International Year of Cooperatives (2012)

Agricultural Cooperatives: A means to achieving food security

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Cooperatives worldwide

1,000,000,000,000 US$ turnover of 300 largest
1,000,000,000 members
100,000,000 jobs

• account for 3-10% of national GDP
• market up to 50% of global agricultural output
• 30% of the 300 largest are in the food and agriculture sector
Agricultural cooperatives

In Europe:
have an aggregate market share of 60% in processing and marketing of agricultural commodities and 50% in the supply of inputs

Diary in India:
collect 16.5 million litres of milk from 12 million farmer members every day

In Brazil:
count nearly 1 million members, earned $3.6 billion in exports in 2009 and were responsible for 37.2% of agricultural GDP (5.4% of overall GDP)
Cooperatives

• autonomous associations
• voluntary united, fulfill member needs
• jointly owned, democratically controlled
• business model with a social conscience: balances profit and social objectives
• contributes where other parts of the business world may not have a financial interest
Context

- Last 3 decades of withdrawal of public institutions from rural areas “structural adjustments”

- Decline of public agricultural expenditure

- High food prices, demand for food/feed/energy, untapped potential in developing countries
Opportunities

- High food prices in the next decade
- Increased market demand for food and feed
- Untapped potential for farmers in developing countries

*Source: OECD and FAO Secretariats.*
Small producers are key

- More than half of all rural inhabitants
  - 1.5 billion people are in smallholder households
- Major contributors to national economic growth
  - 40-60% of total rural income
## Overcoming critical constraints

<table>
<thead>
<tr>
<th>Natural resources</th>
<th>Productive assets and markets</th>
<th>Information and knowledge</th>
<th>Policies and systems</th>
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</thead>
<tbody>
<tr>
<td>Participatory forest management and Community-based forest enterprise (Gambia)</td>
<td>Inventory credit: a financing method suited to the needs of female and male small farmers (Western and Southern Africa, India)</td>
<td>Promoting employment and entrepreneurship for vulnerable youths (Gaza &amp; West Bank)</td>
<td>The Sumilao farmers campaign and agrarian reform legislation (Philippines)</td>
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<td>SEWA’s model of institution building: Empowering small-scale women farmers (India)</td>
<td>Input shops: a made-to-measure solution for the poorest farmers (Niger)</td>
<td>Farmer Field Schools (West Africa, Asia, Latin America)</td>
<td>A participatory process to develop a pluralistic, demand-led and market oriented advisory system (Niger)</td>
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The image contains a table listing various initiatives aimed at overcoming critical constraints. It categorizes these initiatives into four main areas: Natural resources, Productive assets and markets, Information and knowledge, and Policies and systems. Each category includes examples of specific programs and strategies from different regions around the world.
Bridging

Benefits

For small producers

- access higher scale markets, resources, knowledge, technologies, influence rules
- create scale to access assets, market power, decisions
- build confidence/leadership, pools skills/knowledge

For partners

- improves stakeholder coordination and policies
- builds confidence in quantity, quality, timeliness
- increases efficiency of service delivery

Relations

For small producers

For partners

Linking

Bonding

Bridging
Agricultural cooperatives

• Better conditions and incentives to small scale farmers
  – More sustainable and competitive production
  – Producer coordination
  – Market access
  – Collective bargaining
  – Increased rural productivity
  – Improved rural development and food security

• Promote the participation of women in economic production, food production, and rural development.
Cooperatives and producer organizations play a critical role in overcoming constraints

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<td>• Input shops: a made-to-measure solution for the poorest farmers, Niger</td>
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<td>• Farmer Market Linkage Activity for the Fiji Papaya Industry, Fiji *</td>
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<td>• P4P as an opportunity for Farmers’ Organizations - (Ex. Zambia Commodity Ex change)</td>
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• Eat for a day?

• Eat for a lifetime?

• Improve livelihoods and feed the nation?
Findings: Successful institutional innovations

• result from strong bonding, bridging, and linking relationships

• take time to build

• depend on knowledge and capacities

• abound in contexts where stakeholders together shape the policy environment
Themes

• Managing and accessing natural resources
• Accessing to markets and productive assets
• Accessing information, knowledge, skills
• Influencing policies and systems
Chat show participants

• Mr. Francois Traore, President, Association of African Cotton Producers, Burkina-Faso
• Mr. Christian Pees, Vice-President of European Agri-Cooperatives (COGECA), Belgium
• Dr. G.N. Saxena, Director, Indian Farmer Fertilizer Cooperatives, India
• Dr. Claudio Barriga, Global Forum on Agricultural Research (GFAR), Chile
• Mr. Yehualashet Aschenaki Argaw, General Manager, Southern Region’s Farmers’ Cooperative Federation, Ethiopia
Thank you for your attention

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Public-Private Partnerships, leverage...

Value chain, Inter-professional organizations and platforms

Contract farming and other business models

Public Private Partnerships, dialogue fora

Networks and dialogue fora

Formal or informal Grass-root organizations

Institutional arrangements among different local actors or peer-to-peer

Secondary and Apex organizations and networks

Government

Private companies

Development agencies

Other civil society organizations (NGOs, research institutes...)

Enablers & Facilitators

Elements of a successful Institution Building Process

Linking relations

Bridging relations

Bonding relations