Final Report

On

Mid-Term Review of USAID Public Private Alliances;

Dairy Enhancement in the Eastern Province (DEEP) and Sustainable Agriculture through Commercialization (SAC)

Mid-Term Rapid Assessment Conducted Under

USAID- VEGA Facilitating Economic Growth Sri Lanka Program

BY

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1. Introduction

The U.S. Agency for International Development (USAID) Sri Lanka has taken a lead role in engaging the private sector in economic recovery and development, particularly in the conflict-affected areas of the Eastern and Northern Provinces. Through Public Private Alliances (PPAs), USAID collaborates with Sri Lankan companies to create jobs, increase economic opportunities, and foster stability in these disadvantaged areas.

According to the USAID Sri Lanka website, since 2008 USAID has used US$ 20 million in grant aid to leverage more than US$ 45 million in private sector investment and create the equivalent of 20,000 full-time jobs. The PPA strategy in Sri Lanka has received international recognition. In 2009, USAID/Sri Lanka and a Sri Lankan multinational conglomerate, the Hayleys Group, received USAID's Global Development Alliance Award for their pilot project.

In late 2011, the USAID Mission's Office of Economic Growth contracted the International Executive Service Corps (IESC) under the VEGA project to assess PPA projects that link rural small-scale rural producers with private buyers. According to the Scope of Work, the purpose of the study is to determine:

1. Impact in terms of benefit to farmers, and
2. Potential for sustainability beyond the project period

Priority was given to PPA projects in the Eastern Province since these were initiated earlier than the PPA projects in the Northern Province. Three ongoing PPA projects met these criteria: the Aqua N' Green partnership in Batticaloa and Trincomalee, the Hayleys and Sunfrost partnership in Ampara and Batticaloa, and the Land O' Lakes and CIC partnership in Batticaloa and Trincomalee.

At the inception meeting with USAID, the assessment scope was limited to two PPA projects and two districts. The Land O' Lakes and CIC PPA project, *Dairy Enhancement in the Eastern Province* (DEEP), was studied in Batticaloa District, and the Hayleys and Sunfrost PPA, *Sustainable Agriculture through Commercialization* (SAC), was studied in Ampara District. The study was designed as a rapid mid-term assessment in order to provide immediate feedback for internal planning and decision making. The outcomes of the study are expected to contribute to:

1. The impact and sustainability of the two ongoing PPA projects, and
2. The development of future PPA projects and value chain interventions

This report includes an overview of the methodology, the basic features of the two PPA projects, findings, observations, and conclusions for each PPA, and general lessons and recommendations.

2. Methodology

The assessment was conducted jointly by two local institutions, Sewalanka Foundation and the Centre for Poverty Analysis (CEPA). Sewalanka is a national development organization that has had an active field presence of community mobilizers in the Eastern Province for nearly 20 years. CEPA is an independent Sri Lankan research organization that provides professional services on poverty-related development issues.

Tasks were divided according to expertise. CEPA took the lead on study design, questionnaire and database development, pilot testing, enumerator training, data analysis and reporting. Sewalanka district offices in Batticaloa and Ampara assumed responsibility for data collection, data cleaning and entry, and field observations and assisted with data analysis and reporting.

During the scoping phase, the research team reviewed project documents, carried out a background literature search on livestock and crop value chain requirements in the East, and conducted key person interviews with stakeholders to triangulate the information from different sources. The team also met with the PPA companies selected for the assessment, explained the objectives of the survey, and requested the beneficiary lists. After the meeting, the proposed survey questions were shared and VEGA helped coordinate the collection of the beneficiary lists.

Input from USAID Sri Lanka and the private sector partners were incorporated into the survey design. Since the primary purpose of the study was to assess project benefits for individual farmers a random stratified sample of beneficiaries was selected from the lists provided. A household survey questionnaire was developed (see Annex 1), approved by VEGA, and translated into Tamil and Sinhala. In order to survey a representative sample of households within the 6-week framework of a rapid assessment, the study focused on quantitative techniques. A limited number of qualitative questions were included in the survey to provide opportunities for deeper explanation and feedback.

Community mobilizers from Batticaloa and Ampara were trained as enumerators and the questionnaire was pilot tested. The enumerators visited the homes of the sampled PPA project beneficiaries and asked them the survey questions in their mother tongue. Results were translated into English and entered into the study database. Sewalanka and CEPA teams met to validate and analyze the data and compile field observations.

2.1 DEEP Sample

The Land O' Lakes DEEP project team provided a detailed project list of 4,153 beneficiaries. A stratified random sample was selected to be representative by gender and DS Division. Since it was assumed that impacts would also vary according to the length of time that farmers had been involved in the project, the sample was also selected to be representative of the year that farmers joined the project (Year 1 and Year 2)

Initially it was agreed that data collection would be confined to Batticaloa District as this was considered sufficient for assessing the project impact. However, during the pilot testing in Batticaloa District, the DEEP project field staff requested that Welikanda DS Division in

Polonnaruwa also be included because they wanted to see if there was any regional variation. Hence the original sampling frame was modified to include Welikanda. The table below shows the sample frame.

The selected sample included 250 beneficiaries (150 male and 100 female) in 6 DS Divisions. A representative sample was achieved and the analysis is based on the questionnaires from 224 beneficiaries (138 males and 86 females). The sample frame is shown in Table 1 below.

Table 1: Sample for the DEEP PPA

Year	District	DS	GN	Total Beneficiaries			Actual Sample			Identified sample		
				Tot	M	F	Tot	M	F	Tot	M	F
Year 1	Batticoloa	Manmunai West	Puthuman-Dapathady	148	84	64	43	25	18	36	21	15
			Mahilavettuwan	73	37	36	21	11	10	19	11	8
			Nediyamadu	41	27	14	12	8	4	12	8	4
			Kothiyapulai	107	68	39	31	20	11	28	19	9
			Paruthichenai	81	44	37	23	13	10	20	12	8
			Navatkadu	81	64	17	23	18	5	23	18	5
		Koralaipattu South	Mullivattawan	41	35	6	7	6	1	7	6	1
		Koralaipattu Central	Jayanthiyaya	80	26	54	18	6	12	15	6	9
	Polonnaruwa	Welikanda	Mahindagama	77	43	34	16	9	7	15	9	6
			Muthuwella	90	43	47	18	9	9	14	6	8
	Subtotal			819	471	348	212	125	88	189	116	73
Year 2	Batticoloa	KoralaiPattu	Kalkudah	40	13	27	10	3	7	10	4	6
			Valachenai	29	22	7	7	5	2	6	2	4
		KoralaiPattu West	Kawathamunai	42	26	16	4	2	2	5	3	2
	Polonnaruwa	Welikanda	Menikdeniya	45	39	6	17	15	2	14	13	1
	Subtotal			156	100	56	38	25	12	35	22	13
Total sample to be surveyed							**250**	**150**	**100**	**224**	**138**	**86**

2.2 SAC Sample

The Hayleys SAC project was not able to provide detailed beneficiary information. They provided a list of 1,741 beneficiaries for Year 1 and a list of 1,583 beneficiaries for Year 2. The information was not disaggregated to the GN or DS level. The sample was stratified by the type of crop (i.e gherkins, paddy, or maize), gender, and when the farmer joined the project (year 1 and year 2). The sample frame is given in Table 2 below:

Table 2: Sample for the SAC PPA

Strata	Crop type	Total Beneficiaries			Actual Sample			Identified sample		
		Tot	M	F	Tot	M	F	Tot	M	F
1st year	Gherkins	1655	1362	293	124	102	22	62	46	16
	Seed Paddy	86	73	13	7	6	1	3	3	-
	Maize Seed	-	-	-	-	-	-	-	-	-
	Sub total	1741	1435	306	131	108	23	65	49	16
2nd year	Gherkins	1225	959	266	92	72	20	57	44	13
	Seed Paddy	308	277	31	23	21	2	13	12	1
	Maize Seed	50	50	-	4	4	-	-	-	-
	Sub total	1583	1286	297	119	97	22	70	56	14
Total					250	205	45	135	61	17

A representative sample was not obtained for the Hayleys SAC project. The enumerators were not able to find 46% of the household included on the project beneficiary list because the list did not include full names or complete addresses. The Hayleys project staff worked closely with the Sewalanka Ampara team, but they could not trace 115 of the households. In some cases, the field team visited the same location multiple times in an effort to identify a sampled project beneficiary. By the time the VEGA Chief of Party officially closed the data collection phase of the assessment, the allotted time had been exceeded by more than one month. This created both scheduling and budgetary challenges for the research team.

The section on the Hayleys PPA below is based on field observations and key person interviews. Qualitative responses from the questionnaire were drawn out when possible. Since a representative sample was not obtained for the SAC project, it was not possible to draw statistically significant conclusions from the data. The lack of information on project beneficiaries raises questions about project outreach, impact, and sustainability. This gap in project record keeping can be considered a significant finding of the study and an opportunity for improvement before the end of the project period.

3. PPA Comparison

The concept of public private alliances (PPA) as envisioned by USAID is a leveraging of private investment and building alliances for development. The private sector is seen as an engine of growth by creating new jobs, new business opportunities and value chains that contribute to improving local economies. This is a strategy adopted by USAID for several years and has now been applied to the rebuilding of conflict affected areas in Sri Lanka. Several PPA projects have been initiated in the Eastern Province and bordering districts. The table below provides a synopsis of the two PPA projects under review.

Table 3: Comparison of PPAs included in the assessment

	Dairy Enhancement in the Eastern Province (DEEP)	**Sustainable Agriculture through Commercialization (SAC)**
Partners	Land O' Lakes and CIC	Hayleys and Sunfrost
Focus	Improving small scale dairy farming	Establishing a commercially viable agriculture supply chain
Location	Eastern Province and bordering areas in Polonnaruwa District	Eastern Province and bordering areas in Polonnaruwa and Moneragala
Objectives	1. Increase quantity and quality of raw milk through targeted training and technical assistance 2. Forge linkages with milk producer groups (MPG) and establish 4 milk collection centers (MCC) and 3. Establish a dairy processing center	1. Produce high quality seed paddy and hybrid maize seeds on a commercially viable basis through a network of out-growers to increase farmer income 2. Produce high quality gherkins and vegetables using modern technologies in line with local pricing 3. Link to international market 4. Provide employment, including opportunities through out-grower systems 5. Introduce and disseminate improved technologies/ production systems to beneficiaries
Targeted Beneficiaries	4,000 dairy farmers	3,485 farmers (2,500 gherkin, 860 seed paddy, 125 maize)
Current Beneficiaries	4,153 in records	*Not possible to assess number of current beneficiaries from available information.*
Beneficiary Selection Criteria	1. Small scale involvement in dairy activities (1-20 animals), but not	*Not defined*

		yeta member of a dairy group		
	2.	Ability and willingness to invest own resources		
Expected Project Benefits	1.	Training and extension	5.	Training and extension
	2.	Grants and equipment	6.	Seeds and fertilizer
	3.	Linkages to services and markets	7.	Direct buyers (Hayleys and Sunfrost)
	4.	Establishment of collection centers Establishment of processing center		
Implementation Strategy	1.	Formation of local Milk Producer Groups (MPGs)	4.	Nucleus farm managed by Hayleys *(later changed to two collection and processing centers)*
	2.	Training, grants, and services provided to individual farmers through MPGs	5.	Out-grower network with individual contracts and "guaranteed buy-back agreement"
	3.	MPGs incorporated into Milk Collection Centers (MCC) for management of chilling facilities and market access		

4. Dairy Enhancement in the Eastern Province (DEEP)

The dairy sector plays a crucial role in the household food security and the national economy. Of the 17.9% of households owning livestock,approximately 70% own cattle.1Annual domestic milk production is estimated at 350 million liters, but the demand far exceeds the local supply. Approximately 80% of Sri Lanka's milk requirement is imported.2 The cost of dairy imports was over 13 billion rupees in 2008 (ibid). The Sri Lankan government aims to expand production to meet 50% of the country's milk requirement by 2015. Priority is therefore given for dairy development in public sector investment programs and incentives have been offered to the private sector to increase investment in the sector.

According to data from 2006, milk is produced in all districts of the country with the lowest production in the conflict-affected districts. The Eastern Province has increased its milk supplyby 128% from 9.4 million liters in 1980 to 21.4 million liters in 2005,3 but it is still estimated that the region has a high potential for growth in the dairy sector, while also offering both men and women opportunities for income diversification. Dairy development is highlighted in the government's plan for revitalizing the East and encouraging private sector involvement. The DEEP project has identified a growth sector for the region.

1Sri Lanka Integrated Survey, 1999-2000

2Annual Report 2008, Central Bank of Sri Lanka

3Department of Census and Statistics (2003) Unpublished data, North East Provincial Council 2003 cited in Sarvanandan (2003)

According to the literature, some of the constraints to the development of the dairy sector in the North and East are:

1. Low productivity of local breeds
2. Low prevalence of high-yielding improved breeds (due to cost, maintenance and suitability to the dry zone)
3. Lack of grazing areas
4. Limited knowledge of improved management techniques
5. Low farm gate prices
6. Lack of transport and storage facilities
7. Absence of institutional support and extension services, especially for the care and management of high yielding breeds4.

Data indicates that the North and East do not have adequate infrastructure for milk collection, having far less than other districts in Sri Lanka5. Lack of these facilities leads to increased wastage and poor market price and limits the development of the sector. The literature also shows that competition with powdered milk products and the lack of facilities for value addition constrain the demand for fresh milk.

4.1 DEEP Project Interventions

In line with the constraints identified in the literature, the DEEP project includes a number of activities aimed at improving various aspects of dairy farming. First, the project seeks to improve the quality and quantity of milk produced by individual farmers through technical assistance, training, and small grants. Training is provided both in classrooms and through on-farm extension and covers dairy management and nutrition, animal breeding, disease control, clean milk production, testing for quality control, business management aspects, group strengthening and governance, legal and policy issues, and conflict resolution. Small grants up to Rs. 20,000 are made available to upgrade herds or improve on-farm infrastructure and equipment. Farmers have to match these funds with their own investment.

Second, the project organized farmers and established collection mechanisms to achieve economies of scale and improve links to markets and other services including veterinary care and feed companies. Farmers living near each other were mobilized into Milk Producer Groups (MPGs). Training and other project activities are coordinated through these MPGs.These groups are also assisted with small grants for milk cans, testing equipment, operational manuals and buildings. The MPGs members are expected to provide in-kind support to match the value of goods given. The project aims to link the MPGs to markets through four Milk Collection Centers

[4] This information was compiled for two studies carried out by CEPA for IFAD and ACTED

5Livestock statistics, Department of Census and Statistics, online

(MCCs). These are to be equipped with buildings, chilling facilities, milk collection vehicles, and testing laboratories. The management of the MCCs rests with leaders selected by the farmers through the MPGs.The MCCs become the main source of contact for the buyers as well as to the project partners (i.e. CIC) on a long term basis. Supply contracts for milk purchasing are not signed by individual farmers but with the MCCs, hence maintaining the need for the farmers to stay involved in the MPGs and MCCs.

Finally, the project aims to increase value addition and ensure sustainability by setting up a state of the art processing facility in the region. This facility will be managed by CIC. CIC is expected to procure raw milk at fair market value from the MCCs and employ quality assurance staff who can provide technical assistance to the MPGs and MCCs beyond the life of the DEEP project.

The assessment focused on key aspects of the project related to individual farmer benefits, particularly quality and quantity of milk and access to markets,and measures to ensure sustainability.

4.2 DEEP Findings

4.2.1 Beneficiary Profile

The sample population for the DEEP PPA project is described in the table below. The profile shows only slight variations between participating men and women in terms of education, income etc. According to survey, most of the households are in the lowest income bracket and earn the majority of their income from farming and livestock. More than 40% of the sample receives Samurdhi assistance. While there is a tendency to under-report actual income in household surveys and past studies show that not all Samurdhi recipients are poor, overall the data suggests that the DEEP project is capturing the poorer segment of society. It should also be noted that agriculture and livestock-related income sources are seasonal and tend to fluctuate. An average value hides this fluidity in income.

The ethnic composition of the sample is in line with Batticaloa district distributions. The Sinhalese respondents come from Welikanda DS Division in Polonnaruwa District. MPGs with mixed membership are not common except in Welikanda. This is not surprising given the segregated nature of villages and DS Divisions in the Eastern Province.

Table 4: Beneficiary profile

Members of MPGs	Males	Females				
	63%	37%				
Ethnicity	Sinhala	Tamil	Muslim			
	16%	73%	11%			
Education	No schooling	Primary	Secondary	O level	A level	Higher
Male	24%	36%	17%	11%	6%	6%
Female	27%	27%	14%	19%	8%	2%
Total	25%	33%	16%	14%	7%	4%
Primary Occupation	Farming/ livestock	Daily wage	State	Private	Micro enterprises	Other
Male	63%	17%	7%	.8%	10%	2%
Female	60%	4%	2%	2%	27%	4%
Total	63%	14%	5%	1%	14%	3%
Monthly income	< 5000	5001 – 7000	7001–10000	10001–15000	15001– 25000	>250001
Male	61%	19%	7%	7%	4%	5%
Female	78%	8%	5%	3%	5%	5%
Total	67%	16%	6%	6%	5%	5%

N=218, missing values =6

Source: Household Survey

The Milk Producer Groups range in size from 30 to 80 members. Table 5 shows the average number of males and females in MPGs as reported by the male respondents and female respondents in the different DS divisions. While there are variations in what men and women are reporting, on average there is a good balance of males to females in each group.

Table 5: Average representation of genders in the MPG by DS divisions

Year	DS Division	Gender of Respondent	Male MPG Members	Female MPG Members
1 Year	Manmunai West	Male	37	38
		Female	37	47
	Koralaipattu South	Male	17	17
		Female	50	50
	Koralaipattu Central	Male	30	37
		Female	13	49
	Welikanda	Male	22	28
		Female	21	30
2 Year	Koralaipattu	Male	12	22
		Female	30	53
	KoralaiPattu West	Male	40	20
		Female	40	20
	Welikanda	Male	28	35
		Female	30	14

Source: Household Survey

4.2.2 Benefits to Farmers

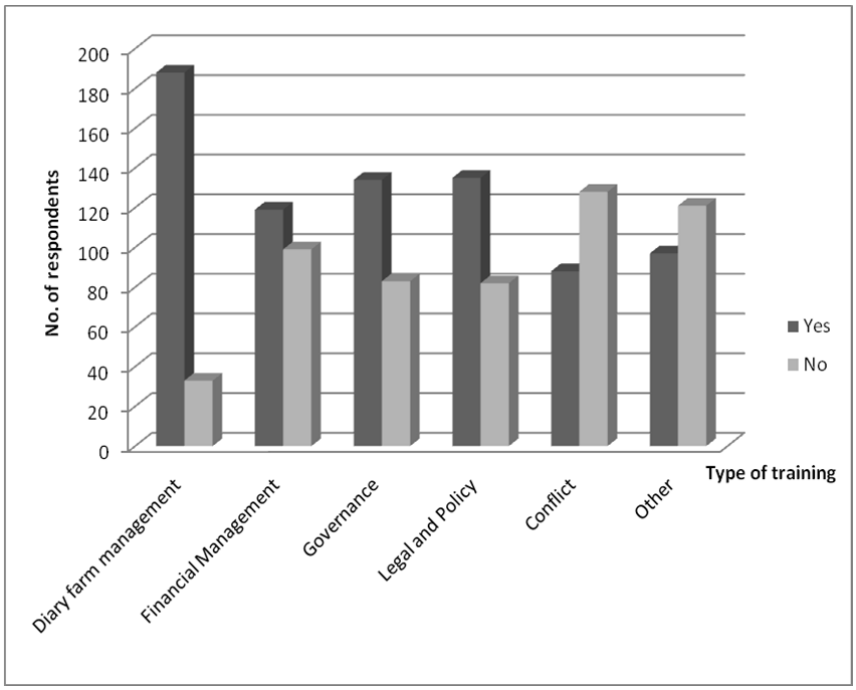
DEEP project beneficiaries have a high degree of awareness about the project. Most respondents (61%) had heard about the project from the DEEP staff or their neighbors (22%). Field observations also revealed that most beneficiaries sampled were aware of the partners involved, as well as the project interventions and mode of operation. Respondents were also aware of the criteria for selection, especially the need for experience in dairy farming and number of livestock. Some also reported that beneficiaries needed to attend meetings and join the groups in order to be selected, while a few felt that the selection was based on their economic status.

Perceptions of Project Interventions

The DEEP project also showed a good distribution of training and other services. Services were available to both males and females and in all geographic locations. The chart below shows the beneficiary responses on the types of training they received. The majority of respondents recall receiving training on dairy farm management techniques. The weakest response was regarding conflict management training. The very low numbers suggest that this training was not held in some areas or was not understood.

The responses also show which aspects of the training were considered most relevant. The most useful and new knowledge gained from the training were related to farm maintenance and management, breeding and artificial insemination, health and nutrition, feed varieties and growing grasses. Aspects of management and book keeping may be useful for managing the MPGs and MCCs if their activities are increased over time. They may have been less valued in the current study because most of the respondents have not had the opportunity to really utilize these skills, except in a nominal way in their own farms.

Chart 1: Types of training received



Source: Household Survey

As shown in the table below, a very high percentage of respondents in all DS divisions rated the training as good or very good.

Table 6: Rating of training programs by DS division

DS Division	Very Bad	Bad	Average	Good	Very Good
Year 1					
Manmunai West	.7%	0%	1.4%	25.9%	71.9%
KoralaiPattu South	0%	0%	0%	28.6%	71.4%
KoralaiPattu Central	0%	0%	0%	26.7%	73.3%
Welikanda	3.4%	3.4%	0%	41.4%	51.7%
Year 2					
KoralaiPattu	0%	0%	0%	31.3%	68.8%
KoralaiPattu West	0%	0%	0%	0%	100.0%
Welikanda	0%	0%	0%	35.7%	64.3%

N=224

Source: Household Survey

Almost the entire sample population (95%) reported that they have received individual grants. The grants were most commonly used to purchase better breeds. Some farmers used the grant to make sheds or to buy materials to construct shelters (i.e roofing sheets). A few individuals reported using it to buy medicine and feed.

The average values of the in-kind contributions by beneficiaries ranged from Rs. 500 to Rs. 30,000, with the lowest levels of contributions being from Koraliapattu South and Koralaipattu Central. While most have contributed Rs.15,000 to 20,000, some individuals have spent 40,000 or more of their own funds, especially to buy better breeds. Given that most of the respondents classified their monthly income to be less than Rs 7,000 (see 4.2.1), the fact that beneficiaries were able save or borrow their part of the contribution shows that it was considered worth the investment to secure their livelihoods.

Equipment and resources (i.e testing kits, manuals) for the MPGs have also been received and facilities for MPGs were in various stages of development. Farmers' perceptions of facility developments are given in the table below.

Table 7: Status of facilities for the MPGs

	In progress	Completed	Not started	No plan
Year 1				
Manmunai West	11.7%	39.4%	45.3%	3.6%
Koralaipattu South	0%	0%	100.0%	0%
Koralaipattu Central	33.3%	13.3%	53.3%	0%
Welikanda	3.6%	75.0%	21.4%	0%
Year 2				
Koralaipattu	6.3%	0%	93.8%	0%
Koralaipattu West	0%	50.0%	50.0%	0%
Welikanda	28.6%	71.4%	0%	0%

N=222

Source: Household Survey

The group and cooperative concept included in the project implementation strategy also seemed to have a number of advantages. The beneficiaries highlighted several different benefits of being a member in a MPG.

First, they see the MPGs as a way to access training, grants, and technical advice. Membership in the MPG was seen as a means of accessing the benefits of the project.As expressed by the respondents:

We had clear idea about this project. We received allowances, relief and grants.

The MGP helped to buy milk, access training and helped to get government services

We could get clarityabout farming.Incomeis good and knowledge is increased through the training.

They also identify the group mechanisms as the reason it is easier for them to sell their milk. The MPG is conveniently located, prevents wastage, and helps them get a regular income. As expressed by the respondents:

It's not difficult to bring milk. No milk is wasted. We can do other work after we take milk.

We can get income once in 15 days.

We can give milk any time. It is near the home so there is no transport cost, and we can get money.

The group was also seen as a way to share experiences and learn from each other.As expressed by the respondents:

We function as a group so we can share the problems with others. We receive training together as a group, and we can share our maintenance experience

We can help other society members and learn from experience. We can develop together as a group. We can issue milk to the chilling plant easily

The DEEP project staff also discussed the benefits of the MPGs. Having the farmers organized in groups helped them clearly identify the beneficiaries, maintain a good relationship with them, and target the training, grants, and other services to the group.

Milk collection centers with chilling facilities are seen as a priority to improve milk collection, preserve quality, and develop the dairy industry. At the time of the study, one collection center building was completed and was in operation. Two other collection centers were operating without the completion of new buildings, which were supposed to be completed by the end of December 2011. The construction of the fourth collection center is supposed to be completed in February 2012. This information was provided by the DEEP project staff in the form of a PowerPoint presentation.

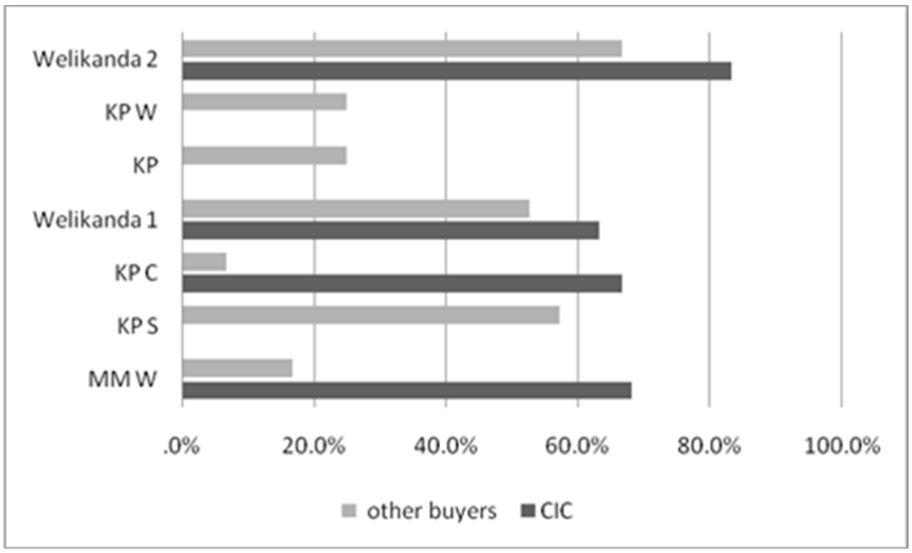
The study suggests that this has not hindered the collection and storage of milk at sub-collection points (i.e. on-farm or at MPG facilities). In the areas served by the collection center, collection has become more convenient and regular and the quality has improved since there is no longer a need to add preservatives. The center has also reduced wastage. Farmer feedback on the value of collection centers is mixed, but those who have had some experience with the MCCs and cooperatives feel that they will generate employment, improve milk production and quality, and bring in a good price while also increasing the competition in the area.

The project has not changed the number of buyers in the region, but through group marketing, farmers report that they are able to get a better price and more regular market access with less hassle.

We have a milk production center so there's a good marketing opportunity

I can give my milk to the association for highest price.

Chart 2: Modes of selling milk



Note: this chart has been constructed using only the "yes" responses. Hence the blank part of the bar (adding upto 100) indicates the no component of the responses.

Because of the way this PPA project is structured, the farmers are not restricted to selling only to the project partners (in this case CIC). They can sell to other buyers as well. This was especially evident in Koralaipattu and Koralaipattu West where there was an existing relationship with Milco and producers continued to sell to them. Other groups also continued to sell to local buyers.There were a few cases where the beneficiaries were not aware who they were selling to, and there were some producers who had not sold any milk yet due to mortality of animals, loss to flooding, or delayed insemination.

Table 8: Farmers perception of improvements in linkages

	Veterinary Services		Advice on dairy Management		Markets/buyers		Other	
	Yes	No	Yes	No	Yes	No	Yes	No
Year 1								
Manmunai West	86.8%	13.2%	61.9%	33.1%	61.2%	33.8%	2.2%	87.8%
KoralaiPattu South	0%	100%	42.9%	57.1%	28.6%	71.4%	0%	100%
KoralaiPattu Central	80%	20%	53.3%	46.7%	53.3%	46.7%	13.3%	86.7%
Welikanda	80%	20%	44.8%	31%	65.5%	17.2%	.0%	17.2%
Year 2								
KoralaiPattu	31.3%	68.8%	37.5%	62.5%	6.3%	93.8%	6.3%	93.8%
KoralaiPattu West	100%	0%	100%	0%	100%	0%	0%	100%
Welikanda	83.3%	16.7%	50%	28.6%	78.6%	7.1%	0%	21.4%

Totals exceed 100% due to multiple answers and missing values.

Source: Household Survey

As seen above in Table 8, perceptions of improvements in external linkages varied widely between DS Divisions. One contextual issue is that institutional structures are weak in some geographical areas. In some areas, milk processors like Milco are working with farmers to provide needed advice. In other areas, the Department of Animal Production and Health is the only institution providing animal husbandry services. According to field observations, farmers have to pay for transport for veterinarians to visit their farms and they do not always come on an individual basis. Through some of the MPGs, farmers are now paying collectively for the transport and getting veterinary care and advice as a group. While links to veterinary services has been the most significant linkage made through the project, the limited number of veterinary surgeons in the area has implications for the expansion and sustainability of the project. The project emphasis on better breeds and artificial insemination requires a strong and timely link to veterinary care.

Changes in Milk Production and Income

Previous studies have shown that the average herd size in the Eastern Province is 9.5 and the average milk yield of indigenous breeds is 1 liter per day. The average yield for improved breeds in the Eastern dry zone is 5 times greater than the yield for indigenous breeds. According to the study conducted by N.F.C. Ranaweera, 15 liters of daily milk production is necessary for a smallholder farmer to earn a reasonable income from dairy farming. Three upgraded animals and 20 perches of fodder land are required to produce this amount of milk.

According to the Department of Animal Production and Health, the average price for milk is Rs. 26-35 per liter depending on the milk quality. Middlemen or local vendors may pay a lower price of about Rs 22 per liter. Given the lack of easily accessible collection centers in many regions, producers sell their milk at this lower price.Local vendors seem to make a profit of about Rs 20, while the producer makes a profit of about Rs. 12.77. Local processors seem to give the highest farm-gate price of about Rs. 40.00 to the producers, but the quantity that they buy is usually low.

Since the project activities for improving quality and quantity of milk production cannot be separated, these two aspects were treated as inter-linked. Overall 92% of the respondents stated that project interventions have allowed them to improve quality and quantity of milk.

Table 9: Improvements in quality and quantity

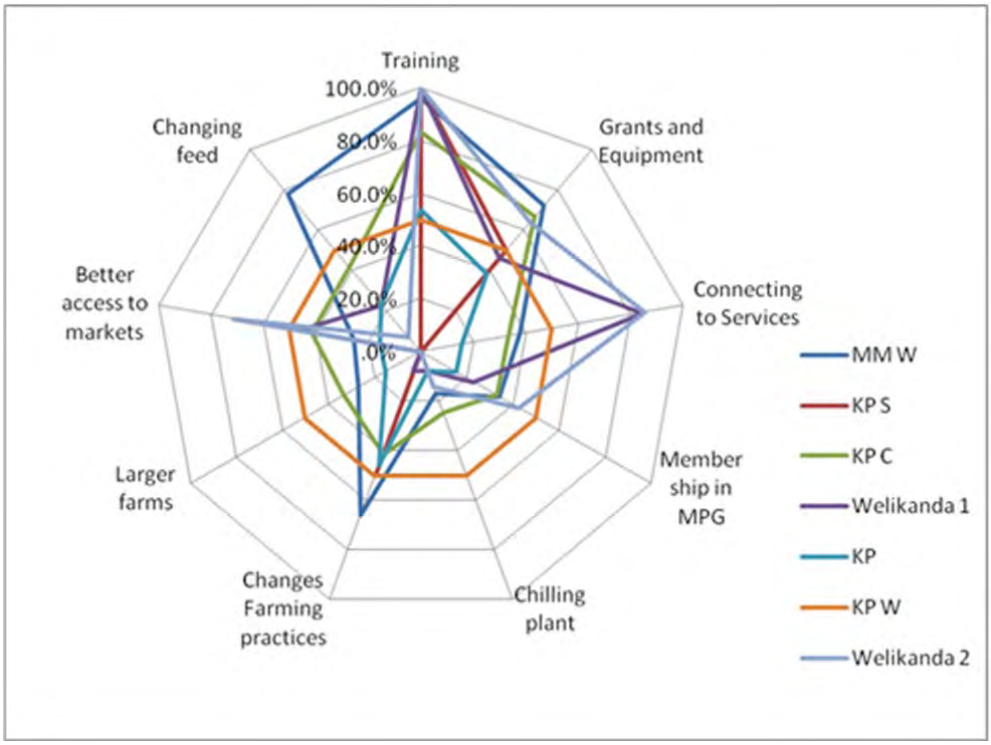
DS division	% of beneficiaries stating 'Improved'	Remarks
Year 1		*Maintenance methods have improved. That is why I bought a cow for Rs75,000 and I am getting an income.*
Manmunai West	98	
KoralaiPattu South	57	

KoralaiPattu Central	80	*Everything is improved. Big farm livestock purchasing is very useful.*
Welikanda	72	
Year 2		*Big farm cow maintenance and artificial insemination are improvements.*
KoralaiPattu	81	
KoralaiPattu West	100	*Milk collection equipment and veterinary services have improved.*
Welikanda	100	

N=195

The diagram below shows respondents' perspectives on what aspects of the project were most important to improve the quality and quantity of their milk production.

Chart 3: Interventions that have helped improve quality and quantity



Of all the different project activities, training was seen as the most useful for improving milk production. Farmers specifically referred to the technical training and advisory services related to cattle management that have resulted in changes in farm management practices. These include changes in feed and artificial insemination. They also referred to the reduction in the use of preservatives, which is mainly due to the improved collection system.

Grants and equipment were also seen as important, as this enabled farmers to afford the high yielding breeds. Respondents from Welikanda emphasized the importance of connecting to services. In most areas, respondents felt that all of the different aspects of the project contributed to the improvements.

Farmers also reported changes in herd size, production per cow, times milk is sold per week, and price per liter due to project interventions. As a result of the project, herd size has shifted to 1-5 cattle per herd. In some cases, farmers have reduced their total number of cows but have replaced low-yielding indigenous varieties with high-yielding improved varieties. While the project selection criteria specify that beneficiaries must have between 1 and 20 cows before the project, some farmers reported very large herds while others reported that they had no cows at all before the project.

Farmers also reported a slight average increase in yield per cow. A bigger variation is seen in the number of times per week that milk is sold. This indicates an overall increase in production. In qualitative responses, many farmers mentioned the benefits of being able to sell milk continuously and produce for their own consumption.

Table 10: Project-related change reported by farmers

Number of cows	Respondents in each category				Milk production (lt/week)		Times milk is sold per week		Price (Rs. per liter)	
	Before		After		Before	After	Before	After	Before	After
0	20	9.3%	11	5.0%	0	0	0	0	0	0
1 - 5	123	57.2%	150	68.2%	1.66	2.63	4.07	5.06	22.78	36.89
6 - 10	42	19.5%	25	11.4%	2.51	3.28	4.63	5.88	21.31	41.04
11 - 20	17	7.9%	20	9.1%	4.47	4.69	6.35	5.44	22.06	38.00
21 - 50	6	2.8%	10	4.5%	9.00	3.20	7.20	8.10	18.00	47.10
51 - 100	6	2.8%	3	1.4%	1.25	21	5.50	7	26.75	51
	214		219		2.08	2.94	4.06	5.09	20.36	36.14

Farmers also reported receiving a higher price for their milk after the project started. The average price per liter increased from Rs. 20 to Rs. 36. According to the respondents:

Earlier we sold milk for Rs 20, now we sell for Rs 45. We get Rs. 25 additional profit.

We sell to the association at the highest price.

The owner gets Rs. 48, and we give Rs 1 to the association

The increase in business in the area is the reason for the price increase.

The highest prices were reported for the Year 1 group from Welikanda. Of the sample in this DS Division, 37% reported receiving more than Rs. 50 per liter.

There were a few respondents that reported not being able to increase their sales. Some of the reasons cited for both gains and losses are given below:

Table 11: Reasons for gains and losses

Reasons for increased sales	*Reasons for decreased sales*
After we bought Jersey cows, milk production has increased.	*Grazing land has decreased so milk has also decreased.*
Training and maintenance have helped improve milk production	*We don't have any milk giving cows.*
We give food as they told us in the training and milk production has increased.	*We have more cattle, but the milk quantity has not changed.*
We can get milk daily	*My cow died. I just got a new cow*
Before, Milco was buying 6 days a week. After the project, CIC is buying 7 days a week.	

Table 12: Change in monthly income

Monthly Income (Rs)	**Before**	**After**
< than 1,000	140	68
1,001 -3,000	47	70
3,001 – 5,000	11	43

The majority of the participating farmers reported that their monthly income from dairy farming has improved because they are able to produce more milk and access the market more regularly.

5,001-10,000	6	24
> than 10,000	4	13
	N=208	N=218

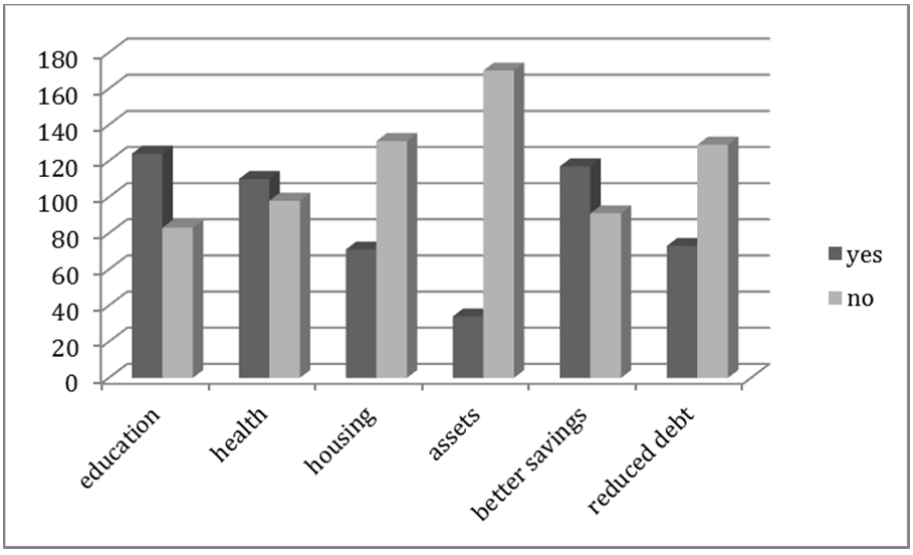
Better management practices also means that expenses are higher. Farmers are paying more for better feed, medicines and veterinary services.

Table 13: Change in monthly expenditures

Expenditures (Rs)	Before	After
< than 500	204	145
501 – 1000	8	23
1001 – 1500	3	14
1,501 – 3000	4	13
> than 3001	3	4
	N=222	N=199

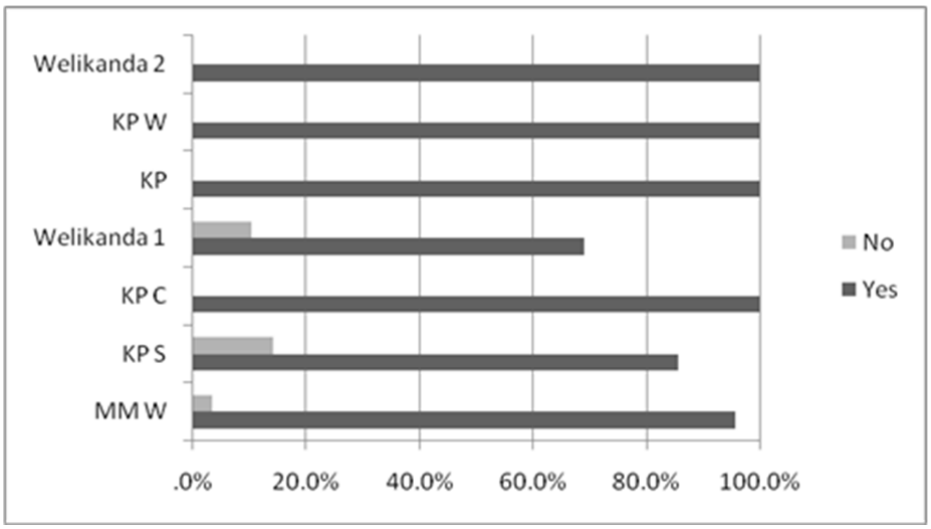
Interestingly the data indicates that more respondents used the added income for the children's education than buying assets or improving housing. The increase income has also been used to increase savings. This may suggest that the selected families are not from an extreme poverty group. Securing basic needs is not the immediate priority. Given that the farmers did have to have cattle and provide matching funds, it can be assumed that these farmers were more well-off than those in the lowest levels of poverty.

Chart 4: Use of income to improve wellbeing



Overall the beneficiaries feel that the project has allowed them to improve their dairy farming. They have gained from the new knowledge as well as changes in practices and the more organized ways of getting their milk to the market.

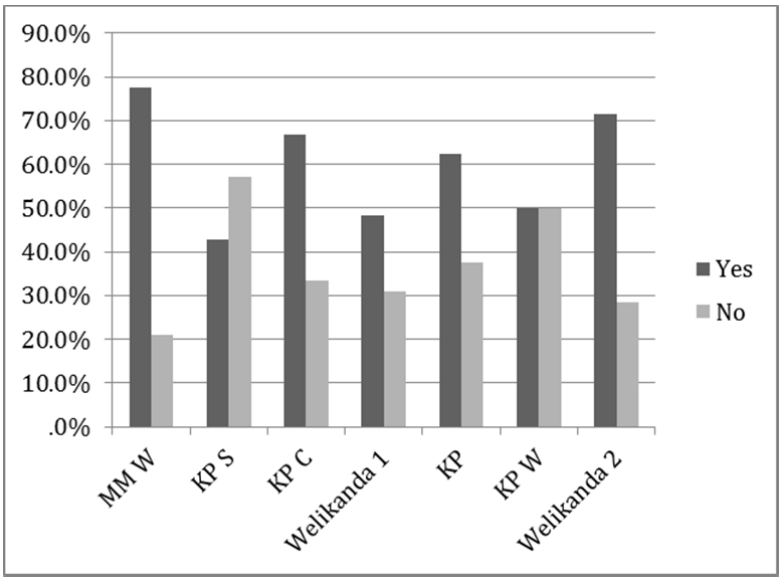
Chart 5: Overall satisfaction with the project



As Chart 5 indicates, respondents in a couple of DS Divisions reported that they were not satisfied with the project. According to Chart 2 and other qualitative data, it seems that farmers in Welikanda have had a long-term relationship with Milco. Similar practices and technical services may have already been in place before the project started.

The situation in Koralaipattu South requires further study. They reported difficulty in accessing veterinary services, technical support and markets (Table 8). Unlike beneficiaries in other DS Divisions, the majority of farmers in Koralaipattu South reported that their management practices did not change or improve during the project.

Chart 6: Changes in management practices due to the project



4.2.3 Sustainability

Overall, the potential for sustainability beyond the project period is good. The DEEP project has increased technical skills and changed dairy farm management practices. Farmers have seen the quantity and quality of their milk supply and their incomes increase. These changes are likely to be sustained beyond the project period.

The MPGs that have been supported through the project are also expected to contribute to sustainability. These social institutions have provided dairy farmers with a social support system, helped them access services, and improved raw milk collection.

Because the DEEP project field staff have played a significant role in the success of the project, it is important to start planning now for their eventual withdraw. In the final phase of the project, it is important to focus more attention on strengthening the capacity of the local institutions, MPGs and MCCs, for self-governance and management. Training and technical support should be focused on group management systems. They should be challenged to organize services or report on finances without the support of DEEP project staff.

It would also be good to clarify the role of CIC beyond the end of the project. Community members expect that CIC will continue to provide technical assistance and link them to veterinary care and markets. It is not clear how this will happen after the DEEP project team withdraws. Absorbing DEEP staff into CIC might help sustain the relationships and networks developed through the project.

The processing aspects of the project are still not fully underway. There is an expectation that the processing center will create jobs and business opportunities for raw milk collection as well as additional skilled jobs related to value addition. Since the processing center will be controlled and managed by CIC, it is not clear how value addition will contribute to improving local business and the local economy. In other to strengthen the cooperatives, the MCCs should be able to handle value addition and processing with greater local ownership and management, but this does not seem to be the project strategy. Increasing local capacity for value addition

does raise more issues with quality control and market access, but it may create greater long term benefits for the local economy.

The project has encouraged improved breeds and techniques like AI which increases the need for responsive veterinary services. The lack of skilled veterinary service providers may be a future stumbling block in some geographical areas. In order to reach financial sustainability targets, milk production needs to be expanded further, and access to grazing land may serve as a constraint. This may be addressed through the project emphasis on smaller improved herds and mixed feeds. Potential constraints to future expansion should be discussed now before the project ends and joint strategies for addressing these challenges should be assessed.

4.4 DEEP Conclusions

There are a few key factors that have made the DEEP project an example of a successful PPA. Both men and women farmers report that the training, technical inputs, and matching grants provided through the product have helped them to improve on-farm management and upgrade their herds and infrastructure.

The investment in raw milk collection through the MPGs has also contributed to dairy development. The number of buyers in the region has not changed significantly, but farmers report that it is now easier and more convenient for them to sell their milk through the collection points. Improvements in milk collection systems have increased farmer incomes.

The emphasis on strengthening producer groups and local institutions has also contributed to the success and sustainability of the project. This structure has also allowed the project staff to have a better sense of what is taking place on the ground and helped them maintain relationships with the project beneficiaries. The MPGs supported information flow and effective coordination and helped improve farmers' access to project inputs, training, technical assistance, and markets.

Another noteworthy aspect of the project was that it did not require the project beneficiaries to sell their goods to a single private sector buyer. This prevented local market distortions and increased farmers' bargaining power. The competition between multiple buyers seems to have contributed to the price increases reported by participating farmers.

If this approach will be expanded to other geographical areas, it might be helpful to discuss beneficiary selection criteria and the target group. The DEEP project increased ownership and commitment by asking people to contribute time and effort as well as money. The prerequisite that farmers have previous dairy experience also increased the chance for success. However this means that the project benefits may not have been accessible to the poorest segments of society and raises questions about the targeting of the development aid. The project team might have suggestions for how the project could be expanded to additional beneficiaries who might have an even greater need for external assistance and livelihood diversification.

Recommendations

Group strengthening

At this phase in the project, technical assistance should shift from the individual level to the group level. So far, the MPGs and MCCs have helped farmers access project benefits and services. The focus now needs to shift to strengthening self-governance and management systems. These local institutions can absorb some of the current functions of the DEEP project team beyond the close of the project. It is also important to discuss transition plans and clarify the future role of CIC in providing technical assistance and helping farmers access services.

Locally managed processing and value addition

Technical assistance for locally managed value addition should also be considered. The project has increased raw milk production, but the majority of the value is still extracted from the region. Investments in locally managed processing facilities will increase regional economic benefits.

5. Sustainable Agriculture through Commercialization (SAC)

With the ending of the violence in the Eastern Province, the space and potential for commercial agriculture has increased dramatically. Farmers have better access to agricultural fields and inputs. According to the government's Eastern Revival program, the area under paddy cultivation is expanding. The Eastern Provincial Council Minister says that plans are underway to double paddy cultivation in the coming years. Production of high quality certified seed paddy has been identified as a major priority. The Eastern Revival program also promotes maize cultivation, but gives less emphasis to other non-traditional commercial crops. The government does not provide support services for gherkin cultivation.

5.1 SAC Project Interventions

The Sustainable Agriculture through Commercialization (SAC) project was developed by Hayleys Agro Farms and Sunfrost. According to the project documents, there were three main interventions planned. First, a nucleus farm was planned as the center of research and development operations. The nucleus farm was expected to help with input supply, demonstration, training, extension and buy back systems.

Second, Hayleys Agro Farms and Sunfrost planned to establish an out-grower network. The companies would provide the necessary seed and planting materials and help farmers access inputs. The initial plan included gherkin, seed paddy, hybrid maize, banana, and pineapple. Hayleys promised a guaranteed buy back system to provide farmers with a reliable means of income and motivate them for continuous cultivation.

Finally, the companies planned to employ agricultural extension officers and set up an extension service to supervise and monitor the out-grower network and provide technical services

including training programs, workshops, field demonstrations, and field days. The extension services are expected to improve the knowledge and productivity of farmers in the region.

Initial discussions with SAC project personnel revealed that the nucleus farm has not been established as planned because the company was unable to secure land. The expected fruit crop cultivation was also put on hold due to changes in world market demands. The SAC project team has adjusted their implementation plan to address these changes. Hayleys SAC project primarily works with gherkin farmers. A smaller number of farmers are engaged in seed paddy and maize production.

5.2 SAC Observations

As explained in the Methodology section (see 2.2), it was not possible to obtain a representative sample for the SAC project, which means it is not possible to draw statistically significant conclusions from the data. Out of 250 households selected from the beneficiary list (260 gherkin farmers, 30 seed paddy farmers, and 4 maize farmers), 46% could not be found. The survey was administered to 135 households of which 119 were gherkin farmers and 16 were seed paddy farmers.

This incomplete sample means that statistical analysis of the collected data is not possible. The study was designed as a quantitative household survey and used a coded questionnaire with a limited number of open-ended follow up questions. Without a complete sample, even the applicability of this qualitative data is limited. It is not possible to determine how many beneficiaries share a particular view. It is not possible to cross check and determine whether an issue is a majority or a minority concern. The information in this section draws on key person interviews, field observations by the data collection team and the limited qualitative survey data.

While these limitations should be noted, it is also important to recognize that the unavailability of data is actually a form of data. The random sampling technique revealed gaps in the project record keeping, which can be considered a significant finding and an immediate opportunity for improvement.

5.2.1 Beneficiary Profile

Due to the incomplete sample, it is not possible to draw conclusions about the project beneficiaries' gender, ethnicity or income levels. It is also difficult to assess the total number of beneficiaries at this stage of the project.

According to field observations and some descriptive data, it seems that some gherkin farmers cultivate in the paddy inter-season in paddy lands taken on lease. Some do not own their own cultivation land.In the absence of a robust sample data set it is difficult to identify whether this is the common phenomenon or the case for only a few farmers.In a socio-economic system that is mainly dependent on agriculture such as the project locations in Ampara, not owning cultivation land will have direct impacts on the overall wellbeing of the people. This might suggest that the SAC project is reaching a poor, landless target group.

According to observations of the data collection team, the beneficiaries of the seed paddy component are mainly farmers that were engaged in seed paddy production in the past with the

Department of Agriculture. These tend to be farmers that are more well-off with access to irrigation and larger plots of land. The data collection team observed that when the seed paddy farmers were discussing their experience with Hayleys and assessing the project benefits, they were making comparisons with their earlier experiences with the Department of Agriculture.

5.2.2 Benefits to Farmers

The gherkin farmers received both seeds and agrochemicals through the project.According to qualitative data and field observations, farmers identified the provision of these chemicals as a major advantage of the project and an incentive for continuing with the program. In some of the targeted geographical areas, farmers say it is difficult for them to access quality inputs. Since Hayleys is an agrochemical company, this aspect of the program also helps them to increase distribution of their fertilizer and other inputs.

According to field observations, seed paddy farmers were also satisfied in general with the quality of the foundation seed they received through the project. In contrast to gherkin farmers, no agrochemicals or fertilizer was made available for the seed paddy cultivators.

Extension officersadvised gherkin farmers on land preparation, fertilizer, plant management, disease control and harvesting practices. Beneficiaries seemed to be satisfied with the quality of the information, but they noted that the frequency was not enough. Most reported receiving advice from project staff just once a season. It seems that some beneficiaries are using the knowledge and experience that they gain from the gherkin cultivation for other crops that they cultivate, and they share the knowledge with other farmers through their informal networks.

The project aims to develop an out-grower network, but discussions with project personnel and field observations suggest a lack of continuity with beneficiaries, particularly with the gherkin component of the project. It seems that many farmers only participate for a single season, and the project continuously shifts to new growers. The absence of an updated database means it is not possible to track the continuity of the supply or the performance of the individual farmers. The main interaction with the farmers seems to be linked to the delivery of inputs and technical assistance at the beginning of the planting season. It seems that the project resources are used to start activities in new locations with new farmers rather than improving impact for a chosen set of beneficiaries.

The project plan references contracts and agreements with farmers, but this was not evident in the field. None of the gherkin farmers reported having a contract with the company and only 2 out of the surveyed 16 of the seed paddy farmers confirmed that they have a contract with them. It is difficult to track whether those who are given seed are selling back to the company. If the farmer sells to the company, money is deposited directly to the bank account based on the number the farmer provides. This system is convenient for both the project team and the farmer, but it also suggest that there is little follow up interaction between the project staff and the farmer, and explains why the project personnel were not able to identify farmers in the field. They noted that there was a greater emphasis on disbursing inputs than on collecting the harvest.

In terms of marketing, the beneficiaries who completed the survey appreciated the convenience of the buyer collecting the harvest from the farm. This was true for both gherkin farmers and

seed paddy farmers. They availability of a market at harvest time was seen as beneficial. However, some farmers expressed dissatisfaction with the lack of a fixed price and said they received a lower than expected price for their gherkin harvest, which could be due to grading. They reported a farmgate price range of Rs. 10 to 20 per kilo for gherkin. Farmers also expressed concern about payment delays. There seems to be a preference for bulk payments, which can be used to purchase household assets, jewelry, etc.

The main issues that seed paddy farmers raised related to marketing were that rates of rejection were unexpectedly high and there were delays in getting the rejected seed back from the laboratory. The data collection team observed that inspite of the advice received by the farmers and the fact that they were satisfied with the quality of advice and the seeds produced, they were not able to meet the company's quality standards. They compare this with their previous experience and say that it was better to work with the Department of Agriculture because they purchased the entire seed paddy harvest with no rejects. Field observations suggest that the Department has less stringent quality standards.

A few beneficiaries discussed group marketing opportunities and said that selling as a group would give them better profits than selling as individuals, but there were no examples of farmers selling outside the project to a different buyer. According to one respondent, if they sell outside the project, they will not be eligible to receive seeds in the future.This indicates that the provision of quality inputs is a major incentive for some farmers to stay with the project. This raises questions about continuity and sustainability between the current project period.

Table 14 illustrates perceptions from a few farmers on advantages and disadvantages of the project. Beneficiaries seem to consider gherkin farming a supplementary or alternative source of income that they can combine with paddy farming or other livelihood strategies. The relatively small extent of land that was required for the gherkin cultivation, combined with the relatively short harvesting cycle,caused them to see gherkin cultivation as an opportunity for additional income.

There was also a perception that the physical and financial effort that was required to produce the gherkin harvest outweighed the rewards. Gherkin farming requires intense field management. Some farmers also expressed concern about delays in payment. Some beneficiaries mentioned that the initial capital cost for gherkin cultivation was too high for them to enter into it. There is not sufficient data available to ascertain what the capital requirements were (e.g. land preparation, labour, raw materials).

Table 14: Advantages and disadvantages of gherkin cultivation

Advantages	*Disadvantages*
We can cultivate in a small area. Good way of getting an income	*Don't get money, very hard work*
At the same time as paddy farming, we can start gherkin. Can get income during free time	*Only hard work without any benefit*
We are getting seeds for a lesser price. Product marketing easy	*Difficult to start up*
Giving good advice for cultivation	*Don't get paid on time*
	Low prices

Source: Household Survey

Interestingly, compared to the other sections of the survey, the questions on how project income was used seem to have yielded more responses from the beneficiaries. Of the 135 gherkin farmers interviewed, 51 said they have used the income for their children's education and 36 said they have used the income for health expenses.

We are using for monthly tuition fees, to buy books, and for medicine

My age is 65. I need medicine so I am using this money to buy the medicine

Seventeen gherkin farmers and 5 seed paddy farmers reported increasing their savings. Twenty-one gherkin farmers and 3 seed paddy farmers reported reducing their debt. Farmers also used profits to buy livelihood assets (e.g. milk carriers, small tractors, paddy land) and household assets (e.g. furniture, TV). Producers reported doing house repairs, adding a room to their house, and getting a new drinking water connection. It is difficult to draw conclusions about the impact for all farmers that have participated in the project. The available data only shows that the farmers who did earn additional income from cultivation used that money as they deemed appropriate.

5.2.3 Sustainability

The current prospects for the sustainability of the SAC PPA beyond the project period are poor. There are no signs of behavior changes or local institutions that will be sustained beyond the project period.

The relationship between the private sector partner and the targeted beneficiaries is weak. Farmers do not have contracts with the company and do not seem to be engaged with the project on a continuous basis. Compared to the DEEP project, a relatively high number of respondents do not plan to continue with the project.

This project initially envisioned setting up a nucleus farm that was supposed to conduct research, supply inputs, and demonstrate best practices. The nucleus farm would have increased yields and provided an incentive for staying in the area and working with neighboring farmers in a sustained out-grower network.

The SAC PPA requires beneficiaries to sell individually to a single buyer. The individual gherkin farmers do not have bargaining power and do not have any other buyers for their harvest. If Hayleys continues to provide the same inputs and technical assistance after the project, it is possible that some farmers will continue selling to them. If Hayleys withdraws from an area, there are no group mechanisms or external market relationships for sustainability.

5.4 SAC Conclusions

According to the respondents, the main benefits of participating in the project are the provision of quality inputs and technical advice at the beginning of the season. Without a representative sample, it is not possible to determine whether the SAC PPA has benefited the majority of farmers that have participated. The impacts on wellbeing cannot be determined.

Recommendations

Beneficiary tracking

According to the relevant USAID representatives, Hayleys developed a comprehensive database at the beginning of the project. Updating this database would make it easier to assess the actual number of project beneficiaries and the impact of the project. Immediate improvements in information management and monitoring systems could also increase the likelihood of sustainability. Basic beneficiary tracking will help ensure effective follow-up, efficient use of human and financial resources, and more accurate targeting. It will also be easier to identify lessons learned and opportunities for improvement

Consistent extension services

There are signs that farmers' products are either selling low-grade products or having their products rejected. Most farmers reported getting technical assistance at planting time if at all. The quality issues suggest that more consistent extension services and technical assistance are needed throughout the cultivation season. Beneficiary tracking systems will make it easier to follow up with individual farmers.

Producer group development

Given the relatively high success rates of the DEEP project in terms of project implementation, farmer satisfaction and sustainability, a group approach should also be considered for the SAC PPA project. Data shows some farmers are already part of farmer organizations in the area. These existing organizations could be used as an entry point,or, if necessary, new groups could be created. Producer groups will reduce the cost of training and extension and support beneficiary tracking and monitoring. Group systems will also improve farmers bargaining power and help them develop more sustainable links with external service providers and markets.

Voluntary contracts

When producers are required to sell their products to a single large buyer, local market distortions and monopsonistic trade relations are created. Competition between multiple buyers benefits producers and creates incentives for improved production. Producer groups should have the freedom to sell to whoever offers them the best terms and agreements. It is important that both parties to an agreement have a shared understanding and written documentation of the agreement. In the long-term, transparent, voluntary purchasing agreements are beneficial to both the producers and the buyers.

6. Recommendations for Future Value Chain PPA

USAID Sri Lanka has taken a lead role in engaging the private sector in economic recovery and development in conflict-affected areas and demonstrated the potential of the Public Private Alliance approach. This strategy combines the complementary skills and resources of

government and the private sector. The government partner provides the necessary development expertise and grant aid to ensure the impact and sustainability of the intervention. The private company provides capital, technical expertise, and continued market access. USAID is able to draw on decades of experience with beneficiary selection, conflict sensitivity, pro-poor programming, and institutional development to make sure that public funds contribute not just to private profit, but also to the public good.

If Public Private Alliances are implemented according to proper incentive systems and principles, they can increase economic opportunities and contribute to stability and peace.

This assessment of the Land O' Lakes and CIC DEEP project and the Hayleys and Sunfrost SAC project provides some immediate recommendations to increase the impact and sustainability of these two ongoing PPA projects. Some of the preliminary lessons from these projects may also be applied to other interventions and should be considered in the design of future PPA projects and value chain interventions. Seven recommendations are provided below.

1. Explicit selection criteria

Since PPA use public funds to contribute to the public good, each PPA should have explicit beneficiary selection criteria. The DEEP project clearly articulates its selection criteria and target group in its project documents and project awareness meetings. This prevents the likelihood of conflict and political influence and ensures that resources are targeted effectively. In some cases, it may be difficult to target the poorest segment of society through a PPA, but when the process is transparent, the advantages and disadvantages of different intervention strategies can be openly discussed and debated.

2. Beneficiary tracking systems

USAID should ensure that the private sector partner tracks project beneficiaries. A simple database or information management system can improve targeting, resource use, and follow up. It also makes it easier to identify lessons learned and opportunities for improvement. Without a beneficiary tracking system it is not possible to assess the outreach or impact of a PPA.

3. Extension services

The findings from the DEEP project suggest that investments in technical assistance through training and regular extension services can lead to changed management practices and production improvements. These changes are likely to last beyond the project period, particularly when they are reinforced by market access and improved prices.

4. Matching grants

When beneficiaries are required to personally invest in an initiative, it increases commitment and sustainability. It also stretches aid resources further and prevents waste. Producers may accept resources that are offered for free, but they will not put their own resources into a project if it does not make economic sense.

5. Producer groups

When it comes to primary production, individual units tend to be more efficient, but when it comes to accessing inputs, services, and markets, producer groups can create economies of scale

and improve bargaining power. The DEEP project shows that producer groups can support beneficiary tracking and monitoring and reduce the cost of service provision. Establishing strong producer groups with transparent membership guidelines and management systems can also help ensure sustainability beyond the project period.

6. Voluntary market linkages

PPA should not require producers to sell their products to the private sector partner. When a company has this type of monopsony, it creates local market distortions. The DEEP project does not require the Milk Producer Groups to sell to CIC. The competition between buyers benefits the producers and creates incentives for improved production. Producer groups should have the freedom to sell to whichever buyer offers them the best terms and agreements. If a company and a producer group choose to enter into a forward marketing agreement with a fixed price, they do so because it is mutually beneficial.

7. Prioritize social enterprises

When it comes to a Private Public Alliance, not all private companies are equal. If a company is motivated purely by private profit motives, it is unlikely that the partnership will contribute to the public good in the long-term. USAID should prioritize companies that have demonstrated a commitment to the common good and have a clearly articulated social or environmental mandate or principles. For example, Land O' Lakes was started as a dairy farmer cooperative and has a long history of social benefit. Sri Lankan companies that focus on fair trade or organic products also have a demonstrated commitment to the public good. Company structure and history should be considered in the PPA selection process, and USAID should prioritize companies with a shared commitment to development and peace.

Survey Reference Number ……..

Assessing USAID-Supported Public Private Alliances (PPA)

by

Sewalanka Foundation and the Centre for Poverty Analysis

Household Survey Questionnaire – DEEP Project

Objective of the Survey

The USAID/Sri Lanka PPAs can provide valuable insight on how to effectively link the rural poor with private sector partners. For this reason, Sewalanka Foundation and the Centre for Poverty Analysis would like to propose a rapid assessment of primary producers engaged in current PPAs. The results of the assessment could be used to:

1. Increase the impact and sustainability of ongoing PPAs, and
2. Inform the development of future PPA and value chain interventions

Instructions to the enumerator:

1. Please select the registered beneficiary of the project or household or spouse for the interview. If neither is available please make an appointment to meet them at a suitable time.

2. If the respondent shows reluctance to answer any question, please ask if they prefer not to answer. If they say yes, please say: “that is fine and thank you for letting us know. Can you please give us an indication of why you find it difficult to answer this question” (Interviewer should record it)

3. Start the interview by introducing who we are and what we are trying to do as follows:

We are from Sewa Lanka and we are doing a survey together with Centre for Poverty Analysis. State the “Objective of the Survey”. If you would agree to be part of this survey, I (the interviewer) will ask several questions about projects. As we go along the structured discussion please let us know if any of these questions are unclear or ambiguous, and need clarifications. If there is any question that you do not wish to reply, please let me know, so we may continue with the following question. Everything you tell us will be strictly confidential. Your participation in this study is completely voluntary and you may (help us in complete the Questionnaire while you engage your usual work) leave at any time without any consequence. The interview will last less than an hour.

Before we begin, do you need any other clarification? If not let us begin“

Enumerator Information

Enumerator Team	
Date interview	
Time of Interview	From To
Number of visits to the household	
Status of the interview 1. Completed 2. Deferred 3. No competent respondent at home 4. Refused 5. House is temporarily closed 6. House is demolished/vacant 7. Other (specify)	
Date of handing over the questionnaire to the supervisor	

Enumerator comments : (please provide comments regarding the house(location, general appearance and facilities), the respondent/household (in terms of their co-operation, ability to articulate, their general appearance and attitudes) and the manner in which the questionnaire was administered (for example whether the respondent was alone etc)	
Data cleaned by:	
Date:	
Supervisor's name	
Checked and approved (circle as relevant)	1. Completed 2. Incomplete 3. Rejected
Signature of the supervisor	Date

District: *Grama Nildhari Division:*

Household Composition

[ENTER EVERYONE WHO LIVES IN THE DWELLING, also enter those living temporarily outside but considered members of the household]

Relationship to head of HH and <u>Name</u>		**Age**	**4.3. Gender**	**Marital Status**	**Ethnicity**	**Education**	**Household member living out side home?**
1. head of HH 2. Spouse 3. Son/Daughter 4. spouse of son/daughter 5. grandchild 6. father/mother 7. brother/sister 8. Nephew/niece 9. father/mother-in-law 10. brother/sister-in-law 11. other relative 12. boarder 13. other(please specify)		(yrs)	1. male 2. female	1.single 2.married 3.divorced 4.Seperated 5.widow/er	1.Sinhala 2.Tamil 3.Muslim 4.Burger 5.Other (specify)	1.never been to school 2.primary (1-5 yrs) only 3.secondary (6-8 yrs) only 4. secondary (8-10 yrs) only 5. pass O/L 6. Secondary (12-13) 7. Pass A/L 8. Diploma (Technical) 9.Undergraduate 10.degree or higher	1.Overseas 2.Same district 3.Other district 4. Living at home
Name	*Code*						

Respondent ->							

Relationship to head of HH and Name	**Main activity of HH member**	**If Employed**: **Primary Occupation**	**Secondary Occupation**	**Other sources of income**	**Monthly income**
1. head of HH 2. Spouse 3. Son/Daughter 4. spouse of son/daughter 5. grandchild 6. father/mother 7. brother/sister 8. Nephew/niece 9. father/mother-in-law 10. brother/sister-in-law 11. other relative 12. boarder 13. other(please specify)	1. Employed 2. Unemployed (seeking work) 3. Household work 4. Student 5. Disabled 6. Elderly 7. Other (Please specify)	1. Farming / livestock/ fishing 2. Daily wage labour 3. State sector salary 4. Private sector salary 5. Self employed – micro 6. Business – medium and large 7. Other (please specify) 88 Not Applicable	1. Farming / livestock/ fishing 2. Daily Wage labour 3. State sector salary 4.Private sector salary 5.Self employed-micro 6. Business – medium and large 7. Other (please specify) 88 Not Applicable	1.returns from investments and assets 2.remittances 3.pension 4.Samurdhi 5.Public assistance 6.Other-specify	1.Less than 5000 2.5001-7000 3.7001-10,000 4.10,001-15,000 5.15.001-25,000 6.25,001-50,000 7.more than 50,000

Code		Code	Description (what type of crop is cultivated)	Code	Description		

1. HH identification Information

1.1 District?	1 Manmunai West		2 Koralaipattu South		3 Koralaipattu Central
	4 Koralai Pattu		5 Koralai Pattu West		

1.2 GN Division		1.3 Address	

1. 4 Respondent's Name		1.5 Respondents' relationship to the HHH (use codes in HH composition table)	

1.6 Who is the main HH member involved in the project?

1. HHH		2. Spouse		3.Son		4. Daughter		5.Other - specify	

1.7 Is this HH member a part of the Milk Producer Group (MPG)

1. Yes		2. No		1.7.1 If no, why not?	

1.7.2.If yes, who is the HH member that is holds the membership in MPG?

1. Head of household		2. Spouse		3. Son		4. daughter		5.Other - specify	

1.8 how long have you been involved in the project? (in years)

1. less than 1 year		2. 1 year		3. 1.1 - 1.5 yrs		4. 1.6 - 2 yrs	

1.9 How did you hear about this project?

1. the GN		2.neighbour		3. other dairy farmers		4. project staff		5. Other - specify	

2. Questions under component 1: increase Quantity and Quality of raw milk through training and technical assistance

2.1 What is the name and location of the Milk producer group you belong to?

1. Name		2. Location	

2.2 How many members in your group? How many are male? How many are female?

1. Total		2. Male		3. female	

2.3 What ethnic groups do they come from and how many from each ethnicity? (This should include different ethnicities no? instead of male female)

1. Sinhala (%)		2. Tamil (%)		3. Muslim (%)	

2.4 How were farmers chosen to join the MPGs? (looking for eligibility criteria - geographic location, experience, farm size etc) (open ended

2.5 What are the advantages and disadvantages of being a member and working through the MPG?

1. Advantages	2. Disadvantages

2.6 What are the types of training you have received?

1. Diary farm management		2. Financial Management		3. governance		4. Legal/policy issues		5. conflict management		
6. Other - specify										

2.7 Could all the members attend the training?

1. Yes		2. No	
2.7.2 If no, why not?			

2.8 Overall how would you rate the training you received? 1 = very bad, 5=Very good

1		2		3		4		5	

2.9 What components/training were most useful/valuable to improve your dairy project (explain - open ended)?

2.10 Did your group receive any equipment?

1. Yes		2. No					
		2.10.1 If no - why not?					
2.10.2 If yes list what was given		1. milk cans		2. quality testing kit		3. manuals		4. Other - Specify	

2.11 has your MPG received small grants for buying livestock, dairy inputs, equipment?

1. Yes		2. No		3. Not yet		4. Don't know	

2.11.1 If yes list what was given (specify)	
2.11.2 What was the value of the goods you received? (rs)	
2.11.3 what was the value of your own contribution? (rs)	

2.12 Have you established a building for your MPG?	1. In progress		2. Completed		3. Not yet		4. No such plans	
2.12.1 Any remarks regarding this?								

2.13 Have you been linked with any support services?	1. yes		2. No		3 IF YES, What assistance have you received? Specify
2.13.1 Veterinary Services					
2.13.2 Diary management technical advice					
2.13.3 Buyers for milk					
2.13.4 Other - Specify					

3. Questions under component 2: Establish Milk Collection Centres

3.1 Is your MPG a part of the Cooperative Society/Milk Chilling Centres (MCCs)

1. Yes		2. No		3. Not yet		4. Don't know	

3.2 How many have been set up?

3.3 How far is the chilling plant from your farm?

1. less than 100m		2. 100 - 500m		3. 500 - 1000m		4. 1000 - 1500m		5. More than 1500m			

3.4 How are the cooperative societies/chilling centres functioning? Who runs them? Who is employed there? Are the MPGs members involved? Explain

	1. Yes	2. No		
3.5 Were local people trained to work in the chilling			3.5.1 if no	

plants?			Explain	
3.6 Is CIC buying the millk			3.6.1 if no Explain	
3.7 Are there other buyers for the milk?			3.7.1 if no Explain	
3.8 Can they meet the required 5000lts per day?			3.8.1 if no Explain	

4: Impacts of the Project

4.1 through this project, have you been able to improve the quality and quantity of your Milk?

1. Yes		2. No	

4.2 If yes, How? Can have more than one answer

	1. training received		2. Grants / equipment received		3. connecting to services		4. Being a part of an MPG		5. Having chilling plant in area	
	6. changed in farming practices		7. larger farm/ Livestock		8. Better access to buyer		8. changing Feed/grasses		9. Other - specify	

4.2.1 what has been most useful? Explain	
4.2.2 If project has not helped why not?	

4.3 What have been the changes you have encountered before and after the project in relation to Dairy farming

	Before	After	remarks/how has this change happened?
4.3.1 Number of livestock			
4.3.2 Number of buyers			
4.3.3 Milk per cow (lts)			
4.3.4 Number of times milk is sold per week			
4.3.5 Quantity of milk sold per week (lts)			
4.3.6 Price of sale Rs/ltr			
4.3.7 Income from dairy - Monthly/Rs			
4.3.8 Monthly Expenses (for feed/maintenance) RS			

4.4 Have your dairy management practices changed as a result of the project?

1. Yes		2. No	

4.5 If yes in what areas has it changed?

	Yes	No	What is the result of this change
4.5.1 Adding preservatives			
4.5.2 Type of feed			
4.5.3 Breeding (artificial insemination)			
4.5.4 access to markets			
4.5.5 Other			

4.6 Are you satisfied with the project in general?

1. yes		2. no		4.6.1 why?	

4.7 has the income from the project helped you improve conditions for your family?

	Yes	No	How have you been able to do this?

4.7.1 Your children's education			
4.7.2 Health expenses			
4.7.3 Housing improvements			
4.7.4 Assets bought (vehicle, radio etc)			
4.7.5 Savings - in Rs			
4.7.6 Debt (reduced)			
4.7.7 Other - specify			

5: What are the issues for sustainability?

5.1 how do you think the links established with markets/veterinary support will continue after the project?

5.2 How are MPGs managed?

5.2.1 Do they have a committee that is elected and functioning?	Yes		No	
5.2.2 Are they registered?	Yes		No	

5.2.3 Are there accounts/book keeping that is done?	Yes		No	
5.2.4 Do the members make collective decisions?	Yes		No	

5.3 How do you see this MPG continuing after the Project? Explain how you think this will happen/any concerns

5.4 How do you think the chilling plants will help you locally?

5.4.1 better links to market?	Yes		No		remarks	
5.4.2 Better job opportunities?	Yes		No		remarks	
5.4.3 More efficient process	Yes		No		Remarks	

5.6 What are the advantages and disadvantages you see of the Chilling plants?

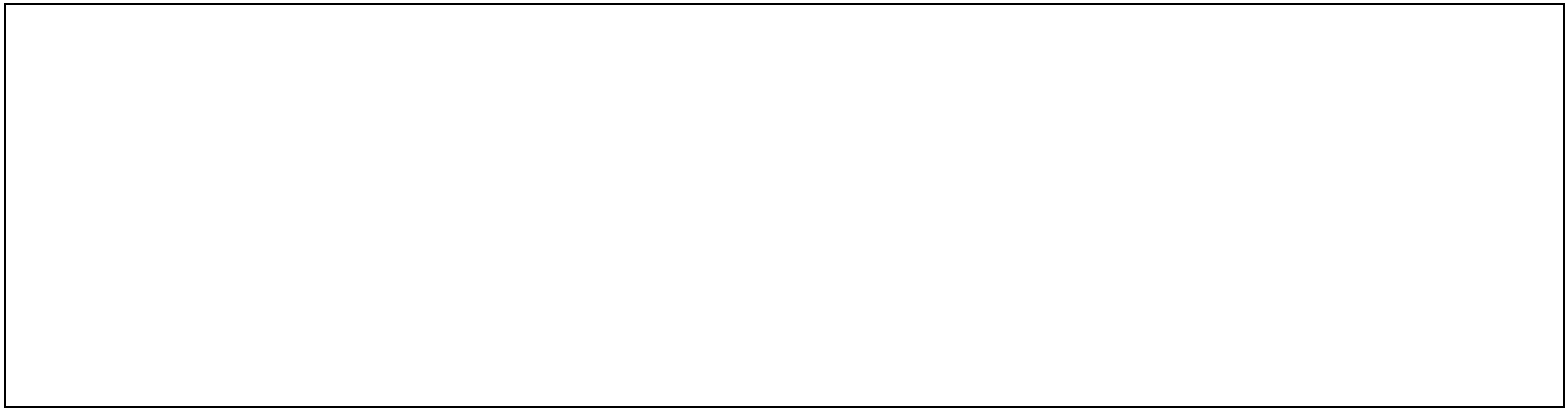
5.6.1 Advantages	5.6.2 Disadvantages

5.7 How will the processing centre (not yet built) help your community?

5.7.1 Advantages	5.7.2 Disadvantages

6. Any other comments made by Respondent

Observations by interviewer



Survey Reference Number ……..

Assessing USAID-Supported Public Private Alliances (PPA)

by

Sewalanka Foundation and the Centre for Poverty Analysis

Household Survey Questionnaire – Hayley's Project

Objective of the Survey

The USAID/Sri Lanka PPAs can provide valuable insight on how to effectively link the rural poor with private sector partners. For this reason, Sewalanka Foundation and the Centre for Poverty Analysis would like to propose a rapid assessment of primary producers engaged in current PPAs. The results of the assessment could be used to:

14. Increase the impact and sustainability of ongoing PPAs, and
15. Inform the development of future PPA and value chain interventions

Instructions to the enumerator:

16. Please select the registered beneficiary of the project or household or spouse for the interview. If neither is available please make an appointment to meet them at a suitable time.

17. If the respondent shows reluctance to answer any question, please ask if they prefer not to answer. If they say yes, please say: “that is fine and thank you for letting us know. Can you please give us an indication of why you find it difficult to answer this question” (Interviewer should record it)

18. Start the interview by introducing who we are and what we are trying to do as follows:

We are from Sewa Lanka and we are doing a survey together with Centre for Poverty Analysis. State the “Objective of the Survey”. If you would agree to be part of this survey, I (the interviewer) will ask several questions about projects. As we go along the structured discussion please let us know if any of these questions are unclear or ambiguous, and need clarifications. If there is any question that you do not wish to reply, please let me know, so we may continue with the following question. Everything you tell us will be strictly confidential. Your participation in this study is completely voluntary and you may (help us in complete the Questionnaire while you engage your usual work) leave at any time without any consequence. The interview will last less than an hour.

Before we begin, do you need any other clarification? If not let us begin“

Enumerator Information

Enumerator team	
Date interview	
Time of Interview	From To
Number of visits to the household	
Status of the interview 19. Completed 20. Deferred 21. No competent respondent at home 22. Refused 23. House is temporarily closed 24. House is demolished/vacant 25. Other (specify)	
Date of handing over the questionnaire to the supervisor	

Enumerator comments : (please provide comments regarding the house(location, general appearance and facilities), the respondent/household (in terms of their co-operation, ability to articulate, their general appearance and attitudes) and the manner in which the questionnaire was administered (for example whether the respondent was alone etc)	
Data cleaned by:	
Date:	
Supervisor's name	
Checked and approved (circle as relevant)	26. Completed 27. Incomplete 28. Rejected
Signature of the supervisor	Date

District: *Grama Nildhari Division:*

1. Household Composition

[ENTER EVERYONE WHO LIVES IN THE DWELLING, also enter those living temporarily outside but considered members of the household]

Relationship to head of HH and <u>Name</u>		**Age**	**4.3. Gender**	**Marital Status**	**Ethnicity**	**Education**	**Household member living out side home?**
29. head of HH 30. Spouse 31. Son/Daughter 32. spouse of son/daughter 33. grandchild 34. father/mother 35. brother/sister 36. Nephew/niece 37. father/mother-in-law 38. brother/sister-in-law 39. other relative 40. boarder 41. other(please specify)		(yrs)	1. male 2. female	1.single 2.married 3.divorced 4.Seperated 5.widow/er	1.Sinhala 2.Tamil 3.Muslim 4.Burger 5.Other (specify)	1.never been to school 2.primary (1-5 yrs) only 3.secondary (6-8 yrs) only 4. secondary (8-10 yrs) only 5. pass O/L 6. Secondary (12-13) 7. Pass A/L 8. Diploma (Technical) 9.Undergraduate 10.degree or higher	1.Overseas 2.Same district 3.Other district 4. Living at home
Name	*Code*						

Respondent ->							

Relationship to head of HH and Name	**Main activity of HH member**	**If Employed**: **Primary Occupation**	**Secondary Occupation**	**Other sources of income**	**Monthly income**
42. head of HH 43. Spouse 44. Son/Daughter 45. spouse of son/daughter 46. grandchild 47. father/mother 48. brother/sister 49. Nephew/niece 50. father/mother-in-law 51. brother/sister-in-law 52. other relative 53. boarder 54. other(please specify)	1. Employed 2. Unemployed (seeking work) 3. Household work 4. Student 5. Disabled 6. Elderly 7. Other (Please specify)	1. Farming / livestock/ fishing 2. Daily wage labour 3. State sector salary 4. Private sector salary 5. Self employed – micro 6. Business – medium and large 7. Other (please specify) 88 Not Applicable	1. Farming / livestock/ fishing 2. Daily Wage labour 3. State sector salary 4.Private sector salary 5.Self employed-micro 6. Business – medium and large 7. Other (please specify) 88 Not Applicable	1.returns from investments and assets 2.remittances 3.pension 4.Samurdhi 5.Public assistance 6.Other-specify	1.Less than 5000 2.5001-7000 3.7001-10,000 4.10,001-15,000 5.15.001-25,000 6.25,001-50,000 7.more than 50,000

Code		Code	Description (what type of crop is cultivated)	Code	Description		

2. HH involvement with the project

2.1 DS Division

2.2 GN Division

2.3 Address

2. 4 Respondent's Name

2.5 Respondents' relationship to the HHH

(use codes in HH composition table)

2.6 HH category by crop type (put a X after the correct category)

1 Gherkin		2 Seed paddy		3 Maize seed	

Note: Base the following questions on the relevant category identified at 2.6

2.7 Who is the HH member mainly involved in the production related activities as a whole?

1. Head of household		2. Spouse		3. Son		4. daughter		5.Other - specify	

2.8 Who are the household members that engage in the different components of the production activities? (HHH-1, Spouse=2, other=3)

Note: this question is asked to capture the different HH members that are part of the project activities

Project activity	Code from q	Remarks -If there are different HH members involved in the different phases, Why? (How and are there

	nu 2.7	changes in this pattern from season to season.)
2.8.1 Land preparation		
2.8.2 Seed sowing		
2.8.3 Management		
2.8.4 Interaction with the Extension officer		
2.8.5 Harvesting		
2.8.6 Transporting the harvest to the processing centre		

2.9 How did you hear about this project?

1 the GN		2 neighbour		3 other farmers		4 project staff		5 Other - specify	

2.10 Have you/your HH entered in to a contract with Hayleys/Sunfrost?

1 Yes		2 No	

2.11 how long have you/your HH been involved in the project? (in years)

1. less than 1 year		2. 1 year		3. 1.1 - 1.5 yrs		4. 1.6 - 2 yrs	

3. Establishment of out grower network

3. 1 Were you provided with input?

1 Yes		2 No		3.1.1 If no, why not?	

3.2 .If yes, what were the inputs provided? (*Note: put yes or no for each input as relevant in the next column*)	a) yes=1, no=2	b) Are you satisfied with the quality? (yes=1, no=2)	c) Remarks/ Why?	d) Are you satisfied with the quantity? (yes=1, no=2)	e) Remarks? Why?	f) Have they helped to increase the yield? (yes=1, no=2)	g) How?
3.2.1 Foundation seed/ gherkin seeds							
3.2.2 Fertlizer							
3.2.3 Agro-chemical							

3.2.4 Other-specify							

4. Provision of extension services			
4.1 What are the components of the extension services you have received?	a) Frequency 1= once a season 2=once a month 3=once a week 4=other 5=never	b) How would you rate the extension services received? 1= very bad 2 = bad 3 = average 4 = good 5=very good	c) Remarks
4.1.1 Advice in land preparation			
4.1.2 Advice on fertilizer input			
4.1.3 Advice in plant water management			
4.1.4 Advice in pest and disease control			
4.1.5 Advice on harvesting practices			

4.2 What components were most useful/valuable from the extension services provided (explain - open ended)?

4.3 Training

4.3. What are the types of training you have received?	a) How would you rate the training received? 1= very bad 2 = bad 3 = avarage 4 = good 5=very good	b) Do you apply the training in your cultivation? (yes=1, no=2)	c) Remarks
4.3.1 pest and disease control			
4.3.2 Water management			
4.3.3 Quality control			
4.3.4 Financial management			
4.3.5 marketing			
4.3.6 Other - specify			

4.4 Who attended the training?

1 HHH		2 Spouse		3 Other HH member-specify	

4.5 Do you/your HH use the knowledge from the training for cultivation of **crops outside the project**?

1 yes		2 No		4.5.1 If yes or no explain why	(ex: too expensive, not relevant to other crops)

4.6 Are you part of a producer/cultivation group in your community? (outside of the project)

1 yes		2 No		4.6.1 What and Why are you part of it? (explain your involvement within the group)	

4.7Do you exchange the knowledge that you received from this project with other **farmers who are not part of the project**?

1 yes		2 No		4.7. If yes or no explain why	

4.8 Through this project, have you been able to improve the quality and quantity of your production related to the project?

1 yes		2 No	

4.9 If yes, How?	1 Extension		2 Input		3 connecting to services		4 Increased extent		

services		provided							
5 training received		6 Ensured market		7 testing and monitoring		8 Other - specify			

4.10 Write down any additional comments	
4.11 If No, why not?	

5. Marketing

5.1 Who/what is your main market for your agriculture produce in general? (*Note: put a X in front of the correct box)*		5.1.1 Do you face any Issues with this marketing strategy? (Yes=1, No=2)	5.1.2 If yes, what are the issues? (distance to the market, who decides the price, frequent price fluctuations etc)
a) Village market			
b) market in the closest town			
c) Buyer comes to the village			

d) Markets at the district/provincial level			

5.2 Who/what is your main market for your produce from this project? (*Note: put a X in the correct box)*		5.2.1 What are the advantages of selling to this buyer (open ended) (*Note: Probe for specific details in advantages)*	5.2.2 What are the disadvantages of selling to this buyer? (open ended) (*Note: Probe for specific details in advantages)*
a) Project (Hayleys or sunfrost)			
b) Village market			
c) market in the closest town			
d) Buyer comes to the village			
e) Regional markets			

5.3 Do you sell the produce from the project outside the project buying centres? (Yes=1, No=2)		5.3.1 If yes, Why?	

5.4 How often do you receive payments from the project for your products? (Note: put a X in the correct box)	
1 Daliy	
2 Once a week	
3 Twice/thrice a week	
4 Once a fortnight	
5 Once a month	
6 Other	

5.5 Are you satisfied with your payment terms?			
1 Yes		2 No	

5.5.1 If yes or no explain why	

5.6 What is the mode of payment from the project?	a) Bank transfer		b) Cheque		c) Cash	

6. Project satisfaction-overall

6.What are the advantages and disadvantages of being part of this out grower network? (in marketing, quality production, profit margin, increase yield)

Advantages	Disadvantages

6.1 Do you face challenges/issues within this project? (codes: yes=1, no=2)

Project component	yes=1, no=2)	Remarks
6.1.1 In receiving quality input		
6.1.2 In receiving extension services		
6.1.3 In meeting the set quality standards		
6.1.4 Storage		
6.1.5 In transporting the production to the processing/collecting centre		

6.1.6 frequency of receiving payment		
6.1.7 mode of payment (cash, bank transfer)		
6.1.7 Other-specify		

6.2 Are you satisfied with the project in general?

1 yes		2 no		6.2.1 If yes or no explain why	

7. Impacts				
7.1 How much do you earn per season from this project? (without credit deductions) (*Note: circle correct amount*)	7.2 How much is your total HH income from all sources? (Note: Insert from the HH control sheet)	7.3 What is the % of income from this project?	7.4 What is the price you get for 1 kg of your produce? (in Rs)	7.5 Quantity of production per season?
a) <1000				
b) 1000-5000				
c) 5000-10,000				
d) 10,000-20,000				

7.6 has this project resulted in an increase in your household income?

a) Yes		b) No		7.6.1 How?	

7.7 has the income from the project helped you improve living conditions for your family?

	a) Yes	b) No	c) How have you been able to do this?
7.7.1 Your children's education			
7.7.2 Health expenses			

7.7.3 Housing improvements			
7.7.4 Assets bought (vehicle, radio etc)			
7.7.5 Savings - in Rs			
7.7.6 Debt (reduced)			
7.7.7Other - specify			

7.8 Are you aware that the project is coming to end mid next year?

1 yes		2 no	

7.8.1 What are you perceptions of the continuity of the project activities (ex: buy back agreement) after the project phases out?

7.9 Are you willing to continue the same agreement with Hayleys/Sunfrost?

1 yes		2 no		7.9.1 If yes or	

				no explain why	

7.10 Do you have any ideas for improvement of the project?

8. Any other comments made by Respondent

9. Observations by interviewer