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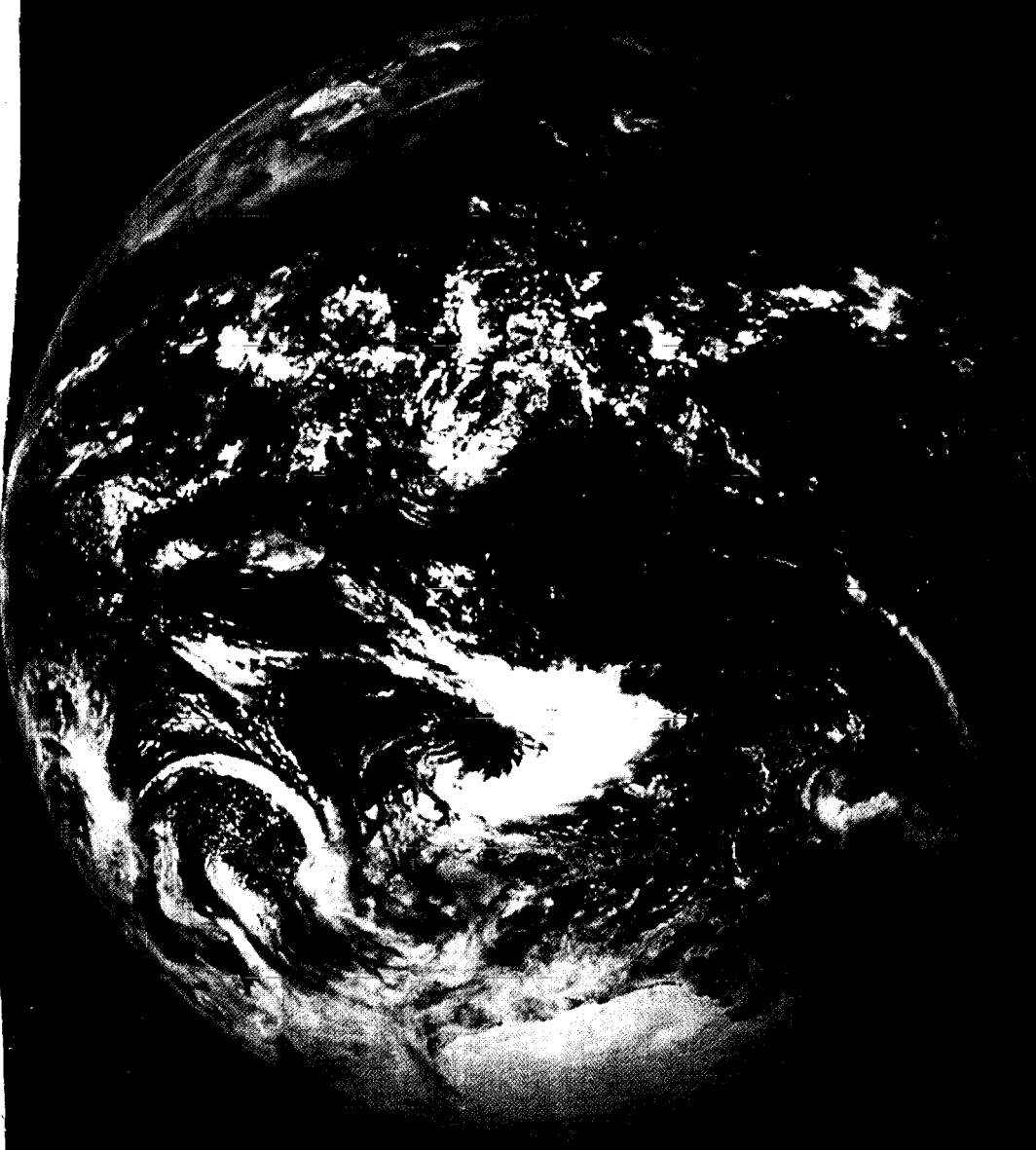
Annual Report 1989



Agricultural Cooperative Development International

FOSTERING AGRICULTURAL ECONOMIC DEVELOPMENT

Distinguished Contributions to ACDI's Development Fund – 1989

Partners in International Development

(Organizations which contribute annually to ACDI's Development Fund $4,000 per billion dollars of gross sales or banks in the Farm Credit System which contribute annually $2,000 per billion dollars of loans outstanding.)

CENEX, St. Paul, Minnesota

Growmark, Inc., Bloomington, Illinois

MFA Oil Co., Columbia, Missouri

MFC Services, Jackson, Mississippi

Mississippi Chemical Corporation, Yazoo City, Mississippi

Southern States Cooperative, Inc., Richmond, Virginia

Sunkist Growers, Inc., Van Nuys, California

Universal Cooperatives, Inc., Minneapolis, Minnesota

AGWAY, Inc., Syracuse, New York

Sustaining Members

(Organizations which contribute annually to ACDI's Development Fund $2,000 per billion dollars of gross sales or banks in the Farm Credit System which contribute annually $1,000 per billion dollars of loans outstanding.)

CF Industries, Long Grove, Illinois

Farm Credit Bank of Baltimore, Baltimore, Maryland

Harvest States Cooperatives, St. Paul, Minnesota

Land O'Lakes, Inc., Minneapolis, Minnesota

Seald-Sweet Growers, Inc., Tampa, Florida

National Cooperative Refinery Association, McPherson, Kansas

Working Partners

(Organizations which contribute annually in cash or in kind $25,000 or more in direct support of ACDI's projects and programs.)

CoBank - National Bank for Cooperatives, Denver, Colorado

Annual Report 1989

Agricultural Cooperative Development International

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ACDI Executive Committee

ACDI'S MISSION IS TO FOSTER ECONOMIC DEVELOPMENT AND TRADE RELATIONS BY IMPROVING THE INCOME AND WELL-BEING OF FARMERS WORLDWIDE, PARTICULARLY IN DEVELOPING NATIONS, THROUGH ASSISTING IN THE ORGANIZATION AND USE OF MEMBER-OWNED AGRICULTURAL AND CREDIT INSTITUTIONS.

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Director
CENEX

Vice Chairman
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Senior Vice President
Corporate Relations
Agway, Inc.

Secretary
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Harvest States Cooperatives

Chairman
Dixie L. Riddle

Secretary
Carroll H. Gilbert

Central Support Activities

Agreement No.
OTR-0192-A-00-9052-00

Vice Chairman
Arthur J. Fogerty

Treasurer
Wayne C. Anderson

A. Activities under Support Grant

Not only did 1989 mark the end of a decade, it marked the end of an era for ACDI. During the year, several strategic actions were taken that will carry ACDI into the 21st century as an innovative and professionally-managed international economic development organization.

Not unlike other business organizations in 1989, ACDI had its share of unexpected events that disrupted plans or otherwise sidetracked good intentions. However, the staff was able to cope with setbacks and 1989 became a year of recovery. After several months of continuing decline of total program funding, a positive cash flow was achieved in the second half of the year. Project-related revenue reached an all-time high in 1989 of $1,336,000. This compares to $1.1 million in 1988.

A new five-year cooperative agreement was signed with the U.S. Agency for International Development (USAID) in early 1989 that grants ACDI $5,000,000 for the purpose of maintaining and extending the capacity to design and implement cooperative development projects with a focus on agriculture and farm credit. The Central Support Grant calls on ACDI to make appropriate use of innovative financing approaches such as monetizing food assistance and debt conversions; to provide technical assistance, training and information directly to cooperatives and related organizations in developing countries; and to mobilize resources from other agencies and non-government sources.

Relations with U.S. Cooperatives and Affiliate Organizations

The membership of ACDI includes the leading agricultural marketing and supply cooperatives, farm credit banks, cooperative insurance companies, and farmer organizations in the United States. Through these member organizations, and the individuals serving on the ACDI Board of Directors, ACDI has access to outstanding expertise for technical assistance projects and training programs.

In addition, ACDI is affiliated with a network of Washington-based national cooperative organizations that represent 90 percent of all U.S. agricultural cooperatives. The affiliates are the National Council of Farmer Cooperatives (NCFC), the American Institute of Cooperation (AIC), and the Farm Credit Council (FCC). Within the affiliation, ACDI serves as the international economic development organization.

Placement and Support of Field Personnel

ACDI began several new efforts in addition to the activity under the Central Support Grant in 1989. The Debt for Development project seeks U.S. investors interested in joint ventures with developing country cooperatives and farmer associations. The project is managed by ACDI with support from Volunteers in Overseas Cooperative Assistance (VOCA) and the National Bank for Cooperatives (CoBank). The project uses Third World debt as a financial tool to promote economic growth.

An AID contract was awarded to a consortium, headed by the Futures Group, which includes ACDI, to initiate a Women in Development project to increase the economic and social status of women. ACDI will focus its efforts on integrating women in agricultural projects and encouraging small enterprise.

In collaboration with the Peace Corps, the University of Hawaii, and other private voluntary organizations, ACDI is involved in the research and development of biological nitrogen fixation (BNF) in the production of legumes. ACDI is introducing the technology in Uganda. The first awareness workshop was held there in November and BNF project activity is under way in that country.

Two efforts in Yemen began in 1989. A rural credit study for the World Bank and a review of the Yemen investment law funded by USAID/Yemen are detailed in the non-project study section of this report. Other activities included a feasibility study for monetizing P.L. 480 food commodities in Mozambique, a vegetable oil monetization project in Uganda, and an AID/Washington grant to create the organizational capacity in ACDI for worldwide monetization of food aid. These programs are discussed later in this report. ▶

Ronnie G. Gollehon ▶
President

ACDI Staff: front row, from left: Todd King (Projects), Peter Fergin (Training), Rene Segars (Finance), Alaina Gold (Information), Paulette Clarke-McFarland and Iskander Ibrahim (Finance), Gail Carter (Projects), Kathleen Carley (Administration), Rex Schultz (Management), Yolanda Lewis (Administration), Ernest Bethe III (Projects), Suzanne Rucker (Information); second row, from left, William Carter (Communications), Frank Wellner (Finance), Umesh Mally, Donald Crane, Michael Viola, Anne Whitlock, Jerry Lewis, Robert Fries (Projects), Jeffrey Levine (Communications). ▶

Several activities were completed in 1989 including a small farmer marketing project in Chad, a cooperative development project in Costa Rica, a rice marketing systems study in Peru, and a financial markets study in Costa Rica.

In 1989 ACDI administered 18 long-term and 11 short-term projects in 15 countries. Staffing for these projects included 24 long-term advisers and 41 short-term consultants.

Training

ACDI's International Training Division provided training for 118 individuals from 18 countries during 1989. These included Botswana, Burundi, China, Costa Rica, El Salvador, The Gambia, Guatemala, Honduras, Indonesia, Korea, Malawi, Nigeria, Poland, Swaziland, Tonga, Uganda, West Bank/Gaza and Zambia. ACDI members contributed approximately 160 person/days of assistance through orientation programs and on-the-job training. Non-member organizations furnished an additional 35 person/days of in-kind assistance.

During the latter half of the year, ACDI managed a 12-week vocational-agricultural training program in southern Texas for 50 teachers from Central America. The participants were divided into two groups, and placed in local high schools to work with vocational-agricultural teachers. They studied English and learned teaching techniques that could be incorporated into their respective vocational-agricultural programs. The course also included a variety of agricultural visits and seminars.

Working with the American Institute of Cooperation (AIC), the international training division developed three short courses for 1990. Course details and program costs are described in the 1990 International Education and Training Programs catalog produced by ACDI in cooperation with AIC.

An international component was included at AIC's 1989 National Institute. Several sessions addressed international cooperative issues including a caucus on cooperatives in the USSR. ACDI hosted an international breakfast which featured keynote speaker Donald Cohen, president of VOCA and Adnan Obeidat, a consultant with ACDI's Cooperative Development Project in the West Bank/Gaza. An international delegation representing Uganda, Zambia, Swaziland, and West Bank/Gaza attended the Institute.

ACDI's training staff continues to work with firms involved in international training but which do not have agricultural or cooperative expertise. These include Partners for International Education and Training which sponsored the vocational-agricultural programs training, and the America-Mideast Educational and Training Service, Inc. and American Near East Refugee Aid, both of which provided individual training for West Bank/Gaza participants.

Information and Publications

The information department continues to make the most of its desktop publishing system. Newsletters, brochures, proposals, and other publications are being produced in-house.

ACDI's quarterly newsletter, *Cooperative News International* (CNI) was published and distributed to cooperative organizations and individuals in the U.S. and overseas. The first issue of *Developments* was published in November. This new two-page newsletter is published quarterly and distributed to ACDI's board of directors to inform them of the latest developments at headquarters and in the field.

A French version of ACDI's information brochure was produced in May, and *A History of the Uganda Cooperative Movement*, a textbook underwritten by a grant from ACDI's Development Fund, was published in the spring.

B. ACDI Development Fund

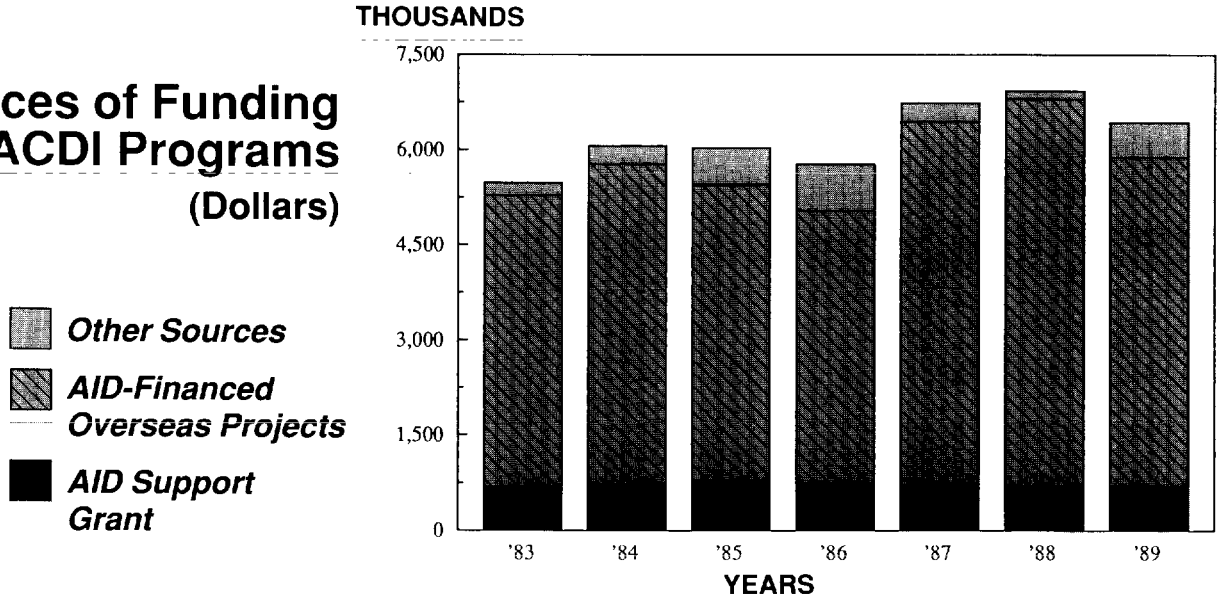
The ACDI Development Fund was established in March 1971 for the purpose of initiating small pilot projects, encouraging direct relationships between U.S. and overseas cooperatives, enabling ACDI to receive matching funds available when required, and to provide funding support for VOCA.

The members of ACDI have provided $1.2 million in voluntary contributions since the Development Fund was started. Without this voluntary support by members, ACDI would not have been able to carry out some worthwhile activities. There were no new commitments made by the Development Fund in 1989.

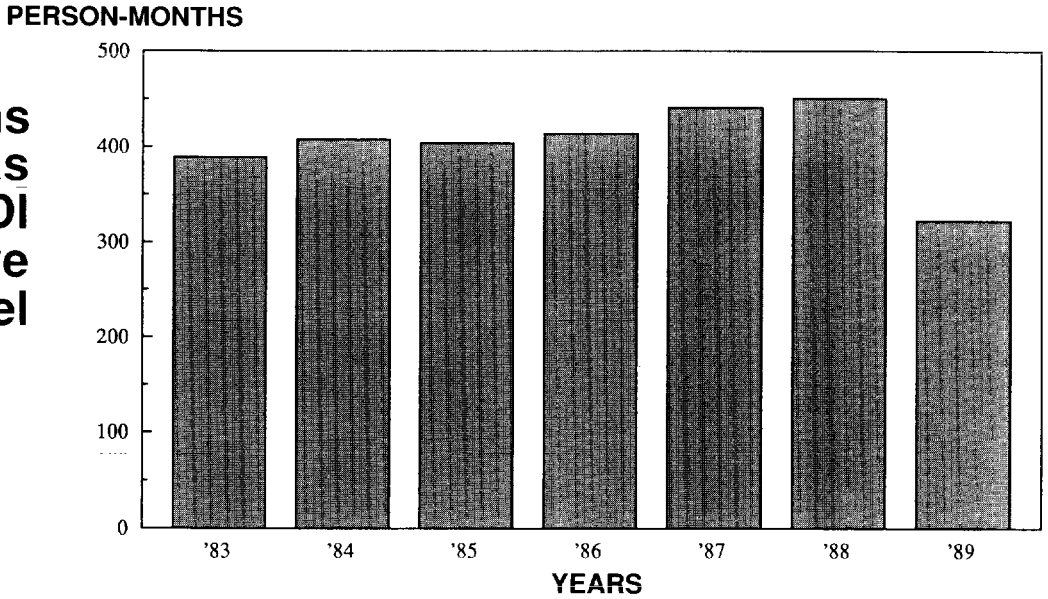
The ACDI Board of Directors approved a recognition program for donors to the Development Fund. The members recognized in 1989 are shown on the inside front cover of this report.

Contributions from friends and members during the year totaled $56,240. In addition, in-kind contributions by members for attending meetings, providing on-the-job training and/or hosting orientations for overseas cooperators and other services are estimated to amount to more than $300,000 annually. ■

Sources of Funding for ACDI Programs (Dollars)



Person-Months Served Overseas by ACDI Cooperative Personnel



Non-project Studies

In 1989 ACDI completed three short-term studies. These were conducted outside the framework of ACDI's on-going, long-term projects. They are listed alphabetically.

Chad

Small Farmer Fresh Fruit and Vegetable Marketing Study

ACDI sent a team with expertise in cooperative development and agricultural marketing to Chad to conduct a feasibility study to organize small farmer groups for marketing of fresh fruits and vegetables. A project paper for a three-year $2.2 million project was prepared and approved in October by USAID/ Chad. Project activities are expected to begin the third quarter of 1990.

Guatemala

Agricultural Sector Study

In February 1989 ACDI was subcontracted by Harza Engineering to provide an agricultural policy specialist. An ACDI consultant conducted the six-month agricultural study funded by the Inter-American Development Bank to review Guatemala's agricultural policies in order to assess their impact on incentives in the agricultural sector. At year-end, the study, which will serve both as a basis for the Guatemalan government's medium- and long-term development planning and as a guide for investors and donors, was awaiting final approval by the Guatemalan government.

Mozambique

Monetization Feasibility Study

ACDI signed a cooperative agreement in August with USAID/Mozambique to conduct a feasibility study for a project to monetize vegetable oil donated by the U.S. government under the P.L. 480 Title II program. The local currency proceeds from the sales will be used to support private sector agricultural development and agribusiness projects in Mozambique. The study team will consist of an edible oil specialist to assess the production and capacity levels of indigenous oil processing plants and a marketing specialist to examine the edible oil marketing system as well as explore the possibilities for plant privatization and industrial strengthening.

Yemen Arab Republic

Investment Law Review and Draft

ACDI provided a lawyer with expertise in investment law issues and a legal assistant fluent in Arabic, to review Yemen's draft investment law and suggest revisions for improvement. The team compared individual articles of the draft to provisions found in similar laws in other Middle Eastern nations such as Turkey and Egypt. The study focused on incorporating the articles and concepts that have proven successful in promoting foreign and domestic investment elsewhere. The team identified strengths and weaknesses of the articles as well as organizational and staffing needs for the country's government agencies necessary to implement the law if enacted.

Yemen Arab Republic

Rural Financial Institutions Study

ACDI provided a consultant to conduct a six-month World Bank-funded study to design and implement a country-wide survey to determine use of agricultural credit in the Yemen Arab Republic. World Bank funds, channeled through Yemen's Cooperative and Agricultural Credit Bank (CACB) and the Ministry of Agriculture and Fisheries were used for computers and personnel.

ACDI's consultant, a rural financial institutions expert, designed a questionnaire used by five teams in interviews with farmers in the field. ■

U.S.A.

(AID Grant No. OTR-0230-G-SS-7140-00)

The Root of Anger Windows on the World - Images of Interdependence

Personnel

B. Umesh Mally, Director of the Office of Global Programs and Project Manager, ACDI
Dorothy J. Fisher, Director - Administration and Management Training, AIC

Regional Cooperative Representative for Asia and the Pacific

Personnel

Antonio A. Arcellana, Regional Representative
Jaime D. "Toti" Chua, Program Officer

Background

ACDI's Regional Office for Asia and the Pacific (ACDI/ASPAC) opened in 1984. It provides technical assistance to cooperatives, lending institutions and other government and private sector organizations operating within the region. The office seeks to develop and strengthen cooperative-to-cooperative linkages to include business and trade between Asian agricultural credit and cooperative institutions. It also provides consulting services in agricultural credit and cooperative development, promotes interregional and U.S.-based training and exchange programs for host government and private sector agricultural credit and cooperative personnel, and serves as liaison for cooperative development organizations (CDOs) in matters related to project development and implementation.

Background

In 1987 ACDI and the American Institute of Cooperation (AIC) received a three-year Biden-Pell grant from the U.S. Agency for International Development to conduct "The Root of Anger" program. Its purpose is to reduce domestic opposition to development assistance by increasing awareness of how hunger and development issues affect Americans involved in agriculture.

The "Root of Anger" program recognizes that many rural Americans are angry because their federal tax dollars are being spent to help develop agricultural sectors in foreign countries. The development education initiative of the project seeks to dispel the myth that USAID is helping potential competitors abroad and explains how American foreign assistance programs benefit U.S. producers.

The project was well under way in 1988 with the development of 4-H leader and vocational agricultural teacher training guides. A five-lesson, on-line computer teaching module has been designed for the electronic network which incorporates information and exercises that correspond to the teacher training manuals. A portable exhibit, "Windows on the World - Images of Interdependence," was created for display at agriculturally-related workshops and seminars throughout the U.S.

Project Progress

In 1989 the project's name was changed to "Windows on the World - Images of Interdependence," to correspond with the titles of the exhibit, video and other public relations material. The original concept of the project remains the same, but the new name implies a wider program scope. A number of activities were completed around the project's new theme in 1989. The teacher training manuals were published and used along with information packets, an 11-minute video and the computer teaching module to conduct 12 train-the-trainer seminars. In addition, these materials have been used at a variety of cooperative education workshops and seminars, and annual meetings.

More than 80,000 American and foreign agriculturists from the cooperative community have participated in these education conferences. The thrust of the presentations has been to introduce the "Windows on the World" project and promote development education, provide information on the material available, and to motivate audiences to utilize the information in their own program activities. ■

Activities

Small Farmers' Income Improvement Program

The regional office continued its project monitoring and management advisory assistance to the Central Negros Small Farmers' Income Improvement Program. It was jointly implemented by a cooperative federation; a cooperative rural bank; an area marketing cooperative; a trading cooperative, and village-level, multi-purpose cooperatives. The project covers some 1,908 farm families comprising 11,448 individuals on 2,900 hectares of rice farms. Most farmers in the area depend exclusively on farm profits for their income. The project is designed to expand their income source by reviving or strengthening farmer organizations for processing and marketing member produce.

ACDI/ASPAC obtained Dutch government assistance for the project. About 80 percent of the funds covers paddy rice procurement from members and the balance was used for communications equipment, a reconditioned delivery truck, upgrading of warehouse and milling facilities, as well as institutional development and training.

For the first 12-month period, ending September 1989, the project procured 75 percent of the paddy rice production from 13 of the 20 targeted multi-purpose cooperatives for over 4.4 million pesos. It processed and sold finished rice and by-products valued at 4.9 million pesos (20 pesos = $1 U.S.). In the first year, 585 farmer-members, slightly more than 30 percent of the total three-year target, have directly participated in and benefited from the project.

In addition to periodic evaluative visits and reports, ACDI/ASPAC staff designed for the project a computerized procurement and sales tracking system; recommended major improvements of the financial reporting system and trained key finance and marketing staff in information management. Staff also helped the project gain income tax-exemption status.

A final evaluation of the project is planned, following completion of the external auditors' report during the first quarter of 1990. Depending on evaluation findings, ACDI/ASPAC may seek donor assistance to continue with management consulting services to the project.

Innovative Approaches to Cooperative Management, Finance and Trade

In September/October, ACDI/ASPAC conducted a month-long basic computer and data communications training course for 24 officers and staff of some 20 national cooperative organizations, regional federations, cooperative rural banks, cooperative marketing associations and the Land Bank of the Philippines. ACDI provided six of these organizations with four computer sets and/or Carinet subscription grants, an international electronic message system. The training used hands-on tutorial and interactive instruction systems supplemented by lectures. While the course material emphasized practical applications in cooperative working environments, the training activities were geared toward the formation of computer user groups among the trainees. The training was highlighted by two days of hands-on sessions on radio packet switching, the transfer of data using radio instead of the telephone, and on the basics of electronic mail and Carinet services. William Carter, director of communications technology, ACDI headquarters, conducted the electronic mail/database sessions.

Cooperative Assistance and Farmer-to-Farmer Program

With guidance and support from the Volunteers in Overseas Cooperative Assistance (VOCA) regional representative for Asia/Near East, ASPAC fielded eight cooperative assistance and Farmer-to-Farmer program volunteers from March to November.

Three of the VOCA volunteers worked with three separate cooperative rural banks. The assignments explored ways of increasing efficiency in bank operations, gauging client credit worthiness and providing better services to farmer-members. The volunteers also advised individual farmer-members in farm budget preparation. All of these efforts were aimed at enhancing the banks' access to Philippine government and private sources of financing for the credit requirements of farmer-members. ▶

Five other volunteers worked on various projects consistent with the two-fold priorities of the VOCA/Philippine program. They gave the small farmer more control of the production, processing, and marketing aspects of rice and corn, and encouraged and supported farmer-owned agribusiness enterprises such as fish processing, livestock production, and farm supply. Other areas covered included the evaluation of plants to expand a municipal-level corn processing and trading cooperative in South Cotabato, and strengthening the operation of a farm supply federation in Iloilo.

Volunteers advised on the feasibility of centralized warehousing for a federation of consumer and credit cooperatives in Iloilo; developed a strategy for a fish processing plant in Cagayan, and worked with small producers on cattle and hog feed formulas in Laguna and Batangas. Others worked with the extension unit of the University of Southern Mindanao on postharvest corn technologies and weed and pest control, and assisted a development and training cooperative to improve its member services, including credit unions, consumer cooperatives, and vegetable and fruit growers in Northern Luzon.

Cooperative and Agricultural Credit Bank Study

The ASPAC regional office assisted headquarters in the recruitment and placement of a consultant from the Philippines to perform a rural financial institutions study for the Cooperative and Agricultural Credit Bank of the Yemen Arab Republic with assistance from the World Bank.

New Project Development

The ACDI/ASPAC regional office has submitted one unsolicited proposal for USAID funding. It would implement a program of assisting small corn farmers increase their incomes by strengthening private agricultural organizations in South Cotabato. Another proposal still under development calls for management, technical, and training assistance to selected cooperative rural banks. If approved, implementation is expected for 1990.

In the last quarter of 1989, the regional office began its regular marketing program with the Asian Development Bank (ADB) to systematically generate projects both in the Philippines as well as in the ADB's member countries. ■

Regional Cooperative Representative for Latin America

Personnel

Steven Huffstutlar, Regional Representative

Background

Established in 1981, the Regional Office for Latin America is ACDI's oldest. Steven Huffstutlar, regional representative since September 1987, provides technical assistance to rural institutions and plays a key role in developing new projects for ACDI. Between 1986 and March of this year, Huffstutlar also was assigned as cooperative development specialist to the Quepos Oil Palm project and brought it to successful completion in 1989. During the year, the regional representative assumed responsibility as chief of party for ACDI's Cooperative Development Management Strengthening project, which began in the spring of 1989, in addition to devoting 25 percent of his time to regional representative duties.

Activities

Ecuador

ACDI responded to a request for assistance from an Ecuadoran agricultural development foundation, FUNDAGRO, and the Centro Internacional de la Agricultura Tropical (CIAT). CIAT is one of the highly regarded research institutions which carries out agricultural research and development leading to increased food supply and rural incomes in the tropics. The regional representative performed an evaluation of UAPPY, a union of 16 small farmer cassava associations with approximately 400 farmer-members which produce, process and market cassava flour for use in animal feeds. The study was well received and resulted in an open invitation from the farmers for ACDI to return and provide further technical assistance.

The evaluated work complemented earlier project development efforts by Robert C. Flick, senior vice president, projects with FUNDAGRO and the USAID/Ecuador Mission which is aimed at providing assistance to various farmer organizations in Ecuador.

Honduras

The regional representative continued to provide assistance to ACDI's project personnel in Honduras in its efforts to encourage the Honduran land reform cooperatives to find ways to overcome historical dependence on sporadic government subsidies.

In late 1989 Huffstutlar was invited by the World Council of Credit Unions (WOCCU) to address a two-day conference of agricultural and credit cooperatives in Honduras. The resulting presentation, *Cooperative History in the United States: Social Change and Market Adaptation*, traced the history of U.S. agricultural cooperatives from their small farmer, populist roots to their present day status as market-led extensions of the farm business.

Costa Rica

The Cooperative Management Strengthening project, designed by the regional representative in mid-1988, was implemented in April 1989. The project is discussed in detail in the country projects section of this report.

Discussions between the regional representative and USAID which began in the summer of 1989 are likely to lead to additional funding for the Cooperative Management Strengthening project. If the agreement is reached in early 1990 as expected, the funds will allow ACDI to provide FEDECOOP with increased assistance in the areas of credit analysis and training.

At the request of USAID/Costa Rica and UNIBANC, the development arm of BANCOOP, the regional representative devised and negotiated terms of reference for a study of rural credit markets in Costa Rica. The resulting study was carried out by ACDI's regional representative for the Middle East, Joshua Walton, and Jorge Cespedes, director of technical assistance in Costa Rica. Both have experience with innovative rural, small enterprise, lending projects. The study identifies urban, big business bias in Costa Rica's banking industry, a typical characteristic in small developing countries.

Walton's report has spurred USAID interest to increase rural lending to small enterprises by Costa Rican private banks.

Negotiations between USAID/Costa Rica and ACDI were under way at year-end to fund a study tour of Costa Rican private bankers to be coordinated by ACDI. Plans call for the group to observe innovative small-scale rural lending projects in the Philippines and Indonesia. ■

Regional Cooperative Representative for the Middle East

Personnel

Joshua C. Walton, Regional Representative
Adel A. Ali, Finance and Administration Manager

Background

The ACDI Middle East Regional Office (MERO) was established in June 1987 upon the signing of a bilateral agreement with the Ministry of Agriculture (MOA), Government of Egypt. That agreement allows ACDI to operate a representative office in Egypt as a local private voluntary organization and to solicit and manage grants from international donor agencies there. ACDI employs a highly experienced multi-lingual Egyptian and expatriate staff who possess a solid understanding of the regional economies and cultures. The MERO office, located in Cairo, supervises and backstops three major development projects and several smaller experimental activities in Egypt, and provides project design services for the development of new projects throughout the Middle East.

The MERO maintains close links with ministries, research institutions, private business leaders, and donor agencies in order to promote the goals of ACDI and identify new programs that enhance agricultural productivity and rural development.

Activities

During 1989 MERO staff designed and was granted USAID approval for a three-year, $5 million second phase to the Egypt Farmer-to-Farmer (FTF) program. Phase II is due to begin in April 1990. Funding was also granted for a six-month extension of Phase I and a short-term project providing training in raisin-making technology.

In early 1989 MERO collaborated with the National Cooperative Business Association (NCBA) in the pre-feasibility research and development of a concept paper for a project to enhance the large-scale production of Egyptian horticultural crops for export. The concept paper was approved by USAID/Egypt and the Egyptian MOA late in the year. In December ACDI and NCBA jointly developed the scope of work for the feasibility study to be carried out in the spring of 1990.

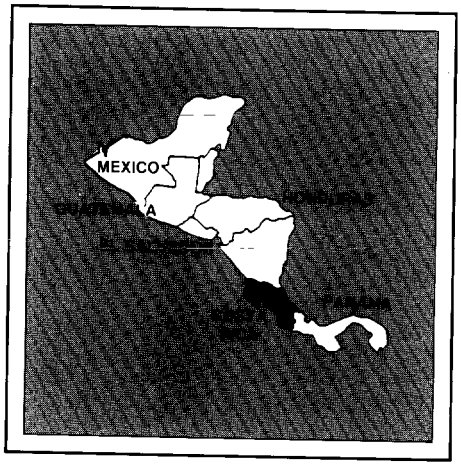
In December ACDI was requested by USAID/Egypt to conduct a 10-week study/assessment of agricultural cooperatives. The study seeks to determine the changes required in the legal and organizational structure, management, finance, and training of agricultural cooperatives in order that they can take over and effectively manage the agricultural input distribution functions currently carried out by the Principal Bank for Development and Agricultural Credit (PBDAC). The study is the first step in an ambitious program to transform the agricultural cooperatives of Egypt from centrally-planned and managed agencies of government to independent, free market-oriented business entities serving the supply, marketing, and technical assistance needs of their farmer-members.

Veterinary Laboratory Training

In February ACDI provided two volunteer veterinary assistants to the General Cooperative for Developing Animal Wealth. They established a veterinary field laboratory while training the staff veterinarian and three technicians in basic lab procedures, proper collection of field samples, and parasitology and hematology. During the training, over 2,500 samples were collected and more than 1,700 processed. The volunteers also developed a simple accounting and record-keeping system. By the end of the two-month assignment, the lab had generated more than $3,000 in revenues, allowing it to fully recover its recurrent operating costs.

Innovative Approaches to Cooperative Management, Finance and Trade

In August ACDI launched the computer and telecommunications training component of the Innovative Approaches Project (IAP). IAP began with the initial training of 30 MOA and agricultural cooperative staff members from four governorates in the use of modern telecommunications technology for improved financial management, inventory control trade, and access to international technical databases. ■



Costa Rica

Coffee Technification and Diversification Project

(Operational Program Grant No. 515-0227)

Personnel

Cristobal "Frank" Astacio, Coffee Credit Specialist
Jorge Cespedes, Director of Technical Assistance

Background

Since the 1840s Costa Rican coffee farmers have been the backbone of the country's economy, promoting democracy and impressive educational and social service systems. The mild highland weather and rich volcanic soils make Costa Rican coffee yields the highest in the world with an international reputation for quality. However, the coffee industry has faced serious challenges in the 1980s. ACDI has worked with the coffee cooperatives in Costa Rica since 1984.

The Costa Rican coffee cooperative federation (FEDECOOP), comprised of 33 local processing cooperatives with over 40,000 farmer/members, is the ▶

largest private business in Costa Rica. At peak season, FEDECOOP members employ 25 percent of the agricultural work force in the country. Federation members produce almost half of the Costa Rican coffee crop with annual sales exceeding $150 million which account for over 10 percent of the country's foreign exchange earnings from exports.

In 1984 FEDECOOP appealed to USAID to help combat coffee rust disease, which had appeared in 1983, and international coffee price fluctuations that were brought on by inconsistent weather and production swings on the part of the giant producers. To avoid the hazards of one-crop dependency, FEDECOOP needed to help its members to both, eliminate the disease, and diversify production by converting marginal coffee land to other export crops.

USAID responded with a loan fund of 1 billion colones (US$ 11.8 million) to FEDECOOP members. The loan was administered by FEDECOOP, with the participation and assistance of ACDI's on-site credit expert Cristobal Astacio who arrived in late 1985.

Project Progress

Activity in 1989 centered on monitoring the final phases of production lending and training the audit committees of the local cooperatives to keep close supervision of loan disbursements and collections. By late 1988 all of the credit funds had been committed for disbursement, and the repayment rate was 95 percent. In addition to his contribution to making the loan program a success, Astacio organized numerous training activities for managers, accountants, technicians and board members.

Concluded in the spring of 1990, the technification and diversification project has achieved many of its intended results. Coffee yields increased, coffee rust disease was all but eliminated, coffee processing facilities at the local level were upgraded, and nearly 1,300 hectares of macadamia, cacao, cardamom, avocado, soursop, and other new crops have been planted. ■

◀ *Robert Flick and Diego Celis, vegetable production consultant, from left, discuss growing methods for miniature zucchini and squash with farmer-members of ADAPEX cooperative, an exporting association in Costa Rica.*

ACDI's Robert Flick, and a group of Costa Rican extension agents and farmers discuss growing techniques for baby vegetables raised for export to the U.S. The plastic sheet on the ground is used to protect plants from night frost. ▼

Cooperative Management Strengthening Project

(Project No. 515-0248)

Personnel

Steven Huffstutlar, Chief of Party
Patricia Chaves Castro, Director of Administration
Jorge Cespedes, Director of Technical Assistance

Consultant

Diego Celis, Vegetable Production/Marketing

Background

Costa Rica's economy fluctuated greatly in the 1980s. When the decade began, the country faced declining exports and increasing costs for importing petroleum, supporting social programs, and subsidizing government businesses remaining from the seventies. In the early 1980s, external credit stopped flowing into the country, the currency began unprecedented devaluation, the standard of living declined, and Costa Rica found itself with one of the highest per capita debts in the world.

Cooperatives played an important role in the recovery of the Costa Rican economy. In 1982 BANCOOP, one of the country's first new private banks since the bank nationalization of the late 1940s, was organized with USAID funding and technical assistance from ACDI. BANCOOP led to the establishment of other private

banks and remains the leader in banking performance. FEDECOOP, the coffee cooperative federation, with USAID funding and ACDI assistance, helped the nation eliminate coffee rust disease, increase coffee yields, and diversify into new high value export crops.

While ACDI was helping Costa Rican cooperatives recover, the Central Bank tightened credit and controlled inflation, making positive interest rates the norm. Government involvement in the market place trimmed its payroll, and incentives were offered to export new products. In one of the first major results of the Brady Plan for Third World debt restructuring, the foreign bank debt was negotiated substantially downward.

Project Progress

The USAID-funded Cooperative Management Strengthening project is a three-year effort designed to assist cooperatives involved in coffee and non-traditional export crops. Client cooperatives range from FEDECOOP, the biggest and oldest cooperative, to ADAPEX, one of the newest and smallest, which exports mini-vegetables.

Project staff is helping several new export-oriented cooperatives improve production and solve logistical problems of postharvest handling, cooling, packing, chemical residue and related activities. Simultaneously, many of these export cooperatives require a wide range of management and organizational development services. Specifically, the project coordinates the efforts of three mango exporting cooperatives to build and operate a hot water dipping facility under USDA supervision to control the Mediterranean fruit fly.

Under the direction of Jorge Cespedes, FEDECOOP receives assistance in packing and exporting macadamia nuts and reorganizing overall management structure, including farm supply accounting, warehousing, and distribution.

Production loan repayments are flowing back into a trust fund administered with assistance from ACDI's Coffee Technification project. FEDECOOP is interested in using the fund for a new initiative that would provide operating loans for farm supply and first level processing operations for its 33 cooperatives. Authorization from USAID is contingent on the development of a special purpose credit delivery system which would improve local cooperative management and create standard bank/client relationships between individual cooperatives and local private banks. By year-end, negotiations between FEDECOOP, ACDI, and USAID were under way to initiate the new program.

ACDI has also explored possible assistance to Subproductos de Cafe, in which FEDECOOP is a major stockholder, for processing coffee by-products. The company hopes to sell pure caffeine which has been extracted from the pulp to cola drink manufacturers while marketing the remaining dried meal as an ingredient for animal feed concentrates. The project's goal would be to increase farmer income and protect Costa Rica's environment, since coffee waste currently pollutes the country's streams and rivers.

Training

Working closely with the export association ADAPEX, consultant Diego Celis provides exporting cooperatives with training and technical assistance in the production, quality control, postharvest handling and marketing of specialty crops such as baby vegetables, herbs, broccoli and lettuce. In September Celis accompanied six Costa Rican produce growers on a study visit to California grower associations, farmers, extension agents, and brokers. They studied new technologies, integrated pest management, postharvest cooling of perishable crops, and specialty crops with export potential. ■

Quepos Oil Palm Project

(AID Grant No. 515-0227)

Personnel

Steven Huffstutlar, Chief of Party
Jorge Cespedes, Director of Technical Assistance

Consultant

Walter Baker, Financial/Production Management

Background

In the 1930s the dreaded "Panama" disease devastated the United Fruit Company's banana plantations on the Atlantic coast of Costa Rica. Lacking technology to fight the disease, the company moved to virgin jungle on the Pacific coast. By 1940 it had carved out a 25,000 acre plantation complete with its own hospital, schools, internal railroad, and company town, called Quepos. One company pioneer mapped out a 4,000-acre farm and named it "California," after his home state.

In 1940, faced with another outbreak of disease, the United Fruit Company decided to replace its banana trees with African palm, now the source of most of the country's cooking oil. By the eighties, domestic consumption exceeded production and the United Fruit Company (known as Chiquita in the U.S.) sought ways to sell its land without displacing workers. At the same time, the Costa Rican government wanted to expand palm oil production to reduce imports requiring scarce foreign exchange.

▲ *Farmer harvests palm kernels which go through a process of high temperature cooking and breaking shells before being pressed for oil.*

In 1983 USAID and the Costa Rican Ministry of Agriculture agreed to work with United Fruit and design a workers production cooperative. The company sold the California farm for $2 million on long-term credit with no down payment to a group of former employees and helped them set up a cooperative. USAID provided a farm development, operations, and home renovation loan fund of $6 million over 18 ▶

years. In 1984 ACDI was contracted to organize the cooperative and develop it as a private sector enterprise. The group was incorporated as Coopecalifornia in 1985 and began business operations in January 1986.

Project Progress

In March 1989 ACDI concluded its four years of full-scale technical assistance. The cooperative is now an independent, well-managed business entity and one of the most successful cooperatives of its type in Latin America. Under its own management, Coopecalifornia continued to make giant strides in 1989. Production doubled, income exceeded expenses, and net cash flow began to accumulate ahead of schedule. The first scheduled loan payment is due in October 1990.

Manager William Zamora hired consultants who conducted workshops to teach members product quality control and organization. The workshops helped inspire members to work longer hours for bonus incentives, thus eliminating the costly overhead of using non-member labor.

Also in 1989 Coopecalifornia expanded a a cooperative grocery store, financed and run separately from the palm business, and renovated an elementary school used by member children. It began constructing a central recreation complex for the youth. Sewing and baking classes are under way for members' wives, and a cooperative bakery is being developed. The cooperative has contracted its own part-time doctor, greatly reducing medical costs while increasing access to health services. Membership has grown to over 100 families.

Coopecalifornia now enjoys a reputation as the most successful cooperative of its type in Costa Rica. It demonstrates to a constant stream of visitors from agricultural projects throughout Latin America and from the Costa Rican government that people of limited means and experience can develop a viable enterprise and a strong community with the right mix of "technical insistence" and financial backing. ■

Debt for Development

(AID Central Program Support Grant Buy-in)

Personnel

Robert C. Flick, Senior Vice President (part-time)

Consultants

Miguel Angel Rivarola, Project Profiles - Paraguay
David J. Anderson, Project Opportunities - Costa Rica

Background

Debt for development is the conversion of outstanding developing country external debt to foreign creditors into some form of local asset that will be used in development activities. Options include: debt for equity, debt for debt, and debt for cash. Debt swapping offers the potential for generating substantial local currency resources which may be used to finance different projects.

The Debt for Development project is an innovative attempt to deal with developing country debt with commercial banks, and to use some of these vast resources to strengthen farmer cooperatives in these countries. By converting the debt into development related investments in the private sector (many are in agriculture), the debt burden is reduced, U.S. banks are helped to recover their portfolios, while at the same time productive capacity is being generated.

In 1989 ACDI and its sister organization, VOCA (Volunteers in Overseas Cooperative Assistance), received a grant from the Agency for International Development's (AID) FY 1989 Cooperative Business and Trade Initiatives grant program to establish a debt for development project involving cooperatives, banking institutions, farmer and related organizations in the U.S. and Less Developed Countries (LDCs). The goal of the project is to directly increase the income of small farmers in countries where debt conversion deals are brought to fruition.

This grant finances the development, preparation and implementation of agricultural investment projects in selected debt burdened countries, primarily in Latin America. Projects involve investment from U.S. sources in joint ventures with LDC cooperatives and farmer enterprises to produce and export non-traditional agricultural products, including perishables, processed foods and by-products.

Increased production and sales in local markets of selected fresh and processed product is also envisioned.

Project Progress

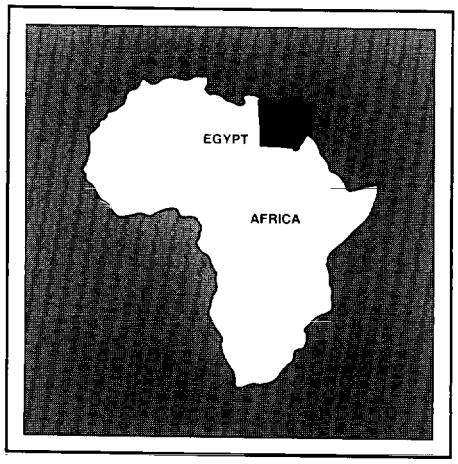
The administrative organization of the project has been completed. Under a Memorandum of Understanding, VOCA will produce a technical video on debt for development swaps. An instruction manual and other relevant findings regarding debt conversion mechanisms developed in 1988, will be presented by VOCA to the three regional mission directors' conferences scheduled for the first year of this project. A project management committee was appointed and two meetings were held during the latter half of 1989.

Visits were made to the Dominican Republic, Costa Rica, Ecuador, Chile, Paraguay, Bolivia and Guyana to determine the general attitude toward debt conversion projects. Contacts were established in the various central banks, and several concept papers prepared, which could be developed into full-scale projects, to disseminate project information and materials, and familiarize overseas AID mission personnel with the DFD concept.

The National Bank for Cooperatives (COBANK) in Denver, Colorado, a long-standing ACDI member and active supporter, has been named to the Debt for Development Project Management Committee. COBANK has identified several U.S. cooperatives with an interest in investing in Central America and the Caribbean.

Two short-term consultants were contracted in 1989 to seek project opportunities in Costa Rica and Paraguay. Robert Flick prepared a concept paper for establishing a small farmer credit portfolio in the only farmer-owned bank in Ecuador.

Other activities concentrated on identifying preliminary project ideas in Costa Rica, Ecuador and Honduras, with emphasis on partnership with U.S. cooperatives. ■



Egypt

Pilot Agribusiness Educational Television Series

Personnel

Ahmed Nouseir, Project Manager
Darlene Taylor, Project Assistant, Crossroads Africa Intern

Background

ACDI launched the Pilot Agribusiness Educational Television Series project in April, mobilizing a project management team and forming a coordinating committee with representatives from ACDI, the Ministry of Agriculture (MOA), the Agricultural Extension Service, and the National Television Network. The project tests the use of prime-time television to provide Egyptian farmers with up-to-date information on improved technologies and services already available in Egypt but not widely disseminated.

Project Progress

During 1989, ACDI and the coordinating committee completed the selection of subject matter and developed a master plan for the shooting, previewing, and broadcasting of the planned 28 shows. The director and scriptwriter for the series were selected and final drafts for the first 14 scripts approved. Tenders for video production, social marketing, and evaluation contracts were issued.

In December ACDI and the MOA arranged to have the shows aired as a public service, i.e. free of charge. This will result in significant budget savings, and will allow ACDI to extend the project by a year and nearly double the number of shows to be broadcast.

Actual production will begin in February, 1990 and will continue throughout the annual crop calendar. The first broadcast is scheduled for October.

Rural Small Scale Enterprise Credit Project

(AID Cooperative Agreement No. 263-0161-A-00-7254-00)

Personnel

Charles J. Vokral, Technical Adviser

Background

The purpose of the Rural Small Scale Enterprise Credit project (RSSE) is to determine the technical and financial feasibility of providing formal commercial credit to rural, off-farm, micro-enterprises through the local affiliates of the National Bank for Development (NBD) in the governorates of Sharkiya and Damietta in Egypt.

The project strives to bring commercial banking services to the village level for the first time in Egypt, and seeks to expand the rural economies of those areas served by the project by providing small businesses with credit through simplified procedures and lending criteria, i.e. cash flow potential and community references.

The project began in late 1987. Its format is based upon the proven principles of similar lending systems in other developing countries. The project combines the speed, convenience, and reliability of traditional village money-lending systems with the operating philosophy, management systems, lower rates, and profit margins of the Egyptian private-sector NBD.

Project Progress

At the formal opening of the RSSE lending operation on October 2, 1989 in the city of Zagazig, Sharkiya, 40 loans were disbursed to small entrepreneurs, including 11 loans to women who own their own businesses. For example, Madame Sana Sayed Mohammed Abel Karim received the very first RSSE loan, 500 Egyptian Pounds, to purchase additional high quality breeding stock for her chicken and egg production business. As of December 31, there were 431 borrowers in Sharkiya who had been provided with a total of LE 364,545 in loans. The repayment (weekly, in most cases) on this loan portfolio was 100 percent at the time this report was written.

At Damietta, the other governorate hosting the project, 60 loans were disbursed on the first day of lending. It is anticipated that by year-end, following a period of intense training of the project's 52 employees, total loans in this governorate will exceed projections and reach 140.

Prior to starting the operational phase of the project, as part of the training program, baseline data on the market and individual customers' businesses was collected to more accurately channel lending activities into income generating businesses in productive areas. The project now avoids trading and resale businesses and concentrates on manufacturing, food production and processing, and those service sectors which increase productivity.

The project has been extended for six months to June 1990 in order to gain more lending history and experience before a further extension is granted. ■

Madame Sana Sayed Mohammed Abel Karim receives first RSSE loan of 500 Egyptian pounds to finance purchase of breeding stock for her chicken and egg production business. From left, Governor of Sharkia Yousry El Shamy, Deputy Director, USAID/Egypt Paul Thorn, and Chief, Office of Local Development, USAID/Egypt Clinton Doggett.

▲
Betty Bradstreet, potato farmer volunteer, with Egyptian farmer Sadia Ali El Desoky, who grows one and a half acres of potatoes on the bank of the Nile River.

Farmer-to-Farmer Program

(Cooperative Agreement No. PDC-0000-G-SS-6204-00)
10/1/87 - 7/31/89

(USAID Grant Agreement No. 263-0102-G-00-0003-00)
10/1/89 -3/31/90

Personnel

Umesh Mally, Director, Global Programs
Anne Whitlock, Project Assistant
Sherif Ebeid, Project Manager, Cairo, Egypt
Mohamed El Shinawy, Field Coordinator, Mansoura, Egypt

Background

The Farmer-to-Farmer program provides volunteer technical assistance to promote improved farming practices and productivity in developing countries. Farmer volunteers who are crops and livestock specialists, are recruited on a short-term basis to carry out hands-on field training for host country farmers and extension agents. The program also seeks to promote continued friendships and two-way exchanges, as well as provide a learning experience about the conditions affecting developing country producers. While in 1988 the project focused on Egypt, Costa Rica, and the Philippines, 1989 activities were concentrated solely in Egypt.

Project Progress

The project's sub-grantor, Volunteers in Overseas Cooperative Assistance (VOCA) approved a six-month extension to July 31, 1989 to continue without additional funding Phase I of the project which began in October 1987. During this time, nine volunteers provided 11 man-months of technical assistance in the areas of milking practices and dairy herd management; grapevine pruning, girdling and training techniques; grape, citrus and vegetable irrigation; vegetable planting, disease control, fertilizer use and application, and beekeeping. Phase I ended on July 31 as scheduled.

A six-month extension proposal was approved October 1 under a USAID grant agreement. It maintained project continuity while a proposal for a three-year Farmer-to-Farmer Phase II Exchange project was under review by USAID and the Ministry for International Cooperation.

During the first half ot the extension, nine volunteers were recruited to assist Egyptian farmers in the Delta and New Lands regions of Egypt. Technical assistance was provided in the areas of potato irrigation and fertilization, integrated pest management, grape nutrition and grapevine training and pruning. Two dairy volunteers designed and constructed a calf house with local materials and conducted on-farm demonstrations in dairy management.

The three-year Phase II program is expected to begin April 1, 1990. Plans are to promote a two-way exchange program with 180 Egyptian farmers and extension agents coming to the U.S. for four- to five-week farmstays. In turn, 180 American farmers will visit Egypt to work with Egyptian Ministry of Agriculture staff, farmers and extension agents.

Other Activities

Livestock Loading Docks Construction

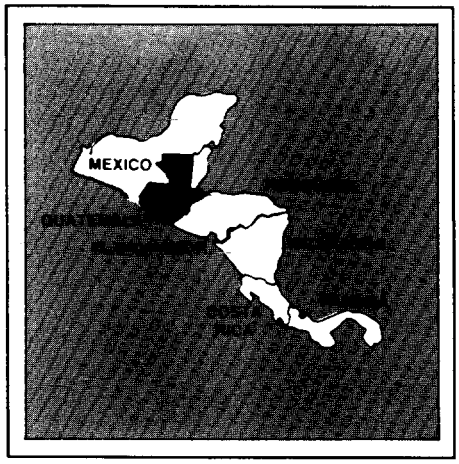
With the help of a husband and wife farmer-volunteer team, ACDI implemented a loading dock project to construct permanent loading docks in the major marketplaces of Nabarouh, Belgas, and Mit Ghamr to prevent costly injury from manual loading and unloading of large livestock. The first dock was completed in Nabarouh in August while the remaining two are still under construction. It is also hoped that revenues from the docks will help finance supplementary veterinary services in these three locations. The volunteers have already succeeded in establishing a field laboratory under the auspices of the General Cooperative for Animal Health.

◀ *Martin Krieg, right, Farmer-to-Farmer volunteer grape grower, demonstrates proper pruning technique. The 14-acre vineyard belongs to Hashim Kalifa who harvests seven to eight tons per acre.*

▲ *Farmer-to-Farmer volunteer Phyllis Kilby explains parts of a milking machine to a group of Egyptian dairy farmers during a four-week "milking school" that she and husband Bill conducted.*

Raisin-making Technology Transfer Project

In cooperation with the Egyptian Horticultural Institute, ACDI completed a two-month raisin-making Technology Transfer project. Initiated by an American grape grower volunteer team, the project introduced Egyptian grape farmers to the modern, labor-intensive techniques used in the San Joaquin Valley of California to produce high-quality raisins. ACDI carried out hands-on training in Dekahleya, Damietta, and Sharkiya governorates in the production of both dark and golden varieties of raisins. Thirty-six Thompson grape farmers and extension agents were trained in techniques of sun drying, processing and storing raisins, while producing 12 metric tons of raisins. High-quality training videos and brochures detailing raisin production methodology were produced for distribution and use in village presentations. It is hoped that Egypt will soon be self-sufficient in raisins, a costly commodity in great demand during the Eid al-Fitr holiday celebrated at the end of the holy month of Ramadan. The higher proportion of the national Thompson grape crop being dedicated to raisins will also result in more stable prices for growers and a reduction of postharvest losses due to spoilage. ■



Guatemala

Cooperative Strengthening Program

(AID Contract No. 520-0286-C-00-7021-00)

Personnel

David Fledderjohn, Cooperative Operations Specialist/Deputy Chief of Party

Background

In 1987, ACDI signed a subcontract with the World Council of Credit Unions (WOCCU) to provide an agricultural cooperative specialist to a team of consultants assigned to assist seven Guatemalan federated cooperative systems. The team is charged with reviving and improving the federations' operations, assisting them in achieving financial stability and in adopting policies and practices conducive to long-term viability. Other organizations participating in the project are the Latin American Confederation of Credit Unions (COLAC) and the National Cooperative Business Association (NCBA). David Fledderjohn, an ACDI contract employee in Guatemala for many years, is ACDI's representative on the team composed of four expatriate technicians and six Guatemalan professionals.

Project Progress

The Cooperative Strengthening Project has developed working relationships with five of the major federated cooperative systems in the country. Of these, emphasis is given to the national credit union federation and project administrator, FENACOAC, as well as to FECOAR, a federation of agricultural service cooperatives providing inputs and credit services to its affiliates since its inception in the mid-seventies under an ACDI project. Both of these federated cooperative systems participate in the "institutional development" aspects of the project aimed primarily at policy reform, staff training, and market expansion. They also work with the project in an innovative program to restore the financial integrity of the institutions which suffered considerably during a period of economic and political stress which began nine years ago.

Also participating in the project's institutional development component are a federation of artisans' cooperatives and two agricultural cooperative federations. Of these, the principal assignment of the ACDI technician has been with FEDECOVERA an institution composed of 25 affiliated plantation-type coffee farms, originally taken over by the government following expropriation of the properties from their German owners in 1944. FEDECOVERA had been operated by the state for nearly four decades and later converted to a cooperative mode of operation. ▶

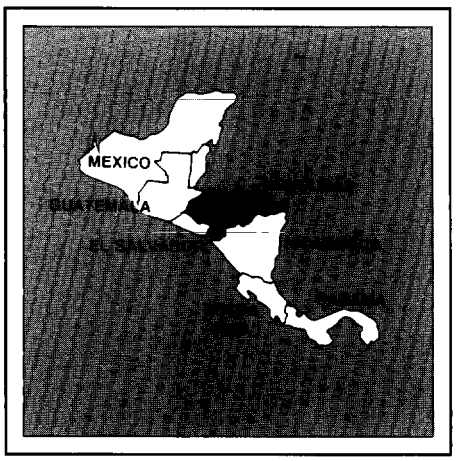
The federation began as a quasi-public institution dedicated primarily to marketing coffee. More recently, it has operated under terms of near autonomy and has expanded its services to include accounting for affiliates and credit in the form of advances against harvests. Problems in this area of credit have come to threaten the solvency and survival of the system and have been a major focus of attention and assistance for the project.

Belated recognition of financial problems by leaders and staff, brought on by a near breakdown of operations due to lack of liquidity, provided the background for significant changes and improvements in the institution in 1989. Declining coffee prices and marketing volume created a near crisis atmosphere among leaders and staff of the institution.

In this context, the project was able to make considerable contributions and progress to help sustain and improve several aspects of the institution's operations. These included the formulation, discussion, and approval of a credit policy; acceptance and support of a farm budgeting process as a guide for credit operations; mobilizing two-thirds of the federation to prepare budgets with cooperative directors in the field,and installing an effective credit manager in the federation who quickly became a *de facto* manager for all operations.

The project redefined staff functions and the structure of authority modified for improved performance which led to a board of directors' dismissal of 25 percent of the employees. The board also approved cuts to the operating budget amounting to nearly one-fourth of the amount approved earlier. Credit advances to affiliates were reduced drastically in order to finance only the most essential costs of harvest of the year's coffee crop.

Although FEDECOVERA still has a long way to go to insure its solvency and continued operations, the measures taken this year indicate considerable commitment to sound corrective measures. The major challenge remaining in the system is to either ensure that collective cooperative farms reach levels of productivity and efficiency which will make them profitable and viable, or to break them up into individual family farms. ■



From left, Professor Adrian Zavala, Development Division, UNIOCOOP; Victor Barahona, manager, Cohorsil Cooperative; Orlando Valle, manager, Maya Occidental Cooperative; Rosalio Urquía, manager, '20 de Marzo' Cooperative, and ACDI's project coordinator for Latin America, Robert Fries, calculate the difference in supply turnover rates between ACDI member MFC Services and a Honduran cooperative. ▶

Honduras

Small Farmer Organization Strengthening Project

(AID Project No. 522-0252-C-00-7160-00)

Personnel

William Alvarado-Greenwood, Institutional Development Adviser

Consultants

Bret T. Campbell, Computer Accounting
Miguel Angel Rivarola, Cooperative Development

Background

In 1987 the Honduran government signed a three-year contract with USAID to provide technical assistance to strengthen three national federations and their member cooperatives. The federations were the Union of Regional Agricultural Cooperatives (UNIOCOOP), the Federation of Honduran Credit Unions (FACACH), and the Coffee Cooperative Federation which dropped out after declaring bankruptcy. A new entity, the Coffee Cooperative Central (CCC), was created by the remaining viable coffee marketing cooperatives and began working with the Small Farmer Organization Strengthening Project (SFOSP) in Honduras.

A consortium comprised of ACDI, the World Council of Credit Unions (WOCCU), the National Cooperative Business Association (NCBA), and the Confederation of Latin American Credit Unions (COLAC) was formed. At the request of USAID, a new cooperative development finance organization, Fondo de Desarrollo Financiero (Financial Development Fund or FDF), was created to implement the project. Eleven Hondurans operate and administer the FDF, while a five-member expatriate team acts in an advisory capacity.

FDF is based on three components: institutional strengthening, financial stabilization, and credit. Institutional strengthening enables FDF to support operating costs while an organization restructures. The expatriate team promotes this component not as a subsidy, but rather as an institutional investment by FDF in return for the cooperatives' commitment to implement agreed-upon operating reforms. The second component is a financing tool which enables members to recapitalize the cooperatives, and the third is market-rate credit used by FDF in conjunction with other sources of financing.

ACDI's adviser was contracted to work primarily with UNIOCOOP and its affiliates. UNIOCOOP started in 1982 and comprised five regional agricultural service cooperatives, two of which were marketing cooperatives dealing mainly with fruits and vegetables while the other three were primarily farm supply and credit cooperatives which also marketed corn, coffee, and rice.

Project Progress

After one and a half years of analysis and planning assistance, the SFOSP shifted and began the implementation phase.

UNIOCOOP Operations

1989 was a year of growth for the federation. Three cooperatives joined, bringing the total number of regional affiliates to eight. Invigorated by a strategic plan and mission statement that identified UNIOCOOP's main business purpose as distribution of farm supplies, commercial activity increased and fertilizer sales tripled. The SFOSP provided over $3 million in new financing to the federation, whose repayment was on schedule at year-end.

UNIOCOOP's farm supply division, via its imports and sales, became a major player in the Honduran fertilizer market. Sales of over 12,000 MT generated $3.5 million, giving UNIOCOOP a 15 percent market share.

UNIOCOOP created a new coffee marketing division to assume the marketing system development program of the CCC, which could not be legally constituted under the new Honduran cooperative law. The division's major activities in 1989 involved laying the groundwork for the new marketing system.

The development division of UNIOCOOP assumed full responsibility of assisting affiliates in drafting and presenting development plans which served as the basis for project financing to FDF. By mid-year annual operating plans had been submitted by all affiliates, and UNIOCOOP's responsibility shifted to monitoring the implementation of plans. This proved to be a formidable challenge for the federation.

The focus on commercial growth imposed demands on UNIOCOOP which drew attention from its development work. This led the SFOSP to reconsider its strategy of making federations responsible for providing technical assistance to affiliates. A short-term ACDI adviser analyzed services needed by affiliates and recommended an organizational development strategy for UNIOCOOP which assures the timely and effective delivery of technical assistance.

Regional Affiliated Cooperatives

There was significant activity at the affiliate level, as project financing began. The efforts of ACDI's long-term adviser were focused on three cooperatives; COHORSIL, CREHSUL, and Fruta del Sol.

In the highlands of Siquatepeque, the Regional Vegetable Farmers Cooperative, COHORSIL, began constructing a warehouse, a store, and office facilities. FDF provided the financing for the cooperative's move out of a leased residential building. COHORSIL is an excellent example of sound management, member control and consistent growth. Sales, topping the year at $1.4 million or a 65 percent increase over 1988 sales, are continuing their steady growth.

CREHSUL, the cantaloupe packing and export cooperative, planned to reduce high per-unit costs and more than double its export volume. Although the cooperative packed 180,000 boxes, exceeding its goals, the year was not as profitable as hoped. The volume increase revealed serious accounting and internal control deficiencies which had grave financial repercussions. To address this problem, the project worked with the national university and the government cooperative institute to develop a new agricultural cooperative accounting manual. An ACDI computer specialist assisted the cooperative in cleaning up existing accounting information, implementing the government's new accounting system, and installing a computerized program and MIS to improve decision-making capabilities.

During the 1989 season, the cucumber packing and export cooperative, Fruta del Sol, did not qualify for project financing. In mid-year the cooperative began reorienting its services on a fee basis. By late 1989 it had made necessary operating reforms and qualified for project financing needed for farm supplies and member production credit. As in the case of CREHSUL, this cooperative also ended the year with the SFOSP consummating a debt restructuring negotiation with the Honduran Agricultural Development Bank. The FDF will purchase the outstanding loans at a discounted rate and reschedule them so that the cooperatives have a longer time to pay them off.

Training

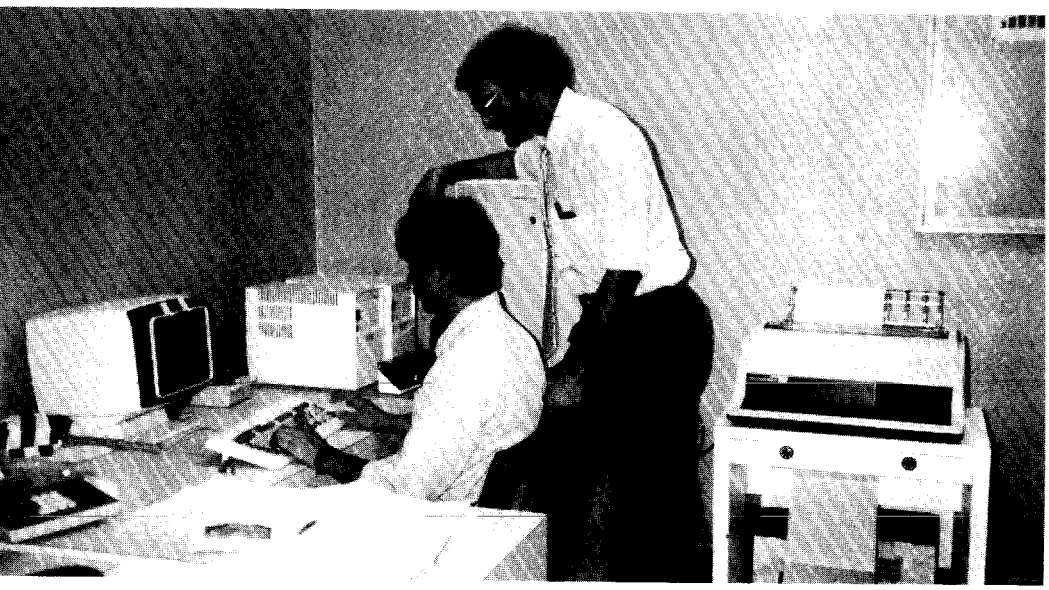
The project conducted two successful study visits of U.S. cooperatives. In each case, objectives were delineated by project staff and ACDI/W made arrangements with its members and participated in drafting the written report (available in Spanish from ACDI/W).

A group from UNIOCOOP and FDF visited the headquarters and some of the member cooperatives of Southern States Cooperative in Richmond, Virginia, to see the four types of farm supply outlets used in its distribution system. A report of findings and recommendations for Honduran cooperatives was drafted, and a workshop was held with UNIOCOOP and its affiliates to apply the lessons and recommendations in Honduras.

A group of 19, including the managers of the UNIOCOOP affiliates, visited MEC Services member cooperatives in Mississippi, and held extended question-and-answer sessions which focused on administrative and accounting systems with upper-level management at the cooperative's headquarters. A final report was drafted and a one-day workshop was held in Honduras with cooperative staff, management and board members to formulate recommendations for their cooperatives. ■

Innovative Approaches to Cooperative Management, Finance and Trade

(Cooperative Agreement No. OTR-0192-A-00-8241-00)



◀ *Jeffrey Levine, ACDI IAP coordinator, reviews a database program with Rodrigo Rodriguez, cooperative manager, COOPEVICTORIA, in Costa Rica. His visit followed the IAP computer and telecommunications training course held in March.*

Personnel

William Carter, Project Manager
Jeffrey Levine, Project Coordinator

Consultants

(Costa Rica):
Jorge Cespedes, IAP Training Coordinator
Gerardo Mirabelli, Telecommunications
Juan Carlos Briceno, Microcomputers
Sylvia Chavarris, Computer Systems
Johnny Obando, Computer Graphics
Francisco Araya, Computers
Oscar Mesen Jiminez, Project Consultant
(Honduras):
Maria Martorell-Deese, Training Coordinator
(Philippines):
Sam Filiaci, Project Consultant
(Indonesia):
Pete Alejandrind, Training Coordinator
Dr. H. Masngudi, Project Consultant

Background

The purpose of the Innovative Approaches project (IAP) is to assist developing country cooperatives, credit institutions, and the organizations that serve them, to share in the benefits associated with the use of computers and information management. This includes the traditional efficiencies such as automated record keeping with an emphasis on international communication for data acquisition, technical assistance and training in the areas of management, finance and trade to a larger audience at a lower per unit cost than the traditional (i.e., long-term, on-site) means of delivery allow. The three-year project is primarily funded by the U.S, Agency for International Development, however, significant contributions are provided by the National Council of Farmer Cooperatives, and ACDI's own Development Fund.

Project activities began in July 1988 with two one-day workshops held for the project's 18-person advisory committee. The committee of U.S. telecommunication experts was chosen according to areas of expertise related to the various project components. Following the advisers' workshops, four month-long "country studies" were performed in Costa Rica, Honduras, Indonesia and the Philippines. A database survey was conducted to review electronic information services currently available in the U.S. and the first computer and telecommunications training course was held in Costa Rica for 12 cooperative computer and financial administrators.

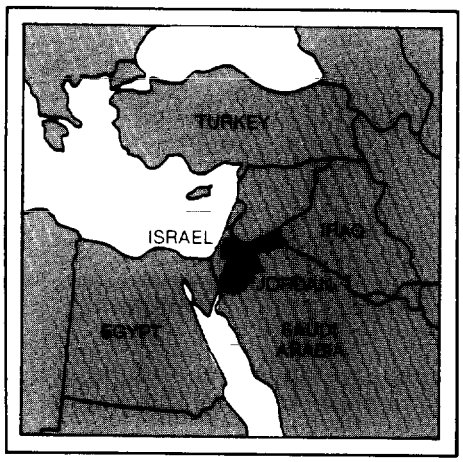
Project Progress

In 1989 computer and telecommunications courses were completed in Honduras, Egypt, and the Philippines. The last course began in Indonesia in December, with a completion date of January 1990. To date, approximately 100 cooperatives have participated in the program.

CARINET is an electronic communications network owned by a consortium that includes ACDI. Network accounts have been donated to nine participating cooperatives in Honduras, Egypt and Costa Rica. Cooperatives from all five target countries are expected to join the advisory committee in early 1990 and to be on-line to participate in a global conference on cooperative development via telecommunications systems. Cooperative personnel will be encouraged to report their specific development needs and cooperatives will be linked with external resources which can assist them in resolving various internal problems. Project staff plans to initiate computer user groups to provide additional technical support.

Project personnel began developing a follow-up proposal in 1989 to establish a "Cooperative Information Resource Center" in the Philippines. Project feasibility studies have all recommended a center for accumulating and disseminating general information to a country's cooperative on computerizing their organizations and increasing their competitive edge in the local and international market. The center in the Philippines is planned as a pilot project to demonstrate the utility of such a resource.

Plans for a Cooperative Computer Software Survey were initiated in 1989 with a June 1990 completion date. The survey aims to identify existing agricultural and cooperative-related software packages used by U.S. and foreign cooperatives. The Wisconsin Cooperative Development Council has been hired as a short-term consultant to evaluate and classify the packages as well as to recommend that the most appropriate software programs be applied in developing country cooperatives' business and technical programs. ■



Jordan

National Agricultural Development Project

(AID Contract No. ANE-278-0264)

Personnel

William A. Hargus, Animal Production Specialist (9/22/89 - present)
William Aldworth, Agribusiness Marketing Adviser (8/26/87 - 6/21/89)

Background

In early 1987, the multi-university Consortium for International Development, with Washington State University as the lead organization, began a seven-year, $27 million AID-financed project to improve agricultural production and farmer incomes in the semi-arid highlands of Jordan. The project is headquartered in Amman and operates six regional centers.

It has been expanded to cover the entire kingdom, including the irrigated areas of the Jordan valley. A five-person technical assistance team is working jointly with the Jordanian National Center for Agricultural Research and Technological Transfer (NCARTT), conducting research in the areas of cereals, fruits and vegetables, socio-economics and farm systems, range management, and livestock. The research is transferred to the farmers through a network of 85 extension officers working in all parts of the kingdom.

ACDI participated during 1989 through the activity of William Aldworth, agribusiness marketing adviser (through June) and William A. Hargus, animal production specialist, who arrived in Jordan in September.

Project Progress

Aldworth's aim, during his last six months on the project, was to complete the work he had begun in the previous 18 months, to increase production of rain-fed cereal crops by encouraging farmers to use the modern techniques proven to be effective in increasing yields 50 percent over traditional methods of production. This increase would not only improve the farmers' standard of living, but save the Jordanian government valuable foreign exchange, now used to purchase wheat for human consumption and barley and straw for livestock.

Aldworth concentrated his activities on four areas: completion of a TV film on the new technology of cereal production; construction of a combination grain drill and chisel plow prototype; completion of a contractor's survey, and implementation of a program which would make available additional modern farm machinery to the nation's rain-fed farmers.

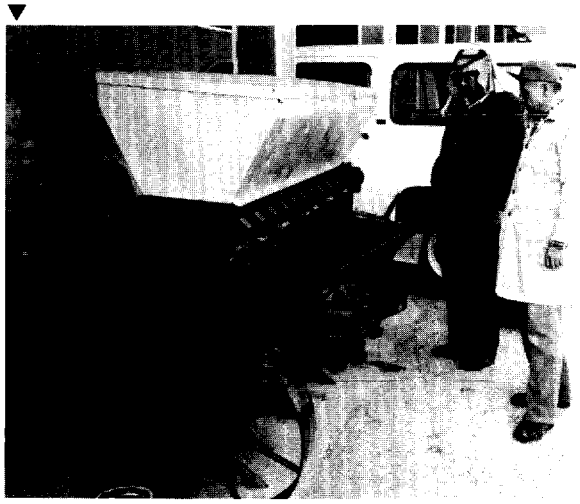
Aldworth helped complete a four-part TV film about the cultural practices of rain-fed cereal production including land preparation, seeding, weed control, and harvesting. The film will be used by NCARTT, the regional agricultural service centers being built, extension agents, and the JCO. It will provide important visual assistance in adoption of modern techniques to local farmers and farm equipment owners who perform custom work on farms.

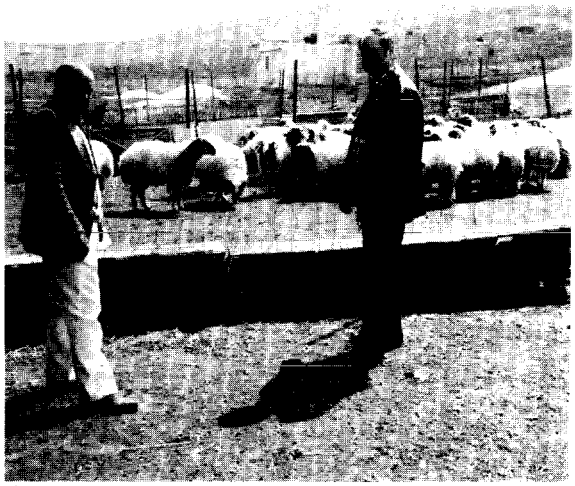
Working closely with an engineer from the Ministry of Agriculture, Aldworth assisted with the design of a combination chisel plow and grain drill which could be built economically by local machinists from local material. The implement will control weeds and conserve moisture during the fallow season, prepare the ground for seeding, seed cereal grains at proper depth and harvest mechanically instead of the traditional hand harvest.

Aldworth participated in the design and survey of 104 custom farm operators, who own farm machinery and perform mechanical work for 90 percent of the farmers. Survey results led to a plan, aided by the Agricultural Credit Corporation and NCARTT, to provide loans and incentives through the project to farmers and contractors. The funds would be used to purchase and use the equipment needed to perform the proper field operations for the new cereal technology.

Dr. Hargus, whose work has been directed toward increasing livestock production, works with a Jordanian counterpart in the Range and Livestock Section of NCARTT in Jordan. Since September, he has assisted the section staff with its program of characterization of sheep and goat production, and additionally developing an animal production research program for 1990.

Mahmoud Hamzeh, right, and his assistant with a combination chisel plow/grain drill designed by Hamzeh and marketing adviser Bill Aldworth. The drill is locally-made and costs one-third the price of two separate imported pieces.





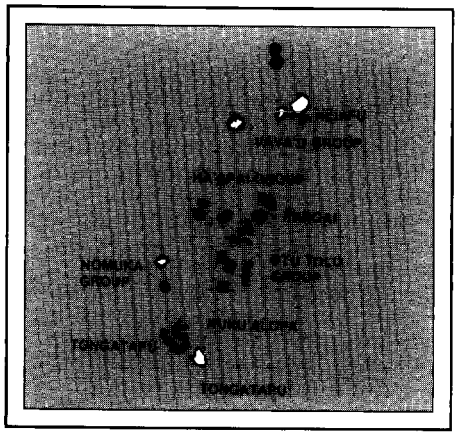
Dr. William Hargus, right, ACDI's animal production specialist, with manager of the Khanasri sheep station in Irbid, northern Jordan. In the pen are fat tailed Awassi sheep which produce meat, milk and carpet wool. Focus of Hargus' work is on improving reproductive rate for local sheep by using vitamin A and hormone injections.

Training

An important part of Dr. Hargus' activity will be to train NCARTT animal production staff in animal husbandry techniques. There are few specialists in animal production in the country but there is a keen interest by the Jordanian government to increase animal productivity, and by Jordanian staff to learn more about procedures for improving animal production. ■

A FIMCO member prepares taro, a root crop, for export to Polynesian communities in New Zealand. The USAID-funded Vegetable and Root Crop Marketing project in Tonga focuses on exporting off-season vegetables, including three kinds of taro and three types of yams.

Hampers and wall hangings, made by FIMCO handicrafts cooperative members, are displayed in one of its stores. Membership in the Tongan cooperative has increased from six in 1985 to 335 and sales have more than quadrupled.



Tonga

Cooperative Federation Development

(AID Project No. 879-0010-G-SS-7037)

Personnel

John G. Kreag, Acting Secretary/Manager, Friendly Islands Marketing Cooperative

Background

The Friendly Island Marketing Cooperative (FIMCO) was created in January 1986 to market vanilla, fish and handicrafts produced by members of the Tonga Cooperative Federation (TCF), an importing/wholesaling cooperative. ACDI had been instrumental in the development of TCF when, from 1982 through 1985, it grew from near bankruptcy to a T$5 million a year business, at which point Tongan management took over the federation's administration.

Since 1986 ACDI has been working with FIMCO to assist in the development of its marketing activities. In 1989 funding was received from the U.S. Agency for International Development (USAID) to support FIMCO's efforts to develop a vegetable and root crop marketing business. It aims to significantly increase export earning opportunities for Tongan farmers.

Project Progress

The Vegetable and Root Crop Marketing project focuses on exporting off-season vegetables, root crops being the first, (three kinds of taro and three types of yams) for export to Polynesian communities in New Zealand.

The primary crop was expected to be watermelon. Planning meetings with interested growers were held during the first quarter. USAID funding for the project through 1991 became available in April. FIMCO's manager, Edgar Cocker, visited New Zealand to develop markets for Tonga's produce and to identify appropriate packaging materials and suppliers. As a result of his visit and the contacts made, it was necessary to get operations under way quickly to meet the cool season planting schedule and market requirements.

However, in late April the New Zealand government announced that no further produce, considered potential fruit fly hosts, would be allowed to enter the country until protocol agreements had been signed between the exporting country and New Zealand. Thus, only root crops (not being fruit fly hosts) were allowed to be exported from Tonga to New Zealand in 1989.

In December New Zealand dropped the requirement for protocol agreements for all crops from Tonga except watermelons, which will now allow the island to export tomatoes, green peppers, zucchini, cucumbers and pineapples in 1990.

FIMCO quickly turned to root crops as an alternative crop for 1989. The first exports began in July and amounted to T$62,000 in sales for 1989. Root crop exports are expected to increase in 1990, with destinations in Australia and the United States being investigated to satisfy the ethnic markets in each country.

Vanilla

Vanilla continued as the backbone of FIMCO's business and 1989 was a very encouraging year. In April the Commodities Board had reached its credit limit. Since 1988 vanilla was still available for sale, the Tonga Development Bank extended FIMCO's repayment terms, allowing it to purchase and market the remaining four tons of vanilla that farmers had remaining from the 1988 crop.

Following a 1988 harvest of 36 tons in Tonga, the 1989 crop was less than 12 tons. Bad weather and over-pollination of the 1988 crop are believed to be the cause of the dramatic decline in flowering which led to low production. The vanilla has now fully recovered and the 1990 crop is expected to be at the 1988 level.

FIMCO's 1989 market share increased from about 33 percent to 66 percent. One of the principal reasons for the increase was that the Commodities Board was relatively inactive in the vanilla business. However, the benefits of cooperative marketing are also being recognized. The majority of FIMCO's 659 vanilla producer members are now selling their vanilla green to be cured by FIMCO.

rather than curing it themselves, thus achieving high quality. Stricter grading of green vanilla purchases also helped to increase the quality. By improving the curing ratio alone FIMCO reduced vanilla costs by 12 percent.

Fish and Fishing Supplies

Fish and fishing supplies had a mixed year. The fishing supplies business continued to expand with sales increasing by 28 percent to T$230,000. While the primary business of fish marketing continued to decline, export marketing of fish was very strong at T$40,000 in 1989, a T$17,000 increase from 1988. Local fish sales continued to suffer, leading to adoption of a new strategy for 1990, making export sales the primary objective and local sales as a secondary market for fish not of export type or quality. The margin on local sales has been reduced in an effort to stimulate sales and to provide fishermen with a price attractive enough to encourage them to sell to FIMCO. Indications are that 1990 will see a return to profitability of the fish marketing business.

Fishing supplies have been available in Tonga only for the last five years, when FIMCO entered the business. Sales in 1989 were T$230,000 (approx. US$172,500).

Handicrafts

Handicrafts, after three years of very strong growth, decreased in 1989, owing to a significant drop in tourism. Emphasis on quality and new items, together with a probable new shop at the airport are expected to help make 1990 a record year.

Training

While no formal training was conducted, much of 1989 was devoted to strengthening of confidence among members and employees in FIMCO's future. As they came to understand the business, confidence rose in FIMCO having the best products and prices, best policies and service, and employees. Members were assured that, through their management committee and employees, they can continue success in the future. This informal education process will continue to be emphasized as the vegetable marketing section is being developed.

In September Edgar Cocker, FIMCO manager, started a two-year master's degree program in international development and marketing at New Hampshire College. Milika Einau who recently completed her bachelor's degree at California State University was hired to manage the fishing supplies and handicrafts activities so that upon the manager's return and completion of the project, the business will continue at full strength. ■

ACDI, with funding from USAID, has assisted FIMCO with its fish marketing activities since 1985. While the cooperative has formerly concentrated on frozen fish, this year the focus will be on fresh fish and export markets, especially Hawaii.

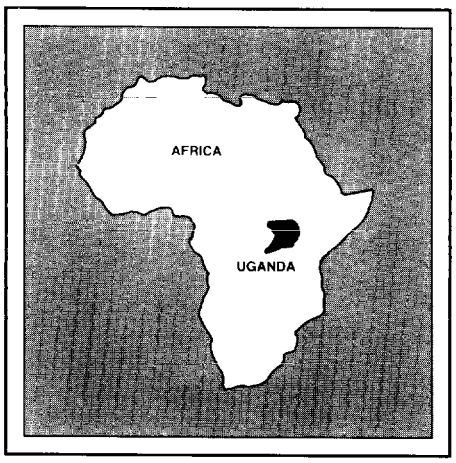
FIMCO Members

	Vegetables	Handicrafts	Fish	Vanilla	Total
January 1986	-	6	-	-	6
December 1986	-	87	26	51	164
December 1987	-	226	57	553	836
December 1988	-	308	94	644	1,046
December 1989	19	335	98	659	1,131

FIMCO Sales

(Tongan dollars T$ 1.25 = U.S. $1.00)

	Vegetables	Cured Vanilla	Fish and Fishing Supplies	Handicrafts
1985 (under TCF)	-	-	$225,000	$ 60,000
1986	-	$264,000	411,000	122,000
1987	-	363,000	376,000	222,000
1988	-	416,000	379,000	294,000
1989	$62,000	1,068,000	363,000	275,000



Uganda

Biological Nitrogen Fixation/ Legume Management Outreach Project

Personnel

Suzanne M. Rucker, Coordinator (headquarters)
William Verner, Coordinator (Uganda)

Background

In the fall of 1988, NifTAL (Nitrogen Fixation by Tropical Agricultural Legumes), a unit of the University of Hawaii, and USAID sponsored an intensive training workshop in biological nitrogen fixation technology. Invited were a small group of appropriate personnel from the Peace Corps and a number of PVOs (Private Voluntary Organizations).

The goal of the Biological Nitrogen Fixation/Legume Management (BNF/LM) Outreach project is to increase production of leguminous crops and trees. A low cost, appropriate agricultural technology, it will enable farmers to increase production of high protein food with reduced dependence on costly fertilizers.

As an outcome of the workshop, a steering committee was formed which produced a proposal to introduce BNF technology in five developing countries, including Haiti, Indonesia, Nepal, Senegal and Uganda. A pilot project was approved by USAID in November.

Project Progress

A consortium comprising several PVOs, the Peace Corps and the University of Hawaii was formed to undertake the project. The organization most prominently represented in each of the five countries will coordinate activities. ACDI has been selected as the lead agency in Uganda and has appointed a coordinator from its field staff.

A BNF workshop was held in November, conducted by NifTAL staff and attended by appropriate personnel invited from the Ugandan Ministries of Agriculture and Cooperatives and Marketing, as well as Makerere University and U.S. research personnel. An advisory committee will be appointed to disseminate information to farmers and private entrepreneurs. Equipment to begin production of rhizobium inoculant for leguminous crops and trees has already been delivered to Uganda by NifTAL and production is expected to begin in the spring of 1990. ■

Cooperative Agriculture and Agribusiness Support (CAAS) Project

(AID Contract No. 617-0111-C-00-9100-0)

Personnel

Thomas H. Carr, Cooperative Development Adviser/Contractor's Representative/ACDI
Michael Cornelius, Audit Adviser/RONCO
Augustine Nyamayarwo, Project Administrator/ACDI
William Verner, Input Distribution Adviser/ACDI

ACDI Consultants

Derrick Burgess, Oilseed Production
Gus Carlson, Financial Management
Sam Cooper, Impact Assessment
Winton Fuglie, Computer Systems/ Programming
Kim Glenn, Information Management
Rick Pierce, Information Management

RONCO Consultants

William Adamson, Kenaf Fiber Production/Processing
Alvero Castillo-Nino, Civil Engineering
Warren Enger, Oilseed Production/ Agricultural Inputs
Alex Grobman, Seed Production
Bharat Gupta, Architectural Designs
Richard Howes, Marketing/ Organizational Assessment
Gordon Kunde, Marketing,
Richard Newberg, Project Development
Russell Olson, Agricultural Inputs
Bert Serna, Computer Programming
Lowell Steinbrenner, Light Manufacturing

Background

ACDI signed a three-year project agreement with USAID in November 1989 to act as prime contractor for the Cooperative Agriculture and Agribusiness Support (CAAS) project, to be implemented with the Uganda Cooperative Alliance (UCA), the apex organization for cooperatives in Uganda. RONCO Consulting Corporation, Inc. is the subcontractor.

The project's goal is to raise the standard of living of small farmers in Uganda through improved agricultural practices and increased production. A major objective is to diversify the cultivation of agricultural cooperatives and move them away from the traditional coffee and cotton crops, as well as increase the supply of agricultural inputs such as seed and fertilizer. The project will assist in establishing a commercially viable marketing system for agricultural products and aims at stimulating agribusiness development.

Two major components are cooperative development and commodity importation. The first will focus on achieving greater efficiency in input distribution and commodity marketing. The second will address short-term foreign exchange constraints while increasing the availability of essential agricultural inputs such as seeds, jute for bags, fertilizer, and farm implements, which will be imported through foreign exchange provided by the project. Local currency generated by the sale of the imported commodities will be used to finance loans and matching grants to cooperative societies. Cooperatives, the best vehicle for distributing inputs to the country's farmers, are undercapitalized, poorly managed, and tied to outdated pricing policies. Among other

goals, the project is designed to give cooperatives an opportunity to recapitalize and improve their financial and business standing.

The project collaborates with a number of Ugandan institutions to achieve its objectives. The participating organizations are the Uganda Cooperative Alliance, Uganda Central Cooperative Union, the Ministry of Cooperatives and Marketing/GOU, and the National Input Coordination Unit of the Bank of Uganda.

Project Progress

Uganda Cooperative Alliance (UCA)

In November 1988 Thomas Carr, cooperative development adviser to the UCA and ACDI's contractor representative began a three-year assignment to assist the UCA in developing and implementing movement-wide programs. Special emphasis was on improving cooperative management, financial control and audit, training programs, diversification from traditional export crops, and developing the Primary Society Matching Grant Program.

UCA serves as national counterpart and host of the CAAS project. It is the primary participant and houses project offices. UCA General Secretary Charles Kabuga is chairman of the CAAS Core Committee, established to coordinate all aspects of the project.

Major activities to date include policy studies, agribusiness advisory services, feasibility studies, women's programs, rural education, senior management training, and review and improvement of accounting and audit services. During the period under review, UCA's staff has submitted several policy studies, assisted five unions with advice and feasibility studies, conducted a comprehensive study of the role of women in cooperative development,and held seven local senior management courses. Through its audit subsidiary, UCA Business Services, UCA is involved with setting up computerized accounting systems for 10 unions and over 600 primary cooperative societies.

The Primary Society Matching Grant Program staff has reviewed applications for two zones, with 120 societies selected as grant recipients out of hundreds of applications. The value of grants to be made, all of which will be matched in cash or kind by the cooperatives, is $400,000.

Michael Cornelius, the audit adviser (RONCO), joined the UCA team in January 1989 and has succeeded in setting up an audit company with a staff of nine. The company has already succeeded in auditing two cooperative unions and over 350 primary cooperative societies.

Uganda Central Cooperative Union (UCCU)

Bill Verner is the long-term ACDI agricultural input adviser to UCCU. Together with William Okoroi, general manager of the UCCU, Verner has set up a computerized inventory system, researched rural input supply and demand, and has coordinated the USAID-financed Commodity Input Program.

Other major activities were preparation of institutional operational plans for 1989/90 for UCCU as well as other participating CAAS organizations. A study was conducted on the production and processing potential for certain varieties of kenaf, a fiber substitute for jute, and roselle.

Additional consultancies provided the UCCU with guidelines on better utilization of its computer equipment; follow-up on the data management program; and design of a major financial and management plan for UCCU scheduled for next year.

A study of opportunities in light manufacturing was conducted in the third quarter. Some of the preliminary groundwork for the establishment of SEEDCO, a private seed company, 40 percent ownership of which will be held by UCCU, was completed during two separate consultancies.

Seven UCCU staff members benefited from more than four months of ACDI-sponsored management training programs held in the U.S.

National Input Coordination Unit (NICU)

Dr. W. Odwong was recruited this year to head the National Input Coordination Unit (NICU), Agricultural Secretariat, Bank of Uganda, which now has a permanent staff of five officers. NICU's purpose is to monitor and record agricultural input activity in Uganda and to compile and prepare statistics through research studies and secondary sources in order to recommend appropriate policy alternatives to government. The CAAS project is supporting this unit with short-term technical consultants, overseas training, computer equipment and local currency budget support.

The NICU was assisted by several consultancies, including development of its first-year operational plan, which recommended training schedules, proposed consultancies and identified special research studies. Another consultancy dealt with two of the recommended studies for land tillage and chemical use. As a follow-up to an earlier data management assessment, a consultant was contracted to help NICU staff design and install data management programs relative to NICU's stated objectives. NICU staff also attended several overseas training courses focusing on agricultural data management and policy formulation.

Ministry of Cooperatives and Marketing (MCM)

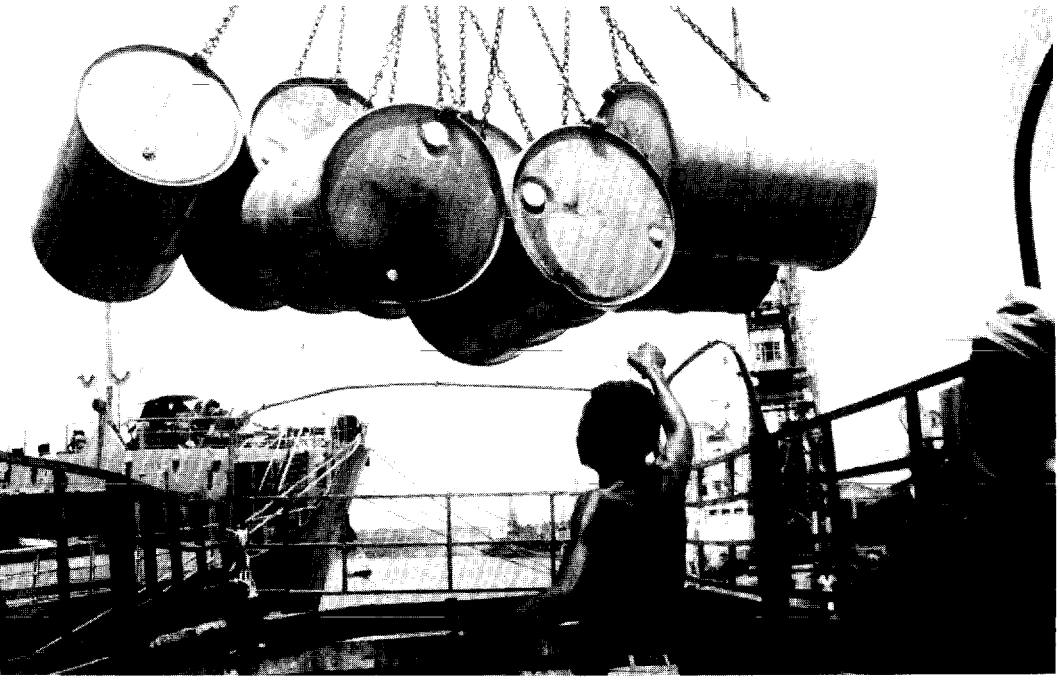
The CAAS project is working with the ministry on its data management operations to improve the quantity and quality of pertinent and usable information with which it can more effectively determine internal management decisions and formulate sector policy. This program began with the Management Information Systems Assessment conducted in April. It was followed by a consultancy in data management to provide the ministry's departments and planning unit on-the-job technical training in data programming on computer units provided by the project. Training courses for computer operators, data processing, and policy formulation were held locally and overseas. Over seven person-months of training was provided through the project.

Training

Overseas/Regional

The two main themes of CAAS-sponsored training are "Management Improvement" for the cooperative movement, and "Data Management, Planning and Policy Improvement" for the ministry and NICU.

This component of the CAAS project was managed by UCA, CAAS and ACDI staff. Using training facilities in Tanzania, ▶



◀ *Offloading P.L. 480 vegetable oil at the port of Mombasa, East Africa, for transport to Kampala where the oil is sold to local wholesalers. Proceeds are used for cooperative and agribusiness development and training.*

Uganda

Kenya, Canada, the U.S., and other countries, 37 Ugandans attended training courses or participated in regional and overseas workshops, seminars, study tours, and international cooperative meetings. Funds were also provided to finance transport for personnel with scholarships. All programs accounted for over 40 person-months of training.

In-Country Training

The UCA Human Resource Development Department, headed by Charles Sendyona, is responsible for senior management and rural education. It sponsored over 370 person-months of training through CAAS-funded courses for production managers, executive managers, board members, systems controllers, and store managers.

ACDI and the UCCU jointly sponsored a workshop on Biological Nitrogen Fixation technology for over 30 participants from agricultural institutions, private companies, and non-governmental organizations. The workshop was led by Dr. Paul Singleton of NifTAL, University of Hawaii.

In October, ACDI, with the support of CAAS project staff, performed an evaluation of ACDI training activities in Uganda over the past seven years. A group of Ugandan evaluators learned basic evaluation methods and then practiced their skills by evaluating selected groups of cooperative staff previously trained by ACDI. ■

P.L. 480 Title II Monetization Project

(AID Grant)

Personnel

Ron W. Shaw, P.L. 480 Monetization Specialist
Dennis C. Frederickson, P.L. 480 Financial Programs Adviser

Background

ACDI became a cooperating sponsor in March 1989, and began its P.L. 480 Title II Monetization Program activities in Uganda in July 1989. The project envisions the monetization, over a two-year period, of 10,050 metric tons of P.L. 480 Title II vegetable oil. Management and supervision costs are financed, both in the field and ACDI/W headquarters by a $552,500 grant from the AID/West Africa Bureau.

The local currency proceeds generated by the sale of the commodity will be invested by UCA in three major areas: the purchase and rehabilitation of cooperative fixed capital assets such as office space, factories and warehouses, machinery, transportation facilities, and equipment; loans to district unions for the financing of viable agribusinesses, and an expansion of the Cooperative Credit Scheme which makes input and production credit available to small farmers, and training. Some funds will be used for the purchase of non-traditional crops such as oilseeds, maize, and beans. Training and human resource development will coincide with the implementation of UCA's five-year training and education plan.

Project Progress

Project activities in Uganda officially got under way in July with the assignment of Ron Shaw as monetization adviser. In August, Denny Frederickson, former team leader and credit adviser to the Rural Economic Recovery project, was reassigned as P.L. 480 financial programs adviser. The investment portion of the project was integrated into the CAAS project through a newly created P.L. 480 program office within UCA under the direction of Leonard Msemakweli.

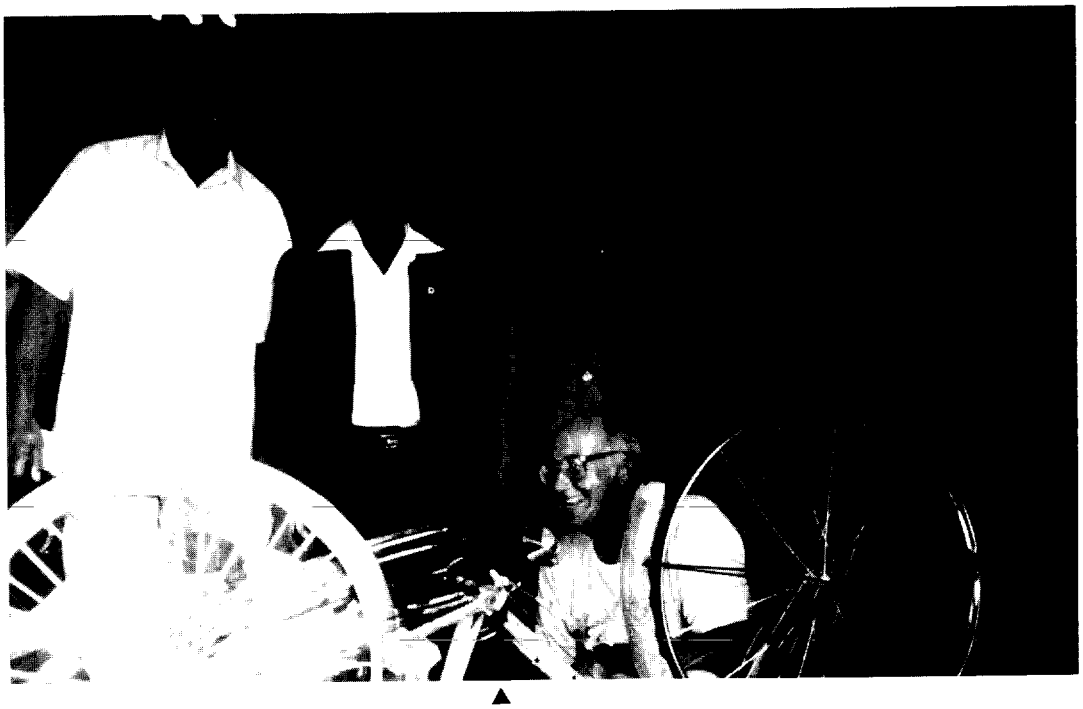
The initial project period was dedicated to setting up receipt, sales and inventory control systems, hiring administrative personnel, and completing administrative tasks such as preparing implementation plans, estimating loan portfolios, and leasing and renovating suitable warehouse space.

The first 1,000 metric tons of vegetable oil arrived in two ships at the Kenyan port of Mombasa during the first week of November. Fifty-four containers and 1,294 drums were unloaded and loaded on trucks for the 1,200 kilometer trip to Kampala. Meanwhile, the first call for tenders was issued through the Uganda media with prospective purchasers submitting their bids to ACDI in December 1989.

By January 1990 the first consignment had arrived at Kampala and sold to local wholesalers, raising approximately $1 million at the official rate of exchange. Those funds were disbursed for agricultural development and training activities in conformity with the approved program plan. Specifically, all start-up costs were paid back, funds for the purchase of UCA's new office building were released, and the training program was officially begun.

Rural Economic Recovery Project

(AID Cooperative Agreement No. 617-0108)



U.S. Ambassador to Uganda John Burroughs, Jr., left, and USAID Director Keith Sherper, right, visit the Kunga Dairy Cooperative Society. The bicycle is one of 18,000 imported by the USAID-funded RER project. Kneeling is Dennis Frederickson, project financial adviser.

Personnel

Dennis C. Frederickson, Credit Adviser/ Chief of Party
Donat Mubalya, Credit Adviser/Deputy Chief of Party
Marshall Ferrin, Commodity Procurement and Distribution Adviser (DPI)

Background

The USAID-funded Rural Economic Recovery (RER) project in Uganda completed its second year of operations and continued to meet its goal of assisting residents of war-damaged areas of the country rebuild their lives and resume economic growth. The project reinforces private sector efforts to re-establish traditional farm input supply routes to the small farmer. The local currency proceeds from the sale of imported inputs are made available to small farmers for production credit programs. Private businesses, including 69 primary cooperative societies, have received agricultural inputs purchased by the project since its inception in April 1987. During that first year, 38 cooperative societies extended Ushs. 45 million (approx. US$12 million) in production credit to 1,900 farmer-members through five branches of the Uganda Commercial Bank.

Project Progress

In May 1989 the procurement portion of the project was completed as planned. Distribution of commodities was complete when Marshall Ferrin, procurement and distribution adviser, left Uganda.

Through the project, the following commodities were imported and distributed in war-damaged areas of Uganda through cooperative societies and three wholesalers: 18,236 bicycles with spare parts, 14 brick and tile making machines, 40,000 grass slashers, 17,534 corrugated iron roofing sheets, 4,636 roofing ridges, 15 metric tons of assorted nails, 3,750 shovels, 2,734 wheelbarrows, 280,000 gunny bags, 22,500 axes, 22,500 machetes, 22,500 pruning saws, 420 metric tons of cement, two 12-ton trucks, 6,000 bow saws, assorted fishing equipment, and 15 outboard motors.

The small farmer credit program was expanded to include 46 new cooperative societies located in the original three districts, and four districts not previously included in the project. Seven cooperative bank branches implemented that expansion. Loan funds totaling Ushs. 80 million (approx. US$21 million) were made available from commodity sales for lending to farmers through the Cooperative Credit Scheme, managed by the Cooperative Bank. To date, about 4,000 peasant farmers have received loans. It is expected that by the time the funds revolve and are augmented by additional commodity sales proceeds, the project goal of 8,000 small farmer loans will have been realized.

As technical assistance to the project was scheduled to end in April 1990, team leader Dennis C. Frederickson was reassigned in June 1989 to the P.L. 480 monetization program as financial programs adviser. The RER project warehouse was closed in mid-July and the Cooperative Bank assumed control of Cooperative Credit Scheme loans. The Uganda Commercial Bank small farmer loans are being supervised by the Savings and Credit Section of the Ministry of Cooperatives and Marketing. The bulk of the project support commodities such as vehicles, office equipment, computers,and office furniture were handed over to ACDI's Cooperative Agriculture and Agribusiness Support (CAAS) project for use by the P.L. 480 program.

Training

With the expansion of the Cooperative Credit Scheme, two types of credit training were applied: 46 cooperative society secretary/managers attended two-week courses, learning basic credit scheme bookkeeping and interest calculation. One-day courses were held at all primary societies for committee members of credit societies. Emphasis was placed on borrower selection and loan supervision. ■

West Bank/Gaza

Eggplants are farm-packed, then inspected and placed in containers at the Jericho Marketing Cooperative packing house for export to France and Holland. These shipments are one of the first to be directly exported from a Palestinian cooperative to a foreign market.

Cooperative Development Project

(AID Grant No. ANE-0159-G-SS-6020-00)

Personnel

Jack Edmondson, Project Director
David L. Davies, Deputy Project Director/ Training Director
Philip L. Brown, Credit and Finance Adviser
Daoud Istanbuli, Cooperative Education Adviser
Abdul Rahman Abu Arafeh, Marketing Adviser
Joseph J. Nesnas, Director of Finance and Administration
Nuhad Judeh, Women in Development Specialist

Consultants

Haifa Baramki, Women in Development
Wafa Dajani, Computer Software
Omar Daoudi, Marketing
Krystyna Edmondson, Writing, Layout and Design
Hanni Gousheh, Rural Electrification
Mustafa Masaed, Arab Calligraphy and Layout
Richard A. Neis, Credit and Finance
Ibrahim Sbitan, Accounting
Aown S. Shawwa, Marketing
Ted Weihe, Cooperative Development
Len Wooten, Marketing

Background

Started in February 1986 in response to needs expressed by Palestinian cooperative leaders, the Cooperative Development Project (CDP) was created to provide technical assistance and management training to strengthen West Bank and Gaza (WBG) cooperatives. The initiative came from eight U.S. cooperative development organizations coordinated through the U.S. Overseas Cooperative Development Committee (OCDC).

The CDP was started with a $2.4 million USAID-funded grant which was augmented to a total of $9.2 million in 1989. While ACDI administers the project, the National Cooperative Business Association (NCBA), the National Rural Electric Cooperative Association (NRECA), and Volunteers in Overseas Cooperative Assistance (VOCA), an organization which provides short-term cooperative experts, are active partners.

The Palestinian cooperative movement dates back to the British Mandate in the 1920s. In 1948, the West Bank became part of Jordan, and Gaza was annexed by Egypt. Since the 1967 war, both have been administered by Israel. The Israeli Civil Administration and the Jordan Cooperative Organization (JCO) both have supervisory roles and functions over WBG cooperatives. Until the Jordanian disengagement from the WBG in mid-1988, the JCO channeled significant financial inputs to the cooperative movement. This is now limited to personnel support.

Constraints continue to hinder cooperative growth. A lack of banking facilities, the devaluation of the Jordanian dinar, restricted markets in Israel, and an economic and political disengagement from Jordan, have combined with strikes and curfews and the ongoing intifada (uprising), to drastically reduce growth opportunities. These factors have produced an eroding economy, forcing cooperatives to re-evaluate their strategies and roles.

Project Progress

Jack Edmondson, the new chief of party, and Philip Brown, the new finance and credit adviser arrived in January. A major goal for 1989 was to identify and select key cooperatives in six major sectors as well as other regions of the WBG and develop 6 "model" and 15 "core" cooperatives. Criteria for selection concentrated on financial viability, location, and type of cooperative. It is anticipated that the selected cooperatives will become exemplary business enterprises, serving as an example of successful management and business practices to other cooperatives.

Complete management audits and financial analyses have been completed for three "model" cooperatives while an additional three are under way. Findings are shared with other cooperatives and establish the basis for future planning. They identify technical assistance and training needs and provide base-line data to track progress within the cooperatives.

In August CDP was significantly expanded and extended as additional funds were committed to carry the program until February 1992. With these new resources, CDP added a marketing adviser, an ag-machinery technician, a publications specialist, and a women in cooperative development adviser. At year-end CDP concluded arrangements for the employment of both a manager and technical supervisor for the Cooperative Electric Union.

ACDI President Ron Gollehon visits the Zababadeh Livestock Cooperative's grain facility in the northern region of the West Bank. With him, from left, are Sami Jreis, secretary, Kamal Khader, manager, and Abu Mashour, chairman.

A major new element in the expanded CDP program is the strengthening of village electric cooperatives and the Cooperative Electric Union. The National Rural Electric Cooperative Association (NRECA) has a subcontract with ACDI to assist in administering a program which is designed to strengthen primary village cooperatives and enable the union to provide maintenance, repair and network upgrading. Bard Jackson, an NRECA technician, assists CDP staff in implementing the program.

The CDP has produced several publications, both in Arabic and English, during the year. *Horizons*, a bi-monthly newsletter, is distributed to cooperatives, technicians, and institutions throughout the WBG. Two descriptive brochures about the CDP have been published in Arabic and English and a board of directors' manual was prepared, to be released in March 1990. The project published and distributed a series of 19 pamphlets dealing with animal diseases.

The project also prepared a policy manual and lending procedures for its new, $1.25 million credit and grant program for cooperatives, scheduled to begin in the second quarter of 1990.

Marketing

A successful marketing training course held in Cyprus in 1988 for cooperative professionals inspired a series of seminars, which were attended by all West Bank marketing cooperatives managers. Topics included the role of cooperatives in agricultural marketing, strategic planning, export standards, and new marketing opportunities for WBG cooperatives to the European Community (EC).

Close working relationships were established with the Jericho Marketing Cooperative which embraces 1,400 farm families tilling the fertile Jordan Valley. In late 1989, the cooperative began exporting eggplant to Marseille and Rotterdam. Its goal for the winter is 1,500 tons of eggplant and 300 tons of peppers.

At the same time, the CDP began working with the well-known and successful Beit Lahya Strawberry Cooperative in Gaza. It is anticipated that this cooperative will make direct exports of strawberries and fresh vegetables to Europe in early 1990.

CDP is assessing the feasibility of a marketing information system to serve WBG cooperatives, producers and farmers. The system would include components to collect up-to-date market information, analyze it and disseminate it to interested parties. The data gathering component is largely in place and computerized data bases are being developed for information storage and statistical analyses.

An Agricultural Marketing Information Committee (AMIC) has been formed of Palestinians representing diverse WBG cooperatives, private voluntary organizations, and Gaza citrus and cooperative groups. Its purpose is to provide coordination and guidance in the development of the information system.

Women in Development

The CDP women-in-cooperative-development adviser, assigned in mid-year, is conducting a survey of representative women's cooperatives and organizations in the West Bank. The findings will be used to design a business management workshop for members of selected women's cooperatives and groups in early 1990.

Training

Despite work restrictions caused by incessant strikes and curfews during the last half of the year, CDP managed to maintain a strong level of training, concentrating on model and core cooperatives. In addition to special training in areas of dairy operations, computer installation and instruction, rural electrification, and credit, ongoing training focused on accounting, member education and directors' courses. CDP also supported the development, installation and initial data entry for a tailor-made accounting software package for six cooperatives.

Two VOCA (Volunteers in Overseas Cooperative Assistance) volunteers provided valuable assistance. Ernest Winings provided invaluable help for three emerging micro-dairies. Garland Benton, a former vice president of Southern States Cooperative, counseled poultry and feed cooperatives in state of the art technology.

CDP continued its collaborative efforts with American Near East Refugee Aid (ANERA). CDP's finance and credit adviser prepared a manual with documentation to support ANERA's Cooperative Revolving Loan and Credit Fund. Training courses in loan administration were conducted for prospective cooperative beneficiaries. ■

The first direct shipment from the 234-member Beit Lahia Agricultural Cooperative in the Gaza Strip is being readied for export to London. Chairman Riziq Hammoudeh Abu-Halimeh checks the Kadar 121 variety which has a shelf life of more than 20 days. Potential exists for export of up to 2,000 tons annually.

ACDI Members

Farm Supply, Processing and Marketing Cooperatives

AGWAY, INC.

Director: Arthur J. Fogerty, Senior Vice President, Corporate Relations

Syracuse, New York. A farm supply and food marketing cooperative owned by farmer-members in the 12 northeastern states.

ASSOCIATED MILK PRODUCERS, INC.

Director: William Lenschow, Director-Farmer

San Antonio, Texas. A farmer-owned purchasing, marketing and processing cooperative in 20 states.

CENEX

Director: Dixie L. Riddle, Director-Farmer

St. Paul, Minnesota. A regional agricultural supply cooperative serving 1500 local cooperatives in a 15-state area with farm products and management and technical services.

CF INDUSTRIES, INC.

Director: Lawrence H. Devereux, Senior Vice President and Chief Financial Officer

Long Grove, Illinois. An interregional cooperative manufacturer and distributor of chemical fertilizers for 14 regional farm supply cooperatives in the U.S. and Canada.

COUNTRYMARK, INC.

Director: Harry L. Ditty, President

Delaware, Ohio. A regional farm supply and grain marketing cooperative serving farmers through a system of locally-owned and locally-governed member cooperatives in Ohio, Michigan and Indiana.

DAIRYLEA COOPERATIVE, INC.

Director: Clyde E. Rutherford, President

Syracuse, New York. A farmer-owned milk marketing cooperative in the New York-New Jersey-Pennsylvania area.

FARMLAND INDUSTRIES, INC.

Director: Bill Matteson, Vice President, Public Affairs

Kansas City, Missouri. A farm supply and pork marketing cooperative serving farmers in 19 midwestern states.

GROWMARK, INC.

Director: Vern J. McGinnis, Vice President, Corporate Services

Bloomington, Illinois. A regional farm supply and grain origination cooperative providing origination, supply and manufacturing services to member cooperatives throughout Illinois, Iowa, Wisconsin.

HARVEST STATES COOPERATIVES

Director: Edward O. Ellison

St. Paul, Minnesota. A grain marketing and processing cooperative serving 200,000 farmer-owners in 16 states from the upper Great Plains to the Pacific Coast.

INDIAN FARMERS FERTILISER COOPERATIVE, LTD.

Director: M.H. Avadhani, Managing Director

New Delhi, India. A multi-state farmer-owned cooperative, manufacturing and marketing chemical fertilizers and other agricultural inputs.

INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

Director: Dean Denhart, Vice President, Sales

Indianapolis, Indiana. A regional farm supply and grain marketing cooperative providing origination, supply and manufacturing services to member cooperatives throughout Indiana.

INTERNATIONAL COOPERATIVE PETROLEUM ASSOCIATION

Director: F.A.A. Van Dongen, General Manager/Secretary-Treasurer

Elmsford, New York and Dordrecht, The Netherlands. Suppliers of all types and grades of quality lubricants, including lubricating oil base stocks and additives; designers and contractors for construction of lubricating oil blending facilities and other industrial plants.

LAND O'LAKES, INC.

Director: John E. Gherty, President and Chief Executive Officer

Minneapolis, Minnesota. A farmer-owned dairy/food processing/marketing and farm supply cooperative in 15 midwestern and upper northwestern states.

MFA OIL COMPANY

Director: Dale H. Creach, President

Columbia, Missouri. A farmer-owned petroleum marketer serving farmers in five states.

MFC SERVICES (AAL)

Director: Jerry L. Harpole, Sr., President and General Manager

Madison, Mississippi. A farmer-owned purchaser, manufacturer and marketer in three southern states and Puerto Rico.

MISSISSIPPI CHEMICAL CORPORATION

Director: Gene A. Triggs, Vice President, Government Affairs

Yazoo City, Mississippi. A fertilizer manufacturer owned by farmers, independent dealers and farm cooperatives in 10 southern states.

NATIONAL COOPERATIVE REFINERY ASSOCIATION

Director: Larry E. Williams, President and Chief Executive Officer

McPherson, Kansas. Interregional petroleum producing and refining cooperative owned by four large regional farm supply cooperatives.

NORPAC FOODS, INC.

Director: Arthur P. Christiansen, President

Stayton, Oregon. A farmer-owned processor and marketer of frozen and canned fruits and vegetables. The 240-member cooperative markets both domestically and internationally.

SEALD-SWEET GROWERS,INC.

Director: John W. Holford, Chief Executive Officer

Tampa, Florida. Farmer-owned marketer of citrus crops.

SOUTHERN FARMERS ASSOCIATION

Director: Robert P. Dixon, President and Chief Executive Officer

North Little Rock, Arkansas. A federated farm supply regional cooperative in Arkansas, Louisiana, Mississippi, Missouri and Texas.

SOUTHERN STATES COOPERATIVE, INC.

Director: Carroll H. Gilbert, Director, Member and Institutional Relations

Richmond, Virginia. Manufacturer and supplier of feed, seed, fertilizer, farm supplies and petroleum products and marketer in six states.

SUNKIST GROWERS, INC.

Director: Curtis W. Anderson, Vice President, Member/Public Relations

Van Nuys, California. Farmer-owned marketer and processor of citrus crops from two states.

TENNESSEE FARMERS COOPERATIVE

Director: None designated

LaVergne, Tennessee. Farmer-owned supply organization.

UNIVERSAL COOPERATIVES,INC.

Director: A.J. Oukrop, Vice President, Marketing

Bloomington, Minnesota. Interregional manufacturing, importing and purchasing cooperative serving its 29 regional cooperative members located throughout the U.S. and Canada.

Farm Credit Banks

FARM CREDIT BANK OF BALTIMORE

Director: Barbara J. Chelton, Corporate Secretary

Baltimore, Maryland. Provides credit/services to farmers, ranchers and other eligible entities in five eastern states and the Commonwealth of Puerto Rico.

FARM CREDIT BANK OF LOUISVILLE

Director: None designated

Kentucky. Provide credit to farmers and cooperatives in four midwestern states.

FARM CREDIT SERVICES OF OMAHA

Director: James D. Kirk, President and Chief Executive Officer

Nebraska. Provide credit to farmers and cooperatives in four midwestern states.

FARM CREDIT BANK OF ST. LOUIS

Director: C.T. Frederickson, Chief Executive Officer

Missouri. Provide credit to farmers and cooperatives in three midwestern states (Missouri, Illinois, and Arkansas).

FARM CREDIT BANK OF SPOKANE

Director: Duane Marshall, Senior Vice President, Credit and Corporate Services

Washington. Provide credit to agriculture in five northwestern states (Washington, Oregon, Idaho, Montana and Alaska).

FARM CREDIT BANKS OF SPRINGFIELD

Director: Mark F. Soukup, Senior Vice President

Massachusetts. Provide credit to farmers and cooperatives primarily in eight northeastern states (New York, New England, New Jersey).

FARM CREDIT SERVICES OF ST. PAUL

Director: Jack Rose, Vice Chairman

Minnesota. Provide credit to farmers and cooperatives in four upper midwestern states.

NATIONAL BANK FOR COOPERATIVES

Director: Wayne C. Anderson, Senior Vice President

Denver, Colorado. Provides financing and related services to agricultural coopertives and rural utilities; also provides credit for foreign purchases of cooperative exports.

WESTERN FARM CREDIT BANK

Director: James R.C. Salisbury, Vice President, Corporate Banking

Sacramento, California. Provide credit to farmers and cooperatives in five western states.

National Organizations

AMERICAN INSTITUTE OF COOPERATION

Affiliate Organization

Washington, D.C. The national educational organization for cooperatives. Chartered in 1925 as a university without a campus, its programs are designed to acquaint various publics with the role of cooperatives in the American competitive enterprise system.

NATIONAL COOPERATIVE BUSINESS ASSOCIATION

Director: Robert D. Scherer, President and Chief Executive Officer

Washington, D.C. National cooperative organization providing educational, legislative and developmental services to cooperatives in the United States and abroad.

NATIONAL COUNCIL OF FARMER COOPERATIVES

Director: Wayne A. Boutwell, President

Washington, D.C. National legislative arm of farmers' marketing, purchasing and credit cooperatives.

NATIONAL FARMERS UNION

Director: Leland Swenson, President

Denver, Colorado and Washington, D.C. National farm organization providing legislative representation for family farmers and ranchers and farmer-owned cooperatives. Conducts extensive educational conferences, retreats, and camps for members. Member organization: International Federation of Agricultural Producers.

NATIONAL GRANGE

Director: Robert E. Barrow, Master

Washington, D.C. National farm organization.

Insurance

MSI INSURANCE

Director: Richard N. Cowles, Vice President, Corporate Relations

St. Paul, Minnesota. A complete multi-line life and casualty insurer of cooperatives, agribusinesses and individuals, controlled by 600 cooperative associations and licensed in 43 states and the District of Columbia.

NATIONWIDE INSURANCE

Director: Patrick S. Roberts, Vice President, Sponsor & Endorser Relations

Columbus, Ohio. An international enterprise of more than 100 companies serving the insurance and financial securities needs of families, businesses and cooperatives.

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