

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 (Phils)
 - API (Indonesia)
 - FNN (Cambodia)
- Their individual members have formed coops which have tie-ups with their association:
 - Ainokai (Japan)
 - KAFF and WAFF (Skorea)
 - TWADA (Taiwan)
 - VNFU (Vietnam)
- Knows the value of establishing coops (KKM-seed processing, NLRP, 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 coffe (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

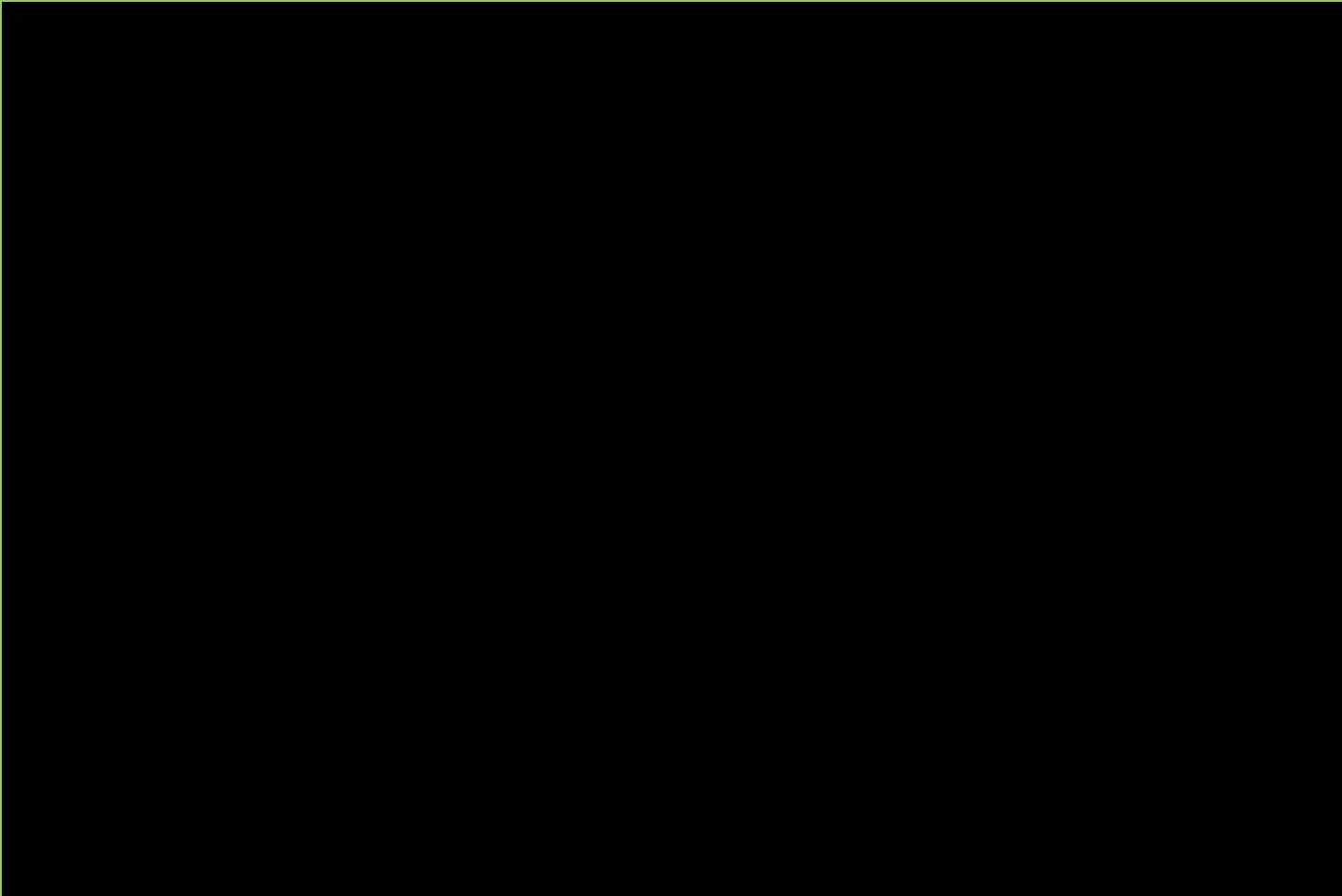


National Legal Framework

- **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 (Phils, 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>
- <http://www.un.org/esa/socdev/social/meetings/egm11/documents>
- AFA Members' Reports

THANK YOU FOR YOUR ATTENTION..