

## **VOLUNTEER REPORT FORMAT**

*To be submitted to CRS at the end of volunteer assignment and shared with the Host*

- 1.1 Assignment information: TZ02
  - a) Volunteer Name: Pamela J. Karg
  - b) Host Organization: Vijana Mbasa High Quality Rice Millers (VMHQRM)
  - c) Assignment: Organizational and Management Capacity for Profitable Rice Marketing Business
  - d) Dates of Assignment: April 6-24, 2014
  - e) Number of days worked: 13
- 1.2.1 Objective 1 in your SOW: Business record keeping for the milling business
  - a) Progress with the objective: Basic bookkeeping skills were reviewed, and the cooperative board was encouraged to look at some additional retention in holding back member earnings (called retained earnings in cooperatives) to help the organization build up its financial reserves rather than continually going to members for more money and/or rice donations to meet the cooperatives goals. In addition, discussions were held and exercises done to help the board focus its actual practices—fiscal and otherwise—around its current business plan and its ultimate goal/vision of “uplifting members.”
  - b) Expected impacts/results: The board will start looking at ways in which it can do a better job of making the cash that flows through the cooperative work on behalf of itself to reach the financial goals it has – such as a warehouse for product storage (which would assist in its future marketing plans) while also advancing members some cash so they can meet their own, personal financial obligations (such as school fees.) The cooperative members, through one exercise, also want the cooperative to provide better-quality inputs in a timely manner. So discussions were held with the board on options it could take in fulfilling this desire of members—which will also take a certain amount of financial outlay on behalf of the cooperative before the costs of these inputs are then collected from members. (The input options discussed include using the Federated Cooperative, to which it belongs, to make the bulk purchases for all 40-44 cooperatives in the Federations—or using the services of a South African man (Tom, who the members know) is conducting a pilot project on sourcing better quality inputs with bulk discounts.
  - c) Recommendations<sup>1</sup>: 1) The board should work within the cooperative, as well as within the Federation, to examine financing options that do not continually go to the members, asking for more money or some rice. This can include a simple capital retain program that is over and above what is required by Tanzania law (which was also demonstrated and discussed as one option during both the board and the member training.) The mill manager (who did not attend the training, despite the fact that he is also secretary of the board) should be directed to keep in separate accounts member income from the mill and non-

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<sup>1</sup>**Note:** The most useful recommendations for hosts are ones that they can implement themselves with minimal expense. For example, a cooperative might change its financial reporting procedures or hold more regular meetings of its board. Broad recommendations on tax or credit reform, changes in government policy, or investment in large-scale equipment, are usually not within the host organization’s reach.

member income from the mill. The non-member income can be used by the cooperative to develop its financial reserves to use towards building a warehouse or partially financing or loaning money to members for the rice (or paddy) they store in the warehouse. 2) The board also needs to hold a meeting to discuss how to handle the member-board secretary-mill manager situation. Since beginning operations, how the money is handled at the mill has changed so that there are checks and balances between payments and deposits. However, it's just not a good business decision to make a member the manager of the mill. Then to make the member who is also the board secretary the manager of the mill mixes up too many things. As the secretary, the person didn't have to attend training. As the manager, the board had the right to demand that the person attend the training (even if it would have meant some slight compensation for the manager's time.) This is just one small example of the conflicts of interest that can arise from mixes all the roles – especially mixing them all into just one person.

#### 1.2.2 Objective 2 in your SOW: Financial skills

- a) Progress with the objective: Actual, practical exercises were conducted with members and board of directors to reinforce discussions about developing savings programs within the membership. The board, during its training, indicated it wanted to see better savings among members. Through two simulations – an auction to buy items followed by the collection of co-op member fees and then the proverbial school fees; and a “board game” to show how member equity and income retention work – members acquired deeper, better knowledge of how and why it's important for both them, personally, as well as the cooperative itself to have financial reserves. The board, as well as general membership, has set its business goals and must ensure its financial priorities match those goals.
- b) Expected impacts/results: Directors and the general membership will better understand the difference between things they/the co-op “needs” (are essential) and things they “want” (not necessarily essential.) They will also align their personal and the cooperative's financial goals along the lines of their business objectives, saving money where possible—or not spending money on things outside their business plan.
- c) Recommendations: 1) A financial specialist through F2F could be brought in to help assess – at the Federation level – how the individual cooperative can start to build more equity capital as opposed to continually asking members for special fees or part of their rice production. A review and then a higher level of training I believe are necessary because the cooperative (or potentially the Federation) should be looking at warehouse storage – and possibly even new product development or more aggressive marketing. These things will need financing, which requires some forward-planning – which neither the local cooperatives nor the Federation seemingly have the ability to do right (either due to lack of staff time or perhaps due to lack of experience or new perspectives from other sources outside of Tanzania.) At the very least, the individual cooperative boards, along with the Federation board, should examine their financial skills, Tanzania laws governing



cooperative, and suggestions made during my training on how to build capital so the cooperatives can try to move past the stage where they find themselves today.

### 1.2.3 Objective 3 in your SOW: Marketing skills (packaging, branding, promotion)

- a) Progress with the objective: This training was focused primarily with the directors, who had specific ideas of what they thought marketing involved (i.e., a private label and online marketing.) While these are admirable goals, this cooperative is not at the point where this is possible. In fact, my recommendation is that the Federation assist more with this endeavor (see Recommendations below 1.2.3 c)
- b) Expected impacts/results: More discussions will be held about marketing – price especially and potentially rice storage. These discussions will be among more and more local cooperative leaders – leaders who already know each other because of their affiliation through the Federated Cooperative. The Federation should be doing more coordination between its member-cooperatives, and the local members and board such as this one must be the ones to push and motivate or instigate these discussions at the Federation level.
- c) Recommendations: 1) Marketing is more than a label and online presence, though this is what this cooperative believes it can be. However, it's post-harvesting handling of rice – from stones in the rice to give it more weight or from not cleaning it well enough, to members who will under-sell their rice because they don't have a personal savings account to cover their expenses so that the rice can be held back until prices rise – none of these issues are viewed by the board as barriers to marketing. However, they are. In addition, the Federated Cooperative – with its 40-some local cooperatives and the 4 rice mills – is the level at which marketing a private label should be considered. (For example, the Federation could develop Mbingu (Kiswahili word for “sky” and similar to the word for “heaven”) rice – grown in Tanzanian heaven (or some such marketing line as this.) But the Federation also should be promoting use of the 4 mills by other non-mill cooperatives inside its structure, and should be promoting more warehouses so these farmers can store product until prices rise. In addition, price discovery is also necessary among the cooperatives, and should be handled by the federation. The cooperative also only thinks in terms of the main product – rice – and hasn't considered the by-product of the hulls, which can be used for everything from livestock feed supplements and bedding stuffing to high-end polymer/resin production for steelware. 2) Besides what the cooperative and Federation can do itself, I highly recommend that someone from the US Rice Council or Riceland Rice in Arkansas (a cooperative) be recruited for Farmer to Farmer. Working through the Federation, this F2F person could provide technical assistance in breed selection (there are 2 new rices – Kombako and Tai – recently introduced to the Tanzania market which are high-yielding and fit into the government's plan to double rice output by 2018 in Tanzania.) As a result of this knowledge – new breeds and the doubling of production – at least a second F2F should be brought in to work at the Federation level, again, on marketing and/or new product development. 3) In addition, technical assistance



should be provided through F2F to the Federation and its member-cooperatives on what to do with and how to market the by-product – the hulls.

#### 1.2.4 Objective 4 in your SOW: Association ownership and participation by all shareholders

- a) Progress with the objective: Directors and members were thoroughly trained and their knowledge and skills of cooperative rights and responsibilities were renewed – or taught for the first time. These followed the internationally recognized ICA cooperative principles, and involved examples and discussions on each point.
- b) Expected impacts/results: The one disappointment in these discussions and presentations was the fact that the member-secretary-mill manager-brother of the board president's ex-husband did not sit in on any of the training. Nor did other directors feel compelled to force the manager to attend – or implore the secretary (same person) to attend. Directors were encouraged to use a committee structure system to make sure people stayed involved and engaged in their cooperative, to share the responsibilities so not everything fell onto the shoulders of just the board, and so that general members and younger people started to learn leadership skills so they could eventually take over some of the positions within the organization.
- c) Recommendations: Through the Federated Cooperative, an annual training should be organized for all local cooperative boards. A second one could be organized for the cooperative managers and mill managers. Laws change, business skills progress (or need to progress in the case of young or new people being brought into the fold), board leaders change, there are lessons learned, etc. These topics could serve as a backdrop for the Federation to take over some of its own training. However, the Federation itself needs some training or brainstorming to explore these options so it can better serve its 40 or so local member-cooperatives.

#### 1.2.5 Objective 5 in your SOW: Business plan development skills

- a) Progress with the objective: The full membership training centered around the process it and the board should go through at least annually to do a simple SWOT (strengths, weaknesses, opportunities, and threats.) The board is very familiar with this process, though it's called something different in Kiswahili. However, it was a good exercise for the members to go through. The board was then encouraged to take what the members identified as their major concerns and dreams, and compare those against what the board as identified as priorities.
- b) Expected impacts/results: At least annually, the board should survey its members about their priorities. The person who can facilitate this type of member analysis on behalf of the board is a Federated Cooperative employee (the one running the Ifakara office actually has a rural development degree from university AND was doing farmer cooperative training on an FAO contract prior to working for the Federation.) In turn, this annual exercise can assist the Federation in also double-checking what its leaders think are its goals and what its member – and member-cooperatives – have in mind for its goals. This type of self-

assessment and double-checking keeps the board and the co-op members in-sync, as well as allows the leaders to continually use these newly acquired business skills.

- c) Recommendations: 1) RUDI has actually worked with some of these area cooperatives and through the Federation. Prior to more F2F volunteers coming in, CRS should meet with RUDI to review what's been done in the Ifakara region for training on these business skills. From there, CRS can build a stronger program to take these cooperative to the next level. 2) This cooperative and several in the Federation lack information about new varieties of rice, the government's plan for doubling production by 2018 and what that COULD mean for prices paid to farmers – and why storage of milled rice until prices rise might be a good investment for the cooperatives but, more probably, at the Federation level. Better information needs to be gathered and shared within the Federation, as well as from cooperative to cooperative, and from cooperative to members. 3) And more training is needed by the Federation. This is my second cooperative in the Ifakara area. All are member-cooperatives of the Federation, which remains a bit ambiguous. It should be taking over some of this training, from RUDI, and perhaps the F2F volunteers need to focus on building some of the skills necessary within the Federation staff as well as advancing full participation in the Federation by women and youth (especially women since they have been comprising a large share of the people who have successfully been completing the training – at least the two I've done in the Ifakara region – over the past two years on F2F projects.)

1.3 Number of people Assisted Board member training = 6 directors (3 women, 3 men), 1 non-board member (male) and 1 Federation member (1 male). Then 18 members (13 women and 5 men).

- a) Through formal training: 26  
 b) Through direct technical assistance (Do not double count)  
 c) Out of these above, number of host staffs: 0 staff; 6 board members; 1 Federation staff; and 18 cooperative members.  
 d) Training/assistance by field

Topic/field	Total	Males	Females
Cooperative principles, rights, responsibilities	26	10	16
Teamwork, building trust for management, participation	26	10	16
Financing and bookkeeping	26	10	16
Setting the stage for the full value-chain needed to improve marketing	7	4	3
<b>Total</b>	<b>65</b>	<b>34</b>	<b>51</b>



#### 1.4 Gender

- a) What gender roles did you recognize in your host community? Did these roles play a part in your assignment? How? There were more women than men in the training sessions, and there were more women in leadership roles on the board. These women seemed to be particularly strong within the board, which was encouraging to see.
- b) How might CRS or the host organization improve opportunities for the women in this host or host community? The knowledge the women – board members and regular members – received from the training, especially the training in financial accounting, prioritizing spending, and saving some cash for “a rainy day” will help them better manage their farm operations and their families/homesteads.

#### 1.6 Value of volunteer contribution in \$:

- a. Hours volunteer spent preparing for assignment: 6 hours
- b. Estimated value of all material contributions volunteer contributed to host during assignment: \$30 in items used during the training directly, and an additional \$45 in items not directly used during the training (such as bisquits to entice first-day attendance on time and an afternoon drink to cool ourselves – the board and myself, along with the federation employee and the CRS employees (if they were present.))

#### 1.7 Value of hosts’ contribution in \$ (Please consult the host as well):

- a) Meals
- b) Transportation
- c) Lodging \$20 for daily transport to and from the hotel to the training site.
- d) Translation
- e) Other (Specify)

#### 1.9 Host Profile Data:

Did you obtain any data that supplements or corrects the data in the existing host information as detailed in the SOW? Please list it.

The member who has been elected to the board of directors and serves as the secretary is also the manager of the rice milling operation, which is not recommended. In addition, this same person is the brother of the ex-husband of the woman who serves as the president of the board. A tangled web that could cause problems. At the least, the secretary-manager who either be a member and secretary...or the manager and not a member of the cooperative.

The cooperative has no warehouse for storing member paddy/rice, to keep it until at time of year when rice prices rise.

Through one exercise, members stated they wanted better quality inputs delivered on time. This is a clear priority for them and one that this cooperative could work on through its membership in the Federation.

In general, the board’s idea of marketing is developing a private label itself and then somehow marketing this product on the internet. Directors’ eyes were really opened when the greater value chain was explained – from new varieties of rice being introduced in Tanzania, to



harvesting and storage, pricing, and other rice development going on in its neighboring countries.

The cooperative, like many of the rice cooperatives in this area (and perhaps the country as well as throughout East Africa), haven't considered the valuable product they have sitting right at their milling sites: the hulls. This by-product is rarely used at all, and never considered a profit point of the cooperative. Sharing information about potential by-product uses and markets opened the eyes of the board.