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FINAL EVALUATION OF THE
COOPERATIVE PROGRAM SUPPORT GRANT WITH
LAND O'LAKES, INC.

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and
Land O'Lakes, Inc.

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EXECUTIVE SUMMARY

Land O' Lakes, Inc., (LOL) signed a three-year Cooperative Agreement with the U.S. Agency for International Development, Bureau for Food and Humanitarian Assistance, Office of Private and Voluntary Cooperation (AID/FHA/PVC) in the amount of \$1,375,000 under AID's Cooperative Program Support Project. The grant is for the period June 1, 1991 through March 31, 1994.

The goal of the Cooperative Program Support Grant (CPSG) is to increase farm production and income levels of small producers organized in cooperatives through providing for their participation in a complete farm-to-consumer system. The purpose is to provide training, technical and managerial assistance to small producers and their cooperatives in order to increase the supply and improve the quality and availability of their products to the consumers. Another purpose is to strengthen LOL as a development institution and provide stable financing to maintain a capability to develop innovative cooperative development projects, undertake targeted project exploration, and respond to requests from developing country cooperatives.

The evaluation of the CPSG was carried out during September of 1993. The purpose of the evaluation is to carry out a comprehensive examination of the performance and implementation of the CPSG with LOL under AID project 938-0192. The evaluation will determine the capability of the project to strengthen and expand LOL's international operations through program and organizational development, resource enhancement and limited program services. The project was to focus on training, technical and managerial assistance to small producers and their cooperatives in order to increase the supply and to improve the quality and availability of their products to consumers. The project has not been previously evaluated.

The following methodology was used in order to perform the evaluation: (1) Review of background information, (2) Visit LOL main office and interview personnel, (3) Interview personnel in FHA/PVC and other AID offices with whom LOL had buy-ins initiated through the project, and (4) Contact per fax personnel from Missions where the project worked or is presently working.

The project has been successful as measured by the Scope of Work, implementation plan and projected outputs. The evaluation found that LOL has met or surpassed nearly all projected core grant indicators for the grant period.

This project has had a positive impact and improved organizational effectiveness at LOL headquarters. A number of activities that LOL has undertaken have resulted in a strengthening of its institutional capacity through:

- Enhanced organizational team and individual capabilities to foster dairy cooperative development.
- Improved ability to respond on a timely basis to requests from the dairy sector of lesser developed countries.
- Maintained and expanded a core of qualified and experienced dairy experts.
- Improved management and staff capabilities to address the complex issues of developing a farm-to-market dairy system.
- Increased ability to carry out initial diagnostic studies and development of project plans and approaches.
- Expanded resources for development and implementation of project plans.
- Standardization of approach strategies, materials, forms, methodologies, tracking, and monitoring.

No problems arose during the evaluation of LOL. The following recommendations are made to enhance program potential and effectiveness should the project be duplicated in the future.

1. Future project development should address institutional development which would bring sustained economic development. Projects should be expanded to address the development of local, regional, and national cooperatives in lesser developed countries. Private democratic cooperatives should be developed that will be self-sustaining and highly efficient by duplicating the LOL farm-to-market model.
2. The evaluation function should be strengthened. The need for gathering data relating to economic impacts that are sustainable is great. The evaluation function needs to search for economic models which can analyze data to project economic impact. As the economic benefits from trade are realized, cooperative development organizations can expect greater financial support for development from the U.S. cooperative business community.
3. LOL should consider formalizing lessons learned. Lessons learned need to be gleaned from evaluations and categorized by function so that they are readily available for staff consideration. The value of using lessons learned can contribute greatly to the economic efficiency of the total program. Lessons learned are particularly valuable in the training of new personnel.
4. Increase public information reporting of economic impacts resulting from projects. As information becomes available, it could have the effect of increasing funding from other sources.

5. LOL should coordinate projects with other cooperative development organizations, where appropriate. This coordination will enhance the development activities of all of the cooperative development organizations and improve results in various project areas with less duplication of effort and possibly a reduction of cost.

6. To improve acceptance and enhance feelings of ownership of a project, it is recommended that there be increased involvement of representatives of developing countries in project development. This would serve as a demonstration of the democratic process that projects are designed to implement.

7. Explore non-core grant funding resources and other donor organizations (e.g., Inter-American Development Bank, World Bank, etc.), mission buy-ins, etc.

Lessons Learned: Lessons learned are shared by routing evaluations to all personnel in the International Department. Also, trip reports and individual experiences are discussed on a frequent basis to keep all personnel informed as to what has been successful and to changes that should be made. Teams are used in project development. Teams meet frequently which helps to ensure that lessons learned are incorporated in project proposals and implementation.

FINAL EVALUATION OF AID
COOPERATIVE PROGRAM SUPPORT GRANT WITH
LAND O'LAKES, INC.

I. INTRODUCTION

A. The Organization

Land O'Lakes (LOL) is a cooperative which was founded by dairy farmers in 1921. Today, LOL is owned by over 500,000 farmers and ranchers, directly and through 1,300 local cooperatives, in 15 states across the upper midwestern and western portions of the United States. LOL has a combined annual product sales in excess of \$2.3 billion. Headquartered in Minneapolis/St. Paul, Minnesota, the cooperative ranks in the top 200 of Fortune Magazine's listing of top U.S. companies.

LOL is an agricultural supply, food processing and marketing cooperative. It provides a full line of services to its members. LOL supplies farm inputs such as feed, seed, fertilizer, chemicals and petroleum for members' crops and livestock, and procures milk and other farm products from its members and processes them into products which are marketed directly to consumer and food service markets in the U.S. and overseas.

LOL is committed to developing top quality products, services and programs which will compete effectively in the global market- place.

Since 1981, LOL has worked to steadily increase its staff and farmer members' understanding that U.S. agriculture operates within a global economy and is dependent upon global markets. LOL's international initiative includes a focus on undertaking an active role in supporting economic development in lesser developed countries.

In 1983, LOL began working with USAID to strengthen the institutional capabilities of developing country agribusiness, particularly in the farm supply, food processing, and dairy areas. As LOL's international experience and contacts grew, it recognized a need for training in agribusiness and in food and agricultural production. To meet this need, LOL began to provide U.S. training courses for selected foreign participants.

B. The Cooperative Program Support Grant

LOL received a Cooperative Program Support Grant (CPSG) in the amount of \$1,375,000 for the period June 1, 1991, through March 31, 1994.

The goal of the program is to increase farm production and income levels of small producers organized in cooperatives through providing for their participation in a complete farm-to-consumer system. The purpose is to provide training, technical and managerial assistance to small producers and their cooperatives in order to increase the supply and improve the quality and availability of their products to the consumers. Another purpose is to strengthen LOL as a development institution and provide stable financing to maintain a capability to develop innovative cooperative development projects, undertake targeted project exploration, and respond to requests from developing country cooperatives.

The Cooperative Agreement enables LOL to continue its commitment to provide technical assistance, managerial advice, and training for cooperatives and agribusinesses overseas.

The program has four functional areas: program development, organizational development, resource enhancement, and limited program services.

C. Purpose of the Evaluation

The purpose of the evaluation is to carry out a comprehensive examination of the performance and implementation of the CPSG with LOL under the AID project 938-0192. This is in accordance with the Scope of Work of the Cooperative Agreement with LOL. The evaluation will determine the capability of the project to strengthen and expand LOL's international operations through program and organizational development, resource enhancement and limited program services. The project was to focus on training, technical and managerial assistance to small producers and their cooperatives in order to increase the supply and to improve the quality and availability of their products to consumers.

The project has not been previously evaluated.

II. FINDINGS

A. Scope of Work, Implementation Plan, and Projected Outputs

The CPSG provided LOL with the basis to carry out worldwide development activities. It is also the basis for exploring new opportunities for developing and expanding its capabilities.

In the past, LOL has focussed its efforts on AID countries in the medium and upper range of economic development. This program broadened LOL's international activities to geographic areas of the world with lower income, such as African, Asian and South American countries. The project has made great progress as measured by its Scope of Work. The International

Agriculturist Program for young developing country farmers and interns has been expanded through the leveraging of the core grant. The project has improved family farm practices in low-income countries. In addition, the project has been successful in exposing participants to the American farm work ethic, including the major responsibilities of farm spouses and family members in dairy farm operations.

This grant enabled LOL to continue to provide technical assistance, managerial advice and training for cooperatives and agribusinesses in developing countries. The project scope provided a foundation to access a complete, private sector democratic cooperative system. This system provided technical assistance, managerial advice and training to cooperatives in developing countries. LOL has helped cooperatives in lesser developed countries through adapting its farm-to-consumer production, processing, and marketing approaches. LOL has provided lesser developed countries with the technical assistance to adopt similar private sector systems for their economic benefit.

The CPSG funding provided the base for maintaining an International Development Department at LOL to plan, manage, and mobilize company resources to address pressing issues that were facing AID missions and cooperatives in lesser developed countries.

The CPSG increased the development capacity of LOL International Development Division to strengthen relationships with agri-business and cooperative business in developing countries and the new emerging democracies. These organizations benefit greatly from the experience and expertise of LOL. Many long-term relationships have been established, which have enhanced economic growth and improved the family income of their farmer members.

To implement the plan, additional development staff was hired at headquarters. Also, LOL International Development Division established a Washington, D.C., presence. Field projects expanded their consultant roster. There was an increased use of LOL staff over the life of the project.

Following is a comparison of the projected program outputs and the number achieved through September 1993.

	Projected	Completed
New development projects	6	15
U.S. based training participants	41	66
In-country training participants	470	162
Regional workshops	18	0
Short-term consultancies	30	19
New country assessments	7	18

LOL greatly surpassed the projected number of new development projects, new country assessments, and U.S.-based training participants. In addition, two more country assessments are slated to be completed by the program's end (March 1994).

Regional workshops were not economically feasible for USAID Missions due to lack of funds to pay for participant travel costs to another country for third-country training. However, seven in-country workshops were held.

LOL explored projects in Cameroon, Estonia, Cambodia, Ghana, Kazakhstan, Latvia, Lithuania, Malawi, Malaysia, Mali, Mexico, Morocco, Philippines, Poland, Russia, South Africa, Ukraine, and Zambia. Projects were funded in the following countries: Estonia, Latvia, Lithuania, Morocco, Poland, Russia, and Ukraine.

Although there were only 162 participants in in-country training, this training has a multiplier effect. The results of this effect should be assessed over time to determine how the sustained effect of the technical information affected the economic status of the lesser developed countries.

Considering the fact that this is only a three-year program with eight months remaining, LOL has made considerable progress toward reaching the program goal.

B. Effectiveness and Appropriateness of Principal Activities

1. Program Development

The program proposal stated that LOL would undertake targeted project exploration in 15 countries of high priority to AID. Under the CPSG, 18 countries were actually explored for projects. Of the 18 explored, eight were funded. This was two more than projected in the program outputs. The projects that were funded and implemented were appropriate and administered in an effective manner.

The program provided the opportunity for LOL to increase the capability of the International Development Department to undertake additional project development and broaden technical assistance activities. LOL has developed a tracking system and designed and implemented strategies for small women producers which has strengthened their role in production. This has also enhanced their status in local cooperative and farmer organizations.

For example, as a follow-up to U.S. training, in-country technical workshops were held in Cameroon's Tadu Dairy Cooperative region to assist women in adopting their newly learned skills and in transferring these skills to fellow women cooperative members. Three-day training sessions were held in five regions of the Bamenda Highlands to a total of 110 women, covering such topics as proper sanitation and milk storage. The training was unprecedented in several ways: (1) it was the first time the Tadu women had gathered together and participated in an

organized, public fashion; (2) this was the first formal education the women had ever received; and (3) a women's organization was formed to continue training women in other locations.

As development priorities shifted to Eastern Europe and the Newly Independent States (NIS), LOL explored ways in which its organizational expertise could be utilized in the economic development of these new opportunities. Project development staff traveled to Ukraine, Russia, and Kazakhstan in October to November of 1992 to evaluate and reconfirm contacts and focuses of grants received for implementation in Russia and to develop additional in-country collaborators and concepts in new areas of the emerging private agricultural sector.

One staff member became familiar with the dairy sector and agricultural cooperative movements in Kazakhstan. Relationships were established with counterpart organizations for collaborative development activities. In-country training for all levels of dairy producers and assistance in forming a women's dairy association was recommended as a Mission buy-in.

The purpose of the program development activity in the Ukraine was to evaluate and reconfirm contacts and focuses of a grant received for implementation and to develop additional in-country collaborators and concepts. As a result of this trip, the project developer recommended establishing a rural development commission to generate a stronger voice of support for, and information to, farmers and agricultural entrepreneurs in the rural, private, agricultural sectors of the L'viv Oblast.

A project development team member did an assessment in Morocco in February, 1993. The purpose was to identify possible development interventions for the Tadla region that would support and improve domestic dairy production and the role of agricultural cooperatives. As a result of the assessment, LOL submitted a proposal to USAID in collaboration with Winrock International that focuses on development efforts in irrigation, soil management, on-farm production, and private agricultural cooperative association renewal.

In February, a project development team member initiated visits to Malawi, Zambia and South Africa. The purpose was to review Africare's programs, the dairy/livestock and agribusiness sectors, and other possible areas of collaboration between LOL and Africare.

In the original proposal, a regional African workshop was planned. This plan was reassessed and abandoned because USAID Missions were not able to fund participants for their attendance at regional workshops. In addition, the coordination time and travel time for LOL staff would have been excessive. Instead, increased training efforts were focused on Cameroon.

Gambia was scheduled for project exploration in year two but that was completed in year one. Another change in program development was that Turkey was assessed to no longer be a viable development opportunity for LOL. For this reason a planned in-country assessment was cancelled.

In August 1992, an assessment in Mexico was completed by a member of the project

development team. There was an exploration with USAID, USDA/FAS and governmental and commercial counterparts on ways in which LOL could collaborate to strengthen the Mexican private sector's readiness to increase trade under the terms of NAFTA.

Program development activities during the grant period were very successful. Copies of the Mission evaluations are included in the Appendix. Project evaluations were, for the most part, "very successful."

2. Organizational Development

That proposal stated that in developing the total organization, LOL International Department would strengthen the linkages and tap the resources of other LOL departments, facilities, member cooperatives and general membership. This would result in LOL being able to be more responsive to the development needs of overseas cooperatives in lesser developed countries. There was to be involvement of the LOL Dairy Foods, Food Ingredients, Research, Technology and Engineering, Sales and Marketing, Seed, Feed, Logistics and Information Systems units.

LOL made considerable progress in involving resources of other departments. For example, the international marketing manager and regional sales manager were part of a team to assess the needs and survey the existing conditions of the dairy production sector and determine the inputs needed for the development of this sector of the Mexican economy. A team of LOL managers, including representatives from the Dairy Foods Division and Food Service Marketing, met with farmers and management of the Venev Cooperative in Russia. They discussed with farmers and management of the cooperative how U.S. Boards of Directors are elected and the relationship between the Boards of Directors and the management of U.S.-style cooperatives. They emphasized the fact that LOL could also provide technical assistance to increase dairy production by improved nutrition, sanitation, forage, herd health, and management practices. They also discussed the placement of LOL technical trainers in Russia.

LOL contributes to the international program by using many of its professional staff to consult and provide technical assistance to CPSG leveraged projects.

A LOL Washington, D.C., representative was hired 25% time. This Washington, D.C. presence has improved the response to AID Bureau and Mission requests and improved communications and the capability of LOL International Development Department to coordinate cooperative development activities with other cooperative development organizations, as well as with development resource units. LOL International coordinated project development activities with other cooperative development organizations in Eastern Europe and the New Independent States (NIS).

In February of 1992, a cooperative marketing brochure was produced and distributed. International development staff also designed and staffed a booth for the LOL annual meeting in February of 1992. These organizational activities provided information on international activities and capabilities. The annual meeting activity provides a forum for recruiting members

interested in international consulting for cooperative development.

The organization gains by broadening the experiences of its technical staff in development activities in lesser developed countries, while they are producing sustainable results for cooperatives in lesser developed countries.

3. Resource Enhancement

LOL was able to demonstrate its professional capability in international cooperative development. As a result, the unit was able to generate financial leveraging from the CPSG through unsolicited proposals, grants, buy-ins and requests for proposals. The high amount of leveraging achieved resulted from the image created as a worldwide cooperative development organization, which AID Missions recognized and responded to positively.

LOL has engaged in activities to strengthen staff capability. Department employees have attended appropriate seminars to enhance their human resource base. Staff retreats are held annually to develop team building. LOL staff broaden their perspectives and develop professionally as a result of sharing their expertise with others.

LOL stated in the CPSG proposal that it would undertake at least one PL-480 or Section 416 monetization project. LOL and its subcontractor, Summit Ltd., studied the Russia butter distribution system. The purpose of the study was to provide logistics recommendations for the Section 416 butter monetization program in Russia. The team researched the distribution and marketing system in the Moscow and St. Petersburg areas with the goal of designing the best butter distribution and sales network. As a result, LOL obtained a butter monetization program from the U.S. Department of Agriculture, whereby 5,000 metric tons of donated U.S. butter will be sold in Russia and the profits used to purchase equipment and other things for Russian agriculturalists.

In the CPSG proposal, LOL also stated it would initiate at least two joint programs with private voluntary organizations and/or universities within the grant period. This has been achieved. LOL and Texas A & M University are working together to design a dairy development project for Mexico. In addition, Development Alternatives, Inc., has subcontracted with LOL to provide technical assistance and U.S. internships under the Morocco Agribusiness Promotion Project. LOL will provide six person-months of short-term technical assistance in Morocco over five years in animal livestock and feed production. Eighteen agribusiness internships will also be provided with the projected objective of improving Morocco's capacity to train agribusiness managers to meet the needs of the private sector. The multiplier effect of this project should provide sustainable economic impacts in that part of the world.

LOL achieved all of the activities in the resource enhancement area as projected in the CPSG proposal.

4. Limited Program Services

Limited program service activities included seven in-country workshops. These workshops were instrumental in increasing dairy production and supported the development of dairy cooperatives.

For example, in October 1992 a Dairy Production and Management Techniques training course and dairy production technical assistance were provided to small dairy farmers and cooperatives in the Northern Mindanao region of the Philippines. The program objective was to increase farm production and income levels of small producers organized in cooperatives (including pre-cooperatives and state cooperatives undergoing divestiture) through providing for their participation in a complete farm-to-market consumer system.

Participants were surveyed and generally felt the most valuable parts of the program were: feeding and nutrition, silage technology, and body condition scoring. The program was successful in the transfer of basic knowledge and practices of dairy production to the participants.

Participants supported the suggestion that the Northern Mindanao Federation of Dairy Cooperatives become the focal point for the dissemination of industry information, technical assistance and future activities related to dairy production, processing and marketing. This was a positive response to the value of the program and the need to work together to develop the dairy industry. Thus this program was successful in both increasing production and supporting the development of cooperatives.

The regional workshops that were planned in the CPSG proposal were not economically feasible because AID Missions did not have funds to provide for travel of participants.

In-country workshops were also presented in the Philippines and Cameroon. LOL worked with other cooperative development organizations in strengthening the cooperative sector in the Philippines. Also, two groups were hosted at LOL annual meetings. The international unit continues to provide technical information by mail to countries such as Columbia, Pakistan, Jamaica and Indonesia to support earlier LOL programs to support cooperatives. LOL continues to explore with government, AID, and cooperative leaders further programs and policies for private cooperative development.

LOL has advised government and farm leaders of Central and Eastern Europe, as well as NIS, on the privatization of their agri-enterprises which support the agribusiness sector of the economy.

Funded by the Baltics New Initiatives, a LOL dairy plant manager conducted a 5-day training course in Latvia in November of 1992 for 28 participants. The topics covered included establishing cooperatives, milk pricing, maintaining quality, animal health, and staffing a field force. The project has a multiplier effect in that many others received assistance through the sharing of this technical information.

A team of LOL managers met in October 1992 with the farmers and management of the Venev Farmers' Cooperative in Russia, explaining how a cooperative and its board is formed and how they operated. LOL's private enterprise development evaluated the financial condition of the cooperative and analyzed the country's macro-economic condition, reviewed the cooperative's financial systems and records, determined its credit needs, and developed financial projections for the cooperative's proposed butter production facility and feed mill. Three men from the cooperative attended the LOL annual meeting and experienced firsthand how the governance of the cooperative works.

Technical assistance was also provided in Latvia, Estonia and Lithuania. The head of the mechanical department at Paide Dairy in Paide, Estonia, traveled to Minnesota for a one-month participant training program. The goal of this internship was to improve the technical knowledge and skills of processing plant engineers as they strive to maintain and maximize Estonia's milk processing plants.

Numerous activities were developed for women. In addition to the Cameroon program previously discussed, LOL has identified and supported numerous women involved in the dairy sector. In the first six months of 1992 alone, 217 women were trained in overseas workshops and 13 women participated in U.S. internships. As a result of a visit to the Philippines, LOL will implement three in-country training programs that will focus on women in dairy production, processing and marketing.

In Albania, LOL had the opportunity to observe the role of women in agriculture and meet with women members of several private farmer organizations. There is a great interest by the women to form their own dairy cooperative and market their fresh milk and soft/hard cheeses in bulk. LOL proposes to offer a cooperative development workshop and follow-up training and technical assistance in dairy production, processing and marketing.

These are just some examples of the limited service activities provided by LOL which were both effective and appropriate.

All of the four principal implementation activities were appropriate and are being managed and implemented in a highly efficient manner.

C. Impact on the Increase in Farm Production and Income Levels of Small Producers Organized in Cooperatives

Courses presented by LOL technical assistance specialists were offered in countries from Hungary to the Philippines, Cameroon, and in the U.S. The objectives of the courses were to improve food processing, human and animal nutrition, agricultural practices, cooperative and agribusiness management, transportation and distribution, marketing, and privatization to bring about a sustainable economic impact. The farm-to-consumer system is the overall process by which the context of the technical assistance is presented.

In Poland, for example, a participant from the Department of Agriculture transfers state-owned, food processing plants to private ownership. The participant learned to determine value of a company, whether a project can be profitable, if it will be able to survive without government support, and to look at markets in a different way and apply new methods of analysis. Businesses owned by farmer cooperative members can provide the increased income which will bring sustained economic development to that part of a lesser developed country.

The Dairy Production and Management Techniques training course in the Philippines previously described is another example of a course with a great potential to increase farm production and income levels of small producers. The course successfully communicated dairy management principles such as dairy calf and heifer management, feeding the herd, mastitis control, record management, and cooperative principles. The continuation of these practices can provide the sustained economic development that the project was designed to implement.

In Estonia, Latvia, and Lithuania, LOL conducted an assessment and established collaborators in the emerging private dairy sector, resulting in customized interventions designed to promote cooperatives. These activities leading to increased efficiencies will be implemented under an amendment to the CPSG. In Cameroon, at the request of a newly organized dairy cooperative in the Bamenda Highlands, LOL designed a training and technical assistance program in support of the cooperative movement. Based on the feedback and evaluations of these programs, impacts are expected in farm production and income levels.

As recipients of LOL training put their new knowledge into practice on their farms, there is bound to be increased production and income.

D. Relationship of the Project to Other Activities that LOL Provides to Lesser Developed Countries

The CPSG was very important in providing LOL with the means to procure other funding to assist cooperatives in lesser developed countries. The core grant provided the base from which other proposals were funded. After the award, the project funds were spent to carry out the training and other activities that LOL provided in the lesser developed countries. LOL has been very successful to date in obtaining further funding for projects in lesser developed countries.

Over the past year, LOL has been awarded nearly \$13 million in USAID funding to assist cooperatives in the next few years:

- \$4,000,000 Amendment to LOL grant, Agricultural Cooperative/Business Development and Training in Central and Eastern Europe
- \$5,000,000 Amendment to LOL grant. Agricultural Cooperative/Business Development and Training in Central and Eastern Europe for activities in Bulgaria and Romania
- \$3,500,000 Restructuring Agriculture through Agribusiness Formation: Private Sector

- \$300,000 USAID/LOL/Tri-Valley Agreement
- \$100,000 Amendment to Cooperative Support Grant for initiatives in the Baltics
- \$50,000 Tadu Dairy Cooperative Society, USAID/Yaounde, to train in artificial insemination
- \$12,000 Tadu Dairy Cooperative Member Training, USAID/Yaounde, to train the women of the Tadu cooperative in the Cameroon Bamenda Highlands in dairy production

The relationship of the core grant to other activities leverages the core grant and allows a whole host of development activities. Without the core base, many of these grants would not have been obtained.

Once a new grant is awarded, a long-term program with a number of projects can be launched totally funded by the new grant. This allows CPSG funds to be used to seek out other areas of the world where development assistance is needed.

For example, in the Ukraine the scope of work was to evaluate and reconfirm contacts and focuses of grants received for implementation in Ukraine and to develop additional in-country collaborators and concepts for LOL in new areas of the emerging private agricultural sector. When asked to prioritize needs for technical assistance and training, most private farmers asked for skills and knowledge in small farm and agribusiness management and marketing of their product and value-added products. Another area that most private farmers felt should be a priority was information support (the need to improve the system of transferring useful agricultural production information to private farmers and agribusinesses). The state agricultural experts were trained in large-scale crop and livestock production which was not suitable to a small scale producer/processor. There was also a lack of knowledge in private cooperative structural development. Private farmers expressed the need to work together to obtain agricultural inputs such as feed, seed and machinery.

Other areas of concern included housing, health care, education and child care. To address all of their needs, which will be provided through other than CPSG funds, LOL proposed to develop a Rural Development Commission. This will generate a stronger voice of support for, and information to, farmers and agricultural entrepreneurs. AID has funded the Farmer-to-Farmer program in the Ukraine.

When grants are obtained, similar activities are carried out in the lesser developed countries which are not charged to the CPSG

E. Effectiveness and Value of the "New Initiatives Program" in the Baltics

The overall impact value of the New Initiatives Program in the Baltics was questioned and a restructuring of the project has begun. As of March 31, 1993, nearly half (\$48,919) of the

funds remained unspent, yet all the goals were met. Although the workshops, technical assistance and internships that were completed were effective and very valuable, the activities were narrow in scope which limits the overall impact. The program was successful but reached a limited audience.

Because of the limited impact, it was decided that a broader scope needed to be considered. This change is in progress at this time. To broaden the program, LOL is proposing to create up to four private extension service organizations to work with milk processing facilities. This service would improve the sanitation on farms and dairy plants. This improved sanitation would create greater demand for dairy products, thus vastly improving the markets. Technical information would be disseminated across the Baltics through the support of dairy associations and vocational education institutions. This approach is designed to build strong, sustainable institutions to develop the agricultural sector of the Baltic states' economy.

Activity in the Baltics consisted mainly of technical assistance trips. In Latvia in 1992, LOL conducted a five-day training course to provide technical assistance. This was led by a LOL dairy plant manager. He taught 28 people the principles of milk procurement and assembly. It included such topics as establishing cooperatives, milk pricing, maintaining milk quality, managing mastitis, and staffing field force. He also conducted a half-day session with government officials of the Riga District.

In Estonia, technical assistance was provided to six dairy plants. An excellent candidate for a one-month U.S. internship was also identified. The goal of this internship was to improve the technical knowledge and skills of processing plant engineers as they strive to maintain and maximize Estonia's milk processing plants. The majority of the technical training focused on instruction in equipment maintenance at LOL cheese plants. The intern stated that he was overwhelmed by the amount of information he could use and was glad to have the opportunity to "have his eyes opened" to aspects of processing that he had never considered before.

In Lithuania, one week of technical assistance was provided in food plants. A retired LOL expert conducted a five-day course in food plant operations.

These activities were performed before a new course of action was planned for the future. Nearly half of the funds remained unspent after these activities, yet all the goals were met. The in-country expenses were low and program management time was far below what was expected.

F. Unanticipated Issues and Circumstances of Program Planning

The major unanticipated issue which changed many program plans was the political change in Eastern Europe and the former Soviet Union. With the shift to a free market economic system, massive needs began to be identified. LOL International immediately began to assess areas of need and possible funds that could be available to implement projects that would satisfy these needs and move the dairy economy of this region of the world to a sustainable level. As soon

as it became safe to travel in these countries, information giving and gathering trips were planned in preparation for submitting unsolicited proposals. Much of this activity was carried out before AID offices had opened in the NIS and Eastern European countries. Because this was the situation, many of the unsolicited proposals were submitted to AID/Washington.

These proposals included: Baltics Restructuring Agriculture: Private Sector Program in October 1991, which was not funded; Baltics Dairy Development Interventions in March 1992 which was funded for \$100,000; Central and Eastern Europe Agricultural Cooperative Business Development and Training Project in May 1991 which was funded for \$4 million; an amendment to this grant for \$4 million was awarded in September 1992; and another amendment to the above grant for work solely in Bulgaria and Romania in the amount of \$5 million was awarded in January 1993.

Another action taken to address the targets of opportunity was to submit an unsolicited proposal for Russia, Restructuring Agriculture Through Agri-Business Formation, submitted to the NIS Task Force. Washington funded this proposal for a total \$3.5 million in January 1992.

Proposals to organizations other than AID to address unanticipated issues and circumstances of program planning included USDA Butter Monetization in Russia, which was awarded in September 1993, and a World Bank Meat Packing Plant Evaluation in Poland which was funded and implemented in February 1993.

All of these funded projects are either being implemented or are in the process of proposal writing for implementing various sections of the projects to be carried out in different areas of each of the lesser developed countries in which the program is working. In the projects where the evaluations were reviewed, the participant evaluations rated the training as excellent. The participants report that the technical information is being used in plants and on farms and the participants are sharing the information, which brings about a multiplier effect.

The projects have not been implemented for a sufficient period of time to measure the impact on sustainable economic development. The LOL total organization has become significantly more interested in international development activities and will increase the involvement of its technical experts to help implement projects as needed in the future. This resource can produce a substantial impact on the efficiency of the dairy industry and its total increased economic development, supporting total economic growth and increased trade in these developing countries.

G. Financial Procedures, Management, Administrative Functions and Coordination With AID

Financial procedures are both efficient and appropriate and function in a highly professional manner. Each member of the international staff has received instruction on accounting for time worked on various grants so that time is charged to the individual grants as accurately as possible. The financial staff also provides procedures and training on record keeping so that

accurate and useful reports are submitted to the accounting department. The accounting department participates in appropriate educational activities and is involved in an annual staff and management retreat for professional development purposes.

Information and procedure training is provided to staff on financial planning and the budget process. Monitoring of budgets and feedback discussions are provided where variances are found. LOL International's financial management system has been found to be adequate and acceptable to sufficiently substantiate all charges to the grant. LOL maintains books, records, documents and other evidence in accordance with usual accounting principles and federal cost procedures.

Overall management of the grant is professional and businesslike. Management has demonstrated its ability to leverage the \$1,375,000 CPSG. Leveraging resulted in \$25 million of funding as of August, 1993.

As the program has grown due to the large dollar value of grants awarded, LOL International Division has adjusted the organizational chart and management system to meet the new challenges. The program growth has been well managed, and adjustments were initiated as needed. The team management approach, which is the management style used by LOL International, allows for growth to take place while integrating the new personnel needed to carry out the ever increasing work load due to the high level of success in leveraging the CPSG.

Management and staff development opportunities are provided as needed to maintain the ability to perform at the highest level possible. New management and staff that are hired have international experience, which increases the efficiency of the program. In as much as possible, promotion of staff is from within which takes advantage of the specialized experience gained through team interaction and international experience. The management and staff of LOL is in a position to support a high level of project activity at this time.

The administrative functions of the LOL International Division are carried out by the Director of Planning and Administration. This position coordinates program activities with managers and project specialists and reports to the vice president of the International Development Division. This function is carried out in a highly effective and professional manner. It coordinates procedures used by project development teams, project specialists and other staff to ensure the smooth functioning of the activities of the unit.

This position also is responsible for the evaluation function and provides the coordination for lessons learned activity. The International Development Division has in-house and outside consultants for evaluating programs and projects. Current staff participate in project evaluations and are familiar with information needed for impact identification. Development performance is monitored by senior corporate staff on a quarterly basis through regular reports, and annually at the year-end performance evaluations. All of the administrative functions are being performed in a very effective and professional manner.

Coordination with AID is assigned to a project specialist position. This position is responsible for all correspondence and reports. The efficiency of this reporting has been enhanced with the adoption of E-mail linked to the AID/Washington office. Reports are submitted on a timely basis. The coordination with AID/FHA/PVC will be improved with the addition of a staff person at AID headquarters to support CPSG administrative detail. When the Project Officer is not available, this allows for immediate replies and assistance to cooperative development organizations. It also makes possible the processing of reports and requests when the Project Officer is not available.

No significant problems surfaced in assessing the financial procedures, management, administrative functions and coordination with AID.

H. Assumptions, Constraints and Performance Indicators

Program constraints identified in the project proposal include:

Continued AID Support--The CPSG proposal indicates as an assumption that LOL project activities depend upon the continued support of AID, its bureaus and missions. AID missions must be willing to commit sufficient resources to headquarters backstopping through direct charges to field projects. Missions must help finance some of the costs for detailed project design and utilize buy-in authority for LOL to expand its field activities. Another constraint listed in the CPSG proposal was that in order to access additional AID resources, LOL must put into place a stronger project development process including additional staff.

This has not been a constraint. AID has cooperated by granting a large amount of funds to develop a whole host of projects. The funding was made available more rapidly than LOL was able to put the project teams in place to develop projects. Until funds are available, staff cannot be hired. When staff is hired, it requires time to develop proposals and project plans to implement the program. LOL has been very responsive to the need to expand staff to carry out the additional programs that have been funded.

Development Priorities--As indicated in the CPSG proposal as an additional assumption, AID and host governments must be willing to invest in the agribusiness sector and to remove policy and other impediments to permit private sector cooperative development. LOL states that it does not intend to provide technical support to state-controlled cooperatives or processing plants unless they are in the process of being privatized. The following current trends will need to continue for LOL to achieve significant program progress: reduce dumping of agribusiness products below world market levels; less government interference in the agribusiness sector; and policies conducive to private cooperative development.

For the life of the project, these conditions have been met to a large degree. They have not provided any significant constraints to project implementation .

Corporate Commitment--As indicated in the CPSG proposal, senior staff and the Board of Directors of LOL must continue to provide support for its International Development Department and its activities. The CPSG proposal is essential to demonstrate to these company policy makers that AID is willing to enter into a long-term partnership. It is company policy that international development activities must be self-supporting and achieve at least a break even point. This policy does not lessen the willingness to donate significant human and financial resources to international development, including the exploration of investment opportunities in AID supported countries.

These factors did not constrain the activities of the International Division. The senior staff and Board of Directors are highly supportive of the department activities.

Program Elements--The CPSG proposal contains a number of assumptions for specific project implementation including: the availability of surplus butter oil and cheese and the willingness of the US. and host governments to enter into monetization programs; mission support for regional training workshops; and interest by private volunteer organizations and universities to enter into joint activities.

These assumptions were important to the implementation of the program. The assumption related to monetization programs was true, and a butter agreement was entered into with Russia. However, funds were not available from AID Missions for regional workshops, and therefore the regional workshops were not held. Private voluntary organizations and universities did enter into joint activities with LOL. The constraints and assumptions, with a few exceptions, did not present any problems for program development.

LOL monitored its performance by the number and frequency of visits to AID missions and targeted countries, proposals submitted and approved, annual project volume, new project starts and number of countries with active projects, and training courses conducted and number of participants. These are measures of activities. Performance indicators need to address the actual change as a result of these activities. There was a high level of activity in each of the areas indicated. With more time passing on the projects, LOL needs to find ways of measuring result impacts, such as improved income, sustained economic development for the area of project work, and international trade results. It is recommended that result impact be considered in the future as performance indicators.

I. Recommendations

No problems arose during the evaluation of LOL. The following recommendations are made to enhance program potential and effectiveness should the project be duplicated in the future.

1. Future project development should address institutional development which would bring sustained economic development. Projects should be expanded to address the development of local, regional and national cooperatives in lesser developed countries. Private democratic

cooperatives should be developed that will be self-sustaining and highly efficient by duplicating the LOL farm- to-market model.

2. The evaluation function should be strengthened. The need for gathering data relating to economic impacts that are sustainable is great. The evaluation function needs to search for economic models which can analyze data to project economic impact. As the economic benefits from trade are realized, cooperative development organizations can expect greater financial support for development from the U.S. cooperative business community.

3. LOL should consider formalizing lessons learned. Lessons learned need to be gleaned from evaluations and categorized by function so that they are readily available for staff consideration. As the volume of information becomes greater, it is more difficult to glean lessons learned from project reports and evaluations. The sheer volume can be a deterrent for incorporation into new project proposals and implementation. Using lessons learned can contribute greatly to the economic efficiency of the total program. Lessons learned are particularly valuable in the training of new personnel.

4. Increase public information reporting of economic impacts resulting from projects. Video tapes that document sustained economic impacts resulting from projects create good will. As information becomes available, it could have the effect of increasing funding from other sources, further leveraging the core grant. It is realized that sustainable economic and trade impacts are difficult to document. It is suggested that LOL contact economics departments of universities to determine if there is an interest in applying economic models which would provide economic documentation and a creditable reporting source.

5. LOL should coordinate projects with other cooperative development organizations, where appropriate, in project implementation. This coordination will enhance the development activities of all of the cooperative development organizations and improve results in various project areas with less duplication and possibly reduction of costs.

6. To improve acceptance and enhance feelings of ownership of a project, it is recommended that there be increased involvement with representatives of developing countries in project development. This could take different forms depending upon the situation. This would also serve as a demonstration of the democratic process that projects are designed to implement.

7. Explore non-core grant funding resources and other donor organizations (e.g., Inter-American Development Bank, World Bank, etc.), mission buy-ins, etc.

J. Economic Efficiency of the Program

The economic efficiency of the program is very high. For example, the projected total number of contracts/grants was seven; 16 were actually achieved. The volume was projected at \$3.5 million in 1994; to date, the project has leveraged \$25 million which is 2,142.2% leveraging.

The yearly leveraging was reported to be:

1991	4795.9%
1992	1348.1%
1993	1877.6%

In addition, there was a match from LOL and other donors. On average for the years 1991-1993, there was a 36.1% match. In 1991, the start-up year, the core grant was matched 142.7%; in 1992 it was matched 28.3%; and in 1993 it was matched at 7% (through three quarters). The matching was extremely high for so early in the program. As time goes on, if expected results are realized, one could expect more and more funding from the private sector. As business recognizes that international development is good for international business, more funds should be forthcoming.

Other non-AID funds, other than private funds, were obtained from USDA and World Bank. The project implementors were extremely successful in pursuing and obtaining funds. This is an indication of the good will and public relations of the program.

Every effort is made by LOL International Division personnel to make the most effective use of the CPSG as possible. The reports reviewed indicated that the planning for trips and other travel related activities are carefully developed to make every effort to be as economically efficient as possible. LOL developed an administrative methodology for program activities. The use of this standard approach for all in-country activities results in economic efficiency.

Economic efficiency is also assessed as excellent in reviewing the process that is used for project development. The team approach allows for increased output and also helps ensure that relevant lessons learned are considered and incorporated in new projects to ensure economic efficiency. As a project reaches maturity, more and more responsibility for the continuous training and support becomes the responsibility of organizations in the developing country. This encourages independence, reduces cost to the project, and helps to ensure that a sustained institutional and economic impact results from the project implementation.

In project implementation, the economic efficiency is realized through LOL International developing local in-country leaders who take over the work of the U.S. technical experts.

K. Follow-On Activities Required to Make the Program More Successful

A number of follow-on activities are required to make the program more successful. This is largely due to the short time the project has worked. Follow-on activities are suggested in the Philippines, Russia, Kazakhstan, Ukraine, Poland, Latvia, Estonia, Lithuania, Mexico and Cameroon. Many trip reports by LOL staff indicated the need for follow-on activities.

The program is at a stage where follow-on is required in order that the full potential impact can

be achieved. The potential for realizing an economic impact by implementing the LOL farm-to-market system is great. Follow-on activities can have a dramatic sustainable economic impact.

Following are activities that were recommended in trip reports.

In the Philippines, there is great need to provide technical assistance in the areas of increasing milk production, improving dairy processing operations, product marketing, and strengthening cooperative business organizations to ensure sustained economic development. The follow-on is recommended to reinforce information presented through a Dairy Production and Management Techniques training course and dairy production technical assistance to small dairy farmers and cooperatives in the Northern Mindanao region of the Philippines.

In Russia, more activity is needed to demonstrate the impact that LOL can bring to bear at the regional level. Activities should focus on organizational and institutional change for sustained economic development. Also, LOL should continue to work with the Private Farmers Association in Venev. As a part of the follow-on activities, LOL should coordinate activities and collaborate with ACDI and VOCA in order that a united project can be developed which would build on strengths that each of these organizations brings to the cooperative economic development process in this part of the world. It must be demonstrated that U.S. cooperative development organizations can cooperate if they are to convince local farmer organizations to cooperate with each other to impact sustainable economic development.

In Kazakhstan, follow-on activities are suggested in the dairy sector and in the agricultural cooperative movement. In-country technical assistance and training for dairy producers and processing plants should be initiated. Also, a follow-on, as recommended by a trip report, should be implemented to give assistance in forming a women's dairy association.

In Ukraine, a follow-on activity is needed in giving assistance in forming a rural development commission for institutional strengthening for farmers and agricultural businesses in the private agricultural sector.

In Poland, follow-on activities should be pursued to provide assistance in the technical areas of marketing, distribution, and new product development to further develop the possibility of identifying potential agribusiness partners.

In the Baltics, a follow-on should be initiated based on a recent evaluation completed by LOL. There should be a focused approach in the Baltics which has the potential for institutional development and a sustained economic growth impact.

In Mexico, a follow-on is suggested to develop a project based on a needs assessment completed. A team is working on a design for a dairy development project which would strengthen the private dairy sector to prepare for the North American Free Trade Agreement. LOL is working with Texas A & M University on a model that could be duplicated in other projects.

In Cameroon, it is recommended that the training and technical assistance already provided be used as a base to build and seek funds for a project which would have an impact on institutional development and in the long run provide sustained economic development. Because of the very excellent reception of the training provided, building a larger project should be met with a high level of acceptance. The rapport already established should provide for efficient, rapid project implementation.

In all of the countries discussed, follow-on activities should be able to be implemented with considerable ease because of the reputation already established.

APPENDIX

A. Methodology

The following methodology was used in order to complete this evaluation:

1. Review of background information.
2. Visit LOL main office and interview personnel.
3. Interview personnel in FHA/PVC and other AID offices with whom LOL had buy-ins initiated through the project.
4. Contact per fax personnel from Missions where the project worked or is presently working.

B. MISSION EVALUATIONS

AID/FHA/PVC

FINAL EVALUATION
LAND O' LAKES
CENTRALLY FUNDED
COOPERATIVE PROGRAM SUPPORT GRANT

Gar Stock, Consultant

TO: Cathy Norris, USAID/Moscow

DATE: September 14, 1993

Land O' Lakes (LOL) received a Cooperative Program Support Grant (CPSG) in June, 1991 in the amount of \$1,500,000. FHA/PVC is responsible for administering the Grant. The CPSG is scheduled to be completed by March, 1994 and FHA/PVC is conducting a final evaluation.

LOL is currently doing project development for a project in Venev and other project development work. While no funds from the CPSG are used for direct project implementation, LOL has provided grant-funded development and support services. To assist us in the completion of the evaluation we would appreciate your thoughts on the following questions. Please return them via E-Mail. In advance, thank you very much for your consideration.

1. Project Development and Design: How would you rate the overall project development, design, and impact of this project?

Very Effective Somewhat Effective Not Effective

Comments:

Effective. Most of the assignments of the Land O'Lakes Farmer-to-Farmer volunteers have focussed on providing technical assistance to the agricultural cooperative being established in Venev. Under its cooperative agreement Land O'Lakes is working with a number of newly established private farms and agribusinesses to develop producer-owned farm supply and dairy processing operations. If successful, this model can be used by private farmers cooperatives throughout Russia. After a rather slow start, the project in Venev now appears to be coming along well. The delay was due to problems in identifying competent Russian managers from among the farmers and in getting LOL's two on-site managers, a husband and wife team, in place. (Such problems are often typical of projects in Russia.) During the start up phase the F-T-F volunteers have played a useful role in filling some of the managers' duties and helping to plan the project activities.

LOL now seems to have addressed the start up problems. Members of the Mission visited Venev last week to see the newly arrived hay mowing and harvesting equipment financed by the project and to meet with officials of the local government and the national and local private farmers associations. The cooperative's feed mill and restaurant are now up and running, providing services to

the farms as well as sources of income. We also visited the dairy in which the cooperative owns a share. This dairy, which seems relatively well run, clean, and efficient, is the main outlet for processing and marketing the milk produced by the cooperative's farms. On the whole, the project is developing successfully. At least part of this success can be attributed to the assistance of the F-T-F volunteers.

2. Personnel Selection and Support: How would you rate the quality of project staff and the support received from the LOL Minneapolis Office?

Very Effective Somewhat Effective Not Effective

Comments:

Very effective. The Mission has met with a number of the Minneapolis Office staff and the F-T-F volunteers. They, as well as the Moscow office director and the Venev site managers all seem quite competent and have a clear understanding of LOL's project objectives. From comments of the Moscow office, we understand the support from the home office has been strong. As we observed last week in Venev, the LOL staff has excellent relations with the local government authorities and the national and local private farmers association, AKKOR.

Management and Administration: How effectively were management and administrative functions handled?

Very Effective Somewhat Effective Not Effective

Comments:

Effective. See comments above.

4. Limited Program Services: How effective and valuable was any feasibility study, policy analysis, sectoral studies, non-project related training or other activities undertaken by LOL in your country?

Very Effective Somewhat Effective Not Effective

Comments:

In order for the various organizations implementing our agricultural projects, as well as other U.S. agencies and other foreign donors, to meet and exchange information and ideas, USAID/Moscow sponsors periodic half-day conferences. The project implementors have organized and hosted these conferences, each focussing on a theme, such as agricultural credit, storage, etc. Land O'Lakes, in conjunction with MacDonald's, organized a very effective conference on food processing. The group toured MacDonald's plant and received an excellent briefing on MacDonald's experience in Russia, including a description of the problems of obtaining reliable and high quality food supplies and of establishing a modern food processing facility. LOL deserves credit for coming up with the idea for this conference and for making the arrangements.

5. How would you rate the overall effectiveness of LOL with respect to its main project and relations with the Mission:

Very Effective

Somewhat Effective

Not Effective

Comments: Effective.



To: Frank E. Mertens@FHA.PVC@AIDW
Cc:
Bcc:
From: John May@RCO@Yaounde
Subject: re: evaluation
Date: Monday, September 20, 1993 4:42:05 EDT
Attach:
Certify: Y
Forwarded by:

Here is our response regarding the Land O'Lakes.

1. Very Effective: The training courses designed and carried out with the Tadu Dairy Cooperative used the participatory approach because field input was sought, results were remarkably positive.
2. Very Effective: There was mutual trust between the Land O'Lakes and Tadu Dairy personnel. Also, Land O'Lakes project staff was very understanding and unassuming. The Land O'Lakes Minneapolis office left lots of flexibility to the field staff.
3. Very Effective: Even though the training course involved illiterate women, the administration tailored the courses taking cognizance of the specific circumstances.
4. Very Effective: The artificial insemination training program carried out by Land O'Lakes has fostered great interest from the fulani grazers. The results are remarkable and demand for related services from the grazers steadily rose to the extent that follow on courses have been programmed.
5. Very Effective: Land O'Lakes main project and relations with the Mission have been very effective. Proof is that quality and quantity of milk produced by the Fulani Women has greatly improved. Also, the five trainees in artificial insemination produced over 60% conception results. Such positive results and observations from the field and from the Mission indicate that this is one of Mission's success stories of doing more with less. In brief, Mission and Land O'Lakes relationship has been exceptionally fruitful.

If our response sounds very positive it was meant to be. We have been 100% satisfied with Land O'Lakes in every aspect. The Grants we have done directly with them have proven to provide the biggest bang for our buck.

To: Frank E. Mertens@FHA.PVC@AIDW
Cc:
Bcc:
From: Rodger D. Garner
Subject: re: Land O'Lakes evaluati
Date: Wednesday, September 29, 1993 at 8:10:57 am
Attach:
Certify: N
Forwarded by:

Frank,

I will briefly answer your evaluation as best I can.

1. USAID/Manila knows nothing of the project development and design.
2. USAID/Manila knows nothing of the personnel selection and support.
3. USAID/Manila knows nothing of the management and administration.
4. USAID/Manila can not answer this question.
5. Relations with the mission were non existent.

Despite saying all of the above, I know that LOL did work with the Northern Mindanao Dairy Farmer Cooperative and the clients were very satisfied with the work done there. I have heard nothing but praises about LOL from the coop. I've tasted the products - milk, yoghurt, cheese, butter - they were very high quality and reasonably priced. Based upon those factors, I'd say the work LOL did was successful. Rodger Garner

----- Original Memo -----
To: Rodger D. Garner From: Frank Mertens
Subject: re: Land O'Lakes evaluati Date Sent: 09/20/93

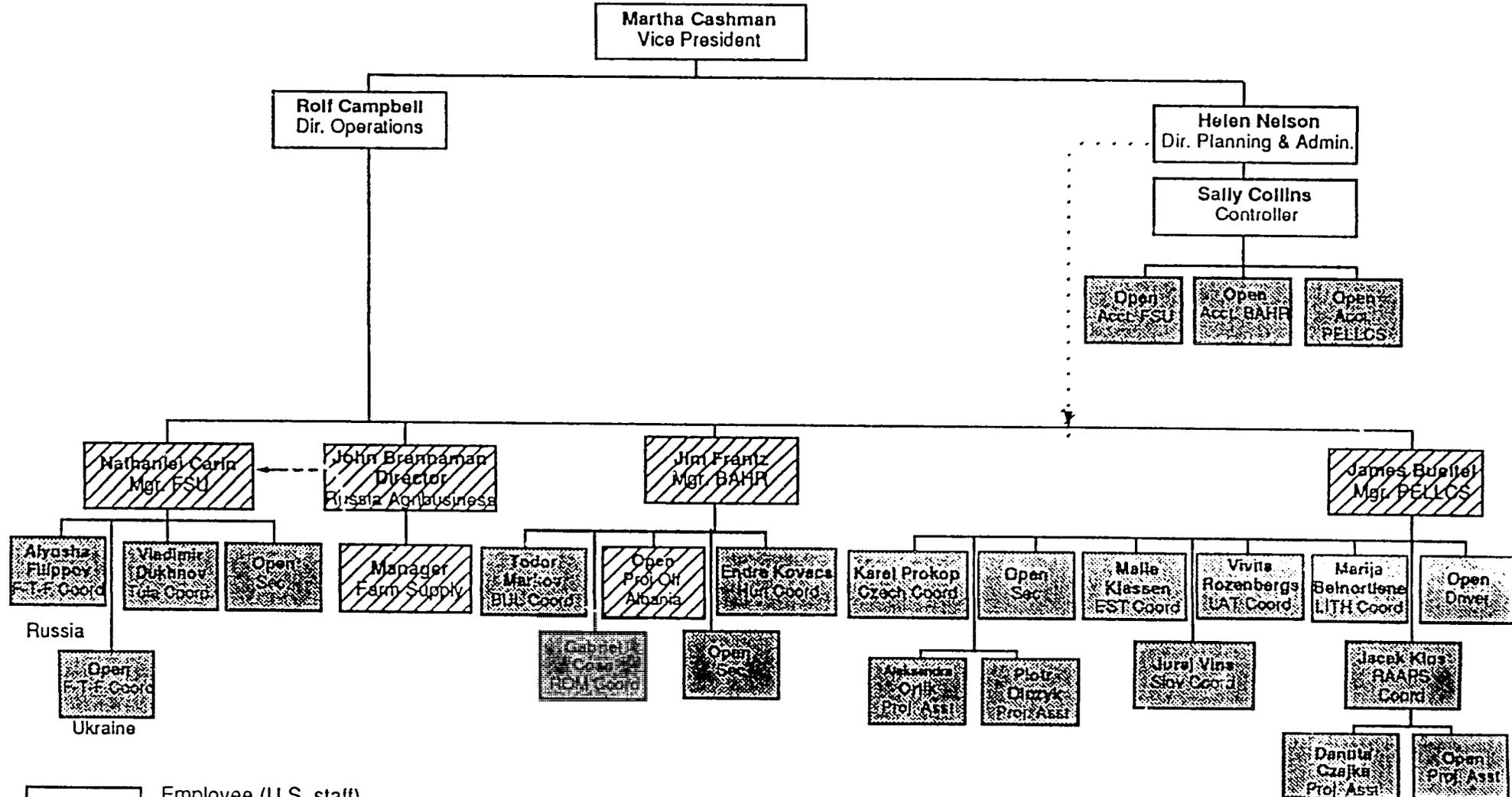
TO: MANILA01-GAR004BB Rodger D. Garner

Will try and send a fax. Thanks.

C. OTHER BACKGROUND INFORMATION

LAND O'LAKES, INC. INTERNATIONAL DEVELOPMENT DIVISION

(OVERSEAS STAFF)



Employee (U.S. staff)

Employee (overseas staff)

Contractor (overseas staff)

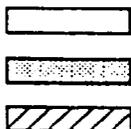
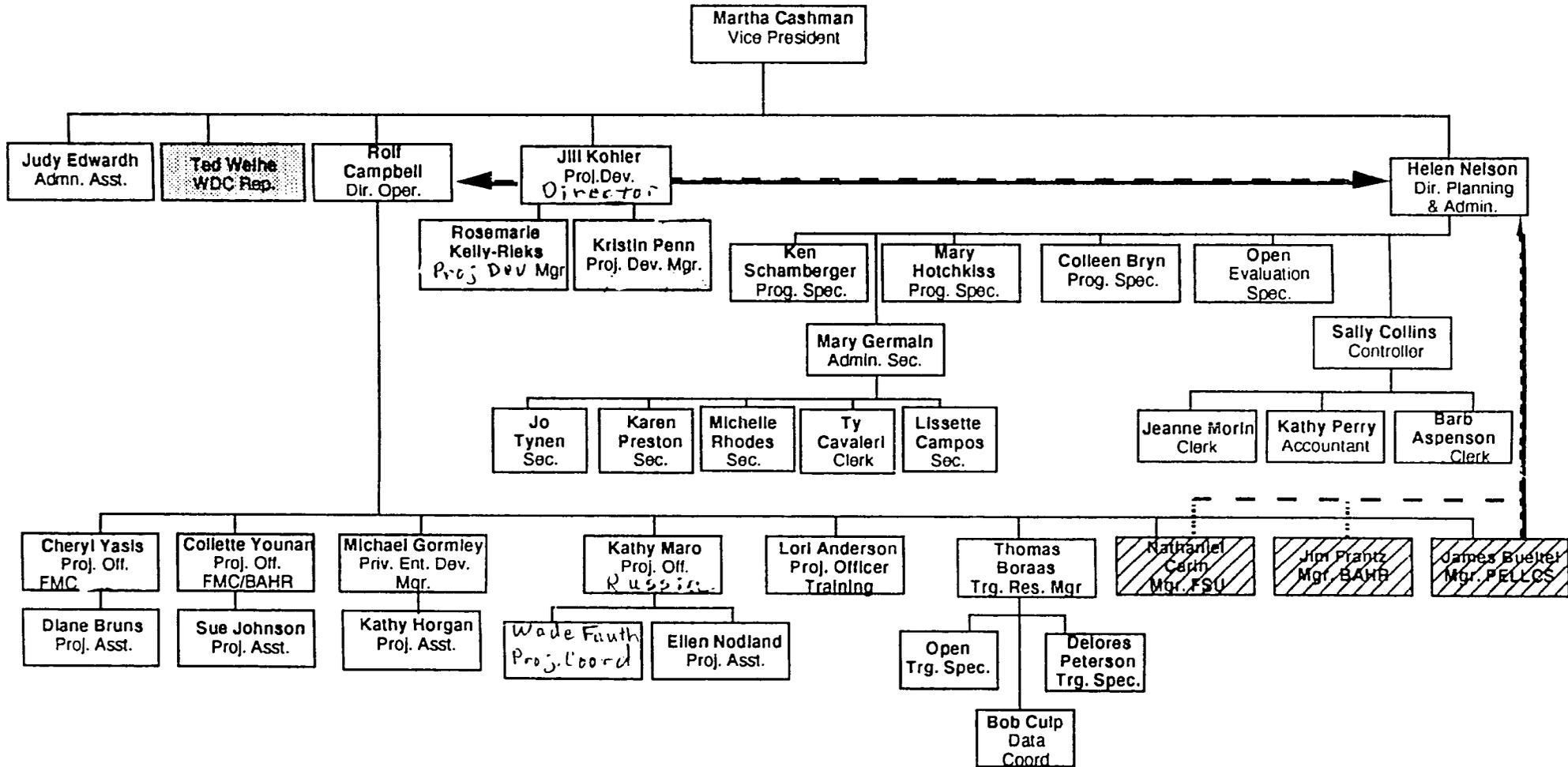
FMC/PELLCS: Free Market Cooperative/Poland, Estonia, Latvia and Lithuania, Czech and Slovak Republics

FMC/BAHR: Free Market Cooperative/Bulgaria, Albania, Hungary and Romania

FSU: Former Soviet Union

F-T-F: Farmer-to-Farmer

LAND O'LAKES INTERNATIONAL DEVELOPMENT DIVISION (U.S. STAFF)



Employee
Contractors
Overseas Staff

FMC/PELL: Free Market Cooperative/Poland, Estonia, Latvia and Lithuania, Czech and Slovak Republics
 FMC/BAHR: Free Market Cooperative/Bulgaria, Albania, Hungary and Romania
 FSU: Former Soviet Union
 F-T-F: Farmer-to-Farmer

Cooperative Support Grant
% Leveraged

	<u>1991</u>	<u>1992</u>	<u>1993</u> <u>YTD Aug</u>	<u>Total</u>
Funds Leveraged (Mil)				
Free Market Coop	4.0	4.0	5.0	13.0
New Initiatives-Baltics	--	0.1	--	0.1
Farmer to Farmer	--	2.0	--	2.0
TriValley Growers	--	0.3	--	0.3
Restr Ag in Poland	4.6	--	--	4.6
Restr Ag in Russia	--	--	3.5	3.5
HHH Subcontract	0.3	0.2	--	0.5
ACDI Subcontract	0.5	--	--	0.5
Cameroon Grants	--	--	0.1	0.1
Butter Monetization	--	--	0.2	0.2
Other Misc.	--	0.1	0.1	0.2
Total Leveraged	9.4	6.7	8.9	25.0
Coop Support Grant				
Spending per year(000's	196.0	497.0	474.0	1,167.0
% Leveraged	4795.9%	1348.1%	1877.6%	2142.2%

Cooperative Support Grant
Total Match

	<u>1991</u>	<u>1992</u>	1993 <u>YTD Aug</u>	<u>Total</u>
Land O'Lakes	139,926	23,066	74	163,066
Others	140,000	117,702	500	258,202
Total Match	279,926	140,768	574	421,268
 Coop Support Grant Spending per year	196,121	497,061	473,810	1,166,992
 % of Match	142.7%	28.3%	0.1%	36.1%