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Consultancy Report

Semen Comprehensive Business Study

Agricultural Input Marketing Support - Hungary
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Semen Kft

I. Overview

Vetomag Vallalat (VV) was the government monopoly which provided seeds and other inputs to state and collective farms. VV's network of regional subcenters was restructured into eleven limited stock companies (Kft) and a jointly owned Vetomag Trading Company (VT). Eight of these limited stock companies (Kft), including Semen, became independent seed production and distribution companies. The eight companies are called the seed group. VV is bankrupt and is being liquidated. Semen is currently restructuring under the protection of Hungarian bankruptcy laws.

a. Ownership and Legal Status

Semen has spent the last few months restructuring under the protection of Hungarian bankruptcy proceedings. The October 1991 "Bankruptcy, Liquidation and Cessation Law", regulates the reorganization of insolvent companies during the time the company is in bankruptcy. Semen has followed the bankruptcy law proceedings by:

1. Making a public statement regarding its financial conditions prior to the actual bankruptcy declaration. A necessary bankruptcy filing condition is that the company is unable to meet any of its liabilities for at least 90 days prior to filing for protection.

2. Under the bankruptcy procedure:

   - The company has a 90 day moratorium for all its account payables.

   - The court appoints a property supervisor at the request of the company's creditors. And,

   - The company is bound to develop a reorganization program during the bankruptcy period. The intent of the reorganization program is to restore the company to fiscal solvency. The reorganization program includes the active participation of the company's creditors and trade unions.

- If a reorganization program is not developed or the 90 day moratorium period expires, the Bankruptcy Court can initiate final liquidation proceedings.

Semen's reorganization program calls for it to repay many of its small creditors (under 100,000 HUF) by the end of September, 1993. Creditors that are owed more than 100,000 HUF but less than 500,000 HUF will be paid by June 31, 1994. The agreement stipulates that large creditors will be paid in full by June 1995. Vetomag Vallalat (VV) and the bank own 83% and 17% of the company, respectively.

In April 1993, Semen made agreements with its principal creditors on bankruptcy negotiations. In a debt for equity swap, some of its major creditors become shareholders. Fourteen seed producing companies own 17 % equity. The total value of equity is 140 MHUF.

b. Production and Marketing

Semen (Kft), founded on January 1, 1990, is a limited stock company and a member of the seed group. The company's production and marketing operations cover the Gyor, Moson, Sopron, Komarom, and Esztergom counties. Semen is involved in seed production, purchasing, processing and sales of the following crops:

Fodder Seeds - green fodder crops, vegetable and flower seeds;

Industrial Seeds - grains, corn, leguminous plants, mustard, and various peas.

The primary marketing and sale's activities of Semen are in the wholesale and retail trade of agricultural seed. Because of increasing domestic and foreign competition, the company is attempting to increase its extension services, provide a broader line of agricultural products to its customers, and change the packaging mix of its products. The company is currently selling seed in smaller (5, 10, 15 Kg) bags.

II. Production And Technology

a. Description of the Plant and Equipment

Semen Kft cleans seed in one plant located about 20 km from Gyor. The operating equipment is housed in three buildings. One building houses a pea

and sunflower cleaning plant. Another large building houses two modern seed cleaning lines. Unlike other Hungarian seed cleaning plants, Semen's equipment is set up horizontally. The third building houses two general cleaning lines. This building is about 175 years old and is principally used as a storage facility. The production facility houses three departments, including:

- o seed cleaning;
- o seed testing laboratory; and,
- o administration offices.

The Production Facility

During the seed cleaning season, which lasts over a 10 month period, the plant runs one 8 hour shift per day staffed by eight ten persons per shift. During pea cleaning season in late summer and early fall, the pea cleaning section of the plant operates three eight hour shifts staffed by five people. The Semen operation cleaned twenty-four crops during the 1992 cleaning season. A list of the crops that were cleaned at the Semen plant can be found in the appendix.

The physical layout of the vertical cleaning lines found in one of Semen's facilities imposes limits on efficient seed cleaning and processing. Cleaning is carried out on two cleaning lines. Neither line can be paired to clean large quantities of major crops. As a result, only specialty crops are cleaned at this plant.

The layout of the two technological lines is conducive to efficient seed cleaning. One of these lines is devoted to cleaning large seeds, the other to small seeds. Neither line can be combined to a common sack-off point to facilitate simultaneous cleaning of large lots.

The cleaning equipment is of European (German, Dutch and French) origin. Basic equipment and accessory items are adequate to clean the seed crops in a timely and efficient manner. Maintenance appears to be adequate. Semen owns the land, equipment and buildings. An extensive list of Semens cleaning equipment can be found in the appendix.

b. Production Flow

Production flow starts at the farm level. Seed crops are combined and then either dried with cool air or taken directly to the plant. Seed that is combined in excess of 12-13 percent moisture must be dried to 12-13 percent moisture to prevent heating which destroys germination.

When seed is ready for cleaning it is brought to Semen in bulk by truck, in bulk bins or in sacks depending on the crop. Seed is stored under cover in either bin or bag form to await cleaning. A lot number is assigned to the seed. All seed is stored under cover prior to cleaning. Seed lots to be cleaned are transported by forklift from storage to the plant. The cleaning lines in the plant are equipped with a separate pit and bucket elevator. From the pit, seed is elevated by bucket elevator. Aspirators are used to remove dust, chaff, light seed and inert matter. Screen machines, gravity tables, indent barrels, velvet rolls and magnetic machines are used during the cleaning process.

c. Quality Control System

Semen personnel sample the seed several times during the seed cleaning process. Seed lot uniformity is critical to the seed cleaning business. Only once is it hand sampled. The hand sample is drawn when the seed first enters the plant. Several other samples are taken. These samples are drawn with a probe or automatic sample. Virtually all of the lots are sampled after the bag is sewn shut.

The seed testing lab is the primary point of quality control. Germination tests are run twice: as the seed enters the plant from the field; and, upon completion of the cleaning. Semen also cleans seeds on a contract basis to some of its growers. With current changes in Hungarian land ownership, many of these small growers do not have the ability to clean their own seeds.

d. Production Resource Staffing

The production facility is staffed by 25 people. Staff members can be found in the wire diagram found in the appendix. The cleaning plant staff consists of one foreman, his deputy, and 23 production workers. The seed lab staff consists of two analysts.

Semen has four fieldmen. Because of a declining grower base, the bulk of the fieldmen's work is in consulting with producers on non-contracted crops.

Semen's actively tries to be involved in one form or another of extension service because the general manager believes that these services provide a source of grower contact for possible future contract production.

e. Supply Contracts

- Seed is contracted at planting time with farmers to supply Semen with seed to satisfy current and potential sales contract.
- Hectares of seed are contracted rather than kilograms.
- Semen is having difficulty contracting seed because of its depressed financial situation.
- Seed produced for industrial use (oil, birdfeed) is not certified.
- The grower contract explicitly details price, quality specifications, and payment terms.
- Harvested seed is stored at the plant or with the grower until called for by Semen. Transportation costs to the plant are paid by the grower.
- The company currently has 500-600 hectares under contract.

f. Maintenance

A maintenance department solves all of the operational and maintenance problems. Matters which require special knowledge are solved by outside companies and services. Due to the small maintenance staff, the equipment is not very well maintained.

g. Strengths and Weaknesses

1. Strengths

- The company is located in an area with climate conditions conducive to raising seed crops of high quality and quantity.
- Most of the seed cleaning equipment is efficient.
- There is an effective quality control program in place.

2. Weaknesses

- o The physical layout of the 175 year old four story building is inefficient. Seed is handled too often by hand. Too often the seed crop and its byproducts are stored throughout the plant awaiting disposal or recleaning.
- o There is excess warehouse capacity.
- o There is no program in place that provides data to determine the true cost of production that includes field work.
- o The company lacks a large proven grower base.

f. Recommendations and Conclusions

Some recommendations for cost reductions and plant efficiency improvement are outlined below. These recommendations include:

- o Construct or renovate loading areas to receive raw seed in bulk form. This would speed up handling and reduce the number of times that seed is handled. Specialty seed and small lost should remain in storage bins or bags.
- o Clean as little seed in the old building as possible. Use the newer production lines.
- o Remodel the production lines to allow the cleaning of large lots simultaneously.
- o Provide for a common sack-off point.
- o Do not clean any seed at all in the old vertical line plant.
- o More attention should be paid to overall plant cleanliness. Rebag seed that is currently lying around broken bags.
- o Field personnel should fill out a log of their daily work related activities. From this log, costs of field work as a function of total cost of production can be derived. An example of such a log is shown in the Appendix.

- Greater emphasis should be made to understanding and calculating the actual cost of production. An example

  Cost of seed + fieldman's time/crop + cleaning cost + seed lab costs + certification costs + shipping cost = cost of production.

- Formal production group and job descriptions should be developed.

III. Financial and Accounting

Semen is currently restructuring under the protection of Hungarian bankruptcy laws. The company is not able to successfully restructure its debt nor reduce its costs sufficiently enough to generate additional cash flow to provide some financial relief to its current depressed condition. Its processing facility is, for all intents and purposes, owned by its creditor bank. The bank is holding the facility as collateral against a 17.5 MHUF loan.

a. Income Statement Analysis

The table below illustrates comparative income statements for December, 1992 and June, 1993. For the first half of the year, sales of 68.5 MHUF[1] included export sales of 14.1 MHUF. Semen will earn about 120 MHUF this year compared to 373 MHUF in 1992. A times interest earned ratio (TIE), calculated by dividing earnings before interest and taxes (EBIT) by interest paid was negative in 1992. The TIE ratio for 1993 is also negative. Semen is not covering its operation costs or its interest expense.

[1] Million Hungarian Forints

	1992 (MHUF)	1993* (MHUF)
Revenue	322.7	68.5
Cost of Goods Sold	286.6	52.4
Gross Margin	34.1	16.1
Gross Margin (%)	10.6%	23.5%
Cost of Sales	33.0	30.6
Other Costs	28.6	4.4
Operating Income	-27.4	-18.8
Interest Income	0.5	0.0
EBIT	-26.9	-18.8
Interest Expense	8.1	0.6
Extraordinary Items	-15.5	0.0
Profit Before Tax	-50.6	-19.4
Taxes	0.0	0.0
Net Profit	-50.6	-19.4

* Results through June 30th.

Semen has not improved its financial performance. Last year, the firm engaged in major cost cutting initiatives, general corporate restructuring, and has survived only by contracting for seed cleaning. Semen's 1993 fixed costs are projected at 70 MHUF compared to 1992's 61.6 MHUF. Despite Semen's aggressive cost cutting actions, the company has not been successful in reducing its costs. Cost containment efforts have been hampered by the draught. Smaller volumes flowing through the plant have increased all per unit

costs. Increasing fixed costs combined with the already anaemic state of Semen's current finances indicate that there is little or no possibility for survival without substantial cash infusions.

b. Balance Sheet

The poor financial conditions illustrated in Semen's income statement are also reflected in the company's balance sheet. The accounts receivable are 71.3 MHUF. Of the 71.5 MHUF, 50 MHUF is pledged against the accounts payable. More than 12.5 MHUF is due from bankrupt companies. In other words, over 90 percent of the 71.5 MHUF in accounts receivable are uncollectible. The rise in accounts receivable since December, 1992 combined with the dramatic decline in sales indicates that Semen's financial performance is deteriorating quickly.

	12/92	6/93e
Current Assets		
Cash	2.9	9.0
Accounts Receivable	50.5	71.3
Inventory	59.6	29.5
Investments	1.3	0.9
Total Current Assets	114 3	110.8
Fixed Assets (Net)		
Land & Building	90.0	89.4
Machinery and Equipment	46.4	43.1
Other	1.6	1.4
Intangibles	0.0	0.0
Financial Assets	1.4	1.4
Total Fixed Assets	139.4	135.5
Total Assets	253.7	246.2
Current Liabilities		
Accounts Payable	107.3	110.7
Bills of Exchange	0.0	0.0
Short-term Credit	17.5	17.5
Other	28.6	0.0
Total Current Liabilities	153.4	128.2
Accrued Liabilities	0.0	37.6
Long-term Debt	0.5	0.0
Provisions	10.0	10.0
Other Debt	0.0	0.0
Total Liabilities	163.9	175.8
Equity		
Capital	133.1	133.1
Retained Earnings	7.3	-43.3
Current RE	-50.6	-19.3
Total Equity	89.8	70.5
Total Liabilities & Equity[2]	253.7	246.2

[2]Note: Balance Sheet for 6/92 and 6/93 is an estimate.

A comparison of debt, liquidity and efficiency ratios for the end of 1992 and 6/93 shows virtually no improvement:

	12/92	6/93
Current Ratio	0.74	0.86
Quick Ratio	0.38	0.63
Receivables Turnover	6.4	N.A.
Inventory Turnover	4.8	N.A.

The current ratio, which is current assets divided by current liabilities, shows Semen's ability to repay its short-term debt quickly. The quick ratio is a tighter definition of liquidity than the current ratio. It is calculated by dividing cash and receivables by current liabilities. Semen has low liquidity, especially when considering the quick ratio. Semen is not in a position to repay any of its creditors. Inventory turnover, which is cost of goods sold divided by inventory, illustrates how quickly a company is able to rotate its stocks. A low number may indicate that the company is not selling its products fast enough and, as a result, has its cash tied up in its goods.

c. Management Information System

There is no routine quarterly income or balance sheet information available. Production statistics are developed on a monthly basis.

d. Financial Operations and Recommendations

Semen does not allocate direct costs to its products due to insufficient accounting staff resources. The company does not know its total fixed costs. The company must get its accounting system in order and must determine what its actual fixed costs are before it can develop a survival plan.

Semen prepares balance sheets only for the year end reports. Income statements are available semi-annually. Both financial statements should be prepared on a quarterly basis to enable faster decision making based on financial results. A monthly budgeted income statement should be prepared immediately. Actual results should be compared the expected results. This

includes a comparison of profitability by product line throughout the year to understand which items are profitable. An attempt to allocate direct labor costs to the product line should be undertaken during the processing period.

Overhead at both the plant and headquarters can be applied based on volume sold. One method would be to use the previous year's overhead, adjust it for inflation, layoffs and other factors and then make an estimate to apply it to the current year's goods gold. The availability of these reports allows management to act appropriately to changes in the economic and business environment. Moreover, it enables Semen to work with its bankers more effectively.

Semen's policy of selling seed to farmers on credit, paid for by product in-kind, is inappropriate. Although an interest charge is calculated, real cash losses may occur because less cash comes in to service the credit line. The company should sell its products for cash only, except under special circumstances. Prompt cash payment keeps revolving credit at a minimum and reduces interest payments. All delinquent accounts over thirty days should be contacted immediately, with a follow up visit 10-15 days later if no result is obtained. A notice of court action should be sent immediately after the visit and court action taken on accounts more than 60 days delinquent.

The company plans to increase salaries to compensate for inflation. Although it is important to increase wages to keep staff morale high and to retain key employees, the current financial position of the company should prohibit any wage increase. The planned wage increases will offset any potential savings gained through employment attrition or through company-wide layoffs. It is **strongly** recommended that pay increases be suspended until the company is in a more healthy financial position. Semen should also explore the possibility of selling some assets for immediate cash. The building in Gyor and the tomato processor should be sold.

IV. Marketing and Trade

Semen is involved in producing, supplying, and distributing seed in Gyor-Sopron and Kamarom counties. Its production distribution and sales area covers more than 332,000 hectares. The primary crops produced and sold include wheat, peas, sunflower and various small seed crops.

a. Sales Revenue

Due to substantial debt obligations and declining markets, Semen sought restructuring under the protection of Hungarian bankruptcy laws in late 1992.

Before bankruptcy the annual turnover was 1 billion HUF. Production and trade in seeds are the company's primary activities. Seed suppliers and customers include agricultural cooperatives and former state farms. In 1992, the company contracted 6,700 hectares (see annex 1).

The dominant crops in production and distribution in 1992 were edible pea, mustard, rape and phacelia for seed and industrial use (annex2). The proportion of pea produced and sold declined whereas the proportion of sunflower and oilfax increased (annex 3). The estimated 1993 turnover is expected to be 300 million, 30 % of the previous year.

b. The Effects of Bankruptcy on The Company

During the bankruptcy proceedings, Semen's suffered a loss to its business prestige and market share. Lease processing contracts are now become the dominate means of obtaining revenue. At the present time only 30 % of total revenues is from company financed seed production. With respect to lease contracts, seed is owned by the customer or foreign business partner and Semen receives a processing fee according to the conditions determined in the contract. The lease processing contract includes information regarding the cost of processing and final payment price.

The company's declining market sales can be attributed to several other factors external to its current liquidation status:

- Current economic changes and reforms in Hungarian agriculture resulting in 20 % declines in agricultural demand. And,
- Increasing competition from small independent producers and other Kfts.

c. Marketing Strategy

Senior management has restructured the company creating a more proactive marketing strategy. The primary objective of the marketing plan is to restore the position of grains, protein crops, perennial feed crops, and oil and vegetable crop products on the market.

In order to sustain its current market share, the company should:

- Search for new seed producers and customers among the newly emerging private farmers.

- Increase sales promotion activity by,

  Differentiating package sizes;

  Providing personal visits and extension services to land owners and farmers; and,

  Increase the development of export sales opportunities.

Domestic Marketing Activity

- Semen should continue to target Gyor-Sopron and Komaron counties as their primary domestic market for seed production and trade.

- The number of crops should be reduced to 10. Crops with higher price margins should be given priority.

- Semen should initiate the organization of commission sales based on mutual benefits with seed trading companies in neighboring counties.

- The company should increase the development of lease contracts.

- The company is advised to increase the efficiency capacity of pea hulling. This kind of treatment facility is currently not available.

- Trade activities should be given priority over production. The company should deal with production only when its current financial situation stabilizes.

- The company should increase its efforts to produce and market industrial food products such as split peas.

Export Marketing Activity

- The company should reevaluate its relationship with foreign trade companies. Semen should initiate the development of short term common business opportunities including export prefinancing, and letters of credit.

- The company should establish direct foreign lease production contracts for pea processing.

- Market research regarding trade companies should be undertaken to reveal how the company may be able to improve the utilization of its current storage capacity.

- The company should prepare a foreign market development project and apply for an export promotion fund (NGKM - Ministry of International and Economic Relations). This export promotion fund could potentially underwrite up to 50 % of the total cost of exporting product.

d. Consequences of an Unsuccessful Marketing Strategy

In the event that Semen fails to improve its sales and consequently generate additional cash flow, several possibilities emerge. All of these possibilities are linked by one thread, bankruptcy and liquidation. Potential scenarios include:

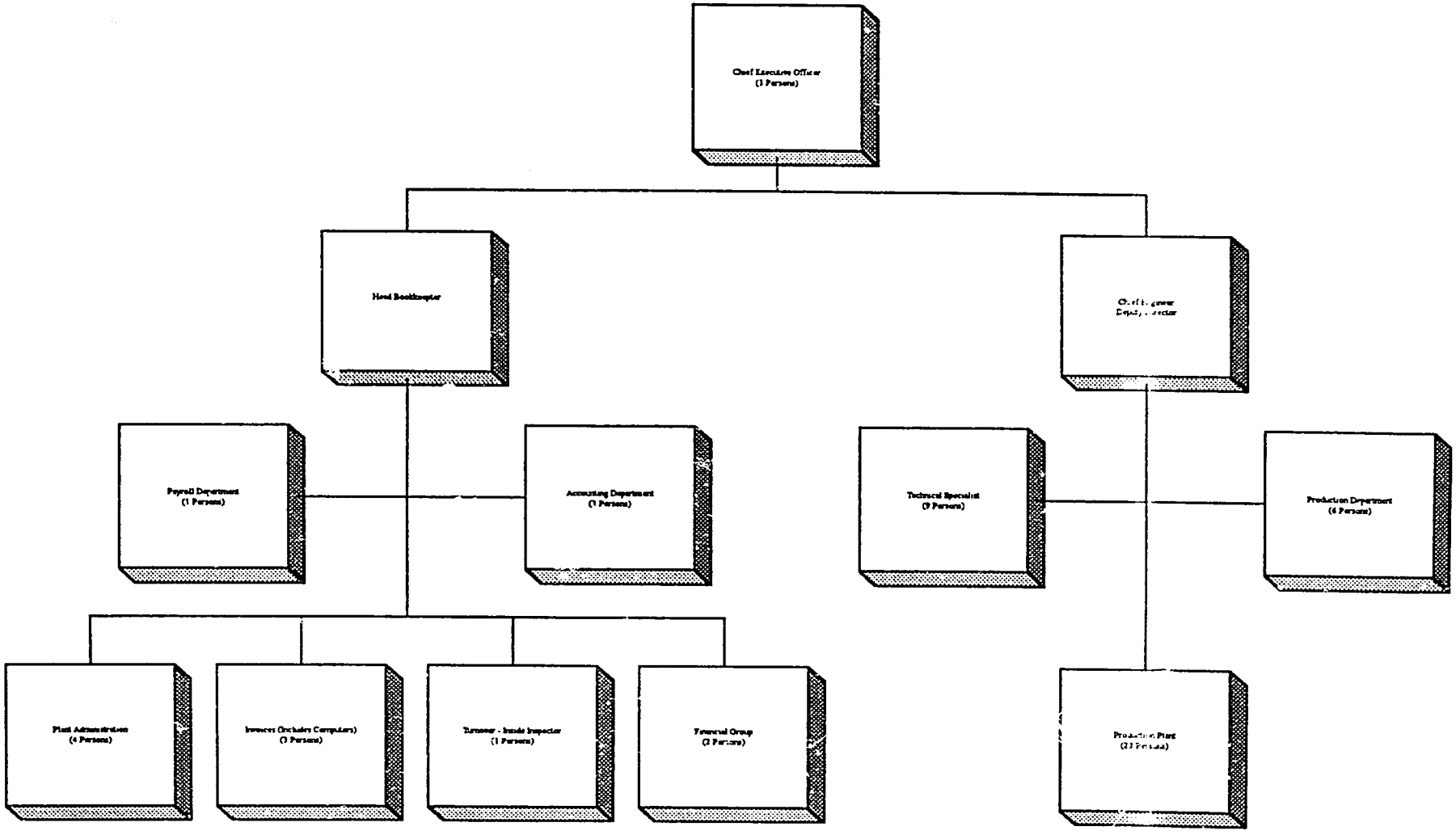
- One of the principal shareholders purchasing the company's processing and storage capacity through a bankruptcy auction sale. In this event, trade activity, contract lease activity and warehouse (storage) utilization rates are expected to increase. Or,

- An investor with no particular seed business expertise will purchase the company's assets because of the company's optimal infrastructure, access to transportation and central location into the Austrian and other European Community access routes.

V. Organization and Human Resources

The organizational structure of Semen is shown in the organizational chart on the following page. Current staffing requirements include 52 full time workers. The labor force has been reduced from the previous year's level of 125. Of the current full time work force several persons have college degrees and have completed high school or Trade School. The work force is generally well-trained.

Semen Kft Organizational Chart



a. Organization

Semen is divided into two primary staff departments with several subdepartments, including:

- o The engineering or production group. This group has three subdepartments including the Production Department, The Plant, and The Technical Assistance Department.

- o The finance department. This group consists of several subgroups including the Accounting Department, Invoices, Turnover, The Financial Group; Plant Administrators; and The Payroll Department.

The company has two people involved in seed distribution. The task of these company representatives is to analyze and define regional and international seed demand. They also must supply and define seed demand for the 350 stores in the Gyor-Sopron and Komaron County which Semen supplies. The company has a contract with Kertimad Kft. from which Semen buys seed in large amounts. The above mentioned company representatives distribute these seeds to various stores on an as needed basis.

b. Organization of Policy Making Group

Power distribution and voting rights are distributed as follows:

- o Company shareholders manage and vote on the general operation of the company.

- o The Supervisory Board controls the general management of the company.

- o The auditor who reports directly to the Board;

- o The Chief Accountant;

- o The company Lawyer; and,

- o The General Manager organizes and manages the daily operation and finances of the company.

Informational meetings are not held on a regularly scheduled basis, but on an as needed basis only.

c. Employee Evaluations

The company has no formal employee evaluation system. Reviews are made by the individual department head. Pay increases are reviewed by the general manager. Because of Semen's poor financial position wages and salaries have been frozen for the indeterminate future. The company, however, plans to raise salaries this year to compensate for the general increase in inflation. The company does have formal job descriptions for its employees.

d. Comparison of Wage Level

The wage level of the company reflects the regional average and is in line with other comparable companies.

e. Strengths

- A dedicated workforce.

f. Weaknesses

- No formal employee evaluation system.
- No formal or ongoing employee training program.
- Middle and higher level management lack expertise and competence in marketing functions.
- Lower level management is lacking in ambition and innovation.
- No formal marketing or sales department.

g. Opportunities

- Developing a focused marketing department with the objective of increasing sales and marketing efficiency.
- Developing time sheets creating more efficient product cost analysis and increasing employee productivity.
- To develop a comprehensive/strategic operating plan.

VI. Conclusions and Recommendations

The primary issue regarding the management's current policy is the breakeven point. Semen's management believes that the company can survive with a turnover of about 150 to 160 MHUF because as the company's management claims, it has substantially reduced its breakeven point over the past few years. What is the company's break even point? Based on a 22% to 24% gross margin and 70 MHUF in fixed costs, the company needs a turnover of 300 MHUF to break even before interest payments. If Semen pays interest to the bank, the 300 MHUF must be increased by at least another 20 MHUF. Therefore, the true breakeven point for Semen is 320 MHUF.

The failure of management to understand what the company's fixed cost and breakeven point(s) are represent a certain formula for disaster. The senior management's prescription for operating the company at a 150 MHUF turnover level would almost certainly drive the company into final liquidation!

Finance

- Semen should establish an internal information system (more monthly or weekly reports).
- Because debt financing (and, subsequently, interest payments) are used to finance inventory, Semen should use interest payments in its direct product cost calculations. Interest costs should be allocated by sales contribution.
- Sell the office building in Gyor to raise cash.
- Determine the cost of the company's products and the break even point of the company. Semen does not know its true direct costs.
- Sell the tomato seed processors to raise cash.
- Negotiate with suppliers to further suspend payments.
- Sell products only for cash.
- Prepare to liquidate the company. Poor management and financial decisions will force the final liquidation of Semen.

September 3, Final.

Human Resources

- o Do not raise salaries as is currently planned. In light of the company's current poor financial condition, this is a very poor management decision.

- o Personnel changes are needed in several areas to introduce a more innovative and ambitious management group.

September 3, Final.

Semen Cleaning Equipment List

Item	Gross Value	Net Value
Pea huller	8.467 MHUF	7.705 MHUF
Sunflower hulling adapter	411,000	349,350
New Technological Line,(2 lines)	15.689 MHUF	13.336 MHUF
Old Technological Line,(2 lines)	151,000	128,350
Additional Equipment		
Magnetic Machines	898,000	817,180
Screen Machine	49,000	44,500
" "	84,000	76,440
Seed Cleaner	800,000	440,000
Needle Barrel	150,000	82,500
Treater	63,000	63250

Semen 1993 Export Sales (As of June 1993)

	Seed			Industrial Crops		
Crop	**Q**	**Revenue**	**%**	**Q**	**Revenue**	**%**
Edible Pea				18.9	630.7	7.3
Mustard	226.3	3636.6	65			
Sunflower				80.7	3649.1	41.4
Winter Rape						
Oilflax				187	2940.2	33.3
Alfalfa						
Phacelia	21	1841.9	33			
Millet						
Other	1.7	107.3	2	157.9	1590.7	18
Total	249	5582.8	100%	444.5	8810.7	100%

Note: Q is total quantity; Revenue is in thousands of Forints; and % of total sales.

Semen 1993 Domestic Sales (As of June 1993)

	Seed			Industrial Crops		
Crop	**Q**	**Revenue**	**%**	**Q**	**Revenue**	**%**
Edible Pea						
Mustard						
Sunflower						
Winter Rape				19.2	480	14.5
Oilflax	39	2,788.5	17.4	97	1552	46.8
Alfalfa	41.9	7,039.2	44			
Phacelia	26.9	2,560	16.1			
Millet				27	432	13
Other	80.7	3609.3	22.5	49.8	853.9	25.7
Total	188.5	1599.7	100%	193	3317.9	100%

Note: Q is total quantity; Revenue is in thousands of Forints; and % of total sales.

Semen 1992 Export Sales

	Seed			Industrial Crops		
Crop	**Q**	**Revenue**	**%**	**Q**	**Revenue**	**%**
Edible Pea				1,651	22,505.3	58
Mustard	285.6	8,925	15	269.2	2,298	5.9
Sunflower				124	4.579	11.8
Rape	114.1	5203.7	8.7	436.6	7,306.2	18.8
Oilflax						
Alfalfa						
Phacelia	233.5	38,462.4	64.6			
Millet						
Other	43.8	6,920.3	11.7	119.7	2,122.2	5.5
Total	677	59,511.4	100%	2,605.5	38,810	1005

Note: Q is total quantity; Revenue is in thousands of Forints; and % of total sales.

Semen 1992 Domestic Sales

	Seed			Industrial Crops		
Crop	**Q**	**Revenue**	**%**	**Q**	**Revenue**	**%**
Edible Pea	1,296.2	46,533.6	39.4	240.7	4,666.5	24.9
Mustard				156.2	4,842.2	25.9
Sunflower						
Rape						
Oilflax	251.7	11,049.6	9.8			
Alfalfa	158.9	32,733.4	27.7			
Phacelia						
Millet						
Other	1,235.1	27,731.8	23.5	187.2	9,230.5	49.2
Total	2,941.9	118,048	100%	583.8	18,739.2	100%

Note: Q is total quantity; Revenue is in thousands of Forints; and % of total sales.

Distribution of the Total Contracted Area (1992)

Crop	Contracted Area	% of Total Area
Edible Peaseed	1,064	15.7
Edible Peaseed for Industry	625	9.4
Sunflower	1,070	15.8
Oilflax	735	10.9
Winter Rape	1,250	18.5
Alfalfa	560	8.3
Other	1,450	21.4
Total	6,754	100%

Fieldman's Log

Name:.....
Date:.....

Time From: To:	Producer	Product	Problems	Comments