

PD-ABQ-688

MID-TERM EVALUATION

LAND O'LAKES, INC.

FARMER TO FARMER PROGRAM

(Cooperative Agreement FAO-0705-A-00-2091-00)

for

Office of Private and Voluntary Cooperation
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Executive Summary

This evaluation took place from May 27th to June 5th 1998 in Ukraine and Russia with field visits and a three-day workshop for Land O'Lakes headquarters and field staff involved in the program. The recommendations come out of this interactive process where team members reviewed and discussed each recommendation and set forth a process and schedule for their implementation.

Since 1992, Land O'Lakes has completed over 300 volunteer assignments in Russia and Western Ukraine under the Farmer-to-Farmer Program. The program has focused on emerging farm-level enterprises and farmer associations as they broke off from collective systems.

This evaluation suggests that a new agribusiness model is emerging with successful agricultural entrepreneurs developing "closed farm to market systems." These family-owned enterprises are prospering as these entrepreneurs find market opportunities outside of the decaying state system where the reforms are slow to take hold. A typical enterprise usually involves farm level production, small-scale processing such as a flourmill and, outlet stores and/or restaurants.

Based on the evaluation, Land O'Lakes volunteer assignments that target these closed systems appear to be more successful than other types of interventions. Russian and Ukrainian entrepreneurs usually have an expertise in one or more activities of their enterprises. They require technical assistance when expanding their firms to "fill in the gaps" and complete the closed system. Impacts are enhanced since margins for the entire business are increased with additional processing or marketing of farm commodities throughout the full enterprise.

This closed system formulation of the role of the Farmer-to-Farmer program may help distinguish it in supporting USAID mission strategic objectives for small and medium enterprise development in the NIS region. It would focus the program where technical assistance is likely to have the greatest impacts on individual firms, rather than deal with larger reform efforts that are moving very slowly.

The evaluation found that Land O'Lakes has experienced staff and strongly established programmatic systems in place to identify, carry out, monitor and evaluate Farmer to Farmer assignments. They have strong host country partners who help identify and support volunteer technical assistance. More attention can be focused on institutional capacity building for these partners to assure the sustainability of technical assistance, including fee-based consulting and training.

The evaluator interviewed successful projects in Ukraine and Russia where major impacts were taking place based on well-designed and executed volunteer assignments. However, Land O'Lakes has dramatically under-reported impacts.

As a result of the evaluation, Land O'Lakes is resubmitting impact data and has changed its monitoring and evaluation system to better capture results

In addition, Land O'Lakes proposes to extend volunteer assignments to an average of three weeks to provide more follow up to clients, carry out seminars to better disseminate technical assistance, and strengthen local institutional partners through more train-the-trainer workshops

The evaluation proposes a number of management improvements strengthened scope of work (SOWs), full review of the subcontract with FFA, better coordination with the Western Ukraine Initiative, and, an exchange of field staff for shared learning Finally, Land O'Lakes can strengthen its volunteer outreach efforts by providing volunteers with more materials such as videos to present to local community groups

Table of Contents

	<u>Page</u>
Executive Summary	i
Table of Contents	iii
I Background	1
II Purpose and Methodology of Mid-term Evaluation	1
III Observation	2
a Closed systems	2
b Examples of closed systems	4
c Focus of future FTF program	6
IV Project Impacts	7
V Project Design	10
a Program focus	10
b Institutional partnerships	11
c Client/Partners	12
VI Project Implementation	13
A Strategic Objectives	13
B Project methodology	14
VII Project management	15
A Project administration	15
B Achieving work plan targets	16
C Quality of quarterly reports	16
D Coordination of field and headquarters staff	17
E Cooperation with other organizations and donors	18
F Outreach by volunteers	18
VIII Monitoring and Evaluation	19
IX Summary of Recommendations	20
Appendices	
Revised and updated impact data	
Case studies of impact	
Evaluation scope of work	
Schedule of field visits	

I Background

Since 1992, Land O'Lakes has managed the Farmer-to-Farmer Program (FTF) in Russia and Western Ukraine. Land O'Lakes has completed over 300 assignments focused on strengthening down-stream, private agribusinesses. The program has operated with one full-time expatriate staff in Moscow and a part-time expatriate staff in L'viv, both of whom are fluent in Russian. Local employees provide critical assistance to identify partnerships with other organizations, find prospective clients, assist in logistics and translation, and conduct monitoring and follow-up impact analysis.

The program helps achieve USAID strategic objectives in broad-based economic growth, sustainable democracies and environmental protection. Volunteer assignments focus on achieving impacts within these USAID goals through an emphasis on farm management, post privatization agribusiness management, innovative practices, credit and local institutional partnerships for on-going training and technical assistance to agribusinesses.

II Purpose and Methodology of Mid-term Evaluation

The mid-term evaluation provides Land O'Lakes, USAID and the FTF team with an assessment on progress to

- Achieve the strategic objectives of USAID
- Review overall program performance, and
- Assess the selection of clients/partners and host organizations

The evaluation also makes recommendations for

- Improved implementation of the FTF program,
- More successful means of impact reporting and
- Enhanced utilization of volunteer specialists

The evaluator spent 10 days in the field carrying out interviews with clients from May 27-31, 1998 in Ukraine and June 1-5, 1998 in Russia. In Ukraine, interviews took place with project staff, clients around L'viv and in the Transcarpathian region near the Hungarian border. In Russia, interviews were conducted with project staff and with clients in Vologda and Kaliningrad.

The evaluator conducted a two and a half-day seminar with all FTF staff including those from the home office. The seminar focused on the history and background of the FTF program, improved understanding of USAID, its strategic objectives and results orientation, stronger development skills and management issues. The seminar reviewed recommendations and set out a timetable for their implementation. Following the seminar, the FTF staff broke into two teams and went to different regions to test and implement newly-learned skills and interview

additional partner institutions and clients themselves as part of the evaluation. A major outcome of the seminar was better team-building so that field and headquarters staff fully understand each other's roles and responsibilities for more effective FTF implementation.

The evaluator reviewed all relevant project documentation including work plans, quarterly reports, impact analysis and the subagreement with Future Farmers of America (FFA). In addition, Kathleen Fauth, Land O'Lakes Manager of Organization Development, conducted an internal assessment of FTF systems including selection of partners, fielding of volunteers, in-country management of volunteers, assignment follow up and reporting of results. In addition, her assessment analyzed the management of the FTF team, work plan implementation and budgeting. This assessment is integrated into this report.

III Observations

A Closed Systems

The evaluator found that a different agribusiness model appears to be evolving in Russia and Ukraine compared to firms observed several years ago in the region and with those in Eastern and Central Europe. Early in the NIS transition, there were "break off" farms from collective systems, quasi-privatized state farms and isolated private enterprises, often sold to directors and employees. In Eastern Europe, the pattern tended to be a rapid development of agribusiness by sectors where conditions were favorable (e.g., requiring little credit, mass privatization) such as small food shops, restaurants, bakeries, sausage making, etc. Because of privatization and emerging markets, these firms prospered in relatively open agricultural systems. In this context, many of these enterprises have backward and forward linkages for assured inputs and/or marketing, but they were also likely to depend on other specialized private firms for complementary services, inputs, etc.

In contrast, local agribusiness entrepreneurs in Russia and Ukraine refer to their private agricultural enterprises as "closed systems." A more accurate translation is "Closed Farm to Market Agribusinesses" in which forward and backward linkages are taking place solely within family-owned SME enterprises. This system appears to be developing because of

- The slow pace and incomplete privatization in agribusiness
- The insolvency of state or quasi-state enterprises and the lack of liquidity to pay for either inputs or the selling of products from private firms. Bartering appears to be one of the only options for private enterprises when dealing with such firms
- Lack of trust outside of family bonds
- Lack of credit that means family enterprises are built piece by piece based on private funds and profits

- Severe tax laws and corruption where financial books are not kept and in the case of Ukraine employees are hidden from inspectors
- Little outside assistance from other institutions (universities, consultants, business/farm groups, government agencies, etc) to assist private agribusinesses and create free market networks, and
- A mimic effect where closed systems most closely resemble the old command system as well as the lack of entrepreneurial experience with free markets (i.e., free and open markets reward specialization)

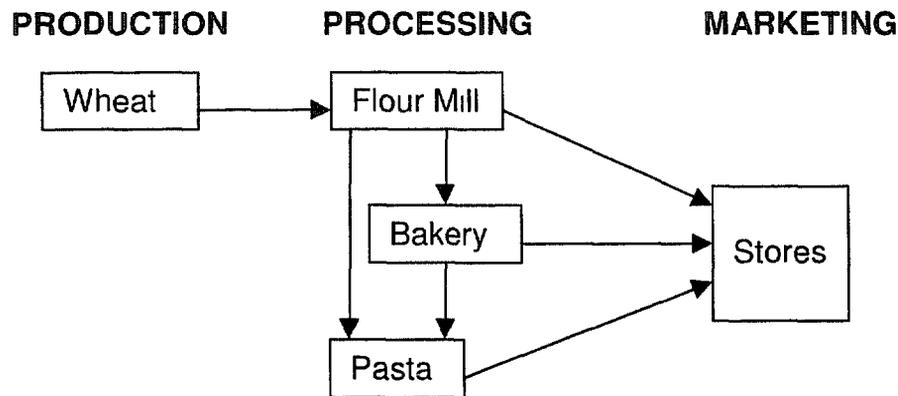
A characteristic in common among these closed systems is a market outlet. The direct marketing of agricultural commodities takes the form of restaurants, grocery stores, outlets and barter arrangements to exchange commodities for a broader range of products to market. The sequence of the development of the firms is

- An entrepreneurial farmer acquires machinery and land, the latter through renting of plots from pensioners and others for more efficient operations (Heavily subsidized credit at the on-set of privatization helped many of these farmers/entrepreneurs get started)
- Start up of a restaurant or grocery store, initially on the farm if located near a residential area
- Back and forward linkages to complete the system and lower operational costs such as a flourmill attached to the bakery to produce bread to sell at the shop
- As the enterprise develops, more marketing outlets are developed and profit driven back into the closed system
- In addition, the enterprise may have barter arrangements with state enterprises, for example, where feed is exchanged with a poultry plant for eggs that, in turn, are sold in the firm's grocery store

Based on the evaluation, it appears that more successful Land O'Lakes FTF interventions took place when they assisted private entrepreneurs to operate more profitably and efficiently within these "closed agribusiness systems" especially in expansion into new operations where the managers lack technical and management know-how. For example, an FTF volunteer helps an entrepreneur with the design and operations of his flourmill that is linked to the existing farm, bakery and consumer stores.

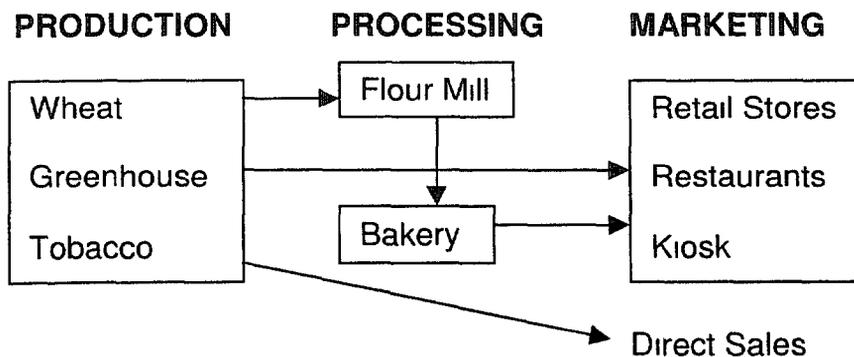
B Examples of Closed Systems

1 Leshko Bakery



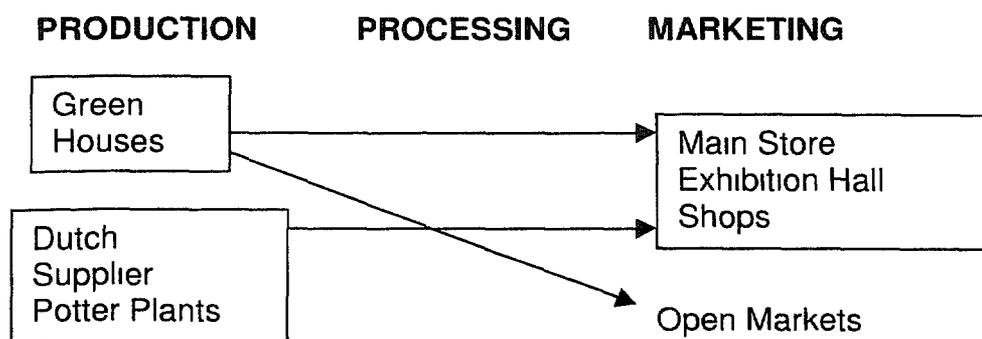
A local 150 member Baptist-farming community in the southwestern Ukrainian town of Veklyki Luchky acquired two used baking ovens from Austria in 1992. One of its members, Yuri Leshko, stepped forward to operate the bakery for himself and the community. Leshko acquired 71 hectares of land that is used mostly to cultivate spring wheat. His and other community members' wheat is made into bread that, in turn, is sold directly at an outlet in the bakery and to nearby towns. The bakery complex was recently expanded with a small flourmill that serves the bakery as well as other customers. Thus, the closed farm to market sequence is forward linkages from the farm to bakery and outlet stores, and then backward linkages to the flourmill with more processing for the farm. Leshko, next, plans to add pasta and milk processing to the closed system. In this case, a FTF volunteer dramatically helped expand bread production, reduced energy costs, improved bread quality and increased profitability that led to the closure of a nearby state bakery.

2 Shosh Agribusiness



The sequence of this enterprise, also in southwestern Ukraine, began with a 27.5 hectare farm initially in wheat production that was expanded through the renting of an additional 70 hectares. Because of lack of fertilizer and other inputs, the farm operations were shifted to focus on grape production and greenhouse operations (broccoli, peppers and tomatoes) that were more profitable. The farm opened two small stores, two restaurants and a kiosk to sell ice cream. A larger grocery store and restaurant were added to the operations and, then, a small bakery. Finally, two additional restaurants were opened and a small hotel is under construction. In this case, most of the linkages were forward from the farming operations and as operations became more profitable, additional direct retail opportunities pursued. Karl Shosh received two FTF volunteers in business planning and greenhouse operations, the latter results in new crops (broccoli), soil growing techniques and production of their own vegetable seeds. He also has benefited from the Land O'Lakes Western Ukraine Initiative.

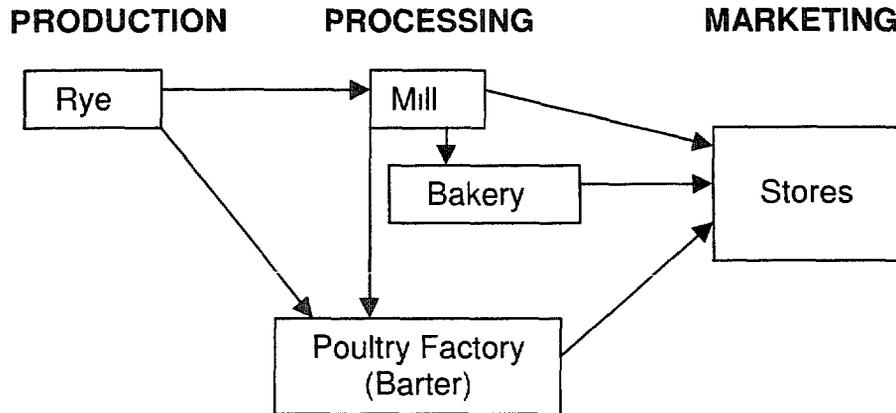
3 House of Flowers



Yelena Antypina operated a state-run vegetable greenhouse in Vologda, an overnight train ride north of Moscow and historic town dating from Ivan the Terrible. With the transition, he formed an agricultural corporation to acquire the greenhouse operations on behalf of its directors and employees. As greenhouses in the region began to go bankrupt, operations were shifted from vegetables to flowers. Antypina opened his own business, the House of Flowers that now markets 90% of the nursery production. It has a main store, three smaller outlets and he is planning to expand to nearby towns and establish commercial clients for flowers and landscaping. He has a commercial arrangement with a Dutch supplier for cut flowers and potted plants that also opened an exhibition hall at the greenhouse. A FTF volunteer provided extensive assistance in all aspects of nursery and flower operations – technical and management operations unfamiliar with the Antypina and his staff. The enterprise development sequence was a shifting from greenhouse production to nursery operations (higher value crops), opening marketing outlets, expansion into potted plants with a Dutch partner and, now, growth with shops in other towns as revenues grow and to start related enterprises such as commercial

accounts and events Business revenues grew from \$40 million rubles in 1994 to \$6 billion rubles in 1998

4 Verkhovazsk Millstones Cooperative



Seven farmers, north of Vologda in a small wood mill town, formed a true cooperative that combined their farm operations, opened a grocery store and began a bakery. The farms, owned by three brothers and four friends, produce rye and feed grains. They barter the feed grains with a state poultry plant in exchange for eggs that are sold at their store. With help from a FTF volunteer, they prepared a business plan and obtained a \$50,000 loan for a flourmill. With the flourmill, they are now processing their rye into bread and sell the byproduct back to the poultry plant as additional chicken feed under their egg barter arrangement. The mill provides 70% savings in their cost of producing flour for their bakery and sales.

C Focus of Future FTF Program

Assisting these closed agribusiness enterprises fits nicely with the types of technical assistance provided through the FTF program. The enterprises are opening up businesses with which entrepreneurs are unfamiliar and need technical and management assistance. Funding for implementing recommendations is available from profits and family sources, though some help can be directed at donor funding such as the Russian-American Enterprise Fund. Since these operations are already in place, entrepreneurs know what next steps they are interested in undertaking and are ready to make changes. In interviews, these agribusiness leaders indicated that there were from five to ten similar enterprises in their regions.

In discussions with John Thomas of USAID/Russia, he indicated that the mission was interested in a more focused FTF approach with fewer implementers. Other

mission projects in farm credit and state farm restructuring have not been as successful as expected given the slowness of basic reforms

BHR/Office of Private and Voluntary Cooperation may want to further explore further this focus. The observations are based on a small sample and in only two NIS countries. More exploration of the evolution of private agribusinesses in the NIS needs to be undertaken.

IV Project Impacts

Given the systematic under-reporting of impacts, Land O'Lakes FTF staff is resubmitting and updating their data from October 1, 1996 until the current quarter. See appendix 1.

The evaluator found the following impacts in the field visits:

Leshko Bakery in TransCarpathian Region, Ukraine

The Leshko Bakery demonstrates the impacts that a FTF volunteer can make. This Baptist community has given a commercial oven from their brethren in Austria. Land O'Lakes sent Trevis Gleason to help the manager, Yuri Leshko, with its operations. Trevis Gleason provided advice that (1) improved the mixing of yeast and water for higher quality dough that rises faster, (2) suggested the addition of salt so the gluten forms more quickly and (3) dramatically increased output through more efficient bread placement (from 90 to 150 loaves), changes in worker shifts (23 employees, two shifts) and energy efficiency (more production at peak hours). As a result, sales increased 15% and revenues by \$33,000. In addition, the volunteer helped establish contacts to purchase a flourmill that now produces 32,000 kilograms of flour monthly from Leshko's own 71 hectare wheat farm and increases the retail value of his bread operations by over \$10,000 monthly. Today, the operation represents a full cycle: wheat production, flour milling, bakery/pasta and outlet store. Soon, he plans to begin milk processing including yogurt and sour cream. See fuller write up as case study in appendix.

Shosh Agribusiness in Transcarpathian Region, Ukraine

Without any farming background, Karel Shosh convinced five farmers to get together and purchased a farm that has been transformed into a diversified agribusiness. The farm produces tobacco, greenhouse vegetables and grapes. The sequence of development is (1) purchase 27.5 hectare farm, (2) lease additional 50 hectares (tobacco, vegetables and wheat), (3) shift to more profitable grapes and vegetables, (4) open two small grocery stores and two small restaurants, (5) began an ice cream kiosk, (6) open large grocery store, (7) open big restaurant, (8) start a bakery, (9) add two smaller restaurants and (10) operate a small hotel. The firm has benefited from two FTF volunteers, a reverse

FTF visit to the U S and has been involved in the Western Ukraine Initiative (seminars, use of Polish consultants and a marketing trip to Hungary) As head of a farmers association, Karel Shosh has shared these experiences widely in the district While difficult to quantify the impacts, the FTF volunteer helped in high value vegetable and seed production that helped launch the entire enterprise Financial data is difficult to track through these inter-locking businesses and books are kept hidden due to high taxes and corruption For example, the firm has to "pay off" 22 inspectors and local police either in cash or through free meals

Povernennya Agribusiness in L'viv Region, Ukraine

Yaroslav Shakalo is a born engineer His farm is littered with machinery and equipment from the old collective once written off as junk —an old bus used as a supply transport, a large UMZ-6 tractor, two combines, a dump truck, saw mill, drill, etc Extremely entrepreneurial, he is building a diversified operation with a brother-in-law and other friends from the village Unfamiliar with farming, he needs all the help he can get, so Land O'Lakes in January 1998 sent Jeff Adelmann, a greenhouse expert, to help him in vegetable production While plans are being finalized for a greenhouse, Shakalo has already implemented many of the recommendations (1) to get out of the cattle and hog business because feed is costly and livestock raising is not profitable, (2) began rotation of crops and increased fertilizer where he has already gotten a five ton production increase from last year, (3) begin to use improved pesticides, (4) build a smaller greenhouse with energy efficient plastic for more efficient operations and (5) shift from barley to oats based on soil analysis where he expects to get a 50% to 60% increase in revenue this fall Shakalo is the pillar of his village and wants to start a cooperative for marketing and to lease out farm equipment he has rebuilt

Stremilche Agribusiness in L'viv Region, Ukraine

USAID contractors helped privatize a huge state farm in 1997 with over 1,000 workers The biggest problem for these newly private farmers is to establish marketing channels In response, Land O'Lakes has followed up by sending FTF volunteer, Terry Bell on two assignments to provide technical assistance and marketing advice to Strmilche agribusiness (an informal arrangement with 140 owners) in beef, hogs and vegetable operations Through helping with prepaid and new contracts, the firm has made \$25,000 in vegetable sales (green beans, cabbage and carrots) by responding to market conditions that otherwise would not have taken place On the second visit, Terry Bell helped the firm make \$10,000 in up front sales where previously payments were delayed by months and arrange for \$36,000 in sales to a beef wholesaler

Horachek Agribusiness in L'viv Region, Ukraine

Myroslave Horachek operated a privatized grocery store and recently expanded his operations through purchasing a 26-hectare farm in grain, vegetable, dairy and pork production. In September 1997, FTF volunteers Lee and Judy Stadnyk provided assistance to the family farm in the feeding and nutrition of dairy cattle, forage, ration balancing, ways to increase herd size, on-farm processing of milk and herd genetics. As a result, dairy production increased by 15% with revenues of over \$3,000 in four months. The volunteers also helped them process raw milk into cottage cheese and sell it in their retail store that has increased revenues by \$50 a month. See fuller write up in appendix.

STOO Tsvety (House of Flowers) in Vologda, Russia

The House of Flowers was originally a state farm with green house operations. Oleg Yevgenievich Nikitin, the former greenhouse manager, began a family company in partnership with the greenhouse to sell fresh cut flowers. His wife, daughter and son-in-law are the backbone of the company, each of whom has an artistic background important in flower arrangements. Nikitin turned the greenhouse operations from a losing vegetable into a profitable flower operation, other greenhouses in the region went bankrupt. Russians highly value flowers for everyday and special occasions. He opened up a store and several outlets, and entered into a joint venture with a Dutch supplier in potted plants for sale in the shops and at an exhibit hall at the nursery. Oleg Nikitin was not familiar with nursery operations and turned to Land O'Lakes for assistance. John Gerten, owner and operator of a successfully family-owned greenhouse and garden center, provided technical assistance in December 1997.

The first recommendation they agreed to was to hire a young manager, right out of the military, who is a "new Russian not spoiled by the old system." Basically, Gerten left a detailed list of management, marketing and technical recommendations that are being implemented one by one. Nikitin said that Gerten "revolutionized our way of thinking." For example, by shifting work schedules (cutting flowers everyday, not just on weekdays), there was an immediate increase in productions. New flower varieties, double plastic insulation, advertising and other changes have increased sales from 40 million rubles in 1994 to 6 billion rubles expected at the end of 1998. Gerten's suggestions account for half, or 3 billion rubles in this increase.

The greenhouse manager has implemented 14 of the 35 recommendations so far including (1) measurement of potassium levels, (2) increased lighting for lilies, (3) better indoor varieties of roses and chrysanthemums, (4) increased temperature and more minerals for lilies and roses, (5) additional fertilizer on sunny days, (6) use of tomato plants to measure air quality, and (7) installation of back up heaters if boiler fails. When asked what was the most important recommendation, he said "It is a new attitude towards your job and work."

Verkhovazhsk Millstones in Vologda Region, Russia

Seven farmers organized a private cooperative in the summer of 1997 to expand their rye operations by opening two grocery stores, a bakery and lumber mill. The cooperative bartered feed with a state poultry plant in exchange for eggs. The next local step was a flourmill and they turned to Land O'Lakes for technical advice. Glenn Babcock met with the members and taught them about cooperative management and operations, new planting technologies and helped prepare a business plan to get a \$50,000 loan from the Russian Farmers Fund to acquire a flourmill. The cooperative bought a building and renovated it for the mill that just began operations. The mill has a daily capacity of 360 kilograms for direct sales to customers. It also will save the cooperative members 70% of their processing costs, substantially lower inputs for the bakery, and increase profits in selling bread at their stores.

Kaliningrad Institute of Retraining and Agribusiness, Russia

Land O'Lakes has established an institutional partnership with the Kaliningrad Institute in which several volunteers have provided technical assistance to graduates and helped the institute itself develop fee-based training. FTF Volunteers helped leverage a \$25,000 grant from the Eurasian Foundation that, in turn, has increased their fee-based courses to cover 80% of the budget (\$92,000 out of \$150,000). This shift to fee-based training is critical because their federal subsidy is rapidly decreasing.

Land O'Lakes has worked with the institute to identify FTF assignments including a recently successful effort to begin fish farming. Volunteers also offer courses there to spread the benefits of their training. See more detailed write up in the appendix.

V Project Design

A Program Focus

From the onset of the program, Land O'Lakes focused its FTF assignments on private agribusinesses and farmer groups. It has developed strong design systems to identify these clients and provide them with top-flight technical advice. This approach is consistent with Land O'Lakes development expertise as an integrated farm to market cooperative.

Land O'Lakes also has established strong partnerships with local institutions in Ukraine and Russia for the initial screening and selection of clients. These partners provide the "eyes and ears" to locate potential partners. They also represent long-term partnerships that will remain after the FTF projects ends and provide a "spread effect" by extending the advice of FTF volunteers to similar clients.

Land O'Lakes looks for potential partnerships based on the following criteria

- Progressive reform-minded leadership
- Extensive contacts with private agribusinesses and farmers
- Ability to advocate and advance progressive policy for private agriculture
- Reliability to helping with volunteer logistics and follow-up, and
- Collegiality

They avoid partners who lack strong interest in promoting the program, are not trustworthy, have different goals (e.g., investment, not technical assistance), lack strong grassroots and are corrupt (e.g., some officials expect bribes)

Land O'Lakes has demonstrated an ability to leave regions (e.g., Tula) where private agriculture is progressing slowly and shift to more progressive areas where clients can lead the way to broad-based agricultural reforms. They have continued to zero in on strong local institutional partners in regions where widespread impacts are possible and disassociated themselves from groups that have become less effective (e.g., National AKKOR)

Land O'Lakes should give more attention to strengthening its institutional partners and use volunteers to train trainers and carry out fee-based seminars or courses for additional clients to broaden impacts and increase revenues for sustainability

B Institutional Partnerships

The evaluator met with three of these institutional partners: two private institutes in Russia that carry out fee-based training (Vologda & Kaliningrad) and the head of a local agricultural office who works with a part-time project assistant in Transcarpathia in Ukraine. In each case, the leaders were progressive and genuinely interested in promoting private agriculture. They saw the FTF program as a means to build credibility and expand their own fee-based services for sustainability.

An example is the Kaliningrad Institute of Agribusiness

Agricultural education in the former Soviet Union conformed to centralized command systems. The approach tended to provide producers with only production training and no input into the training curriculum. Professors and trainers had little contact with producers where education and training was provided to managers who then directed production activities. With the transition, people outside the old system had no training opportunities.

In the old Prussian territory of Kaliningrad, there is an island of Russians cut off from the Russian Republic. Due to their location next to Poland,

Lithuania and Belarus, they are experiencing more international competition than other Russian regions, especially in agriculture. This has resulted in the displacement of local goods and the failure of enterprises unable to compete with lower cost imports.

The Kaliningrad Institute of Agribusiness is working with Land O'Lakes FTF program to directly reach newly emerging agribusiness leaders and producers. FTF volunteers helped the institute obtain a major grant from the Eurasian Foundation to provide new types of training courses to help agribusinesses in the transition to a market economy. FTF volunteers helped put in place training courses on how to restructure state farms and marketing.

Because of Land O'Lakes, the institute is able to leverage resources from the German government and has begun fee-based courses, thus, it is becoming less dependent on declining government subsidies. The institute has moved from 100% dependence on the Russian government to only 20% today, the remainder from non-government sources. See fuller write-up in appendix.

At the workshop, Land O'Lakes staff agreed to formalize their institutional partnerships with memoranda of understandings, shift more programmatic responsibility to these partners, and utilize the partners to provide greater impacts and sustainability. This is consistent with PVC's emphasis on cooperative/NGO partnerships.

C Clients/Partners

In selecting clients, Land O'Lakes seeks open-minded and aggressive managers, carefully defined technical assistance needs based on successful interviews, and a strong focus on willingness to change to assure implementation of recommendations.

To identify volunteers, Land O'Lakes has found that the following qualities enhance success: resourcefulness, previous experience in region and a strong knowledge in consulting subject. Land O'Lakes is creating a "golden" file of their best volunteers who are willing to carry out repeat assignments.

Successful projects involve a good match with FTF volunteers and clients based on strong documentation (Scope of Work for the assignment, good preparation in advance of the assignment and experienced interpreters).

Land O'Lakes has had negative experiences when volunteers lack any international experience, were not properly prepared for an assignment and host organizations proved unable to implement recommendations.

At the workshop, the FTF staff decided that they should lengthen the consulting period for volunteers to enhance impacts. New assignment procedures will

- Set a three-week standard for assignments
- Create assignments with a primary client (two weeks) and a secondary client (one week especially to follow up with previous clients and/or seminars with partner institutions)
- Encourage spouses to accompany volunteer when assignments are for four weeks and two assignments are developed for each volunteer
- Seek long term volunteers both from the U S and Americans in country (the latter include USDA volunteers, agricultural/business graduate students and others who want some practical experience)
- Explore current and former Peace Corps volunteers willing to extend their assignments by working as FTF volunteer

VI Project Implementation

A Strategic Objectives

The Land O'Lakes project is achieving USAID strategic goals and objectives at the mission and the Office of Private Voluntary Cooperation. The FTF project advances the USAID/Russia and USAID/Ukraine strategic goal of "economic restructuring and their strategic objectives for "accelerated development and growth of private enterprises." The intermediate results are support for private SMEs

For PVC, the project is achieving the multiple results as identified in its reporting format that derive in part from the FTF legislative mandate. More specifically, the FTF program has strengthened Land O'Lakes as an international oriented cooperative through providing an opportunity for its employees and members to volunteer for overseas assignments. More than any other USAID program, FTF is helping change the culture of Land O'Lakes into an international organization

Moreover, the Land O'Lakes project is successfully creating strong local NGOs and institutional partnerships, leveraging additional resources and educating the American public on foreign assistance – major PVC objectives and intermediate results

In discussions with John Thomas of USAID/Russia, the evaluator found that the mission and PVC place a different emphasis on results. The mission tends to be more interested in SME formation and development, while PVC is more concerned about developing sustainable partnerships with local NGOs. The different strategic visions could be better blended by revised reporting approaches. In this case, Land O'Lakes should provide the missions with distinct information on how FTF is achieving SME development. Direct reporting to the missions would help make the Farmer-to-Farmer Project more relevant to

mission strategic objectives. In addition, it may make it easier to place the Farmer-to-Farmer Program in their country contexts since the mission may be focusing on different aspects of agriculture (e.g., land reform and privatization)

Both the Russian and Ukraine missions want less FTF information than provided to PVC and more targeted results impacts towards achieving their strategic objectives in SME development

B Project Methodology

The evaluator found that the Land O'Lakes methodology is similar to other FTF implementers. There are two reasons for the similarity. The nature of FTF places opportunities and constraints on programming options. Second, the implementers have frequently interacted, learned lessons from each other and worked under the same PVC management, direction and reporting formats

The methodology includes

- Identification of potential clients where volunteer technical assistance can have impacts
- Focus on down stream activities (processing and marketing)
- Strong recruitment network and as many experienced volunteers as possible for repeat assignments
- Multiple and repeat FTF volunteer assignments to the same organization or agribusiness for sequenced technical assistance as earlier recommendations are implemented
- Leveraging of impacts with other donors and funding sources
- Strong broadcasting of impacts through seminars, group meetings and other ways to broaden the impact beyond a few beneficiaries
- Excellent local staff who are development professionals, not merely providers of logistics or translation
- Strong institutional partners for more sustainable results (transfer of information and technologies to local institutions)

Since Land O'Lakes is operating the worldwide program through partner institutions (without expatriate staff), there are opportunities to share these approaches and to compare the advantages of disadvantages of them

At the workshop, FTF staff found that the "closed system" concept helped crystallize their own thinking and provides a framework for helping the entire firm, not just individual enterprises within the system. Impacts are greater because one operation helps the whole enterprise develop and grow. Often, entrepreneurs need technical assistance because, while they may be familiar with one type of operation, they need help in putting in place additional unfamiliar operations

This approach is particularly consistent with Land O'Lakes as a farm to market cooperative with strong expertise that can analyze the interlocking components of the enterprises. Through better analysis of the evolving enterprises, Land O'Lakes can better sequence technical assistance. This focused attention to private "closed system" agribusinesses also makes it possible to provide more generic assignments that emphasize business planning, finances and marketing – all needed to manage such complex operations. This focus is not to exclude other enterprises or partnership institutions (fee-based training) where impact opportunities exist.

VII Project Management

A Project Administration

The Land O'Lakes FTF program has developed unique administrative approaches based on corporate models, its development culture and the people-to-people nature of FTF.

Land O'Lakes has strong selection criteria and has shifted responsibility for this process from expatriate to local staff. Land O'Lakes has moved experienced interpreters into project coordinators who help identify clients. Local staff is more able to determine which clients are strongly motivated to participate and willing to implement recommendations towards achieving stronger impacts.

Land O'Lakes has strengthened its application process by preparing fact sheets about the program and concerning frequently asked questions to complement application forms. Through the application form and organizational files, Land O'Lakes is able to gather a stronger database and to provide better information to volunteers prior to assignments. In some cases, volunteers have asked for more extensive information. The evaluation found that more information should be included in the Statement of Work for volunteers and more background information on host organizations as is reasonable.

Land O'Lakes has a strong volunteer fielding network and is able to provide a surprisingly wide range of expertise. The briefing and debriefing process seems to work well (both a briefing from headquarters and on arrival in the field). Volunteers are provided a briefing book on generic information about the project, assignment, reporting requirements, cultural information and security tips. At the workshop, there was concern expressed about providing longer lead times (two months) for recruitment of volunteers. Land O'Lakes is developing a new database system that will better track volunteers and assignments (RELMBS). Travel and assignment logistics are carried out well. Land O'Lakes has maintained a steady cost per volunteer assignment at about \$12,000. Given the size of the program, this is a reasonable ratio of overhead to volunteer costs. However, Land O'Lakes can improve on its cost per volunteer.

by extending the length of volunteer assignments so that they can complete one or more assignments with clients

Currently, volunteers prepare reports on their return to the States. This can result in delays in communicating with clients and uncertainty by project staff on expected outcomes. The evaluator suggests that a draft report with key recommendations should be prepared prior to volunteers departing the country as part of the debriefing process.

B Achieving Work Plan Targets

The evaluator reviewed the FY 1997 and 1998 work plans. They tend to be general given the nature of the FTF program that seeks to place volunteers with agribusinesses on a one-on-one basis. The most relevant part of the work plan is the targets that can help measure progress in key areas of interest to USAID. However, it is difficult to predict outcomes as proposed in the work plans.

Given the under-reporting of impacts, it is difficult to make judgments on whether or not Land O'Lakes is meeting its targets. Once this data is corrected, the evaluator expects that Land O'Lakes is exceeding targets in the plan.

Under the new FTF team management, they propose to better monitor process to the work plan. Targets and project outcomes will be reviewed periodically to see if the plan is on track.

C Quality of Quarterly Reports

Land O'Lakes FTF staff has been consistently under-reporting impacts of their project activities. This is because centralizing impact reporting in Arden Hills either edited or otherwise assembled data, did not reflect the full range of impacts.

There has been a dramatic under-reporting of financial leveraging because staff lack training in how to gather and quantify financial impacts and focused exclusively on specific volunteer recommendations, rather than broader and often serendipitous impacts. FTF staff did not adequately take into consideration in-kind contributions. Further, staff did not fully account for financial impacts, for example, reporting on financial impact of flourmill and not taking into account additional financial impacts of processing flour at related bakery and selling bread at enterprise-owned stores. In many cases, firms were unwilling to provide financial data, though proxy and other methods could derive this information.

In addition, impact reporting focused too narrowly on enterprises and did not reflect larger trends, contextual information and broader impacts through dissemination to like-minded agribusinesses and leaders or via partnerships with host organizations.

Land O'Lakes FTF staff did not fully understand the distinctions between inputs, outputs, intermediate results, etc. Too much reporting tended to be enterprise specific rather than demonstrating how the project was achieving intermediate results and strategic objectives.

FTF staff also had been given different signals from different AID officials: some of whom thought recent reports were good, others who wanted less data and still others who wanted more data. FTF staff did not understand the different level of data and purposes to which the data was being used by PVC and the missions.

Furthermore, FTF staff relied too heavily on written reports and did not provide sufficient oral reports to mission staff on project activities and impacts.

The evaluator assisted and helped train FTF staff in the gathering of impact data through the interview process with clients during the evaluation. Further, the FTF team spent time reviewing impact data methodology and took a field trip after the workshop to practice these new techniques.

At the workshop, the FTF team decided to review their impact reporting and resubmit reports within the FTF reporting format to correct this error. Land O'Lakes has resubmitted this data in the appendix.

A new reporting format will be prepared with examples of good impact stories, and more diagrams to understand the enterprises and how volunteer assignments impact the entire company, not just a single element of it.

Longer and more detailed quarterly reports will be provided to PVC and shorter, more focused reports to mission staff.

Finally, Land O'Lakes senior management has decided to put in place an organization-wide monitoring and evaluation system. In this process, all Land O'Lakes staff will be trained in AID's new results management systems. Workshops of Land O'Lakes field staff will assist them in carrying out better monitoring and reporting of results.

D Coordination of Field and Headquarter Staff

Among implementers and within Land O'Lakes, the FTF team has launched an experiment as a "self-directed" team similar to workers cooperatives. Since this is a new management approach, the workshop provided an opportunity to refine it and assign roles and responsibilities to team members, appropriate to their skills and interests.

The following changes were agreed to:

- Shift impact reporting to the field
- Assign Russian project leader to manage subcontract with FFA
- Stronger field input into the agenda for monthly team meeting conference calls
- Improve content of monthly meetings (more substance, less irrelevant discussion)
- Integrate local staff into the team
- Strengthen six month “rolling” management calendar for everyone on the team
- Provide resumes of the best volunteers to the field in key areas of business planning, finance and marketing
- Follow-up assignments from the workshop
- Exchange of FTF staff between Ukraine and Russia to share perspectives and lessons learned

The evaluator recommends a stronger linkage between the FTF program and the Western Ukraine Initiative. There was some apprehension on whether these programs can be integrated because of different programming, reporting and funding sources. Yet, the two programs have overlapping expatriate staff and are targeting the same enterprises. Closer coordination of the two projects can enhance both.

E Cooperation With Other Organizations and Donors

The evaluator found that there was strong coordination with other organizations and donors. The coordination will become stronger in Russia with other U.S. PVOs through the recent co-location of the office with the Citizen Democracy Corps and its U.S. and host partners.

In Ukraine, there appears to be some overlap with other FTF implementers that seek to place volunteers managed from Kiev in the L'viv area where Land O'Lakes programs are concentrated. On the other hand, FTF volunteers in Ukraine have carried out follow-up assignments from previous USAID funded activities (e.g., state farm restructuring). The Ukraine program also works well with its PHARE counterparts.

The Russian and Ukraine FTF staff has strong working relationships with local partners and other implementers. In general, the evaluator found that there are stronger institutional partners in Russia than Ukraine, and more opportunities to leverage FTF efforts.

F Outreach by Volunteers

Land O'Lakes has under-reported the outreach efforts by its volunteers. For the evaluation, 14 volunteers were interviewed. Based on this sample, volunteers average 5 presentations each. This data suggests that 200 Land O'Lakes FTF

volunteers have performed outreach activities including about 80 media events and 1,000 presentations

Most volunteers have given presentations to church groups. Rotary, Lyons and Kiwanis Clubs are the next most frequent organizations where volunteer have discussed their assignments and experience. Some volunteers have made presentations to industry groups such as dairy processors, vegetable growers, young producers, sheep producers and others. A number of college professors have used information from their assignments in their classes. In addition, presentations have been made to employee groups including those at Land O'Lakes headquarters, facilities, etc

Media events include a nine-minute video on PBS, a copy of which is attached. Volunteers often provide radio and local newspaper interviews. Land O'Lakes has a file of these stories.

Given the importance of outreach to PVC, Land O'Lakes staff will be carrying out more follow-up calls to volunteers. The evaluator also recommends that Land O'Lakes prepare a generic video on Russian and Ukraine agriculture that can be customized by volunteers for community presentations. Additional guidance would be useful to make presentations easier to make and more opportunities can be sought for presentations within the Land O'Lakes network.

VIII Monitoring and Evaluation

As a USAID development partner, Land O'Lakes has excellent project monitoring and evaluation systems in place. They are in the process of putting in place an organization-wide monitoring and evaluation system as a management tool and to accumulate impacts across all projects.

As a result of the workshop and internal discussions, the following improvements are being implemented:

- Focus on the larger picture and set goals for the FTF program in Russia and Ukraine as one team
- Improve budgeting processes and gain a better understanding of Land O'Lakes budgeting and financial controls (Russian FTF just completed training by Land O'Lakes internal auditors)
- Strengthen systems and ways to monitor volunteer outreach activities
- Better track targets in work plan when preparing quarterly reports (and adjust with PVC as appropriate)
- Strengthen relationships with USAID mission staff through better system of reporting consistent with their mission objectives, and carry out more oral briefings
- Better monitor subcontract with FFA and, if not achieving results, terminate it

IX Summary of Recommendations

- 1 USAID should consider refocusing the FTF program in the NIS on emerging private agribusinesses that can be described as "closed farm to market systems" More research should be carrying out to confirm this private agricultural trend in Russia, Ukraine and other NIS countries
- 2 Land O'Lakes should test focusing on the "closed system" agribusinesses over the next year as a way to bring greater coherence to its program, and as a distinct contribution to the overall FTF program
- 3 PVC should consider changing its reporting processes to relate FTF assignments more closely with mission IRs and SOs There is a natural fit between PVC's SO and IRs and more specific SME IRs at the missions
- 4 Land O'Lakes is dramatically under-reporting impacts Impact reporting should be shifted to the field, new techniques employed to get results data and a new format prepared for the quarterly reports Land O'Lakes should correct and resubmit FTF data from October 1996 until present More detailed impact results should be prepared as case studies
- 5 Land O'Lakes should develop new models for reporting results that fit more closely with mission and PVC intermediate results (IRs) and strategic objectives (SOs) Separate quarterly reports should be prepared for the missions that focus on ways the FTF programs achieve their SOs (e g , SME formation and growth)
- 6 Land O'Lakes should give more attention to strengthening its institutional partners in which FTF volunteers carry out train the trainers and seminars as part of fee-based programs, and assist them in leveraging additional resources to be able to continue consulting services after the FTF terminates Land O'Lakes should formalize these partnerships with memoranda of understanding
- 7 Land O'Lakes should seek longer FTF assignments and achieve an average that is greater than three weeks
- 8 Land O'Lakes should provide more information in its SOWs for volunteers Land O'Lakes also may want to encourage volunteers to write their reports or a good summary of the recommendations while in the field
- 9 A number of management changes that the team agreed to at the mid-term evaluation workshop should be implemented, including stronger linkages with the Western Ukraine Initiative, more involvement of local staff in team, closer management of FFA subcontract, exchange of Ukraine and Russia staff, etc

- 10 Land O'Lakes should strengthen its FTF volunteer outreach programs including preparation of generic FTF handouts and a video for presentation to local community groups

Appendix #1

Revised and Updated Impact Data

**LAND O'LAKES, INC
 FARMER TO FARMER (FTF) IN THE NIS PROGRAM
 IMPACT INDICATOR MONITORING
 YEAR 6, QUARTER 3**

The numbers in the column entitled This Reporting Period for the following tables have been adjusted to reflect data for the period April-June 1998 and also data for years 4-6 that were not captured in previous reports

Table I Institutional Partners

Indicators	Previous Total	This Reporting Period	New Total
Number of FTF Implementor/Institutional partnerships	7	9	16
Number of FTF Implementor/U S organization partnerships	11	6	17

Table II FTF Host Organizations

Indicators	Previous Total	This Reporting Period	New Total
Number of hosts with first-time FTF assignments	41	7	48
Number of FTF implementor/host organization partnerships	21	7	28
Number of FTF facilitated U S organization/host organization partnerships	8	3	11
Number of host organizations that have graduated	0	0	0
Number of inactive host organizations	8	-4	4
Total number of host organizations	70	10	80

Note The number of inactive host organizations has been adjusted down due to adopting a more narrow definition of inactive host organizations

**LAND O'LAKES, INC
NIS FARMER TO FARMER PROGRAM
IMPACT INDICATOR MONITORING**

TABLE III Improved Mobilization of Resources by PVC's PVO Partners

Indicators	Previous Total	This Reporting Period	New Total
Est value of FTF volunteers professional time	\$118,480	\$1,300,095	\$1,418,515
Est value of resources leveraged by FTF implementors, U S partners, hosts and volunteers	\$7,638	\$201,412	\$209,050
Number of host organizations assisted in mobilizing resources	3	3	6
Value of resources mobilized by FTF host organizations	\$68,000	\$70,500	\$138,500

Note The value of FTF volunteers' time and the value of resources leveraged were greatly under-reported before The Land O'Lakes team exerted concerted effort in the last quarter to value resources that were previously omitted or overlooked This effort will continue and the next report will likely reflect further upward adjustments

TABLE IV U S Public Awareness Raised

Indicators	Previous Total	This Reporting Period	New Total
Number of FTF volunteers who have performed public outreach activities	16	184	200
Number of media events by implementors and FTF volunteers	19	69	88
Number of group presentations by implementors and FTF volunteers	54	446	500

Note The new totals in Table IV are estimates based on a recent phone survey of volunteers who traveled on assignments in years 4-6

LAND O'LAKES, INC
NIS FARMER TO FARMER PROGRAM
IMPACT INDICATOR MONITORING

Table V Summary of Primary Strategic Objectives for Host Organizations

Indicators	Previous Total	This Reporting Period	New Total
Number of host organizations with Broad-Based Economic Growth as the primary objective	68	6	74
Number of host organizations with Sustainable Environmental Use or Protection as the primary objective	1	0	1
Number of host organizations with Building Sustainable Democracies as the primary objective	1	4	5
Total number of host organizations	70	10	80

TABLE VI Strategic Objectives for Broad-Based Economic Growth

Indicators	Previous Total	This Reporting Period	New Total
Number of host organizations with production increases over pre-project levels	15	4	19
Number of host organizations operating with increased efficiency	19	(-3)	16
Number of host organizations adopting innovative practices	12	4	16
Number of host organizations with increased financial performance	10	14	24
Number of host organizations with increased foreign exchange earnings	0	4	4

Note The negative number in Table VI is due to shifting some host organizations from the objective of "operating with increased efficiency" to "increased financial performance" There were similar shifts for organizations amongst the other categories Some organizations do occur in more than one indicator

TABLE VII Strategic Objectives for Sustainable Environmental Use or Protection

Indicators	Previous Total	This Reporting Period	New Total
Number of host organizations with improved waste or pollution management	2	3	5
Number of host organizations with improved management of natural resources (soil, water, forest, grazing lands, national park land, etc)	4	4	8

**LAND O'LAKES, INC
 NIS FARMER TO FARMER PROGRAM
 IMPACT INDICATOR MONITORING**

TABLE VIII Strategic Objectives for Building Sustainable Democracies

Indicators	Previous Total	This Reporting Period	New Total
Number of host organizations that were created with FTF assistance and that are operating with democratic principles (i.e. transparency, accountability and rule of law)	1	1	2
Number of host organizations that have expanded membership	3	2	5
Number of host organizations providing new or improved services to members (advocacy, newsletters, etc)	2	4	6
Number of host organizations with improved policies for functioning of grass roots, democratic organizations	0	2	2

TABLE IX Objectives for Change in Knowledge through Training

Indicators	Previous Total	This Reporting Period	New Total
Number of host organizations with Change in Knowledge through Training as an objective	11	1	2
Number of host organizations with new courses or new subject matter for courses	7	1	8
Number of host organizations with improved training materials and skills	7	2	9
Number of persons trained with FTF volunteer assistance	108	1,466	1,574
Number of host counterparts trained in U S Reverse FTF and all other U S training/exchange programs	0	32	32

Note The large increases in the last two categories of Table IX are due to the Land O'Lakes' FTF team's efforts in the past quarter to count persons trained in years 4-6 who were previously omitted or overlooked

6/2/03

Attachment A

FARMER TO FARMER PROGRAM IMPACT REPORTING (October 1 1996 December 31 1997)

Table I Institutional Partners

Indicators

This
Reporting
Period

a Number of FTF Implementor/Institutional partnerships *

- 15
- #1 Ryazan Agricultural Academy
 - #2 All Rusia Agricultural Correspondence College
 - #3 Polesk Agricultural Vocational School
 - #4 MASHA Moscow region Sheep Producers' Association
 - #5 Kaliningrad Institute of Agribusiness
 - #6 Krymsk Technical College
 - #7 Ivanovo Agricultural Academy
 - #8 "Niva" Agricultural Cooperative
 - #9 Verkhovazhsk "Millstones" Agricultural Cooperative
 - #10 "Sotrudnichestvo" Agricultural Cooperative
 - #11 Center for Privatization
 - #12 Lviv Institute of Management
 - #13 Lviv Oblast Branch of Association of Private Farmers
 - #14 NewBiz Net
 - #15 Ukrainian State Fund for Farm Support

b Number of FTF Implementor/U S organization partnerships

- 15
- #1 Western Illinois University (John Carlson)
 - #2 Peace Fleece (Peter Hagerty)
 - #3 Morgan Community College (Larry Propp)
 - #4 Wil Mar Enterprises Inc (William Behrens)
 - #5 St Cloud State University (Thom Belich)
 - #6 John Parsons (what is his University?)
 - #7 Farm land Cooperative (Glenn Babcock)

- #8 Purdue University (Charles Felkner)
- #9 High Motivation Design Group (Jayme Feary)
- #10 CIME
- #11 CNFA
- #12 FFA
- #13 International Executive Service Corps
- #14 Peace Corps
- #15 Ukrainian Canadian Business Centre

*Institutional partnership is defined as a local/indigenous organization organized either formally or informally. Institutional partnerships include cooperatives, quasi-government organizations and educational organizations.

Table II FTF Host Organizations

Indicators

This
Reporting
Period

a Number of hosts with first time FTF assignments
29

- (Ukraine 1 Community Canning Center
- 2 Druzhba Agricultural Enterprise
- 3 Halychyna Agribusiness
- 4 Hlahola Farm
- 5 Horachek Agribusiness
- 6 Hut Agribusiness
- 7 Kalushsky Brovar JSC
- 8 Kohut Agribusiness
- 9 Kovacs Bakery and Farm
- 10 Leshko Bakery and Farm
- 11 Lukomsky Farm
- 12 Mukachevo Agricultural School
- 13 Mukachevo Professional Technical School
- 14 Mykytchyn Farm
- 15 Neresen Butcher Shop and Farm

16 Peremyshlyany Food Processing Plant

17 Slyusar Farm

18 White Church Technicum of Meat and Milk Processing

b Number of FTF implementor/host organization partnerships *
18

#1 Ryazan Agricultural Academy

#2 All Russia Agricultural Correspondence College

#3 MASHA Moscow region Sheep Producers' Association

#4 Vologda AKKOR

#5 Coop "Mostok"

#6 TOO "Tatlaras"

#7 Melnik farm

#8 Kaliningrad Institute of Agribusiness

#9 Niva Cooperative

#10 Ivanovo Ag Academy

#11 Polessk Vocational School

#12 V Marin's Farm

#13 Malashivsky Agribusiness

#14 Povernenya Farm

#15 Shosh Agribusiness

#16 Stremilche Agribusiness

#17 Yavir Agribusiness

#18 Simferopol Academy of Humanitarian Sciences

c Number of FTF facilitated U S organization/host organization partnerships **
8

#1 Western Illinois University/ Ryazan Agricultural Academy

#2 Peace Fleece/ All Russia Agricultural Correspondence College

#3 Western Illinois University/ MASHA Moscow region Sheep Producers' Association

#4 Peace Fleece / MASHA Moscow region Sheep Producers' Association

#5 Morgan Community College/ Polessk Vocational School

#6 Morgan Community College/Kaliningrad Institute of Agrobusiness

#7 High Motivation Design Group/Global Agrobusiness

#8 Morgan Community College/ Krymsk Technical College

d Number of host organizations that have graduated ***

0

e number of inactive host organizations

These are organizations that we worked with in support of the MOFSA project implemented by Chemonics They do not meet Land O'Lakes, Inc Standards

4

#1 Nadezhda farm

#2 Gryazovets Utility Company

#3 Cherepovets Poultry Factory

#4 Kuznetsov Farm

f Total number of host organizations

46

* FTF implementor/host organization partnerships formal and informal, are defined as host organizations to which an implementor has fielded multiple volunteer assignments and there is a continuing relationship

** FTF facilitated U S organization/host organization partnerships are defined as formal and informal partnerships between a U S organization (farm bureau cooperative land grant university etc) and a host organization to which multiple volunteers have been fielded and there is a continuing relationship

***A host organization "graduates" when it has developed to the extent that FTF technical assistance is no longer appropriate and the host organization is expected to continue to operate viably

TABLE III Improved Mobilization of Resources by PVC's PVO Partners (IR 4 BHR/PVC)

Indicators

This Reporting Period

a Est value of FTF volunteers professional time *
\$1,300 200*

a As the table covers the period from October 1996 till December 1997 we excluded 3 volunteers out of the figures Susan sent us (the figure for this line was \$1 320 000 and covered the period from October 1996 till March 1998) this figure is still not quite accurate as I don't have information about Ukrain

b Est value of resources leveraged by FTF implementors U S partners hosts and volunteers *
\$195 030*

a As the table covers the period from October 1996 till December 1997 we excluded 3 volunteers out of the figures Susan sent us (the figure for this line was \$198,000 and covered the period from October 1996 till March 1998)

figure is still not quite accurate as I don't have information about Ukrain

c Number of host organizations assisted in mobilizing resources **
6

- #1 Verkhovazhsk Millstones Coop credit \$50 000
- #2 TOO Dionis credit \$18,000
- #3 Ivanovo Ag Academy grant \$25 000
- #4 Kaliningrad Institute of Agrobusiness grant \$25 000
- #5 V Marin free phone line \$1 500
- #6 Kohut Agribusiness

d Value of resources mobilized by FTF host organizations **
\$119,500 + \$19,000 (loan from Western NIS Enterprise fund in Lviv for meat processing equipment)

*Leveraged resources (a & b above) are matching contributions for the grant

**Resources mobilized are resources that FTF volunteers assist their hosts in accessing such as various sources of credit state assistance PL 480 local currency funds other donor assistance etc

TABLE IV U S Public Awareness Raised (IR 5 BHR/PVC)

Indicators

This Reporting

Period

a Number of FTF volunteers who have performed public outreach activities
197*

a This figure is 200 Sue gave us minus 3 volunteers we had in the first quarter of 1998
figure is still not quite accurate as I don't have information about Ukrain

b Number of media events by implementors and FTF volunteers
80

(information by Sue for the period of time from October 1996 till March 1998)

c Number of group presentations by implementors and FTF volunteers
1,000

(information by Sue for the period of time from October 1996 till March 1998)

Table V Summary of Primary Strategic Objectives for Host Organizations

Please classify each host organization by the Strategic Objective of greatest impact

Indicators

This Reporting Period

a Number of host organizations with Broad Based Economic Growth as the primary objective *

33

#1 Nadezhda Farm (Vologda region) #2 TOO Dionis, (Ivanovo region)

#3 Gryazovets Utility Company (Vologda region) #4 VODMA(Vologda region)

#5 Coop Mostok (Ryazan region) #6 TOO Tatiana (Nizhny Novgorod region)
#7 Melnik farm (Krasnodar Krai) #8 Cherepovets Poultry Factory, (Vologda region)
#9 V Marin farm (Moscow region) #10 Kuznetsov Farm, (Vologda region)

#11 Global agrobusiness (Moscow region) #12 TOO Tsvety(Vologda region)

1 Community Canning Center

2 Druzhba Agricultural Enterprise

3 Halychyna Agribusiness

4 Hlahola Farm

5 Horachek Agribusiness

6 Hut Agribusiness

7 Kalush Brovar

8 Kohut Agribusiness

9 Kovacs Bakery and Farm

10 Leshko Bakery and Farm

11 Lukomsky Farm

12 Malashivsky Agribusiness

13 Mykytchyn Farm

14 Neresen Butcher Shop and Farm

15 Peremyshlyany

16 Povernenya Farm

17 Shosh Agribusiness

18 Slyusar

19 Stremilche Agribusiness

20 Yavir

21 White Church Technicum of Meat and Milk Processing

b Number of host organizations with Sustainable Environmental Use or Protection as the primary objective *

1

Pavel Podstrelov farm (Moscow region)

c Number of host organizations with Building Sustainable Democracies as the primary objective *

5

#1 MASHA Moscow region Sheep Producers' Association (Moscow region)

#2 Vologda AKKOR

#3 Niva Coop (Kaliningrad region)

#4 Verkhovazhsk Millstones Coop (Vologda region)

#5 Simferopol Academy of Humanitarian Sciences

d Total number of host organizations

45 (22 Ukrain)

*For indicators a through c please count each host organization once

TABLES VI THROUGH VIII A single Host Organization may have impact under more than one Strategic Objective in these tables Please record the indicators that best represent the impact realized by a Host Organization A maximum of THREE indicators per Host Organization, through graduation may be recorded

TABLE VI Strategic Objectives for Broad Based Economic Growth

Indicators

This

Reporting

Period

a Number of host organizations with production increases over pre project levels

16

Coop Mostok (Ryazan region) dairy production

TOO Tatiana (N Novgorod) sausage production

TOO Tsvety(Vologda region) flower production

Verkhovazhsk Millstones Coop flour production

5 Druzhba Agricultural Enterprise

6 Halychyna Agribusiness

7 Horachek Agribusiness

8 Hut Agribusiness

9 Kovacs Bakery and Farm

10 Leshko Bakery and Farm

11 Lukomsky Farm

- 12 Malashivsky Agribusiness
- 13 Mykytchyn Farm
- 14 Neresen Butcher Shop and Farm
- 15 Povernenya Farm
- 16 Shosh Agribusiness

b Number of host organizations operating with increased efficiency
10

- Pavel Podstrelov farm (Moscow region) electric fence usage
- V Marin farm (Moscow region) electric fence usage
- Gryazovets Utility Company (Vologda region) planning software
- Cherepovets Poultry Factory (Vologda region) planning software
- Verkhovazhsk Millstones Coop system improvement processing grain
- 6 Halychyna Agribusiness
- 7 Horachek Agribusiness
- 8 Leshko Bakery and Farm
- 9 Mykytchyn Farm
- 10 Stremilche Agribusiness

c Number of host organizations adopting innovative practices *
11

- Coop Mostok (Ryazan region) new product and new equipment
- Gryazovets Utility Company (Vologda region) energy audits
- Melnik agribusiness (Krasnodar Krai) new equipment
- Cherepovets Poultry Factory (Vologda region) improvement of processing
- Sotrudnichestvo coop (Krasnodar Krai) new equipment
- 6 Druzhba Agricultural Enterprise
- 7 Kovacs Bakery and Farm
- 8 Lukomsky Farm
- 9 Neresen Butcher Shop and Farm
- 10 Shosh Agribusiness
- 11 Stremilche Agribusiness
- 11 Povernenya Farm

line

d Number of host organizations with increased financial performance
22

Niva Coop (Kaliningrad region) feed processing \$5 000 a month

TOO Dionis (Ivanovo region) direct dairy sales cash

Pavel Podstrelov farm (Moscow region) increased sales

Coop Mostok, (Ryazan region) increased sales

V Marin farm (Moscow region) increased sales

Melnik agribusiness (Krasnodar Krai) increased sales

TOO Tatiana (N Novgorod) increased sales

TOO Tsvety (Vologda region) increased sales

Verkhovazhsk Millstones Coop new product

10 Druzhba Agricultural Enterprise

11 Halychyna Agribusiness

12 Horachek Agribusiness

13 Hut Agribusiness

14 Kovacs Bakery and Farm

15 Leshko Bakery and Farm

16 Lukomsky Farm

17 Malashivsky Agribusiness

18 Mykytchyn Farm

19 Neresen Butcher Shop and Farm

20 Shosh Agribusiness

21 Stremilche Agribusiness

22 Povernenya Farm

f Increase of customers
5

MASHA Moscow region Sheep Producers' Association (Moscow region) new customers found

V Marin farm (Moscow region) increased production

TOO Tatiana (N Novgorod) increased production

Verkhovazhsk Millstones Coop new product

TOO Dionis (Ivanovo region) increased production new packaging

*Optional, some implementors have been recording this item, others indicated that they have not

Table VI provides a limited set of economic growth indicators at the level of the host organization. Each FTF implementor may wish/need to establish a more detailed set of indicators specific to your primary target beneficiary groups. It should be possible to aggregate your more detailed indicators to those of Table VI. Host organizations could include agribusinesses, private and former collective farms, agribusiness activities with cooperatives or other group owned businesses.

TABLE VII Strategic Objectives for Sustainable Environmental Use or Protection

Indicator

This

Reporting

Period

- a Number of host organizations with improved waste or pollution management
5

TOO Dionis (Ivanovo region) whey utilization

Coop Mostok (Ryazan region) whey utilization/decrease in product loss

Gryazovets Utility Company (Vologda region)

Energy conservation

4 Hut Agribusiness

5 Malashivsky Agribusiness

- b Number of host organizations with improved management of natural resources (soil, water, forest, grazing lands, national park land, etc.)
8

Pavel Podstrelov farm (Moscow region) grazing land utilization

Melnik farm (Krasnodar Krai) grazing land utilization

All Russia Agricultural Correspondence College organic farming

Sotrudnichestvo coop (Krasnodar Krai) grazing land utilization, fertilizer application control

TOO Tsvety (Vologda region) energy conservation

6 Hut Agribusiness

7 Mykytchyn Farm

8 Povernenya Farm

The number of FTF volunteer environmental assignments is currently fairly limited and the FTF staff would like to aggregate to a limited set of environmental indicators. Each FTF implementor may wish/need to establish a more detailed set of indicators specific to your and individual Mission needs.

TABLE VIII Strategic Objectives for Building Sustainable Democracies

Indicators

This

Reporting

Period

a Number of host organizations that were created with FTF assistance and that are operating with democratic principles (i.e. transparency, accountability and rule of law)

2

MASHA Moscow region Sheep Producers' Association (Moscow region)

Young Farmers Youth Association Simferopol Academy of Humanitarian Sciences

b Number of host organizations that have expanded membership

3

Niva Coop (Kaliningrad region)

Young Farmers Youth Association Simferopol Academy of Humanitarian Sciences

c Number of host organizations providing new or improved services to members (advocacy newsletters etc)

4

Niva Coop (Kaliningrad region)

Sotrudnichestvo coop (Krasnodar Krai)

Verkhovazhsk Millstones Coop

Young Farmers Youth Association Simferopol Academy of Humanitarian Sciences

d Number of host organizations with improved policies for functioning of grass roots democratic organizations

2

MASHA Moscow region Sheep Producers' Association (Moscow region)

Young Farmers Youth Association Simferopol Academy of Humanitarian Sciences

If individual Missions have objectives for building sustainable democratic institutions at the grass roots level many FTF assignments may contribute. These may include many assignments to cooperatives, to farm, trade or professional associations and to governments for policy reform that may facilitate creation and operation of grass roots democratic institutions.

TABLE IX Objectives for Change in Knowledge through Training

Please count all host organizations for which training is a significant component in a below

Indicators

This

Reporting

Period

a Number of host organizations with Change in Knowledge through Training as an objective *

8

Ryazan Agricultural Academy

All Russia Agricultural Correspondence College

Kaliningrad Institute of Agribusiness

Krymsk Technical College

Ivanovo Agricultural Academ

Polesk Agricultural Vocational School

7 Mukachevo Agricultural School

8 Mukachevo Professional Technical School

b Number of host organizations with new courses or new subject matter for courses

8

Ryazan Agricultural Academy

All Russia Agricultural Correspondence College

Kaliningrad Institute of Agribusiness

Krymsk Technical College

Ivanovo Agricultural Academ

Polesk Agricultural Vocational School

7 Mukachevo Agricultural School

8 Mukachevo Professional Technical School

c Number of host organizations with improved training materials and skills

8

Ryazan Agricultural Academy

All Russia Agricultural Correspondence College

Kaliningrad Institute of Agribusiness

Krymsk Technical College

Ivanovo Agricultural Academ

Polesk Agricultural Vocational School

7 Mukachevo Agricultural School

8 Mukachevo Professional Technical School

d Number of persons trained with FTF volunteer assistance
1101 + 473 = 1574

e Number of host counterparts trained in U S Reverse FTF and all other U S training/exchange programs (e g USIA NET Cochran etc)
27

Director Maisky Farm MOFSA project

Prorector Ryazan Agricultural Academy RFTF

All Russian Correspondence College CCI exchange program

Director Polessk Agricultural School RFTF

English Teacher Polessk Agricultural School FFA

VODMA processing plant directors Vologda MOFSA project

Mostok Agribusiness Director RFTF

Tatyana Agribusiness Director RFTF

Tatyana Agribusiness Bakery Director RFTF

Melnik Agribusiness Director RFTF

Melnik Agribusiness Meat processing plant Director RFTF

Melnik Agribusiness Cafe Director FFA

Krimsk Agricultural Technical College Instructor Texas A&M

Global Agribusiness Director FFA

Niva Cooperative Board member RFTF

Niva Cooperative member FFA

House of Flowers Director CCI

Ivan Ivanovych Adam RFTF

Tihomyr Zihmundovych Boytosh RFTF

Stepan Mykolayovych Hirny (Global Project)

Vasyl Antonovych Kovach RFTF

Ivan Stepanovych Kerita RFTF

Eduard Petrovych Maydanovych RFTF

Oleksandr Viktorovych Peleshkei RFTF

Karl Karloviych Shosh RFTF

Vasyl Fedorovych Shtefaniuk RFTF

Olha Yaroslavivna Slyusar (Global Project)

Bohdan Malashivsky(RFTF)

Myroslav Horachek (RFTF)

*For a please count each host organization once

Included in table IX are FTF assignments to training institutions youth groups extensions services and counterpart training in the US

Primary Secondary and Strategic Level Impacts with Host Organizations

Impacts with the various categories of host organizations (see Table II) are to be assessed at the different levels defined below A suggested format for summarizing impact at the three levels is provided in the Table XI Summary of Impact Assessment with Host Organizations

Revised Impact Reports

October 1 1996 December 31 1997

(For convenience sake histories of business performance of Russian partners prior to the TA intervention of the volunteer are not included but are available from old impact reports)

#1 Winton Fuglie TOO Maisky & "Nadezhda" farm(Vologda region through Chemonics) Business plan development 10 03 96 10 19 96

a In the course of his work the volunteer provided training in farm management and record keeping to 15 people employed in management and accounting departments of the said farms

b With the assistance of the volunteer a business plan for crop production operation of "Nadezhda" farm was developed (the regular price of a business plan prepared by a private firm is roughly \$1,000)

c The recommended improvements in the management structure and the suggested redistribution of labor resources saves "Nadezhda" farm \$100 per month in labor costs (for the reporting period it amounts to \$1 400)

#2 John Carlson Ryazan Ag Academy Seminars on Restructuring of Agribusinesses 10 08 96 10 26 96

a The volunteer provided training in accounting book keeping marketing and business plan development to 180 people including 6 lecturers who are now teach those courses to new students using educational materials donated by the volunteer and also those developed with his assistance during the TA intervention

b \$200 worth of educational materials was donated by the volunteer to the Russian partner

c The volunteer assisted the Russian partner to get onto the International Exchange program for students as a result 30 students and staff members had a chance to visit Purdue University in Indiana New Partnership created

John Carlson Pavel Podstrelov farm Sheep Production Pasture Management 10 08 96 10 26 96

a The volunteer provided training to 8 people in electric fence application for intensive pasture management

b \$200 worth of electric fence equipment was donated by the volunteer to the Russian partner

c A manual on sheep production was donated (in Russian translation) \$25

d The use of the electric fence saves the Russian farmer about \$60 per month in labor costs (\$720 for the reporting period)

e The volunteer consulted the farmer about how the use of electric fencing can improve the use of natural resources pasture land and grasses

#3 Peter Hagerty All Russia Ag Correspondence College (S Posad Moscow region) Sheep production 10 28 96 11 06 96

a 40 people trained in sheep production

b 20 manuals (\$500) of Pipestone Sheep Production Correspondence Course (Russian translation) were donated to the host organization

c Partnership between "Peace Fleece" company and All Russia Ag Correspondence College was created

#4 Larry Propp Polessk Vocational School (Kaliningrad region) Ag Production and Business plan development seminars 10 28 96 11 08 96

a The volunteer provided training in accounting, book keeping marketing and business plan development to 300 people including 7 lecturers who are now teach those courses to new students using educational materials donated by the volunteer and also those developed with his assistance during the TA intervention

b The volunteer assisted in creating partnership between Morgan Community college (Colorado) and Polessk Vocational School (Kaliningrad region)

c The volunteer assisted the Russian host organization to send 3 students to the USA via National FFA

d \$100 worth of educational materials donated by the volunteer to the Russian partner

#5 William Behrens TOO Dionis (Ivanovo region) Business Plan development 11 18 96 11 30 96

a The volunteer assisted in developing a business plan (the regular price of a business plan prepared by a private firm is roughly \$1 000)

a With the help of that business plan the host organization was able to get a low interest loan of \$18 000 from the local branch of the Federal Fund for Support of Small and Medium Size Private Enterprises

b The new loan permitted the Russian partner to restart the work of the dairy processing plant which was closed a month before the volunteer came

c With the help of the volunteer the Russian partner was able to cut a deal with its competitor for raw milk The competitor became partner and co owner of the dairy plant bringing with him \$50 000 worth of packaging equipment badly needed to be able to access retail stores

d The former competitor and now partner also brought with him additional milk suppliers thus securing the raw milk supply of the plant and also brought new customers three new retail stores in Ivanovo (region center) and two large dairy processing plants in Moscow

e The volunteer provided training in business plan development to 5 people during his work

f The production of the dairy plant after the TA intervention went from 0 to first 3 000 kg of raw milk per day and then to 5 000 kg

g The result of the TA intervention in the long run was the completion of the closed Farm to Market system

#6 John Carlson Sheep Producers' Association (Moscow region) Direct Marketing Skills seminar, Market Survey techniques 01 02 97 01 15 97

a 20 people trained in sheep herd management and lambing assistance techniques

b As a result of this training the Russian partners were able to increase the survival rate of their lambs by 30 50% which gives them additional profit of \$300 per season each (for the reporting period they all together were able to make additional \$1 200)

c The volunteer also conducted a market research in Moscow for his Russian partners in the course of which 32 potential new customers were found

#7 Roger Jensen Gryazovets and Cherepovets Utility Companies (Vologda region through Chemonics) Energy Audit and Energy Conservation Technologies 02 28 97 03 14 97

a The volunteer provided training in energy audit methods to 5 people who in their turn disseminated this information and trained 25 more people employees of their respective companies thus making it the total of 30 people trained

b The volunteer donated \$230 worth of equipment necessary for energy audits to the Russian partners

c The volunteer also donated \$150 worth of software necessary for energy audits which could also be adapted for other needs, such as plan development

d Use of that software speeds up plan making and decision making by 100% which saves \$100 in labor costs only per month For the reporting period it amounts to \$1 100

#8 LeRoy Vanicek Vologda AKKOⁿ Coop development and evaluation of candidates for Institutional partnership 03 13 97 03 29 97

a The volunteer provided training to 15 people in coop development and management

b The volunteer made a public presentation at the local Open University about the history of coops in the USA

#9 Ed Jesse VODMA (Vologda through Chemonics) Association Development 03 13 97 03 29 97

a The volunteer provided training to 10 people in milk procurement systems development

b The volunteer assisted with business plan development for the would be Vologda dairy marketing association

#10 Tom Belich VODMA (Vologda, through Chemonics) Association Development 03 21 97 04 05 97

a The volunteer provided training in marketing to 10 people employees of different dairy plants of Vologda

a The volunteer conducted a market survey for his Russian partners and as a result worked out the logistics of transportation of dairy goods from Vologda to Yaroslavl and Moscow markets as well as found 4 new partners for the would be Vologda dairy marketing association

a The volunteer assisted with business plan development for the Russian partner (the regular price of a business plan prepared by a private firm is roughly \$1 000)

#11 Peter Hagerty MASHA (Moscow region) Association development sheep production 03 30 97 04 10 97

a The volunteer facilitated the creation of an NGO "MASHA" Moscow region Sheep and Goat producers Association (with 6 founding members)

b 20 people trained by the volunteer in shearing techniques

c Partnership created between "Peace Fleace" (USA) and "MASHA" (Moscow Russia) organizations

#12 John Parsons Coop Mostok (Ryazan region) Milk processing technology yogurt production 04 03 97 04 19 97

a The volunteer assisted in starting the dairy processing workstation 6 people trained to operate the processing equipment

b The volunteer assisted with adapting some parts of the equipment to make it possible to produce better quality dairy products

c The volunteer helped to launch the production of yogurt and sour cream which brings additional \$1 500 per month in sales (in the reporting period this amounted to \$10 500 in sales)

d A closed Farm To Market system was created with the assistance of the volunteer

#13 Dale Bassett TOO Tatiana (N Novgorod region) Meat processing sausage production 04 17 97 05 03 97

a The volunteer provided training in meat processing to 12 employees of the Russian host organization

b Two new products added to the production line which increased the sales by \$6 000 per month (this amounted for additional \$42,000 in sale in the reporting period)

c Increase of sales lead to opening of two more sales outlets

d The volunteer donated some \$100 worth of equipment and instruments

e The closed Farm To Market system was improved in the course of the TA intervention

#14 Tom Jones Cherepovets Poultry Factory (Vologda region through Chemonics) Products quality control and improvement 05 18 97 05 30 97

a The volunteer provided training to 12 people in quality control at poultry processing plants (different workstations)

b The volunteer assisted the manager of the plant in preparing a business plan to resolve the difficult financial situation at the plant

#15 John Carlson Ryazan Ag Academy and MASHA (Moscow region) Grant proposal development/Association Development 05 20 97 06 10 97

a The volunteer provided training in business plan development to 150 people

b The volunteer assisted the creation of partnership between Western Illinois University and Ryazan Ag Academy

c The volunteer took part in the development of registration documents of the sheep producers association MASHA

#16 Larry Propp Kaliningrad Institute of Agrobusiness Grant proposal development 06 06 97 06 21 97

a The volunteer assisted the Russian partners with developing and writing a grant proposal to the Eurasia Foundation to start a consulting center for agribusiness people of Kaliningrad region

b The Russian host organization did really receive \$25 000 from the Eurasia Foundation

c In the course of the project supported by the grant money a consulting center was established with 3 branches in different districts of the region

d Partnership between Morgan Community College and Kaliningrad Institute of agrobusiness was established in the course of the volunteer's work

e The volunteer took part in two mass media events during his stay in Kaliningrad

f The establishment of the consulting center provided the host organization with an opportunity to start new course (some free of charge some for fee)

#17 Larry Propp Melnik Farm/Krymsk Technical College (Krasnodar Krai) Intensive pasture management/Grant proposal development 06 24 97 07 05 97

a The volunteer provided training to 3 people in electric fence application

b The use of the electric fence saves the Russian partner \$50 per month in labor costs which amounts to \$250 of money saved during the reporting period

c Using the electric fence the Russian partner was able to start using land for pasture which he previously couldn't use at all (additional 3 hectares)

#18 Jayme Feary V Marin's Farm (Moscow region) Business Launch 06 28 97 07 12 97

a The volunteer provided training to 5 people in negotiations skills

b The volunteer helped the Russian partner to improve his relations with local authorities As a result the Russian partner got a phone line free (thus saving at least \$1,500)

c The volunteer took part in a public outreach event preparing and then taking part in a new business presentation (with representatives of USAID and M Abakumova present)

d Using the acquired negotiations skills the Russian partner was able to increase the profitability of his sale by 10% (which brings him additional \$300 per month)

#19 Jayme Feary Ivanovo Ag Academy Grant proposal development 07 13 97 07 25 97

a The volunteer provided training in grant development and writing to 5 people

b With the volunteer's assistance the grant proposal to the Eurasia Foundation was prepared and submitted to the Foundation's office in Moscow Later the same year the Russian host organization did receive \$25 000 of grant money from the Eurasia Foundation to start a consulting center for local agribusiness people

c The volunteer took part in 2 mass media events
#20 Jerome and Sandra Durst A Kuznetsov's Farm (Vologda region through C
hemonics) Milk production / Association development August 1997

a The volunteer provided training to 15 people in modern milk procurement methods
#21 Glenn Babcock Pavlovsky's Coop Niva (Kaliningrad region) Coop devel
opment October 1997

a The volunteer provided consultations to the Russian host organization concerning
the structure of management of different cooperatives in the USA

b The volunteer recommended to increase the number of services which coop
"Niva" was providing to its members When the recommendations were implemented the c
operative began to purchase some of the inputs gasoline, fertilizer etc Collectiv
ely for the members of the coop in addition to milling and storing their grain Thi
s in its turn lead to the increase of membership of the cooperative which increase
d from 12 to 17 members soon after the recommendations were implemented

c Partly due to the increased membership the coop began to increase produc
tion of feed at its feed mill Production increased by 50% (additional 300 tons of f
eed a month)

d Another recommendation of the volunteer was to increase the number of di
fferent kinds of feed produced by the coop After the recommendation was implemented

(to start the production of new kinds of feed the coop found a new supplier of vita
mins and minerals in Lithuania) the coop began to produce 6 new kinds of feed This
in its turn lead to increase of sale by 40% and among the new customers of the coop
three major poultry farms of Kaliningrad region The increase of sales brings additi
onal \$5 000 per month in sales to the cooperative (for the reporting period it amoun
ts to \$15 000)

e The volunteer participated in the improvement of the closed Farm To Mark
et System

#22 Glenn Babcock Verkhovazhsk Millstones coop (Vologda region) Busines
s plan development/coop development October 1997

(Ted you have the file and I don't have to describe this partner as it will be in th
e evaluation report)

#23 Charles Felkner Ivanovo Ag Academy Business plan development for the Infor
mational Consulting Center November 1997

a The volunteer took part in several public outreach events to promote the idea of
establishment of a consulting center for agribusiness people in Ivanovo region

b The volunteer provided training in the Internet usage to 100 people (stu
dents and staff members of the Ag Academy in Ivanovo)

c The volunteer took part in 2 mass media events

d The volunteer solicited the contract between local farmers association a
nd the the consulting center for \$1 000 per month of payment for consulting services
in business plan development (This amounts to \$3 000 in the reporting period)

#24 Charles Felkner CompasAgro Association (Ryazan) Grant proposal deve
lopment November 1997

a The volunteer provided training in grant writing to 5 people

b A grant proposal was development with the assistance of the volunteer

#25 Jayme Feary Global Agrobusiness (Moscow region)/Sotrudnichestvo Assoc
iation (Krasnodar Krai) Establishment of local power fence dealership/soil and wat
er test kits application November 1997

a 12 people trained by the volunteer in simple soil and water test kit application

b The use of the donated 5 soil test kits saved the host organization \$500
in charges for a complete soil test by the lab in Krasnodar

c One of the members of the Russian host organization was able to take par
t in an International exchange program and visit the USA with the help of the volunt
eer

d The volunteer donated \$170 worth of software to the Russian host organization. The software can be used in calculating daily rations for different animals.

e A partnership between Global Agribusiness (USA) and "Sotrudnichestvo" Association (Krasnodar Krai) was established with the assistance of the volunteer.

#26 Larry Propp Ivanovo Ag Academy/Kaliningrad Institute of Agrobusiness Consulting Centres development December 1997

a The volunteer provided training to 130 people in anti crisis management and business plan development and writing.

b The volunteer took part in 2 mass media events.

c The volunteer assisted the creation of partnership between Ivanovo Ag Academy and Morgan Community College (USA).

#27 Dale Beckmann Ivanovo Ag Academy/Kaliningrad Institute of Agrobusiness Consulting Centres development December 1997

a The volunteer provided consulting on the sustainability of private consulting centers for agribusiness people and took part in development of a program for launching for fee services by the center as soon as the grant money runs out.

b The volunteer provided training to 5 people.

#28 Jack Gerten TOO Tsvety/The House of Flowers (Vologda region) Greenhouses floral production December 1997

(Ted has the file and I don't have to describe this partner as it will be in the evaluation report)

#29 Walter Bahr III TOO Tatiana (N Novgorod region) Meat processing diversification of production line December 1997

a The volunteer provided training to 5 people in new methods of management.

b The volunteer assessed the current state of the meat processing plant of the coop and provided recommendations concerning the diversification of the production line.

#30 Walter Bahr III The Melniks' Meat Processing Meat processing diversification of production line December 1997

a The volunteer assisted the Russian partner with business plan development for the launch of the production of new meat product at their processing work station (The plan is about \$1,000 worth).

b The volunteer carried out a market research to assess the viability of the business plan.

c The volunteer provided training in market research techniques to 3 people.

LOL/FTF Ukraine's Updated Impact Data for October 1996 December 1997

1 Mark Rehder Shosh Agribusiness Business Planning and Vegetable Production February 9 16 1997

Thanks to participation in a 1996 Reverse FTF Program through LOL in Minnesota Shosh got the idea to expand his operations to create a closed farm to market system. The FTF volunteer trained 5 employees in vegetable growing techniques which helped increase and improve the operations via the use of new greenhouse and open soil growing techniques adding broccoli and other new crops and producing his own seeds. As a result, Shosh has become the number one vegetable producer in the region, and these profits have allowed him to expand his operations to include 2 retail stores a cafe and a bakery.

2 Mark Rehder Hut Agribusiness Business Planning and Crop Rotation February 16 21 1997

The FTF volunteer provided training to over 100 employees in various growing and soil conservation techniques including crop rotation contour plowing and rotational

grazing The volunteer also donated agricultural literature and vegetable seeds worth over \$500 to the business Strategic business planning was also discussed extensively which helped to improve the workings of Hut's closed farm to market system which includes a cafe bakery and disco

3 Harry Gutknecht Druzhba Agricultural Enterprise Financial Planning and Grain Production and Processing March 6 22 1997

The volunteer developed a comprehensive financial plan for the enterprise conducted a soil analysis and spoke to 36 employees about cooperatives in the U S and Land O'Lakes in particular The volunteer also recommended that Druzhba decrease its dairy cattle herd and concentrate instead on the beef cattle in which it specializes and is more competitive As a result profits have increased by \$4500 over the reporting period

3 Joe Block Malashivsky Agribusiness Pork Processing and Marketing May 1 16 1997

The volunteer provided training in meat processing to 25 employees of the processing plant Thanks to recipes provided by the volunteer Malashivsky added a new type of sausage to his product line potato sausage which uses less meat and is thus less expensive to produce As a result, expenses decreased and sales increased over the reporting period by over \$500 In addition the owner heeded the specialist's advice to fire the uncooperative plant manager who was hesitant to implement the specialist's recommendations Finally the specialist convinced the owner not to get rid of his hog operations because of the high demand for pork and the need for it in his own processing operation thereby preserving the enterprise's farmer to market system

5 Trevis Gleason Kovacs Bakery and Farm Bakery Development, June 13 June 20 1997

The volunteer trained 5 employees in baking which helped improve the quality of bread shorten baking time and resulted in adding a new type of bread to their product line These increases in quality and selection increased the bakery's sales through its own two retail outlets, and also drew the interest of a new retail outlet that is now going to carry the bakery's bread As a result of these developments the bakery has increased its monthly income by \$200 per month or \$2400 over the reporting period In addition the specialist helped the owner purchase a mill at a trade show they attended together in Kyiv Now the enterprise is able to mill its own grain for use in the bakery's operations as well as provide milling services for the rest of the village As a result LOL assistance has helped Kovacs increase its profitability and create a closed farm to market system

6 Trevis Gleason Leshko Bakery and Farm Bakery Development June 20 July 1 1997

The volunteer trained 20 employees in baking techniques His recommendations helped improve bread quality as well as increase production capacity without increasing labor or energy costs As a result revenue from bread sales increased 15% or \$2000 monthly, which is \$24 000 over the reporting period In addition, the specialist helped the owner purchase a mill at a trade show they attended together in Kyiv Now the enterprise is able to mill its own grain for use in the bakery's operations as well as provide milling services for the rest of the village Their revenues from the milling operations amount to \$760 per month or \$9360 over the reporting period As a result LOL assistance has helped Leshko increase its profitability and create a closed farm to market system

6 Lee McGuire Lukomsky Farm Grain and Vegetable Production July 17 26 1997

The volunteer focused on controlling several types of weeds that had traditionally been a major problem for the farm As a result of the specialist's diagnosis and herb

icide application training the host was able to purchase and save his entire potato crop a value of \$25 000

In addition Lukomsky is now able to use Roundup on 80 hectares of his operations which has improved the quality and size of his harvests significantly

7 Lee McGuire Mykytchyn Farm Grain and Vegetable Production July 26 August 1 1997

The volunteer focused on improving grain production and harvesting New harvesting techniques increased the speed and quality of harvesting thereby reducing the labor used and cutting losses by 15%, a savings of \$3,000 over the reporting period In addition, the specialist performed a soil analysis for the host and provided training on crop rotation

8 Thomas Belich Malashivsky Agribusiness Nyva Cooperative Storonska farm and V aliovska Inc August 28 September 12 1997

The volunteer provided business planning training to four businesses and helped them complete three business plans (the regular price of a business plan prepared by a private firm is roughly \$1000)

9 Dale Dunivan Mukachevo Agricultural Technical School Mukachevo Technical Training School Agribusiness Management and Marketing September 4 19 1997

The volunteer provided training to 200 students and faculty members in agribusiness management marketing and business planning He also donated to the institute agricultural materials statistics and course curricula worth over \$1000

10 Lee and Judy Stadnyk Horachek Agribusiness Dairy Herd Management and Accounting September 18 17 1997

The FTF specialists worked closely with the host to improve the nutrition of his dairy herd and increase its size The volunteers balanced winter and summer rations using locally available ingredients and donated a computer software program worth \$180 that will allow the host to balance his own rations in the future As a result of the new rations and several other recommendations concerning grazing and milking techniques milk production increased by 15%, which resulted in increased revenues of \$3 050 over the reporting period In addition the specialists helped develop a strategy that will allow the enterprise to double its herd size over the next three years Finally the volunteers encouraged the owner to process some of his raw milk into cottage cheese and sell it in the enterprise's own retail store This has proven to be a success and has increased revenues by \$50 per month, or \$450 over the reporting period As a result of these changes this farm to market system has been strengthened

11 Lee and Judy Stadnyk Halychyna Agribusiness Dairy Herd Management and Accounting, Sept 27 August 3 1997

The volunteers trained 10 employees to improve the nutrition of its dairy herd and improve milking techniques The volunteers balanced winter and summer rations using locally available ingredients and donated a computer software program worth \$180 that will allow the hosts to balance their own rations in the future As a result of the new rations and several other recommendations concerning grazing and milking techniques milk production increased by 33% which resulted in increased revenues of approximately \$12 000 over the reporting period

12 Red Hilyard Neresen Butcher Shop and Farm Meat processing October 30 November 14 1997

The volunteer provided training in meat processing retailing and customer service t

o the shop s five employees As a result of his recommendations meat and sausage quality improved customer service was given more emphasis and production doubled as a second retail branch was opened In addition a new variable pricing structure was introduced by which prices of different cuts of meat are sold at different prices according to their quality which proved to be to the customer's liking Consequently , sales increased resulting in an increase in profit of over \$300 monthly or \$4500 over the reporting period Finally, according to the specialist's recommendation, the operation quit selling to the local hospital and sanitorium, whose payments to Ne resen were long overdue and began to orient itself solely toward its own retail trade As a result the operation's farm to market system was improved

13 Terry Bell Stremilche Agribusiness Sales and Marketing December 4 19, 1997

The FTF volunteer trained the business' owner in sales and marketing techniques that enabled him to make nearly \$25 000 in sales that he would not have otherwise been able to make In addition training in negotiating and writing up prepaid contracts helped the owner make an additional \$10 000 up front in sales of his produce whereas he previously often received payment for commodities shipped only months later if ever In addition the specialist introduced the owner to wholesalers in Lviv and Kyiv interested in buying Stremilche's produce As a result of these new contacts, Stremilche now has a buyer in Kyiv for the 120 tons of beef he produces and processes each year that will pay 10% more than the local wholesale price As a result profits from beef cattle will increase by over \$36 000 in 1998 Thus thanks to LOL's intervention the enterprise's farm to market system has been enhanced

Appendix #2

Case Studies of Impact

LESHKO BAKERY

Yuri Leshko

Zakarpatska Oblast, UKRAINE

1 assignment, 1 volunteer

Leshko Bakery is a good example of the great impact that a small group can have when it bands together for the sake of the entire community. One of the most valuable things that the Soviet Union deprived its citizens of was a sense of mutual trust, and this has resulted in the widespread reluctance of many businesspeople during this transition period to share resources and to focus on anything other than short-term personal gain. The close relationship between the Baptist Church and the Leshko Bakery, however, provides a model for how this trust can be restored in a small community and used for the common good.

Leshko Bakery is a bakery and retail operation that produces and sells bread, baked goods, and pasta in the southwestern Ukrainian town of Velyki Luchky. Its close ties with the local Baptist community go back to its very founding six years ago. When a Baptist group offered the community two used baking ovens in 1992, Yuri Leshko stepped forward and built a large facility and obtained the necessary remaining equipment to open the bakery. This new business provides not only jobs for 23 of the local Baptist community's 150 members, but also demonstrates a new way of doing business. Leshko contributes 30% of his income to the Church, and the bakery's activities are making it possible to construct a new church for the local congregation right next door to the bakery. In accordance with their religious beliefs, the bakery does not have any locks on its doors. And Leshko believes that the bakery has protected them from the ever-present protection racket because of its religious connections.

Initially, Leshko competed with the state-owned bread producer in Velyki Luchki, so it had to produce a better product and/or provide it at a lower price in order to be successful. Therefore, when Leshko approached Land O'Lakes with a request to receive consulting assistance, he wanted to focus on these two issues: increasing the quality of bread produced and reducing the cost of production. Over the course of the week he spent at Leshko Bakery in June 1997, FTF volunteer Trevis Gleason discovered several problems with its bread-making process and provided useful advice for correcting them. For example, as per the volunteer's suggestions, the yeast is now mixed in water, which both eliminates the unpleasant yeast smell that otherwise results, and helps the dough to start rising more quickly. In addition, salt is now added only at the end of the dough-preparation process, which allows the gluten to form more quickly and the dough to rise more fully. As a result of these and other changes, the quality of bread produced has increased significantly. This increase in quality has been appreciated by consumers, as is reflected by a 15% growth in sales since the FTF volunteer's assignment, which amounts to an annual increase of over \$33,000 in revenues.

This growth in sales would not have been possible, however, without the volunteer's recommendations, which helped increase the bakery's output. The size of the operation's ovens is the major limiting factor in its production cycle, and makes it difficult to satisfy demand for fresh bread at peak times. In addition, frequent scheduled power outages (every other day for five hours at a time), compound these difficulties. When the volunteer arrived, the bakery already was working around the clock in two shifts in order to maximize production. Nevertheless, during peak times, this still was not sufficient to meet demand. In order to deal with this difficulty, the volunteer introduced the bakery's employees to a more

efficient technique of bread placement in the ovens. This method has increased total oven capacity from 90 to 150 loaves. Not only does this increase production capacity, but it also saves energy. Since the required baking time has not increased, the same amount of electricity that was previously required to bake 90 loaves now is sufficient to bake 150 loaves. Increased capacity, superior quality and low prices have not only increased profitability, but the competition provided by the bakery also played no small role in leading to the permanent closure of the nearby state bakery in late 1997.

During his stay in Ukraine, the volunteer also accompanied Mr. Leshko on a trip to Kyiv to attend a baking-equipment trade fair and provide advice on what equipment would be worth purchasing. Through contacts established at the trade fair, Mr. Leshko recently purchased a flour mill. It began operating in April 1998, and now produces 32,000 kilograms of flour monthly from Leshko's own wheat yields (he is such a respected grain farmer that he was recognized as one of the four best in the Oblast in 1997). This flour is used in the bakery and sold in the store, and has a retail value of over \$10,000. An additional 32,000 kilograms of flour is produced each month for other grain producers. Thanks to the newly acquired mill, Leshko has taken a step toward self-sufficiency in the production cycle- he now has a guaranteed market for his grain and can help ensure the supply and quality of flour for his baking operations.

Agricultural education in the Soviet Union was markedly different than the US system. Conforming to the Soviet style of centralized management, educational needs were dictated from the government through the educational institutions. This meant that the organizations involved in production had little input as to what training they received. A system that reacted to the producers needs and provided them with the knowledge they needed similar to the US extension system did not exist. In most cases, professors had little or no contact with the people and organizations involved in production and processing. The training that was provided through a system of retraining institutions, required that people leave their farms for several weeks to participate in obligatory training that the educational institutions, not the agribusiness people, decided was necessary.

With the fall of the Soviet Union, those individuals who left the government farm system and became private agribusiness people fell outside the system and did not even have the option of participating in training provided by agricultural institutions. In addition, the agricultural education institutions did not have the knowledge or experience necessary to provide training for the demands of the newly forming market economy and private ownership.

The Kaliningrad Institute of Agribusiness is working to change this. Together with Land O'Lakes, Inc they have leveraged financing from the Eurasian Foundation in order to provide training courses to assist the agribusiness people in the Kaliningrad region make the transition to a market economy. They now are able to provide the training that the agribusiness people need to work in the new market economy. They are also a driving element in the reforms that the Kaliningrad Oblast Administration is working to conduct in agriculture.

In connection with this, Land O'Lakes, Inc provided two volunteers to work with the Kaliningrad Institute of Agribusiness. Dale Dunivan and Thom Belich.

In March, 1998, Dale Dunivan worked on a project recommended by the head of the Oblast Department of Agriculture, Yuriy Shalimov. The purpose of his work was to develop a program of reorganization for the former government farms. The round table discussions he facilitated between the different elements of the agriculture system, members of the former government farms, government officials, private farmers, and university staff, provided the interested parties with a forum to voice their views, hear new opinions, and compare this with the US experience that Dale was able to share with them. The volunteer worked with 2 staff members of the Institute who took part in development of the seminars and adaptation of educational materials that were later used at the seminars. The volunteer brought educational materials (brochures, books and booklets) which he donated to the host organization. In the course of his work the volunteer visited an ex-collective farm which is on the verge of bankruptcy and is included into the program of reorganization of Agri-Industrial Committee of the Kaliningrad region. The volunteer met with the manager and the leading specialists of the farm and consulted them on different issues concerning farm reorganization and farm management.

This work was done in conjunction with the Agri-Industrial Union of Kaliningrad region. The Kaliningrad Institute of Agribusiness was involved in the development of the Agri-Industrial Union of Kaliningrad region and the work that Dale Dunivan did, through the reorganization round table meetings and his farm management training courses, was instrumental in bringing the participants of the union together to work on a common problem and affect agricultural policy in the area.

Thom Belich also worked with the Kaliningrad Institute of Agribusiness providing marketing training. Thom developed an educational program working directly with 3 staff members of the Institute so that these staff members could continue the Marketing course and consequently it was added to the list of courses and seminars after the TA intervention by our volunteer. The volunteer conducted Introductory and Intermediate Marketing Seminar with three different groups of people. One group of 16 people was composed of agribusiness people from Kaliningrad region, the second group was composed of employees of Kaliningrad region Tax Inspection (12 people) and the third one – of agricultural government officials who work at Kaliningrad region Department of Agriculture and at the Agri-

Industrial Committee of Kaliningrad region (15 people) This work went a long way to training the people in the Oblast government who are involved in implementing agricultural policy

The work of the volunteer also included practical classes for those who attended the seminars on writing marketing plans and executing them Thom Belich was able to utilize his experience in international consulting, using concrete examples of similar marketing cases of Polish dairy cooperatives which related closely to the situation in Kaliningrad region

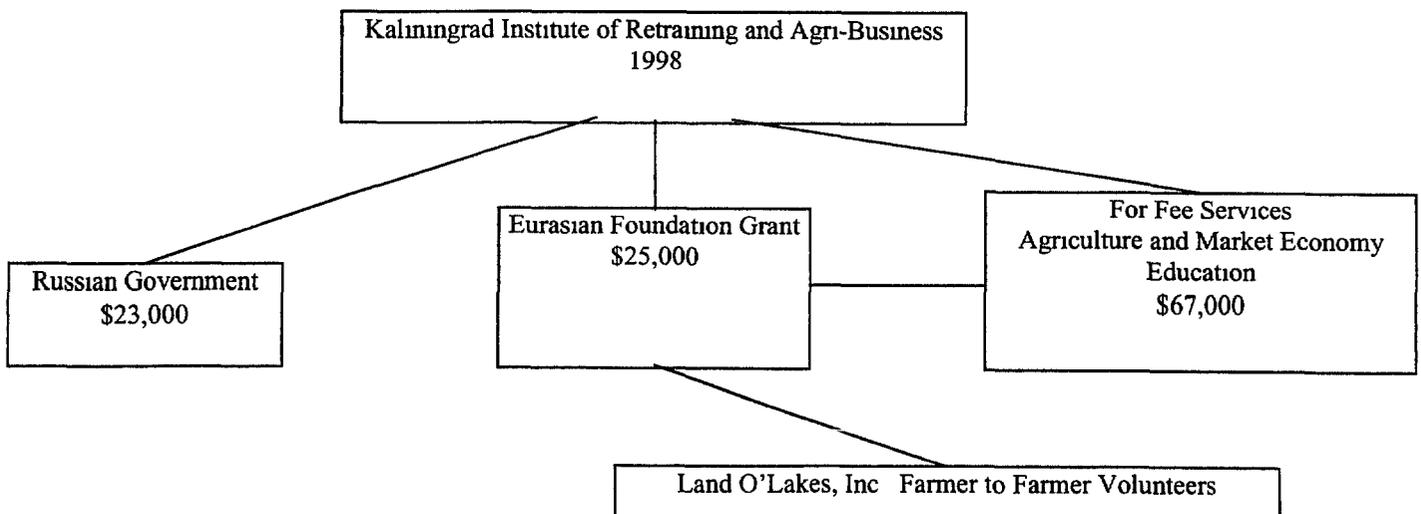
Leveraging the new training that they developed in cooperation with Land O'Lakes, Inc the Institute was able to prove to the German government that they are a leader in providing market oriented education in agriculture In recognition of this, the German government donated a bus which has been turned into a classroom on wheels It is equipped with computers and a video as well as with a gas stove and a refrigerator The bus comes equipped with a tent which allows them to provide the group training vitally needed in the rural areas of the Kaliningrad Oblast Using the money they earned through their for fee courses the institute was able to pay the registration fees and Russian duties on the bus, (They paid roughly \$4,000) This new asset increases the ability of the Institute and subsequently of the Consulting Center to provide higher level consulting services to agribusiness people in remote parts of the Oblast

The work that our volunteers have done has been included into the institutes "For Fee" training program Every year about 30-35 people enroll to the Institute for fee courses The charge is from \$150 to \$200 per 6 months This has provided the institute with the resources necessary to keep it afloat

Currently, the Ministry of Agriculture is under serious financial constraints, as are all government organizations dependant on the Federal Budget The Kaliningrad Institute of agribusiness has determined that through their expanded role in market economic training, they will be able to survive on 20% of their former budget from the Ministry of Agriculture

The graph illustrates the growing independence of the Institute Given the budgetary problems the government is faced with, the amount of support the Institute receives from the government has been threatened In conjunction with Land O'Lakes, Inc participation, the institute has been able to transition from complete dependency on the government budget Funds from the Russian Government will only amount to 20% of the total budget for the Kaliningrad Institute of Retraining and Agribusiness In cooperation with Land O'Lakes, Inc volunteers and utilizing the \$25,000 we were able to leverage together from the Eurasian Foundation, the institute has been able to cover 50% of their budget in 1997 or roughly \$58,000 In 1998 the figures will grow to 80% of their budget, or roughly \$92,000 for a total of \$150,000 over this two year period

The Kaliningrad Institute of Retraining and Agribusiness in cooperation with the Land O'Lakes, Inc Farmer to Farmer program has a acquiring new knowledge to pass on to the agribusiness people of the Kaliningrad Region and developing new methods to reach their clients This has gone a long way toward making them a sustainable enterprise providing needed support to the agribusiness people of the Kaliningrad region



Dunivan

Ia Land O'Lakes / Kaliningrad Institute of Agribusiness – Institutional partnership

II b FTF implementor / host organization partnership

III b The volunteer donated educational materials to the Institute (Est Value \$80)

The host organization provided lodgings to the volunteer and his interpreter (12 days) and transportation for 200 km

IV

V The primary strategic objective of this host organization is Change in Knowledge through Training

Although the work of the volunteer has indirectly improved the financial performance of the Institute

(see the information about for fee courses of the Institute)

(this takes us to table IX)

IX This host organization should be included into the list of organizations with improved training materials and skills

2 people trained in one-to-one sessions with FTF volunteer assistance and 37 – total number of people trained with FTF volunteer assistance

This host organization should also be counted among those with new subject matter for courses (Farm reorganization)

Thom Belich

Ia Land O Lakes / Kaliningrad Institute of Agribusiness – Institutional partnership

II b FTF implementor / host organization partnership

III b The volunteer donated educational materials to the Institute (Est Value \$100)

The host organization provided lodgings to the volunteer and his interpreter (12 days) and transportation for 150 km

IV

V The primary strategic objective of this host organization is Change in Knowledge through Training

Although the work of the volunteer has indirectly improved the financial performance of the Institute

(see the information about for fee courses of the Institute)

(this takes us to table IX)

IX This host organization should be included into the list of organizations with improved training materials and skills

4 people trained in one-to-one sessions with FTF volunteer assistance and 43 – total number of people trained with FTF volunteer assistance

This host organization should also be counted among those with new subject matter for courses (Marketing)

Allan Klema (no impact)

In February – March, 1998 Allan Klema was providing TA to Vologda Dairy Academy assisting them in the development of grant proposals to the Eurasian Foundation to start a Consulting Center at the Academy for agribusiness people of Vologda region. At the moment local farmers go to several different institutions including the Dairy Academy for information and consultations, but there is no coordination between those institutions in their work with local agribusiness people.

History of business performance Vologda Dairy Academy is one of the oldest agricultural colleges in Russia. It was opened at the beginning of this century, before the revolution and has been working since then. It offers day and correspondence courses in different agricultural professions, most of them 4-5 years long. The staff members of the Academy carry out considerable amount of research. The Academy takes part in different International programs with similar institutions from Scotland, France and Germany.

TA and Its Impact The volunteer provided training in grant writing to the team of four people – staff members of the Academy. He provided consultations to them concerning different aspects of the

24

work of a Consulting Center for farmers. The people who received training from our volunteer in their turn trained at least 50 more (while working with students and graduate students).

The volunteer visited 5 different farms, some of them private, some reorganized state and collective farms. He also visited the Experimental Farm of the Academy and met with its manager. At each individual farm the volunteer provided consultations to the owners (or) managers of the farms concerning progressive farm practices such as reconstruction of dairy farms using New Zealand variant of dairy farms, better ventilation and use of different materials for some parts of the farm's interior to avoid different cow diseases.

The volunteer took part in writing of the grant proposal and later presented it to the Eurasia Foundation in Moscow.

During his assignment in Vologda the volunteer was able to find and establish good working relationships with some other local institutions (mainly local administrative and research institutions) where Vologda region agribusiness people go with their problems and questions. Two of those institutions, The Technology Center and the Institute of Retraining of Specialists from Agriculture agreed to participate in the project of establishing the consulting center at the Dairy Academy.

The volunteer provided recommendations to the grant team concerning the further development of the project suggesting that some of the services which would be free during the grant supported period of the project should be provided later on a fee basis.

FARMER TO FARMER IN THE NIS UKRAINE

Land O'Lakes Inc

IMPACT

HORACHEK FARM

Myroslav Horachek

L'vivs'ka Oblast, UKRAINE

1 assignment, 1 volunteer

Horachek Farm is a small private farm and retail store in the Zhydachiv district of Lvivska oblast. The store was founded in 1988 when Myroslav Horachek received a government grant for cooperative development. In the early 1990's Horachek privatized the store and expanded his operations by establishing a farm on the land parcel of 15 hectares that he had been granted by the state. At present, he has 36 hectares of land and is engaged in grain, vegetable, dairy and pork production. Much of the farm's produce, including all of its milk, is sold in the store.

In early 1997, because of the local community's excess demand for milk, Mr. Horachek decided that he wanted to investigate ways of increasing his own milk production, as well as the size of his herd. Because Mr. Horachek had been involved primarily in trade prior to receiving his land share, he had received no formal training in agriculture. Therefore, he expressed great interest in receiving consulting services from a specialist through the Farmer-to-Farmer Program.

In September of 1997, a FTF volunteer visited Horachek Farm in order to help increase milk production per cow, and to investigate the most effective means of increasing the herd to twenty head.

Over the course of the week he spent at the farm, volunteer Lee Stadnyk worked closely with the hosts in order to balance several different summer and winter rations utilizing ingredients readily available on the farm. The host himself noted that prior to the assignment he had known almost nothing about animal nutrition. However, by working with the farm's management and employees to improve rations and other feeding practices, the FTF volunteer helped to educate them about the specifics of dairy nutrition. As a result of this new information and the rations provided by the volunteer, milk production increased by 15%. In addition, the specialist recommended that the farm dig a well in order to facilitate an increase in the availability of drinking water for the herd. Horachek is scheduled to start work on this project late this spring.

- ✓ small private farm and retail store
- ✓ grain, vegetable, dairy and pork production
- ✓ much of farm's produce and all of its milk is sold in the store

- ✓ host has no formal training in agriculture and pursued FTF resources with great interest

- ✓ volunteer provided training in balancing rations utilizing on-farm ingredients

- ✓ milk production has increased by 15% due to improved nutrition

HORACHEK FARM (Continued)

L'vivs'ka Oblast, UKRAINE

During the assignment, the volunteer also developed three different strategies by which the farm could expand its herd to twenty head, and outlined the benefits and disadvantages of each option. Mr. Horachek utilized this information to come to the decision to purchase young 3-4 month old calves. In addition, the specialist recommended that Horachek expand the dairy products it offers in order to market its increases in production. The host recently took the first step in this direction by purchasing a separator in order to sell cream in addition to milk.

In his final report on this assignment, the FTF specialist, who had previously spent several years in the NIS on various assignments, called Horachek Farm "probably the best private family farm I have ever seen either in Ukraine or in Russia." In accordance with this assessment, Horachek continues to expand. In addition to the improvements noted above, this year the farm will rent an additional 70 hectares in order to increase grain and vegetable production, and its hog-raising operations will be expanded as well.

- ✓ volunteer developed three strategies by which the farm could expand its herd to 20 head
- ✓ host will purchase young calves
- ✓ volunteer recommended expansion of dairy products
- ✓ farm purchased cream separator to add cream to product line
- ✓ "probably the best private family farm I have ever seen either in Ukraine or in Russia"

Ryazan Trip

Anatoly Kharolskiy
Yakubova
Malchanov
Ryazan Agricultural Academy
Pavlov

Vologda Ambassador Meeting

Vologda has been in competition to become the site of the capital of the Russian Empire several times. The Sophia Cathedral built in the center of Vologda gives testimony to the plans of Ivan the Terrible to move the capital of his empire to Vologda. Following the communist revolution in Russia, the Bolsheviks also considered moving the capital to Vologda. During this time several embassies, including the American Embassy, were relocated to Vologda.

The Vologda Administration in commemoration of this has opened the former US Embassy as a museum and invited the US Ambassador to Russia, Ambassador Collins, to attend the opening. In preparation for the trip to Vologda, the Ambassador expressed a desire to visit a site of American activities in the Vologda area and USAID recommended visiting a partner of Land O'Lakes Inc., The House of Flowers.

The Ambassador arrived with the Consul General from the US consulate in St. Petersburg and John Thomas from USAID. Land O'Lakes, Inc. was also invited to the presentation arranged by the Vologda Oblast Administration. This included a meeting with the Vologda Governor, and a presentation by the Oblast Department of Economics.

After this meeting the group visited the House of Flowers. The Ambassador spoke with Yelena Antypina about the history of the business and their work with Land O'Lakes, Inc. The work that we had done together to improve local production at their greenhouse and to expand their stores in Vologda and in the region were of particular interest. Yelena explained that their partnership with Land O'Lakes, Inc. is a key element in the continued improvement and expansion of their business.

The visit worked out to be great publicity for both the House of Flowers and Land O'Lakes, Inc. The Oblast Administration was so impressed that immediately after the delegation left the House of Flowers, they called and ordered two special bouquets for the Ambassador. Land O'Lakes, Inc. was introduced to the Oblast Administration in direct connection with the US Ambassador. We also made connection with the Oblast Department of Economics and discussed our mutual area of development strategy in the Oblast, small and medium size enterprises. John Thomas commented that he has never seen floral shops in Moscow that could compare with the House of Flowers and that he would like to visit the greenhouse with the next Land O'Lakes, Inc. representative to visit the area.

Appendix #3

Scope of Work

CONSULTING AGREEMENT

THIS AGREEMENT is made and entered into this NINETEENTH day of MAY, 1998, between Land O'Lakes, Inc , a Minnesota cooperative corporation with its principal place of business at 4001 Lexington Avenue North, Arden Hills, Minnesota 55126 (hereinafter referred to as "Land O'Lakes") and **THEODORE WEIHE**, whose agreed point of origin for purposes of travel under this Agreement is 4839 Yorktown Boulevard, Arlington, Virginia 22207 (hereinafter referred to as "Consultant")

RECITALS

WHEREAS, Land O'Lakes is conducting an evaluation of its Farmer-to-Farmer project in Ukraine and Russia [project code FTF-02], and

WHEREAS Consultant represents that Consultant is qualified and desires to perform such, necessary services under the terms and conditions set forth herein,

NOW, THEREFORE, in consideration of the promises and commitments expressed herein and other good and valuable consideration, Land O'Lakes and Consultant agree as follows

- 1 Scope of Services Consultant shall use Consultant's best efforts as an evaluator to assist Land O'Lakes in the evaluation of its Farmer-to-Farmer project in Ukraine and Russia
Consultant services shall include but not be limited to
 - a Perform the services described in Attachment A
 - b Conduct assignment through an interpreter, as necessary
 - c Complete and submit travel expense documentation required by the International Development Division to Susan Johnson by June 12, 1998 See guidelines in briefing book
 - d Document any time spent on this assignment which exceeds eighteen (18) days on the match report See guidelines in briefing book
- 2 Term of Agreement The term of this Agreement shall be up to eighteen (18) work days, from May 1, 1998, through August 31, 1998
- 3 Payment In consideration for the services as described above, Land O'Lakes shall compensate Consultant as follows
 - a Consultant shall receive U S Government per diem and reimbursement for Agency for International Development-allowable expenses from Land O'Lakes for days while in service to Land O'Lakes Mileage shall be compensated in accordance with the guidelines in the briefing book U S government per diem rates published as of the date of this Agreement are as follows

MAXIMUM RATES	<u>LODGING</u>	<u>MEALS & INCI- DENTAL EXPENSES</u>	<u>TOTAL</u>
Ukraine	\$145	\$104	\$249
Moscow	\$188	\$100	\$288
St Petersburg	\$195	\$124	\$319
Russia -- other	\$113	\$ 78	\$191

Actual lodging expense shall be reimbursed up to the maximum amount allowed by U S government per diem rates in effect during the period of travel. If actual lodging expense exceeds the amount allowable, Consultant shall contact Land O'Lakes for prior authorization.

- b Upon satisfactory performance of the duties described in paragraph 1, and upon submission and approval of an invoice for services, Land O'Lakes shall pay Consultant, within thirty (30) days of such approval, Four Hundred Forty-Three Dollars and Fifty-Two Cents (\$443.52) per day. Submission of invoice later than thirty (30) days after ending date of Term of Agreement may result in non-payment, in the event of expiration of Land O'Lakes' agreement with funding organization.
 - c Upon receipt of proof of payment, Land O'Lakes shall reimburse Consultant for medical evacuation insurance costs up to Forty-Nine Dollars (\$49.00) per month. Land O'Lakes shall reimburse medical evacuation insurance costs only for those days while in service for Land O'Lakes. See guidelines in briefing book.
 - d If Land O'Lakes pays Consultant Six Hundred Dollars (\$600.00) or more in a calendar year and if Consultant is subject to 1099 reporting, Land O'Lakes shall issue Consultant a form 1099 for each calendar year in which services are provided hereunder, pursuant to Internal Revenue Service regulations, the form 1099 shall report the total paid, including both compensation and expense reimbursement.
- 4 Reports All reports and original materials assembled, prepared or furnished by the Consultant in connection with this Agreement were funded by United States Agency for International Development agreement number FAO-A-00-00091-07 and shall be considered in the public domain. With respect to ownership, the Consultant shall not assert any rights or establish any claim under copyright law.
- 5 Insurance Consultant shall be fully responsible for Consultant's own insurance, including but not limited to health and accident, automobile, and general liability insurance, during the agreement period. Land O'Lakes shall not be liable for any costs related to Consultant's injury or illness during the agreement period, or for any costs related to property damage or other losses or liabilities incurred by or caused by Consultant during the agreement period. Consultant shall provide such proof of coverage as Land O'Lakes may request from time to time.

- 6 Representations Consultant represents that Consultant is not bound by any other employment contract prohibiting or otherwise restricting Consultant's right to provide services to Land O'Lakes as an independent contractor for the purposes of this Agreement, except insofar as Consultant may be obligated not to disclose any confidential information or trade secrets belonging to other employers
- 7 Relationship of Parties Consultant shall be employed hereunder as an independent contractor and shall not be an agent or employee of Land O'Lakes for any purpose Land O'Lakes is interested only in the results to be achieved, and the conduct and control of the work shall lie solely with Consultant, except that the work shall be subject to Land O'Lakes' general right of supervision to secure the satisfactory completion thereof Consultant shall not be entitled to any of the benefits that Land O'Lakes provides for its employees, including, without limitation, insurance for worker's compensation, unemployment, automobile, and general liability, and the work shall be performed entirely at CONSULTANT'S OWN RISK
- 8 Business Cards Land O'Lakes will provide Consultant with business cards for purposes of identification in connection with this assignment The cards are to be used only in connection with performing Consultant's responsibilities under this Agreement, and only for the duration of the assignment, no other business cards shall be used in connection with this assignment Unused cards shall be returned to Land O'Lakes at the end of the assignment Under no circumstances shall the Consultant represent or imply by use of the card that he/she has any authority to make commitments or incur obligations on behalf of Land O'Lakes
- 9 Personal Travel Consultant is solely responsible for any and all expenses and liabilities associated in any way with any personal travel by Consultant and any personal travel companions of the Consultant Land O'Lakes is not responsible for any personal travel costs that may result from programmatic changes initiated by Land O'Lakes Personal travel is any travel which is not required in order to perform Consultant's responsibilities under this Agreement
- 10 Confidential Information Consultant agrees that Consultant shall carefully guard and keep secret all trade secrets and confidential information concerning the business and the affairs of Land O'Lakes and any of its clients, whether acquired as a result of the services rendered hereunder or otherwise, that Consultant shall at no time, either while in the performance of this Agreement or at a later time, directly or indirectly, disclose any such information to any person, firm, or corporation or use the same in any way other than in connection with the business affairs of Land O Lakes, unless Consultant shall first secure the prior written consent of Land O'Lakes
- 11 Return of Land O Lakes' Property Whenever requested by Land O'Lakes or on termination of this Agreement, regardless of how termination is effected, Consultant shall immediately return to Land O'Lakes all of Land O'Lakes' property, including, without limitation, all papers and records of every kind, and any and all copies thereof, used by Consultant in

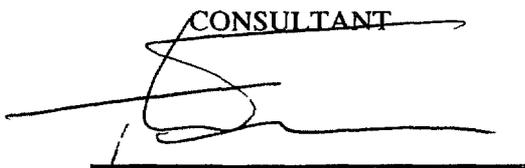
rendering services hereunder or otherwise Consultant's work product, in the performance of this Agreement, shall be deemed the property of Land O'Lakes

- 12 Termination Either party may terminate this Agreement for any reason upon written notice to the other party Except as specifically set forth below, if Consultant terminates this agreement, Land O'Lakes shall have no obligation to make any payment to Consultant, and Consultant forfeits all rights to any payment for preparation work done or reimbursement of expenses incurred prior to termination If Land O'Lakes terminates the Agreement, or if Consultant terminates the Agreement after travel to the technical assistance site due to accident, illness or other circumstance beyond the reasonable control of Consultant, Land O'Lakes' sole liability to Consultant shall be payment pursuant to paragraph three (3) for services actually provided prior to the other party's receipt of notice of termination, additionally, if Land O'Lakes terminates the Agreement less than two (2) weeks in advance of a scheduled assignment, Land O'Lakes shall pay Consultant for one (1) work day as and for liquidated damages
- 13 Competing Interests Consultant agrees that Consultant shall not, for a period of one (1) year after the conclusion of the technical assistance intervention conducted hereunder, perform or offer to perform technical services for the beneficiary(s), or employers or sponsors of any beneficiary(s) to whom services are provided hereunder without the prior written consent of Land O'Lakes Such consent shall not be withheld if Land O'Lakes is unable or unwilling to pursue such training opportunity directly
- 14 Governing Law This Agreement shall be governed by the laws of the State of Minnesota
- 15 Severability The provisions of this Agreement shall be severable and the invalidity of any provision, or portion thereof, shall not affect the enforceability of the remaining provisions of this Agreement
- 16 Entire Agreement This writing constitutes the entire understanding of the parties and supersedes all previous agreements or negotiations with regard to the subject matter hereof, and it shall not be modified or amended, except by written agreement duly executed by both parties

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this
NINETEENTH day of MAY, 1998

CONSULTANT

LAND O'LAKES, INC



By



Sally Collins

Controller

International Development

**PROGRAM EVALUATION
SCOPE OF WORK
Farmer to Farmer Program in the NIS
Cooperative Agreement # FAO-A-00-00091-07**

May 19, 1998

I PURPOSE

The purpose of this evaluation is to assess the extent to which Land O'Lakes has achieved the objectives of the Farmer to Farmer (FTF) program. The general directive of the NIS FTF program has been to strengthen downstream, private agricultural enterprises. USAID's specific goals in the NIS are the encouragement of broad based economic growth, building sustainable democracies, and encouraging sustainable environmental use. Volunteer assignments focus on achieving impact within USAID's strategic goals. Other priorities include farm management, post privatization management, and reducing agricultural subsidies. Land O'Lakes has responded to these objectives and priorities by concentrating its activities in privatization, the development of innovative practices, assistance to secure non-governmental credit sources, strengthening of private business ventures, and strengthening institutions such as agribusiness schools and farmer associations which can promote private agriculture and sustainable democracies.

The evaluation is intended to provide Land O'Lakes and the FTF team with an assessment as to the progress made in

- ◇ achieving the strategic objectives of USAID,
- ◇ overall program performance,
- ◇ choosing the correct partners and host organizations,

and to make recommendations for

- ◇ improvement of the implementation of the FTF program,
- ◇ more successful means of impact reporting,
- ◇ effective utilization of the volunteer specialists

II STATEMENT OF WORK

The evaluator will spend four working days in Ukraine and six working days in Russia to assess the project. A one-day seminar will be conducted with all FTF program staff. The evaluator will carry out an evaluation based on the following

- ◇ Literature review of relevant project documentation, including original proposal, work plans, and quarterly reports
- ◇ Field interviews with key Land O'Lakes project staff in the Lviv office
- ◇ Field interviews with key Land O'Lakes project staff in the Moscow office
- ◇ Interviews with appropriate USAID/Kiev and USAID/Moscow staff if necessary
- ◇ Interviews with past volunteer specialists regarding US outreach
- ◇ Field visits to project clients in Ukraine and Russia
- ◇ Seminar with in-country and U S based FTF project staff

- ◊ De-briefing with USAID/Washington FTF staff

The evaluator will prepare and deliver written and oral evaluation reports that address the following

Project Design

Assess whether the identified project clients are capable of meeting the project outcomes and annual workplan targets

Determine the criteria used to identify the target beneficiaries/clients and assess the appropriateness of the selection of geographical sectors and clients for the project targets

Project Implementation

Assess the effectiveness of Land O'Lakes in meeting project purpose, goals, outputs and USAID strategic objectives

Review and comment on the effectiveness of project methodology

Assess the effectiveness of technical assistance Focus questions for the project beneficiaries

Where were the beneficiaries before the project began?

What assistance did Land O'Lakes provide?

How did they benefit? State in measurable terms, whenever possible

Any unanticipated benefits?

What recommendations do the beneficiaries have for further assistance?

Make recommendations for follow-up assistance to project clients

Project Management

Review project administration, including quality and background of staff, organization, management systems, reporting, and timeliness of technical assistance

Assess the extent and quality of coordination between Land O'Lakes and USAID staff in Ukraine, Russia and the U S

Assess the extent and quality of cooperation with other programs

Monitoring and Evaluation

Determine what controls are in place to monitor impact

Assess what adjustments have been made by Land O'Lakes in the project as the result of external issues and constraints or changing assumptions

Assess methods Land O'Lakes has used to obtain feedback on and to measure the success of the project

Lessons Learned

Answer the question, "What are the lessons to be learned by this project so far?" Lessons learned generally concern the big, overarching issues and can relate to any part of the project design, implementation, management, and monitoring/evaluation

III PROPOSED SCHEDULE

The evaluation is expected to take approximately twelve (12) days in country, up to three (3) days preparation and report writing time, up to (2) days interviewing volunteer specialists, and (1) one day in WDC for meetings with AID. The assignment will take a total of up to eighteen (18) work days to complete. Below is a proposed timeline

Preparation	Read project documents and project orientation
May 26	Depart for Ukraine
May 27-30	Field work in Ukraine
May 30	PM departure for Moscow
June 1-5	Field work in Russia
June 6	Seminar for FTF staff in Moscow
June 7	Depart Moscow for US
June 9-10	Write report after return to U S
June 12	Draft report due to USAID and Land O'Lakes
June 18-19	Incorporate comments, complete final report
June 22	Final report due to USAID and Land O'Lakes

IV LOGISTICS

Land O'Lakes will provide all necessary logistics, including arrangements for transportation, interpreters, hotels, and per diem. The evaluator is responsible for the drafting and final preparation of the evaluation report

V DELIVERABLES

The evaluation report will include (1) a cover page, (2) an executive summary (3-5 pages), (3) main text (maximum of 20 pages), and (4) a brief statement of conclusion, recommendations, and lessons learned. The report should be written in laymen's terms

The evaluation report should provide empirical findings to answer the above questions, conclusions that are based on the findings, and recommendations based on an assessment of the results of the evaluation. The evaluation report is to provide lessons learned that may emerge from the analysis

Appendices will include but are not limited to (1) evaluation scope of work, (2) description of methodology used in evaluation (3) list of documents reviewed, and (4) list of persons contacted/interviewed

Appendix #4

Schedule of Field Visits

Ukraine Schedule of Appointments

Wednesday, May 27	Arrive in Lviv
Thursday, May 28	am – Visit to partner (Horachek Farm) pm – Depart for Transcarpathia
Friday, May 29	am – Visit with Vvasyl Morklyanyk, Ukr State Fund for Farm Support pm – Visits to partners (Shosh and Leshko farms)
Saturday, May 30	am – Return to Lviv pm – Partner visit (Povernennya Farm)
Sunday, May 31	Depart for Moscow

Russian Schedule of Appointments

- 05 31 98 Sunday Arrive in Moscow,
- Meet with Will Bullock and Slava
Sundukov,
Leave for Vologda at 22 45 by train
- 06 01 98 - Monday - Arrive in Vologda (get to the hotel), 7 15 a m
telephone at the Vologda Administration Hotel
(8172) 25-53-48
Meet with the Director of the University
of Entrepreneurship - Erna Nikitina 9 30 a m
- Meet with the General Manager of the
Northern Universal
Exchange "Belka" - Mr Yudakov
- Meet with our partners
The House of Flowers (a visit to their
florist shop),
STOO Tsvety (a visit to their green
houses operation)
- 06 02 98 - Tuesday - Go to Verkhovazhsk to meet with our
partners 8 00a m
- Meeting with Vasily&Pavel Akinikhov and
Alexander Myzin, members of "Verkhovazhsk Millstones'
coop
- Meet with the Head of the Administration
of the District
- Leave for Vologda,
- Leave for Moscow at 21 40
- 06 03 98 -Wednesday- Arrive in Moscow 6 30 a m
- Leave for Kaliningrad 12 10
- Arrive in Kaliningrad at 13 05
Meet with Mr Sergeev - Rector of
Kaliningrad Institute of
Agrobusiness and with the grant team
Olga Ostroglyadova and Alexei Suzdaltsev
- Visit to Pravdinsk and Head of AgroIndustrial Committee - Yury Shalimov
- Field visits with potential partners (swine operation, multi-purpose farm and
processing operations)
- 06 04 98 Thursday Meeting with Shalimov
- Leave for Moscow at 15 00
- Arrive in Moscow at 18 00 (get to the hotel)
- 06 05 98 - Thursday - Saturday Workshop for all FTF staff members (field trip Sunday -
Wednesday)
- 06 06 98 Friday Meeting with USAID, John Thomas and Marina Abakumova at 2 00 pm