Dynamics of Agricultural Cooperatives – AFA experience

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Situation of our members

• All member orgs (12 in 10 countries) are associations, not cooperatives
• Members in different stages of development
• with affiliate coops at town levels:
  - PAKISAMA (Philippines)
  - API (Indonesia)
  - FNN (Cambodia)
• Their individual members have formed coops which have tie-ups with their association:
  - Ainokai (Japan)
  - KAFF and WAFF (South Korea)
  - TWADA (Taiwan)
  - VNFU (Vietnam)
• Knows the value of establishing coops (KKM-seed processing, NLRF, SKP)
Initiatives of Members in Growth Stage

- engaged in sustainable agriculture production, processing, and marketing & distribution
  - extends technical /training support and production loan/credit to support members for their production requirements (capital and inputs) –Pakisama, FNN
  - Establish processing facilities to add value to farm produce and sell as processed product (Mindoro, PAKISAMA )
  - Processing of organic paddy rice to milled rice (PAKISAMA, API)
  - Marketing of organic coffee (API)
  - Free range chicken (FNN)
Initiatives of Members in Growth Stage

• Serve as consolidators of farmers’ produce and directly link to market/marketing organization who distributed goods to institutional, industrial and retail markets (PAKISAMA, API)

• Farmers’ group/association initiated to organize “Savings and credit group” which facilitated savings for emergency needs, building-up own capital for future investment opportunities/plan (PAKISAMA, API, FNN)

• Developed Tools for cooperatives
National Legal Framework

• In Asia, countries with legal frameworks on cooperative: Japan, South Korea, China, Fiji, India, Sri Lanka, Bangladesh, Nepal, Indonesia, Philippines, Malaysia, Thailand, Myanmar, Vietnam, Taiwan, Cambodia, Pakistan, Mongolia, Kyrgyz

• Without existing legal framework: Laos, Tajikistan

• 2 types of cooperative laws existing in Asia
  – **Common Law for all types of cooperatives** – all Asian countries have common cooperative laws except Japan and South Korea
  – **Sectoral Laws** - different laws regulate the different types of cooperatives, and different ministries control cooperatives e.g. 6 separate comprehensive cooperative laws in Japan for Agriculture Coops, Consumer Coops, Fisheries Coops etc. (The same for South Korea)
Best practice of cooperative

• Show pecuaria video
Challenges and Opportunities

• Negative experiences on cooperatives (Philippines, Cambodia) --- need to re-orientation, awareness raising
• Many local members still in survival stage --- enabling policy environment to have access and control over production resources
• Issue on effectiveness and efficiency of the cooperative to address members’ needs and expand its operation – coop are successful when small but it failed when they expand its operation (too much, too soon)
• Agri Cooperative is weak and risky, if sector members’ focus e.g. agriculture cooperative; therefor micro finance avoids support
• Staff managing the enterprise to some extent are not professional staff which resulted to failure or incurred losses on finance, no/low trust of people, thus, affect organizational stability and sustainability
• Single crop or multiple crop and corresponding management/governance structures
• Weak national/local government policies and programs in support of the cooperative movement e.g. legal protection against oppressive situations ended into crisis
Challenges and Opportunities

• There’s no legal framework at the country level, thus farmers’ groups are not able to maximize its full potentials based on the coop principles
  - farmers’ group engaging in business registered as farmers’ association, corporation, or farmers’ group
    – In Asia, countries like China, Vietnam: register farmers’ group or association into cooperatives to engage in various economic activities

• At the region, there is no such uniform legal policy documents/guidelines drafted or agreed upon by the Asia and Pacific Region
Recommendations

• **Conduct research, and knowledge learning and sharing at the national and regional level to highlight:**
  - success cases with clearly defined indicators
  - best practices in areas of developing and sustaining good leadership and management systems of the cooperative
  - leaders and managers succession
  - sustainable enterprises, basis/tips of transforming association into cooperative;
  - Sharing of performance standards and indicators for assessing the cooperative and its impact to members
  - Policies and programs supportive to cooperative development and its impact to local and national economy;
  - Sharing of countries’ existing cooperative framework and cooperative code;
  - e-learning modules and discussions of issues, concerns and solutions/recommendations on cooperative development and management with support for translators (e.g. mycooperative.com.nl)

• **Farmer Leaders and Managers’ Exchange visits to successful cooperatives (local/primary, secondary and tertiary cooperative) how cooperative operates, link and support each other**
Recommendations

• Advocate to government the **crafting of cooperative framework and cooperative code** at the country level
• Support local and national initiatives of cooperative at all levels by **developing policies and programs on cooperative**
• **Capacity building to strengthen organizational and enterprise management** (basic/advance enterprise skills that will help them be united to work together and operate as a business entity)
• **Conduct research on women and youth participation** in the cooperative undertakings at the local (primary/secondary coop) and national (tertiary/apex organization)
• **Identify Capacity building needs/gaps of the cooperative and would-be cooperative** to identify support/interventions to strengthen and to facilitate transformation into cooperative
References

• http://www.ica-ap.coop/
• http://www.fao.org/docrep/007/AD713E/AD713E02.htm
• http://gocoop.com/company-overview
• AFA Members’ Reports
THANK YOU FOR YOUR ATTENTION..