

# F@RMLETTER



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## AGRICULTURAL COOPERATIVES and KNOWLEDGE SHARING

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**Daniela Bas,**

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# Cooperatives as a pathway to sustainable development



**T**he world is faced with crisis on several fronts, including the economic, social, environmental, and governance sectors. Urgent action is needed on all these fronts by all partners at the national, regional and global levels. As member-owned democratically run businesses that combine profit motive with social responsibility, the social impact of cooperatives is particularly highlighted in times when multiple crises confront societies around the world.

The social crisis is a formidable challenge, manifesting itself in high levels of inequalities, poverty, unemployment, and many others ills associated with social exclusion. In the midst of this social crisis, cooperatives are making outstanding contributions to social development. One such contribution of cooperatives, that of social inclusion, is particularly worth emphasizing.

Social inclusion is a process by which efforts are made to ensure equal opportunities so that everyone, regardless of their background, can achieve their full potential in life. For many vulnerable groups such as youth, women, indigenous people and persons with disability, cooperatives represent a solution for social inclusion enabling members to build and own enterprise, sustain a livelihood, and address social discrimination.

Youth have been among the hardest hit by the economic crisis. The global youth unemployment rate, at 12.6 per cent, remains a full percentage point higher than the pre-crisis level. Youth cooperatives are making their presence felt by not only giving a sense of responsibility to youth but also providing a pathway out of poverty by providing them with skills training and employment opportunities.

Persons with disability have created their own cooperatives as a vehicle for the empowerment and socio-economic progress of person with disabilities. Hundreds of jobs for persons with disabilities have been created by cooperatives.

Cooperatives empower women and bring benefits in the form of income, voice and embedded values of equality. They afford women the opportunities to have direct experience with decision making and election process; and provide them access to inputs, credits, services, information, knowledge-sharing, and increased bargaining power.

Women depositors have been strong members of credit unions. Their shares of savings and loans are large in many credit unions around the world. Cooperatives empower women also through their support to informal sector workers, as in many developing countries, women make up a sizable portion of such workers.

Another area where cooperatives have shown their potential is in disaster preparedness and response. Cooperatives have also demonstrated that they can effectively carry out solidarity projects towards reconstruction and peace in areas experiencing natural or man-made disasters.

In sum, cooperatives play an important role in achieving social stability and social inclusion. With their ownership structures and goals that are different from those of investor-owned enterprises, cooperatives encourage diversification and innovation, and enable a fairer distribution of income. Being member-owned and run, cooperatives also contribute to keeping the production of goods and services close to the needs of the people that they serve. In this context, cooperatives provide a



good platform for promoting collective entrepreneurship among marginalized populations who have difficulties entering the traditional labour market.

Agricultural cooperatives make an indispensable contribution to social development. They play a crucial role in improving food security; they improve rural employment prospects and generate income for rural population; and they help build local communities. It is estimated agricultural cooperatives have over US\$1 billion in assets and over US\$3 billion in annual gross revenue. About seventy per cent of those who face hunger live in rural areas. Cooperatives improve the agricultural productivity of farmers and facilitate the latter's access to marketing, savings, credit, insurance, and technology, thus help reduce rural poverty and hunger.

The United Nations Conference on Sustainable

Development (Rio+20) acknowledged the role of cooperatives in contributing to social inclusion and poverty reduction in particular in developing countries. Cooperatives can be a tool for empowering people while protecting the planet (one of the goals of the post-2015 development agenda). In other words, cooperatives can become a vehicle in delivering inclusive development.

As the international community moves closer to the adoption of the post-2015 development agenda and Sustainable Development Goals, the contributions of cooperatives should be recognized and promoted by all stakeholders. Cooperatives provide a perfect pathway for building participatory and inclusive societies that put the needs of people at the centre of all development efforts. Cooperatives are, therefore, a well-suited model for the implementation of sustainable development goals at the national, regional and global levels.



# HARNESSING THE POTENTIALS AND OVERCOMING CHALLENGES

*of Farmers and Agricultural Value chain Cooperatives in Africa for Local and Global Food, Nutrition and Energy security- Reflections from Ghana*

**Nelson Godfried Agyemang,**  
Vice-President-Ghana Cooperative  
Agricultural Producers and Marketing  
Association-AGRIC COOP

**C**ooperatives have become even more important in recent times in view of their resilience in weathering the two global financial crisis and food price hikes of 2008 - 2010.

Agricultural cooperatives have become even more important in view of the recent global food crisis and the need to increase global food supply to feed the anticipated global population increase to 9 billion+ by 2050, to assure personal, local, national, and global food and nutrition security for all; and their continued potential in providing livelihoods and incomes for many women, men and youth (especially in rural areas), and bringing them out of poverty; providing the raw material for the consumption chain and energy of the present and future.

Africa is expected to contribute significantly, through its smallholder farmers, to feed the anticipated global population of 9 billion+ by 2050. This underscores the significance of farmers and the agricultural value chain of cooperatives in Africa.

The capacity of cooperatives as the best business model in the face of recent slump of corporate giants, and their adaptability and flexibility to the context of majority of the suffering mass of people at grass root level

as the best professional enterprise alternative, has brought to the forefront the need to promote and develop the cooperative enterprise as the best bottom up, democratic, and participatory approach for alleviating poverty, providing food and nutrition security, providing financial, and other services for the present and future. The power and advantages of the 'collective', is that of the cooperative approach, which provides mutual benefits for several vulnerable individuals to pull resources together, share benefits and risks in order to overcome life challenges.

This recognition was given to the global cooperative movement by the United Nations when it declared the year 2012 as International Year of Cooperatives (IYC). It was followed by the International Cooperative Alliance (ICA) declaration of 2012-2020 as the Cooperative Decade, with the view to refocus local, national, and global attention and efforts to replicate the strengths and successes of cooperatives, to revamp and develop existing and new cooperative ventures and enterprises, so to give hope and opportunity to all. Today several ventures and endeavors have adopted, and are using, the cooperative approach for the delivery of goods and services in several sectors of human need.

Farmers cooperatives in particular are expected to contribute significantly to the next global move to feed the world at local, national, and global levels and provide institutional frameworks for smallholder. While with family farmers, cooperatives professionalize farming productivity, profitability and sustainable enterprises that are capable of bringing many of the global poor out of rural poverty. Agricultural cooperatives also diversify rural livelihoods and incomes; and enable farmers to play significant roles in the food-consumption-energy value chain of today and tomorrow. Due to these reasons, there is an urgent need to take the necessary steps to promote the efforts of agricultural cooperatives in Africa. Increasingly farming, even smallholder farming, is

being moved out of subsistence and into professional enterprises that are capable of providing more than personal or family food and nutrition security. Nowadays farming provides sustainable livelihoods and incomes to meet personal and family needs, resilience against shocks and risks facing persons and families.

In recognition of these issues in order to have a formidable stronger front, the Coalition of Farmers Ghana (COFAG) and Ghana Cooperative Agricultural Producers and Marketing Association (AGRIC COOP), celebrated the IYC and the Cooperative Decade by merging into an Alliance using the cooperative name and mandate. This also led to several position changes and to the restructuring so to reposition agricultural cooperatives to meet the current and future challenges of being a leader in the food and rural enterprise endeavour for the next decades and beyond. AGRIC COOP recognizes that the future cooperative is professional, business-like, productive, profitable, and sustainable in the crucible of

the cooperative ideals and principles of collective renewal, changes, and improvements for excellence. These are all part of the necessary steps to reposition the Ghana agricultural cooperative sector to play its rightful roles, thus necessitating re-structuring, reorganization and revamping internally to address some of the internal challenges and bottle necks. There are also the political and regulatory frameworks, which are necessary to address, including the old military decree that the government recently passed out of cabinet to the parliament for consideration. Among others this will enable cooperatives to run as private enterprises devoid of governmental or political controls.

### Thematic Refocus of the Ghana Agricultural Cooperative Sector

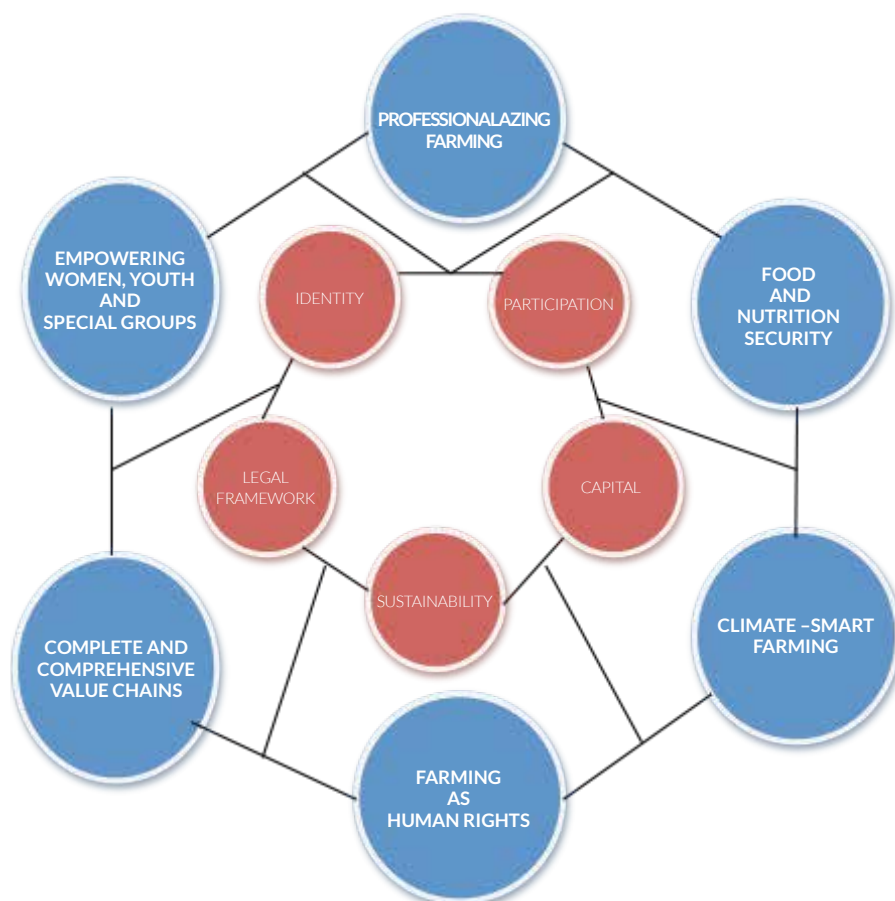
The seven themes selected during the 2011 - 2013 annual processes and AGMs to reflect the new corporate mandate, strategy, program and the Septennial Investment/ Business Plan 2014 - 2020 are:

1. Professionalize the farming value chain as profitable businesses and enterprises;
2. Empower women, youth and family farmers;
3. Complete and comprehensive value chain approach;
4. Food, nutrition, natural resource and energy security;
5. Climate-smart agriculture and sustainable farming intensification;
6. Rights based approach to farming (equity, ethics, fairness, advocacy and policy changes on rights to land, forest, and water resources, finance, personal food and nutrition security, fair prices, a voice and hearing, compensation for environmental services and carbon credit, right to know how to redeem environmental credit, ect.);
7. Vision 2020 blue print for a cooperative decade on identity, legal framework, participation, capital, and sustainability as shown in Figure 1 below.

### Strategic and Future Perspectives

The first phase of our strategy for growth, profitability and sustainability for the future, i.e. 2013 - 2020 is to diversify from the currently limited scope of providing outsourced linkages to others' storage, market, and processing facilities to our farmers for inadequate fees and commissions instead of offering our own facilities; and dependence to a limitation of membership subscriptions alone as the main sources of income; and to seek to gain investments in the value chain through a complete and comprehensive manner. In this manner, our agricultural cooperative geographical sectors, i.e. primary societies, district unions and national federation, are going to operate as profitable enterprises in the value chain in which they have comparative capacity potential and advantage. This is not going to be done in a disjointed manner as occurred in the past, which did not enable farmers to derive maximum benefits from

In the past for example, production has been promoted for farmers in several interventions without taking care of storage, markets, and processing,





which led to glut, post-harvest losses and the like. Since the whole chain must be catered for, this will be avoided in our strategic investment approach. If one investment financial source cannot fund all the value chain components, our approach will be to source co-financing for different components, if necessary. For example we would have investment finances from different sources separate for loans to farm producers, and other financiers for each aspect such as storage, market and distribution logistics, input supply, and processing. As part of the restructuring and proposed changes, it is envisaged that for the future, beginning in 2014 onwards, the AGRIC COOP Investment/Business plan 2014 - 2020 spells out areas needing growth and investments to increase productivity, profitability and sustainability for the primary societies, district unions, and the national federations within the farming value chains. Such a business plan spells out what in the value chain shall be the responsibility of the primary societies for example food production, district unions and federations, like our own storage, processing, marketing, input supply facilities.

### **Investment Innovations and Thinking Out of the Box**

This calls for a great deal of innovations, creativity and thinking out of the box.

#### **1. COMPLETE AND COMPREHENSIVE VALUE CHAIN COMPONENTS**

Accessibility and management of natural resources to support value chain businesses, i.e. land, water, energy, environment and climate. Supply and distribution of farming inputs, increasing food production in eight strategic food hubs based on dominant foods in those hubs, such as staples, roots and tubers, grains, vegetables, legumes/nuts, oils, poultry and livestock. Storage facilities to support upscale food production in the food hubs, Marketing, i.e. local, regional and international marketing. Processing plants to

support these food hubs. Logistics that is articulated transport, refrigerated transport, machinery and equipment, farm tools to support production, repair and maintenance of tools, machinery and equipment, storage, marketing and processing in the identified food hubs. Institutionalization of loans to farmers for food production, preferably outsourced and guaranteed to local financial institutions. Professional farming innovations in farm productivity, profitability and sustainability, farming scale up and intensification, women farmers, youth farmers, rural enterprises in value chains, climate-smart farming, market information systems, farmer and farm risk insurance, certified lands, agri-forests products for premium markets value, carbon credit and compensation for environmental services. Zoning/Unions in the field operations will be facilitated by setting up four zonal offices and district union offices, besides reorganizing and expanding relevant departments under the administration and program divisions in the secretariat. Zonal and district offices will facilitate field operations, and the mobilization of members and societies, monitoring, evaluation, research, education, training and advisory services, loan assistance and administration, support for supply, production, storage, marketing and processing.

#### **2. INNOVATIVE INCLUSION OF ALL VALUE CHAIN ACTORS IN ONE COOPERATIVE FEDERATION BOTTOM-UP**

It is expected that collective enterprises will be identified and strategized for the various cooperative societies, district unions, and the federation based on their respective niches in the value chain. Other actors who believe in the collective approach to value chain businesses will also seek to join the federation at some level thus enabling all actors to meet to discuss and do business together, to create and to share value in the

chain as well as use their activities, achievements and challenges like a launch pad for the national agricultural policy development and advocacy roles. Thus some suggestions have hovered around taking a new name, for example the Ghana Cooperative Federation of Agricultural Value Chain - Ghana Agricoop. This name change reflects the whole value chain in order to include all stakeholder that would like to use a collective cooperative approach. This also provides cooperatives with alternatives to other players in the overall national agricultural value chain in a fairly competitive and diversified manner, in particular providing market options to farmers. The significance is, that although the emphasis moves away from solely farmers/producers and marketers to all actors in the chain, and instead enables everyone - especially farmers who are no longer outsiders yet are members of their own cooperative federation. This has several advantages. For farmers in particular, they have other opportunities to diversify livelihoods and income by engaging in cooperatives for other services in the chain. The mix of farmer types in the value chain - small, medium and large farmers - also has a mutually reinforcing benefit for all, mainly small holders. It has been documented that, "usually medium and somewhat larger farmers take the initiative to develop a cooperative in order to overcome certain deficiencies in the market. However, once the cooperative has passed its pioneering phase, the smallholders and poorest farmers can join and reap the benefits from this affiliation."(Koopmans, R. et al (2006) p.7, Agromisa Foundation and CTA, Wageningen, The Netherlands).

This means for commercial and nucleus farmers another option is available to take on smallholder farmers in the form of cooperatives, if they wish. In this case large farmers and smallholders can form one cooperative, or the nucleus farmer will take on a cooperative

instead of individual farmers, if desired. Those commercial farmers and nucleus farmers who choose a form or another of the cooperative arrangement should be highly encouraged to do so.

Moreover, all options including a cooperative approach could be introduced to a commercial or nucleus farmer, so that one chooses what they wish to do, instead of sharing only details regarding non-cooperative approaches. For the bottom-up structures, income may be better, larger, and diversified. Therefore ensuring that if fees are not sourced from producer cooperatives they may come from marketing, processing, financial services, insurers, processors, or logistics supplier cooperatives. This makes the financial basis stronger and avoids the challenges of the past in which poorer smallholder farmers alone often could not sustain their structures when their farms failed. Should this happen and properly

managed, then it is expected that the envisioned agricultural cooperative sector will be a very powerful organization, working in unison on policy instead of at cross purposes.

### Conclusion

Individual smallholder farmers operating at the subsistence level can no longer overcome the risks and challenges related to farming in Ghana.

It has become increasingly important to emphasize the advantages of collective enterprises that involve all actors in the value chain, which bring forth the importance of family farming and smallholder farmers who work together with other farmers and all actors in agricultural value chain cooperatives.

There is a need for professional approaches to farming, which bring it to scale for productivity, profitability and sustainability, thereby making food

and nutrition security (personal, local, national and global food and nutrition security), even more important and emphasizing comprehensive and complete value chain approaches to the food enterprise as of utmost importance to sustainability of farming in Ghana.

Such an approach will help deal with the vagaries of the changing climate, by emphasizing Climate-smart farming, sustainable agricultural intensification and compensation for environmental services rendered by poorer farmers.

The pivotal role of women and youth farmers and their right to land, water, natural resources, financing, markets, and other facilities to make farming more beneficial to the poor is highlighted.

These are imperative if at all farming will occupy its rightful role in the sustenance of humanity.



# COOPERATIVES, AN ESSENTIAL TOOL FOR FAMILY FARMING

**Lorenzo Ramos Silva,**  
*Secretary General of UPA*

**T**he family farms face a situation full of difficulties. The low profitability of farming is the main obstacle that breaks often a generational shift in family farms that could

and should be more natural. It is shown that the organization of farmers into cooperatives helps improve farm profitability and benefits the entire territory.

In Spain, over 80% of farms are familiar. The family model is the one that ensures quality food production, while respecting the environment, maintaining life in the towns and managing the territory. So we believe Spanish farmers and ranchers and so we transmit to the governments, at local, regional, national and European level.

But the problems we face are many and complex. In Spain, many territories have geographical features that make it very difficult farming. Furthermore, the type of ownership of land causes high fragmentation that hampers the viability of the farm.

The depopulation and aging of the rural world are a direct consequence of the lack of a clear future for our young people. The increase in production costs and the price decline received by farmers from intermediaries, commercial and manufacturing

companies discourages many of our young people to follow and bet on the continuity of the family farm.

In my personal experience and that of the organization I represent, the Union of Small Farmers and Ranchers (UPA), cooperatives must commit as a tool for the future of family farming. The more we are associated, we could be more responsive to swings of liberalized world market.

The more we are united and coordinated, more protected we will face imbalances annual harvests, fluctuations in input prices and very competitive due to lower production costs. And the model of agricultural association with better chances of achieving that goal is the agricultural cooperative.

A cooperative of any product or sector, should have sufficient mechanisms to cope with changes in consumer tastes, downs indiscriminate in home prices, control of excess supply, and adoption of new production techniques, quality improvement and protection against the entry of products from third countries.

We must demand from UPA for administrations to encourage the formation of cooperatives. However we must also ensure that they do not lose their social character or become mere marketing companies. As agricultural policies are required that focus on the producer against the product, the cooperative must demand not to lose face of farmers, especially family farming. Otherwise there will be no difference between a cooperative and a private trading company.

It is revealed that unions create greater force. As farmers we are in great need of force, especially at the time of selling our production.





# COOPERATIVES ARE MOST RELEVANT FOR SMALLHOLDER FARMERS

**Langelihle Simela,**

*Executive Director, African Farmers' Association of South Africa (AFASA)*

**A**gricultural cooperatives have been used for decades in South Africa. Despite the fact that 88 per cent of the cooperatives that were established in the past

ninety years have failed. Based on the analyses carried, the major causes for the failure of cooperatives have been the following reasons:

- Someone else would tell the farmers to establish a cooperative so that they could help them with something (such as land, finance, and other production resources). Therefore the majority of cooperatives were never driven by members to address a special need amongst themselves. This in fact breaks one of the core cooperative rules that states "*cooperatives are autonomous, self-help organisations controlled by their members*". If other organisations assist cooperatives in anyway, it must be based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.
- The initiation of cooperatives was top-down with limited effort to instil in the members an understanding of the cooperative's purpose and a sense of ownership. Nonetheless *cooperatives are democratic organisations controlled by their members - those who buy the goods or use the services of the cooperative - who actively participate in setting policies and making decisions.*
- Although in the majority of instances, the members had limited formal education, very little trainings were offered to members in cooperative development and governance, or in the technical skills of the agro-enterprises that the cooperatives were engaged in. Even *san cooperatives should provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative.*
- In most cases the cooperatives lacked guidance on investments, and hence squandered much of the financial support that they had received. All the same *cooperative members should contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.*
- Lack of motivated and committed leaders and managers, largely as a consequence of the top down approach to the development of the cooperatives. And yet *cooperatives are voluntary organisations, open to all people*

*able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.*

Despite the poor history of successful agricultural cooperatives, the South African government is committed to creating an enabling environment for small-holder cooperatives, which are seen as vehicles for driving rural economic development.

For this reason, the government passed the Cooperatives Act in 2005 followed by a ten year implementation strategy in 2010. Currently the Department of Trade and Industry is developing the Secondary Agriculture Marketing Cooperatives strategy. This shows that, at policy level, there is strong support for cooperatives in South Africa.

The National Emergent Red Meat Producers' Organisation (NERPO) and the African Farmers' Association of South Africa (AFASA) strongly support the concept of cooperatives for small and medium-scale farmers.

They perceive cooperatives as the most relevant organisational form to assist these farmers to meet the economies of scale that are required by the markets.

The two associations will work closely in unison. They will also cooperate together with other commodity associations and role players in agriculture to facilitate the establishment primary cooperatives that focus on production of the various commodities to exploit the competitive advantage of each region.

They will also join forces with secondary cooperatives that will provide support to the primary cooperatives in terms of market access, access to inputs, and other support services.

This is in line with the cooperation among cooperatives principle, which states that *cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.*

# CHALLENGE OF JAPAN AGRICULTURAL COOPERATIVES IN THE FOOD VALUE CHAIN

**Taku Fujimoto,**  
Assistant Manager, JA-ZENCHU

**W**

## What is the JA-Group?

We, the JA Group, consists of 700 agricultural cooperatives

at the local level, covering almost all of Japan. It is an umbrella organisation at the prefectural and national level. JA stands for the Japan Agricultural Cooperatives.

The characteristic of JA is that we provide a wide range of services to ten million members, which include various scales of farmers and local residents, in regard to not only farm production, but also all aspects of members' lives, such as farm guidance, marketing, supplying, credit, mutual insurance, and medical service. Most importantly, our services assume a vital role in rural areas.

With regard to farm guidance and marke-

ting business, we would like to introduce two activities, "Mass marketing through organising farmers" and "Local production for local consumption through farmers market".

## Favorable selling to wholesale market through organising farmers

In Japan, the distribution/marketing system of agricultural commodities is very organised. Most agricultural commodities, such as 84 per cent of flowers, 70 per cent of vegetables, 43 per cent of fruits, are distributed to wholesale markets in big cities each morning, bidden by brokers and delivered to retailers and restaurants on the same day.

We also supply major clients, such as consumers' cooperatives and supermarket or restaurant chains, by direct contracts through JA-Zennoh (the National Federation of Agricultural Cooperatives), which is the nationwide organisation in charge of marketing and supply in JA-Group.

In these deals, it is necessary to be recognised among brokers and consumers as a creditable production area for sale at high and stable price.

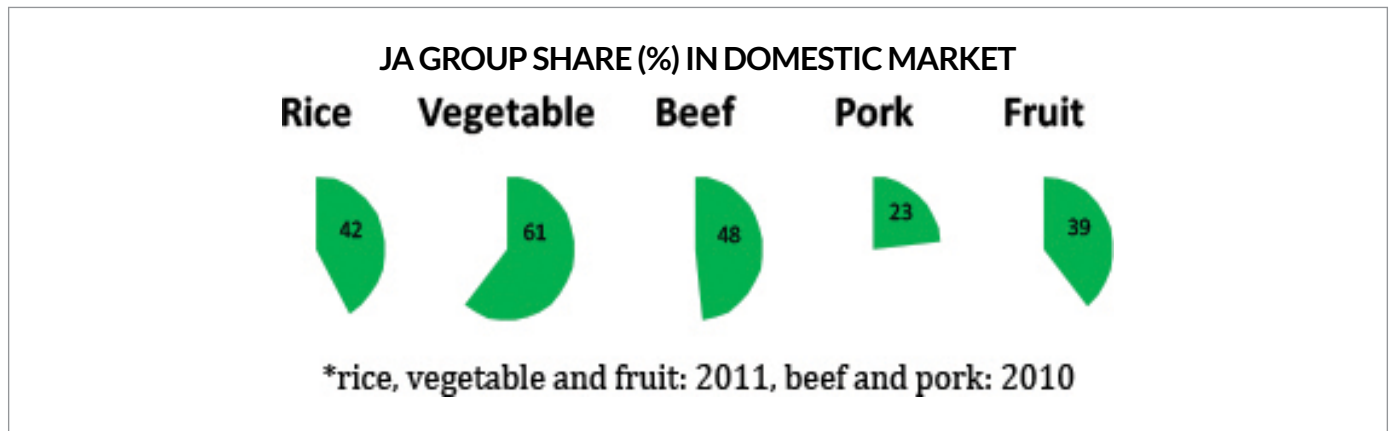
Each JA has a "farmers group" by items such as rice, tomatoes, and grapes to achieve a sustainable market access. Farmers can join groups specialized in the items they want to produce, and then work together on the establishment of cultivation standard, standardisation of



quality and grade, cost reduction by cooperative purchasing at national or prefectural level and implementation of risk management about food safety. These activities are conducted by 14,142 far-

ming instructors who belong to JA. Farmers can have market clout and reduce transport cost as a result of planned and large-scale distribution to markets by farmers group.

Particularly, it is more important to develop these activities in production areas distant from urban areas compared to suburban ones, for overcoming a geographical disadvantage.



### How have we dealt with the price volatility of agricultural products?

We have adopted the Pooling Account System for more than fifty years to address market volatility due to weather or supply and demand situations.

The Pooling Account System is a system for farmers' profits in which JA makes payments calculated according to the average price of the agricultural products of the same quality distributed during a specific period.

This system has achieved significant outcome in training of farmers and encouraging stable farm management by diversifying operation risks among farmers' group members for their stable incomes.

Recently, however, farmers have been calling for further exact evaluation methods that reflect individual farmers' efforts even if it takes some risks. We will have to review these systems in response to our member farmers' requests.

### For direct income of women and small farmers

Of the 700 JA members there are 2,000 farmers markets in total, which provide women and small farmers with opportunities to make agricultural incomes by selling their agricultural products and handmade products.

In these shops, farmers can set the fair

price by themselves. Total sales in 2010 were 2.6 billion USD, which in turn became direct incomes of farmers, excluding 15 per cent sales charge on average.

In addition there are 16,800 farmers markets in Japan, including those operated by local governments, which sold 8.6 billion USD in 2010. These shops provide fair and transparent market with local consumers and farmers.

This system is also a training platform for new farmers. Actually, many far-

mers have joined farmers groups in JA and, after learning various skills at those shops, have begun full-fledged agricultural productions.

### Conclusion

We believe that both large and small farmers are necessary to improve Japan's food self-sufficiency rate, which was only 39 per cent in 2012. The hope of the JA-Group is that various types of agricultural associations can coexist in Japan and all over the world.





# AGRICULTURAL COOPERATIVES – CRITICAL IN FEEDING THE WORLD

**A**s the international community focuses on climate change, sustainable development and a new anti-poverty agenda beyond 2015, United Nations

officials highlighted the role cooperative enterprises can play in economic development, social justice and environmental protection.

This year, International Co-operative Day was celebrated on Saturday, 5 July 2014 with the theme of “Co-operative enterprises achieve sustainable development for all.” Concern for the community is one of the cooperative movement’s founding values and, as such, the need to sustainably safeguard favorable living conditions for communities underpins all cooperatives’ operations and vision. Cooperative enterprises can play key roles in economic development, social justice and environmental protection.

Cooperatives come in all shapes and sizes but the principle is the same, by working together we can achieve goals we set for our communities.

Ranging from small-scale to multi-million dollar businesses across the globe, cooperatives operate in all sectors of the economy, and provide 100 million jobs worldwide – 20 per cent more than multinational enterprises, according to 2011 figures from the UN Food and Agriculture Organization (FAO), the UN International Fund for Agriculture Development (IFAD) and the UN World Food Programme (WFP).

In his message for International Cooperatives day, Secretary-General Ban Ki-Moon said, “Cooperatives are particularly important to agriculture, food security and rural development. In the finance sector, cooperatives serve more than 857 million people, including tens of millions who live in poverty.”

Agricultural cooperatives enable producers to realize economic benefits that they could not otherwise achieve alone. Groups of agricultural producers improve their bargaining power in the marketplace, reduce costs by pooling capital and resources through cooperative enterprises, and make expensive services, such as marketing, that are unavailable to individuals accessible.

Through cooperatives, farmers can achieve economies of scale, by reducing the unit costs of inputs and services, enabling farmers to focus on producing goods rather than finding buyers and suppliers.

Cooperatives also enable farmers to improve product and service quality and reduce risks. Agricultural cooperatives can allow farmers to address common problems, develop new market opportunities or expand existing markets. Agricul-

tural cooperatives empower farmers and improve their position in the marketplace.

A fine example of a successful agricultural cooperative from Italy is C.O.P.L.A., a flower, fruit and vegetable consortium that was founded in 1965 in the province of Latina. It was created as a consortium of cooperatives, and was established from the merger of three bodies: the Serra, San Raffaele and COPAS agricultural cooperatives. The main objective of COPLA is to promote and enhance the fruit and vegetable production of its associates, both in the economic and international scope while at the same time meeting the requirements of markets concerning supply, distribution and sale of high quality products.

COPLA accounts for 220 member farms, which operate in the areas of Fondi, Sperlonga and Monte San Biagio in the Latina province of Italy (about 80KM south of Rome). COPLA strives to strengthen the economic state of farmers by fostering collaborations and solidarity. In 2013 COPLA sold more than 33,500 tons of fruit and vegetables, worth Euro 17 million.

COPLA supports its members to be more economically viable and to enhance their competitiveness on international markets through the supply and distribution of high quality products. The fruit and vegetables grown depend on the characteristics of climate, soil and agronomic culture, which fully respect the seasonality of the crops. The processing takes place in Fondi. The cooperative sell their produce on both the domestic and foreign markets.

COPLA’s high quality products are made possible through the extensive experience of its farmers, as well as the high technological level of its facilities.

The marketing success of COPLA is achieved through innovative and creative packaging, along with the continuous monitoring and the careful checks throughout the production chain.

Learn more (in Italian) about COPLA at: <http://www.consorziocopla.it>.





men, women and their families in order to the aim for a better understanding that biological differences should not lead to inequality of opportunities and rights. Thereby, Unicafe's through their family farmers cooperatives network and the Secretariat of Women, has created opportunities in supporting the development of value chains for women groups, and promoted better working conditions in several regions of the country.

In the state of Paraná and Bahia, for example, the local Unicafe's and cooperatives promoted vocational courses for women groups in rural communities. The courses empower groups of women in food processing and crafts. In addition the cooperatives assist the groups to channel their sales primarily to specific governmental programs of food purchases. Moreover, the groups also receive advisory for their insertion in the other sales channels, such as street markets and private markets. According to

reports received by Unicafe's, the women groups have increased their family income and perceive a greater appreciation of their role within their families.

The Cresol Baser cooperative program for gender and generation aims for economical and social inclusion of women, focusing on the development and profitability of their member's property. The program promotes strategic activities that encourage an essential balanced relationship between man and woman, with their children and with the local community. Throughout this program Cresol was capable of boosting the inclusion of women in decision-making and increased their participation in the cooperative. Despite the challenges faced to reach this goal, according to outreach data, the program presents some success of the participation of women in the cooperative, but it still need improvements.

Currently women represent 28 per cent of the membership base in the Cresol system. A relevant database from this number can be presented through their financial applications, showing that 44 per cent of savings were made by women. In 2013, Cresol ended its financial year having 17 per cent of its share capital belonging to its female members.

Furthermore, some other data are impressive when compared to previous years, currently 22 per cent of borrowers are women, and among other data from that same year, 16 per cent of the volume of investments came from women accounts, while 26 per cent of the entire resources portfolio of Cresol went to its female holders

The data reflects the approaching of women in the cooperatives, and also signals their economic role in their property. According to Mrs. Clair Steiner, Director of the Women Secretariat of Unicafe's Paraná, women are motivated to steer their cooperatives. Thanks to several courses and trainings provided through the program, they feel confident to participate in the directions of several cooperative branches. They are also learning how to manage their own property together with their family. Continuing, Mrs. Steiner reports that thanks to the income from their enterprises, the women are somehow changing their children's economic and social perspectives in a positive way. There are several cases that indicate youth are returning to their properties.





In the State of Paraná, the gender and generation program of cooperatives has strategically expanded its action. Since 2011, Unicafe's in partnership with Cresol and other organisations has promoted an event to celebrate the international day of women farmers, which is held on the 15th of October annually. The event has become popular. It creates business opportunities for productive groups of women and also generates prospects for networking with governmental and society representatives.

In 2013, the event was attended by approximately 1,300 participants from Paraná and other regions of the country. In fact, it is not only a strategy to draw attention for the achievements from the program, but also mainly to discuss the economical and social challenges faced by the productive groups of women in order to create new opportunities to enlarge its actions.

There is no doubt for efficiency of Unicafe's and Cresol strategies that empower women through the gender and generation program of cooperatives. However focusing on the diversity of food production, in the sustainability of family farm, and above all on strengthening the role of women on the cooperatives management should not be a path taken singularly by Unicafe's and Cresol. There is a need for greater support for this work in order to be properly disseminated in all regions, and in accordance with the several existing realities of Brazil.



# COOPERATIVES: HOTHOUSES FOR YOUTH ENTREPRENEURSHIP IN RURAL AREAS

**Nestor Ngouambe,**

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**S** Agricultural cooperatives have always been considered to be fundamental for the development of rural entrepreneurship in Cameroon, ever since an economic crisis hit the country in

the 80s, and in turned was followed by the adoption of structural adjustment plans to relaunch economic growth.

According to Law 006/92 of August 14th 1992, a cooperative is a company formed by a group of natural and/or legal persons and democratically managed. Considering the important role given to agricultural cooperatives last year, it is imperative to analyse how these types of organisations can boost young agro-pastoral entrepreneurship. Here is an example of a cooperative of young farmers in the town of Bafia in the Centre Region of Cameroon.

## **From an idea on cooperative action: the first steps of the youth group to revive the agro-pastoral productivity in Mbam (REPAPM)**

Founded in April 2009 with a prospect for a long-term contribution to the revival of economic growth through the agro-pastoral production, REPAPM cooperative is now considered a business incubator. Upon leaving the Faculty of Agronomy and Agricultural Sciences, two young Cameroonians wanted to put into practice the knowledge they had acquired as agronomist engineers. Thus they gathered 10 young farmers from the town of Bafia to form a framing business and production. These are the ideas that led to the creation of the cooperative.

## **Cooperatives, a place for entrepreneurial training**

Nowadays Cameroon has over 80,000 rural organisations among which agricultural cooperatives. Based on the principles of a cooperative, it is understood that those cooperating are true entrepreneurs. Each member is requested to sign and release a number of shares which constitute their stock within the company.

This is the case of GIC REPAPM, which from its origin has already mobilised more than 6 million CFA francs of shares. Thirty-five young people are actively enrolled and watch over their stocks fruitful growth. Over 10 hectares are being enhanced, that is seven hectares of cocoa and three hectares of corn. Capacity building sessions on production techniques and business management are regularly organised for members as well as for non-members. These actions have brought the

young cooperative government support worth two million CFA francs for the extension of their corn plot.

Since its beginnings, REPAPM has organized 12 two-week training sessions for the local youth whom afterwards have either joined the cooperative or created their own. This is the case of young Arsène Ayangma who despite his education in nursing care has converted to agriculture after following a training on pig farming. He is not only a member of the group but also the owner of a farm where he raises more than 50 pigs and grows corn and soy beans to feed them.

## **Cooperatives improve agro-pastoral productivity**

In Agriculture the only possible access to funds is through cooperatives. The solidarity spirit facilitates the granting of loans to the members according to their shares. In addition cooperatives are more credible to banks rather than individual producers.

Such funds help improve productivity. For example, the Mutuelle Communautaire de Croissance (MC2) offers funds easily available to cooperatives under one condition, namely, having a savings account with them.

Between 2011 and 2013, this support allowed the REPAPM group to produce more than 150 tons of corn, 75 bags of cocoa, 2 tons of soy beans and more than 5 tons of pig carcass cutting yields.

Cooperatives are companies that can ensure long-term economic and social development in developing countries. In fact the year 2012 was declared the International Year of Cooperatives, and the World Food Day theme that year was "Cooperatives feed the world." This shows how in view of family farming modernisation and youth involvement in the agricultural sector cooperatives are the best suited, as demonstrated by the REPAPM experience.

However many groups still lack of cooperative spirit. Restructuring and support are needed to facilitate the creation and management of cooperatives within youth groups.



## UN International Day of Cooperatives 2014

Saturday, 5 July marked the celebration of the United Nations International Day of Cooperatives. In his message for International Day of Cooperatives, Secretary-General Ban Ki-moon said that this year's Day falls at a "critical time" with the UN working to reach the 2015 deadline for the Millennium Development Goals (MDGs), and adopt a long-range sustainable development agenda, as well as a new climate agreement.

Agricultural cooperatives are key actors to achieve sustainable development through the production of high-quality food in a sustainable and resource-efficient way; agricultural cooperatives help creating jobs and new business opportunities mostly in the world rural areas, promoting environmentally-friendly techniques and investments to integrate renewable energy in the agri-food production process.

This year's theme has is "Cooperative enterprises achieve sustainable development for all".

<http://www.un.org/apps/news/story.asp?NewsID=48199>



## Agricultural Cooperatives in Bhutan

Agricultural cooperatives are empowering small-scale farmers from across Bhutan, thanks to the effort of the government to encourage farmers to set up groups and co-operatives. The government has been supporting the 34 registered cooperatives to market their products and has recently launched a co-op shop in Thimphu, the capital city of Bhutan. The shop has been designed to help cooperatives and farmers' groups market their products without the interference of middlemen. If the shop succeeds, the ministry aims to replicate it in other towns.

<http://www.thenews.coop/87163/news/agriculture/international-news-round-up-18-june-1-july/>



## Cooperative enterprises achieve sustainable development for all

To celebrate the International Day of Cooperatives this year, UNDESA-DSPD in partnership with the Committee for the Promotion and Advancement of Cooperatives (COPAC) organised an expert panel discussion on "Cooperative enterprises achieve sustainable development for all".

The UN special event was held on 10 July 2014 at UN Headquarters, New York.

<http://www.un.org/esa/socdev/documents/2014/coopsday/concept-note.pdf>

## Guidelines to help agricultural co-operatives improve governance

A governance code to help agricultural cooperatives improve their effectiveness has been published by the Co-operatives UK and the Scottish Agricultural Organisation Society (SAOS). The code aims to set a standard that all agricultural co-operatives can aspire to. With agriculture being the second largest sector of the cooperative economy, good governance is essential for agricultural cooperatives and for a successful and sustainable agriculture sector.

<http://www.thenews.coop/65949/news/agriculture/guidelines-help-agricultural-co-operatives-improve-governance/#.UONXUemlojk>

## 2014 International Summit of Cooperatives

The 2014 International Summit of Cooperatives will be held on 6 - 9 October in Quebec, Canada. The Summit represents an opportunity for leaders of cooperatives to come together to discuss their concerns about the current and future business challenges they all share and to forge valuable strategic alliances, stay abreast of major international development trends, and gain a solid understanding of the global cooperative movement and the business opportunities it offers.

[http://www.intlsummit.coop/cms/en\\_CA/sites/somint/home/info-sommet/quest-ce-que-le-sommet.html](http://www.intlsummit.coop/cms/en_CA/sites/somint/home/info-sommet/quest-ce-que-le-sommet.html)



