



# 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  
1 00,000,000 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)

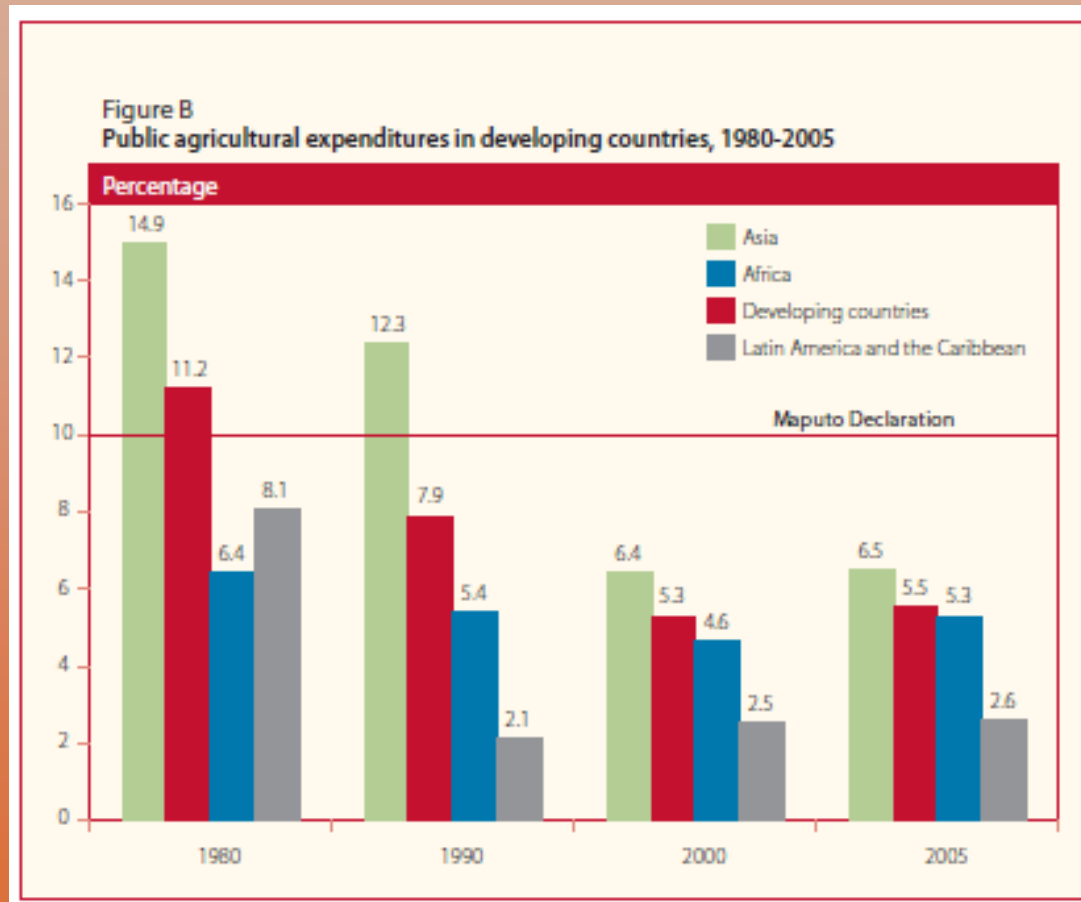


# Cooperatives

- 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

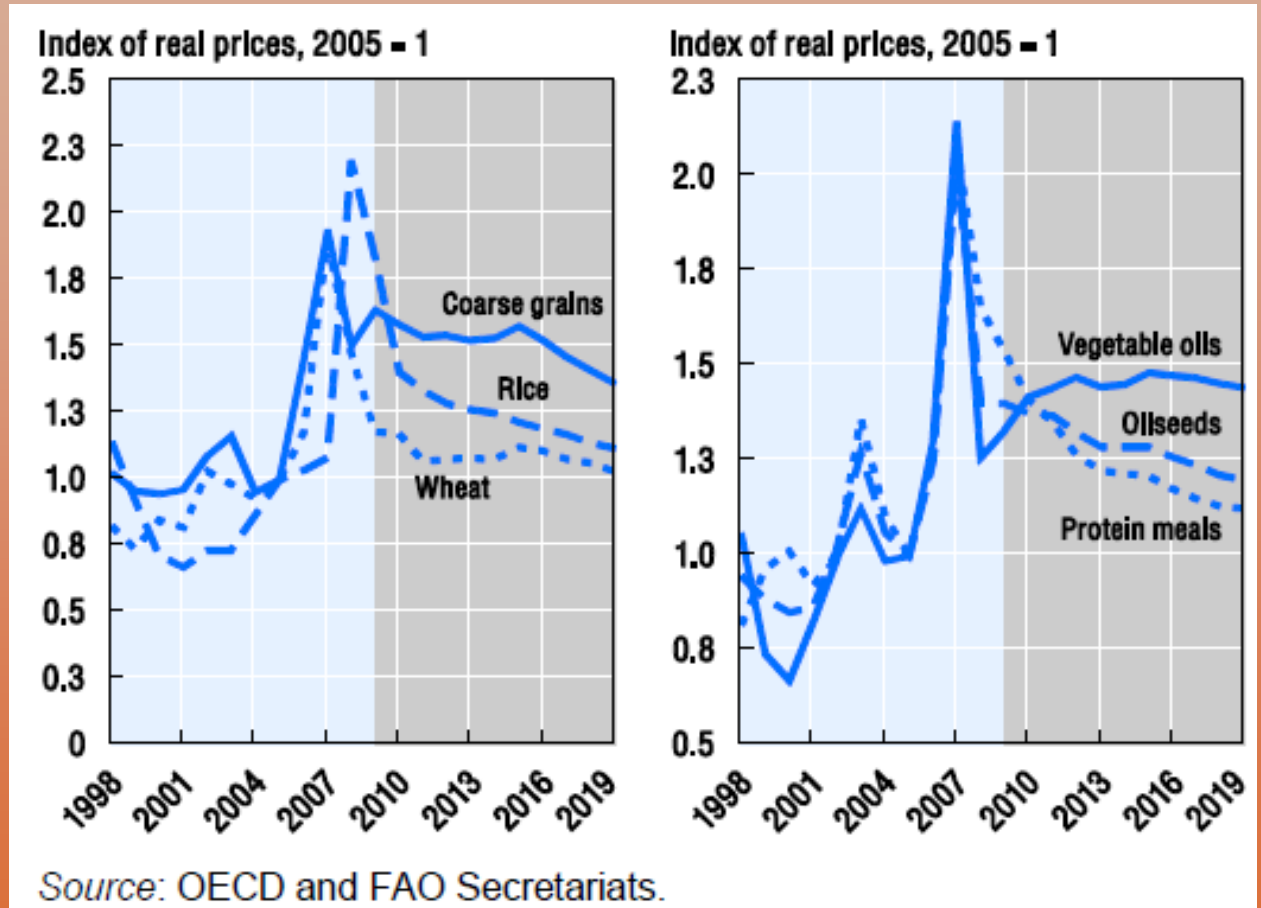
# Context

- 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



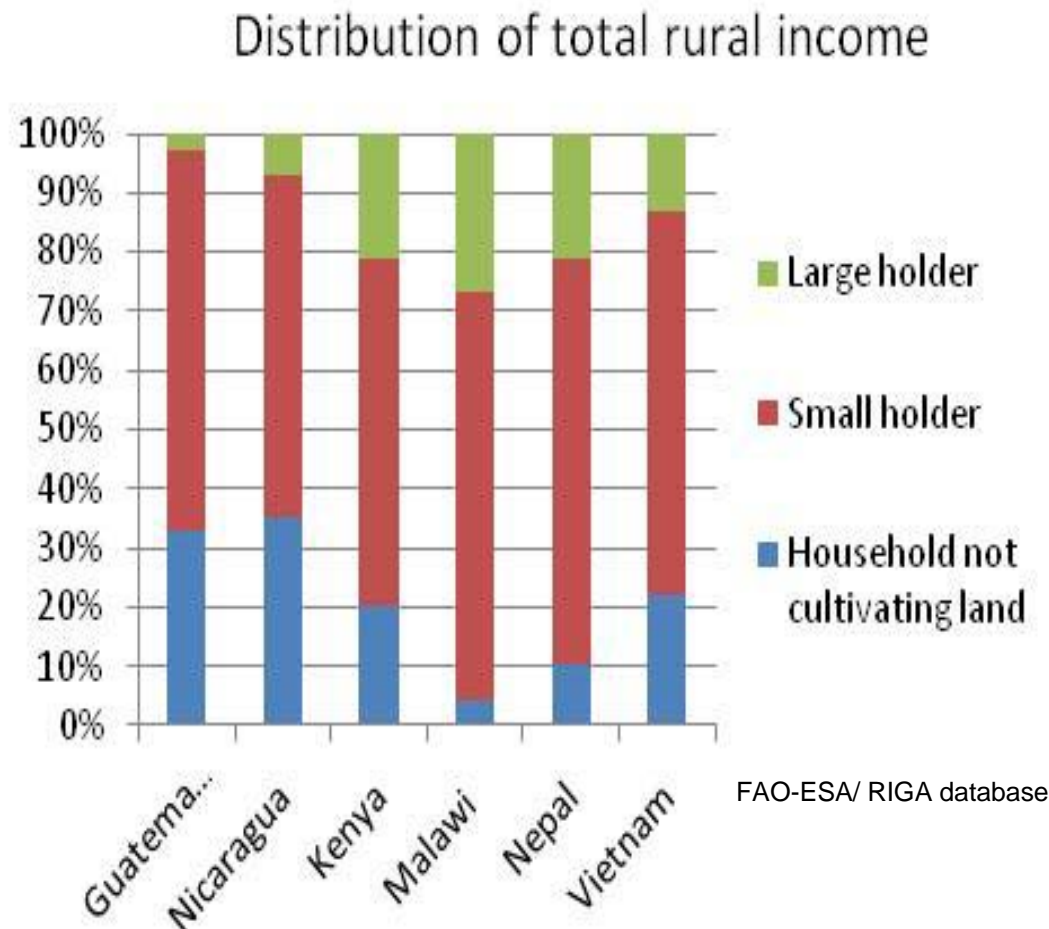
# Opportunities

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



# 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

## Natural resources

- Participatory forest management and Community-based forest enterprise (Gambia)
- SEWA's model of institution building: Empowering small-scale women farmers (India)

## Information and knowledge

- Promoting employment and entrepreneurship for vulnerable youths (Gaza & West Bank)
- Farmer Field Schools (West Africa, Asia, Latin America)

## Productive assets and markets

- Inventory credit: a financing method suited to the needs of female and male small farmers (Western and Southern Africa, India)
- Input shops: a made-to-measure solution for the poorest farmers (Niger)
- Farmer-market linkage for the papaya industry (Fiji)

## Policies and systems

- The Sumilao farmers campaign and agrarian reform legislation (Philippines)
- A participatory process to develop a pluralistic, demand-led and market oriented advisory system (Niger)

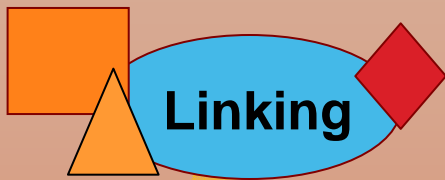


# Benefits

## Relations

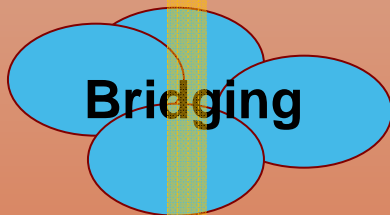
## For small producers

## For partners



access higher scale markets, resources, knowledge, technologies, influence rules

improves stakeholder coordination and policies



create scale to access assets, market power, decisions

builds confidence in quantity, quality, timeliness



build confidence/ leadership, pools skills/knowledge

increases efficiency of service delivery

# 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

## Enhancing access to natural resources

- Participatory forest management and Community-based forest enterprise, the Gambia \*
- SEWA's model of institution building: Empowering small-scale women farmers, India

## Providing access to information and knowledge

- Promoting employment and entrepreneurship for vulnerable youths in Gaza Strip and West Bank
- The Farmer Field School approach in West Africa and in Colombia

## Facilitating access to productive assets , markets, and food

- Inventory credit: a financing method suited to the needs of small farmers, both men and women, Western and Southern Africa, India\*
- Input shops: a made-to-measure solution for the poorest farmers, Niger
- Farmer Market Linkage Activity for the Fiji Papaya Industry, Fiji \*
- P4P as an opportunity for Farmers' Organizations - (Ex. Zambia Commodity Exchange)

## Increasing political capital

- The Sumilao farmers campaign and the agrarian reform legislation in the Philippines
- A Participatory Process Approach for Developing a Pluralistic, Demand led and Market oriented Advisory System, Niger\*



- Eat for a day?



- Eat for a lifetime?



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- 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**

**For further information please contact:**

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# Elements of a successful Institution Building Process

