

Public organization “Partnership”

Project under FARM Responsive Mechanism

Project: “Development of Information Marketing Network for Small Household Plot Owners”

Project Partners: Public Organization Partnership & Alberta Community and Cooperative Association (ACCA)

Final Project Report

May 2006 – July 2006

Executive Summary

The main objective of the project "Development of Information Marketing Network for Small Household Plot Owners" was to create an entrepreneurial culture in rural areas by giving rural dwellers access to necessary information and trainings that would develop necessary entrepreneurial skills.

The project achieved its objective through the creation of a local information consulting network which provided rural dwellers with trainings on small business development, entrepreneurship, marketing and legal issues; by engaging local authorities and entrepreneurs in dialogue; establishing a number of successful business models; supporting the development of two marketing groups and one marketing cooperative and significantly increasing the distribution of information among the rural population.

Background and Rationale for the Project

The most urgent problems faced by small household plot owners and agricultural enterprises include:

- Low level of initiative, especially on issues related to entrepreneurship;
- The shortage of working capital, the lack of efficient financial and credit and resource support of agricultural producers and entrepreneurs;
- Undeveloped agrarian market infrastructure;
- Low level of knowledge and professional skills;
- Low labour productivity as a result of the lack and inaccessibility of new highly efficient technologies;
- Insufficient provision of legal and economic information, including the lack of operational information on marketing situation and actual prices on agricultural products;
- Administrative pressure.

The project, "Development of Information Marketing Network for Small Household Plot Owners" was developed to provide solutions to these identified problems and all project activities were designed to address these problems.

Achieved Project Goal and Objectives

- Creation of local consulting and information centres. The main purpose of the centres is to fill the gap of information provision and provide consultation on agricultural development issues. The consulting networks are providing rural communities with an opportunity to interact and share information, in addition to receiving consultations on a variety of issues.
- Introduction of new innovation technologies. After undertaking a needs assessment of small agriculture producers in the region, a seminar on new technologies was held. Agriculture producers received valuable information on new technologies and new practical approaches that would improve their efficiency. Currently a number of producers have introduced new technologies and are experiencing positive results.

- Support of the development of marketing groups existing in Popasnyansky and Slovyanoserbsky rayons. Partnership supported the development of two marketing groups through information provision, seminars and trainings. All activities assisted in organizing and developing a structure for these groups.
- Creation of a pilot marketing cooperative. Partnership provided assistance to the marketing cooperative by providing information and analysis on cooperative legislation; assisting with the registration process of cooperatives; providing workshops on the roles and advantages of cooperatives; and assisting with the development of marketing plans.
- Increased the level of information distribution among rural population. Information is now being provided on regular basis and project participants that require further level of information utilize the local consulting and information centres.

Outcomes and Results

- 6 seminars on marketing issues were conducted with the assistance of the Rayon agriculture department 155 (65 – women; 90 – men) participated in the seminars, with the majority of participants being small farmers and private plot holders.
- An analysis and development of cooperative registration documents was conducted by an outside legal consultant. The result of this initiative was the comprehensive analytical study of cooperative legislation and the creation of standardized guide to cooperative registration which is available to assist those wanting to register their cooperatives.
- 5 seminars on agricultural cooperation were conducted and were regarded as the most beneficial and popular among people involved in the project. The seminars attracted agriculture producers, representatives of agriculture processing enterprises, agricultures sellers and many people from the mining sector. The seminars were dedicated to basic issues of agricultural cooperatives development. They were attended by 75 people (42 – men; 33 – women).
- 4 seminars on new technological approaches in agriculture were delivered, with 78 people (41 – women; 37 – men) in attendance. The following new technologies were discussed: a new breed of hogs, chicken broilers, an alternative potato variety and new fertilizers. The seminars were interactive and practical in design and as a result 50 participants have begun piloting the new approaches. “Partnership” provided additional consultations on the technologies to those who implemented the technologies. In addition, in some cases communities combined their resources to purchase these technologies, which was useful in promoting the benefits of cooperative principles.
- 6 seminars on starting and running a business were conducted and attended by 150 people (77 – women; 73 – men). Seminar participants were typically unemployed persons living in rural areas. The purpose of the seminars were to provide general knowledge and training on how a business start and manage a business, taking into consideration the constraints that exists in rural areas. The feedback indicated a high interest in agricultural business, demonstrating a willingness among rural dwellers to remain engaged in agriculture. The agricultural business approach was quite new for most seminars participants. However, many participants have since developed business plans and are taking the first steps to starting their own business.
- 3000 marketing brochures were distributed during the project. The brochures covered the following topics: “Marketing groups and their development”, “business and cooperative legislation” and “How to operate without losses”

- 900 consultations with rural people were held over the course of the project. The following is a breakdown of the type of consultations that were delivered:
 - Business registration and operation – 25%
 - Agronomic issues – 30%
 - Educational (training, professional re-orientation) - 10%
 - Social payments – 15%
 - Environmental – 10%
 - Obtaining Credit – 10%

Canadian Partner Contribution

Russell Wolf from Alberta Community and Cooperative Association (ACCA) visited Stakhanov from August 5, 2006 to August 8, 2006. The visit was intensive and interesting. During his visit he met with the Deputy Head of Stahanov State Administration, the Deputy Head of Stahanov State administration, the Head of Rayon Employment Centre, the Director of agricultural enterprise “Golubovskiy” and a number of farmers, businessmen and private entrepreneurs in the rayon

In addition, Mr. Wolf delivered two seminars on cooperatives development – main principles and their practical application. Seminar participants were interested in the practical aspects of cooperatives development and evaluation sheets indicated that participants found the seminars very useful. “Partnership” is very much interested in continuing relations with Alberta Community and Cooperative Association. It was very useful and illustrative for rural people to learn about Canada’s cooperative development history and experience.

Conclusion

The strategic objective of the project was to create the necessary conditions for the development of small agricultural enterprises and increase the profitability of existing small agricultural enterprises and private entrepreneurs. This objective was achieved by providing qualified information and support; through the creation information centres; through increasing of level of legal and business awareness of the rural population; introducing new technologies and processes; providing training in basic principles of product marketing and cooperative development.

Future plans for “Partnership” are based on lessons learnt and the results achieved from this project. A number of project participants have requested consultations of support at initial stages of their business development. “Partnership” intends to work with small producers to make them more profitable through introduction of business oriented approaches. “Partnership” is going to focus its consultations on forming community unions (like cooperatives, informal groups) and encouraging people start businesses in rural areas. The idea is to organize a mobile business support centre utilizing the already existing “Partnership” bus that will be visiting different rural settlements .The main advantage of this form is its flexibility and outreach that is key for rural area.

Furthermore, “Partnership” is going to continue partnership relations with local partners in the development of these mobile offices. A preliminary assessment has indicated that local authorities and employment centres are very support of the mobile office concept.