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JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
THE MINISTRY OF COOPERATIVES AND SMALL ENTERPRISES
DEVELOPMENT OF THE REPUBLIC OF INDONESIA

THE STUDY ON INTEGRATED DEVELOPMENT OF RURAL
COOPERATIVES
IN
THE REPUBLIC OF INDONESIA

The Final Report


Appendices

FEBRUARY 1999

CENTRAL UNION OF AGRICULTURAL COOPERATIVES (JA-ZENCHU)
SYSTEM SCIENCE CONSULTANTS INC. (SSC)

THE REPUBLIC OF
INDONESIA
THE STUDY ON INTEGRATED DEVELOPMENT
OF RURAL COOPERATIVES
APPENDICES
FEBRUARY 1999

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THE MINISTRY OF COOPERATIVES AND SMALL ENTERPRISES
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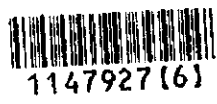
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SYSTEM SCIENCE CONSULTANTS INC. (SSC)**



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I

PROFILE OF 35 KUD SURVEYED

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Profile of 35 KUD surveyed

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Profile of 35 KUD Surveyed

(1) KUD CIKAJANG

Name of KUD: KUD MANDIRI CIKAJANG Category: Mandiri (1990)
Desa: Cibodas Kecamatan: Cikajang Province: West Java
Year Organized: December 1974 Reg.No.: 6093 C/BH/KWK.10/14
Date of Regn: 5 June 1993
Number of Members: 3,590 {Male 2,668+Female 922} No. of employees: 70 {Male 61+Female 09}
09 {Full-time 61+Part-time
Name of Chairman: Drs Nunuh Chaidar Date of Survey: 7 Aug 1996
Name of Manager: Ir Tedy Kusmayadi

SPECIAL CHARACTER OF LOCATION

Site Condition: 1,250-1,400 m from sea level; Rainfall 2,800 mm per year or 220-250 days/year; average temp 17C-27C; humidity levels between 70-85%. Well-connected with Bandung and Garut by an excellent asphalted road. Total land area 12,931 consists of rice fields, house backyards, tea estate, rain-fed areas, fish ponds, forests, cemetery and govt lands.

Socio-Economic Conditions: 1994 population 50,475 (Male 24,751 and female 25,724). Total households: 11,209 (Male 5,005+female 6,204). Electricity and telephone service available in 10 villages, 80% houses covered by electricity. Average income per capita Rp 2500 per day. Reasonably good supply of farm labour at harvest time. Major local industry is the state-owned tea estate.

11 villages covered by the KUD. High tourist potential.

Type of Agriculture: Horticulture and dairy. Upland areas suitable for vegetables, especially potato, tomato, green beans and leafy vegetables. 2 villages have irrigation facilities, rest depend on rains or water from hill-streams.

Major local industries: Government-owned tea estate. Horticulture and dairying.

HISTORICAL BACKGROUND OF THE KUD

Born out of an amalgamation process of 3 former cooperatives Cikajang, Cigedug, Cikandang. It fulfilled all the criteria to become a Mandiri KUD. Since 1986, received several awards including the 1991 Best National Mandiri Award.

CHARACTER OF THE KUD

Services of KUD: Primary level multipurpose rural cooperative aimed at improving socio-economic conditions of members by providing sales outlets to their milk and horticulture products.

It provides to the members fertilizer, farm inputs and cattle-feed. It has 45 KT's (19 dairy, 15 rural credit and 11 of tea.)

Major Facilities of KUD: Maintains milk chilling units (cap.5000 lt/hour), milk transfer tankers (combined capacity of 21,000 lt), cattle-feed mixing unit (capacity 2500 kg/hour), a retail shop, electricity bills payment counter, a kiostel, and an office block equipped with telephone and office

machines. All lands and office facilities are owned by the KUD.

BUSINESS CONDITIONS (As in 1995)

-Total Business Volume	... ..	Rp 3,003.8 m
-SHU	... ..	Rp 102.3 m
-KUD Own Capital ...	... ..	Rp 582.7 m
-Outside Capital ...	... ..	Rp 2,421.1 m
-Total Assets	... ..	Rp 3,003.8 m
-Total Institutional Loans Outstanding		Rp 520.0 m
-Total Member Loans (Bank Channelling)		Rp 364.5 m
-Total member loans (internal S/P) ...		Rp 38.6 m
-Member Savings: (as given below) ...		Rp 396.5 m
-Initial Membership		Rp 3.8 m
-Compulsory Savings		Rp 143.7 m
-Voluntary Savings		Rp 249.0 m

Current Management Condition: Regular annual meetings (RAT) are held. RAT elects Board of Directors of 5 persons for 5 years, and a Board of Supervisors of 3 persons for 3 years. BOD meets every month. KUD appointed a qualified general manager who is assisted by other unit managers. Qualified cashier/accountant, waserda manager, technical staff to operate the cattle-feed mill and the chilling units including animal husbandry have been recruited. Proper accounts books and bank accounts are maintained.

Current Problems and Solving Plan: The KUD has the following problems and their possible solutions:

- a. Increasing demand for cattle-feed vis-a-vis limited production capacity of existing mixing plant. It needs to be doubled to about 4000 tons/year.
- b. Member-farmers have limited development opportunities. Dairying has been found to be effective. There is need to increase the dairy cow population through breeding activities. Livestock development is yet another income-generating activity.
- c. Milk production is increasing in the area. Cooling units seem to be insufficient. Quick transfer of fresh milk to IPS is necessary. Transportation facilities need to be enhanced.
- d. Quick payments to the members for the milk delivered by them.

Future Plans for Development: KUD proposes to implement the above plans with its own/external resources.

General Comments: KUD appears to move forward steadily. Needs additional lines of easy credit to promote its activities. KUD should try to enter directly into horticulture business and help its further promotion.

(2) KUD TANI MUKUTI

Name of KUD : TANI MUKTI

/

Category: Mandiri

Location : Province : West Java / No. Members :
 Kabupaten : Bandung - Full : 5,590
 Kecamatan : Ciwedy - Candidate : 8,065

Yr. Organized : February 1977/Reg. Date : August 10, 1988/Reg. No. :

No. Employees: Full time : 44 persons / Part time : 17 persons

No. Employees: Chairman : A. Djafar Hidajal / Survey Date : August 2, 1996
 Manager : H. Yu Sudjana

SPECIFIC CHARACTER OF LOCATION

- Site Condition : Elevation is 1,000m - 1,800m altitude. The average temperature is between 18-26 C. The area is located about 30 km south-east far from Bandung along Kabupaten road.
- Socio-economic Condition : Major economic activity are agriculture, trading, and handcraft. Population 6,000. Dairy farm 700, (Average 2 heads/farmer, Max 60 heads/farmer).
- Type of Agriculture : Dairy farming and horticulture.
- Major Local Industries : Dairy milk and vegetable production.
State-owned tea plantation

HISTORICAL BACKGROUND OF KUD

1977 The first activity was to supply farm input
 1981 Dairy cows were introduced by Minister of Cooperative.
 1991 Decided as KUD Mandiri.

- Service of KUD : 1. Milk collection, cooling, transportation & feed-stuff supply
2. Saving & loan, KCK
3. Consuming goods supply
4. Institutional credit channelling
5. Electricity fee collection
6. Fertilizer distribution
7. Rice procurement for government
- Major Facilities of KUD : Milk-cooling unit & transportation trucks (5,000 t/day). Feed mill (500 kg/hr mixer). Small RMU, Kiosk.
- Business of members : Dairy milk farming & horticulture production.

BUSINESS CONDITION :

- Total Business Volume : Rp 1,964 Million / Year : 1995
 - Total Reserve (SHU) : Rp 40.8
 - KUD-owned Capital : Rp 103
 - Outside Capital : Rp 446.2

- Total Assets	:	Rp 3,924
- Total Institutional loan outstanding		Rp 160
- Total Members Loans (Bank Channelling)		Rp 1,524
- Total Members Loans (Internal S/P)		Rp 5
- Member Savings	:	
- Initial	:	Rp 8.4 Million
- Voluntary Savings	:	47.1
- Compulsory Savings	:	72.3
Total savings		<u>127.8</u>

CURRENT MANAGEMENT OPERATION CONDITION

The business volume in 1995 has not been changed since 1990. But the total saving volume of this KUD has in 1995 increased by about 40% compared with 1990 to amount to 127 Million Rp. The net income got to 40 Million Rp in 1995, and the ratio of net income against the total business volume is about 2%. The number of employees has not been fluctuated between in 1990 and 1995. The general meeting and BOD meeting were held democratically and periodically.

CURRENT PROBLEMS AND SOLVING PLANS

Milk quality improvement is necessary. So it is needed for KUD to have dairy husbandry technical training. KUD pays the incentive to PPL in order to visit member-farmers. More technology introduction required the KUD is also short of capital to reinforce facility and to develop the new business.

FUTURE PLANS FOR DEVELOPMENT

- Preparation for young calves feeding by KUD
- Vegetable marketing by KUD for members
- Farm guidance reinforcement for technical and credit assistance

GENERAL COMMENTS

The chairman of KUD is excellent leader to run KUD management and have concrete plans. Vegetable marketing might be very difficult but if it is the needs from potential member request, it will be worthy to challenge for the future.

(3) KUD BAYOUNGBONG

NAME OF KUD: **BAYOUNGBONG**

/ CATEGORY: Mandiri Inti

LOCATION: Province : West Java / NO. MEMBERS:
Kabupaten: Garut - Full : 9,504
Kecamatan: Bayongbong 5861 Male; 3643 Female

YR ORGANIZED: 1973 /REG. DATE : 17-04-93 /REG. NO.: 5948C

NO. EMPLOYEES : Full Time: 95 / Part Time: 23

NAME OF: CHAIRMAN: Mooh. Awan / Survey Date: 06-08-96
DEP. CHR: R.D. Komar

SPECIFIC CHARACTER OF LOCATION:

o Site Condition: Hilly; Temperature range 15°C-20°C; Soil pH 5.3
irrigation present; total area = 6,920 Ha; dryland = 4,167 Ha; paddy = 2,704 Ha; fishpond = 48 Ha.

o Socio-economic Condition: 22,957 total households; total population = 89,667;
total farmers = 9,482; good roads, electricity, water supply and telephone service.

o Type of Agriculture: Horticulture; cattle; rice; fish. Main vegetables are potato, cabbage, tomato, chili, and onion.

o Major Local Industries: Cottage industry (clothing handicraft and palm tree flour); dairy; tea processing (small scale).

HISTORICAL BACKGROUND OF KUD: The KUD was organized in 1973 to respond to economic needs of people (farmers) in the community. KUD attained status as Mandiri in 1989 and Mandiri Inti in 1995.

CHARACTER OF KUD:

o Services of KUD: Milk collection, cooling and marketing; dairy extension; dairy cattle feed supply; savings and loan; credit coordination for dairy cows; potato and horticulture; and trade.

o Major Facilities of KUD: Office (2-story); milk chilling unit; milk cooling tanks; trucks; animal feed mill; 21 milk collection centers.

o Business of Members: Dairy production and horticulture (potato and other vegetables).

BUSINESS CONDITIONS:

o Total Business Volume: Rp 6,207.1 Million / Year: 1995

o Total Surplus (SHU) : Rp 101.5 Million / Year: 1995

o KUD-Owned Capital : Rp 1,680.7 Million / Year: 1995

o Outside Capital : Rp 3,742.7 Million / Year: 1995

- o Total Assets : Rp 5,423.4 Million / Year: 1995
- o Total Institutional Loans Outstanding : Rp 741.5 Million / Year: 1995
- o Total Member Loans (Bank Channeling) : Rp 1,826.0 Million / Year: 1995
- o Total Member Loans (Internal - S/P) : Rp 71.0 Million / Year: 1995
- Member Savings :
 - Initial Membership : Rp 9.9 Million / Year: 1995
 - Compulsory Savings : Rp 304.8 Million / Year: 1995
 - Voluntary Savings : Rp 218.0 Million / Year: 1995

Total Savings : Rp 532.7 Million

CURRENT MANAGEMENT OPERATION CONDITION:

The KUD is headed by a five-member board of directors, supported by a three-person supervision and control unit and a three-person advisory board. A general manager oversees four divisions (agriculture, marketing, industry/operations, finance & administration). Directors meet monthly to evaluate the work program. The KUD holds annual meetings at three-levels and policies are established at the general meetings. Other meetings include: group meetings every 3-months, special & employee meetings.

CURRENT PROBLEMS AND SOLVING PLAN:

1. Price controls on milk by government keep KUD from raising prices when necessary. Solving plan: no plan.
2. Need to increase animal feed supply. Solving plan: expand feed mill production from 7 TPD to 30 TPD.
3. Need for increased supply of dairy cows. Solving plan: start a breeding program.
4. Access to capital for business expansion. Solving plan: none

FUTURE PLANS FOR DEVELOPMENT:

1. Expansion program for animal feed milling (30 TPD).
2. Beef and dairy cattle fattening (500 calves/year).
3. Dairy cow breeding (1,000 cows/year).
4. Potato marketing.

GENERAL COMMENTS: KUD Bayongbong is an established cooperative with good facilities and good management. The KUD needs technical assistance in areas related to animal feed milling and business diversification.

(4) KUD PASIR JAMBU

NAME OF KUD : Pasirjambu / CATEGORY : KUD MANDIRI

LOCATION : Province : West Java / NO. MEMBERS :
Kabupaten : Bandung - Full : 5,862
Kecamatan : Tigabinanga - Candidate : No concepts adopted

YR ORGANIZED : July-1973 / REG. DATE : 26-1-1989 / REG. NO. 6399B/BH/KWK10/12
NO. EMPLOYEES : Full Time : 104 / Part Time : 6
NAME OF : CHAIRMAN : H.Nanang Wirasasmita / Survey Date : 3-8-1996
MANAGER : Dadang Suhayat, SH

SPECIFIC CHARACTER OF LOCATION :

- Site Condition :
30km East from Bungdung, Covering 10 villages (DESA), Highland area, Average temperature 17C-21C.
- Socio - economic Condition :
Electricity in each village, average income of farming workers is 4,000Rp/day, that of animal hasbandary is 5,250Rp/day, good paved road, population is 63,898.
- Type of Agriculture :
Dairy farming, horticulture, paddy farming (100% irrigated)
Paddy: 1,440 Ha, Upland 2,649Ha, Forest: 6,300 Ha, Housing: 102 Ha
- Major Local Industries :
Dairy farming, Horticulture, Tea Plantation, Handicraft, Home Industry

HISTORICAL BACKGROUND OF KUD :

The KUD was established in 1993 with 100 members under initiative of local leaders. Registered in Jan. 1976 and registered again in 1996. The KUD was awarded as the most excellent KUD in West Java in 1994.

CHARACTER OF KUD :

- Service of KUD : Marketing of milk and vegetables, Not handling Government rice, Processing of milk such as caramel, Credit, Store, Collection of electricity and TV bill.
- Major Facilities of KUD : 10 rice milling units, 1 milk cooling unit, 4 trucks, 1 small vegetable collection centre, 1 feed mill and godown
- Business of members : Rice is marketed by members to free market, 50% of vegetables are marketed through KUD and 100% of milk is marketed through KUD, No money lenders

BUSINESS CONDITIONS:

- Total Business Volume: Rp 5,807.9 Million / Year 1995
- Total Surplus (SHU) : Rp 85.2 Million / Year 1995
- KUD-Owned Capital : Rp 1,082.6 Million / Year 1995
- Outside Capital : Rp Million / Year 1995
- Total Assets : Rp 3,632.4 Million / Year 1995
- Total Institutional Loans Outstanding : Rp 175.0 Million / Year 1995
- Total Member Loans (Bank Channeling) : Rp 13.3 Million / Year 1995
- Total Member Loans :

(Internal -S/P) : Rp 117.2 Million / Year 1995

Member Savings :
- Initial Membership : Rp 280.8 Million / Year : 1995
- Compulsory Savings : Rp 265.6 Million / Year : 1995
- Voluntary Savings : Rp 3.3 Million / Year : 1995

CURRENT MANAGEMENT OPERATION CONDITION:

There were 5,412 members in 1992 and 5,862 members in 1995 which was increased by 450. The KUD is promoting active public relations as publishing such KUD bulletin. The business volume in 1992 was 560.6 MillionRp. In 1992 and that of 1995 was 5,807.9 Million Rp. The amount of savings is not much increased in the same period which was 560.6 Million Rp. The net income of 1995 was 85.2 Million Rp. after appropriation of dividend to the members. The KUD organized producers groups among members, there are 42 dairy groups and 9 vegetable producers groups.

CURRENT PROBLEMS AND SOLVING PLAN :

Problems- Shortage of capacity of milk cooling unit, shortage of capacity of feed mill.
- Because of weakness of human resources, KUD step behind private sectors.
Plan - KUD will promote marketing oriented commodities relating with member's business to increase income of members.
- Various training programmes are organized by the KUD with the help of relating organizations.

FUTURE PLANS FOR DEVELOPMENT :

The KUD has a three year plan for development, the contents are as follows;
a. Improvement of quality of milk cattle;
b. Setting up a new feed mill;
c. Renovation of the milk cooling unit with the capacity of 20,000 liters/day;
d. Introduction of one Ha of grass land for feed crops and 15 Ha of Baby Corn production;
e. Processing of milk products - land and building is under way

GENERAL COMMENTS :

Very well organized. The efforts to develop marketing of vegetables are remarkable.

(5) KUD WARATRA

Name of KUD : KUD Waratra; Kec., Pangalengan; Category, Mandiri
Location : Province; West Java, Kabupaten; Bandung, Kec.,Pangalengan
No. Members : Full ; 4,360, Candidate; 5,760, Total; 10,120
Year Organized : 20/Jul/1973, Reg. date; 24/ Jan. 1989, Reg. No.5722/B/BH/KWK-10/12
No.Employees : Full time, 21 Part time,5 Total 26
Name of : Chairman; Tatan Sholeh, K. : Managers; 1. Syambas 2.Iwan Hardiman

1. Specific Character of location

The KUD locates in farming area of " high-land",30 min.drive from the center of Bandung City. Main agricultural activities are dairy farming, vegetable cultivation on potato, tomato, cabbage etc.

with good access to large markets including Jakarta and Bandung. No industry develops other than farming. Drinking water, radio, TV, telephone system are extended widely. Shortage of farm labor become a constraint on farming.

2. Historical Background of KUD

Established in July 20 1973, with purpose of stabilization of vegetable price and supply of farm input. Designated as KUD Mandiri on July 9 1991 and ranked "A" in 1992.

3. Character of KUD

Main business of the KUD is to supply of fertilizer (monopolized) and saving/loan business. Milk is handled by a dairy cooperatives (non-KUD). Other business is to get handle the business regarding collection of fees and charge on electricity bill, Wartel, and TV bill. KUD's main facilities are : Kiosk 2, godown 2, 1-ton track 1, minibus 1, motorcycle 3 and no RMU. Majority of the KUD member are vegetable farmer and dairy farmers are joining in dairy cooperatives. 14 out of 40 retailers are member of KUD.

4. Business Condition

(In million Rupiah)		
Total business volume :	2,933.0	Year 1995
Total Reserve :	18.3	As of Dec.31 1995
KUD-Owned Capital :	244.3	-do-
Outside Capital :	1,038.4	-do-
Total Assets :	1,559.1	-do-

5. Current Management Operation Condition

Member of KUD : 4,360. Percentage to population (over 17 of age) is 11.6%
Number of village : 12, No. of KT is 52.

One office with 26 employees can do limited business. Although business income fluctuates year to year, a stable increase was observed since 1993 and afterward. Expenditure for business also fluctuates and current profit declined 60% from the year 1994 to 1995, supposedly due to the decrease in handling volume of fertilizer. Loan accounts to Rp. 1,035 mil., almost all of which are financed by the borrowing from BRI. Voluntary saving increased by 3.2 times and amounted to Rp.29.7 mill.between the year 1994 and 1995, but the figure correspond to 2% of total assets. Own-capital is Rp. 244 mill. or 15.5% to total assets.

6. Current Problem and Solving Plan

Marketing business of KUD is very weak excepting potato which is expected to have potentiality for value addition and employment opportunity effect. KUD is supporting woman handicraft group which will useful to strengthen the KUD organization. Cooperation with dairy cooperative seems necessary.

7. Future Plan for Development

KUD formulated 5-year plan starting 1994, containing human resources development, facility development and financial program which aims at promoting saving, utilizing of loan and accumulation of capital.

8. General Comments

Marketing of main farm products in this area, namely, milk and vegetable are seemed to be almost entirely under the dominance of a dairy cooperatives and wholesaler. KUD has so far involved in this field in very limited manner. Management of KUD can be said steady and stable with the least risk taking because business of KUD is carried out mainly through saving and loan under the government program and monopoly supply of fertilizer. This, however, would imply that business activity is not so vigorous and the kind of business is also very limited.

(6) KUD BELOPA

NAME OF KUD: BELOPA / CATEGORY: Mandiri

LOCATION: Province : South Sulawesi / NO. MEMBERS:
Kabupaten: Luwu - Full : 830
Kecamatan: Belopa - Candidate: 129

YR ORGANIZED: 1982 /REG. DATE : 31-01-84 /REG. NO.: 3605A/BH/IV

NO. EMPLOYEES : Full Time: 34 / Part Time: 10

NAME OF: CHAIRMAN: H. Sultani Rasyid / Survey Date: 11 SEP 96
MANAGER : Moh. Syawal

SPECIFIC CHARACTER OF LOCATION:

o Site Condition: Flat lowland; paddy rice area; surrounded by hilly area; total area = 4,000 Ha; irrigated area = 3,050 Ha; dryland = 959 Ha; fishpond = 368 Ha.

o Socio-economic Condition: total population = 29,413; good roads electricity, water supply and telephone service.

o Type of Agriculture: Paddy rice; cacao, fisheries; mungbean soybean, yellow corn, limited animal production.

o Major Local Industries: Ice making; rattan and wood furniture making; noodle factories (2).

HISTORICAL BACKGROUND OF KUD:

Organized : 31 JAN 82
Registered : 31 JAN 84
Mandiri Status : 23 APR 91

CHARACTER OF KUD:

o Services of KUD: Rice procurement; rice milling; fertilizer distribution; electric bill collection; clove procurement; and savings and loan program (USP).

o Major Facilities of KUD: Office (2-story); RMU (3), 1 broken; warehouse (1), 1000 tons; kios (2), 300 tons; drying floor (2) tons.

o Business of Members: Mostly rice and clove production.

BUSINESS CONDITIONS:

o Total Business Volume: Rp 953.3 Million / Year: 1995
o Total Surplus (SHU) : Rp 13.7 Million / Year: 1995
o KUD-Owned Capital : Rp 1,567.4 Million / Year: 1995
o Outside Capital : Rp 275.0 Million / Year: 1995
o Total Assets : Rp 1,842.4 Million / Year: 1995

o Total Institutional Loans Outstanding :	Rp 163.3 Million / Year: 1995
o Total Member Loans (Bank Channeling) :	Rp 71.8 Million / Year: 1995
o Total Member Loans (Internal - S/P) :	Rp 54.4 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 4.5 Million / Year: 1995
- Compulsory Savings :	Rp 0.2 Million / Year: 1995
- Voluntary Savings :	Rp 16.5 Million / Year: 1995
Total Savings :	<hr/> Rp 21.2 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 3-member board of directors, 1 manager, 3 supervisor

Meetings : Annual General Membership Meeting (21 kelompok tani send five people each. Total last attendance = 200; three-level meeting system practiced).

Monthly Board of Directors meeting

Quarterly management meeting

Periodic membership meetings at farmer group level.

CURRENT PROBLEMS AND SOLVING PLAN:

1. Shortage of transportation, need five trucks(6-ton capacity)
2. Need mobile workshop.
3. Need to repair one rice milling unit (RMU).
4. Need additional 35 hand-tractors for leasing program.
5. Shortage of working capital for cacao procurement, general business operations, and consumer store operation (plan to open, in 1997, consumer store with PUSKUD as supplier).

FUTURE PLANS FOR DEVELOPMENT:

1. Add computer (planned use: accounting, PLN, USP, reporting).
2. Plan to enter telephone (WARTEL) business (1997).
3. Expand paddy rice drying floor area.
4. Expand number of hand tractors to serve member needs (35).
5. Open consumer store with PUSKUD as supplier of goods.

GENERAL COMMENTS:

KUD Belopa Chairman knows most of essential conditions of KUD. Good management. KUD has financial reports from 1989 to 1995. 3 of 5 board members have Bachelor-level de-grees (2-BSc; 1-BA). TPSP short-term lending & savings program has created 22 full-time jobs and generated Rp 16 million in voluntary savings in one year (70% of borrowers are women).

KUD has increased its initial membership fee from Rp 2,500 to Rp 10,000 and has added 69 new members in past year.

(7) KUD SEMANGAT

NAME OF KUD: SEMANGAT

/ CATEGORY: Mandiri

LOCATION:

Province : South Sulawesi / NO. MEMBERS:
Kabupaten: Sidenreng Rappang - Full : 1,080
Kecamatan: Belopa - Candidate: 78

YR ORGANIZED: 1970 /REG. DATE : 24 OCT 88/REG. NO.: 3691A/BH/IV

NO. EMPLOYEES : Full Time: 6 / Part Time: 15

NAME OF: CHAIRMAN: Haji LA. Enggeng / Survey Date: 05 SEP 96
MANAGER : Nukman, B.Sc.

SPECIFIC CHARACTER OF LOCATION:

- o Site Condition: Flat lowland, 25 m above sea level; 4,000 Ha paddy rice in area of KUD; 100 % irrigated area.
- o Socio-economic Condition: 1-2 Ha area per farmer; Rp 1,200 per day per capita income; 80% of farmers are full-time farmers; good roads; not yet electrified.
- o Type of Agriculture: Primarily paddy rice production.
- o Major Local Industries: None. Rice milling only.

HISTORICAL BACKGROUND OF KUD:

Organized : 1970 Registered : 1988
Mandiri Status : 1992

CHARACTER OF KUD:

- o Services of KUD: Rice procurement; rice milling; fertilizer distribution; savings and loan program (USP); electric bill collection (only for areas electrified); retail (consumer) shop
- o Major Facilities of KUD: Office; RMU, 1 TPH; Land, 1.2 Ha; drying area, 2000 m, 12 TPH; fertilizer kios (4); retail shop.tons.
- o Business of Members: Primarily paddy rice production.

BUSINESS CONDITIONS:

- o Total Business Volume: Rp 1,377.8 Million / Year: 1995
- o Total Surplus (SHU) : Rp 3.3 Million / Year: 1995
- o KUD-Owned Capital : Rp 62.0 Million / Year: 1995
- o Outside Capital : Rp 659.8 Million / Year: 1995
- o Total Assets : Rp 721.8 Million / Year: 1995
- o Total Institutional Loans Outstanding : Rp 249.5 Million / Year: 1995
- o Total Member Loans (Bank Channeling) : Rp 93.6 Million / Year: 1995

o Total Member Loans (Internal - S/P) :	Rp 4.0 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 0.5 Million / Year: 1995
- Compulsory Savings :	Rp 0.5 Million / Year: 1995
- Voluntary Savings :	Rp 4.0 Million / Year: 1995
<hr/>	
Total Savings :	Rp 5.0 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 5-member board of directors, 1 manager, 3 super visors (ave age 54 yrs), 4 advisors (ave age 34 yrs)

Meetings : Annual General Membership Meeting
Monthly Board of Directors meeting
Audited annually by KJA (APR 96 latest audit)
Internal audit every three months.

CURRENT PROBLEMS AND SOLVING PLAN:

1. No transportation.
2. Need additional drying area for paddy rice.
3. Need additional storage area.
4. Need access to 3-year working capital line of credit for rice procurement (estimated amount: Rp 120 million).

FUTURE PLANS FOR DEVELOPMENT:

1. Plan to enter telephone (WARTEL) business.
2. Start trucking business.
3. Expand fertilizer business.
4. Organize kabupaten-level federation of KUD for marketing.

GENERAL COMMENTS:

KUD Semangat has generally good management practice with respect to rice milling business. KUD seems to be only interested in rice-related business. RMU operating at 65% recovery with good-to-very good quality control. KUD lacks expansion capital for warehouse, drying area, and rice procurement working capital to support existing capacity of RMU, now estimated to operate at 42% of rated capacity.

(8) KUD SIPATUWO

NAME OF KUD: SIPATUWO / CATEGORY: Mandiri
LOCATION: Province : South Sulawesi / NO. MEMBERS:
Kabupaten: Sidenreng Rappang - Full : 683
Kecamatan: Maritengngae - Candidate: 38
YR ORGANIZED: 1962 /REG. DATE : 07 APR 89/REG. NO.: 2627B/BH/IV
NO. EMPLOYEES : Full Time: 7 / Part Time: 10
NAME OF: CHAIRMAN: H. Zainuddin Tahong / Survey Date: 04 SEP 96
MANAGER : Amin

SPECIFIC CHARACTER OF LOCATION:

- o Site Condition: Flat lowland; 2,714 Ha paddy rice in area of KUD; mostly irrigated area.
- o Socio-economic Condition: Area population = 4,022; 547 farmers; 621 non-farmers; 2,026 farm families; good roads; electricity.
- o Type of Agriculture: Primarily paddy rice production; secondary crops; soybean, cashew, cassava.
- o Major Local Industries: Metal jewelry handicraft.

HISTORICAL BACKGROUND OF KUD:

Organized : 1962
Registered : 1989
Mandiri Status : 1990

CHARACTER OF KUD:

- o Services of KUD: Rice procurement; rice milling; fertilizer distribution; savings program; electric bill collection; retail (consumer) shop; and corn grinding.
- o Major Facilities of KUD: Office; RMU, 1-TPH; rice refiner, 7-TPH; fertilizer shop (4); storage area (4); truck (1), 1982; thresher (1); hand-tractor (1); corn grinder (1). Land, 1.2 Ha;
- o Business of Members: Primarily paddy rice production.

BUSINESS CONDITIONS:

- o Total Business Volume: Rp 720.6 Million / Year: 1995
- o Total Surplus (SHU) : Rp 2.4 Million / Year: 1995
- o KUD-Owned Capital : Rp 56.3 Million / Year: 1995
- o Outside Capital : Rp 336.0 Million / Year: 1995
- o Total Assets : Rp 392.3 Million / Year: 1995

o Total Institutional Loans Outstanding :	Rp 75.0 Million / Year: 1995
o Total Member Loans (Bank Channeling) :	Rp 201.0 Million / Year: 1995
o Total Member Loans (Internal - S/P) :	Rp 0.0 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 0.7 Million / Year: 1995
- Compulsory Savings :	Rp 8.2 Million / Year: 1995
- Voluntary Savings :	Rp 11.3 Million / Year: 1995
<hr/>	
Total Savings :	Rp 20.2 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 5-member board of directors, 1 manager, 3 supervisor

Meetings : Annual General Membership Meeting (1995, 349 attend)

Monthly Board of Directors meeting.

Two annual meetings with member groups.

Three other meetings annually relating to management and business issues.

CURRENT PROBLEMS AND SOLVING PLAN:

1. Rice mill needs repair (1995 production was 313.5 tons).
2. Need additional field offices to serve members better.
3. Insufficient working capital for: (a) rice procurement, Rp 100 million; (b) layer bird expansion, Rp 100 million; and (c) starting savings and loan program (USP).

FUTURE PLANS FOR DEVELOPMENT:

1. Expand paddy rice drying floor area.
2. Repair/replace RMU and relocate to better site.
3. Like to start retail (consumer) store.
4. Like to expand number of field offices.
5. Long-term plan for animal feed milling.
6. Plan for egg powder plant

GENERAL COMMENTS:

KUD Sipatuwo appears active in business. KUD maintains good accounting system, has good member savings discipline, has good historical financial data, and has good overall managements.

(9) KUD MATUTU

NAME OF KUD: **MATUTU** / CATEGORY: Mandiri
LOCATION: Province : South Sulawesi / NO. MEMBERS:
Kabupaten : Sindenreng Rappang - Full : 3,551
Kecamatan : Dua Pitue - Candidate : 484

YR ORGANIZED: 1962
/ REG. DATE : 1975
/ REG. NO. : 3554B
NO. EMPLOYEES : Full Time : 10 / Part Time : 39

NAME OF : CHAIRMAN : H.P. SAADE D. / Survey Date : 07 SEP 1996
MANAGER : H. Dg. MALEWA

SPECIFIC CHARACTER OF LOCATION :

- Site Condition : Flat lowland ; KUD area = 192,800 Ha Agricultural area,
Irrigated area = 3,869 Ha, mostly non-irrigated .
- Socio- economic Condition : Total population ; 11,397. Farmers population ; 3,587.
Average annual gross income per farm family = 3 Mil RP.
Net income= 1 Mil RP per YR.

- Type of Agriculture :
Primarily paddy rice, some livestock (duck raising , cattle) some rottan .

- Major Local : None

HISTORICAL BACKGROUD OF KUD :

Organized in 1962 - 47 members

First registered classed B = 1975

Reclassified class A = 1983

Classified Mandiri = 1989

CHARACTER OF KUD:

- Services of KUD : Rice Procurement, Supply Fertilizer , Limited saving and loan activity.
- Major Facilities of KUD : Office , RMU (1 TPH / 3 TPH --- not working)
Water Pump (10Unit) Pick up (1) , Trucks (3 , 2 broken, 1 working),
Moter Cycle (6 , 4 scrap, 2 working) , Kijang (1), Car (1), Computer (2, broken),
Warehouse (1), Drying floor 6,000m ; KIOS (6).

- Business of Members:

- 1) Mainly paddy rice production
- 2) Formerly farmers used to raise cattle
- 3) Rottan (no Processing)

BUSINESS CONDITIONS :

- Total Business Volume : RP 2,147.6 Million / Year : 1995
- Total Surplus (SHU) : RP 23.5 Million / Year : 1995

- KUD-Owned Capital	:	RP	246.8	Million / Year:	1995
- Outside Capital	:	RP	576.3	Million / Year:	1995
- Total Asset	:	RP	823.1	Million / Year:	1995
- Total Institutional Loans Outstanding	:	RP	90.0	Million / Year:	1995
- Total Member Loans (Bank Channeling)	:	RP	380.0	Million / Year:	1995
- Total Members Loans	:	RP	16.0	Million / Year:	1995
Member Savings	:				
- Initial Membership	:	RP	3.3	Million / Year:	1995
- Compulsory Savings	:	RP	51.6	Million / Year:	1995
- Voluntary Savings	:	RP	26.5	Million / Year:	1995
Total Savings	:	RP	81.4	Million / Year:	1995

CURRENT MANAGEMENT OPERATION CONDITION

Structure : 5 member board of directors, 1 manager, 3 supervisors.
 Meetings : Annual General Membership Meeting (1995 attendance 299)
 (1996 attendance 311)
 Board of Directors meets a minimum of 9 times per year.
 Member group meetings held periodically, but not all villages are covered.

CURRENT PROBLEMS AND SOLVING PLAN

- Shortage of working capital to procure paddy and operate milling.
- Shortage of skilled Human Resource.
- Need repair workshop.
- Need trucking transportation.
 - Need improved communication.
- Increasing need of farm hand tractors.

FUTURE PLANS FOR DEVELOPMENT:

- Rottan collection and primary processing.
- Cattle fattening (domestic demand very strong).
- Cacao processing.

GENERAL COMMENT:

- Business activity of KUD has declined since 1989, appeared to have been quite active prior to 1989.
- Presence of 20 strong (wealthy and influential) "Partners" farmers which compete with/ control KUD. KUD cannot operate RMU periodically due to competition from this group of "Partners".
- KUD in need of managerial development and working capital to support business operations.

(10) KUD LAMASI

NAME OF KUD: **LAMASI** / CATEGORY: Madiri-Inti
LOCATION: Province : South Sulawesi / NO. MEMBERS:
Kabupaten : Luwu - Full : 2.192
Kecamatan : Lamasi - Candidate : 107

YR ORGANIZED: 1967 / REG. DATE : 27-06-1970
/ REG. NO. : 3382A/BA/W
NO. EMPLOYEES : Full Time : 8 / Part Time : _____

NAME OF : CHAIRMAN : SUPANGAT / Survey Date : 10 SEP 1996
MANAGER : H. MUH. TOHA

SPECIFIC CHARACTER OF LOCATION :

- Site Condition : North direction 30Km from Palopo (Capital of Luwu) Irrigated area, transmigration area.
- Socio- economic Condition : No-electricity yet ,water supply from well , road to Palopo is Good, Transmigration from Java in 1930s'.
- Type of Agriculture : Primarily paddy rice (90 %), some clove trees.

Major Local industry : None

HISTORICAL BACKGROUND OF KUD :

Registered date - 26 Dec 1974

Mandiri status - 03 Mar 1990

MandiriInti * - 1993

CHARACTER OF KUD:

- Services of KUD : Rice Procurement for Dulog, Clove , Fertilizer supply , Wartel telephone Comissioned ploughing.
- Major Facilities of KUD : Office , RMU 3 unit (Total Cap 2.5 t / hour) , Kiosk , 6TPK , 6 T.P.S.P .
- Business of Members: Paddy production , Clove, Rottan

BUSINESS CONDITIONS :

- Total Business Volume :	RP 2,506.9	Million / Year: 1995
- Total Surplus (SHU) :	RP 5.9	Million / Year: 1995
- KUD-Owned Capital :	RP 2,727.8	Million / Year: 1995
- Outside Capital :	RP 357.6	Million / Year: 1995
- Total Asset :	RP 3,085.4	Million / Year: 1995

- Total Institutional Loans Outstanding	:	RP	15.5	Million / Year	1995
- Total Member Loans (Bank Channeling)	:	RP	288.0	Million / Year	1996
- Total Members Loans:		RP	78.0	Million / Year	1995
Member Savings	:				
- Initial Membership :		RP	3.9	Million / Year	1995
- Compulsory Savings :		RP	8.9	Million / Year	1995
- Voluntary Savings :		RP	0.2	Million / Year:	1995
Total Savings	:	RP	13.0	Million / Year :	1995

CURRENT MANAGEMENT OPERATION CONDITION

Structure : 5- member board of directors, 1 manager, 3 supervisors.

Meetings : Monthly Board of Directors Meeting

Internal checking system is said to be settled but something is necessary to improved. The chairman has to take leadership to increase KUD own capital.

CURRENT PROBLEMS AND SOLVING PLAN

- Need of agricultural machine supply
- Need of intensive accounting system education through computer.
- Need 3 - years line of working capital for rice procurement .
- Need investment capital for expanded drying floor.
 - Need rice milling unit maintenance technology education and mobile repairing workshop

FUTURE PLANS FOR DEVELOPMENT:

- Not yet discussed
- Basic food crop will be the continuous goal of service item by KUD
 - Wartel business looks prospective for 5 years from now on.

GENERAL COMMENT:

- Books show a 273% increase in rice sales in 1995 over 1994.
- Books show a 382% increase in equity capital in 1995 over 1994.
(RP 2,727.8 Mil VS. RP 714 Mil)
- 1994 accounting only reflects fee income , 1995 reflects total product value of clove.
- accounting system of KUD is hard to understand.

(11) KUD SINGALOR LAU

NAME OF KUD : SINGALOR LAU / CATEGORY : KUD MANDIRI

LOCATION : Province : North Sumatra / No. MEMBERS :
Kabupaten : Karo - Full : 1,141
Kecamatan : Tigabinanga - Candidate : No concepts adopted

YR ORGANIZED : 18-11-1974 / REG. DATE : 16-8-1978 / REG. NO. 331A/BH/III

NO. EMPLOYEES : Full Time : 8 / Part Time : 0

NAME OF : CHAIRMAN : Klyakim Ginting / Survey Date : 2-9-1996

MANAGER : Bebas Ginting

SPECIFIC CHARACTER OF LOCATION :

- Site Condition : 150 Km South from Medan, the land area is 11,543 Ha, Located at hilly area (600 mm from the sea)
- Socio - economic Condition : Population - 11,621 , No. Households - 3,016
- Type of Agriculture : The Total cultivated farmland area is 4,375 Ha of which corn is 3,200 Ha (73.1%) and paddy is 545 Ha (12.5%). Also, 900 Ha of residential land area is utilized for clove cultivation. There are 50,000 layers, 1,200 buffaroes and 1,000 pigs and beef cattle respectively.
- Major Local Industries : Home industries such as production of straw carpet and bricks

HISTORICAL BACKGROUND OF KUD :

The KUD was established in 18th November 1974 to provide services to its members and the local community through establishment of facilities for agricultural production materials, processing and marketing facilities. The initiators are village residents, head of the village, employees of the Ministry of Agriculture, LKMD, and village leaders.

CHARACTER OF KUD :

- Service of KUD :

The main business is the supply of fertilizer by the Government programme. The total business volume in 1995 was Rp1,827 Million of which that of fertilizer accounted Rp1,461 Million (79.9%). Supply of organic fertilizer was Rp 83 Million (4.5%), electric utility charge bill handled was Rp 217 Million (11.9%), clove was Rp 55 Million (3.0%) and retail shop business was 11 Rp Million (0.6%). The KUD was not handling voluntary savings.

-Major Facilities of KUD :

Head office, 4 retail shops 14 TPK (delivery points of fertilizer) and one corn sheller. The building of the head office was donated by the Governor. The facilities are being aged and need renovation.

- Business of members :

BUSINESS CONDITIONS:

- Total Business Volume:	Rp	1,827.3	Million / Year : 1995
- Total Surplus (SHU) :	Rp	8.1	Million / Year : 1995
- KUD-Owned Capital :	Rp	504.9	Million / Year : 1995
- Outside Capital :	Rp	228.5	Million / Year : 1995
- Total Assets :	Rp	733.4	Million / Year : 1995
- Total Institutional			

Loans Outstanding : Rp 0.0 Million / Year : 1995

- Total Member Loans KCK
(Bank Channeling) : Rp 7.1 Million / Year : 1995

- Total Member Loans :
(Internal -S/P) : Rp 18.4 Million / Year : 1995

Member Savings :

- Initial Membership :	Rp	1.4	Million / Year : 1995
- Compulsory Savings :	Rp	10.5	Million / Year : 1995
- Voluntary Savings :	Rp	0.0	Million / Year : 1995

CURRENT MANAGEMENT OPERATION CONDITION:

The major business of the KUD is to supply the Government programme fertilizer and the major product of the area is the corn. However, the KUD is not handling corn. Members are selling corn to feed-stuff company in Medan. The voluntary savings is not handled by the KUD nor there is no loan from KUD's own fund. There are 8 employees serving to 1,141 members in 15 villages. 11 TPK out of 14 TPK is operated by private dealers who are members of the KUD. The surplus fund of the year has been increasing and the management condition is good. In 1995 the KUD replaced payment of members borrowings of KCK loan with the amount of Rp 23.5 Million, however, the surplus fund of the year exceeded previous year. The ratio of the surplus fund to total business turnover, total assets and own capital was 0.4%, 1.1% , 1.6 % respectively. The ratio of own capital to total assets is 68.8% and the financial condition is good.

CURRENT PROBLEMS AND SOLVING PLAN :

Problems are lack of personnel who has specialized in management, incapability of investment due to shortage of fund, lack of awareness of members to participate in KUD business. The KUD is conducting training for officials and employees, increasing the amount of initial fee from Rp 1,000 to Rp 5,000 in 1996, delivery of towel which print the name of KUD to all members.

FUTURE PLANS FOR DEVELOPMENT :

The KUD is planning to construct a feed mill to participate in the business of corn, however, the concrete plan is not formulated yet due to the problem of access to bank and marketing channel of the products. Livestock industry is not developed in the area and there is less demand. For the time being, the KUD intends to renovate corn thresher to serve to members and participate in corn handling business. At present, 11 TPK out of 14 TPK is owned by private dealers who are members of the KUD and the control of price of fertilizer is difficult. Therefore, they intend to manage all TPK directly by the KUD. Also, the KUD intend to increase the number of TPK to improve access to local members living away from the TPK.

GENERAL COMMENTS :

The KUD's operation area covers a large size of farmland and various products such as corn, chilly, ground nuts, clove and orange are produced. However, the KUD is not engaged in marketing business of these products. It is suggested that the KUD introduce corn thresher, tractor and other large size farm machineries and then promote joint use of these facilities. Regarding the market of corn, coupled with construction of feed mill, the business partnership shall be developed with feed traders in Medan.

(12) KUD LAUBAHING SIMALEM

NAME OF KUD : Laubahing Simalem

/ CATEGORY : TDK

LOCATION : Province : North Sumatra

/ No. of MEMBERS :

Kabupaten : Karo

- Full : 128

Kecamatan : Kutabuluh

- Candidate : No concepts adopted

YR ORGANIZED : 1989 / REG. DATE : 11-9-1995 / REG. NO. 163/BH/KWK,2/EX/1995

NO. EMPLOYEES : Full Time : 1 / Part Time : 0

NAME OF : CHAIRMAN : S.Sinulingga / Survey Date : 3-9-1996

MANAGER : Not employed

SPECIFIC CHARACTER OF LOCATION :

- Site Condition : 150 Km South from Medan, Located at hilly area
(600 m from the sea)

- Socio - economic Condition :

Covering 5 villages, Population - 5,353 , No of . Households - 1,082

There are 1,000 potential members. The adult population is about 2,000 and the membership coverage ratio is 9.2%.

- Type of Agriculture :

Paddy and corn is the major products. There are small area of paddy field.

Corn is collected by private dealers and sold to feed company in Medan.

The average land holding area per household is 1.5Ha.

- Major Local Industries :

Nothing particular except agriculture. No home industries.

There are 20 retail shops in the area.

HISTORICAL BACKGROUND OF KUD :

The KUD was established in 10th January 1989 separated from KUD Simole.

In the beginning, the KUD had 40 members. The reason for establishment is to protect benefit of clove producers. Small warehouse was constructed at the land of the chairman of KUD.

There are 6 directors who are the initiators of the establishment and they are working for the KUD without salaries.

CHARACTER OF KUD :

- Service of KUD :

The main business is the supply of fertilizer by the Government programme. The total business volume is increasing every year, however, the KUD is not directly supplied fertilizer from PUSRI but supplied through KUD MANDIRI Payang by receiving commission of Rp 1/ kg.

-Major Facilities of KUD :

One warehouse only

- Business of members :

Agriculture is the major business by members. 1,000 households have their own farmland, 20 school teachers, 5 traders. There are no landless farmers in the area.

BUSINESS CONDITIONS:

- Total Business Volume:	Rp	7.59	Million / Year : 1995
- Total Surplus (SHU) :	Rp	0.98	Million / Year : 1995
- KUD-Owned Capital :	Rp	3.3	Million / Year : 1995
- Outside Capital :	Rp	3.3	Million / Year : 1995
- Total Assets :	Rp	6.6	Million / Year : 1995
- Total Institutional Loans Outstanding :	Rp	17.5	Million / Year : 1995
- Total Member Loans (Bank Channeling) :	Rp	0.0	Million / Year : 1995
- Total Member Loans : (Internal -S/P) :	Rp	5.8	Million / Year : 1995

Member Savings :

- Initial Membership :	Rp	0.09	Million / Year : 1995
- Compulsory Savings :	Rp	2.26	Million / Year : 1995
- Voluntary Savings :	Rp	3.01	Million / Year : 1995
			(The chairman's contribution only . No interest)
Total Savings :	Rp	5.4	Million

CURRENT MANAGEMENT OPERATION CONDITION:

There are 2 employees of the KUD. The major business is to supply fertilizer. The annual report is not prepared yet. The KUD borrowed Rp 17.5 Million from the state own company and it is repaying Rp 600,000 every month. The dividend to the members from the surplus of the year is used as compulsory savings by gaining support of members.

CURRENT PROBLEMS AND SOLVING PLAN :

There is no office building of the KUD and the number of members is 128 persons. The capital is very small and investment for facilities is difficult. The dividend of net surplus is used for compulsory savings but the amount is not enough to develop a new business..

FUTURE PLANS FOR DEVELOPMENT :

It is desirable to increase capital and to establish KUD's own warehouse. TPK and WASERDA are also necessary to be established. Investment for corn thresher is the immediated task for the KUD but it is difficult to implement due to shortage of fund.

GENERAL COMMENTS :

The KUD's condition is not sufficient to achieve the objectives of KUD. There are only 2 employees, no office and equipment. The chairman of the KUD is renting the land for warehouse and he is the only person who contributes to voluntary savings. The KUD is maintained with the efforts of the chairman and five directors but the KUD is still not in a position to operate marketing business. It is necessary to establish close knit organization with gaining more member participation, discuss the future policy of the KUD with all concerned people and start new business other than fertilizer.

(13) KUD MUARA MULIA

NAME OF KUD : MUARA MULIA / CATEGORY : MANDIRI

LOCATION : Province : North Sumatra / No.of MEMBERS :
Kabupaten : SIMALUGUN - Full : 787
Kecamatan : TANAH JAWA - Candidate : No concepts adopted

YR ORGANIZED : 1974 / REG. DATE : 20-12-1974 / REG. NO. 1071.A/BH/III

NO. EMPLOYEES : Full Time : 11 / Part Time : 0

NAME OF : CHAIRMAN : B. Sitanggang / Survey Date : 10-9-1996
MANAGER : M. Siregar

SPECIFIC CHARACTER OF LOCATION :

- Site Condition : 20 Km from Siantar, the capital city of the Kabupaten
Located in paddy field area
- Socio - economic Condition : Good road conditions
- Type of Agriculture : Paddy and is the major products.
- Major Local Industries : Nothing particular except agriculture.

HISTORICAL BACKGROUND OF KUD :

The KUD was established in 6th November 1974 to supply fertilizer to members and marketing business.

CHARACTER OF KUD :

- Service of KUD :

The main business is the supply of fertilizer by the Government programme and the share in the total business volume is 76% followed by marketing of rice 18%.

The sales turnover of small retail shop in 1995 was Rp 13.9 Million which accounts for 1.4% of the total business volume. The commission for use of the rice milling unit was Rp 20.7 Million (2.2%). The other services are supply of agricultural chemical, handling electricity charge bill and joint use of tractor.

-Major Facilities of KUD :

One rice milling unit with dry space (Purchased by own fund 1992) , no truck.

- Business of members :

Paddy farming is the major business by members. Men are working at estate factories for rubber and palm oil. House wives are also important agricultural labour power and they are joining KUD as full member (about 60 % of total members).

BUSINESS CONDITIONS:

- Total Business Volume:	Rp	957.9	Million / Year : 1995
- Total Surplus (SHU) :	Rp	0.9	Million / Year : 1995
- KUD-Owned Capital :	Rp	66.5	Million / Year : 1995
- Outside Capital :	Rp	91.0	Million / Year : 1995
- Total Assets :	Rp	157.5	Million / Year : 1995
- Total Institutional Loans Outstanding :	Rp	59.0	Million / Year : 1995
- Total Member Loans (Bank Channeling) :	Rp	38.0	Million / Year : 1995
- Total Member Loans : (Internal -S/P) :	Rp	52.0	Million / Year : 1995
Member Savings :			
- Initial Membership :	Rp	0.7	Million / Year : 1995
- Compulsory Savings :	Rp	0.08	Million / Year : 1995
- Voluntary Savings :	Rp	-	Million / Year : 1995
Total Savings :	Rp	0.8	Million

CURRENT MANAGEMENT OPERATION CONDITION:

The major management content is marketing rice and supply of fertilizer. In 1994, the KUD created deficit due to steal of fertilizer and various depreciations. The income of the KUD is influenced by the volume of fertilizer handled. The marketing commission of the KUD is lower than that of private traders but this is owing to the reason that the KUD has no truck while private dealers have truck transportation service. To establish viable marketing business structure, it is imperative for the KUD to install trucks. The ratio of own capital (Rp157.5 Million) to total assets (Rp 66.5 Million) is 42.2 % which is preferable ratio. The ratio of surplus fund to total assets is 0.6 % which is low level. The KUD has borrowings from BRI for fertilizer procurement by Rp 17.3 Million and KUT borrowings is Rp37.5 Million. The ratio of these two borrowings to the total assets is 34.9%.

CURRENT PROBLEMS AND SOLVING PLAN :

The KUD is holding deficit carried over from the last year with the amount of Rp19.2 Million and it is necessary to recover the deficit as soon as possible. The members have borrowings of Rp 37 Million of KUT funds and members have not returned the borrowings. In principle, KUD has a policy not to replace the payment, however, the KUD has a responsibility for recovery of the loan.

FUTURE PLANS FOR DEVELOPMENT :

There are only one rice milling unit in three villages. Additional drying space is necessary, also, the KUD is planning to invest for truck and tractor for joint use by members..

(14) KUD CITAMANAME OF KUD : CITAMA/ CATEGORY : MANDIRIINTI

LOCATION : Province : North Sumatra / NO. MEMBERS :
Kabupaten : SIMALUGUN - Full : 1.451
Kecamatan : Huabayu Raja - Candidate : No concepts adopted

YR ORGANIZED : 1980 / REG. DATE : 21-3-1980 / REG. NO. 1423.A/BH/III

NO. EMPLOYEES : Full Time : 9 / Part Time : 0

NAME OF : CHAIRMAN : L.Siahaan / Survey Date : 10-9-1996
MANAGER : E.Simanjuntak SE

SPECIFIC CHARACTER OF LOCATION :

- Site Condition : 45 Km from Siantar, the capital city of the Kabupaten
Located in paddy field area

- Socio - economic Condition :

With the increasing production cost of paddy, the income of farmers is dropped. Private dealers are engaged in supply of fertilizer and collection of rice but they are coexisted with KUD.

- Type of Agriculture :

Paddy the major product. Total paddy field is irrigated through water utilization union. The average land holding of farmhousehold is 0.5 to 0.75 Ha.

- Major Local Industries :

Nothing particular except agriculture.

HISTORICAL BACKGROUND OF KUD :

The KUD was established in 1980 to supply fertilizer to members and to market rice. The KUD was designated as NANDIRI in 1992 and MANDIRIINTI I 1994. Marketing turnover of paddy in 1995 was Rp 113.3 Million (10.2% of total business volume).

CHARACTER OF KUD :

- Service of KUD :

The main business is the supply of fertilizer by the Government programme and the share in the total business volume is 60.7% (Rp 677.2 Million) followed by supply of agricultural chemical 12.2% (Rp 136.1 Million).

Rice milling unit, credit business, small retail shop, marketing paddy, katul and seedlings.

-Major Facilities of KUD :

One rice milling unit with dry space (Purchased by own fund 1993) , one truck, Retail shop 2, motorbike 2, paddy dry space

- Business of members :

Paddy farming is the major business by members.

BUSINESS CONDITIONS:

- Total Business Volume: Rp 1,116.1 Million / Year : 1995

- Total Surplus (SHU)	:	Rp	25.9	Million / Year : 1995
- KUD-Owned Capital	:	Rp	131.0	Million / Year : 1995
- Outside Capital	:	Rp	361.2	Million / Year : 1995
- Total Assets	:	Rp	492.2	Million / Year : 1995
- Total Institutional Loans Outstanding	:	Rp	0.0	Million / Year : 1995
- Total Member Loans (Bank Channeling)	:	Rp	63.7	Million / Year : 1995
- Total Member Loans (Internal -S/P)	:	Rp	20.0	Million / Year : 1995
Member Savings	:			
- Initial Membership	:	Rp	1.5	Million / Year : 1995
- Compulsory Savings	:	Rp	9.5	Million / Year : 1995
- Voluntary Savings	:	Rp	0.01	Million / Year : 1995
Total Savings	:	Rp	11	Million

CURRENT MANAGEMENT OPERATION CONDITION:

The major management content is marketing rice and supply of fertilizer. In 1994, the KUD offers credit by using own capital of the KUD such as initial membership fee.

The KUD has started voluntary savings in 1995 with no interest but depositor is only one member. Looking at financial conditions, there are Rp492.2 Million of total assets of which KUD borrowings occupy Rp263.6 Million(53.6%) and the own capital is Rp 131 Million (26.6%). The total surplus has increased in 1995 largely and the ratio to the total assets has become 5.26%. The ratio of the total surplus to the total business volume is 2.32%. The reasons for increasing profit is owing to the increase of business volume of paddy and agricultural chemical, increase of handling commission for KUD and increase of commission for using rice milling unit.

CURRENT PROBLEMS AND SOLVING PLAN :

- To increase irrigated land area
- There are non member farmers in the area and the KUD is not covering all farmers in the area
- Retarding farm mechanization for palm oil producers
- There are one rice milling unit only and farmers of the area which is not installed rice milling unit are demanding establishment of another RMU.
- Human resource development is necessary

FUTURE PLANS FOR DEVELOPMENT :

- Increasing rice milling unit (KUD is already prepared land for the site)
- Introduction of tractor for palm oil producers
- Introduction of paddy thresher
- Adoption of computer in future

(15) KUD NAGA DOLOK

NAME OF KUD : NAGA DOLOK

/ CATEGORY : CALON MANDIRIINTI

LOCATION : Province : North Sumatra / NO. MEMBERS :
Kabupaten : SIMALUGUN - Full : 170
Kecamatan : Tapian Dolok - Candidate : No concepts adopted

YR ORGANIZED : 1974 / REG. DATE : 28-2-1974 / REG. NO. 3157/BH/III

NO. EMPLOYEES : Full Time : 1 / Part Time : 0

NAME OF : CHAIRMAN : _____ / Survey Date : 11-9-1996
MANAGER : _____

SPECIFIC CHARACTER OF LOCATION :

- Site Condition : 25 Km East from Siantar, the capital city of the Kabupaten
Located in forest area, acid soil, high precipitation

- Socio - economic Condition :

The traffic condition is not good, away from the trunk road for access to Siantar. Road condition is not good, only 20 % of roads are paved. Electric appliances such as TV sets are highly diffused in the area with 100% of electrification. The major source of income of the residents is rubber and palm oil and their standard of living is "Middle class".

- Type of Agriculture :

Rubber, palm oil and rice.

- Major Local Industries :

Rubber, palm oil and rice production. Processing of cassava cake.

HISTORICAL BACKGROUND OF KUD :

The KUD was established in 1974 to supply fertilizer to members, to market agricultural products and to provide farm guidance. The head of the village was the initiator for establishment. In 1989, with the Government policy, the kecamatan was divided into two by establishment of a new kecamatan and members of the KUD were also divided into two kecamatan and majority of the members moved to the newly established KUD in the new kecamatan. Only 120 members stayed in the old KUD. After that, the incident occurred that one of the directors of the KUD has spent all collected KUD repayment money from farmers for himself. This was the heavy damage for the KUD and the activities have become stagnant.

CHARACTER OF KUD :

- Service of KUD :

Credit and loan, warehouse (not used), no marketing business
No supply of fertilizer.

- Major Facilities of KUD :

One warehouse and office

- Business of members :

Rubber tree management, palm tree management and rice production are the major business by members.

BUSINESS CONDITIONS:

- Total Business Volume:	Rp	0	Million / Year : 1995
- Total Surplus (SHU) :	Rp	0.01	Million / Year : 1995
- KUD-Owned Capital :	Rp	0.9	Million / Year : 1995
- Outside Capital :	Rp	149.0	Million / Year : 1995
- Total Assets :	Rp	149.9	Million / Year : 1995

- Total Institutional Loans Outstanding :	Rp	0.0	Million / Year : 1995
- Total Member Loans (Bank Channeling) :	Rp	0.0	Million / Year : 1995
- Total Member Loans : (Internal -S/P) :	Rp	7.5	Million / Year : 1995

Member Savings :

- Initial Membership :	Rp	0.85	Million / Year : 1995
- Compulsory Savings :	Rp	0.36	Million / Year : 1995
- Voluntary Savings :	Rp	0.0	Million / Year : 1995

Total Savings : Rp 1.21 Million

CURRENT MANAGEMENT OPERATION CONDITION:

The KUD 's business at present is only small loan program of the KUD from the fund Accumulated by members contribution of Rp 4,000 per member. KUT programs is stoped.

CURRENT PROBLEMS AND SOLVING PLAN :

- Small number of members with 170. They are marketing products of rubber and palm oil by themselves without passing through KUD
- Shortage of personnel to start business
- Shortage of capital
- Members communication activities are necessary

FUTURE PLANS FOR DEVELOPMENT :

- To recover the trust of members to KUD

GENERAL COMMENTS :

Efforts for rehabilitation of the KUD by all officials and members are necessary. Through repeating members discussion meetings , it is important to convince members the benefit for starting business of the KUD , otherwise, it may be difficult to push the members to participate in KUD activities.

(16) KUD TANI JAYA

NAME OF KUD: TANI JAYA / CATEGORY: Mandiri Inti

LOCATION: Province : East Java / NO. MEMBERS : 11,290
Kabupaten: Kediri - Men : 7,794
Kecamatan: Puncu - Women : 3,496

YR ORGANIZED: 1979 /REG. DATE : 28 FEB 80/REG. NO.: 4428/BH/II/80

NO. EMPLOYEES : Full Time: 50 / Part Time: 277

NAME OF: CHAIRMAN: Drs. Mardjito GA / Survey Date: 02 OCT 96
MANAGER : Drs. Ec. Sugito

SPECIFIC CHARACTER OF LOCATION:

o Site Condition:

Elevation, 200-700 m; total area, 7,495 Ha; rice paddy area, 388 Ha; dryland, 2,077 Ha; forest, 2,926 Ha; most paddy fields irrigated; KUD coverage area, 8 villages.

o Socio-economic Condition:

Area adult population = 26,209;
farmer population (1-2 Ha), 3,211; leasehold farmers, (1/4-1/2 Ha), 9,370; farm-laborers (40% estate, 60% sugarcane/paddy), 7,052; all villages electrified; asphalt roads; limited phone.

o Type of Agriculture: Corn, chili, sugar, dairy, beef cow fattening, broiler and local poultry.

o Major Local Industries: Saw mill.

HISTORICAL BACKGROUND OF KUD:

Organized (BUUD) :	1973
Organized (KUD) :	1979
Registered :	1980
Mandiri Status :	1990
Mandiri Inti :	1994

CHARACTER OF KUD:

o Services of KUD:

Sugar procurement & marketing; rice procurement, milling & marketing; fertilizer distribution; RMU; milk collection; savings & loan; electric bill collection; TVRI; retail (consumer) shop; trucking; and clove processing.

o Major Facilities of KUD:

Office; RMU, 1-TPH; fertilizer store, 3-90 ton; truck (2); light vehicle (3); warehouse, 660 ton; drying floor area, 2-50 tons.

o Business of Members:

Dairy, sugar, rice and corn production.

BUSINESS CONDITIONS:

o Total Business Volume:	Rp 4,205.3 Million / Year: 1995
o Total Surplus (SHU) :	Rp 35.2 Million / Year: 1995
o KUD-Owned Capital :	Rp 582.5 Million / Year: 1995
o Outside Capital :	Rp 1,719.8 Million / Year: 1995
o Total Assets :	Rp 2,302.3 Million / Year: 1995
o Total Institutional Loans Outstanding :	Rp 120.0 Million / Year: 1995
o Total Member Loans (Bank Channeling) :	Rp 76.8 Million / Year: 1995
o Total Member Loans (Internal - S/P) :	Rp 48.0 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 31.3 Million / Year: 1995
- Compulsory Savings :	Rp 77.8 Million / Year: 1995
- Voluntary Savings :	Rp 46.8 Million / Year: 1995
Total Savings :	<hr/> Rp 155.9 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 5-member board of directors, 1 manager, 3 supervisor
Divisions: personnel, lending, distribution, processing, finance
Meetings : Annual General Membership Meeting (1995, 356 attend)
One ordinary membership meeting.
Monthly Board of Directors meeting (11).
Management planning meetings (12).
Management and employees meetings (8).

CURRENT PROBLEMS AND SOLVING PLAN:

1. Difficulty collecting member accounts (dairy & KUT members).
2. Need working capital for non-program business activities.

FUTURE PLANS FOR DEVELOPMENT:

1. Expand size of retail shop.
2. Start gasoline station business.
3. Start machine/workshop for motorcycle repair.
4. Enter telephone service (WARTEL) business.
5. Start roofing materials (tile manufacturing) business.

GENERAL COMMENTS:

KUD is maintaining very good bookkeeping, financial and business reports. KUD equity capital has doubled during the period 1991-1995. All business/financial reports are prepared by computer. Separate business unit accounting system practiced. The chairman of KUD is now chairman of PUSKUD East Java, but other board directors seem managerially responsible. Dairy technical

staff are complete; Waserda is a modernized convenience store with Rp 400-600,000 daily sales.

(17) KUD PAGUI

NAME OF KUD: PAGUI "Tulus Bhakti" / CATEGORY: Mandiri

LOCATION: Province : East Java / NO. MEMBERS : 6,645
Kabupaten: Kediri - Men : 5,135
Kecamatan: Pagu - Women : 1,510

YR ORGANIZED: 1973 /REG. DATE : 27 MAR 84/REG. NO.:4032A/BH/II/78

NO. EMPLOYEES : Full Time: 28 / Part Time: 12

NAME OF: CHAIRMAN: H. Muslihan BBA / Survey Date: 01 OCT 96
MANAGER : Budoyo

SPECIFIC CHARACTER OF LOCATION:

o Site Condition:

Lowland; 3,468 Ha irrigated (80%); annual rainfall = 20.2 mm;
paddy rice area, 2,576 Ha; dryland, 320 Ha; KUD coverage area, 13 villages.

o Socio-economic Condition:

Area adult population = 74,595;
farmer population = 35,440; monthly per capita income = Rp. 150,000;
electrified; asphalt roads; telephone.

o Type of Agriculture:

Paddy rice, corn, sugar, horticulture, chili, and dairy production.

o Major Local Industries:

Small-scale processing (tahu, tempe, kropic); machine shops; and tourism potential.

HISTORICAL BACKGROUND OF KUD: Organized : 1973
Registered : 1984
Mandiri Status : 1990

CHARACTER OF KUD:

o Services of KUD:

Sugar procurement & marketing; rice procurement, milling & marketing; fertilizer distribution; milk collection; savings & loan; television (TVRI) bill collection.

o Major Facilities of KUD:

Office; RMU, 3-TPH(Salake); rice dryer 10 TPH (not used due to high operation cost);
warehouse, 1,488 m; urea mixers (not used); truck, 1 unit, 5 ton; retail shop.

o Business of Members:

Dairy, sugar, rice and corn production. Some horticulture.

BUSINESS CONDITIONS:

o Total Business Volume:	Rp 1,313.0 Million / Year: 1995
o Total Surplus (SHU) :	Rp 13.5 Million / Year: 1995
o KUD-Owned Capital :	Rp 359.7 Million / Year: 1995
o Outside Capital :	Rp 1,346.4 Million / Year: 1995
o Total Assets :	Rp 1,706.1 Million / Year: 1995
o Total Institutional Loans Outstanding :	Rp 64.0 Million / Year: 1995
o Total Member Loans (Bank Channeling) :	Rp 1,036.1 Million / Year: 1995
o Total Member Loans (Internal - S/P) :	Rp 90.0 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 6.6 Million / Year: 1995
- Compulsory Savings :	Rp 63.0 Million / Year: 1995
- Voluntary Savings :	Rp 3.4 Million / Year: 1995
Total Savings :	Rp 73.0 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 5-member board of directors, 1 manager, 3 supervisor

Meetings : Annual General Membership Meeting (1995, 202 attend)
 Monthly Board of Directors meeting (12).
 Management planning meetings (6).
 Directors and supervisors meetings (4).
 Directors, supervisors, BPP-KUD (4).
 Management and employees meetings (6).

CURRENT PROBLEMS AND SOLVING PLAN:

1. KUD wants to buy current land & building site, but doesn't have the capital to do so.
2. Need to complete dairy colling facility.
3. Need more working capital for longer periods of time.
4. Rice mill needs some maintenance & replacement parts.
5. Rice dryer not economical to operate.

FUTURE PLANS FOR DEVELOPMENT:

1. Add two cooling units for milk (use present dryer area).
2. Start animal feedmill processing.
3. Start dairy calf growing (until time of pregnancy).
4. Increase retail ship size to become "mini-market".
5. Start beef cattle fattening at village level.

GENERAL COMMENTS:

KUD has good reporting system and complete financial and business records. KUD generates income from many sources and follows good cooperative business practices. Profit margin of KUD is very small due to government controlled pricing structures/marketing fees (e.g. fertilizer, sugar marketing fee). KUD has diversified from RMU for dulong to dairy milk and beef cattle fattening service.

(18) KUD BUDI JAYA

NAME OF KUD: BUDI JAYA / CATEGORY: Mandiri

LOCATION: Province : East Java / NO. MEMBERS: 3,212
Kabupaten: Pasuruan - Men : -
Kecamatan: Rejoso - Women : -

YR ORGANIZED: 1973 / REG. DATE : 25 MAY 81 / REG. NO.: 4913/BH/III/81

NO. EMPLOYEES : Full Time: 21 / Part Time: 6

NAME OF: CHAIRMAN: D. Wongsodihardjo / Survey Date: 25 SEP 96
MANAGER : Sarlono

SPECIFIC CHARACTER OF LOCATION:

o Site Condition:

70 km east direction from Surabaya; paddy rice area, 2,004 Ha.

o Socio-economic Condition:

Area adult population = 34,589; farm population = 8,997; electricity; asphalt roads; well water.

o Type of Agriculture: Paddy rice, sugarcane, soybean & com.

o Major Local Industries:

Furniture home industry; Samsung (Korea) factory for lysine/feedstuff; fish canning (Malaysia).

HISTORICAL BACKGROUND OF KUD: Organized (BUUD) : 1973
Registered (KUD) : 1981
Mandiri Status : 1990

CHARACTER OF KUD:

o Services of KUD:

Fertilizer distribution; RMU; savings & loan; electric bill collection; and sugar cane sales.

o Major Facilities of KUD:

Office; warehouse, 2, 38x8m and 16x9m;
RMU, 2, 1-TPH, 1991 (Tenis/Satake/Takayama) and 1-TPH, 1990 (Nippon Saryo, OECF),
screen and cylinder replacement difficult; drying floor, 2, 38x20m and 13x8m; truck, 1 unit, 5 ton.

o Business of Members: Mostly rice and sugarcane production.

BUSINESS CONDITIONS:

o Total Business Volume:	Rp 549.6 Million / Year: 1995
o Total Surplus (SHU) :	Rp 7.1 Million / Year: 1995
o KUD-Owned Capital :	Rp 77.6 Million / Year: 1995
o Outside Capital :	Rp 603.6 Million / Year: 1995
o Total Assets :	Rp 681.2 Million / Year: 1995
o Total Institutional Loans Outstanding :	Rp 25.0 Million / Year: 1995
o Total Member Loans (Bank Channeling) :	Rp 3.0 Million / Year: 1995
o Total Member Loans (Internal - S/P) :	Rp 150.0 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 3.2 Million / Year: 1995
- Compulsory Savings :	Rp 13.9 Million / Year: 1995
- Voluntary Savings :	Rp 0.0 Million / Year: 1995
Total Savings :	<hr/> Rp 17.1 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 5-member board of directors, 1 manager, 3 supervisor

Meetings : Annual General Membership Meeting
Monthly Board of Directors meeting (12).

Management: SHU has been improved compared with 5 years ago. But, the ratio of total surplus to the total business volume is only 1.29%. RMU operation result "only 190-200 ton for 1995" is very low to the current RMU capacity. KUT program is only accepted Rp. 3.0 million because of past bad debt to BRI in other KUD in Kab. Pasuruan. Bank cautious to give additional credit in area of KUD.

CURRENT PROBLEMS AND SOLVING PLAN:

1. KUD needs additional business working capital in order to increase RMU production. (Rp. 25 million for 3 years)
2. Working capital for savings and loan business is too small.
3. RMU's spareparts, like screen, cannot be found locally, therefore it is difficult to continue running machinery.
4. Actual operation rate of RMU is very low.

FUTURE PLANS FOR DEVELOPMENT:

1. Start waserda (retail) shop with photocopy service.
2. Improve RMU business and operations.

GENERAL COMMENTS:

78.9% of total business volume (sales) from fertilizer sales, mostly to sugar and rice producers. KUD profit margin (mark-up) on fertilizer only amounts to 1.4%. Either, the KUD should get out of the fertilizer business and concentrate its business in new areas, or increase its profit margin on fertilizer to at least 7.0% (500% increase).

(19) KUD BUDI MAKMUR

NAME OF KUD: BUDI MAKMUR / CATEGORY: Mandiri

LOCATION: Province : East Java / NO. MEMBERS: 507
Kabupaten: Pasuruan - Men : 480
Kecamatan: Lumbang - Women : 27

YR ORGANIZED: 1993 / REG. DATE : 07 MAR 94 / REG. NO.: 7672/BH/II/94

NO. EMPLOYEES : Full Time: 1 / Part Time: 0

NAME OF: CHAIRMAN: Soemardi (60 yrs) / Survey Date: 26 SEP 96
MANAGER : Harsono (25 yrs)

SPECIFIC CHARACTER OF LOCATION:

o Site Condition:

Rolling hills and flat areas; elevation = 450m
Total area (dryland) = 5,404 Ha; paddy rice area = 163 Ha; irrigated area = 40 Ha (1 village only);
KUD area = 12 villages.

o Socio-economic Condition:

Area adult population = 29,230; farm population = 11,991;
land size: <1 Ha = 32%, 1-2 Ha = 36%, >2 Ha = 22%, landless = 10%. all villages have
electricity; 3rd class (asphalt 92%) roads; telephone only at kecamatan level.

o Type of Agriculture:

Rice, com, durian, mango, & cotton tree.

o Major Local Industries:

Agro-tourism potential. No other local industry.

HISTORICAL BACKGROUND OF KUD: Organized : 1993
Registered (KUD) : 1994
Started Operating: 1995

CHARACTER OF KUD:

o Services of KUD:

Fertilizer distribution (300 MT, Jan-Mar '96); and savings and loan business (Rp 8.0 million).

o Major Facilities of KUD:

Office, 56 m²; fertilizer store, 30 m²

o Business of Members:

Rice, com, fruit and cassava production.

BUSINESS CONDITIONS:

o Total Business Volume :	Rp 20.6 Million / Year: 1995
o Total Surplus (SHU) :	Rp 2.4 Million / Year: 1995
o KUD-Owned Capital :	Rp 24.2 Million / Year: 1995
o Outside Capital :	Rp 0.0 Million / Year: 1995
o Total Assets :	Rp 24.2 Million / Year: 1995
o Total Institutional Loans Outstanding :	Rp 0.0 Million / Year: 1995
o Total Member Loans (Bank Channeling) :	Rp 0.0 Million / Year: 1995
o Total Member Loans (Internal - S/P) :	Rp 8.0 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 0.8 Million / Year: 1995
- Compulsory Savings :	Rp 0.1 Million / Year: 1995
- Voluntary Savings :	Rp 16.6 Million / Year: 1995
<hr/> Total Savings :	Rp 17.5 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 5-member board of directors, 1 manager, 3 supervisor
 Meetings : Annual General Membership Meeting (due to newness of KUD, Dec '95, no annual meeting has yet been held.)
 Monthly Board of Directors meeting.

Management: Manager is a management graduate, Malang University

CURRENT PROBLEMS AND SOLVING PLAN:

1. KUD needs additional business working capital in order to support: (a) savings & loan (S/P) business; (b) fertilizer business; and (c) Kapuk (cotton tree) business.
2. KUD does not yet have TPK² in its 12 village area.
3. Members are late in paying their loans under savings & loan (S/P) program due to late harvest season.

FUTURE PLANS FOR DEVELOPMENT:

1. Start retail shop (building: Rp 20 million; Working Capital: Rp 15 million).
2. Increase savings & loan business using borrowed capital.
3. Plan to start electric collection business (Jan 1997).
4. Plan to start telecommunication (WARTEL) business.
5. Plan to procure, process (pressing & baling), and market kapuk (cotton tree product) for export (China, Singapore).

GENERAL COMMENTS:

This is a very new cooperative, but has already established sound policies and performance with respect to its savings and loan business. Presently KUD owns all equity capital, with no liability accounts. KUD has plans to diversify its business activity. KUD has capable manager. Chairman is local government officer and supervisor of school teacher. Steady approach seems necessary

to market product (kapuk), instead of quick processing plant plan. Either, the KUD should get out of the fertilizer business and concentrate its business in new areas, or increase its profit margin on fertilizer to at least 7.0% (500% increase).

(20) KUD SATIYAM JAYATE

NAME OF KUD: SATIYAM JAYATE / CATEGORY: Mandiri

LOCATION: Province : East Java / **NO. MEMBERS: 2,520**
Kabupaten: Pasuruan - Men : 60%
Kecamatan: Tosari - Women : 40%

YR ORGANIZED: 1986 / REG. DATE : 26 DEC 95 / REG. NO.: 6109A/BH/II/86

NO. EMPLOYEES : Full Time: 10 / Part Time: 6

NAME OF: CHAIRMAN: Drs. SriUtami / Survey Date: 27 SEP 96
MANAGER : Yuli Sungkowo

SPECIFIC CHARACTER OF LOCATION:

o Site Condition:

highland (mountainous); elevation = 500-2,000m soil pH = 5.7-6.5;
total land area = 765,317 Ha; non-irrigated; land area of KUD members = 2,422 Ha;
land size: .25-.50 Ha = 40%, .50-1.0 Ha = 40%, >1.0 Ha = 20%; KUD area = 8 villages.

o Socio-economic Condition:

Area adult population = 16,572; farm population = 11,502; electricity;
3rd class (asphalt) roads; telephone service.

o Type of Agriculture:

Mostly vegetable (potato, cabbage, carrot) and apple,
some livestock (goat, native chicken, beef cattle).

o Major Local Industries: Tourism, home industry (potato chips and potato by-products).

HISTORICAL BACKGROUND OF KUD: Organized (KUD) : 1986
Registered (KUD) : 1995
Mandiri Status : 1991

CHARACTER OF KUD:

o Services of KUD:

Fertilizer distribution; savings & loan; electric bill collection; TV (TVRI) collection,
market development service; transportation service, milled sugar distribution and cattle fattening.

o Major Facilities of KUD:

Office; small warehouse; truck, 5 MT;
fertilizer shop (1); electricity collection shop (2); computer.

o Business of Members:

Mostly vegetable production (potato and cabbage);
some livestock (1-2 head of beef cattle/household) and fruit.

BUSINESS CONDITIONS:

o Total Business Volume:	Rp 1,168.7 Million / Year: 1995
o Total Surplus (SHU) :	Rp 11.4 Million / Year: 1995
o KUD-Owned Capital :	Rp 64.6 Million / Year: 1995
o Outside Capital :	Rp 457.5 Million / Year: 1995
o Total Assets :	Rp 522.1 Million / Year: 1995
o Total Institutional Loans Outstanding :	Rp 198.0 Million / Year: 1995
o Total Member Loans (Bank Channeling) :	Rp 250.0 Million / Year: 1995
o Total Member Loans (Internal - S/P) :	Rp 12.0 Million / Year: 1995
Member Savings :	
- Initial Membership :	Rp 2.3 Million / Year: 1995
- Compulsory Savings :	Rp 3.0 Million / Year: 1995
- Voluntary Savings :	Rp 7.7 Million / Year: 1995
Total Savings :	Rp 13.0 Million

CURRENT MANAGEMENT OPERATION CONDITION:

Structure: 5-member board of directors, 1 manager, 3 supervisor

Meetings : Annual General Membership Meeting

Board of Directors meetings (21 times/year).

Management meetings (4 times/year).

Management and staff meetings (2 times/year).

Staff Meetings (4 times/year).

CURRENT PROBLEMS AND SOLVING PLAN:

1. KUD needs effective marketing systems for potato.
2. KUD needs more transportation, additional two trucks (for fertilizer and potato).
3. KUD needs better access to seed potato (small farmers can't afford price of good quality seed potato).

FUTURE PLANS FOR DEVELOPMENT:

1. To provide better seed potato supply to members.
2. To reduce pesticide price by supplying pesticides by volume purchasing by KUD for resale to members.
3. To procure and market (preferably to processor) potatoes for members (volume so far is up to 100 MT per season).

GENERAL COMMENTS:

1. KUD has good management and maintains good business and financial records, with separate income and operational cost accounting for each type of business activity (nine types).

2. Board of Directors are honest and smart but they cannot find good partners as market source yet, especially technology of seed. I agree with current efficient crop rotation for diversification.

(21) KUD KANCANA JAYA

Name of KUD: KANCANA JAYA Category: KUD Mandiri Inti
Location: Province Lampung, Kabupaten Lampung Utara, Kecamatan Tulang Bawah Tengah, Desa Mulya Kancana
No of Members: 1,200 (all full members)
Year Organized: January 1 1975 Regn No: 280.A/BH/8/1976
No of Employees: 313 Full Time: 98 Part-time: 215
Name of Chairman: Mr Suparlan Date of Survey: 04 Sep 1996
Manager: Mr Yulimanto

SPECIFIC CHARACTER OF LOCATION

Site Condition: 40m above sea level. Rich soil. Plains. 6-7 months wet season, rest of the year it is dry. Average temperature between 24-35C. 160 km from Bandar Lampung, and 40 km off the trans-Sumatra highway branching off from Kota Bumi district headquarters. Former transmigration area commencing during the late '50s. Covers one village. Residential areas well planned with wide avenues. The village is accessible by an all-season partly asphalt road.

Socio-Economic Condition: 85-90% farmers, rest plantation workers, civil servants, traders and farm-workers. Economic standards still low, sustaining on farm income, mainly from paddy, maize, cassava, horticulture and plantation. Government schools, primary health centres and other social institutions exist. Partly irrigated, partly electrified, no telephone connection and post office in the KUD village. Purchasing and marketing done at Kota Bumi.

Type of Agriculture: 46% irrigated paddy land, maize, all-season running river in the neighbourhood. Rubber plantation about 20%, rest for horticulture, grazing fields and orchards. Insignificant livestock and poultry activity in the area. Individual farmers rear goats, local chicken and ducks.

Major Local Industries: Rubber processing, cassava processing, rice milling and brick/roof-tile making.

HISTORICAL BACKGROUND OF KUD

To respond to the social and economic needs of the transmigrant farmers, the cooperative was organized in January 1975, and registered in May 1982 vide Regn No. 280.A/BH/8/1976. The KUD performed well and helped the farmers in marketing their paddy and maize production, and subsequently organized the rubber small-holders through member groups to market their produce to the nearby private rubber processing factory and helped them get better prices of their product. The KUD attained Mandiri status in 1990 and was No.1 rubber collector in the province. The KUD achieved the Mandiri Inti status in 1994, the only one in the district, and was awarded national prizes for efficiency and good management. The KUD has a large working complex with a new building spread over 2 ha in the heart of the village and has become a source of strength and confidence among the residents and farmer-members.

The KUD area of operation has a total population of 7,006 (Male 3,470 and Female 3,536) and a total households of 1,476. There are 24 Kelompok Tani (all paddy) and 8 units of members' groups and 2 women's groups. The average membership of a KT is 40 farmers. There are 7 TPK.

CHARACTER OF KUD

The primary activity of the KUD is collection of raw rubber from the small-holders' rubber estates and sends it to the nearby rubber processing factory (PTP-X). It also procures paddy and supplies it to the Dolog and open market after milling. Rubber procurement business is the economic pillar of the KUD followed by distribution of fertilizer. Out of the total sales of the KUD during 1995 (Rp 3,351 million), the rubber business was 62.2% and distribution of fertilizer was 36.1%.

Services of KUD: Rubber procurement (about 10 tons per day), rice procurement, rice milling, distribution of chemical fertilisers, farm chemicals, distribution of sugar, savings and loans, distribution of consumer goods, credit coordination, transportation of raw rubber and watch-and-ward services for rubber plantation.

Major Facilities of KUD: Newly-renovated and constructed building complex consists of office block, meeting hall (200 persons), guest house, 2 rice milling units (combined capacity 10 tons per day), one small godown, waserda and 7 TPK, 7 motor cycles, 4 vehicles, 8 hand-tractors, and out-post rubber collection centres. Electricity available, but no telephone connection yet.

Business of Members: Marketing their raw rubber, paddy, maize to the KUD and purchasing their fertilizer and consumer needs. No horticulture, cassava, livestock and poultry business with the KUD. KUD is also the source of credit for the members.

BUSINESS CONDITIONS

-Total Business Volume	... ..	Rp 6,405.1 million /	1995
-Total Surplus-SHU	... ..	Rp 174.4 million /	1995
-KUD-Owned Capital	... ..	Rp 233.6 million /	1995
-Outside Capital	... ..	Rp 0.0 million /	1995
-Total Assets	.. ..	Rp 668.8 million /	1995
-Total Institutional Loans Outstanding		Rp 60.0 million /	1995
-Total Member Loans (Bank Channelling)		Rp 33.3 million /	1995
-Total Member Loans (Internal S/P)		Rp 108.4 million /	1995
-Member Savings (Total)	... ..	Rp 34.4 million /	1995
-Initial Savings	Rp 5.2 m		
-Compulsory Savings	Rp 14.8 m		
-Voluntary Savings	Rp 14.3 m		

CURRENT MANAGEMENT OPERATION CONDITIONS

The KUD is headed by an annual Members Meeting which elects a 5-member Board of Director for a 5-year term, and a 3-member Board of Supervision for a 5-year term. A one-member Board of Guidance is appointed by the local government for a 5-year term. The Board of Supervision is assisted by the Secretary/Manager. Internal audit is done by one of the assistant managers on a part-time basis. The KUD is audited by the KJA. The management is quite active and responds actively to the needs of the community. It has contributed to the construction of community facilities e.g., office of the Village Head and a mosque. It plans to construct a large community shopping centre to serve the needs of the nearby villages and its own members. Collection and marketing of members' rubber to the rubber factory is the "business pillar" of the business of the KUD. The profit made on this business in 1995 was Rp 168.1 million which was 96% of the declared SHU of the KUD, Rp 174.4 million.

Marketing and purchasing business is hampered by lack of transportation and warehousing facilities.

CURRENT PROBLEMS AND SOLVING PLANS

Major problems faced by the KUD have been as follows:

- i. Collection and marketing of rubber from plantations;
- ii. Fertilizer distribution and warehousing;
- iii. Distribution network through Waserda/TPK;
- iv. Marketing of farm produce.

The KUD not only needs setting up new business but also expansion of its existing services.

FUTURE PLANS FOR DEVELOPMENT

The KUD plans to establish new business and expand its existing business by implementing the following development plans:

- i. Expansion of rubber collection and marketing facilities to about 5000-6000 tons/year from the present 3000 tons per year;
- ii. Expansion of distribution and warehousing network of all types of fertilizer and farm chemicals;
- iii. Expansion of consumer goods distribution network through waserda/TPK; and
- iv. Distribution of farm produce through establishing a community shopping centre in the heart of the village.

The source of funding for (i)-(iii) have not been identified. For (iv) discussions have been initiated with Danamon Bank.

GENERAL COMMENTS

The KUD leadership is active but KUD lacks funding sources for expansion of its business. It is in a position to provide training and development opportunities for the nearby cooperatives and has potential to become a "business centre" for the area. The area has potentials for expansion of rubber plantation, diversification of crop, horticulture, cultivation of fruit trees and setting up a livestock development centre.

(22) KUD USAHA BERSAMA

Name of KUD: KUD USAHA BERSAMA Category: Mandiri
Location: Lampung Province, Lampung Utara District,
Kecamatan Abung Selatan, Trimodadi Desa.
No of Members: 900 (all full members).
Year Organized: October 1979 Regn No: 381/BH/8/1981
Mandiri Status achieved in 1983.
No of Employees: 20 Full-time: 9 Part-time: 11
Name of Chairman: Mr Kemin Survey Date: 05 Sept 1996
Name of Manager: Mr Suharsono

SPECIAL CHARACTER OF LOCATION

Site Condition: The KUD is located in the northern part of Lampung province; area of operation 5 villages. Average temperature 23-30 C; plains and paddy fields, forests and plantations of rubber. Rich soil with a plenty of rain and irrigation facilities. 1,091 ha covered by houses and backyards; 5,659 ha by orchards, 10 ha by ponds, and 1,805 ha by plantation estates.

In the KUD area 933 ha under paddy, 2,354 under orchards, 913 ha under backyards, and 5,704 ha covered under other produce. 30-50 meter above sea level. 100 km north of Bandar Lampung, 26 km from Kota Bumi the district head quarters, and 7 km from the main trans-Sumatra highway. Connected with all-season partly asphalt road.

Socio-Economic Condition: 3,438 households; total population 15,629 (7,789 male and 7,840 female); total farmers 3,438. 10-50% of the population is covered by the KUD membership. Electricity available; no telephone connection; poor economic condition of the farmers; formerly transmigration area (most of the inhabitants arrived on the area during the '60s from Java). Due to shortage of funds with the KUD and absence of banking institutions, almost 25-30% of the farmer-members receive loans from the money-lenders at high rates (between 20-30% per month). Educational institution and primary health centre available.

Type of Agriculture: Paddy cultivation adequately supported by irrigation facilities; cassava is widely grown; maize is also grown. No horticulture and livestock activity.

Major Local Industry: Two private cassava processing factories are located in the neighborhood of the KUD area of operation.

HISTORICAL BACKGROUND OF THE KUD

The KUD covers an operational area of five (5) villages. It was organized in 1979 and registered vide No. 381/BH/8/1981 on 2nd April 1981. Achieved KUD Mandiri Status in 1983. It responds to the economic and social needs of the inhabitants of the area (who are the transmigrants from Java since the '60s). The KUD has high acceptability among the members.

CHARACTER OF KUD

The composition of 900 members is: 85% farmers, 10% traders and farm workers and 5% civil servants. A majority of them are former transmigrants. There are 24 Kelompok Tani (KTs), 2 members groups and 1 women group, through whom all services of the KUD are provided to the members. Although a majority of farmer-members grow cassava, the KUD does not yet undertake this business mainly due to lack of funds and the needed facilities. The main business of the KUD is: distribution of fertilizer, seeds and farm inputs, and provision of consumer items through the Waserda, and the RMU. It does not deal in procurement of paddy/rice and its marketing, and savings and loans and in any other horticulture activity. There is no telecommunication facility. The KUD main office and Waserda is located right in

the main market of the village.

Services of KUD: The main business of the KUD is: Supply of fertilizer, seeds and other farm inputs, and provision of consumer items through the waserda and RMU. It does not deal in procurement of paddy/rice and its marketing. No savings and loans and any horticulture business activity. No agro-processing.

Major Facilities of KUD: Office block, waserda, 1 unit RMU, 1 unit warehouse, 15 TPK (12 organic, 3 non-organic), 1 unit mini truck and 1 unit motor cycle. Except for the truck and motor cycle rest of the items are fairly old 4-8 years.

Business of Members: Paddy, maize and cassava cultivation.

BUSINESS CONDITION

Total Business Volume	...	...	Rp 1,036.2 million	1995
Total Surplus (SHU)	...	...	Rp 4.1 million	1995
KUD-Owned Capital	...	...	Rp 39.3 million	1995
Outside Capital	...	...	Rp 84.4 million	1995
Total Assets	...	...	Rp 123.8 million	1995
Total Institutional Loans Outstanding			Rp 20.0 million	1995
Total Member Loans (Bank Channelling)			Rp 0.0 million	1995
Total Member Loans (Internal S/P)			Rp 132.4 million	1995
Member Savings	...	...	Rp 3.2 million	1995
-Initial Membership:	Rp 2.6 m			
-Compulsory Savings:	Rp 0.2 m			
-Voluntary Savings:	Rp 0.4 m			

CURRENT MANAGEMENT OPERATION CONDITION

The KUD is headed by a 3-member Board of Directors elected for a 5-year term by the General Meeting. A 3-member Board of Supervision is also elected for a 5-year period by the General Meeting. The BOD meets every month/8 times a year (the recent meeting April 96), and the Board of Supervision meets four times a year (last meeting June 1996). The KUD is guided by a Board of Guidance consisting of 5 members (all heads of the 5 villages) which is constituted by the Bupati. The two elected Boards are answerable to the General Meeting. The General Meeting is held regularly every year and takes note of the audit report. Since 1992 the KUD is audited by the KJA. KUD finds it difficult to pay the audit fee (1.5 million per audit year). The KUD has a paid manager. There are 7 business units e.g., Finance, Fertilizer, KUT, Marketing, Waserda, Savings & Loans, and RMU.

Marketing and purchasing business is hampered by lack of funds and infrastructure facilities. The only utilization business is: waserda, RMU and truck. No communication facilities are available with the KUD.

CURRENT PROBLEMS AND SOLVING PLANS

Major problem is financial to undertake marketing, purchasing and lending services. Waserda is operating well because of its location and strategic assortment available - consumer items, fertilizer, farm chemicals, and small farm implements. The 15 TPKs are located in different parts of the area of operation but are inadequate in terms of facilities and merchandise. There is absence of communication - postal and telecommunication.

The KUD has plans to meet these demands through modest projects, as follows: i) Expansion plan for the Waserda including TPK; ii) Sale and purchase of farm products, and iii) Setting up a Pos

Desa - postal and telecommunication service.

FUTURE PLANS FOR DEVELOPMENT

The KUD has developed the following plans for improving its future business:

- I. Expansion of Waserda and TPK for distribution of consumer goods and farm inputs;
- ii. Soliciting soft loans/interest-free loans for expanding sales and purchase of farm products of members;
- iii. Establishing postal and telecommunication services in the village for the community and to improve its own business.

GENERAL COMMENTS

The KUD Usaha Bersama has good leadership and a capable manager but seriously lacks financial resources. The working staff is trained by the KUD at various places and spends money from its own resources for member education activities. The location of the KUD and its good record of work is potential for growth if financial position is facilitated by external loans in expanding waserda, TPK and telecommunication facilities.

(23) KUD KARYA MAJU

Name of KUD: KARYA MAJU Category: Mandiri
Location: Province Lampung, Kabupaten Lampung Utara, Kecamatan Sungkai Utara, Desa Kota Negara
No of Members: 814 (Full 784, Candidate 30)
Year Organised: May 1980. Regn No: 363/BH/8/1980 dt Sept 17 1980
No of Employees: 10 (all full time)
Name of Chairman: Mr Triono. Date of Survey: 06 Sept 1996
Manager: Drs Faisol

SPECIFIC CHARACTER OF LOCATION

Site Condition: 35-50m above sea level. Rich soil. Plains. 6-7 months wet season, rest of the year it is dry. Average temperature between 24-32C. 150 km from Bandar Lampung, about 45 km of the trans-Sumatra highway branching off from Kotabumi, district headquarters. Former transmigration area commencing during 1967. Land for cultivation still needs opening. KUD covers three villages. Residential areas well planned with wide avenues. The KUD is accessible by an all-season asphalt road, partly of poor quality.

Socio-Economic Condition: +90% farmers. 30% original inhabitants and 70% transmigrants, rest farm workers, civil servants and traders. Economic standards still low, sustaining on farm income, mainly from sugarcane cultivation, maize, paddy, horticulture and poultry-raising. Government schools, primary health centres and other social institutions exist. No electricity, no telephone and inadequate postal services. All major purchasing and marketing is done at district headquarters, Kotabumi, otherwise local small traders fulfil the needs. The farmer-members have very weak financial situation which adversely affects the business performance of the KUD as well. Farmers often borrow from private traders at the rate of 25-30% per month.

Type of Agriculture: Depends on rainfall. No irrigation. A small all-season river passes through the area. Cultivation completely traditional. No immediate programme to construct further irrigation channels. Main crops are sugarcane cultivation, cassava, maize and paddy. No livestock raising, and very insignificant poultry and duck-raising. Farming cattle used. Potentials of the area include maize cultivation, palm oil, rubber, irrigation and farm produce transportation.

Major Local Industries: Sugar factory PTP Nusantara-VII Pabrik Gula Bunga Mayang.

HISTORICAL BACKGROUND OF KUD

To respond to the social and economic needs of the transmigrants, the cooperative was organised in May 1980, and registered on 17th September 1980 vide Registration No.363/BH/8/1980, Mandiri status achieved in 1991. The KUD is situated in a relatively poor area with no social and economic infrastructure. The KUD provided the much-needed economic support and social strength to farmer-members.

The KUD area of operation has a total population of 5,907 (Male 2,910, Female 2,997) with a total of 1,206 households. The area of operation covers three (3) villages. The total area covered is 1,911 ha consisting of 275 ha by houses and backyards, 136 ha by orchards, 300 ha forests and 1,200 ha plantations. Paddy is grown in 115 ha, and local fruits (e.g., rambutan) on 54 ha.

CHARACTER OF KUD

The KUD covers the sugarcane and rice marketing activities of the members and distributes among them fertilizer, seeds and KUT. It follows the democratic organisation in accordance with the Cooperative Law. It has a General Member Meeting (last meeting March 1996) which elects a 5-members Board of Directors for a 3-year terms (last meeting August 1996) which meets at least three times a year, and a 3-member Board of Supervision for a 3-year term which meets five times a year. A 3-member Board of Guidance is appointed by the local

government for a 3-year term which meets once in two years. The members of the BOD are full-time. There is no system of internal audit. The Board of Supervision is assisted by the Secretary/Manager.

Although the KUD is a major supplier of sugarcane to the sugar factory, there is no reciprocative support to the farmer-members and the KUD in the form of share contribution or infrastructural support.

Services of KUD: Marketing and purchase of paddy, marketing of sugarcane to the factory, distribution of fertilizer, sugar, seeds and KUT. No business of horticulture, farm implements, savings and loans. Sugarcane transportation, tilling of farm land and harvesting of sugarcane is done with outside help due to lack of facilities and resources. In the three villages of the KUD there are 103 Kelompok Tani with an average membership of 34, maximum number being 36 and lowest membership 5. There are 7 members' groups and 5 TPK.

Major Facilities of KUD: Office premises, and a small godown, 4 motor cycles, one 6-ton truck and land 2500m². No telephone, no office machines.

Business of Members: Marketing their sugarcane and paddy. Purchasing fertilizer and seeds from the KUD and receiving credit and other services through the KUD.

BUSINESS CONDITIONS

-Total Business Volume	...	...	Rp 450.1 million	1995
-Total Surplus-SHU	...	...	Rp 5.5 million	1995
-KUD-Owned Capital	...	...	Rp 34.2 million	1995
-Outside Capital	...	...	Rp 0.0 million	1995
-Total Assets	...	...	Rp 39.2 million	1995
-Total Institutional Loans Outstanding			Rp 0.0 million	1995
-Total Member Loans (Bank Channelling)			Rp 0.0 million	1995
-Total Member Loans (Internal S/P)			Rp 3.0 million	1995
-Member Savings (Total)	.....	...	Rp 24.9 million	1995
-Initial Savings	Rp 2.4 m			
-Compulsory Savings	Rp 9.1 m			
-Voluntary Savings	Rp 13.3 m			

CURRENT MANAGEMENT OPERATION CONDITION

Due to severe shortage of capital and a complete absence of social and economic infrastructure, the KUD operates only a limited range of activities, but efficiently and to the best of its ability. Operational conditions are most minimal although vast potential exist. The distribution of fertilizer and sugar is well-managed. The Waserda and TPK are newly established (1996).

CURRENT PROBLEMS AND SOLVING PLANS

Major problems relate to farming infrastructure e.g., tilling, cultivating, harvesting, transportation and irrigation. KUD invites contractors from Palembang (South Sumatra) for tilling who bring their own tractors and other farming implements per season. The management also hires contractors for harvesting from outside the area who bring their own trucks to transport sugarcane to the sugar factory. In between, the farmer-members tend the crop themselves on 'gotong rayong' basis. Paddy cultivation and harvesting is done by the farmers themselves. The sugar factory does not provide any economic or infra-structural support to the KUD. The farmers also wish to increase the quality of sugarcane by using high-yielding seeds, but are unable to obtain them due to lack of capital. Major problems faced by the member-farmers are:

- i. Sugarcane field tilling, harvesting and transportation;
- ii. Irrigation;
- iii. Distribution of fertilizer, seeds, consumer goods;
- iv. Utilisation of sugarcane for local use and marketing;
- v. Low quality sugarcane seeds.

FUTURE PLANS FOR DEVELOPMENT

The KUD has proposed several alternatives to solve these problems. The following have been suggested:

- i. At least 4 units of 6-8 ton trucks for transportation;
- ii. 2 units of tractors to till and process the farm land;
- iii. Setting up distribution network through Waserda/TPK;
- iv. Interest-free/soft loan for improving Loan and Savings and KUD operational infrastructure;
- v. Diesel irrigation pumps; and
- vi. Development of a sugarcane seeds multiplication farm.

The source of funding has, however, not been identified.

GENERAL COMMENTS

The area has a strong potential for diversifying farm products e.g., rubber estates, coconut, cassava, horticulture and local sugarcane crushing. The soil is rich and the farmer-members have willingness to take up new ventures.

(24) KUD TRI WIDODO

Name of the KUD: KUD TRIWIDODO Category: Calon Mandiri

Location: Province Lampung, Kabupaten Lampung Tengah, Kecamatan Tri Murjo, Desa Untoro.

No of Members: 2,784

Year Organized: May 1977.

Regn No: 302.A/8/77 dt 25 May 1982

No of Employees: 11 (all full-time)

Name of Chairman: Mr Wakidi AD

Manager: Mr Luk Deri

Date of Survey: 07 Sept 1996

SPECIFIC CHARACTER OF LOCATION

Site Condition: About 30m above sea level, plains, rich soil, 8-9 months wet season, 3 months dry season, potential irrigation area - new canal is being constructed to be operational in 2-3 years time passing through the KUD area of operation for more than 10 km. 40 km from Bandar Lampung, and 8 km from Metro, district head quarters. The KUD covers 14 villages (9 formally and 5 informally). Main market at Metro, and another marketing centre about 1 km from the KUD. Approachable by all-season asphalt road.

Socio-Economic Condition: Total population of the area is 25,157 (Male 12,650, Female 12,507) as in 1995. Formerly a local transmigration area (since 1957) but a large sprinkling of people from Java exists. Electricity available, no telephone at KUD. Majority of farmers (75-80%), traders, civil servants and professionals in the area. Reasonable economic conditions. Schools, health centres, post office, bank and other social institutions exist. Farmers face acute problem of transportation and marketing of their agricultural produce due to lack of facilities.

Type of Agriculture: Paddy (2 times a year), corn, cassava and palawija crops. No fruits and other cash crops are grown. Area for agriculture in the area of operation of the KUD is: 2,507 ha for paddy, 756 ha for house backyards, and 75 ha for other purposes. Use of farm machines is limited. Urea and other farm chemicals are used. Farmers have not taken up livestock development, poultry and other occupations mainly because of lack of weak financial conditions.

Major Local Industry: Bricks and roof-tile manufacturing and a large cassava processing factory, all in private sector. The cassava factory has monopolized the cassava trade. Large construction work on irrigation canal in progress. Tourist attraction of the area is the Elephant Training Centre.

HISTORICAL BACKGROUND OF KUD

The KUD was organized on May 22 1977 and registered vide No. 302.A/8/77 on May 25 1982, and has qualified to be a Candidate Mandiri KUD. It was organized to fulfil the economic needs of the farmers of the area and as a support to the transmigrants. The Bulog sponsored and supported the KUD to be a rice procurement centre from the area with a view to provide economic support and incentive to the farmers. The Bulog gifted a building to the KUD and a RMU to supplement its economic programmes.

CHARACTER OF KUD

There are 1,365 households in the KUD area. The KUD covers the rice processing and marketing activities of the member-farmers and serves them through the Waserda (1) and 22 TPK (2 organic and 20 non-organic). It follows the democratic organisation in accordance with the Cooperative Law. It has a General Members Meeting (last meeting was held on 31st March 1996) which elects a 3-Member Board of Directors for a 3-year term (last meeting held on 30th August 1996), and a 3-member Board of Supervision for a 3-year term (last meeting held in June 1996). The Members Meeting is held every year, the BOD once a month, and the Board of Supervision every three months. The KUD also has a 3-member Board of Advisors

consisting of village headmen and other prominent local leaders appointed by the Bupati. The members of the BOD are full-time members although all of them are also the farmers.

The KUD has a full-time manager appointed by the BOD who is supported by a total of 11 staff members.

The KUD has 26 Kelompok Tani, all paddy and palawija groups, 4 women's groups. Maximum number of a group is 50 and the minimum number is 24.

Services of KUD: Procurement of paddy/rice from members for sale to Dolog/open market, supply of fertilizer and farm chemicals, and a limited range of savings and loans. Operates 2 units of RMU - each 0.5 ton/hour capacity, 1 unit hand-tractor. Education, training and extension programmes for farmers, officials and employees of KUD.

Major Facilities of KUD: Office block, 1 unit RMU and a godown of 100 ton capacity (gifted by Bulog in 1989 to support rice procurement programme of the government), one hand tractor, one waserda and 22 TPK (2 organic and 20 non-organic). No telephone and transportation. 11 staff members.

Business of Members: Mainly paddy, palawija and savings and loans. Some members grow water melon and other vegetables. The economic strength of the members is low which consequently influences the business of the KUD. RMU operation is low. The quality does not qualify the standards fixed by Dolog, and has to be sold in the open market.

BUSINESS CONDITIONS

-Total Business Volume	... ..	Rp 608.5 million	1995
-Total Surplus-SHU	... ..	Rp 11.8 million	1995
-KUD-owned Capital	... ..	Rp 15.9 million	1995
-Outside Capital	... ..	Rp 0.0 million	1995
-Total Assets	... ..	Rp 325.8 million	1995
-Total Institutional Loans Outstanding		Rp 351.0 million	1995
-Total Member Loans (Bank Channelling)		Rp 7.2 million	1995
-Total Member Loans (Internal S/P)		Rp 811.2 million	1995
1995			
-Total Member Savings		Rp 8.8 million	1995
-Initial Savings	Rp 6.8 m		
-Compulsory Savings	Rp 1.9 m		
-Voluntary Savings	Rp 0.0 m		

CURRENT MANAGEMENT OPERATION CONDITION

Due to inadequate and out-dated rice-milling facility the rice processing is below the Dolog acceptable standards. Serious financial shortage hampers improvement/expansion of RMU units which are already very old and not sufficient. The only Kabuta hand tractor is already old and is not a good economic proposition. The key business of the KUD has been purchasing and sale of fertilizer, farm chemicals, paddy, waserda and TPK and sugar. The RMU and the KUT fee is another economic strength. As compared with the total turnover of the KUD in 1995 (Rp 236.9 m), the sale of fertilizer itself was Rp 145.6 m, almost 61.6%. The maximum profit was from fertilizer distribution Rp 5.4 million, rice Rp 1.4 million, sugar distribution Rp 1.0 million.

CURRENT PROBLEMS AND SOLVING PLANS

Major problems faced by the KUD has been: serious shortage of capital, outdated and inefficient rice milling units, acute shortage of farm machines, and transportation equipment and inadequate infrastructure for distribution of farm inputs and consumer goods (waserda and TPK).

FUTURE PLANS FOR DEVELOPMENT

The KUD has plans for:

- i. Procurement of necessary funds for expansion of member savings and loans programmes. Minimum requirement of about Rp.30 million on interest-free/soft loan basis;
- ii. Increase transportation and farm machines e.g., trucks and tractors. Minimum requirement 15 units of hand- tractors and 2 units of trucks;
- iii. Improvement/expansion of rice milling and warehousing capacity. Minimum requirement of one complete large-size composite unit of RMU with appropriate warehousing facilities; and
- iv. Expansion of distribution network through waserda and TPK (according to the government instructions the KUD has to establish at least one TPK in each of its villages). Minimum requirement of 22 units of waserda-cum-TPK in the area of operation of the KUD.

The source of funding has, however, not yet been identified.

GENERAL COMMENTS

The management of the KUD is keen for the development of services, providing additional support services to the members and enhancing the income of farmer-members. The KUD members' farming pattern is very soon to undergo a major change because of the irrigation facilities being provided by the government through the construction of a major canal in the area. It is expected that the members will change from cassava cultivation to paddy and horticulture production. This is the time when the KUD needs support and assistance.

(25) KUD KARYA TANI

Name of KUD: KARYA TANI Category: Mandiri
Location: Province Lampung, Kabupaten Lampung Tengah, Kecamatan Punggur, Desa Kota Gajah
No of Members: 3,811 (Full 2,750 Candidate Members 1,061)
Year Organised: 1975 Regn No: 260.A/BH/8/1975 dt 29 March 1975
No of Employees: 32 Full Time: 13 Part Time: 19
Name of Chairman: Mr Ahmad Usman
Manager: Mr Eko Yanto Suradi Date of Survey: 09 Sept 1996

SPECIFIC CHARACTER OF LOCATION

Site Condition: Covers 8 villages, 80 km from Bandar Lampung, 17 km from Metro, head quarters of Central Lampung district. 30m above sea level. Rich soil. Plains. 8-9 months wet season, rest of the year dry. Average temperature between 25-32C. Former transmigration area commencing from 1952 onwards. Residential areas well-planned with broad avenues. The village is accessible by all-season good asphalt road. KUD located on the main road. The new canal passes closeby, almost 10-12 km through the KUD area, presenting rich opportunities for the farmers to increase farm produce and diversify cropping pattern.

Socio-Economic Condition: 75-80% farmers, rest farm workers, artisans, traders, civil servants. Economic standards still low, sustaining mainly on farm income, mainly from paddy, maize, horticulture, cassava and livestock improvement, poultry. Government schools, primary health centres and other social institutions exist. 60-75% irrigated. Electricity, telephone, postal and banking services available. Drinking water supply in some areas. Purchasing and marketing done in the village and at Metro. Average land holding 0.75 ha.

Type of Agriculture: 60-75% irrigation from the canal system. Paddy, palawija, corn, and cassava. Small cattle raising and cattle fattening activities including poultry carried out in the area of operation of the KUD.

Major Local Industries: Private cassava factory, handicrafts, brick-and-roof-tile making industry.

HISTORICAL BACKGROUND OF KUD

In response to the demands to improve social and economic conditions of the transmigrant farmers, the KUD was organised in April 1975, which was registered in 1982 vide Regn No. 260.A/BH/8/1975. The KUD achieved Mandiri status in 1991. The KUD performed well and helped farmer-members in marketing their farm produce and raising their economic levels to some extent. KUD undertook various activities in a limited way e.g., livestock development. Due to shortage of capital, waserda, warehousing, rice milling, savings & loans, farm machines could not develop.

The KUD covers 8 villages with a total population of 24,658 (Male 12,581, Female 12,077). Total farmers 19,630. Households in the KUD area: 18,700. Houses and backyards cover 461.44 ha, paddy land 2,970.8 ha out of a total of 5,722.9 ha. Total irrigated area is 2,746 ha.

CHARACTER OF KUD

The primary activity of the KUD is collection of paddy, processing paddy, marketing of rice, cattle fattening, credit disbursement, distribution of fertilizer, sugar, wartel and member extension programmes. Out of the total sales of the KUD, the sale of fertilizer was 35.3%. There are a total of 73 Kelompok Tani: 69 paddy, 2 livestock, 1 women and 1 youth, average number of a group is 30 members. Members' groups. There are 6 TPK - 1 organic and 5 non-organic.

Services of KUD: Distribution of fertilizer, farm chemicals, seeds, sugar. Distribution of cattle for fattening, cattle-feed, and consumer goods. Saving and loans, transportation of fertilizer and cattlefeed. Electricity bills servicing, renting of farm machines and wartel.

Major Facilities of KUD: Rice milling units (2) 3 tons/hour, one blower machine, one dryer, one generator, 8 units hand-tractors, 1 unit wartel, office block, office machines, 20 tons capacity warehouse, 2 units motor cycles, and 6 TPKs. Space has been prepared for starting a waserda during 1996.

Business of Members: Marketing their farm produce through the KUD, receiving cattle for improvement from a private cattle processing factory, obtaining supplies of sugar, cattlefeed, fertilizer and KUT from the KUD.

BUSINESS CONDITION

-Total Business Volume	...	...	Rp 4,022.3 million	1995
-Total Surplus-SHU	...	...	Rp 172.5 million	1995
-KUD-Owned Capital	...	...	Rp 68.1 million	1995
-Outside Capital	...	...	Rp 137.5 million	1995
-Total Assets	...	...	Rp 177.0 million	1995
-Total Institutional Loans Outstanding			Rp 815.0 million	1995
-Total Member Loans (Bank Channelling)			Rp 45.9 million	1995
-Total Member Loans (Internal S/P)			Rp 379.0 million	1995
-Initial Savings	Rp 6.6 m			
-Compulsory Savings	Rp 7.1 m			
-Voluntary Savings	Rp 7.9 m			

CURRENT MANAGEMENT OPERATION CONDITIONS

The KUD is headed by an annual Members Meeting which elects a 5-member Board of Directors for a 5-year term, and a 3-member Board of Supervision for a 5-year term. A 3-member Board of Guidance for a 3-year term is appointed by the local government. The General Meeting meets at least once a year, the BOD 6 times a year, (last meeting September 1996), the Board of Supervision 4 times a year, (last meeting August 1996), and the Board of Supervision as and when needed, (last meeting held in 1987). The Secretary/Manager assists the Board of Supervision. Balance sheet is prepared once a month. There is no regular internal auditor. The General Manager is appointed from the open market. There is a total of 32 employees.

Supply of fertilizer formed 20.2% of the SHU, rice 14.4%, livestock 2.8%, wartel 7.5%. Marketing and purchasing business is seriously hampered by lack of waserda, warehousing, shortage of TPK, inadequate capital, transportation and farm machines. Rice milling unit is too small to compete with larger and more efficient RMU in the private sector. KUD faces rice marketing problems with the Dolog due to poor quality.

CURRENT PROBLEMS AND SOLVING PLANS

Some of the major problems faced by the KUD have been as follows:

- i. Acute shortage of capital to produce and distribute cattle-feed. The KUD procures nearly 1200 tons per year for the livestock. Production of cattle-feed using local components (e.g., pineapple waste as raw material) at the KUD is considered cheaper and more practical;
- ii. RMU and warehousing is grossly inadequate and of poor quality. The KUD anticipates substantial increase in paddy production with the commissioning of new canal in 2-3 years time;
- iii. The 8 hand-tractors received by the KUD as a BNI credit have gone out of order due

to poor quality and unavailability of spare parts. A sharp demand for small hand-tractors is anticipated;

- iv. Setting-up and expansion of waserda/TPK.

FUTURE PLANS FOR DEVELOPMENT

The KUD plans to improve its business and services to farmer-members by implementing various projects. Several of development plans have been discussed by the Board. Some of these have been:

- i. Procurement of 4 units of 8 ton trucks to facilitate distribution and transportation activities;
- ii. Establishing a new feed-mill of 1 ton per hour capacity to cater to the needs of livestock farmers. Substantial increase in livestock development is foreseen.
- iii. Expansion of present RMU by installing an integrated RMU of at least 1 ton per hour capacity together with a warehouse;
- iv. Procurement of 15 units of Kubota hand-tractors of various capacities to increase paddy production and diversification of cropping pattern in the area;
- v. Establishing at least 8 units of waserda/TPK for a wider distribution of consumer goods and farm inputs.

GENERAL COMMENTS

The KUD area is set to witness a tremendous change in cropping pattern with the commissioning of a large irrigation canal. The KUD is preparing itself to meet the future requirements of members. Capital requirement is high and urgent.

(26) KUD KARYA UTAN

Name of KUD: KARYA UTAN Category: Mandiri
Location: Province NTB, Kabupaten Sumbawa, Kecamatan Utan Rhee, Desa Motong. No of Members: 1376 (all full)(M-971 F-404)
Year Organised: 1967 Regn No: 16D/BH/XXI/12, dt 09.10.1989
Mandiri Status achieved in 1995
No of Employees: 10 (8 Full-time, 2 Part-time)(M-8 F-2)
Name of Chairman: Mr A. Wahab Date of Survey: 25 Sept 1996
Name of Manager: Mr Supardi

SPECIFIC CHARACTER OF LOCATION

Site Condition: 4-40 meter above sea level. Scanty rainfall, dry land and wetland, hilly terrain, average temperature 30-35C, 300 km east of Mataram, the provincial capital, and 80 km west of Sumbawa Besar, the district capital of Sumbawa. From Mataram accessible by asphalt all-season road, and ferry, and from Sumbawa Besar by asphalt road. Partly transmigration area - from Bali and East Java.

Socio-Economic Condition: 85-90% farmers, 40-45% of them fishermen, rest traders, civil servants, farm-workers and others. The total population of 8 villages covered by the KUD is 24,101 (Male 11,808 and Female 12,293). The total population of farmers is 15,906 (Male 7,793 and Female 8,113). The total membership of the KUD is 1376 (5.7% of the population and 8.6% of the farmers). Economic standards still low, sustaining on farm income, mainly from paddy, corn, soybeans, fishery and rattan collection. Government schools, primary health centres, bank and other social institutions exist. Partly irrigated, partly electrified. Main purchasing and marketing done at Sumbawa Besar.

Type of Agriculture: Dry land and wetland agriculture, mainly paddy, corn, soybeans and some vegetables. Some farmers harvest rattan, mungbean, cashew nut and ground nut. A small technical irrigation canal available, rest depends on rainfall, which is scanty. Out of the total land area of 15,543 ha, the KUD area has 2,287 ha of paddy land, 240 ha backyards and 13,015 ha for other use.

Major Local Industries: No industry in the area.

HISTORICAL BACKGROUND OF KUD

To respond to the social and economic needs of the farmers, the KUD was organised in 1967 vide Registration No.16D/BH/XXI/12-67 dated 09.10.1989. The KUD was awarded the Mandiri status in 1995 vide Regn No. 16E/BH/PAD/KWK/23/VIII/1995 dated 01.08.1995 because of fulfilling the required criteria. The KUD has provided marketing and purchasing outlets to the members - farmers and fishermen and rattan harvesters - besides operating some utilization services e.g., rice milling unit, fish marketing place and retail outlets. The KUD main office, waserda and wartel located right in the main market of the village.

CHARACTER OF KUD

It is a multipurpose rural cooperative covering 8 villages. It provides marketing, purchasing and utilization services to the members through 35 KTs, 8 TPK (2 organic and 6 non-organic), 2 units of RMU (0.50 ton/per hour), 200-ton capacity warehouse, 2 units of waserda, 1 unit of wartel, one fish marketing place, one rattan handling area and one electricity bill servicing unit. The KUD enjoys the confidence of the members, the management is active and the area covered has good potentials for development - rattan handling, fish handling and food crops collection. The KUD lacks farm equipment and fish and rattan-related processing equipment.

Services of the KUD: Marketing, purchasing, utilization services including fish handling, rattan handling, small savings and loans programme, fertilizer, sugar, farm inputs distribution including consumer goods distribution.

Major Facilities of the KUD: Office block, waserda, TPK, Wartel, Kelompok Tani, RMU, warehouse, fish marketing place.

Business of Members: Paddy, soybeans, fish, rattan handling.

BUSINESS CONDITION

Total Business Volume	...	...	Rp 411.6 m 1995
Total Surplus (SHU)	...	...	Rp 7.7 m 1995
KUD-Owned Capital	...	...	Rp 57.2 m 1995
Outside Capital	...	...	Rp 142.9 m 1995
Total Assets	...	...	Rp 178.3 m 1995
Total Institutional Loans Outstanding			Rp 27.2 m 1995
Total Member Loans (Bank Channelling)			Rp 89.7 m 1995
Total Member Loans (Internal S/P)	...	...	Rp 61.0 m 1995
Member Savings	...	...	Rp 12.4 m 1995
-Initial Membership:			Rp 2.6 m
-Compulsory Savings:			Rp 8.3 m
-Voluntary Savings:			Rp 1.3 m

CURRENT MANAGEMENT OPERATION CONDITION

The KUD is headed by a 3-member Board of Directors elected for a 5-year term by the Members' General Meeting. A 2-member Board of Supervision is also elected for a 5-year term. A 5-member Board of Guidance is appointed by the Bupati for a 5-years period. The General Meeting is held once a year to take note of the report and audit report (last meeting was held on 21st January 1996, the Board of Directors meets at least once a month (last meeting held on 24th July 1996) to take business decisions and follow-up the mandate from the General Meeting. The Board of Supervision meets once in three months to undertake supervision and internal checks (last meeting held on 5th July 1996). The Board of Guidance meets as and when necessary. There is no international audit system in the KUD. The Manager or one of the staff assists the Board of Supervision. The KUD is audited by the KJA. The KUD has a paid manager.

The Marketing and Purchasing business is hampered by a serious lack of capital and infrastructure facilities e.g., fishery handling, grading, and packaging, rattan handling, processing and shipment. The RMU is old and its production does not conform to the Bulog standards. Warehousing capacity is low. There are no transportation and farm processing equipments. Waserda and TPK do not meet the requirements of the members.

CURRENT PROBLEMS AND SOLVING PLANS

Major problem is financial to undertake marketing, purchasing and lending services. Due to the character of the farm land as it is dry and with little rains, farm equipment of heavy duty are needed. Other major problems are: lack of inadequate fish handling facilities, rattan handling and processing facilities, transportation, farm equipment, fishing gear, savings and loans, waserda and TPK.

The KUD has plans to meet these demand through modest projects, as follows: procurement of hand tractors and 20 units of hand sprayers; installing rattan processing, storage, handling and transportation facilities, setting up a mini market, rice processing and transportation facilities, fishing gear, fish boats, nets, handling, processing and marketing facilities, enhancing members savings and loans services.

FUTURE PLANS FOR DEVELOPMENT

The KUD has developed the following plans for improving its future business:

- i. 5-units of heavy duty 4-wheel tractors and 20 units of hand sprayers;
- ii. 1-unit 8-ton truck, 2 units of rattan processing equipment, warehouse, and training of 5 persons in rattan processing and handling;
- iii. 1 unit of mini market;
- iv. Improving rice milling and warehousing capacity including transportation equipment;
- v. Fishing gear, nets, fishing boats and warehousing including grading and shipment;
- vi. Increasing capital for savings and loans services to members.

GENERAL COMMENTS

The KUD membership has sufficient experience to enhance rattan, paddy and fishery processing business, if infrastructure in the KUD is enhanced. The leadership is keen to provide additional business services to the members. The KUD needs financial and equipment support on interest-free/soft loans basis.