

ICA/JAPAN MANAGEMENT TRAINING PROJECT FOR
AGRICULTURAL COOPERATIVES IN ASIA

R E P O R T
of the
Seventh Training Programme
India/Thailand/Japan/Republic of Korea
November 9 1992-May 9 1993

by

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**ICA/JAPAN MANAGEMENT TRAINING PROJECT
FOR AGRICULTURAL COOPERATIVES IN ASIA**

**Report of the
7th Training Programme
(India/Thailand/Japan/Korea
Nov 9 1992 - May 9 1993)**

submitted to the

**Ministry of Agriculture, Forestry
and Fisheries
Government of Japan**

by the

**International Cooperative
Alliance**

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INTERNATIONAL CO-OPERATIVE ALLIANCE

PREFACE

The present Report signifies the successful implementation of the Seventh Training Course for Strengthening Management of Agricultural Cooperatives in Asia, held in India, Thailand, Japan and the Republic of Korea, during the period November 09, 1992 to May 09, 1993. The International Cooperative Alliance places on record its highest appreciation of the financial contribution made by the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the most active collaborative support extended by the Central Union of Agricultural Cooperatives (JA-Zenchu) and the Institute for the Development of Agricultural Cooperation in Asia (IDACA) in the execution of this important activity of the ICA. The ICA is most grateful to its member-organisations in India, Thailand, Japan and the Republic of Korea and our other collaborating specialised institutions and agencies for their help, advice, guidance and support in the successful implementation of this Programme.

The Alliance is thankful to its member-organisations for sponsoring candidates for participation in this long-term training programme, which I hope, would contribute significantly to the development of agricultural cooperative sector in their respective countries.

I take this opportunity of commending the sincere efforts made and deep involvement of my colleagues in our Regional Office for Asia and the Pacific, especially Dr Daman Prakash, Project Director and Mr A.H.Ganesan, Programme Officer, in organising and conducting this Programme in a professional and satisfactory manner.

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June 15, 1993.

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SEVENTH ICA/JAPAN TRAINING COURSE FOR
STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA,
India, Thailand, Japan and Republic of Korea
November 9, 1992 - May 8, 1993

R E P O R T

1. INTRODUCTION

The Seventh ICA Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia was held in India, Thailand, Japan and Republic of Korea, between November 9, 1992 to May 8, 1993. The Programme was conducted with financial assistance from the Ministry of Agriculture, Forestry and Fishery (MAFF) of the Government of Japan and was executed by the International Cooperative Alliance (ICA) as per agreement signed between the two Organisations. The first part of the Training Course was held in the ICA Regional Office premises in New Delhi, followed by study visits in Maharashtra and Gujarat States of India. A two-day Workshop on Management Techniques for Processing and Marketing Societies was held at the Vaikunth Mehta National Institute of Cooperative Management, in Pune and the Module on Project Preparation was held at the campus of the Indian Institute of Management, Ahmedabad. The first part of the training course was organised from 9th November 1992 to 5th January 1993 in collaboration with ICA Member-Organisations in India and with technical collaboration with the Indian Institute of Management (IIMA), Vaikunth Mehta National Institute of Cooperative Management (VMNICM) and cooperative organisations in the States of Maharashtra and Gujarat.

Part-I of the Training Course in India was followed by field study visits to agricultural cooperatives in Thailand from, 5th to 13th January 1993, organised in close collaboration with the Cooperative League of Thailand (CLT) and the Cooperative Promotion Department (CPD), in the Ministry of Agriculture, Thailand.

The participants left for their home country assignments, after the study visits programme in Thailand to prepare viable and bankable cooperative development projects in their respective countries, from 13th January to 20th February 1993. On-the-spot guidance was provided in the preparation of projects to some country participants by the faculty members of the Indian Institute of Management.

The participants reassembled in Japan on 21st February 1993 for attending the Project Appraisal Sessions and to study the cooperative management practices followed in agricultural cooperatives in Japan at the IDACA, Tokyo. The eight-week programme at IDACA from 21st February to 25th April 1993 included study visits to agricultural cooperatives in Kagoshima and Nagano Prefectures in Japan, besides getting acquainted with a variety of national level cooperative federations in Tokyo.

The participants attended study visits programme to agricultural cooperatives in the Republic of Korea from 25th April to 5th May 1993.

A three-day joint National Review Workshop for former participants from the Republic of Korea along with participants of the 7th training course was held from 6th to 8th May 1993 as a follow-up activity to find out the present status of implementation of the project proposals prepared by the earlier course participants. The new component added this year will be followed for future training programmes as well.

2. BACKGROUND

The launching of the ICA Management Training Project for Agricultural Cooperatives in Asia was the result of successful negotiations between the Central Union of Agricultural Cooperatives of Japan (CUAC/JA ZENCHU) and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan on the need for strengthening agricultural cooperative activities in the Asian Region through leadership training in new approaches in management practices. The ICA, an international non-governmental organisation, was chosen as the most suitable international organisation for bringing about these changes in cooperative functioning.

Justification

Agriculture is by far the most important economic activity in almost all countries of the Asian and Pacific Region contributing to the highest percentage of their GNP. Agriculture is also the source of livelihood for majority of the population in the Region. However, agricultural productivity is subject to violent fluctuations due to its heavy dependence on monsoon and damages caused by natural disasters. Measures taken for prevention of damages to agricultural crops are inadequate and systems for disaster compensation are adhoc and generally not effective.

Agricultural cooperatives are functioning, in one form or another, in almost all the countries of the Asia-Pacific Region. Starting mostly with government initiative or as a result of projects supported through bilateral or multilateral agencies, each country has evolved her own pattern for organisational structure and functioning of cooperatives. One thing common to all, however, is the existence of small and marginal farmer-members depending entirely for their livelihood on the meagre income from small holdings. The present role of the cooperatives in providing a suitable infrastructure which can help add value to primary produce except in a few cases where agro-processing has been undertaken with positive results, is far from satisfactory.

Although there is a large number of cooperative organisations in the Region with a variety of success spectrum, there are still management problems interlaced with lack of membership participation in the business affairs of these cooperatives. There is a heavy participation and administrative influence of governments in the functioning of cooperatives due to excessive pressure on these institutions to serve state policies and programmes. As a result, cooperative institutions in several Asian countries are more aligned to the state policies rather than catering to the needs and requirements of their basic owners and constituents, i.e. the members. The staff and board members of cooperatives also lack managerial skills mainly due to inadequate training opportunities available within their respective environments. Due to limited resources available at the command of primary and secondary level cooperatives it has been difficult for them to sponsor their staff for training at higher level training institutions within the country or abroad. The ICA has been providing such opportunities in a limited way to some selected managers and policy-makers. Such opportunities and exposures are considered absolutely essential if the staff and board members have to play fruitful roles in the business aspects of cooperative institutions.

Despite all the drawbacks in their present day functioning, cooperatives are the best suited agencies for agricultural development in the Asian Region. To a great extent they are indispensable for accelerating the development in general and agriculture in particular. The remedy lies in streamlining their activities in a manner in which they could increase their own resources and improve their technical and managerial capabilities to safeguard the interests of their members to a maximum possible extent. Successful examples of cooperatives which have taken such initiatives are not lacking. Such streamlining would be possible only if the leadership responsible for cooperative promotion and development and for managing their day-to-day operations is responsive to the needs and aspirations of

the farmers. Of special importance to cooperative functioning is the leadership provided by managerial and technical personnel competent to ensure maximum economic advantages to the producers. The ICA Management Training Project for Agricultural Cooperatives in Asia and the Pacific is geared to help in creating such leadership in the regional countries.

3. PROJECT OBJECTIVES

Development Objective

The overall objective of the Project is to help strengthen and improve agricultural cooperative performance in the Asia-Pacific Region in order to bring about a qualitative improvement in cooperative services to member-farmers at the grass-roots level. The overall aim is to help increase member's income, help improve his standard of living and ensure active member participation in the business and operations of agricultural cooperatives.

Immediate Objectives

- i. To examine the present organisational structure of agricultural cooperatives in Asia and the Pacific Region and discuss on the basis of results obtained so far and the applicability of an integrated cooperative system for a more effective and result oriented development process;
- ii. To introduce various forms of improved managerial practices in cooperative functioning supported by backward, forward and horizontal linkages at appropriate levels;
- iii. To introduce business planning for value addition through cooperative management with special reference to decisions on location, capacity, budgeting, investment, costing and in evolving pricing policies;
- iv. To evolve a project-oriented development approach in cooperatives, and introduce methods for project preparation, appraisal, implementation, monitoring and evaluation.
- v. To study working of multipurpose, single-purpose and commodity-based cooperatives and examine the applicability of their experience in the participating countries;

- vi. To study various ways of resource mobilisation for cooperative development; and
- vii. To induct managerial personnel in farm guidance and better living activities for cooperative member farmers in order to increase farm productivity and ensure their welfare and greater participation in cooperative activity.

4. ACKNOWLEDGEMENTS

In the implementation of the Training Project, the ICA has received full support and excellent cooperation from the Central Union of Agricultural Cooperatives (CUAC); the International Division of the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan; the Institute for the Development of Agricultural Cooperation in Asia (IDACA) in Japan; the Indian Institute of Management, Ahmedabad (IIMA); Mr J.M.Mulani, former Chief Executive of the Gujarat State Cooperative Union, Ahmedabad; the Vaikunth Mehta National Institute of Cooperative Management in Pune, (VMNICM); the National Cooperative Union of India (NCUI); the Maharashtra State Cooperative Union (MSCU) in India; the Cooperative League of Thailand (CLT); the National Agricultural Cooperative Federation (NACF) of the Republic of Korea; and other ICA member-organisations and numerous other cooperative and other institutions in the Region and from resource persons recruited for the programme.

5. THE SEVENTH YEAR OF THE PROJECT

During the seven years, the Project has trained 105 managerial personnel working in middle-level to senior level positions in agricultural cooperatives or in other apex level organisations from twelve countries. In exceptional cases, officials working with government departments or agencies closely associated with planning for cooperatives or cooperative development were accepted for the training course. By and large, a majority of the candidates had a direct relationship with activities aimed at serving the farmer members of agricultural cooperatives. And most of the candidates had already received in their home countries the basic training related to cooperative principles and to the the managerial and financial aspects of agricultural cooperatives. Only a very small number of these candidates had the opportunity earlier to study or observe cooperative activities outside their national boundaries.

The activities of the project received considerable attention and publicity in the regional countries and has generated keen interest among ICA member organisations to the extent that in the meeting of the ICA Regional Council for Asia and the Pacific, repeated suggestions have been made over the past few years for increasing the number of seats in addition to the fifteen candidates now trained annually. Considering the size of cooperative organisations and structure of agricultural cooperatives in the Asian Region and the volume of their business, the number of fifteen candidates appears to be small and inadequate. However, given the proper encouragement for country-based follow-up training programmes on similar lines, it is possible to generate a chain reaction within individual countries to create an atmosphere for applying the management approaches and techniques introduced through the project and to derive full benefits through improvement of capabilities of increased number of managerial personnel on similar lines.

Throughout the training programme, during these seven years, the emphasis has been on discussions based on live conditions related to grass-roots level cooperative activity. The participants were continuously exposed to experiences in various types of cooperatives in different countries through case studies and by visits to many such cooperatives in five countries viz. India, Thailand, Japan, Republic of Korea and the Peoples Republic of China.

Enormous volume of documentation has been prepared for the training courses during the past seven years. These documents, case studies and working papers had been repeatedly tested and found to be of considerable value before they were used in this training programme in India and Japan. The documents prepared for field study visits in India, Japan, Thailand, China and the Republic of Korea have further enriched the accumulated knowledge and information material prepared for these training courses. In addition to this, publications like the "Agricultural Cooperatives in Japan" and "Agricultural Cooperatives in the Republic of Korea" have been published by the ICA ROAP as an additional input into the documentation and reference material generated as a result of the project activity.

6. PROJECT FUNDING

The positive decision of the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan to contribute funds to the ICA for the seventh year of the Project was followed by a grant for its implementation.

7. ADMINISTRATIVE ARRANGEMENTS FOR THE PROJECT

Following the retirement from the service of the ICA in June 1992 of Mr M.V.Madane, who had worked as the Project Director of the Project for the past six years, Dr Daman Prakash was appointed by the ICA Head Office as Project Director for the seventh year effective from July 1, 1992. Supporting staff to assist the Project Director in administrative and financial matters was provided by the ICA Regional Office for Asia and the Pacific (ICA ROAP). Mr A.H.Ganesan, who had worked with the Project since its commencement continued to work with the Project as its Programme Officer.

8. PROJECT IMPLEMENTATION SCHEDULE

The following implementation plan was prepared for the Project:

Planning Phase: 1st July to 08th November 1992

- Planning the technical session modules and field visits for the first part in consultation with the Indian Institute of Management, Ahmedabad; Vaikunth Mehta National Institute of Cooperative Management, Pune; the Maharashtra State Cooperative Union, Pune; the National Cooperative Union of India, New Delhi; and the preparation of course contents.
- Planning the field study visits programme in India, Thailand, and the Republic of Korea in consultation with the ICA member organisations.
- Sending invitations to ICA member-organisations to nominate candidates.
- Identification of resource persons, .
- Preparation of case studies and documentation.
- Selection of participants and finalising arrangements for their travel and accommodation
- Consultations on project implementation with the JA Zenchu, IDACA in Japan and member organisations in Thailand and the Republic of Korea.
- Practical arrangements for organising the first part of the course in Delhi.

- Financial arrangements for the training course.

Implementation Phase : November 9, 1992 - May 9, 1993

Part I of the Course in New Delhi, India:

November 9, 1992 - January 04, 1993

Field Study Visits in Thailand

January 05 - 13, 1993

Home Country Assignments

13th January to 20th February 1993

Project Appraisal Sessions at IDACA

February 21 to March 02, 1993

Part II of the Training Course at IDACA, Tokyo.

March 03 to April 25, 1993

Field Study Visits in Republic of Korea

25th April to 5th May 1993

National Review Workshop for former Participants from Republic of Korea, May 6-8, 1993

Final Evaluation and Closing Ceremony in Seoul

08th May 1993

Departure of Participants to their respective countries:

09th May 1993

9. COURSE PROGRAMME

Based on the Project Implementation Schedule and after holding consultations with the ICA, MAFF and IDACA the day-to-day programme was finalised. The programme as followed is placed as Annexe-I.

10. REPORTING AND EVALUATION: 10th May to 30th June 1993

The period from the end of the training course to the end of the Project period was used to prepare the report and financial statements for submission through the ICA Head Office in Geneva to the MAFF, Government of Japan, and to review the Project activities with the ICA authorities, CUAC and MAFF in Japan and other concerned organisations.

11. NATIONAL REVIEW WORKSHOP-I : REPUBLIC OF KOREA

The programme has now completed seven years of its operation. A number of middle-level managers of agricultural cooperatives have undergone the comprehensive training in management techniques through this programme. The Movements in the Region have acknowledged appreciatively the role played by the ICA with the help of the MAFF in qualitatively improving the performance levels of managers. During the Courses evaluation sessions have put forward a number of suggestions and made a variety of recommendations. All these have been viewed as a valuable material to further improve upon the quality of contents and material.

Also a number of projects prepared by the participants have been discussed in their home countries for implementation. Some of them have been implemented and some are being taken up for implementation. There have been instances of drawbacks and constraints due to paucity of funding, resources and modalities.

With a view to assess the probable areas of success and the problems faced by the project promoters, and to exchange views with the former participants, a programme of follow-up with former participants was included for the first time, within the financial resources of the seventh training course. Consequently a National Review Workshop on Management of Agricoops was organised for three days in the Republic of Korea from 6th to 8th May 1993 at which all the former participants were invited to share their experiences with the seventh course participants.

The Workshop was organised with the following objectives: To find out the present status of implementation of the respective projects prepared by the former participants and to know their experiences in implementing their projects and problems faced by them, if any. Suggestions for improving the subsequent training course programmes in the light of their experiences were also to be sought.

12. COURSE PARTICIPANTS

Based on the nominations received, selection of candidates was finalised. Fifteen persons were selected from Bangladesh (1), India (3), Indonesia (1), Iran (1), Republic of Korea (2), Malaysia (1), Pakistan (1), Philippines (1), Sri Lanka (2), Thailand (1) and Vietnam (1). A list of participants together with their upto date addresses is placed at Annexe-II.

13. LOCATION OF TRAINING ACTIVITIES

As in the case of last six years, almost all sessions of the Part I of the Course were held in the Conference hall of the ICA ROAP in New Delhi. A two-day workshop on management of cooperative marketing and processing activities was conducted on December 14 and 15th, 1992, at the Vaikunth Mehta National Institute of Cooperative Management in Pune. The module on project preparation was conducted at the campus of the Indian Institute of Management, Ahmedabad.

Part-II of the Course was conducted at the IDACA premises in Japan under an agreement signed earlier between the ICA ROAP and the IDACA. The field study visits in Thailand were arranged for cooperatives in and around Bangkok and Chiangmai while the visits in Korea were arranged in and around Seoul and Kyongbuk Province.

14. PEDAGOGY

Except during the review period, the entire course programme in India was based on modules prepared for each week. The pedagogy used for all modules was as follows:

Class schedule giving details of topic and reading discussion material for each session was followed by discussion.

Generally one topic and related case study materials were exhaustively covered in a day. Participants read the material in advance and/or during the first session after initial presentation by the faculty. During second and third sessions, the participants discussed in groups the material on the basis of questions and guidelines provided by the faculty. Many of the case studies were prepared by the ICA with the help of specially recruited resource persons for the purpose.

During the group discussions, faculty members were also occasionally present to clarify the issues raised by the participants. Group discussion was followed by presentations of group reports, followed by further discussion and summarisation by the faculty. Computers were used during many of the group exercises. Thus, case method, group discussion and audio-visuals were blended together with class-room discussions to facilitate proper understanding of the subject under

During Part-II of the Course in IDACA, the lecture method was combined with group discussion method. Some lectures were based on case studies prepared by the lecturers. Slides, documentary films and video films were commonly used. Group discussions were arranged on the basis of questions posed by resource persons. Assignments were given to the groups for preparing a Regional Agricultural Promotion Plan (RAPP) for a multipurpose cooperative.

Extensive use of overhead projector, slides, computer projection, maps and charts was also made during the programme.

15. PROGRAMME INAUGURATION

The Seventh training course for Strengthening Management of Agricultural Cooperatives in Asia was inaugurated at the ICA Regional Office for Asia and the Pacific on Monday, 09th November 1992 by His Excellency Shunji Kobayashi, Ambassador of Japan in India, in New Delhi. During his inaugural address, Mr Kobayashi said: "agriculture plays an important role in the national economies of this region and the role played by cooperatives in Japan in promoting and safeguarding agriculture is unique. Developing countries in the region will have many things in common with Japan and could also gain by the experience of Japan". The Ambassador added that in this context, "this training course is designed to contribute to the qualitative and quantitative improvement of agriculture in the region". He wished the participants a useful study during the course period.

Welcoming the Chief Guest and other distinguished cooperators, Dr Daman Prakash, Project Director, said the ICA is constantly endeavouring to identify sources which could help member-organisations in implementing the projects prepared by course participants. He added that with the completion of the sixth course, 90 managers working at different levels of cooperative organisations have been trained. With the 7th course participants, a total of 105 persons would have received training. Dr Prakash expressed his sincere appreciation to the Central Union of Agricultural Cooperatives of Japan and to the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan for their continued cooperation and support in the implementation of the Management Training Project and hoped that this support would continue for the future. .

Presiding over the inaugural function, Mr G.K.Sharma, ICA Regional Director, thanked the Government of Japan and member-organisations in Japan for their continued support to this Project and suggested to the participants to benefit from the exposure that they will be receiving from four country situations. He said that this programme is most sought after and that the participants should make maximum use of the knowledge gained by them to achieve the ultimate objective set for the Project, i.e. to increase the income of the farmers at the grass-roots levels.

16. CHARACTERISTICS AND PROBLEMS OF AGRICULTURAL COOPERATIVES IN THE PARTICIPATING COUNTRIES OF ASIAN REGION-A BRIEF REVIEW

Soon after the inaugural session, the working sessions of the Seventh ICA/Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia were started with introductions and discussions on working methods of the course.

The first week of the course was devoted to the review of agricultural cooperatives with special reference to their problems and managerial practices. These reviews were based on the papers presented by the participants from eleven countries. Resource persons from the ICA Regional Office and consultants participated in the Review Session.

A. Bangladesh

The agricultural cooperatives in Bangladesh are divided into two parallel structures serving almost the same target groups and thus creating, on the one hand, the problem of overdues and on the other the inadequacy of loans. The traditional cooperatives are serviced by the Bangladesh Jatiya Samabaya Bank Ltd. (BSBL) through the Central Cooperative Banks (CCBs) and the Krishi Samabaya Samitis (KSS). The cooperatives under the Bangladesh Rural Development Board (BRDB) are linked to the Upzilla Central Cooperative Association (UCCA) and the KSS. In addition to this, the lendings by the commercial banks, the agricultural bank and the grameen (rural) banks operating in the rural areas have aggravated the already hopeless overdue situation.

Although efforts so far to integrate the two cooperative sectors into a cohesive force for rural development have been unsuccessful, fresh initiatives are being taken to develop a healthy working relationship between them. The need has also been identified to link the cooperatives at various levels in a meaningful business relationship. The major policy indicators for future development are (a) to weed out cooperatives which are not economically viable; (b) to cancel membership of wilful defaulters; (c) to reorganise the Bangladesh Samabaya Bank as a single agency for channelling all kinds of loans; (d) development through rural projects for employment to provide opportunity for off-farm income; (e) introduction of planned efforts in development and professional management; and (f) unification of the traditional and BRDB cooperatives at village level.

B. India

Starting with credit in 1904, the cooperatives have covered almost all sectors of the economy and have branched off to specialised sectors such as marketing, international trade, agro-processing, fertiliser production, production of heavy machinery, housing and consumer services. Cooperatives are the strongest in the agricultural sector. The total number of cooperatives in the country is around 338,800 with a membership of 156 million and a working capital of Rs.550 billion. Most of the cooperatives are vertically integrated through their respective specialised federations or unions at the district, state and national levels. The sixteen national level specialised federations are members of the National Cooperative Union of India (NCUI) which represents the Cooperative Movement as a whole. These federations are established by similar cooperatives at the state level. The National Cooperative Development Corporation (NCDC) which is a government agency, provides assistance for planning and development of marketing infrastructure and agro-processing industries. Marketing activities are handled by the National Agricultural Cooperative Marketing Federation of India (NAFED) with the help of state marketing federations and their affiliates. District central cooperative banks play a major role in financing agricultural promotion through credit facilities to cooperatives and their members. Most of these cooperative banks are financing processing industries in the cooperative sector and have contributed a great deal in adding value to the primary produce. Long term financing is handled by Land Development Banks.

Despite the size of the Cooperative Movement as a whole the growth in various regions has been lopsided. While on the one hand, spectacular success has been achieved in certain sectors such as dairy, sugar, oil seeds and fertilisers, the traditional sectors of credit and marketing have yet to come up to the level of minimum expected standards.

A major review of the tasks before the Cooperative Movement including the formulation of a model cooperative law is under way at present. The future policy direction is expected to be: (a) revitalisation of cooperatives at the base level; (b) encouraging active participation of cooperative members; (c) establishing linkages between marketing activity and market oriented production activity; (d) promoting farmers interests by price support measures to be implemented through cooperatives; (e) establishment of vertical and horizontal linkages through economic activities; (f) stabilising cooperative management; and (g) to decrease the dependence of cooperatives on government for financial, technical and managerial support.

The Pravaranagar Cooperative Sugar Factory, the first sugar factory to be established in cooperative sector in 1948, is the forerunner of hundred such factories in the State of Maharashtra. The society has brought in enormous social change in the area of its operation and has increased the income of its member farmers by creating several value addition activities. It provides backward, forward, horizontal and vertical integration services to farmers and ensures better returns to them. It has provided many social benefits to the members by establishing several connected activities such as bank, workers cooperative society, transport cooperative society, manure mixture unit, public schools, and higher educational learning institutions such as medical, dental, engineering colleges and polytechnic for boys and girls. Many new areas of activities as cost saving devices have been introduced with the ultimate objective of increasing the returns to its member farmers.

C. Indonesia

Agricultural cooperatives in Indonesia are organised in a three-tier structure. The multipurpose cooperatives (KUD) at the primary level are federated into the PUSKUD at the provincial level, and these are affiliated to INKUD at the national level. Combination cooperatives can also be formed by three central (provincial) level cooperatives. Three such combination cooperatives can form a national level organisation.

Although KUDs function as multipurpose cooperatives, their organisational base is weak both in financial and business terms. The marketing of rice is mostly through delivery to BULOG which is the rice procurement agency of the government. KUDs also function as distribution agencies on behalf of the government. The village level cooperative service places (TPK), cooperative service centres (PPK) and the cooperative administration centres do not seem to contribute much to strengthening KUD activity.

Due to weak structural and financial link-up between the KUD, PUSKUD and INKUD, the cooperatives are not able to compete with private traders. There is very little active participation by members. The KUDs lack suitable infra-structure for marketing, storage and processing and other value adding activities. Member education, farm planning and staff training activities are inadequate.

The Indonesian Union of Dairy Cooperatives (GKSI) was established as a secondary level organisation in April 1979 to encourage milk producers cooperatives in dairy development and to

establish processing facilities for milk and milk products and for their marketing. Milk production in Indonesia rapidly increased from 10000 lts in 1979 to 260,000 lts in 1991 valued at Rp 2 billion in 1979 to 130 billion in 1991. The number of dairy farmers also substantially increased from 7000 in 1979 to 74000 farmers owning 263,000 dairy cattle under 201 primary dairy cooperatives. The dairy cooperatives supply animal feed, equipments, medicines for cattle, and artificial insemination facilities.

D. Iran

Rural and agricultural cooperatives network function under a three-tier system under the leadership of the Central Organisation for Rural Cooperatives of Iran (CORC) with unions of rural cooperative societies at the provincial level and primary rural cooperatives at the village level. There are rural cooperative societies and agricultural cooperative societies working in different specialised fields. The cooperatives cover more than 57,000 villages through 4,000 agricultural and rural cooperatives with a membership of 417 million with a combined capital of Rials 123 billion. In addition to providing credit, supply of inputs and help in marketing of members produce, the cooperative network also exports goods to other countries. Apples and grapes were the main exported products. On-the-job training is imparted to employees and members and dissemination of information through publications form another activity of the cooperative network.

The rural cooperative societies provide 50% of all insecticides and 100% of fertilizer requirements of members in the country. Supply of basic goods and essentials are met by a network of consumer cooperatives in the country.

E. Republic of Korea

i. Agricultural Cooperatives

Agricultural cooperatives in the Republic of Korea are organised and integrated under the leadership of the National Agricultural Cooperative Federation (NACF)). The National Livestock Cooperatives Federation (NLCF) and the National Fisheries Cooperatives Federation (NFCF) look after the interests of the producers in their respective sectors. 1,454 primary multipurpose agricultural cooperatives are affiliated directly to the NACF in a two-tier system. The primary cooperatives have about 1,960,000 farmer-members representing over 90% of farm households. The NACF operates through its 15 provincial city offices, 435 branch

offices and through the primary cooperatives. There are 43 other cooperatives dealing with horticultural and other specialised products. Informal groups of members are formed at the village level.

The NACF has a very large volume of business in banking, marketing, supply and insurance sectors. Its main income is through banking activity. Marketing is the weakest link although efforts are being made to strengthen marketing business through marketing centres and super-markets. It is encouraging and assisting the practice of joint utilisation of warehouses and other facilities such as farm mechanisation centres. Still a large volume of NACF activities are conducted for implementation of government policies. However, the overall performance is satisfactory and in favour of farmer-members.

As government entrusted business dominated NACF activities until recently, the members have not yet fully integrated themselves with cooperative activity. Their participation is still low. The management has not yet reached the professional level for the amalgamated cooperatives. Since 1989, a process of democratisation has been set in through direct elections for chairmen and board members of all agricultural cooperatives including their national federation. Also, the policy support by the government for encouraging the establishment of processing industry has made it possible for NACF to reformulate its policies towards processing units. However, the three major problems which have to be tackled as major tasks for the NACF are viz. (a) diversified demands for additional services and benefits by member-cooperatives; (b) liberalisation of farm product imports; (c) lack of awareness among members of the real role of agricultural cooperatives.

ii. Livestock Cooperatives

With the changing dietary habits due to improved living standards, the consumption of animal protein has increased in the last two decades. Consequently the percentage of livestock farming in total agricultural production has gone up from 11.3 % in 1965 to 24% in 1985. As the average size of private entrepreneurship in this sector is rather large, the small farmers' interests are being protected through livestock cooperatives. More than 80 per cent livestock farmers are part-time as they also grow paddy and other crops.

In 1990, there were 167 livestock cooperatives in the Republic of Korea out of which 144 were local (based on coverage of area) and 23 were specialised (based on a given breed, irrespective of the region). The total membership was 237,000

while the total business amounted to 4,667.7 billion won. Livestock farmers unions in different villages provide the link between the farmer and the cooperatives. NLCF operates 11 feed mills and supply 2,033,000 tons of feed equalling 19.4% of the domestic market demand. The banking business of NLCF covers the entire country through its net-work and through its research and survey activities, the NLCF provides various data and information to its member affiliates.

The livestock industry is growing year by year due to the changing food habits of people which has created greater demand for animal proteins. For example, per capita meat consumption has gone up from 11.3 kg in 1980 to 19 kg in 1988. Similarly milk consumption has risen from 10.8 kg to 42.8 kg during identical period. The livestock cooperatives also face similar operational problems as faced by the agricultural cooperatives.

F. Malaysia

The agricultural activities in Malaysia can be divided in three categories: (i) the estate sector, (ii) the small farm sector, and (iii) the newly developed land sector.

Agricultural cooperatives in Malaysia started with credit activities as early as 1922 but failed to create an impact on producers' economy for lack of any value adding activities. Later, the government initiated a programme for the establishment of Farmers Organisations (FOs) on the Taiwan model. The existence of the two types of organisations created an unhealthy situation. In 1973, the two organisations were merged and farmers cooperatives were created under the Farmers Organisation Authority (FOA). In 1991, there were 676 agro-based cooperatives with a membership of 107,630 and a share capital of M\$ 16,705,606. 452 cooperatives worked successfully earning profit of M\$ 7 million.

The agricultural cooperatives are engaged in land development (estate management or group farming) for industrial crops cultivation like oil palm, cocoa and rubber. Other functions are subsidiary to the production of industrial crops like provision of agricultural inputs, credit, marketing, transportation, milling and consumer retail business like bus services, grocery shops and mini-markets or petrol kiosks.

G. Pakistan

At the time when Pakistan came into being, about 9,000 primary agricultural cooperatives were in existence (this figure relates to then West Pakistan). Central cooperative banks exist in Punjab and the North West Frontier Province (NWFP). Apex level cooperative banks were operational in Punjab and Sind.

In 1976, the Federal Bank for Cooperatives (FBC) was established to revitalise the Cooperative Movement through credit and supervision. District cooperative banks were later abolished and credit is now channelled through the provincial cooperative banks. The number of agricultural cooperatives in 1991-92 has increased to 59,119 with a share capital of Rs.481 million, the credit disbursed by FBC through provincial banks to agricultural cooperatives amounted to Rs.3 billion. The commercial banks in Pakistan also provide production loans to cooperatives on the basis of mandatory targets allotted by the State Bank of Pakistan. In 1980-81 these banks provided Rs.1,826.76 million to farmers including interest-free loans upto Rs.10,000 each to small holders. The cooperative credit agencies, as also other banks, do not charge interest on loans but a formula of service charge (mark-up system) provides costs to credit agencies for credit operations. The Mercantile Cooperative Finance Corporation is now converted into a national organisation which enables it to provide credit services throughout the country through its branch network.

H. Philippines

As the marketing cooperatives (FACOMAs) functioning since 1952 failed to create noticeable impact on the farmers' economy, a Presidential Decree in 1973 paved the way for a new cooperative pattern. Under the new policy directives, pre-cooperatives were formed and named as Samahang Nayons (SNs). The SNs create the necessary framework for becoming full-fledged multipurpose cooperatives, Area Marketing Cooperatives (AMCs) or Cooperative Rural Banks (CRBs). The national level organisation is the Cooperative Union of the Philippines (CUP) with 12,968 SNs, 76 AMCs, 29 cooperative rural banks, 348 marketing cooperatives and 210 producers cooperatives as members. Only a few FACOMAs are at present engaged in the marketing activity.

Very few samahang nayons actually handle credit and marketing business. The process of transferring the SNs into multipurpose cooperatives and then graduating into AMCs and CRBs is rather slow, and those already in operation are structurally weak. Samahang nayons and area marketing cooperatives are successful only in rice growing areas. The capital formation process is sluggish due to low key member participation and meagre

flow of savings towards the cooperatives. The members still rely heavily on traders and moneylenders. To facilitate further growth, the minimum membership of samahang nayons was reduced from 25 to 15. The agricultural cooperatives are accepted as the only suitable channel for input supply and for marketing of agricultural produce. But their success is still a far off cry.

The Cooperative Union of the Philippines (CUP) which is the apex organisation of all types of cooperatives coordinates the training and education work and undertakes many developmental activities to accelerate the growth of cooperative business.

I. Sri Lanka

The traditional cooperative structure, based on voluntary principles was drastically changed when the government acting under special powers, cancelled registration of more than 1,000 cooperatives and established 372 multipurpose cooperatives. At present 286 multipurpose cooperatives are functioning but a majority of them are incurring losses. The Marketing Federation (MARKFED) and the Coconut and Rubber Unions in the plantation sector provide marketing services to the multipurpose cooperative societies. The National Cooperative Council of Sri Lanka is the apex organisation at the top.

The MPCSSs are expected to provide to farmers production credit and agricultural inputs, market their produce and promote savings. But with a few exceptions they have been engaged mainly in distribution of consumer articles and that too mostly as government agents. The recent change in government distribution policy has exposed these cooperatives to competition with private traders. Their link with the Peoples' Bank for credit is rather weak, so also the link with marketing and commodity unions. Infrastructural facilities are scarce.

The major drawbacks of the MPCSSs is their emphasis on non-agricultural activities. In addition they have several problems such as: (a) lack of adequate funds for loaning operations; (b) untimely supply of agricultural inputs and inadequate facilities for their storage; (c) inadequate infrastructure for storage, transport, processing and marketing; (d) lack of planned development efforts. As regards the coconut producers cooperatives, their major problem at present is the modernisation of outdated processing and packaging facilities for the export-oriented dessicated coconut and other products.

J. Thailand

The agricultural cooperatives are vertically linked by a three-tier structure. After the amalgamation of earlier credit cooperatives, Thailand now has 1,825 multipurpose agricultural cooperatives spread all over the country with a membership of 1,646,651 households and 94 land settlement cooperatives with a membership of 59,004 and 32 fisheries cooperatives representing 6,598 members. The business activities of these cooperatives are supported by the Agricultural Cooperative Federation of Thailand (ACFT) at the national level and the Agricultural Cooperative Federations at the provincial levels. The Bank for Agriculture and Agricultural Cooperatives (BAAC) lends to farmers associations, to cooperatives and to farmers direct. The representative national level organisation is the Cooperative League of Thailand (CLT). The Cooperative Promotion Department (CPD) of the Ministry of Agriculture financially supports cooperative development programmes for storage construction, transport facilities, and for the purchase of agricultural produce through a price support scheme. The land settlement cooperatives have helped thousands of landless farmers in acquiring new lands and in organising production through joint efforts. Thailand also has a cooperative dairy.

The business linkages between the primary cooperatives and the federations are very weak and often the primary society members market their produce through private traders who enter into pre-harvest contracts with producers. ACFT, under its new scheme supported by the government, has been trying to establish linkages between the credit and marketing operations so that the cooperatives could function with some immunity as regards competition from private traders. Sanpathong Agricultural Cooperative is one of the few multipurpose cooperatives which have made considerable progress during the recent years.

K. Vietnam

Vietnam is basically an agricultural country with 73% of the work force depending upon agriculture for their livelihood. Agriculture contributes 45% to the nation's gross national product.

The cooperative movement launched in Vietnam in 1959 underwent a qualitative change in 1965. Further, during 1975, after reunification of the country, efforts were made to strengthen the Cooperative Movement. In 1990, there were 16,341 multipurpose agricultural cooperative societies, with a membership of 35,498 households covering 69.2% of total households. The multipurpose agricultural cooperatives at the primary level are affiliated to the district unions, in turn to the provincial unions and at the national level with the Central Council of Vietnam Supply and Marketing Cooperatives. The cooperatives handle credit, farm machinery supply, input supply and marketing of members produce under this four tier structure. Main commodities handled include rice, maize, sorghum, sweet potatoes, cassava, pulses, soybeans, cotton, vegetables and fruits.

Since the reunification of the country in 1975, attempts to rationalise cooperative development have not produced any significant results. Further reorganisation and external assistance would be required to build up a strong cooperative structure in future. At the present moment there is no specific law for cooperatives in Vietnam.

17. MANAGEMENT MODULES

During Part-I of the training course in India the following Modules were conducted with the help of faculty members from the Indian Institute of Management, Ahmedabad in India.

Module 1 : Integrated Cooperative Development and Organisation

Module 2 : Planning and Management (I)

Module 3 : Planning and Management (II)

Module 4 : Designing Projects for Agricultural Cooperative Development

The programme was designed to teach concepts and share experiences which could help participants to bring about a qualitative and quantitative improvement in cooperative entrepreneurship and services in order to substantially increase cooperative member farmers income.

The programme design was strengthened by substantively increasing the coverage on business planning with a case study from Thailand and also by restructuring the Planning and Management (I) and (II) modules. In the first module, various management concepts and techniques relevant for improving the performance of cooperative organisations were discussed whereas in the second the emphasis was on designing and appraising new projects which can enable cooperatives to grow through integration and diversification and thereby increase member-farmers' income.

Faculty Members

The following faculty members of the IIMA participated in the training programme in India:

Prof. V.R.Gaikwad
 Prof. G.S.Gupta
 Prof. Ramesh Gupta
 Prof. S Kolavalli
 Prof. G.Naik
 Prof. A.H.Kalro (Coordinator)

Pedagogy

The pedagogy used during the training course during the last six years was followed in the seventh year also. A class schedule giving details of topic and reading/discussion material

for each session along with the reading/discussion material for each module was distributed to participants in advance. After initial presentation of the subject or the case study by the lecturers, participants were divided into three groups for discussion on given topics. During the group discussion, faculty members were also present to clarify any issues raised by the participants. Group discussion was followed by presentation of group reports and further discussion and summarisation by the faculty members. Thus case method, group discussions and audio-visual methods were followed. This year also computer based exercises were used.

MODULE 1 : INTEGRATED COOPERATIVE DEVELOPMENT

Content and Approach

The module was based on the following three basic questions:

- i. What is integrated cooperative system?
- ii. Why is it necessary in the context of the present day developments in regard to agriculture and cooperatives in Asia?
- iii. How can it be operationalised?

To reinforce the ideas presented slides on Appropriate Management Systems for Agricultural Cooperatives (AMSAC) prepared by IIMA in collaboration with FAO, Rome, were used to explain the concept of backward, forward and horizontal integration. The concept was further elaborated with the help of case studies on milk, sugar and paddy.

The group presentations emphasised the following:

- a) the importance of farmers' control over market forces through cooperative organisations anchored around the marketing and processing of their commodity; b) the critical role of leadership in mobilising farmers, and also of government policy to give preference and encouragement to the cooperative in agro-processing; c) the nature of vertical and horizontal integration which helped farmers to increase their incomes through their own self-reliant cooperative; d) the desirability and viability of commodity based integrated cooperatives; e) the concept of business planning; f) the role of the manager in integrated cooperative systems.

The groups emerged with the following conclusions:

- i) A single commodity society will be multifunction

since all functions associated with backward, forward, and horizontal integration will be undertaken by such a society.

ii) Cooperatives should have unambiguous objectives in order to organise and manage their business effectively and efficiently;

iii) Homogeneity of interest among the members is critical to the development of a society's business;

iv) Both the structure of membership and its capital determine the level of autonomy and self-reliance that a society can achieve.

On the vast scope of agriculture for developing integrated cooperatives in the region, the following key growth elements in the organisation and management of cooperatives were highlighted:

i) A single and simple message to convey the objectives of a cooperative to be passed on to existing and potential members, employees, managing committee and managers. This helps in developing a strong sense of direction and commitment. All people then begin to monitor and control their activities according to this message;.

ii) Members needs and aspirations must be supreme. Efforts to fulfil economic needs of members, encourage members' participation and success of activities;

iii) Cooperative organisation must be designed in such a way that it is action-oriented in terms of quick, decisive and persuasive decisions. For this, a clear-cut division of work between the board and the operating managers and proper monitoring and evaluation systems are essential;

iv) Continuous search for new opportunities, howsoever unconventional these may be, is the key for growth. These should be initiated after exhausting opportunities in the ongoing activities/areas. Continuous search for growth opportunities is one of the primary roles of management;

v) Output marketing/processing should be the anchor activity of an agricultural cooperative. Around this anchor, backward, forward and horizontal integration can be effectively developed. Agro-processing and by-product processing industrial activities under cooperative fold alone provides a dynamic, self-generating, self-supporting economic force which helps in economic and social development of primary producers;

vi) There is no standard form of organisational design which is the most appropriate for all types of cooperatives and commodities. While designing organisations, nature of commodity, nature of technological interventions, proposed degree of integration, need and potential for members' participation and relative importance of various cost and other factors, have to be taken into account, since these factors individually and interactively determine the tasks of a cooperative and hence the structure of the organisation.

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MODULE 2 : PLANNING AND MANAGEMENT-PART-I

The focus of this module was primarily on understanding management concepts in different functional areas, in finance marketing and production/operations, and how they can be applied to improve the performance of cooperatives. To facilitate understanding the basic cost concepts and price volume project relationships were covered.

Participants were exposed to various cost concepts, such as fixed costs, variable costs, opportunity costs, etc. and their relevance to decision making. Application of these concepts in break-even analysis was explained. Various financial ratios and their uses, profitability ratios, liquidity ratios, and solvency ratios, working capital management, methods of determining working capital requirements such as the concept of operating cycle, resource allocation decisions, various kinds of resource allocation decisions and how they arise in practice, sensitivity analysis and evaluate implications for managerial decisions were explained.

Operations Planning and Control: The need to manage productivity of operations, determining a procurement plan for both paddy and milled rice and a marketing plan for paddy and milled rice.

Marketing : The role of cooperative organisation in evolving a marketing strategy; the following four dimensions of the principles of cooperative marketing were discussed:

- a. member dimension,
- b. enterprise dimension,
- c. ethical dimension and
- d. 4Ps of marketing viz. product, price, place and promotion.

Some of the important concepts and issues associated and recommended within these four dimensions were :

- i. price according to quality,
- ii. prompt payment,
- iii. transparent and open system,
- iv. queuing system for procurement,
- v. transportation by society,
- vi. harvesting by society,
- vii. pooling of produce for sale,
- viii. no violation of prevailing laws, rules and regulations,
- ix. correct appraisal of the produce,
- x. no individual negotiations on pricing,
- xi. meticulous record keeping of all transactions, and
- xii. no speculation and hoarding.

The concept of market mix and various aspects of marketing strategies and planning, product development and promotion strategies, managing distribution channels, pricing strategies and sales management were introduced and following marketing concepts and definitions were explained :

- i) what do we mean by market and marketing
- ii) philosophies which guide marketing efforts such as production oriented, product oriented, selling oriented and marketing oriented.
- iii) marketing processes which involve converting unfulfilled market needs into profitable business opportunities.
- iv) market opportunity analysis.

- v) market penetration and market development.
- vi) market and sub-market segmentation.
- vii) market coverage strategies; and
- viii) market mix.

Social Marketing : Marketing principles and techniques to promote socially-relevant programmes and to advance a social cause, idea or behaviour; concepts of market segmentation, consumer research, direct communication incentives and exchange theory were introduced.

MODULE 3 : PLANNING AND MANAGEMENT

The focus was on designing and appraising new projects which can stimulate growth through integration and diversification and thereby increasing member-farmers' income.

The topics covered were cash flows and time value of money, techniques of investment analysis, investment appraisal and strategic issues in operations management viz. location and capacity decisions.

The participants were exposed to: (a) compounding and discounting, present and future values of cash flows; (b) life of a project and salvage value; and (c) discounted measures of project worth, how to compare two streams of cash flows, and how to compute the net present value and internal rate of return of a stream of cash flows.

Financial Analysis: The elements of investment, appraisal, and financial appraisal of an investment projects were discussed.

Location Decisions: Facilities planing, location, and capacity decisions, strategic consequences due to long term implications, critical impact on return on investments and achievement of goals were discussed. Also discussed were the factors to be considered in relation to plant location viz.

- management preference,
- competition (locate where competitors are located or in new areas for carving out new markets),
- location of existing facilities,
- location of markets,

- location of major raw materials,
- location of suppliers of other requirements (other than raw materials)
- proximity of related industries,
- labour/staff availability and skills,
- pay levels (labour costs),
- unemployment / turnover levels,
- industrial relations climate,
- tax incentives/other incentives,
- climate,
- availability of sub-contractors,
- availability of suitable sites,
- availability of adjacent space,
- site characteristics,
- facilities for waste disposal,
- transport access,
- energy costs and availability,
- law and order climate.

Capacity Planning: Capacity planning was defined to be an eight step process as follows:

- i) assessment of situation and environment,
- ii) determination of available capacity.
- iii) estimation of required capacity,
- iv) development of an alternative plan for matching required and available capacity.
- v) perform quantitative evaluation of the alternatives,
- vi) perform qualitative evaluation of alternatives,
- vii) recommend a course of action,
- viii) implement the course of action.

The important determinants of capacity choice are:

- i) the costs of building and operating different sized plants,
- ii) market opportunities and constraints,
- iii) raw material availability, variability, seasonality, perishability and cost of procurement.
- iv) Flexibility to alter capacity.

It was pointed out that :

- i. to get at least the break-even quantity the society has to help the farmers by backward integration so that his productivity increases, and also the quality of seed (higher kernel and oil content) improves, so that even at lower price his income is higher.
- ii. to make profit the enterprise should see that oil recovered from extraction is more and price realised for its oil and cake is better than today.
- iii. enterprise should check whether it has sufficient extraction capacity and S.E. capacity. If not, it has to increase the capacity to process more than BE quantity.
- iv. To get additional value for its product, it may further think of adding (a) better marketing of its oil instead of bulk sale, and (b) add hydrogenation oil plant.

Key aspects of capacity planning are the following:

- a) While deciding the capacity planning for a cooperative enterprise, one has to keep in mind the mission and objective of the cooperative;
- b) Capacity planning for the long term is a strategic decision. If capacity is too small the society may:--
 - lose customers, (members)
 - allow competitors to enter the market,
 - not to be able to provide timely and efficient services to members,
 - miss opportunities for byproduct processing;
- c) If capacity is too large, society may:
 - face difficulties in controlling the operations,
 - default on payment of loans taken to build capacity under abnormal production and market conditions due to under utilisation of capacity,
 - find it difficult to manage its mission;
- d) Large capacity enables the society to:
 - respond very quickly to members' requirements even during high production years;
 - take advantage of byproduct processing potential;-

- provide better or competitive service to members

Procurement Strategies: The dominant nature of the cost of raw material in most agro-processing industries and the primary elements of procurement, viz. quantity, quality, time, cost, and procurement organisations were discussed. The influence of seasonality, perishability and availability on procurement timing were highlighted.

Some general aspects of agro-processing explained were:

- i) Generally, for agro-processing industries, break even quantity is relatively low because fixed costs are lower as compared to variable costs.
- ii) The cost curve in agro-processing is generally wide U-shaped because the variable cost is often 90% of the total cost, and because many agro-processing industries operate seasonally, may be for 3-4 months in a year. They have to therefore stock raw material which results in high inventory costs. So after a point, total cost increases.
- iii) Generally, agricultural produce markets are localised markets. In such markets, availability of raw materials is fixed (upto certain quantity). If a number of mills compete for raw material, each one has to pay more.
- iv) In agro-processing, emphasis should therefore not be on 'maximum capacity utilisation' but on 'optimum capacity' (i.e. in terms of capacity utilisation).

MODULE 4 : DESIGNING PROJECTS FOR AGRICULTURAL
COOPERATIVE DEVELOPMENT

Preparation of cooperative development projects was an important component of the training programme. The aim of this segment was to impart required skills to the participants to understand and apply techniques of producing a feasible and viable cooperative development project aimed at generating additional income for the farmer-member. (It may be mentioned that the participants were given the task of producing such projects during their home country assignments which were later on appraised during the Part-II of the programme at IDACA in Tokyo).

This module covered the following topics:

- i. Designing Projects, Project cycle, identification of project ideas, basic components of feasibility studies, appraisal exercise and guidelines for project preparation.
- ii. Organisational Design and
- iii Network techniques for project planning and control.

Introduction of Project Cycle covered:

- identification
- preparation, feasibility study.
- appraisal,
- negotiation,
- detailed operational planning,
- implementation,
- operation and supervision,
- evaluation.

While identifying projects, emphasis to be placed on the following :

- projects should be high priority and must be bankable;
- they should fit into and support a coherent development strategy. Every project must meet sectoral objectives;
- Projects must meet prima facie test of feasibility and benefits must be commensurate with the cost.

Basic principles of organisational design and differences between line and staff organisations were explained.

Net work techniques with special emphasis on project schedules and concepts of CPM were highlighted. For determining the critical path and to compress project completion time, 'network exercise' to calculate the critical path and develop an activity schedule for a project consisting of 26 activities and having a completion schedule of approximately 18 months was introduced.

Guidelines for preparing integrated agro-based projects covered the following components:

a) Basic Framework :

- (i) Integrated approach
 - objectives
 - functions and tasks

- ii) country's development strategy.

b) Identification of Project Idea:

- i. Basic data on the specific region

- ii. Possible projects.

c) Formulation :

- i. Justification,

- ii. Coverage.

- iii. Identification of functions/tasks.

- iv. Organisation (cooperative)

d) Preparation:

- i. Technical and institutional alternatives,
- ii. Technical analysis.
- iii. Financial analysis.
- iv. Economic Analysis.
- v. Organisational analysis.

e) Project summary and recommendations.

f) Structure of the report:

Elements of Project Framework:

- i. Project should be formulated within a proper policy environment,

- ii. Simple and not unduly complex, clear in objectives, with specific goals,
- iii. Cover a limited range of activities,
- iv. Investment should be directed towards productive activities,
- v. Straightforward in terms of implementation procedures,
- vi. Minimise dependence on other agencies in the initial stages of project planning,
- vii. Reliable data. data base should be built.
- viii. Due regard to available institutional support and absorption capacity of local institutions,
- ix. Realistic implementation schedule should be evolved,
- x. Use appropriate technology, simple, viable and economically attractive,
- xi. Integrate basic production services such as extension inputs, supplies, credit and marketing,
- xii. Project organisation should be task oriented with direct lines of authority and control.

Responsibility centres must be created within the project organisation so that the project can be successfully implemented.

Economic Justification of Project Proposals:

a) Financial Analysis:

- i) Evaluate the project proposal by computing the following:
 - pay-back period,
 - net present value
 - internal rate of return,
 - benefit cost ratio.
- ii) Compute the break even point.
- iii) If you want to pass on all the benefits to

the members, what is the maximum price you can pay for their produce?

- iv) What is the risk involved in this project?
- b) Since this is proposed to be a farmers' cooperative society, how would you design its organisation and structure with a view to maximise participation, democratic functioning and self-reliance?
- c) Following integrated approach, besides marketing what other activities/functions cooperative should undertake to increase farmers' income?
- d) Prepare a detailed operations plan including project scheduling for implementing this project.

Check List:

- i) Why is the project being proposed?
- ii) Why is it designed the way it is proposed?
- iii) Why should it be implemented at present?
- iv) Does it increase the income of the farmer?
- v) Is rate of return sufficient to meet cost of funds?
- vi) Is the project feasible and viable?
- vii) Have the queries been answered with reasonable confidence and credibility?

18. WORKSHOP ON ORGANISATION AND MANAGEMENT OF
AGRICULTURAL COOPERATIVES, PUNE (India)

The programme for the field visits in India by the participants was preceded by a two-day Workshop Module on Management Practices of Agricultural Marketing and Processing Cooperatives. The workshop was organised at the Vaikunth Mehta National Institute of Cooperative Management, Pune, with faculty of the Institute as resource persons.

Objectives of the workshop were; (i) to critically examine the organisational process and management practices of marketing and processing cooperatives in relation to their value addition activities for providing better returns to members; and (ii) to identify aspects in their organisation and management which needs to be strengthened for fuller realisation of the objective, viz. better economic returns of the produce of members through integrated value addition activities.

The Workshop discussions by the participants were based on case studies presented by faculty members of the Institute and technical papers in respect of thematic perspective with analytical examination of the organisation and management of commodity based marketing and processing cooperatives. These technical papers inter-alia analysing the organisational process and management practices of respective cooperatives in relation to their value addition activities were analysed by the faculty, on basis of issues arising out of the studies for group discussion among participants. During group discussions Mr K.C.Srivatsava, Director of the Institute, Professors D.R.Oza, G.Ojha and S.L.Tripathi and other faculty members also participated.

Workshop exercise and the group work was characterised by very active participation of the participants of the course and was found useful in critically analysing and evaluating the performance of agricultural marketing and processing cooperatives in the context of its main objective of providing better returns for their produce to members through integrated value addition activities.

19. FIELD STUDY VISITS IN INDIA

The core element of the programme has been exposure of the participants to actual and practical situations in the cooperative sector and to enable them to exchange views and opinions with cooperative leaders and managers. A series of study visits was, therefore, arranged for the participants to see for themselves the activities of cooperative institutions at primary, secondary and national levels. Also a mix of such institutions was carefully developed. The participants were briefed during their study visits by top leaders, board members, and senior level managers. In India, the participants also had the opportunity of exchanging views with Dr V.Kurien, Chairman of the National Dairy Development Board at Anand.

While in New Delhi, the participants visited the following institutions:

- ICA Regional Office for Asia and the Pacific
- National Cooperative Union of India
- National Agricultural Cooperative Marketing Federation of India
- IFFCO's Management Development Institute
- IFFCO's Farm Management Village in Gurgaon.

Study Visits in Maharashtra State

The following cooperative institutions were visited by the participants during study visits in Maharashtra State:

- i. Pravaranagar Cooperative Sugar Factory, Pravaranagar
- ii. Kolhar Badruk Multipurpose Cooperative Society, Kolhar
- iii. District Central Cooperative Bank, Ahmednagar.
- iv. Agricultural Produce Market Committee. Ahmednagar
- v. Pune District Coop Milk Producers Society.
- vi. District Cooperative Marketing Society, Pune.
- vii. Maharashtra State Cooperative Union, Pune
- viii. Maharashtra State Cooperative Bank, Bombay and
- ix. National Bank for Agriculture and Rural Development, Bombay
- x. V.L.Mehta National Institute of Cooperative Management, Pune..

During the Indian field study visits, nine cooperatives in Maharashtra and seven cooperatives in Gujarat State working at various levels were visited for the purpose of studying their organisation, working, management and performance towards improving economic status of the members. Cooperatives for

the field study visits were carefully selected with a view to appraise the participants about the horizontal and vertical linkages of cooperative credit, marketing and processing institutions and backward and forward linkages of their activities and functions.

Detailed write-ups about the main features of the organisation and management of these cooperatives were prepared and distributed to the participants in advance and the institutions concerned were also informed in advance about the requirements and focus of studies by the participants. During actual visits to the respective institutions, after initial presentations about the organisation and working of the institution by officials of the cooperatives, the participants had detailed and intensive discussions with the chairmen, chief executives, board members and members of these cooperatives. Field study visit programme was so devised as to have one detailed visit for each day, followed by review sessions conducted by the resource persons to elicit discussion on some of the aspects which needed more clarifications in the context of total perspective of the programme.

During these visits as well as the review sessions, participants took active interest in understanding the salient aspects of the working of these cooperatives and in critically analysing various practices of their organisation and management in relation to the objective of providing better returns to members through integrated value-addition activities.

Cooperatives visited for field studies included credit, marketing, processing, agro-forestry, and agricultural produce market committees. These categories covered primary agricultural credit; primary marketing and processing cooperatives; district cooperative banks; and apex level State cooperative bank.

Since field visits were dovetailed with field based workshop on the organisation and management of agricultural cooperatives at VMNICM, participants could field test some of the pertinent issues of the organisation and management of the cooperatives by their interactions and discussions with the executives and members of cooperatives. The entire field visit exercise was marked by keen interest and active involvement of the participants in undertaking critical studies.

As a result of the workshop and field study visits the following aspects of the organisation and management of these cooperatives were identified:

In organisation and management of different cooperatives contribution of effective and spontaneous leadership was found to be quite significant. Such leadership constituting elected management of the cooperatives provided policy guidelines for the working of the cooperatives and in ensuring performance of cooperative management towards the fulfilment of their objectives.

Cooperatives visited have fairly successful record of working with good coverage of membership in their defined area of operation. These cooperatives had a sound financial position due to share capital participation by the government and financial assistance and support from various development and financing agencies set up for the purpose.

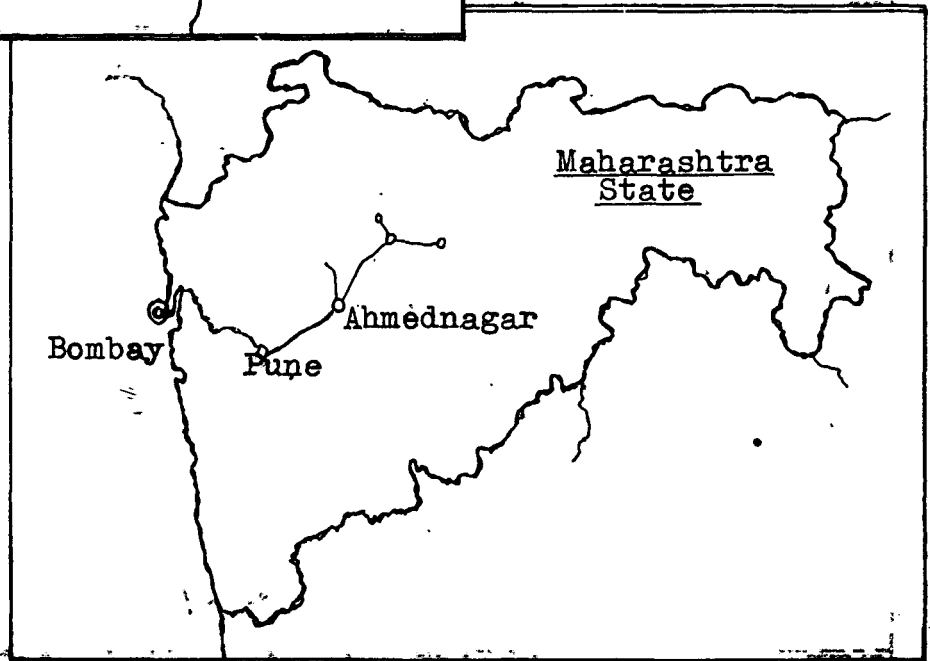
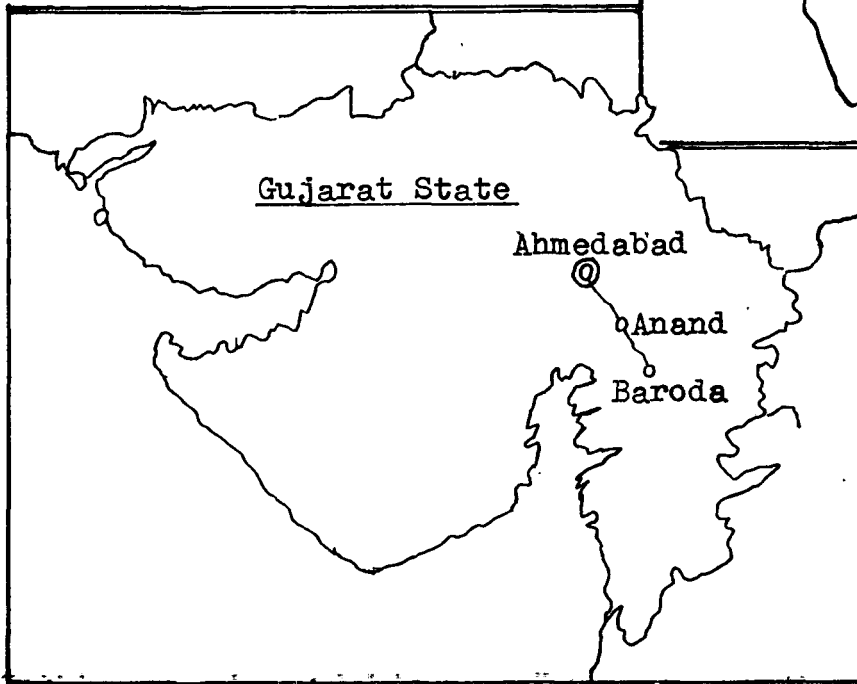
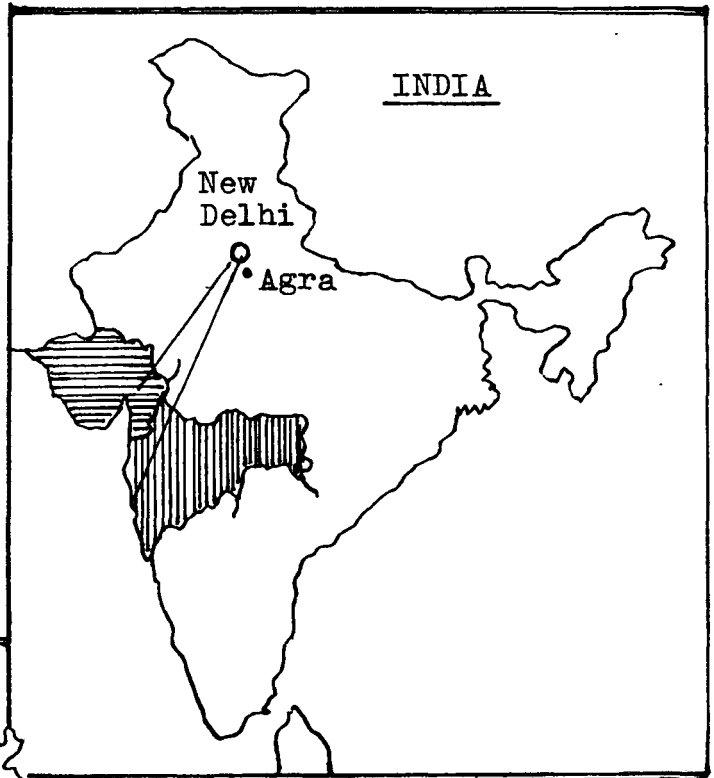
Practice of linking share capital with borrowings of the members and creation of permanent reserve fund out of the surplus of the cooperatives were found conducive to developing sound resource base for these cooperatives. In respect of resource mobilisation district level cooperatives were found to have rich and commendable level of deposits. However, credit cooperatives at primary level were not able to mobilise any sizeable amounts as deposits from members.

Most of the cooperatives have democratic management with overall authority of the general body and duly elected managing committees. The cooperatives had varying number of managerial personnel depending upon the size, level and range of activities. Some of them had government officials on deputation as chief executives.

In case of cooperatives in the credit sector- primary agricultural credit cooperative, district central cooperative banks and the state cooperative bank had well-developed institutional linkages within the structure. Primary credit cooperatives provide production credit, medium-term credit as well as in certain cases even investment credit to the members.

Primary cooperatives obtain finance from the district level cooperative bank which acts as a central financing agency and the district cooperative bank, in turn, borrows from the state cooperative bank. The state

40.A



cooperative bank obtains finance from the National Bank for Agriculture and Rural Development (NABARD) which is the apex financing institution for agriculture/rural development credit in the country. Credit management by these cooperatives included a two-component formula under which only a small portion of the production credit to the agriculturist is paid in cash and the rest in the form of production inputs such as fertiliser, seeds, and pesticides. Such production inputs are supplied either by the primary agricultural credit society or by the primary marketing society in the area. This system helps ensuring the use of credit for increasing the productivity of agriculture through the use of appropriate inputs, gives assured business of fertiliser and other input distribution to the supply and marketing cooperatives and ensures proper utilisation and timely return of the loans to the lending agencies.

District level marketing cooperative studied during the field visits included input supply activity. It was observed that the scope for value addition was widened by efficient and proper marketing.

Commodity-based processing cooperatives studied included sugarcane and dairy. These processing cooperatives were doing very useful work in value addition resulting in better returns to members. The working of these cooperatives reflected to a great extent the integration of various activities, viz. pooling/procurement of produce, processing the produce and marketing the end products. In case of sugar cooperatives the value addition activity is further supported by undertaking processing of bye-products, such as setting up a paper mill and an industrial alcohol manufacturing plant as their ancillary activities.

Cooperative sugar factories also help in recovering the production credit provided by PACs and thereby ensure linking of credit with marketing. They have also helped in developing the necessary infrastructure and welfare activities like education, health services, water supply, etc. in the area of their operation.

Study Visits in Gujarat State:

In the State of Gujarat, the participants visited the following institutions:

- i. Primary Milk Cooperative Society, Anand
- ii. National Dairy Development Board, Anand
- iii. Institute of Rural Management, Anand
- iv. Anand Cooperative Milk Union Ltd. AMUL, Anand
- v. Anand Regional Oil Seeds Growers Union, Anand
- vi. Ashi Multipurpose Cooperative Society, Ashi
- vii. IFFCO Khalol Fertiliser Plant, Khalol.
- viii. IFFCO Soil Testing Laboratory at Khalol.

Amul Dairy:

The Anand Milk Union Ltd (AMUL) dairy at Anand operated by the Kaira District Cooperative Milk Federation is one of the unique and outstanding dairy cooperatives known all over the world for its success, both in terms of organising the small milk producers through vertical integration and in linking all activities by forward and backward linkages. It has also demonstrated the effective horizontal integration by expanding the scope of cooperative activity related to the main dairy. AMUL dairy has now emerged as the pioneer in dairy development in India on cooperative lines. Its daily processing of raw milk is nearing one million liters, bulk of which is marketed in the form of fresh milk for direct consumption. In addition, AMUL produces several byproducts such as butter, milk powder, cheese, chocolates, baby foods and local varieties of sweets. AMUL complex has also a feed mill to produce the best suited compound feed for dairy cattle. The marketing of all products is done through the Gujarat State Cooperative Milk Federation.

The most striking feature of AMUL activity is the extension and veterinary services for the benefit of dairy producers. Almost all the requirements of the dairy farmers are met through the primary societies. The participants witnessed one of the quickest veterinary services organised by agricultural cooperatives.

The success of AMUL has encouraged the Government of India to set up a parent body called the National Dairy Development Board (NDDB). The NDDB has launched an ambitious programme to replicate AMUL pattern in other parts of the country by giving subsidies, loans and technical assistance for setting up new units. The NDDB has also developed its commodity base by entering into the oilseeds market and by processing the oilseeds and marketing the finished products. Recently the NDDB has also entered the fruits and vegetables market by opening marketing centres for fresh vegetables in larger cities. The NDDB has started several institutions for research and development efforts in respect of its varied activities and the Indian Rural Management Association (IRMA).

Oil Seed Cooperatives:

The Anand Regional Oilseeds Growers Cooperative Union (ARU) visited by the participants operates a groundnut oil extraction plant, refinery and modern packing plant of a popular cooperative brand 'Dhara'. Raw material for crushing groundnuts is obtained by the Union from its member constituent societies.

The Aashi Multi-purpose cooperative society visited by the participants in Gujarat is one of the most progressive primary cooperatives in the State providing economic and social services to members and ensuring optimum returns to farm households.

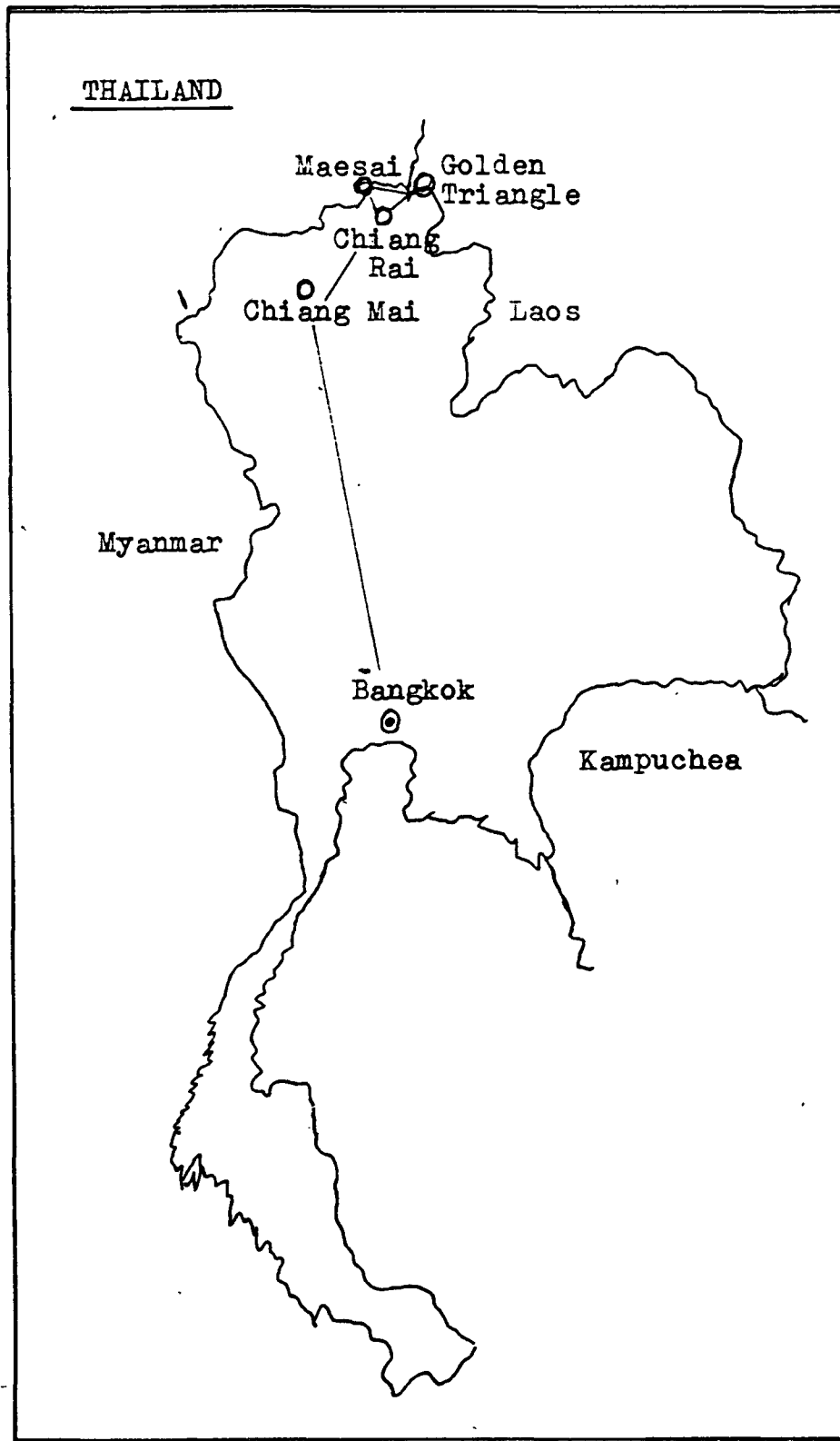
20. FIELD STUDY VISITS IN THAILAND

Cooperatives in Thailand are generally accepted as dating from 1916 when the first cooperative society was established with a group of 16 members in the rural area of Pitsanulok Province as a village cooperative of the Raiffeisen model on the initiative of the Government of the time. The purpose was to help relieve farmers from severe indebtedness and preventing their mortgaged lands from being foreclosed by the moneylenders. After the first cooperative was put up with fair satisfaction, the cooperative of this type were established moderately in the other provinces. In 1920, there were 60 village credit cooperatives with a total membership of 1,190 farm households and the total loan provided by the Siam Commercial Bank was Baht 303,668. All these cooperatives were registered under the special legislation called 'Civil Association (Amendment) Act BE 2459 (1916).

The first Cooperative Societies Act was promulgated in 2471 (1928) which was amended in 1934 thereby broadening the scope of societies authorised. The land settlement cooperatives were organised in 1935. The consumers and paddy marketing cooperatives were established in 1938. Service cooperatives were started in 1935 and farm products marketing in 1952. In 1943, a Bank for Cooperatives was formed to serve as financial institute of the cooperatives and to take the place of government's direct lending. It was superseded in 1966 by the Bank for Agriculture and Agricultural Cooperatives with authority to lend to individual farmers, farmers' associations and agricultural cooperatives.

Currently, effective legislation is the Cooperative Societies Act BE 2511 enacted in 1968. It repealed the 1928 legislation. The basic provisions of the 1968 legislation were:

- i. the restructuring of the cooperative infrastructure under the three-tier system, district (amalgamating village societies), provincial and national cooperative federations, and
- ii. the establishment of the Cooperative League of Thailand as a national apex organisation of the Cooperative Movement to function as the promotional and educational body of the cooperatives.



A government programme to amalgamate cooperative societies was implemented during 1969-72 combining several village level credit societies into district level cooperative called 'agricultural cooperative'. This type of cooperative has been contemplated directly towards multipurpose activities, serving the members' needs in credit, supplies, marketing, storage and processing, receiving deposits and improvement of land etc.

At present there are six types of cooperatives in Thailand. They are agricultural cooperatives, land settlement cooperatives, fishery cooperatives, consumers cooperatives, thrift and credit cooperatives and service cooperatives.

Cooperative League of Thailand

The Cooperative League of Thailand (CLT) was established under the Cooperative Societies Act BE 2511 (1968) as a national apex organisation of the cooperative movement. The major activities set down for CLT are the training and promotion of cooperatives of all types.

Ministry of Agriculture and Cooperatives and the Cooperative Promotion Department

The Ministry of Agriculture and Cooperatives (MOAC) through the Committee on Policy and Planning for Agriculture and Cooperatives is responsible directly for policy and planning in cooperative development objectives.

The Cooperative Promotion Department (CPD) is in charge of supervising, regulating and promoting cooperatives including technical assistance, provision of loans to cooperatives and the works performed on behalf of the Registrar.

The participants visited the following cooperative institutions in Thailand:

- i. Cooperative League of Thailand
- ii. Cooperative Promotion Department of Thailand
- iii. Chiangmai Provincial Cooperative Office
- iv. Chiangmai Provincial Agricultural Cooperative Federation.
- v. Maetaeng Agricultural Cooperative, Maetaeng.
- vi. Nakorn Chiangmai Consumer Cooperative Society, Chiangmai.
- vii. Sanpathong Agricultural Cooperative, Sanpathong.

21. PART TWO OF THE TRAINING COURSE IN IDACA, JAPAN
 MANAGEMENT PRACTICES IN AGRICULTURAL COOPERATIVES IN JAPAN

 Inauguration

The participants arrived in Tokyo on 21st February 1993. The inaugural function of the Part II of the Training Course was held at IDACA on 22nd February 1993 and was addressed by Ms Saito, Section Chief, International Cooperation Division, Economic Affairs Bureau in the Ministry of Agriculture, Forestry and Fisheries (MAFF), Mr Y. Nakaoka, General Manager, International Dept., JA Zenchu; Mr G.K. Sharma, ICA Regional Director for Asia and the Pacific; Mr Shiro Futagami, Managing Director of the Institute for the Development of Agricultural Cooperatives in Asia (IDACA), and Dr Daman Prakash, Project Director of the ICA.

Ms Saito in her opening address referred to agriculture as an important sector in Japan's economy for achieving socio-economic conditions of the people. Agriculture has been playing a crucial role in the development of the country's economy mainly through its effective utilisation of domestic resources, she said. From this point of view the Government of Japan implements programmes for developing human resources in agricultural sector. She wished the participants a pleasant stay in Japan.

Mr Y Nakaoka, welcoming the participants to Japan, expressed his gratitude to the MAFF for extending support to the Project and thanked the ICA ROAP for playing a central role in executing the Project. Complimenting the participants for completing the first part of the training course successfully in India and Thailand, Mr Nakaoka urged them to observe the Agricultural Cooperative Movement in Japan as a whole, which has a history of one hundred years. He felt that many good lessons could be learnt from the Agricultural Cooperative Movement in Japan and the participants will come to know of the various problems faced by the agricultural cooperatives in Japan as they progress in the training course.

Declaring open the second part of the training course in Japan, Mr G.K. Sharma, ICA Regional Director, said that the recent ICA Congress held in Japan with the active collaboration of ICA Member-Organisations in Japan has been a landmark event. He said the present course, 7th in the series, is being run with the same budget and same number of participants without any compromise on the quality of training. He urged the participants to study the Japanese experience which is quite different from other movements

in Asia,' especially with regard to farm guidance, better-living activities, credit and insurance and most of all, member relations with the cooperative. Problems faced by the movement in Japan are also different and a study of their solutions by cooperators in Japan would also be rewarding to the participants. He thanked the MAFF for its continued support and also to JA Zenchu and IDACA for their active assistance and collaboration in running the course in Japan.

Dr Daman Prakash, Project Director, welcomed the distinguished cooperators present at the inaugural session and the participants to Japan. He said that during the last seven years, the ICA has been able to train 105 middle and senior level professional managers of agricultural cooperatives. He added that with the active support of JA ZENCHU and financial supported by the MAFF, the ICA has succeeded in creating a base for developing healthy management practices in the Region.

This training programme has an important component of project formulation and many of the projects prepared by the course participants are being implemented with the encouragement of national organisations and ICA's support. In all these efforts, Dr Prakash said, the ICA has received substantial support from MAFF, ably supported by JA Zenchu. He conveyed ICA's sincere thanks and appreciation to the MAFF and JA Zenchu and to the IDACA for the able support given by them in implementing this Training Project.

Addressing the inaugural session, Mr Shiro Futagami, Managing Director of the IDACA, welcomed the participants to Japan and referred to the historical background and events which led to the founding of the IDACA and its role in training about 3000 cooperators from all over the world so far. He advised the participants to study the experiences of the Japanese Agricultural Cooperative Movement in its entirety and to draw some lessons which may be useful to their own situation. Japanese agricultural cooperatives are making various efforts to tackle the problems being faced by the movement and are trying to restructure the organisational system. More emphasis on rural community development with better life amenities is being attempted. A strong focus on member involvement and participation, Mr Futagami added, is essential for creating proper development strategies for agricultural cooperatives. He wished the participants a pleasant and healthy stay in Japan.

22. TRAINING PROGRAMME IN IDACA, TOKYO.
(February 22- April 24, 1993)

Part Two of the Training Course was organised at the Institute for the Development of Agricultural Cooperation in Asia (IDACA), Tokyo. The eight-week programme was approximately divided into following activities:

Inauguration/Closing functions and introductions.	2 days
Project Appraisal sessions	8 days
Lectures	38 days
Field study visits	12 days.

The field study visits were arranged to cooperatives in Kagoshima and Nagano Prefectures.

List of Project proposals submitted by 7th Course Participants

1. Cooperative Fish Culture Project
by Mr Mohd. Habibullah, Bangladesh.
2. Methane Gas generation from Distillery and
Paper Mill Effluent by Mr I.K. Kadu, India
3. Jaisaf Food Products Plant, Revival and Modernisation
Project by Mr Subhash Singh, India
4. Jaipur Fruit and Vegetable Cooperative Retail Marketing
Project, by Mr R.S. Jakhar, India.
5. Feed Mill in Ciwedey District
by Mr Achmad Kosasih, Indonesia.
6. Orange Fruit Processing Project,
by Mr Morteza Hafezi, Iran
7. Rice Processing Complex,
by Mr Han Ju Lee, Korea
8. Ice Cream Subsidiary Company of Seoul Dairy Coop
by Mr Byeong Hak Lee, Korea
- 9.. Establishing a Ribbed Smoke Sheet Rubber Factory
by Mr Salleh Hj Rehduan, Malaysia.
10. Fruit and Vegetable Preservation Plant at Mansehra
by Mr Syed Maqbool Hussain Shah, Pakistan
11. Strawboard Project
by Mr Philmore C Quilat, Philippines.
12. Dairy Plant in Badulla District,
by Mr A.F.A.Perera, Sri Lanka.
13. Establishing a Rice Processing Mill
by Mr A.G.S.M.Navaratne Banda, Sri Lanka
14. Rice Mill Project,
by Mrs Amporn Vongsopa, Thailand.
15. Developing Traditional Production as Income Generation
by Mr Le Van Nhu, Vietnam.

Feedback to participants were provided on the following aspects:

1. Is the project consistent with the development strategy of the government for that region?

Most projects were designed within the broad development strategy of the respective governments of countries/states wherein these projects were proposed.

2. Do these projects represent high priority projects within the development strategy of the region?

Choice of project was more influenced by participant's background and expertise as well as understanding of the existing development problems in their area, rather than the stated priorities of their region. This, however, is not a weakness because the projects proposed must also be important and high priority from the point of view of members' interests.

3. Have the objectives been clearly defined?

It was observed that there was a tendency on the part of participants to impose too many objectives to be achieved by the project, some of which were at times not relevant. It was again emphasised that the projects have to be simple and should seek to achieve a limited number of well defined objectives and for which goals must be clearly spelled out.

4. To what extent has the integrated approach been followed, i.e. backward, forward and horizontal integration?

While most of the projects sought to emphasise the integrated approach, there was a need to spell out in some of the cases in greater detail the nature of linkages and how they strengthen the project design.

5. Have the functions and activities to be performed been clearly spelt out?

In most of the projects, this aspect was covered reasonably well.

6. Has the technical analysis been properly done?

Several aspects of technical analysis, viz. providing flow chart of the entire process, giving details of plant and machinery, justifying location and capacity, and the technical standards to be achieved were spelled out in varying degree of detail in the projects. One of these issues, namely that of capacity, which is critical for the success or failure of the project, did not receive adequate attention. In most of the projects justification for the capacity created was either meagre or absent. In one or two projects there was even a case for not creating any capacity because existing capacity was already grossly underutilised.

7. Have the procurement of inputs and marketing of outputs been properly spelled out?

The commercial aspects of project design need to be carefully examined and adequately planned for if the project is to succeed. In most of the projects, it appeared that assumptions were made that the required procurement could be made and outputs would find markets at the prices assumed. By referring to the discussion during the training programme, it was pointed out to the participants how we should examine these commercial aspects, particularly the concerns related to quality, quantity and price in greater detail.

8. Has the financial and economic viability been systematically done?

Although there were minor errors of computation in the presentations, by and large this was systematically carried out in most of the projects. Even sensitivity analysis had been attempted in most of the projects.

9. Has the organisation of activities and management structure been defined in line with the functions and activities to be performed?

Organisation design was another weak area in most of the projects. While different functions were adequately covered, the manpower requirements were not properly estimated. Furthermore, while some projects were designed to be under-managed, there were others which appeared to be over-managed. Sometimes there was also confusion between authority and responsibility of the society/board and its representatives and the professional managers in charge of the project.

10. How will farmer members manage and control the society?
Has members' participation, organisation of board and committees been clearly presented?

Reasonable attention had been paid to this aspect in the design of most of the projects.

11. Have benefits to members been clearly analysed and presented?

In most of the projects no attempt had been made to actually calculate the amount of value addition as well as the extent of increase in member farmers' income.

12. What are the area benefits, both economic and social?

In most of the projects, some attempt had been made to qualitatively identify these benefits. By and large, participants had made a good effort to design their projects though there was scope for improvement in all of them. The nature of observations made as well as the discussions which followed provided a rich experience to all. It is hoped that this will substantially contribute to their capability to design and implement projects for the growth and prosperity of cooperatives in their region as well as increase and reduction in risk for members of these cooperatives.

24. CHARACTERISTICS AND PROBLEMS OF AGRICULTURE AND RURAL COMMUNITIES IN JAPAN

The process of urbanisation has continued unabated and there is a growing realisation among cooperative leadership of the need to assimilate the urban settlers and initiate additional activities to serve their needs. Demarcation of respective zones for agricultural development and for urbanisation has slowed down to some extent the process of indiscriminate encroachments into agricultural sector.

The migration to urban and semi-urban centres for employment has further reduced the number of people solely dependent on land for their livelihood. Over 85% of farmers' income is now derived mainly from non-agricultural sources. These trends have greatly influenced the living habits of rural society and brought in major changes in social structure. The percentage of elderly people has increased due to continued migration to urban centres of young people and also due to average increase in life expectancy. Even the traditional ways of living are giving way to more sophisticated ways of modern life. Fewer and fewer young people take up employment in agricultural areas and on an average less than 2,000 fresh graduates from farmers academies and universities take up farming as their full-time job every year. Many young people are reluctant to take up farming because of the social disadvantages they have to cope with such as difficulties in finding brides, and the limited opportunities for social inter-action among rural communities.

The above factors have greatly affected agriculture and the number of farm households has reduced from 6,043,000 in 1955 to 3,835,000 in 1990. Out of this only 592,000 are engaged in full-time farming; 531,000 in part-time I and 2,712,000 in part-time II farming. In other words, part-time farmers constitute the major labour force in modern day agricultural scene in Japan. A small percentage of land remains uncultivated due to availability of other sources of income to marginal farmers.

The government efforts in land consolidation and in structural improvement on land have facilitated introduction of better irrigation systems, better farm roads and introduction of heavy machinery. The projected farmland increase through reclamation etc. by 1995 is 0.1% (from 14.7% at present to 14.8%). However the investment in heavy machinery by individual farmers has increased production costs due to lack of full capacity utilisation of these facilities. Full synchronisation of capacity and its utilisation is yet to be achieved although serious efforts

are being made to reorganise facilities for joint utilisation to the optimum level. The current efforts are focussing on Hamlet level farming groups which can help in pooling lands together for increasing management scale with a minimum cultivated plot of three ha and utilising surplus manpower for farming complexes, commodity groups and other such activities. This is expected to strengthen the role of the full-time farmer which will be the group of core farmers and facilitate the withdrawal of disinterested part-time farmers. The most important and urgent task before the farming communities is the reduction of production costs in order to be competitive in domestic and international markets.

Agriculture is now in the hands of a small percentage of full-time farmers, a few core farmers and the aged people. More than men, the women devote more time to agriculture. Although opportunities for employment in urban centres have decreased, the people returning to agriculture (U turn) are few. The main labour force on agriculture continues to be grandfather, grandmother, and the housewife, popularly called 'San-chan' (three dear ones) farming. Even this trio is gradually breaking up as many housewives are taking up employment in the nearby industries or other business establishments.

In addition to all these factors, there is over production of several commodities but demand is stagnant. Rice production is being discouraged by government by diverting about 30% of the total paddy land to other crops. Over-supply of fruits and vegetables is evident due to import of these commodities. The imports have increased due to higher demand for more varieties of food and also due to appreciation of Japanese Yen. And lastly, due to pressure from other countries, import into Japan of agricultural products such as beef and citrus fruits has been liberalised from 1st of April 1991. There is constant demand for liberalising rice imports which is being withstood by the government so far. Due to the limited marketing outlets, the quantity produced cannot be further increased but the general trend in rising costs has increased the fixed costs in productivity. In addition to this, the government has recently de-regularised the banking industry. The cooperatives have now to compete with the banking sector for deposits from farm households.

Agricultural Cooperatives - Restructuring the Existing Pattern

The process of amalgamation of multipurpose agricultural cooperatives is continuing. The number of 3,374 multipurpose cooperatives in 1991 is expected to be further reduced to achieve the ultimate goal to be reached by the beginning of 21st century of 1000 multipurpose cooperatives. The number of single purpose cooperatives at the end of 1990-91 was 2,139. Some of these cooperatives will get amalgamated in future into the multipurpose cooperatives.

Although the percentage of full-time farmers continues to be decreasing, the total number of members is increasing due to the admission of associate members who want to utilise the services and facilities offered by the cooperatives in their respective areas, although they themselves are not engaged in agriculture. Also, the cooperatives are now encouraging the membership of women and youth from the farm households. The emphasis is gradually shifting to meet the individual needs of each family member rather than attending to them as a single entity farm household. Due to the present emphasis of encouraging and promoting interested full-time core farmers, in one cooperative the trend seemed to be reversed and the number of full-time farmers has slightly increased during the last year.

Gradually, individual households are unable to handle farm management at the present level of farming. The need for increasing management scale of farming is being recognised and efforts are being made to group the members on the basis of common interests. This is being done through the organisation of commoditywise groups, hamlet level production unions, farming associations and complexes and joint use of facilities. Also, the trend is now shifting from mixed farming to specialised farming around selected commodities in order to achieve economics of scale and to reduce production costs in order to be competitive. Cooperatives are encouraging members who are unable to cultivate their lands to lease them to active farmers or give them the farming rights. Majority of the Japanese farmers are reluctant to sell their lands and hence the title on land continues to be with the owners. In this process, agricultural cooperatives may have to play a more active role in joint post-harvest activities for grading and packing centres and transport to markets.

The new approach to enlarging the scale of management by grouping of farmlands is being tackled at the hamlet level. The Regional (Hamlet) Farm Management Groups will tackle the farming plan for the total farmland in the hamlet by enlarging the size of cultivable plots for paddy and other crops and by taking up other activities on the remaining land such as livestock, poultry, dairy etc. The large-scale farming will be done by trained full-time young farm workers and the comparatively less young farmer-members will devote to other on-farm subsidiary activities. The sharing of the yield by such a producers group will be in proportion to each member's land and wages will be paid for actual work done by young farmers. The emphasis will be on :

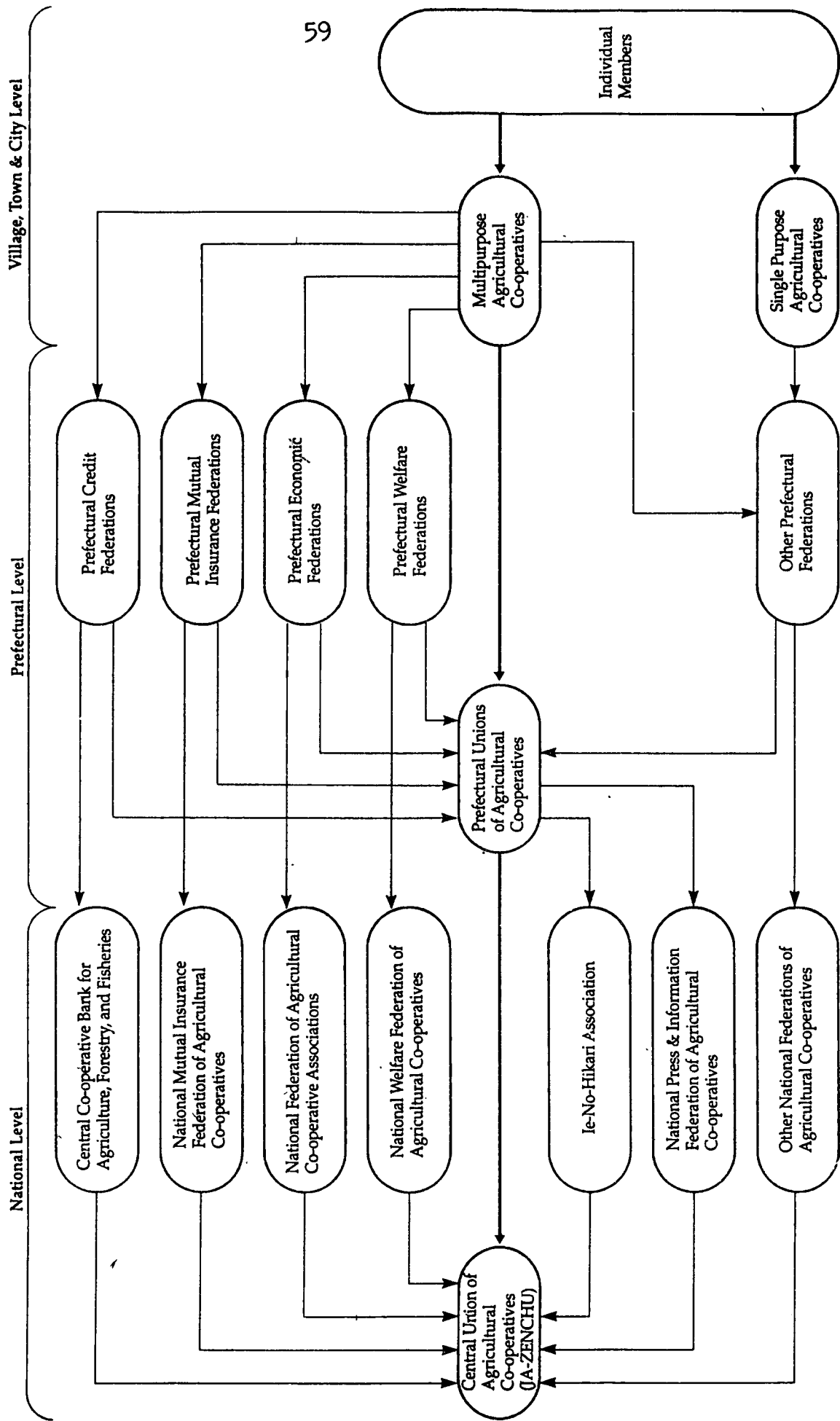
- a. production of quality crops,
- b. introduction of crops which will fetch better returns to the producer,
- c. group use of land,
- d. joint use of facilities,
- e. reduction of production costs, and
- f. greater emphasis on shipment associations to handle bulk quantities.

Until a decade ago credit and insurance dominated the business activities of most of the multipurpose cooperatives. Gradually they are however, losing business from some of the salary-earners who prefer to go to the nearest commercial bank. This is particularly true in case of farm household members drawing a major part of their income from non-agricultural sources. The demand for loans from members has declined further although efforts are being made to identify other investment opportunities. Also, as stated earlier, the competition from other credit agencies is likely to be severe in view of the liberalisation by government of rules concerning rates of interest to be paid on savings deposits. In case of insurance also, the more aggressive canvassing of business by private insurance companies has reduced the share of cooperative insurance coverage among the farm households.

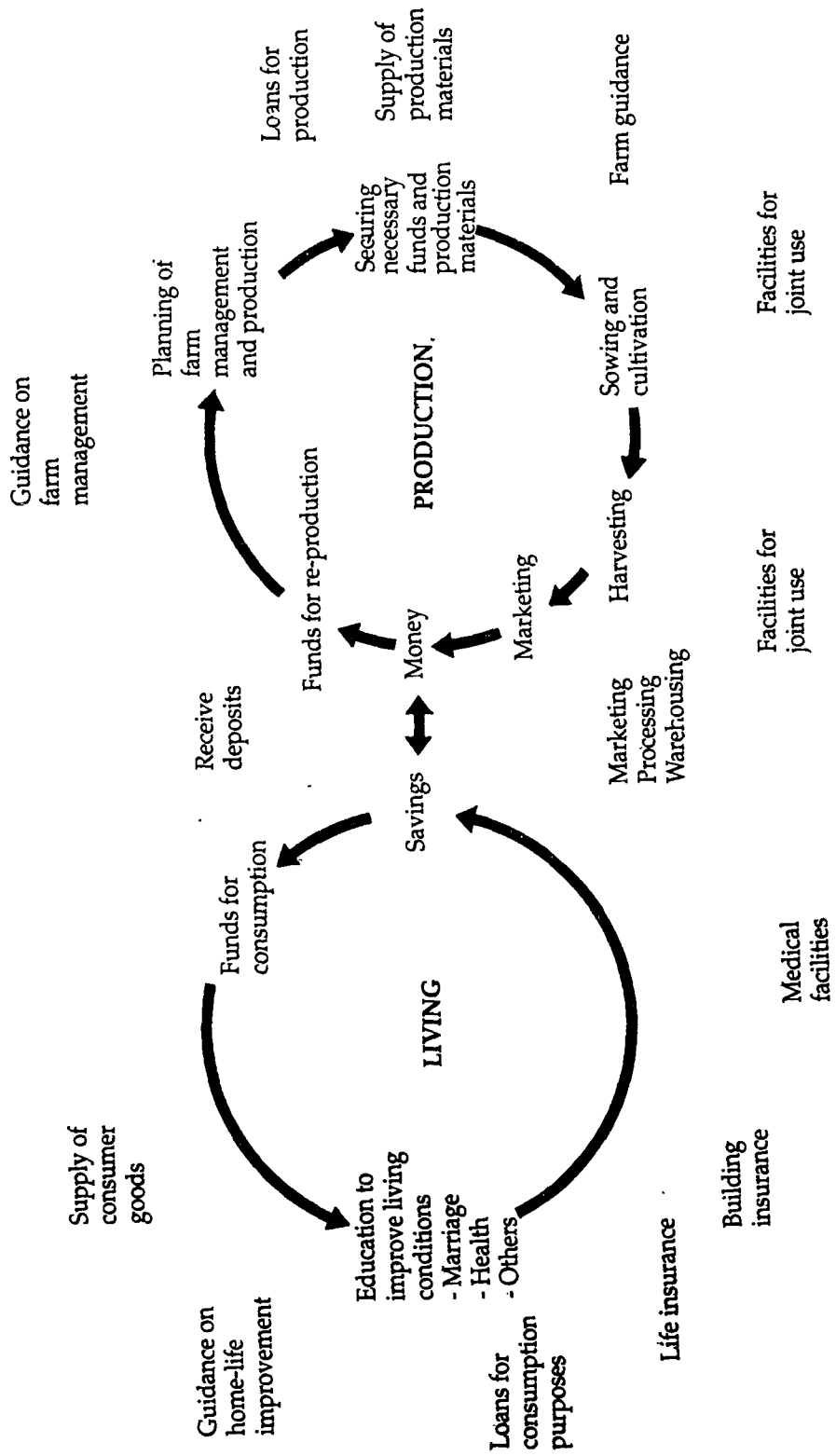
Percentage of marketing of rice and other agricultural products under the price guarantee scheme is on the decline as the government gradually reduces the quantum of its subsidy for rice. The percentage of semi-controlled high quality rice is increasing. This rice is marketed directly to the consumers through the cooperative network and also through wholesalers. The formation of commoditywise groups, farming complexes and shipment associations have greatly helped in increasing marketing operations. However, the over-supply of several commodities has resulted in keen competition among agricultural cooperatives themselves from different areas. Also, regional level marketing is being encouraged as per consumer demand and dealings with consumer cooperatives is on the increase through direct negotiations. Efforts are also being made to sell through negotiations to bulk consumers like supermarkets and hospitals. The sales through 'A Coop' stores, joint purchase schemes for perishables based on common menus in farm-households and home delivery systems for consumer durables are on the increase.

The purchasing activities have become less costly due to the appreciation of the Japanese Yen. The imports of raw material are cheaper. The purchasing activities are being strengthened through advance orders and increase in the number and size of 'A Coop stores'. The pressure on the cooperative purchase business has increased due to high degree of integration of private chains of supermarkets and processors. The emphasis is both on sales through the stores and by direct channels. Efforts are also being made to attain a high degree of self-sufficiency in raw materials for feed crops.

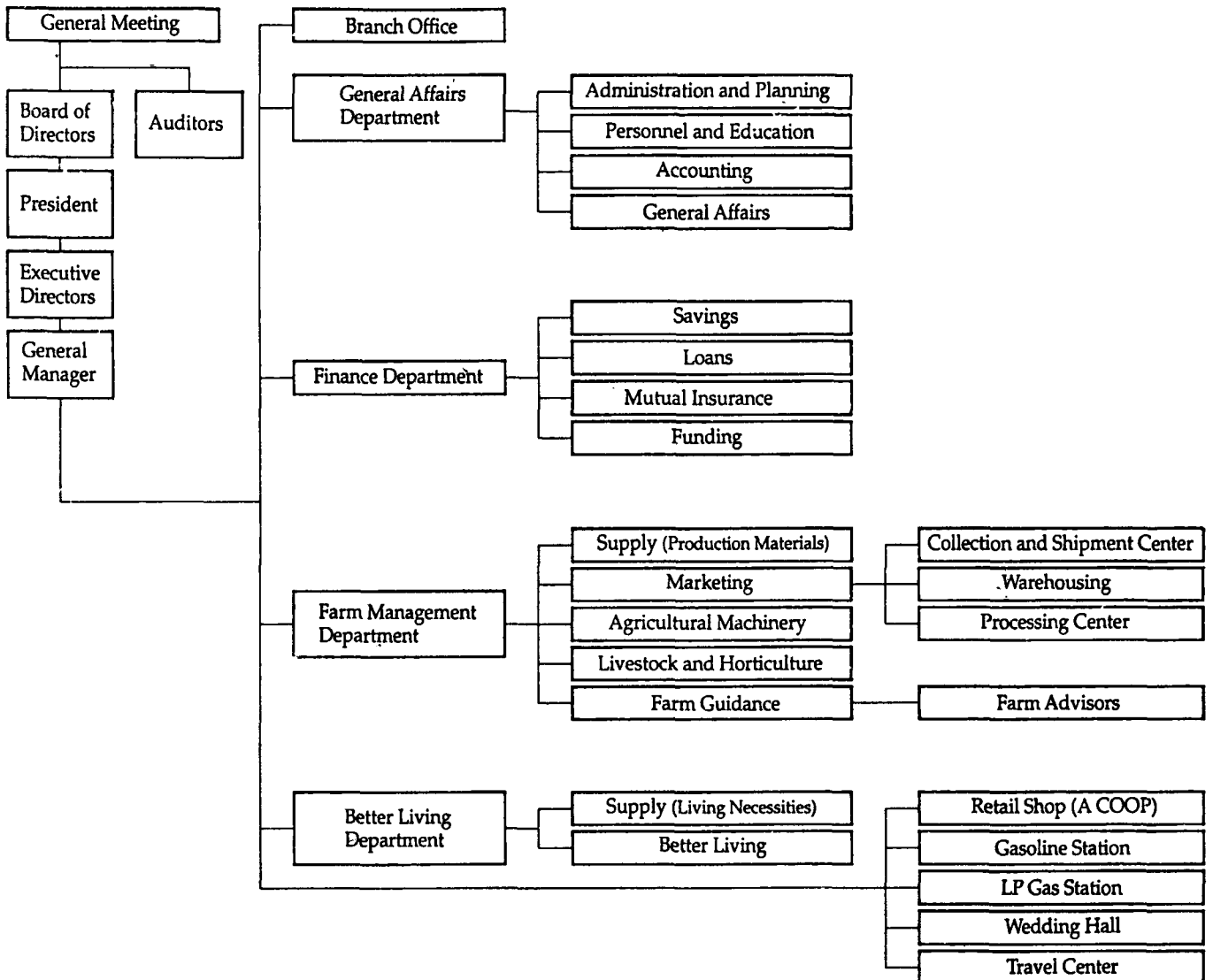
The Organization of Japan's Agricultural Co-operatives



THE INTEGRATED APPROACH OF MULTIPURPOSE COOPERATIVES



A Typical Example of the Structure of Multipurpose Agricultural Co-operatives

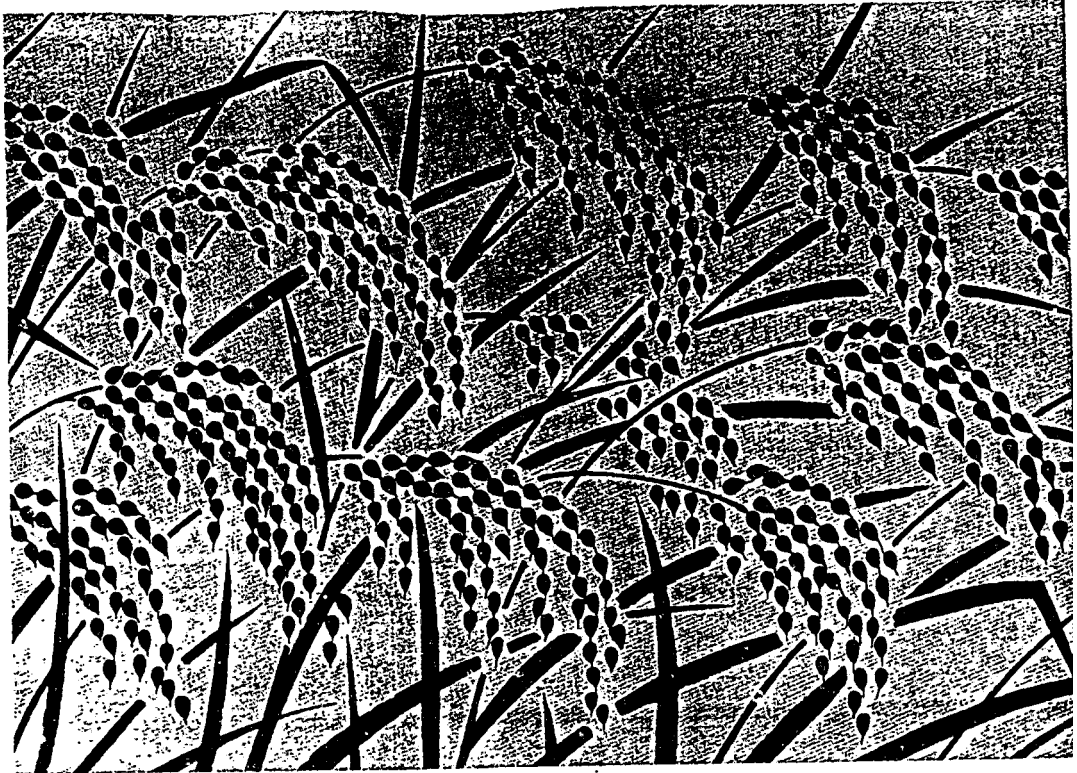


A Typical Example of Members' Organizations in Primary Agricultural Co-operatives

Producers' Groups Flower, Dairy, Pig-raising, Vegetable, and Rice-farming Groups

Agricultural Co-operative Business Groups Farmers' Pension and Mutual Insurance Promotion Groups

Youth and Women's Groups Young Wives, Women's, and Youth Associations



お米を食べて
元気でござんす。

"I'm getting
healthier because
I eat rice."

こやせ だかし
フレール館・TMS・NTV

「JA」ジェイエイは、新しい農協の愛称です。

'JA' is the new logo of Agricultural Cooperatives

In order to achieve these goals, the role of the farm adviser is becoming more important than before. The planners are stressing the need of increasing the number of farm advisers for achieving a planned production effort aimed at rationalising production costs, maximising output, using farmlands for joint cultivation of select commodities and selling the produce to consumers through the best possible channel.

Trend Towards a Happier Life

Another important aspect of recent cooperative activity is the realisation that economic activities alone would not ensure the happiness of farming communities. A total approach to the welfare of all members of farm households is needed to stop erosion of basic values of rural life and the desertion of farm lands.

The result of high technology has generated a reaction towards more natural way of life. Cooperative members are being encouraged to use organic manure rather than chemical fertilisers to preserve land quality and protect environment. Some side effects of using organic manures are cropping up, and are being tackled through various safety measures and relocation of related facilities. There is more demand for quality products with less input of chemical fertilisers and insecticides. Consumers are demanding cheaper products even if they are not graded or packed in the most sophisticated way. People are encouraged to eat more rice and other traditional foods common to the Japanese people during the earlier days. Housewives are being educated in choosing the less harmful foods. All these factors are bound to have an impact on agricultural production.

The process of changing people's attitude and in ensuring greater number of farm successors is difficult and complex. Hence better-living activities have assumed greater importance. Participation of the entire family in cooperative activities is being encouraged through a variety of better-living and purchasing activities. Women's associations, youth associations, better living groups and Han groups will be required to play greater role in future in achieving this objective. The home life improvement activities of the government are also expected to play a significant role in this direction. Equally important are the training and education activities undertaken by the JA Zenchu to train leadership with a proper understanding of the challenges and the solutions needed to tackle them and the managerial cadres capable of meeting the growing demand for sophisticated management of the enlarged cooperative enterprises.

Government Support to Agricultural Cooperatives

With varying emphasis the government continues to provide substantial financial incentives to members of agricultural cooperatives through price support schemes, grants, subsidies, and extension services. The assistance for amalgamation and diversification of crops continues with reduced quantum. The price support schemes are formulated to ensure fair returns to agricultural producer and to enable continuation of production cycle of individual crops. The government controlled purchase and distribution of rice is being reduced and semi-controlled rice percentage is increasing. Price support schemes for wheat, soybeans, milk, meat, sugar and vegetables are based on standard price formulae established for each commodity .

Agricultural extension services by government are geared to increasing agricultural productivity and improvement of home life of farm households. The experimental stations and extension staff serve larger areas than one agricultural cooperative. Government extension services are complimentary to farm advisory services. The difference is that government extension emphasises improvement in agricultural production while farm guidance through cooperatives covers wider areas relating to total economics of agriculture of farm households. The extension services try to help in ensuring farm successors through its 4 H Clubs for young farmers.

Agricultural Insurance

Despite all the measures and precautions taken, agricultural success cannot be guaranteed. Heavy losses due to typhoons, floods, pests, and unfavourable weather conditions are always possible. So, the Government of Japan is operating a very elaborate scheme of agricultural insurance in collaboration with the agricultural cooperatives for compensating the farmers suffering losses caused by disasters and other natural calamities. Agricultural insurance was started to safeguard the reserved stocks of food. Before 1929, only livestock insurance was available. Since the starting of Agricultural Insurance Scheme all types of cooperative insurance are related to government schemes. Insurance is compulsory nationwide in respect of rice and other grains, sericulture and livestock. Insurance in fruits, fruit trees, other field crops and greenhouses is optional. In disaster prone areas, the insurance is compulsory but by and large, farmers in Japan seek insurance protection for most of their agricultural activities.

Education, Training and Publicity

Since the establishment of Raiffeisen model agricultural cooperatives in 1900, emphasis is being given on leadership development and cooperative education. Most of the training and education activities are carried out through the Agricultural Cooperative College and through training programmes arranged by prefectural unions. As the Movement became more democratic, the education and staff training activities have increased. Government support was available, especially at prefectural level.

Publicity work is being carried out through the National Press and Information Federation of Agricultural Cooperatives and the 'Ie-No-Hikari' Association. The Press Association publishes a daily agricultural newspaper called 'Nogyo Shimbun'. The Ie-No-Hikari Association publishes three journals for farm households, for children and for youth. In addition, the Central Union of Agricultural Cooperatives and its affiliates at various levels, undertake extensive lobbying and public relations activities to influence government policies affecting agricultural cooperatives.

Audit of Cooperatives

Audit is carried out to safeguard members' interest and to improve cooperative management. Four kinds of audit are available:

- i) Internal auditors appointed by general meeting,
- ii) Special audit by a staff member as per direction of the cooperative's president,
- iii) Audit by the Central Union and
- iv) Audit by the government.

International Cooperation for Agriculture and Forestry

Over the past 30 years, Japan's international cooperation in the fields of agriculture and forestry has steadily developed through bilateral and multilateral channels. Bilateral assistance is mostly through grants and soft loans. Technical assistance is channelled through the Japan International Cooperation Agency (JICA) to poorer countries for common good. The other developing countries receive loans for projects, food supply for boosting food production and import of agricultural machinery. JA Zenchu plays a very leading role in its relationship with the ICA Head Office and through direct assistance to its Regional Office for Asia and the Pacific and through very effective liaison work with the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan in securing development aid for ICA Activities.

25. FIELD STUDY VISITS IN JAPAN

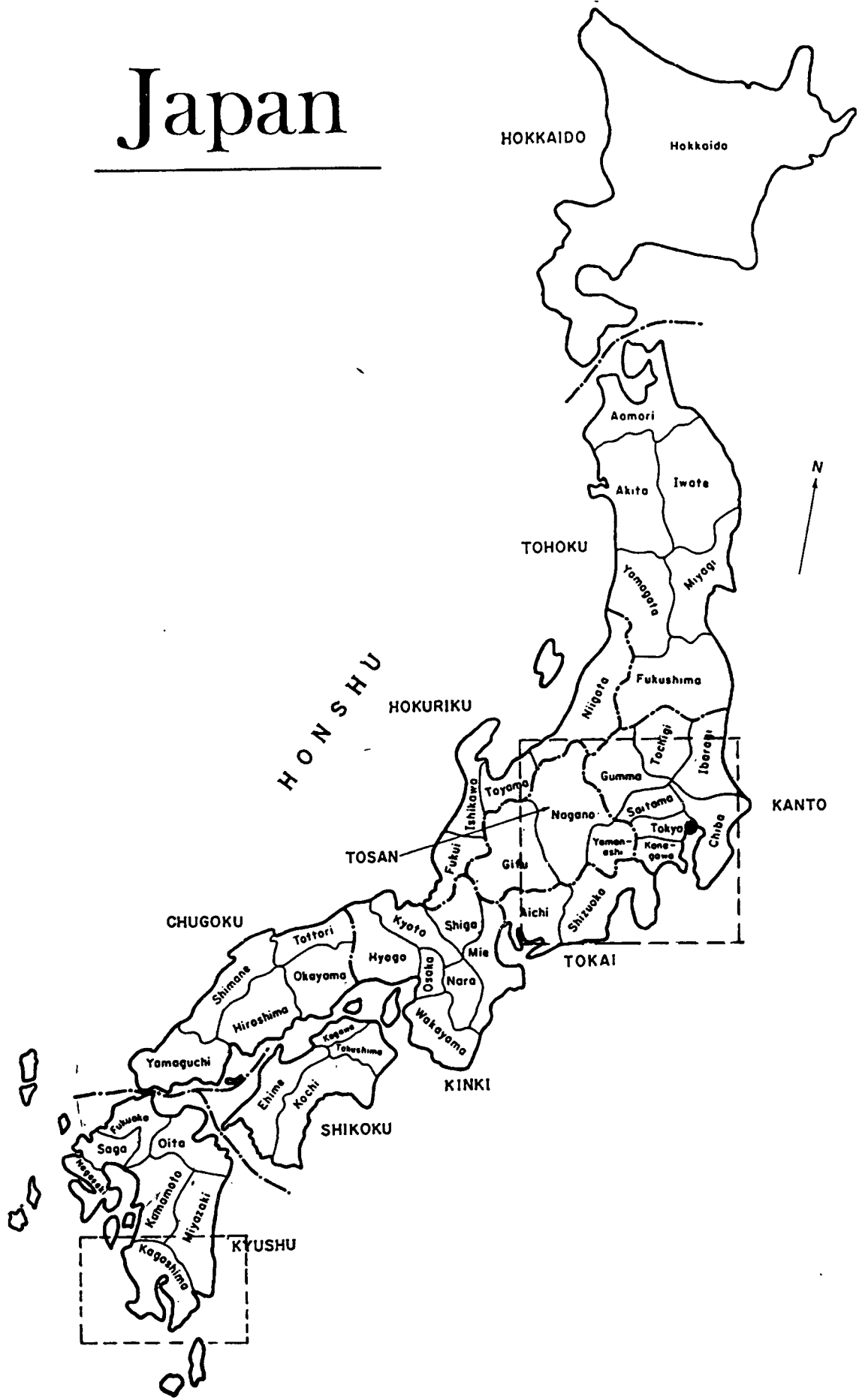
During Part-II of the Training Course in Japan, study visits were arranged in two Prefectures viz. the Kagoshima and Nagano prefectures. The participants visited the following institutions during their stay in Japan:

- i. JA Zenchu
- ii. JA Zennoh
- iii. Norinchukin Bank
- iv. JA Kagoshima Prefectural Union
- v. JA Satsuma
- vi. JA Sueyoshi
- vii. Agricultural Experimental Station
- viii. JA Nagano Prefectural Union, Training Centre
- ix. Nagano Rural Industry Institute
- x. JA Nakona shi
- xi. JA Suwamidori
- xii. JA Zennoh Ohta Wholesale Market and several facilitiesa run by Zennoh
- xiii. National Forest Owners Cooperatives Federation
- xiv. National Fisheries Cooperatives Federation
- xv. IDACA
- xvi. Ashigara Cho Tea Producers Centre
- xvii. Several processing facilities run by Zennoh and Prefectural Economic Federations of Kagoshima and Nagano.

Kagoshima prefecture enjoys a moderate climate. As in the case of other prefectures, the percentage of share of agriculture in GNP is declining year by year. Comparatively ratio of agricultural workers is still quite high in this prefecture. Kagoshima prefecture ranks first in the production of sweet potato, pigs, hen layers, broilers and second in the production of rape seeds, green tea, pumpkin, loquat and beef cattle in the whole country. The Prefecture has already achieved a high degree of amalgamation and the 90 societies as of March 1991 were amalgamated into 41 as of May 1993 and the ultimate aim is to reduce them to 12. Each of these societies are expected to have a membership ranging from 10000 to 50,000 members. Participants visited the Prefectural Union and the facilities run by the Economic Federation such as A Coop supply company, bulk blending fertilizer plant, feed mill etc.

The participants visited two primary agricultural cooperatives in Kagoshima Prefecture viz. JA Satsuma and JA Soo Kagoshima. The emphasis on JA Satsuma visit was on Business Management while in JA Soo Kagoshima the subject studied was Organisation of Members and Better-iving Activities.

Japan



JA Satsuma

JA Satsuma formed after amalgamation of six societies serves four towns in Satsuma county. Major agricultural produces in the area include rice, livestock, cocoon, tobacco, mandarin, tea and vegetables. Number of farmhouseholds is 5,095 out of a total of 12,186 and full-time farm households number 1,194 rest being part timers. Society has 5,485 regular members and 1,211 associate members. The society operates several groups, beef cattle raising group with a membership of 1,968 persons and Wagyu raising group with 1,022 members form the major groups. Youth associations, Women association and hamlet management committees help the society's member relations programmes. The targeted business turnover for 1992 was: savings 26 billion yen; mutual insurance 20 bil.yen; marketing 6.8 billion yen and purchasing 5.1 billion yen.

The society runs several facilities for its membership, like paddy seedling/seeds centres, tea control centre, vegetable grading and shipment centres, silk worm nurseries, community centre, consignment of livestock, car workshop, funeral service etc.

JA Soo Kagoshima

JA Soo Kagoshima formed after amalgamating seven societies has a regular membership of 18,515 and associate membership of 1,479 members. It transacted total business of: savings ¥ 84.6 billion; long-term mutual insurance of 565.8 billion yen; supply turnover of ¥ 18.3 billion, and marketing turnover of 30.2 billion yen. Major crops and other agricultural activities were rice, livestock, vegetables and fruits and feed crops.

Better Living Activities

The subject of study in JA Soo Kagoshima was farm guidance and better living activities. Because of the declining percentage of agricultural population, it has become necessary to concentrate the efforts on regional agriculture with hamlet based production unit for enlarging the scale of operation and full utilisation of the available manpower and agricultural machinery. The cooperative has a wide network of commodity groups for dealing with most of the commodities grown in the the area. Twenty three male farm guidance advisers take care of guidance activities related to productivity and sixteen female better living advisers guide in better living aspects. In addition to

this, special measures are initiated by the cooperative to tackle problems of production, distribution, pricing, taxation and others.

The participants also visited the Kagoshima Agricultural Experimental Station to study the different experiments made and their dissemination among farmers. The Nansatsu Land Improvement District Project Office which helps in constructing and maintaining irrigation channels for up-land farming was also studied by the participants.

Study Visits in Nagano Prefecture

During second study visits in Nagano Prefecture, the emphasis of study was on preparation of Regional Agricultural Promotion Plan and processing facilities. The Union serves 63 cooperatives with 200,000 full time members and 83,000 associate members. 14,000 employees are working in the cooperative sector in the prefecture. The Prefecture has 4579 hamlets and 1,891 farm management groups operate. 59 cooperatives have women's associations functioning successfully and there are five better living groups. The Prefecture has 1,200 farm guidance workers, largest among all prefectures in Japan. The marketing turnover of the prefectural cooperatives amounted to 339 billion yen in 1991. The Prefectural cooperatives run eleven hospitals with 4,000 beds facilities. Due to emphasis on health care adopted by cooperatives in the prefecture, the expectancy of age of males in Japan is the highest in the prefecture, 77.8 years for males compared to 76 years and 82.7 years for females compared to 82 years in Japan as a whole.

The Nagano Prefectural Union helps its constituent cooperatives to prepare short-term and long-term Regional Agricultural Promotion Plans and their implementation. The three major components of the RAPP are :

- i. Regional Agricultural Promotion Plan,
- ii. Better living activities plan,
- iii. Business Operation Plan of agricultural cooperatives.

The RAPP is implemented through the creation of regional farming groups at the hamlet level by identifying few core farmers and entrusting them with most of the land for intensive cultivation. Vegetables, flowers and mushroom cultivation have been the main production commodities in the Prefecture.

The participants visited the Mushroom processing centre and the Cooperative College run by the Union . The Rural Industry

Research Institute established in 1981 by the cooperatives in the Prefecture helps in conducting mushroom cultivation and production and in dissemination of their findings to the farmers. Besides research in mushroom production, the Institutes has an apple orchard for testing processing, asparagus tissue culture seedlings test field and an experimental paddy field. The Naganokono company run by the prefectural economic federation processes farm products like peach, apples, tamoto and mushrooms for giving added value to the farmers.

JA NAKANO SHI

JA Nakano city located in the northeaster part of nagano has a farm household population of 3,588. It has a full time membership of 947 and part-time membership of 2,641 persons. Main crops/commodities grown include paddy, orchards and fruits and vegetables. Flowers have become an important commodity in the recent past. Out of a total production turnover of ¥ 26,530 million, mushrooms accounted for ¥ 15,400 million, fruits 7730 milion yen and flowers 2,110 million yen during 1991. The society's sixth five year long-term plan is now in progress and the society has planned an income of Yen 500,000 per 0.1 ha. by cultivation of mushroom. Average income level of a farmhousehold has been fixed at ¥7.2 million, which is equivalent to a salary earner's income in the prefecture.

JA Suwamidori

JA Suwamidori, the second cooperative visited in the Prefecture, has been formed after amalgamation of five coperatives on 1st April 1992 and business activities of one of the five branches were studied by the participants. The society has 11,250 members and vegetables, flowers and mushroom are the major commodities grown in the area. The cold climate is suitable for mushroom cultivation. The society is successfully implementing its long-term RAPP and runs several facilities for its membership. The society has five agricultural machinery centres, livestock centres, farm guidance centres, and runs a commuity hall for the use of its members. The society is also helping its members to visit places within and outside Japan by organising tours through its travel department.

In addition to the above study visits, the participants also had the benefit of visiting the Ohta Wholesale Market and studied Zennoh's marketing of fruits and vegetables and flowers by auction. A variety of processing facilities run by the Zennoh and economic federations such as milk processing, yogurt, tea processing, ham and cheese processing centres were visited by the group to study value adding activities of the cooperatives.

Direction of New Policies Toward Food, Agriculture and Rural Communities

In June 1992, the Ministry of Agriculture, Forestry and Fisheries released a report titled "The Direction of New Policies Toward Food, Agriculture and Rural Communities" (referred to henceforth as "New Policies").

The New Policies were formulated with the following circumstances in mind;

- i. The number of graduates, newly engaged in agriculture, has fallen to about only 1,800 a year throughout the country;
- ii. Agricultural land, left uncultivated because of the aging of the farming population, covers as much as 220,000 hectares nationwide, mainly in mountainous areas;
- iii. Uncertainties exist regarding the future supply of food as the world population increases annually by an estimated 100 million; and
- iv. Environmental destruction is spreading on a global scale, and the use of resources and energy is being increasingly restricted worldwide.

The New Policies sets forth a basic approach to the future of agricultural policy, and the direction they will follow. The JA (Japan Agricultural Co-operatives) Group will, therefore, draft, in December 1992, its plan to deal with the New Policies, and will organize debates thereof sometime between January and the end of March 1993.

Main points of the New Policies can be summarized as follows:

"The Basic Directions" of the New Policies

(1) Consideration of global aspects:

i. The Directions say that "It is the responsibility of our country, by taking into consideration the global aspects, to endeavor first to maintain and strengthen domestic supply capability of foods through efficient utilization of the country's land resources."

ii. It is important to establish national consensus and to seek international understanding about taking certain border measures and domestic agricultural policies."

(2) Consideration of consumer viewpoints

The Directions say that "It is important to ensure stable supplies to consumers of fresh, good quality and safe foods at reasonable prices," and "to supply safe foods is vitally important."

(3) Promotion of environment-conserving type agriculture:

i. The Directions say that "It is important to proceed with the necessity to conserve environment in mind, and to promote sustainable agriculture which would impose less load on the environment, and also to maintain and enhance diverse functions of paddyland, such as preventing floods."

The reference extends to food policy and says, ii. The multi-phased functions agriculture has can not be governed only from an economic efficiency point of view, and therefore, it is not right to make simple application of the theory of international division of labour."

(4) Rural area development policies:

The Directions say that "It is important to build amenable dwelling and leisure spaces by consolidating living infrastructures in rural areas, which lags behind urban standards, and also to create diverse job and income opportunities."

(5) The fostering of farm management bodies

The Directions say that "In order to foster efficient and stable farm management bodies having excellent managerial sense, it is necessary to re-examine protective and regulatory measures and more extensively to introduce principles of competition and market forces so farmers can develop ingenuity and a sense of invention."

(6) Presenting images of desirable management bodies

The New Policies show "Directions of policy development." They cover a wide range of policy issues from production adjustment and control of rice, policy on prices, rural development policies, promotion and establishing of environment-friendly agriculture, to food industry and consumer policies, etc.

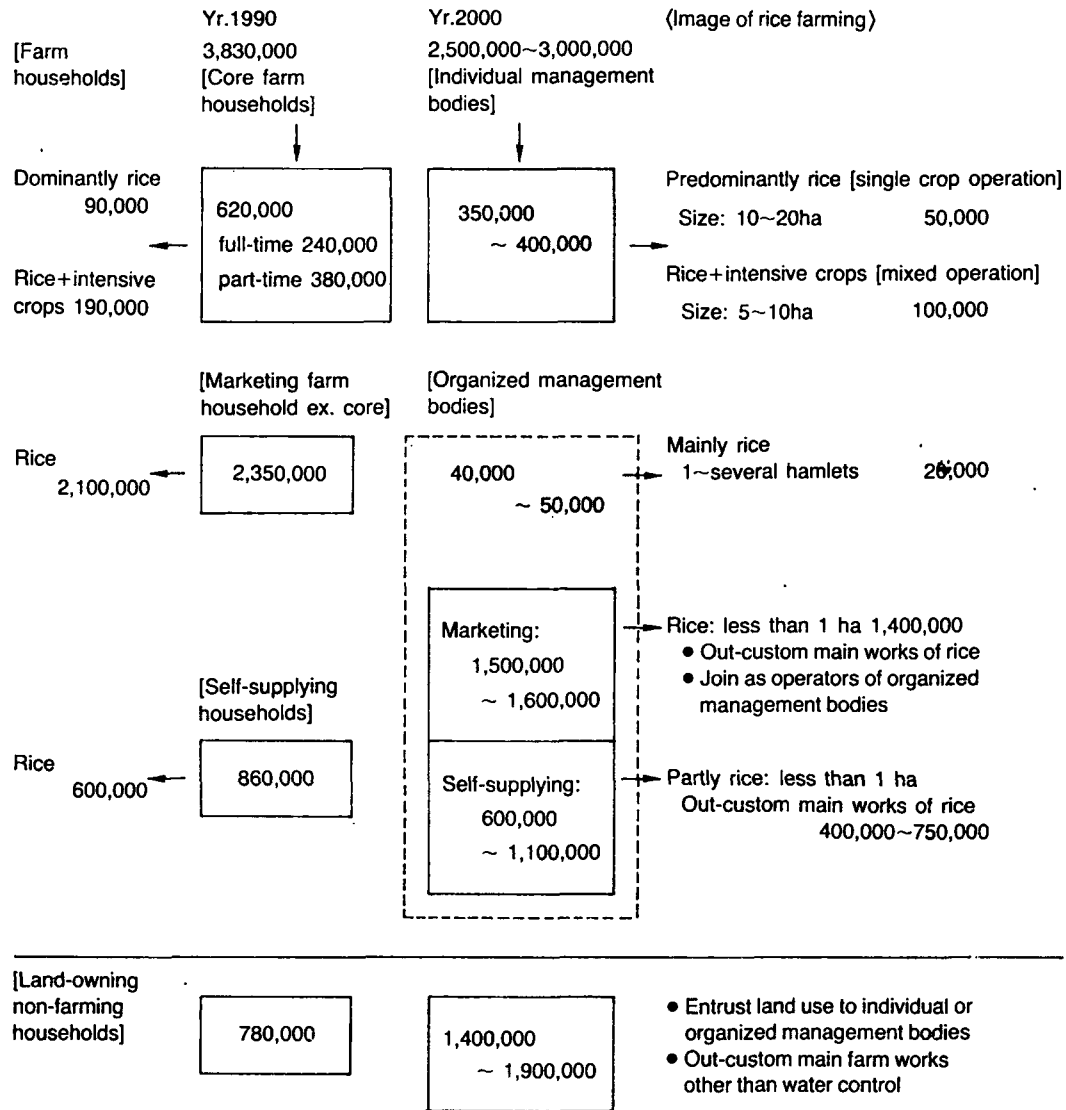
Perhaps the most notable points, however, of the New Policies, in a sense, is that it presented "images of desirable farm management bodies" and "measures to foster desirable management bodies."

The Directions of the New Policies show, "Images of desirable management entities centered around rice farming some 10 years from now,

with a goal of making annual working hours the same as people in other industries and making life-time incomes per main person in agriculture at no less a level than those people in other indus-

tries, with a view to making agriculture an attractive choice as a profession, taking account of the prospect of structural evolution in agriculture."

Management Bodies



Notes:

Core farm households:

Farm household with a nucleus male farm worker exclusively engaged in farming, i.e. a male of age between 16 and 60 (definition of nucleus), and who works on the farm more than 150 days a year (definition of exclusively engaged).

Marketing farm household:

Farm household either having land under farm operation of more than 30 ares or sales of farm products worth more than ¥500 thousand.

Self-supplying farm household:

Farm household in which land under farm operation is less than 30 ares or sales of farm products of less than ¥500 thousand.

Land-owning non-farming household:

Farm household that owns over 5 ares of farmland including plots currently not in use, but engages in farming on land less than 10 ares yielding less than ¥150 thousand in sales of crops thereof.

Individual management bodies:

Farm management body run by an individual or by a household, and which can manage farm operation in such a way as will secure a level of life-time income no less than those of persons in other industries with comparable hours of work.

Organized management bodies:

Farm management body in which more than two individuals, or more than two households, either jointly manage own farm or jointly take up commissioned farm work in addition to managing own farm, and which can manage farm operation in such a way as will secure for its main persons engaged in farm work a level of life-time income no less than those of persons in other industries with comparable hours of annual work.

- Entrust land use to individual or organized management bodies
- Out-custom main farm works other than water control

26. FIELD STUDY VISITS IN THE REPUBLIC OF KOREA

Inauguration

The field study visits in the Republic of Korea started on 26th April 1993 with the opening ceremony held at the National Agricultural Cooperative Federation's (NACF) Conference Hall in Seoul. The inaugural function was addressed by Mr Yong Jin Kim, Director General, International Cooperation Department of the NACF and Dr Daman Prakash, ICA Project Director. Formally welcoming the participants and ICA personnel to Korea, Mr Kim briefly explained the main activities of the NACF and highlighted the problems being faced by agricultural cooperative movement in the Republic of Korea.

Mr Kim explained the various growth stages of the Korean movement starting with conversion of credit societies into multipurpose type in the 1950s, amalgamation of smaller societies into viable and bigger societies in the 1960s, changes in the structure of the movement, from three-tier to two-tier system in the 1970s and steady growth period from the 1980s. Mr Kim said that external pressures on the Korean economy is increasing and pressure to open up agricultural market for imports is mounting. Mr Kim also explained that the movement is facing some problems of structural changes as per the policies of the newly-elected Government of the country and increasing importance is to be placed on marketing and other non-banking activities in the future. He appreciated the efforts of the ICA in bringing the participants to the Republic of Korea to learn from her experience and once again extended NACF's continuing support to the activities of the ICA.

Dr Daman Prakash, ICA Project Director, thanked the NACF and its officers led by Mr Kim for all the support and hospitality extended to the ICA during the past years and for the promise of continued support to the present course.

Mr Byoung Joon Suh, Deputy Director-General of the International Cooperation Department of the NACF, gave comprehensive information on the history, present status, problems and achievements of the Korean agricultural cooperative movement since the 1940s.

The study visits in Korea were arranged from 26th April to 5th May which was followed by a National Review Workshop of former participants of ICA Japan Management Training Courses from 6th to 8th May 1993.

The following institutions were visited by the participants during study visits in Korea:.

- National Agricultural Cooperative Federation
- National Livestock Cooperatives Federation
- National Fisheries Cooperatives Federation
- Agricultural Cooperative College of NACF
- Moga Agricultural Cooperative
- Ansong Agri. Coop. Leaders Training Institute.
- Provincial Office of NACF at Kyoungbuk
- Kyoungbuk Apple Cooperative and its apple juice plant
- Garak Agricultural Cooperative Marketing Centre
- NACF Farm Product Distribution Centre
- An Yang Livestock Cooperative, and
- Seoul Dairy Cooperative.
- Kimchi Processing Plant of Cheongsan Agricultural Cooperative.

NACF and structure

Korean agricultural cooperatives functioning effectively for the last four decades, have a two-tier system, primaries functioning at the grass-roots level and the federations at the national level. Presently, agricultural cooperatives numbering 1425 and specialised agricultural cooperatives numbering 43 with a total membership of about 2 million farmers are federated into the National Agricultural Cooperative Federation at the national level. Similarly 144 local livestock cooperatives spread over every district and 27 specialised livestock cooperatives with a combined membership of 252,000 are federated into the National Livestock Cooperatives Federation. The National Fisheries Cooperatives Federation serves 81 primary fisheries cooperatives engaged in coastal and deep-sea fishing.

Democratic form of election of presidents of primary cooperatives by members and election of Presidents of the national apex federations by the presidents of the primary cooperatives were introduced in 1990 and all cooperatives in the country have their own elected presidents.

Credit, banking, input supply and insurance still account for a major share of activities of primary agricultural cooperatives although greater emphasis is being given to marketing of agricultural cooperatives. The on-line system of banking established by the NACF and its branches and with some of the primary cooperatives have helped cooperative members to use the cooperative channel to sell their produce. Till recently due

to government policy there was not much of processing activities. But due to change in the policy recently, the NACF is trying to establish a number of processing facilities to add income to the farmers product. Storage and processing facilities in the country still need improvements.

The NACF and its affiliated cooperatives help the member-farmers through various other means such as joint purchasing of consumer necessities, joint utilization of machineries and some processing facilities, international banking, foreign trade, welfare activities and training and education of cooperative leaders and personnel working in various managerial and operational cadres. Emphasis of NACF activities has gradually shifted from development of farm households to welfare of rural community in general.

Besides visiting the head office of NACF, participants also visited a provincial branch office of the NACF to study the various activities at different levels.

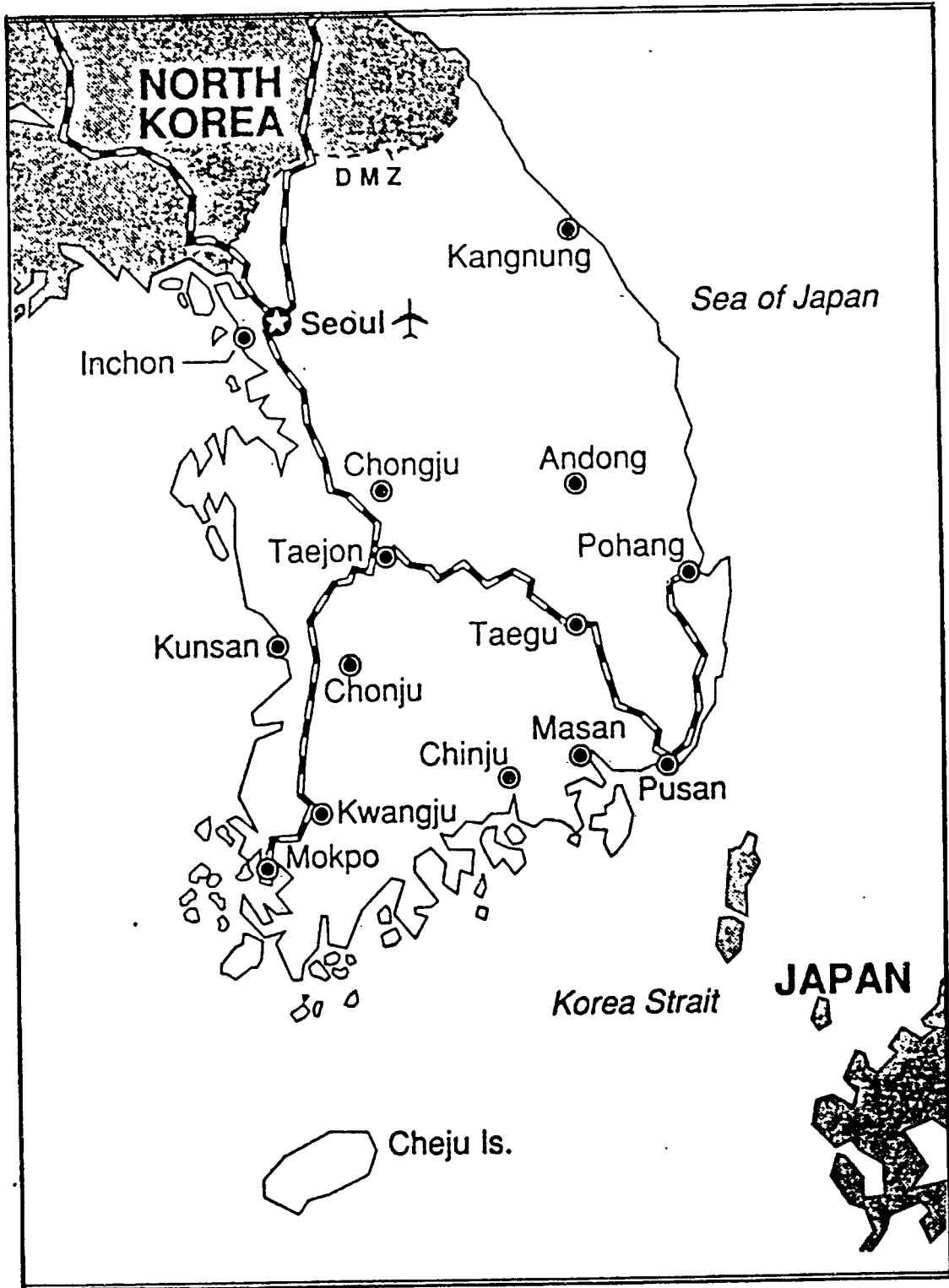
Moga Agricultural Cooperative

Established in 1961, the Moga agricultural cooperative serving 1092 farm households in its area of operation which consists of 80% of total population, extends credit and banking, marketing, input supply, and supply of consumer goods, insurance and warehousing facilities to its members. The cooperative extends educational facilities to its members and staff. Rice is the dominant crop in the area and red pepper, tobacco and vegetables consist of other cash crops grown in the area.

The elected board of management maintains a close link with the membership by different self-help groups such as farming societies, women's clubs, 4-H clubs, commodity groups, farm machinery joint utilization groups and joint work groups.

The society owns different facilities including its main office building, farmers hall, marketing centres, warehouses, farm machinery service centre, gas stations, transport vehicles and a recently-established modern rice processing complex. For the welfare of its membership the society operates a wedding hall, day nursery, recreation centres for seniors and beauty salons. The society's future plans include construction of one cold-storage warehouse and one marketing centre in the consumer area. The society plans to propagate extension education to popularize production of chemical free foods by using only organic fertilizers and environment-friendly farm inputs.

REPUBLIC OF KOREA



The society helps its membership by providing information on agricultural activities, support to grass-root groups, education and training of member farmers and fostering of young farmers to take over farming in future.

Kyungbuk Apple Cooperative

Established in 1927, the Kyungbuk Apple Cooperative is serving Taegu city and Kyungbuk province with a membership of 12821 persons with an orchard area of 10,795 hectares and an annual production of 257,960 metric tons of apple. The area of operation of the society called the apple country is famous for its quality apples and the society, in addition to its regular activities of credit and marketing, has branched into processing. The society had established a corrugated cardboard box factory for packing of apples in 1989 and established an apple juice processing complex in 1992. Incidentally it is gratifying to note that the apple juice plant was the project proposal prepared by Mr Hyun Keun Myung, sixth course participant and it is one of the six projects being operational in the Republic of Korea.

The value adding activities of the society have greatly contributed to the increase in incomes of farmer-members in the area. The apple juice plant produces 100% pure apple juice, the first of its kind in Korea. In addition to processing apple (cloudy and clear types) the society exports apples to Japan and during 1992 exported 1,563 metric tons of apple amounting to a foreign exchange earning of Won 1,630 million. Input supply, marketing, processing, mutual credit and insurance are the major activities of the society. The society owns a cold storage warehousing with a storage capacity of 60,000 apple boxes, a packing plant and a sorting house with a total investment of Won 20.6 billion. The society's apple juice has caught the consumers attention and is having a good market share in the country. A high-profile publicity campaign for this product has been put in operation.

NACF Branch Offices

NACF branch offices throughout the country have taken to the rural population modern banking facilities with added opportunities for using resources mobilised by NACF in urban areas. Urban savings are productively used for rural development. The marketing services are well coordinated with proper communication networking and the branch offices monitor the balanced investment programmes through channelling of surplus funds to deficit and needy areas. The loaning system is quite efficient with loans getting sanctioned the same day of application and terms and interest rates are different according

to source of funds. On-line system enables transfers and withdrawals at any given point in the country.

Marketing and Consumer Distribution Centres

The agricultural cooperative and marine wholesale marketing centre at Garak near Seoul, one of the 17 wholesale markets in the country and the cooperative consumer distribution centre are serving as important links between producers and consumers. The wholesale market in Garak is one of the five main markets for fruits and vegetables, marine and livestock products. Produce is marketed by auction and participated by 164 designated dealers. Price compensation scheme upto 90% of losses operates if prices of certain fruits and vegetables go below 80% of prevailing market prices. Cash movements are carried out through on-line system. Five companies including NACF operate in the market and the commission charged is 6% out of which 4.8% goes to the primary cooperative. 0.5 % is charged as fee on marketing turnover and for facilities like cold storage to the licenced wholesalers.

The consumer distribution centre established in 1988 by the NACF aims to cut short the role of middlemen in marketing and to increase the price to be paid to the producers. Forty items of fruits, 120 kinds of vegetables and 30 types of grains, in addition to livestock and processed items, are handled by the distribution centre daily. 280 cooperative supermarkets and 20 private supermarkets are the bulk consumers benefited by this distribution centre. The total marketing turnover during 1992 was 43 billion won and during 1993 the turnover projection is 50 billion won and 55,000 m/t of products. Orders collected by 9 am daily are executed the same day. Minimum price is based on previous day's wholesale auction price of Garak market. Commission charged is 4.8%. The Centre is expected to break-even during 1993, after three years of operation.

Cooperative Education and Training

Anseong Cooperative Leaders' Training Centre is an unique education institution in Korea established in 1983. The Institute conducts short-term courses for cooperative leaders and members and each group is composed of 300 persons and the training duration is of one week. Special groups are trained as per requests for specific periods. The mixed groups of leaders and employees help in creating better understanding of each other's needs. Another unique feature is the resident faculty which enables complete mix of faculty and trainees. Each selected

cooperative nominates about 10-20 leaders for training purposes. Besides general training, interested groups including women and youth form the basis of specialised training. Out of 150,000 cooperative leaders in the country, the institute has so far trained more than 75,000 leaders. Follow-up activities are given emphasis after training. Many leaders want to return to the institute for a second or third time for training purposes proving the affectivity and usefulness of the training imparted.

The Junior agricultural cooperative college operated by the NACF near Seoul takes care of the interests of employees and offers training facilities for staff and potential employees. Students trained in the college get employment in the various cooperatives at primary and national levels. Recently the college has also started leadership training course for members of cooperatives.

Livestock Cooperatives

National Livestock Cooperatives Federation (NLCF), established in 1981, has made considerable progress during the past 12 years and has introduced several services and facilities to its member cooperatives. Serving 144 livestock cooperatives and 27 specialised cooperatives with a total membership of 252,000, the NLCF operates and guides its membership with banking, insurance, marketing, purchasing, operation of feed mills, pasture management, livestock improvement through guidance and introduction of better quality breeds and processing and marketing of livestock products through the Seoul Livestock Products Marketing Centre. The current emphasis is on the rearing of quality domestic animals for meat products to face the competition from imported meat products.

Anyang Livestock Cooperative

The Anyang Livestock Cooperative is one of the largest livestock cooperatives located in the Seoul suburban area. Established in 1957, the cooperative has four branch offices engaged mainly in banking business. Out of 1964 livestock raising farmers, 1857 are members of the cooperative owning 339 breeding cattle, 1188 daily cattle, 314 heads of pig and 86235 poultry birds. The total amount of investment was 2,329 million won at an average of 1.3 million won per member. At the end of 1992, the society had 75.3 billion won as deposits and loaned 2.3 billion won to its members. It operates one feed mill with 200 m/t capacity per day. Total production quantity during 1992 was

113,000 m/t comprising different feeds for different livestock animals. The turnover during 1992 for purchasing business was 361 million won, and for marketing 4,510 million won. Artificial insemination centres and Korean native cattle improvement centre, and dairy cattle improvement centres help the members in producing better breeds and improvement of quality of their cattle. In addition the society offers guidance and educational activities and a sum of 325 million won was utilised for this purpose.

Seoul Dairy

The Seoul dairy cooperative complex operates three dairy plants and processes 1200 m/t of raw milk daily into pasteurized milk, butter, powder, yoghurt and ice cream. The plant visited by the participants has a daily capacity of 420 m/t. Established with 50% investment capital as loan from Japan, this plant caters to the demands of Seoul city consumers. 350 employees work in this plant. Raw milk collected through its various collection centres is distributed to the consumers in Seoul city after due processing. Quantity of bye-products are determined on the surplus quantity available during various seasons. The Seoul dairy accounts for 25% of milk while all dairy cooperatives process 40% of the total milk produced in Korea.

National Fisheries Cooperative Federation

The National Federation of Fisheries Cooperatives (NFFC) is the apex organisation for fishery cooperatives engaged in coastal and off-shore fishing. 81 primary fishery cooperatives with a membership of 157,335 fishermen is served by the NLCF by providing credit for boats and fishing gear. Rate of interest on this is only 5%. Almost one hundred per cent of fishing households are members of fisheries cooperatives. The share of coastal and off-shore fishing is 26% out of which 22% is accounted for by the NFFC. About two percent of total marine product exports are channelled through the NFFC.

General

The overall position of cooperatives in the Republic of Korea is on a secure ground of strong economic base now supported by a strong and democratically elected leadership. Structural changes like separation of banking activities from other non-banking activities, as contemplated by some policy makers in the new-government, if implemented, would create serious problems for the primaries and their national apex organisations as credit and banking form an important base for cooperative activities in the country.

For a cooperative institution which is engaged in marketing and supply of farm products and which has to remain in constant touch with the basic farmer-members (the producers), an active credit line availability is essential. Credit is an integral component of an agricultural cooperative, without which the marketing and supply activities would not produce effective benefits for the members.

27. NATIONAL REVIEW WORKSHOP ON MANAGEMENT OF AGRICULTURAL COOPERATIVES (FOLLOW-UP WORKSHOP), REPUBLIC OF KOREA
May 6-8, 1993

The Project has now completed seven years of its operation and 105 participants holding middle and senior managerial positions in their respective organisations have so far been trained. A total of 103 project proposals have so far been prepared and submitted by the Participants as part of their home country assignments.

In the Asia Pacific Region, level of development specially in the agricultural cooperative sector varies a great deal from country to country. The management capabilities of the Japanese agricultural cooperatives have given boost to business operations of agricultural cooperatives not only within the country but also abroad. Cooperatives have been dealing in import of a variety of agricultural products mainly to enhance the business of agricultural cooperatives, for instance, import of fertiliser-basics, animal feed etc. Agricultural cooperatives in Japan and Korea have also successfully, to a certain extent, influenced government policies with regard to import of certain critical agricultural products e.g. rice and fresh vegetables. It is feared that if such imports are liberalised, domestic farmers would suffer. Also cooperatives in these countries have mounted strong publicity campaigns in favour of enhancing consumption of home-grown rice and rice products.

Similarly, agricultural cooperatives have inter-woven cleverly the fabric of agricultural credit resulting into a smooth, sufficient and easy supply of funds to agricultural cooperatives. High scale mechanisation of agricultural operations is another positive factor.

In other countries of the region, agricultural credit has always been a key factor in sustaining agricultural production and in maintaining adequate food buffer stocks. Agricultural cooperatives play an important role in supplying food to such national stocks. Agricultural processing efforts are being enhanced and greater stress is being increasingly laid on developing infra-structure which is conducive to the growth of agricultural production as well as the agricultural cooperatives. These include: production of chemical fertilizers, effective and judicious use of farm chemicals, warehousing techniques, farm machinery development, environment friendly operations, intensification of farm extension activities in the form of farm guidance and better living activities within the agricultural cooperatives. All these efforts have borne some good results in many countries. However, there have been problems of management

of personnel and enhancing participation of members in the operations and organisation of their cooperatives. It is also important that relationship between the employees and board on one side and between the cooperative and its members on the other are harmoniously nursed, cultivated and sustained. For this, a lot of responsibility rests on the operational managers in agricultural cooperatives.

There is also a clear need to strengthen the basic character of a cooperative institution. Unfortunately, in several countries of the Region the State tends to over-ride the wishes of members of cooperatives, and the State tends to plan for the cooperatives. State also tends to manage these cooperatives. If such a situation is allowed to prevail, the State tends to control the management of cooperatives and the members, who are the owners, tend to go out of focus. They shift their loyalties and ignore their relationship with their cooperatives. Cooperatives, consequently degenerate and allow themselves to be called 'State agencies'. Cooperatives, if genuine and self-sustaining, can bring benefits to the members and to the community at large. Cooperatives, if democratically-controlled and efficiently managed on sound management principles, can bring enormous economic benefits to the members. Dairy cooperatives, sugar cooperatives, oil-seed cooperatives in India, in particular, are good examples of bringing additional benefits to their members through the application of value-addition principle. The entire agricultural cooperative operations in Japan and, to some extent in Korea, are geared to bring benefits to the members through instituting agro-processing activities and by setting up on-the-spot grading and packing facilities.

In shaping the destiny of a cooperative, the manager plays a vital role. The manager communicates the needs of the members and the community to the board, and the board of management then responds to these expressed needs. Members will begin to rally around their cooperative if they receive some economic benefits. Managers, thus have the responsibility to producer member-oriented and community-oriented programmes and business plans for the consideration of board of management.

It is in this context, that the ICA/Japan Project falls in a sharper focus, strengthening management of agricultural cooperatives. The main effort of the Project has so far been on improving the quality and skills of the managers so that they are able to plan better for their cooperatives and with value-addition benefits to the basic owners - the farmer-members.

Out of the 103 project proposals submitted by the participants, a number of projects are in different stages of implementation in various participating countries. Some of the projects could not be implemented due to a variety of reasons.

Though regular contacts with the former participants are being maintained in the ICA ROAP, it was felt that an effective face to face communication will bring about better follow up action results.

With this in view, and to assess the probable areas of success and the problems faced by the project promoters, and to exchange views with former participants, a programme of follow-up with former participants was included in this year's training programme for the first time. Taking advantage of the visit to the Republic of Korea for field study visits, the first follow-up Workshop was organised in Korea from 6th to 8th May 1993. All the 12 former participants from the Republic of Korea were invited to attend the Workshop held in Seoul Manhattan Hotel. The participants of the 7th training course also attended the workshop to exchange views with their seniors to understand the various technicalities involved and the problems faced by the former participants in implementing their projects.

Out of twelve former participants, eight participants, seven representing the NACF and one representing the NLCF, attended the Workshop sessions and presented status papers on their projects' implementation. Out of the remaining four former participants, two are currently in USA for higher education and two were out of Seoul on official work and could not attend.

Senior officers of the NACF in charge of planning and implementation and coordination of international operations attended the Workshop and guided the deliberations. Mr Shiro Futagami, Managing Director of IDACA, also attended the Workshop on special invitation from the ICA ROAP.

The Workshop experience, first of its kind so far, has been found to be very useful in assessing the follow up of project implementation in Korea. It is really gratifying to note that out of the twelve project proposals submitted so far, three projects are in full operation, three project proposals have been accepted in principle for implementation and the concept of one project has been accepted nationwide as a developmental strategy. Thus a total of seven projects are now successfully working or being planned for execution in the country and credit goes to the participants, the NACF and the cooperatives for accepting the project ideas and implementing them to achieve the ultimate objective of the Project, i.e. to give increased income to the member farmers by way of value adding activities.

Based on the success of this follow up workshop, the ICA now plans to hold similar short-duration workshops for former participants from India, Sri Lanka and Thailand. Overview of the Project implementation position could be clear once a number of these kinds of follow-up workshops are held and their deliberations assessed.

The formal inaugural session of the workshop was addressed by Mr Yong Jin Kim, Director-General of the International Cooperation Department of the NACF, Mr Shiro Futagami, Managing Director of the IDACA, and Dr Daman Prakash, ICA Project Director.

The current position of various projects implementation are as follows:

1. Integrated Area Development Project by Mr Jin Woo Kim, participant to the First Training Course, 1986/87

The Project was conceived to cover 2 villages and 157 farm households to increase the income of the farmers through organised integrated approach like better alternative cropping patterns, increasing heads of cattle, reduction of labour force through mechanization to reduce the work burden on aged labour working in the farms and to encourage participation of younger farmers to take over the responsibilities from their elders and thus reducing the migration to cities. Reorganisation of cropping patterns and marketing support for farm produce was also envisaged. Although the project as such could not be implemented in the area for which it was designed, the concept of integrated cooperative development approach was well appreciated by the NACF and it has become a part of its developmental strategies for future. The integrated area approach was adopted in several other project areas of NACF cooperative network.

Thus the project could be taken as successfully implemented to benefit the farmer-members.

2. Cheongsan Kimchi Plant Project, by Mr Hyang Kyu Lee, participant to the Third Training Course, 1988/89

The Project has been implemented and is fully operational. The Project is implemented by the Cheongsan Agricultural Cooperative, located about 4 km away from the main office of the cooperative, it was started in 1989 and completed on March 29, 1991. The Plant is now in full operation for the last two years.

With the implementation of this project, farmers' desire for PAC to handle their radish and Chinese cabbage for Kimchi processing has been achieved. The plant processes 17 metric tons of kimchi including salted vegetables daily. Yearly production capacity is 5,100 m/t for 300 days of work. The plant produces different varieties of kimchi and Chinese cabbage kimchi is the main item of production. The plant has started exporting its kimchi products to Japan recently.

The plant has 110 employees and the President of the Cooperative is also the President of the Plant. Since the plant is located near the city of Seoul and military installations, marketing is not a major problem. The plant, of course, experiences shortage of raw materials at times and efforts are being made to overcome this difficulty.

The following investments have been made by the cooperative with financial assistance from the NACF and the government:

Land	242 million won
Building-plant, cold storage storage, office etc.	1642 million won
Machinery	408 million won
Transport vehicles	138 million won
Constructed facilities	215 million won
Others	392 million won
Total investments	3,037 million won.

For the construction of the plant, the cooperative got government loans of 335 million won, NACF loans of 2.899 billion and own funds of 305 million won. NACF also loaned 700 million won for working capital requirements.

Marketing is done through 10 NACF supermarkets in Seoul and Incheon cities, 60 supermarkets of primary agricultural cooperatives and 18 regional sales agents. Sales turnover for the year 1992 was: ordinary sales 1,655 million won; military supply 424 million won; and exports Won 347 million. The plant is at present incurring losses due to initial overhead costs and is expected to break even within two years.

The Plant has brought the following benefits to the farmers:

- i. Increase in vegetable production in the area due to stable assured market for the products;
- ii. Increase in farmers income both direct and indirect like employment to farm household women;

111. Better quality kimchi produced and readily available with a dependable coop brand name.

With the implementation of the Project, the image of the NACF as an organisation working in the interests of farmers has also increased in the area of operation.

The NACF arranged a visit to this Plant for the benefit of participants and resource persons from the ICA and the IDACA.

3. Fruit Processing Mill Project by Mr Sang Derk Lee, participant to the Fourth Training Course, 1989/90

The Project has been implemented and is fully operational. The project started work in 1990 and was completed in June 1992 by the Sam Ran Jin Primary Agricultural Cooperative, with the active support of the NACF and the government. The project has been designed for fruit processing and fruit storage in frozen form. The total capital cost of this project was 2,760 million won. Main products processed include ; semi-processed strawberries, peaches, and grape juice.

The production cost during 1992 was 558 million won, while the sale proceeds was Won 592 million won resulting in a profit of 34 million won. Increase to the member-farmers' income, both direct and indirect, was Won 465 million.

The problems faced in implementing this project proposal included escalation in cost estimates resulting in cost overruns, lack of technical expertise with the cooperative, and lack of knowledge of modern techniques of fruit processing. However, all the difficulties were overcome with the active help and support of NACF and the positive approach of farmer-members.

Due to rapid industrialization of rural areas, the plant area is experiencing shortage of labour especially during farming seasons. Working capital shortage is being experienced by the plant during peak fruit season. Difficulty to attract really competent technical personnel for the operation of the plant, area being rural and wages being comparatively low, does not attract talented technicians. Loss in processing due to perishability of raw material is high. The cooperative is however hopeful of surmounting all the difficulties and problems with the active support of its members and of the NACF and to progress in the years to come.

4. Kyungbuk Apple Processing Plant, by Mr Hyun Keun Myung, participant to the Sixth Training Course 1991/92

The Project is implemented and is fully operational. The plant is being operated by the Kyungbuk Apple Cooperative. Kyungbuk province has the largest apple growing area in Korea with 450,000 tons of apple production, 65% of total production in the country. Hence the need was felt for processing of apples into juice to give added benefit to the farmers. The Project idea was conceived with the above objective.

The plant became fully operational in November 1992. Investment on the plant is as follows:

Land	5,310 million won
Building for plant	350 "
Cold storage	188 "
Packing house	123 "
Office building etc.	95 "
Sorting centre	47 "
Total investment	6,113 million won.

For the above investment, the cooperative received financial assistance from government by way of subsidy of Won 1200 million, a soft loan of Won 1,500 million won, term loan from NACF of 3,000 million and society's own funds of Won 11,149 million.

The plant produces 100% pure apple juice, first of its kind in Korea and natural cloud apple juice. The products of the plant are marketed through consumer packs and bottles and cans and is very well received by Korean consumers. NACF's cooperative chain stores, supermarkets and private stores function as marketing channels for the product and an intensive advertisement campaign has been launched by the cooperative to further encourage consumption of pure apple juice. Vigorous efforts are also being made to export the products to Japan and few European countries. Though the price is comparatively higher, consumer preference for the product has been established due to pure and high quality of juice.

The benefits of this Project could be listed as follows:

- i. Consumption pattern from raw fruit consumption to pure apple juice is getting changed.
- ii. Use of apples for processing during seasons and off seasons. Thus ensuring better prices for producer members.

- iii. Employment opportunities for member-farmers and their family-members, both part and full time basis.
- iv. Benefits to members by way of better prices for their good quality apples, as well as use of other quality products for processing and by receipt of dividends on plant operational profits.
- v. Processing activity has enhanced the image of the cooperative as well as that of NACF as organisations working in the interest of farmer-members.

The plant was visited by the participants as part of the study visits programme and participants had the chance of tasting the products of the plant.

5. Feed Mill Project in Jeonla Province by Mr Lee Yun Hee, participant to the Second Training Course, 1987/88

The Project is under active consideration for implementation. The Project was planned to establish a feed mill of 300 tons per day capacity in Jeonla province and was to be implemented by cooperatives in the province jointly., Main product was envisaged as feed for beef cattle. Due to government policy of not allowing new feed mills establishment, due to imports from abroad, this project could not be implemented earlier. But due to recent changes in governmental policies to revise the feed control act, it is hoped that the long cherished desires of farmer members in the area will be fulfilled. Due to the change in the government policies, the NACF has now decided to construct three feed mills including the above proposed one in the near future.

6. Dairy Plant in Kimje Area prepared by Mr Byung Ho Jeong, Participant to the third course, 1988/89

The Project is under active consideration for implementation by the National Livestock Cooperative Federation for the establishment of a dairy plant in Kimje area of Korea. The NLCF priority of investment is for older projects and this project will be implemented later. A meat processing plant is under consideration of the NLCF in the area of the project.

7. Choongnam Dairy Plant Project by Mr Won Tae Kim,
Participant to the Sixth training course, 1991/92

The NLCF has accepted, in principle, to implement this Project and efforts are on to purchase the land for the site. An agreement to purchase the land has already been cleared. Implementation schedule will be worked out in the near future.

8. Feed Mill Plant by Mr Byung O Kang, participant to the
4th training course, 1989/90

The Project is under implementation. Construction activities are on and the Project is expected to be functional in a few years time.

9. Marketing of Chinese Cabbage Project by Mr Chong Hyun Baik,
Participant to the first training course, 1986/87

The Project could not be implemented due to change in the cropping pattern in the area and due to personnel problems.

10. Cold Storage Project by Mr Chung Shik Shim, participant
to the Second training course, 1987/88

Due to cost overruns and change in policy, it has not been feasible to implement this project. Cold storages are no more viable economic propositions in Korea unless the capacity is huge. Small cold storages have proved uneconomical and hence the project may not be implemented.

11. Red Pepper Processing plant by Mr Shin Kie Yup and
12. Meat Processing Mill by Kyu Hyun Lee, participants to the
Fifth training course, 1990/91

Both the participants are currently pursuing higher education in USA and hence the present status of their projects could not be ascertained.

General

The follow-up exercise proved very useful in getting the latest information on the implementation of different projects and it is really gratifying to note that a few of them are actually working and were visited by the participants, the ICA and IDACA resource persons. The exercise has encouraged the ICA to conduct similar exercises in other countries which will enable the ICA to document the implementation of the projects for submission to the Donors, the Ministry of Agriculture, Forestry and Fisheries of the Government of Japan.

The exercise has given adequate pointers that the Training Courses and participants' efforts have not been in vain and that many projects, functioning in different countries, though small, are making their own contributions to achieve the ultimate aim of the Project and its objectives i.e. to increase the income and standard of living of small farmers through value added activities.

28. CONCLUDING SESSION

The concluding session of the Seventh ICA Japan Management Training Course was held at the NACF premises on 8th May, 1993. The session was addressed by Mr Churll Hee Won, Executive Vice President of the NACF, Mr Shiro Futagami, Managing Director of IDACA, Japan and Dr Daman Prakash, ICA Project Director. Mr Won congratulated the Seventh Course Participants for successfully completing the course and wished them well in their future assignments. Mr Shiro Futagami, Managing Director of IDACA, addressing the session also congratulated the participants on their successful completion of the six-month long course and hoped that the experiences gained by them in the four country situations would be of use to them in their future work. He felt the follow-up workshop was very useful and had given more encouragement for further work. He requested the participants to do their utmost to see that the Projects prepared by them are implemented so that some benefits could accrue to the grass-root level farmers. Mr Won and Mr Futagami thanked the ICA and Dr Prakash and Mr Ganesan for successfully implementing the six-month long Programme to its fruitful conclusion.

1 Dr

Dr Daman Prakash thanked the NACF and its senior officers for their able assistance and collaboration for successfully completing the study visits programme and the follow up workshop programme in Korea. Dr Prakash thanked Mr Shiro Futagami for having accepted the ICA's invitation for participation in the follow up workshop and for all the guidance given by him to the participants during the deliberations.

Certificates of Attendance were awarded to the participants of the Seventh Course jointly by Mr Churll Hee Won, Mr Shiro Futagami and Dr Daman Prakash.

The participants departed for their respective home countries on 9th May 1993.

29. END-OF-THE COURSE-EVALUATION AND RECOMMENDATIONS

Towards the end of the training programme, an End-Of-The-Course Evaluation was given to the participants. A special Evaluation Questionnaire was designed. The main objectives of this evaluation were; (i) to assess the level of understanding of various aspects brought to the participants; (ii) to assess the utility and relevance of the programme; and (iii) to pick up ideas from the participants with a view to improve the quality of future programmes.

All the 15 participants, representing 11 countries, filled in the Evaluation Forms. The information thus received was analysed and computed. Given below is a summary of the main points which emerged from the analysis.

1. As to the participants' objectives they said:

- to learn management techniques in agricultural cooperatives in Asia by studying various models of development;
- to bring about qualitative and quantitative improvements in cooperatives;
- to increase farmer-members' income;
- to enhance members' participation in the organisation and business operations of their cooperatives;
- to increase own knowledge and enhance personal career development;
- to understand intricacies of management and inter-personal relationship among subordinates and seniors;
- to help improve quality of rural development through better-managed agricultural cooperatives;
- to gain knowledge and skills of preparing a cooperative development project according to management techniques and practices,
- to develop leadership quality and managerial skills;
- to understand level of development, culture and social life in the covered countries;

- to appreciate the developmental efforts of cooperative sectors in India and Japan on dairy cooperatives and distribution of agricultural produce;
- to understand the mechanism of agricultural coop.credit;
- to understand financial management of large-size agricultural cooperatives;
- to understand education and extension techniques in agricultural cooperatives - to improve operations and performance.

Achievements of Objectives:

- Of the Course : All Yes, some very well and some 'to some extent'.
- Of Participants: All yes, between 60-80%, All fully appreciative of the inputs made. None indicated if any of the personally perceived objectives not fully achieved.

2. Some of the special areas of interest indicated by the participants were:

- value addition aspects,
- management techniques,
- emphasis of R & D in Japanese agrl.coops.
- growth of dairy and sugar cooperatives in India,
- awareness among coop leadership in Japan,
- participation of women in agrl.coops in Japan,
- handling, grading and packing of products in Japan,
- freedom of operation, decision making in Japan,
- fight the competition spirit in Japan.

3. General impressions on the total structure, contents and location, and conduct of the Course:

- Most logically structured, contents are balanced, arranged in a proper sequence, and covered the ideal location with appropriate infrastructure;
- professionally managed and supported by appropriate qualified faculty,

- technically competent leadership, sound organisational capacity, well-handled practical and financial matters, highly respect-oriented attitude of course leadership towards participants, experienced and technical capability blended together.

4. Rating of learning experiences as indicated by the participants (in order of priority):

1. Management techniques,
2. Integrated cooperative development strategies,
3. Skills in preparing cooperative development projects,
4. Skills in appraising cooperative development projects,
5. Value addition aspects,
6. Management leadership,
7. Analysis of financial statements,
8. Decision-making,
9. Working in groups etc. etc.

5. Recruitment of Participants:

- Invitation to be sent from the ICA with the full contents of the programme to ensure receipt of applications from appropriate participants,
- ICA to carry out prior consultations with member organisations on selection. If possible interview the candidates to ensure:
 - age group conformity,
 - language proficiency,
 - work environment.
- ICA to select only the movement officials, government departments have various other opportunities available for training through government network.
- One person per country, and not more than two from one country.

6. Relevance and usefulness of the Course:

All of them commended the authenticity, usefulness and relevance of the programme. The following are of interest:

- no deletion of any subject from the programme,
- time allocation for subjects needs attention,

- additional topics suggested were:

- other areas like fisheries, forestry and consumer cooperatives may be added,
- in India part talks from NAFED, NCDC and Banks Federation may be included. etc.

7. Most of the participants felt that management aspects handled in India Part were most relevant and useful in their own situations, personally and professionally.

8. On collaborating organisations, the participants expressed their satisfaction with the collaboration and performance of :

- the Indian Institute of Management, Ahmedabad
- the VM National Institute of Coop Management, Pune
- Cooperative League of Thailand,
- IDACA in Japan,
- National Agricultural Cooperative Federation of Korea.

9. On group-work the participants said:

- groups lacked dynamism,
- strong initial orientation needed from the beginning
- group members to be rotated periodically.

10. On study-visits the following points emerged:

- generally logical and relevant,
- study material to be recast, to be made more concise,
- all study material in one volume in advance,
- special mention was made of Amul in India, large-sized agricultural coops in Thailand, prefectural federations in Japan, and the NACF market and distribution centre in Korea.

11. Some of the general observations were:

- This is the most useful management specific course, it should be continued.
- Accommodation in hotels should be single room basis to facilitate better studies,
- Member organisations of the ICA and sponsoring organisations should commit themselves to the implementation of the projects and the ICA to monitor the development closely.

- For home assignments better to use former participants.
- ICA to monitor future contacts with all the former participants.

12. On the Korea National Follow-up Workshop, the participants said:

- This was the most useful exercise introduced by the Project which enabled the former and current participants to get together and exchange their experiences and problems.
- The current course participants appreciated the visits to the operational projects (of the former participants) and felt enthused to replicate the same work in their home situations.
- Such national follow-up workshops should be conducted in all participating countries.

RECOMMENDATIONS

13. The participants made the following main recommendations:

- 13.1 With the completion of the present course, seven management training courses have been held and they have been very well received by ICA member organisations in the region. There is a demand to increase the number of participants from many countries.
- 13.2 In view of the effectiveness of the training course, the donors, the Ministry of Agriculture, Forestry and Fisheries, (MAFF) of the Government of Japan, should continue its funding assistance for years to come to enable the developing cooperative movements in the region to benefit from experiences of other countries, especially those of Japan.
- 13.3 Member-organisations of the ICA should ensure proper nominations so that the training imparted on the participants are of benefit to the movements.

- 13.4 Member-organisations should ensure the continued services of participants in their respective spheres of cooperative activity so that the training imparted do not go waste. The costs incurred by the ICA on each participant are high and this contribution of the ICA should be respected and duly acknowledged.
- 13.5 ICA member-organisations are requested to extend their continued full support to this programme by way of nominating the most deserving candidates and observing the time table for recruitment of trainees.
- 13.6 The JA Zenchu and IDACA which have so far extended their full support to this programme, should strengthen their efforts to organise financial and technical assistance to the projects prepared by the participants in different countries. A fund should be created on a modest scale to assist the small scale projects in the Asian countries.
- 13.7 Although the training programme is of a longer duration, it is recommended strongly that the participating organisations should participate in it fully because of its high quality and great relevance.
- 13.8 ICA member-organisations should give maximum possible publicity to this programme among their affiliates so that most appropriate nominations are made to the programme.
- 13.9 It was suggested that the following additional topics be included in future training programmes:
- Women's participation in agricultural cooperatives in the Japanese agricultural cooperative movement,
 - Environment-friendly activities in agricultural cooperatives in Japan,
 - Relationship between consumer cooperatives and agricultural cooperatives in Japan,
 - Visits to primary level cooperatives in the sectors of fisheries and forestry.

- 13.10 The final report of the training programme be distributed among the participants and the sponsoring organisations for follow-up activities.
- 13.11 The follow-up workshop held in Korea has been found very useful and informative. Such workshops should be held on rotation in every participating country over a period of years and some funding assistance for this purpose may be needed.
- 13.12 Many projects in Korea are functioning and have been implemented. It may not be the case in other countries having paucity of resources. It may be necessary for the donors to have some funding programme specially for these projects as they do not require huge investments and that they are only small-investment oriented projects.

COURSE PROGRAMME

PART - I : COURSE PROGRAMME IN INDIA

Monday, November 09, 1992 - Tuesday, January 05, 1993.

Nov 08, 92	Sunday	Arrival of Participants in Delhi
Nov 09, 92	Monday	- Inauguration - Introduction to ICA ROAP - "Course Methodology."
Nov 10, 92	Tuesday	Review of Cooperative Situation in the Region - Presentation of country background papers by participants.
Nov 11, 92	Wednesday	Visit to the National Cooperative Union of India (NCUI) Visit to National Agricultural Cooperative Marketing Federation of India (NAFED)

Nov 12, 92	Thursday	Presentation of country background papers by participants (contd.)
Nov 13, 92	Friday	Presentation of country background papers by participants (contd.)
Nov 14, 92	Saturday	Presentation of country background papers by participants (contd.)
Nov 15, 92	Sunday	FREE / Sight-seeing in Delhi.
MODULE ON INTEGRATED COOPERATIVE DEVELOPMENT November 16-22, 1992		
Nov 16, 92	Monday	Introduction to the Concept of Integrated Cooperative Systems (ICS) OHP Transparencies Presentation AMSAC Slides Presentation.
Nov 17, 92	Tuesday	Potential for Developing Integrated Projects
Nov 18, 92	Wednesday	Essential Features of ICS Case: Saranga Cooperative Sugar Factory.
Nov 19, 92	Thursday	Role of the Manager in ICS Case: Royal Multipurpose Coop Society (A & B)
Nov 20, 92	Friday	Basic Cost Concepts and Breakeven Analysis
Nov 21, 92	Saturday	Costs for Decision-making.
Nov 22, 92	Sunday	Visit to Taj Mahal, Agra
MODULE ON PLANNING & MANAGEMENT (I) November 23 - December 2, 1992		
Nov 23, 92	Monday	Understanding Financial Statements.
Nov 24, 92	Tuesday	Product Costing Case: Anand Regional Cooperative Oilseeds Growers Union Ltd. 21st Annual report (1990-91) Working Capital Management
Nov 25, 92	Wednesday	Operations Planning and Control; Procurement Decisions. Case: Cebu Corn Dry Milling Company Mahapalika Rice Mills Company
Nov 26, 92	Thursday	Operations Planning and Control: Product Mix Decisions Case: Planning the Product Mix of Panchatantra Corporation.

Nov 27, 92	Friday	Demand Assessment
Nov 28, 92	Saturday	Pricing Case : United Fruit Company
Nov 29, 92	Sunday	Visit to IFFCO Management Development Institute at Gurgaon and interaction with farmers.
Nov 30, 92	Monday	Marketing Strategy Case: Milk Vita Ice Cream
Dec 01, 92	Tuesday	Cooperative Marketing Case: Satan's Eucalyptus Film: Principles of Cooperative Marketing.
Dec 02, 92	Wednesday	Cash Flows : Time Value of Money
MODULE ON PLANNING & MANAGEMENT (II) December 3-12, 1992		
Dec 03, 92	Thursday	Techniques of Investment Analysis
Dec 04, 92	Friday	Investment Appraisal Case: Sabitha's Modern Rice Mill Project
Dec 05, 92	Saturday	Sensitivity Analysis
Dec 06, 92	Sunday	FREE
Dec 07, 92	Monday	Location and Capacity Analysis Case: The Capacity Problem of Fatehnagar Oil Complex.
Dec 08, 92	Tuesday	Strategic Planning Decisions for Operations Case: Government Silk Filature, Chikahalli.
Dec 09, 92	Wednesday	Network Techniques Exercise on Network Techniques.
Dec 10, 92	Thursday	Organisation Design Case: Phonhong II Cooperative Society
Dec 11, 92	Friday	Integrated Case Case: Rama Reddy's Rural Development Dilemma (A & B)
Dec 12, 92	Saturday	Business Planning Analysis of Bench Mark Data
Dec 13, 92	Sunday	Travel to Pune (By Air). Stay at VMNICOM Hostel, Pune.

		WORKSHOP AT VMNICM AND STUDY VISITS IN MAHARASHTRA STATE.
Dec 14, 92	Monday	Workshop on Management of Processing and Marketing Cooperatives, at VMNICOM, Pune.
Dec 15, 92	Tuesday	Workshop on Management of Processing and Marketing Cooperatives (contd.)
		FIELD STUDY VISITS TO AGRICULTURAL COOPERATIVES IN MAHARASHTRA
Dec 16, 92	Wednesday	Travel to Ahmednagar (By Bus). Visit Pravara Sahakari Sakhar Karkhana. Stay at Hotel Amar, Ahmednagar.
Dec 17, 92	Thursday	Visit to Kolhar Badruk Multipurpose Cooperative. Visit to District Central Cooperative Bank, Ahmednagar
Dec 18, 92	Friday	Visit to Agricultural Produce Market Committee, Ahmednagar. Travel to Pune (By Bus) Stay at VMNICM Hostel, Pune.
Dec 19, 92	Saturday	Visit to Pune District Cooperative Milk Producers Society (Katraj Dairy Cooperative) Visit to Pune District Cooperative Marketing Society, Pune.
Dec 20, 92	Sunday	Visit to Maharashtra State Cooperative Union. Travel to Bombay (By Train). Stay at Hotel Natraj, Bombay.
Dec 21, 92	Monday	FREE
Dec 22, 92	Tuesday	Visit to Maharashtra State Cooperative Bank. Visit to National Bank for Agriculture & Rural Development (NABARD)
		FIELD STUDY VISITS TO AGRICULTURAL COOPERATIVES IN GUJARAT
Dec 23, 92	Wednesday	Travel to Anand (By Train) Visit to a Primary Milk (dairy) Cooperative.
Dec 24, 92	Thursday	Visit to National Dairy Development Board, NDDB Visit Institute of Rural Management, Anand Visit to AMUL and primary milk coop Stay at NDDB Guest House.

Dec 25, 92	Friday	Visit Anand Regional Oil Seeds Growers Union Visit to a community development programme around Anand.
Dec 26, 92	Saturday	Visit to a village service cooperative/agricultural credit society. Lunch Travel to Ahmedabad (By Bus) Stay at IIMA Hostel, Ahmedabad. MODULE ON PROJECT DESIGN
Dec 27, 92	Sunday	Briefing
Dec 28, 92	Monday	Guidelines for Project Preparation Comprehensive Case Analysis
Dec 29, 92	Tuesday	Field Visit to IFFCO Cooperative Fertilizer Plant, Kalol.
Dec 30, 92	Wednesday	Comprehensive Exercise
Dec 31, 92	Thursday	Comprehensive Exercise
Jan 01, 93	Friday	Comprehensive Exercise
Jan 02, 93	Saturday	Comprehensive Exercise Presentations Summing Up. Travel to Delhi (By Air).
Jan 03, 93	Sunday	FREE
Jan 04, 93	Monday	Closing Session in Delhi Farewell dinner by ICA
Jan 05, 93	Tuesday	Travel to Bangkok by AF 180 at 0930 hours.

FIELD STUDY VISITS PROGRAMME IN THAILAND

Tuesday, 05 January to Wednesday, 13 January 1993

Jan 05, 93	Tuesday	Arrival of Participants from New Delhi. FREE / Sight-seeing in Bangkok.
Jan 06, 93	Wednesday	0900 Inaugural Session at the Cooperative League of Thailand (CLT). Introduction to CLT & Cooperative Movement in Thailand. 1330 Visit to Cooperative Promotion Department (CPD), Ministry of Agriculture, Thailand. 1600 Leave for Airport for Travel to Chiangmai by TG-108 at 1845 hrs.

Jan 07, 93	Thursday		Visit to Chiangmai Provincial Cooperative Office. Visit Chiangmai Provincial Agricultural Cooperative Federation.
Jan 08, 93	Friday		Visit Maectaeng Agricultural Cooperative Visit Sansai Land Settlement Cooperative
Jan 09, 93	Saturday		Visit Nakorn Chiangmai Consumer Cooperative Society Local Visits.
Jan 10, 93	Sunday		FREE - Sight-seeing
Jan 11, 93	Monday		Visit Sanpathong Agricultural Cooperative
		1530	Leave for Bangkok by TG-107 at 1735 hours.
Jan 12, 93	Tuesday		Concluding Session at CLT
Jan 13, 93	Wednesday		Departure of Participants to their home countries for Home Country Assignments.

PART-II OF TRAINING COURSE IN IDACA, TOKYO, JAPAN
Monday, 22 February to Sunday, 25 April 1993

Feb 21, 93	Sunday	Arrival of Participants in Tokyo.
Feb 22, 93	Monday	Inauguration. Introduction to IDACA Project Appraisal Session of Projects prepared by participants.
Feb 23, 93	Tuesday -] Project Appraisal Sessions (contd.)
Feb 27, 93	Saturday	
Feb 28, 93	Sunday	
Mar 01,93	Monday	Project Appraisal Sessions (contd.P)
Mar 02,93	Tuesday	Comments by Resource Persons on Projects.
Mar 03,93	Wednesday	Visit to National Level Federations of Agricultural Cooperatives in Japan
Mar 04,93	Thursday	Lecture on Japanese Culture, Economy and Society.
Mar 05,93	Friday	Agriculture in Japan.
Mar 06,93	Saturday	Group discussions.
Mar 07,93	Sunday	FREE Sightseeing in Tokyo.
Mar 08 93	Monday	History of Japan and Change of Rural Communities.
Mar 09, 93	Tuesday	Organisation and Business of Agricultural Cooperatives.
Mar 10, 93	Wednesday	Business of Agricultural Cooperatives- Purchasing Business.
Mar 11, 93	Thursday	Business of Agricultural Cooperatives - Marketing Business and Price Support System.
Mar 12, 93	Friday	Farm Guidance Activities of Agricultural Cooperatives.
Mar 13, 93	Saturday	Review of Lectures and group discussions.
Mar 14, 93	Sunday	FREE
Mar 15, 93	Monday	Travel for Study Visits to Kagoshima Prefecture.
Mar 16, 93	Tuesday	Visit to Prefectural Union and Federations in the Prefecture.
Mar 17, 93	Wednesday	Visit to Agricultural Cooperative - Study of Multipurpose Operations of Business.
Mar 18, 93	Thursday	Visit to Agricultural Cooperative - Study of Member Organisations and Member Living Activities.

Mar 19, 93	Friday	Observation of Agricultural Experiment Station and other agricultural related organisations.
Mar 20, 93	Saturday	FREE - Sight-seeing in the Prefecture.
Mar 21, 93	Sunday	Travel to Tokyo.
Mar 22, 93	Monday	Business of Agricultural Cooperatives - Credit Business
Mar 23, 93	Tuesday	Case Study-I : Farm Guidance and Regional Farm Management Groups.
Mar 24, 93	Wednesday	Case Study-II : Better Living Activities of agricultural cooperatives
Mar 25, 93	Thursday	Business of Agricultural Coops' Processing Business.
Mar 26, 93	Friday	Case Study-III: Processing Business.
Mar 27, 93	Saturday	Review of the study visit and lectures/group discussions.
Mar 28, 93	Sunday	FREE
Mar 29, 93	Monday	Observation of Zen-Noh Ohta Fruits and Vegetables Market (Zen-Noh Chokuhan Milk Plant) Travel to Ibaraki
Mar 30, 93	Tuesday	Observation of Agro-processing Business of JJA-Satomi.
Mar 31, 93	Wednesday	Role of Agricultural Cooperatives for Invigoration of Rural Communities.
Apr 01, 93	Thursday	Methods for Formulation of a Regional Agriculture Promotion Plan.
Apr 02, 93	Friday	Exercise on Regional Agricultural Promotion Plan.
Apr 03, 93	Saturday	Group discussions.
Apr 04, 93	Sunday	FREE
Apr 05, 93	Monday	Travel to Nagano Prefecture for Study Visits.
Apr 06, 93	Tuesday	Visit to the Prefectural Union and Federations - Observation of processing facilities of Economic Federation.
Apr 07, 93	Wednesday	Visit to Agricultural Cooperative-Study of Regional Planning.
Apr 08, 93	Thursday	Visit to Agricultural Cooperative-Study of Agro-Processing.
Apr 09, 93	Friday	Travel to Tokyo
Apr 10, 93	Saturday	Review of Study Visits - Group Discussions.
Apr 11, 93	Sunday	FREE
Apr 12, 93	Monday	Educational activities of agricultural cooperatives.

Apr 13, 93	Tuesday	Business Administration in Agricultural Cooperatives.
Apr 14, 93	Wednesday	Agricultural Loss Compensation Scheme Business of Agricultural Cooperatives: Mutual Insurance Business
Apr 15, 93	Thursday	Visit to Forestry and Fishery Federations in Tokyo.
Apr 16, 93	Friday	Consumer Cooperatives in Japan - An Introduction.
Apr 17, 93	Saturday	Group discussions.
Apr 18, 93	Sunday	FREE
Apr 19, 93	Monday	Present Situation and Problems of Trade among Coops.
Apr 20, 93	Tuesday	Publishing Activities of Agricultural Cooperatives - IE-NO-Hikari.
Apr 21, 93	Wednesday	Report Writing
Apr 22, 93	Thursday	Report writing
Apr 23, 93	Friday	Evaluation Closing Ceremony.
Apr 24, 93	Saturday	FREE Technical matters for travel.
Apr 25, 93	Sunday	Travel to Seoul, Republic of Korea.

FIELD STUDY VISITS PROGRAMME IN
THE REPUBLIC OF KOREA,
Sunday, 25 April to Friday, 07 May, 1993

Apr 25, 93	Sunday	Participants arrive in Seoul from Tokyo
Apr 26, 93	Monday	Inauguration Visit to Agricultural Cooperative College Introduction to Agricultural Cooperatives in Korea (Credit, Marketing, Supply and Insurance) Welcome dinner by NACF.
Apr 27, 93	Tuesday	Visit to National Livestock Cooperatives Federation. Visit to National Federation of Fisheries Cooperatives.
Apr 28, 93	Wednesday	Visit to an Agricultural Cooperative Society.
Apr 29, 93	Thursday	Visit to Ansong Coop Leaders Training Centre. Visit to Kyoungbuk Provincial Office of NACF
Apr 30, 93	Friday	Visit to Kyoungbuk Apple Cooperative Sight seeing to Kyoungju Historical sites.

May 01, 93	Saturday	Visit to Korean Folk Village
May 02, 93	Sunday	FREE
May 03, 93	Monday	Visit to Garak Agri Cooperative Marketing Centre - Cooperative chainstore - Hyundai Department Store - Farmers Handicrafts Centre
May 04, 93	Tuesday	Visit to a Livestock Cooperative Society. Visit to Seoul Cooperative Dairy.
May 05, 93	Wednesday	FREE - Children's Day Holiday

NATIONAL REVIEW WORKSHOP ON MANAGEMENT OF
AGRICULTURAL COOPERATIVES (FOLLOW-UP WORKSHOP)
Republic of Korea

Thursday, May 06, 93

0900-0930	Inauguration of the Review Workshop
0930-1000	Workshop Methodology
1000-1200	Presentation of former Participants' Status Papers.
1200-1400	Lunch break
1400-1600	Status Papers - Discussion (contd.)
1600-1800	Introductions by ICA ROAP, IDACA, NACF and NLCF Distribution of Evaluation Sheets

Friday, May 07, 93

0900-1100	Proceed to Pochun Agricultural Coop
1100-1200	Visit to the Cooperative
1200-1330	Lunch
1330-1500	Visit Cooperative Kimchi Plant
1500-1700	Move to Seoul Manhattan Hotel.

Saturday, May 08, 93

0900-0930	Leave Hotel for NACF
0930-1130	Presentation of Evaluation Summary
1130-1200	Closing Session Award of Certificates
1200-1230	Move to Hotel
Afternoon	Free
1800-200	ICA Farewell Dinner

Sunday, May 09, 93 Departure of Participants to their Home Countries.

COURSE PARTICIPANTS

- | | |
|----------------|---|
| Bangladesh | 1. Mr. Muhammad Habibullah
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| India | 2. Mr. Indrabhan Karbhari Kadu
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| Indonesia | 5. Ir. Achmad Kosasih
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| Korea, Rep. of | 7. Mr. Han Ju Lee
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| | 8. Mr. Byeong Hak Lee
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| Malaysia | 9. Mr. Salleh bin Hj.Rehduan
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|-------------------|-----|--|
| Pakistan | 10. | Mr. Syed Maqbool Hussain Shah
Circle Registrar, Forest Cooperative Societies
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| Philippines. | 11. | Mr. Philmore C. Quilat
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| Sri Lanka | 12. | Mr. A.F.A. Perera
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Bandarawela Multipurpose
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Bandarawela, Sri Lanka. |
| | 13. | Mr. A.G.S.M. Navaratne Banda
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Aranayake Multipurpose Coop Society Ltd
Aranayake, Sri Lanka. |
| Thailand | 14. | Mrs. Amporn Vongsopa
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| Vietnam | 15. | Mr. Le Van Nhu
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Central Council of Vietnam Supply and
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| Programme Officer | | Mr. A.H.Ganesan
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International Cooperative Alliance

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7th ICA/JAPAN Training Course for Strengthening Management
of Agricultural Cooperatives in Asia, 1992-1993

(9th November, 1992 - 8th May, 1993)

INDIA - THAILAND - JAPAN REP. OF KOREA



Muhammad Habibullah
Bangladesh
Bangladesh Samabaya
Bank Ltd



Indrabhan Karbhari Kadu
India
Padmashri Dr. Vittaharao Vikhe
Patil Sahakari Coop. Sugar Factory



Subhash Singh
India
National Agri. Coop. Mktg.
Fed. of India Ltd.



Ram Swaroop Jakhar
India
Rajasthan State Coop. Land
Development Bank



Achmad Kosasih
Indonesia
Union of Indonesian
Dairy Coops



Marleza Hafezi
Iran
Central Organisation for
Rural Coops of Iran



Han Ju Lee
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Salleh Bin Hj. Rehduan
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Dep. of Cooperative
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Syed M. Hussain Shah
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Amporn Vongsopa
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Le Van Nhu
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Supply and Mktg. Coops.



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