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Japan International Cooperation Agency
SeCRETARY OF PLANNING AND ENVIRONMENT STATE OF Tocantins
SYNDICATE AND ORGANIZATION OF TOCANTINS STATES
COOPERATIVES

RESTRUCTURING MASTER PLAN
FOR THE COOPERATIVES
OF THE TOCANTINS STATE

IntermediATE REPORT

ARA & Consultores Associados S/C LTDA.



RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES OF THE TOCANTINS STATE

PRELIMINARY REPORT

According to the item “2.4”, Second Clause, of the Contract signed between **JICA** and **ARA**, on July 25th 2002, we are presenting the Preliminary Report, with the description of the activities developed till this date, as stipulated on the Work Schedule of the annex II of the mentioned contract.

PROJECT PRESENTATION MEETING

The Tocantins State Cooperatives Organization –**OCB/TO**, called upon all the representatives participating in the Project, for a meeting held on august 13th, 2002, in order to make the presentation of the Project and clarify all questions raised by participants.

The following persons were present on this meeting:

- Mr. Ruiter Luiz Andrade Pádua – President of **OCB/TO**
- Mrs. Maria José Andrade Leão de Oliveira – Superintendent of **OCB/TO**
- Mr. Laércio Vinicius Vanzo – Accountant of **OCB/TO**
- Mr. Hugo Sergio Zaleté- **RURALTINS**
- Mr. Roberto Cunha Carvalho –Production, Industry and Commerce Municipal Secretariat
- Mr. Rubens de Souza Santos – President of **COOPERFORMOSO**
- Mr. Carlos Oliveira Valadão – President of **COOPERJAVA**
- Mr. Washington Luiz da Silva - Director Finance of **COOPERNORTE**
- Mr. Luiz Carlos de Oliveira Alves – Manager of **LAGOVALE**,
- Mr. Isaias José Ferreira Filho- President of **COOPERMIRA**
- Mr. Silvan Ferreira de Sá – President of **CASJ**
- Mr. Joaquim Muniz Freire – President of **COOPAG**
- Mr. Roney Alves da Rocha – President of **COOPEBRAS**
- Mr. José Nazaré de Abreu Cabral – President of **CAB**

Mr. Ruiter Pádua, President of **OCB/TO**, opened the meeting by making a brief report about how the Project was developed, since its beginning till the contracting of the consultancy company responsible for its implementation.



He thanked JICA for offering the needed financial support for the development of the Project that would not exist without this assistance.

The President of **OCB/TO** emphasized the need of the participation of the whole Board of Directors and staff of all the cooperatives, in order to provide all the documents and information demanded by the technicians of ARA, during the preparation of the Project, so that the final diagnosis accurately reflects the current situation of each cooperative, and enables the preparation of the Master Plan for their Restructuring under solid basis.

Mr. **Hugo Sergio Zalete**, representing **RURALTINS**, stated that Mr. **Roberto Sahium**, President of **RURALTINS** and Mr. **Renato Buzolin**, member of the Board of Directors of that entity and Coordinator of the STATE'S DAIRY BASIN, offered their support to the Project, and all the assistance required for its implementation.

After his intervention we made a complete exposition of all the implementation phases of the Project, as described on the "IMPLEMENTING ARRANGEMENT", included in annex I of our contract.

The participants of the cooperatives were very enthusiastic and interested and had a dynamic participation in the meeting.

The presence in this meeting of the representatives of all the involved cooperatives on the project was also an important aspect observed and commented by the representatives of **OCB/TO**.

The support provided by **RURALTINS** was very important for the development of the Project. Bearing in mind that **RURALTINS** was selected for the coordination both of the milk producing process and the State's Dairy Basin, they exert a significant influence over all the milk cooperatives. Their decision to participate in the project, contributed for the adhesion of all the cooperatives involved in milk production.

From the nine cooperatives participating in the Project, six are milk producers, and five were created within the **DAIRY BASIN PROGRAMME**, that was introduced by the Tocantins State Government, under coordination of **RURALTINS** and one independent cooperative created much earlier.

The three others are independent grain producing cooperatives created to bring together the individual producers located within their activity area.



**PROJECT OF JOB CREATION AND INCOME GENERATION AND
DEVELOPMENT OF THE DAIRY BASIN**

The diagnosis based on data of IBGE for 1996, reveals that the milk production on the Tocantins State is 113.910.500 liters, obtained from 327.084 milkmaid cows, with an average production of 348,7 liters/cow. From the above production, there are 9.500.000 liters pasteurized by the dairy units of Araguaina and Colinas, and by the cooperatives situated on the municipalities of Paraiso do Tocantins and Gurupi.

In 1997 there was a 10% growth estimate of the milk production, due to the extension of Governmental lines of credit (FNO and PRONAF). These modest results reflect the low production of fodder, the poor genetic standards of the bovine herd, and health and handling factors.

The consumption of dairy products in Brazil is around 135 liters/person/year, below the threshold of 146 liters established by WHO – World Health Organization.

The consumption of dairy products in the Tocantins State was still considered to be below the national average.

In 1997, the bovine milk producing activity was already a significant factor for job creation in the rural and urban areas. It contributed for the increase of the producer income and to counter the rural exodus.

Despite the fact that this activity is still rudimentary, it was considered to have great expansion potential due to the growing demand.

Official data reveals that the main activity of the Tocantins State is the extensive cattle breeding, even if in the Center-South and Southeast of the State, intensive agriculture using modern techniques is being developed.

Tocantins, as it is a new State still in formation, lacks investment for its development process.

At the same time the migrating process within the State has caused the modification of its economic structure and demographic distribution. This forced the Government to assume the responsibility to seek for solutions to soften the rural exodus by creating adequate conditions to fix people in the rural



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areas, in a process enabling the access to training of a qualified work force, guaranteeing self sustainability and income generation.

The State authorities consider that through genetic improvement of the herd by introducing milkmaid cows of high zootechnic value, and by the acquisition of semen of tested breeders. The production of better quality fodder, using modern techniques, will significantly increase productivity in general and milk production in particular.

Facing the reality reflected by studies, the Government of the Tocantins State, through the Labor and Social Action State Secretariat, decided to implement the Promotion of Milk Production and Pasteurization Project in 20 (Twenty) State municipals, based on the Dairy Basin Program.

Through the implementation of the Dairy Basins, milk-producing activities are expected to strongly develop. The consumption potential of urban centers will increase the “per capita” consumption, making this activity more attractive from the investor’s point of view. The project will enable the participants to achieve better value added to their production and allow them to invest in modern technologies generating new jobs and improving the living conditions in rural areas.

Therefore, the Tocantins’s State Project has as main objective to assist 700 (seven hundred) families of micro and small rural producers increasing their income, generating around 4,200 jobs. Quality of life and milk production will greatly improve through the introduction of modern techniques of genetic improvement and animal nutrition. The use of alternative complementary feeding techniques considering the rotation and better handling of grazing areas, coupled with a reduction of the commercialization of “in natura” milk, will considerably improve public health conditions.

The above presentation is based on the work undertaken by the Government of the State of Tocantins, through the Labor and Social Action State Secretariat and the Agriculture State Secretariat.

We consider the inclusion of this work in the preliminary report as extremely important in order to allow a better understanding of the objectives of the creation of the cooperatives assembling the producers participating in the Job Creation and Income Generation and Development of the Dairy Basin Project. Five of the nine cooperatives to be evaluated are part of this project.

During the first month of implementation of the Project, we have visited all the cooperatives, in order to make the first contact with their board of directors, staff, and members, and at the same time visiting their installations and organization.



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Our trips were made in company of Mr. Laércio Vinicius Vanzo, representing OCB/TO.

Our first visits were very useful to clarify the board of directors and the members of the staff about the methodology to be employed and about the objectives of our job, for each of the Project phases.

During these visits we asked for all the documents that we have found important to better analyze the cooperatives situation. Some of these documents were available, but most of them were not at that moment. We will ask for them on our next visit.

We had the support of Organization of Cooperatives of the Tocantins State, by the members of their staff during all the activities in Palmas.

We have visited RURALTINS, where is located the Tocantins' State Dairy Basins Coordination and we have talked to Dr. Marcia Ribeiro Alves, Food Engineer, responsible for the diffusion of Food Technology derived from dairy products, next to the Dairy Basins producers.

The activities developed during the first month of the Project were important and sufficient to understand the reality of each of the participant cooperatives.

During this first month, and regarding what we had the chance to verify, we can assure that the work schedule mentioned in our contract will be respected, and probably we can conclude even earlier.

That's all we had to present in this Preliminary Report.

Campinas, august 28th 2002.

Diamantino Barrionuevo Junior
Project General Coordinator



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INTERMEDIATE REPORT

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RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES OF THE TOCANTINS STATE

INTERMEDIATE REPORT

According to the item “2.4”, Second Clause, of the Contract signed between **JICA** and **ARA**, on July, 25th 2002, we are presenting the Intermediate Report, with the description of the activities developed during this phase of the work, as stipulated on the Work Schedule of the annex II of the mentioned contract.

This Intermediate Report will present the actual situation Diagnosis for each of the selected Cooperatives of the Project.

Adopted Methodology

For the preparation of the Cooperatives Diagnosis, dataset and information concerning the development and the actual situation of the societies are necessary.

This work is prepared in the offices of each cooperative, with the help of their staff, and the database obtained, covers the activities in the following areas:

- Administrative
- Financial
- Operational
- Commercial
- Social

Once gathered these dataset and information of each one of these cooperatives, the Actual Situation Diagnosis is possible to prepare.

To prepare the organizational situation, the information comes from the Administrative, Operational and Social sectors.

To prepare the economic and financing analyses, the information comes from the accounting documents (last three years declaration for the Income Tax and Result Demonstration of the Patrimony Balance).

Results of the Field Works

After visiting all the selected cooperatives, only their Actual Organizational Diagnosis could be prepared.



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It can be prepared through the presentation of their constitution, social and administrative documents and even by the lack of them or part of them.

Otherwise, the economic/ financial analyses can only be prepared if physically presented for analyses, the accounting and results documents, which registered the active and passive realized operations with their members during finished fiscal periods.

None of the selected Cooperatives has presented the needed documents for the preparation a Diagnosis that could show their organizational and economic/financial situation.

Excluding the Cooperativa Agropecuária Tocantinense Ltda., all the analyzed cooperatives present an illegal situation and lack of structure.

Looking for a better presentation and a better understanding of the Report, we will divide it in two parts.

On the first part of the Report will present the actual situation Diagnosis of the Cooperatives responsible for the small milk farmers, participating on the Dairy Basin Program.

On the second part, the Report will present individually, the actual situation Diagnosis of the other cooperatives.

By doing this, we consider the work of the 2nd phase of the Project concluded as planned in the Contract signed on July, 25th 2002.

Campinas, November, 2002

Diamantino Barrionuevo Junior
Project General Coordinator



**Intermediate Report
1st Part**

**DIAGNOSIS OF THE COOPERATIVES PARTICIPATING
ON THE DAIRY BASIN PROGRAM**

The milk producers cooperatives created under the Job Creation and Income Generation and Development of the Dairy Basin Project, set up by the Government of the State of Tocantins, through the Labor and Social Action State Secretariat and implemented by the State of Tocantins Rural Development Institute- RURALTINS, that were chosen by the Union and by the Tocantins State Cooperatives Organization –OCB/TO to participate in the Project are:

- Cooperativa dos Produtores Rurais de Miracema – COOPERMIRA
- Cooperativa dos Pequenos Produtores Agropecuários de Guaraí – COOPAG
- Cooperativa dos Produtores Rurais de Porto Nacional – COOPERBRAS
- Cooperativa Agropecuária de São João – CASJ
- Cooperativa Agropecuária de Barrolândia – CAB

When we visited these Cooperatives, we took care on registering in our Preliminary Report some information about the main reason of the creation for the Dairy Basins Program, looking to the Cooperatives similarity, and the real reason of their constitution, their milk reception structures, and even the profile of their members. We should emphasize the real reason of the creation of these Milk Basin Cooperatives. In order to aggregate the milk producers of each Milk Basin and receive the equipments, inputs and animals provided by the Government Project, Milk Producers Associations were created.

Only at the time of their member production sale, they found out that the legislation forbids the commercialization by non-profit organizations, as the cooperatives of Milk Basin were established.

Looking for a solution on this issue, they created for each Milk Basin, one Cooperative of Milk Producers.

Therefore, the creation of those cooperatives did not follow a motivation or a cooperatives ideal of the rural producers, but the only option found to resolve a fiscal matter.

If the non-profit associations could practice commerce, the Cooperatives we are now studying would not exist.



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To start their activities, each Association has received the following machines and equipments that are still in use, as well by the Cooperative as well by the producers:

- ✓ 01 Pasteurizing machine;
- ✓ 01 Pneumatic packing machine;
- ✓ 01 Cooling system;
- ✓ 01 Dating hot stamp machine;
- ✓ 01 Physical-Chemical-Microbiological Laboratory;
- ✓ 01 Reception and cooling tank;
- ✓ 25 ha of sugar cane;
- ✓ 50 ha of fodder;
- ✓ 200 matrix;
- ✓ 04 insemination kits;
- ✓ 02 tractors 7,5 HP;
- ✓ 01 Ensiladeira (fodder cutter machine);
- ✓ 01 Fodder Harvester (Raboot);
- ✓ 01 4 tones wagon;
- ✓ 01 Truck $\frac{3}{4}$;
- ✓ 1.000 doses of semen;
- ✓ 01 building complex

In accordance with the Disbursement Schedule of the Dairy Basins Project, prepared on July 1997, these machines and equipments above mentioned were bought at a total price of R\$ 442.934,71, that were scheduled to be paid in 03 payments during the months of July, August and September of that year.

Considering the value of each payment and the dollar quotation on each of those months, we conclude that the amount invested on each of the Associations and their members was the equivalent of US\$ 409.942,18.

Pull together data and information

This activity was developed in the offices of all the Cooperatives of the Dairy Basins and the documents raised were the constitution documents, and all the documents registering the tasks developed on the Administrative, Financial, Operational, Commercial and Social sectors. There were also gathered information concerning their functioning, to prepare the Economic/Financial and Organizational analyses and then to present the Actual Situation Diagnosis for each one of them.

This activity was completely harmed by the following reasons:

1. The only existing documents in the Cooperatives are:



- Act of the General meeting of Constitution;
 - Social Statute
 - Card of CNPJ
 - State Inscription
 - Municipal Inscription

2. Inexistence of any official documents that register the activities developed in the areas:

- Administrative;
- Financial;
- Accounting;
- Operational;
- Social;

Economic / Financial Analysis

None of the Cooperatives offers conditions for the elaboration of this analysis, in view of the complete lack of the needed accounting document for this type of analysis.

Organizational Analysis

The Cooperatives do not possess any type of formal structure of organization. The acts practiced by the cooperative with their members are dealt and controlled in the most amateur and inconsistent form.

The enlisted employees to exert the activities of the dairy are not registered as employees as determines the Consolidation of the working Laws.

None of the Cooperatives has its operations for Computerized System. Its operations are controlled manually through sheets of paper, notations of the most diverse orders, everything in the more inconsistent way already seen, the failures in their control will certainly generate doubts and insoluble demands.

None of the Cooperatives enters their operations on the accounting system. For this reason, none of them is able to provide the monthly balance sheets, the patrimonial balance for the passed years, the Results demonstration, the Income tax declarations, the merchandises input and output books. At last, there are no documents at all demanded by the legislation to be analyzed and that could place the cooperatives in a situation of legality.

When analyzing the financial areas of the cooperatives, we detect the same lack of control existing in the administrative areas.



There are no controls of the receivable accounts, neither for the payable accounts. That means that the treasury sector does not exist, as well as the movement accounts of the members.

The activities of the operational area are developed in an inconsistent way. The milk collection generates the emission of “vales” that you deliver to the members that, later, are used as corroborative for adjustment of accounts with the Cooperative.

The emission of the invoice happens just in case of demand by the buyer, and this happens not often.

There is no detection of the operational cost of the cooperative. Therefore, it is impossible to affirm if their operations generate profits or losses.

No representative of the visited cooperatives can precisely give the actual position of the current number of members registered in the Cooperatives.

This situation happens because none of the Cooperatives possesses the Registering Members Book that is demanded by the Law 5.647/71 that regulates the functioning of the Brazilian Cooperatives. The lack of this book qualifies all the operations made by the cooperatives as operations made with no members and in this situation, the taxation of the Income Tax applies.

However, all the Cooperatives, with exception of the Cooperativa Agropecuária de São João – CASJ, had initiated their activities with their members.

At the end of this Report, we will present the qualification of each Cooperative, with all the gathered information obtained during the works.

MILK ‘IN NATURA’ COMERCIALIZATION

Common fact that happens in all the cities where are situated the Cooperatives of the Dairy Basins is the sale of milk ‘in natura’ popularly called ‘mug milk’ .

One part of the milk production of each region is sold straight from the corral to the final consumer. The milk is transported in gallons and the consumers pick the milk using home mugs (“canequinha doméstica”), before all kind of laboratory analysis.

However, seen under strict commercial aspect, the sale of milk "in natura" directly to the final consumer, can provide a bigger profit to the producer, and also in case of contamination of the milk, it would be impossible to deliver it to the Cooperatives.

The Decree nº 923, of 10 of October of 1969, concerning the milk commercialization, in its Article 1º says: "It is forbidden to sell raw milk, for direct consumption of the population, in all the national territory".

The legislation determines that "the competent local authorities are responsible for the observance of the disposals of this decree, without damage of the federal fiscalization".

It is important to mention that the Labor and Social Action State Secretariat of the Government of the State of Tocantins, when preparing the working plan for the Project of Job Creation and Income Generation and Development of the Dairy Basins,



as much was worried about the sale of milk "in natura", that it presented, as one of the justifications of the proposal, the following one:

"One of the serious problems of the State of the Tocantins is the consumption of milk 'in natura', without pasteurization, placing in risk the populations of more than 95% of the cities. This milk is sold without any treatment and handling. Another aspect is that the lack of aid to the producers reduces even the offer of milk to the children in school age. This project looks to start a permanent process of providing some cities, functioning as a multiplying cell, whose final objective is to increase the milk production for producing unit, to spread out the new existing technologies, to generate new jobs and, mainly, to protect the health of the population ".

Thus being, we consider important to leave registered, that the lack of fiscalization and the combat against the commercialization of milk "in natura" will be an each time bigger incentive to this delictual practice, and this will reduce the interest on the producer to deliver the milk to the cooperatives. This is an obstacle to their consolidation beyond a demonstration of disregard to a Law and to one Governmental Program and, what it is more important, a disrespect towards the consumer population of this type of milk, leaving it vulnerable to all kinds of illnesses caused by its consumption in case of contaminated milk.

Therefore, is responsibility of the authorities of the State Government, through the agencies that had instituted the Milk Basins Program, to charge the municipal authorities to determine to the Municipal Sanitary Monitoring the effective fiscalization of the commercialization of milk "in natura", as determination imposed by the Decree nº 923, notifying the Public prosecution service if such fiscalization is not exerted.

CONCLUSIONS OF THE DIAGNOSIS

Analyses made under any of the angles that we may want to adopt, take us to conclude that for the 05 (five) of the Milk Basins Cooperatives, that had been studied, there are only two possible alternatives to be adopted:

1. Liquidation;
2. Immediate implantation of a Restructuring Master Plan.

These two alternatives were exposed and explained to the Presidents of the Cooperatives during one meeting held at the OCB/TO office.

After a profound discussion, the Presidents, by unanimous decision requested the elaboration and implementation of a Restructuring Plan that could place the



Cooperatives functioning under a full legality, therefore this alternative represents the will of all.

It's convenient to leave registered that the Restructuring Master Plan of the Cooperatives will have to contemplate a retroactive analysis of all of its operations, in order to select and to regularize eventual operations carried through in the past, that can be placing the societies in a compromising fiscal situation, with infraction files that high fiscal fines or taxes will be able to result in, as well as compromising the future of each one of them.

In order to illustrate the existing similarity between all the Cooperatives belonging to the Dairy Basins Program, is enough to analyze, in the end of this, some pictures taken of two of them, one of the Cooperativa dos Produtores Rurais de Miracema, situated in the City of Miracema of Tocantins and the other one of the Cooperativa Agropecuária de São João, situated in the City of Palmas, this last one, not having yet initiated its activities.

By this way and in function of the result presented for the Actual Situation Diagnosis of the Cooperatives that are part of the Dairy Basins Program, it will be developed and presented in proper document, the Restructuring Master Plan of the Tocantins State, foreseen the 3rd Phase of the Project named "Restructuring Master Plan for the Cooperatives of the Tocantins State", object of the Contract signed on July, 25th 2002.

Campinas, November/2002

Diamantino Barrionuevo Junior - Project General Coordinator

Norberto Lucas Alvim – Economic /Financial Analyst

Adagmar Sampaio - Pedagogue/Organization and Methods Analyst

COOPERMIRA

MIRACEMA**COOPERMIRA**

First Plan: Raw milk delivery
site

Second Plan: Employees
dressing room. Utilized as the
Cooperatives Office.



Raw milk container being unloaded from truck.



COOPERMIRA

Raw milk sample being collected from
container



Manual analysis of raw milk collected
sample



COOPERMIRA

Manual transference of raw milk, approved by analysis, from container to Cooling Tank



Interior of milk Pasteurizing and Packing room view.
The packing machine at the back.



COOPERMIRA

Inside view of Dairy Unit.
This unit was built by the cooperative itself, not being part of equipment furnished by the Program.



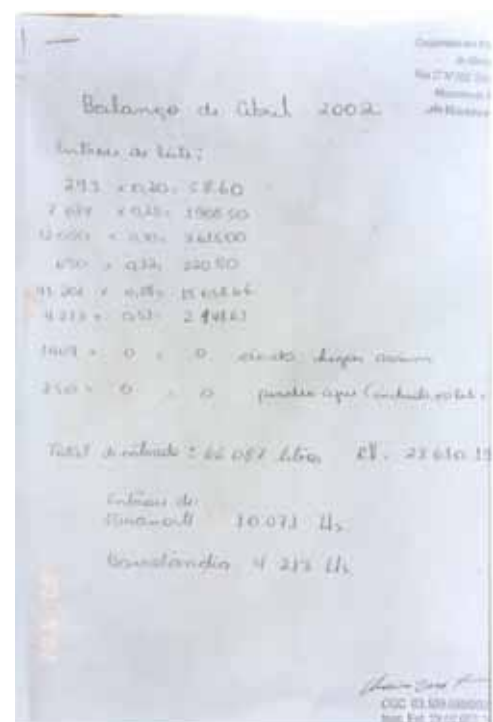
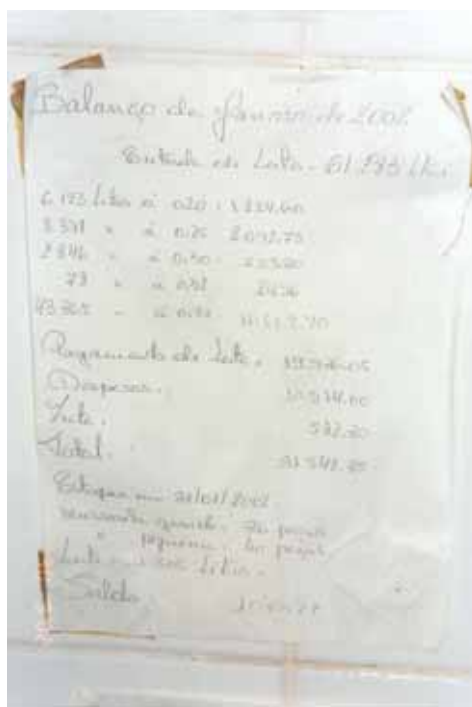
Detail of the employees dressing room, precariously used as the Cooperative Office.

**COOPERMIRA**

Income and Outgoing Milk Control used by the cooperative.
 In the detail, the agenda for the week. The controls
 Are fixed on the “office” walls.



Types of balance sheets prepared by the cooperative, affixed on the “office” walls.
 It is noticeable that even being an absolutely informal control and rendering of
 accounts, there is not a single and same criterion to its
 preparation every month. The information contained
 in the two “Balance Sheets” are different.



CASJ

PALMAS

Building set similar to the one of Miracema Cooperative, not in use yet.

It is noticeable by the electrification post seen to the left of the Milk Basin indicative sign, that up to 09/27/2002 electricity was not supplied to the Cooperative.

**CASJ**

Interior of the Dairy Unit
not used yet.



Interior view of milk
Cooling, Pasteurizing and
Packing room still
paralyzed.
It is noticeable that the
equipments are equal to
those of Miracema.

**CASJ**

Views of two rooms in the same building.
The one to the left is the Pasteurizing room.
The one to the right is the Chemical Products Warehouse, storing products no longer valid.



Picture taken from the back of the lot showing the front of it.
First Plan: Employees dressing room, that shall be used as office.
Second Plan: Building where the Pasteurizing Room (left door) and Chemical Products Warehouse (right door) are located.



Corral used for milking.



Corral used for milking.



Corral used for milking.





COOPERMIRA

- Address: Rua 27 nº 685 - Setor Universitário - Miracema do Tocantins/TO
- Situation on the map: nr. 1
- Constitution date: December, 8th 1998.
- President: Mr. Isaias José Ferreira Filho
- Quantity of members estimated by the President:
 - Total of Members: 34
 - Total of Active Members: 25
- CNPJ/MF: 03.109.689/0001-85
- State Inscription: 29.02.063.343-5
- Cities in the performance area:
 - Miracema do Tocantins
 - Tocantínia
 - Rio do sono
 - Aparecida do Rio Negro
 - Miranorte
 - Lajeado
- Main Activities:
 - Pasteurization, industrialization e commercialization of milk and dairy.
- Other information provided by the Cooperative:
 - Milk Collection from the Members: Average of 1.300 liters/day.
 - Price of the Milk paid to the Member: from R\$ 0,30 the R\$0,45/liter.
 - Price of the milk sold by the Cooperative:
 - R\$ 0,80 posto em Miracema;
 - R\$ 0,62 posto em Palmas;
 - Obs.: The milk sent to Palmas has an additional cost charged by a broker.
 - Average Business Volume: R\$ 31.200,00/mês
 - Sale of Milk ‘in natura’ in Miracema:
 - Volume: 300 liters/day - 23% of the milk sold by the Cooperative.
 - Price: R\$ 0,60/liter



GUARAÍ – COOPAG

- Address: Avenida Rio Grande do Sul, s/nº - Guarai/TO
- Situation in the map: nr. 2
- Constitution date: December, 14th 1998.
- President : Mr. Joaquim Freire Nunes
- Quantity of members estimated by the President:
 - Total of Members: 30
 - Total of Active Members: 20
- CNPJ/MF: 03.215.052/0001-73
- State Inscription: 29.02.059.220-8
- Cities in the performance area:
 - Guarai

- Main Activities:
 - Pasteurization, industrialization e commercialization of milk and dairy.

- Other Information provided by the cooperative:
 - Milk Collection from the Members: Average of 4.500 liters/day.
 - From this milk collected, the cooperative sells:
 - 800 liters/day are sold pasteurized;
 - 3.700 litros/dia, in natura, directly to the other dairy companies in Guarai
 - Price of the Milk paid to the Member: from R\$ 0,32/ liter
 - Price of the Milk sold by the Cooperative: R\$ 0,60/liter
 - Average Business Volume: R\$ 81.000,00/month
 - Sale of the milk "in natura" in Guarai:
 - Quantity: 2.500 litros/dia - 56% of the total sold by the Cooperative
 - Price: from R\$ 0,60 to R\$ 0,70 liter



PORTO NACIONAL – COOPERBRAS

- Address: Rua 12 de outubro - Qd. 9 Lote 9 a 14 s/n - Bairro Escola Brasil - Porto Nacional/TO
- Situation on the Map: nº 3
- Constitution date: not available
- President: Mr. José Freitas do Carmo
- Quantity of members estimated by the President:
 - Total of Members: 20
 - Total of Active Members: 20
- CNPJ/MF: not available
- State Inscription: not available
- Cities in the performance area:
 - Porto Nacional
- Main Activities
 - Pasteurization, industrialization e commercialization of milk and dairy.
- Other information provided by the Cooperative:
 - Milk Collection from the Members: Average of 600 liters/day.
 - Price of the milk paid to the Member: not available.
 - Price of the milk sold to the Cooperative: not available.
 - Average Business Volume: not available.
 - Sale of milk 'in natura' in Porto Nacional:
 - It is estimated that the biggest volume of milk sold in Porto Nacional, might be of milk 'in natura', even if the price and volume has not been informed.

Concerning this Cooperative, any of the Constitutive or Fiscal documents were made available to be analyzed by our workgroup.



CASJ

- Address: Assentamento da Fazenda São João - Zona Rural - Caixa Postal 1557 - Palmas/TO
- Situation on the Map: nº 4
- Constitution date: December, 6th 1998.
- President : Mr. Silvan Ferreira de Sá
- Quantity of members estimated by the President:
 - Total of Members: 20
 - Total of Active Members: 15
- CNPJ/MF: 03.102.301/0001-14
- State Inscription: not available.
- Cities in the performance area:
 - Palmas
 - Porto Nacional
- Main Activities:
 - Pasteurization, industrialization and commercialization of Milk and Dairy
- Other information provided by the Cooperative:

CASJ has not yet started its activities. As informed by the President, they required, to the Job and Social Action State Secretariat – SETAS – the preliminary license pour their installation and beginning of activities for the dairy activity, was not yet delivered at the time of our visit.

Their dairy equipment has not yet been used.

The chemical products, needed for the milk analyses have their validity date already exceeded, and this is also the case for the insemination doses provided by the Program.

The truck and the tractors are used to render services to the producers of the region, members or not members.

The members of CASJ sell all their milk production ‘in natura’, to people that resell to the final consumers from the price of R\$ 0,70 to R\$ 0,80/liter.



CAB

- Address: Rua Capitão Georginho, s/n - Barrolândia/TO
- Situation on the Map: nº 05
- Constitution date: December, 13th 1998.
- President: Mr. José Nazaré de Abreu Cabral
- Quantity of members estimated by the President:
 - Total of Members: 24
 - Total of Active Members: 24
- CNPJ/MF: 03.210.059/0001-00
- State Inscription: 29.02.065.422-0
- Cities in the performance area:
 - Barrolândia
 - Dois Irmãos
 - Divinópolis
 - Paraíso do Tocantins
 - Monte Santo
 - Miranorte
- Main Activities:
 - Pasteurization, industrialization e commercialization of milk and dairy.
- Other information provided by the Cooperative:
 - Milk Collection from the Members: Average of 700 liters/day.
 - Price of the milk paid to the Member: R\$ 0,35/liter
 - Price of the milk sold to the Cooperative: R\$ 0,65/liter
 - Average Business Volume: R\$ 6.001,20 in July/2002
 - Results Demonstration of July/2002:
 - Business Volume: R\$ 6.001,20
 - Total Expense: R\$ 4.500,00
 - Net Result: : R\$ 1.501,20
 - Sale of milk 'in natura' in Barrolândia:
 - Volume: 300 liters/day – 43% of the milk sold by the Cooperative.
 - Price: R\$0,60/liter.



& Consultores Associados

RESTRUCTURING MASTER PLAN
FOR THE COOPERATIVES
OF THE TOCANTINS STATE

INTERMEDIATE REPORT
COOPERFORMOSO

Project



Intermediate Report

Part 2

***PRESENT SITUATION DIAGNOSIS OF THE COOPERATIVA
AGROINDUSTRIAL RIO FORMOSO LTDA. LTDA - COOPERFORMOSO***

The present report shows the Present Situation Diagnosis of COOPERFORMOSO, in conformity with jobs carried on according to the 1st and 2nd steps anticipated by the project object of the contract settled between JICA and ARA, on 07/25/2002.

Cooperative Identification

- Address: Projeto Rio Formoso – 1^a Etapa – Formoso do Araguaia/TO
- Location in the Map: **Number 3**
- Date of formation: 08.30.1979
- Social Board: 22 affiliates
- President: **Sr. Ruben Souza Santos**
- CNPJ/MF: 02.639.532/0001-07 (Income Tax Registration Number)
- Inscrição Estadual: 29.02.040.332-4 (State Registration Number)
- County of the operational area.
- Main activities: Receiving, cleaning, drying and stocking of Soy Beans, Rice and Corn produced by the affiliates.

Information and Data Survey

This activity was carried on at the cooperative offices, aiming to gather all its constitutive documents, as well as those registering the activities in managing, financial, operational and social areas, besides gathering information about its operations, in order to prepare economic/financial and organizational analyses, then displaying a diagnosis of the present situation.

To accomplish this step of the job, we were assisted by Mr. Rubens Souza Santos and Mr. Deomar de Souza Santos, President and General Manager respectively.

COOPERFORMOSO has its activities interrupted since 2000.

This interruption caused practically all the physical and organizational structure to be impaired.

Organizational Analysis



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Its staff is reduced to only 06 employees, working without record, in complete disagreement with current labor laws.

The cooperative does not have an employee record book.

The record books, mandatory according to Law 5.764/71, federal, state and county legislation that rule the management of civil societies, are not being used and are totally not out of date.

The Register Book of Affiliation itself and the control of each affiliate's social capital does not exist. In an eventual inspection by Federal Tax agents, all the operation carried on by the cooperative will be considered "operations with outsiders" (non-cooperative acts) and subjected to income tax, with retroactive criteria, generating taxes and interests, beyond their nominal values.

The Register Book of income and outgo of goods, to determine added-value sales tax had its records stopped in November/2001.

The last General Meeting registered in the proper book was carried on in 1998.

The Affiliate Presence in General Meetings Book, through which is verified is there is quorum, to install the meeting or not, had its last use in 1998 and does not have the affiliate signatures.

The decisions taken in the board of directors meetings were registered in the proper book up to June 2002, while those of the Fiscal Council were never registered for the lack of the proper book.

Inexistent as well are methods to control stock and accounts payable or receivable.

The cooperative has been under judicial actions aiming to collect tax, fiscal, bank and supplying debts.

Its assets are pawned by ongoing judicial actions and the cooperative is inscribed in the Defaulters Cadastre (CADIN) of the Central Bank.

For these facts, the cooperative has found restrictions in all its initiatives taken in the financial market, in obtaining resources to promote its sound financial management.

For the same reason, its Project for Agricultural and Cattle Raising Cooperatives Revitalization (RECOOP) was denied. The RECOOP was being pleaded in order to accomplish sound financial management of the cooperative.

Impeded to operate with its cooperators, these, in General Meeting, decided that the grain reception structure of the cooperative should be operated by one of the cooperators, belonging to him the financial result of the activities.

On the other hand, this same cooperator would settle some of the financial liabilities of the society. We did not have access to these operations that would permit ourselves to evaluate the financial result presented since they begun.

To face the regular expenses of the society, the affiliates should make contributions approved by the following criteria:



- Irrigation Tax
R\$ 30,40 per hectare of planted **soy and watermelon**;
R\$35,00 per hectare of planted **rice**;

These taxes have generated an annual income of R\$ 242.560,00, equivalent to R\$ 20.213,00 per month, to pay all the regular monthly expenses of the society. Even though, receiving taxes occurring once or twice a year and disbursement of regular expenses occurring monthly, is generating a financial instability, that might be leading the society to presents a insufficient of cash.

- Sound Management Fund

It was also approved the creation of a “Cleaning Up Fund”, to which the affiliates must to contribute with 1 sack/hectare over the planted area.

From these, the planted area is of 3,600 hectares, while the non-planted area is of 491 hectares.

This contribution has generated an annual income of R\$ 256.700,00, equivalent to R\$ 21.390,00 per month, destined to clean up the cooperative’s finances.

Economic/Financial Analysis

This analysis was prepared based on the results shown by the Balance Sheets and by Surpluses and Losses Statement, related to 1999, 2000 and 2001 fiscal years. We reserve ourselves not to ensure the veraciousness of numbers presented in such documents, once they were not prepared or audited by our staff. Our responsibility is restricted to results found out by our analysis, which can be observed through the following documents, attached to this one.

- Balance Sheet on 12/31/2001 – Economic/Financial Performance Analysis I;
- Surpluses and Losses Statement on 12/31/2001;
- Economic/Financial Indicators (Indexes);
- Economic/Financial Indicators (Chart).

See the document entitled ANBALCOOPERFORMOSO.XLS inclosed

COOPERATIVA AGROINDUSTRIAL RIO FORMOSO LTDA.

BALANÇO PATRIMONIAL EM 31.12.2001 - ANÁLISE DE DESEMPENHO ECONÔMICO FINANCEIRO I

| | 1999 | | 2000-2001 | | | | DIF.DEZ.2001/DEZ.2000 | | DIF.DEZ.2001/DEZ.1999 | |
|-----------------------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|-----------------------|---------------|-----------------------|---------------|
| | DEZEMBRO.99 | % | DEZEMBRO.00 | % | DEZEMBRO.01 | % | VALOR | % | VALOR | % |
| ATIVO | | | | | | | | | | |
| CIRCULANTE | 782,598.91 | 1.62% | 794,964.57 | 1.65% | 665,412.41 | 1.39% | -129,552.16 | -16.30% | -117,186.50 | -14.97% |
| DISPONÍVEL | 33,374.08 | 0.07% | 2,020.80 | 0.00% | 8,207.02 | 0.02% | 6,186.22 | 306.13% | -25,167.06 | -75.41% |
| REALIZÁVEL A CURTO PRAZO | 749,224.83 | 1.55% | 792,943.77 | 1.65% | 657,205.39 | 1.37% | -135,738.38 | -17.12% | -92,019.44 | -12.28% |
| VALORES A RECEBER | 184,957.89 | 0.38% | 327,118.53 | 0.68% | 657,205.39 | 1.37% | 330,086.86 | 100.91% | 472,247.50 | 255.33% |
| ESTOQUES | 564,266.94 | 1.17% | 465,825.24 | 0.97% | | | -465,825.24 | -100.00% | -564,266.94 | -100.00% |
| DESPESAS EXERCÍCIO SEGUINTE | | | | | | | | | | |
| REALIZÁVEL A LONGO PRAZO | 20,396,747.52 | 42.31% | 20,253,262.63 | 42.12% | 20,253,262.63 | 42.23% | | | -143,484.89 | -0.70% |
| ATIVO PERMANENTE | 27,031,864.17 | 56.07% | 27,038,414.77 | 56.23% | 27,038,414.77 | 56.38% | | | 6,550.60 | 0.02% |
| BENS PATRIMONIAIS EM OPER. | 26,918,870.91 | 55.84% | 26,925,421.51 | 55.99% | 26,925,421.51 | 56.14% | | | 6,550.60 | 0.02% |
| BENS PATRIM. AND. E SOBRES. | | | | | | | | | | |
| OUTRAS IMOBILIZAÇÕES | | | | | | | | | | |
| PROV. P/DEPREC. - VR. ATUAL | | | | | | | | | | |
| IMOBILIZAÇÕES FINANCEIRAS | 112,993.26 | 0.23% | 112,993.26 | 0.23% | 112,993.26 | 0.24% | | | | |
| ATIVO DIFERIDO | | | | | | | | | | |
| TOTAL DO ATIVO | 48,211,210.60 | 100.00% | 48,086,641.97 | 100.00% | 47,957,089.81 | 100.00% | -129,552.16 | -0.27% | -254,120.79 | 99.47% |

PASSIVO

| | | | | | | | | | | |
|--------------------------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|--------------------|---------------|--------------------|---------------|
| CIRCULANTE | 3,926,484.03 | 8.14% | 4,000,748.02 | 8.32% | 4,051,623.16 | 8.45% | 50,875.14 | 1.27% | 125,139.13 | 3.19% |
| EXIGÍVEL A CURTO PRAZO | 3,926,484.03 | 8.14% | 4,000,748.02 | 8.32% | 4,051,623.16 | 8.45% | 50,875.14 | 1.27% | 125,139.13 | 3.19% |
| CREDORES P/ FUNCIONAMENTO | 2,195,837.54 | 4.55% | 2,221,695.72 | 4.62% | 2,235,136.21 | 4.66% | 13,440.49 | 0.60% | 39,298.67 | 1.79% |
| COOPERADOS | 1,522,014.89 | 3.16% | 1,483,096.88 | 3.08% | 1,483,096.88 | 3.09% | | | -38,918.01 | |
| FINANCIAMENTOS | | | 36,400.00 | 0.08% | | | -36,400.00 | -100.00% | | #DIV/0! |
| OUTRAS EXIGIBILIDADES | 208,631.60 | 0.43% | 259,555.42 | 0.54% | 333,390.07 | 0.70% | 73,834.65 | 28.45% | 124,758.47 | |
| PASSIVO A LONGO PRAZO | | | | | | | | | | |
| EXIGÍVEL A LONGO PRAZO | 37,133,292.64 | 77.02% | 36,973,338.12 | 76.89% | 36,973,338.12 | 77.10% | | | -159,954.52 | -0.43% |
| RESULTADO DO EXERCÍCIO FUTURO | | | | | | | | | | |
| PATRIMÔNIO LÍQUIDO | 7,151,433.93 | 14.83% | 7,112,555.83 | 14.79% | 6,932,128.53 | 14.45% | -180,427.30 | -2.54% | -219,305.40 | -3.07% |
| CAPITAL | 2,759,721.51 | 5.72% | 2,759,721.51 | 5.74% | 2,759,721.51 | 5.75% | | | | |
| RESERVAS | 29,926,126.96 | 62.07% | 30,183,257.01 | 62.77% | 30,183,257.01 | 62.94% | | | 257,130.05 | 0.86% |
| RESERVAS DE REAVALIAÇÃO | | | | | | | | | | |
| RESERVAS SOBRES INFLACIONÁRIAS | | | | | | | | | | |
| FUNDO DE RESERVA | | | | | | | | | | |
| FATES | | | | | | | | | | |
| SOBRAS E/OU PERDAS ACUMULADAS | -25,534,414.54 | -52.96% | -25,830,422.69 | -53.72% | -26,010,849.99 | | | | -476,435.45 | 1.87% |
| TOTAL DO PASSIVO | 48,211,210.60 | 100.00% | 48,086,641.97 | 100.00% | 47,957,089.81 | 100.00% | -129,552.16 | -0.27% | -254,120.79 | 99.47% |

COOPERATIVA AGROINDUSTRIAL RIO FORMOSO LTDA.

DEMONSTRAÇÃO DE SOBRAS E PERDAS EM 31.12.2001 - ACUMULADO

| CONTA | DEZEMBRO.99 | | DEZEMBRO.00 | | DEZEMBRO.01 | | DEZ.2001 / DEZ.2000 | |
|---|--------------------|----------------|---------------------|----------------|--------------------|----------------|---------------------|-----------------|
| VENDAS DE PRODUTOS E SERVIÇOS | 637,932.55 | 100.00% | 1,185,747.25 | 100.00% | 565,776.76 | 100.00% | -619,970.49 | -52.29% |
| VENDAS DE MERC. E MATERIAIS | | | | | | | | |
| PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| = RECEITA OPERACIONAL BRUTA | 637,932.55 | 100.00% | 1,185,747.25 | 100.00% | 565,776.76 | 100.00% | -619,970.49 | -52.29% |
| IMPOSTOS INCIDENTES S/VENDAS | | | | | | | | |
| OUTROS ABATIMENTOS E DESCONTOS | | | | | | | | |
| DEVOLUÇÕES DE PRODUTOS | | | | | | | | |
| DEVOLUÇÃO DE MERC. E MATERIAIS | | | | | | | | |
| = RENDA OPERACIONAL LÍQUIDA | 637,932.55 | 100.00% | 1,185,747.25 | 100.00% | 565,776.76 | 100.00% | -619,970.49 | -52.29% |
| CUSTO DAS VENDAS DE PRODUTOS E SERVIÇOS | | | | | | | | |
| CUSTO DAS VENDAS DE MERC. E MAT. | | | | | | | | |
| CUSTO DA PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| CUSTO DA DEVOLUÇÃO DE PRODS. | | | | | | | | |
| CUSTO DA DEV. DE MERC. E MATS. | | | | | | | | |
| + OUTRAS RECEITAS | | | | | | | | |
| = RENDA OPERACIONAL LÍQUIDA I | 637,932.55 | 100.00% | 1,185,747.25 | 100.00% | 565,776.76 | 100.00% | -619,970.49 | -52.29% |
| DESPESAS COMERCIAIS DIRETAS | -916,349.19 | -143.64% | -735,764.06 | -62.05% | -738,836.62 | -130.59% | -3,072.56 | 0.42% |
| = RESULTADO BRUTO II | -278,416.64 | -43.64% | 449,983.19 | 37.95% | -173,059.86 | -30.59% | -623,043.03 | -138.46% |
| AMORTIZAÇÃO DESPESAS DIFERIDAS | | | | | | | | |
| DESPESAS ADMINISTRATIVAS / COMERCIAIS | | | | | | | | |
| OUTRAS RECEITAS OPERACIONAIS | | | | | | | | |
| RESERVA DE REAVALIAÇÃO | | | | | | | | |
| = RESULTADO LÍQUIDO OPERACIONAL | -278,416.64 | -43.64% | 449,983.19 | 37.95% | -173,059.86 | -30.59% | -623,043.03 | -138.46% |
| RECEITAS FINANCEIRAS | | | | | | | | |
| DESPESAS FINANCEIRAS | -327,872.17 | -51.40% | -86,556.30 | -7.30% | -7,367.44 | -1.30% | 79,188.86 | -91.49% |
| DESPESAS DE PARTICIPAÇÃO | | | | | | | | |
| RECEITAS DE PARTICIPAÇÃO | | | | | | | | |
| PROVISÕES | | | | | | | | |
| REVERSÕES | | | | | | | | |
| = RESULTADO LÍQUIDO ANTES CORMON | -606,288.81 | -95.04% | 363,426.89 | 30.65% | -180,427.30 | -31.89% | -543,854.19 | -149.65% |
| CORMON | | | | | | | | |
| = RESULT. LÍQ. APOS CORMON | -606,288.81 | -95.04% | 363,426.89 | 30.65% | -180,427.30 | -31.89% | -543,854.19 | -149.65% |
| RENDAS NÃO OPERACIONAIS | | | | | | | | |
| FUNDO DE RESERVA LEGAL = 20% SOBRA | | | | | | | | |
| FATES - 20% SOBRA | | | | | | | | |
| FATES - RESULTADO POSITIVO C/ TERCEIROS | | | | | | | | |
| CAPITALIZAÇÃO DE SOBRAS | | | | | | | | |
| = RESULTADO LÍQUIDO FINAL | -606,288.81 | -95.04% | 363,426.89 | 30.65% | -180,427.30 | -31.89% | -543,854.19 | -149.65% |

INDICADORES ECONÔMICOS FINANCEIROS

LIQUIDEZ

| | 1,999 | 2,000 | 2,001 |
|------------------------------|-------|-------|-------|
| ÍNDICE DE LIQUIDEZ SECA | 0.06 | 0.08 | 0.16 |
| ÍNDICE DE LIQUIDEZ CORRENTE | 0.20 | 0.20 | 0.16 |
| ÍNDICE DE LIQUIDEZ GERAL | 0.52 | 0.51 | 0.51 |
| GARANTIA DE CAPITAL DE TERC. | 0.17 | 0.17 | 0.17 |

SOLVÊNCIA

| | | | |
|-------------------------|------|------|------|
| ÍNDICE DE IMOBILIZAÇÕES | 3.78 | 3.80 | 3.90 |
| ÍNDICE DE ENDIVIDAMENTO | 0.85 | 0.85 | 0.86 |

ATIVIDADES

| | | | |
|------------------|------|------|------|
| ROTAÇÃO DO ATIVO | 0.01 | 0.02 | 0.01 |
|------------------|------|------|------|

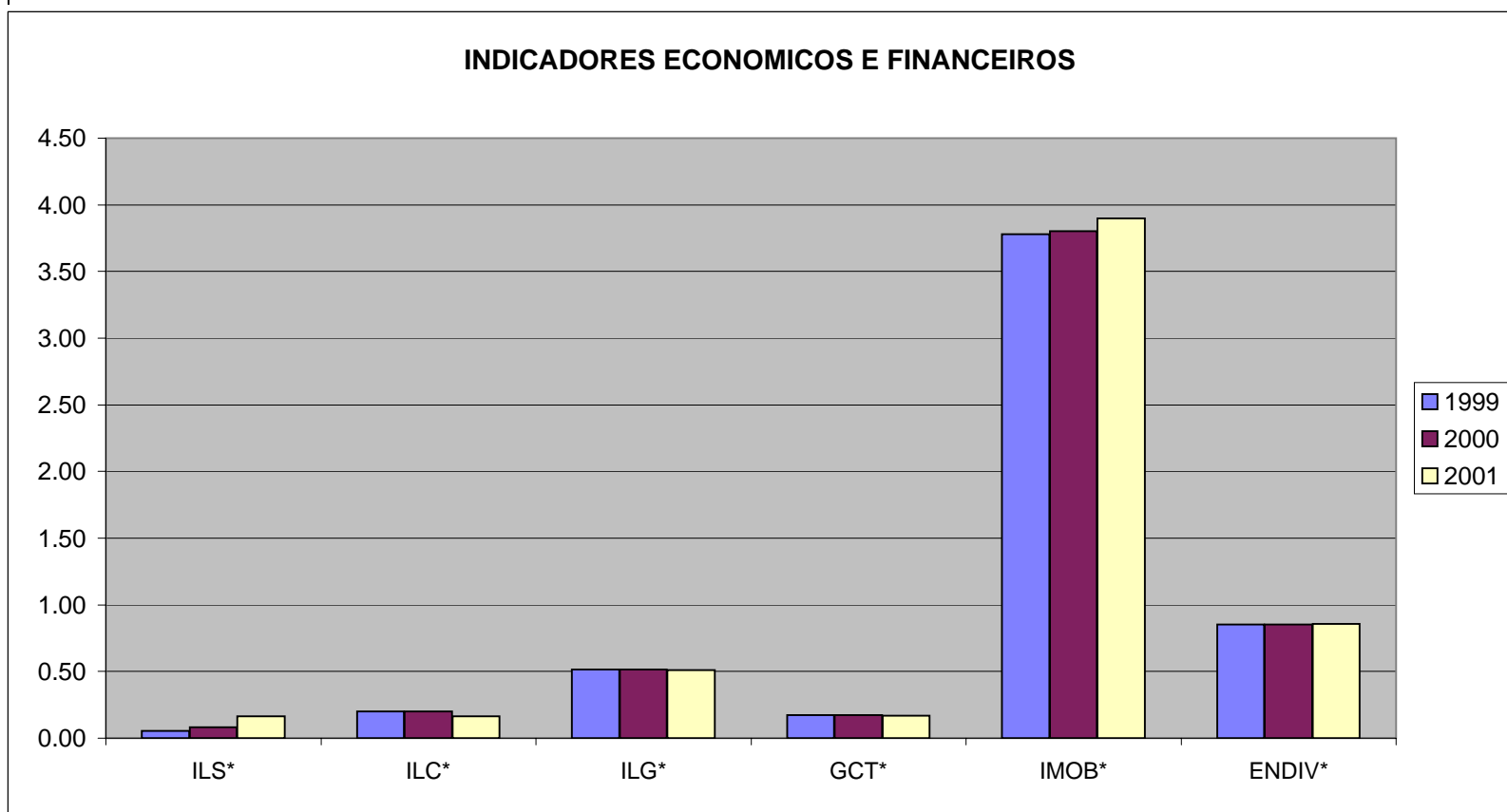
LUCRATIVIDADE

| | | | |
|------------------------|---------|--------|---------|
| MARGEM OPERC. BRUTA II | -43.64% | 37.95% | -30.59% |
| MARGEM OPERAC. LÍQUIDA | -43.64% | 37.95% | -30.59% |
| MARGEM FINAL | -95.04% | 30.65% | -31.89% |

RENTABILIDADE

| | | | |
|-----------------------|--------|-------|--------|
| DO ATIVO | -1.26% | 0.76% | -0.38% |
| DO PATRIMONIO LÍQUIDO | -8.48% | 5.11% | -2.60% |

COOPERATIVA AGROINDUSTRIAL RIO FORMOSO LTDA.



LEGENDAS:

ILS* = INDICE DE LIQUIDEZ SECA

ILC* = INDICE DE LIQUIDEZ CORRENTE

ILG* = INDICE DE LIQUIDEZ GERAL

GCT* = GARANTIA DE CAPITAL DE TERCEIROS

IMOB* = INDICE DE IMOBILIZAÇÕES

ENDIV* = INDICE DE ENDIVIDAMENTO



& Consultores Associados

Comments:

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Telefone: (019) 3254-9501 Telefax: 3254-9502 E-Mail: ara@mpcnet.com.br*



- The Current Liquidity Ratio is 0.16, recorded on December/2001, identifying that, for each R\$1.00 of short term liabilities, the society owns only R\$ 0.16 for its settlement;
- The Working Capital Ratio is 0.51, recorded on December/2001, indicating that the society owns R\$ 0.51 to settle each R\$ 1.00 of short and long term liabilities.
- It is verifiable, thus, that the society is totally out of capital, being that its Liquid Assets, composed by Capital and Reserves, represents only 14.45% of its Total Liability, being, thus, its indebtedness of 85.55%
- The income during 1999, 2000 and 2001 fiscal years represented only 1.32%, 2.46% and 1.17%, respectively, of its Total Assets Structure;
- The losses accumulated during 1999, 2000 and 2001 fiscal years, represented 52.96%, 53.72% e 54.23%, respectively of its Total Assets;
- The position of the liabilities of the society, on December/2001, is composed as follows:
 - Circulating: 8.45%, corresponding to R\$ 4.051 thousand;
 - Long Term Liabilities: 77.10%, corresponding to R\$ 36.973 thousand;
 - Liquid Assets: 14.45%, corresponding to R\$ 6.937 thousand.

Thus, the Total Assets structure is of R\$ 47.961 thousand.

- One can observe, still, that the social, tax and financial liabilities were not corrected during the last fiscal years.

Conclusions of the Diagnosis

COOPERFORMOSO organizational analysis results demonstrate that its activities, in addition to being interrupted, are in true confrontation with usual administration rules and with legal and constitution determinations that direct the cooperative segment.

Yet the results of economic/financial analysis demonstrate the state of fragility of the society.

Pressed by creditors, by Justice and maybe even by some affiliates, one can imagine that the present board of directors is fully dedicated in search of solutions to the problems that have been lasting for a long time.

A vicious circle is then created. The society does not operate due to the lack of resources. The interruption of its activities stopped the generation of income. The lack of income prevents the settlement of its liabilities, causing indebtedness. The indebtedness causes judicial collection actions, mortgaging assets of the society and inscribing it in the Defaulters Cadastre. With restrictions to its credit and unavailability of goods to offer as guaranty, the society cannot obtain resources in the financial market. And without resources the cooperative cannot operate.



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The cooperative recover is related to capital investment, to the total elimination of its capacity idleness and to the preparation of an administrative and operational audit, aiming to identify the accumulated losses origin.

It is recommended, still, an Organizational Planning on Strategic, Tactic and Operational levels.

Affiliates, through an Ordinary General Meeting, must become aware of the actual present situation of the cooperative, the possible ways to revert this situation and, particularly, of the share each affiliate has in the operational and financial sound management of the cooperative, otherwise it will become very difficult, not to say impossible, the restructuring according to Directive Restructuring Plan, that in addition to promote its organizational restructuring, also aims to promote its continuity, refitting it to the new reality of a market highly competitive and demanding.

According to item VII, Article 63 - Chapter XI, of Law 5.764/71 and to item IV. Article 53 - Chapter XIII of his Social Statue, COOPERFORMOSO should have already begun its liquidation process for being with its activities paralyzed for more than 120 days.

Campinas, November/2002.

Diamantino Barrionuevo Junior - Project General Coordinator

Noberto Lucas Alvim - Economic/Financial Analyst

Adagmar Sampaio - Pedagogue / Organization and Methods Analyst

SISTEMA VIÁRIO
Multimodal Transport Network

● Cities where are situated the Cooperatives who takes part of Restructuring Master Plan for the Cooperatives of the Tocantins State.





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RESTRUCTURING MASTER PLAN
FOR THE COOPERATIVES
OF THE TOCANTINS STATE

INTERMEDIATE REPORT
LAGOVALE



Project

RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES OF THE TOCANTINS STATE

Intermediary Report

Part 2

PRESENT SITUATION DIAGNOSIS OF THE COOPERATIVA AGRO-INDUSTRIAL DO VALE DA LAGOA LTDA.- LAGOVALE

The present report shows the Present Situation Diagnosis of LAGOVALE, in conformity with jobs carried on according to the 1st and 2nd steps anticipated by the project object of the contract settled between JICA and ARA, on 07/25/2002.

Cooperative Identification

- Address: Rodovia TO 255, Km 90 - Lagoa da Confusão /TO
- Location in the Map: **Number 2**
- Date of formation: 10.23.1993
- Social Board: 22 affiliates
- President: **Mr. Eloi Amélio Bernardon**
- CNPJ/MF: 38.140.513/0001-70 (Income Tax Registration Number)
- Inscrição Estadual: 29.02.048.688-9 (State Registration Number)
- County of the operational area
 - Lagoa da confusão;

- Main activities: Receiving, cleaning, drying and stocking of Soy Beans, Rice and Corn produced by the affiliates.

Information and Data Survey

This activity was carried on at the cooperative offices, aiming to gather all its constitutive documents, as well as those registering the activities in managing, financial, operational and social areas, besides gathering information about its operations, in order to prepare economic/financial and organizational analyses, then displaying a diagnosis of the present situation.

To accomplish this step of the job, we were assisted by Mr. Luiz Carlos O. Alves, Lagovale's General Manager.

LAGOVALE has its activities interrupted since 2000.

This interruption caused practically all the physical and organizational structure to be impaired.



Organizational Analysis

Its staff is reduced to only 02 employees, working without record, in complete disagreement with current labor laws.

The cooperative does not have an employee record book.

The record books, mandatory according to Law 5.764/71, federal, state and county legislation that rule the management of civil societies, are not being used and are totally not out of date.

The Register Book of Affiliation itself and the control of each affiliate's social capital does not exist. In an eventual inspection by Federal Tax agents, all the operation carried on by the cooperative will be considered "operations with outsiders" (non-cooperative acts) and subjected to income tax, with retroactive criteria, generating taxes and interests, beyond their nominal values.

The Fiscal Record Book, displaying incoming and outgoing supplies, for taxes assessment, was not at the cooperative, turning its analysis impossible.

The last General Meeting registered in the proper book was carried on in 1999.

The cooperative does not have the Affiliate Presence in General Meetings Book, through which is verified if there is quorum, to install the meeting or not.

The decisions taken in the board of directors meetings were registered in the proper book up to June 2000, while those of the Fiscal Council until November, 1997.

Inexistent as well are methods to control stock and accounts payable or receivable.

The cooperative has been under judicial actions aiming to collect tax, fiscal, bank and supplying debts, in addition to an action unfaithful trusteeship, carried on by CONAB, for having been detected the absence of goods owned by the Federal Government, which guard was under the responsibility of the cooperative.

Its assets are pawned by ongoing judicial actions and the cooperative is inscribed in the Defaulters Cadastre (CADIN) of the Central Bank.

For these facts, the cooperative has found restrictions in all its initiatives taken in the financial market, in obtaining resources to promote its sound financial management.

For the same reason, its Project for Agricultural and Cattle Raising Cooperatives Revitalization (RECOOP) was denied. The RECOOP was being pleaded in order to accomplish sound financial management of the cooperative, stretch the affiliates debts with the cooperative, working capital, investment, restructuring and conversion of activities and technological verticalization and modernization of the cooperative. In total, the plea of RECOOP was of R\$ 4.632.423,87.

Impeded to operate with its cooperators, these, in General Meeting, decided that the grain reception structure of the cooperative should be put for sale and the result obtained used to settle existing debts.

The affiliates have not stored their production at the cooperative warehouses after the last harvests.

Practically all the affiliates built their own structures in their farms, to collect, dry and store their own production.



Economic/Financial Analysis

This analysis was prepared based on the results shown by the Balance Sheets and by Surpluses and Losses Statement, related to 1997, 1998 and 1999 fiscal years. We reserve ourselves not to ensure the veraciousness of numbers presented in such documents, once they were not prepared or audited by our staff. Our responsibility is restricted to results found out by our analysis, which can be observed through the following documents, attached to this one.

- Balance Sheet on 12/31/1999 – Economic/Financial Performance Analysis I;
- Surpluses and Losses Statement on 12/31/1999; - Accumulator.
- Economic/Financial Indicators (Indexes);
- Economic/Financial Indicators (Chart).

See the document entitled ANBALCOOPLAGOVALE.XLS inclosed

COOPERATIVA AGROINDUSTRIAL DO VALE DA LAGOA LTDA.

BALANÇO PATRIMONIAL EM 31.12.1999 - ANÁLISE DE DESEMPENHO ECONÔMICO FINANCEIRO I

| | 1997 | | 1998-1999 | | | | DIF.DEZ.1999/DEZ.1998 | | DIF.DEZ.1999/DEZ.1997 | |
|-----------------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|-----------------------|---------------|-----------------------|---------------|
| | DEZEMBRO.97 | % | DEZEMBRO.98 | % | DEZEMBRO.99 | % | VALOR | % | VALOR | % |
| ATIVO | | | | | | | | | | |
| CIRCULANTE | 2,663,341.49 | 45.13% | 675,665.88 | 16.15% | 688,994.30 | 17.01% | 13,328.42 | 1.97% | -1,974,347.19 | -74.13% |
| DISPONÍVEL | 9,176.97 | 0.16% | 43,518.44 | 1.04% | 10,686.86 | 0.26% | -32,831.58 | -75.44% | 1,509.89 | 16.45% |
| REALIZÁVEL A CURTO PRAZO | 2,654,164.52 | 44.97% | 632,147.44 | 15.11% | 678,307.44 | 16.75% | 46,160.00 | 7.30% | -1,975,857.08 | -74.44% |
| VALORES A RECEBER | 16,633.27 | 0.28% | 81,213.00 | 1.94% | 42,887.00 | 1.06% | -38,326.00 | -47.19% | 26,253.73 | 157.84% |
| ESTOQUES | 2,470,053.57 | 41.85% | 385,844.69 | 9.22% | 470,330.69 | 11.61% | 84,486.00 | 21.90% | -1,999,722.88 | -80.96% |
| OUTROS CRÉDITOS | 167,477.68 | 2.84% | 165,089.75 | 3.95% | 165,089.75 | 4.08% | | | -2,387.93 | -1.43% |
| REALIZÁVEL A LONGO PRAZO | 698,656.20 | 11.84% | 1,068,584.98 | 25.54% | 1,068,584.98 | 26.38% | | | 369,928.78 | 52.95% |
| ATIVO PERMANENTE | 2,539,528.64 | 43.03% | 2,440,103.38 | 58.31% | 2,293,135.58 | 56.61% | -146,967.80 | -6.02% | -246,393.06 | -9.70% |
| BENS PATRIMONIAIS EM OPER. | 2,539,528.64 | 43.03% | 2,440,103.38 | 58.31% | 2,293,135.58 | 56.61% | -146,967.80 | -6.02% | -246,393.06 | -9.70% |
| BENS PATRIM. AND. E SOBRES. | | | | | | | | | | |
| OUTRAS IMOBILIZAÇÕES | | | | | | | | | | |
| PROV. P/DEPREC. - VR. ATUAL | | | | | | | | | | |
| IMOBILIZAÇÕES FINANCEIRAS | | | | | | | | | | |
| ATIVO DIFERIDO | | | | | | | | | | |
| TOTAL DO ATIVO | 5,901,526.33 | 100.00% | 4,184,354.24 | 100.00% | 4,050,714.86 | 100.00% | -133,639.38 | -3.19% | -1,850,811.47 | 68.64% |

PASSIVO

| | | | | | | | | | | |
|--------------------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|--------------------|---------------|----------------------|---------------|
| CIRCULANTE | 2,958,717.03 | 50.13% | 1,021,861.91 | 24.42% | 1,058,227.10 | 26.12% | 36,365.19 | 3.56% | -1,900,489.93 | -64.23% |
| EXIGÍVEL A CURTO PRAZO | 2,958,717.03 | 50.13% | 1,021,861.91 | 24.42% | 1,058,227.10 | 26.12% | 36,365.19 | 3.56% | -1,900,489.93 | -64.23% |
| FORNECEDORES | 2,469,205.20 | 41.84% | 337,691.23 | 8.07% | 268,696.15 | 6.63% | -68,995.08 | -20.43% | -2,200,509.05 | -89.12% |
| COOPERADOS - FORNECIMENTO | | | 201,886.03 | 4.82% | 303,802.03 | 7.50% | 101,916.00 | 50.48% | 303,802.03 | #DIV/0! |
| FINANCIAMENTOS | 303,850.64 | 5.15% | 303,850.64 | 7.26% | 303,850.64 | 7.50% | | | | |
| OUTRAS EXIGIBILIDADES | 185,661.19 | 3.15% | 178,434.01 | 4.26% | 181,878.28 | 4.49% | 3,444.27 | 1.93% | -3,782.91 | -2.04% |
| PASSIVO A LONGO PRAZO | | | | | | | | | | |
| EXIGÍVEL A LONGO PRAZO | 2,630,639.31 | 44.58% | 2,850,322.34 | 68.12% | 2,850,322.34 | 70.37% | | | 219,683.03 | 8.35% |
| RESULTADO DO EXERCÍCIO FUTURO | | | | | | | | | | |
| PATRIMÔNIO LÍQUIDO | 312,169.99 | 5.29% | 312,169.99 | 7.46% | 142,165.42 | 3.51% | -170,004.57 | -54.46% | -170,004.57 | -54.46% |
| CAPITAL | 234,874.99 | 3.98% | 234,874.99 | 5.61% | 213,275.78 | 5.27% | -21,599.21 | -9.20% | -21,599.21 | -9.20% |
| RESERVAS DE CAPITAL | 71,570.02 | 1.21% | 71,570.02 | 1.71% | 71,570.02 | 1.77% | | | | |
| RESERVAS DE REAVALIAÇÃO | | | | | | | | | | |
| RESERVAS SOBRAS INFLACIONÁRIAS | | | | | | | | | | |
| FUNDOS/RESERVAS ESTAT. | 3,816.65 | 0.06% | 3,816.65 | 0.09% | 3,816.65 | 0.09% | | | | |
| FATES | 1,908.33 | 0.03% | 1,908.33 | 0.05% | 1,908.33 | 0.05% | | | | |
| LUCROS/PREJUÍZOS ACUMULADOS | | | | | -148,405.36 | | | | -148,405.36 | #DIV/0! |
| TOTAL DO PASSIVO | 5,901,526.33 | 100.00% | 4,184,354.24 | 100.00% | 4,050,714.86 | 100.00% | -133,639.38 | -3.19% | -1,850,811.47 | 68.64% |

COOPERATIVA AGROINDUSTRIAL DO VALE DA LAGOA LTDA.

DEMONSTRAÇÃO DE SOBRAS E PERDAS EM 31.12.1999 - ACUMULADO

| CONTA | DEZEMBRO.97 | | DEZEMBRO.98 | | DEZEMBRO.99 | | DEZ.1999 / DEZ.1998 | |
|---|--------------------|----------------|--------------------|----------------|--------------------|----------------|---------------------|----------------|
| VENDAS DE PRODUTOS E SERVIÇOS | 698,562.96 | 103.83% | 469,960.60 | 102.59% | 224,174.04 | 100.00% | -245,786.56 | -52.30% |
| VENDAS DE MERC. E MATERIAIS | | | | | | | | |
| PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| = RECEITA OPERACIONAL BRUTA | 698,562.96 | 103.83% | 469,960.60 | 102.59% | 224,174.04 | 100.00% | -245,786.56 | -52.30% |
| IMPOSTOS INCIDENTES S/VENDAS | -25,538.20 | -3.80% | -11,864.14 | -2.59% | | | 11,864.14 | -100.00% |
| OUTROS ABATIMENTOS E DESCONTOS | -200.00 | -0.03% | | | | | | |
| DEVOLUÇÕES DE PRODUTOS | | | | | | | | |
| DEVOLUÇÃO DE MERC. E MATERIAIS | | | | | | | | |
| = RENDA OPERACIONAL LÍQUIDA | 672,824.76 | 100.00% | 458,096.46 | 100.00% | 224,174.04 | 100.00% | -233,922.42 | -51.06% |
| CUSTO DAS VENDAS DE PRODUTOS E SERVIÇOS | -185,751.83 | -27.61% | -49,095.03 | -10.72% | -18,865.20 | -8.42% | 30,229.83 | -61.57% |
| CUSTO DAS VENDAS DE MERC. E MAT. | | | | | | | | |
| CUSTO DA PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| CUSTO DA DEVOLUÇÃO DE PRODS. | | | | | | | | |
| CUSTO DA DEV. DE MERC. E MATS. | | | | | | | | |
| + OUTRAS RECEITAS | | | | | | | | |
| = RESULTADO BRUTO I | 487,072.93 | 72.39% | 409,001.43 | 89.28% | 205,308.84 | 91.58% | -203,692.59 | -49.80% |
| DESPESAS COMERCIAIS DIRETAS | | | | | | | | |
| = RESULTADO BRUTO II | 487,072.93 | 72.39% | 409,001.43 | 89.28% | 205,308.84 | 91.58% | -203,692.59 | -49.80% |
| AMORTIZAÇÃO DESPESAS DIFERIDAS | | | | | | | | |
| DESPESAS ADMINISTRATIVAS / COMERCIAIS | -409,031.35 | -60.79% | -416,217.93 | -90.86% | -161,769.36 | -72.16% | 254,448.51 | -61.13% |
| OUTROS CUSTOS OPERACIONAIS | -8,173.22 | -1.21% | | | | | | |
| CUSTOS C/ PESSOAL E TRIBUTOS | | | -119,152.65 | -26.01% | -75,818.52 | -33.82% | | |
| = RESULTADO LÍQUIDO OPERACIONAL | 69,868.36 | 10.38% | -126,369.15 | -27.59% | -32,279.04 | -14.40% | 94,090.11 | -74.46% |
| RECEITAS FINANCEIRAS | 134.11 | 0.02% | 583.66 | 0.13% | 1,088.00 | 0.49% | 504.34 | 86.41% |
| DESPESAS FINANCEIRAS | -1,611.86 | -0.24% | -2,223.67 | -0.49% | -499.73 | -0.22% | 1,723.94 | -77.53% |
| DESPESAS DE FINANC. INVEST. | -595,830.54 | -88.56% | -192,000.95 | -41.91% | | | 192,000.95 | |
| RECEITAS DE PARTICIPAÇÃO | | | | | | | | |
| CUSTOS C/ DEPREC/AMORTIZ. | | | | | -138,313.80 | -61.70% | -138,313.80 | #DIV/0! |
| REVERSÕES | | | | | | | | |
| = RESULTADO LIQUIDO ANTES CORMON | -527,439.93 | -78.39% | -320,010.11 | -69.86% | -170,004.57 | -75.84% | 150,005.54 | -46.88% |
| CORMON | | | | | | | | |
| = RESULT. LÍQ. APOS CORMON | -527,439.93 | -78.39% | -320,010.11 | -69.86% | -170,004.57 | -75.84% | 150,005.54 | -46.88% |
| AJUSTE EXERC. ANTER. | -121,717.46 | -18.09% | -51,279.77 | -11.19% | | | 51,279.77 | -100.00% |
| FUNDO DE RESERVA LEGAL = 20% SOBRA | | | | | | | | |
| FATES - 20% SOBRA | | | | | | | | |
| FATES - RESULTADO POSITIVO C/ TERCEIROS | | | | | | | | |
| CAPITALIZAÇÃO DE SOBRAS | | | | | | | | |
| = RESULTADO LÍQUIDO FINAL | -649,157.39 | -96.48% | -371,289.88 | -81.05% | -170,004.57 | -75.84% | 201,285.31 | -54.21% |

INDICADORES ECONÔMICOS FINANCEIROS

LIQUIDEZ

| | 1,997 | 1,998 | 1,999 |
|------------------------------|-------|-------|-------|
| ÍNDICE DE LIQUIDEZ SECA | 0.07 | 0.28 | 0.21 |
| ÍNDICE DE LIQUIDEZ CORRENTE | 0.90 | 0.66 | 0.65 |
| ÍNDICE DE LIQUIDEZ GERAL | 0.60 | 0.45 | 0.45 |
| GARANTIA DE CAPITAL DE TERC. | 0.06 | 0.08 | 0.04 |

SOLVÊNCIA

| | | | |
|-------------------------|------|------|-------|
| ÍNDICE DE IMOBILIZAÇÕES | 8.14 | 7.82 | 16.13 |
| ÍNDICE DE ENDIVIDAMENTO | 0.95 | 0.93 | 0.96 |

ATIVIDADES

| | | | |
|------------------|------|------|------|
| ROTAÇÃO DO ATIVO | 0.11 | 0.11 | 0.06 |
|------------------|------|------|------|

LUCRATIVIDADE

| | | | |
|----------------------------|---------|---------|---------|
| MARGEM OPERACIONAL BRUTA I | 72.39% | 89.28% | 91.58% |
| MARGEM OPERC. BRUTA II | 72.39% | 89.28% | 91.58% |
| MARGEM OPERAC. LÍQUIDA | 10.38% | -27.59% | -14.40% |
| MARGEM FINAL | -96.48% | -81.05% | -75.84% |

RENTABILIDADE

| | | | |
|-----------------------|----------|----------|----------|
| DO ATIVO | -11.00% | -8.87% | -4.20% |
| DO PATRIMONIO LÍQUIDO | -207.95% | -118.94% | -119.58% |

**COOPERATIVA AGROINDUSTRIAL DO VALE DA LAGOA
LTDA.**

INDICADORES ECONOMICOS E FINANCEIROS

LEGENDAS:

ILS* = INDICE DE LIQUIDEZ SECA

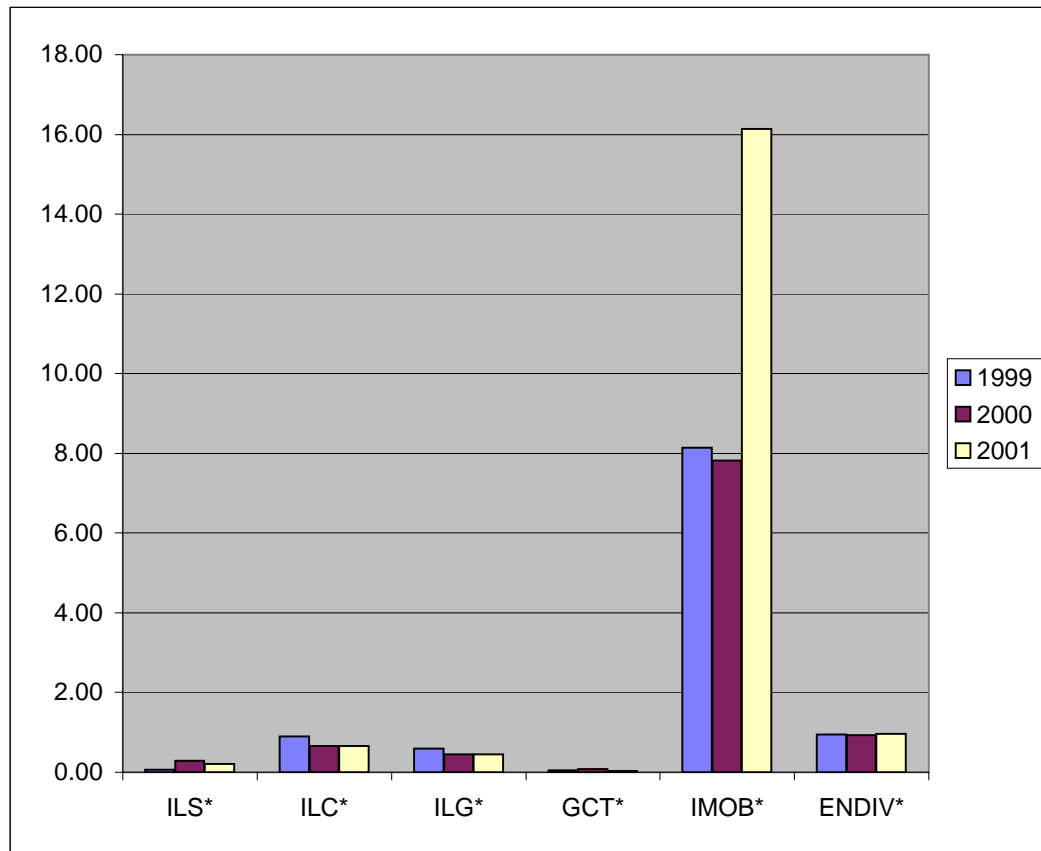
ILC* = INDICE DE LIQUIDEZ CORRENTE

ILG* = INDICE DE LIQUIDEZ GERAL

GCT* = GARANTIA DE CAPITAL DE TERCEIROS

IMOB* = INDICE DE IMOBILIZAÇÕES

ENDIV* = INDICE DE ENDIVIDAMENTO





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Comments:

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- The Current Liquidity Ratio is 0.65, recorded on December/1999, identifying that, for each R\$1.00 of short term liabilities, the society owns only R\$ 0.65 for its settlement;
- The Working Capital Ratio is 0.45, recorded on December/1999, indicating that the society owns R\$ 0.45 to settle each R\$ 1.00 of short and long term liabilities.
- The immobilization rates of 8,14; 7,82 and 16,83 of fiscal years 1997, 1998 and 1999, respectively, demonstrate that the society has immobilized 100% of his Working Capital;
- The financial costs of investments represent **88,56% e 41,91%** of years **1997 e 1998**, respectively, in relation to their incomes.
- In 1999 the financial costs of investments were not appropriated.
- We identified that, in 1997, the stock represented e times the income amount of respective fiscal year, causing. Also, the lack of working Capital.
- The losses in fiscal years **1997 e 1998**, reaching **R\$ 1.068.584,98**, are registered at Long Term Assets. However, if they were not transferred to Accumulated Losses, certainly the Equity would be negative.
- The society has not generated enough resources.

CONCLUSIONS OF THE DIAGNOSIS

LAGOVALE organizational analysis results demonstrate that its activities, in addition to being interrupted, are in true confrontation with usual administration rules and with legal and constitution determinations that direct the cooperative segment.

Yet the results of economic/financial analysis demonstrate the state of fragility of the society.

Pressed by creditors, by Justice and maybe even by some affiliates, one can imagine that the present board of directors is fully dedicated in search of solutions to the problems that have been lasting for a long time, and, particularly to the judicial action of unfaithful trusteeship, carried on by CONAB, which can even have consequences to its president, in the criminal area.

A vicious circle is then created. The society does not operate due to the lack of resources. The interruption of its activities stopped the generation of income. The lack of income prevents the settlement of its liabilities, causing indebtedness. The indebtedness causes judicial collection actions, mortgaging assets of the society and inscribing it in the Defaulters Cadastre. With restrictions to its credit and unavailability of goods to offer as guaranty, the society cannot obtain resources in the financial market. And without resources the cooperative cannot operate.



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The cooperative recover is related to capital investment, to the total elimination of its capacity idleness and to the preparation of an administrative and operational audit, aiming to identify the accumulated losses origin.

It is recommended, still, an Organizational Planning on Strategic, Tactic and Operational levels.

However, in our understanding, the decisions taken by the affiliates about selling all the operational structure of the cooperative, not operating with it, not delivering their production to it, and, moreover, building their own operational structures inside their farms to receive their productions, is enough to demonstrate the absolute lack of interest from the LAGOVALE affiliates in its administration and its continuity.

It is hence inefficient, to prepare any Master Plan to promote the restructuring of the cooperative without having a sound financial, operational and political management.

According to item VII, Article 63 - Chapter XI, of Law 5.764/71 and to letter "c" of the first paragraph of Article 72 - Chapter XII of his Social Statute, LAGOVALE should have already begun its liquidation process for being with its activities paralyzed for more than 120 days.

It is important to highlight that economic/financial viability of LAGOVALE, the reversion of the difficulties and its continuity, was conditioned to the approval of its RECOOP project, according to statement of its president through released in March of 1999, by the consultant in charge of preparing that project.

Affiliates must become aware of the actual present situation of the cooperative, based on a survey and exposition of results presented by independent auditor, through na Extraordinary General Meeting, take the best decision to the **society**.

Campinas, November/2002

Diamantino Barrionuevo Junior - Project General Coordinator

Noberto Lucas Alvim - Economic/Financial Analyst

Adagmar Sampaio - Pedagogue / Organization and Methods Analyst

SISTEMA VIÁRIO
Multimodal Transport Network

● Cities where are situated the Cooperatives who takes part of Restructuring Master Plan for the Cooperatives of the Tocantins State.





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RESTRUCTURING MASTER PLAN
FOR THE COOPERATIVES
OF THE TOCANTINS STATE

INTERMEDIATE REPORT
COOPERNORTE

Project

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**RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES OF THE
TOCANTINS STATE**

Intermediary Report

Part 2

***PRESENT SITUATION DIAGNOSIS OF THE COOPERATIVA
AGROPECUÁRIA TOCANTINENSE LTDA. - COOPERNORTE***

The present report shows the Present Situation Diagnosis of COOPERNORTE, in conformity with jobs carried on according to the 1st and 2nd steps anticipated by the project object of the contract settled between JICA and ARA, on 07/25/2002.

Cooperative Identification

- Address: Rodovia BR 153. Km 472 – Z. Rural – Paraíso do Tocantins /TO
- Location in the Map: **Number 1**
- Date of formation: 01/27/1979
- Social Board: 270 affiliates:
 - 150 actives
 - 120 inactives
- President: **Sr. Adson Lourenço da Silva**
- CNPJ/MF: 02.478.592/0001-87 (Income Tax Registration Number)
- Inscrição Estadual: 29.028.252-7 (State Registration Number)
- County of the operational area.
 - Paraíso do Tocantins;
 - Marianópolis;
 - Divinópolis;
 - Porto Nacional;
 - Palmas;
 - Monete Santo;
 - Cristalândia;
 - Fátima;
 - Pium.

- Main activities:
 - Dairy, storage, processing and trading of grains and cereals, technical assistance and a supermarket.

Information and Data Survey



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This activity was carried on at the cooperative offices, aiming to gather all its constitutive documents, as well as those registering the activities in managing, financial, operational and social areas, besides gathering information about its operations, in order to prepare economic/financial and organizational analyses, then displaying a diagnosis of the present situation.

To accomplish this step of the job, we were assisted by Mr. Adson Lourenço da Silva, President, Mr. Wasington Luiz da Silva, Financial Director and Donizete Martins de Melo, Operations Director.

COOPERNORTE maintain all its activities in full work, which helped our job.

It is convenient to highlight that from all the cooperatives analyzed, excepted for those of the milk belt, COOPERNORTE is the only one in operation.

Organizational Analysis

There is a Formal Structure of organization. Its activities are developed and controlled by organized departments, working synchronously

The staff, formed by 29 employees, is properly registered according to Labor Laws.

The record books, mandatory according to Law 5.764/71, federal, state and county legislation that rule the management of civil societies, are being used correctly.

The Register Book of Affiliation is updated, which is not the case of the affiliates Capital Stock control.

The Register Book of income and outgo of goods, to determine added-value sales tax is updated.

The control and movement of its stock is not consistent, causing distortions in its results.

Presently COOPERNORTE is operating with the following products: milk, mozzarella cheese, butter, animal food and mineral supplement.

Its operational structure is composed of the dairy, a supermarket, warehouse for sacked goods and a veterinary store.

The static capacity of the dairy to receive raw milk is of 30.000 liters.

The Board of Directors consider necessary to diversify the dairy production, beginning, thus, a process of increase of its reception capacity.

Presently, the cooperative has received, approximately, 13.000liters/milk/day.

The price of raw milk paid to affiliates is R\$ 0.40/liter, and it is sold, pasteurized, for R\$ 0.65/liter.

There must be some distortion in cheese production, that causes its production price to be superior to its selling price, generating operational loss.

COOPERNORTE also confronts problems in selling raw milk (informal market) in the counties where it operates.



It is estimated that, just in the county of Paraíso do Tocantins, (the cooperative's head office), for each 1.000 liters of milk pasteurized and packed by the cooperative, 4.000liters of raw milk is being sold in the informal market.

Economic/Financial Analysis

This analysis was prepared based on the results shown by the Balance Sheets and by Surpluses and Losses Statement, related to 1999,2000 and 2001 fiscal years. We reserve ourselves not to ensure the veraciousness of numbers presented in such documents, once they were not prepared or audited by our staff. Our responsibility is restricted to results found out by our analysis, which can be observed through the following documents, attached to this one.

- Balance Sheet on 12/31/2001 – Economic/Financial Performance Analysis I;
- Surpluses and Losses Statement on 12/31/2001;
- Economic/Financial Indicators (Indexes);
- Economic/Financial Indicators (Chart).



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See the document entitled ANBALCOOPTOCANTINS.XLS inclosed

COOPERATIVA AGROPECUARIA TOCANTINENSE LTDA.

BALANÇO PATRIMONIAL EM 31.12.2001 - ANÁLISE DE DESEMPENHO ECONÔMICO FINANCEIRO I

| | 1999 | | 2000 | | 2001 | | DIF.DEZ.00 P/ DEZ.01 | | DIF.DEZ.01 P/ DEZ.99 | |
|-----------------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|----------------------|--------------|----------------------|---------------|
| | DEZEMBRO | % | DEZEMBRO | % | DEZEMBRO | % | VALOR | % | VALOR | % |
| ATIVO | | | | | | | | | | |
| CIRCULANTE | 285,487.40 | 10.95% | 349,253.26 | 13.07% | 535,073.06 | 18.61% | 185,819.80 | 53.20% | 249,585.66 | 87.42% |
| DISPONÍVEL | 47,589.54 | 1.82% | 31,713.19 | 1.19% | 98,073.71 | 3.41% | 66,360.52 | 209.25% | 50,484.17 | 106.08% |
| REALIZÁVEL A CURTO PRAZO | 237,897.86 | 9.12% | 317,540.07 | 11.89% | 436,999.35 | 15.20% | 119,459.28 | 37.62% | 199,101.49 | 83.69% |
| CLIENTES | 123,112.94 | 4.72% | 141,287.29 | 5.29% | 262,623.05 | 9.14% | 121,335.76 | 85.88% | 139,510.11 | 113.32% |
| ESTOQUES | 114,784.92 | 4.40% | 176,252.78 | 6.60% | 174,376.30 | 6.07% | -1,876.48 | -1.06% | 59,591.38 | 51.92% |
| OUTROS CRÉDITOS | | | | | | | | | | |
| REALIZÁVEL A LONGO PRAZO | 1,278,419.80 | 49.02% | 1,306,310.95 | 48.89% | 1,307,205.71 | 45.47% | 894.76 | 0.07% | 28,785.91 | 2.25% |
| ATIVO PERMANENTE | 1,043,784.26 | 40.03% | 1,016,131.00 | 38.03% | 1,032,418.42 | 35.91% | 16,287.42 | 1.60% | -11,365.84 | -1.09% |
| BENS PATRIMONIAIS EM OPER. | 846,188.62 | 32.45% | 796,935.36 | 29.83% | 813,822.78 | 28.31% | 16,887.42 | 2.12% | -32,365.84 | -3.82% |
| BENS PATRIM. AND. E SOBRES. | | | | | | | | | | |
| OUTRAS IMOBILIZAÇÕES | | | | | | | | | | |
| PROV. P/DEPREC. - VR. ATUAL | | | | | | | | | | |
| IMOBILIZAÇÕES FINANCEIRAS | 196,515.64 | 7.54% | 217,515.64 | 8.14% | 217,515.64 | 7.57% | | | 21,000.00 | 10.69% |
| ATIVO DIFERIDO | 1,080.00 | 0.04% | 1,680.00 | 0.06% | 1,080.00 | 0.04% | -600.00 | -35.71% | | |
| | | | | | | | | | | |
| TOTAL DO ATIVO | 2,607,691.46 | 100.00% | 2,671,695.21 | 100.00% | 2,874,697.19 | 100.00% | 203,001.98 | 7.60% | 267,005.73 | 10.24% |

PASSIVO

| | | | | | | | | | | |
|-------------------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|-------------------|--------------|-------------------|---------------|
| CIRCULANTE | 1,648,058.61 | 63.20% | 2,000,519.33 | 74.88% | 1,482,407.85 | 51.57% | -518,111.48 | -25.90% | -165,650.76 | -10.05% |
| EXIGÍVEL A CURTO PRAZO | 1,648,058.61 | 63.20% | 2,000,519.33 | 74.88% | 1,482,407.85 | 51.57% | -518,111.48 | -25.90% | -165,650.76 | -10.05% |
| FORNECEDORES | 99,784.12 | 3.83% | 115,814.67 | 4.33% | 181,721.48 | 6.32% | 65,906.81 | 56.91% | 81,937.36 | 82.11% |
| COOPERADOS | | | | | | | | | | |
| PROVISÕES | 695,147.52 | 26.66% | 695,147.52 | 26.02% | 48,258.25 | 1.68% | -646,889.27 | -93.06% | -646,889.27 | -93.06% |
| OUTRAS EXIGIBILIDADES | 853,126.97 | 32.72% | 1,189,557.14 | 44.52% | 1,252,428.12 | 43.57% | 62,870.98 | 5.29% | 399,301.15 | 46.80% |
| PASSIVO A LONGO PRAZO | | | | | | | | | | |
| EXIGÍVEL A LONGO PRAZO | 1,383,052.43 | 53.04% | 1,604,380.11 | 60.05% | 1,580,528.25 | 54.98% | -23,851.86 | -1.49% | 197,475.82 | 14.28% |
| RESULTADO DO EXERCÍCIO FUTURO | | | | | | | | | | |
| PATRIMÔNIO LÍQUIDO | -423,419.58 | -16.24% | -933,204.23 | -34.93% | -188,238.91 | -6.55% | 744,965.32 | -79.83% | 235,180.67 | -55.54% |
| CAPITAL | 43,670.69 | 1.67% | 44,329.25 | 1.66% | 44,542.13 | 1.55% | 212.88 | 0.48% | 871.44 | 2.00% |
| RESERVA DE FUNDOS | 62,745.83 | 2.41% | 62,745.83 | 2.35% | 62,745.83 | 2.18% | | | | |
| RESERVAS LIVRES | | | | | | | | | | |
| RETORNO | | | | | | | | | | |
| RESULTADOS ACUMULADOS | -156,335.95 | -6.00% | -151,174.36 | -5.66% | -1,040,026.57 | -36.18% | -888,852.21 | | -883,690.62 | |
| RESULTADOS DO EXERCÍCIO | -373,500.15 | -14.32% | -889,104.95 | -33.28% | 744,499.70 | 25.90% | 1,633,604.65 | -183.74% | 1,117,999.85 | -299.33% |
| SOBRAS E PERDAS - CORMON. | | | | | | | | | | |
| TOTAL DO PASSIVO | 2,607,691.46 | 100.00% | 2,671,695.21 | 100.00% | 2,874,697.19 | 100.00% | 203,001.98 | 7.60% | 267,005.73 | 10.24% |

COOPERATIVA AGROPECUARIA TOCANTINENSE LTDA.

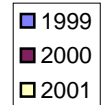
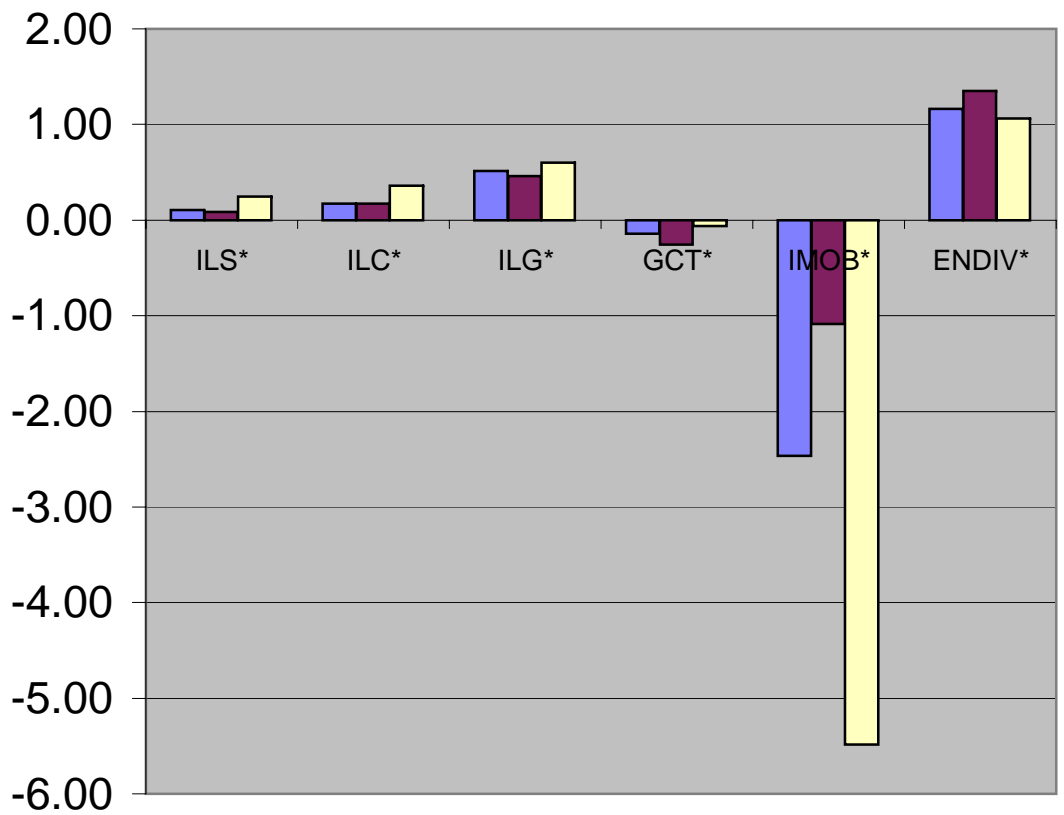
DEMONSTRAÇÃO DE SOBRES E PERDAS EM 31.12.2001 - ACUMULADO

| CONTA | 1999 | | 2000 | | 2001 | | DIF.2001 / 2000 | |
|--|---------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|-----------------|
| VENDAS DE PRODUTOS | 1.910.322,74 | 74.95% | 1.708.554,70 | 77.67% | 2.173.026,24 | 79.02% | 464.471,54 | 27.19% |
| VENDAS DE MERC. E MATERIAIS | 791.396,24 | 31.05% | 627.784,95 | 28.54% | 837.054,15 | 30.44% | 209.269,19 | 33.33% |
| PRESTAÇÃO DE SERVIÇOS | 107.357,77 | 4.21% | 53.987,66 | 2.45% | 44.494,20 | 1.62% | -9.493,46 | -17.58% |
| = RECEITA OPERACIONAL BRUTA | 2.809.076,75 | 110.22% | 2.390.327,31 | 108.67% | 3.054.574,60 | 111.07% | 664.247,29 | 27.79% |
| IMPOSTOS INCIDENTES S/VENDAS | -260.404,22 | -10.22% | -190.632,71 | -8.67% | -304.468,71 | -11.07% | -113.836,00 | 59.71% |
| OUTROS ABATIMENTOS E DESCONTOS | | | | | | | | |
| DEVOLUÇÕES DE PRODUTOS | | | | | | | | |
| DEVOLUÇÃO DE MERC. E MATERIAIS | | | | | | | | |
| = RENDA OPERACIONAL LÍQUIDA | 2.548.672,53 | 100.00% | 2.199.694,64 | 100.00% | 2.750.105,89 | 100.00% | 550.411,25 | 25.02% |
| CUSTO DAS VENDAS DE PRODUTOS | 1.167.029,63 | 45.79% | 982.557,47 | 44.67% | 1.319.564,95 | 47.98% | 337.007,50 | 34.30% |
| CUSTO DAS VENDAS DE MERC. E MAT. | 608.411,22 | 23.87% | 483.554,17 | 21.98% | 604.713,02 | 21.99% | 121.158,85 | 25.06% |
| CUSTO DA PRESTAÇÃO DE SERVIÇOS | 24.616,29 | 0.97% | 20.252,66 | 0.92% | 12.502,54 | 0.45% | -7.750,15 | -38.27% |
| CUSTO DA DEVOLUÇÃO DE PRODS. | | | | | | | | |
| CUSTO DA DEV. DE MERC. E MATS. | | | | | | | | |
| + OUTRAS RECEITAS | | | | | | | | |
| = RESULTADO BRUTO I | 748.615,39 | 29.37% | 713.330,37 | 32.43% | 813.325,28 | 29.57% | 99.994,91 | 14.02% |
| OUTRAS DESPESAS OPERACIONAIS | | | | | | | | |
| = RESULTADO BRUTO II | 748.615,39 | 29.37% | 713.330,37 | 32.43% | 813.325,28 | 29.57% | 99.994,91 | 14.02% |
| DESPESAS COMERCIAIS DIRETAS | -411.584,50 | -16.15% | -384.048,22 | -17.46% | -391.803,54 | -14.25% | -7.755,32 | 2.02% |
| DESPESAS ADMINISTRATIVAS | -312.771,06 | -12.27% | -227.665,79 | -10.35% | -287.863,88 | -10.47% | -60.198,09 | 26.44% |
| OUTRAS RECEITAS OPERACIONAIS | | | | | | | | |
| = RESULTADO LÍQUIDO OPERACIONAL | 24.259,83 | 0.95% | 101.616,36 | 4.62% | 133.657,86 | 4.86% | 32.041,50 | 31.53% |
| RECEITAS FINANCEIRAS / PROVISÃO P/I.R. | | | | | | | | |
| DESPESAS FINANCEIRAS / CONTRIB. SOCIAL | -410.590,31 | -16.11% | -621.253,20 | -28.24% | -500.704,81 | -18.21% | 120.548,39 | -19.40% |
| DESPESAS DE PARTICIPAÇÃO | | | | | | | | |
| RECEITAS DE PARTICIPAÇÃO | | | | | | | | |
| AJUSTES DE EXERCÍCIOS ANTERIORES | | | | | | | | |
| REVERSÕES | | | | | | | | |
| = RESULTADO LÍQUIDO ANTES CORMON | -386.330,48 | -15.16% | -519.636,84 | -23.62% | -367.046,95 | -13.35% | 152.589,89 | -29.36% |
| CORMON | | | | | | | | |
| = RESULT. LÍQ. APOS CORMON | -386.330,48 | -15.16% | -519.636,84 | -23.62% | -367.046,95 | -13.35% | 152.589,89 | -29.36% |
| RECEITAS FINANCEIRAS | 14.650,71 | 0.57% | 1.076,37 | 0.05% | 1.980,85 | 0.07% | 904,52 | 84.03% |
| OUTRAS RECEITAS | 11.708,61 | 0.46% | 6.449,97 | 0.29% | 1.109,565,70 | 40.35% | 1.103.115,74 | 17102.65% |
| OUTRAS DESPESAS | -13.526,19 | -0.53% | -3.481,53 | -0.16% | | | 3.481,53 | -100.00% |
| RESERVA FATES | | | | | | | | |
| SOBRAS CAP.EXERC. / AMORT.RET.ANTECIPADO | | | | | | | | |
| = RESULTADO LÍQUIDO FINAL | -373.497,35 | -14.65% | -515.592,03 | -23.44% | 744.499,70 | 27.07% | 1.260.091,73 | -244.40% |

INDICADORES ECONÔMICOS FINANCEIROS

| | 1999 | 2000 | 2001 |
|----------------------------------|---------|---------|----------|
| LIQUIDEZ | | | |
| ÍNDICE DE LIQUIDEZ SECA | 0.10 | 0.09 | 0.24 |
| ÍNDICE DE LIQUIDEZ CORRENTE | 0.17 | 0.17 | 0.36 |
| ÍNDICE DE LIQUIDEZ GERAL | 0.52 | 0.46 | 0.60 |
| GARANTIA DE CAPITAL DE TERCEIROS | -0.14 | -0.26 | -0.06 |
| SOLVÊNCIA | | | |
| ÍNDICE DE IMOBILIZAÇÕES | -2.47 | -1.09 | -5.48 |
| ÍNDICE DE ENDIVIDAMENTO | 1.16 | 1.35 | 1.07 |
| ATIVIDADES | | | |
| ROTAÇÃO DO ATIVO | 0.98 | 0.82 | 0.96 |
| LUCRATIVIDADE | | | |
| MARGEM OPERACIONAL BRUTA | 29.37% | 32.43% | 29.57% |
| MARGEM OPERC. BRUTA II | 29.37% | 32.43% | 29.57% |
| MARGEM OPERAC. LÍQUIDA | 0.95% | 4.62% | 4.86% |
| MARGEM FINAL | -14.65% | -23.44% | 27.07% |
| RENTABILIDADE | | | |
| DO ATIVO | -14.32% | -19.30% | 25.90% |
| DO PATRIMONIO LÍQUIDO | -88.21% | -55.25% | -395.51% |

INDICADORES ECON.FINANCEIROS



COOPERATIVA AGROPECUARIA TOCANTINENSE LTDA.

LEGENDAS:

ILS*: ÍNDICE DE LIQUIDEZ SECA

ILC*: ÍNDICE DE LIQUIDEZ CORRENTE

ILG*: ÍNDICE DE LIQUIDEZ GERAL

GCT*: GARANTIA DE CAPITAL DE TERC.

IMOB*: ÍNDICE DE IMOBILIZAÇÕES

ENDIV*: ÍNDICE DE ENDIVIDAMENTO



Comments:

- The Current Liquidity Ratio is 0.36, recorded on December/2001, identifying that, for each R\$1.00 of short term liabilities, the society owns only R\$ 0.36 for its settlement;
- The Working Capital Ratio is 0.60, recorded on December/2001, indicating that the society owns R\$ 0.60 to settle each R\$ 1.00 of short and long term liabilities.
- The warranty ratio of the Third Party Capital, in December/2001, negative of 0.06, identify that losses in the last fiscal years absorbed the Stock Capital and constituted Reserves totally.
- On the other hand, long and short term indebtedness represents 106.55% of the Total Assets, identifying that Liquid Assets are negative in 6.55%.
- Despite the operational result of last fiscal years have presented themselves positive, they are being absorbed by high financial costs, generated by the lack of Working Capital.

CONCLUSIONS OF THE DIAGNOSYS

COOPERNORTE organizational analysis results demonstrate that its activities, are being developed by a structure that, if not ideal yet, maintain operations under relative control.

We understand that the cooperative has all the conditions to enhance its performance, through an organizational, technological and productive activities restructuring process, which, gradually, will turn it more competitive in the market, obtaining positive results that will contribute to revert the economic/financial present situation.

This process must be preceded by an administrative and operational audit, aiming to identify the origin of accumulated losses.

Yet the results of economic/financial analysis demonstrate that the present situation requires the maximum of attention, from the Board of Directors, on taking decisions to contain expenditures and significant improvement in the administrative and operational process, reducing the cost of its products.

It is recommended, still, an Organizational Planning on Strategic, Tactic and Operational levels.



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We also recommend the investment of capital, which could be obtained through paid in quotas, financed by **Prodecoop** Project.

It is important to highlight that there is union and interest of affiliates to restructure the cooperative, turning it efficient, participative and competitive in the market.

Leaders and counselors of the cooperative demonstrate interest in self-improvement, to better develop their functions.

Restructuring Plan of COOPERNORTE will contemplate all the measures necessary to its organizational restructuring.

Campinas, November/2002.

Diamantino Barrionuevo Junio – Project General Coordinator

Norberto Lucas Alvim – Economic/Financial Analyst

Adgmar Sampaio – Pedagogue/Organization and Methods Analyst

SISTEMA VIÁRIO
Multimodal Transport Network

Cities where are situated the Cooperatives who takes part of Restructuring Master Plan for the Cooperatives of the Tocantins State.





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RESTRUCTURING MASTER PLAN
FOR THE COOPERATIVES
OF THE TOCANTINS STATE

INTERMEDIATE REPORT
COPERJAVA

Project

*Rua Dr. Sampaio Ferraz, 743 - Cj 3 - Cambuí - CEP 13024-431 - Campinas - SP - Brasil
Telefone: (019) 3254-9501 Telefax: 3254-9502 E-Mail: ara@mpcnet.com.br*



**RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES OF THE
TOCANTINS STATE**

Intermediate Report

Part 2

***PRESENT SITUATION DIAGNOSIS OF THE COOPERATIVA MISTA RURAL
VALE DOS JAVES - COPERJAVA***

The present report shows the Present Situation Diagnosis of COPERJAVA, in conformity with jobs carried on according to the 1st and 2nd steps anticipated by the project object of the contract settled between JICA and ARA, on 07/25/2002.

Cooperative Identification

- Address: Rodovia TO 253, Km 45 - Zona Rural – Formoso do Araguaia/TO
- Location in the Map: **Number 3**
- Date of formation: 07.15.1980
- Social Board: 36 affiliates, being:
 - 20 affiliates natural persons;
 - 16 affiliates companies.
- President: **Sr. Carlos Oliveira Valadão**
- CNPJ/MF: 02.873.032/0001-27 (Income Tax Registration Number)
- Inscrição Estadual: 29.02.012.895.1 (State Registration Number)
- County of the operational area.
 - Formoso do Araguaia;
 - Gurupi;
 - Paraíso do Tocantins;
 - Dueré;
 - Alvorada;
 - Lagoa da Confusão;
 - Cristalândia.
- Main activities:
 - receive, classify, store, industrialize and commercialize the productions of the affiliates, of animal and vegetal origins, being the main products soy beans, rice and watermelon.
- Others.

Information and Data Survey



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This activity was carried on at the cooperative offices, aiming to gather all its constitutive documents, as well as those registering the activities in managing, financial, operational and social areas, besides gathering information about its operations, in order to prepare economic/financial and organizational analyses, then displaying a diagnosis of the present situation.

To accomplish this step of the job, we were assisted by Mr. Wilson Rodrigues Ribeiro and Mr. Vilson Silva Nogueira, responsables by the treasury and financial area, respectively.

COOPERFORMOSO has its activities interrupted since 2000.

This interruption caused practically all the physical and organizational structure to be impaired.

Organizational Analysis

Its staff is reduced from 370 to only 25 employees, of which 05 work in the office and 20 exercise their activities in the field, in assistance to the producers affiliates.

The cooperative have an employee record book.

The record books, mandatory according to Law 5.764/71, federal, state and county legislation that rule the management of civil societies, are not updated.

The Register Book of Affiliation is not complete and the control of each affiliate's social capital does not exist. In an eventual inspection by Federal Tax agents, all the operation carried on by the cooperative will be considered "operations with outsiders" (non-cooperative acts) and subjected to income tax, with retroactive criteria, generating taxes and interests, beyond their nominal values.

The last General Meeting registered in the proper book was carried on in 2000.

The decisions taken by the Administrative Council were registered in the proper book up to august/2000, while those of the Fiscal Council were registered in the proper book up to june/2000.

Inexistent as well are methods to control stock and accounts payable or receivable.

The cooperative has been under judicial actions aiming to collect tax, fiscal and bank debts.

Banco do Brasil moves na action of charge of R\$ millions, which is being contested by the cooperative, alleging to have already paid this debt.

Its assets are pawned by ongoing judicial actions and the cooperative is inscribed in the Defaulters Cadastre (CADIN) of the Central Bank.

For these facts, the cooperative has found restrictions in all its initiatives taken in the financial market, in obtaining resources to promote its sound financial management.

For the same reason, its Project for Agricultural and Cattle Raising Cooperatives Revitalization (RECOOP) was denied. The RECOOP was being pleaded in order to accomplish sound financial management of the cooperative.



Impeded to operate with its cooperators, these, in General Meeting, analyzed the possibility of selling the Assets of the cooperative. However, the liens and mortgages existing over the Assets impede any concrete negotiation.

To face the regular expenses of the society, the affiliates should make contributions approved by the following criteria:

▪ **For field employees salary payment**

Income equivalent, in Reais, to 2 sacks/hectare of cultures planted by the affiliates.

Presently, only 4 affiliates plan rice with resources of their own or obtained in the financial market.

▪ **For office employeers salary payment**

Income of R\$ 6.000,00/month, deriving from the renting of one of the cooperative's units to rice processing. This unit is rented to one of the affiliates.

Economic/Financial Analysis

This analysis was prepared based on the results shown by the Balance Sheets and by Surpluses and Losses Statement, related to 1999,2000, 2001 and 2002 fiscal years. We reserve ourselves not to ensure the veraciousness of numbers presented in such documents, once they were not prepared or audited by our staff. Our responsibility is restricted to results found out by our analysis, which can be observed through the following documents, attached to this one.

- Balance Sheet on 05/31/2001and 05/31/2002 – Economic/Financial Performance Analysis I;
- Surpluses and Losses Statement on 05/31/2001and 05/31/2002;
- Economic/Financial Indicators (Indexes);
- Economic/Financial Indicators (Chart).



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See the document entitled ANBALCOPERJAVA.XLS inclosed

See the document entitled ANBALCOPERJAVAMAIO.02.XLS inclosed

COOPERATIVA MISTA RURAL VALE DO JAVA'S LTDA.

BALANÇO PATRIMONIAL EM 31.05.2001 - ANÁLISE DE DESEMPENHO ECONÔMICO FINANCEIRO I

| | 1999 | | 2000-2001 | | | | DIF.MAIO.2001/MAIO.2000 | | DIF.MAIO.2001/MAIO.1999 | |
|-----------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-------------------------|---------------|-------------------------|----------------|
| | MAIO.99 | % | MAIO.00 | % | MAIO.01 | % | VALOR | % | VALOR | % |
| ATIVO | | | | | | | | | | |
| CIRCULANTE | 13,643,989.51 | 10.60% | 16,984,542.16 | 12.05% | 7,051,401.99 | 5.32% | -9,933,140.17 | -58.48% | -6,592,587.52 | -48.32% |
| DISPONÍVEL | 227,899.69 | 0.18% | 155,244.05 | 0.11% | 71,412.47 | 0.05% | -83,831.58 | -54.00% | -156,487.22 | -68.66% |
| REALIZÁVEL A CURTO PRAZO | 13,416,089.82 | 10.42% | 16,829,298.11 | 11.94% | 6,979,989.52 | 5.27% | -9,849,308.59 | -58.52% | -6,436,100.30 | -47.97% |
| VALORES A RECEBER | 9,264,452.98 | 7.19% | 9,957,822.76 | 7.06% | 6,810,296.69 | 5.14% | -3,147,526.07 | -31.61% | -2,454,156.29 | -26.49% |
| ESTOQUES | 4,128,970.11 | 3.21% | 6,851,948.24 | 4.86% | 169,692.83 | 0.13% | -6,682,255.41 | -97.52% | -3,959,277.28 | -95.89% |
| OUTROS CRÉDITOS | 22,666.73 | 0.02% | 19,527.11 | 0.01% | | | -19,527.11 | -100.00% | -22,666.73 | -100.00% |
| REALIZÁVEL A LONGO PRAZO | 74,977,648.71 | 58.23% | 86,019,782.08 | 61.03% | 89,288,900.23 | 67.39% | 3,269,118.15 | 3.80% | 14,311,251.52 | 19.09% |
| ATIVO PERMANENTE | 40,144,550.11 | 31.18% | 37,943,511.73 | 26.92% | 36,163,799.24 | 27.29% | -1,779,712.49 | -4.69% | -3,980,750.87 | -9.92% |
| BENS PATRIMONIAIS EM OPER. | 40,104,765.10 | 31.15% | 37,899,226.72 | 26.89% | 36,123,067.75 | 27.26% | -1,776,158.97 | -4.69% | -3,981,697.35 | -9.93% |
| BENS PATRIM. AND. E SOBRES. | | | | | | | | | | |
| OUTRAS IMOBILIZAÇÕES | | | | | | | | | | |
| PROV. P/DEPREC. - VR. ATUAL | | | | | | | | | | |
| IMOBILIZAÇÕES FINANCEIRAS | 39,785.01 | 0.03% | 44,285.01 | 0.03% | 40,731.49 | 0.03% | -3,553.52 | -8.02% | 946.48 | 2.38% |
| ATIVO DIFERIDO | | | | | | | | | | |
| TOTAL DO ATIVO | 128,766,188.33 | 100.00% | 140,947,835.97 | 100.00% | 132,504,101.46 | 100.00% | -8,443,734.51 | -5.99% | 3,737,913.13 | 102.90% |

PASSIVO

| | | | | | | | | | | |
|--------------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|----------------------|---------------|---------------------|----------------|
| CIRCULANTE | 23,322,830.73 | 18.11% | 28,896,704.78 | 20.50% | 21,665,134.18 | 16.35% | -7,231,570.60 | -25.03% | -1,657,696.55 | -7.11% |
| EXIGÍVEL A CURTO PRAZO | 23,322,830.73 | 18.11% | 28,896,704.78 | 20.50% | 21,665,134.18 | 16.35% | -7,231,570.60 | -25.03% | -1,657,696.55 | -7.11% |
| FORNECEDORES | 2,964,369.10 | 2.30% | 5,153,961.47 | 3.66% | 213,913.61 | 0.16% | -4,940,047.86 | -95.85% | -2,750,455.49 | -92.78% |
| COOPERADOS - C/ PRODUÇÃO | 2,635,056.61 | 2.05% | 1,265,578.63 | 0.90% | | | -1,265,578.63 | -100.00% | -2,635,056.61 | -100.00% |
| FINANCIAMENTOS | 16,036,412.79 | 12.45% | 20,232,033.27 | 14.35% | 20,151,817.12 | 15.21% | -80,216.15 | -0.40% | 4,115,404.33 | 25.66% |
| OUTRAS EXIGIBILIDADES | 1,686,992.23 | 1.31% | 2,245,131.41 | 1.59% | 1,299,403.45 | 0.98% | -945,727.96 | -42.12% | -387,588.78 | -22.98% |
| PASSIVO A LONGO PRAZO | | | | | | | | | | |
| EXIGÍVEL A LONGO PRAZO | 56,160,654.36 | 43.61% | 66,367,836.11 | 47.09% | 67,676,942.79 | 51.08% | 1,309,106.68 | 1.97% | 11,516,288.43 | 20.51% |
| RESULTADO EXERCÍCIOS FUTUROS | 31,254,962.61 | 24.27% | 32,233,999.77 | 22.87% | 30,692,157.83 | 23.16% | -1,541,841.94 | -4.78% | -562,804.78 | -1.80% |
| PATRIMÔNIO LÍQUIDO | 18,027,740.63 | 14.00% | 13,449,295.31 | 9.54% | 12,469,866.66 | 9.41% | -979,428.65 | -7.28% | -5,557,873.97 | -30.83% |
| CAPITAL | 9,027,602.24 | 7.01% | 9,027,602.24 | 6.40% | 9,027,602.24 | 6.81% | | | | |
| RESERVAS DE CAPITAL | 34,340.65 | 0.03% | 34,340.65 | 0.02% | 34,340.65 | 0.03% | | | | |
| RESERVAS DE REAVALIAÇÃO | 15,000,000.00 | 11.65% | | | | | | | -15,000,000.00 | -100.00% |
| RESERVAS SOBRES INFLACIONÁRIAS | | | | | | | | | | |
| FUNDO DE RESERVA | | | 10,304,325.32 | 7.31% | 4,387,352.42 | 3.31% | -5,916,972.90 | -57.42% | 4,387,352.42 | #DIV/0! |
| FATES | 37,904.56 | 0.03% | | | | | | | -37,904.56 | -100.00% |
| PERDAS A RATEAR | -6,072,106.82 | -4.72% | -5,916,972.90 | -4.20% | -979,428.65 | -0.74% | | | 5,092,678.17 | |
| TOTAL DO PASSIVO | 128,766,188.33 | 100.00% | 140,947,835.97 | 100.00% | 132,504,101.46 | 100.00% | -8,443,734.51 | -5.99% | 3,737,913.13 | 102.90% |

COOPERATIVA MISTA RURAL VALE DOS JAVA'S LTDA.

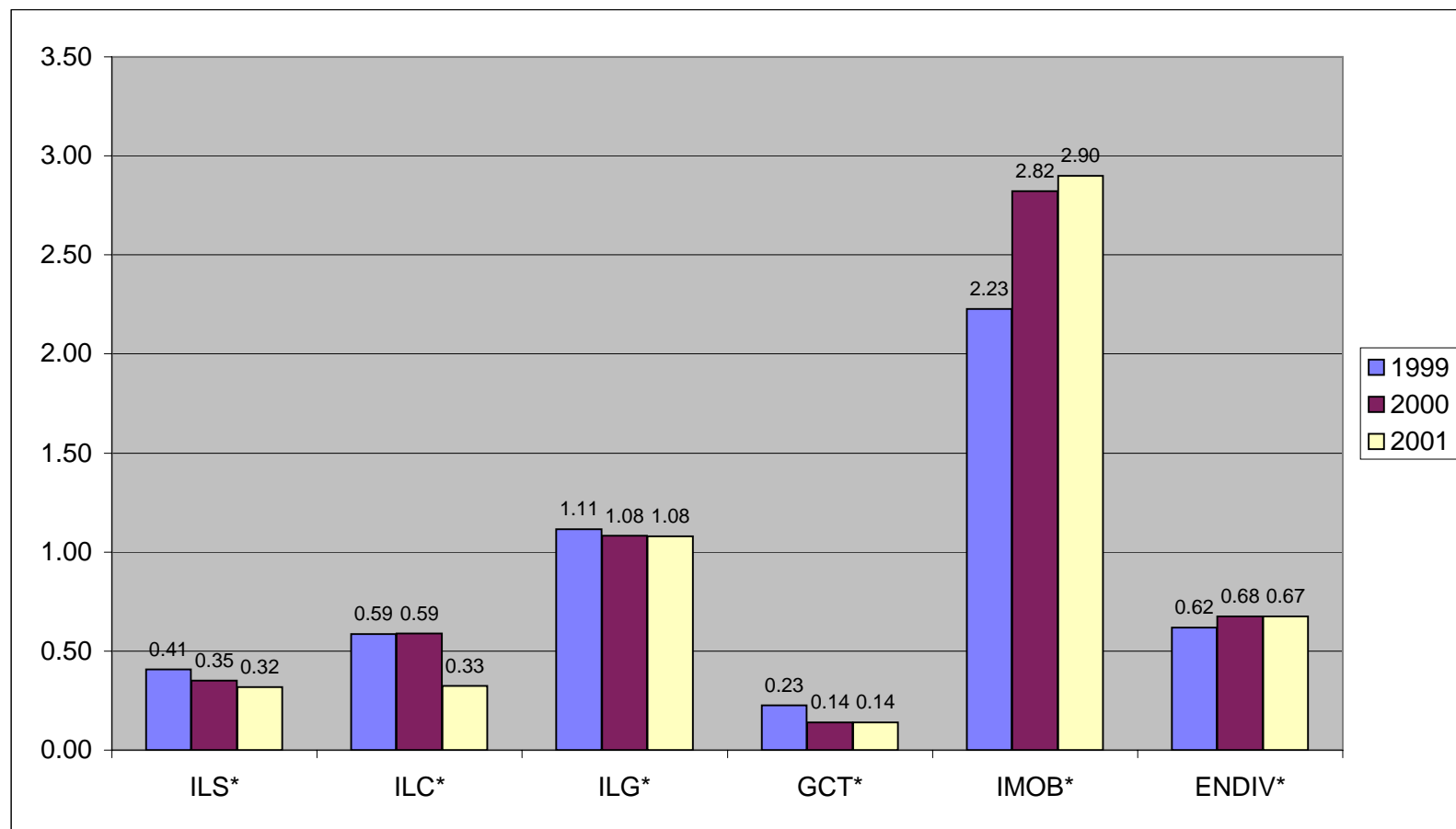
DEMONSTRAÇÃO DE SOBRAS E PERDAS EM 31.05.2001 - ACUMULADO

| CONTA | MAIO.99 | | MAIO.00 | | MAIO.01 | | MAIO.2001 / MAIO.2000 | |
|---|----------------------|----------------|----------------------|----------------|----------------------|----------------|-----------------------|----------------|
| VENDAS DE PRODUTOS E SERVIÇOS | 15,041,007.12 | 108.77% | 31,428,933.28 | 111.62% | 8,337,827.02 | 111.83% | -23,091,106.24 | -73.47% |
| VENDAS DE MERC. E MATERIAIS | | | | | | | | |
| PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| = RECEITA OPERACIONAL BRUTA | 15,041,007.12 | 108.77% | 31,428,933.28 | 111.62% | 8,337,827.02 | 111.83% | -23,091,106.24 | -73.47% |
| IMPOSTOS INCIDENTES S/VENDAS | -1,169,588.71 | -8.46% | -3,208,412.40 | -11.39% | -866,360.05 | -11.62% | 2,342,052.33 | -73.00% |
| OUTROS ABATIMENTOS E DESCONTOS | | | | | | | | |
| VENDAS CANCELADAS | -43,526.23 | -0.31% | -64,019.56 | -0.23% | -15,583.42 | -0.21% | 48,436.17 | -75.66% |
| DEVOLUÇÃO DE MERC. E MATERIAIS | | | | | | | | |
| = RENDA OPERACIONAL LÍQUIDA | 13,827,892.12 | 100.00% | 28,156,501.29 | 100.00% | 7,455,883.51 | 100.00% | -20,700,617.78 | -73.52% |
| CUSTO DAS VENDAS DE PRODUTOS E SERVIÇOS | -13,032,774.80 | -94.25% | -26,882,068.50 | -95.47% | -5,599,259.05 | -75.10% | 21,282,809.44 | -79.17% |
| CUSTO DAS VENDAS DE MERC. E MAT. | | | | | | | | |
| CUSTO DA PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| CUSTO DA DEVOLUÇÃO DE PRODS. | | | | | | | | |
| CUSTO DA DEV. DE MERC. E MATS. | | | | | | | | |
| + OUTRAS RECEITAS | | | | | | | | |
| = RESULTADO BRUTO I | 795,117.32 | 5.75% | 1,274,432.79 | 4.53% | 1,856,624.46 | 24.90% | 582,191.67 | 45.68% |
| DESPESAS COMERCIAIS DIRETAS | | | | | | | | |
| = RESULTADO BRUTO II | 795,117.32 | 5.75% | 1,274,432.79 | 4.53% | 1,856,624.46 | 24.90% | 582,191.67 | 45.68% |
| AMORTIZAÇÃO DESPESAS DIFERIDAS | | | | | | | | |
| DESPESAS ADMINISTRATIVAS / COMERCIAIS | -1,569,570.32 | -11.35% | -5,643,874.38 | -20.04% | -3,125,303.78 | -41.92% | 2,518,570.60 | -44.62% |
| OUTROS CUSTOS OPERACIONAIS | | | | | | | | |
| CUSTOS C/ PESSOAL E TRIBUTOS | | | | | | | | |
| = RESULTADO LÍQUIDO OPERACIONAL | -774,453.00 | -5.60% | -4,369,441.59 | -15.52% | -1,268,679.32 | -17.02% | 3,100,762.27 | -70.96% |
| RECEITAS FINANCEIRAS | 582,746.00 | 4.21% | 4,433,098.37 | 15.74% | 5,423,067.87 | 72.74% | 989,969.50 | 22.33% |
| DESPESAS FINANCEIRAS | -5,911,990.34 | -42.75% | -6,250,168.72 | -22.20% | -5,263,127.41 | -70.59% | 987,041.30 | -15.79% |
| DESPESAS DE FINANC. INVEST. | | | | | | | | |
| RECEITAS DE PARTICIPAÇÃO | | | | | | | | |
| CUSTOS C/ DEPREC/AMORTIZ. | | | | | | | | |
| REVERSÕES | | | | | | | | |
| = RESULTADO LÍQUIDO ANTES CORMON | -6,103,697.34 | -44.14% | -6,186,512.00 | -21.97% | -1,108,738.93 | -14.87% | 5,077,773.07 | -82.08% |
| CORMON | | | | | | | | |
| = RESULT. LÍQ. APOS CORMON | -6,103,697.34 | -44.14% | -6,186,512.00 | -21.97% | -1,108,738.93 | -14.87% | 5,077,773.07 | -82.08% |
| RESULTADO NÃO OPERACIONAL | -5,651.85 | -0.04% | 231,634.54 | 0.82% | 129,310.28 | 1.73% | -102,324.24 | -44.17% |
| FUNDO DE RESERVA LEGAL = 20% SOBRA | | | | | | | | |
| FATES - 20% SOBRA | | | | | | | | |
| FATES - RESULTADO POSITIVO C/ TERCEIROS | | | | | | | | |
| CAPITALIZAÇÃO DE SOBRAS | | | | | | | | |
| = RESULTADO LÍQUIDO FINAL | -6,109,349.23 | -44.18% | -5,954,877.46 | -21.15% | -979,428.65 | -13.14% | 4,975,448.81 | -83.55% |

INDICADORES ECONÔMICOS FINANCEIROS

| | 1,999 | 2,000 | 2,001 |
|------------------------------|---------|---------|---------|
| LIQUIDEZ | | | |
| ÍNDICE DE LIQUIDEZ SECA | 0.41 | 0.35 | 0.32 |
| ÍNDICE DE LIQUIDEZ CORRENTE | 0.59 | 0.59 | 0.33 |
| ÍNDICE DE LIQUIDEZ GERAL | 1.11 | 1.08 | 1.08 |
| GARANTIA DE CAPITAL DE TERC. | 0.23 | 0.14 | 0.14 |
| SOLVÊNCIA | | | |
| ÍNDICE DE IMOBILIZAÇÕES | 2.23 | 2.82 | 2.90 |
| ÍNDICE DE ENDIVIDAMENTO | 0.62 | 0.68 | 0.67 |
| ATIVIDADES | | | |
| ROTAÇÃO DO ATIVO | 0.11 | 0.20 | 0.06 |
| LUCRATIVIDADE | | | |
| MARGEM OPERACIONAL BRUTA I | 5.75% | 4.53% | 24.90% |
| MARGEM OPERC. BRUTA II | 5.75% | 4.53% | 24.90% |
| MARGEM OPERAC. LÍQUIDA | -5.60% | -15.52% | -17.02% |
| MARGEM FINAL | -44.18% | -21.15% | -13.14% |
| RENTABILIDADE | | | |
| DO ATIVO | -4.74% | -4.22% | -0.74% |
| DO PATRIMONIO LÍQUIDO | -33.89% | -44.28% | -7.85% |

COOPERATIVA MISTA RURAL VALE DO JAVAES LTDA.



INDICADORES ECONOMICOS E FINANCEIROS

LEGENDAS:

ILS* = INDICE DE LIQUIDEZ SECA

ILC* = INDICE DE LIQUIDEZ CORRENTE

ILG* = INDICE DE LIQUIDEZ GERAL

GCT* = GARANTIA DE CAPITAL DE TERCEIROS

IMOB* = INDICE DE IMOBILIZAÇÕES

ENDIV* = INDICE DE ENDIVIDAMENTO

COOPERATIVA MISTA RURAL VALE DO JAVA'S LTDA.

BALANÇO PATRIMONIAL EM 31.05.2002 - ANÁLISE DE DESEMPENHO ECONÔMICO FINANCEIRO I

| | 2000 | | 2001-2002 | | | | DIF.MAIO.2002/MAIO.2001 | | DIF.MAIO.2002/MAIO.2000 | |
|-----------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-------------------------|----------------|-------------------------|---------------|
| | MAIO.00 | % | MAIO.01 | % | MAIO.02 | % | VALOR | % | VALOR | % |
| ATIVO | | | | | | | | | | |
| CIRCULANTE | 16,984,542.16 | 12.05% | 7,051,401.99 | 5.32% | 6,259,793.30 | 5.31% | -791,608.69 | -11.23% | -10,724,748.86 | -63.14% |
| DISPONÍVEL | 155,244.05 | 0.11% | 71,412.47 | 0.05% | 7,418.56 | 0.01% | -63,993.91 | -89.61% | -147,825.49 | -95.22% |
| REALIZÁVEL A CURTO PRAZO | 16,829,298.11 | 11.94% | 6,979,989.52 | 5.27% | 6,252,374.74 | 5.31% | -727,614.78 | -10.42% | -10,576,923.37 | -62.85% |
| VALORES A RECEBER | 9,957,822.76 | 7.06% | 6,810,296.69 | 5.14% | 6,148,653.33 | 5.22% | -661,643.36 | -9.72% | -3,809,169.43 | -38.25% |
| ESTOQUES | 6,851,948.24 | 4.86% | 169,692.83 | 0.13% | 103,721.41 | 0.09% | -65,971.42 | -38.88% | -6,748,226.83 | -98.49% |
| OUTROS CRÉDITOS | 19,527.11 | 0.01% | | | | | | #DIV/0! | -19,527.11 | -100.00% |
| REALIZÁVEL A LONGO PRAZO | 86,019,782.08 | 61.03% | 89,288,900.23 | 67.39% | 88,534,920.63 | 75.15% | -753,979.60 | -0.84% | 2,515,138.55 | 2.92% |
| ATIVO PERMANENTE | 37,943,511.73 | 26.92% | 36,163,799.24 | 27.29% | 23,009,324.67 | 19.53% | -13,154,474.57 | -36.37% | -14,934,187.06 | -39.36% |
| BENS PATRIMONIAIS EM OPER. | 37,899,226.72 | 26.89% | 36,123,067.75 | 27.26% | 22,965,039.66 | 19.49% | -13,158,028.09 | -36.43% | -14,934,187.06 | -39.40% |
| BENS PATRIM. AND. E SOBRES. | | | | | | | | | | |
| OUTRAS IMOBILIZAÇÕES | | | | | | | | | | |
| PROV. P/DEPREC. - VR. ATUAL | | | | | | | | | | |
| IMOBILIZAÇÕES FINANCEIRAS | 44,285.01 | 0.03% | 40,731.49 | 0.03% | 44,285.01 | 0.04% | 3,553.52 | 8.72% | | |
| ATIVO DIFERIDO | | | | | | | | | | |
| TOTAL DO ATIVO | 140,947,835.97 | 100.00% | 132,504,101.46 | 100.00% | 117,804,038.60 | 100.00% | -14,700,062.86 | -11.09% | -23,143,797.37 | 83.58% |

PASSIVO

| | | | | | | | | | | |
|--------------------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|---------------|
| CIRCULANTE | 28,896,704.78 | 20.50% | 21,665,134.18 | 16.35% | 16,098,645.09 | 13.67% | -5,566,489.09 | -25.69% | -12,798,059.69 | -44.29% |
| EXIGÍVEL A CURTO PRAZO | 28,896,704.78 | 20.50% | 21,665,134.18 | 16.35% | 16,098,645.09 | 13.67% | -5,566,489.09 | -25.69% | -12,798,059.69 | -44.29% |
| FORNECEDORES | 5,153,961.47 | 3.66% | 213,913.61 | 0.16% | 2,242,585.64 | 1.90% | 2,028,672.03 | 948.36% | -2,911,375.83 | -56.49% |
| COOPERADOS - C/ PRODUÇÃO | 1,265,578.63 | 0.90% | | | | | #DIV/0! | | -1,265,578.63 | -100.00% |
| FINANCIAMENTOS | 20,232,033.27 | 14.35% | 20,151,817.12 | 15.21% | 12,373,415.23 | 10.50% | -7,778,401.89 | -38.60% | -7,858,618.04 | -38.84% |
| OUTRAS EXIGIBILIDADES | 2,245,131.41 | 1.59% | 1,299,403.45 | 0.98% | 1,482,644.22 | 1.26% | 183,240.77 | 14.10% | -762,487.19 | -33.96% |
| PASSIVO A LONGO PRAZO | | | | | | | | | | |
| EXIGÍVEL A LONGO PRAZO | 66,367,836.11 | 47.09% | 67,676,942.79 | 51.08% | 34,516,687.23 | 29.30% | -33,160,255.56 | -49.00% | -31,851,148.88 | -47.99% |
| RESULTADO EXERCÍCIOS FUTUROS | 32,233,999.77 | 22.87% | 30,692,157.83 | 23.16% | 32,233,999.77 | 27.36% | 1,541,841.94 | 5.02% | | |
| PATRIMÔNIO LÍQUIDO | 13,449,295.31 | 9.54% | 12,469,866.66 | 9.41% | 34,954,706.51 | 29.67% | 22,484,839.85 | 180.31% | 21,505,411.20 | 159.90% |
| CAPITAL | 9,027,602.24 | 6.40% | 9,027,602.24 | 6.81% | 9,027,602.24 | 7.66% | | | | |
| RESERVAS DE CAPITAL | 34,340.65 | 0.02% | 34,340.65 | 0.03% | 34,340.65 | 0.03% | | | | |
| RESERVAS DE REAVLIAÇÃO | | | | | | | | | | #DIV/0! |
| RESERVAS SOBRES INFLACIONÁRIAS | | | | | | | | | | |
| FUNDO DE RESERVA | 10,304,325.32 | 7.31% | 4,387,352.42 | 3.31% | 41,105,148.42 | 34.89% | 36,717,796.00 | 836.90% | 30,800,823.10 | 298.91% |
| FATES | | | | | | | | | | #DIV/0! |
| PERDAS A RATEAR | -5,916,972.90 | -4.20% | -979,428.65 | -0.74% | -15,212,384.80 | -12.91% | | | -9,295,411.90 | |
| TOTAL DO PASSIVO | 140,947,835.97 | 100.00% | 132,504,101.46 | 100.00% | 117,804,038.60 | 100.00% | -14,700,062.86 | -11.09% | -23,143,797.37 | 83.58% |

COOPERATIVA MISTA RURAL VALE DOS JAVA'S LTDA.

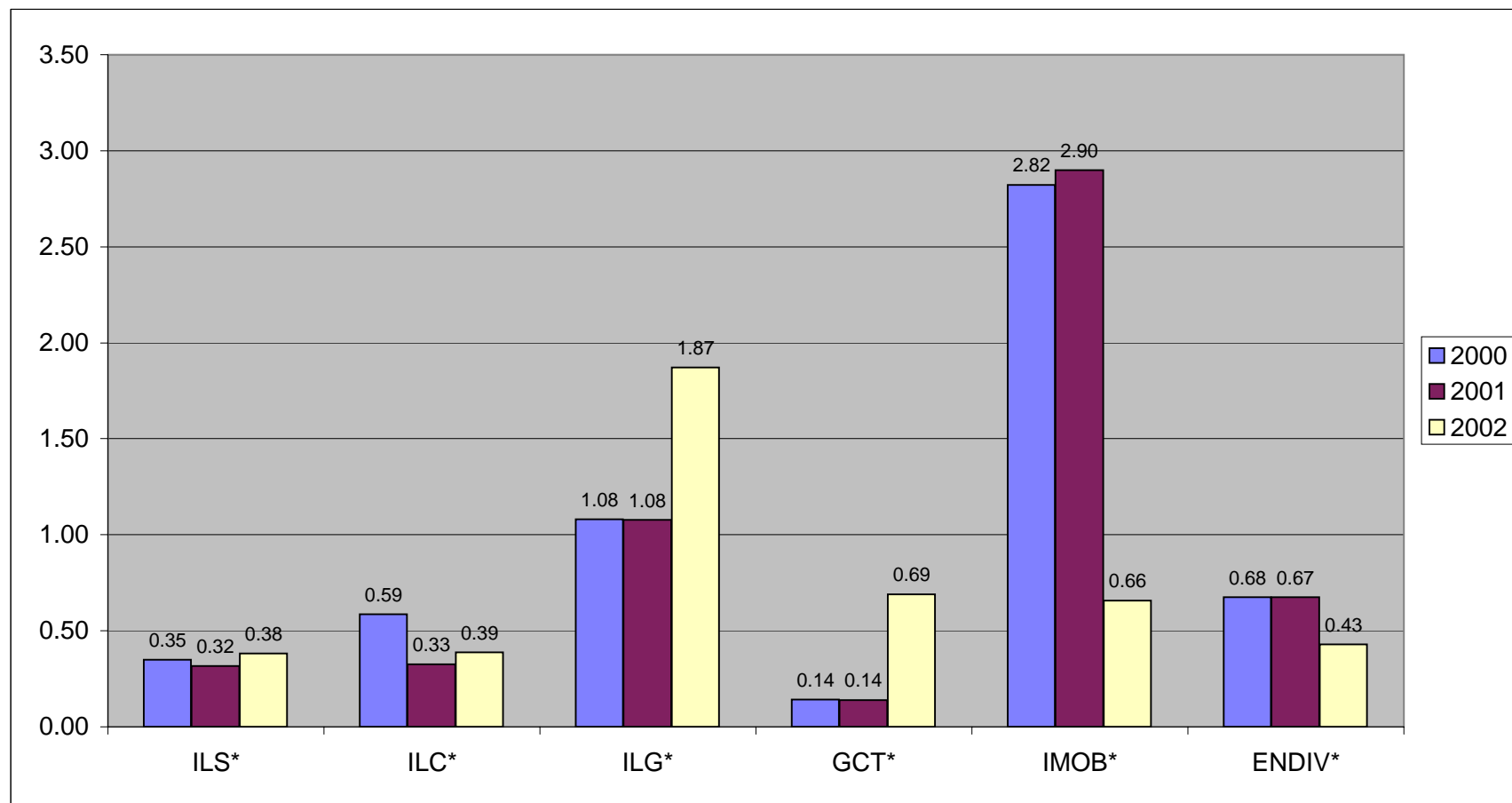
DEMONSTRAÇÃO DE SOBRAS E PERDAS EM 31.05.2002 - ACUMULADO

| CONTA | MAIO.00 | | MAIO.01 | | MAIO.02 | | MAIO.2001 / MAIO.2000 | |
|---|----------------------|----------------|----------------------|----------------|-----------------------|-------------------|-----------------------|-----------------|
| VENDAS DE PRODUTOS E SERVIÇOS | 31,428,933.28 | 111.62% | 8,337,827.02 | 111.83% | 79,827.65 | 100.00% | -8,257,999.33 | -99.04% |
| VENDAS DE MERC. E MATERIAIS | | | | | | | | |
| PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| = RECEITA OPERACIONAL BRUTA | 31,428,933.28 | 111.62% | 8,337,827.02 | 111.83% | 79,827.65 | 100.00% | -8,257,999.33 | -99.04% |
| IMPOSTOS INCIDENTES S/VENDAS | -3,208,412.40 | -11.39% | -866,360.05 | -11.62% | | | 866,360.05 | -100.00% |
| OUTROS ABATIMENTOS E DESCONTOS | | | | | | | | |
| VENDAS CANCELADAS | -64,019.55 | -0.23% | -15,583.42 | -0.21% | | | 15,583.42 | -100.00% |
| DEVOLUÇÃO DE MERC. E MATERIAIS | | | | | | | | |
| = RENDA OPERACIONAL LÍQUIDA | 28,156,501.29 | 100.00% | 7,455,883.51 | 100.00% | 79,827.65 | 100.00% | -7,376,055.82 | -98.93% |
| CUSTO DAS VENDAS DE PRODUTOS E SERVIÇOS | -26,882,068.50 | -95.47% | -5,599,259.05 | -75.10% | -65,971.42 | -82.64% | 5,533,287.63 | -98.82% |
| CUSTO DAS VENDAS DE MERC. E MAT. | | | | | | | | |
| CUSTO DA PRESTAÇÃO DE SERVIÇOS | | | | | | | | |
| CUSTO DA DEVOLUÇÃO DE PRODS. | | | | | | | | |
| CUSTO DA DEV. DE MERC. E MATS. | | | | | | | | |
| + OUTRAS RECEITAS | | | | | | | | |
| = RESULTADO BRUTO I | 1,274,432.79 | 4.53% | 1,856,624.46 | 24.90% | 13,856.27 | 17.36% | -1,842,768.19 | -99.25% |
| DESPESAS COMERCIAIS DIRETAS | | | | | | | | |
| = RESULTADO BRUTO II | 1,274,432.79 | 4.53% | 1,856,624.46 | 24.90% | 13,856.27 | 17.36% | -1,842,768.19 | -99.25% |
| AMORTIZAÇÃO DESPESAS DIFERIDAS | | | | | | | | |
| DESPESAS ADMINISTRATIVAS / COMERCIAIS | -5,643,874.38 | -20.04% | -3,125,303.78 | -41.92% | -472,219.11 | -591.55% | 2,653,084.63 | -84.89% |
| OUTROS CUSTOS OPERACIONAIS | | | | | | | | |
| CUSTOS C/ PESSOAL E TRIBUTOS | | | | | | | | |
| = RESULTADO LÍQUIDO OPERACIONAL | -4,369,441.59 | -15.52% | -1,268,679.32 | -17.02% | -458,362.84 | -574.19% | 810,316.48 | -63.87% |
| RECEITAS FINANCEIRAS | 4,433,098.37 | 15.74% | 5,423,067.87 | 72.74% | 122.42 | 0.15% | -5,422,945.34 | -100.00% |
| DESPESAS FINANCEIRAS | -6,250,168.72 | -22.20% | -5,263,127.42 | -70.59% | -13,948.78 | -17.47% | 5,249,178.64 | -99.73% |
| DESPESAS DE FINANC. INVEST. | | | | | | | | |
| RECEITAS DE PARTICIPAÇÃO | | | | | | | | |
| CUSTOS C/ DEPREC/AMORTIZ. | | | | | | | | |
| REVERSÕES | | | | | | | | |
| = RESULTADO LÍQUIDO ANTES CORMON | -6,186,512.00 | -21.97% | -1,108,738.93 | -14.87% | -472,189.20 | -591.51% | 636,549.73 | -57.41% |
| CORMON | | | | | | | | |
| = RESULT. LÍQ. APOS CORMON | -6,186,512.00 | -21.97% | -1,108,738.93 | -14.87% | -472,189.20 | -591.51% | 636,549.73 | -57.41% |
| RESULTADO NÃO OPERACIONAL | 231,634.54 | 0.82% | 129,310.28 | 1.73% | -14,740,195.60 | -18465.02% | -14,869,505.88 | -11499.09% |
| FUNDO DE RESERVA LEGAL = 20% SOBRA | | | | | | | | |
| FATES - 20% SOBRA | | | | | | | | |
| FATES - RESULTADO POSITIVO C/ TERCEIROS | | | | | | | | |
| CAPITALIZAÇÃO DE SOBRAS | | | | | | | | |
| = RESULTADO LÍQUIDO FINAL | -5,954,877.46 | -21.15% | -979,428.65 | -13.14% | -15,212,384.80 | -19056.53% | -14,232,956.15 | 1453.19% |

INDICADORES ECONÔMICOS FINANCEIROS

| | 2,000 | 2,001 | 2,002 |
|------------------------------|---------|---------|------------|
| LIQUIDEZ | | | |
| ÍNDICE DE LIQUIDEZ SECA | 0.35 | 0.32 | 0.38 |
| ÍNDICE DE LIQUIDEZ CORRENTE | 0.59 | 0.33 | 0.39 |
| ÍNDICE DE LIQUIDEZ GERAL | 1.08 | 1.08 | 1.87 |
| GARANTIA DE CAPITAL DE TERC. | 0.14 | 0.14 | 0.69 |
| SOLVÊNCIA | | | |
| ÍNDICE DE IMOBILIZAÇÕES | 2.82 | 2.90 | 0.66 |
| ÍNDICE DE ENDIVIDAMENTO | 0.68 | 0.67 | 0.43 |
| ATIVIDADES | | | |
| ROTAÇÃO DO ATIVO | 0.20 | 0.06 | 0.00 |
| LUCRATIVIDADE | | | |
| MARGEM OPERACIONAL BRUTA I | 4.53% | 24.90% | 17.36% |
| MARGEM OPERC. BRUTA II | 4.53% | 24.90% | 17.36% |
| MARGEM OPERAC. LÍQUIDA | -15.52% | -17.02% | -574.19% |
| MARGEM FINAL | -21.15% | -13.14% | -19056.53% |
| RENTABILIDADE | | | |
| DO ATIVO | -4.22% | -0.74% | -12.91% |
| DO PATRIMONIO LÍQUIDO | -44.28% | -7.85% | -43.52% |

COOPERATIVA MISTA RURAL VALE DO JAVA'S LTDA.



INDICADORES ECONOMICOS E FINANCEIROS

LEGENDAS:

ILS* = INDICE DE LIQUIDEZ SECA

ILC* = INDICE DE LIQUIDEZ CORRENTE

ILG* = INDICE DE LIQUIDEZ GERAL

GCT* = GARANTIA DE CAPITAL DE TERCEIROS

IMOB* = INDICE DE IMOBILIZAÇÕES

ENDIV* = INDICE DE ENDIVIDAMENTO



Comments:

- The Current Liquidity Ratio is 0,39, recorded on may/2002, identifying that, for each R\$1.00 of short term liabilities, the society owns only R\$ 0,39 for its settlement;
- The Working Capital Ratio is 1,67, recorded on may/2002, indicating that the society owns R\$ 1,67 to settle each R\$ 1.00 of short and long term liabilities.
- The two last fiscal years income demonstrate that the society has been reducing its activities. The income in May/2001 in relation to the income in May/2000 had a reduction of 73,48%, corresponding to R\$ 23.091.106,00;
- The society has not been generating enough resources to absorb its fixed and financial costs and, consequently, has presented losses;
- The financial costs in May/2000 (financial expenditures minus financial incomes) represent 6,46% in relation to Liquid Incomes of the fiscal year. There was no financial expenditures appropriation in May/2000;
- The society has presented accumulated losses of R\$ 12.192.630,70, registered in Long Term Assets, which, by General Ordinary Meeting decision of 08/27/2002, will be absorbed by the Reserve Found account, which present remainder of R\$ 41.105.148,42.
- On the other hand, there are losses to share, in the Liquid Assets group, of R\$ 15.212.384,80.

Conclusions of the Diagnosis

COOPERJAVA organizational analysis results demonstrate that its activities, in addition to being interrupted, are in disaccord with usual administration rules and with legal and constitution determinations that direct the cooperative segment.

Yet the results of economic/financial analysis demonstrate the state of fragility of the society.

Pressed by creditors, by Justice and maybe even by some affiliates, one can imagine that the present board of directors is fully dedicated in search of solutions to the problems that have been lasting for a long time.

A vicious circle is then created. The society does not operate due to the lack of resources. The interruption of its activities stopped the generation of income. The lack of income prevents the settlement of its liabilities, causing indebtedness. The indebtedness causes judicial collection actions, mortgaging assets of the society and inscribing it in the Defaulters Cadastre. With restrictions to its credit and unavailability of goods to offer as guaranty, the society cannot obtain resources in the financial market. And without resources the cooperative cannot operate.



& Consultores Associados

The cooperative recover is related to capital investment, to the total elimination of its capacity idleness and to the preparation of an administrative and operational audit, aiming to identify the accumulated losses origin.

It is recommended, still, an Organizational Planning on Strategic, Tactic and Operational levels.

Affiliates, through an Ordinary General Meeting, must become aware of the actual present situation of the cooperative, the possible ways to revert this situation and, particularly, of the share each affiliate has in the operational and financial sound management of the cooperative, otherwise it will become very difficult, not to say impossible, the restructuring according to Directive Restructuring Plan, that in addition to promote its organizational restructuring, also aims to promote its continuity, refitting it to the new reality of a market highly competitive and demanding.

However, due to the lack of interest from the affiliates in the continuity of the cooperative's activities, demonstrated by the thought of selling its assets, we understand that the affiliates will difficultly guarance a project for the financial recovering and organizational restructuring of COPERJAVA.

According to item VII, Article 63 - Chapter XI, of Law 5.764/71 and item IV, Article 65, Chapter XII of his Social Statute , COPERJAVA is should have already begun its liquidation process for being with its activities paralyzed for more than 120 days.

Campinas, November/2002.

Diamantino Barrionuevo Junior - Project General Coordinator

Norberto Lucas Alvim - Economic/Financial Analyst.

Adagmar Sampaio - Pedagogue / Organization and Methods Analyst



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Japan International Cooperation Agency
SeCRETARY OF PLANNING AND ENVIRONMENT STATE OF Tocantins
SYNDICATE AND ORGANIZATION OF TOCANTINS STATES
COOPERATIVES

RESTRUCTURING MASTER PLAN
FOR THE COOPERATIVES
OF THE TOCANTINS STATE

FINAL REPORT
PART 1

ARA & Consultores Associados S/C LTDA.



**RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES
OF THE TOCANTINS STATE**

FINAL REPORT

According to the item “2.4”, Second Clause, of the Contract signed between **JICA** and **ARA**, on July 25th 2002, we are presenting the Final Report of the Restructuring Master Plan for the Cooperatives of the Tocantins State, presenting the Master Plan for Restructuring the analyzed cooperatives.

According to the 3rd Phase of the Initial Project, the Restructuring Master Plan will be prepared based on the diagnosis, data analysis and information collected on the two previous phases.

On the other hand, following the Work Schedule (Annex II) that is an integrant part of the Project, the presentation of the Restructuring Master Plan of each one of the cooperatives will be done through the Final Report, until the 8th month of development of the works, having as its limit date March 20 2003.

The diagnosis of the cooperatives lead us to adopt, for the Final Report presentation, the same criteria adopted for the Intermediate Report, i.e., a common Restructuring Master Plan for the Dairy Basins cooperatives, and more specific ones for each one of the others.

A common Master Plan adoption for all the Dairy Basins cooperatives is based on the following aspects:

- ✓ They have all the same objective;
- ✓ They were all created with the same finality and, practically in the same period;
- ✓ All of them have milk producers belonging to the same Government Program;
- ✓ They all have the same operational structure, machines and equipments;
- ✓ Their actual situation diagnosis are the same, as well on the organization as on the economics and financial aspects, excepted very few particularities of regional scope, that does not interfere with the necessary structure to perform their activities;
- ✓ They all need the same handling to assure their continuity;
- ✓ All demonstrate their interest and desire to initiate a process
- ✓ for its strengthen;



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Concerning the other cooperatives, they need a specific Restructuring Master Plan, duly discussed and approved by their members, for the following reasons:

- ✓ They are independent and individual societies with no links between them;
- ✓ They have different structures and different objectives;
- ✓ All the cooperatives characteristics such as members, operational structure, organizational and economics/ financial situations are completely different;
- ✓ They all face debt problems.

For these reasons and before any step, it is necessary to hear the members of the cooperatives about all the possible adopted actions and decide to approve them or not.

Therefore, the Restructuring Master Plan of the Cooperatives pertaining to the Milk Basins Program will be elaborated, presented and if approved, it will be able to have its immediate implementation.

The Restructuring Master Plan of the other Cooperatives will be elaborated and presented opportunely.

Campinas, December/2002.

Diamantino Barrionuevo Junior
Project General Coordinator



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**RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES OF THE
TOCANTINS STATE**

**RESTRUCTURING MASTER PLAN FOR THE COOPERATIVES
BELONGING TO THE
PROJECT OF JOB CREATION AND INCOME GENERATION
AND DEVELOPMENT OF THE DAIRY BASIN**

JUSTIFICATION

The actual situation diagnosis of the Cooperatives belonging to the Dairy Basins Program mentioned on the Intermediate Report, justifies the Restructuring Master Plan implementation.

They are cooperatives that present similarities in all its aspects, excepted in some of regional characteristics, but that do not interfere with the development of its activities.

By the situation in which these cooperatives find themselves, it is not even possible to affirm if the members that occupy elective positions in the direction and in the Administration and Fiscal Councils were elected in accordance with statutory determination or, even, if they are legally or illegally exerting their functions.

Without the implementation of the present Restructuring Master Plan, all the Cooperatives of the Milk Basins will have to be liquidated, once they are found in total disagreement with the legislation and for the fact that they do not possess the minimum organizational structure to develop its activities.

OBJECTIVE

To endow the cooperatives with a needed and sufficient Organizational Structure to assure the development of its activities in an efficient and transparent way, respected their characteristics and also of their members, so that their statutory and social objectives are reached.

COVERING

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The present Master Plan will be elaborated to be implemented in all Cooperatives that are part of the Milk Basins Program below mentioned, including not only the societies, as also the members of its Directions, Administration and Fiscal Councils, beyond its associate-producers.

- Cooperativa dos Produtores Rurais de Miracema – COOPERMIRA
- Cooperativa dos Pequenos Produtores Agropecuários de Guarai – COOPAG
- Cooperativa dos Produtores Rurais de Porto Nacional – COOPERBRAS
- Cooperativa Agropecuária de São João – CASJ
- Cooperativa Agropecuária de Barrolândia – CAB

EXPECTED RESULTS

With the implementation of the Restructuring Master Plan of the Cooperatives, the following results are expected to be attained:

a) Concerning the cooperatives:

- That they stay constituted in accordance with the legal and statutory determination;
- That they start to develop their activities on a transparent and correct manner, in accordance with the objective of its Social Statute and in defense of the interests of its members;
- That they stay immune of eventual fiscal penalties and/or taxes, generated by irregular operations in the previous years.

b) Concerning the Direction and the Administration and Fiscal Councils members:

- That they know and they be familiar to the legal and statutory requirements that the cooperative societies must respect and fulfill;
- That they know the activities developed by its cooperatives, inside of a new concept of organization;
- That they know and develop with ability and responsibility the inherent activities to the positions for which they had been elect;
- That they become accustomed to delegate responsibilities and tasks, asking for results.

c) Concerning all the members, including the elected directors:

- That they know and practice the philosophy of the cooperative world;



- That they know its rights and its obligations towards its cooperatives, in accordance with what determines the Social Statute and the legislation of the cooperatives;
- That, through courses and technical training, they present significant improvements in its activities;
- That, through research and technical orientation, they can develop other activities, beyond the current milk activity, improving its income and consequently the quality of life of its family.

PROCEDURES AND LINES OF DIRECTION

When elaborating the present Master Plan, there were considered two factors of eminent importance:

1º) the actual inexistence of a formal organization structure;

2º) the lack of knowledge and aptitude of the cooperated ones, small milk producers, concerning the execution of organizational activities in the administrative, financial, operational, commercial and social areas of their cooperatives.

The first factor determines that the Master Plan of the Cooperatives has to be of Structuring and not of Restructuring.

Under this aspect, the Master Plan will present procedures to be implemented, in way to provide the cooperatives with the needed and enough organizational structure to guarantee the correct and sure development, and for the control of its operations.

These procedures will have to be implemented by specialized technicians and with experience in this kind of work.

The second factor determines that the Master Plan must develop actions that make possible the maintenance of the implemented organizational structure, in way to supply the lack presented by the cooperated ones in the treatment of the organizational tasks.

WORK PLAN

The Dairy Basin Cooperatives Structuring Master Plan was developed to provide these cooperatives with an organizational structure strictly necessary to safely and transparently develop the activities foreseen in its Social Statute.



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Considering that these cooperatives have only four years old, beyond of implementing an organizational structure, will be verified, by an operational audit, all the practiced operations since its creation in way to correct any eventual distortion to protect the new structure of receiving incorrect inputs.

In this situation, the structure to be implemented will present the following areas:

- Administrative;
- Financial;
- Operational;
- Commercial;
- Social.

With the implementation and functioning of these areas all the needed activities for the control of the active and passive operations of the societies will be developed safely and the cooperatives will be functioning with a compatible operational structure with its size and presenting, to the members and authorities, consistent and transparent results.

MASTER PLAN PRESENTATION

The Restructuring Master Plan, developed in accordance with the needs of the Dairy Basins Cooperatives, foresees the following Organizational Structure implementation:

Administrative Area

a) Human Resources

Implementation of activities for the staff sector, in a simple but efficient way, capable to protect the employees and the cooperative rights, minimizing the distribution of eventual labor law actions and not leaving the society vulnerable to the inspection of the agents of the State Labor Department.

These basic activities will give the conditions to manage the employee during the time that he will work in the Cooperative.

b) Patrimony

- Maintenance and control activities implementation of the cooperative's patrimony.



c) Fiscal

- Implementation of the fiscal activities for reception and expedition of the products avec the required municipal, state and federal legislations documents issued correctly. The objective of these activities is to keep the records of the cooperatives under a fiscal control, avoiding penalties that may compromise their financial health.

- Implementation of the Tax Books demanded by the law.

d) Accounting

- Elaborate analysis and an eventual adaptation of the Accounts Plan;
- Evaluate the actual accounting procedures;

Financial Area

a) Cashier – Cash Flow – Accounts to Receive and to Pay

The objective with the implementation of these activities is to endow the cooperative with mechanisms to obtain security and transparency in the money handling.

b) Banks

Implementation of control mechanisms for the financial operations and accounts of the cooperatives with the financial agents.

c) Members – Mouvement Account

Implementation of activities to the financial control between the members and the cooperatives.

Operational Area

Implementation of inherent activities to the operational development of the dairy unit, looking for bigger productivity and quality, eliminating loss of the production delivered by the members.

Search to maximize the use of the installed dairy capacity, as well as the possible operations carried by the equipment.

Commercial Area

Implementation of the inherent activities to the commercial area, such as:

- Market Prospecting;
- Prices Survey;



- Members Products Buy and Sell Control;
- Maintenance of Customers;
- Research of prices of farming products;
- Etc.

Social Area

a) Social Statute

Analysis and, if necessary, proposals of alterations in order to speed management actions of the cooperatives;

b) Registration Book of Cooperates

Implementation of the Registration Book of Cooperates in order to establish the legal condition of the Cooperatives legislation;

c) General Assembly

Instruction about installation of Ordinary and Extraordinary General Assembly, procedures of invocation, elaboration of the Invocation Proclamations, process of election, rendering of accounts of the direction and all the many procedures needed to accomplish a Cooperate Assembly.

c) Demanded Books

Maintenance of Directory, General Assemblies, Administration and Fiscal Councils meetings Acts and Presence Books and several other demanded books.

d) Social Capital

Control Implementation of the subscribed and integrated capital of the members.

MAINTENANCE OF THE ORGANIZATIONAL STRUCTURE

In order to supply not only the technical lack showed by the members, in the development, registration and control of the operations carried by the cooperatives, but also the inexistence of specialized technicians in cooperatives accounting in the cities where they are located, and also, with the objective to reduce administrative expenditures with the act of hiring professionals for these activities, the Master Plan presents as a solution to satisfy in a centralized way, the needs of all of the Cooperatives for the maintenance of their Organizational Structures, a direct implication of the Union and by the Tocantins State Cooperatives Organization - **OCB/TO**



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It is an organization specialized in the cooperative sector, that knows the features and the problems of the cooperatives and their members.

We understand that plan it is possible the development of a work, through which the OCB/TO can offer the maintenance and the organizational follow up of the activities of the cooperatives, reassigning to each one of them the work cost generated.

As the Cooperatives belonging to the Dairy Basins Program are endowed with the Organizational Structure foreseen for this Master Plan, they will be able to develop its activities with efficiency and security, able to give correct and transparent information to its members.

From our part, we consider fulfilled our obligation concerning the development and presentation of the Restructuring Master Plan for the Cooperatives belonging to the Dairy Basins Program.

Campinas, December/2002.

Diamantino Barrionuevo Junior
Project General Coordinator

SISTEMA VIÁRIO
Multimodal Transport Network

Cities where are situated the Milk Producers Cooperatives who takes part of the Dairy Basins Program of the Tocantins State.





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RESTRUCTURING MASTER PLAN
FOR THE COOPERATIVES
OF THE TOCANTINS STATE

FINAL REPORT
PART 2

ARA & Consultores Associados S/C LTDA.



**REESTRUCTURING MASTER PLAN FOR THE COOPERATIVES OF THE
TOCANTINS STATE**

FINAL REPORT

The item “2.4”, of the Second Clause in the Service rendering Contract, signed between JICA and ARA in July 25, 2002, determines the presentation of a Final Report on the State of Tocantins Cooperatives Restructuring Project, through which the Restructuring Directive Plan for the analyzed cooperatives is exposed.

According to what is disposed in the “3rd Step” of the initial Project, the Restructuring Directive Plan must be prepared with base on diagnosis and analysis of data and information collected in the two previous steps.

On the other hand, according the Tasks Chronogram (Attachment II) which is part of the Project, the presentation of the Restructuring Directive Plan of each cooperative will be, through the Final Report, until the 8th month of work development, having the deadline in March 20,2003.

Following our contract obligations, we present through this Final Report – 2nd Phase, the Restructuring Master Plan of the Cooperativa Agropecuária Tocantinense Ltda – COOPERNORTE, based on the data presented on actual situation diagnosis of the Cooperative, of the Intermediate Report and on other information collected later, during the visits made by the members of our Technical Team to the Cooperative.

The adoption of a Restructuring Master Plan *for the COOPERNORTE* is based, among others, on the following aspects:

- ✓ The Cooperative is in plain activity;
- ✓ There is an Organizational Structure that controls its activities, that has to be enhanced;
- ✓ There are financial operations out of control of the Cooperative;
- ✓ Necessity of implement trustworthy mechanisms for control of the stocks and the patrimony of the cooperative;
- ✓ Necessity of development of new dairy products, in order to generate new incomes for the Cooperative and its members;
- ✓ Improvement of the operational structure to receive the new activities;
- ✓ Study and development of alternatives looking for a better use of the land, the creation of new jobs, the income growth and the improvement of quality of life of the members of COOPERNORTE;
- ✓ Implementation of a Budgeting and Organizational Planning;



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- ✓ Acceptance of the Restructuring Master Plan by the Directors and members of the Cooperative;
- ✓ The existence of union of the cooperated ones around the activities of the Cooperative;

Therefore, the Restructuring Master Plan of COOPERNORTE will be elaborated, presented and if approved, it will be able to have its immediate implantation.

Campinas, March 2003.

Diamantino Barrionuevo Junior
Project General Coordinator



REESTRUCTURING MASTER PLAN FOR THE COOPERATIVA AGROPECUÁRIA TOCANTINENSE LTDA. - COOPERNORTE

JUSTIFICATION

The implementation of the present Directive Plan is justified by results of the diagnosis of the actual situation presented in the Intermediate Report, foreseen by the State of Tocantins Cooperatives Restructuring Directive Plan Project and by the aspects mentioned on the beginning of this work.

OBJECTIVE

Provide to COOPERNORTE an Organizational Structure necessary and sufficient to assure the development of their actual activities and to prepare their future activities in an efficient and transparent manner, respecting their characteristics and those of their affiliates, in order to achieve their social and legal purposes.

COMPREHENSIVENESS

The present Master Plan will enclose all the activities that currently are being developed for the Cooperative, structure it to receive new activities, as well as offering to its members all technology for the sure implantation of new crops.

EXPECTED RESULTS

With the implementation of the COOPERNORTE Restructuring Master Plan, the following results are expected:

a) In relation to the cooperative:

- That they start to develop their activities, with better efficiency and professionalism according to the objectives of their Articles of Incorporation and in defense of their affiliates interests;
- That they become immune to eventual fiscal and/or tributary penalties generated by any possible irregular active and passive operations in the past fiscal years.



- That they present a generation of new incomes, through the development of new products and a bigger participation in the consumer market;
- That management tools are implanted, objectifying a rigid control of the commercial and administrative expenditures, that in 2001 were 14.25% and 10.47% in relation to the net income;
- That production costs are implanted, since during the year 2001 the sales income growth was 27.19% compared to the previous year , while on the other hand the costs had a 34.30% growth in the same period;
- That a proposal of capitalization of the society is developed, considering that the financial costs have reached significant values, representing, respectively, 16.11%, 28.24% and 18.21% in relation to the net revenues of the exercises of 1999, 2000 and 2001, indices that had totally absorbed the positive operational results, generating losses in all the those years;

b) In relation to the members of their Boards of Directors, Administration and Fiscal Councils:

- That they become aware and familiarized with the demands of the Law and of their articles of incorporation, which the societies must respect and follow, by a revision and actualization of the Cooperatives Legislation;
- That they become aware of the activities developed by their cooperatives, inside a new concept of organization;
- That they become aware and develop with competence and responsibility the activities inherent to the charges to which they were elected;
- That they become used to delegate responsibilities and to demand results.

c) In relation to all affiliates, including directors:

- That they become aware and practice the cooperative philosophy;
- That they become aware of their rights and duties towards their cooperatives, according to what determines their Articles of Incorporation and the cooperative legislation;
- That, through courses and technical trainings, they achieve significant improvement in their activities;
- That, through research and technical orientation, they become able to develop other activities, in addition to the actual developed production, aiming to increase their income and consequently, to improve their family's life quality.



DIRECTIVES AND PROCEDURES

When elaborating the present Master Plan, had been considered some factors of raised importance indicating that the same could be implanted in its totality and that it will have all the needed conditions to reach its global objective.

Amongst the considered factors, we can detach the following ones:

- ✓ The existence of a formal structure of organization in full functioning;
- ✓ All the current activities of the cooperative are in full functioning and used by its members;
- ✓ The members are operating with the cooperative;
- ✓ Desire of the direction and the members to implement a restructuring organization project;
- ✓ Agreement of the direction and members in the development of alternatives of agro-industrial production

WORK PLAN

The Restructuring Master Plan of the Cooperativa Agropecuária Tocantinense Ltda – COOPERNORTE was developed to provide an organizational structure needed to develop with a better security and transparency the activities actually developed, as well to prepare the Cooperative to control the new activities that will be implanted with the beginning of a new phase on the management of the cooperative.

The Master Plan will preview actions on the following areas:

- Management;;
- Financial;
- Operational;
- Comercial;
- Social.

During the surveys and analyses of the data for elaboration of the diagnosis of the COOPERNORTE and the visits that we made in the dependences of the cooperative after the presentation of the Intermediate Report, some operational irregularities that distorted the results were detected. This may affect the decisions made by the directory.

We attribute such distortions to the lack of internal communication, very common in entities without a formal structured organization.



In sight of the detected irregularities, the Master Plan will begin with an Operational Auditorship, with retroactive surveys to the last 05 (five) years, once all the older facts after five years will be prescribed..

MASTER PLAN PRESENTATION

The Restructuring Master Plan, prepared in accordance to the actual and future needs of the COOPERNORTE, will have an important action on the following areas:

Administrative Area

Analyses, corrections of eventual irregularities, and orientation on the following activities:

- a) Personnel
- b) Assets
- c) Fiscal
- d) Accounting

Financial Area

Analyses, corrections of eventual irregularities, implantations of inexistent controls and orientation on the following activities:

- a) Cashier – Cash Flow – Receivable and Liabilities Accounts.
- b) Banks
- c) Members – Mouvement Account

Operational Area

- a) Technical Analysis and proposals of improvements of the productive activities currently developed by the cooperative;
- b) Study for development of new farming activities;
- c) Study for development of new agro-industrial activities.

Commercial Area

- a) Training for technical improvement of the commercial area employees;
- b) Development of new commercial activities needed for the commercialization of new products and services;
- c) Prospecting, development and closing of new businesses;



- d) Follow up and maintenance of the businesses in the current market;
- e) Prospecting new markets.

Social Area

Implantation of controls, study of alteration and legal and statutory orientation on the following activities:

- a) Articles of Incorporation
- b) Affiliate Registration Book
- c) General Ordinary Meetings
- c) Demanded Books
- e) Capital Stock

DEVELOPMENT OF NEW PRODUCTS AND NEW ACTIVITIES

a) Development of New Activities directed toward the Members

The development of integrated activities, will give the Members a chance of a better use of the family work force, looking for their income growth and a better quality of life.

In the cattle sector, producing meat, milk and leather, using alternative techniques already developed and tested in the field for the research, minimizing the use of drugs and chemical products, looking for the existing markets, offering quality products and differentiated taste, with probability of guaranteed financial return.

In agriculture, with total exploitation of the possibilities of human and animal use of the production and also as an option in the rotation of cultures for pasture reform, protecting the soil and the pastures, improving its fertility and physical aspects.

Search to add values to the community products, being prevented to export profits. Giving chance of exploitation of the work force of the group and development of integration between the cooperatives, with constitution of Central Cooperatives offices, aiming at better exploitation of the existing markets and the alternative new creations, having as objective the setting of the man in the field through the rise of the quality of life.



b) Industrialization of New Dairy Products

COOPERNORTE has all the conditions to develop the industrialization of new dairy products, besides of the ones already in production. In a first moment, put new products on the local market, as well on the Palmas and region.

The development of new dairy products, beside the commercial activity development of the Cooperative, it will absorb a bigger production of its members, increasing the scale of financial movement and generating more income, as well for the society as well for the members.

These new activities will reduce the idleness of the installed capacity of the Cooperative, that were 43% at the moment of our analysis.

c) Plant of Salt and Animal Ration

COOPERNORTE has already some experience in this matter, having even its own brand on the products.

The chance of develop and increase this activity has a commercial support on the new activities that should or will be developed with the members of the Cooperatives of the Program of the Dairy Basins.

The main reason to obtain good results in this sector is that COOPERNORTE can provide its products immediately to all its members and all the members of the 25 Cooperatives of the Dairy Basin, in case that they develop the following activities::

- ✓ Cattle Production;
- ✓ Fish Keeping;
- ✓ Poultry Keeping;
- ✓ Lamb Keeping;
- ✓ Pigs Keeping.

d) Refrigerating for the Fish Industrialization

There is a great development in the Fish Keeping area in the State level considering the information gathered by our team with the Agriculture Secretariat of the Tocantins State.

There are many Fish Keeping Projects already implemented and in full production which covers an area of 300 hectares of water.



COOPERNORTE has a physical structure capable to implement a refrigerating chamber with capacity to receive and industrialize the whole fish production of the Tocantins State.

The production obtained through the fish industrialization, could be absorbed, almost in its totality, by the Brasilia's market.

Such structure is located in the city of Cristalândia, next to Paraíso do Tocantins (city headquarter of the Coopernorte) and it is currently deactivated.

Although it is not yet estimated, there is an expectation that the implantation of these new activities generates a satisfactory return. One reason is that the production can be consumed by the local and regional market.

A technical project has to be prepared to give the bases for the estimation of the investment needed for the implementation of this project.

MAINTENANCE OF THE ORGANIZATIONAL STRUCTURE

Once the Restructuring Master Plan of the Coopernorte is developed and implanted, the cooperative, through its controllers and its staff members, will be in full conditions to keep its new organizational structure, with the new production and commercial activities. That will be possible because all of them will follow up all the procedure and will receive training.

Therefore, the Copernorte congregates all the conditions to lever its full development. On the other hand, what it is very important for the success of the works, not only the directors and members of Coopernorte, but also the Secretariat of the Agriculture of the State of the Tocantins recognizes the potential of the society and of the region, they agree and they are in conditions to offer all the possible support for the development of the new activities and for the restructuring of the Cooperative.

CONCLUSION

There are two important reasons for the immediately preparation and implementation of the Restructuring Master Plan of the Coopernorte:

- 1.) to take care of the current organizational necessities, demanded for the activities that the Cooperative is developing at the moment;
- 2.) to take care of the organizational necessities that the Cooperative will demand, in case of development and implementation of the activities proposed by the present Master Plan.



However, the development and implantation of new activities, as much for the cooperated producers as for the Coopernorte will fix each time more its position in the regional commodities market. This position will be threatened if the Cooperative remains inert in the case of the natural development of the agribusiness activities.

That is what we had to present through this Final Report about the Restructuring Master Plan of the Cooperativa Agropecuária Tocantinense Ltda. – COOPERNORTE.

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Campinas, March/2003

Diamantino Barrionuevo Junior
Project General Coordinator