

Agricultural Sub-Committee for South-East Asia

First Meeting

Venue Tokyo, Japan

Dates November 6 - 7, 1967

International Cooperative Alliance, Regional Office
& Education Centre for South-East Asia,
43 Friends' Colony, New Delhi-14, India

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia
18 Friends' Colony, New Delhi - 14

J/ 5th October 1967

MEMORANDUM ON THE AGENDA

FIRST FORMAL MEETING OF THE ICA SUB-COMMITTEE ON AGRICULTURAL
COOPERATION FOR SOUTH-EAST ASIA

Venue : Tokyo, Japan

Dates : 6-7 November, 1967

AGENDA ITEM NO. 1 : Election of the Chairman of the Sub-Committee

It was unanimously agreed at the first informal meeting of the Sub-Committee which was held on 22nd January 1967 in New Delhi, that Mr. H. Yanagida should act as the Provisional Leader of the Sub-Committee until the election of a Chairman is formally held.

The Committee may now like to receive nominations duly seconded by members for the Chairman of the Sub-Committee.

AGENDA ITEM NO. 2 : Confirmation of the Minutes of the Informal
Meeting held on 28th January 1967 in New Delhi

No comments having been received from the members, the Minutes may be confirmed.

AGENDA ITEM NO. 3 : Secretary of the Sub-Committee

It may be recalled that Dr. P.R. Baichwal, Specialist in Agricultural Cooperation with the Regional Office & Education Centre had worked as the Secretary of the Sub-Committee until the end of July 1967. Dr. Baichwal has now left the employment of the ICA.

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The Regional Office is considering the appointment of an Agricultural Cooperator who is expected to join his duties by the middle of January, 1968. He will act as the Secretary of the Sub-Committee, while in the interim period the Regional Officer could take care of the normal functions of the Secretary of the Sub-Committee.

AGENDA ITEM NO. 4 : Work Programme

The Sub-Committee may like to express its precise viewpoints on the annual work programme of the Committee. Some suggested areas are mentioned below :

(i) Collection of Data on the nature of cooperative organisations in the Region

At present no comprehensive data is available on the nature and working of agricultural cooperatives in the countries of this Region. During 1965-66, the ICA Regional Office & Education Centre collected data on some aspects of the working of cooperatives at the national levels. The data collected covered aspects such as the nature of activities, membership, composition of the boards of management etc. This data was published under the title entitled "Directory of Cooperative Organisations in South-East Asia". In this publication, no attempt was made to provide detailed information on aspects such as the composition of working capital, the nature of management and the exact nature of the problems of the cooperatives. It is hoped that the collection of such data on the agricultural cooperatives at the national level and also for other important cooperatives at lower levels would enable the committee in locating problem areas. This would further facilitate the Committee in drawing up more realistic work programme in years to come. It may be mentioned that this programme is in line with the suggestion made by a number of members of the Sub-Committee at its informal meeting held in New Delhi on 28th January 1967.

It should be added that the Advisory Council is considering the possibility of the Regional Centre undertaking a Study on "Multi-purpose Cooperatives in Ceylon". A verbal report will be presented on the matter about the discussions in the Council.

(ii) Cooperative Processing

At present no systematic data is available on the nature of processing undertaken by the agricultural cooperatives in this Region. In some countries, plans are also being made for initiating a number of cooperative processing societies. The ICA Regional Office & Education Centre collected some information on the nature of cooperative processing societies in these countries. The data collected was

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mainly factual and covered, number of societies, type of commodities processed, the value of goods processed etc. No attempt was, however, made to collect information on the problems and potentialities of cooperative processing with regard to different commodities in the Region. Apart from providing the Sub-Committee the essential information on cooperative processing, it would also facilitate the Sub-Committee in ascertaining the exact nature of problems in the development of cooperative processing in these countries.

AGENDA ITEM NO. 5 : Building up and Circulation of Documentation on a systematic basis in the field of Agricultural Cooperation

The Committee may like to consider the practical ways of achieving the above objective.

AGENDA ITEM NO. 6 :

The Japanese Cooperative Movement have suggested the following as additional activities for the Sub-Committee :

- (i) Organize a study of the organisational pattern of agricultural cooperatives, particularly relating to the establishment of multipurpose cooperative society at the primary level;
- (ii) Explore the ways and means of enabling cooperative movements to form national cooperative organisations, where they do not exist, to give adequate voice to the agricultural cooperative movements in the planning process of the countries in the Region;
- (iii) Devise and suggest the ways and means whereby cooperative organisations could be strengthened to acquire increased trading functions on an international basis;
- (iv) Examine the possibility of forming a Survey Team which could undertake for a period of two years the required survey of agricultural cooperatives in the Region; and
- (v) Consider the problem of ensuring international stability of prices of agricultural produce in the context of over-all economic development of the developing countries. The relevance of the Asian Development Bank in this connection has also been pointed out.

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AGENDA ITEM NO. 7 : Technical Assistance to Agricultural Cooperatives

The Sub-Committee may like to devote its attention to the following two questions :

- (i) How best can the agricultural cooperative organisations be assisted through international technical assistance in their development and what steps should be taken to achieve this objective?
- (ii) What should be the more immediate and the long-term measures for carrying out the objective mentioned in (i) above? Specific suggestions for the plan of action may be offered.

AGENDA ITEM NO. 8 : Follow-up action on the Recommendations of the Third Asian Agricultural Cooperative Conference

Several members of the Sub-Committee had also attended the Third Asian Agricultural Cooperative Conference which was held in New Delhi from 23-28 January 1967.

Although the final report of the Conference is not available at the time of drafting the Agenda Notes, it may be recalled that one important aspect of the recommendations related to the training programmes in the field of agricultural cooperative trade. The follow-up action in this regard has been taken by the ICA Regional Office & Education Centre and it is now proposed that in collaboration with the Japanese Agricultural Cooperative Movement, a Conference on International Cooperative Trade in South-East Asia will be held in Tokyo some time in the middle of 1968. Representatives of cooperative organisations engaged in international cooperative trade will be invited to such a conference. Some important subjects likely to be covered at the conference are :

Present organisational structure in the field of cooperative marketing and its ability to handle export trade; pre-requisites of international cooperative trade; surplus commodities in the Region (agricultural and non-agricultural) for marketing abroad; aspects of quality control; scheduling of orders and continuous dissemination of market information etc.; and, personnel training of cooperative trading organisations.

AGENDA ITEM NO. 9 :

The Committee may like to consider the practical aspects relating to the future convening of the Committee meetings (e.g. a budget for the Sub-Committee, sharing of costs etc.).

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AGENDA ITEM NO. 10 : Date and Venue for the next meeting of the Sub-Committee

The Sub-Committee may decide the date and venue of its next meeting.

Any other item with the permission of the Chair.

Agricultural Sub-Committee for South-East Asia

First Meeting

Venue Tokyo Japan

Dates 6 and 7th November 1967

International Cooperative Alliance, Regional Office
& Education Centre for South-East Asia,
43 Friends' Colony, New Delhi-14, India

MINUTES OF THE FIRST MEETING OF THE ICA SUB-COMMITTEE ON
"AGRICULTURAL COOPERATION FOR SOUTH-EAST ASIA"

Venue : Golden Room of the Agricultural Coop. Building
Otemachi, Chiyodaku, Tokyo, Japan.

Dates: 6th and 7th November 1967.

The following were present:

1. Mr H Yanagida, Executive Director, Chairman
Central Union of Agricultural Cooperatives
5, 1-chome, Otemachi, Chiyodaku, Tokyo, Japan.
2. Mr K.W. Devanayagam Vice-Chairman
Vice-President (Alternate Member
Cooperative Federation of Ceylon, from Ceylon)
455 Galle Road, Colombo-3, Ceylon.
3. Mr Irwin H Hunter Member
Marketing Manager
Westralian Farmers Cooperative Limited
569 Wellington Street, Perth. W. Australia
4. Mr V.N. Puri Member
Vice-President
National Agricultural Coop. Marketing Federation
E.11, Ring Road, Defence Colony, New Delhi. 3. India
5. Mr Chong Chul Cha Member
Researcher, Research Department
National Agricultural Cooperative Federation
75, 1-ka, Choonjgong Ro, Sudaemoon ku
Seoul. Korea.
6. Atty. Beinvenido P Faustino Member
General Manager, Central Cooperative Exchange
Feati Bank & Trust Co Building,
Epifanio de los Santos Avenue,
Mandaluyong. Rizal. Philippines
7. Mr Serajul Huq Member
President, Bogra Central Coop Bank Ltd
Bogra. East Pakistan.
8. Dr S.K. Saxena
Regional Officer, ICA Regional Office &
Education Centre for South-East Asia,
43 Friends Colony, New Delhi. 14

9. Mr Alf Carlsson
Director, EC, ICA Regional Office & Education Centre
for SE Asia, 43 Friends Colony, New Delhi.14

Special Invitees

1. Mr Y Mori
President
Central Union of Agricultural Cooperative
5, 1-chome, Otemachi, Chiyodaku, Tokyo. Japan.
2. Professor D.G. Karve
Chairman, ICA Advisory Council
899 Shivaji nagar, Poona.4. India

Agenda Item No. I - Election of the Chairman of the Sub-Committee
Election of the Vice-Chairman of the Sub-Committee

Until the election of the Chairman of the Sub-Committee⁺⁺
the Regional Officer, Dr S.K.Saxena, presided.

Members were welcomed by Mr Y Mori, President of the Central Union of Agricultural Cooperatives, who referred to the problem of rising population in South-East Asia and the need for ensuring adequate supplies of food. This emphasised the need for improvement of techniques of production, marketing, land tenure systems, irrigation etc. There was also the need to influence agricultural policies increasingly in favour of the farmers. Although the pattern of development of agricultural cooperatives was, in many ways, different in the countries of the Region, there was enough common ground to be covered which could provide the basis for collaboration among the various movements within the Committee. The Committee was the first extension of the main Agricultural Auxiliary within the structure of the Alliance and as such its results could well act as a model for developments in other parts of the world.

The Regional Officer thanked Mr Mori for the excellent facilities provided by the Central Union. Nominations were then invited for the Chairmanship of the Committee.

The name of Mr H.Yanagida (Japan) was proposed by Mr K.W.Devanayagam (Ceylon) and was duly seconded by Atty. Beinvenido P.Faustino (Philippines). In the absence of any other nominations, Mr H.Yanagida (Japan) was declared unanimously elected as Chairman of the Committee.

⁺⁺ Hereinafter, referred to only as "the Committee"

The Chairman took his seat amidst applause and, after thanking the group for the honour they had done him, invited nominations for the Vice-Chairmanship of the Committee. The name of the delegate from Ceylon (Mr K.W.Devanayagam) was proposed by the representative from Pakistan, and was seconded by the Indian delegate. The delegate from Ceylon (Mr K.W. Devanayagam) was then declared unanimously elected to the Vice-Chairmanship of the Committee.

Agenda Item No. II - Confirmation of the Minutes of the Informal Meeting held on 28th January 1967 in New Delhi

The Minutes of the two informal meetings which were held in New Delhi on 22nd January and 28th January 1967 were confirmed.

The Committee agreed that the words "from South-East Asia" should be added after the word "organisation" in the first line of Clause II of the Constitution of the Committee.

It was also agreed that a convention should be developed whereby a Chairman from one particular movement may not be elected for more than two consecutive terms.

On the question of resources for defraying the international travel expenses of members for the meetings of the Committee, it was pointed out on behalf of the ICA that the practice within the Alliance was that no travel expenses were met by the ICA for attending the meetings of the Auxiliaries.

Agenda Item No. III - Secretary of the Sub-Committee

A new man with adequate background of agricultural cooperation had been appointed in the Regional Office & Education Centre to service the Committee. He had replaced the former Secretary who had resigned.

It was agreed that the movements in the Region will supply to the Secretariat information about agricultural cooperative movements in their own countries which, after proper compilation, would be fed back to the Committee. This system was to be carefully established and it was important that the time taken in processing the data was not unduly long. The movements could also specify the priorities of the fields in which they wanted the information to be collected. Some subjects cited were: selected commodities (their production, prices etc.), methods of farming and especially successful cooperatives.

The Chairman then invited members to express their views with regard to the problems faced by agricultural cooperatives in their countries. The discussion could then form the background against which the work programme of the Committee could be discussed in some depth.

After congratulating the Chairman and the Vice-Chairman on their elections, the Regional Officer remarked that the setting up of the Committee was, for the Regional Office, the fulfilment of a long standing objective. A number of important Auxiliary Committees had emerged within the structure of the Alliance as the need was felt for cooperators to discuss problems which were, perhaps, peculiar to their own sector of cooperative activity. These Auxiliary Committees continued, for obvious reasons, to function primarily within the European context. After World War II, when the Alliance received within its fold an increasing number of cooperative movements from developing parts of the world, it was felt that a way should be found whereby cooperators of those countries also could have the advantage of a framework which was, until then largely available to European Cooperators. This recognition was further reinforced by the heavy expenses on international travel which did not allow cooperators e.g. from South-East Asia to attend meetings held in Europe and also by the different problems experienced in developing countries.

As a result, at the Seventh Agricultural Conference held preceding the ICA Congress in Vienna, on August 30, 1966, the constitution of the ICA Sub-Committee on Agricultural Cooperation for South-East Asia was unanimously approved. At the time when the Director was preparing a review of the structure of the Alliance including the Auxiliary Committees, the example we set in the working of this Committee will have a significance far beyond the boundaries of South-East Asia alone. We may, thus, be quite consciously influencing the future pattern of organization of the Auxiliaries for other developing parts of the world.

In the preparation of the Memorandum on the Agenda, information had been asked for from different movements in the Region for indicating the subjects which should form the basis of Agenda Notes. Further information was elicited during personal conversations with representatives of cooperative organisations. Finally, the agenda notes had also drawn upon the thinking which had been done within the Regional Centre itself.

In view of the somewhat inadequate response from the movements, however, it must be recognized that the agenda notes had perhaps been prepared on too narrow a base. On the other hand, this being the first meeting, a free and wide ranging discussion would help in concretizing the work programme of the Committee.

If the purpose of the Committee was to enhance the welfare of the farmer in our part of the world through the application of the technique of cooperation in agriculture, the scope of the work of the Committee would divide itself into the following two broad areas. First the major obstacles in realizing this objective will have to be identified.

Under this, three main aspects could perhaps be considered as the crucial ones. First, faulty systems of land ownership had denied to the farmers the required incentives and resources for improvement of agriculture. In several countries (Iran, India and the Philippines) large programmes of land reform had been initiated and the Committee may like to study and develop projects whereby the cooperative movement could provide solutions to problems arising out of this major social and economic change.

A second problem was the question of agricultural prices and their stabilisation on the international market. The recent trends in the decline of prices of primary produce had severely affected the lot of the farmer and had caused serious problems of balance of payments in many countries of the Region. The Committee will have to do some serious thinking in this field and study the role of Cooperation within this wider issue. It will have to take stock of what had already been done by other organisations, for example, the Food and Agriculture Organisation of the UN and coordinate its efforts with like-minded organisations in order to achieve the maximum impact.

A third obstacle was the weak or even the complete absence of representative agricultural cooperative organisations in a number of countries in the Region; in some places, there were competing organisations which reduced each other's strength. Farmers, because of the highly dispersed nature of their work and because of their antipathy to accept new ideas unless their practical utility was demonstrated, were always difficult to organise. The Committee will have to address itself to this problem and will need to sort out significant organisational models through a process of intensive discussion, persuasion and research.

Keeping in mind this large background the Committee could, to begin with, undertake the following:

- a. Gather on a continuous basis documentation which would help the Committee to evolve meaningful policies on some of the issues stated earlier;
- b. Suggest measures for enhancing the economic power of the farmer, (cooperative processing, technical assistance projects, adequate representation to farmers' cooperative organisations on regional and international economic issues affecting the farming community) and,
- c. Examine the measures (publicity, propaganda etc) for helping in the formation of national agricultural cooperative organisations.

Professor D.G. Karve (Chairman of the ICA Advisory Council) expressed his gratefulness to the Chairman for allowing him to participate and referred to the developments in the field of Agricultural Cooperation in Australia and Japan. In Australia, a desirable identity of interest had been attained between cooperatives and farmers' organisations, while in some other countries the situation was different and the two organisations had grown independently of each other and even showed some antagonism in their relations. He saw the task of cooperators to exert maximally to promote agriculture generally and to undertake important extension work in which cooperatives had hitherto not been very active. No governmental agency could bring about the transformation of outlook which a farmers' own organisation, the cooperative, could do. Holdings were **small** and, individually, the farmer could not arrange to provide himself with the facilities which would give him the maximum reward. This was something which a cooperative organisation could do for him. Whether the cooperatives could actually achieve these results would depend, fundamentally, on the rise in agricultural productivity they were able to bring about. The Committee's efforts, in other words, will be measured by the practical improvements in agriculture in the Region.

Mr Irwin H Hunter, Australia, expressed his pleasure at being able to participate in the important work of the committee which covered a wide area of fundamental tasks necessary for the growth of the economies of the Region. It was important that the Committee concentrated its discussion on problems at the grass root level especially on questions relating to productivity. Marketing, both internal and international, had to be developed on sound lines. There were a number of broader aspects which had to be taken into account e.g. land ownership, rapid rural-urban migration in the Region.

Mr K.W. Devanayagam, Ceylon, agreeing with the importance of areas of work mentioned earlier (productivity, marketing, land reforms), saw the basic task of the Committee to achieve economic independence for the farmer. Sometimes, in the tendency to industrialize a country, agriculture had not been given its due attention in the Region. Large quantities of food had to be imported and this placed severe burden on the country's foreign exchange resources. The question of achieving self-sufficiency in agricultural products was, therefore, a vital one. Better prices had to be ensured and experience in selling internally and internationally had to be imparted to cooperative organisations. Finally, the governments in many countries of the Region had an interest in the growth of the cooperative movements and the role of the government departments had to be clearly visualized to avoid overlapping and confusion.

Mr V.N.Puri, India, recognizing the ultimate objective as one of helping to **achieve** increased productivity, wanted the Committee to give attention to the problem of brain-drain from the village to the cities. The governmental agencies could not catch the imagination of the farmer. There was, in addition, the problem of achieving an economic unit in different countries, a concept which was essentially dynamic in character and which differed according to a variety of considerations. Thus, the involvement of the farmer and the creation of economic units were two of the basic problems to which the cooperative technique had a definite solution to offer. Perhaps a study could be made of the relations of farmers' organisations and the cooperative organisations.

Mr Puri also referred to the relationship of the Committee to the ICA Advisory Council for South-East Asia and did not want the former to become an adjunct of the latter. If that was not achieved, the usefulness of the Committee would be lost. He concluded by drawing attention to the need for factual regional studies in different aspects of **Agricultural Cooperation**.

Mr Chong Chul Cha, Republic of Korea, referred to the three cooperative movements functioning in his country in the fields of agriculture, fisheries and small and medium industries.

With the exception of the agricultural cooperative movement, the other two were, both organisationally and functionally in a primitive stage. There were a number of serious difficulties which had to be got over. There was a great lack of funds and the rate of capital formation was not high enough. Low productivity and strict limitations on farm holdings to three hectares characterized Korean agriculture. The primaries had been organised from top downwards and 40 to 100 farm households averaged the membership of a primary society. There was in the rural areas large incidence of unemployment and underemployment and one possible approach for the solution of this problem was the cooperative industrialisation of the countryside. This was a field in which outside assistance and technical expertise was required and the Committee would like to explore the possibilities of obtaining such assistance. A reference was made to foreign trade with UNICOOPJAPAN and the internal obstacles experienced in this field by the cooperative organisations. Finally, proper documentation had to be circulated on successful cooperative organisations throughout the Region.

Mr Serajul Huq, Pakistan, referred to the fact that Pakistan was a newly born country. The holdings in East Pakistan were small. There was a great need for increasing food production. Techniques and methods of Japanese paddy cultivation had helped to raise productivity. Jute was grown for export and mechanized cultivation was being increasingly attempted.

The Member from Pakistan generally supported the comments made by the previous speakers.

Atty. Beinvenido P Faustino, Philippines, emphasized that the collection of data, its collation and evaluation on a regional basis should be the primary task to which the Committee should address itself. It was important that the regional perspective was kept in mind. The Committee should direct its attention at three levels, namely,

- a) the farmer level, where methods of enhancing productivity and ensuring better returns should be studied and brought to the attention of the cooperative movements,
- b) the association level, where subjects such as organisational structure, financing schemes etc. would need to be gone into, and
- c) the country level, where possibilities of international trade in agricultural produce should be studied and analysed.

Mr H. Yanagida, Chairman, emphasized that the Committee will have to address itself to fundamental regional problems. One of the basic questions was the protection of the interests of the farmers. It was vital that the present situation was kept constantly in mind and discussions were not carried out in isolation from reality.

Agenda Item No. IV - Work Programme

- i. Collection of Data on the nature of cooperative organisations in the Region
- ii. Cooperative Processing

Agenda Item No. V - Building up and Circulation of Documentation on a Systematic basis in the field of Agricultural Cooperation

Agenda Item No. VI - Additional Activities for the Sub-Committee suggested by the Japanese Cooperative Movement

The Chairman suggested that Agenda Items IV, V, and VI were closely related and could, therefore, be taken up together for discussion.

With regard to Agenda Item IV (i), it was suggested that the role of cooperatives in increasing production and in marketing and distribution was an important one and on which information should be collected by the Secretariat of the Committee. Besides, subjects such as extension work, methods of farming, harvesting, management, the

tasks of farmers' organisations supply of inputs were other important areas on which information had to be collected. There was some discussion about the manner of collection of such data and the agency through which this information should be obtained. The Committee felt that this should be done through the national level organisations of agricultural cooperatives and that each member of the Committee should be responsible for the supply of such data.

Once the data was collected, it was important to establish how the data was to be utilized and evaluated for agricultural cooperative development. It was important to bear in mind that questions relating to increase in productivity were also closely connected with the policies of the governments. Although it would considerably broaden the work of the Secretariat if information on all governmental policies, directly or indirectly, related to agricultural development were to be collected, it would be best to exercise discretion and isolate the more significant policies or aspects of policies on which documentation should be built up. For instance, the government in several countries had been using cooperatives for purposes of marketing and distribution and information on these practices would be of direct interest to cooperators. A reference was made to the Study on Cooperative Marketing on which the Regional Centre was engaged for some time. The main commodities on which information would be of general interest were wheat, rice, corn, sugarcane and coconut. It would be important for the Secretariat to examine the existing material in the field. Recently, the Asian Development Bank had carried out a survey in the Region and since it was premature for the Committee to sponsor a study team on its own at this juncture, the survey report of the Asian Development Bank, if made available, would be very useful. Attention was also drawn to the work done by the Asian Productivity Council in the field of agriculture.

Some members felt that it was perhaps a bit premature to specify the commodities on which information was to be collected and that the choice should rather be left to the Secretariat itself. There were other equally important aspects such as the structure of cooperative organisations, their internal and external relations, member education, and staff training.

Regarding Agenda Item No. IV (ii), the Committee thought it important that information should be collected on cooperative processing activities and this should cover information about facilities for storage also.

With regard to Agenda Item No. V, the Committee suggested that the national level cooperative organisations in the field of agriculture and the members of the Committee should be the main source for obtaining information. It was agreed that members of the Committee should respond expeditiously to the requirements of the Secretariat for necessary information.

The Committee then considered Agenda Item No.VI, and the Chairman, speaking as the Japanese representative, indicated that the suggestions which had been sent to the Regional Centre and which were listed in Agenda Item No.VI, were to be considered flexible and could be considered in some detail at the next meeting of the Committee.

Regarding Agenda Item No.VI (1); a reference was made to the study which the Regional Centre was proposing to conduct in the field of multipurpose cooperatives in Ceylon and the suggestion was made that this might be a study which the Committee could sponsor. It was a happy coincidence that the Centre had proposed for 1968 this concrete case study and if this could be completed by the next meeting of the Committee, its practical usefulness could then be ascertained.

Concerning Agenda Item 6 (ii), the present situation in the various countries of the Region was briefly surveyed and it was found that in several countries national level agricultural cooperative organisations either did not exist or were weak. There then ensued a general discussion about the ways in which strong national level agricultural cooperative organisations could be created. It was suggested that practical coordination was the best means to achieving the goal of a strong national level organisation. For instance, if merchandising could be done together, this would enable the organisations to obtain discounts and see the practical usefulness of collaborating in a national level organisation. The Committee felt that the Secretariat should at this stage issue letters to the various movements in South-East Asia and inquire about the position of national level agricultural cooperative organisations.

Agenda Item No.6 (iii) related to devising and suggesting ways and means for strengthening cooperative organisations to acquire increased trading functions on an international basis. It was generally felt that in view of the comprehensive trade survey which had been sponsored by the ICA and which would be out in the near future, no further action was to be taken until the report was out and studied by the Committee. The members expressed keen interest in the Trade Report.

Agenda Item No. VII - Technical Assistance to Agricultural Cooperatives

The aspect of obtaining increased technical assistance for agricultural cooperative organisations was attaining urgency in view of the important functions which agricultural cooperatives were now undertaking. One of the important fields in which such assistance was required was that of agricultural processing which directly benefited farmers' economically. Project feasibility reports were of crucial importance and some relevant areas were rice shelling, groundnut cakes etc. The findings of the seminar which the Regional Centre had held in Bangalore in 1966 December on "How to Establish a Cooperative Processing Plant" were useful and the existing feasibility reports

could be collected and made available to the various movements. In this connection, the important role played by the United Nations Agencies was underscored. The FAO was directly interested in the development of agriculture generally and of agricultural cooperatives as well. In addition, the Committee should keep itself informed of the working of the Asian Development Bank. The efficacy of the international agencies would depend on the creation of effective and appropriate channels which could direct the assistance from an international organisation to the farmers. Perhaps the Committee could select viable economic units and recommend them for assistance to international organisations. It was important that the approach was made on a highly selective basis. Example was cited of Australia where technical services were made available in the fields of animal husbandry and financial aid was made dependent on productivity considerations.

Some members outlined the difficulties experienced in obtaining assistance from international agencies for the use of cooperatives. In many countries, governments had laid down the priorities and it was difficult for cooperative projects sometimes to qualify for priority assistance. Might it not be useful that information and plans for agricultural cooperative development activities were sent to the ICA or to the Committee for screening and support? Perhaps the Chairman and the Secretariat could act as a small committee and as soon as thinking was crystallized on a particular project, the Committee could take direct contact with the organisation which was able to assist. In this connection, the importance of keeping intimate contact with international agencies like the Asian Development Bank, FAO etc. was recognized and the offer of the Philippine Cooperative Movement to keep such contact with the ADB on behalf of the Committee and to keep the Secretariat posted was very much appreciated.

In discussing questions of technical assistance, attention should be given to the various links which existed between the cooperative movements and the governments. There was a tendency in many advanced countries to involve governments in projects of technical assistance to cooperatives. In Japan, such assistance was budgeted through the government. A reference was made to the Asian Agricultural Conference which was held sometime ago in Japan where a decision was taken to raise production of rice in the ECAFE Region. As a result of the deliberations of that Conference, the Japanese Government was planning to extend assistance and was considering the ways in which know-how, literature, and finance could be most effectively supplied. Some time ago, the Japanese Government had sent a study team to some selected countries to study the possibilities. It was, therefore, extremely important that the movements kept very close touch with their own governments, since

with the assistance of the governments, cooperative organisations could help to raise agricultural productivity. Some reference was made to Japanese agriculture and it was pointed out that the holding in Japan was very small, and therefore, the cooperatives were promoting group farming, so that economies of scale could be realized. Technical advisers were made available to the primary societies and the expenses for advisers were met by the members, or alternatively, by subsidies from the budget of the society. More fundamental research, for instance, the nature of fertilizer required for a particular crop, was the concern of the Government Farm Advisory Services while its actual application was done through technical advisers working with primary cooperatives. The government agency and the cooperatives were thus working in unison with each other. At present, Japanese agricultural cooperatives supplied 80 per cent of the total fertilizer requirements of the farmers, 80 per cent of the farm chemicals and 50 per cent of feeding stuffs. This indicated how effective links could be forged between the cooperative movement and the government, and the committee must, therefore, inquire into the relations of the government with the cooperative movement which could benefit a project of assistance.

At the same time, it was emphasised that the cooperative movement, fundamentally, was a voluntary movement. It was pointed out that cooperative organisations in Australia were quite free from government control although the government departments advised cooperatives and non-cooperative organisations alike. Cooperative organisations themselves provided assistance to farmers from their own organisations such as from the Technical Department of the Westralian Farmers Cooperative Limited in Western Australia. This resulted in the farmers routing their business through the Westralian Farmers Limited.

In the industrialized countries also there was increasing tendency to draw upon government funds for technical assistance since no movement, by itself, could afford the large finances required for execution of technical assistance projects. It was pointed out that the ICA could try to exercise more pressure on the governments to lend increasing support to cooperative projects for technical assistance.

Although the Committee appreciated the need for maintaining close liaison with the government and for government funds to be increasingly utilised for the development of cooperative projects, the need for keeping a flexible approach was emphasized and it was pointed out that flow of technical assistance from movement to movement must be given importance as there was bound to be a better appreciation of mutual problems between the donor and the recipient movements.

Agenda Item No. VIII - Follow-up Action on the Recommendation of the Third Asian Agricultural Cooperative Conference

The follow-up action on the recommendations of the Third Asian Agricultural Cooperative Conference was briefly presented and some additional information was given about the forthcoming seminar on International Cooperative Trade in South-East Asia which was to be held in Tokyo some time in the middle of 1968 with the collaboration of the Central Union of Agricultural Cooperatives, Tokyo, and the Institute for the Development of Agricultural Cooperation in Asia, Tokyo, on the one hand, and the Education Centre of the ICA Regional Office for South-East Asia on the other.

The Committee underlined the importance of choosing the subjects for the seminar very carefully and of obtaining competent resource persons. Some reference was made to the European Common Market and it was suggested that the Conference should keep in mind and explore the possibilities of developing international trade in situations where regional economic groupings were becoming more important. The influence which cooperative movements could exercise on trade agreements was also to be noted. At the same time, the success of cooperative trading depended upon the internal strength and structure of the organisations themselves. In this connection, Australia would welcome receiving information about trade climate in South-East Asia so that they could more precisely indicate the ways in which they could help.

Agenda Item No. IX - Practical Aspects relating to the Future Convening of the Committee Meetings

The Committee was unanimous that it was extremely important that financial self-sufficiency was reached by the Committee in its operations. Several members lauded the Japanese offer of meeting the local costs and the Committee agreed that the host organisation should meet all the local costs including the costs of ICA officials for attending the meetings. The Committee should not, however, meet more than once a year, although, if necessary, commodity meetings could be held as and when required. The problem of shortage of foreign exchange would continue with several countries in the Region and it was perhaps, practical to hold the first few meetings in countries which particularly experienced this problem. It was advisable to organize the ICA Advisory Council and ICA Sub-Committee on Agricultural Cooperation Meetings at the same place and where the ICA Advisory Council member was competent to participate in the Sub-Committee meeting, the national union could send only one representative for both the bodies.

1. The Committee agreed as follows:

- i. The ICA Advisory Council and the ICA Agricultural Sub-Committee were two separate bodies.
 - ii. Where practical, the Agricultural Committee should meet at the same place where the Advisory Council was meeting but this was not necessarily to be so.
 - iii. However, where practical and where a member on the Advisory Council was from the Agricultural Cooperative Movement and if the concerned movement wished so, one person could attend both the meetings.
 - iv. The host organisation would pay all the local costs of the members of the Committee including the participating officials of the ICA. Local costs generally would include board and lodging, field trips, transport etc.
 - v. If the Advisory Council was meeting in a country which did not have representation on the Agricultural Committee, the Secretariat should negotiate with the host organisation if the Agricultural Committee could also meet at the same place.
2. Subject to negotiations with Malaysia where the next Advisory Council was to hold its meeting, the Agricultural Committee could also meet in that country.
3. Subject to confirmation by the Cooperative Federation of Australia, the member from Australia invited the Committee to hold their meeting in 1969 in Australia where the Cooperative Movement of Australia will also try to show the members of the Committee the operations on small, medium and large-scale farms.

With a vote of thanks to the Chair and to the Japanese Cooperative Movement for the facilities extended, the Meeting came to a close.

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Agricultural Sub-Committee for South-East Asia

SECOND MEETING

Venue KUALA LUMPUR (MALAYSIA)

Dates 10th and 11th November 1968

International Cooperative Alliance, Regional Office
& Education Centre for South-East Asia,
43 Friends' Colony, New Delhi-14, India

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia, P.O.Box 3021,
43, Friends' Colony, New Delhi -14
India

A/20th September 1968

SECOND MEETING OF THE ICA AGRICULTURAL SUB-COMMITTEE
FOR SOUTH-EAST ASIA

Kuala Lumpur, Malaysia : Nov 10-11, 1968

PROGRAMME AND AGENDA

1. Welcome by: Mr P.E.Weeraman, Regional Officer, ICA Regional Office and Education Centre for South-East Asia.
2. Introductory remarks by: Mr H.Yanagida, Chairman, ICA Agricultural Sub-Committee
3. Consideration of the Agenda Items:
 - Agenda Item No. I Confirmation of the last meeting of the ICA Agricultural Sub-Committee for South-East Asia held at Tokyo on 6th and 7th November 1967.
 - Agenda Item No.II Report of the Secretary.
 - Agenda Item No.III The Agricultural Committee.
 - Agenda Item No.IV Future lines of work of Agricultural Sub-Committee.
 - Agenda Item No.V Work Programme for 1968-69.
 - Agenda Item No.VI Guidance Service for Agricultural Cooperatives.
 - Agenda Item No.VII Agricultural Cooperative Trade.
 - Agenda Item No.VIII Technical Assistance in Agricultural Cooperatives.
 - Agenda Item No.IX Any other business.
 - Agenda Item No.X Venue of the Next Meeting.
4. Vote of thanks to the Chair.

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Agenda for Second ICA Agricultural Sub-Committee
Meeting, Kuala Lumpur, Malaysia : 10-11 Nov, 1968

AGENDA ITEM NO.1

Confirmation of the Minutes of the last meeting of the ICA
Agricultural Sub-Committee for South-East Asia held at Tokyo
on 6th and 7th November, 1967.

No comments on the minutes have been received from the Members
who attended the Meeting.

AGENDA ITEM NO.IIREPORT OF THE SECRETARY1. Membership

i) Mr Gholam Hossein Azadi, Training and Guidance Department of Central Organisation for Rural Cooperatives of Iran was nominated as a member of the Sub-Committee.

ii) Mr Tal Chun Hong, National Agricultural Cooperative Federation, Republic of Korea has replaced Mr Chong Chul Cha on the sub-committee.

2. Conference

The Conference on International Cooperative Trade, to which the Sub-Committee decided to give support at its first meeting, was held in Tokyo under the auspices of the ICA Regional Centre in collaboration with the Central Union of Agricultural Cooperatives, Japan during June, 1968. The conference was attended by 16 representatives from Australia, Ceylon, India, Indonesia, Japan, Republic of Korea, Malaysia, Pakistan, Philippines and Thailand. Observers from FAO, ILO, IFAP, ICF TU were also present at the Conference. The details of the conference and its recommendations will be dealt with under a separate agenda item.

3. Research

The first meeting of the sub-committee has expressed to give its support to the Study on Multi-purpose Cooperatives in Ceylon. The study was initiated by the Regional Centre in collaboration with the AARRO. Prof. Jacen T. Hsieh of the Nanyang University, Singapore, has already completed the study and will submit the report by the end of the year.

AGENDA ITEM NO. IIITHE AGRICULTURAL COMMITTEE1. Agricultural Committee Meeting held in Glasgow on 1st September 1968.

Chairman and the Secretary of the Sub-Committee attended the Agricultural Committee meeting.

The Secretary will report on the Agricultural Committee Meeting held on September 1, 1968 at Glasgow.

2. FAO/ILO/IFAP/ICA Joint Cooperative Programme

As a result of a joint statement made at the 14th FAO Conference by the ICA and the IFAP and supported by several member governments, the Conference urged the Director General to investigate the possibilities of joint action involving FAO, ICA, IFAP and possibly ILO with the main objective of filling the gaps and improving the availability of technical assistance and financial aid to agricultural cooperatives and cooperative processing in developing countries.

In following up this proposal efforts have been made by the organisations concerned to set up a Centre comprising a Liaison Committee and a Joint Secretariat. The liaison committee has been formed with representatives from the above organisations. The secretariat is located at the FAO Headquarters in Rome. The Executive Committee of the ICA agreed to nominate the Agricultural Secretary as the ICA Liaison Officer to collaborate with other organisations on the joint programme.

3. Study of International Finance for Agricultural Cooperatives

FAO has decided to mount a study on the above subject. Within the scope of the joint programme, the ICA, with the help of the IFAP, may be commissioned by FAO to make a report on finance of cooperatives at the international level (guarantee funds). In a similar way IFAP has been entrusted with a joint study on cooperative trade in Africa.

4. Processing Study

It was agreed between the FAO and the ICA that the FAO will publish a study on cooperative processing of agricultural produce in collaboration with the ICA. This is a part of the follow-up programme which the ICA Agricultural Committee has taken up according to the Resolution of the ICA Bournemouth Congress and recommendations of Vienna Conference convened by Agricultural Committee.

4. Processing Study (Contd.)

The scope and objective of this study will be confined to specific problems as follows:

- i) Does cooperative processing of agricultural produce increase the income of farmers?
- ii) Does cooperative processing of agricultural produce contribute to the strengthening of the cooperative structure and movement, especially in view of the financial situation of cooperatives as well as regards the promotion of leadership within the Movement?
- iii) What impact has cooperative processing of agricultural produce on the rural community and the national economy, i.e. how much can cooperative processing of agricultural produce contribute to agricultural development?

This publication will be based on about seven case studies to be carried out in the following countries in Asia and Europe: India, Japan, Federal Republic of Germany, Austria, Netherlands, and Poland. In this publication the emphasis will be placed on analysis of how cooperative processing facilities were set up and have been run, which is a first step towards the preparation of a manual providing guidelines for the successful implementation of cooperative processing of agricultural produce.

To undertake this case study, Prof. V.S. Vyas of India and Prof. Kruse - Rodenacker of Germany were selected. In conducting the study, Prof. V.S. Vyas will consult the ICA Regional Office and Education Centre and the ICA Agricultural Sub-Committee.

5. FAO World Conference on Agricultural Education and Training

According to the decision of the 14th Session of FAO Conference, a World Conference on Agricultural Education and Training will be held in 1970. The major topics of this conference would be: (a) agriculture and the education system, (b) agricultural education planning, (c) higher agricultural education, (d) intermediate level agricultural education and training, (e) farmer training and extension and (f) external aid for agricultural education.

In view of the important role to be played by cooperatives in this field the ICA and the IFAP have been making efforts to reflect cooperative point of views at the planning meetings for the conference. The ICA Regional Office and Education Centre would prepare papers on the basis of experiences of cooperative education in this Region for the conference.

6. Conference on Cooperative Trade in Animal Feeding Stuffs

The conference on the above subject will be held by the ICA after the Congress of the ICA in 1969 at Paris. The agenda of the Conference would be as follows:

- i) The present stage of Trade in Animal Feeding-stuffs.
- ii) Report of the experience of the "Landmark" in technology and distribution of animal feeding stuffs.
- iii) The feed manufacturers' needs and problems in Europe.
- iv) Technological problems of the animal feeding stuffs industry in Eastern Europe.
- v) Position and trade in animal feeding stuffs in Japan.

7. Fisheries Sub-Committee

i) Manual on Cooperative Supply and Marketing for Fishermen is under preparation by the Fisheries Sub-Committee, in collaboration with the FAO. The manual will be based on the materials collected from Canada, Germany, Japan, Poland, France, Italy and group of developing countries.

ii) Questionnaire concerning Fishermen's Cooperatives were sent out to the member organisations and their answers were processed. It was decided to organise the follow-up of the questionnaire in the following way:

- a) The Secretariat will be in touch with member organisations and other fishermen's cooperatives, from whom supplementary material is required.
- b) Guidelines for cooperatives requesting the ICA for assistance in establishing consumer and processing industries should be sent to those who have reached the stage of formulating their needs in detail.
- c) Answers to the guidelines will be transferred to the FAO where they are going to be processed, and their priorities will be established for technical assistance from the United Nations Agencies.
- d) The result of the FAO work will be distributed to those fishermen's cooperatives who may be potential suppliers of cooperative technical assistance.

iii) The Secretary's visit to Japan and South-East Asia.

The Fisheries Sub-committee sent the Secretary to Japan and South-East Asia to seek the closer cooperation between this area and the Fisheries Sub-Committee.

iv) A Seminar for Fishermen's Cooperative Managers.

A seminar for the Managers of Fishermen's Cooperatives will be organised by the FAO in 1970 in collaboration with the Fishery Sub-Committee.

AGENDA ITEM NO.IVFUTURE LINES OF WORK OF AGRICULTURAL SUB-COMMITTEE

Based on paragraph 9 of the Constitution and activities of the ICA Agricultural Sub-Committee for South-East Asia and considering that the ICA Regional Office and Education Centre has been undertaking various activities concerning agricultural cooperatives in the Region, the general framework of the Sub-Committee should be constituted on the following lines:

1. Exchange of Information

- i) Collection of general data on agricultural production prices, agricultural cooperatives, their activities, etc.
- ii) Collection of data on specialised subject or field of activity.
- iii) Circulation of documents collected through seminars and conferences organised by the ICA Regional Office and Education Centre.

2. Research

A case study or research on specialised subject could be undertaken.

3. Co-ordination with the recommendations to the ICA Regional Office and Education Centre and its Advisory Council.

- i) Seminar and conferences concerning agricultural cooperatives.
- ii) Publication of materials concerning agricultural cooperatives.
- iii) Promotion of international cooperative trade.
- iv) Technical assistance.

4. Co-ordination with the ICA Agricultural Committee

- i) Presentation of views of the sub-committee on international issues regarding agricultural cooperatives.
- ii) Suggestions and recommendations for international actions.

AGENDA ITEM NO.VWORK PROGRAMME FOR 1968-1969.1. Collection of data and documentation.

- i) General data on agricultural production, prices, agricultural cooperation of different types, their volume of business, etc.

In order to keep the Committee informed about the development of agriculture and agricultural cooperation in the Region, the sub-committee will collect the data annually on the prescribed form.

- ii) Documents obtained through seminars and conferences organised by the ICA Regional Office and Education Centre

In order to keep the Committee informed about the upto date development and problems of the cooperative movement in the Region, background papers and other relevant documents obtained through the seminars and conferences organised by the ICA Regional Office and Education Centre will be made available to the members of the Committee.

2. Co-ordination with the ICA Regional Office & Education Centrei) Regional Seminars

- a) Farm Guidance Activities of Agricultural Cooperatives.
- b) Seminar for Managers of Food Grain Marketing Cooperatives.
- c) Expert Conference on the Role of Cooperatives in Agricultural Development.

AGENDA ITEM NO.VIGUIDANCE SERVICES FOR AGRICULTURAL COOPERATIVES

It is proposed to have one technical theme for discussions and exchange of experiences among members at each meeting of the Sub-Committee. The theme for this meeting is Guidance Service for Agricultural Cooperatives. An explanatory note on the subject is annexed.

AGENDA ITEM NO.VIIAGRICULTURAL COOPERATIVE TRADE

A Memorandum relating to the International Conference on Cooperative Trade held at Tokyo, Japan in June 1968 is annexed. The attention of the Sub-Committee is drawn to Part III which contains matters for special consideration.

AGENDA ITEM No.VIIITECHNICAL ASSISTANCE IN AGRICULTURAL COOPERATIVES

A review of recent development of technical assistance in the field of agricultural cooperatives is annexed. The Sub-Committee may consider the priorities in this area.

10

AGENDA ITEM NO. IX

ANY OTHER BUSINESS

AGENDA ITEM NO. X

VENUE OF THE NEXT MEETING

ANNEX I

A NOTE ON

GUIDANCE SERVICE FOR AGRICULTURAL COOPERATIVES

1. Its need and importance

The countries in the South-East Asian Region have been making a concerted attempt to achieve rapid progress and improve agriculture. Technological developments have brought about many changes in different economic and social fields, and also largely affected the way of life of rural communities. Under such circumstances various pilot projects have been initiated for agricultural development in the countries of the Region. These have revealed the importance and usefulness of an integrated approach for the improvement of the economic and social standards of the people in the rural sector.

The proper guidance service would be the best means of ensuring sound management. Regarding the credit activities, particularly lending to the farmers much emphasis was placed upon the security offered rather than on production capacity in the early stages. However, now the emphasis on conditions has been shifted to production capacity and an increased amount of credit has been made available to small and medium sized farmers. Such change in the lending policy, increase in the volume of agricultural credit and expansion in the number of farmers receiving credit facilities can hardly result in production unless the societies give a great deal of agricultural education. This should be obviously constituted of new ideas and methods of agricultural production through the effective utilisation of facilities available to the farmers whereby better economic returns will be ensured.

The guidance in the marketing and supply businesses should be given the same importance as linking up of credit, marketing and supply businesses. Although it is true to say that improved methods of production such as use of improved seeds, extension of irrigation facilities, more consumption of fertilizers and chemicals, etc. have been introduced through the concerted efforts of extension agencies, much greater effort is still needed for bringing about a substantial improvement in a economic and social condition of rural people. The extension work in general is directed rather at imparting to the farmers technical knowledge for the increase of agricultural production. It would not be possible, however, to change the methods of production employed by farmers unless such information is supplied together with proper advice on how to increase the commercial value of their products, how and when they are to be marketed, how they can procure their agricultural requisites, how they should use facilities effectively, etc. which are the fields of acute concern to the farmers.

On the other hand, planned and improved agricultural production programme worked out by individual farmers in consultation with the societies through guidance services will enable the societies to formulate their own business plan on a more systematic basis. Guidance service would also in all probability be the most effective ~~mean~~ to create loyalty among the farmers towards the society and stimulate their interests in working of the society. This is the foundation for the sound management and development of the societies.

2. Guidance Service as an effective method for Agricultural Education.

The successful performance of cooperative societies and the creation of farmers loyalty toward the societies largely depends upon the extent to which the societies can give proper education to members. However, cooperative education can never be an isolated subject. It should go hand in hand with activities such as credit, marketing and supply. In view of this fact, guidance services extended by agricultural cooperatives are the most proper mean of agricultural education in general and member education in particular.

In many countries cooperative societies have been given strong support from the government in the form of financial assistance or in the form of preferences in transactions through cooperatives. This government support has made a considerable contribution to the expansion of the volume of business of the societies but in the educational aspects of the movement still much remains to be done. Therefore, more attention should be given to the provision of systematic and integrated guidance through agricultural cooperatives, this being the most useful means of education.

3. Regional Planning of Guidance Service

For an integrated approach in agricultural development a well planned long-term development programme on regional basis is essential. All the efforts of the local authorities, institutions and voluntary organisations have to be coordinated with such a programme to attain the maximum effects. For the effective implementation of the programme one of the tasks of agricultural cooperatives is, therefore, how to guide the farmers and help the farmers in the daily performances of their varied cooperative activities. Any well designed programme could not be an effective measure if it fails to obtain sufficient understanding and support from the farmers. Being organisations of farmers, agricultural cooperative societies must have it as one of their primary objectives to give proper advice to individual farmers on how to improve their farm management in accordance with the regional programme, so that farmers may increase their interest in cooperative activities and the societies may receive the continuous support of the member farmers. So far it has been taken for granted that agricultural cooperative societies are the most suitable organisations in rural communities for imparting various advice and in establishing the necessary rapport with farmers. Agricultural cooperative societies should play the positive role of correlating the agricultural production programme of the individual farmers to the Regional Development Programme.

4. Basis for effective co-ordination among different institutions.

In an attempt to create an integrated approach it is quite essential that the functions and responsibility of different institutions concerned with agricultural development in the same area must be clearly defined with a view to avoid waste of resources, time and effort. In fact, a regional agricultural development programme should be a precondition of primary importance for an integrated approach towards the farmers. A proper machinery for effective coordination and consultation among various institutions at each level should be established. As mentioned earlier, agricultural cooperatives will be the most suitable organisation for approaching the farmers. Their guidance services should help to correlate the farm management of agricultural production programme of each individual farmer to the regional programme. However, it would not be possible for the societies to recruit personnel with sufficient knowledge of technical know-how about agricultural production and management in specialised fields of farming because it may require much more financial resources than the societies can usually afford. There should be effective machinery for coordination and collaboration between the societies and extension research institutions.

When guidance services to individual farmers are given effectively through the activities such as credit, marketing and supply which are an inseparable trinity in agricultural development combined efforts will have a multiple effect and bring about an efficient linking up of the three factors. For the sake of the successful implementation of projects for agricultural development as well as sound and dynamic development of the movement more attention should be given to a comprehensive guidance service system through agricultural cooperatives.

5. The following points may be suggested for comments or exchange of experiences in the countries of the members of the Sub-Committee

- a) The need and importance of a regional agricultural development programme with special reference to cooperative activities and the role of agricultural cooperatives in formulating the regional programme.
- b) The need and importance of farm guidance services:
 - i) in situation where cooperatives function on their own and
 - ii) in situation where they function as government agencies in procurement and distribution of commodities.
- c) How guidance service can be a useful medium for agricultural education in general and member education in particular.

- d) How agricultural cooperatives can develop their own guidance service for different types and levels of cooperatives.
- e) What would be an effective machinery for collaboration between agricultural cooperatives and other institutions concerned for the purpose of establishing an integrated approach to farmers.
- f) How to recruit personnel needed for guidance service, and what training facilities should be provided for them.
- g) How to meet the personnel and operational expenses of guidance services.
- h) How international organisations can contribute to improve guidance service in an integrated way.

PART II

The Conference discussed in a number of sessions the practical aspects of trade operations and devoted considerable attention to the question of operational efficiency of the cooperatives in the field of international trade. It stressed the importance of strengthening the internal marketing structure of the cooperatives within the country in order to be able to undertake foreign trade responsibilities. The multi-purpose approach in providing services and facilities to the agricultural producers, as in the case of Japan, was commended. Effective linking of production with export activities and processing and distribution with imports was emphasized. With a view to secure export markets on a permanent basis, rigid quality control, proper grading, timely delivery and speedy communication were considered as some of the very important aspects in these operations. The difficulty with regard to finance and foreign exchange was discussed and it was decided that maximum efforts be made to secure finance from within the cooperative structure and supplementary finance through external agencies such as the International Cooperative Bank, the Asian Development Bank and the World Bank. A suggestion was made that an Asian Payments' Union for arranging payments for trade operations within the Region could be explored.

The importance of training of personnel engaged in international trade was stressed and the ICA Regional Office & Education Centre was recommended to organise specialised training courses for these personnel in collaboration with the existing training centres in the Region. The offer made by the Indian Institute of Foreign Trade (IIFT) and the Institute for the Development of Agricultural Cooperation in Asia (IDACA) for organising such courses was appreciated.

For effectively linking production and processing activities with export, the importance of establishing export-oriented industries was emphasised and it was suggested that the efforts made by the ICA Regional Office in this direction should further be strengthened. Mention was also made of the collaboration between the ICA/FAO/IFAP/ILO in organising the Joint Programme for exploring possibilities of financing agricultural processing industries in different countries. The representative of the FAO attending the Conference also mentioned the possibility of an International Management Service within the framework of the above group to provide skilled managerial personnel for various projects in different countries. It was considered important that with a view to obtain finance for projects, efforts must be made to help the cooperatives in preparing bankable projects.

The Conference commended the example of cooperative movements of Japan and Thailand in establishing trade relationship and strengthening it through mutual efforts and continuous discussions. It also welcomed the efforts of both the Movements to extend the activities of their Joint Trade Committee to the field of technical assistance.

The Conference recommended that possibilities of strengthening trade relationship between the cooperatives in the Region with those of the Western countries should be explored and the ICA Regional Office and Education Centre should actively assist in attaining this objective.

While discussing the joint activities among trading cooperatives in the Region of South-East Asia, the Conference has suggested the establishment of a separate committee to deal with matters pertaining to international trade.

PART III

Arising out of the main recommendations of the Conference, the following points need special consideration:

1. The Conference has suggested that the present functions of the ICA as a clearing house in promoting international cooperative trade need to be strengthened.
 - a) To some extent, this is already being done by gradual increase in efforts to collect and disseminate market information, provide documentation and assist in developing trade contacts among cooperatives in the region.
 - b) It has also been suggested that a bulletin consisting of information relating to trade development, training facilities, etc. should be issued through the Regional Office and Education Centre.
 - c) It appears that at this stage it may be difficult to issue a periodical in the printed form. However, the possibility of issuing such a bulletin in the mimeographed form could be considered.
2. It has been recommended that the Regional Office & Education Centre should assist in providing training facilities for personnel working in cooperative trading organisations in the Region.
 - a) We are already bringing to the notice of member-organisations some of the facilities provided by international and national agencies for training in trade promotion. These efforts will be continued in future also.
 - b) On specific request from member-organisations in the Region, efforts will be made to find suitable placements for personnel of trading organisations in the existing training centres in different countries, organised by cooperatives or other agencies.

- c) As suggested by the Conference, efforts will be made to utilise the generous offer made by the Indian Institute of Foreign Trade in New Delhi and the Institute for the Development of Agricultural Cooperation in Asia in Tokyo for providing training facilities for trade personnel within the framework of their on-going programmes.
- d) It is proposed that two specialised courses for technical personnel engaged in trading organisations be organised during 1969 if the above two institutions agree to accommodate such courses in their on-going programmes.

If it is decided to organise these courses, the ICA Regional Office & Education Centre can assist in preparing programme for the courses, drawing up the syllabi, preparing documentation and in providing resource persons.

- 3. The Conference has stressed the importance of establishing export-oriented industries to help development of international trade.
 - a) The Regional Office of the ICA is already engaged in the work of providing technical assistance in the establishment of processing industries for agricultural products. Some of these processing units are being established with a view to undertake, at a later date, exports of the processed goods.
 - b) On specific requests received from member-organisations, the ICA will explore, as is being done at present, the possibility of locating assistance for the establishment of export-oriented industries.
 - c) Possibilities also exist of securing finance for such industries through the Joint Programme established in the FAO through the collaboration of the ICA/FAO/IFAP/ILO.
- 4. The Conference recommended that a standing sub-committee to deal with matters pertaining to international trade and its development be established in the Region of South-East Asia.
 - a) In this connection, the attention of the Conference was drawn to the work of the Agricultural Sub-Committee for South-East Asia and its keen interest in trade development. After a preliminary discussion, the Conference suggested that before considering the formation of a standing sub-committee, reference should be made to the Agricultural Sub-Committee of the ICA to find out if the Committee itself would be in a position to provide a forum for discussing problems of international trade and for actively assisting in its development. The Conference felt that the Agricultural Sub-Committee, which is already seized with the problem of international trade, should consider this question and offer advice whether it would be possible for it to effectively play the role of an active trade promotion group

- b) It was also suggested that if the Agricultural Sub-Committee itself is not in a position to provide such a forum to the trading cooperatives, the possibility of organising a sub-group within the broad framework of the Agricultural Sub-Committee should be explored.
- c) The above proposal, which was favoured by most of the delegates attending the Conference, is expected to consist of experts in the field of international trade drawn from different countries of the Region which may include some members of the Agricultural Sub-Committee. As this will be a sub-group, consisting of a few members, it will be responsible to the Agricultural Sub-Committee and will regularly report through the Secretariat of the ICA Regional Office & Education Centre to the Secretary of the Agricultural Sub-Committee the work done by it from time to time.
- d) For all formal purposes, the group will be known as a sub-group of the Agricultural Sub-Committee. The secretarial services and assistance for day-to-day work for the sub-group will be provided by the Trade and Technical Assistance Section of the ICA Regional Office & Education Centre.
- e) The above proposal, if accepted, will entail a very close collaboration between the Secretary of the Agricultural Sub-Committee and the Trade and Technical Assistance Section in matters pertaining to international trade development.

ANNEX III

NOTE ON TECHNICAL ASSISTANCE PROJECTS RECEIVED IN THE
ICA REGIONAL CENTRE

I. Technical Assistance Projects for Processing Industries

1. BHOR DAIRY PROJECT

The preparatory work on the project is now nearing completion and the construction of the project building is expected to commence soon. The Bund deutscher Konsumentenvereine GmbH, the suppliers of machinery have now drawn up a revised list of machinery based on the capacity of the dairy at 5,000 lit. per hour instead of 3,000 lit. per hour. The cost of machinery as per the revised list works out at DM 549,526. The revised list of machinery to be imported has been approved by the Maharashtra State Cooperative Milk Federation, Bombay.

2. MULTI-COMMODITY FRUIT & VEGETABLE PROCESSING PROJECT AT DELHI

The National Agricultural Cooperative Marketing Federation Ltd., New Delhi, has submitted a project for processing various fruits and vegetables at Delhi with an installed capacity of 3,000 M/Tons per annum involving a fixed capital cost (land, machinery, buildings) of Rs. 2 million (US\$ 267,000 approx.) and has requested for assistance in the form of machinery and equipment costing about Rs. 0.7 million (US \$90,000 approx). Preliminary discussions are being held with KF and the Swedish International Development Agency (SIDA), Stockholm, for exploring the possibility of assistance. The value and nature of assistance is at present under consideration.

3. CATTLE FEED PLANT AT KARAD (MAHARASHTRA), INDIA

The Koyna Cooperative Milk Producers Union Ltd., Karad (District Satara) has submitted a project for the manufacture of cattle feed with a capacity of 30,000 M/Tons per annum. The fixed capital cost has been estimated at Rs. 2.5 million (US\$ 334,000 approx). Half the cost of the project (US\$ 67,000 approx) has been requested by the Union in the form of assistance. The cost of plant and machinery works out at Rs. 0.9 million (US\$ 120,000). Preliminary contacts with CXFAM in New Delhi and its Field Office for South India in Bangalore are being made for exploring the possibility of assistance.

4. CONSOLIDATED FRUIT PROCESSING PROJECT, REPUBLIC OF KOREA

The National Agricultural Cooperative Federation (NACF), Seoul, has submitted a project for setting up a consolidated fruit processing plant near Sepul with a rated capacity of 2,000 M/Tons per annum and has requested financial assistance to the extent of US\$ 180,000, the cost of imported machinery being approx. US \$153,900. Preliminary contacts are being established to locate cooperative movements or international and other agencies interested in assisting projects of such a nature.

5. PINEAPPLE CANNING PROJECT, CEYLON

The Cooperative Federation of Ceylon has submitted to the ICA a well-formulated project for the production and canning of pineapples. The total fixed capital cost works out at US \$ 171,300 and the Federation has requested assistance for US \$ 102,800 which represents the foreign exchange component. The COOP Nederland has expressed its interest in the project.

6. TWO DAIRY EXPERTS FOR EAST PAKISTAN

The Eastern Milk Producers Cooperative Union Ltd., Dacca (East Pakistan) has requested for arranging the services of two experts, one for cattle breeding and artificial insemination, and the other for the processing of milk and milk products for its dairy, preferably from the Swedish International Development Agency (SIDA). The request is being processed in the Regional Centre.

II. Assistance to Cooperative Libraries

1. The Philippine Cooperative Credit Union League (PHILCUL), Baguio City, Philippines, had approached the Regional Centre with a request for assistance in obtaining books and other published material on cooperative leadership, adult and member-education, etc. and some audio-visual equipment for its project of establishment of Credit Union Information Centre in various parts of the Philippines. The Regional Centre supplied the PHILCUL with a number of books published by the ICA along with the available reports of our seminars and conferences.

The request for audio-visual equipment was referred to the General Federation of Labour in Eretz-Israel (HISTADRUT), Tel-Aviv. The International Department of HISTADRUT has donated through its representative in New York a movie projector to PHILCUL in the Philippines.

2. Books and equipment for the Library of Agricultural Cooperative College, Kyong-ki-do (KOREA)

The National Agricultural Cooperative Federation (NACF), Seoul, (Republic of Korea), which had approached the Regional Centre last year for assistance in obtaining books in Japanese and English as well as fixtures and fittings amounting to US \$ 8,150, has later sent to the ICA the list of the required books in these two languages. The list of books in Japanese was sent to the Central Union of Agricultural Cooperatives which has very kindly donated 93 books valued at US\$ 228. The Centre is exploring the possibility of locating donor cooperative movements for the fixtures and fittings for the Library.

3. Audio-visual equipment and grants for translation of books, Ceylon

The Cooperative Federation of Ceylon has requested the ICA for assistance in obtaining some audio-visual equipment - movie film projector, generator, camera, portable screen, tape recorder, public address systems, etc. and grants for the translation of five books on Cooperation into Sinhalese and Tamil. While the cost of the audio-visual equipment has not been indicated by the Federation, the grants requested for translation and printing of books has been indicated as at US \$ 12,000. The Federation proposes to use the audio-visual equipment for its education and training programmes. The request has been forwarded to the Head Office of the ICA.

**Agricultural Sub-Committee
for South-East Asia**

SECOND MEETING

Venue KUALA LUMPUR, MALAYSIA

Dates November 10-11, 1968

**International Cooperative Alliance, Regional Office
& Education Centre for South-East Asia,
43 Friends' Colony, New Delhi-14, India**

A/9th January, 1969

MINUTES OF THE SECOND MEETING OF THE ICA SUB-COMMITTEE
FOR AGRICULTURAL COOPERATIVES FOR SOUTH-EAST ASIA
KUALA LUMPUR, MALAYSIA : November 10 - 11, 1968.

1. Present Mr K.W. Devanayagam, Ceylon. Vice Chairman
acted as Chairman.
Mr I.H. Hunter, Australia
Mr V.N. Puri, India
Mr H. Togawa (substitute for Mr Yanagida), Japan
Mr Yong Chan Paik (substitute for Mr Tal Chun Hong)
Republic of Korea
Mr B.P. Faustino, Philippines
Mr Ismail bin Din, Malaysia
2. Not present Mr Gholam Hossein Azadi, Iran
Mr Serajul Huq, Pakistan
3. Special invitees Mr R. Okada, IDACA, Japan
4. ICA Mr Shiro Futagami, Secretary
Mr P.E. Weeraman
Mr J.M. Rana
Mr A.H. Ganesan

The Second Meeting of the ICA Agricultural Sub-Committee for South-East Asia was held in Kuala Lumpur, Malaysia, on 10th and 11th November, 1968. Mr P.E. Weeraman, Regional Officer, welcomed the members of the Sub-Committee and thanked the hosts, the Cooperative Union of Malaysia Limited, for the excellent arrangements made for the meeting. As Mr Yanagida, Chairman of the Sub-Committee was not able to attend the meeting, Mr Devanayagam, the Vice-Chairman presided over the meeting. The following recommendations and decisions were made by the Committee.

AGENDA ITEM NO. I Confirmation of the Minutes of the 1st Meeting
held at Tokyo on 6th and 7th November, 1967.

1. The minutes of the above meeting were confirmed.

AGENDA ITEM NO. 2Report of the Secretary

2. The Secretary of the Sub-Committee, Mr Shiro Futagami, reported the addition of two members to the Sub-Committee viz. Mr Gholam Hossein Azadi (Iran) and Mr Ismail bin Din (Malaysia). He also mentioned about the Conference on International Cooperative Trade held in Tokyo in 1968, and the study of Multi-purpose cooperatives in Ceylon by Prof. Hsieh of Singapore.

AGENDA ITEM NO. 3The Agricultural Committee

3. The Secretary informed the Sub-Committee that the Chairman and he had attended the ICA Agricultural Committee meeting held at Glasgow on 1st September, 1968. He briefed the Sub-Committee on the major subjects that were dealt with in the Committee meeting, and the main activities undertaken by them.

4.1 While discussing the study on Finance for Cooperatives at international level, it was felt that a system should be devised wherein the governments of the receiving countries give guarantee on the repayment of such loans which might be made available to the developing movements by the developed movements and international bodies. Such guarantee may provide more possibility in obtaining financial assistance from outside to the developing movements or facilitate the flow of capital to the cooperative development projects in the developing countries.

4.2 In the discussion it was also suggested that the cooperative movements in the developed countries should try to make funds available even from non-cooperative sectors as was done in the case of the Fertilizer factory to be established in India in collaboration with the Cooperative League of the USA.

5.1 With regard to the Study on Cooperative Processing to be undertaken by FAO in collaboration with the ICA, the Sub-Committee noted that the Study on Cooperative Processing of Agricultural Produce would be a useful one. However, the Sub-Committee felt that there were certain limitations in the evaluation of cooperative processing undertakings by

foreign experts who conduct the study. In view of this, it was suggested that the members of the Sub-Committee and the member organisations in the Region be requested to make their own assessments of the problems of agricultural cooperatives and send them to the Secretary. This assessment will be utilized to complement the study that will be undertaken by the two experts appointed by the FAO.

5.2 It was suggested that the emphasis in such studies should be placed on their impact in the strengthening of cooperative activities and the economic development of the members in general.

5.3 It was also felt that cheaper processing methods should be explored by the cooperatives so as to reduce costs and to successfully compete with the private trade.

5.4 The member from Japan conveyed to the Sub-Committee that in case it is possible for the Secretary of the Sub-Committee to accompany Dr Vyas, who will conduct the processing study in Japan, the costs incurred in this connection for the Secretary's visit will be borne by the Japanese Cooperative Movement.

6. Case studies could also be undertaken on the following subjects:

- i. Distribution of Agricultural inputs
- ii. Marketing
- iii. Centralised Management
- iv. Pricing policies and recovery problems.

7.1 While noting the FAO World Conference on Agricultural Education and Training, the Sub-Committee made the following suggestions. Efforts should be made to exchange trainees within the movements of the Region. These trainees may be attached to cooperative organisations for practical work for a period of two to three months. The local costs of the trainees should be borne by the host countries. These courses could be in addition to the general and special courses which may be conducted at the different training centres.

The member from Australia informed the Committee that his movement has made arrangements to receive technical trainees from India and Pakistan for inservice training in Australia.

7.2 With regard to farmer training, it was mentioned that Japan has been sending young farmers for many years to developed countries such as the USA, Canada, etc. for on-the-job training in these countries. After they come back, it was found that the training so imparted had improved their work performance to a great extent.

7.3 The member from India conveyed that it would be possible for his movement to accept two or three persons, either as trainees or teachers, on an exchange basis and to bear their local costs in India.

8. Taking note of the proposed Cooperative Trade in Animal Feedstuffs Conference to be held next year, by the Agricultural Committee, it was felt by the Sub-Committee that more emphasis should be given in the conference to the problems faced in this Region.

9. In view of the importance of the subject of Cooperative Management, it was suggested that more emphasis should be placed on imparting specialised training to managerial staff with regard to business aspects of the cooperatives.

AGENDA ITEMS IV & V.

Future lines of work of the Sub-Committee
and work programme for 1968-69

10. While discussing the future programme, the Sub-Committee carefully considered the draft questionnaire circulated to the members regarding the collection of data and suggested that the questionnaire should be sent to the members and member-organisations in the Region, requesting them to send the necessary particulars within the specified time limit.

11. A brief report on the activities undertaken by the Regional Office and Education Centre during the previous year as well as the proceedings of various meetings regarding agricultural cooperatives and agricultural development organised by other organisations should be made available to the Sub-Committee members.

12. Member organisations in the Region should be requested to make available any literature pertaining to agricultural cooperatives to the Secretary and the same should be circulated among the members.

13. A list indicating the suggestions and recommendations made at this meeting should be circulated to the member organisations in the Region, requesting them to take necessary action on the same.

14. While discussing the work programme of the Sub-Committee, the financial contribution to the main Agricultural Committee came up for discussion. It was mentioned that because of foreign exchange regulations in the various countries of the Region, it is not possible to remit money abroad. However, the Sub-Committee was of the opinion that it will be possible for the member organisations to meet local costs of the ICA Regional Office & Education Centre's meetings, seminars, conferences, case studies etc., when they are held in their respective countries. Countries where there are no foreign exchange difficulties could subscribe towards the cost of a Secretariat in New Delhi.

It was felt that once international cooperative trade is established, it should be possible for the member organisations to send a percentage of their own foreign exchange earnings to the Secretariat in Delhi for its functioning.

AGENDA ITEM NO. VI Guidance Service of Agricultural Cooperatives

15. A note on this subject was presented by the Secretary. The member from Australia informed the Sub-Committee of the latest developments regarding farm guidance in Australia and other countries. He emphasised specially the importance of farm guidance services at the grass-roots level by the agricultural cooperatives to increase agricultural production.

16. The Sub-Committee suggested that in view of the importance of such service by agricultural cooperatives to increase agricultural productivity and improve the performance of the societies, cases of successful extension activities undertaken by other movements could be circulated among the members for their benefit. This will help in a useful discussion of the subject.

17. Members of the Sub-Committee explained the various extension activities undertaken in their respective countries.

AGENDA ITEM No. VII

Agricultural Cooperative Trade

18. The member from Australia who attended the Conference on International Cooperative Trade held in Tokyo briefed the members on the recommendations made at the conference.

The Sub-Committee strongly suggested that the ICA RO & EC should intensify its clearing house functions for the promotion of international cooperative trade.

19. A suggestion was made to bring out a bulletin. The member organisations should inform the Secretary of the export-import trade possibilities, both the current position and the outlook for the near future, for compilation of the bulletin which should be distributed within the Region. The recent trends in international trade could also be indicated by the Secretary in this bulletin.

20. It was decided that under the present circumstances, it is not advisable to form a standing committee within the Sub-Committee as recommended by the Trade Conference.

AGENDA ITEM NO. VIII

Technical Assistance in Agricultural Cooperatives

21. The work done by the Regional Centre in this field was reported by the Secretary. The member from India suggested that it would be helpful if the Secretary could obtain information about the extent to which technical assistance could be made available by the advanced movements to the developing countries.

22. The member from Australia informed the Sub-Committee that the Government of Australia and the cooperative organisations are organising a group study course in Australia in collaboration with the ICA Regional Office & Education Centre in March-April, 1969. He suggested to the members of the Sub-Committee to apply through the government channels for participating in this extensive study course.

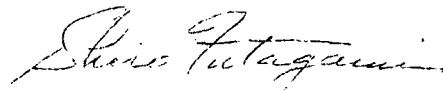
23. The Sub-Committee unanimously decided that the projects that are already in hand with the Regional Office & Education Centre be recommended to the FAO/ILO/IFAP/ICA Liaison Committee as priority areas for the provision of technical assistance.

AGENDA ITEM NO. IX Any other business

24. The Sub-committee discussed at length about the possibility of setting up a Secretariat of the Sub-Committee and financing it. It was suggested that an annual subscription of £50 or its equivalent be paid for the purpose. This suggestion should be taken up with the concerned member organisations in the Region by the members individually and by the Secretary for arriving at a concrete decision at a later stage.

AGENDA ITEM No. X Venue of the Next Meeting

25. The member from India invited the Sub-Committee to hold its next meeting in his country in 1969. The invitation was accepted by the Sub-Committee and it was decided to hold the next meeting on 24th, 25th, 26th and 27th February, 1969, in New Delhi, including two days for study visits.



Shiro Futagami
Secretary
Agricultural Sub-Committee