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UNITED STATES DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE
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December 14, 1976

SUBJECT: Report on Work and Progress at North Andros Agricultural Cooperative, San Andros, Bahamas by Henry W. Bradford, Cooperative Consultant

TO: Quentin West/Lyle Schertz, ERS
W. A. Faught/W. S. Hoofnagle/Pat Wetmore, ERS
Dan Chaij, LA/DR, AID
Memory Bank, AID

Attached is a copy of the report which Henry Bradford made following his recent TDY to the Bahamas October 24 to November 20. This is a follow-up on previous assignments which Mr. Bradford has had in the Bahamas to assist in setting up the livestock cooperatives on Andros Island. He gives the recent progress of the co-op as well as the preparations they are making to get started as a new cooperative. On page 3, Mr. Bradford lists the jobs that need immediate attention. On page 5, he gives suggestions as to what is needed to make the cooperative more efficient. In conclusion, on pages 6 and 7 he outlines the things that he would recommend that they follow up with.

His next assignment will probably be in March or April.

MARSHAL D. FOX
Program Leader
Latin America Programs

Attachment

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REPORT ON WORK AND PROGRESS AT NORTH ANDROS AGRICULTURAL COOPERATIVE, SAN ANDROS, BAHAMAS

By

Henry W. Bradford
Cooperative Consultant

November 13, 1976

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Introduction

This report covers work performed primarily by the recently appointed manager of the cooperative, Larry Yager, and me during the past month. However, services performed by others are also mentioned, such as clearing land for the co-op site, moving a portable office to the site, and building a fence in front of the co-op property.

The major purpose of my work was to assist in getting the multitude of jobs completed or started in preparation for the opening and conducting of the business of the cooperative. In addition, the manager and I discussed many subjects pertaining to legal phases, bookkeeping, inventory and other controls, and to proposed operations of the cooperative that are not included in this report. These discussions resulted in training opportunities for the manager.

The type of work performed during the past month was similar to that during the 3-week period, September 13 to October 1, 1976, and thus carries the same title as the earlier report.

Sample bookkeeping forms, office forms, legal and other forms are included in the appendix.

Recent Progress of Co-op

Major activities that transpired during recent weeks relating to progress made by the cooperative were as follows:

1. A full-time co-op manager, Larry Yager, was appointed effective October 15.

2. The co-op committee interviewed and selected a co-manager trainee, Benjamin Rahming, who was also approved by BARTAD and the Ministry of Agriculture. He reported for work on November 15.

3. BARTAD cleared about 3 acres of land for the co-op site on October 5.

4. BARTAD moved a portable office to the site on November 1.

5. The manager and I established offices on the site on November 4.

6. The co-op committee made arrangements on November 1 for the co-op to buy several tons of fertilizer from the Ministry of Agriculture.

7. The co-op plans to "open its doors" for business on a part time basis during the week of November 22 by starting to sell the above mentioned fertilizer.

8. One or two trailers will be moved on site to serve as temporary store buildings until the permanent structure is completed.

9. The co-op committee approved construction of a steel building, 30' x 68' and plans have been initiated to get the architectural design made.

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10. Some members of the co-op committee, the manager and I installed a 300' wire fence and a double gate 32' wide in front of the co-op property on Saturday, November 6.

11. Fertilizer, feed, seed, limited farm supply items, farm machinery, and office equipment and supplies were ordered earlier and when these shipments arrive the co-op will engage in full-scale operations.

Preparations to Open and Conduct Business

The co-op will begin operations legally when it buys and starts to sell the fertilizer to be obtained from the Ministry of Agriculture, scheduled during the week of November 22. The official opening, however, may be celebrated somewhat later when the first order of supplies arrives.

Temporary preparations have been completed for the co-op to be ready to open its doors for business. Because the order made for office and bookkeeping supplies will not arrive until sometime later, temporary forms and accounting books and records were made and printed. Sample copies of these, as well as other preparations made, include the following:

1. List of accounting books and records required.

2. List of names and numbers of general ledger accounts. The office of Director of Cooperatives supplied a list of accounts and a numbering system used by other cooperatives in the Bahamas and requested that this cooperative use the same system. We complied with this request.

3. Sales invoice form.

4. General journal.

5. Subsidiary revenue journal.

6. Seed sales control form.

7. Ledger sheets.

8. Register of members and Nominations of Members form. This form can also serve as the Membership Fees Subsidiary Ledger.

9. Daily cash sales recap form.

10. Stock control card.

11. Statement of share capital (2 forms).

12. Membership certificate form.

13. Appointment of Trustee form (To comply with bylaw 14).

[illegible] thus a simulated set of books was organized and sample bookkeeping

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transactions were made to cover a 9-month period. This included the development of a beginning trial balance, adjustments to the worksheet, a worksheet, and a balance sheet and operating statement drawn from the sample worksheet. Copies of this material are not included in the report due to their bulkiness.

Preparations for Annual Meeting

The fiscal year of the cooperative ended August 31 and the first annual meeting is scheduled for November 27 at 2:00 pm. It is to held at the co-op site.

In addition to making the normal preparations for an annual meeting, another important aspect was preparing proposed amendments to the bylaws. These pertained to changing one of the methods of capitalizing the society. Robert Hall, Director of Cooperatives, and John Wilson, United Nations Advisor to the Office of the Director, met with the co-op manager and me in which we reviewed the proposed amendments and made changes where necessary. We also reviewed several of the bookkeeping forms during that meeting.

A copy of the proposed amendments and the notice of the annual meeting are included in the appendix.

Second Order of Supplies and Follow up Work on Farm Machinery Services

A questionnaire was prepared to survey the 39 members of the cooperative relating to the need for a second order of supplies and the type and quantity of supplies to order. In addition, this survey will cover certain farm machinery services that members may request, but the primary purpose of the farm machinery inquiry is to determine the need for the cooperative to provide a disking service. From initial informal study and inquiry a disking service not only would be one of the most popular but would be one of the most necessary services to be performed by the cooperative. At present, the co-op does not plan to provide such a service.

The survey will be conducted by the manager and co-manager at the time of delivering copies of the annual meeting announcement to members. A copy of the questionnaire is included in the appendix.

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Jobs that Should Receive Attention

Following is a list of jobs that should receive attention:

1. Prepare budgets.

2. Arrange for duty free permits.

3. Obtain [illegible] and officers who handle co-op [illegible].

4. Prepare brochure for committee members.

5. Plan and arrange for education and training programs for co-op members with special emphasis given to members of the committee.

6. Set up a good filing system.

7. Investigate need for insurance coverage on assets, especially for coverage after termination of BAMTAD agreement.

8. Get the Policy and Procedures Sub-Committee to complete its work.

9. Investigate advisability of co-op handling packing supplies and materials.

10. Consider placing an order for the following items after clearance with the co-op committee:

    Two 16' wide galvanized steel gates to replace those borrowed
    Two grease guns
    Steel ramp
    Technical manual for John Deere tractors
    Two floor fans
    Three CB radios
    Hydraulic hand truck
    Four galvanized log chains
    Two log chain tighteners
    Two door mats, one inside and one outside
    Cleaner for post hole digger

11. Get well dug.

12. Install septic tank.

13. Get sign made & install in front of property.

Suggestions

1. The cooperative must operate efficiently if it is to be an effective tool in serving farmers and thus helping to develop a viable agriculture in North Andros. If it is to serve farmers efficiently it must conduct a sufficient volume of business to cover all costs and hopefully earn a net margin. The availability of cleared land for crop and livestock production is one of the keys to adequate volume. Thus, it is suggested that a land clearing program be continued so that more acreages can be brought under cultivation.

2. One of the farm machinery services most needed by farmers and most in demand on cleared land is disking. Without proper disking farmers may still be required to farm by hand as the land may not permit the use of mechanical equipment. Since the cooperative has ordered equipment that will provide most services except disking, it is suggested that careful study be made on the advisability of the co-op providing a disking service.

3. It is also suggested that consideration be given to the construction of a machine shed on the co-op site to help protect the farm machinery. A shed is relatively inexpensive and should be worth more than the cost.

4. Some of the best farm land on Andros Island is located in the vicinty of the San Andros airport. Perhaps as much as 1,000 acres of this privately-owned land, which has been cleared and farmed in the past, has been laying idle and unused during the past few years. In a meeting with Michael Galli, AID, on November 12, we discussed the possibility and advisability of local farmers renting part of such land for agricultural production. It is suggested that emphasis be placed on exploring such possibilities. This could be accomplished by a sub-committee of the co-op together with the co-op manager and co-manager developing a comprehensive proposal on how farmers in the area might rent and farm part of this land and what some of the resulting benefits might be. A draft outline for such a proposal is included in this report.

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Conclusions

The North Andros cooperative is fortunate in that it has received considerable financial, professional and management assistance. It is believed, however, that such assistance was and is necessary, not only to help the cooperative get a solid start but to assist it in becoming an effective tool in serving farmers and in helping indirectly to further the development of agriculture in North Andros.

Such assistance during the planning stages and during its early operating years will not guarantee success, however. Two major ingredients necessary for continued success are adequate volumes of business and capable management.

The co-op committee (board of directors) and the manager and co-manager make up the management team. It is believed that the 9 members of the committee have made great strides during the past year, which is the first experience for any of them in agricultural cooperation, in starting to learn their duties and responsibilities. Because of their inexperiences these members and others that will be elected to the committee from time to time, will need continued guidance, encouragement and training in the years ahead. Some training and assistance should be available from the office of Director of Cooperatives, Ministry of Agriculture. The major responsibility for training committeemen, however, must come from the manager. The manager also has the additional responsibility for training the co-manager and managing the day to day operations of the business.

Although the present manager is highly competent, it is doubtful that he, or any other qualified manager, could accomplish the tasks placed upon him within the next 13 months, or by the time of the scheduled termination of the BAMTAD agreement. Thus, I believe an appraisal should be made a few months prior to the termination of the agreement on whether a need exists for continuing "outside" professional management assistance either full or part time. This observation should be in concurrence with ARTICLE IX of the agreement between the Minister of Agriculture and Fisheries and Local Government and the U.S. Agency for International Development.

The other ingredient for success of the cooperative (adequate volume of business) is probably more important during the early years of operation than capable management, because without adequate business volume the cooperative could not operate efficiently regardless of the quality of management. Thus, continued efforts should be placed on (1) getting BAMTAD, the Government of the Bahamas, or others to clear more land for agricultural production, (2) farmers renting, leasing, or otherwise using some of the privately owned land near the airport for agricultural production, and (3) the cooperative being able to perform an adequate ploughing service for members and other farmers in its area of operations.

The co-op should not be expected to operate in the black in its early years or until volume of business reaches a reasonable level. Fixed costs will [illegible] its formative years should do so in light of the problems and

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circumstances placed upon it.

If conditions and programs develop as herein outlined, it is believed that the cooperative will be able to provide the quality of service to farmers that is expected of it, that its services will become a great instrument in furthering the development of a viable agriculture in North Andros, and that communities in the area as well as Nassau will receive important benefits resulting from the overall operations of the cooperative.

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