala

In Guatemala, the dairy sector is in great disarray. There is a movement afoot to bring together dairy producers into business associations/cooperatives, and to build the relationship between producers and processors, which are necessary steps in the revitalization of the dairy sector. AID/BHR/PVC funds have been used to design an organizational development component in the national dairy development plan, which would promote the formation of producer and processor associations. If funded, this project will bring together 2,000 dairy producers in the coastal region of Guatemala, forming local dairy associations through which credit can be distributed and technical training services offered to members. The credit portion of the program is to be funded through the Banco CentroAmericano and will distribute more than \$30 million to producers and processors over the ten-year project period.

Poland/Romania

In December 1996, Land O'Lakes provided partial support under the CPSP to the Poland Dairy Expo for its one-day seminar entitled Presentation of East Markets. The seminar presented dairy market and/or trade information on the following countries: Russia, Ukraine, Belarus, Lithuania, and Poland. Attendance at the dairy expo came from representatives of agribusinesses, dairy associations, government officials, dairy processors and other agricultural organizations.

Of particular importance to the Cooperative Program Support Project, was the connection made between the Romanian Dairy Association (which Land O'Lakes has helped to build) and the Polish National Alliance of Dairy Cooperatives (which Land O'Lakes works with). Five people from Romania attended the Expo. The Polish Dairy Alliance was able to provide the newly formed Romanian Dairy Association with information on organizational structure, goals, responsibilities, fundraising strategies, and services to members. They were also able to discuss common problems faced by both the Polish and Romanian dairy sectors, and brainstorm various problem-solving ideas. They reached an agreement on future cooperation between their two associations.

Other benefits to agribusiness members of the two associations included:

1. Established contacts with Polish processing equipment manufacturers.

2. Introduced new dairy products and processing technologies.
3. Meetings of dairy product distributors on how to be successful in a market driven economy.

AID/BHR/PVC support for this program enabled the building of cross-border ties between the dairy cooperatives/associations of Romania and Poland. This is the essential first step in building profitable trade relationships among dairy cooperatives in Central and Eastern Europe.

Uganda

In Uganda, the government wanted to determine what to do with some of its state-owned dairies. With CPSP funds, Land O'Lakes sent two of its employees to Uganda in 1994 to perform an assessment of several of the dairies. They recommended that some be sold to private concerns and some be converted to cooperatives. The 1994 assessment by Land O'Lakes of the Uganda dairy sector led to a design for a dairy development plan that was subsequently funded by USAID/Kampala and is being implemented. The cooperative development aspects of the project have been highly successful. Land O'Lakes dairy development program in Uganda is recognized as a model for the region. As a result of the efforts over the past two years through the USAID/Kampala-funded project, Land O'Lakes is now working with 46 cooperatives, with a total of approximately 4600 members. The efforts have an environmental impact as well, because the cooperatives have stopped dumping oil and/or promote and practice zero-grazing. In two of the cooperatives--Iganga and Nyakaihita--women comprise 97% of the membership. In an effort to share lessons learned and assist in similar growth of the private dairy sector, Land O'Lakes utilized CPSP funds to provide financing for dairy leaders from Kenya, Ethiopia, and Tanzania to travel to Uganda. Discussions in this first regional forum on the private dairy sector have led to the formation of a regional dairy association to promote the growth of private sector dairies and cooperatives in the region. The regional forum was discussed in greater detail in The Greater Horn of Africa section above.

Further potential: Land O'Lakes has selected Uganda as one of its core countries for the new Cooperative Development Program with a target of expanding the cooperative development activities to broader geographic areas, and to strengthening the many newly formed dairy cooperatives through focused management assistance. In addition, Land O'Lakes plans to utilize the contacts established with private sector groups in Tanzania, Ethiopia, and Kenya to further cooperative dairy development in each of those countries.

West Bank

Land O'Lakes, in coordination with the American Near-East Refugee Aid (ANERA) and PeaceFleece organizations, facilitated an historic event at which Palestinians and Israelis met together formally for the first time to discuss matters of mutual interest regarding the sheep and goat industry. On June 11, the 1996 Mid-East Roundtable convened in Bethlehem with

industry representatives from across the region discussing livestock problems and possible solutions. Participants included officials from the Ministry of Agriculture/Palestinian Authority and the Ministry of Agriculture/Israel, producers, veterinarians, the private sector, donor/NGO community, and American experts in both small ruminant production and association development.

The event proved highly successful in many ways - social, political, professional, and cultural barriers were reduced, while common understanding grew. Some 40 participants engaged in intensive and professional dialogue about immediate problems of the small ruminant industry and explored strategies for the industry's future. The meeting room, arranged in true roundtable configuration with participants facing each other in a large circle, was conducive to cooperation. Issues examined at the Roundtable included prevention and cure of sheep and goat diseases, small ruminant production constraints, range management, goat genetic improvement, regional industry collaboration and association development. The participants then selected issues and ideas important to the industry's future growth and sustainability, and developed priorities for follow-up.

This gathering of regional leaders likely will prove critical to future small ruminant economic growth in the region, a crucial first step to developing a support structure for the industry and productive collaboration. The tangible outcomes were:

1. Improved dialogue between Palestinian and Israeli sheep and goat industry leaders;
2. Formation of Palestinian working groups to develop action plans for association development, expanding regional collaboration, and improving government services to the industry; and
3. A commitment from Roundtable participants to gather annually to discuss problems and identify solutions to growth in the West Bank and Israeli sheep and goat sector.

PROJECT INDICATORS -- FINAL RESULTS

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	Life-of-Project Accomplishments
Broad-based Sustainable Economic Growth	Create and/or strengthen coops/credit unions	Number of coop systems strengthened/created	7	Total: 68 Uganda - 47 Poland - 8 Albania - 2 Bulgaria - 6 Romania - 5 Russia - 1 Latvia pre-coop
		Estimated increase numbers of active coop members	Individuals: 500 Federated coop members: 10	Total individuals: 11,275 Bulgaria - 6,182 Uganda - 4,600 Latvia pre-coop - 95 Albania - 57 Romania - 340 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: 5 Bulgaria - 1 Poland - 1 Romania - 3
Democracy	Introduce democratic principles through coop development	Number of coop members introduced	300	Total: 7,348 Bulgaria - 6,182 Uganda - 920 Romania - 124 Latvia pre-coop 95 Albania - 27
		Number of coop systems operating which were democratically created	4	Total: 57 Bulgaria - 6 Uganda - 46 Albania - 1 Romania - 4
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 47 Uganda co-ops Assessments: 2 Lithuania dairies
		Number of coops with renewable & energy efficient systems	2	none

ATTACHMENT A

FUNDING LIST

LAND O'LAKES

List of Funded Proposals, April 1994-May 1997

USAID FUNDED:

NAME OF PROPOSAL	SUBMITTED	AMOUNT
1. Uganda/Continuation of Current Project	March, 1997	\$500,000
2. Accelerated Rural Economic Growth in the West Bank	August, 1996	\$1,700,000
3. Bulgaria Dairy Links	August, 1996	\$1,000,000
4. Dairy Business Acceleration Program for Romania	July, 1996	\$485,230
5. Albania/Expansion of Current Project	May, 1996	\$500,000
6. Accelerated Private Agricultural Sector Growth in Western Ukraine- Expanded Business Linkages with Poland and the Region	March, 1996	\$2,953,316
7. Lithuania Dairy Restructuring Project Credit Component	September, 1995	\$750,000
8. Private Dairy Business Development in Uganda	July, 1995	\$1,500,000
9. Agribusiness Training in Hungary	June, 1995	\$198,884
10. Integrated Dairy Development in Bulgaria	May, 1995	\$309,638
11. Proposal for a Marketing and Livestock Improvement Project in Macedonia	March, 1995	\$2,459,009
12. Agribusiness Commodity Marketing Information	March, 1995	\$1,497,810
13. Albania Dairy Improvement Campaign, Phase Two	August, 1994	\$1,500,000
14. Private Dairy Sector Development in Uganda: An Integrated Approach for Small-Scale Domestic and Export Production	July, 1994	\$700,000
15. Lithuania Dairy Industry Restructuring and Free Market Cooperative Program	March, 1994	\$2,600,000
TOTAL		\$18,653,887

NON-AID FUNDED:

NAME OF PROPOSAL	SUBMITTED	AMOUNT	FUNDOR
1 Dairy Consulting	August, 1996	\$2,000	PEPE, Int'l
2 Morocco Beef Industry Development Plan, Five Year Plan	May, 1996	\$8,962	US Feed Grains
3 Monetization Proposal for Feed Grains in Russia	September, 1995	\$398,682	USDA
4 Women's Campaign for Dairy and Vegetable Production and Mktg.	August, 1995	\$68,000	IFAD
5 Monetization Proposal for Feed Grains in Ukraine	June, 1995	\$622,600	USDA
6 Food for Progress Feed Grains Monetization Proposal	January, 1995	\$405,347	USDA
TOTAL		\$1,505,591	

ATTACHMENT B

LIMITED PROGRAM SERVICES

LAND O'LAKES, INC.
LIMITED PROGRAM SERVICES
April 29, 1994 - May 31, 1997

Date	Country	Purpose	Type of Activity	#TA / Training Providers
May 1994	Uganda	dairy privatization assessment	technical assistance	2
September 1994	Russia	agricultural production	training/conference	various
October/November 1994	Poland	dairy cooperatives	technical assistance	3
November 1994	Lithuania	environmental audits of dairy plants	technical assistance	2
January 1995	Albania	dairy policy and private sector dairy operations	U.S. training	various
March 1995	Russia	financial advisement on monetization fund loan program	technical assistance	1
April 1995	Macedonia	extension training	third country training	1
April 1995	Albania	extension training	in-country training	1
May 1995	Ukraine	agribusiness and dairy systems	third country training	various
June 1995	Albania	NGO development	training (seminar)	not applicable
October 1995	Mexico	dairy quality issues	technical assistance	1
June 1996	West Bank	association development	forum	3
June/July 1996	Philippines	strategic planning for cooperatives	technical assistance	1
October 1996	Philippines	animal health	training (seminar)	1
October 1996	Uganda	regional dairy association development for Greater Horn of Africa	regional forum	various
December 1996	Poland	regional trade linkages among cooperatives	regional forum	various
April 1997	Kenya	regional dairy association development for Greater Horn of Africa	regional forum	various

LAND O'LAKES, INC.
COOPERATIVE PROGRAM SUPPORT PROJECT
(CPSP)

USAID CA# FAO-0192-A-00-4035-00

SUPPLEMENTAL REPORT

Period of April 1 - May 31, 1997



Land O'Lakes, Inc.
International Development Division
P.O. Box 116
Minneapolis, MN 55440

June 25, 1997

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ATTACHMENT

Attachment A Financial Report

LAND O'LAKES, INC.

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

**SUPPLEMENTAL REPORT
Period of April 1 - May 31, 1997**

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. CPSP activities fall into three main categories: new project development, short-term technical assistance and training, and Land O'Lakes' own organizational development as a cooperative development organization.

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.

LIFE OF PROJECT OUTPUTS	CURRENT STATUS
<p>1. Seven cooperatives created or strengthened. (institution-building level)</p>	<ul style="list-style-type: none"> • Uganda: 47 cooperatives created or strengthened. • Poland: 8 cooperatives strengthened • Bulgaria: 7 cooperatives created and/or strengthened • West Bank: initial discussion of formation of sheep producers association • Romania: 4 cooperative assoc. created and/or strengthened • Albania: 2 cooperative assoc. created
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FINANCIAL INFORMATION

Total estimated federal funds	\$1,425,000
Federal funds expenditures April - May	\$ 56,294
Cumulative federal funds expenditures to date	\$1,415,909
Total matching funds to date	\$ 377,146

The financial report is in Attachment A. The figures above are preliminary. The numbers appear to indicate about \$9,000 was left unspent. However, when the final financial report is submitted at the end of August, it is fully anticipated that it will reflect expenditure of the entire \$1,425,000.

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2. PAST QUARTER - PERFORMANCE

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

Organizational Development -- Project Development Trips Overseas

Kristin Penn, Manager of Project Development at Land O'Lakes, traveled to six African and Near East countries in April 1997. Below are summaries of the results from this trip.

Israel/West Bank, April 12-15: Land O'Lakes conducted a very short but intensive visit to the West Bank to announce the successful award from AID to the proposed sheep industry development effort - to be led by Land O'Lakes and in collaboration with ANERA and Peace Fleece. The time was used to meet with cooperative leaders from the sheep industry in the West Bank to confirm their support and project priorities. In addition, relationships with the Palestinian Ministry of Agriculture were strengthened through an exchange of ideas, information, priorities and support. The project will hopefully start up during the month of June.

Kenya, April 15-20: The purpose of this visit was mainly to participate in the Second Annual Greater Horn of Africa Dairy Roundtable and meet with dairy cooperative representatives from five countries to discuss dairy cooperative and association development needs. The Roundtable, hosted by Land O'Lakes with financial support from USAID, was a huge success. Over 80 dairy industry leaders from five countries participated over the three days of activities. Each country took many steps forward toward the development of a more unified cooperative association that will better represent and service the needs of dairy producers and processors in their respective country. Land O'Lakes will seek the financial means to technically support each cooperative association to undertake the necessary activities to accomplish their development priorities.

Tanzania, April 20-23: During a four-day period, over 100 cooperative members were visited in the greater Dar es Salaam area. Discussions were held with individual producer-members and cooperative groups to better identify the needs of start-up dairy cooperatives and a national dairy association in Tanzania. There is enormous enthusiasm for cooperative activity in the dairy sector and high motivation to learn and plan a development strategy that accelerates growth in the dairy industry. Land O'Lakes, with Mission support, will be conducting a follow-on cooperative development and dairy business training course in Tanzania within the coming months to support the efforts of our dairy cooperative colleagues throughout Tanzania.

Ethiopia, April 23-24: Ethiopia sent a delegation of five people to the Roundtable in Tanzania. The purpose of the visit to Ethiopia was to meet with them and other dairy leaders to provide support and vision to creating a private dairy cooperative system in Ethiopia. Even though Ethiopia has the highest population of cattle in the region, the dairy industry is faltering and really needs a boost in terms of industry structure, cooperative training and dairy business development technical assistance. Land O'Lakes will continue to find ways to funnel training, assistance, and information to the Ethiopian cooperative representatives to support their efforts in jump-starting their dairy livestock industry.

Uganda, April 24-27: It is a great pleasure to visit the Land O'Lakes project in Uganda. Nowhere in Africa can you find a USAID-funded effort that has had the economic impact at the family household level, the cooperative level, nor the national economic level as this Land O'Lakes project. When the project started in 1994, Uganda's total milk output was 230 million liters per year. Recent statistics show that the current total national milk production in Uganda is 450 million liters - that's double quantity in less than three years. The efforts of Richard Bakojja, project staff, and the due diligence of over 1000 cooperative members can take full credit for this improvement. During the visit, six dairy cooperatives were visited and discussions focused on Uganda's dairy cooperative next steps were identified. These priorities have been incorporated into the next three years of activity. Land O'Lakes also met with the Mission to discuss the introduction of HealthPartners, the Minnesota-based health care delivery cooperative, into Uganda. It was agreed that these activities will be managed to support the mission's priority to increase the private-sector provision of health care in Uganda.

Egypt, April 27-30: The purpose of the visit was to re-establish relationships with some of Egypt's dairy cooperative groups and industry leaders to identify the best approach to supporting cooperative reform and improved performance in the dairy industry. During the visit, Land O'Lakes determined the necessary approach which must be taken to help the industry improve overall performance. This will be through a Land O'Lakes-direct dairy development program with strong partnership with both cooperatives and private dairy businesses. The program focus must be fully integrated from on-farm production to aggressive consumer marketing. Mission support is anticipated.

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 expanding the impact of the interrelated programs.

During the last quarter, Land O'Lakes collaborated with other organizations in the following ways:

- InterAmerican Development Bank - Multilateral Investment Fund (MIF): Met with director of MIF in Washington, D.C. In process of redrafting proposal for investment fund for Caribbean to be funded through MIF.
- Overseas Cooperative Development Council: Attended development committee meeting and regular meeting in Washington, D.C.
- U.S. Feed Grains Council: To encourage sharing of international agricultural development information, to increase collaboration in countries of mutual interest ,and to consider teaming together for upcoming RFPs.
- Global Livestock Discussion Group: 30 representatives of livestock development organizations and institutions met to discuss congressional support for livestock development, trends in the industry, and new approaches to accelerating growth in livestock industries around the world.
- Gold Kist: Met to discuss the possibility of working together as sister cooperatives in countries with program possibility and with dairy and poultry development potential.

Funding Accessed

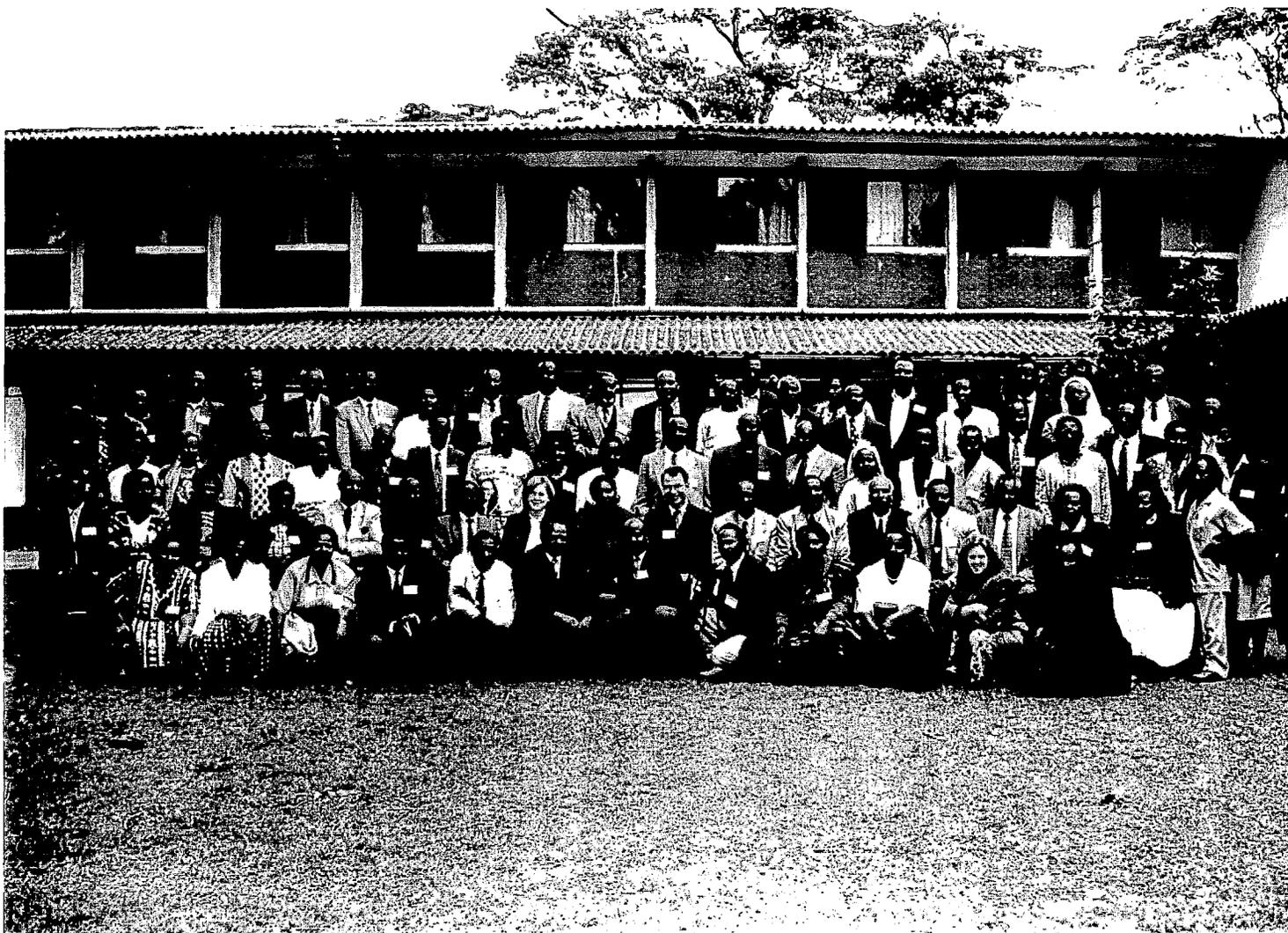
Refer to Attachment A of the Final Report for a list of funding accessed during the life of the CPSP project.

B. INSTITUTION-BUILDING: Strengthening partnerships with NGOs overseas

Regional Forum – Greater Horn of Africa

The second Greater Horn of Africa Dairy Initiative Roundtable, was held April 17-19 in Limuru, Kenya. Over 80 dairy industry leaders from five countries participated over the three days of activities. See the picture on the next page. Each country took many steps forward toward the development of a more unified cooperative association that will better represent and service the needs of dairy producers and processors in their respective country. Land O'Lakes will seek the financial means to technically support each cooperative association to undertake the necessary activities to accomplish their development priorities.

**GREATER HORN OF AFRICA DAIRY INITIATIVE ROUNDTABLE
LIMURU, KENYA -- APRIL 17-19, 1997**



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The first such roundtable was held in Entebbe, Uganda, on October 17-18, 1996. The October gathering brought together 46 participants from Uganda, Kenya, Tanzania, and Ethiopia. There were representatives of dairy farmers, USAID representatives, Uganda government officials/Ministry of Agriculture representatives, dairy cooperative leaders, dairy processors, policy makers in the dairy industry, researchers, animal feed manufacturers, dealers in veterinarian inputs and veterinarians. The two-day Roundtable workshop combined presentations, informal discussions, action planning, and dairy product displays. The outcomes of the 1996 roundtable were:

- Private cooperative development activities at milk collection centers in Tanzania have commenced.
- The Ugandan dairy sector has begun the organization and registration of the Uganda Dairy Association to assist in the development of the sector.
- The Regional Dairy Association for the Greater Horn of Africa is in its formative stages.
- Dairy sector partners within and between countries have linked with each other for sourcing of equipment, artificial insemination services, and other essentials to the industry.
- Work is currently under way to develop a Regional Dairy Promotion Campaign directed towards children and others to increase milk and milk product consumption and improve nutritional intake within each country.

Tanzania

One of the attendees at the October 1996 Greater Horn of Africa Roundtable, Mrs. Fatima Faraji of Tanzania, received two days of training on cooperatives. She was already visiting in the United States with her husband, and she paid her way to Minnesota to get the training. She has a small dairy operation in Tanzania and a keen interest in developing the dairy business in her country. The October roundtable and a January training course she attended in Uganda prepared her to get the most out of an intensive two days, April 18-19. Cooperatives consultant Frank Blackburn traveled with Mrs. Faraji to visit a variety of different cooperatives in and around St. Paul, Minnesota. They visited a small dairy cooperative, a livestock marketing cooperative, and a local farm supply and marketing cooperative. Mr. Blackburn reviewed the history of Minnesota cooperatives and pointed out that most Minnesota cooperatives were not built with a lot of money, rather with "sweat equity," making the point that early Minnesota cooperatives did not have a lot of resources or money, similar to the situation in Tanzania.

ATTACHMENT A

FINANCIAL REPORT

Land O'Lakes, Inc.
Financial Summary

COOPERATIVE SUPPORT GRANT
FAO-0192-A-00-4035-00
May, 1997

	Actual Month 05/97	Year To Date Actual thru 05/97	Year To Date Budget thru 05/97	Actual Grant to Date thru 05/97
Personnel	507.59	47,812.50	29,539.00	484,995.19
Fringe Benefits	166.22	17,378.54	11,405.00	167,670.03
Consultants	0.00	380.00	11,680.00	27,285.52
Travel & Per Diem	511.68	19,887.88	33,986.00	214,697.18
Training	0.00	1,757.04	1,000.00	49,411.54
Equipment/Procurement	0.00	0.00	0.00	0.00
Other Direct Costs	0.00	10,141.30	0.00	81,621.95
SUBTOTAL Direct Costs	1,185.49	97,357.26	87,610.00	1,025,681.41
Indirect costs	434.13	35,652.24	31,890.00	390,227.57
Total Federal Funds	1,619.62	133,009.50	119,500.00	1,415,908.98
Non-Federal Funds	161.96	13,310.91	11,948.00	377,146.32
TOTAL PROJECT	1,781.58	146,320.41	131,448.00	1,793,055.30

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.