



**ICA-JAPAN REGIONAL AGRICULTURAL COOPERATIVE  
MANAGEMENT TRAINING PROJECT FOR ASIA**



**Strengthening Management of  
Agricultural Cooperatives in Asia  
– Report of the 15th Training Course**

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Inaugural Session of the Training Course. [from left to right] Dr GC Shrotriya, Chief Manager, IFFCO; Dr Robby Tulus, ICA Regional Director for Asia and the Pacific; Mr Mitsuaki Kinoshita, First Secretary in the Embassy of Japan in India; Mr Karl-Johann Fogelstrom, Director-General of ICA; Dr DK Bhat, Marketing Director of IFFCO; Mr Jan-Erik Imbsen, Head of Development Division, ICA; Mr Bhagwati Prasad, Chief Executive of the National Cooperative Union of India; and Dr Daman Prakash, ICA Project Director.



ICA-JAPAN INTERNATIONAL TRAINING COURSE ON  
**STRENGTHENING MANAGEMENT OF  
AGRICULTURAL COOPERATIVES IN ASIA**

**COURSE REPORT**

Fifteenth [15th] Training Programme  
held in India, Malaysia and Japan.  
November 16 2000-April 28 2001

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Report Prepared by

**Daman Prakash**  
Senior Consultant and Project Director



**INTERNATIONAL COOPERATIVE ALLIANCE**

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Regional Office for Asia and the Pacific, E-4 Defence Colony, Ring Road, New Delhi 110024, India





Report of the  
15th ICA-Japan International Training Course on  
**Strengthening Management of Agricultural Cooperatives in Asia**  
India-Malaysia-Japan  
November 16 2000-April 28 2001

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## **REPORT**

**of the 15th ICA-Japan International Training Course on  
Strengthening Management of Agricultural Cooperatives in Asia  
India-Malaysia-Japan  
November 16, 2000-April 28, 2001**

Submitted to

**The Ministry of Agriculture, Forestry and Fisheries-MAFF  
Government of Japan**

By

**The International Cooperative Alliance**

June 2001

## Preface

**THIS Report is the result of the successful implementation of the Fifteenth [15th] ICA-Japan International Training Course on Strengthening Management of Agricultural Cooperatives in Asia, held in India, Malaysia and Japan, November 16, 2000-April 28, 2001. The International Cooperative Alliance places on record its highest appreciation and gratitude of the financial contribution made by the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries [MAFF-Japan] and the most active collaborative support extended by the Central Union of Agricultural Cooperatives of Japan [JA-Zenchu], and the Institute for the Development of Agricultural Cooperation in Asia-Japan [IDACA], Tokyo, in the execution of this important regional activity. The Alliance is most grateful to its Member-Organisations in India, Malaysia and Japan and our other collaborating specialised agencies and institutions for their help, advice, guidance and logistic support in the successful implementation of this training programme. The most spontaneous and willing cooperation was provided by, among others, the Indian Farmers' Fertiliser Cooperative Limited, Institute of Rural Management at Anand, the National Cooperative Organisation of Malaysia-ANGKASA and Cooperative College of Malaysia and our other contacts in Japan.**

The Alliance is thankful to its Member-Organisations for sponsoring suitable candidates for participation in our long-term training programme, which, I hope, would contribute significantly to the development of agricultural cooperatives as well as meeting some of their human resource development needs. The Course is keyed to the development of technical capacities and capabilities of managers besides stressing on the concept of 'value-addition through agro-processing' aspects with a view to achieve higher economic returns to the basic level farmer-members. Over the years, our this Training Course has earned a high level of recognition, good reputation and acceptability among the managers of agricultural cooperatives in the Asian Region.

The ICA is extremely grateful to Mr Yoshitada Nakaoka, Managing Director of the IDACA for conducting the Part-II of the programme at IDACA and for organising study visits to agricultural cooperatives in Japan during which time the participants were able to meet with the leaders and members of these institutions besides visiting the national, prefectural and primary level agricultural cooperatives.

I take this opportunity of commending the sincere efforts made and deep involvement of my colleagues in our Regional Office for Asia and the Pacific, especially, Dr Robby Tulus, Regional Director, Dr Daman Prakash, Senior Consultant and Project Director, and Mr Prem Kumar, Programme Adviser, in organising and conducting this programme in a professional and satisfactory manner.

**Karl-Johann Fogelstrom**  
Director-General

International Cooperative Alliance  
Geneva, Switzerland  
June 2001

## Foreword

I am pleased to submit this Report to the ICA Director-General for onward transmission and formal submission to the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries [MAFF]. This narrative report is not merely a document explaining what has happened during the Training Course, but is also an exhaustive documentation of the situation of agricultural cooperatives in India, Malaysia and Japan and how the managers try to operate their agricultural cooperatives in the service of their member-owners. The content of the Training Course was fine-tuned to conform to two major aspects, one, improving the capacities and capabilities of managers of agricultural cooperatives, and secondly, how agro-processing activities in these cooperatives help add value to the basic produce of the basic farmers. The modules of this training programme are segmented on the basis of strong professional experiences gained over the years by the ICA Regional Office and on the combination of efforts sourced by the ICA ROAP from its collaborators i.e., the ICA Member-Organisations, specialised institutions such as IRMA, the IDACA and other institutions in the Region.

I am extremely pleased to state that many of the beneficiary organisations, former participants, government agencies and cooperative leaders, have considered this programme a unique one, and found it to be comprehensive and relevant. I am particularly inclined to state that the technical support provided by the Indian Farmers' Fertiliser Cooperative and its Fertiliser Marketing Development Institute-FMDI has gone a long way in making Part-I of the programme very effective and technically useful. My colleague, Dr Daman Prakash has put his heart and soul in the successful implementation of the programme. He has been able to enlist the support of a large number of institutions, cooperative leaders, professionals and friends in enriching the contents of the programme. I am thankful to him for all his efforts in bringing added-value to this important programme. Mr Prem Kumar, another colleague of mine, and Adviser to the Programme, has provided his best in the successful implementation of this activity. This team work has been exemplary.

**Robby Tulus**  
ICA Regional Director  
for Asia and the Pacific

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June 2001

REPORT OF THE 15TH ICA-JAPAN INTERNATIONAL TRAINING COURSE ON  
**STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA**

India-Malaysia-Japan. November 16 2000-April 28 2001

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**FIFTEENTH [15TH] ICA-JAPAN  
INTERNATIONAL TRAINING COURSE ON  
STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA  
INDIA-MALAYSIA-JAPAN. NOVEMBER 16, 2000 – APRIL 28, 2001**

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**SECTION-I**

**Executive Summary**

The Fifteenth [15th] ICA-Japan International Training Course on **Strengthening Management of Agricultural Cooperatives in Asia** was held in India, Malaysia and Japan, from November 16, 2000 to April 28, 2001. The programme was implemented by the International Cooperative Alliance [ICA] in collaboration with JA-Zenchu [Central Union of Agricultural Cooperatives of Japan] and the Institute for the Development of Agricultural Cooperation in Asia-Japan [IDACA]. A generous financial assistance was provided to the ICA by the Ministry of Agriculture, Forestry and Fisheries [MAFF] of the Government of Japan to conduct the programme. It was executed by the ICA in accordance with the agreement reached between the two organisations. The Course was held in the following two phases:

- Phase-I: ... Home Country Assignments [November 16, 2000-January 06, 2001]  
... Programme held in India [January 07-February 28, 2001]  
... Programme held in Malaysia [March 01-08, 2001]  
Phase-II: ... Programme held in Japan at IDACA [March 08-April 28, 2001]

The fifteen [15] participants to this Training Course were nominated by ICA Member-Organisations from twelve [12] countries i.e., Bangladesh-01, China-02, India-02, Indonesia-01, Malaysia-01, Myanmar-01, Nepal-01, Pakistan-01, the Philippines-01, Sri Lanka-01, Thailand-01 and Vietnam-02. Five of the participants were women [33%].

The main objective of the Training Course was to help improve the capacities and capabilities of managers as management leaders in agricultural cooperatives. It was expected that the trained managers, by using project-oriented approaches, help the basic members at the grassroots level to enhance and sustain their farm income. It was also expected that agricultural cooperatives introduce and accelerate the agro-processing activities to add value to the primary products of their members. This objective was sought to be achieved through intensive classroom teaching, skills development in producing and analysing development project proposals, exchange of experiences and comparative field study visits.

Part-I of the Training Course, held in India, was preceded by the Home Country Assignments [HCAs]. The participants followed comparative field study visits in Malaysia from March 01-07, 2001 which was organised in close collaboration with the ICA Member-Organisation in Malaysia: the National Cooperative Organisation of Malaysia-ANGKASA, National Land Finance Cooperative Society Limited [NLFCSL], and the Cooperative College of Malaysia. The first part of the Training Course was organised from January 07 to February 28, 2001 in collaboration with ICA Member-Organisations in India, and, in technical collaboration with the Fertiliser Marketing Development

Institute [FMDI] of the Indian Farmers' Fertiliser Cooperative Limited [IFFCO], and the Institute of Rural Management [IRMA]. The 15th Course in India was held at the FMDI of the Indian Farmers' Cooperative Limited at Gurgaon, ICA ROAP in New Delhi and at the IRMA. Study visits to cooperative institutions were organised in and around Delhi, in the states of Haryana and Gujarat, and, in Malaysia.

The Course was inaugurated by Mr D.K. Bhatt, Marketing Director of the Indian Farmers' Fertiliser Cooperative Limited [IFFCO] at the Marketing Division Committee Room of IFFCO. The Inaugural Session was presided over by Mr Karl-Johann Fogesstrom, Director-General of the International Cooperative Alliance. Dr Robby Tulus, ICA Regional Director for Asia and the Pacific, Mr Mitsuaki Kinoshita, First Secretary in the Japanese Embassy in India, Mr Jan-Erik Imbsen, Head of Development Division of the ICA, Mr Bhagwati Prasad, Chief Executive of National Cooperative Union of India [NCUI] attended the Inaugural Session. The entire training programme was directed by Dr Daman Prakash, Senior Consultant and Project Director at the ICA Regional Office, ably assisted by its Programme Adviser, Mr Prem Kumar. The programme held in Japan was conducted under the direction of Mr Yoshitada Nakaoka, Managing Director of the IDACA.

As a part of their studies, the participants had produced 15 development project proposals during their Home Country Assignments [HCAs] in accordance with the guidelines developed and provided by the ICA. The concepts of these proposals were developed by them in consultation with their parent organisations. While at the Institute of Rural Development at Anand [IRMA], the participants were imparted training in skills of developing and evaluating project proposals.

The second part of the programme, held at IDACA-Japan, included extensive classroom work and study visits to agricultural cooperatives in and around Tokyo, Nagasaki, Oita, Fukuoka and Gunma prefectures in Japan. The focus of studies was on the historical development of the Japanese Agricultural Cooperative Movement, innovations, management practices, diversification and business promotion. The participants got acquainted with a variety of national level cooperative federations and other institutions in Tokyo, and held discussions with leaders, members, managers and staff of agricultural cooperatives in Japan.

A continuous process of evaluation and appraisal has been followed throughout the term of the Training Course, e.g., at the end of each component, through evaluation forms and group discussions. An exclusive and comprehensive End-of-the-Course Evaluation was conducted at the conclusion of the Training Course. 'Certificates of Participation' were awarded to the participants at a concluding session held at the IDACA in Tokyo before their departure for their home countries.

As up to the end of the 15th Training Course a total of 225 managers of agricultural cooperatives from 14 countries of Asia had attended the training programmes. A total of 222 project proposals on topical subjects were prepared by them.

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*"No nation can afford to marginalise its rural majority. No economy can be strong when the base is weak. No nation can become strong when it ignores its most precious natural resource – its people. . ."*

*"We believe that in every endeavour our people will join together to build a better future, that cooperatives will serve not only agriculture, or credit, or housing, but electricity, telephones, education and health. . ."*

*"A strong, vibrant nation cannot evolve on the foundation of poor deprived citizens and systems, which persistently work towards widening the gap between the affluent and the impoverished."*



REPORT OF THE FIFTEENTH [15TH] ICA-JAPAN TRAINING COURSE ON  
**STRENGTHENING MANAGEMENT  
OF AGRICULTURAL COOPERATIVES IN ASIA**  
India-Malaysia-Japan. November 16, 2000-April 28, 2001

**SECTION-II**  
**COURSE REPORT**

**01 Background**

The International Training Project on **Strengthening Management of Agricultural Cooperatives in Asia** was launched by the International Cooperative Alliance [ICA] in 1986 after holding successful negotiations between the Central Union of Agricultural Cooperatives of Japan [JA-Zenchu], a Member-Organisation of the ICA from Japan, and the Ministry of Agriculture, Forestry and Fisheries [MAFF] of the Government of Japan. The Project was launched for strengthening agricultural cooperative activities in the Asian Region through leadership training in new approaches in management practices and adoption of the concept of "*Value-Addition through Agro-Processing*".

The ICA, an international non-governmental organisation, established in 1895, was chosen by the MAFF as the most suitable international organisation for bringing about these changes in the cooperative system in Asia. Within the United Nations, the ICA enjoys Category-1 Status with the UN Economic and Social Council [UN-ECOSOC]. The ICA has affiliates in 90 countries with 230 national cooperative organisations and seven international organisations serving over 900 million individual members world-wide. The ICA Regional Office for Asia and the Pacific [ICA ROAP] operating from New Delhi, India, since 1960, serves 61 national level cooperative organisations from 22 countries and the ACCU, and represents nearly 520 million individual members [over 58% of the total individual membership].

**02 Justification**

Agriculture still continues to be the most important economic activity in almost all countries of the Asian and Pacific Region contributing to the highest percentage of labour force and the GNP. Agriculture is still the major source of livelihood for a majority of the population in the Region. However, agricultural productivity is subject to violent fluctuations caused by its heavy dependence on monsoon and damages caused by natural calamities. Measures taken for prevention of damages to agricultural crops are inadequate and systems for disaster compensation are generally inadequate and *ad hoc*.

Agricultural cooperatives are functioning, in one form or another, in almost all the countries of the Asia-Pacific Region. The cooperative activity started mostly with government assistance and initiatives or as a result of development projects sponsored by bilateral or multilateral agencies. Each country has evolved its own pattern for organisational structure and functioning of these cooperatives. One thing common to all, however, is the existence of small and marginal farmers depending entirely for their livelihood on the meagre incomes from their small holdings. There has also been an acute shortage of credit to meet the farm input and household needs. In many cases cooperatives too do not have adequate funds of their own. There is also a widespread shortage of competent and professionally quali-

fied managers. The present role of cooperatives in providing a suitable infra-structure which can help add value to primary produce, except in a few cases, where agro-processing has been undertaken with positive results, is far from satisfactory.

The success spectrum within the Cooperative Movements in the Region varies from country to country. There are still managerial problems interlaced with lack of membership participation in the business affairs of these cooperatives. There is a heavy participation and administrative influence of governments in the functioning of these cooperatives due to excessive pressure on these institutions to serve state policies and programmes. As a result, cooperative institutions in many Asian countries are more akin to the policies of the government rather than catering to the needs and requirements of their basic constituents i.e., the members. It has also been observed that in a majority of cases cooperatives do not actually involve the members in decision-making. Cooperatives are "cooperative-centred" rather than their being "member-centred".

The staff and board members of cooperatives also lack managerial skills mainly due to inadequate training support available within the Movements. Due to limited resources at the command of primary and secondary level cooperatives, it has been difficult for them to sponsor their staff for training at higher level training institutions even within the country or abroad. The management leaders have very little opportunities to interact with their counterparts in other countries. Their understanding and appreciation of cooperative operations remains limited to their home situations. The need is to expand their horizons of knowledge and understanding to improve the quality of management of their own cooperative institutions. The ICA has been providing such opportunities in a limited way to some selected managers and policy-makers through its own programmes. Such opportunities and exposures are considered absolutely essential if the staff and board members are to play effective and fruitful roles in the business activities of their cooperatives.

In spite of the drawbacks and difficulties faced by them, the cooperatives are the best-suited institutions for agricultural development in the Asian Region. To a great extent they are indispensable for accelerating the development in general and agriculture in particular. The remedy lies in streamlining their activities in a manner in which they could increase their own resources and improve their technical and managerial capabilities to safeguard the interests of their members. Successful examples of cooperatives which have taken such initiatives are not lacking. Such streamlining would be possible only if the leadership responsible for cooperative promotion and development and for managing their day-to-day operations is responsive to the needs and aspirations of the farmers. Of special importance to cooperative functioning is the leadership provided by managerial and technical personnel competent to ensure maximum economic advantages to the producers and to ensure that the cooperatives are member-centred. The ICA-Japan Training Project on "Strengthening Management of Agricultural Cooperatives in Asia" is geared to help in creating such leadership in the regional countries.

### **03 Project Objectives**

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

**Immediate Objectives:** With a view to achieve the main development objective, a set of immediate objectives has been developed. These are:

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

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

#### 04 Acknowledgements

In the implementation of the 15th Training Course, the ICA has received full support and excellent cooperation from the Central Union of Agricultural Cooperatives of Japan [JA-Zenchu], a Member-Organisation of the ICA from Japan; the Technical Cooperation Division of the Ministry of Agriculture, Forestry and Fisheries [MAFF] of the Government of Japan; the Institute for the Development of Agricultural Cooperation in Asia [IDACA] in Japan; the Institute of Rural Management [IRMA] at Anand, India; the National Cooperative Union of India [NCUI], New Delhi; the Indian Farmers' Fertiliser Cooperative Limited [IFFCO], New Delhi, and its Fertiliser Marketing and Development Institute [FMDI], the National Agricultural Cooperative Marketing Federation of India [NAFED-India] and other ICA Member-Organisations and numerous other cooperatives and institutions in the Region and from resource persons specially recruited for the programme. The ICA is grateful to these leaders, managers and members of agricultural cooperative organisations in India, Malaysia and Japan, for most willingly receiving the participants and for providing them with a lot of information and advice on their operations.

#### 05 The Fifteenth Year of the Regional Project

During the fifteenth years of the Project, 225 managerial personnel, both men and women, working in middle to senior level positions in agricultural cooperatives or in their apex level organisations from 14 countries from Asia, i.e., Bangladesh-14, China-23, India-34, Indonesia-17, Iran-03, Korea-20, Malaysia-15, Myanmar-10, Nepal-03, Pakistan-11, Philippines-21, Sri Lanka-20, Thailand-18 and Vietnam-16, were trained. Officials working with government departments or agencies closely associated with planning for cooperatives or cooperative development were also accepted in some cases, as an exception. By and large, a majority of the participants were selected from cooperative organisations, having direct relationship with activities aimed at serving the farmer-members of agricultural cooperatives. Most of the candidates had already received, in their home countries, the basic training related to cooperative principles and the managerial and financial aspects of agricultural cooperatives. Only a very small number of these candidates had the opportunity earlier to study or observe cooperative activities outside their national environments.

The activities of the Project received considerable attention and publicity in the regional countries and has generated keen interest among ICA Member-Organisations to the extent that in the meetings of the ICA Regional Assembly for Asia and the Pacific, and Agricultural Committee for Asia-Pacific, repeated suggestions were made over the past many years for increasing the number of seats in addition to the 15 now being trained annually.

Resolutions appreciating the funding support by the Government of Japan for the Project and requesting further extensions of the Project were passed by regional top-level conferences held on agricultural cooperation in the Region from time to time, thus emphasising the importance of the programme and to derive continued maximum advantage of the Training Programme by Movements in the Region.

Considering the size, number and structure of Agricultural Cooperative Movement in the Asia-Pacific Region, the number of 15 participants per Training Course appears to be too meagre and inadequate. However, given the proper encouragement for country-based follow-up training programmes on similar lines, it is possible to generate a chain reaction within individual countries to create an atmosphere for applying the management approaches and techniques through improvement of capabilities of increased number of managerial personnel on similar lines. A resolution adopted unanimously by the participants of the current Training Course appreciating the contributions made by the ICA, MAFF, JA-Zenchu and IDACA in the conduct of these programmes, and recommending strongly the continuation of this important training activity in its present format, is placed at **Annexe-I**.

Throughout the training programme, during these fifteen years, the emphasis was continued to be laid on discussions based on live conditions related to grassroots level cooperative activity. The participants were continuously exposed to experiences in various types of cooperatives in different countries through case studies, by visits to many such cooperatives in ten location countries i.e., China, India, Indonesia, Japan, Republic of Korea, Malaysia, Nepal, the Philippines, Sri Lanka, and Thailand.

A large amount of documentation has been generated for the Training Courses during the previous years. These

documents, case studies and working papers had been repeatedly tested and found to be of considerable value before they were inducted for use in this training programme. The documents prepared for field study visits have further enriched the accumulated knowledge and information material prepared for these training courses.

#### **06 Financial Support to the Project**

##### **-Generous Contribution from the MAFF-Government of Japan**

The positive decision of the Ministry of Agriculture, Forestry and Fisheries [MAFF] of the Government of Japan to contribute funds to the ICA for the fifteenth year of the Project was followed by a grant for its implementation. The financial contribution made by the MAFF has gone a long way to help improve the skills, capabilities and capacities of managers who are managing their agricultural cooperatives in their respective countries in the Region. The ICA is highly appreciative of the contribution made and grateful to the Government of Japan for this gesture.

#### **07 Administrative Arrangements for the Project**

Dr Daman Prakash, Senior Consultant at the ICA ROAP, continued to lead the regional Project for the fifteenth Course as well. Dr Prakash has the rich experience of working on international projects e.g., Chief Technical Advisor of the ILO/Swiss Cooperative Management Project in Indonesia; ILO-UNDP Senior Expert to the KUD [Rural Cooperatives] Management Development Project in Indonesia; Technical Advisor of the ICA Cooperative Teachers' Training Project in Sri Lanka; Asian Regional Consultant of UNDP-TCDC-ICA "Cooperatives in Asia" Project; Senior Technical Consultant of the JA-Zenchu/JICA-RI Study on Integrated Development of Rural Cooperatives/KUD in Indonesia; and Senior Consultant to the JA-Zenchu/AICAF Survey Mission to Laos PDR on 'Fostering Agricultural Cooperatives in Developing Countries'. He has been working with the ICA/ROAP in various capacities since 1962. His contributions in the field of extension, trainers' training and management of rural institutions and farmers' groups are widely acclaimed in the Region.

The entire Training Course, which was coordinated by the Project Director for its full duration, was ably assisted by its Programme Adviser, Mr Prem Kumar, who has been working with the ICA ROAP since 1966 in various capacities. The Project Director/Programme Adviser were responsible for the day-to-day implementation of the programme.

The Part-II of the training programme held in Japan at IDACA was conducted under the direction and guidance of Mr Yoshitada Nakaoka, Managing Director of IDACA. Mr Hiroshi Terunuma, Manager [Development] was designated by the IDACA as the Senior Programme Coordinator for this Course.

#### **08 Project Implementation Schedule**

The following Implementation Plan consisting of three phases was prepared for the Project:

##### **I. Planning Phase: July 01-November 11, 2000**

- Developing curricula and syllabi including planning of technical session modules and field visits in consultation with the Institute of Rural Management, Anand; and ICA's Member-Organisations in India;
- Planning the comparative field study visits programme in India and Malaysia in consultation with the ICA Member-Organisations;
- Sending invitation letters to ICA Member-Organisations to sponsor suitable candidates for the 15th Training Course;
- Identification and recruitment of resource persons and support institutions;
- Preparation and review of case studies and related documentation;
- Selection of participants and finalising arrangements for their studies, travels and accommodation;
- Practical arrangements for organising the first part of the Course in India and Malaysia including holding consultations with IDACA for conducting Part-II of the programme in Japan; and
- Financial arrangements for the Training Course.

##### **II. Implementation Phase: November 16, 2000-January 06, 2001**

- Home Country Assignments [HCAs] for actual preparation of project proposals by the selected participants in their own countries. November 16, 2000 - January 6/7, 2001;

- Part-I of the Course in India, including comparative field study visits during the period January 07-February 28, 2001. Field Study Visits in Malaysia, March 01- 08, 2001;
- Part-II of the Training Course at IDACA, Tokyo. March 09-April 28, 2001;
- Final End-of-the-Course Evaluation and the Concluding Session in Tokyo. April 27, 2001; and
- Departure of participants from Japan to their respective countries, April 28, 2001.

### III. Reporting Phase: April 28-June 30, 2001

- Preparation of narrative and financial reports of the 15th Training Course and their eventual submission to the MAFF-Government of Japan.

#### 09 Design of Training Course Programme

The implementation of the Project Plan of Action [Implementation Schedule] as submitted by the ICA and approved by the MAFF remained steady. The objectives set for the Project were fully and satisfactorily achieved. Course contents and implementation strategies were continuously improved based on the field feedback, evaluation and appraisal exercises carried out from time to time. Suggestions made by the user-organisations, former participants, collaborating organisations were also taken into consideration towards improving the quality of inputs.

Based on the Project Implementation Schedule and after holding consultations among the ICA, MAFF and IDACA, the day-to-day programme was finalised. The programme design included classroom work, structured assignments, skills development exercises, comparative field studies, group work, interaction with field workers including managers and cooperative leaders and basic members, and continuous evaluation and feedback sessions. The Course design is explained in the illustration [see Figure-A].

The day-to-day programme of the Training Course, as followed, is placed at **Annexe-II**.

#### 10 Reporting and Evaluation

The period from the end of the Training Course in Japan to the end of the Project period was utilised to prepare the work report and financial statements for submission through the ICA Secretariat in Geneva to the MAFF, Government of Japan, and to review the Project activities with the ICA authorities, JA-Zenchu, IDACA and MAFF in Japan and other concerned organisations.

The activities of the regional training project have also been continuously reported at the ICA ROAP Committee Meetings and Planning Sessions and their views ascertained. However, introspection and a continuous process of evaluation is followed throughout the period of the Project. Until the end of the 15th Training Course, eleven [11] National Follow-up and Review Workshops have been held. These were:

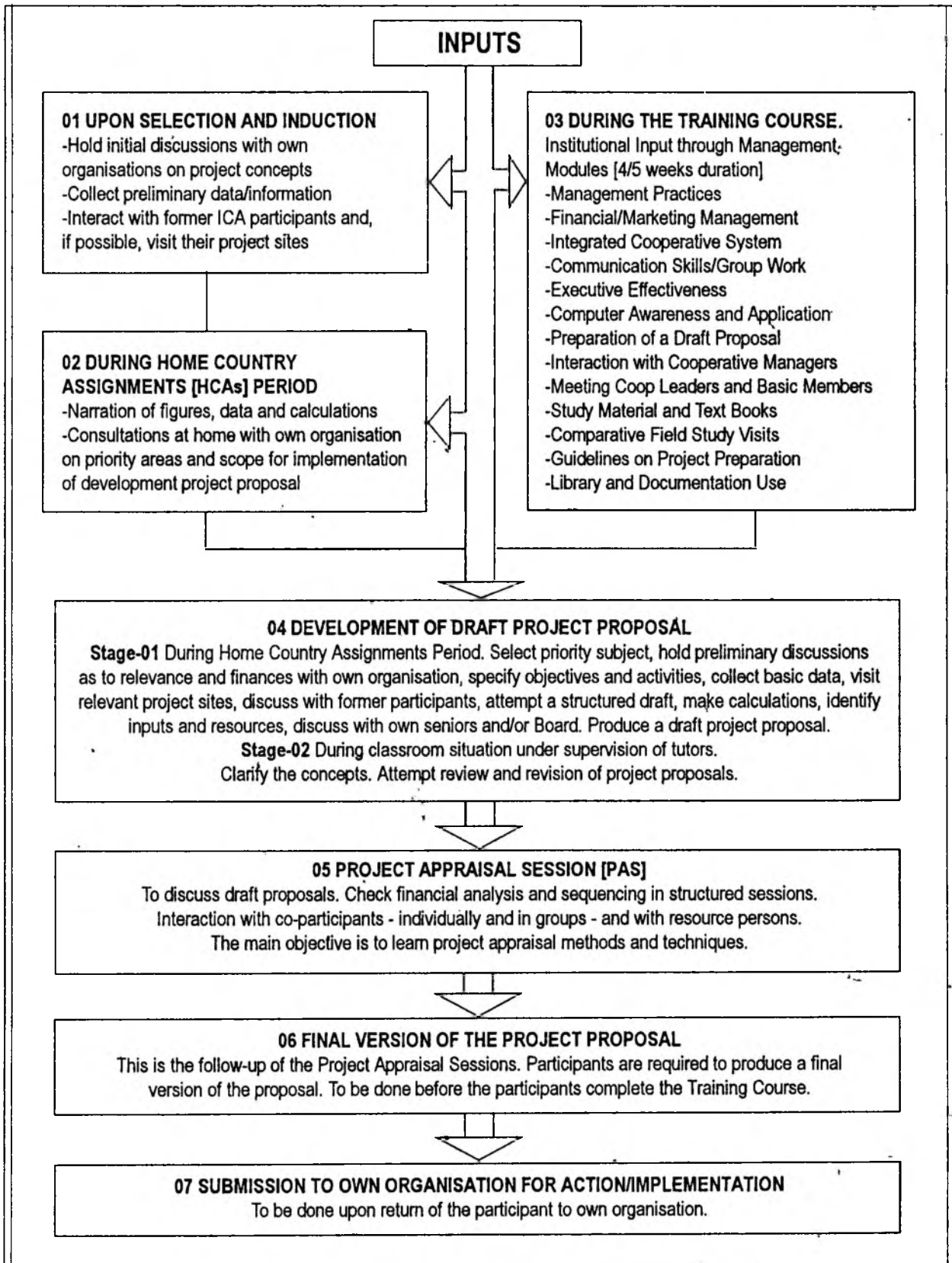
01	Korea	...	...	...	...	...	...	...	...	May 1993
02	India	...	...	...	...	...	...	...	...	Dec 1993
03	Sri Lanka	...	...	...	...	...	...	...	...	Dec 1993
04	Thailand	...	...	...	...	...	...	...	...	Jan 1994
05	Indonesia	...	...	...	...	...	...	...	...	Feb 1995
06	Malaysia	...	...	...	...	...	...	...	...	Dec 1995
07	Vietnam	...	...	...	...	...	...	...	...	Sep 1997
08	Philippines	...	...	...	...	...	...	...	...	Feb 1998
09	Bangladesh	...	...	...	...	...	...	...	...	Oct 1998
10	Sri Lanka	...	...	...	...	...	...	...	...	Dec 2000
11	Malaysia	...	...	...	...	...	...	...	...	Mar 2001

The main idea of holding such Follow-up activities was to take note of the work done on their projects by the former participants, document their experiences in the implementation which could be of relevance to the new participants and also to enlist the support of their organisations. The host organisations of these follow-up courses provided all the facilities and also promised to continue to sponsor appropriate candidates in future training programmes. The main conclusion of the Follow-up Programmes has been that the ICA Japan Training Courses have been found to be very relevant and useful.



Figure-A

**INPUTS FOR THE AGRICOOPS MANAGEMENT TRAINING COURSE  
- A Learning Exercise in Skills Development**



## **11 Course Participants**

### **– Selection Procedures & Participating Countries**

Upon receipt of confirmation from the Government of Japan to implement the training project, the ICA invited nominations from its Member-Organisations in the Region. For this purpose a specially-designed nomination form was used, and criteria for selection of participants established and explained. A comfortable period of two months was given to the Member-Organisations to sponsor candidates. Based on the nominations received from the ICA Member-Organisations, and in consultation with collaborating organisations, selection of candidates was finalised. Fifteen [15] participants were consequently selected from 12 countries viz., Bangladesh-01, China-02, India-02, Indonesia-01, Malaysia-01, Myanmar-01, Nepal-01, Pakistan-01, Philippines-01, Sri Lanka-01, Thailand-01 and Vietnam-02. Out of them, five were women [33%].

All the participants attended the Course for its full duration. A list of Course participants is placed at **Annexe-III**. During Part-II of the Training Course five participants were sponsored by JICA on an attachment basis. These were from Romania [04] and Vietnam [01]. The JICA, in consultation with IDACA, had attached these participants to the ICA Programme recognising its relevance and utility.

A list of all the former participants who had attended all the 15 Training Courses is placed at **Annexe-IV**.

## **12 Location of Training Activities**

A part of the sessions of the Part-I of the Course was held at IFFCO's Fertiliser Marketing Development Institute [FMDI] in Gurgaon, and at the campus of the Institute of Rural Management, Anand [IRMA].

The comparative field study visits in Malaysia were arranged to primary level cooperative organisations, agricultural cooperative and other cooperative institutions in and around Kuala Lumpur, Melaka, and Perak.

Part-II of the Training Course was held at the IDACA premises in Tokyo, Japan, under an agreement signed earlier between the ICA ROAP and the IDACA. Comparative field visits to agricultural cooperative organisations in and around Tokyo and in Oita and Gunma Prefectures were organised in Japan in collaboration with the IDACA and agricultural cooperative organisations in these two prefectures.

## **13 Pedagogy Followed**

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

- Schedules for main topics were broken down into classroom sessions. Besides introducing the subjects, the faculty members sponsored group discussion to clarify issues involved;
- Group discussions were held mainly to clarify issues. These were also used to bring uniformity and homogeneity among the participants;
- The designated faculty members prepared summaries and commented on the Group Reports;
- The participants made extensive use of computers. Thus case methods, group discussions and audio-visuals supported by computers were blended together with classroom discussions to facilitate proper understanding of the subject under study;
- Computer inputs were made specifically for financial and project management modules and their applications and appraisals;
- During Part-II of the Training Course held at IDACA, the lecture method was combined with group discussion method. Some lectures were based on case studies prepared by the lecturers. Slides, OHTs, documentary and video films were extensively used. Group discussions were arranged on the basis of questions posed by resource persons. Assignments were given to the groups for preparing a Regional Agricultural Promotion Plan [RAPP] for a model multipurpose cooperative to enable them to understand the concept better; and
- Extensive use of overhead projector, slides, computer projection, maps and charts was also made during the entire programme.

As an integral component of the programme design, a number of comparative field study visits to agricultural cooperative institutions were made in India, Malaysia and Japan. Details of study visits have been included elsewhere in this Report. However, a list of the institutions visited by the participants during the period of the Training Course is given as follows:

## **India**

### **Study visits in and around Delhi and Haryana States**

- International Cooperative Alliance Regional Office for Asia and the Pacific [ICA ROAP], New Delhi
- Indian Farmers' Fertiliser Cooperative Limited-IFFCO Marketing Division, New Delhi
- Fertiliser Marketing Development Institute [FMDI of IFFCO], Gurgaon, Haryana
- National Cooperative Union of India-NCUI, New Delhi
- National Agricultural Cooperative Marketing Federation of India Ltd. [NAFED], New Delhi
- CCS Haryana Agricultural University Regional Research Centre, Bawal, Dist. Riwari, Haryana
- Beedawas Village [IFFCO-adopted village] in District Gurgaon, Haryana
- Uncha Majra Credit & Service Cooperative [IFFCO-adopted village], Dist Gurgaon, Haryana

### **Study visits in Gujarat State**

- Institute of Rural Management [IRMA], Anand, Gujarat
- National Dairy Development Board [NDDB-India], Anand, Gujarat
- Sandesar Milk Producers' Cooperative Society Limited, Anand area, Gujarat
- AMUL Dairy Plant-III, [Anand Milk 'Cooperative' Union Limited], Anand, Gujarat
- Dairy Museum at AMUL, Anand, Gujarat
- Tribhuvandas Foundation for Rural Development, Anand, Gujarat
- Anand Region Cooperative Oil Growers' Union Ltd. [ARCOGUL], Anand, Gujarat
- Charotar Urban Cooperative Bank Limited, Anand, Gujarat
- Mother Dairy Plant at Gandhinagar, Gujarat
- IFFCO Production Unit at Kalol, Gujarat
- CORDET [Cooperative Rural Development Trust] at Kalol, Gujarat
- Dudhsagar Dairy: Mehsana Dist Milk Producers' Cooperative Union Ltd., Mehsana, Gujarat
- "Sahyog"-Dudhsagar Employees' Cooperative Society Ltd., Mehsana, Gujarat
- Cattle-Feed Plant [of Dudhsagar] at Boriavi, Mehsana, Gujarat
- Gau Samvardhan Kendra [Cattle Development Centre of Dudhsagar], Jagudan, Mehsana, Gujarat
- Mehsana Region Cooperative Oilseeds Growers' Union Ltd, [MRTS] Jagudan, Mehsana, Gujarat
- Krishak Bharati Cooperative Ltd., KRIBHCO Fertiliser Plant at Hajira, Surat, Gujarat
- Sardar Patel Agricultural Produce Marketing Society & its Marketing Yard at Surat, Gujarat
- Amalsad Region Multipurpose Cooperative Farmers' Society Ltd., Amalsad, Surat, Gujarat.
- Shree Ganesh Sugar Cooperative Society Ltd., Vataria, Bharuch, Gujarat

## **Malaysia**

- ANGKASA-The National Cooperative Organisation of Malaysia, Petaling Jaya
- The Cooperative College of Malaysia, Petaling Jaya
- The National Land Finance Cooperative Society Limited, Kuala Lumpur
- The Department of Cooperative Development-Malaysia, Kuala Lumpur
- NLFCs Coconut Plantation Estate at Bagan Dato Perak
- Coconut Industrial Processing Unit of the Bagan Dato Perak Estate
- RISDA-Melaka State Office, Melaka
- RISDA Cooperative-Melaka State, Melaka
- Rubber Processing Factory [Melaka Tong Bee Sdn Bhd]
- Latex Collection Centre, Lubuk Kepung
- Sri Lingga Oil Palm Processing Factory

## **Japan**

- Ministry of Agriculture, Forestry and Fisheries [MAFF], Tokyo
- Tsukiji Wholesale Market, Tokyo
- JA-Zenchu's Business School/Central Agricultural Cooperative College, Tokyo
- Institute for the Development of Agricultural Cooperation in Asia-IDACA, Tokyo
- JA-Oita Prefectural Union of Agricultural Cooperative, Oita City
- JA-Oita Prefectural Economic Federation of Agricultural Cooperatives, Oita City
- JA-Oita-Shi, Oita City
- Oita-Oyama Agricultural Cooperative
- Fukuma Fisheries Cooperative in Fukuoka
- Gunma Prefectural Union of Agricultural Cooperatives, Maebashi
- Gunma Prefectural Economic Federation of Agricultural Cooperatives, Maebashi
- JA-Sawada and its facilities
- JA-Tone Numata and its facilities
- Agricultural Research & Development Centre of JA-ZenNoh, Hiratsuka

#### **14 Text Books and Support Material Distributed among the Participants**

During the period of the training programme the following major reading and teaching materials were distributed and used:

- 01 Guidelines for the Design of Agricultural Investment Projects. FAO-UN Publication
- 02 Financial Analysis in Agricultural Project Preparation. FAO-UN Publication
- 03 A Prelude to a Manual for Preparation of Agricultural and Agro-Industrial Project Proposals prepared by Prof G. Krishnamurthi of the Institute of Rural Management [IRMA]
- 04 Finance Sense – An Easy Guide for Non-Finance Executives by Prasanna Chandra. Tata-McGraw-Hill Publishing Company Limited
- 05 What is a Project? IRMA Publication
- 06 Managerial Decision-Making in Agricultural Cooperatives – Some Selected Cases.  
International Cooperative Alliance Regional Office for Asia-Pacific [ICA ROAP]/IRMA Publication
- 07 Some Contemporary Issues in Professionalising the Management of Agribusiness Cooperatives.  
IRMA Publication
- 08 Agricultural Cooperatives in Japan – The Dynamics of their Development by MV Madane.  
ICA ROAP Publication
- 09 Making Farmers' Cooperatives Work by Tushaar Shah. Sage Publications
- 09 Cooperative Democracy vis-à-vis Members' Education by Daman Prakash.  
The Coop Times Publication
- 11 Cooperatives and Environment by GC Shrotriya and Daman Prakash. ICA-IFFCO Publication
- 12 Our Civil Society and Cooperatives by Daman Prakash. ICA ROAP Publication
- 13 Social Objectives of Cooperatives by Daman Prakash. ICA ROAP Publication
- 14 Management Leadership Development in Agricultural Cooperative Business by Daman Prakash.  
ICA ROAP Publication
- 15 State of Agricultural Cooperatives in Asia by Daman Prakash. ICA ROAP Publication
- 15 Project Formulation – Some Methods and Techniques, Technical paper by Daman Prakash,  
ICA ROAP
- 16 JA-The Japanese Agricultural Cooperatives – Then and Now by Daman Prakash.  
ICA ROAP Publication
- 18 Governance and Cooperatives – A technical paper by Daman Prakash. ICA ROAP
- 19 Paradigm Shift in the Management of Agricultural Cooperatives in Asia by Daman Prakash and  
GC Shrotriya. ICA-IFFCO Publication
- 20 Total Quality Management Practices in Agricultural Cooperatives in Asia by Daman Prakash and  
GC Shrotriya. ICA-IFFCO Publication.

## SECTION-III

### REVIEW OF MANAGEMENT PRACTICES IN AGRICULTURAL COOPERATIVES IN ASIA AND COMPARATIVE FIELD STUDY VISITS IN INDIA AND MALAYSIA

Part-I of the Training Programme held in India and Malaysia  
January 06-March 08 2001

#### 01 Introduction

The 15th ICA-Japan International Training Course on "Strengthening Management of Agricultural Cooperatives in Asia" was held in India-Malaysia and Japan during the period November 16 2000-April 28 2001. Part-I of the Training Course consisted of three modules i.e., [i] Home Country Assignments [HCAs] segment, [ii] India segment, and [iii] the Comparative Field Study Visits segment in Malaysia. The HCAs segment was conducted in the home countries of the participants during the period November 16 2000-January 06 2001 under the guidance of the chief executive officers of the respective participants. During this period the participants had produced draft development project proposals based on the guidelines provided by the ICA. The India segment included three components i.e., [i] review of management practices followed by agricultural cooperatives in the participating countries and comparative field study visits to national and local level cooperative organisations in Delhi and Gurgaon areas, [ii] Management Leadership Development Module at the Institute of Rural Management [IRMA] at Anand, and [iii] the Wrap-Up Sessions held in New Delhi at the ICA Regional Office for Asia and the Pacific. The third segment was on comparative field study visits to agricultural cooperatives and related institutions in Malaysia which was conducted with the active support and collaboration of the ANGKASA-National Cooperative Organisation of Malaysia and the Cooperative College of Malaysia. Part-II of the Training Course on 'Management Practices Adopted by the Agricultural Cooperatives in Japan with special reference to Value-Addition through Agro-processing and Comparative Field Study Visits in Japan' was conducted in Japan with the active collaboration of the IDACA-Japan.

Part-I of the Training Course consisted of the following segments and components:

*India Segment covered:*

- Home Country Assignments
- Review of Management Practices in Participating countries & Comparative Field Study Visits
- Management Leadership Development Module at the IRMA
- Wrap-Up Session at the ICA Regional Office in New Delhi

*Malaysia Segment covered:*

- Comparative Field Study Visits in Malaysia

Part-II of the Training Course consisted of the following segments and components:

*Japan Segment covered:*

- Management Practices developed and adopted by the Japanese Agricultural Cooperatives
- Comparative Field Study Visits in Japan

After having completed their Home Country Assignments, all the participants got together in India on the 7th of January 2001 for the first time. A formal inaugural session was held on Tuesday, January 09 2001 in New Delhi in the Committee Room of the IFFCO Marketing Division.

#### 02 Inaugural Session of Part-I of the Programme

The 15th ICA-Japan International Training Course on 'Strengthening Management of Agricultural Cooperatives in Asia' was formally inaugurated at the Committee Room of the Marketing Division of the Indian Farmers' Fertiliser Cooperative Limited [IFFCO] in New Delhi on Tuesday, January 09 2001 by Mr DK Bhatt, Marketing Director of IFFCO at the Inaugural Session which was presided over by Mr Karl-Johann Fogelstrom, Director-General of the International Cooperative Alliance. Mr Mitsuaki Kinoshita, First Secretary in the Embassy of Japan who was present at the Inaugural Session, conveyed the greetings of HE the Ambassador of Japan in India and the Ministry of Agriculture, Forestry and Fisheries-MAFF/Japan. Others present at the Inaugural Session were: Dr Robby Tulus, ICA Regional Director for Asia and the Pacific; Mr Bhagwati Prasad, Chief Executive of the National Cooperative Union of



The participants visited Malaysia to observe the development and management of agricultural cooperatives. They are seen with the leaders of the Malaysian Cooperative Movement.



Butter packing line of the Dudhsagar Cooperative Dairy in Mehsana, Gujarat, India.



The participants at the briefing session at JA Green House Complex in Gunma Prefecture in Japan.



The participants visiting the oil packing section of the Mehsana Oilgrowers' Union





Fruit grading and packing facility of JA-Tone Numata in Gunma Prefecture in Japan



Green House are extensively used as a means to enhance income of the farmers of agricultural cooperatives. Vegetable cultivation in such green houses in Gunma Prefecture in Japan.



**Chronology of ICA-Japan International Training Courses on "Strengthening Management of Agricultural Cooperatives in Asia" held from 1986-87 to 2000-2001**

Course	Dates	Countries Where Courses Held	Participating Countries
01	Nov.01 1986- May 03 1987	India, Thailand, Japan, and Republic of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka, Thailand [09]
02	Oct 26 1987- May 10 1988	India, Thailand, Japan and Republic of Korea	Bangladesh, China, India, Indonesia, Korea Malaysia, Philippines, Sri Lanka, Thailand [09]
03	Oct 24 1988- May 07 1989	India, Thailand, Japan and of China	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand [09]
04	Oct 23 1989- May 10 1990	India, Thailand, Japan, and Republic of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand [09]
05	Oct 22 1990- May 10 1991	India, Thailand, Japan and Republic of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand [09]
06	Oct 21 1991- May 10 1992	India, Thailand, Japan and China	Bangladesh, China, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam [12]
07	Nov 09 1992- May 08 1993	India, Thailand, Japan and Republic of Korea	Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam [11]
08	Oct 20 1993- Apr 21 1994	India, Sri Lanka, Thailand and Japan	Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Myanmar, Pakistan, Sri Lanka, Thailand and Vietnam [11]
09	Oct 17 1994- Apr 22 1995	India, Indonesia, Japan	Bangladesh, India, Indonesia, Korea, Myanmar Philippines, Vietnam [07]
10	Oct 18 1995- Apr 20 1996	India, Malaysia, Japan	Bangladesh, China, India, Indonesia, Korea, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam [12]
11	Nov 03 1996- Apr 20 1997	India, Sri Lanka, Japan	Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam [11]
12	Oct 20 1997- Apr 23 1998	India, Philippines, Japan	Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, and Vietnam [10]
13	Nov 16 1998- Apr 24 1999	India, Nepal, Japan	Bangladesh, China, India, Malaysia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam [11]
14	Nov 12 1999- Apr 22 2000	India, Thailand, Japan	China, India, Indonesia, Malaysia, Myanmar, Philippines, Sri Lanka, Thailand, Vietnam [09]
15	Nov 16 2000- Apr 28 2001	India, Malaysia, Japan	Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam [12]
Total Number of Attending Participants			225
Total Number of Training Courses Held			015
Total Number of Countries covered under the Project			014
Total Number of Project Proposals Prepared by the Attending Participants			222



**Countrywise Participation in ICA-Japan International Training Courses on  
"Strengthening Management of Agricultural Cooperatives in Asia"  
held during the period from 1986-87 to 2000-2001**

Country/Year Course Number	1986-87 No. 01	1987-88 No. 02	1988-89 No. 03	1989-90 No. 04	1990-91 No. 05	1991-92 No. 06	1992-93 No. 07	1993-94 No. 08	1994-95 No. 09	1995-96 No. 10	1996-97 No. 11	1997-98 No. 12	1998-99 No. 13	1999-2000 No. 14	2000-2001 No. 15	Total
01 Bangladesh	01	01	01	01	01	01	01	01	01	01	01	01	01	-	01	14
02 China	02	02	02	02	02	02	-	-	-	01	02	02	02	02	02	23
03 India	03	03	02	02	02	02	03	02	03	02	02	02	02	02	02	34
04 Indonesia	01	02	-	-	-	01	01	02	03	01	02	02	-	01	01	17
05 Iran	-	-	-	-	-	01	01	01	-	-	-	-	-	-	-	03
06 Korea	02	02	02	02	02	02	02	02	02	02	-	-	-	-	-	20
07 Malaysia	01	01	01	02	01	01	01	01	-	01	01	01	01	01	01	15
08 Myanmar	-	-	-	-	-	-	-	01	02	01	01	01	01	02	01	10
09 Nepal	-	-	-	-	-	-	-	-	-	-	-	-	02	-	01	03
10 Pakistan	-	-	01	01	01	01	01	01	-	01	01	01	01	-	01	11
11 Philippines	02	01	02	02	02	01	01	-	02	01	01	02	01	02	03	23
12 Sri Lanka	01	01	02	01	02	01	02	02	-	02	02	01	01	01	01	20
13 Thailand	02	02	02	02	02	01	01	01	-	01	-	-	01	02	01	18
14 Vietnam	-	-	-	-	-	01	01	01	02	01	03	02	02	02	02	16
<b>TOTAL [14]</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>225</b>

India; Mr Jan-Erik Imbsen, Head of the ICA Development Division; Dr GC Shrotriya, Chief Manager [Agricultural Services] IFFCO; and Dr Daman Prakash, Course Director.

Welcoming the participants and the distinguished guests on behalf of the International Cooperative Alliance Regional Office for Asia-Pacific, Dr Robby Tulus said: "I am elated and proud that our Director-General, Mr Karl-Johann Fogelstrom could be with us at this Opening Session, which shows his keen interest in the programme being conducted by ICA ROAP, and thus a genuine testimony of his fascination to be in the field among cooperators to share his valuable insights and experiences... We have now entered the New Economy and cooperatives are set on the stage of global competition with all its ramifications. It is important for participants to know the significance of this intensive Training Course, because Cooperatives have made a difference in helping and augmenting farmers in rural areas. We have seen tremendous changes due to globalization at the farm gate level, where farmers in this Region have suffered on account of the domination of the disproportionate market sharing in the international export market of farm products. The international agricultural market would increasingly be dominated by a small number of exporting countries during the years to come. Agriculture is also not just simply a matter of production, be it fertilizers, milk, or rice. Farmers are engaged in voluntary multi-functional work which has both social and cultural ingredients... What is better than cooperatives to consolidate these farmers into higher productivity. Domestic agriculture production is a basis for food security in every country. Farmers and their cooperatives must promote coordination at every level to make this happen, as legitimate demands of citizens".

Welcoming the participants and the distinguished guests on behalf of India and the Indian Cooperative Movement, the Chief Executive of the National Cooperative Union of India, Mr Bhagwati Prasad, said that the contributions made by the ICA with the support of the Government of Japan have been able to fulfil a part of the training demands within the agricultural cooperatives sector through this high-profile training programme. Agricultural cooperatives, in the modern times, needed marketing skills to provide additional income-generating opportunities and to compete effectively in the open market systems. The Indian Cooperative Movement, having the distinction of being world's largest, has, on its own, been able to demonstrate effective use of agro-processing to strengthen the economic situation of basic farmers. India has the largest and most comprehensive training infrastructure in the world. Mr Bhagwati Prasad offered to the ICA and to the developing countries all possible facilities in the training of the staff and education of cooperative members. He assured the ICA Director-General that the NCUI would continue to support the efforts of the ICA in all its technical programmes.

Delivering his Presidential Address, Mr Karl-Johann Fogelstrom said: "Being present at the Inaugural Session of this Programme I have a feeling of coming home once again, after a lapse of several years. India has fascinated me and it was a great privilege for me to have worked here in New Delhi at the ICA, and during that tenure I was able to make good friends and meet several personalities of distinction. India has a vast network of cooperatives, agro-processing units and training institutions. I now have the pleasure to preside over this Inaugural Session and thereby associating the ICA more closely with the Indian Cooperative Movement and the countries of our participants. This programme is quite different from the rest of our programme and also quite demanding in the sense that the sponsoring organisations are able to send their officers for training for a long duration. Cooperatives of today are fighting for survival. In the present situation where multinational companies are making strong inroads in national economies, and changing the total marketing pattern and consumer behaviour. It thus becomes important for the cooperative institutions to infuse new techniques and methods and well-trained staff to stay in the market and compete with private business." Continuing his address, Mr Fogelstrom conveyed his special thanks to the Government of Japan for providing funds for the conduct of the current training project. He also thanked the Indian Cooperative Movement, and especially the IFFCO for supporting various elements of the Training Course. He expressed his full satisfaction on the conduct of this project. This was his first visit to India after assuming his new position as Director-General of the ICA since September 01 2000.

Dr Daman Prakash, Project Director, had earlier briefed the distinguished guests on the programme. He introduced the distinguished guests to the participants and the participants to the guests and conducted the felicitation ceremony.

In his Inaugural Address Mr DK Bhatt, Marketing Director of the IFFCO said: "It is my proud pleasure to welcome and congratulate Mr Karl-Johann Fogelstrom not only to preside over the Inaugural Session of this important Training Course, and to the office of the IFFCO but also on the assumption of your new post as the Director-General of the ICA. I congratulate you, Mr Fogelstrom, and wish you a very successful assignment. I am very happy that you have kindly agreed to preside over this Session. I am sorry that my Managing Director, Mr US Awasthi is not able to be present here due to personal reasons at home. It has been a good opportunity for the IFFCO to work with the ICA on various important issues, especially in hosting a part of this Training Course. In this process we have also learnt from the experience of participating countries. Ours is a business organisation as well as a cooperative institution. We

have, therefore, to cater to the needs of the market as well as of our basic farmer-members through their cooperative institutions. We have found that many of our achievements are mainly due to high level training of our field and operational staff, and therefore, the IFFCO supports any programme which has a strong training component in it. This particular programme has attracted our attention. On behalf of the IFFCO and on behalf of the Indian Cooperative Movement I congratulate and thank the ICA for sponsoring this management training project. I also thank the Government of Japan through Mr Mitsuaki Kinoshita, who is present here, for providing funding to this programme. It is a very useful contribution."

Dr GC Shrotriya, Chief Manager [AS] and IFFCO Programme Coordinator proposed the Vote of Thanks to all the distinguished guests and hoped that all the participants would make the best use of the learning opportunity given to them and that they would enjoy their stay in India and at the FMDI.

### **03 Characteristics and Management Practices in Agricultural Cooperatives in the Participating Countries - A Brief Regional Overview**

The first two weeks of the training programme were devoted to the review of agricultural cooperative situation with special reference to their problems and managerial practices followed. The reviews were based on the background papers prepared and presented by the participants from 12 countries. The Regional Review Sessions were held at FMDI. Resource persons from the ICA Regional Office and IFFCO participated in the Review Sessions.

#### **[01] Bangladesh**

*Bangladesh is one of the developing countries in South-Asian region. The total area of the country is 1,47,590 sq. km with a population of 130.02 million. About 80-85% of the population directly or indirectly depends on agriculture. Agriculture is the main occupation of the people employing 63.2% of the labour force. This sector directly contributes around 32% of the gross domestic product [GDP]. Rice, wheat, jute, sugarcane, tobacco, oilseeds, pulses and potatoes are the principal crops. The industrial sector contributing around 19% of the targeted GDP is dominated by readymade garments, jute processing followed by cotton textile and cigarettes.*

Agricultural cooperatives in Bangladesh stand divided into two parallel structures i.e. the traditional cooperatives [numbering 40,678] headed by the Bangladesh Jatiya Samabaya Union [BJSU] following a three-tier structure; and among farmers cooperatives [numbering 103,424] run on the pattern of the Bangladesh Academy for Rural Development [BARD]. Both the types of cooperatives serve the same target groups and have created, the problem of overdues on the one hand and inadequacy of loans on the other. The apex organisation of the traditional cooperatives is the BJSU, which also serves as the umbrella organisation of the Movement.

The Bangladesh Samabaya Bank registered on 31st March 1948, is the country's apex financial institution with an area of operation throughout the country and its membership is open to all types of cooperative societies. Short-term loans in the shape of cash, seeds, fertilisers; medium-term loans for purchase of plough cattle and small size agricultural implements; and long-term loans for redemption of old loans, purchase of agricultural machinery and improvement of land are given by the Bank.

The traditional cooperatives, numbering 511, are serviced by the Bangladesh Samabaya Bank through the central cooperative banks numbering 72, and the 52 Thana central cooperative associations. The traditional cooperatives also include 13 sugarcane growers' cooperative societies, 52 cooperative land mortgage banks, 3 national/apex cooperative societies and 318 primary multipurpose cooperatives and others. The problems faced by the Movement are many. To name a few: weak organisational foundation; inadequacy of member education and management training; dearth of able voluntary leadership; limitation of democratic character; problems of financial discipline; and lack of dynamic guidance and services.

#### **[02] China**

*Some of the basic indicators of China are as follows: Population-1.21 billion; Land Area-9.6 million sq. km; Cultivated land-95.333 million ha; 26.3% for paddy cultivation, Per capita income-US\$ 620. The main cereal crops cultivated in China include paddy/rice, wheat, maize, millet, and sorghum. The All-China Federation of Supply and Marketing Cooperatives [ACFSMC] is the national apex of the Movement.*

Agriculture occupies a dominant place in the economy. Main crops of China include rice, wheat, corn, soybeans, tubers, oil-seeds, industrial crops etc. The country's total grain output in 1995 was 466.6 million tons, an increase of 4.5% over 1994 production. 80% of the production is of cereal crops and others represent the remaining 20%.

The Cooperative Movement, first started in China in early 20th century, continues to progress under the All-China Federation of Supply and Marketing Cooperatives. The first cooperative was organised in 1918 followed by agricultural marketing cooperatives in cotton growing regions. Consumer cooperatives were formed in the 1920s and the first Cooperative Law was promulgated in 1935. In 1949, after the founding of the Peoples Republic of China, supply and marketing cooperatives were set up in early 1950s to assist the farmers with their input supply and output marketing and to meet their credit requirements.

The supply and marketing cooperatives of China follow a four-tier structure. 33,601 grass-root level supply and marketing cooperatives federate themselves into 2,300 county level cooperatives, which, in turn, are affiliated to the 28 SMCs at municipal and provincial levels. All the SMCs are federated into the All-China Federation of Supply and Marketing Cooperatives [ACFSMC]. The ACFSMC was formed in 1954 and became a member of the ICA in 1985. As the representative national apex of the Cooperative Movement, the ACFSMC is responsible for the cooperative reform programme, development strategy, policy coordination, management and protection of interests of SMCs. The ACFSMC coordinates and harmonises actively the relations between the SMCs and other government departments and helps the SMCs across the country to promote foreign trade and technical exchanges with foreign countries.

The SMCs boast an extensive network of 700,000 business units, with a membership of 80% of the Chinese farmers. 0.16 billion farmer-member households as shareholders with a total capital base of 10 billion yuan. The ACFSMC has more than 16,392 industrial enterprises for value addition purposes and about a million employees with a total output of 83.5 billion yuan. 80% of output value comes from agro-processing.

### [03] India

*Some of the basic indicators are as follows: Population-900 million; Land area-328.7 million ha; Cultivated area-142.1 million ha; Share of agriculture in GDP-27%; Average land holding-1.5 to 2 ha; Total number of cooperatives of all type-395,000; Membership-189 million; Per capita Income-US\$ 340. Major products include rice, wheat, sorghum, maize, coarse pulses, pulses, oilseeds, cotton, jute, sugarcane and horticultural crops.*

The Cooperative Movement in India is one of the oldest in the Region and the largest in the world in terms of number of members and cooperative institutions. Starting as a credit movement in 1904, it has now branched off into several specialised sectors such as marketing, international trade, agro-processing, fertiliser production and supply, production of heavy machinery, housing, consumer, fisheries etc. Agriculture is the strongest segment of the cooperative sector. During 1995, the total number of cooperatives in the country was around 395,267, with a membership of 189.62 million; share capital of Rs. 89 billion, working capital of Rs. 118 billion, and assets worth Rs. 826 billion. Cooperatives cover 99.5% of all villages in the country and rural household coverage of 96%.

Most of the cooperatives are vertically integrated through their respective specialised federations or unions at the district, state and national levels. Twenty-one national level specialised federations are members of the National Cooperative Union of India [NCUI] which is the spokesman and umbrella organisation of the entire Cooperative Movement in the country and also has membership within the ICA. Primary cooperatives are affiliated to the district level unions/federations, which, in turn, are federated into 284 State level unions/federations.

Agro-processing activities are undertaken by 244 cooperative sugar factories covering 60.5% of sugar produced in the country, 70,188 dairy cooperatives federating themselves into unions, 138 oil seed cooperatives, rubber, horticultural cooperatives and others such as rice and other mills.

Value-adding cooperatives are agro-processing units providing infrastructure for the benefit of farmers. The principal segments of these are: sugar cooperatives, dairy cooperative, rubber cooperatives, oil seeds cooperatives, horticultural cooperatives and fertiliser cooperatives.

The National Agricultural Cooperative Marketing Federation of India [NAFED-India] is the apex body of marketing cooperatives in the country. 5,923 primary marketing societies and 29 state level cooperative marketing federations are affiliated to NAFED. NAFED serves its member-organisations and through them farmer-members of cooperative societies through its 34 branch offices including Agro-Service Centres and Industrial Units. Through its wide network NAFED ensures an effective interface for stabilising market prices, price support operations of various oil-seeds and pulses, and market intervention activities of perishables like onion, potato, ginger, pineapple, grapes and citrus fruits. In conjunction with public sector corporations like the Food Corporation of India, Cotton Corporation of India marketing cooperatives helps ensure proper and effective procurement of commodities from farmers at remunerative prices.

NAFED's internal trade was Rs 4,556 million and export trade amounted to Rs 1,254 million in 1999-2000. NAFED

exports commodities like onions, potatoes, garlic, kino, grapes and other fruits, and niger-seed and imports pulses, fertilisers and supports the government by importing essential commodities as and when required. The NAFED is continuously endeavouring to diversify its activities and in setting up of value adding activities in the fields of processing etc.

#### **[04] Indonesia**

*Some of the basic indicators of Indonesia have been as follows: Population-193 million [60% on Java Island itself], Land area-9.8 million sq. km [land territory only 1.9 million sq. km], Per capita income-US\$ 980; Share of agriculture in GDP-16%; Total number of cooperatives - 35,861 [out of which 9,002 rural cooperatives/KUD], total membership-25.6 million.*

Agricultural cooperatives in Indonesia are organised in a three-tier structure. The multipurpose cooperatives [KUDs] at the primary level, which are federated into the PUSKUD at the provincial level and these, are affiliated to INKUD at the national level. There are at present 9,064 KUDs and 35,861 other types of cooperatives in Indonesia. The KUD is characterised by its multipurpose business with farmers, fishermen and handicraftsmen as its members. Most activities are anchored on agriculture. The main functions of KUDs are: [a] distribution of farm production inputs and consumer goods; [b] provision of credit and collection, processing and marketing of produce of members.

KUDs have a membership of 13 million and non-KUDs have a membership of 12.6 million. Main objectives of the KUDs were to consolidate the people, consolidate and rationalise land resources for agricultural production and to provide means of incomes to the people and to use them to maintain national food stocks, mainly rice. Provincial level cooperatives have been formed by the primaries and the provincial level federations have formed the national fedcra-tion.

Though the KUDs function on a multipurpose basis, their organisational strength is weak both in financial and business terms. Due to weak structural and financial link-up between the KUD, PUSKUD and INKUD, the cooperatives are not able to compete with private traders. There is very little active participation by members. KUDs lack suitable infrastructure for marketing, storage and processing and other value-adding activities. Other supportive services like member education, farm guidance and staff training are very inadequate. Government training facilities are available for cooperative employees through its network of 27 provincial level cooperative training centres and one national level cooperative training centre. Due to the recent economic crises and political changes, the role of the KUD has come under a close scrutiny. Their objectives and activities are being readjusted.

The government as well as the Dewan Koperasi Indonesia [DEKOPIN] share member education and extension services. Private foundations and academies provide formal education in cooperatives. There is an Institute of Cooperative Management [IKOPIN] at the national level and eight cooperative academies in the country.

The Cooperative Education and Training Development Institution [LAPENKOP], which is owned by DEKOPIN [National Cooperative Council of Indonesia], establishes the programme to strengthen member participation. It was established on 20th November 1995. The aim of LAPENKOP programme is to raise cooperatives members' income through more effective, democratically run and economically sustainable cooperative. LAPENKOP exist not only at national level but also at province and district level. The establishment of LAPENKOP at province and district levels is carried out gradually according to the needs, capacity, and demands from the province or district. Until the year 1999, LAPENKOP has worked in 6 provinces and 36 districts, which covers 911 primary cooperatives comprising of 337 rural cooperatives and 574 non-rural cooperatives.

#### **[05] Malaysia**

*Some of the key indicators of Malaysia have been as follows: Total population-20.5 million, Total land area-329,758 sq. km; Total number of cooperatives-4,077; Total cooperative membership-4.02 million; Share of agriculture in GDP-14.8; Per capita income-US\$ 3,890. Main products are rubber, oil palm, paddy, coconut, cocoa and tobacco.*

The three main core agricultural activities in Malaysia are the estate sector, the small farm sector and the newly-developed land sector. Plantation crops dominate agriculture. Oil palm cultivation has taken strides over rubber and other plantation crops due to its high returns and less labour demands. Livestock production is restricted to pigs and poultry. Local beef production is only 10% of total demand and the dairy industry is very small, but slowly expanding. The contribution of agriculture to national economy, which was 33% in 1990, dropped to 15.8% in 1993, and the contribution of industry increased from 12.1% to 30.1% during the same period. Agricultural policy, development and its future are being governed by National Agricultural Policy [NAP] 1992-2010. The land usage for agriculture is

expected to go down gradually in the future. Small farmers dominate Land holding and the average size varies from 2.4 to 5.6 hectares.

Agricultural cooperatives are involved in various activities e.g., credit disbursement, marketing, rice milling and processing activities and cooperative education activities. Agricultural cooperatives and other cooperatives function under various governmental agencies. At the end of 1995, 3,554 non-agricultural cooperatives were registered and functioning under the Department of Cooperative Development. Agricultural cooperatives are under the registration and supervision of the Farmers' Organisation Authority [FOA]. 1,511 agro-based cooperatives serving a total membership of 316,602 and with a share capital of RM 66.2 million were functioning as of 1994.

The ANGKASA [National Cooperative Organisation of Malaysia] is the national apex organisation of all cooperatives in the country and acts as the spokesman of the Movement. The ANGKASA represents the Movement both at national and international levels and conducts education and publicity activities for managerial development. ANGKASA works in close collaboration with all government departments and agencies connected with cooperative development in the country and are the lobbying force for coop-related activities. Up to October 1998, there are 2008 cooperative societies which include tertiary, secondary, primary, adult and school cooperatives, with more than 2.5 million individuals who are their members. ANGKASA also undertakes pre-audit of cooperatives and assists cooperative employees in their salary deduction facilities under the Federal Pension Scheme [BPA]. BPA now serves more than 400 cooperatives with one million accounts amounting to more than RM 80 million per month. BPA is on line with 14 banks in the country making the transactions easier and faster.

The National Land Finance Cooperative Society Limited [NLFCS] was registered on 4th June 1960. Through the efforts of the Malaysian Indian Congress and its leaders, the Society was formed and they had the challenging task of persuading the people to pool their resources, so that they could engage collectively in the plantation industry for which they have been working for all their lives. The Society has over the years emerged as a successful cooperative with a membership of 70,687 [as at 31st December 1999] and a share capital of RM 118 million and assets worth over RM 513 million. The Society has acquired extensive expertise in the management of plantations. The agronomic and agricultural conditions are managed efficiently by its associate company, Messrs Plantation Agencies Sdn. Bhd which also manages another 100,000 acres of plantation land both in Malaysia, Indonesia and Sabah. The Society, after consolidating its financial position, has concentrated on improving Members Benefit in the form of economic assistance, educational services, medical assistance, senior members' assistance, and general assistance.

#### [06] Myanmar

*Some of the basic indicators of the Union of Myanmar are as follows: Total population-45.6 million; Total land area-676,577 sq. km; Total cultivated land-9,899,010 ha; Total number of cooperatives-24,898; Total cooperative membership-3.0 million; Main products of the country include: rice, cotton, beans and pulses and sugarcane.*

66% of the population was engaged in agriculture. Of the total area of 67.6 million hectare, only 13% are under cultivation. Main crops include cereals like wheat, rice, maize and millet, oil seeds, grams, pulses and cash crops like cotton, jute, sugarcane, rubber and tobacco, vegetables and fruits. In 1995-96, the total cropping area amounted to 32.3 million acres showing an increase of 27% over 1991-92. Animal husbandry is another area where substantial growth has been achieved in recent years. Fertiliser production is not self-sufficient and the needed quantity is imported for meeting the requirements of farmers.

The Cooperative Movement in Myanmar was introduced in 1904 in accordance with the Indian Cooperatives Societies' Act. The first agricultural credit cooperative was registered in January 1905. After independence in 1948, two cooperative laws were enacted in 1956 and 1970 respectively. The 1970 cooperative law was amended in December 1992 in line with the new market-oriented economic policies of the country. As of September 1996, there were 5,667 new cooperatives and 15,281 reconstituted cooperatives, which formed themselves into 495 cooperative syndicates which are, in turn, affiliated to five provincial level unions. The total number of members in all the cooperatives is around 2.8 million with a paid-up share capital of Kyat 3.7 billion. Primaries group together themselves into Syndicates [cooperative business unions] and these Syndicates form their own Unions or get affiliated to the national apex of the Cooperative Movement, the Central Cooperative Society [CCS].

The CCS is the national spokesman organisation of the Cooperative Movement and has been a member of the ICA since 1993. The CCS is engaged in business and cooperative promotional activities. CCS also carries out cooperative education and training activities in collaboration with the Department of Cooperative Development. The primaries are multipurpose in character and provide credit, input supply and marketing of member's produce in addition to allied services. Owning and operating processing facilities like rice mills, oil expellers, condensed milk manufactur-

ing, salt plants, textile mills and other workshops, do value adding. Beans and pulses, different species of hard wood besides teak and wood-ware, rattan products, animal feed, handicrafts, dolls etc are exported and palm oil, consumer and household goods, fertiliser, vehicles etc. are imported. Import/export trade is mainly with India, Thailand, Singapore, Hong Kong, Japan, South Korea, Germany, France, England and the United States of America.

To strengthen the cooperation and coordination in cooperative agriculture among cooperatives, Union of Agricultural Cooperatives Societies [UAC] was formed on 16th February 1996, comprising 158 syndicates. Now altogether 2,896 primary agricultural cooperatives are functioning on primary level.

The Yangon Cooperative Regional College which was opened in 1994 was upgraded in 1996 as the Yangon Cooperative Degree College. It offers degree course in B.A. [Business Science] starting from 1998-99 academic year. The College is adopting the Modular System and the Credit System. Scholarship is awarded to the outstanding students. Free tuition is awarded to the students of the personnel of cooperatives.

The Ah Yone Oo Farming Cooperative was formed in 1991 with 37 members, to improve the livelihood and living standard of the farmers' families. Each member has to purchase at least one share worth 5000 Kyats and total share capital is Kyats 0.185 million. The Board of Directors consists of five members, with Chairman, Vice Chairman, Managing Director [full time members] and two members.

#### **[07] Nepal**

*Total population of Nepal is: 22903598; Land Area 147181 sq.km; Per capita income US\$ 234; 87% people live in rural areas; 18% of the total land area used for agricultural operation 53% of which lies in the Terai region; main agricultural products are: paddy, maize, wheat, barley, millet, oilseed and sugarcane; contribution of this sector to GDP 54%; about 60% of the population live below the poverty line.*

The National Cooperative Federation of Nepal Limited [NCF], an apex body of the cooperative movement of Nepal, registered on June 20, 1993 under the Cooperative Act, 1992, was voluntarily and jointly organised by cooperatives of different levels on the basis of universally accepted cooperative principles. At present NCF has a membership of 3 Central Cooperative Unions, 48 District Cooperative Unions, 8 Single Purpose District Cooperative Union and 7 largest single-purpose cooperative societies. It represents 5,671 primary cooperative societies operating throughout the Kingdom of Nepal with approximately 1.2 million members.

The NCF is also engaged in business activities. In order to meet the growing demand for farm inputs, especially fertiliser and seeds, the Federation has entered into agreement with the IFFCO in India for the supply of chemical fertilisers, and NAFED-India for the supply of onions and sugar. The Federation has been trying to reenergize its constituents, the district level cooperative unions to undertake more and more of business activities rather than limiting themselves to member education programmes. It established Cooperative Wholesale Marketing Complex for marketing different consumer items and farm produce. The total business turnover of NCF in 1996-97 was Rs. 23,060,574 which, in 1997/98, increased to Rs. 38,988,615. This turnover has reached around NRs. 50 crore within the fiscal year 2000-2001 in the five months period.

Besides the Ministry of Cooperatives and the Department of Cooperative Development, there is also a government institutions, the National Cooperative Development Board, which is responsible for the development of cooperatives and facilitation of cooperative business. Cooperative training needs are met by the Cooperative Training Centre, a government-owned institution. Others sectors which are of significance in Nepal are the dairy cooperatives, thrift and credit cooperatives and women's industrial cooperatives.

#### **[08] Pakistan**

*Total area: 796,095 sq. km; population 137.500 million; cultivable land 21.59 million hectares; irrigated 12.68 million hectares, wasteland 8.91 million hectares; per capita income US\$ 443; agriculture contributes 25% of GDP; main crops are wheat, rice, cotton, sugarcane, maize and oilseeds.*

As of 2000, Pakistan had 66,178 cooperatives, out of which 46,615 were agricultural cooperatives. The total membership of the cooperatives was 3,532,995 members. Administratively the cooperatives are affiliated to the secondary federations at district level, then to the provincial level federations and at the national level to the National Cooperative Union of Pakistan, which is the spokesman organisation for the entire Cooperative Movement, and a member of the ICA.

The cooperative banking structure in Pakistan is three-tiered with the agricultural cooperative credit societies at the

base level, the provincial cooperative banks at the province level and the Federal Bank for Cooperatives [FBC] at the national level. The FBC was established to improve and regulate the working of the Provincial Cooperative Banks [PBCs]. The FBC does not directly lend to the cooperative credit societies and routes through the provincial cooperative banks. The FBC provides training facilities to the staff of PCBs and has set up a National Centre for Cooperative Training in 1987 and the centre has held several long-term and short-term training courses. Besides being the principal financing institution for the PCBs, the FBC also carries out supervisory, inspection and monitoring control, education and training functions. The paid-up share capital of Rs. 200 million has come from the State Bank of Pakistan and central and state governments.

#### **[09] The Philippines**

*Some of the basic indicators of the Philippines are as follows: Total population-72 million, [with an annual growth rate-2.32%]; Number of households-13.5 million; Total land area-300,000 sq. km.; Per capita income-US\$ 1,050. Share of agriculture in GDP-20%; Main agricultural products include rice, maize, sugarcane, spices, coconut, coffee, tobacco, abacca and fruits and vegetables.*

The Philippines, comprising 7,107 islands and islets with three main islands of Luzon, Visayas and Mindanao is principally an agricultural country. 47% of its 72 million population is highly dependent on agriculture. Main crops of the country include rice, corn, sugarcane, rubber, fruits and vegetables. Agricultural production in the country suffers every year due to typhoons.

Cooperatives in the Philippines cater to diverse needs of its membership, i.e. credit, consumer, marketing, services etc. and mostly are multipurpose in character. The new Cooperative Societies Act, [RA 6938], enacted in 1990, has made the cooperatives free from government interference and paved the way for a smooth and proper democratic development of the movement. As of June 1996, there were 39,222 registered cooperatives in the country, out of which 24,814 [63%] were agriculture-based, and 8,858 [23%] were non-agriculture based with a total membership of 5.59 million. The cooperatives are growing fast in number and the membership rose from 1.16 million in 1991 to 5.59 million in 1996. Contribution to GDP from the cooperatives has grown from 2.2 to 9% during 1991 to 1996, from Pesos 29 billion to Pesos 141 billion. The Movement has established 44 cooperative banks so far.

The National Confederation of Cooperatives [NATCCO], which is a member of the International Cooperative Alliance [ICA], is the tertiary level organisation of 2697 cooperatives – primary coop federations – across the Philippines. NATCCO was organised in 1977 by coop leaders. NATCCO's registration as a cooperative federation was confirmed by the Cooperative Development Authority [CDA] in December 1990. NATCCO is committed to work towards alternative socio-economic political system guided by self-reliance, democracy, nationalism, solidarity, justice, and gender equality; and evolve a strong and viable cooperative sector and Movement.

Tindahan Sa Parokya was established in November 4, 1983 in the town of Pres. Roxas, Cotabato by the church leaders of the area. It had an initial capital share amount of P17,000 [P7,000 from members and P10,000 loan from the Diocese of Roman Catholic Church] with 47 members. The cooperative was registered with the Regional Cooperative Development Authority a year after its organisation and changed its name to Sta. Catalina Multi-Purpose Cooperative. [SCMPC]. The SCMPC is a primary level cooperative. It is a member of a mutual insurance cooperative [Cooperative Life Mutual Benefit Services], a federation/secondary level cooperative which is also a member of an apex/national level cooperative [National Confederation of Cooperatives-NATCCO], which is a member of the ICA.

At present, SCMPC has 1,300 regular members and 26 associate members with assets of twenty-eight million Pesos. One-fifth of the assets compose the liabilities of the cooperative to outside creditors. It is servicing its members and non-members through the following: Consumer store and glassware, buy and sell of farm products (paddy, corn, copra, rice and rice bran), rice-mill, mechanical and solar dryer, trucking services, welding and vulcanizing shop, hardware and farm input supply store, bakery and canteen, savings and credit, training centre and dormitory, special projects for women, and post harvest facilities for farmer-members. SCMPC is being managed by 9 elected Board of Directors, one General Manager and 47 staff.

#### **[10] Sri Lanka**

*Some of the basic indicators of Sri Lanka are as follows: Total population-18.2 million; Agriculture is 27% of the GDP; Average land holding is 1.35 ha; Total number of cooperatives 12,026 [multipurpose cooperatives-300]; Total cooperative membership 4.5 million; Per capita income-US\$ 700.*

Agriculture occupies a predominant position in the economy of Sri Lanka. It employs 48% of the labour force and 58% of all export earnings for the country is achieved from export of agricultural products. Paddy, coconut, tea,



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rubber, spices, roots, maize, fruits and vegetables are the principal agricultural products. Livestock production accounts for 6% of GNP. Tea, rubber and coconuts are large-scale plantations and are export crops.

Since the beginning of the Movement in 1906, agricultural cooperatives have played a major role. The first credit cooperative society was established in 1911. In 1972, existing 955 multipurpose cooperatives were amalgamated into 372 stronger and more viable multipurpose societies and today 272 multipurpose cooperatives are functioning. These societies provide production credit through their rural banks, and supply inputs such as fertilisers and in some cases loans for land preparation etc. Today a total of 12,026 cooperatives of all types and at all levels are functioning in the country with a total membership of 4,549,800 members. Majority of these societies are incurring losses in their business operations. Coconut and rubber producer's cooperative societies are mainly involved in processing and marketing their products and have formed their own apex organisations for exporting their products. These societies also provide credit facilities, fertilisers, management advisory services etc.

The National Cooperative Council of Sri Lanka [NCC/SL] is the apex cooperative organisation and is an umbrella organisation of the entire Movement. As a member of the ICA, the NCC/SL acts as the spokesman of the Movement both within and outside the country. The NCC carries out education and training activities through its district councils, education centres and regional training centres. The School of Cooperation, Polgolla, a government institution, offers diploma and certificate courses, both long-term and short-term, both to cooperative employees and officials of the department.

People's Bank, which was originally formed as a cooperative bank, has lost its cooperative character and is now functioning like any other commercial bank in the country. In order to meet the growing credit needs the MPCSS started operating credit windows at their main branches. With the acceptance of the idea and its success, the MPCSS converted their credit windows into Rural Banks. With the help and coordination of the People's Bank, these rural banks have now been operating as Rural Cooperative Banks in close collaboration with the MPCSS. In 1972 the system was reformed under the Act 5 of Cooperative Regulations, and named as Cooperative Rural Bank. The Ratnapura District Cooperative Bank made a profit of Rs 100 million in 1999 and has paid 15% dividend to its five member multipurpose cooperative societies based on their shares. Their total assets are Rs. 686 million in credit, investment, future payment, current assets, other assets, land, building, fixed deposits etc.

#### **[11] Thailand**

*Some of the basic indicators of Thailand are as follows: Land Area: 513,115 sq. kms.; Population [1997]: 61.3 million; Share of agriculture in GDP-11%; First Cooperative Act 1928; Total number of Cooperatives: 10,332; Total number of members: 6.6 million households; Newly revised Cooperative Societies Act in 1999.*

The Cooperative League of Thailand [CLT] was established under the present Cooperative Society Act of Thailand which was enacted on 7 June 1968. The Act proclaimed that there shall be an institution called the "Cooperative League of Thailand" consisting of members which are cooperative societies throughout the Kingdom without sharing profit of income. As of October 31, 1998, the League has affiliates of 5,302 primary cooperatives with its membership of 6,650,893 household. The total population of Thailand is 61 million. The CLT represents as a national apex of the Cooperative Movement. It is only organisation dedicated entirely and exclusively to the promotion of Cooperative Movement activities in the country.

The CLT is governed by the general meeting, which is composed of representatives from all types of cooperatives in the country. The number of Board of Directors is 46 persons of which 41 persons are elected and Minister appoints five persons for Agriculture and Cooperatives. The term of office is 2 years. The Board appoints a person whom it deems fit as its Director. The Director is an ex-officio and the term of office is four years. The organisational structure is comprised of Administrative Division, Finance Division, Planning Division, Cooperative Training Institute and Cooperative Training Centre. At present, there are 74 staff including the Executive Director.

The Cooperatives Promotion Department in the Ministry of Agriculture is responsible for the promotion of cooperatives and their business development. The Cooperative Federation of Thailand is the marketing and supply organisation which promotes the business of agricultural cooperatives in the country.

#### **[12] Vietnam**

*Some of the basic indicators of Vietnam are as follows: Total population-72.5 million; Total land area-330,991 sq. km; Share of agriculture in GDP-27%; Total cooperatives-20,250; Total membership-14.7 million; Per capita income-US\$ 240. Main agricultural products include, rice, soya, peanut, sugar, mung pulses, silk, jute, fresh tea, rubber, tobacco and cotton.*

Agriculture is the mainstay of the economy of Vietnam. 78.3% of the work force depends on agriculture for their livelihood. 50% of GNP is contributed by agriculture. Paddy is the main commodity and the country has been able to achieve an export surplus of 2 million tons yearly. Other main crops include maize, sweet potatoes, cassava, potatoes, soybean, peanuts, rubber and fruits and vegetables. In 1995, there were 16,243 cooperative enterprises [equivalent to multipurpose agricultural cooperative societies] and 2,548 cooperative production groups covering 64% of farming households in the country. Efforts made to strengthen the agricultural cooperatives and redistribution of agricultural land on a limited ownership basis have resulted in a positive impact on average plot yields. Some families are able to generate surplus incomes from farm management. The cooperative enterprises undertake activities in the field of input supply, production credit and marketing. Backward and forward linkages are provided to the members.

The cooperative enterprises at the primary level are affiliated to the district unions which, in turn, federate into provincial unions. At the national level all cooperatives federate into the Vietnam Cooperatives Alliance [VCA], which is the apex body of the Movement. It is a member of the ICA. As the apex organisation the VCA represents the Movement in national and international fora.

Many joint ventures between cooperatives and private trade, between cooperatives and multinationals from other countries have been established for manufacture of a variety of products both for domestic consumption and export. With the restructuring programmes announced by the government, the cooperatives, under the leadership of the VCA, are expected to play an important role to strengthen the economy of farmer-members.

### 03 Comparative Field Study Visits in India

One of the core elements of the training programme was the exposure of the participants to actual and practical situations in the cooperative sector and to enable them to exchange views and opinions with cooperative leaders, managers and members. A series of study visits to cooperative institutions in different parts of the country and at different levels of the Movement was arranged for this purpose. These visits enabled the participants to observe for themselves the activities of the cooperative organisations at primary, secondary and national levels. The participants were received and briefed about the activities of the cooperatives by the top leaders, board members and senior level managers. The participants also had an opportunity of meeting Dr V. Kurien, Chairman of the Institute of Rural Management [IRMA] at Anand and exchanging views with him. Study visits to cooperative institutions in India were organised in and around Delhi, Haryana and Gujarat States. Cooperatives visited were carefully selected to appraise them about the existing horizontal and vertical integration in the field of cooperative credit, marketing and processing institutions and also the backward and forward linkages of their activities and functions. The participants visited the following institutions:

#### Study Visits in and around Delhi and in the State of Haryana

- International Cooperative Alliance Regional Office for Asia and the Pacific [ICA ROAP], New Delhi
- Indian Farmers' Fertiliser Cooperative Limited-IFFCO Marketing Division, New Delhi
- Fertiliser Marketing Development Institute [FMDI of IFFCO], Gurgaon, Haryana
- National Cooperative Union of India-NCUI, New Delhi
- National Agricultural Cooperative Marketing Federation of India Ltd. [NAFED-India], New Delhi
- CCS Haryana Agricultural University Regional Research Centre, Bawal, Dist Riwari, Haryana
- Beadawas Village [IFFCO-adopted village] in District Gurgaon, Haryana
- Uncha Majra Credit & Service Cooperative [IFFCO-adopted village], Dist Gurgaon, Haryana

#### Study visits in Gujarat State

- Institute of Rural Management [IRMA], Anand, Gujarat
- National Dairy Development Board [NDDB-India], Anand, Gujarat
- Sandesar Milk Producers' Cooperative Society Limited, Anand area, Gujarat
- AMUL Dairy Plant-III, [Anand Milk 'Cooperative' Union Limited], Anand, Gujarat
- Dairy Museum at AMUL, Anand, Gujarat
- Tribhuvandas Foundation for Rural Development, Anand, Gujarat
- Anand Region Cooperative Oil Growers' Union Ltd. [ARCOGUL], Anand, Gujarat
- Charotar Urban Cooperative Bank Limited, Anand, Gujarat
- Mother Dairy Plant at Gandhinagar, Gujarat
- IFFCO Production Unit at Kalol, Gujarat
- CORDET [Cooperative Rural Development Trust] at Kalol, Gujarat
- Dudhsagar Dairy: Mehsana Dist Milk Producers' Cooperative Union Ltd., Mehsana, Gujarat
- 'Sahyog'-Dudhsagar Employees' Cooperative Society Ltd., Mehsana, Gujarat
- Cattle-Feed Plant [of Dudhsagar] at Boriavi, Mehsana, Gujarat
- Gau Samvardhan Kendra [Cattle Development Centre of Dudhsagar], Jagudan, Mehsana, Gujarat

- Mehsana Region Cooperative Oilseeds Growers' Union Ltd, [MRTS] Jagudan. Mehsana, Gujarat
- Krishak Bharati Cooperative Ltd., KRIBHCO Fertiliser Plant at Hajira, Surat. Gujarat
- Sardar Patel Agricultural Produce Marketing Society & its Marketing Yard at Surat, Gujarat
- Amalsad Region Multipurpose Cooperative Farmers' Society Ltd., Amalsad, Surat, Gujarat.
- Shree Ganesh Sugar Cooperative Society Ltd., Vataria. Bharuch. Gujarat

Detailed write-ups on the main features of the cooperatives to be visited were prepared and distributed among the participants in advance. During actual visits, their leaders and officials briefed the participants about the functions of the cooperatives. The participants had detailed discussions with chairmen, board members and chief executives and members of these cooperatives. An on-the-spot visit to the actual working of the cooperative either followed or preceded these detailed discussions. The emphasis during the discussions was on the "value-adding" activities of the cooperatives with the ultimate objective of increasing the incomes of farmer-members. Participants were able to field-test some of the pertinent issues of the organisation and management of the cooperatives on the basis of papers presented and issues discussed. Their subsequent interaction with the leaders, executives and members of cooperatives helped them solve their own points of clarification.

#### 04 Comparative Field Study Visits in Malaysia

The comparative field study visits in Malaysia were arranged to primary level cooperative organisations, agricultural cooperative and other cooperative institutions in and around Kuala Lumpur, Melaka, Perak. During their comparative field study visits programme the participants visited the following institutions in Malaysia:

- ANGKASA-The National Cooperative Organisation of Malaysia, Petaling Jaya
- The Cooperative College of Malaysia, Petaling Jaya
- The National Land Finance Cooperative Society Limited, Kuala Lumpur
- The Department of Cooperative Development-Malaysia, Kuala Lumpur
- NLFCs Coconut Plantation Estate at Bagan Dato Perak
- Coconut Industrial Processing Unit of the Bagan Dato Perak Estate
- RISDA-Melaka State Office, Melaka
- RISDA Cooperative-Melaka State, Melaka
- Rubber Processing Factory [Melaka Tong Bee Sdn Bhd]
- Latex Collection Centre, Lubuk Kepung
- Sri Lingga Oil Palm Processing Factory

Besides receiving briefings and visits to the above mentioned institutions, the participants had the privilege of meeting some of the key leaders of the Cooperative Movement of Malaysia e.g., Hon'ble Tan Sri Datuk Kasitah Gaddam, Minister of Land Development and Cooperatives; Royal Professor Ungku A. Aziz, Chairman of the Angkasa; Professor Hj Mohammad Ali Hassan, Vice President of Angkasa; Mr Hj Shuib Ismail, Deputy Director-General of the Cooperative Development Department-Malaysia and Y.Bhg Datuk B. Sahadevan, Chief Executive of the National Land Finance Cooperative Society Limited. Mr Mohd Hamid b. Abdullah Sani, Head of the Legal Advisory Unit in the Registration Division of the Farmers' Organisation Authority [FOA] presented a special paper on 'The State of Agricultural Cooperatives in Malaysia' to the participants.

Two of the former participants e.g., Mr Wan Zin, General Manager of NARSCO, from Kelantan and Mr Nik Nabil Nik Mansor, General Manager of the NARSCO Management and Travel Services came to Petaling Jaya to meet the participants and Course participants.

Ms Hayati Salleh, Senior Lecturer in the Cooperative College of Malaysia, and Mr Abdul Halim, Senior Public Relations Officer of ANGKASA, were designated by the host organisations to serve as Programme Coordinators for the field study visits programme in Malaysia. At a special briefing session Ms Hayati Salleh presented a paper on the Status of Agricultural Cooperatives in Malaysia and the Organisation and Activities of the Cooperative College of Malaysia.

*Background on the Cooperative Movement in Malaysia:* The Cooperative Movement was introduced in Malaysia in 1922. The main aim was to uplift the socio-economic status of the members of cooperatives based on the Principles of Cooperation. The Movement was introduced primarily to protect the rural peasants from the exploitative, indigenous credit sources and for the urban sector, to reduce indebtedness among government servants. Credit societies became the foundation of the rural Cooperative Movement which growth proceeded so fast that by 1925, in Kinta Perak, it was optimistically declared that the 550 members were no longer dependent on the 'padi kunca' system [private credit system]. In the urban sector the policy was to encourage thrift and loan societies to reduce the widespread indebtedness among public servants and commercial employees. The post-War difficulties in the consumer market contributed to the formation of cooperative consumer stores with a view mainly to ensure proper distribution of

essential commodities. The government provided loans to meet the building, staff and working capital requirements. By 1966 the government had encouraged the single-purpose cooperatives to diversify their activities to venture into multipurpose functions.

*Cooperative Development Policies:* With a view to spread the ideals, philosophy and concepts of Cooperation, the government facilitated the establishment of the Cooperative College of Malaysia in 1956. The ANGKASA [the national cooperative organisation of Malaysia] was formed in 1971 to provide leadership to the Cooperative Movement as a whole and offer member education and training programmes to the general cooperative membership and to spread the concept of Cooperation among the people at large. Due to the policies to strengthen and consolidate cooperative activities in a big way, the smaller agricultural cooperatives suffered and consequently their numbers got reduced drastically. The policy also resulted in the emergence of farmers' organisations. In 1973 the Farmers' Organisation Authority [FOA] was established to unite the agro-based cooperatives and farmers' associations. Under the FOA Act, the Director-General was made a registrar within the context of the Cooperative Societies' Ordinance 1948 and assumed legal authority over all agro-based cooperatives. Similarly, authority over farmers' associations was legally assumed by the FOA. A similar situation developed with the fishermen's associations and fishermen's cooperatives when both were placed within the supervision of the Fisheries Development Authority [FDA] which was established in 1975.

*New Cooperative Era:* The speedy development of cooperatives was not without some adverse consequences. In the '80s the Movement was confronted by problems such as poor management, legal non-compliance, bad internal controls and members' apathy. As an attempt to remedy the situation the government, in 1982, declared the 'New Cooperative Era' whereby cooperatives were directed to hold their annual general meetings even without their accounts being ready. The New Era also brought about the setting up of new cooperatives by the government such as the district development cooperatives [KPD] and cottage industry cooperatives [KIK]. During 1986 it was found that some deposit-taking cooperatives had performed ineptly due to lack of expertise and professionalism and corrupt practices. Due to the corrective measures taken by the government, the image of cooperative institutions was restored. The Cooperative Movement in the '90s had become a force to be reckoned with. Cooperatives had ventured into various sectors of economy such as housing, consumer, credit and banking, insurance, land development, transportation, industry and construction. In the wake of the financial crisis, some of the large cooperatives, which had invested heavily in shares and speculation markets, had suffered. Several corrective measures were introduced by the government and which were duly supported by national cooperative institutions including the ANGKASA.

In the 7th Malaysia Plan the government provides various agricultural incentives to step up participation from the private sector on a large-scale basis such as tax incentives, abolishment of import duties on certain agricultural equipment and export allowances for some farm products. A cooperative may venture into business arrangement with another cooperative or a company or an individual. Apart from joint ventures, a cooperative can set up subsidiaries as provided by Sec 19 of the Cooperative Act 1993. By improving competitiveness and efficiency and managing risks effectively, the Movement has vast potential to perform better to bring more benefits to existing members and the community at large.

**Growth of Cooperatives in Malaysia during 1991-1999**

Year	Number of Cooperatives	Members [Million]	Share Capital [RM billion]	Total Assets [RM billion]
1991	3,083	3.44	1.75	6.55
1992	3,288	3.66	1.92	7.60
1993	3,388	3.91	2.18	8.33
1994	3,473	4.06	2.44	10.14
1995	3,554	4.25	2.74	10.39
1996	3,735	4.21	2.83	12.17
1997	3,784	4.12	3.37	12.77
1998	3,933	4.19	3.44	13.00
1999	4,054	4.20	3.70	14.50

Source: Cooperative Development Department-Malaysia

*Participants in the Process of Cooperative Development:* There are a number of government agencies which are involved in the promotion of Cooperative Movement. Some of them are: FOA-Farmers' Organisation Authority;

RISDA-Rubber Industry Small-holders' Development Authority; FELDA-Federal Land Development Authority; FELCRA-Federal Land Rehabilitation Authority; Cooperative Development Department; the Cooperative College of Malaysia; FAMA-Federal Agricultural Marketing Authority; MARDI-Malaysian Agricultural Research and Development Institute; and the FDA-Fisheries Development Authority. Other prominent cooperative institutions in Malaysia include, among others: Malaysian Cooperative Insurance Society Limited, Malaysian Cooperative Consumer Society Limited, and the Cooperative Union of Malaysia.

**The National Cooperative Organisation of Malaysia [ANGKASA]:** The national cooperative organisation of Malaysia [Angkasa] was registered on May 12 1971 and is recognised by the government as the sole national apex of the Cooperative Movement. Up to December 2000, there were 2,455 primary, secondary and tertiary cooperatives in its membership with a total membership of almost 3 million individual members. Its objectives are to: unite and represent the Malaysian Cooperative Movement at national and international levels; disseminate and propagate the cooperative concept and principles through education and publicity; to assist cooperatives in the proper running and management of the organisations by providing advice, education and other necessary services. It does not undertake any commercial activity.

**The Cooperative Development Department:** The Department was established in 1922. Its mission is to ensure that the Cooperative Movement plays an effective role in the socio-economic development of the country towards an equitable distribution of wealth. Its objectives are to: assist in developing the Cooperative Movement to become a resilient, self-supporting and competitive socio-economic organisation towards the formation of a productive and sustainable society; ensure the Cooperative Movement performs within the laws and the Principles of Cooperation; and to promote and instill good ethics in the Cooperative Movement towards the enhancement of social harmony in the community. Its principal functions are to: register the formation of cooperatives and amendments to their byelaws; administer the laws and ensure conformance with the law; manage Department's finances and human resources; and to plan and implement the Department's development programmes.

Total Number of Cooperatives [1999] ... ..	4,049
Total Number of Cooperative Members...	4.33 million
Membership by Sex: ... Male: 2.83 million	Female: 1.50 million
Membership by Race: Bumiputras-72.5%, Chinese-15.5%, Indians-11.1%, Others-0.9%	
Number of Employees in Cooperatives ... ..	11,992

Problems faced by the Cooperative Movement, among others, are: Weakness in cooperatives' administration and poor management – lack of professionals; members' apathy and lack of active participation; lack of capital; lack of cooperation among cooperatives; and lack of exposure – education and training in cooperative methods and techniques.

**Cooperative College of Malaysia:** The Cooperative College of Malaysia was established in 1956. It was incorporated as a statutory body in the year 1968. The College is envisioned to be a Centre of Excellence in the field of cooperative training and education at the national and Asia-Pacific level. The College is committed towards excellence in the field of training and education to develop a pool of knowledgeable, trained, disciplined, creative and professional cooperative leaders and employees. The principal objectives which the institution is seeking to achieve are to: provide quality training and education for the Cooperative Movement; improve the managerial skills through training, consultancy and research; increase the usage of information technology in cooperative management through training, education and consultancy; provide training opportunities to the general public who are interested in the field of cooperatives; and to ensure that the staff of the College is equipped with the latest knowledge and technology/techniques.

Its main target group includes: Board members of cooperatives; Cooperative employees; and officers from related government agencies. It offers a variety of in-campus and off-campus training and orientation programmes which are in the form of a regular Diploma Training Course in Cooperative Management, a Certificate Course in Cooperative Management, *ad hoc* training programmes, workshops, seminars, distance learning programmes. The College has complete and up-to-date infrastructure of a well-stocked and well-functioning library and documentation centre, auditorium, training materials production unit, classrooms, and hostel facilities besides a full compliment of well-trained faculty members. The College has plans to establish a large campus at Behran in Perak, new branch campuses in East Malaysia, upgrading to a University status, and e-learning.

**The National Land Finance Cooperative Society Limited [NLFCS]:** The National Land Finance Cooperative Society Limited was established on 4th June 1960 in the wake of National Independence and with the departure and sale of foreigners-owned large-scale estates/plantations which had rendered many plantation workers jobless. Through

the efforts of the Malaysian Indian Congress and its leaders to persuade the people to pool their resources so that they could engage collectively in the plantation industry for which they have been working. The Society took a bold step to purchase several of the estates and provided the dislodged workers job opportunities and social security.

The Society has acquired extensive expertise in the management of plantations. A tailor-made management system has been developed to manage the estates in an efficient manner. There is a regular and effective communication system in the areas of agronomic, finance and marketing management. The agronomic and agricultural conditions are managed efficiently by an associate company which also manages another 100,00 acres of plantation land both in Malaysia and outside, Indonesia and Sabah. Besides holding and managing its own large-size oil palm and coconut estates, the Cooperative has established several holding companies and subsidiaries. Some of the prominent services rendered to the members are: Assistance to widows and senior members, Education assistance to orphaned children, Loan facilities for education and housing, Medical assistance etc.

**RISDA & RISDA Cooperative:** The Rubber Industry Smallholders' Authority was established in January 1973 under the RISDA Act 1972 to: administer the Rubber Industry Replanting Fund; manage and implement schemes approved by the Fund; and to plan and implement all innovations for the smallholder sector. According to the 1992 Census there were a total of 420,200 smallholders [which include rubber, oil palm and other crops holders] with a total smallholding area of 1.289 million ha. The Authority provides technical support and extension services to the smallholders. The Smallholders' Cooperative is one of the vehicles for smallholders development through the combined and pooled effort available resources e.g., labour, capital and skills, for involvement and participation in various social, economic and commercial activities. There are about 70 cooperatives formed at the national, state and district levels throughout the country. The operational structure of the Cooperative consists of a National Rubber Smallholders Cooperative Limited [NARSCO] as the main cooperative at the national level and the smallholders' cooperatives at the state and district levels.

FOOD PRODUCTION [RICE & WHEAT] IN ASIA 1995 & 1999  
[1000 metric tons]

Country	Year 1995		Year 1999	
	Rice	Wheat	Rice	Wheat
01 Bangladesh	26,398	1,245	29,857	1,908
02 China	187,298	102,211	200,499	114,400
03 India	115,440	65,767	131,200	70,778
04 Indonesia	49,744	—	49,534	—
05 Japan	13,435	444	11,469	583
06 Korea, Rep of	6,387	10	7,271	5
07 Malaysia	2,127	—	1,934	—
08 Myanmar	17,957	89	16,651	93
09 Nepal	3,579	942	3,710	1,086
10 Pakistan	5,950	17,002	6,900	17,970
11 Philippines	10,541	—	11,388	—
12 Sri Lanka	2,810	—	2,692	—
13 Thailand	22,016	1	23,272	1
14 Vietnam	24,964	—	31,394	—
<b>ESCAP Region</b>	<b>500,371</b>	<b>277,958</b>	<b>542,257</b>	<b>307,965</b>

Source: Statistical Indicators for Asia and the Pacific. UN/EsCAP Bangkok

## SECTION-IV

### MANAGEMENT LEADERSHIP DEVELOPMENT IN AGRICULTURAL COOPERATIVES

MODULES ON MANAGEMENT PRINCIPLES, METHODS AND TECHNIQUES  
WITH SPECIAL REFERENCE TO MANAGEMENT LEADERSHIP DEVELOPMENT  
IN AGRICULTURAL COOPERATIVES IN ASIA

The IRMA Segment : January 20-February 24 2001

*The Management Module of the Fifteenth Training Course was conducted at the Institute of Rural Management, IRMA, at Anand, Gujarat State. The IRMA, an institute of higher learning and of national importance, was chosen by the ICA for conducting the management module for this year's Course as well. The IRMA, established in 1979, by the National Dairy Development Board [NDDB], provides management training and research support to the cooperatives engaged in dairy business. It now extends support to a wide variety of cooperatives engaged in the field of oil-seeds, fruits and vegetables, credit, sugar, handlooms and handicrafts sector, voluntary non-governmental agencies, and governmental and other bodies. The core of IRMA's operating philosophy is that the partnership between the rural people and committed professional managers is the basis of sustainable rural development.*

*IRMA offers a variety of programmes e.g., 2-year Post-Graduate Programme in Rural Management; one-year programme; 6-weeks programme on Management of Agricultural Cooperatives in Developing Countries; 6-week Management Appreciation Programme for Voluntary Organisations; and a variety of workshops and seminars for cooperatives and rural institutions. The IRMA has ideal infrastructural arrangements for studies, boarding and lodging and recreation of the participants in its Executive Training and Development Centre-ETDC. It has a well-developed, computerised and well-stocked modern library, which is open to students for long hours.*

The IRMA was selected by the ICA to conduct the Management Leadership Development Module because of its rural and cooperative development environment and its willingness to house the participants at its well-appointed campus which consists of class-rooms, high class residential and boarding facilities, well-stocked library and documentation centre, and a large computer lab. The chronology of the seven [07] ICA Management Courses held at IRMA is as follows:

01	Course No. 09	Oct 17 1994-Apr 22 1995	India-Indonesia-Japan
02	Course No. 10	Oct 18 1995-Apr 20 1996	India-Malaysia-Japan
03	Course No. 11	Nov 03 1996-Apr 20 1997	India-Sri Lanka-Japan
04	Course No. 12	Oct 20 1997-Apr 23 1998	India-Philippines-Japan
05	Course No. 13	Nov 16 1998-Apr 24 1999	India-Nepal-Japan
06	Course No. 14	Nov 12 1999-Apr 22 2000	India-Thailand-Japan
07	Course No. 15	Nov 16 2000-Apr 28 2001	India-Malaysia-Japan

Management Leadership Development modules for Courses 01-08 were conducted with the assistance and collaboration of the Indian Institute of Management (IIMA), Ahmedabad. Mr MV Madane had directed the Training Courses 01-07, while Dr Daman Prakash had conducted the subsequent courses.

#### 01 Inaugural Session

The ICA-IRMA module was conducted at the Institute of Rural Management, Anand, from January 20-February 24, 2001. Prof Katar Singh, Director of IRMA, formally inaugurated the Management Module on 21 January 2001. He welcomed the participants and ICA Officers and thanked the ICA for assigning IRMA the responsibility for conducting the management modules. He mentioned that the IRMA had already conducted six programmes of this type and his faculty members and the Institute by itself had gained a lot of experience by interacting with international participants. Dr Katar Singh mentioned about the need for providing the agricultural cooperatives with professional and competent managers if they were to conduct their business well. Agricultural cooperatives have to be aware of the complications involved in business matters in the present scenario of open market economy. He was happy that the ICA has been providing training opportunities to the managers of agricultural cooperatives in the Region and at the same time making use of the IRMA and its experiences. He assured the ICA of IRMA's full cooperation in completing the assignment successfully. He wished the participants a fruitful and useful study period during their stay in IRMA. Dr Katar Singh mentioned that a team of experienced faculty members has been constituted after consultation with Dr Daman Prakash and a well-thoughtout programme has been designed for the participants which also included a significant component of comparative field study visits to some of the renowned cooperative institutions in the country.

Dr Daman Prakash, Project Director, ICA ROAP, conveyed the greetings of the ICA and thanked the IRMA Director and the faculty members for their continued support to the ICA in the implementation of previous programmes and the current Course.

## 02 Teaching Modules

The entire programme was segmented into teaching modules, which were handled by designated faculty members duly supported by well-prepared documentation and reference material. To undertake implementation of various modules, the Institute constituted a special team of faculty members under the leadership of Prof K. V.Raju. As a back up for the participants, facilities of IRMA computer lab, library and documentation centres were made available.

## 03 Teaching Faculty

The modules were designed and taught by a team of Professors and was coordinated by Prof K.V. Raju. Prof G. Krishnamurthi, Prof Prantik Ray, Prof Shiladitya Roy, Prof Sukhpal Singh, Prof S.N. Biswas and Prof MR Suresh consisted the faculty team. Mr P.J. Modi and his colleagues helped the participants in the computer training programme. Prof Katar Singh, Director, IRMA, delivered a keynote address on "Professionalisation of Management of Cooperatives-Some issues and Coping Strategies" at the Training Course. IRMA's faculty members also undertook the following Special Sessions: Prof LK Vaswani covered the topic "Food Security and Agricultural Cooperatives", "Energy Management and Agricultural Cooperatives" by Prof Haribandhu Panda. Mr Janak Patel, MDP Programme Officer provided support in practical matters and in arranging field study visits.

## 04 Pedagogy Followed

A mix of cases, exercises, discussions, computer-based learning, participant project-work and presentations and lecture methods were used. Participants were introduced to the computer lab, library and documentation services. A wide range of audio-visual aids, e.g., video, role-plays, brain storming, simulation exercises, group discussions were used during the period of the training programme. A special emphasis was placed on the study of 'real-life' situations through study visits and open discussions with managers and basic members of cooperative institutions. A number of cooperative institutions were identified by the ICA in collaboration with the IRMA, ANGKASA-Malaysia, Cooperative College of Malaysia and the IDACA-Japan for the participants to undertake the comparative field study visits.

## 05 Detailed Module Designs

The module at IRMA consisted of segments which aimed at improving the capabilities and capacities of managers of agricultural cooperatives and helped develop their skills in improving the management of their cooperatives using a project approach. Efforts were also made to enable the managers to not only produce development project proposals but also to assess and appraise project proposals which are handled by the managers. The Institute also has a well-equipped computer lab and a library which provides also the documentation services. It also has strong working relationship with primary and secondary level cooperatives and has vast experience in organising comparative field study visits to reinforce the classroom teaching and learning. The main topics taught at the Institute were: [01] Preparation of Agricultural and Agro-Industrial Project Proposals; [02] Analysis of Accounting Statements; [03] Financial Management; [04] Marketing Management of Agro-Products by Cooperatives; [05] Pricing of Products and Services; [06] Integrated Cooperative Systems; [07] Individual Group Behaviour; [08] Professionalisation of Management of Cooperatives; [09] Food Security and Agricultural Cooperatives; [10] Energy Management and Agricultural Cooperatives; [11] Computer Awareness; [12] Internet, e-commerce; and [13] Comparative field study visits to primary, secondary and national level cooperative institutions. Special group discussions were conducted in order to reinforce the contents of the subject-matter.

A brief description of topics taught at the Institute of Rural Management [IRMA] follows:

Topic-01

### **Preparation of Agricultural and Agro-industrial Project Proposals [PM]**

[Prof. G. Krishnamurthi]

***Definition of a development project as given by the World Bank: "A project, ideally, consists of an optimum set of investment-oriented actions, based on comprehensive and coherent sector planning, by means of which a defined combination of human and material resources is expected to cause a determined amount of economic and social development. The components of a project must be precisely defined as to character, location and time. Both the***



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*resources required – in the form of finance, materials and manpower – and the general benefits – such as cost savings, increased production and institutional development – are estimated in advance. Costs and benefits are calculated in financial and economic terms or defined [if quantification is not possible] with sufficient precision to permit a reasoned judgement to be made as to the optimum set of actions.”*

The definition has, so far, been found to be an exacting and comprehensive one so far as the development projects are concerned. Depending upon the size and nature of the project the underlined phrases remain to be the most critical elements. Whatever be the size and scope, the elements contained in the World Bank definition of a development project remain valid.

**The Birth of Projects:** Projects have been a part and parcel of human beings since time immemorial and will continue to be so, as long as the human race exists. The very first projects of the human being were probably the successful attempts by the earliest inhabitants of earth to fulfil their basic needs of hunger, thirst, clothing, and shelter. As civilisation developed, projects became more complex and formalised, with the concomitant need for elaborate planning. The houses in which we live, the offices and factories in which we work, the transport systems by which we commute, the communication systems which we use everyday effortlessly, the new products that we find every now and then in the shelves of our corner stores and supermarkets, and a variety of other things, are all products of tens of thousands of projects undertaken by mankind from time to time in different parts of the world. It is not at all an exaggeration to state that projects are the very root of development and progress of civilisation. If projects have been in existence since the dawn of mankind and have been instrumental to development and progress, what is new about projects and their management today? One simple reason for the evolution of project management as a discipline by itself and the development of a host of tools and techniques is our present concern for optimum use of our planet's resources in the most effective manner. There are vast varieties of agro-resources which can be put to use [see Figure-B], and the categories of level of transformation of raw material [see Figure-C].

**Management of Projects:** When did project management come into being as an academic discipline? When did financial institutions and funding agencies and government departments start insisting on project formats for investment proposals? The answer is not far to seek. It was the second World War [1939-45] which consumed a huge amount of resources for destruction and the post-War reconstruction efforts all over the world, coupled with man's quest for exploration of outer space, that provided the impetus for the evolution and growth of a body of knowledge called **Project Management**. Simultaneously, the growing concern of economists for effective utilisation of the resources [human as well as non-human] led to the development of a host of tools and techniques for comparison of investments with benefits: this, in turn, made possible the project format.

**Programmes versus Projects:** We frequently hear of programmes, such as the National Literacy Programme, National Malaria Eradication Programme, and Poverty Alleviation Programme. **Difference between programmes and projects:** A programme is simply a collection of several inter-related projects; and each project in a programme has its own objectives and contributes to the objectives of the programme. In other words, projects are simply manageable components of a programme, so arranged as to meet the objectives of the programme.

**Types of Projects:** Projects may be classified into different types depending upon their nature, size of investment, purpose, objectives, etc. **Agricultural projects** which can be further classified as projects for: Production of food crops; Rearing of livestock; Production of marine food products etc.; **Industrial projects** created for production of industrial goods, consumer durable, consumer goods; **Agroindustrial projects** Processing of food crops like paddy, wheat, etc.; and **Infrastructure projects** in various areas like roads, bridges, power generation and distribution, communication network etc. **Classification of Projects:** In a similar way, depending upon the size, level of investment and risk, projects can be classified as: Experimental/ R&D/Technology Development Projects; Pilot Projects; Demonstration Projects; Full-scale Production/ Commercial Projects. One can think of classification of projects based on the purpose or objectives. Examples of such projects are: Rural Development Programmes/Projects; Urban Development Programmes/Projects; Community Development Projects; Infrastructure Development Projects; New Product Development Projects; New Process Development Projects; Human Resources Development Projects [HRD]; Maintenance Projects; Replacement Projects; Expansion Projects; Modernisation Projects.

**Characteristics of Projects:** A project is characterised by the following features: Clear and specific objectives; Uniqueness of scope of endeavour, meaning that a project is different and distinct from all similar endeavours; Initial investment; Benefits spread over the duration of the project; Specific dates of start and completion for construction/ creation of productive assets/facilities; Several interdependent and independent activities, each of which has its own schedules for start and completion, and consumes time and other resources; Conflicts arising from uniqueness of projects. **Project Life Cycle:** Broadly speaking, any project/programme may be considered to pass through four

*distinct and identifiable stages/phases* in its life: Project/programme identification phase; Project/programme definition phase; Project/programme execution phase; Benefits realisation phase. All the four phases of a project are important and significant, as the completion of every phase leads to some tangible outputs and heralds the start of the following phase. The above phases are neither sequential, nor are they fully concurrent. The management of projects is somewhat like a closed loop feedback control system in which the output of a phase or a few phases becomes the input for the previous phase as well as for subsequent phases. The successful implementation of any programme or project requires careful planning like any other human endeavour. The planning of projects is generally carried out during the project/programme identification phase and definition phase and the initial part of the execution phase. We generally divide the planning of projects into *two major segments* i.e., Strategic project planning; and Operational project planning.

**Project Identification:** The first and foremost task of any entrepreneur/investor/social worker is the identification of a worthwhile project. In the case of agricultural projects, it is a combination of the demand for a particular agricultural commodity and the availability of factors capable of meeting the demand for that particular commodity that dictate the project choice. Projects originate from various sources e.g., from the people, entrepreneurs, governments, international agencies, and governmental and non-governmental organisations.

**Project Feasibility Report - An Introduction to Preparation and Data Requirement:** A project should be: Technically, commercially, financially, economically, socially, culturally and legally viable; Implementable; and Bankable. Financial institutions and funding agencies all over the world have developed various project formats for application of financial assistance for projects. The formats are context-based; that is, the formats for the project proposals depend upon the nature of the projects, the kind of assistance sought, the project location, the kind of operations the financial institution or funding agency is involved in, etc. In the case of agricultural and agro-industrial projects, certain formats devised by the Food and Agricultural Organisation of the United Nations [FAO] appear to be comprehensive. A summary of the format is included at **Figure-D**. Some people use a simpler format [see **Figure-E**].

**Suggested Steps in Project Preparation:** As a normal practice, project preparation follows the steps as are enumerated hereunder: [01] Generation of ideas; [02] Initial screening of ideas; [03] Preliminary feasibility of selected idea[s]; [04] Plan for feasibility analysis; [05] Market analysis; [06] Technical analysis; [07] Procurement analysis; [08] Financial analysis; [09] Economic analysis; [10] Ecological analysis; [11] Study of feasibility from other considerations such as political, cultural, social angles; [12] Preliminary implementation plan, including plans for creation of organisation, management structure, training of personnel, construction and initiating operation of facilities; [13] Identification of risk factors and evaluation of risk; [14] Evaluation of feasibility; and [15] Preparation of funding proposal.

For a *quick feasibility of the project*, answers to the following questions are generally sought: likely initial costs or investments; output of the project and the level of demand of the products; extent of operating expenses; life of the project and products; level of support from the financial institutions; and the ultimate beneficiaries of the project and the impact of the project on their income and standards of living etc. The project report must provide answers and information on the following points: Project concept; Project area; Products; Markets and marketing strategies; Processing facilities and technical feasibility e.g., location, availability of basic infrastructure, capacity processing technology, quality, effluent disposal and treatment methods, safety of operations, layout, material storage and handling facilities; Procurement feasibility; Organisational and Managerial viability; Implementation plan; Financial viability; Operating revenues; Operating costs and other related information.

**Data for Project Preparation:** In day-to-day operations, managers are concerned with monthly or quarterly or annual profits and cash flows; in the case of projects, decisions on project selection are made on the basis of long term viability. Viable projects are ultimately managed on a day-to-day basis. The preparation of projects is a highly dynamic and reiterative exercise which calls for continuous collection of a large amount of data and fitting the data into the project format. **Project implementation planning** is not only demanding but also a critical phase of project management. It can be explained through a *network* which is a good aid to implement various activities, availability of funds, and control the timeframe. The network *consists* of: charts, graphs and other illustrations like Gantt chart, Critical Activity Path, PERT, CPM etc.

**Management Information System [MIS]:** The goal of MIS is to enable managers to make better decisions by providing quality information. In the modern days of information technology [IT], managers make use of computers and a vast variety of database. The key to building and using effective information system is that managers need to know how to apply technology to solve problems and make decisions. The MIS consists of *five related components*: hardware, software, people, procedures and collections of data. *Data* consists of factual elements; *Information* represents

data that has been processed, organised and integrated to provide more insight; *Knowledge* represents a higher level of understanding, including rules, patterns and decisions. Humans are also capable of *wisdom* where they put knowledge, experience and analytical skills to work to create new knowledge and adapt to changing situations. The quality of an information system is measured by its ability to provide exactly the information needed by managers in a timely manner. The information must be accurate and up-to-date.

The fundamental aim is to support organisational processes in alignment with organisational goals. These systems provide support for management at all levels viz., strategic planning, management control and operational control. Each of the management activity includes planning, control and decision-making. Support based on information system is of paramount importance in most of the tasks related to management activities. All management systems are tuned to support management process and are basically management support systems.

**Electronic Commerce [e-commerce]:** Traditionally commerce is a dynamic business process which enables the interaction between the buyer and seller for a business transaction. E-commerce is an extension of the commerce on the Internet. E-commerce is exchanging products and services online on the Internet. The foundation for successful e-commerce is extension of an online cash register. Before a business can expect to engage in successful e-commerce, Internet public relations and marketing must play a crucial role in laying foundation for effective sales. In order to make a consumer willing to engage in e-commerce with a business, the business must present an image of reliability, trustworthiness, quality, professionalism and responsibility. E-commerce has a tremendous impact on the structure of business supply chains. The companies worldwide are adopting the Web-based network to integrate their suppliers for efficiency in the commerce and major cost savings.

**E-mail** or electronic mail, are messages that are transmitted from one computer user to another. Networks transfer messages between the computers. Users can send or retrieve messages at any time. The computer holds the message until the recipient checks in. *Internet* is a collection of computers loosely connected to exchange information worldwide. Owners of the computers make files and information available to other users. Common tools on the internet include e-mail, World Wide Web [www] etc.

**Figure - B:  
Range of Agricultural Resources**

There is a vast range of agricultural resources [as shown in the table below] available everywhere in the world. These are not only the source of energy but also form an important portion of food. Business houses have been exploiting these resources to earn money. Agricultural cooperative institutions can learn to make use of these agricultural resources not only to bring higher economic returns to the members but also contribute to food security efforts.

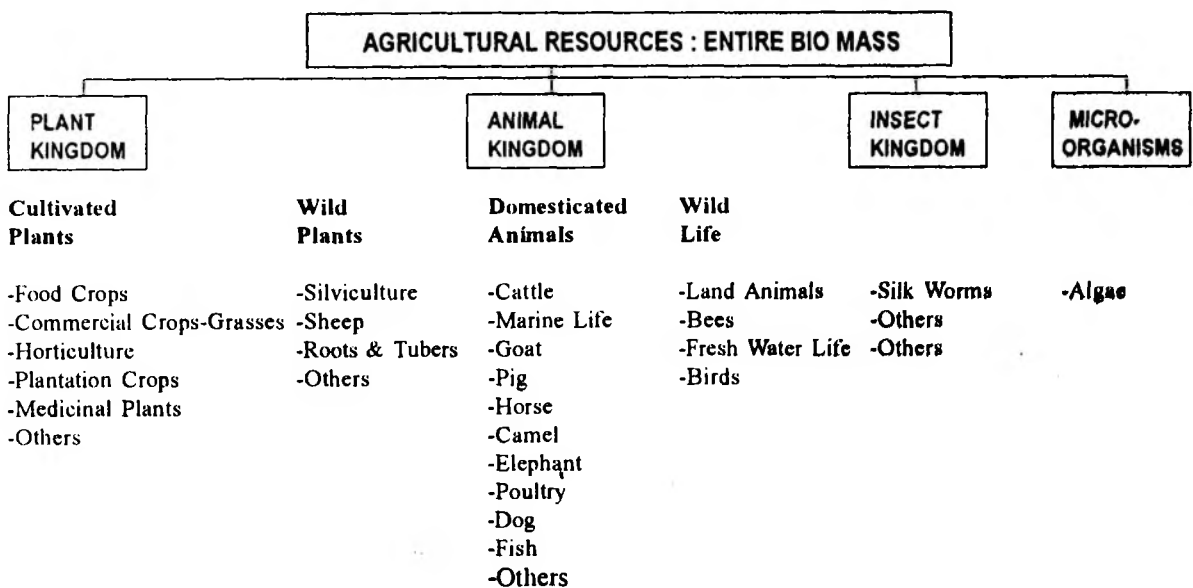


Figure - C:

**Categories of Levels of Transformation of Raw Materials**

Through agro-processing not only the shapes and forms of agricultural products are changed but also value is added to the advantage of the basic producer. The range of value-addition through agro-processing has no limits and it depends on the initiative of the cooperative how far it can venture into this activity. However, higher levels of transformation require: i] higher levels of capital investment; ii] technological complexity; and iii] managerial requirements. The chart below depicts the transformation of raw materials at different levels:

**Categories of Agroindustry by Level of Transformation of Raw Materials**

Level-I	Level-II	Level-III	Level-IV
<b>[Selected Processing Activities]</b>			
Cleaning	Ginning	Cooking	Chemical alteration
Grading	Milling	Pasteurisation	Texturisation
Storage	Cutting	Canning	
	Mixing	Dehydration	
		Freezing	
		Weaving	
		Extraction	
		Assembly	
<b>[Illustrative Products]</b>			
Fresh fruits	Cereal grains	Dairy products	Instant foods
Fresh Vegetables	Meats	Canned/frozen fruits and vegetables	Textured vegetable products
Eggs	Spices	Cooked meats	Tires
	Animal Feeds	Textiles and Garments	
	Jute	Refined vegetable oils	
	Cotton	Furniture	
	Lumber	Sugar and Beverages	
	Rubber		
	Flour		

Figure-D:

**A Suggested Comprehensive Format for Agricultural/Agro-Processing investment Projects  
[with special reference to Agricultural Cooperatives]**

Chapter Number	Title/Sub-Title/Brief Outline	Suggested No. of Pages
	Acknowledgements	01
01	<b>Executive Summary and Conclusions</b> [Brief synopsis of the essential elements of the project proposal]	04
02	<b>Introduction</b> How/Methodology adopted; By whom the project has been prepared; Origin of the proposal; Purpose of the project report; and, To whom it is addressed	01-02
03	<b>Background</b> [a] Key features: political, economic & demographic; [b] The agricultural sector; [c] Income distribution and poverty; [d] Development policies and social objectives; [e] Institutions and services; [f] Ongoing and proposed projects; [g] Cooperative development situation; [h] Brief description of the cooperative including the objectives, organisational structure, activities and its economic situation	05-06
04	<b>The Project Area, its People and Development Potential</b> [A] Natural Resources: Location; Climate; Geology, Soils, Topography & Land Use; Potential; Water, Power and other Resources [B] The Economy and the People: The Local Economy; The People [C] Agriculture and the Sustainability of Natural Resource Use: Land-Use and Farming Systems; Sustainability of Natural Resource Use; Technologies	05-10

	[D]	Rural Institutions and Infrastructure: Input Supply; Produce Marketing; Processing; Infrastructure; Administration, Services & Farmers' Organisations	
	[E]	Projects and Ongoing Development Programmes	
05		<b>Project Rationale and Design Consideration</b>	03-06
	[A]	Project Rationale/Context; [B] Design Considerations: Project Location; Target Population; Scale; Components; Choice of Technical Strategy + Technology; Organisational Arrangements	
06		<b>The Project</b>	05-08
	[A]	General Description: Overall and Immediate Objectives; Brief Summary of Each Main Component; Costs and Phasing	
	[B]	Detailed Features: Inputs [in brief]; Processing; Marketing; Financial [in brief]; Others [legal, social, cultural, political situation]	
	[C]	Project Implementation Plan: Implementation Schedule; Phasing of Resources and Benefits	
	[D]	Cost Estimates; [E] Financing; [F] Procurement	
07		<b>Organisation and Management</b>	04-08
	[A]	General Aspects including Linkages	
	[B]	Technical Cooperation and Training; [C] Specific Aspects	
08		<b>Agricultural Development, Production, Financial Results and Relationship with Agricoop Development Policies</b>	04-06
	[A]	Nature of Technical Changes; [B] Impact on Individual Producers;	
	[C]	Adoption Assumptions + Risk Perceptions; [D] Tests for Sensitivity;	
	[E]	Impact at Project Level	
09		<b>Market Prospects and Prices</b>	03-04
	[A]	Markets and Marketing	
	[B]	High Consumption Locations	
	[C]	Warehousing, and Transportation	
10		<b>Benefits, Risks and Sustainability</b>	03-06
	[A]	Overview	
	[B]	Economic Benefits and Costs	
	[C]	Risk and Sensitivity Analysis	
	[D]	Impact on Income Distribution and Poverty Alleviation	
	[E]	Environmental Impact and Technical Sustainability	
11		<b>Commitments, Issues and Follow-up Actions</b>	03-04
	[A]	Commitment of the Cooperative	
	[B]	Commitment of the Government	
	[C]	Commitment of Financial Institutions	
	[D]	Issues	
	[E]	Follow-up Action	

**Total Pages of the Main Project Report**

**[Roughly 70-75 Pages]**

**ANNEXURES TO THE PROJECT REPORT**

Annexure-I	Location Map
Annexure-II	Related Government Policies
Annexure-III	Commitment Resolution[s] of the Cooperative
Annexure-IV	Financial Calculations
Annexure-V	Other relevant support material

## Figure-E

### A BRIEF ON PROJECT FORMULATION

#### CHARACTERISTICS OF A PROJECT

- 01 A Start and a Finish
- 02 A Time Frame for Completion
- 03 A Unique One-Timeness
- 04 An Involvement of Several People on an Ad Hoc Basis
- 05 A Limited Set of Resources
- 06 A Sequencing of Activities and Phases

#### HOW TO MANAGE PROJECTS TO A SUCCESSFUL COMPLETION

- 01 Bottomline of Project Management
- 02 Completion on Time, Within the Budget and According to Desired Quality Standards
- 03 Effective Project Managers
- 04 Take the Time Necessary to Plan Their Projects and To Manage that Plan Well
- 05 Involve a Large Number of People in the Planning Process
- 06 Know when to Stop Planning and When to Move into Action
- 07 Employ Their Power to Lead the Project through to Completion

#### RULES FOR MANAGING PROJECTS

- 01 Set a Clear Project Goal
- 02 Determine the Project Objectives
- 03 Establish Checkpoints, Activities, Relationships and Time Estimates
- 04 Draw a Picture of the Project Schedule
- 05 Direct People Individually and As a Project Team
- 06 Reinforce the Commitment and Excitement of the Project Team
- 07 Keep Everyone Connected with the Project Informed
- 08 Build Agreements that Vitalise Team Members
- 09 Empower Yourself and Others on the Project Team
- 10 Encourage Risk-Taking and Creativity

#### GOALS HAVE TO BE

- 01 Clear
- 02 SMART [Specific, Measurable, Agreed Upon, Realistic and Time-Framed]
- 03 Communicated to all Team Members
- 04 Kept Constantly in Front of People

#### OBJECTIVES NEED TO BE

- 01 SMART
- 02 More Narrowly Defined
- 03 Related to Overall Goal
- 04 Linked to Rewards for Achieving Goal

#### GOOD PROJECT MANAGERS DEFINE

- 01 Checkpoints to Mark Project Progress
- 02 Activities that Get the Project Done
- 03 Relationships Among Activities
- 04 Time Estimates for Each Activity Schedule

## Analysis of Accounting Statements [AAS]

[Prof Prantik Roy]

*“Accounting is an art of regulating, classifying and summarising in a significant manner and in terms of money, transactions and events which are in part at least, of a financial character and interpreting the result thereof.”* A close scrutiny of this definition reveals that: [1] There are certain users of accounts who need economic information; [2] Accounting data should be relevant to aid decision making of the users of accounts; and [3] Transactions and events are measured and relevant data are processed and communicated to the users of accounts through accounting. The final function of accounting is the interpretation of the summarised data in such a manner that the end user can make meaningful judgement of financial condition or the profitability of business operations or can use the data in preparing future plans and laying down policies to execute such plans.

**Distinction between Book-keeping and Accounting:** The terms ‘book-keeping’ and ‘accounting’ are often used synonymously because the distinction between the two is very thin. In fact, book-keeping is complementary in accounting process. Where ‘book-keeping’ is a systematic recording of financial and economic transactions, ‘accounting’ is the analysis and interpretation of book-keeping records.

**The Purpose of Accounting:** Accounting in the past was concerned with providing information for the owners of the business. In the post-19th century era, large-scale growth in manufacturing activity emergence of joint stock form of organisation and increasing in control influence of government in economic affairs resulted in various groups like investors, creditors, financial institutions, labour, management, and the governmental agencies evincing a lot of interest in the financial affairs of the business organisations. **Advantages of Accounting:** Innumerable monetary transactions occur in the business organisations: [i] Accounting keeps systematic records of such transactions and summarises them through entries in the various accounts. A clear picture of the functioning of the business is, therefore, provided by the accounting records; [ii] The State of the financial health of the organisation can be monitored through the preparation of the statements such as the Profit and Loss Statement [or Income Statement] and the Balance Sheet. While the Profit and Loss Statement provides information on the income generated during a specified period, the Balance Sheet lists the assets owned and the amount owed as on a specified date. Both statements draw the information only from the accounting records; [iii] When monies are borrowed from banks and financial institutions, the financial data required by these lenders can be provided only through a sound accounting system; and [iv] Calculation of tax liabilities is facilitated by a good accounting system.

**Financial Accounting, Cost Accounting and Management Accounting:** Accounting is generally classified into three different disciplines as follows: *Financial Accounting* - It deals with preparation of Trial Balance, Profit and Loss Account and Balance Sheet. It shows the amount of profit earned or loss incurred during a period; *Cost Accounting* - It shows classification and analysis of costs on the basis of functions, processes, centres etc. It also deals with cost computation, cost saving, cost reduction, cost control etc.; and *Management Accounting* - It deals with the processing of data generated in financial accounting and cost accounting for managerial decision-making. It also deals with application of managerial economic concepts for decision-making.

**Financial Statements:** Typically, the major financial statements which results from the process of accounting are: Profit and Loss Statement; Balance Sheet; and, Funds Flow Statement. A Profit and Loss Statement depicting how the profits or losses come about in a certain periods. A Balance Sheet is a statement of what an organisation owes and what it owns at a given point of time. A Funds Flow Statement is a statement of resources from which funds or cash were raised and the uses to which this funds or cash were put during a certain period. **The Balance Sheet:** A statement which states out the financial condition of a business enterprise is known as the Balance Sheet. The technical name ‘Balance Sheet’ is derived from the earlier practice of tabulating in a sheet the debit and credit balance sheet, which were to be carried forward after the books of account had been closed after a specific period of business operations. The statement of financial condition of an enterprise must necessarily refer to a particular point of time, because the financial condition of a business enterprise will change from time to time depending on whether the enterprise is operated at profit or loss, whether additional resources are brought in by way of capital or loans, whether new assets are purchased, etc. **Balance Sheet – Some Basic Concepts:** The basic accounting concepts which guide the formulation of generally-accepted accounting principles in relation to balance sheet may be summarised as: [i] Business entity concept; [ii] Going concern concept; [iii] Monetary unit concept; [iv] Cost concept; [v] Conservatism concept; and [vi] Accounting equivalence concept.

**The Profit and Loss Statement:** The profit and loss account or the income statement is the report which is of greatest interest and importance to end-users of accounting statements because it enables them to ascertain whether the

business operations have been profitable or not during that particular period. The important distinction between the Balance Sheet and income statement is that the Balance Sheet is on a particular date while the income statement is for a period - usually one year. The two broad categories of items shown in the income statement are revenues and expenses. Revenues derived from a company's operations, say, manufacturing and selling paints, are shown as sales revenues. Revenues from sources other than the main operations of the company are shown as other income.

**Books of Accounts:** A business organisation maintains *three important books of accounts*, namely: **Cash Book** - To record cash receipts and payments including receipts and payments through a bank. A separate cash book is kept to record petty expenses. The petty cash book is recorded by imprest system; **Journal** - To record non-cash transactions like credit sales, credit purchases, sales returns, purchase returns, year-end adjustments, if any; and, **Ledger** - The Ledger contains a classified summary of all transactions recorded in cash book and journal. A ledger is not an independent record. The transactions recorded in a ledger are derived from either cash book or journal. **Preparation of Financial Statements, Profit & Loss Account:** From a given Trial Balance a Trading and Profit and Loss Account can be prepared to determine the profit or loss made by a business organisation during a particular period. At the time of preparation of Profit and Loss account, the following points may be kept in mind: All expenses are debited to Profit and Loss account; All incomes are credited to Profit and Loss account; In addition to treating the incomes and expenses found in the Trial Balance, we may have to give special treatment to certain 'Adjustments' also; and the profit is credited to Reserves account. If there is net loss, it is debited to Reserves account in the Balance Sheet, in the case of companies and in the case of sole trader and partnership, the net profit is credited to capital account and net loss is debited to capital account.

**Capital and Revenue Expenditure: Capital Expenditure:** Capital expenditure refers to expenditure the benefit of which is not fully derived in one year but spread over several periods. Examples for capital expenditure are acquisition of assets for the purpose of earning, additions to fixed assets to improve its capacity, expenditure, resulting in long-term benefit to the business etc. Expenses like Preliminary expenses, Research and Development expenditure, Interest paid during Construction period etc. are taken to assets side of Balance Sheet and shown under 'Miscellaneous Expenditure'. **Revenue Expenditure:** It is expenditure incurred and the benefit of which is derived in the year in which the expenditure was incurred. Examples are: raw materials, repairs, depreciation, rent, wages etc. Such expenses are debited to Profit and Loss account. Any incomes and gains are credited to Profit and Loss account. Examples are: Commission received, Dividend received, Interest received etc. Net Profit is transferred to capital account in the balance sheet. **Use of Financial Ratios:** To evaluate a firm's financial condition and performance, the financial analyst needs to perform "checkups" on various aspects of a firm's financial ratio, or index, which relates two pieces of financial data by dividing one quantity by the other. **Types of Ratios:** The commonly used financial ratios are of essentially two kinds. The first kind summarizes some aspect of the firm's "financial condition" at point in time - the point at which a balance sheet has been prepared. The second kind of ratio summarizes some aspect of a firm's performance over a period of time, usually a year. These ratios are called either *Income Statement or Income Statement/Balance Sheet Ratios*. Income statement ratios compare one "flow" item from the income statement to another flow item [Income Statement] item in the numerator to a "stock" [Balance Sheet] item in the denominator. Comparing a flow item to a stock item poses a potential problem for the analyst.

**Business Activities and Financial Statements: Overview of Business Activities:** Firms prepare financial statements for various external users - owners, lenders, regulators and employees. The statements attempt to present meaningful information about a firm's business activities. Understanding these financial statements require an understanding of the business activities that they attempt to portray. Any firm's business activities can be classified into *four categories* i.e., [A] Establishing Corporate Goals and Strategies; [B] Obtaining Financing; [C] Making Investments; and [D] Carrying out Operations.

**[A] Establishing Corporate Goals and Strategies:** A firm's goals state the targets, or end-results, toward which the firm directs its energies. A firm's strategies state the means for achieving these goals. The firm sets goals and strategies in the light of the economic, institutional, and cultural environment in which it intends to operate. For example, a firm might set goals to - maximise the return to the owners of the firm; provide a stimulating and stable lifetime working environment for employees; and contribute to and integrate with national goals and policies; **[B] Obtaining Financing:** Before a firm can embark on its business activities, it must obtain the necessary financing. Such financing activities involve obtaining funds from two principal sources - Owners and Creditors. Suppliers of raw materials do not always view themselves as supplying funds to a firm. Yet, when they sell raw materials but do not require payment for 30 days, they implicitly provide funds - the firm gets raw material now but need not pay cash until later; **[C] Making Investments:** Once a firm has obtained funds, it usually invests them in various items needed to carry out its business activities. Such investing activities involve acquisitions of the following: [i] Land, buildings and equipment; [ii] Patents, licenses and other contractual rights; [iii] Common shares or bonds of other firms; [iv]



Inventories; [v] Accounts receivable from customers; and [vi] Cash; *[D] Carrying Out Operations:* A firm obtains financing and invests the funds in various resources to generate profit. The following comprises the operating activities of a firm: [i] Purchasing; [ii] Production; [iii] Marketing; and [iv] Administration.

Topic-03

### Financial Management in Cooperatives [FM]

Prof Shiladitya Roy

**Financial Criteria for Capital Investment Decisions:** An organisation undertakes capital investment principally on the premise that such investments will bring long-term benefits generally spanning over several years or even decades. Capital investment involves very critical decisions for several reasons: They are of long-term consequences; Capital investment decisions are not easily reversible because they generally do not involve readily saleable commodities and often the capital equipment is tailor-made to meet an organisation's specific requirements; and, Capital investments involve substantial outlays. The financial decision on a Capital Investment proposal would hinge on: Defining the relevant stream of costs and benefits associated with the investment; and Evaluating the cost-benefit stream for determining whether the investment would be worthwhile or not.

**Project Evaluation:** The following are the different financial methods of evaluating projects involving Capital Investment: Pay back; Accounting Rate of Return [ARR]; Net Present Value [NPV]; Internal Rate of Return [IRR]. Of these, the NPV and IRR methods have gained maximum acceptance, as these take into account the time-value of money through a process of compounding/discounting of the cash flows. Because of this, the NPV and IRR methods are referred to as Discounted Cash Flow [DCF] techniques. *Time-Value of Money:* The principle of the time-value of money is that a certain sum of money today is not worth the same as in the future and vice versa. A certain sum of money available today can be invested to earn interest or return over the ensuing period. *Net Present Value:* The NPV method consists of discounting all future cash flows to the present value by means of some appropriate rate of interest. The rate of interest to be used should reflect the minimum rate of return which is acceptable to the organisation for a given investment. The quantitative data required to carry out this method are: the initial cost of the project; the cost of supplying the capital required or the minimum rate of return acceptable; the value of the future cash flow in each period; the life of the project; and the discount factors. The computation is carried out as follows: [i] Calculate the present value of each year's net cash flow by multiplying the projected cash flow by the appropriate discount factor; and [ii] Add the computations and arrive at the single figure of net cash flows in present value.

**The Internal Rate of Return [IRR]:** The Internal Rate of Return is an alternative approach used in making investment decisions, which also takes into account the time value of money. The IRR represents the return [in present terms] earned on an investment over its economic life. It is defined as that interest rate which, when applied to the cash flows generated by an investment, will equate the present value of the cash inflows to the present value of the cash outflows. In other words, it is the discount rate which will cause the NPV of an investment to be zero.

**Relevant Cash Flows:** For applying the Discounted Cash Flow [DCF] techniques, obviously the first step would be to identify the relevant cash flows which would be subject to discounting. Costs would be the cash outflows and benefits the cash inflows which would need to be drawn up, keeping the following principles in mind:

*Cash Flow Principle:* Costs and benefits must be measured in terms of cash flows - costs are cash outflows and benefits cash inflows. Cash flows are emphasized because they represent the flow of purchasing power; *Post-Tax Principle:* Cash flows must be measured in post-tax terms because they represent the net flow from the point of view of the firm; *Incremental Principle:* Cash flows must be measured in incremental terms. According to this principle, the changes in the cash flows of the firm arising from the adoption of the proposed project alone are relevant in estimating incremental cash flows the following cautions should be observed: [a] Consider all incidental effects: in addition to the direct cash flows of the project, all the incidental effects the project has on the rest of the organisation must be considered. It may enhance the profitability of some lines of existing activities because of complementary effects or it may detract from the profitability of some lines of existing activities because of competitiveness. All these effects should be considered; [b] Ignore sunk costs: if a project employs some resources available with the organisation it should be charged the opportunity costs of these resources. This should be done even if there are no explicit cash outflows arising from the use of these particular resources. For example, some spare capacity is used in the manufacture of a new product. The new product should be charged with the benefits that would arise from putting the spare capacity to its best alternative use. Of course, if there is no gainful alternative use of the spare capacity, its opportunity cost is nil; *Long-term Funds Principle:* In capital investment appraisal the principal focus is usually on the profitabil-

ity of long-term funds. Hence cash flows relating to such funds need to be segregated; and *Interest Exclusion Principle*: Interest on long-term debt should be excluded from the computation of profits and taxes. Why? The cost of capital used for appraising the cash flow stream reflects the time value of money. Hence interest cost, which represents the time cost of debt, must be excluded from the cash flow estimation. Otherwise we will let double counting take place.

To sum up, the costs and benefits of a project must be defined in terms of post-tax incremental cash flows relating to the long-term funds employed in the project.

Topic-04

### **Marketing Management of Agro-Products by Cooperatives [MM]**

[Prof Sukhpal Singh]

**Scope of a Marketing Organisation:** A marketing organisation is more than a sales agency, and typically performs an array of functions involved in reaching a product from the producing point to the consuming point, whether raw, semi-processed, or processed. This process of moving product from farm gate to the consumer is one of adding value in terms of time, place and/or form utilities. Cooperatives have been argued to be one of the best systems in agricultural produce marketing and processing especially in situations of market failure which obtain very often in agricultural markets and that too in agrarian economies. Cooperatives could also be organised when producer-members would like to corner a larger part of the returns associated with the value-adding process, through better coordination of supply with demand. While cooperatives perform a variety of marketing functions, they are no different from what must be performed by other types of business organisations. They are not unique in the functions they perform, but in the manner and philosophy in which they are performed.

**Marketing of Agro-Food Products:** The international marketing in agro-food products has acquired new dimensions in the past few years due to the changes in global trade, especially in agro-commodities and the changing dynamics of trade in general. Also, this is an area where the developing countries have a comparative advantage because there is no or very little import content in the raw material and inputs for the manufacture of such products, that is, meat and meat-products and fresh and processed fruits and vegetables. However, it is important to point out that in international competitiveness [especially in agro-food products], low cost inputs, and more so cheap labour, is seldom a major competitive advantage. The experience of the firm in marketing, its market share, and technological innovations, which are greater determinants of, cost leadership than cheap labour [or raw material] matter more. Superior product quality, design innovations, robust delivery performance, customization, and excellent after-sales service are distinctive characteristics at the firm level to gain competitive advantage. Macro policy changes may encourage competition, but the ability to compete depends on the dynamism of the individual firms. However, these firm level determinants hold only to a certain extent, and many other factors emerge at the macro level that do play an important role in export performance of a particular firm.

**Marketing Management Concepts:** There are five main approaches to study marketing management. These are: the production concept; the product concept; the selling concept; the marketing concept; and the societal marketing concept. Selling and marketing are two distinct activities. Selling pertains to the needs of the seller. Customers on their own will not buy. There is a need for some promotional efforts to make them buy things, or, selling what is made than making what can be sold. In the case of marketing it is need to identify and understand the needs of the customers – the target markets – and then satisfying them in a better way than others can do. Marketing is not the art of selling what you make but knowing what to make. This is based on the needs of the buyers. 'Marketing management is the process of planning, executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives.' -Kotler. Marketing management is done at three levels e.g., **Corporate** – Value system, mission, market analysis; **Business Unit** – segmentation, targetting and positioning; and **Operations** – 4Ps+Building relationships. The **4Ps of Marketing Mix** are: Product, Price, Place and Promotion. Product covers – variety, quality, design, features, brand name, packing, sizes, services, warranties and returns; Price covers – list price, discounts, allowances, payment period and credit terms; Place covers – channels, coverage, assortments, locations, inventory and transport; and Promotion covers – sales promotion, advertising, salesforce, public relations and direct marketing.

'Marketing is so basic that it cannot be considered a separate function. It is the whole Business seen from the point of view of its final result, that is, from the customer's point of view', as was said by Peter Drucker. It is the art of identifying and understanding customer needs and creating solutions that deliver satisfaction to the customers, profits to the producers, and benefits for the stakeholders. It is the business of building relationship with customers through identification and meeting of their needs by delivering quality, service and value.

**Problems of Marketing:** The problems of an individual firm operating in the international market are at *two* levels: pre-shipment and post-shipment. The pre-shipment problems are those of product design quality, delivery, and costs, that originate to a large extent in the agricultural production and marketing sectors, which are quite inefficient in terms of costs and deliveries. These problems demand solutions that may or may not be under the control of individual firms such as backward integration, contract farming, corporate farming, marketing and procurement arrangements, and so on. **Marketing Barriers:** Barriers to entry could be many and they differ from the ones the firms face in the domestic markets. Some of these barriers in international markets are: culture, language, nature and accessibility of distribution channels, government policy, expected global and local competition, political and economic environment, exchange rate changes, and customer switching costs. Alternately, these barriers could be classified into external, internal, and operational barriers. For example, exchange rate fluctuation and tariff/non-tariff barriers are external; past experience in international marketing and resources constraints are internal barriers; and problems relating to physical aspects of distribution and locating potential buyers are operational barriers. However, the following *five barriers* have been found to be important in international market entry in consumer goods: Access to Distribution Channels; Product Adaptation; Government Policy; Political Uncertainty; and Cultural Barriers.

**Problems of Developing Country Firms:** Most of the agribusiness firms from developing countries deal in simple processed and semi-processed food and food products that do not require design information, large inventories, and brand promotion. Thus, only price competitiveness can help these agribusiness firms to break into the market. **Consumer Behaviour:** The export performance of a firm is not only a function of price and the quality of its products, delivery and channel of distribution, managerial and technological capabilities, commitment to exports, and its own product-mix, which are controllable. But it is also those factors that are external to the firm and uncontrollable, for example, domestic market and policy environment, foreign market environment [consumer behaviour, market barriers, etc.] and some of the characteristics of the firm itself that are not controllable in the short run such as size, experience in marketing, competition, etc. Besides, the developing country agribusiness firms may not have any incentives to maintain quality. This happens when there is high rate of seller turnover and relatively low exogenous entry costs. Food preferences of consumers are a function of socio-economic, educational, personal, biological, physiological, psychological, cultural, regional, and religious extrinsic and intrinsic factors that interact and influence each other as well. **Country of Origin Bias:** The post-shipment problem in export marketing may be further complicated by another external factor called "country of origin bias" for the products coming from developing countries. In this situation, even if the product design and quality of an agribusiness firm's products is internationally comparable, the overall negative image of the country in the international market may create problems for the efficient and competitive firm from the developing country. This can work in two directions: one, a particular firm from a developing country may pay full cost for quality improvement and secure only diluted benefits in turn, while other firms from that country may gain by "free riding." Second, the initial price recovered in the international market will depend on the overall image of the developing country to which the firm belongs.

**New Dimensions:** The more recent factors that are likely to play a very crucial role in international marketing by agribusiness firms are biotechnology and informational technology. With the more aware consumers becoming the most important actors in the agribusiness chain, every product by the agribusiness firms has to be tuned to their requirements. This will require the use of information technology [IT], not only at the level of wholesalers and retailers that is necessary, but also backwards at the level of producers and input suppliers to design appropriate products for each market segment that will become smaller and smaller over time.

Topic-05

### **Pricing of Products and Services in Cooperatives [PPS]**

[Prof MR Suresh]

**Demand** for goods and services is based on quantity of goods or services which consumers are prepared to buy, at a given price, and in a given period of time. **Causes of a Change in Demand** is due to: [a] the tastes and preferences of consumers; [b] the income of consumers - this may also be affected by a change in the distribution of incomes within the economy; [c] the prices of other goods which are substitutes for the one under consideration; [d] population changes affecting demand for various goods and services. **The supply** of goods or services is the quantity of goods or services, which the producers are prepared to supply at a given price in a given period of time. **Price** is determined by an interaction of demand and supply. **Market Price or Equilibrium price** is that price which equates demand and supply so that the market is cleared. **Conditions of Supply:** Fundamentally, they are the costs of production. Costs of production are made up of fixed costs and variable costs. Costs of production are influenced by: [i] the state of technological development; [ii] natural influences such as natural disasters, good and bad weather, etc.; and [iii] political influences, taxation, state control of markets, wars, etc.

**Variable Costs** vary with output, raw materials, labour and power. They are the costs that vary with output raw material, labour, power, bought-in components, immediate packaging, etc. If we make more products we need more raw materials, more workers, etc. **Fixed costs:** [a] the costs incurred in buying fixed capital, plant, machinery, premises etc.; [b] the overheads of a business - not specifically related to output-supervision costs, administration costs, interest on capital; and [c] normal profit - this is regarded as a cost of production. Fixed costs are costs, which do not vary with output in the short run. Examples are land and buildings [if purchased], plant and machinery, rent and rates, supervision costs, security and maintenance costs. **Average Costs and Marginal Cost:** [a] average cost is the cost per unit of output, found by dividing total cost by output. Average cost is high at first, but then falls under the influence of increasing returns to scale. It then begins to rise again as diminishing returns set in; [b] marginal cost is the cost per extra unit of output. At first marginal cost is below average cost and falls more quickly than average cost. Later it rises faster than average cost and cuts the average cost curve at the lowest point.

**Features of a Market and a Perfect Market:** **Market** is a place where buyers and sellers are in contact with one another to fix prices and exchange goods and services for money. For a Perfect Market [a] there are a large number of buyers and sellers, none of whom can dominate the market; [b] the product is homogeneous; [c] there must be no friction in the market. All are free to enter or leave, as they like; [d] everyone must be able to know what the prices are; and [e] there is no preferential treatment for anyone. In any case there is no Perfect Market as such. **An Introduction to Cost – Terms and Purposes:** We usually do not decide to buy a commodity without some idea of its makeup or characteristics. Costing is the process of determining the cost of doing something, e.g., the cost of manufacturing an article, rendering a service, or performing a function. If a given cost changes in total in direct proportion to changes in activity, it is **variable**; if a total cost remains unchanged for a given time period despite wide fluctuations in activity, it is **fixed**.

**Manufacturing and Manufacturing Activities:** Manufacturing is the transformation of materials into other goods through the use of labour and factory facilities. Merchandising is the selling of goods without changing their basic form. **Accounting Systems** should serve multiple decision purposes. There are different measures of cost for different purposes. A frequent distinction that is made concerning cost accounting systems is between the purposes of providing costs for inventory valuation and providing costs for planning and control. **Breakeven Analysis** is a 'static' tool of analysis. It enables us to assess the financial viability of an enterprise at a given point of time

Topic-06

## **Integrated Cooperative Systems [ICS]**

[Prof KV Raju]

### **[A] Technology: Production and Marketing**

**Key ideas:** *Primitive technology – Production for immediate and local consumption – Decentralised subsistence economy – Functional specialisation – More or less simple and egalitarian distribution of value generated – Independence highly valued – Modern technology – Production for distant markets – Monetisation of economy – Centralised production – Task, activity specialisation and automation – Risk and uncertainty – Problems in distribution of value – Role of intermediation – Importance of coordination.*

**What Do We Mean by Technology?** Goods and services have *three types of utility*, namely, of form, of place and of time. Production or manufacture methods assist creation of form utility; transport facilities add place utility; and storage methods add time utility. Travel and communication facilitates the exchange. We try to look at farmers' organisation from the 'technology' point of view. **Primitive Technology** i.e., technology that helps creation of form, place and time utilities only in a very limited way, essentially limits and binds people to immediate vicinity and immediate future. Primitive production based on primitive technology is thus largely for immediate and local consumption or fulfillment. There is not much possibility for exchange. Production tends to equal self and/or local consumption and ability to produce on demand is valued rather than productivity. Decentralised subsistence production with functional specialisation and egalitarian distribution of value would result. Individuality, spontaneous creativity is valued. **Modern Technology** i.e., technology that helps creation of form, place and time utilities in a big way, essentially liberates people from the tyranny of immediate vicinity and immediate future. Possibility for exchange enhances and specialized production tends to surpass immediate local consumption. Productivity assumes importance as goods and services produced must be exchanged with others and that too withstanding competition. Economies of scale and scope lead to large-scale production. With improved methods of storage and mass transport, exchange is extended to reach global level crossing regional and national boundaries.

**What is the Central Problem of Sharing Value?** Methods of sharing of value by dividing the value realised on

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exchange in the proportion of contributions made towards production of goods and services become difficult as exchange is ever extending to persons who are beyond the immediate reach of the producers in terms of space and time. Centralised production with ever increasing function and task specialisation and complex distribution of value result. Economies of scale and scope lead to large-scale production and distribution networks. Technology moderates production and marketing in their effort to match supply with demand and a long chain between producers and final consumers creates roles for intermediation. The uncertainty in production and risk in marketing gets enhanced. There is always an unequal distribution of ability and willingness, both endowed and acquired, to assume risks in any group. This pushes some to negotiate for definite and fixed returns, even if less, for their contributions. Element of suspicion, especially among the weak, prompts the negotiations further. The degree of uncertainty in production and risks in realising value enhances the tendency to accept fixed pay off. This automatically will lead others to assume risk and uncertainty and extend their claim to residual.

### **[B] Characteristics of an Agri-Business Organisation**

*Key ideas: Agri-business organisation – Production orientation – Market orientation – Impact of modern storage, processing technologies towards centralisation – Problems and prospects on the way – Technology suggests capital intensive, centralised agricultural production – Integration with processing and marketing – Choice before farmers: Organise or be organised – Need for coordinated production integrated with processing and marketing – Question of independence and autonomous functioning.*

With the pace of Technology change agricultural production, processing and marketing must also transform from subsistence oriented production to market oriented production. This calls for specialised production in coordination with processing and marketing requiring radical changes in several related aspects. *Economies of Scale and Scope* do not necessarily operate in the same direction in case of production or processing or marketing. In case of some, small scale production and large scale processing may be advantageous; large scale production and small scale processing may be advantageous in other cases; storing and transporting in the same form or semi processed form may confer advantages in some other cases. Production of perishable goods tends to get limited by the demand that can be serviced immediately. In such situations, production must be controlled to match supply with demand. The degree of perishability sets the limits to production and usually binds their production to self/local consumption. To such goods, that too if they can not be produced easily, storage and/or preservation offers scope to add substantial place and time utility to them.

A subsistence production system usually also means a decentralised one. Market oriented production and its integration with processing usually means production on a different scale both in intensity and in extent. In all likelihood, a resource base considered as adequate from subsistence production point of view at a particular level of technology may turn out to be inadequate to compete in producing for a market. Relative factor prices may turn one time subsistence vocation inadequate. Mobility and ability to cope with rapid changes become important in the place of stability. By force of individual circumstances and by deliberate pursuit of certain socio-economic and political goals force of individual circumstances thwarted the natural tendency towards aggregation in agricultural production. This created a dichotomy between the large-scale needs of processing, storage and marketing operations and the small scale of production operations, which in turn created roles of several intermediaries. Agribusiness apart from facing the problems of seasonal production and perishability also got saddled with the problem of coordinating several independent decision-makers engaged in small-scale production. Given the present shift in the policy and the consequent likely withdrawal of restriction on land holdings, large-scale market oriented agricultural production integrated with processing and marketing would soon be the order. This would make small-scale agriculture unviable setting trends towards aggregation. These problems are also accentuated by the fact that production [*supply*] is often seasonal rather than continuous creating dilemmas of capital intensity and capacity utilisation.

*Farmers' Organisations:* To meet the challenge, farmers need to organise themselves or they will be organised by the market forces. They would find themselves increasingly vulnerable. Agricultural production technology may have some small-scale bias, but processing, storage and marketing lean towards large scale. With liberal policy framework and the need for integration, the situation would soon change. This situation gives virtually very few choices to farmers: Decentralised, independent and small scale production with uncoordinated arrangements for processing and marketing would eventually lead to – either decentralised, independent and small scale production with coordinated arrangements for processing and marketing or large scale, centralised production integrated with processing and marketing. The latter is more likely to happen and there is not much that any one need to do about it. For the former to happen there is a need to organise farmers and coordinate their small individual efforts in production and integrate them with large scale processing, storage and marketing. Question of independence and autonomous functioning must be examined in the light of coordinated effort required to meet the challenges. Giving up of smaller, lesser and

limited freedom and autonomy to achieve higher, greater and broad based freedom must be preferred. The largely illusory freedom of acting by themselves for the limited and conditional must be given up for the real freedom they share with their fellow farmers. Competition among them must be eliminated reducing scope for being exploited. The more farmers' organisations are able to dominate their economic environment, the more widely they extend their members' freedom to command all kinds of economic operations instead of remaining subservient to them.

**Essential Characteristics of a Cooperative Business:** Reliance on resources mobilised equitably from among members more and less external dependence; Shift of emphasis from maximising profitability to maximising service to members not inconsistent with economic viability; Making goods and services available at as reasonable a price possible; Making surplus basically to add to reserves in so far as necessary for good performance and Continuity; Shifting of basis for surplus/deficit sharing and participation in decision-making process to patronage; Of services and limiting capital for entailment of a pre-decided limit of interest. The design and performance of the *federal cooperative system* may also account for variations in the performance of village cooperatives. Although in theory cooperatives are spontaneous associations of people, in reality, most get established as part of a pre-planned initiative by an outside organisation, such as government Agencies, NGOs, or organisations like the National Dairy Development Board. A well-designed federal system makes relatively modest performance demands on systems of village cooperatives in order for them to achieve their design potential performance. The system works with relatively modest leadership and managerial talent, and can survive adversities with limited support from the federal body. Well-designed cooperative systems are, therefore, easier to replicate than less well-designed ones.

The '**Anand cooperative pattern**' is an example of a system with well-defined design features, which have evolved over years of experimentation. Some of these design principles are: dairy cooperatives shall not provide or guarantee cattle loans; the secretary shall be an employee of the cooperative and responsible to the board; voting rights shall only be given to those members who satisfy a certain patronage condition; milk shall be paid for at regular intervals on the basis of fat tests of each member's milk supply; unions shall be located 300-600 km from a city and not in its neighbourhood; every union shall have a powder plant; and so on. Organisations, which have all along worked with and supported multi-cooperatives now, find their design fundamentally flawed, and have begun to work with single-commodity marketing cooperatives. This underscores the need for a stable and supportive macro environment within which federal cooperative systems can be designed for high performance.

**Design Principles for Federal Cooperative Systems:** The next task is then to identify and define general design principles based on the framework developed here, which would help to improve the general performance of cooperatives. *Seven main principles* emerge: [i] Patronage representativeness in the governing structure should be increased by: keeping the locus of control within the cooperative's governing structure; electing the board by an unpartitioned electorate and ensuring patronage-linked voting rights; [ii] Competitive advantages can be created and translated into superior performance by the village cooperatives through the federal system securing access to technologies inaccessible to village cooperatives; harnessing scalar economies; exploiting new markets and value-added products; building strong member-orientation; [iii] The federal body can help improve the village cooperatives' performances through high-quality supervision from the federal staff; proper orchestration of the federal operational plan with the village cooperatives' plans; and high-quality resource and organisational support from the federal body to the village cooperatives; [iv] The 'centrality' of operation and a viable volume of business are achieved by: starting with businesses central to the economies of the members; building 'positive ratchets' into the operating system; forming and nurturing dominant coalitions amongst different groups of membership; and expanding the opportunities of the members through a range of diversified services; [v] 'Selective insularity' from the local socio-political system can be built into the design of a cooperative so as to ensure high patronage cohesiveness for the governing structure, through: bye-laws discouraging party politics being incorporated into the cooperative structure; increasing the board's accountability to the patrons; continuing the cooperative education of the members and boards; [vi] High levels of patronage responsiveness within the operating system can be developed through: ensuring complete, accountability of the management and staff to the cooperative's board; designing patronage-linked compensation policies for the staff; ensuring patronage-linked voting in the election of board members; the board making high-performance demands on the operating system backed with high-performance support; and [vii] The integrity of the relationship between the cooperative and its patrons is maintained through: appropriate pricing policies that govern the economic transactions between members and the cooperative ensuring complete reciprocity between contribution and reward; and identifying and deploying appropriate technologies for the payment of members.

**Factors Explaining Performance:** If we were to study the performance of all the village cooperatives – weavers', dairy, oilseeds, cotton, credit, paddy, and so on – in any given district, and assume that the best performing cooperative in each category represented the design potential performance (measured in whatever terms we chose) for that category we might ask what kind of factors are likely to explain the shortfalls from the design potential. In our view,

the factors that influence the performance of individual cooperative can be classified into four categories of factors: individual –related; context-specific; macro-environmental; and design factors. Different combinations of these explain performance variations at different levels. Within a federal cooperative system, for example, much of the variation in the performance of cooperatives is explained by individual-related and context-specific factors. Individual-related factors include the competence and motivation of key people involved in the management and governing of the cooperative. Most exceptional successes in cooperatives are traced to highly competent and committed leaders or managers from the federal system. Similarly, some of the performance variations within a federal system would also be explained by context-specific factors such as the size and quality of the command area, the local ecology, the intensity of competition, the patterns of local politics and power structures, social stratification, and the patterns of local economic development.

The concept of ICS with special reference to commodity sectors in India was discussed in detail. The commodity sectors covered included dairy, sugarcane, and paddy in India.

A case study on the dairy sector covered the evolution of “Amul” [Anand Milk Union] as a successful integrated cooperative in Gujarat State and the development of many dairy cooperatives in and outside the State of Gujarat on the *Anand Pattern* was also discussed. The concepts of anchor activity, centrality of the cooperative etc. were discussed. Role play models asking the participants to assume the leadership positions within the cooperative wherein they had to select a proposal for diversification out of given options were introduced. The participants discussed and presented their opinions on why the cooperative should not choose a particular activity so as to achieve the benefits of integration. Discussions were structured and guided by the faculty members.

Case studies on multipurpose cooperatives and their functions and rôles in integrated cooperative activities were discussed. Participants were encouraged to make individual presentations building on the concepts they had learnt in the module. Specific emphasis was laid on whether this approach is workable in the participating countries and, if so, the commodity sectors which could be identified; the possible constraints that may be experienced in the implementation of this approach and steps needed to be taken to overcome the bottlenecks. The participants concluded that certain level of integration is existing in their own country situations and further improvements are possible for full integration.

Topic-07

### **Individual Group Behaviour [IGB]**

[Prof SN Biswas]

**Perceptual Process:** *Perception* helps us to understand the world around us. It is a process through which we select, organise and interpret external stimuli. Our behaviour depends on how we perceive the external environment, which may not necessarily reflect the actual reality. The manager who is aware of these differences is more likely to make decisions after careful consideration than the manager who is not aware of such differences is. There are both internal factors and external factors, which affect our selection process. The internal factors that affect our selection process are: Our personality make-up; Our past experiences; and Our motivation. On the other hand, external factors that affect our perception, which we call stimulus characteristics, are: Size of the stimulus; Intensity; Contrast; Motion; Repetition; Novelty; and Familiarity. **Principles of Perceptual Organisation:** After we select stimuli from external environment we organise them into meaningful pattern. Psychologists have discovered certain principles, which govern our organising process. These are: Figure-ground principle - This refers to our ability to distinguish 'figure' from the background. We tend to select a stimulus as 'figure', which we pay attention to; Continuity - The tendency to perceive objects in a continuous pattern; Closure - The tendency to complete an incomplete stimulus based on our past experiences; Proximity – A tendency to perceive stimuli, to be related, which are in close proximity to each other; and Similarity – A tendency to perceive similar stimuli as a common group.

**Attitudes:** Attitudes are likes and dislikes. Social psychologists have given various definitions of the concept, most of them view attitudes as inclinations or predisposition. Our response to an “object” is often in line with what we believe about and how we feel towards that object. Having an idea or belief about the object is the minimum condition for having an attitude with regard to it. An attitude may be understood as an idea or belief charged with emotion predisposing an individual to act in a particular way to persons, things, situations, issues, etc. **Attitudes and Behaviour:** Attitudes signify what people think of, how they feel about, and how they intend or would like to behave towards an attitude object. Social norms, peer expectations, established habits, expected consequences, and situational factors also influence one's behaviour. **Functions of Attitudes:** To live in harmony with the world, humans have to, in some contexts, control the environment and in other contexts they need to accommodate to the control of the environment. Attitudes help people to understand the world around them, to lead an adjusted life in the world, to protect their self-

esteem, and to express their fundamental values. *Attitude Formation*: We learn our attitudes from direct experience with attitude objects as well as from other people. Early in life parents are the source of our attitudes. As we grow up the sources multiply.

**Effective Communication**: No matter what approach is adopted for changing attitudes, communication of some kind [informational, persuasive, or coercive] is always at the root of it all. While it is true that not all communication or information leads to attitude change, any attitude change requires and is related to some information about the attitude object and about the consequences of the advocated attitude. Therefore, effective communication is a must for any attempt to succeed in changing others' attitudes. Communication involves a source [*who says*], a message [*what*], a channel [*in what medium*], and an audience [*to whom*]. The process of change as a result of communication has the following elements: Attention, Comprehension, Yielding, Retention, and Action. People have a tendency to be selective in what they want to listen to. They prefer the information, which supports their attitudes, and avoid what is not supportive. Repetition of messages, active participation by the target person or group, creating new reference groups, providing supportive environment, etc. help attitude change and facilitate sustenance of the change. *Group discussion* and getting the persons to make a public commitment to behave in a particular way has proved to be more influential in changing attitudes than a one-way persuasive communication. Subtle pressure towards uniformity in a group, coupled with the fear of being rejected from the group and the need to be accepted in it, is also a powerful way of influencing an individual's attitude.

**Motivation**: Managers are mostly concerned with the motivational level of their team members. In many cases, causes of poor performance is attributed to the lower level of motivation of workers. Behavioural scientists also recognise motivation as a determinant of effective performance and have investigated, in depth, the causes and consequences of motivation. Motivation is an energising force, which propels the individual to act towards certain direction in a persistent manner. There are *three important characteristics of motivation*: It has a direction; It energises the individual to put in effort; and, Persistence in the goal. One major duty of the managers is to channelise the employee motivation effectively towards achieving organisational goals. Managers frequently want to know what drives the individual to act in certain ways, what direction the behaviour would take and how to maintain the desired behaviour.

**Executive Effectiveness**: Organisations, to be effective, need executives who are able to reach their objectives. An effective executive is able to reach the desired objectives both efficiently and effectively. Effective managerial performance requires that the manager attains specific results required by the job through a chain of actions, which are consistent with the rules, procedures, and norms of the organisation. Some managers perform more effectively than the others under similar conditions do. This can be due to certain abilities and characteristics of the person, which are consistent with the organisational environment and the demands of the job. *Characteristics of Effective Executives*: Accurate self-assessment, Conceptualisation, Concern with relationships, Concern with impact, and Developing others.

**The Art of Active Listening and 10 Steps in Being an Active Listener**: Communication is effective, only when the difference between the intended message sent by the sender and the message interpreted by the receiver is minimum. In order to achieve this skill there is a need to understand the other person. One of the ways is to listen to him/her. There are various kinds of listening such as, the passive listener who is not interested in what the speaker says; then we have the fault finding listener who listens for contradictions, irrelevancies, errors and weaknesses; and there is a third type of listener who wants to understand the person in order to help him/her and establish proper communication. The listener, while listening actively, should follow 10 steps: [i] Be non-judgmental; [ii] Ask clarificatory questions; [iii] Note all verbal and non-verbal cues; [iv] Show interest in the speaker as a person; [v] Use feed back to check understanding; [vi] Be attentive; [vii] Be emphathetic [viii] Be patient with the listener; [ix] Create positive listening environment; and [x] Stop talking and start listening

**10 Steps to Remember in Giving Feedback**: [i] Be specific and not general in feedback; [ii] Time the feedback appropriately; [iii] Check for the mood of the receiver and the situation; [iv] Give feedback on aspects that the receiver can rectify and not on aspects which are beyond the control of the receiver; [v] Feedback should be given immediately or soon after the event has taken place; [vi] Feedback should be descriptive and not evaluative in nature. [vii] It should only describe the behaviour and not judge it; [viii] Make sure that the receiver is ready to receive the feedback; [ix] Check your own motivation before giving feedback. [x] Are you serious in helping the other individual? **Steps to Remember while Receiving Feedback**: Have motivation to receive feedback; While receiving feedback be an active listener; Be non-defensive; Seek clarification time to time; When the feedback is over, think through it and decide on an action plan; Do not harbour any negative feelings towards the giver. S/he has extended her/his helping hand. Be thankful!



**Working in a TEAM:** Managers are required to work in a team. The work-teams in which the managers perform are usually small but are complex in their character. Some of the reasons behind people joining certain teams are: Attraction to team members - Individuals may join teams because they are simply attracted by other team members. This attractiveness may be physical attractiveness and or similarity in attitudes, personality types, needs, economic status, attitudes, perceived ability, etc.; Team activities - Individuals at times get attracted to a team for the activities they perform; Team goals - Individuals may join teams because of the goals pursued by the team and not necessarily the activities; Occasionally individuals join teams because the membership of the group confers on them certain status.

It has been found that most of the successful teams go through a *five-stage developmental sequence*. These are: **Forming:** Teams are formed around some objectives. During this forming stage members concentrate on defining the goal(s) and finding out ways of achieving the tasks. The individuals hide their feelings and watch the situation closely; **Storming:** The second stage is very important. Team members try to establish their identity and test each other which may often lead to hostility and conflict. The key to manage this is not to suppress this but face it and resolve the issues. At this stage if hostilities are suppressed the team cannot go to the third stage of development and may eventually break down; **Norming:** As the conflict tends to be controlled the members of the team start outlining their own norms of acceptable behaviour. Team norms play a large role in determining whether the team will be productive or not. Understanding how norms develop and how they are enforced will help managers in diagnosing the underlying tensions and problems in team; **Performing:** Progressing successfully from the previous stages the team creates structure and cohesiveness to work successfully. In matured teams conflicts are task-based and not driven by socio-emotional issues. The objective of matured teams is not on conformity. Decisions are not forced but rather taken on rational grounds. There is a transparency in actions. The team members know about the team processes and interactions; and **Adjourning:** Once the goals are accomplished the team dissolves. There are teams, which are created for a shorter, time-span whereas, some other teams go on forever.

**An Effective Team Leader:** Ensures Quality Decision-Making; Balance Between Planning and Action; Technical Competence; Flow of Ideas; Openness; Involvement and Participation; Clear sense of Direction and Purpose; Avoids Excessive focus on details; Allows Mistakes; Challenge within supportive environment; Flexibility of approach; Develops Review and feedback mechanisms; Listening skills; Questioning ability; Focus on task accomplishments; Ability to resolve conflicts constructively; Shares Information; and Encourages Humour.

Topic-08

## **Professionalisation of Management of Cooperatives**

### **-Some Issues and Coping Strategies**

[Prof Katar Singh]

A cooperative is generally viewed as an autonomous association of persons united voluntarily to meet their common social and economic needs and/or objectives. Thus, a cooperative is a socio-economic organisation that is expected to have its members' interest truly at heart. The cooperative, as a form of organisation, is widely prevalent in developing countries including India. Cooperatives have contributed significantly to rural development in India and have great potential to do so in the new millennium also. They occupy an important place in India's rural economy in terms of their coverage of rural population and their share in the total supply of agricultural inputs including credit.

**What is Professional Management?** Management implies both an act and a process of planning, organising, directing, coordinating, implementing, monitoring, and controlling in an organisation with a view to use its resources in efficiently and effectively in pursuit of specified organisational goals. A manager is a person, who performs all these management functions. A professional manager is a person who has acquired specialised knowledge, skills and expertise in management through formal training in a management school and/or long work experience as a manager. In India, it is estimated that there are at present some 800 management institutions imparting formal education and training in professional management. They together produce some 40,000 managers every year. The number of professional managers inducted in each functional area/division in an organisation should be above some critical minimum threshold so as to make their presence felt and make their impact visible.

**Why Professionalisation of Management?** Given the very large volume of business that all cooperatives together in India handle and given the tough competition that they now face in the wake of large scale entry of domestic and foreign companies in the country after the launching of New Economic Policy, it is essential for the survival and growth of cooperatives that they are professionally managed. Mobilising funds for diversification and modernising of operations, management of funds, procurement of produce of members in small quantities from remote rural areas, processing the produce using the latest technologies available, exploring and tapping new markets for inputs and

outputs, marketing of products at competitive prices in a free market regime, ensuring high quality of products, keeping production and other operating costs under control, attracting and retaining good staff, handling politics and politicians, securing and using right information at right time for making decisions, and many other similar activities require professional managers to handle them efficiently. In the new era, it will be the knowledge, foresights, insights, management skills, and ability to access and use the right information at the right time for making various decisions that will determine the prospects of survival and growth of business enterprises in public, private, and cooperative sectors. Therefore, cooperatives will have to professionalise their management and sooner they do so, the better it is for them.

In the new era, cooperatives are going to face growing competition from domestic and foreign companies, particularly in the agri-business sector. The competition poses a major threat to cooperatives that are used to thriving on government-conferred privileges including monopolistic status and huge grants and subsidies.

**Obstacles to Professionalisation of Management and Coping Strategies:** There are internal and external obstacles to the induction of professional managers in the management cadres of cooperatives in India. Some of the contemporary issues on the basis of the experience with dairy cooperatives are: *Lack of Professional Managers having Appropriate Values and Ethos; Lack of Good Training Institutes of Cooperative Management; Lack of Appropriate Curricula for Training Cooperative Managers; Dearth of Good Teachers and Trainers; Small Size of Business and Lack of Opportunities for Career Development; Lack of Performance-based Reward Systems and Poor Work Environment; Excessive Government Control and Archaic Cooperative Laws; and Lack of Good Governance and Leadership.*

Cooperative occupies an important place in India's rural economy in terms of their membership, business turnover, and contribution to the economic welfare of their members. Despite their predominant role in the rural economy, cooperatives suffer from several internal and external problems including lack of professional management. To survive and grow in the new era characterised by deregulation, delicensing, liberalisation, privatisation and globalisation, they need to be managed by professional managers. There are many obstacles to the professionalisation of management of cooperatives such as lack of professional managers having values and ethos congenial to cooperative management; lack of appropriate curricula for training of cooperative managers; lack of good training institutes and good teachers; small size of business of cooperatives and hence their inability to afford the services of professional managers; archaic cooperative laws and excessive government control; poor internal work culture and environment; and lack of good leadership and governance. Unless and until these obstacles are removed, there is very little, if any, hope for the cooperatives to survive and prosper in the new era.

Topic-09

### **Food Security Issues and Agricultural Cooperatives**

[Prof LK Vaswani]

**Food security** exists when and where a population is sure of constant access to safe and nutritious food. According to the FAO Committee on World Food Security, there must be a guarantee of 'physical and economic access to adequate food for all household members; without undue risk of losing such access'. Amartya Sen had said: 'Starvation is the characteristics of some people not having enough food to eat. It is not the characteristics of there not being enough food to eat.'

**Food Security Vicious Circle.** Its basic elements are known to be: i] Low food consumption; leading to ii] Low physical activity, ill health; which means iii] Low productivity; and, finally ending up in [iv] Low purchasing power. Therefore to prevent starvation i.e., to ensure food security, people must have the means to acquire enough to eat. **Basic Framework for Food Security.** To achieve food security, there are two alternatives. One, there should be own production and people should have the ownership of land to produce food for themselves; and, two, people should have the purchasing power which is generated from employment in farm and non-farm sector to purchase food. The Households directly produce food or at least an important proportion of food, and Households purchase most of the food from the market. **Sources of food insecurity.** Policy shifts and agricultural development. There are a large number of people who are getting displaced from agriculture. The relevant factors are: free market economy based on basic philosophy of maximisation of resource allocation through markets; simultaneous policy shifts away from land reforms and redistribution of wealth; minimum government intervention in agricultural production and markets; dominance of private sector free of price control; and export-led growth to relieve pressure on Balance of Payment. The implications of policy shifts are: agriculture growth with distorted distributional consequences; food prices determined by the market; lack of economic access to food among the poor; and, marginalisation of small and marginal farmers.

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**A Formula for Food Security.** Some of the suggestions to ensure food security have been: increasing public and private investment in agricultural infrastructure, including irrigation and drainage, rural energy, transport and markets; upgrading the quality of human resources; supporting research; disseminating technologies that do not erode the environmental resource base to the detriment of future generations; encouraging the adoption of technologies through developing favourable input and output pricing policies within the context of structural adjustment, providing more equitable land tenure systems and similar steps; and, giving rural people and their organisations a larger role in planning and managing the use of natural resources for productivity activity. **Role of agricultural cooperatives** in food security. These institutions must be multifunctional and should be able to generate employment and boost marketing activities. Some of the interventions are: land reforms; market access to food; and employment generation. The role of the state in ensuring food security could be: i] land redistribution; land reclamation; and access of land to rural poor; ii] food subsidy to the poor; and iii] rural employment programmes. In this process agricultural cooperatives can undertake the following activities: i] technology transfer for land reclamation; ii] distribution of subsidised food; post-harvest and primary processing activities; and iii] promoting entrepreneurship in non-farm activities.

Topic-10

### **Energy Management and Agricultural Cooperatives**

[Prof Haribandhu Panda]

**Relevance of Energy Management:** Like finance, personnel and raw material, energy is an important component in the process of production. Its management is as important and complex as is handling finances and people. It is expensive and needs to be regulated and conserved in the same way as other inputs without reducing the quality and quantity of the end-product. Like other forms of enterprises, cooperatives have also to deal with energy and its proper management. All major agro-processing cooperative enterprise e.g., dairy and sugar cooperatives, a considerable amount is spent on energy. **Forms of Energy:** Energy is used for heating, cooling, lighting and rotating. Its forms are: electricity, steam, coal, oil, gas, atomic, biogas, biomass, geo-thermal, solar, wind, waves, animal, hydro etc. Energy cost reduction is the principal objective because the energy prices have constantly been rising. Sugar cooperatives have been producing electricity by making use of baggasse and selling the surplus.

**Total Energy Management-TEM Process:** Energy shortage and the cost of environmental quality control have made the use of energy very costly. As a result, many factories have opted for establishing energy management programmes to cope with severe energy shortages and for improving the profitability of their operations. By introducing the concept of Total Energy Management [TEM], almost 10% of energy costs can be reduced by simply either conserving or using cheaper forms of energy. There is also the need for imbibing 'top management commitment' in TEM. Energy management involves: Reducing avoidable losses; Improving the effectiveness of energy use; and Increasing energy-use efficiency. No matter what approach is taken, the steps to be followed are general in nature, e.g., conduct energy audits, implement the energy conservation measures, carry out post-installation monitoring and setting targets, etc.

**Energy Audit** is a very effective energy management tool. There are basically *three steps* in an energy auditing: [i] Analysis of historical energy consumption and cost data; [ii] Preliminary energy survey of the whole plant [also known as *enervision*]; [iii] a detailed energy audit of those areas/processes of the plant which provide a great potential from energy saving viewpoint [referred to as *enerscope*]. The success of an energy management programme depends heavily on the engagement of both, the top management and the appointed energy manager. There are actually *four basic questions* which should be answered in an energy audit: [i] How much energy is being used; [ii] Where is it utilised?; [iii] How much energy should be used with the present operating conditions? and [iv] How little energy could be used with improved operating conditions?

**Energy Consumption: Quantity and Cost:** *Electricity* is one of the major forms of energy [particularly in terms of its share in the total energy bill] consumed in industries. Most factories purchase electricity from local electricity supply authority. As a back up, diesel generator sets are often installed. Although they are capable of meeting the demand of essential areas in the plant during an interruption in power supply from the grid, they are usually not sized to handle the overall load of the factory. *Fuels* used in industries are mainly fuel oil and LPG, natural gas and coal depending on the type of factory and the availability of fuel. Normally any increase in the specific energy consumption value would be interpreted by a loss in efficiency. This could be due to various reasons such as: aging of the equipment; low production rate; frequent breakdown due to poor maintenance. In some cases, when the production rate is beyond the nominal capacity of the plant, this may also lead to higher specific energy consumption values.

**Assessing the Actual Energy Consumption:** Typically a detailed audit will concentrate on such specific areas identified by the preliminary audit as: boilers and steam systems, process heating, process integration and heat recovery,

compressed air, process refrigeration, air conditioning systems, lighting, energy management systems, demand control, cogeneration. Assessment of the energy consumption by the various equipment or processes of the plant can be done through: measurement; mass and energy balances. *Estimating Actual Savings:* There are several methods for estimating the savings. The most useful one is the performance comparison. For example, where an increase in efficiency as a result of improved technology, reduction in running time or reduced losses, etc., can be expressed as percentage of current consumption, savings can be calculated by multiplying the current energy use by the percent change in efficiency. While energy costs may represent the biggest saving in undertaking an action, there may well be other savings which are significant and will need to be itemised. These include: manpower savings; improved output; improved quality; improved living conditions; improved environment; good publicity. *Preparing a Report:* In this report, each energy efficiency measure undergoing detailed audit should be discussed in sufficient details e.g., details of energy consumption in the machinery or equipment, problems with the existing equipment, alternative solutions examined, preferred options for enhancing efficiency, savings, costs and economics associated with the preferred option, conclusions and recommendations.

## **06 Development Project Proposals**

### **Prepared by 15th Training Course Participants**

From out of the nominations made by the sponsoring organisations, the ICA Regional Office prepared a final list of selected participants. The selected participants were then placed under the charge of the chief executive officers of their own organisations to undertake their Home Country Assignments [HCAs] for a period of about 50 days [November 16 2000-January 06 2001]. The participants were expected to select the topics for their project proposals in accordance with the priorities of their own respective organisations and in consultation with their chief executive officers. It was expected that the participants prepared development project proposals, which fell within the framework and priority areas of their own organisations. The participants were informed in advance that the exercise was a skill development exercise and the proposals should be more realistic than being mere theoretical and hypothetical ones. Project proposals, which are prepared in conformity with the framework of the organisation objectives and duly supported by basic reliable field data and adequate consultation, have a better chance of acceptance and implementation. These assignments were to be completed by the selected participants while still working with their respective organisations in their respective countries and before joining the Part-I of the Training Course in India on January 07, 2001.

The core element of the Training Course is to help the participants acquire skills in producing and appraising cooperative development project proposals. In order to accomplish successfully this task, one has to collect, analyse, document, index and narrate a variety of primary and secondary data. This data is available only in the place of work and within the environs of candidates' own organisations. While doing so they have also the advantage of consultations and discussions with their chief executive officers and even with their Boards of Directors and with the former participants of the ICA-Japan Management Training Course.

The ICA ROAP provided the selected participants with a detailed guideline on what data to collect, the possible sources of primary and secondary data, and what type of project proposals to produce together with some samples of previous project proposals. The material provided included a manual on project formulation prepared by the IRMA and a set of technical papers giving methods and techniques of collecting basic data from the field, obtaining technical information from the seniors and consultants and narrating them in a logical sequence. All the selected participants brought the draft project proposals to India where they were thoroughly discussed and analysed by experienced experts and faculty members. The draft proposals were first presented to all the participants and IRMA faculty members with a view to take note of the objectives and main functions of the draft project proposals. This initial presentation also helped the faculty members to take note of the areas on which emphasis need to be placed to enable the participants to improve the quality of their proposals.

The segments of HCAs and project formulation were considered to be the core elements of the programme from the point of view of a manager. It has been found that the managers are generally involved not only in project formulation but they also have to appraise development projects which need financial and other assistance from cooperatives and other sources. The Management Leadership Development Module at IRMA [January 20-February 24 2001] tried to provide the participants with various methods and techniques of not only project formulation but also the methods of appraising them.

The following illustration shows what input-elements helped the participants to achieve the objective of preparing reasonably authentic development project proposals:

**INPUT-I**

## DURING HOME COUNTRY ASSIGNMENTS

- Guidelines and manual
- Examples of Previous Projects
- Technical Support Papers
- Consultations at Home with seniors
- Field Data Collection
- Conforming to Policies/Priorities
- Guidance from former ICA Participants

**INPUT-II**

## DURING IRMA MODULE

- Interaction among the fellow-participants through initial introductory presentation
- Advice from IRMA Faculty on project formulation, appraisal methods and techniques

**INPUT-III**

## DURING IRMA MODULE

- Through Group Work
- Through Appraisal Sessions
- Reviews
- Revisions [using computers]
- Faculty Advice
- Preparing final versions of Project Reports

Based on these discussions, final versions of the project proposals were developed which were eventually appraised and firmed up for presentation to their sponsoring organisations with appropriate recommendations. The senior faculty members helped the participants to finalise, revise and review their original project proposals into more bankable and acceptable formats. It was expected that the participants, upon return to their respective organisations, would debrief their sponsors about the work done by them during the Training Course and recommend their project proposals for consideration for implementation.

All the participants prepared the following 15 development project proposals:

- 01 **Bowal Cooperative Poultry and Fishery Integrated Project**  
By Mr Babul Kanti Patwari, Bangladesh
- 02 **Cotton Drip Irrigation Station Development Project**  
By Mr Zhang Chen Guang, China
- 03 **Green Foodstuff Tea Manufacturing Base Construction Project**  
By Mr Li Xuan, China
- 04 **Irradiation Project to Minimise the Post-Harvest Losses in Agricultural Produce**  
By Arun Kumar Dabral, India
- 05 **Fruits and Vegetable Processing Project**  
By Mr Vinit Kumar Verma, India
- 06 **Ground Dry Chili Project**  
By Mr Erwin Novianto, Indonesia
- 07 **Mechanisation in Oil Palm – Towards Improving Productivity**  
By Mr A. Jagathesa Rao, Malaysia
- 08 **Poultry Farming Development Project**  
By Ms Yi Yi Win, Myanmar
- 09 **Onion Marketing Development Project**  
By Mr. Ganesh Prasad Koirala, Nepal
- 10 **Poultry Feed Mill Project**  
By Mr Zill-e-Hasnain, Pakistan
- 11 **Financing Hog-Raising/Production Project**  
By Ms Maria Fe A. Pineda, Philippines
- 12 **Pannilpattu Cooperative Tea Factory Project**  
By Ms Manoja Priyadarshini, Sri Lanka
- 13 **Dry Longan Project**  
By Ms Chenchira Wongwaranon, Thailand
- 14 **Development of Farming in Rural Mountainous Areas-Coffee Project**  
By Ms Doan Thi Van Anh, Vietnam
- 15 **Establishment and Development of the Agricultural Material Business for Cooperatives**  
By Mr Nguyen Hung Son, Vietnam

## 07 Projects Appraisal Sessions - An Exercise in Skills Development

**Introduction:** Upon their selection for participation in the Training Course, the participants were given home country assignments. These assignments were to be completed by them while still in their home countries and still working with their respective organisation under the guidance of their chief executive officers. They were also asked to get the help and advice of the former participants. They were asked to produce development project proposals on the subjects in accordance with the priorities of their organisation. A liberal use of internal documentation of the organisation was encouraged. Their sponsoring organisations were, in advance, requested to provide all possible assistance, cooperation and guidance to the participants in the preparation of these project proposals. In order to enable them to undertake these assignments two background papers entitled: [i] "A Prelude to A Manual for Preparation of Agricultural and Agro-Industrial Project Proposals" produced by Prof G. Krishnamurthi, and [ii] Project Formulation Methods and Techniques by Dr Daman Prakash were made available to them. While the participants were at IRMA their project proposals were presented. The faculty of IRMA made comments and suggestions with a view to: [a] improve the contents and quality of these proposals; and [b] to learn the appraisal skills.

**Methodology Adopted:** With a view to objectively appraise the proposals a panel of resource persons was identified. Professor G. Krishnamurthi and Prof KV Raju from the IRMA, and Dr Daman Prakash, Project Director, worked as resource persons and commented upon the projects presented by the participants.

The participants introduced their projects with the help of overhead transparencies. The participants were divided into three groups to discuss each project in detail and give their comments. Groups sought clarifications, raised questions, made observations as well as suggestions in their feedback to each of them. The presenter was then provided an opportunity to respond to the observations made by the groups. Comments and suggestions followed this by resource persons. On the basis of the feedback thus received, the participants revised their projects by incorporating additional information and analytical tables.

**Skills Development:** As is shown in the attached illustration on Appraisal Steps [*see Figure-F*], the exercise was intended to serve two basic purposes: i) Help improve the quality of the project proposals; and ii) Help learn the skills of appraising the project. This exercise in developing skills of appraising reinforced the skills in preparing a project proposal, which, in fact, are the principal responsibilities of managers of agricultural cooperatives in their real-life situations.

**Design of Presentations and Areas of Feedback:** The presentations were so designed that every participant could meaningfully evaluate all the project proposals and in the process be made aware of the deficiencies in his/her proposal, apart from gaining insights into other projects.

### Figure - F

#### Illustration Showing "Steps to Follow" in Conducting Appraisal Sessions for the Project Reports prepared by the Participants during their Home Country Assignments

##### APPRAISAL STEPS TO FOLLOW

- |                |   |
|----------------|---|
| <b>STEP-01</b> | As per the scheme of studies the Author prepares a Development Project Proposal/Project Report on the basis of the guidelines provided during Home Country Assignment. The project Report generally consists of: <ul style="list-style-type: none"><li>-An Executive Summary of the Project Report;</li><li>-Main Report – Justification, Objectives, Activities and Evaluation</li><li>-Statistics and Related Calculations [Financial Statements]</li></ul> |
| <b>STEP-02</b> | The Author distributes the Project Report among the Fellow-Participants and the Resource Persons for purposes of appraisal.   |
| <b>STEP-03</b> | The Author presents the Project Report by using OHTs and other media to all the Participants who have, in advance, been divided into three Working Groups.  |

- STEP-04** Immediately after the presentation, the Author receives:
- First-hand reactions from the Fellow-Participants;
  - Points for clarification from the Participants.
- STEP-05** The Working Groups go in session to discuss Project Reports. Each group:
- Prepares a set of questions;
  - Prepares a set of recommendations; and
  - Seeks clarifications.
- All points are aimed at improving the quality of the Project Report and helping the Author to review/revise the Project Report.*
- STEP-06** Group leaders present their findings, one by one.
- STEP-07** The Author replies to questions, tries to provide clarifications, and takes note of the points made by the groups for the improvement of the Project Report.
- STEP-08** The Resource Persons offer their expert comments and suggestions to facilitate review/revision of the Project Report by the Author. Individual consultations with Resource Persons is encouraged.
- STEP-09** In the light of the suggestions made and guidance received, the Author revises the Project Report and prepares its final version for submission to his/her sponsoring organisation proposing its implementation.
- STEP-10** The Author participates in the process of final consideration, implementation and continues to make improvements, where necessary.

Feedback on each project was wide-ranging. These were: i] at the first level, issues about the project concept itself were raised. For instance, participants were asked to justify the very need for a project or to justify why possible alternative projects serving similar ends had not been considered; ii] At a second level, feedback was provided on the major design issues of a project. Such feedback covered the choice of implementing agency, the manner in which farmers were to be involved in the project, choice of project location, scale, and of technology, choice of marketing channels, project staffing policies, and pricing policies; iii] At a third level, feedback was provided on details such as the project implementation schedule, capital cost estimations, break-even analysis, and the financial viability.

An evaluation or an appraisal of a development project proposal can be done from various angles e.g., from the point of view of the organisation as to achieve its objectives or from the point of view of the clients/users of services of an organisation. The participants were encouraged and guided by the IRMA faculty to undertake necessary alterations and improvements in their project proposals before they are finally submitted to their respective organisations for consideration etc.

#### **08 General Yardsticks for Appraising a Development Project**

Given below are some of the broad guidelines to evaluate the bankability, feasibility and relevance of the project proposal and the methods applied in its preparation?

- 01 Is the project in conformity with the development strategy of the concerned organisation?
- 02 Is the project in conformity with the development strategy of the government of the participant concerned?
- 03 Does the project represent high priority area within the development strategies of the government/organisation concerned?

- 04 Have the project objectives been clearly defined?
- 05 To what extent has the integrated approach been followed e.g., backward, forward and horizontal integration?
- 06 Have the functions and activities to be performed been clearly spelled out?
- 07 Has the technical analysis been properly done?
- 08 Have the procurement of inputs and marketing of outputs been properly spelled out?
- 09 Has the financial and economic viability been systematically done?
- 10 Has the organisation of activities and management structure been defined in line with the functions and activities to be performed?
- 11 Have all the data - explanatory and statistical - been based on field studies, interviews, discussions and generally accepted principles and norms?
- 12 Have the interests of basic farmer-members been adequately safeguarded?

At the end of the Management Leadership Development module at IRMA, the participants expressed that they were now in a better position to understand the techniques of project formulation and their appraisal. They were able to compare their earlier efforts in producing project proposals during their HCAs with the knowledge gained during their studies at the IRMA.

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*"The concern for food security has two important aspects. One concerns producing enough food to meet future growth in demand. The other pertains to the limited access of people to food due to poverty. The modern agricultural technology introduced in the 1960s in Asia has contributed significantly to stabilising food supply in many countries in the region. However, as arable land and other resources become less available, new and more efficient technologies, together with more effective policies, are needed to further sustain the growth in farm productivity. In addition, substantial improvement in income levels will be required to enable a greater number of people to access food."*

Takashi Tajima, Secretary-General  
Asian Productivity Organisation



## SECTION-V

### HISTORICAL DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN JAPAN

#### Their Characteristics, Organisational Structures and Functions

Part-II of the Training Programme held in Japan : March 08-April 28 2001

#### 01 Inaugural Session

The Second Part of the 15th Training Course was formally inaugurated on 9th of March 2001 by Mr Osamu Takasawa, Director, Technical Cooperation Division, International Affairs Department, General Food Policy Bureau of the Ministry of Agriculture, Forestry and Fisheries [MAFF] of the Government of Japan at IDACA in Tokyo. Mr Yoshitada Nakaoka, Managing Director of IDACA and Dr Daman Prakash, Project Director, ICA ROAP, also addressed the inaugural session. Ms Ayumi Kato, Section Chief of Technical Cooperation Division, MAFF, was also present.

Welcoming the Chief Guest Mr Osamu Takasawa, Dr Daman Prakash, ICA Project Director said that the participants had completed successfully the first part of the training programme held in India and also the comparative field study visits programme in Malaysia for a week. He informed that the programme for the fifteenth Course has been improved upon based on the suggestions and recommendations made by the former participants in their evaluation sessions and in consultation with the IDACA and the ICA Member-Organisations.

He said that the second part of the Training Course is an important segment as it exposes the participants to the experiences of the Japanese Agricultural Cooperative Movement. He hoped that the participants would greatly benefit from their two months studies in Japan and learn many new lessons for incorporation into their own country situations. He thanked the MAFF for its continued funding support, and the JA-Zenchu and IDACA for their collaborative support in implementing the training programme. Dr Prakash outlined the work which is still ahead of the participants and also reported on the work done by the participants while they were in India and Malaysia. He expressed his gratitude to the ICA Member-Organisation in Malaysia – the ANGKASA and the Cooperative College of Malaysia - for providing spontaneous support in the organisation of study visits.

Delivering his inaugural address, Mr Osamu Takasawa, Director, MAFF, congratulated the participants and welcomed them to Japan. He also appreciated the efforts made by Dr Daman Prakash, Project Director and Mr Yoshitada Nakaoka, MD, IDACA and all people concerned who assiduously engaged in the preparation and implementation of the Course.

He said: "Agriculture has been playing an important role as a major and stable social basis occupying a large proportion in their GNP and job opportunity. I would say that the issue of food and agriculture is the common issue which we, people in the world, should tackle together. The Government of Japan is positively implementing various technical and financial cooperation activities for the improvement of food and agricultural situation in Asia and the world. Among our agricultural cooperation activities, promotion of agricultural cooperative activity is considered as one of the major activities and we expect that this will play an important role for improving food self-sufficiency and securing sustainable development of agriculture and rural area in each country. From this point of view, the Government of Japan has been contributing for implementation of this ICA Training Course since 1986 and the other ICA Training Course for Women Leaders of Agricultural Cooperatives since 1991".

Mr Yoshitada Nakaoka, Managing Director, of IDACA, welcomed the participants to Japan and IDACA. Mr Nakaoka said that he always felt that this training programme was unique in many respects. The programme has been designed as a "result-oriented" one. He mentioned that the success of any training programme depended on various elements, for example, identification of appropriate candidates, designing a well-planned and well-connected programme, and managing study visits and other activities. There is always the need for someone who has a good knowledge of the subject and methods of handling the participants who come from various nationalities and backgrounds. He said that Dr Prakash has a deep understanding of the working of agricultural cooperatives in Japan. Due to his efforts and deep involvement the contents and scope of the subjects covered in the Training Course have vastly improved.

He requested the participants to study the experiences of the Japanese Agricultural Cooperative Movement and try to emulate and implement some aspects suited to their own situations and experiences. He said that human development is an important aspect of life and appreciated the role and support of MAFF in extending its funding support towards this cause. He mentioned that the IDACA enjoys a good working relationship with the ICA Regional Office for Asia and the Pacific, and from this relationship both the institutions stand to benefit.





Dr V. Kurien, Chairman of the Institute of Rural Management [in the centre] addressed the participants and narrated his experiences of establishing AMUL Cooperative Dairy in India.



Coconut processing facility of the National Land Finance Cooperative Society at its Kuala Perak Estate in Malaysia



## **02 Characteristics of Agricultural Cooperatives and Rural Communities in Japan - An Overview**

### **Introduction**

Japan consists of four major islands - Hokkaido, Honshu, Shikoku and Kyushu - and a number of island chains. The archipelago, lying off the eastern coast of the Asian continent, stretches in an arc 3,800 km long and covers an area of about 370,000 square km. The climate is generally mild and the four seasons are clearly distinct. Rainfall is abundant, ranging from 1,000 to 2,500 millilitres a year. The country is mountainous and arable land very limited; only about 13% of Japan are cultivated, and paddy fields occupy 54.2% of this area. Total cultivated land in 1993 was 5,124,000 hectares, making the average Japanese farm only 1.4 hectares in size. Agriculture in Japan focuses on: i) to maintain land condition and natural environment; ii) to develop local economy, and iii) to provide employment opportunities.

Agriculture in Japan is supported by some 3.8 million farming households, representing 8.9% of total Japanese households. Farming population is approximately 10.4 million, 10.6% of the total population. The number of farming households, as well as that of farming population, has been steadily declining. Taking advantage of the country's generally mild climate, Japanese farmers produce a diverse range of agricultural products, along with rice. While Japan maintains a national policy that mandates self-sufficiency in rice, beginning in 1995 the country began to accept a set ratio of imported rice. Japanese consumers have traditionally demanded fresh produce and 90% of all vegetables and 60% of all fruit sold in Japan are grown domestically. Similarly, 77% of milk and dairy products, 98% of egg products, and 74% of pork products are produced domestically.

In 1985, 72% of all beef sold in Japan was raised domestically, but since the import quota system was abolished in March 1991, this ratio has decreased to 52% in 1993. Only 12% of wheat consumption and 2% of livestock feed is produced domestically, leading to a heavy reliance on imports for these products.

### **Japanese Agricultural Cooperatives -Then and Now**

**The Origins of Japanese Cooperatives:** The origin of cooperatives in Japan can be traced back to credit unions established by farmer-activists before the Meiji Era [1868-1912]. These credit unions embodied the spirit of mutual aid at a time when there were no formal cooperative organisations. In 1868 Japan underwent a great transformation. After 300 years of isolationist policy, Japan opened its doors to join the world-wide family of nations. At the same time it embarked on a course of modernisation and industrialisation. This necessarily led to a situation where traditional small producers were forced to compete with newer, much larger enterprises, creating an urgent demand for cooperative organisations that would bring economies of scale to small operators.

Japan's first modern cooperatives were the sales unions established to facilitate community trade. Between the late 1870s and the late 1890s, silk and tea producers established cooperatives in Gunma and Shizuoka Prefectures. Seeing the need for a formal mechanism to promote cooperative development, the government enacted the Cooperative Society Law in 1900. Through the individual efforts of Yajiro Shinagawa, Tosuke Hirata, and many others this law authorised the formation of four types of primary cooperatives [Sangyo Kumiai - industrial cooperatives]: credit, marketing, purchasing, utilisation. Leaders of these single purpose cooperatives soon realised that purchasing and other activities required a stronger financial backing. As a result, in 1906 the government amended the law to allow credit cooperatives to undertake other business activities. Japan's present day multipurpose cooperatives grew from this development.

In 1910, the Cooperative Society Law established the Central Union of Cooperatives [Sangyo Kumiai Chuokai]. It launched an energetic campaign to promote the Cooperative Movement on a national scale.

After the World War-I ended, the Japanese economy entered a period of severe depression. Farmers were hit by a drastic fall in agricultural commodity prices. The concurrent financial crisis also affected cooperatives to a great extent. Then, in 1925, cooperative leaders initiated a campaign to revitalise the Movement, calling on all farming households to become members. By that time, cooperative members had seen the necessity of a new business federation and consequently established the National Supply Federation of Cooperatives and the Central Bank for Cooperatives in 1923. Various other national federations were established during this period.

In 1930, Japan again faced an agricultural depression. To overcome this crisis, cooperatives campaigned with government support to establish a cooperative in every town and village in Japan. Such efforts made possible a quick recovery and rapid progress. Although some private merchants campaigned against cooperatives, the strength of the Cooperative Movement assured its ultimate success.

Cooperatives continued to refine their organisational structure and activities. Many of today's agricultural cooperative organisations originated during this era. The *Ie-No-Hikari* magazine was first published in 1924 for the purpose of educating cooperative members, and in 1933, the National Council of Agricultural Cooperative Youth Associations was founded. Cooperatives also began to become involved in providing local medical treatment about this time. Japan became a member of the ICA in 1923. With the beginning of the World War-II, the government reorganised cooperatives and agricultural associations [Nokai, which were engaged in extension services], into agricultural societies [Nogyokai] to secure a War-controlled economy.

**Post-War Agricultural Cooperatives [1945-1960s]:** Land reform carried out between 1947 and 1949 completely abolished the tenant-farmer system and gave almost all farmers status as independent farm owners. The Agricultural Cooperative Society Law, enacted in 1947, established agricultural cooperatives [Nokyo] as economic organisations to replace Nogyokai and guaranteed farmers' independence. Consequently, from 1948 to 1949, an increasing number of agricultural cooperatives were established throughout Japan. During this same period, a number of related federations were founded as the Agricultural Cooperative Society Law greatly expanded the activity base of cooperatives. Mutual insurance activities were first established by cooperatives during this time. However, many of these agricultural cooperatives soon encountered serious financial difficulties because of ongoing changes in the post-War economy and the government's deflationary policy. A lack of managerial experience compounded the problem. The government subsequently passed laws to help primary agricultural cooperatives and federations overcome their difficulties, and they drafted plans to revitalise their movements.

In 1954 the Agricultural Cooperative Society Law was revised and an apex organisation, the Central Union of Agricultural Cooperatives [JA-Zenchu] was established to guide and coordinate Japan's Agricultural Cooperative Movement at the national level. Similarly, the Prefectural Unions of Agricultural Cooperatives were established to carry out the same tasks at the prefectural level.

Beginning in 1960, Japanese industries, especially the heavy chemical industry, entered into a period of explosive growth, bolstered by the government's economic policies. However, this led to a serious outflow of rural labour and greatly increased the number of part-time farmers, resulting in decreased production and productivity. The *Fundamentals of Agriculture Act* was enacted in 1961 to mitigate the situation by bringing farm incomes more in line with those of other industries, selectively expanding production, fostering self-sufficient farming practices, and enhancing agricultural management. Agricultural cooperatives responded by establishing cooperative farming complexes in order to concentrate the functions of cooperatives. Additionally, the Agri-related Association System was introduced to promote cooperative management of agricultural production.

In 1961, the Agricultural Cooperatives Amalgamation Assistance Law was enacted, and by 1965 the number of primary multipurpose agricultural cooperatives decreased by one-third. This reduction made it possible to consolidate the business and management base, improve facilities, and enter into new fields of activity. Moreover, with an increase in associate membership [non-farmers], agricultural cooperative activities became even more widespread. Agricultural cooperatives then began to direct more energy toward international participation. In 1963 the Institute for the Development of Agricultural Cooperation in Asia-Japan [IDACA] was established. It was established to train cooperative leaders from developing countries, including those in Asia. Since then, the Institute has accepted more than a hundred trainees annually.

While agricultural cooperatives have always provided guidance on farm management, during the last decade of this period they aggressively expanded beyond their traditional activities. The involvement of agricultural cooperatives in medical treatment and health care, systematic livelihood improvement, education, and culture expanded significantly during the 1960s. During this time retailing operations were instituted in order to promote sales of daily necessities, supermarkets were opened one after the other, the National Tourism Association of Agricultural Cooperatives was established [1967], and the Central Cooperative College was founded in 1969 to train officials and employees of agricultural cooperatives.

**The Resurgence of Agricultural Cooperatives [1970-1990s]:** The Japanese economy slid quickly into a low-growth period after the "oil shocks" in 1973. Since 1974, conditions surrounding agriculture changed qualitatively. While a sufficient level of caloric value had been achieved in terms of food supply, a structural surplus of rice, oranges, milk, and eggs caused stagnation in the price of agricultural products. Despite the setbacks caused by the two oil shocks, Japan found such success at exporting manufactured goods that economic friction with various countries increased. Some countries began to strengthen their trade offensives to increase the export of agricultural products to Japan.

The size of the agricultural population continued to decrease, and farmers continued to grow older. In addition, less land was cultivated and some land was abandoned. At the same time, agricultural cooperatives also faced difficulties in dealing with changing business conditions. Marketing and purchasing were sluggish due to stagnating agricultural production. The deregulation of Japan's financial markets led to a slackening in credit activities such as savings and loans, which provided agricultural cooperatives with operating income. Mutual insurance activity also slowed. From the middle of 1970, agricultural cooperatives have struggled to deal with these challenges by restructuring their organisation and management in order to revitalise agriculture.

**The Future of Agricultural Cooperatives:** Although Japan has developed into one of the world's most dynamic economic powers, JA [JA stands for Japan Agricultural Cooperatives] as the representative of Japanese agriculture is aggressively pursuing reorganisation to cope with the rapidly changing international and domestic economic environments. At the same time, it is promoting activities to further develop Japanese agriculture, increase farming productivity, and provide a higher standard of living for its member. JA's commitment is to meet the diversifying needs of its members by strengthening its ties to rural communities, expanding activities to reflect the changing face of its constituency, and promoting increased community development in rural areas.

Some of JA's new activities include the following:

**Residential Development and Asset Management:** Due to increasing urbanisation, the weakening agricultural economy, the ageing of the farm labour force, and the difficulty of finding successors to take over family farms, many farmers are finding it impossible to continue in agriculture. In order to help these farmers, JA is accepting consignment of farmland and assisting farmers to convert their land to residential use.

**Comprehensive Life and Home Centres: "A-COOP" Stores** [super markets operated by agricultural cooperatives] provide an important source of the goods and services demanded by JA members. The establishment of Comprehensive Life and Home Centres bring needed services including lifestyle-related consultation services to rural communities.

**Public Relations:** To increase consumption of domestic agricultural products, primarily rice, JA undertakes publicity campaigns in advertising media including TV and newspapers. To further promote rice consumption, four "Rice Galleries" have been opened throughout Japan since 1991 and are being actively promoted to urban consumers.

**Welfare for the Elderly:** JA is closely involved in social welfare activities. Since the revision of the Agricultural Cooperative Society Law in 1992 enabled it to provide welfare services to the elderly, JA has undertaken a larger role in this area, notably expanding its programme to train home helpers and provide visiting home health services. This service has been gaining popularity.

**Organic Agriculture and Consumer Relations:** To meet consumer need for fresh and wholesome food, JA initiated direct sales of agricultural products and the production of organic agricultural products. Its intention is to increase productivity to cope with intensified competition and financial and market deregulation. For this purpose, JA set a goal of reducing the number of primary units [multipurpose agricultural cooperatives] to approximately 570 by the year 2000 through amalgamation. At present, JAs are organised on three-tier basis encompassing national, prefectural, and city, town and village levels. This system will be reorganised and the three levels will be combined into two.

Recently, the simple acronym "JA", for Japan Agricultural Cooperatives, was adopted to popularise the organisation among Japanese from every walk of life. In 1992, the Ministry of Agriculture, Forestry, and Fisheries [MAFF] embarked a new agricultural policy that focused on fostering large-scale farming. With this, Japanese agriculture entered a new age. Concurrently, JA responded by ratifying a new resolution "Challenge and Reform Toward the 21st Century" that expressed its determination to begin a reformation of the Japanese agricultural industry, while reaffirming its commitment to the revitalisation of rural communities. JA is committed to continuing its efforts to protect Japanese agriculture and bring new life to rural communities.

### **The Structure of Agricultural Cooperatives**

**Membership:** JA membership is approximately 8,820,000 [as of March 1994], and includes almost all farmers in Japan. A typical cooperative [having around 3,036 members, on average] consists of farmers as regular members and non-farmers as associate members. Membership requisites are stipulated in the articles of association for respective

cooperatives, but they generally require farmers to operate farmland of 10 acres or larger and be engaged in farming 90 days or more a year. Agri-related Association that manages farming operations can also obtain cooperative membership. Any citizen residing in the vicinity of respective JA can become an associate member of that JA. Associate members benefit from JA services, but cannot vote in general meetings or become board members. Use of any JA's services by non-members is limited by law to less than one-fifth that of the members. Regular members account for 70% to 80% of total membership in farming regions, but there are cooperatives in urban areas where the ratio of regular members is less than 50%. Investment in multipurpose cooperatives averages Yen 140,000 per member. Average investment per cooperative is Yen 428 million, and total investment is Yen 1,243.1 billion.

**Types of Agricultural Cooperatives:** JA encompasses both multipurpose and single-purpose cooperatives, the difference determined by the type of farming conducted and services provided. Farmers organise an agricultural cooperative and use its services as well as operate the cooperative.

The spread of agricultural cooperative is broad and wide. The JA covers almost every village in Japan. In terms of total membership, multipurpose agricultural cooperatives predominate in Japan. They offer guidance on farming and lifestyle matters, marketing agricultural products, supply production materials and daily necessities, loan and invest funds, provide insurance against emergencies, and establish facilities for joint use. Multipurpose agricultural cooperatives cover all the cities, towns and villages throughout Japan. At present, there are 2,905 [as of July 1995], but reorganisation is expected to reduce this number to 570 agricultural cooperatives by the year 2000.

Single-purpose agricultural cooperatives are organised by farmers who are active in specific areas of production such as dairy farming, raising livestock, sericulture, and other specialised farming. They focus on marketing member farmers' products and supplying production materials and guidance. Only a few single-purpose agricultural cooperatives manage credit services. As of March 1994, there were 3,829 single-purpose agricultural cooperatives throughout Japan.

### **The JA Group**

An organisational Structure of the Agricultural Cooperatives in Japan and a flow chart on Integrated Approach of Multipurpose Cooperatives are attached [see **Figure-G** and **Figure-H**] for an easy understanding of the relationship among various types of cooperatives.

**Prefectural Level Organisations:** Agricultural cooperatives are administered through the Prefectural Federations of Agricultural Cooperative Associations and the Prefectural Unions of Agricultural Cooperatives. There are several prefectural federations and a single prefectural union in each prefecture. The prefectural federations being economies of scale to individual cooperatives and serve to co-ordinate the activities of the cooperatives within their jurisdictions. The prefectural federations provide financial, insurance, marketing and purchasing, and welfare services to their member-cooperatives. Prefectural unions coordinate the activities of member-prefectural federations and member-cooperatives. They provide leadership on issues concerning organisation, services, operations, management, education, and research, as well as make recommendations to government agencies. In their role as leaders of JA operations at the prefectural level, prefectural unions are legally bound to oversee and administer the overall activities of affiliated JAs. The prefectural unions are funded through levies imposed on their members.

**National Federations and other Organisations:** National federations administer prefectural federations individually and collectively, and through them the agricultural cooperatives that form their membership. The major national organisations of JA are as follows:

**-National Federation of Agricultural Cooperative Association [JA-Zen-Noh]:** The JA-Zen-Noh's primary function is to market products produced by JA members to consumers and to provide members with the purchasing and materials necessary for business. In order to maintain stable production levels, JA-Zen-Noh also carries out nationwide production planning. It provides members with production materials and supplies [livestock feed, fertilisers, agrochemical, farming machinery, and packaging materials] as well as daily necessities [household goods, gas and oil] purchased in quantity at low prices. The Zen-Noh has established several trading branches in several countries to import raw materials needed to produce cattle-feed and other products, sold through the JAs in the country. Its membership consists of the Prefectural Economic Federations [JA-Keizairen].

**-National Mutual Insurance Federation of Agricultural Cooperatives [JA-Zenkyoren]:** The JA-Zenkyoren brings stability to the lives of JA members by providing insurance against sickness and disaster. It offers a full range of insurance services including life insurance, and insurance for buildings and automobiles, with high coverage guarantees at low premiums. Besides controlling risk, JA-Zenkyoren develops overall systems, investment, and lends support to JA and the Prefectural Mutual Insurance Federations.

**-Central Cooperative Bank for Agriculture, Forestry and Fisheries [JA-Norinchukin Bank]:** The JA-Norinchukin Bank is a specialised bank for the agriculture, forestry, and fisheries industries. Its major investors are JA, fisheries cooperative associations and forestry associations, and federations such as the Prefectural Credit Federations of Agricultural Cooperatives. Backed by substantial assets, JA -Norinchukin Bank also extends funds to related industries and local environmental development projects. Norinchukin Bank offers a wide range of services to JA members including savings programmes, foreign exchange services, securities transaction services, international services, and the issue of its bank debentures.

**-National Welfare Federation of Agricultural Cooperatives [JA-Zenkohren]:** The JA-Zenkohren and its members, the Prefectural Welfare Federations, oversee health and medical services for JA. Although its medical facilities are available to non-members at no extra charge, JA-Zenkohren, in cooperation with JA, conducts its health service, such as group health examinations, to meet the needs of rural communities and JA members. It also provides health-care services and supplies, including medicine, through the Prefectural Welfare Federations.

**-National Press & Information Federation of Agricultural Cooperatives [JA-Shinburen]:** The JA- Shinburen publishes the daily Nihon Nogyo Shimbun [The Japan Agricultural News], with a circulation of 500,000 and is a member of the Japan Newspaper Publishers' and Editors' Association. "Nihon Nogyo Shimbun" contains timely articles on a range of topics including political, economic, and social trends, written from a viewpoint that takes into account the interests of JA members. It also provides information essential for farmers such as new farming technologies, market conditions, and consumer trends. Additionally, JA-Shinburen also publishes a magazine targeted at consumers, holds seminars to deepen consumer understanding of agriculture, and conducts educational activities such as overseas training seminars.

**-JA-Ie-No-Hikari Association Agricultural Cooperative Publisher:** The "Ie-No-Hikari" [Light of the Home] is a best-selling monthly magazine filled with light readings on politics, sports, entertainment, agriculture and JA issues, as well as practical articles on farming and lifestyles. Its current circulation is 1.1 million. In addition, the JA-Ie-No-Hikari Association also publishes a second general-interest monthly magazine "Chijoh", and "Chagurin", a monthly magazine for children.

**-JA-Nokyo Kanko Tokyo Tourism Cooperative:** The JA-Nokyo Kanko [Tokyo Tourism Cooperative] serves as a travel agent for JA members, cooperative officials, and employees. It plans group tours [domestic and overseas] and arranges railway and airline tickets for individual tourists. Travel corners have already been established at some JA offices. The Nokyo Kanko also sets up mutual exchange programmes through tie-ins with foreign travel agencies.

**- JA-UnicoopJapan Trading Company of Agricultural Cooperatives:** The JA-UnicoopJapan is a trading company established in 1961 through which JA, fishermen's cooperative associations, and forestry associations export products on their own initiative and import necessary raw materials and production materials. It operates seven overseas branch and representative offices [including one in Beijing], and subsidiaries in four countries. JA- UnicoopJapan trades in grains and livestock feed; livestock products; vegetables and fruit; agricultural and marine processed products; agricultural materials, machinery, and facilities; LP gas and fuel oil; chemical fertilisers; agrochemical; and consumer goods.

**-The Institute for the Development of Agricultural Cooperation in Asia [IDACA-Japan]:** The IDACA was established in 1963 to carry out research activities and conduct training seminars for cooperative representatives in developing regions. Every year approximately 100-150 leaders from cooperatives outside Japan, mainly in Asia, are invited to Japan to learn about Japanese agricultural methods and JA. So far more than 5,500 cooperative officials and workers have undergone training at the Institute.

**-The Central Union of Agricultural Cooperatives of Japan [JA-Zenchu]:** The JA-Zenchu is the apex organisation of JA Group. Its primary objective is to establish management policies for JA and JA federations throughout Japan, disseminate and support JA-Group policies and initiatives, and maintain the sound development of the cooperative system. JA-Zenchu conducts many of the same activities as the prefectural unions while, at the same time, providing them with leadership and guidance. It also assists in training JA members, officials and employees.

JA-Zenchu is represented in international organisations such as the International Cooperative Alliance [ICA] and participates in international cooperative progress and activities. It has active collaborative relations with other international organisations e.g., FAO, WTO, IFAP, AARRO, ACDI etc. Prefectural unions and national federations make up JA-Zenchu's membership. JA-Zenchu plays a very important role in representing a united JA Group in furthering JA's goals in Japan and around the world, and in providing leadership in how best to achieve these goals. Its basic policies are decided at the JA National Congress, held once every three years.



**-JA-Youth and Women's Associations:** JA youth and women's associations can be found within every JA. The JA Youth Association provides young farmers with opportunities to participate in educational activities covering farm operations and management, consumer trends, agricultural issues, and JA policies, as well as exchange programmes among JAs and cultural and sports pursuits. About 108,000 young people participate in 1,339 [as on April 1995] youth associations throughout Japan. Councils at both the prefectural and national levels administer the JA youth associations.

JA Women's Associations [JAWAs] count on a membership of approximately 1.81 million women in 2,274 [as of April 1995] women's associations around the country. Members include women who are not only responsible for taking care of household budgets but are also active in farm operations. They join Agricultural Cooperative Women's Associations to improve health care, standards of living, and buying power. As with the youth associations, women's associations are also represented through councils at the prefectural and national levels.

### **An Introduction to JA's Activities**

JA is mandated by the Agricultural Cooperative Society Law to conduct the following activities:

- Education and Public Relations, Guidance on Farming and Lifestyle Issues: Providing educational programmes for improving agricultural technology and operations, enhancing living standards, and promoting cultural activities;
- Activities Related to Agricultural Production: Developing and improving farmland, joint use of irrigation facilities and joint farming work, installation of facilities to improve labour efficiency;
- Entrusted Farm Operations: Operating farmland entrusted by JA members;
- Farmland Trust: Overseeing farmland trust holdings;
- Marketing: Marketing, storage and transport of agricultural products;
- Purchasing: Supplying production materials and essential goods;
- Credit: Loaning funds for agricultural production and living expenses, accepting deposits;
- Insurance: Providing mutual life, fire, automobile, and building endowment insurance;
- Utilisation: Establishing agricultural production and residential facilities for joint utilisation;
- Processing: Processing agricultural products;
- Public Welfare: Establishing hospitals and clinics;
- Senior Citizens' Welfare: Establishing facilities and programmes to care for senior citizens;
- Residential Land Administration: Transferring and purchasing farmland entrusted for residential development.

**Farm Guidance Activities:** Farm guidance is offered to help farmers operate their farms more efficiently. In addition to providing technical advice, agricultural cooperatives help farming groups in rural communities to establish rational agricultural management. There are currently about 19,000 cooperative farm advisors working throughout Japan who, in cooperation with administrative agencies, agricultural research stations, veterinarians, and other groups, are helping farmers bring their farms into the 21st century.

Guidance in overall agricultural management is available to all JA farmers. Specific guidance is offered in regional agricultural planning, quality improvement, and development of group production systems, lowering production costs through joint use of machinery and facilities and joint purchase of production materials, and regional production and marketing. In recent years, to promote more effective use of farmland, JA has taken the lead in leasing or buying members' farmland to sublease or resell to farmers looking to expand their operations. Many JAs also manage land entrusted by their members, arrange for farms to be worked on a commission basis, and secure needed manpower for member farmers.

A salient feature of Japanese agricultural cooperatives is its farm guidance advisory service that is provided to their members. This merits special attention since this service is sought to improve the economic situation of the member as well as provide quality products to the consumers. The members with an aim of improving their farm management and life establish agricultural cooperatives. The farm guidance activities carried out by the farm guidance advisors is based on the principles that [i] these services are technical sound, [ii] based on research and development at government and cooperative research stations; [iii] are carried out by the cooperatives themselves and paid for by the members; and [iv] are intended to improve the economic conditions of the farmers as well as of their cooperatives.

This service, which, in fact, is a prime mover of economic business between the cooperative and the member, has the following principal functions:

-Counsellor	...	...	...	Consultation/Guidance: Farm Management
-Planner	...	...	...	Planning & Development of Farm Management
-Engineer	...	...	...	Technical Guidance
-Consultant	...	...	...	Management Guidance
-Organiser	...	...	...	Organisation of Producers
-Communicator	...	...	...	Information Communication
-Marketing Researcher	...	...	...	Response to Markets
-Manager	...	...	...	Management of Facilities

This service is not a direct income-generating activity of the cooperative. In view of its importance, the service is regarded as an integral component of the cooperative and of special significance, since through its successful results it has been possible for the Japanese farmers to achieve one of the world's highest yields of paddy [4.5 to 5.5 tons per ha], as well as the most acceptable highest quality of rice. The financing of this service is done through the following sources:

- The farmer-member contributes 22.5%;
- 40.5% is the government assistance; and
- The beneficiaries share 37.0%.

The farm guidance advisors are the employees of the Movement. The JA-Zenchu and the prefectural unions, develop an implementation strategy in consultation with the agricultural cooperatives, and then help implement the programme through an established network. The attached chart [see Figure-I] distinguishes the roles played by the government-employed Agricultural Extension Workers and the Movement-Employed Farm Guidance Advisors.

**Better-Living Guidance Activities:** In order to create liveable communities and enhance the standard of living of farmers and their families, JA offers comprehensive lifestyle consulting services to members. There are about 3,000 better-living advisors located around the country. Some of the services offered include:

- Health check-ups for members and their families;
- Consultation about traffic accidents, taxes, housing, pensions, and asset management;
- Guidance in lifestyle design and home budgeting;
- Activities to improve living standards including promoting self-sufficiency in agricultural products, joint purchase of fresh foods, and doing surveys on commodity prices;
- Cultural activities, including cultural festivals, athletic meet, cooking and folk song classes, and ceremonies;
- Environmental awareness, including such activities as recycling, cleaning, and maintaining a safe water supply;
- Activities to give purpose to senior citizens, including employment opportunities, home helpers, bathing assistance, meal delivery, and visiting home health-care services;

**Marketing Activities:** Agricultural product prices are inherently unstable due to variations in weather conditions, consumer demand, and competition. The utilisation rate for JA's marketing system is more than 90% for rice and around 50% for vegetables, beef and milk. JA's marketing focus is to increase members' profits by selling their products through joint marketing and distribution. The four basic characteristics of the JA marketing system are:

- Unconditional consignment - Farmers consign the marketing of their products to JA without any price, time, and destination conditions;
- Commission charges - JA collects commissions that cover personnel, communication, and travel expenditures;

**FIGURE G: THE ORGANISATION OF JAPAN'S AGRICULTURAL COOPERATIVES**

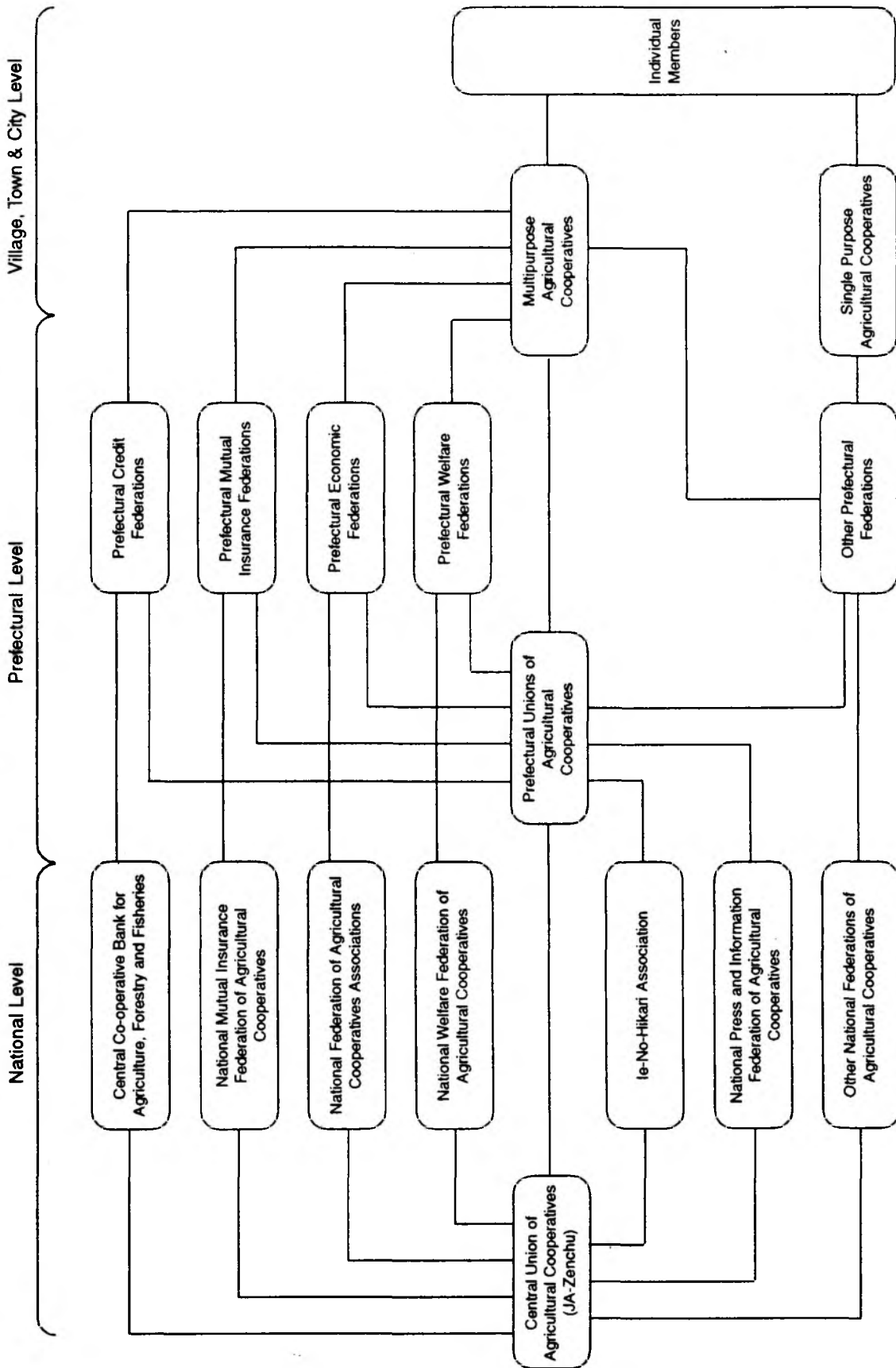
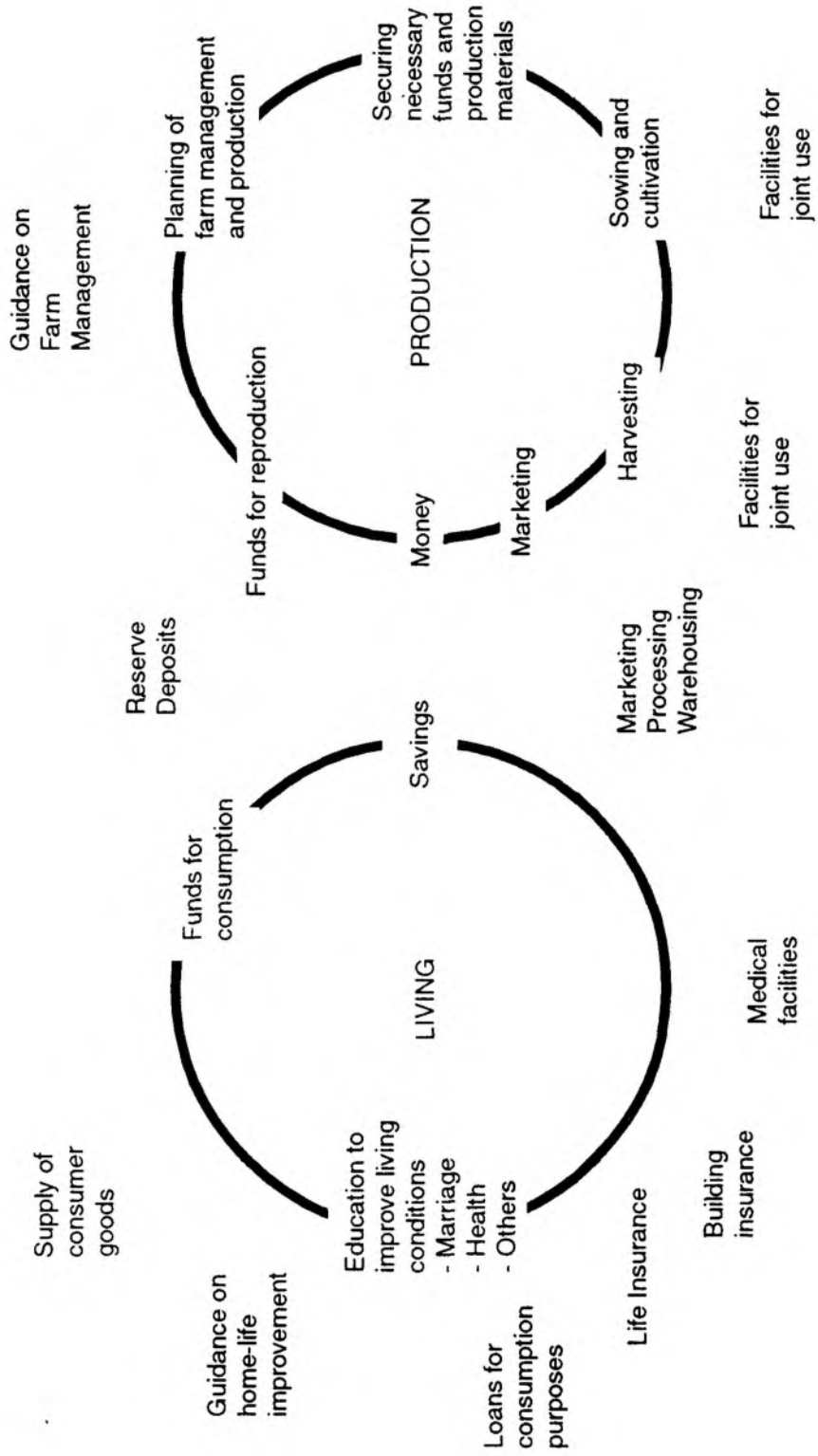


FIGURE H: THE INTEGRATED APPROACH OF MULTIPURPOSE COOPERATIVES



- Pooled accounts - Farmers pool products of the same quality shipped in the same period and collect a stable income based on price averaging:
- Full utilisation - Farmers gain economies of scale by taking advantage of JA's mass marketing and distribution system. Although the shipped volume of JA products been increasing annually, sales volume is stagnant due to declining prices, a result of the strong Yen and increased imports. This situation has been worsened by flat rice sales caused by a shift in consumer preferences towards other grains.

Figure - 1:

**Table Showing the Difference between the Agricultural Extension Workers and Farm Guidance Advisors in the Japanese Agricultural Cooperatives**

<b>Points</b>	<b>Extension Workers</b>	<b>Farm Guidance Advisors</b>
Status/Character	Government Employees	Employees of Agricultural Cooperatives
Qualifications/ Ability	Go through qualifying examinations. Homogenous ability.	No qualifications needed. In some prefectures qualifying examinations have been prescribed. Not homogeneous.
Objects for guidance and operational area	Farm households who are engaged in farming. Over the area of city, town, village [average five municipalities per office]	Member-farm households of agricultural cooperatives. Operational area of the agricultural cooperatives.
Guidance Method	Individual to group	Collective guidance for commodity-wise group
Type of Guidance	Objective	Subjective – as per the need of the cooperative
Contents of Guidance	High technology	General technology
Relations with administration	Comprehensive. Concentrated guidance for farmers and groups. Planned and continuous guidance based on extension plan in response to needs of farmers and the region.	Service to all members. Promotion of agricultural cooperatives. Guidance linked with economic business. Group guidance on common problems of members.
Relations with research institutions	Direct. Needed technology is available.	Not established systematically. Limitation of technical sources.
Limitation of responsibility	Advice is the main. Comparatively light.	Strongly and precisely as requested by members and agricultural Cooperatives.
Expenses	Shared by central government and local governments.	Paid by agricultural cooperatives and contributions made by members and users.

**Product Processing Activities:** Product processing generally falls into two categories: processing of goods for sale to the public and processing of goods for home use. Starch, miso, soy sauce, milk, vegetables, fruit, juice, ham, and sausage are all processed for sale to the public at JA plants. Additionally, many JA members use cooperative facilities to process products such as miso and pickles for home use. Although some JAs and prefectural federations have the facilities to process significant volumes of agricultural products, most JAs have comparatively small plants. These plants are used to process products that are for home use or to be marketed within the community.

**Purchasing Activities:** This service exists to supply JA members with reasonably priced, high-quality production materials and consumer goods. Member's place advanced orders that are then pooled together, whereupon goods are purchased in quantity. The foundation of the system is made up of stores located at each JA. As of the end of fiscal 1993, there were 1,668 large "A-COOP" outlets nation-wide, among many others. Utilisation of the system has been gradually declining in the face of increased competition from outside retailers and less advantageous terms from affiliated suppliers, particularly those for consumer goods, automobiles, and livestock feed.

**Credit Business Activities:** Credit activities mainly encompass collection of savings and the extension of loans to members. To recoup the operating expenses made requisite by the need to offer services to all members, JA credit organisations engage in a variety of businesses including discounting of bill, domestic exchange transactions, liability guarantees, loans to non-members securities transactions, foreign exchange transactions, and trust management. Due to recent financial deregulation, competition with ordinary banks and other financial institutions has intensified.

In the interest of fair competition, JA has been granted to expand its business activities including financial services. Today, JA cardholders can perform transactions at almost all financial institutions using the same card, including all JA, ordinary banks, and credit unions across Japan. They are also able to pay telephone and electrical bills through an automatic bank transfer system.

**Insurance Business:** The purpose of offering insurance is to have a system that compensates members in times of misfortune, thereby guaranteeing their personal and financial security. Major types of insurance offered include:

*Long-Term Insurance:* Endowment Life Insurance: Compensates the policy holder when the insured or family members die, fall ill, or are injured or upon maturity; Whole Life Insurance: Compensates the policy holder upon death of the insured; Building Endowment Insurance: Compensates the policy holder for property damage caused by fire, storm, flood, or earthquake or upon maturity; Agricultural Machinery Renewal Insurance: Compensates the policy holder when agricultural machinery is damaged by collision, fire, storm or flood or upon maturity; Pension Insurance: The insured pays premiums until a predetermined age, after which time the insured receives regular payments until a certain age or death; Children's Insurance: Children are insured against their own death and injury until finished their education, while their parents are simultaneously insured against death or injury.

*Short-Term Insurance:* Fire Insurance: Compensates the policy holder in case of damage by fire to buildings and non-real estate property; Automobile Insurance: Compensates the policy holder against damage to the insured vehicle[s]; includes vehicle liability, personal liability, other liability, and automobile liability insurance; Personal Accident Insurance: Compensates the policy holder when the insured suffers injury from any accident, in traffic, during work or while travelling.

Premiums for these types of insurance are lower than those offered by private insurers, and a portion of the premiums are rebated to members as mid-or long-term funds. At present, JA's insurance accounts for 39% of total insurance on deposit by farmers. JA does not provide crop insurance that compensates for damages in agricultural products caused by natural disaster.

**Utilisation Business:** The purpose of joint-use facilities is to provide members with access to facilities that otherwise would be unavailable for individual use. There are many joint-use facilities, which can be classified into two types: agricultural production facilities and home/life facilities. Agricultural production facilities include rice production facilities, grain elevators, grading and packing plants, plant nurseries, and agricultural warehouses. Home/life facilities include "A-COOP" stores, meeting rooms, home/life centres, ceremonial halls, and gas stands.

**Welfare Activities:** Health and welfare services protect members from disease by providing medical and health facilities, thereby bringing medical treatment and preventive care within the reach of all JA members. JA medical facilities are also open to non-members at no extra charge. Treatment is mainly conducted at JA hospitals run by prefectural welfare federations. preventive health care services are important for maintaining good health and include periodic health check-ups, preventive examinations for geriatric diseases, and health consulting services.

**Real Estate Business:** With encroaching urbanisation, a significant amount of farmland is being converted to residential use, often leading to inappropriate and uncontrolled development. JA is helping to prevent this by administering the conversion of members' land in a manner that protects their assets, while still permitting controlled residential development that minimises damage to the environment and nearby farms. JAs located in urban areas run cooperative farming and housing complexes and apartments at their own initiative, and in a fashion.

**Tourism Business:** Japanese generally love to travel, and JA members are no exception. Travel provides a release from the stress of work and domestic chores, and improves health and mental outlook. The Nokyō Tourist Cooperation [N/Tour] was established in 1967 to provide domestic and overseas travel services to members. Arranged group tours organised by JA youth and women's associations, business travel, and cultural trips are very popular. Recently, the number of JAs travel centres, which can arrange railway tickets and hotels reservations, is increasing.

**Education Programmes:** Education plays an important role in maintaining the viability of Japanese agriculture and extensive educational programmes are offered to members, officials, and employees. Members can enrol in any number of regularly scheduled classes and also attend special educational seminars, training sessions, or international research trips. JA publications, including *Ie-No-Hikari* [The Light of the Home] and the *Nihon Nogyo Shimbun* [The Japan Agricultural News] play a large part in bringing members up-to-date on the latest trends, topics, and technology.

JA officials undergo continuing education to improve their leadership abilities, and JA employees must constantly update their knowledge on business trends and technical innovations. To provide a location where members, executives, senior employees, and newcomers can come to take classes and participate in meetings and seminars ranging from farm management consulting to lifestyle advice, auditing, and computer training. Each prefecture and all JA national organisations maintain specialised training facilities.

**Public Relations Activities:** Public relations provide a vital connection between JA organisations, their members, and the general public. Internal public relations help build solidarity among members while external public relations help educate the public and disseminate JA views and policies. Public relations directed at cooperative members consist primarily of print media, including pamphlets and leaflets, but also includes some TV utilisation, mainly through small cable channels. JA federations publish newspapers and magazines, and JA-Zenchū publishes a monthly bulletin targeted to officials and employees of JA Group.

The importance of external public relations is increasing. In the light of recent overseas trade conflicts, the main impetus is to educate the public on the essential role that agriculture and farming communities play in society and emphasise the importance of maintaining a safe and stable food supply. The primary vehicles for disseminating external public relations remain the mass media including newspapers, magazines, TV, and radio, along with various special events such as fairs and JA festivals.

**Lobbying Initiatives:** JA engages in lobbying as a means to promote specific policies. It lobbies at all levels of government to press members' interest on policies concerning land use, production, pricing, distribution, budgets, taxes, social security, and the environment. Lobbying methods range from simple request submissions to major public demonstrations. On important issues, the prefectural and national unions mainly spearhead lobbying efforts.

### **Democratic Control and Management**

Federations and central unions are governed under the Agricultural Cooperative Society Law, as follows:

**The General Meeting:** The annual General Meeting is the supreme decision-making body of JA. At the General Meeting, changes in the Articles of Association are resolved, the year's business plan is approved, and officers elected. Resolutions are usually passed by a majority vote of the attending members. However, important resolutions on changes in the Articles of Association and resolutions regarding cooperative mergers, for example, must be approved by at least a two-thirds vote of the attending members. Large cooperatives with many members (more than 500 regular members) may organise a representatives' meeting with decision-making authority. A quorum for the representatives' meeting is at least one-fifth of the total number of regular members.

**Directors and Auditors:** Directors enact business according to policies adopted at the General Meeting. Auditors review business performances and submit this review at the General Meeting. Directors and auditors serve for not more than three years with the President being elected from among directors by director's mutual vote. Recently with the ongoing mergers among multipurpose cooperatives, the number of full-time officers is decreasing.

**Employees:** JA employees provide the energy that keeps this vast organisation functioning and on track. Their ability

to coordinate their efforts within the organisation is a key element in maintaining the smooth operation of JA. The total number of JA employees, including those of federations, is approximately 400,000.

### **JA's Principles**

JA's principles are derived from the Agricultural Cooperative Society Law, and govern the day-to-day management of the organisation. They are as follows:

- 01 Becoming a member of, and resigning from, JA is of one's free will.
- 02 Elections are determined by *'One regular member, One vote'*;
- 03 JA is a non-profit organisation whose mission is to protect and enhance Japanese agriculture and improve the standard of living of agricultural workers. For this reason, dividend is limited to not more than 7% for multipurpose JAs, and not more than 8% for federations;
- 04 Concerning the settlement of the surplus, in case the loss happens this surplus is allocated to cover this loss. And after funds for JA business development and those to be carried forward are deducted. Surplus shall be paid to cooperative members in the proportion to which they utilised the cooperative services;
- 05 In order that training programmes for new members be adequately financed, not less than one-twentieth of a cooperative's surplus must be carried forward to the next fiscal year.

### **Governmental Guidance and Supervision**

The government audits national and prefectural federations and central unions, while prefectural governments audit JAs within respective prefectures. The government may issue necessary orders to carry out the sound management of JA. Audit is carried out to safeguard members' interest and to improve cooperative management. Four kinds of audit are available: 01] Internal auditors appointed by general meeting; 02] Special audit by staff members as per direction of the President of a cooperative; 03] Audit by the Central Union; and 04] Audit by the Government.

### **To Sum Up**

Agricultural Cooperatives in Japan are the most sophisticated high-tech managed cooperative institutions which, not only produce and market the needed agricultural products but also look after the members and their interests in its totality. The phenomenal rise of Japanese post-War economy can safely be attributed to the hard and systematic work done by these agricultural cooperatives in consolidating people, land resources and producing the needed food and providing the needed services to the community. These services range from the *"cradle to the coffin"*. The Japanese agricultural cooperatives stand committed to *"3-H Agriculture"* – *Healthy, High Quality and High Technology*.

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*There are many factors that have been cited as hindering the achievements of food security in the Asia-Pacific Region. Among these are: 1] lack of agricultural infrastructure such as irrigation, farm-to-market roads and post-harvest facilities; 2] land degradation resulting from soil erosion, salinity and water-logging and declining water resources; 3] inadequate research and extension efforts; 4] small size of farm holdings; 5] inefficient land tenure system; 6] farm labour shortage in some countries; and 7] high population growth.*



**SECTION-VI**  
**MANAGEMENT PRACTICES DEVELOPED AND ADOPTED BY THE JAPANESE**  
**AGRICULTURAL COOPERATIVES**  
**with special reference to “Value-Addition through Agro-Processing”**  
**COMPARATIVE FIELD STUDY VISITS IN JAPAN**  
**[in Tokyo, Oita and Gunma Prefectures]**

**01 Field Study Visits in Japan**

During Part-II of the Training Course in Japan, study visits were arranged in Oita and Gunma Prefectures and to cooperative institutions in and around Tokyo. The main purpose of carrying out these field visits was to: i] take note of the process of transformation of agricultural cooperatives from mere credit-disbursing and marketing institutions into integrated service-providing institutions; ii] understand the process of member communication leading to full member participation into the organisational structure and business participation of farmer-members in their agricultural cooperatives; iii] understand the concept of ‘joint-use’ in the present-day agricultural cooperatives; iv] the process of amalgamation leading to greater economic viability of these institutions; v] understand the concept of ‘one-village, one-product’ and making use of the local products; and vi] to take note of the process of business planning at the local level and the participation of higher level institutions e.g., federations in the realisation of these plans. It was also envisaged that by their visits to local cooperatives in Oita and Gunma prefectures the participants will also understand the farm guidance system and the role that is played by other organisations e.g., women’s associations and youth associations in promoting the business of cooperatives.

During the field visits the participants were also expected to observe the various types of farming that is practiced in Japan by visiting farmers’ houses, green houses, systems of irrigation, processing, grading, packaging, shipment and marketing including country elevators. Besides the farm guidance and other developmental activities that are performed by the prefectural unions, the business federations e.g., economic federations, insurance federations, also provide guidance and other services aiming at securing and improving the living conditions of farmhouseholds.

With a view to enable the participants to take note of various aspects of agricultural cooperatives in Japan, the Manager [Development] of IDACA had prepared exhaustive guidebooks which were supplemented by the material provided by the visiting cooperatives and institutions.

The participants visited the following institutions during their stay in Japan:

- |    |   |
|----|---|
| 01 | Ministry of Agriculture, Forestry and Fisheries [MAFF], Tokyo                   |
| 02 | Tsukiji Wholesale Market, Tokyo   |
| 03 | JA-Zenchu’s Business School/Central Agricultural Cooperative College, Tokyo     |
| 04 | Institute for the Development of Agricultural Cooperation in Asia, Tokyo        |
| 05 | JA-Oita Prefectural Union of Agricultural Cooperatives, Oita City               |
| 06 | JA-Oita Prefectural Economic Federation of Agricultural Cooperatives, Oita City |
| 07 | JA-Oita-Shi, Oita City  |
| 08 | Oita-Oyama Agricultural Cooperative   |
| 09 | Fukuma Fisheries Cooperative in Fukuoka   |
| 10 | Gunma Prefectural Union of Agricultural Cooperatives, Maebashi                  |
| 11 | Gunma Prefectural Economic Federation of Agricultural Cooperatives, Maebashi    |
| 12 | JA-Sawada and its facilities  |
| 13 | JA-Tone Numata and its facilities   |
| 14 | Agricultural Research & Development Centre of JA-Zen-Noh, Hiratsuka             |

**02 Study Visits in Oita Prefecture**

Farmland in Oita Prefecture is distributed from 0m to 1000m in the elevation from the sea level. About 70% of farmland is located in the mid-mountain area. The contribution of agriculture to GDP of the Prefecture was 2.3% in 2000, decreased by 0.1% from the previous year. The position of agriculture in the whole country is 1.3% in farmland area and 1.7% in Gross Agricultural Production. The average farm household income is 6,646,000 yen. The average agricultural income of commercial farm households is 713,000 yen but in case of full-time farm household the average agricultural income was 4,297,000 yen.

JA Group in Oita Prefecture: The principal prefectural organisations are: [a] JA-Oita Prefectural Union, [b] JA-Oita Prefectural Credit Federation, [c] JA-Oita Prefectural Economic Federation, [d] JA-Oita Prefectural Mutual Insurance Federation, [e] JA-Oita Prefectural Welfare Federation.

Organisation and Business of Multi-purpose Agricultural Cooperatives-JA: There were 25 JAs with a total membership of 122,596 [Regular members-85,086 and Associate Members-37,510]. There were 538 officials and 3,877 employees engaged in the management of these agricultural cooperatives. Annual Marketing Turnover amounted to: 59.8 Billion Yen; Annual Amount of Supply: 50.1 Billion Yen; Production material 32.9 Billion Yen; Consumer goods worth 17.2 Billion Yen; Outstanding Savings: 559.2 Billion Yen; Outstanding Loans: 208.5 Billion Yen; and Long-term Insurance Policies in force were worth 4,346.2 Billion Yen.

The 25th Congress of Agricultural Cooperatives in Oita Prefecture proposed a 3-year plan. The major components of the Plan are: [1] Realisation of Agriculture to ensure improvement of self-sufficiency in food supply, [2] Creation of Farming Villages through Development of Better Living Activities and Welfare Business, [3] Development of Human Resources and JA to a core of the region, and [4] Creation of Information Network to be reliable for members.

The JA-Oita Prefectural Economic Federation was established in 1948. Over the period the organisation and activities have undergone several changes. It has 33 members, 11 Directors, 3 Auditors, 248 Employees [male 192, female 56], and Share Capital 1,562 Million Yen. Its main business consists of: sale of rice for members, horticulture material, livestock, fertiliser/chemical, farm machinery, design of facility, green house material, "A-Coop" Store, sales of meat, group purchase of consumer goods, automobile/fuel and others. The total purchasing business in 1999 was 415 Million Yen.

Its marketing business consisted of rice, fruit/vegetable, flower, livestock, operation of wholesale market. The JA-Oita Economic Federation's facilities consist of: head office, local office, livestock market, agricultural warehouse, rice mill, breeding cattle experimental centre, SPF pig feeder supply farm, SPF pig experimental centre, central car repair workshop and LP gas supply centre.

The objectives of agriculture promotion in Oita City are to secure stable supply of the agricultural products with making good use of its advantageous location of the city suburbs and promoting to introduce highly profitable crops. Oita City is located in the middle part of Oita Prefecture, surrounded by Mt. Takasaki, Mt. Ryouzen and Mt. Kurokui on the outskirts of the city. In the middle part, there is a plateau east to west centering with Ino plateau. It belongs to the Setouchi Inland Sea Climate Zone with average temperature 15-16 degree C, annual precipitation: 1,500 mm. The area is blessed with the mild climate with sufficient precipitation. Making good use of this natural condition, a lot of agricultural products, such as rice and wheat, vegetables, fruits and livestock are produced.

JA-Oita-shi was established on July 1, 1972 [newly established by amalgamation]. Its main objectives are: [1] strengthening management basis of the JA by amalgamation and strengthening constitution of new JA to cope with industrialisation and urbanisation; [2] thorough-going practice of cooperative spirits, and securing human resources to cope with the fierce management competition; [3] establishign business-executing system, especially, strengthening farm guidance system, and developing group production complex; [4] promoting new business and improvement of management for regional development and better services for members.

Some of the main Producers' Groups are: ordinary crops group, leek group, parsley group, cucumber group, tomato group, welsh onion group, citrus group, loquat group, kiwi fruits group, flower-plant group. Other cooperative groups include: mutual insurance friendship group, pensioners' friendship group, women's association, farm machinery, blue return form group, property management group.

Some of the main facilities are: branch offices, agricultural warehouse, rice centre, seedling centre, cucumber grading facility, citrus grading facility, vegetable collection & shipment facility, farm machinery, vegetable cold storage, gas station, funeral centre, country elevator.

'One-Village, One-Product': A solid foundation has been laid since the 'One-Village, One-Product' Movement was born in 1979. Its creation was based on three major themes: 'Think Globally, and Act Locally'; 'Independence, and Creativity'; and 'Foserting Human Resources'. It has led to the development and production of a large number of products and items, as well as local events and cultures. The 'One-Village, One-Product' Movement has progressed, creating person-to-person, village-to-city and nation-to-nation interaction. Its reach has gone beyond Oita Prefecture, with its influence also felt in the outside world. With self-confidence and spirits buoyed by these successes, the people are driving this movement to the next stage of its development. In this stage, each local citizen will be urged to intensify their personal commitment to the 'One-Village, One-Product' Movement. It is vital that every individual

take an active role by contributing ideas and energy. There is also a need to commit to participation in friendly, cultural exchange and to living in harmony with the natural environment. With the motto 'Bringing the spirit of the country to the city' and taking the momentum of this movement to the next stage in the energetic and all-embracing way, this movement has the potential, to create close ties with every part of the globe. The three Principles of the 'One-Village, One-Product' Movement are: "Think Globally, Act Locally", "Independence and Creativity", "Fostering Human Resources". Twenty years have passed since the birth of the One Village, One Product Movement. Many of the products of the 'One-Village, One-Product' movement have become household names in Japan. The 'One-Village, One-Product' philosophy extends beyond Japan – Shanghai, Jiang Su, Uhan, in China, Louisiana, USA, Philippines, Kedah in Malaysia, and Java in Indonesia.

Background and Philosophy of 'One-Village, One-Product' Movement as was explained by Mr Morihiko Hiramatsu, the then Governor of Oita Prefecture, the promoter of the concept. "It was in 1979 that I proposed the 'One-Village, One-Product' Movement. After I took the post of Governor, I toured all over the prefecture to learn the opinions of the local people and what I heard from them was requests and complaints. Some of them requested me to improve roads or build bridges, and some wanted a resident doctor in their village. Others complained that the prefectural or local government did nothing to help them. But if you only grieve and take no measures, your village won't prosper; unless you emerge from "yodaki-ism" ["yodaki" is an Oita dialect meaning that you do not have any drive], your prefecture won't have a rosy future. How can you get rid of "yodaki-ism", then? I thought that I could encourage people to create some specialty products of their area and stimulate competition in a positive sense among people in different districts. Thus, I proposed a movement for creating some special features of each district which are representative of the district – specialty products, cultural assets, tourist sites, folk songs and so on – and developing these features into what will be accepted all over Japan and the world. I thought that if they made a specialty product symbolizing their area and advertised the item nationwide, their income would increase and more tourists would visit their town. This in turn be a source of motivation. Through these activities, we will be able to make each town and village as attractive as large cities, and have more young people settling there. This was the idea behind our 'One-Village, One-Product' Movement."

Three Principles of the Movement: [a] Going Local yet Global, [b] Independence and Creativity, [c] "One-Village, One-Product" Movement as a Human Resources Development Activity. Targets of New Agriculture Plan 21: [1] Agriculture as an Independent Industry, [2] Farming and Farm Villages Create New Industries, [3] Rural Communities Blessed with Rice Living Environment and Cultural Environment.

Oyama-machi Agricultural Cooperative Association: The Oyama Village Agricultural Cooperative Association was inaugurated on April 20th, 1948. The NPC Movement which started in 1961 kept offering hopes and dreams to poverty-stricken Oyama and proved to be a driving force to vitalise the village. Now the basic principle of the NPC Movement, namely to Work, to Learn, and to Love, is deeply ingrained in the farmers of Oyama as their philosophy of life. Its objective - Oita-Oyama Agricultural Cooperative should offer service to every one. Business Policy: Produce revenue without any economic loss of farmers; Improvement of local community - Apply resources from cooperative activities of confreres to progress in local area; Pursuit of happiness - Rectify the evil of modern materialism, seek together to have enriched mind.

The primary NPC movement aims to enhance economic well-being – New Plums and Chestnuts, the secondary NPC movement aims to make bountiful life – Neo Personality Combination, the tertiary NPC movement aims to improve the quality of environment – New Paradise Community.

### 03 Study Visits in Gunma Prefecture

Agriculture in Gunma Prefecture is blessed with rich natural conditions like rich water resources from the Tone River, mild climate and a wide range of cultivated land altitude from 10m to 1,400m. It is located near the mass consumption areas of Tokyo Metropolitan, and takes a good advantage of it. Besides, it develops varieties of agricultural products based on high production technology.

They produce variety of commodity and livestock and vegetable products, which have been developed recently besides traditional commodity, like rice, sericulture and konjak. The Gunma Prefecture becomes famous as one of the "Agricultural Prefecture" in Japan.

**Plan for Promotion of Agriculture and Farming Village in Gunma Prefecture:** The Prefectural Union of Agricultural Cooperatives has an important role in the prefecture. The role of the Prefectural Union includes: to lead cooperatives in the prefecture; to guide cooperatives; to audit the 39 JAs; to provide training and education to cooperatives through its training centre and other activities; drafting of Agriculture and Agricultural Cooperative Promo-

tion Plan and Promotion of Regional Plan [community development]. In the amalgamation of cooperatives, the Prefectural Union is directly involved through guidance and by despatching its employees to target cooperatives and guide them on formulation of an amalgamation plan. The Prefectural Union works on the following principal activities:

[01] 'GRAPE' Plan: In a bid to open up future vistas of agriculture and farming villages in Gunma Prefecture five year plan has been implemented from 1996 targeting the year 2000 centring prefecture, municipalities and agricultural cooperatives. GRAPE Plan was named after the capital letter of Gunma, Rural district, Agriculture and PEople. The plan intends also to grow a high quality grapes through systematically linkages between administration/JA [as a stem of grape] and agricultural products [as a fruit]; [02] Fostering of farm management; and [03] Promotion of production/distribution of value-added unique agricultural products.

The emphasis is laid on: a) vegetables, b) fruits, c) floriculture, d) dairy/beef cattle, e) pig raising and poultry farming, and rice and meat. The Gunma Prefecture is known for its quality rice "GOROPIKARI" – it is a brand name of the rice produced in this area. The Plan of the Prefectural Union also focuses on development of a comfortable and affluent rural community, development of a new distribution marketing strategy which ensures maximum economic returns to the farmers, promotion and dissemination of an upgraded technology and the implementation of the Regional Agricultural Promotion Plan.

During the study visits, two primary level cooperatives were studied i.e., JA-Sawada and JA-Tone Numata with special focus on promotion of diversification and high quality production and creation of agricultural utopia of Tone.

**JA-SAWADA:** The operational area of JA-Sawada is located at North-West of Nakanajo-machi in the mountainous land. The Northern part of the area is the mountain area with the elevation of 1,000 meters or more and hamlets are developed in the basin. JA-Sawada's head office is located in the centre of the area. In the area, the complex farming of product mix with paddy, vegetables, livestock, sericulture and mushrooms are popular farm management. There are two hot spring resorts in the operation area of the JA-Shima Spa and Sawatari Spa. The major industries are agriculture, forestry and tourism.

Total land area-16,602 ha; Arable land area-520 ha [3.1%]; Average land holding per household 0.75ha. Membership [as at the end of February 1998]: Total members-899 persons [845 households]; Regular members-525 persons [499 households]; Associate members-374 persons [346 households] & organisations. Officials and employees [as at the end of February 1998]: Directors-11 [full-time 2]; Auditors-3; Employees-53 [male 40, female 13] of which 2 farm advisors, 2 better living advisors; 1 internal auditor selected among employees 60 part-time workers constantly employed throughout the year.

*Outline of Agricultural Processing Business of JA-Sawada:* In a bid to maintain the market price of local products of mushroom and vegetables through shipping control as well as to secure advantageous prices by giving additional values to the products, agricultural processing business of the JA was launched in fiscal 1976. The construction of processing facilities was preceded in 1975, implemented by adoption of the 2nd Agricultural Structure Improvement Project.

Various facilities were additionally established in accordance with the expansion of business by adopting the New Agricultural Structure Improvement Projects. When it was started, a lot of trials and errors were made due to lack of experience in commodity development and marketing. It took a certain time to develop the unique homemade tastes of Sawada by adopting our manual technology. At present, the cooperative is selling the products with the brand name of SAWADA which are highly appreciated by customers and are popular in the market.

In the procurement of the raw material, the JA has adopted three channels namely: contract base farming by members of JA; shipping control to the market; buying products which are collected by members in the mountain area. As means of marketing the processed products, JA adopt two channels namely: sales at direct sale outlets and correspondence and; wholesale to retail shops. About 50% of the products are distributed at direct sale outlets; thus the cost of distribution was rationalised.

*Present situation of Sawada district and its problems:* Sawada district is the cool highland area located in the North-west part of Gunma Prefecture developed the South foot of the Mikuni Mountains. The total land area is 16,602ha, the most of the land are mountain and the farmland area is only 511.7 ha accounting for 3.1%. The major industries are agriculture, forestry and tourism. There are two hot spring resorts, Shima spa and Sawatari spa in the Joshinetsu Highland National Park. About 46,000 tourists visit this area throughout the year. The JA has formulated a five-year plan for development of agriculture in the area on the basis of an extensive field survey. Looking at the result of the questionnaire used the JA found that the number of all types of farm households has decreased in the area. Moreover,

the number of part-time-II farm households which has not engaged in marketing of commodities they produce agricultural products for their own consumption has increased. Looking at the age of core farmers, over 65 years accounts for 43% of them and it is prospected that it will be 60% after 5 years. The JA has also conducted questionnaire to young farm successors. As a result 84% of them either have no intention to succeed farm management of parents nor they want to maintain farming for their own consumption. The potential agricultural production power has dropped in the area. The future of agriculture in the area appears to be uncomfortable.

The plan for comprehensive development of local industries includes: development of local industries, development of commodities, agricultural development, agricultural processing business, strengthening herb business, promotion of green tourism, development of high land fresh park, holding seasonal events and attracting visitors to the area.

**JA-Tone Numata:** The operation area of JA-Tone Numata is located in the northern part of Gunma Prefecture. Total land area is 1,374 km. The elevation from the sea level is from 300 m to 2000m. The climatic conditions are diversified reflecting various topographical conditions. Located 150 km away from Tokyo, access to Numata becomes easy with the construction of the Kanetsu Highway and Joetsu Shinkansen. It is classified as semi-cool highland area located at 300m to 800m from the sea level. Major products: are vegetables produced in summer and winter season and production of konjaku is popular as a special local product. The area is supplying vegetables to consumers in the prefecture as well as in Tokyo and Yokohama area.

The cooperative has 12,563 regular members [regular members 8,629] with a total strength of 429 employees. The JA-Numata is the result of amalgamation of 14 multipurpose agricultural cooperatives and one single-purpose agricultural cooperative [dairy]. The distinctive feature of JA-Tone Numata is creation of establishment of three farm management centres e.g., Central Farm Management Centre, Western Farm Management Centre, Southern Farm Management Centre. Farm management centre is positioned as key station for business operation while the branch office is positioned as key station for management of organisations. Farm management centre is expected to perform four major functions: guidance, marketing, purchasing of inputs, and management of facilities.

JA-Tone Numata on the basis of which a basic plan for management of the JA was developed conducted a comprehensive survey of the area. The plan contains 4 sub-plans such as Regional Agriculture Promotion Plan, Basic Plan for Better Living Activities of JA, Basic Plan for Regional Development of JA, and, Basic Plan for Management Administration of JA.

The basic plan for regional agricultural promotion of JA-Tone Numata places emphasis on: establishment of the brand name products for Konjaku, sericulture and dairy. For this purpose, a number of committees have been established e.g., horticulture committee, and fruits committee, flowers and ornament plant committee. The *three pillars of the Basic Plan for Management* of JA-Tone Numata are: i] Development of the advanced production area in the 21st century; ii] Creation of JA to be reliable and harmonised with local community; and iii] Creation of unique JA.

#### **04 Lessons Drawn from Study Visits**

Some of the major impressions revolved around: i] amalgamation of primary cooperatives to make them more viable and high service-oriented; ii] amalgamation to be promoted through consensus and by streamlining the business operations and placements of personnel; iii] improvement of marketing strategies to bring higher income to the members; iv] strong rallying role played by the prefectural unions by providing consultancy, guidance and advisory services; v] primary cooperatives taking initiatives in non-agricultural business e.g., real estates, tax-consultancy etc.; vi] a reasonable working relationship between the agricultural experimental stations and the farm guidance advisors on technology; vii] encouraging new blood to enter the profession of farming; and viii] renewed efforts to enlist more and new members to JA-Women's and Youth Associations and inducting them in the profession of farming.

The visits to agricultural cooperatives in Oita and Gunma Prefectures have reinforced the concept that locally available material e.g., fruits and vegetables and handicrafts can be put to economic propositions by introducing processing activities and by adopting strong marketing techniques. It has been found that the local farmer-members have made a good use of the potential by developing new crops and by adopting new marketing strategies. Such efforts made individually and through the agricultural cooperatives have resulted into establishment of processing units and marketing opportunities which have generated sufficient economic returns to the farmers who were earlier depending solely on paddy cultivation and local fruits and vegetables only.

## SECTION-VII

### LESSONS RELEVANT FOR THE AGRICULTURAL COOPERATIVES IN DEVELOPING COUNTRIES OF ASIA-PACIFIC REGION Derived from the Experiences of Japanese Agricultural Cooperatives

#### Background

Agriculture still continues to be the most important economic activity in almost all countries of the Asian and Pacific Region contributing to the highest percentage of labour force and the GNP. Agriculture is still the major source of livelihood for majority of the population in the Region. However, agricultural productivity is subject to violent fluctuations caused by its heavy dependence on monsoon and damages caused by natural calamities. Measures taken for prevention of damages to agricultural crops are inadequate and systems for disaster compensation are generally inadequate and *ad hoc*.

Agricultural cooperatives are functioning, in one form or another, in almost all the countries of the Asia-Pacific Region. The cooperative activity started mostly with government assistance and initiatives or as a result of development projects sponsored by bilateral or multilateral agencies. Each country has evolved its own pattern for organisational structure and functioning of these cooperatives. One thing common to all, however, is the existence of small and marginal farmers depending entirely for their livelihood on the meagre incomes from their smallholdings. The present role of co-operatives in providing a suitable infra-structure which can help add value to primary produce, except in a few cases, where agro-processing has been undertaken with positive results, is far from satisfactory.

Agricultural cooperatives are of immense importance to people. However, they suffer from a number of inherent weaknesses e.g., a) the individual farmer cannot fight against the brute force of market and is unable to obtain the economies of large-scale production by his own efforts alone. Majority of farmers are small and are often scattered. They are unable to influence the market on their own; b) the yield from investment in agriculture is, on an average, much below that in industry or trade. This is because of: i) high inherent risk involved in production due to climatic factors and other contingencies; ii) the high percentage of fixed costs and the long production cycle making agriculture less flexible for coping up with sudden changes in demand; iii) a highly imperfect market, perishable nature of many agricultural products and the lack of sufficient and suitable storage and processing facilities owing to which the farmer is compelled to sell his produce immediately; and iv) difficulties in obtaining the required finances to meet his farm and household needs.

In cases where cooperatives are unable to respond to the marketing needs of the members, middlemen thrive and the farmer-members invariably get sucked into the vicious circle which the cooperatives are supposed to eliminate. In developing countries, marketing of agricultural produce is quite complicated. The size of the farm holdings being small, the storage facilities being inadequate, the means of transport and communication being backward, the farmer being illiterate and the government procedures being so difficult to follow make things difficult. The process of marketing involves a number of activities e.g., collection of the produce at one place, storage, providing finances to the members till the produce is not sold, insurance against risks, standardisation of the product and transporting the produce to the market. Middlemen also play their negative part to the disadvantage of the farmers. In such an event agricultural cooperatives come to the rescue of the farmer-producers. They try to provide the farmers with an easy credit and other farm inputs and services. Cooperative marketing helps in providing efficient marketing service at places where they do not exist; in increasing the income of the farmers through better returns for their produce; in stabilising the prices; in keeping the margin of profit low and in exploring better markets and in offering agro-processing to add value to the basic produce.

#### Success Spectrum

The success spectrum within the Cooperative Movements in the Region varies from country to country. There are still managerial problems interlaced with lack of membership participation in the business affairs of these cooperatives. There is a heavy participation and administrative influence of governments in the functioning of these cooperatives due to excessive pressure on these institutions to serve state policies and programmes. As a result, cooperative institutions in many Asian countries are more akin to the policies of the government rather than catering to the needs and requirements of their basic constituents i.e., the members. It has also been observed that in a majority of cases cooperatives do not actually involve the members in decision-making. Cooperative are "cooperative-centred" rather than their being "member-centred". The major reason for establishing cooperatives was to free the poor and indebted

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farmers from the clutches of the traditional moneylenders who provided credit at exorbitant interest rates. The primary cooperatives, therefore, started out as credit societies. Later on other types such as marketing cooperatives were introduced. These were designed not only to facilitate the production process but also to increase agricultural production.

Most of the countries follow a three-tier system i.e., primary cooperatives at the village level, cooperative business federations at the secondary level and apex organisations at the national level. An exception is the Republic of Korea which has shifted to a two-tier system. Cooperatives are either single-purpose or multipurpose or specialised organisations. Agricultural cooperatives in Japan are also gradually moving towards a two-tier system. The current emphasis there is on amalgamation and removing the intermediary secondary organisations at the prefectural levels. The number and size of cooperatives in the Region have generally grown. However, in recent times, there has been a tendency to amalgamate or merge small primary agricultural cooperatives into larger ones in order to take better advantage of economies of scale. The smallness of cooperatives has been claimed to contribute to poor performance. The larger one is supposed to be more economically viable and efficient.

In spite of the drawbacks and difficulties faced by them, the cooperatives are the best-suited institutions for agricultural development in the Asian Region. To a great extent they are indispensable for accelerating the development in general and agriculture in particular. The remedy lies in streamlining their activities in a manner in which they could increase their own resources and improve their technical and managerial capabilities to safeguard the interests of their members. Successful examples of cooperatives which have taken such initiatives are not lacking. Such streamlining would be possible only if the leadership responsible for cooperative promotion and development and for managing their day-to-day operations is responsible to the needs and aspirations of the farmers. Of special importance to cooperative functioning is the leadership provided by managerial and technical personnel competent to ensure maximum economic advantages to the producers and to ensure that the cooperatives are member-centred.

The staff and board members of cooperatives also lack managerial skills mainly due to inadequate training support available within the Movements. Due to limited resources at the command of primary and secondary level cooperatives, it has been difficult for them to sponsor their staff for training at higher level training institutions even within the country or abroad. The management leaders have very little opportunities to interact with their counterparts in other countries. Their understanding and appreciation of cooperative operations remains limited to their home situations. The need is to expand their horizons of knowledge and understanding to improve the quality of management of their own co-operative institutions. Such opportunities and exposures are considered absolutely essential if the staff and board members are to play effective and fruitful roles in the business activities of their co-operatives.

### **Intrinsic Values of the JAs**

Agricultural cooperatives in Japan [called JA – also referred as JA-Group or JA-Movement] are the most sophisticated high-tech managed cooperative institutions which, not only produce and market the needed agricultural products and services but also look after the members and their interests in their totality. The phenomenal rise of the Japanese post-War economy can safely be attributed to the hard and systematic work done by these JAs in consolidating people, land resources and producing the needed food and providing the needed services to the community at large. These services range from the 'cradle to the grave' and are closely integrated through well-knit linkages. The Japanese agricultural cooperatives stand committed to the 3-H Agriculture – Healthy, High Quality and High Technology.

The Japanese Agricultural Cooperative Movement had successfully introduced a number of innovations which are of great relevance to the Movements in the Region. Some of the interesting features of the JAs have been: Amalgamation of cooperatives to make them more economically-viable and service-oriented especially in the wake of pressures of strong competition; Farm guidance and better-living services to achieve a high degree of communication with the members and to enrich their social life; Protection of interests of farmer-members through mutual insurance, health care; Facilitation and provision of land lease and tax planning services to those who, on their own, due to certain limitations, cannot perform; Carefully planned and well-executed marketing and supply functions through specially-created and cooperative-owned holding companies; Production of quality consumer goods and services; Successfully interacting with the government through a process of policy dialogue and consultations; Education and training of farmer-members through a network of cooperative training and development institutions; Facilitating communication networking through internet and e-commerce; Ensuring higher economic returns to the farmer-members through a process of 'value-addition'; Encouraging women and youth to form associations to compliment and supplement the work of JAs especially in taking care of and sustaining the interest of the young and the aged in the honoured profession of farming; Encouraging the farmer-members in controlling pollution to produce and market the healthy,

safe and nourishing agricultural products to safeguard the interests of the consumers: and Extending technical collaboration with the developing movements on matters of mutual interest.

### **Success Indicators**

Based on the experiences of agricultural cooperatives at the primary, secondary and national levels in various countries of the Region, including Japan, the following indicators of success can be established:

- Government should give more importance and provide greater support to agriculture if agricultural cooperatives are to perform satisfactorily. Cooperatives are economic institutions involving a lot of people at the basic level and they strive to participate in national economic development efforts. They need to be promoted in the same way as other business enterprises:
- Cooperatives would function well with least government intervention. Discipline and good governance contributes much to the efficient operation of cooperatives. Cooperatives should be non-political and self-reliant organisations. Complete trust and confidence is necessary for cooperatives to succeed:
- Cooperatives should be managed in a more business-like manner – these are not social clubs or charity organisations. They need to professionalise their business operations by having dedicated and professionally-competent business managers and leaders:
- Cooperative's guidance and active participation is valuable in the formulation and execution of farm production plans. Knowledge of scientific farming, provision of high quality inputs such as seeds, and mechanisation are important factors for enhancing productivity. Technological innovations that are pertinent to the changing needs of agriculture and the environment should be promoted. Introduction of new technology and methods of production is needed to develop agriculture:
- Cooperatives should provide advice to farmers on crops to plant which earn them higher income. Regular dialogues among farmers, cooperatives and market authorities should be undertaken to resolve problems. For success the farmers' orientation should be on improving productivity and quality:
- Organisation should be led and managed by energetic, professional and dynamic persons. Business should be conducted in accordance with modern management principles and, at the same time, within the framework of Cooperative Principles and values attached to them:
- Elected officials viz., Board members including Presidents and Auditors should be paid. Honorary elected officials in several cases tend to be a drain on the resources of the cooperatives: and
- Improved packaging and marketing are important to enhancing the business operations of cooperatives. Agricultural cooperatives could be encouraged to participate as wholesalers in the market and hence, enhance the benefits of their members: and good grading and packaging add to the final price of the product and enable efficient handling and distribution. It has been found that cooperatives providing grading, packaging and marketing services tend to sustain and attract the interest of members.

These indicators can very well form the basic guidelines for the leadership of agricultural cooperatives elsewhere to introduce. There are variations in the establishment of indicators taking into account the prevailing national interests, national policies and the level of development of farmers' organisations and agricultural cooperatives in different countries. In some cases there are islands of success while in several other cases agricultural cooperatives are being conceived and are operating at different levels of development.

### **Problems Faced by the JAs**

The present stage of development of the Japanese agricultural cooperatives is the result of 100 years of experimentation, innovations and improvements. These successes are not devoid of impediments. Some of the problems encountered by the JAs have been identified as follows:

- Lack of ability for management and ability of planning and development;
- Lack of leaders' management ability;
- Lack of products development ability;
- Inadequate system of national/regional level research institutions;
- Insufficient study and research of consumers' needs and trends of market;



- Failure to establish brand names;
- Lack of development of distribution channels;
- Lack of understanding between processed foods and perishable foods;
- Inadequate linkages with the public information, events planning;
- Insufficient public relations in rural areas;
- Shortage of raw material faced when enlarging the business scale;
- No linkages with Regional Agriculture Promotion Plan [RAPP];
- Raw materials are expensive;
- Operations are based on season;
- Shortage of assorting commodities;
- JA factories tend to operate independently;
- No establishment of cooperation system with members for management.

### **Lessons Relevant to the Developing Agricultural Cooperative Movements**

Some of the most recent experiences of the Japanese Agricultural Cooperative Movement would indicate that the agricultural cooperatives have to be run on strong economic lines and direct their total efforts and service at the farmer-members/associate members who are the owners of the institutions and users of services. The very success of agricultural cooperatives in Japan is based on the process of evolution and strict adherence to the Cooperative Principles and belief in social and high ethical values. The development of services, which are provided by the cooperatives, is the result of high demands made by the members on their cooperatives for such services and the readiness of cooperative leaders to respond to the needs of the community. There is a continuous dialogue between the members and cooperative leaders to improve upon the services and retain and strengthen these institutions. These are discussed briefly below:

01 *Creation of a Corporate Identity:* With a view to bring unity within the agricultural cooperatives and to highlight the quality of JA products, the Movement adopted a Corporate Identity – JA [representing the Japanese Agricultural Cooperative]. “JA” is printed on all products which are supplied through the agricultural cooperatives channels. CI “JA” is recognised as a strong commercial group just like any other CI and the brand is associated with fresh, healthy and good product.

02 *Amalgamation of Agricultural Cooperatives:* The main aim is to strengthen the JA group and to make the cooperatives economically viable. There is an ‘amalgamation’ trend in the country – banks, telecommunication companies, automobile companies and other business houses are merging together to enhance and consolidate their economic strength. JAs have been following this programme with the following objectives: making the farming operations viable, making the cooperatives strong and viable, and facing the market competitions bravely through a strong collective bargaining power. The process has been slow and painful. Some of the problems faced by cooperatives in the process of amalgamation have been: a) Division of assets and liabilities; b) Placement of personnel after the amalgamation has been accomplished; c) Difficulties in arriving at consensus by the merging cooperatives; and d) Egoistic attitudes of local leaders. The entire process is based on consensus and with the agreement of all the members. Government directives or instructions have no place in the process.

While there are merits of the process, a number of demerits have also been cited. Some of the drawbacks of the process of amalgamation have been stated as: a) Cooperatives will become too large to manage; b) Cooperatives will lose contacts with the members; c) Members will feel distanced; d) Bureaucratic tendencies will develop; e) Leaders due to their power and wide area of influence and business operations will get involved in local politics or may get involved in party politics; f) Failure of a large cooperative will result into huge economic losses, etc. Some of the amalgamated cooperatives have, however, shown good results.

03 *Farm Guidance Activities:* This concept is not only to provide technical information to the farmers on cultivation of various crops but also to assist their farmer to increase their income. The farm guidance activity revolves around the total economic business of the farmer as well as of the cooperative. The farmer is guided on technical and economic aspects of particular crops e.g., higher income can be derived by taking up floriculture instead of rice, or cultivation of a special variety of rice, or a special kind of tomatoes, and by the application of methods of cultivation e.g., hydroponics cultivation etc. The main aim of this service is to enhance the income. Without provision of this service, the JA is not called as a multipurpose cooperative. Farm guidance is the key to the success and strength of the business of the JA. The service is linked with farm planning, provision of farm inputs and other supplies, and marketing of the ultimate product. Farm guidance service is not provided free of cost. The users pay for the services.

Farm guidance workers/advisors are fully aware of the internal policies of cooperatives and are fully conversant with the technological development in agriculture. They are also in a good condition to advise the user-farmers on production methods and market information and demands.

04 *Regional Agricultural Promotion Planning [RAPP]:* In the production of food the JAs are the basic units. Each farmer produces a production plan, the JA collates these plans and produces a comprehensive regional plan. The municipal/city administration and prefectural governments and the national government develop their respective plans, and support the basic farmers with inputs, technical advice, equipment and recognition. The RAPP not only produces a comprehensive agricultural promotion plan, but also summarises a few other things e.g., the quantity and quality of rice, barley, corn, fruits and vegetables, the approximate requirements of fertilisers, farm chemicals, farm implements etc. This data enables the JAs to prepare the supplies and timing of these supplies.

05 *One-Village-One Product Concept:* The JAs have supported the members to specialise in their respective products. Members are encouraged to improve upon the product. The cooperatives provide all the needed technical and promotional support. These village products eventually become the specialised products of the respective prefectures. Some of the examples are: Nagano's Fuji oranges, Kyoho Grapes, Carnations and Turkish bellflowers, Enokitake mushrooms, pickled apricots, beef cattle; Fukuoka's Persimmon fruit, Kochi's cucumbers etc. are the result of the application of this concept.

06 *Diversification of Agricultural Practices:* JAs are not restricting themselves to produce rice and vegetables alone. They have taken up other activities e.g., herbs garden, green tourism promoted by the JA-Sawada in Gunma prefecture. The members of this cooperative decided to pool their lands to create a very large herbs garden which has assumed importance for green tourism in the country.

07 *Farm Management Centres:* These technical units are created to provide all services and equipment related to farming to the farmer-members. They provide technical information on the equipment, their use, and maintenance. Farmers find it very convenient to obtain all their supplies and the required technical information and guidance from one single point. Some of the JAs have decentralised these services and the farm management centres have now been operating as autonomous and independent business units.

08 *Producer-Consumer Contact Markets:* These are often called 'Morning Markets'. The JA provides space to farmer-members to sell their products [fruits, vegetables, flowers, potted plants etc.] directly to the consumers without going through the process of middleman or local markets. These are usually located in one corner of the JA or its "A-Coop" Store. The idea is also to give a chance to the busy citizen/consumer to come in direct contact with the producer – the farmer, thereby creating a kind of goodwill for the farming community and the JA.

09 *Chemical-Free Food/Agriculture:* The concept is to meet the growing demand for "Fresh, Healthy, Safe and Chemical-free Food". Farmers are advised to gradually increase the use of bio-fertiliser and avoid use of farm chemicals. Farmers who are engaged in dairying, hog-raising and poultry business are often confronted with the problem of disposal of wastes. These are natural bio-fertilisers which could enhance the quality and safety of farm products. Under this concept the farmers are entering into purchase and sale agreements with each other, thereby, increasing the economic transactions and producing the safe and chemical-free products.

10 *Women's Associations:* These are supporting the JA in many ways. These are informal groups but the structure is parallel to the JA structure – from the basic step to the national level. [There were 1,526 JA Women Associations with a total membership of 1.4 million as at the end of 1999]. These associations supplement and compliment the social and economic activities of the JA besides enriching the social aspects at the family level. They also contribute significantly in the operations of JA's "A-Coops" – large size departmental stores run by the primary cooperatives. In fact, these associations try to promote the business activities of JAs.

11 *Ethics and Good Governance in Agricultural Cooperatives:* By tradition the Japanese society respects the rule of law. The JA Board is responsible for the business operations, and in the event of economic losses, all the members are obliged to make good such losses. The elected officials e.g., board members and auditors are paid officials and their term of office is fixed. Decision-making and implementation process is based on the principles of 'accountability' and 'answerability'. There is a good and harmonious relationship between the chief executive and the Board. The Chief Executive is the Managing Director of the JA [who sits on the Board and is naturally well-informed of the trend of discussion and the decisions taken].

There are good ethics within JAs and everyone in power in the organisation – small or big – takes care of the members. Care for the community is another important factor for the success of JAs. These are: taking care of the aged through welfare homes and supply of their food and household requirements, medical facilities, establishment of

child nurseries etc. These services are instituted because these are the needs of the community and the cooperatives have not to seek the permission of the government or any other authority to initiate such facilities and services except for obtaining the approval of their members. The JAs have good working relationship with the local governmental authorities and other non-governmental organisations.

12 . *Open Membership:* The JAs have opened their doors to farmers and non-farmers in the form of Full Members and Associate Members. In the provision of services to both the categories there are no restrictions – the only difference is the right to vote. Associate members are not qualified to vote. Since the cooperatives are community/village based, it is the duty of the cooperative to serve all the members of the community. Also the inclusion of Associate Members helps increase the capital base and business operations of the JAs. In many countries, agricultural cooperatives do not serve the non-members and do not have the practice of formally accepting non-members as associate members.

### **Conclusion**

The agricultural cooperatives in the Region have been developed on various models which were suited to the national priorities and political shades of governments. They have, however, performed well to satisfy the needs of farmers and governments. They, even upto the present times, are the key institutions to provide credit to the farmers and to market their products. Even the governments have been making use of these institutions to distribute essential items among the rural areas. They have served the farmers well. However, in the wake of the demands and pressures of open market economy and the anxiety of governments to reduce subsidies, these cooperatives have been confronting a number of difficulties e.g., they do not enjoy the status of priority in the eyes of the governments, they are left alone to fend for themselves because the governments believe that cooperatives are autonomous and therefore they need not be encouraged by them; members have also lost faith in them because these institutions are not able to provide 'easy and cheap' credit because there has always been a paucity of funds at the cooperative level, and members have begun to look for alternatives to obtain farm inputs and other services from the open market.

However, the experiences of the Japanese agricultural cooperatives have demonstrated that members still continue to have faith in them because agricultural cooperatives provide them with all the services that are needed by the farmers and the community at large. To counter the negative aspects of the open market, these cooperatives have formed themselves into a strong commercial venture under the CI of JA.

Amalgamation of primary level cooperatives and other institutions at various levels have infused greater strength in them to compete in the open market and protect the interests of their members. Amalgamation is conducted on the basis of consensus. There is a strong policy dialogue with the government, and make their presence felt at the international level especially in sectors like the multifunctionality of agriculture, WTO, environment protection and cooperative assistance. Of special significance is the farm guidance services provided by the agricultural cooperatives. In some cases, these services are grossly misunderstood as the mere farm extension services. Farm guidance is actually a combination of farm extension and farm technology reinforced with the economic content. The service is aimed at enhancing the economic power not only of the farmers but also of the agricultural cooperatives. Yet another important lesson from the Japanese agricultural cooperative system is the avoidance of competition between the business federation and its affiliates. The federations in this case try to promote the business of their affiliates by giving them all support in production, marketing and warehousing etc. There are a number of lessons which can learnt from these cooperatives which could be of some interest and benefit to other Movements in the Region.

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*No nation will flourish where its wealth is gained at the expense of the poor. . .*



Photos showing the havoc caused by the killer quake in Gujarat.  
 [Photographs: Dr Daman Prakash]



## **Earthquake in Gujarat January 26 2001 – The dark day of Terror-Tremors**

Earthquakes are, indeed, dangerous and destructive and have no timetable and fixed locations. The widespread earthquake which rocked India on Friday, the 26th of January 2001 at 0846 hrs IST, with 'Bhuj' as its epicentre, was one of the worst to have occurred in the country during the last 180 years for which seismological records are available. The quake shook the entire State of Gujarat with tremors being felt as far as Delhi in the north and Bangalore in the south. The magnitude of Friday's quake, recorded as 7.9 on the Richter scale by the National Geophysical Research Institute stands next only to a similar calamity in Assam in 1950 with a magnitude of 8.6.

With broken bodies, broken souls, and broken houses and establishments, Ahmedabad and hundreds of towns and villages in the State became the stage of one of the greatest tragedies in the history. The State trembled with fear and grief. People spilled on to the streets, some were a mere audience to the spectacle, while others jumped right into the midst and made every possible effort to bring out both dead bodies and survivors from the rubble. Parts of Bhuj town, district headquarters of Kutch, disappeared from the face of the earth in the quake's aftermath. There was a mass exodus from the cities as people fled to relatively safer places with their money and valuables.

The 15 participants from 12 Asian countries attending the 15th ICA-Japan International Training Course on 'Strengthening Management of Agricultural Cooperatives in Asia' who were participating in the 4-week Management Leadership Development Module at IRMA at Anand, were then getting ready to participate in a ceremony to commemorate the 52nd Republic Day of India. They watched with horror the shaking of the IRMA buildings and the earth beneath their feet, and were naturally afraid. Some had run out in the open straight from their bathrooms and some were visibly shaken with terror writ large on their faces. There were several after-shocks later during the day and in the days that followed. There was, however, no loss of property and life in Anand area since it is located nearly 500 km away from the epicentre. The ICA Course Director, realising the gravity of the situation, sent comforting messages to the respective ICA member-organisations, their sponsoring institutions, families, with copies to the ICA Regional Director, ICA headquarters, Embassy of Japan in New Delhi, IFFCO in New Delhi and to the IDACA in Japan conveying to them the safety and security of the participants. In order to generate further confidence and to alleviate the general morale among the participants a series of 'tension-relieving' get-togethers were organised which were attended by the Director and faculty members of the IRMA. The death toll in the State was extremely high and the loss of property tremendous.

Earthquakes are indeed brute, dangerous and highly destructive. This was seen and felt by the participants by themselves. Luckily, with the grace of God, no one was harmed. — Daman Prakash, ICA Project Director.



The participants had attended a four-week management leadership development programme at IRMA. They are seen here with Dr. V. Kurien, Chairman of the IRMA [6th from left], Prof. Kartar Singh, Director of IRMA and Dr Daman Prakash of ICA are on his sides.

## SECTION-VIII

### END-OF-THE-COURSE EVALUATION, SUGGESTIONS AND RECOMMENDATIONS - A Summary

#### 01 Introduction

An End-of-the-Course Evaluation covering the entire duration of the Training Course was conducted at IDACA in the last week of the 15th Training Course by using a specially-designed evaluation form. 15 participants representing 12 countries attended the Course. The Course was conducted with the objective of strengthening management of agricultural cooperatives by laying stress on improving the capacities and capabilities of managers, and through adopting a project-oriented approach. The theme of the Training Course was 'value-addition through agro-processing'. The participants were exposed to theoretical and practical aspects of value-addition and significance of marketing in the three countries [India, Malaysia and Japan] covered by the Training Course.

Evaluations, appraisals and introspections are integral elements of the Training Course. These are carried out at the end of each segment by using various instruments e.g., evaluation forms, rating sheets, group discussions and by holding individual discussions with the participants. Such initiatives provide a lot of feedback to the organisers to improve the quality of future training programmes.

#### 02 Evaluation Objectives

The main objectives of this Evaluation were to:

- i. Assess the level of understanding of various aspects brought to the participants;
- ii. Assess the utility and relevance of the training programme itself; and
- iii. Enable the ICA to further improve the quality of future training programmes.

#### 03 Summary of the Evaluation

All the 15 participants attending the Course had participated in the Evaluation exercise, and returned their dully-filled in Evaluation Forms. The results of the End-of-the-Course Evaluation were compiled by two participants of the Training Course e.g., Ms Maria Fe Alombro Pineda of the Philippines and Mr Erwin Novianto of Indonesia. Given below is a **brief summary** of the evaluation:

**Achievement of Course Objectives:** 99% of the participants had stated that the objectives of the Training Course have been achieved. It has covered all the segments, which were listed in the Course Information given earlier by the ICA.

75% of the **participants' own objectives** were said to have been achieved. These objectives, which were different from the Course objectives and which were established by the participants themselves, were stated to be as follows:

- To know more about the other countries and institutions and compare them with mine own;
- To learn the techniques of enhancing the business operations of an agricultural cooperative;
- To enhance knowledge on the process of amalgamation of agricultural cooperatives in Japan;
- To improve communication skills and abilities;
- To prepare project proposals and learn about their implementation strategies;
- To learn about the culture and society of three countries;
- To understand the problems of reorganisation of cooperatives in the context of open market economy;
- To understand the process of group dynamics; and
- To study similar organisations in other countries

**From which part of the Training Course you have benefited the most:** The replies were: Comparative Field Study visits in Japan; management leadership development; agro-processing in Indian cooperatives; preparation of project proposals; marketing and integrated cooperative development. Group discussions were of high value. The inputs made by senior officers of IFFCO during FMDI sessions were of a high order, extremely useful and relevant. The lectures delivered by the Japanese lecturers were authentic, substantive and full of practical operational value. Video film and discussions reinforced the lectures.

**Overall assessment of the programme** - over 89% positive rating to the present level of managers of agricultural cooperatives, the contents was rated 58% as highly relevant and 45% as relevant. The subject coverage was rated 84% as adequate and 16% as more than adequate.

**The general impression on the total structure, contents, location and conduct** was rated thus: Well structured, comprehensive, very appropriate locations and professionally executed.

The project leadership provided spontaneous learning motivation besides looking after all the minute details regarding the time management, comfort of the participants, travel arrangements, provision of training material and coordination. The Project Director provided comprehensive summaries, which helped keep the participants on track all the time. It was suggested that brief summaries be given to the participants for comprehension purposes.

**Priority ranking of subjects covered during the Training Course** was as follows:

- 01 Preparation and appraisals of development project proposals
- 02 Skills in collecting primary data, narration and its utilisation
- 03 Integrated Cooperative Development Strategies
- 04 Value-addition and Marketing Techniques
- 05 Management Leadership – Board-Manager and Manager-Member
- 06 Analysing [and preparing] financial statements
- 07 Decision-making & Management Techniques
- 08 Working in groups.

As to the **Home Country Assignments [HCAs]**, the level of satisfaction with the work done during HCAs was 58% satisfied, and 27% as fully satisfied.

As to the **preparation and appraisal techniques of development proposals**, 58% of the participants were comfortable with the preparation of project proposals. As to the level satisfaction and relevance of the IRMA and FMDI components, the responses were: 93% of the participants found IRMA component highly relevant, and 52% of the participants found the IFFCO/FMDI component as satisfactory.

**Study visits in India, Malaysia and Japan:** These were well-conducted, very helpful and supported by adequate written back-up material. All the institutions selected and visited were relevant. The comparative field study visits to the milk cooperatives, fertiliser cooperatives and marketing yard in India were of great relevance and significance. Of special interest were Amalsad Fruits & Vegetable Cooperative in India, Oita Prefecture's "One-Village, One-Product" and JA-Sawada in Gunma Prefecture. The study visits were carefully planned and well conducted. Mr Hiroshi Terunuma had prepared excellent documentation on study visits.

**The most rewarding experiences were from:** India [Dairy Cooperatives, Amalsad F&V Cooperative, IFFCO, KRIBHCO & IRMA]; Japan [JA-Sawada, Zen-Noh's Agricultural Research & Development Station at Hiratsuka, grading, packing and shipment activities in Oita Prefecture.] JA-Sawada was an experience in itself. In Malaysia, the visit to Perak Coconut Estate and Rubber and Palm Oil Plantations in Melaka were interesting.

**Most important aspects of training programme in Japan:** Study visits, preparation and respect for regional agricultural plans, marketing strategies ensuring constant income for basic farmers, farm guidance, better-living activities, and women's associations. JA-Sawada's new venture on herbs cultivation is unique. It has generated also the trend of "green tourism". It can be replicated in our countries.

Level of satisfaction with supporting technical institutions: 73% of the participants found study environment at IDACVA as highly satisfactory. 58% of the participants found the subjects covered at IDACA as relevant.

**Relevance of the programme to your own work:** Extremely relevant. Better understanding of approach-approach, formulation of projects, inter-personal relationship, and management of institutions. Managerial capabilities improved, agro-processing activities in India and Japan; Board-member and Board-Manager relationship in enhancing cooperative business; clear identification of responsibilities among Board members in Japan and their non-interference in the day-to-day work of JAs. The concept of 'joint-use' has been a significant development in agricultural cooperatives which help overcome some of the common problems e.g., lack of capital, insufficient farm machines, purchasing and marketing. Such problems in developing countries cannot be solved due to obvious reasons, but in the JAs these have been overcome by the application of 'joint-use' concept.

**Do you think this training programme is useful and relevant:** Highly relevant for managers. Should be continued

as it fulfils the needs of managers of agricultural cooperatives; Helps improve skills in producing project proposals and assessing them. It should be continued. Its scope and duration should be expanded. Highest technical input is received from IRMA, FMDI and IDACA components. It was highly satisfactory to involve IFFCO-FMDI. The Director was instrumental in harnessing these resources.

The participants also mentioned that the information given by the ICA at the time of recruitment was comprehensive and highly informative. The material provided by the ICA on preparation of projects was authentic, highly illustrative and useful.

Some of the comments picked up from the Evaluation Sheets stated: "Mr Prakash who has vast knowledge of the Movement and experience of working with cooperatives professionally conducts the programme implementation"; "He has a good understanding of the Japanese agricultural cooperatives and good professional relations with the Movements in the Region"; "He has provided us guidance, encouragement and technical inputs from the start to the end."

All participants expressed their total satisfaction with the leadership of the ICA ROAP, IDACA and especially with Mr Hiroshi Terunuma, the Senior Programme Coordinator of IDACA for the Part-II of the programme held in Japan.

Information collected from the Evaluation Forms on logistics and practical arrangements was analysed as follows:

Practical Matters	Excellent	Very Good	Poor
- Information at the time of selection	13	06	-
- Information about the Training Course itself	15	04	-
- Information on travel arrangements and visa procedures etc.	12	07	-
- Study visits materials and information notes supplied	11	08	-
- Lecture notes and text books supplied	11	08	-
- Summing up of Lessons...	11	08	-
- Technical Inputs by Course Director	18	01	-
- Support Services by ICA Officials	15	03	01
- Accommodation arrangements made for participants	14	04	-
- Food arrangements made	08	11	-

#### 04 General Comments, Suggestions and Recommendations

Some of the comments made by the participants were:

- The scope and intake of participants per Course should be expanded since the contents of this Course are of extreme relevance and importance to managers;
- In view of the pressures of open market economy, Agricultural Cooperatives find it difficult to expand their business. These cooperatives need a better and more enlightened management. This Course fulfils the needs and, therefore, it should be continued;
- One participant, one country. Since the Course is organised by the ICA for its member-organisations it was strongly recommended that seats be allocated only to the candidates sponsored by ICA Member-Organisations. Government officials have several other avenues for training.
- The duration of the programme is JUST RIGHT;
- The sponsoring organisations should provide genuine support in the project formulation and implementation;
- The Home Country Assignments on preparation of projects should be held after IRMA component;
- The ICA should organise short-term reunion or refresher courses for the former participants;
- IRMA component should not be reduced. It is very useful. It has excellent facilities and appropriate environment for learning; The IRMA Module should be expanded in duration with more emphasis on project management;
- The technical sessions held at FMDI should be increased. IFFCO should continue to support the programme;
- Third country visits should be avoided. Instead, more time be given to the IRMA component;



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- ICA ROAP to enlist the support of other member-organisations to enrich the contents of the programme. In addition, it is better if the former participants are invited to make some presentations of their experiences especially at IFFCO/FMDI component:
  - A component of "ice-breaking" or "group dynamic" should be held right in the beginning of the Training Course with a view to enlist the participation of all the participants. More of group discussions should be held rather than prolonged class room lectures:
  - The sponsoring organisations should have some commitment in the project implementation which are prepared by their own participants:
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### **Rice with Jasmine Fragrance**

*Thailand may soon be growing a new strain of Jasmine rice for the export market that is not only fragrant but is also high in protein. The rice technology breakthrough is nothing to do with genetically modified organisms (GMO).*

*A group of Thai scientists at Kasetsart University's Agriculture Engineering and Biotechnology Centre stumbled upon the new protein-rich strain by experimenting with cross-pollination between jasmine and a Chinese strain of sticky rice. The result was a new strain that has been called Khao Hom Nil, or 'black jasmine', which contains 12% protein compared to only 1% in most strains of Jasmine.*

*The University would supply Khao Hom Nil seeds free to rice farmers who wanted to grow it commercially and provide the needed technological support. Farmers, however, have to agree not to grow Khao Hom Nil mixed with other rice species. Initially the rice would only be sold domestically, in a bid to test market reaction, and if the results are positive it could then be exported.*

*The scientists were still experimenting with changing the strain's natural colour from black to white, which might make the fragrant, good-for-you rice, look good as well. Thailand is world's leading exporter of rice, and the only sizeable exporter of high-priced jasmine rice.*

*-Reproduced from The Nation, Bangkok, Thailand, 23<sup>rd</sup> August 2000.*

## SECTION-IX

### COURSE CONCLUDING SESSION AND AWARDING OF 'CERTIFICATES OF PARTICIPATION'

The concluding session of the Fifteenth Training Course was held at IDACA on April 27, 2001. The session was attended by Mr Osamu Takasawa, Director, Mr Iwabuchi, Assistant Director in the Technical Cooperation Division of the MAFF, and Dr Daman Prakash, Senior Consultant and Project Director of the ICA ROAP, Mr Yoshitada Nakaoka, Managing Director of the IDACA, including all the senior staff of IDACA.

Addressing the session, Mr Osamu Takasawa said that the Government of Japan recognises the importance of this Training Course and its relevance for the development of management of agricultural cooperatives in the Region. In the present day environment of open market economy and management of food resources, agricultural cooperatives have to face forces of competition and sustain the income levels of farmer-members. In spite of the squeeze on overseas development assistance programmes, the Government of Japan recognises that the activities of this regional training project should continue to safeguard the initiatives of grass-roots farmer-members and their cooperative institutions.

He was happy that the participants have learnt a great deal from their participation in the training programme and hoped that they will contribute effectively to the development of their own organisations. He was satisfied that the ICA has been able to implement the training programme efficiently. Mr Takasawa felt encouraged that several of the project proposals produced by the participants during previous courses have been considered fit for implementation. Such a trend is a good source of strength for the training project.

Mr Takasawa said that he was new to the management of this Project. He would try to learn from the experiences of the ICA ROAP, IDACA and the participants about the importance of this type of technical training. He said that he would try his best to support this activity during the term of his office.

Mr. Yoshitada Nakaoka, Managing Director of the IDACA, said that the Training Course, as reported earlier by Dr Daman Prakash, has been running well because it tries to meet some of the training needs of agricultural cooperative organisations. The structure and contents of the programme are most ideally suited to the needs of present-day managers. The programme has been a unique one in the sense that it tries to satisfy all the needs of managers – meetings with the primary level members and managers besides having discussions with the top leaders and also going through the written technical material. He said that the implementation of the programme through the ICA has been done very carefully. The component of the programme in Japan is very effective as it brings the situation, as it is, before the participants. Japan has also passed through a period of innovations and renovations, and the stages of development of agricultural cooperatives of Japan of olden days are more or less similar to the present day conditions of agricultural cooperatives elsewhere. But that is not a negative situation – it is a process of development. After all the development of present-day agricultural cooperatives in Japan had gone through a process of development. The IDACA, therefore, serves its part carefully through the provision of learning material and on-the-spot study of agricultural cooperatives.

Dr Daman Prakash presented a brief report on the conduct of the Training Course and a summary of the End-of-the-Course Evaluation for the benefit of the distinguished guests and the participants. He expressed his full satisfaction on the successful completion of the programme in spite of several practical difficulties e.g., reduced financial contributions due to the current ODA regulations and the operational costs going up. He assured the MAFF, JA-Zenchu and the IDACA that the ICA would ensure that the regional project is conducted in a professional manner. He said that he has been able to manage the programme to the entire satisfaction not only of the ICA, but also of the MAFF, JA-Zenchu and the IDACA. He thanked the JA-Zenchu and the IDACA for their continued support and collaboration in carrying out several of the ICA's technical assistance programmes in the Region. He congratulated the participants on their completing the training programme successfully.

He conveyed his highest appreciation to the participants for cooperating with him in the day-to-day conduct of the training programme. He said that the success of the training programme was due to the understanding of the participants, collaborating agencies and the authorities of the ICA. If there has been any flaw anywhere, it was due to him, he said. He thanked the MAFF, JA-Zenchu, IDACA, ICA Member-Organisations, and institutions which provided support to the successful implementation of the long-term training programme.

Dr Prakash mentioned that it was a matter of great pleasure that Mr Karl-Johann Fogelstrom, Director-General of the International Cooperative Alliance, was able to preside over the Inaugural Session of the Training Course in New Delhi. This was a rare opportunity for the participants to come in contact with the highest executive authority of the ICA. Dr Prakash mentioned that the participants had adopted unanimously a resolution of High Appreciation and Gratitude. Dr Prakash handed over copies of the resolution to Mr Takasawa and Mr Nakaoka on behalf of the participants.

Mr Li Xuan, a participant from China, spoke on behalf of all the participants. He recounted the experiences and feelings of the participants right from the time of their admission to the Training Course until the time of their departure from Japan upon the completion of the Training Course. He expressed that all the participants felt that the programme was highly relevant for the present-day managers of agricultural cooperatives in Asia and hence should be continued. He expressed a sense of satisfaction with the overall conduct of the training programme, the places where the participants had gone and stayed and the knowledge they all had gained from this new experience of visits to India, Malaysia and Japan.

Ms Yi Yi Win, a participant from Myanmar, explained how she had found the programme unfolding before all the participants step-by-step, and how she and her other co-participants participated in the learning process. She said that the IRMA component was the key to the programme and looking at the Japanese agricultural cooperatives was the most rewarding experience. Ms Diana Viorica Porumb from Romania also spoke on the occasion. She said that the JICA had given the Romanian and Vietnam participants a rare opportunity to participate in the Part-II of the programme.

**The Certificates of Participation** from the ICA as well as from the IDACA were awarded to the participants at the end of the concluding session. The ICA Certificate of Participation was signed by Mr Karl-Johann Fogelstrom, Director-General of the International Cooperative Alliance, and the IDACA Certificate was signed by Mr Yoshitada Nakaoka, Managing Director of the IDACA. The Certificates were given away by Mr Takasawa, Mr Iwabuchi, Mr Nakaoka and Dr Prakash.

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*Cooperatives should be able to compete with investor-owned competitors in terms of the quality, cost, timeliness, availability, service and support. Our professionals need to remember that they work for the members – not for the government.*

*Decisions have consequences – both positive and negative – and that along with empowerment, or the courage to take decisions, there must be opportunities to develop insights and skills in taking decisions.*

ANNEXE-I

**Resolution of Expression of Gratitude  
and of High Appreciation of Good Work Done**

RECOGNISING the need for enhancing the capacities and capabilities and managerial skills of managers to strengthen the management of agricultural cooperatives in Asia, the International Cooperative Alliance [ICA] and the Ministry of Agriculture, Forestry and Fisheries of the Government of Japan [MAFF-Japan], with the active collaboration of the Central Union of Agricultural Cooperatives of Japan [JA-Zenchu], an international Agricultural Cooperatives Management Training Project for Asia was started in 1986-87. With the financial support provided by the MAFF-Japan, 15 international training courses with special emphasis on 'value-addition through agro-processing' have so far been organised by the ICA which were attended successfully by 225 managers from 14 countries of Asia.

RECOGNISING also that these training courses have much to offer to strengthen the management of agricultural coopeatives in the Region and which have been found to be highly relevant and most useful, the ICA Member-Organisations in the Region have not only taken keen interest in sponsoring most appropriate trainees but also taken up many of the development project proposals prepared by their respective participants during their training period for implementation thereby improving the economic conditions of the basic grassroots farmer-members and of their organisations.

RECOGNISING also that there were many useful lessons learnt from the experiences from the agricultural cooperatives of Japan, India and other location countries, the participants of these training courses have, in the past, made certain innovations in their work environment and in strengthening the management of their own organisations.

In view of the above, the 15 participants from 12 Asian countries of the 15th ICA-Japan Training Course on 'Strengthening Management of Agricultural Cooperatives in Asia' appreciate the professional role played by the ICA, JA-Zenchu and IDACA in the implementation of this programme, the financial contributions made by the MAFF-Japan and **strongly recommend** that this unique and well-structured training programme should be continued under the banner of the ICA in its present form. By our participation in this programme, we happen to be more qualified and in a better position to vouch for its technical strengths, professional competence, high relevance and great usefulness.

We, the 15 participants from 12 countries, attending the 15th Training Course, hereby adopt this Resolution unanimously, here at IDACA, Tokyo, Japan, on the 26th of April 2001.

 01. Bangladesh	 02. China	 03. China	 04. India	 05. India
 06. Indonesia	 07. Malaysia	 08. Myanmar	 09. Nepal	 10. Pakistan
 11. Philippines	 12. Sri Lanka	 13. Thailand	 14. Vietnam	 15. Vietnam



## PARTICIPANTS

15th ICA-Japan Training Course on  
"Strengthening Management of Agricultural Cooperatives in Asia"  
India - Malaysia - Japan. November 16, 2000 – April 28, 2001



**BABUL KANTI PATWARI**  
Bangladesh Samabaya  
Bank Limited  
Bangladesh



**LI XUAN**  
All-China Federation of Supply  
and Marketing Cooperatives  
China



**ZHANG CHEN GUANG**  
All-China Federation of Supply  
and Marketing Cooperatives  
China



**ARUN KUMAR DABRAL**  
National Agricultural Coop.  
Marketing Federation  
India



**VINITH K. VERMA**  
Ministry of Agriculture,  
Government of India  
India



**ERWIN NOVIANTO**  
LAPENKOP-DEKOPIN  
Indonesia



**JAGATHESA RAO**  
Kuala Perak Estate  
Malaysia



**MS. YI YI WIN**  
Thanlyin Central  
Cooperative Society  
Myanmar



**GANESH P. KOIRALA**  
National Cooperative  
Federation of Nepal Limited  
Nepal



**ZILL-E-HASNAIN**  
Federal Bank of  
Cooperatives [FBC]  
Pakistan



**MARIA ALOMBRO PINEDA**  
Sta. Catalina Multi-Purpose  
Cooperative  
Philippines



**MANOJA PRIYADARSHINI**  
Ratnapura Dist. Cooperative  
Rural Bank Union Ltd.  
Sri Lanka



**C. WONGWARANON**  
Cooperative League of  
Thailand [CLT]  
Thailand



**NGUYEN HUNG SON**  
Vietnam Cooperative  
Alliance [VCA]  
Vietnam



**DOAN THI VAN ANH**  
Vietnam Cooperative  
Alliance [VCA]  
Vietnam



**DR DAMAN PRAKASH**  
Project Director  
ICA ROAP



**PREM KUMAR**  
Programme Advisor  
ICA ROAP

ANNEXE-II

COURSE PROGRAMME

Summary of the Timetable of the 15th Training Course

Home Country Assignments [HCAs] in respective home countries [A]...	Nov 16 2000-Jan 06 2001
<b>Part-I: India Part of the Programme and Comparative Field Study Visits in Malaysia</b>	
-Arrival of participants in New Delhi	Jan 06/07 2001
-Sessions at FMDI/IFFCO at Gurgaon, Haryana [B]	Jan 07-20 2001
-Management Leadership Development Module at IRMA, Anand, Gujarat [C]	Jan 21-Feb 24 2001
-Wrap-up Sessions at ICA Regional Office in New Delhi [D]	Feb 25-28 2001
-Comparative Field Study Visits in Malaysia [E]	Mar 01-08 2001
<b>Part-II: Japan Programme held at IDACA including Comparative Field Study Visits [F]</b>	Mar 08-Apr 28 2001
Departure of Participants from Japan for Home Countries	Apr 28 2001

PART-I OF THE TRAINING PROGRAMME

**[A] Home Country Assignments-HCAs: November 16 2000-January 06 2001**

Home Country Assignments [HCAs] to be accomplished by the participants in their home countries under the guidance of their sponsoring organisations as per guidelines provided by the ICA

**[B] 'Review of Management of Agricultural Cooperatives in the Asia-Pacific Region'  
FMDI-IFFCO Segment: Sunday, January 07-Saturday, January 20 2001**

Jan 06	Sat		-Arrival of Participants in New Delhi/Gurgaon
Jan 07	Sun		-Transfers to FMDI at Gurgaon. Stay at the FMDI Hostel
Jan 08	Mon	FN	-Registration at FMDI -General Orientation and Information on Practical Matters -Introduction to India by Dr GC Shrotriya, Chief Manager [AS], IFFCO
		AN	-Regional Review Session-I -Regional Review Session-II
Jan 09	Tue	FN	Formal Inaugural Session of the Training Course at IFFCO, New Delhi <i>Inaugural Session President: Mr Karl-Johann Fogelstrom, Director-General of ICA</i> -Briefing and introductions given by Dr Daman Prakash, Project Director -Welcome Ceremony and felicitations conducted by Dr Daman Prakash -Welcome Address by Dr Robby Tulus, ICA Regional Director for Asia-Pacific -Welcome Address by Mr Bhagwati Prasad, Chief Executive of the NCUJ -Greetings extended by Mr Mitsuaki Kinoshita, First Secretary, Embassy of Japan -Inaugural Address by Mr DK Bhatt, Marketing Director of IFFCO -Presidential Address given by Mr Karl-Johann Fogelstrom, Director-General of ICA -Vote of Thanks extended by Dr GC Shrotriya, Chief Manager [AS], IFFCO
		AN	-Regional Review Session-III -Regional Review Session-IV
		1830	ICA Welcome Dinner at Vikram Hotel, New Delhi
Jan 10	Wed	FN	-Regional Review Session-V -Regional Review Session-VI
		AN	-Regional Review Session-VII -Regional Review Session-VIII [Concluded]
		Eve	Review of Project Proposals prepared by the Participants during their HCAs

Jan 11	Thu	FN	<p>Technical Session-01 An Overview of the Activities of the IFFCO by Mr BD Singh, General Manager [Marketing], IFFCO</p> <p>Technical Session-02 IFFCO's Diversified Activities – IT and Insurance Sectors by Dr GC Shrotriya, Chief Manager [AS], IFFCO</p>
		AN	<p>Technical Session-03 Management of Publicity and Public Relations Activities in Cooperatives in India by Ms Vivek Mewawalla, Manager [PRP], NAFED-India</p> <p>Technical Session-04 International Cooperative Alliance – Its Organisation and Activities by Dr Daman Prakash, Project Director, ICA Regional Office</p>
Jan 12	Fri	FN	<p>Technical Session-05 Governance and Member Participation in Agricultural Cooperatives by Dr Gopal N. Saxena, General Manager [CS], IFFCO</p> <p>Technical Session-06 Management of Agro-Input Distribution in Cooperatives by Mr RC Gupta, General Manager [Marketing], IFFCO</p>
		AN	<p>Technical Session-07 &amp; 08 Business Development Plan for Primary Agricultural Cooperatives by Mr RK Anand, Principal, Delhi State Cooperative Training Institute</p>
Jan 13	Sat	WD	Day Visit to Agra – Taj Mahal
Jan 14	Sun		FREE. Visits to New Delhi
Jan 15	Mon	FN	<p>Technical Session-09 Development and Management of Farm Forestry Cooperatives by Dr Virendra Kumar, Chairman of the IFFDC</p> <p>Technical Session-10 Agricultural Services Provided by the IFFCO and Practices in the Region by Dr GC Shrotriya, Chief Manager [AS], IFFCO</p>
		AN	<p>Technical Session-11 Natural Resource Management – Experiences of Agricultural Cooperatives by Dr GC Shrotriya, Chief Manager [AS], IFFCO</p> <p>Technical Session-12 Application of Nominal Group Technique for Environment Management by Dr GC Shrotriya, Chief Manager [AS], IFFCO</p>
Jan 16	Tue	FN	<p>Technical Session-13 Management of Transport System in India by Dr DK Shukla, Executive Director [Transportation], IFFCO</p> <p>Technical Session-14 Human Resource Management in Agricultural Cooperatives by Dr CS Rao, Chief Manager [HRD], IFFCO</p>
		AN	<p>Technical Sessions-15 &amp; 16 Quality Management and ISO by Dr Ajit Singh, Director, Total Quality Associates</p>
Jan 17	Wed	WD	Technical Session-17: Comparative Field Study Visits in New Delhi -ICA Regional Office for Asia and the Pacific, New Delhi-ICA ROAP

			-National Cooperative Union of India-NCUI -National Agricultural Cooperative Marketing Federation of India-NAFED
Jan 18	Thu	WD	Technical Session-18: Comparative Field Study Visits in Gurgaon District -Beedawas Village [IFFCO-adopted village] -CCS HAU Regional Agricultural Research Station, Bawal, District Rewari -Uncha Majra Credit & Service Cooperative Society Limited
Jan 19	Fri	FN	Technical Session-19 -End-of-the-Segment Evaluation Closing Session of the FMDI Segment and Distribution of Certificates <i>Chief Guest:</i> Mr Indu Bhushan, Executive Director, IFFCO
		AN	Visit to New Delhi [Deposit of Left Luggage. Preparation for departure for IRMA]
Jan 20	Sat		-Departure for IRMA via Baroda -Morning Flight IC-815 0550/0715 hrs [from Domestic Terminal of IGIA] -Arrival at Baroda at 0715 and transfer to ETDC-IRMA.

**[C] Module on Management Principles, Methods and Techniques with special reference to  
'Management Leadership Development in Agricultural Cooperatives in Asia'  
including Comparative Field Study Visits in Gujarat State. IRMA Segment  
Saturday, January 20-Saturday, February 24 2001**

		Day-to-Day Programme of IRMA Management Module			
Date/Day		0915-1045	1115-1245	1400-1530	1600-1730
Jan 20	Sat	Arrival of Course Participants from New Delhi via Baroda. IC-815 0550/0715 hrs [Transfer to Executive Training & Development Centre-ETDC/IRMA. Stay at ETDC]			
Jan 21	Sun	Settling down and familiarisation with environment at ETDC.			
Jan 22	Mon	<b>Inaugural and Introductions</b>	IGB-01	Campus Tour Computer Lab	IGB-02
Jan 23	Tue	Presentation of draft project proposals prepared by the participants during HCAs			
Jan 24	Wed	PM-01	AAS-01	ICS-01	ICS-02
Jan 25	Thu	PM-02	AAS-02	ICS-03	Computers-01
Jan 26	Fri	India's Republic Day Celebrations. Public Holiday [ <i>Earthquake in Gujarat</i> ]			
Jan 27	Sat	Comparative Field Study Visits: AMUL Plant-III, Dairy Museum, Tribbuvandas Patel Foundation for Rural Development and its facilities.			
Jan 28	Sun	FREE			
Jan 29	Mon	PM-03	AAS-03	IGB-03	MM-01
Jan 30	Tue	PM-04	AAS-04	MM-02	Computers-02
Jan 31	Wed	PM-05	AAS-05	MM-03	Computers-03
Feb 01	Thu	PM-06	FM-01	Agricoops and Professional Management	IGB-04



Feb 02	Fri	Comparative Field Study Visits: Mother Dairy at Gandhinagar, Indian Farmers' Fertiliser Cooperative Ltd. [IFFCO] Kalol Unit; Cooperative Rural Development Trust [CORDET].			
Feb 03	Sat	Comparative Field Study Visits: Charotar Urban Bank at Anand and ARCOGUL-Anand Region Oilseeds Growers' Cooperative Union Limited, [ARCOGUL]-Anand			
Feb 04	Sun	FREE			
Feb 05	Mon	PM-07	FM-02	IGB-05	Visit NDDDB & Sandesar Primary Dairy Cooperative
Feb 06	Tue	IGB-06	FM-03	MM-04	Computers-04
Feb 07	Wed	PM-08	FM-04	MM-05	Computers-05
Feb 08	Thu	PM-09	FM-05	MM-06	IGB-07
Feb 09	Fri	PM-10	FM-06	Agricultural Cooperatives and New World Trade Regime	
Feb 10	Sat	Comparative Field Study Visits: Dudhsagar Dairy-Mehsana District Milk Producers' Cooperative Union; Dudhsagar 'Sahyog' Employees' Cooperative; Cattlefeed Plant of Dudhsagar at Boriavi; Gau Samvardhan Kendra of Dudhsagar at Jagudan; Mehsana Region Cooperative Oilseeds Growers' Union Limited [MRTS] at Jagudan.			
Feb 11	Sun	FREE			
Feb 12	Mon	PM-11	FM-07	ICS-04	Agricultural Cooperatives and Energy Management
Feb 13	Tue	PM-12	PPS-01	ICS-05	FM-08
Feb 14	Wed	PM-13	Session with the IRMA Chairman, Dr V Kurien	PPS-02	ICS-06
Feb 15	Thu	PM-14	PPS-03	Comparative Field Study Visits: Leave for Surat-Hajira area	
Feb 16	Fri	Visit: KRIBHCO Fertiliser Plant; Sardar Patel Agricultural Produce Market Yard at Surat;			
Feb 17	Sat	Amalsad Region Farmers' Multipurpose Cooperative Society at Amalsad; Shree Ganesh Sugar Coop Society Ltd. [Sugar Mill] at Vataria, Baruch Dist. Return to IRMA-Anand.			
Feb 18	Sun	FREE			
Feb 19	Mon	PM-15	PPS-04	IGB-08	Agricultural Cooperatives and Food Security Issues
Feb 20	Tue	PM-16	PPS-05	ICS-07	Computers-06
Feb 21	Wed	PM-17	PM-18	Computers-07	Computers-08
Feb 22	Thu	Appraisal of Project Proposals. Review and Revisions			
Feb 23	Fri	Appraisal of Project Proposals. Review and Revisions			Feedback. Valedictory Session
Feb 24	Sat	Departure from IRMA [at 1500 hrs] for Delhi via Ahmedabad. IC-862 2110/2235 hrs			

*Special Note: Examples and illustrations are to be closely related to agricultural cooperatives in Asia.*

Course Topic	No. of Sessions	Resource Person
<b>01 Project Management [PM]</b> <i>Focus:</i> Project Formulation and Project Management in Agricultural Cooperatives is the central theme of this module of training at IRMA. The participants are expected to work on Projects already identified by them. Project proposals were prepared by the participants during their Home Country Assignments as per guidelines [together with a sample of a project proposal] already provided in advance. Project presentation and appraisal are now a part of the module at IRMA itself, and occupy a significant chunk of the programme. Introduction to other related components of project management like the MIS and E-Commerce is also given.	<b>18 Sessions</b>	<b>Prof G. Krishnamurthi</b>
<b>02 Analysis of Accounting Statements [AAS]</b> <i>Focus:</i> Receipts and payments statements; Trading and Profit & Loss Statements; Balance Sheet; Ratio Analysis.	<b>05 Sessions</b>	<b>Prof Prantik Roy</b>
<b>03 Financial Management [FM]</b> <i>Focus:</i> Working capital management; Time value of money; Estimating relevant cash flows; Financial criteria for investments decisions in agricultural cooperatives.	<b>08 Sessions</b>	<b>Prof Shiladitya Roy</b>
<b>04 Marketing Management [MM]</b> <i>Focus:</i> Principles of marketing; Product life cycle; Marketing strategies for agricultural cooperative products under different markets.	<b>06 Sessions</b>	<b>Prof Sukhpal Singh</b>
<b>05 Pricing of Products &amp; Services [PPS]</b> <i>Focus:</i> Costing and pricing of products and services in agricultural cooperatives; Break-even analysis; Cost-Volume and Profit relationships.	<b>05 Sessions</b>	<b>Prof MR Suresh</b>
<b>06 Integrated Cooperative System [ICS]</b> <i>Focus:</i> Integrated services; Vertical and horizontal integration; Federal cooperatives.	<b>07 Sessions</b>	<b>Prof KV Raju</b>
<b>07 Individual and Group Behaviour [IGB]</b> <i>Focus:</i> Understanding persons; Communication and presentation skills; Working in Groups.	<b>08 Sessions</b>	<b>Prof SN Biswas</b>
<b>08 Computers</b> <i>Focus:</i> Introduction to computers: applications for communication and reporting including use of internet, E-Mail etc.	<b>08 Sessions</b>	<b>Mr PJ Modi</b>
<b>09 Comparative Field Study Visits in Gujarat</b>		<b>Mr Janak Patel</b>
<b>Special Sessions:</b>		
01 Agricultural Cooperatives and Professional Management	...	Dr Katar Singh
02 Agricultural Cooperatives and Food Security Issues	...	Prof LK Vaswani
03 Agricultural Cooperatives and New World Trade Regime	...	Prof Sukhpal Singh
04 Agricultural Cooperatives and Energy Management	...	Prof Haribandhu Panda

Feb 24 Sat -Arrival in New Delhi from IRMA via Ahmedabad. IC-862. 2110/2235 hrs.  
-Stay at Vikram Hotel, New Delhi

**[D] Wrap-up Sessions at the ICA Regional Office for Asia and the Pacific,  
New Delhi [ICA ROAP]. February 25-28 2001**

Feb 25 Sun FREE.

Feb 26 Mon Wrap-up Session at ICA Regional Office.

Feb 27 Tue -Wrap-up Session at ICA Regional Office  
-Preparations for departure for Kuala Lumpur  
-ICA Farewell Dinner at Vikram Hotel, New Delhi

**[E] ICA-ANGKASA Comparative Field Study Visits Segment  
Agricultural Cooperatives in Malaysia. March 01-08 2001**

<b>Feb 28</b>	<b>Wed</b>		<b>Departure from New Delhi for Malaysia. MH-191 at 2315 hrs.</b>
<b>Mar 01</b>	<b>Thu</b>		<b>Arrival at Kuala Lumpur International Airport [KLIA] at 0710 hrs.</b>
<b>Mar 01</b>	<b>Thu</b>	<b>FN</b>	<b>-Arrival at KL International Airport at 0715 hrs -Transfer to Cooperative College of Malaysia Hostel, Petaling Jaya</b>
		<b>1430</b>	<b>Inaugural Session at the Cooperative College of Malaysia <i>Chief Guest:</i> Prof Hj Mohammed Ali Hassan, Vice-President, Angkasa</b>
		<b>1530</b>	<b>Cooperative Movement in Malaysia and the Organisation and the Role of the Cooperative College of Malaysia by Ms Hayati Salleh, Senior Lecturer. Cooperative College of Malaysia</b>
		<b>1830</b>	<b>Dinner Reception by Angkasa at Singgahasana Hotel, Petaling Jaya</b>
<b>Mar 02</b>	<b>Fri</b>	<b>FN</b>	<b>-Briefing at the National Land Finance Cooperative Society Ltd., KL -Briefing at the Department of Cooperative Development-Malaysia, KL</b>
		<b>AN</b>	<b>Briefing at the Angkasa, Petaling Jaya</b>
		<b>1830</b>	<b>Dinner Reception hosted by Hon'ble Minister of Land Development and Cooperatives, Government of Malaysia at Hilton Hotel, Petaling Jaya</b>
<b>Mar 03</b>	<b>Sat</b>	<b>WD</b>	<b>Study Visits Programme to Palm Oil and Coconut Plantation at Bagan Dato Perak organised by the National Land Finance Cooperative</b>
<b>Mar 04</b>	<b>Sun</b>		<b>-Departure for Study Visits Programme in Melaka State -Night stay at Sri Costa Hotel, Bandar Hilir, Melaka</b>
<b>Mar 05</b>	<b>Mon</b>		<b>-Briefing on RISDA and RISDA Cooperative at RISDA State Office in Melaka -Visit and Briefing at Melaka Tong Bee Sdn Bhd Rubber Processing Factory -Visit to Latex Collection Centre, Lubuk Kepung, Alor Gajah -Visit and Briefing at Sri Lingga Oil Palm Processing Factory</b>
<b>Mar 06</b>	<b>Tue</b>		<b>Eidul Adha – Public Holiday</b>
		<b>1830</b>	<b>Dinner Reception at Plantation House in PJ hosted by the National Land Finance Cooperative Society Limited</b>
<b>Mar 07</b>	<b>Wed</b>	<b>0900</b>	<b>Fostering Agricultural Cooperatives in Developing Countries by Dr Daman Prakash, Project Director, ICA Regional Office</b>
		<b>1030</b>	<b>State of Agriculture in Malaysia and the Role of the Farmers' Organisation Authority [FOA], by Mr Mohd Hanif b. Abdullah of FOA</b>
		<b>1200</b>	<b>Feed-back/End-of-the-Segment Evaluation Concluding Session</b>
		<b>1300</b>	<b>Lunch hosted by the Cooperative College of Malaysia</b>
		<b>1830</b>	<b>Dinner Reception hosted by the ICA Regional Office at Shah Village Hotel Resort, PJ, and distribution of Certificates.</b>
<b>Mar 08</b>	<b>Thu</b>	<b>0600</b>	<b>Departure from College Hostel for the KL International Airport</b>
		<b>0900</b>	<b>Departure for Tokyo by flight MH-092. Arrival in Tokyo at 1615 hrs. Move to IDACA</b>

## PART-II OF THE TRAINING PROGRAMME

**[F] Management Practices Developed and Adopted by the Agricultural Cooperatives in Japan with special reference to 'Value Addition through Agro-Processing', and Comparative Field Study Visits  
IDACA-Japan Segment: Thursday, March 08-Saturday-April 28 2001**

Mar 08	Thu		-Arrival of Participants from Malaysia -Move to IDACA. Stay at IDACA.
Mar 09	Fri	0930 1100	Orientation and introduction to the Course Programme and IDACA facilities Inauguration Session -Briefing and introductions by Dr Daman Prakash, Project Director, ICA -Key Note Address by Mr Osamu Takasawa, Director, MAFF -Introduction to Ms Ayumi Kato, Section Chief, MAFF -Welcome Address by Mr Yoshitada Nakaoka, Managing Director, IDACA
		AN	Japanese Culture, Society and Economy by Mr Hiroshi Terunuma, IDACA
Mar 10	Sat		Sightseeing in Tokyo.
Mar 11	Sun		FREE
Mar 12	Mon	WD	Development of Rural Community and History of Agricultural Cooperatives by Mr Toru Nakashima, IDACA
		<i>Eve</i>	<i>Japanese Conversation Class-01 [1900-2030 hrs]</i>
Mar 13	Tue	WD	Organisation and Business Development of Agricultural Cooperatives by Mr Hiroshi Terunuma, IDACA
		<i>Eve</i>	<i>Japanese Conversation Class-02</i>
Mar 14	Wed	WD	Marketing and Purchasing Business of Agricultural Cooperatives by Mr Yoshitada Nakaoka, Managing Director, IDACA
Mar 15	Thu	WD	Visit to the Ministry of Agriculture, Forestry and Fisheries [MAFF] Government of Japan. MAFF Building in Tokyo
Mar 16	Fri	WD	Farm Guidance of JA and Commodity-wise Groups By Mr Y. Abe, Senior Programme Coordinator, IDACA
		<i>Eve</i>	<i>Japanese Conversation Class-03</i>
Mar 17	Sat		Group Discussions and Reporting
Mar 18	Sun		FREE
Mar 19	Mon		Travel for Comparative Field Study Visits to Oita Prefecture
Mar 20	Tue		National Holiday. Observation in the Prefecture
Mar 21	Wed		-Visit to Oita Prefectural Union of Agricultural Cooperatives -Observation of Facilities of the Prefectural Economic Federation
Mar 22	Thu		Visit to JA-Oyama
Mar 23	Fri		Visit to JA-Oita City
Mar 24	Sat		Observation of Fukuma Fishery Cooperative. Move to Tokyo.
Mar 25	Sun		FREE

Mar 26	Mon	WD	Credit Business of JA by Mr T. Sanada of Norin Chukin Research Institute
Mar 27	Tue	FN	Mutual Insurance Business of Agricultural Cooperatives by Mr T. Yamamoto of JA-Zenkyoren
		AN	Overseas Development Assistance-ODA System of Japan by Mr Kitanaka of Japan International Cooperation Agency-JICA
		<i>Eve</i>	<i>Japanese Conversation Class-05</i>
Mar 28	Wed	WD	Management Guidance by Agricultural Cooperatives Unions by Mr T. Hamada, JA Business School of JA-Zenchu
Mar 29	Thu	WD	Significance of Multipurpose Business Operation in JAs by Mr Yoshitada Nakaoka, Managing Director, IDACA
Mar 30	Fri	WD	Member Communication in Agricultural Cooperatives by Mr Susumu Nakagawa of JA-Mikkabi
		<i>Eve</i>	<i>Japanese Conversation Class-06</i>
Mar 31	Sat	Group Discussions and Reporting	
Apr 01	Sun	FREE	
Apr 02	Mon	WD	Measures for Food Security and World Trade Organisation-WTO by Mr Masahiro Konno of JA-Zenchu
		<i>Eve</i>	<i>Japanese Conversation Class-07</i>
Apr 03	Tue	WD	Observation of Tsukuji Wholesale Market
Apr 04	Wed	WD	Development of Village Industries in Japan by Mr Keiki Okuma of Nagano Prefecture Rural Development Institute of JA
Apr 05	Thu	WD	Organisation and Activities of JA Women's Associations by Ms Yoko Noguchi of JA-Zenchu
Apr 06	Fri	WD	Women Entrepreneurs Development by Ms Sumiko Abe of Rural Life Research Institute
		<i>Eve</i>	<i>Japanese Conversation Class-08</i>
Apr 07	Sat	Group Discussions and Reporting	
Apr 08	Sun	FREE	
Apr 09	Mon	WD	Measures for Development of Agricultural Cooperatives in Asia by Mr Yoshitada Nakaoka, Mg Director of IDACA
		<i>Eve</i>	<i>Japanese Conversation Class-09</i>
Apr 10	Tue	Study Visits to: 01 Agricultural Research & Development Centre of JA Zen-Noh 02 Visit to Yokohama area	
		<i>Eve</i>	<i>Japanese Conversation Class-10</i>
Apr 11	Wed	WD	Distribution of Agricultural Products by Mr Koh Harada of Research Institute for Distribution of Agricultural Products

Apr 12	Thu	WD	Farm Guidance and Marketing Strategy of JA for Agricultural Products by Mr T. Takayama of JA-Matsumoto Highland
Apr 13	Fri	WD	Facility Planning for Agricultural Cooperatives by Mr R. Kitayama of Zen-Noh Architects & Engineers Inc.
Apr 14	Sat		Group Discussions and Reporting
Apr 15	Sun		FREE
Apr 16	Mon		Travel for Study Visits to <b>Gunma Prefecture</b>
Apr 17	Tue		-Visit to Gunma Prefectural Union of Agricultural Cooperatives -Observation of Distribution and Processing Facilities of Economic Federation
Apr 18	Wed		Visit to JA-Sawada [Focus on Processing Activities]
Apr 19	Thu		Visit to JA-Tone Numata [Focus on Regional Agriculture Promotion]
Apr 20	Fri		Move to Tokyo
Apr 21	Sat		Group Discussions and Reporting.
Apr 22	Sun		FREE
Apr 23	Mon	WD	Measures for Development of Agricultural Cooperatives in Asia By Mr Hiroshi Terunuma of IDACA
Apr 24	Tue	WD	Relevance of Japanese Experience of JA for Developing Countries by Dr Daman Prakash, Project Director, ICA
Apr 25	Wed	WD	Explanations for Group Discussions and End-of-the-Course Evaluation
Apr 26	Thu	WD	Group Discussions and Reporting. End-of-the-Course Evaluation
Apr 27	Fri		-Presentation of End-of-the-Course Evaluation Report; -Closing Session of the Training Course; -Move to Narita Area for departures.
Apr 28	Sat		Departure of Participants to their home countries.

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Note: WD=Whole Day; FN=Forenoon; AN=Afternoon; Eve=Evening

## ANNEXURE-III

### COURSE PARTICIPANTS

01 BANGLADESH	01	Mr Babul Kanti Patwari, Deputy General Manager (Loan & Estate) Bangladesh Samabaya Bank Limited 9/D, Motijheel Commercial Area <b>Dhaka 1000</b> Bangladesh
02 CHINA	02	Mr Zhang Chen Guang, Bureau of Auditing All-China Federation of Supply & Marketing Cooperatives 45 Fuxing Mennei Street, <b>Beijing 100-801</b> China
	03	Mr Li Xuan, Cooperative Guidance Department All-China Federation of Supply & Marketing Cooperatives 45 Fuxing Mennei Street, <b>Beijing 100-801</b> China
03 INDIA	04	Mr Arun Kumar Dabral, Branch Manager National Agricultural Cooperative Marketing Federation of India [NAFED-India], 3rd Floor, Rajmahal 84 Veer Nariman Road, Churchgate <b>Mumbai 400-002</b> India
	05	Mr Vinit K Verma, Deputy Director [Cooperation] Ministry of Agriculture, Government of India 478 Krishi Bhavan, <b>New Delhi 110-001</b> India
04 INDONESIA	06	Mr Erwin Novianto, Training Specialist LAPENKOP-DEKOPIN Jl. Kol. Achmad Syam No. 10 Jatinangor, <b>Bandung 40600</b> . West Java. Indonesia
05 MALAYSIA	07	Mr Jagathesa Rao, Assistant Manager Kuala Perak Estate 25th Mile, Jalan Bagan Datoh, PO Box No. 01 <b>362000 Selekoh, Hilir Perak</b> , Perak. Malaysia
06 MYANMAR	08	Ms Yi Yi Win, Assistant Lecturer Yangon Cooperative Degree College, Thanlyin Central Cooperative Society 334-336 Strand Road, Latha Township <b>Yangon</b> Myanmar
07 NEPAL	09	Mr Ganesh Prasad Koirala, Dev & Planning Officer National Cooperative Federation of Nepal Ltd. Bijuli Bazar, G.P.O. Box No. 11859 <b>Kathmandu-10</b> Nepal
08 PAKISTAN	10	Mr Zill-e-Hasnain, Assistant Director Federal Bank for Cooperatives Sector G-5, G.P.O. Box No. 1218. <b>Islamabad</b> Pakistan
09 PHILIPPINES	11	Ms Maria Fe Alombro Pineda Department Manager St. Catalina Multi-Purpose Cooperative Poblacion, Pres.Roxas. <b>9405 Cotabato</b> Philippines

- 10 **SRI LANKA**                    12      Ms B.A. Manoja Priyadarshani, Finance Manager  
Ratnapura District Cooperative Rural Bank Union Ltd.  
Urban Council Place, **Ratnapura**                    Sri Lanka
- 11 **THAILAND**                    13      Ms Chenchira Wongwaranon  
Chief, Foreign Affairs Section, Information Division,  
Cooperative League of Thailand  
13 Pichai Road, Dusit, **Bangkok 10300**                    Thailand
- 12 **VIETNAM**                    14      Ms Doan Thi Van Anh, Expert, Inspection Department  
Vietnam Cooperative Alliance [VCA]  
77 Nguyen Thai Hoc, Ba Dinh District  
**Hanoi**                    Vietnam
15.      Mr. Nguyen Hung Son, Expert, Business Promotion & Service Centre  
Vietnam Cooperative Alliance [VCA]  
77 Nguyen Thai Hoc, Ba Dinh District  
**Hanoi**                    Vietnam
- ICAROAP**                    Dr Daman Prakash, Project Director  
International Cooperative Alliance  
Regional Office for Asia and the Pacific-ICA ROAP  
E-4 Defence Colony, 3rd Floor  
Ring Road, **New Delhi 110-024**                    India
- Mr. Prem Kumar, Programme Adviser  
International Cooperative Alliance  
Regional Office for Asia and the Pacific-ICA ROAP  
E-4 Defence Colony, 3rd Floor  
Ring Road, **New Delhi 110-024**                    India
- Additional Participants**      01      Ms Diana Viorica Porumb, Extension Officer  
**sponsored by JICA**                    National Agency for Agricultural Consulting [NAAC]  
**to participate in**                    Ministry of Agriculture and Food  
**Part-II of the Course**                    B-Dul Carol I, Nr. 24, Sector 3, **Bucharest.**                    Romania
- 02      Ms Mara Monica Porumbescu, Extension Officer-NAAC  
03      Ms Chiru Georgeta, Extension Officer-NAAC  
04      Mr Neculae Stan, Extension Officer-NAAC  
05      Mr Duc, Government of Vietnam, Ho-Chi Minh City
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## ANNEXURE-IV

ICA-Japan International Training Course on  
STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA

### CONSOLIDATED LIST OF PARTICIPANTS

[1986-87, 1987-88, 1988-89, 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, 1994-95,  
1995-96, 1996-97, 1997-98, 1998-99, 1999-2000 & 2000-2001]

Sr. No.	Course Year	Names of Participants and their Organisations
<b>01</b>	<b>BANGLADESH</b>	
001	1986-87	Mr Md Abdus Samec, Bangladesh Samabaya Marketing Society Ltd.
002	1987-88	Mr Abdul Mannaf Mir, Bangladesh Samabaya Bank Ltd.
003	1988-89	Mr Fakir Mohd. Anwarul Quadir, Bangladesh Samabaya Marketing Society.
004	1989-90	Mr Mohd. Nuruzzaman Bhuiyan, Bangladesh Samabaya Bank Ltd.
005	1990-91	Mr Mohd. Nurul Hoque, Manager, Bangladesh Samabaya Bank Ltd.
006	1991-92	Mr Sudhir Chandra Das, Bangladesh Milk Producers' Cooperative Union Ltd.
007	1992-93	Mr Mohd Habibullah, Bangladesh Samabaya Bank Ltd.
008	1993-94	Mr Md Anwaruzzaman, Bangladesh Samabaya Bank Ltd.
009	1994-95	Mr Siddiqur Rahman, Bangladesh Milk Producers' Coop Union, [MILKVITA]
010	1995-96	Mr Md Zillur Rahman, Bangladesh Samabaya Bank Ltd.
011	1996-97	Mr Nur Mohammad Molla, Bangladesh Samabaya Bank Limited
012	1997-98	Mr Kazi Zahirul Hoque, Bangladesh Samabaya Bank Limited
013	1998-99	Mr Mosharraf Hossain, Bangladesh Milk Producers' Cooperative Union Ltd
014	2000-2001	Mr Babul Kanti Patwari, Bangladesh Samabaya Bank Limited
<b>02</b>	<b>CHINA</b>	
015	1986-87	Mr Aiguo Guan, All-China Federation of Supply & Marketing Cooperatives
016		Mrs Xinzheng Liu, All-China Fedn of Supply & Marketing Cooperatives
017	1987-88	Ms He Lanchai, All-China Federation of Supply & Marketing Cooperatives
018		Mr Shi Yue Jin, Zhejiang Supply and Marketing Cooperatives
019	1988-89	Mr Bi Meijia, All-China Federation of Supply & Marketing Cooperatives
020		Mr Gao Jihai, Shandong Federation of Supply & Marketing Cooperatives
021	1989-90	Mr Jia Min Sheng, All-China Federation of Supply & Marketing Cooperatives
022		Mr Yang Bao Guo, Shanghai Federation of Supply & Marketing Coops Ltd.
023	1990-91	Mr Rong Jun, All-China Federation of Supply & Marketing Cooperatives
024		Mr Huang Yadong, Hubei Provincial Fedn of Supply-Marketing Cooperatives
025	1991-92	Mr Zhang Guang Lun, Shaanxi Provincial Supply & Marketing Coop Union
026		Ms Liu Quan, Shanghai Federation of Supply and Marketing Cooperatives
027	1995-96	Mr Liu Hui, All-China Federation of Supply & Marketing Cooperatives
028	1996-97	Mr Wang Songjun, All-China Fedn of Supply & Marketing Cooperatives
029		Mr Feilong Liu, Ningbo Supply and Marketing Cooperatives
030	1997-98	Mr Gao Mao Lin, All-China Fedn of Supply and Marketing Cooperatives
031		Mr Bai Tao, Shanxi Provincial Fedn of Supply and Marketing Cooperatives
032	1998-99	Mr Xu Guoliang, Qingdao Dongfang Group Company Limited
033		Mr Huang Xiao, Shandong Supply and Marketing Coop [Group]
034	1999-2000	Mr Wen Gao Lian, All-China Fedn of Supply and Marketing Cooperatives
035		Mr Cheng Qingxin, All-China Fedn of Supply and Marketing Cooperatives
036	2000-2001	Mr Zhang Chen Guang, All-China Fedn of Supply & Marketing Cooperatives
037		Mr Li Xuan, All-China Federation of Supply & Marketing Cooperatives
<b>03</b>	<b>INDIA</b>	
038	1986-87	Mr N.N. Joshi, Rajasthan State Cooperative Bank Ltd.
039		Dr N.P.Sharma, National Cooperative Union of India

040		Mr C.D. Singal, Haryana State Cooperative Bank Ltd.
041	1987-88	Mr Thondup Pintso Bhutia, Joint Registrar of Cooperative Societies, Sikkim
042		Mr Rajiv I.D. Mehta, ICA Regional Office for Asia and the Pacific
043		Mr Ganesh Prasad Nema, M.P. State Cooperative Land Development Bank
044	1988-89	Mr G. Ganga Rao, Krishna District Central Cooperative Bank Ltd.
045		Mr Promod Kumar Pandey, National Agrl Cooperative Marketing Federation
046	1989-90	Mr D.T. Rangaswamy, Karnataka State Cooperative Bank Ltd.
047		Mr Lokendra Singh Rawal, Krishak Bharti Cooperative Ltd., KRIBHCO
048	1990-91	Mr Ziley Singh, Department of Civil Supplies, Government of India
049		Mr Raj Pal Gaba, National Agricultural Coop Marketing Fedn of India
050	1991-92	Mr Ram Niwas Kundu, Indian Farmers Fertilizer Cooperative Ltd. (IFFCO)
051		Mr Virinder Singh Sidhu, Integrated Cooperative Development Project
052	1992-93	Mr I.K.Kadu, Padamshri Dr Vithalrao Vikhe Patil Cooperative Sugar Factory
053		Mr Subhash Singh, National Agricultural Cooperative Federation-NAFED
054		Mr Ram Swaroop Jakhar, Rajasthan Agr Dev Bank Ltd.
055	1993-94	Dr K.G.Wankhade, IFFDC Project, IFFCO
056		Mr Deepak Kumar Saxena, Rajasthan State Cooperative Bank Ltd.
057	1994-95	Dr Durga Pada Patra, Indian Farmers Fertilizer Cooperative Ltd.-IFFCO
058		Mr K.L.Nalwaya, National Cooperative Union of India
059		Mr C. Sehar, Tamil Nadu Cooperative Marketing Federation Ltd.
060	1995-96	Mr George Kuriakose, Kerala State Coop Agri & Rural Development Bank
061		Mr S. Gopal Parashar, National Cooperative Union of India
062	1996-97	Mr M. Rama Gopal, Andhra Pradesh Dairy Cooperative Federation Ltd
063		Ms Urmil Aneja, National Agri Coop Marketing Fedn of India Ltd -NAFED
064	1997-98	Dr R.R. Randad, Indian Farmers' Fertiliser Cooperative Ltd-IFFCO
065		Dr V.N. Ramakrishna, Bijapur Distt Coop Milk Producers' Union Ltd
066	1998-99	Mr Deshpal Singh Tomar, Indian Farmers' Fertiliser Cooperative Limited
067		Mr Amar Pal Singh Bhullar, Punjab State Cooperative Bank Limited
068	1999-2000	Mr CS Ambekar, Indian Farmers' Fertiliser Cooperative Limited
069		Mr Surendra Sehgal, National Cooperative Development Corporation-NCDC
070	2000-2001	Mr Arun Kumar Dabral, National Agr Coop Marketing Federation Ltd-NAFED
071		Mr Vinit Kumar Verma, Ministry of Agriculture, Government of India

#### **04 INDONESIA**

072	1986-87	Mr Samsul Arief, Dewan Koperasi Indonesia (DEKOPIN)
073	1987-88	Mr Yoyok Sunaryo Soekarno, Union of Dairy Coops of Indonesia, GKSI
074		Mr Maharsi Adi Sucipto, Union of Dairy Cooperatives of Indonesia
075	1991-92	Mr Johny Prilyana, Union of Dairy Cooperatives of Indonesia-GKSI
076	1992-93	Mr Achmad Kosasih, Union of Dairy Coops of Indonesia GKSI
077	1993-94	Mr Tanoyo Adi, Union of Dairy Cooperatives of Indonesia-GKSI
078		Mr Iskandar Muchlas, Union of Dairy Cooperatives of Indonesia-GKSI
079	1994-95	Mr Ayi Suhendi, KPSBU Lembang, Bandung, West Jawa. GKSI
080		Ms Marleen Erna Dien, Rural Unit Coop Federation, North Sulawesi.GKSI
081		Ms Rias Dyah Tri Silvana, KUD SUKA MAKMUR, Malang
082	1995-96	Mr Andy Satyana, Manager, KUD Setia Kawan. GKSI
083	1996-97	Ms Carolina H.K., DVM, KUD Suka Mulya, Wates Kediri. East Java.GKSI
084		Mr Hermaniadi, KUD Dah, DAU, Malang. East Java. GKSI
085	1997-98	Mr Abdurahman Sopa, KUD Bayongbong, Garut. West Java. GKSI
086		Mr Taryat Ali Nursidik, North Bandung Dairy Cooperatives/KPSBU
087	1999-2000	Ms Indrawati Sinaga, INKUD
088	2000-2001	Mr Irwin Novianto, Lapenkop-Dekopin

#### **05 IRAN**

089	1991-92	Mr Mohammed Reza Gramipour, Central Organisation for Rural Coop of Iran
090	1992-93	Mr Morteza Hafezi, Central Organisation for Rural Coops of Iran

091	1993-94	Mr Ali Arbabi, Central Organisation for Rural Coops of Iran
<b>06</b>	<b>KOREA, REPUBLIC OF</b>	
092	1986-87	Mr Chong Hyun Baik, National Agricultural Cooperative Federation-NACF
093		Mr Jin Woo Kim, National Agricultural Cooperative Federation-NACF
094	1987-88	Mr Yun Hee Lee, National Agricultural Cooperative Federation-NACF
095		Mr Chung Shik Shim, National Agricultural Cooperative Federation-NACF
096	1988-89	Mr Hyang Kyu Lee, National Agricultural Cooperatives Federation-NACF
097		Mr Byung Ho Jeong, National Livestock Cooperatives Federation-NLCF
098	1989-90	Mr Sang Derk Lee, Anseong Agri Coop Leaders' Training Institute, NACF
099		Mr Byung O Kang, National Livestock Cooperatives Federation-NLCF
100	1990-91	Mr Shie Kie Yup, National Agricultural Cooperatives Federation-NACF
101		Mr Kyu Hyun Lee, National Livestock Cooperatives Federation-NLCF
102	1991-92	Mr Hyun Keun Myung, National Agricultural Cooperatives Federation-NACF
103		Mr Won Tae Kim, National Livestock Cooperatives Federation-NLCF
104	1992-93	Mr Han Ju Lee, National Agricultural Cooperatives Federation-NACF
105		Mr Byeong Hak Lee, Seoul Dairy Cooperative
106	1993-94	Mr Do Hwan Woo, National Agricultural Cooperatives Federation-NACF
107		Mr Kwang Seog Song, National Livestock Cooperatives Federation-NLCF
108	1994-95	Mr Jong Soo Lee, National Agricultural Cooperatives Federation-NACF
109		Mr Pyeong Woo Min, National Livestock Cooperatives Federation-NLCF
110	1995-96	Mr Dong Young Kim, National Agricultural Cooperatives Federation-NACF
111		Mr Sun Hak Kim, National Livestock Cooperatives Federation-NLCF
<b>07</b>	<b>MALAYSIA</b>	
112	1986-87	Mr Mohd Redza Haji Baba, Kementerian Pertanian Tingkat 7
113	1987-88	Mr Wan Abdul Rahman bin Wan Mohd. Zain, (FOA)
114	1988-89	Mr Ghani Fikri, Machang Rubber Smallholders' Cooperative-RISDA
115	1989-90	Mr Abdul Razak Jamin, Federal Land Development Authority-FELDA
116		Mr Abu Bakar Ujang, Asrama FELDA Semai Bakti Kelana Jaya
117	1990-91	Mr Ku Mohd Rodzi, Pejabat Pengarah FELCRA Negari Pulau Pinang
118	1991-92	Mr Rofien Sapiin, KESEDOR HQs
119	1992-93	Mr Salleh bin Rehduan, Department of Cooperative Development
120	1993-94	Mr Anthony Samuel, Department of Cooperative Development
121	1995-96	Mr Nik Mohd Nabil bin Nik Mansur-RISDA/NARSCO
122	1996-97	Mr Arikrishnan, FELDA Cawangan Kuantan
123	1997-98	Mr Zahari Mat Amin, NARSCO Cooperative Federation
124	1998-99	Mr Azhar b. Yunus, Farmers' Organisation Authority-FOA
125	1999-2000	Mr Wan Zin B. Wan Ahmad, NARSCO
126	2000-2001	Mr Jagathesa Rao, Kuala Perak Estate, Perak
<b>08</b>	<b>MYANMAR</b>	
127	1993-94	Ms Sein Sein Htay, Mon state Cooperative Syndicate
128	1994-95	Mr Aung Maung, Sagaing Division Cooperative Syndicate
129		Ms Htay Htay, Township Cooperative Society
130	1995-96	Ms Khin Khin Nyunt, Hinthada Township Cooperative Society
131	1996-97	Mr Htin Kyaw Linn, Union of Agricultural Producers Coop Syndicate Ltd
132	1997-98	Mr Sein Win, Union of Agricultural Cooperatives
133	1998-99	U Zaw Myint, Ministry of Cooperatives-Myanmar
134	1999-2000	U Ne Linn, Htet Arkar Kyaw Agricultural Cooperative Syndicate
135		U Aung Zaw Myint, Swe Marn Aung Agricultural Producers' Coop Ltd
136	2000-2001	Ms Yi Yi Win, Degree College, Central Cooperative Society

**09 NEPAL**

- 137 1998-99 Mr Ram Bhajan Shah, National Cooperative Federation of Nepal  
138 Mr Umesh Mahaseth, District Cooperative Union Ltd-Nepalganj  
139 2000-2001 Mr Ganesh Prasad Koirala, National Coop Federation of Nepal Ltd

**10 PAKISTAN**

- 140 1988-89 Mr Agha Zaid Hussain, Provincial Cooperative Bank, HO,  
141 1989-90 Mr Tariq Hussain Nadeem, Mercantile Finance Corporation  
142 1990-91 Mr Islam Madni, National Cooperative Supply Corporation Ltd  
143 1991-92 Mr Gul Muhammad, Federal Bank for Cooperatives  
144 1992-93 Mr Syed Maqbool Hussain Shah, Circle Registrar, Forest Coop Societies  
145 1993-94 Mr Tasadduq Hussain, Punjab Provincial Cooperative Bank Ltd.  
146 1995-96 Mr Riaz Akhtar, Federal Bank for Cooperatives  
147 1996-97 Mr Muhammad Nasir, Federal Bank for Cooperatives  
148 1997-98 Mr Muhammad Ashraf, Panjab Provincial Cooperative Bank Limited  
149 1998-99 Mr Tahir Iqbal Butt, Punjab Provincial Cooperative Bank Limited  
150 2000-2001 Mr Zill-E-Hasnain, Federal Bank for Cooperatives

**11 PHILIPPINES**

- 151 1986-87 Mr Cesar Alcantara, Department of Agriculture-Tarlac. Tarlac. Philippines  
152 Mrs Jean N Abdurasad, Agricultural Cooperative Marketing Federation  
  
153 1987-88 Ms Bernardia L Barranco, Federation of Area Marketing Cooperatives Inc.  
154 1988-89 Mr S.E. Coliyat, Soro-Soro Ibaba Development Cooperative  
155 Mr Jose C. Palmares, Talongonan Agtabo, Ilawad Multipurpose Cooperative  
156 1989-90 Mr Adolfo Dele Pena, Department of Agrarian Reforms  
157 Mr Abundio V Felin, San Isidro Development Cooperative  
158 1990-91 Miss Amelita Provido, CDA Iloilo Extension Office  
159 Ms Edith Susan Valdez, Cooperative Rural Bank, San Pablo  
160 1991-92 Ms Belma H Sales, Cooperative Rural Bank  
161 1992-93 Mr Philmore C Quilat, Cooperative Management Consultants  
162 1994-95 Mr Edilberto B Lantaca Jr., Perpetual Help Credit Cooperative  
163 1994-95 Mr Rony L Farquerabao, EARN Romblon Federation of Cooperatives  
164 1995-96 Mr Claudio Acquino Ofrancia, West Pangasinan Fedn of Multipurpose Coops  
165 1996-97 Mr Teofilo R. Quintal, Provincial Agricultural Office, Vigan. Ilocos Sur.  
166 1997-98 Ms Ma Jocelyn P. Espia, Badiang Multipurpose Cooperative Society  
167 Ms Estrella R. Hernandez, Bureau of Fisheries and Aquatic Resources  
168 1998-99 Ms Rufina S. Salas, Cooperative Union of the Philippines Inc  
169 1999-2000 Ms Nanette Dumangeng, Lamut Grassroots Cooperative-NATCCO  
170 Ms Jeanelyn Apolinar, Palompon Community MP Cooperative-NATCCO  
171 2000-2001 Ms Maria Fe Alombro Pineda, Sta Catalina Multipurpose Cooperative

**12 SRI LANKA**

- 172 1986-87 Mr P.L.Gunasekara, Ruwanwella Multipurpose Cooperative Society Ltd.  
173 1987-88 Mr U.G.Dayananda, Sri Lanka Cooperative Marketing Federation Ltd.  
174 1988-89 Mr J.K. Thungasena, Madampe Multipurpose Cooperative Society Ltd.  
175 Mr E.M.E.G. Muthubanda, Naula Multipurpose Cooperative Society Ltd.  
176 1989-90 Mr Sam Deerasinghe, National Cooperative Training Institute-NCC/SL  
177 1990-91 Mr M.B.R. Perera, Dunagaha Coconut Producers' Cooperative Society  
178 Mr C.A.C. Fernando, Kammalpattua Coconut Producers' Coop Society Ltd.  
179 1991-92 Mr Ananda Walisinghe, Cooperative Marketing Federation of Sri Lanka  
180 1992-93 Mr A.F.A. Perera, Bandarawela Multipurpose Cooperative Society Ltd.  
181 Mr A.G.S.M. Navaratne Banda, Aranayake Multipurpose Coop Society Ltd.

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182	1993-94	Mr H.A. Siripala, Hungoma Multipurpose Cooperative Society Ltd.
183		Mr K.L. Bandula, Nattandiya Multipurpose Cooperative Society Ltd.
184	1995-96	Mr R.B. Gamini Bandara, National Cooperative Council of Sri Lanka
185		Ms Chandrika Samanthi Ramanayaka, National Coop Council of Sri Lanka
186	1996-97	Mr WMK Samarasekera, Mahaweli Cooperative Society Ltd
187		Mr RKA Sunil Jayasinghe, Kundasale Multipurpose Cooperative Society Ltd
188	1997-98	Ms Padmini Alahakoon, NCC Kahagolla Cooperative Development Centre
189	1998-99	Ms Karuna de Silva, National Cooperative Council of Sri Lanka
190	1999-2000	Mr Premadasa Liyanage, Galle MPCS-NCC/SL
191	2000-2001	Ms BA Manoja Priyadarshini, Ratnapura District Coop Rural Bank Limited

### 13 THAILAND

192	1986-87	Mr Sirihatakit Kreingsak, Nongvai Agricultural Cooperative Society
193		Mr Apichat Treejaturon, Cooperative Promotion Department-CPD
194	1987-88	Mr Taworn Supanawan, Cooperative Promotion Department-CPD
195		Mr Panuwat Nanakornpanom, Cooperative Promotion Department-CPD
196	1988-89	Mr Thawee Thimasaya, Agricultural Cooperative Federation of Thailand
197		Miss Wasna Junthieng, Mae Chaem Agricultural Cooperative Ltd.
198	1989-90	Mrs Jansuda Watcharayon, Cooperative League of Thailand-CLT
199		Ms Pornrut Saitongsuk, Cooperative League of Thailand-CLT
200	1990-91	Ms Maroum Sutanant, Rongkwang Agricultural Cooperative Ltd
201		Mr Suriya Thummavaro, Muiyang Pijit Agricultural Coop Ltd, Muiyang Pijit.
202	1991-92	Mr Pronchadin Potiya, Maetaeng Agricultural Cooperative
203	1992-93	Mrs Amporn Vongsopa, Sanpathong Agricultural Cooperative
204	1993-94	Mr Pratin Boontioy, Cooperative League of Thailand-CLT
205	1995-96	Ms Sunee Karndee, Cooperative Promotion Department-CPD
206	1998-99	Mr Phanuwat Wanraway, Cooperative League of Thailand
207	1999-2000	Mr Wattana Wattanapancee, Sikhiu Agricultural Cooperative Limited
208		Ms Wasana Boonprasit, Tak Agricultural Cooperative Society Limited
209	2000-2001	Ms Chenchira Wongwaranon, Cooperative League of Thailand

### 14 VIETNAM

210	1991-92	Mr Nguyen Quoc Tuy, Central Council of Coop Unions (VICOOPSME)
211	1992-93	Mr Le Van Nhu, Central Council of Cooperative Unions (VICOOPSME)
212	1993-94	Mrs Phung Thi Ngan Ha, Central Council of Coop Unions (VICOOPSME)
213	1994-95	Ms Tran Kim Linh, Central Council of Cooperative Unions (VICOOPSME)
214		Ms Truong Ngoc Oanh, Saigon Cooperative
215	1995-96	Mr Pham Minh Duc, Central Council of Cooperative Unions (VICOOPSME)
216	1996-97	Mr Do Tien Vinh, Vietnam Coops Company for General Trading
217		Ms Hoang Thi Vinh, Victoria Investment Trade & Services Cooperative
218	1997-98	Ms Pham Thi Thanh Hang, Vietnam Cooperative Union
219		Ms Hoang Que Lan, Vietnam Cooperative Union
220	1998-99	Mr Hoang Chuyen Can, Vietnam Cooperative Alliance-VCA
221		Mr Pham Khuong, Saigon Union of Trading Cooperatives-SAIGONCOOP
222	1999-2000	Mr Nguyen Anh Dung, Vietnam Cooperative Alliance-VCA
223		Ms Nguyen Que Anh, Vietnam Cooperative Alliance-VCA
224	2000-2001	Ms Doan Thi Van Anh, Vietnam Cooperative Alliance-VCA
225		Mr Nguyen Hung Son, Vietnam Cooperative Alliance-VCA

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ANNEXE-V

International Cooperative Alliance  
Regional Office for Asia and the Pacific, E-4 Defence Colony, 3rd Floor, Ring Road, New Delhi 110024. India

**LIST OF DEVELOPMENT PROJECT PROPOSALS PRODUCED BY THE PARTICIPANTS  
DURING THEIR TRAINING UNDER THE ICA-JAPAN TRAINING PROGRAMME [COURSE 1-15]**

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**COURSE-01: PROJECT PROPOSALS PRODUCED DURING COURSE-01 [1986-87]**

November 01 1986-May 03 1987. India-Thailand-Japan-Korea

- |     |    |  |
|-----|----|--|
| 001 | 01 | MANIKGONJ INTEGRATED RURAL DEVELOPMENT PROJECT<br>Mr Mohammed Abdus Samee. Bangladesh  |
| 002 | 02 | FRUIT PROCESSING FACTORY IN GUAN COUNTY. Mr Liu Xinghong. China  |
| 003 | 03 | DUCK RAISING PROJECT IN ANXIN COUNTY. Mr Guan Ai Guo. China  |
| 004 | 04 | ORANGE DEVELOPMENT PROJECT IN JHALAWAR DIST. Mr N.N. Joshi. India  |
| 005 | 05 | INTEGRATED PADDY COOPERATIVE PROJECT. Mr C.S. Singhal. India   |
| 006 | 06 | POTATO MARKETING BY JAHANGANJ COOP SOCIETY. Dr N.P. Sharma. India  |
| 007 | 07 | INTEGRATED PADDY PROCESSING & MARKETING. Mr Samsul Arief. Indonesia  |
| 008 | 08 | CHINESE CABBAGE MARKETING PROJECT. Mr C.H. Baik. Republic of Korea   |
| 009 | 09 | INTEGRATED AREA DEVELOPMENT PROJECT, CHOWOL. Mr J.W. Kim, Korea  |
| 010 | 10 | MINI OIL PALM MILL IN KUALA LANGAT. Mr Mohd Reza. Malaysia.  |
| 011 | 11 | PROJECT STUDY OF MARKETING OF PALAY FOR BARAS BARAS ON TARLAC.<br>Mr Cesar Alcantara. Philippines  |
| 012 | 12 | FISHERMEN'S COOPERATIVE SIGANGGANG, SIASI. SULU<br>Mrs Jean N. Abdurassad. Philippines   |
| 013 | 13 | RUBBER PLANTATION PROJECT IN SELECTED AREAS OF RUWANWELLA AGA DIVI-<br>SION with special emphasis on PRODUCTION OF QUALITY SMOKED RUBBER SHEETS IN<br>SRI LANKA. Mr P.G. Gunasekera. Sri Lanka |
| 014 | 14 | ESTABLISHMENT OF A FEED-MILL IN TACHANG AGRICULTURAL COOPERATIVE SO-<br>CIETY. TACHANG DIST. SINGBURI. Mr Apichat Treejaturan. Thailand  |
| 015 | 15 | NONG WAI AGRICULTURAL COOP PROJECT. Mr Kriengsak Sirihatakit. Thailand   |

**COURSE-02: PROJECT PROPOSALS PRODUCED DURING COURSE-02 [1987-88]**

October 26 1987-May 10 1988. India-Thailand-Japan-Korea

- |     |    |  |
|-----|----|--|
| 016 | 01 | GHAZIPUR UPAZILLA COOPERATIVE RICE MILL PROJECT<br>Mr Abdul Mannaf Mir. Bangladesh |
| 017 | 02 | INTEGRATED CHICKEN BREEDING FARM PROJECT. Mrs He Lanchai. China                    |
| 018 | 03 | XIANGGU DEVELOPMENT PROJECT. Mr Shi Yue-Jin. China                                 |

- 019 04 PRODUCTION AND MARKETING OF FRESH ORANGES IN SIKKIM THROUGH COOPERATIVES. Mr T.P. Bhutia. India
- 020 05 SHEEP AND WOOL MARKETING PROJECT IN DUNGARPUR Mr Rajiv Mehta. India
- 021 06 POTATO MARKETING AND PROCESSING PROJECT. Mr G.P.Nema. India
- 022 07 FEEDLOT FATTENING OF CH CALF IN KUD CAPOGO Mr Yoyok Sunaryo Sockarno. Indonesia
- 023 08 UNIT OF FEED-MILL PLANT PROJECT. Mr Maharsi Adi Sucipto. Indonesia
- 024 09 FEED-MILL PROJECT IN JEONLA PROVINCE. Mr Yun Hee Lee. Republic of Korea
- 025 10 COLD STORAGE PROJECT IN CHUNCHONG HORTICULTURAL COOP Mr Shim Chung Shik. Republic of Korea
- 026 11 COCOA PROCESSING AND MARKETING PROJECT Mr Wan Abdul Rahman Zain. Malaysia
- 027 12 INTEGRATED PADDY PROCESSING & MARKETING PROJECT Mrs Bernardita L. Barranco. Philippines
- 028 13 INITIATION OF A MODERN RICE MILL. Mr U.G. Dayananda. Sri Lanka
- 029 14 PROMOTION OF COOPERATIVE MEMBERS IN SERICULTURE AND RAW SILK PRODUCTION PROJECT. Mr Taworn Supanawan. Thailand
- 030 15 VERMICELLI PROCESSING PROJECT. Mr Panuwat Nanakornpanom. Thailand

**COURSE-03: PROJECT PROPOSALS PRODUCED DURING COURSE-03 [1988-89]**

October 24 1988-May 07 1989. India-Thailand-Japan-China

- 031 01 STRAWBERRY PROCESSING PROJECT IN MANCHENG COUNTY Mr Bi Meijia. China
- 032 02 COLD STORAGE FOR FARM PRODUCES PROJECT. Mr Gao Jihai. China
- 033 03 ONION MARKETING OF LASALGAON PROJECT. Mr Promod K Pandey. India
- 034 04 MANGO FRUIT PROCESSING & MARKETING PROJECT. Mr Ganga Rao. India
- 035 05 KIMCHI PROCESSING MILL IN CHEONG SAN PAC. Mr Hyang Kyu Lee. Rep of Korea
- 036 06 DAIRY PLANT IN JEONBUK PROVINCE. Mr Byung Ho Jeong. Republic of Korea
- 037 07 PRODUCTION OF QUALITY RUBBER THROUGH CENTRAL PROCESSING CENTRE. Mr Fikri Ghani. Malaysia
- 038 08 POTATO GRADING PLANT AT OKARA. Mr Agha Zaid Hussain. Pakistan
- 039 09 CORN PRODUCTION PROJECT. Mr S.E. Coliyat. Philippines
- 040 10 AN INTEGRATED EXPANSION PROGRAMME OF NISPROCOM; FERTILIZER SUPPLY AND HAULING SERVICES. Mr Jose E. Palmares. Philippines
- 041 11 INITIATION OF A COCONUT OIL MILL. Mr J.K. Thungasena. Sri Lanka

- 042 12 INITIATION OF A RICE MILL. Mr E.M.E.G. Muthubanda. Sri Lanka
- 043 13 EXPANSION OF RICE MILL PROJECT BY AGRICULTURAL COOP  
Mr Thawee Thinmasaya. Thailand
- 044 14 PRODUCTION AND MARKETING OF MANGOES PROJECT OF  
AGRICULTURAL COOPERATIVE LIMITED. Ms Wasna Junthieng. Thailand

(One project could not be finalised during this training programme.)

**COURSE-04: PROJECT PROPOSALS PRODUCED DURING COURSE-04 [1989-90]**

October 23 1989-May 10 1990. India-Thailand-Japan-Korea

- 045 01 RANGPUR COOPERATIVE TOBACCO PROJECT  
Mr Mohammed Nuruzzaman Bhuiyan. Bangladesh
- 046 02 BEIJING-ENGLISH DUCK FEEDING, PROCESSING AND MARKETING  
PROJECT. Mr Jia Min Sheng. China
- 047 03 DEVELOPMENT OF RUSH MAT PRODUCTION PROJECT. Mr Yang Bao Guo. China
- 048 04 POTATO DEVELOPMENT THROUGH INTEGRATED COOPERATIVES  
IN HASSAN TALUKA. Mr D.T. Rangaswamy. India
- 049 05 MARKETING OF POTATOES IN MEERUT. Mr Lokendra Singh Rawal. India
- 050 06 FRUIT PROCESSING MILL PROJECT. Mr Sang Derk Lee. Republic of Korea
- 051 07 FEED-MILL PROJECT IN JEONNAM PROVINCE. Mr Byung O Kang. Republic of Korea
- 052 08 DAIRY DEVELOPMENT PROJECT. Mr Abdul Razak Jamin. Malaysia
- 053 09 PEPPER PROCESSING AND MARKETING PROJECT. Mr Abu Bakar bin Ujang. Malaysia
- 054 10 ORANGE FRUIT PROCESSING AND MARKETING PROJECT  
Mr Tariq Hussain Nadeem. Pakistan
- 055 11 INTEGRATED PADDY PROCESSING AND MKTG PROJECT  
Mr Adolfo M. Dela Pena. Philippines
- 056 12 BICOL INTEGRATED COOP FARMING SYSTEM. Mr Abundio V. Felin. Philippines
- 057 13 DAIRY PROJECT IN BANDARAWELA. Mr Sam Deerasinghe. Sri Lanka
- 058 14 SERICULTURE PROMOTION AND RAW SILK PRODUCTION PROJECT  
Mrs Jansuda Watcharayong. Thailand
- 059 15 SOYABEAN PROJECT. Mr Pornrat Saitongsuk. Thailand

**COURSE-05: PROJECT PROPOSALS PRODUCED DURING COURSE-05 [1990-91]**

October 22 1990-May 10 1991. India-Thailand-Japan-Korea

- 060 01 RAJFULBARIA COOP POULTRY PROJECT. Mr Mohd Nurul Hoque. Bangladesh
- 061 02 SANHE COOPERATIVE CHICKEN FEED PLANT. Mr Rong Jun. China
- 062 03 INTEGRATED CHINESE ONION PROJECT. Mr Huang Yadong. China



063	04	FRUIT PROCESSING UNIT AT NARKHED. Mr Ziley Singh. India
064	05	COTTON PROCESSING AND MARKETING PROJECT. Mr Raj Pal Gaba. India
065	06	RED PEPPER POWDER PLANT PROJECT. Mr Shin Kie Yup. Republic of Korea
066	07	MEAT PROCESSING MILL. Mr Kyu Hyun Lee. Republic of Korea
067	08	INTEGRATED SHEEP REARING AND MARKETING PROJECT Mr Ku Mohammed Rodzi. Malaysia
068	09	COTTON GINNING PRESSING AND OIL EXTRACTION PROJECT Mr Islam Madni. Pakistan
069	10	SMALL FARMERS INTEGRATED MARKETING COOPERATIVE PROJECT Ms Amelita Provideo. Philippines
070	11	INTEGRATED PADDY PROCESSING AND MARKETING PROJECT Ms Edith Susan Valdez. Philippines
071	12	MODERNIZATION OF DESICCATED COCONUT FACTORY PROJECT Mr M.B.R. Perera. Sri Lanka
072	13	DESICCATED COCONUT PROCESSING FACTORY: MODERNIZATION PROGRAMME. Mr C.A.C. Fernando. Sri Lanka
073	14	PROCESSING PLANT FOR FEED MIX MILL PROJECT Ms Maroum Sutanun. Thailand
074	15	INTEGRATED FARMING PROJECT. Mr Surya Thummavaro. Thailand

**COURSE-06: PROJECT PROPOSALS PRODUCED DURING COURSE-06 [1991-92]**  
October 21 1991-May 10 1992. India-Thailand-Japan-China

075	01	CATTLE-FEED PLANT. Mr Sudhir Chandra Das. Bangladesh
076	02	SHANGZHEN CHILI PROCESSING PLANT. Mr Zhang Guang Lun. China
077	03	HUNSHA COOP CLEAN VEGETABLE PROJECT. Ms Liu Quan. China
078	04	SUNFLOWER SEED OIL COOPERATIVE MILL. Dr Ram Niwas Kundu. India
079	05	APPLE CIDER WINE PROCESSING UNIT. Mr Virinder Singh Sidhu. India
080	06	ESTABLISHING A UNIT OF FEED-MILL. Mr Johny Prilyana. Indonesia
081	07	COLD STORAGE PLANT. Mr Mohd Reza Gramipour. Iran
082	08	APPLE JUICE PLANT PROJECT. Mr Hyun Keun Myung. Republic of Korea
083	09	CHOONGNA DAIRY PLANT. Mr Won Tae Kim. Republic of Korea
084	10	PRODUCTION OF BLOCK RUBBER PROJECT. Mr Rofien Sapiin. Malaysia
085	11	DAIRY DEVELOPMENT PROJECT. Mr Gul Mohammed. Pakistan
086	12	VEGETABLE & FRUIT COLLECTION & MARKETING PROJECT Mr Ananda D. Walisinghe. Sri Lanka
087	13	PILOT PROJECT FOR RAISING CATTLE FOR MEAT AND FOR BREEDING Mr Pronchadin Potiya. Thailand
088	14	CAGE FISH RAISING COOPERATIVE PROJECT. Mr Nguyen Quoc Tuy. Vietnam

(One project could not be finalised during this training course.)

**COURSE-07: PROJECT PROPOSALS PRODUCED DURING COURSE-07 [1992-93]**

November 09 1992-May 08 1993. India-Thailand-Japan-Korea

- |     |    |  |
|-----|----|--|
| 089 | 01 | COOPERATIVE FISH CULTURE PROJECT. Mr Mohd Habibullah. Bangladesh                         |
| 090 | 02 | METHENE GAS GENERATION FROM DISTILLERY AND PAPER MILL EFFLUENT. Mr I.K. Kadu. India      |
| 091 | 03 | JAISAF FOOD PRODUCTS PLANT : REVIVAL AND MODERNIZATION PROJECT. Mr Subhash Singh. India  |
| 092 | 04 | JAIPUR FRUIT & VEGETABLE COOP RETAIL MARKETING PROJECT<br>Mr R.S.Jakhar. India           |
| 093 | 05 | FEED-MILL IN CIWEDEY DISTRICT. Mr Achmad Kosasih. Indonesia                              |
| 094 | 06 | ORANGE FRUIT PROCESSING PROJECT. Mr Morteza Hafezi. Iran                                 |
| 095 | 07 | RICE PROCESSING COMPLEX. Mr Han Ju Lee. Republic of Korea                                |
| 096 | 08 | ICE-CREAM SUBSIDIARY COMPANY OF SEOUL DAIRY COOP<br>Mr Byeong Hak Lee. Republic of Korea |
| 097 | 09 | ESTABLISHING A RIBBED SMOKE SHEET RUBBER FACTORY<br>Mr Salleh Hj Rehduan. Malaysia       |
| 098 | 10 | FRUIT & VEGETABLE PRESERVATION PLANT. MANSEHRA<br>Mr Syed Maqbool Hussain Shah. Pakistan |
| 099 | 11 | STRAWBOARD PROJECT. Mr Philmore C. Quilat. Philippines                                   |
| 100 | 12 | DAIRY PLANT IN BADULLA DISTRICT. Mr A.F.A. Perera. Sri Lanka                             |
| 101 | 13 | ESTABLISHING A RICE PROCESSING MILL. Mr A.G.S.M. Banda. Sri Lanka                        |
| 102 | 14 | RICE MILL PROJECT. Mrs Amporn Vongsopa. Thailand   |
| 103 | 15 | DEVELOPING TRADITIONAL PRODUCTION AS INCOME-GENERATION<br>Mr Le Van Nuh. Vietnam         |

**COURSE-08: PROJECT PROPOSALS PRODUCED DURING COURSE-08 [1993-94]**

October 20 1993-April 21 1994. India-Sri Lanka-Thailand-Japan

- |     |    |  |
|-----|----|--|
| 104 | 01 | NARSINGDI COOPERATIVE RICE MILL PROJECT. Mr Anwaruzzaman. Bangladesh                   |
| 105 | 02 | SEED PRODUCTION PROGRAMME OF IFFCO. Dr K.G.Wankhade. India                             |
| 106 | 03 | PROCESSING OF GRAM (PULSES) AT CHAMPAPUR VILLAGE<br>Mr Deepak Kumar Saxena. India      |
| 107 | 04 | RAISING CATTLE BREEDING BUSINESS SCALE PROJECT<br>Mr Tanayo Adi. Indonesia             |
| 108 | 05 | INTEGRATED DAIRY FARMING BUSINESS PROJECT. Mr Iskandar Mukhlas. Indonesia              |
| 109 | 06 | RICE PROCESSING COMPLEX. Mr Ali Arbabi. Iran   |
| 110 | 07 | BUCKWHEAT PROCESSING PROJECT IN PYONGCHANG COUNTY<br>Mr Do Hwan Woo. Republic of Korea |
| 111 | 08 | KWANGJEON DAIRY PLANT PROJECT. Mr Kwang Seog Song. Republic of Korea                   |
| 112 | 09 | DANAU LUBOK ANTU COOPERATIVE AGRICULTURAL PROJECT<br>Mr Anthony Samuel. Malaysia       |

- 113 10 PRODUCTION OF RUBBER PRODUCTS AND RUBBER WOOD  
Ms Sein Sein Htay. Myanmar
- 114 11 CATTLE FEED MILL PROJECT. Mr Tasadduq Hussain. Pakistan
- 115 12 SOUTHERN PIONEER COOP PADDY PROJECT. Mr H.A. Siripala. Sri Lanka
- 116 13 PINEAPPLE FRUIT PROCESSING & MARKETING PROJECT  
Mr K.L. Bandula. Sri Lanka
- 117 14 TAMRIND PRESERVATION PROJECT. Mr Pratin Boontui. Thailand
- 118 15 MARKETING OF MILK PROJECT. Ms Phung Thi Ngan Ha. Vietnam

**COURSE-09: PROJECT PROPOSALS PRODUCED DURING COURSE-09 [1994-95]**  
October 17 1994-April 22 1995. India-Indonesia-Japan

- 119 01 MILK CHILLING PLANT. Mr Md Siddiqur Rahman. Bangladesh
- 120 02 STRENGTHENING AGRICULTURAL COOPS THROUGH DIRECT  
SUPPLY OF FERTILIZERS. Dr D.P.Patra. India
- 121 03 REVAMPING AND MONITORING AND EVALUATION SYSTEM FOR  
THE DEVELOPMENT OF PRIMARY AGRICULTURAL COOPERATIVES  
Mr K.L. Nalwaya. India
- 122 04 COLD STORAGE PROJECT. Mr C.Sehar. India
- 123 05 RAISING CATTLE BREEDING BUSINESS SCALE PROJECT  
Mr Ayi Suhendi. Indonesia
- 124 06 SIDAT FISH DEVELOPMENT PROJECT IN KLATEN, CENTRAL JAVA  
Ms Marleen Erna Dien. Indonesia
- 125 07 INCREASING SCALE OF BUSINESS OF DAIRY COWS PROJECT  
Ms Rias Dyahtri Silvana. Indonesia
- 126 08 FLOWER WHOLESALE MARKET PROJECT. Mr Jong Soo Lee. Republic of Korea
- 127 09 KIMJE MEAT PROCESSING PLANT PROJECT. Mr Pyeong Woo Min. Rep of Korea
- 128 10 FARM MECHANIZATION PROJECT FOR HIGH YIELD. Mr Aung Maung. Myanmar
- 129 11 DEVELOPMENT OF SUGARCANE PROJECT. Ms Htay Htay. Myanmar
- 130 12 COCONUT COIR [HUSK] PROCESSING PROJECT. Mr Rony Farquerabao. Philippines
- 131 13 FARMERS INTEGRATED CONSUMERS MARKETING COOPERATIVE  
FOR AGRO-FORESTRY PROJECT. Mr Eddie B. Lantaca Jr. Philippines
- 132 14 CASSAVA STARCH PROCESSING PROJECT. Ms Tran Kim Linh. Vietnam
- 133 15 SOYA MILK PROCESSING PROJECT. Ms Truong Ngoc Oanh. Vietnam

**COURSE-10: PROJECT PROPOSALS PRODUCED DURING COURSE-10 [1995-96]**  
October 18 1995-April 20 1996. India-Malaysia-Japan

- 134 01 GARPARA COOP FISH CULTURE PROJECT. Mr Md Zillur Rahman, Bangladesh
- 135 02 CATTLE-BREEDING, FATTENING -SLAUGHTERING PROJECT. Mr Liu Hui, China
- 136 03 DESSICATED COCONUT PROJECT. Mr George Kuriakose, India
- 137 04 FARM FORESTRY DEVELOPMENT PROJECT. Mr SG Parashar, India

- 138 05 RAISING DAIRY COWS FOR SMALL-HOLDERS. Mr Andy Satyana, Indonesia
- 139 06 WHOLESALE DISTRIBUTION CENTRE PROJECT. Mr Dong Young Kim, Korea
- 140 07 CHUNGYANG MILK PROCESSING PROJECT. Mr Sun Hak Kim, Republic of Korea
- 141 08 RUBBER SEEDLING PROJECT. Mr Nik Mohd Nabil Mansor, Malaysia
- 142 09 RICE MILL & PROCESSING PROJECT. Ms Khin Khin Nyunt, Myanmar
- 143 10 POULTRY PROJECT. Mr Riaz Akhtar, Pakistan
- 144 11 ORGANIC FERTILISER PRODUCTION PROJECT. Mr Claudio Ofrancia, Philippines
- 145 12 WASTELAND DEVELOPMENT PROJECT. Mr R.B. Gamini Bandara, Sri Lanka
- 146 13 MARKETING OF ORGANIC FARM PRODUCTS. Ms Samantha Ramanayaka, Sri Lanka
- 147 14 HIGH YIELD SEEDS FOR PADDY PROJECT. Ms Sunee Karndee, Thailand
- 148 15 JUTE PRODUCTION PROJECT. Mr Pham Minh Duc, Vietnam

**COURSE-11: PROJECT PROPOSALS PRODUCED DURING COURSE-11 [1996-97]**

November 03 1996-April 20 1997. India-Sri Lanka-Japan

- 149 01 KHAILKUR COOP POULTRY PROJECT. Mr Nur Mohammad Molla of Bangladesh
- 150 02 PROCESSING OF WILD VEGETABLES IN HALLIN COOPERATIVE  
Mr Wang Song Jun of China
- 151 03 NINGBO MEILEMEN SHOPPING CENTRE. Mr Liu Fei Long of China
- 152 04 SPICE PROCESSING-CUM-PACKAGING UNIT/NAFED-INDIA  
Ms Urmil Aneja of India
- 153 05 DAIRY DEVELOPMENT PROJECT IN SRIKAKULAM DISTRICT  
Mr M. Rama Gopal of India
- 154 06 ESTABLISHMENT OF VIRGIN CALF SERVICE. Ms Carolina HK of Indonesia
- 155 07 SENTANG PROJECT IN FELDA-SCHEME VILLAGE AREA  
Mr S. Arikrishnan of Malaysia
- 156 08 BRICK-MAKING PLANT PROJECT. Mr Htin Kyaw Linn of Myanmar
- 157 09 FISH FARMING. Mr Muhammad Nasir of Pakistan
- 158 10 FORTIFIED NPK ORGANIC FERTILISER MANUFACTURING  
Mr Teofilo R. Quintal of the Philippines
- 159 11 LIQUID MILK PASTEURISING AND MARKETING  
Mr WMK Samarasinghe of Sri Lanka
- 160 12 MODIFICATION/DEVELOPMENT OF RICE PROCESSING MILL  
Mr RKA Sunil Jayasinghe of Sri Lanka
- 161 13 VALIDAMYCIN SOLUTION 3% INSECTICIDES PRODUCTION PROJ  
Mr Do Tien Vinh of Vietnam
- 162 14 PROCESSING OF TOMATO. Ms Hoang Thi Vinh of Vietnam

[Mr Hermaniadi of Indonesia did not produce any project]

**COURSE-12: PROJECT PROPOSALS PRODUCED DURING COURSE-12 [1997-98]**

October 20 1997-April 23 1998. India-Philippines-Japan

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|-----|----|---|
| 163 | 01 | CHANDONA COOPERATIVE FISH CULTURE PROJECT<br>Kazi Zaihurul Hoque of Bangladesh  |
| 164 | 02 | HONEY PROCESSING PROJECT IN SANMENXIA CHINA<br>Mr Gao Mao Lin of China  |
| 165 | 03 | ALCOHOL PRODUCTION THROUGH PROCESSING OF MAIZE PROJECT<br>Mr Bai Tao of China   |
| 166 | 04 | MODERNISATION OF GINNING UNIT PROJECT. Dr RR Randad of India  |
| 167 | 05 | CONSTRUCTION OF MINI-DAIRY AT BAGALKOT IN KARNATAKA<br>STATE OF INDIA. Dr VN Ramakrishna of India                       |
| 168 | 06 | DAIRY-CATTLE FEED MILL IN CENTRAL DAIRY FARMING KPSBU,<br>LEMBANG, WEST JAVA. Mr Taryat Ali Nursidik of Indonesia       |
| 169 | 07 | DEVELOPMENT OF DAIRY BUSINESS FOR FARMER-MEMBERS<br>IN KUD BAYONGBONG IN WEST JAVA. Mr Abdurahaman sopa of Indonesia    |
| 170 | 08 | RUBBERWOOD SAWMILL. Mr Zahari Mat Anin of Malaysia  |
| 171 | 09 | NATURAL ORGANIC FERTILISER PRODUCTION PROJECT. Mr Sein Win of Myanmar   |
| 172 | 10 | RAWALPINDI/ISLAMABAD COOPERATIVE DAIRY UNION LIMITED<br>PROJECT. Mr Muhammad Ashraf of Pakistan                         |
| 173 | 11 | COOPERATIVE AGRICULTURAL TRADING PROJECT OF BMPC<br>Ms Ma Jocelyn P. Espia of the Philippines                           |
| 174 | 12 | ESTABLISHING A MODEL FISHERY COOPERATIVE FEDERATION IN THE BICOL<br>REGION. Ms Estrella R. Hernandez of the Philippines |
| 175 | 13 | SMALL FARMERS' DEVELOPMENT PROJECT IN BADULLA DISTRICT<br>Ms Padmini Alahakoon. Sri Lanka                               |
| 176 | 14 | PRODUCTION AND IMPORT-EXPORT OF HANDICRAFTS.<br>Ms Hoang Que Lan of Vietnam   |
| 177 | 15 | ESTABLISHING AN EXPORT PROMOTION HOUSE<br>Ms Pham Thi Thanh Hang of Vietnam   |

**COURSE-13: PROJECT PROPOSALS PRODUCED DURING COURSE-13 [1998-99]**

November 16 1998-April 24 1999. India-Nepal-Japan

- |     |    |  |
|-----|----|--|
| 178 | 01 | MILK VITA - POVERTY ALLEVIATION THROUGH DAIRYING<br>IN RANGPUR AREA. Mr Mosharraf Hossain, Bangladesh  |
| 179 | 02 | COTTON SEED PROCESSING MILL. Mr Huang Xiao, China  |
| 180 | 03 | RAISING OSTRICH IN QINGDAO AREA. Mr Xu Guoliang, China   |
| 181 | 04 | PADDY PROCESSING THROUGH VILLAGE LEVEL COOPERATIVE<br>INFRASTRUCTURE. Mr Amar Pal Singh Bhullar, India |
| 182 | 05 | PRODUCTION AND MARKETING OF QUALITY SEED THROUGH<br>COOPERATIVES. Mr Despal Singh Tomar, India         |

- 183 06 POULTRY BREEDING. Mr Azhar B. Yunus, Malaysia
- 184 07 SUGAR MILL PROJECT [GEC] MANDALAY. U Zaw Myint, Myanmar
- 185 08 STRENGTHENING AGRICULTURAL COOPERATIVES THROUGH PROCESSING AND MARKETING OF AGRICULTURAL PRODUCE. Mr Ram Bhajan Shah, Nepal
- 186 09 PULSE PROCESSING PLANT. Mr Umesh Mahaseth, Nepal
- 187 10 POULTRY BREEDING FARM. Mr Tahir Iqbal Butt, Pakistan
- 188 11 AMALGAMATION OF FEEDMILLING COOPERATIVES IN THE PROVINCE OF BATANGAS OF THE PHILIPPINES. Mrs Rufina Salas. Philippines
- 189 12 ENVIRONMENTAL NURSERIES AND MARKETING  
Ms Karuna de Silva, Sri Lanka
- 190 13 MARKETING AND PROMOTION OF PASSION FRUIT POWDER  
Mr Phanuwat Wanraway, Thailand
- 191 14 PRESERVATION AND DEVELOPMENT OF LACQUER HANDICRAFT  
Mr Hoang Chuyen Can, Vietnam
- 192 15 MINI COOP MART DEVELOPMENT PLAN. Mr Pham Khuong, Vietnam

**COURSE-14: PROJECT PROPOSALS PRODUCED DURING COURSE-14 [1999-2000]**

November 12 1999-April 22 2000. India-Thailand-Japan

- 193 01 VEGETABLES AND FRUITS PROCESSING FACTORY IN QI DONG COUNTY  
Mr Wen Gao Lian of China
- 194 02 THE SILVER BAMBOOSHOOT PROCESSING PROJECT  
Mr Cheng Qingxin of China
- 195 03 POST-HARVEST MANAGEMENT & VALUE-ADDITION THROUGH COOPERATIVE MARKETING AND PROCESSING OF BANANA FOR SUSTAINABLE AND ECONOMIC RURAL DEVELOPMENT. Mr C.S. Ambekar of India
- 196 04 INTEGRATED INLANDFISHERIES DEVELOPMENT PROJECT IN KERALA STATE OF INDIA. Mr Surendra Sehgal of India
- 197 05 SMALL-SCALE TAPIOCA STARCH INDUSTRY PROGRAMME  
Ms Indrawati Sinaga of Indonesia
- 198 06 REORGANISATION OF THE MANAGEMENT OF RUBBER SMALLHOLDERS PLANTATIONS INTO COMMERCIAL ESTATE MANAGEMENT  
Mr Wan Zin b Wan Ahmad of Malaysia
- 199 07 EFFECTIVE MICRO-ORGANISM FERMENTED COMPOST PRODUCTION  
Mr Ne Linn of Myanmar
- 200 08 AGRICULTURAL AND RURAL DEVELOPMENT PROJECT BY ZWE MARN AUNG AGRICULTURAL PRODUCERS' COOPERATIVE SOCIETY LIMITED  
Mr Aung Zaw Myint of Myanmar
- 201 09 CONVERSION OF RICE-HULL INTO ORGANIC FERTILISER  
Ms. Nanette Dumangeng of Philippines
- 202 10 FISH DRYING PROCESSING PLANT. Ms Jeanelyn B Apolinar of Philippines
- 203 11 TEA NURSERIES AND PLANTATION PROJECT. Mr P.D. Liyanage of Sri Lanka
- 204 12 MOUNTING PROCESSING BUSINESS. Mr Wattana Wattanapanee of Thailand

- 205 13 MIXED FARMING THROUGH COOP ACTION. Ms Wasana Boonprasit of Thailand
- 206 14 FRESH WATER ACQUACULTURE PROJECT. Mr Nguyen Anh Dung of Vietnam
- 207 15 DEVELOPMENT OF LITCHI PRODUCTION AND PROCESSING  
Ms. Nguyen Que Anh of Vietnam

**COURSE-15: PROJECT PROPOSALS PRODUCED DURING COURSE-15 [2000-2001]**

November 16 2000-April 28 2001. India-Malaysia-Japan

- 208 01 BOWAL COOPERATIVE POULTRY AND FISHERY INTEGRATED PROJECT  
Mr Babul Kanti Patwari, Bangladesh
- 209 02 COTTON DRIP IRRIGATION STATION DEVELOPMENT PROJECT  
Mr Zang Chen Guang, China
- 210 03 GREEN FOODSTUFF TEA MANUFACTURING BASE CONSTRUCTION PROJECT  
Mr Li Xuan, China
- 211 04 IRRADIATION PROJECT TO MINIMISE THE POST-HARVEST LOSSES IN  
AGRICULTURAL PRODUCE by Mr Arun Kumar Dabral, India
- 212 05 FRUITS AND VEGETABLE PROCESSING PROJECT. by Mr Vinit K. Verma, India
- 213 06 GROUND DRY CHILLI PROJECT. Mr Ervin Novianto, Indonesia
- 214 07 MECHANISATION IN OIL PALM – TOWARDS IMPROVING PRODUCTIVITY  
Mr Jagathesa Rao, Malaysia
- 215 08 POULTRY FARMING DEVELOPMENT PROJECT. Ms Yi Yi Win, Myanmar
- 216 09 ONION MARKETING DEVELOPMENT PROJECT. Mr Ganesh Prasad Koirala, Nepal
- 217 10 POULTRY FEED MILL PROJECT. Mr Zill-e-Hasnain, Pakistan
- 218 11 FINANCING HOG-RAISING/PRODUCTION PROJECT. Ms Maria Pineda, Philippines
- 219 12 PANNILPATTU COOPERATIVE TEA FACTORY PROJECT  
Ms BA Manoja Priyadarshini, Sri Lanka
- 220 13 DRY LONGAN PROJECT. Ms Chenchira Wongvaranon, Thailand
- 221 14 DEVELOPMENT OF FARMING IN RURAL MOUNTAINOUS AREAS-COFFEE  
by Ms Doan Thi Van Anh, Vietnam
- 222 15 ESTABLISHMENT AND DEVELOPMENT OF THE AGRICULTURAL MATERIAL  
BUSINESS FOR COOPERATIVES by Mr Nguyen Hung Son, Vietnam

## ICA STATEMENT OF COOPERATIVE IDENTITY [ISCI]

*The ICA General Assembly held on 23rd September 1995 in Manchester, adopted the new Principles of Cooperation recommended by the ICA Board of Directors and the ICA Congress after global study and review by a committee headed by Prof Ian McPherson from Canada. The process started with a paper presented by Lars Marcus, the then President of the ICA, at the ICA Congress held in 1988 at Stockholm. Sven Ake Book, a cooperative specialist from Sweden was detailed to undertake a research into Cooperative Values and Principles in the context of modern global environment of cooperatives who presented his report to the ICA Congress held in Tokyo in 1992. The General Assembly appointed a committee, headed by Prof Ian McPherson for a review of the Cooperative Principles. The Manchester Congress adopted a Statement of Cooperative Identity which contains the definition, values and the Principles of Cooperation.*

### DEFINITION

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

### VALUES

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

### THE PRINCIPLES OF COOPERATION

The Cooperative Principles are guidelines by which cooperatives put their values into practice.

#### **First Principle Voluntary and Open Membership**

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

#### **Second Principle Democratic Member Control**

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women, serving as elected representatives, are accountable to the membership. In primary cooperatives, members have equal voting rights [one member, one vote], and cooperatives at other levels are also organised in a democratic manner.

#### **Third Principle Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least a part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperatives, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

#### **Fourth Principle Autonomy and Independence**

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.



**Fifth Principle  
Education, Training and Information**

Cooperatives provide education and training for their members, elected representatives, managers, and employees, so that they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of Cooperation.

**Sixth Principle  
Cooperation among Cooperatives**

Cooperatives serve their members most effectively and strengthen the Cooperative Movement by working together through local, national, regional and international structures.

**Seventh Principle  
Concern for the Community**

Cooperatives work for the sustainable development of their communities through policies approved by their members.

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*"Cooperatives are a business enterprise with a social content and not a social enterprise with a business content. The strength of cooperation lies in the fact that the 'cooperative' always carries more strength than the sum of its parts."*

*"The heart of cooperation lies in the spirit of mutuality and self-reliance."*

*"For cooperatives, democracy means rights earned by meeting responsibilities. It has been said that autonomy and accountability are two sides of the same coin. Cooperatives are committed to democracy and serve as a Model for the larger society too. . ."*

*"Among economic enterprises, only cooperatives are committed to plough back profits into the hands of the producers, bridging the gap between rural and urban economy."*

## Some Important Cooperative Publications

**Total Quality Management Practices in Agricultural Cooperatives in Asia**  
by Daman Prakash & GC Shrotriya. ICA-IFFCO joint publication

**Paradigm Shift in the Management of Agricultural Cooperatives in Asia**  
by Daman Prakash & GC Shrotriya. ICA-IFFCO joint publication

**Environment and Cooperatives – An International Study**  
by GC Shrotriya & Daman Prakash. ICA-IFFCO joint publication

**A Place to Live**  
An Awareness Extension Material on the Role of Cooperatives in Environment Protection  
by Daman Prakash. ICA Regional Office publication

**Sustaining Environment through Cooperative Action**  
by Daman Prakash. ICA Regional Office publication

**Management Leadership Development in Agricultural Cooperative Business**  
by Daman Prakash. ICA Regional Office publication

**Our Civil Society and Cooperatives**  
by Daman Prakash. ICA Regional Office publication

**Social Objectives of Cooperatives**  
by Daman Prakash. ICA Regional Office publication

**JA – Japanese Agricultural Cooperatives : Then and Now**  
by Daman Prakash. ICA Regional Office publication

**Cooperative Democracy vis-à-vis Members' Education**  
by Daman Prakash. Published by The Coop Times

**Agricultural Cooperatives in Japan – The Dynamics of Their Development**  
by MV Madane. ICA Regional Office publication

**Agricultural Cooperatives in South Korea – The Unitary Approach**  
by MV Madane. ICA Regional Office publication

**Managerial Decision-Making in Agricultural Cooperatives – Some Selected Cases**  
Published jointly by the ICA Regional Office and the Institute of Rural Management [IRMA]

*Please ask for a complete catalogue of ICA and other cooperative publications. Publications are generally sent by airmail under registered cover and per VPP in India. All payments should be made in the name of the ICA Domus Trust, New Delhi. Please ask for detailed trade terms by writing to the following:*

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E-4 Defence Colony, 3rd Floor, Ring Road,  
New Delhi 110024. India



The concluding session of the Training Course. The participants are seen with Mr Yoshitada Nakaoka, Managing Director of the IDACA [4th from left] and Mr Osamu Tawasawa, Director, Technical Cooperation Division of MAFF [5th from left]. Dr Daman Prakash, ICA Project Director is seated extreme right.



The **International Cooperative Alliance [ICA]** is a worldwide international association of cooperative organisations of all types. Founded in London on 18th August 1895 by the International Coöperative Congress, the ICA has affiliates in 90 countries with 230 national and 7 international level organisations as members serving over 900 million individual members worldwide.

The ICA Regional Office for Asia and the Pacific [ICA ROAP], established in 1960 in India, is one of the five Regional Offices, which serves 61 national level organisations from 22 countries, and one international organisation [ACCU], representing nearly 520 million individual cooperators. Main activities include: Coordination of cooperative development efforts within the Region and promotion of exchange and experiences; Project identification, formulation and evaluation; Promotion of establishment and development of national cooperative apex organisations; and Organisation of seminars, conferences and technical meetings on specific subjects including support for programmes aimed at the involvement of women and youth in cooperative activities.

The ICA enjoys Category-I Consultative Status within the United Nations Economic and Social Council [UN/ECOSOC] and has active working relations with UN and other international organisations.

The **Institute of Rural Management, Anand [IRMA]** was established in 1979 at Anand, Gujarat State, India. Beginning with providing management training and research support to the cooperatives in the dairy sector, the IRMA currently extends its services to a wide variety of organisations e.g., cooperatives in oilseeds, fruit and vegetables, credit, sugar, handlooms, and handicraft sectors; voluntary and non-government agencies; and governmental and other bodies. The core of IRMA's operating philosophy is that the partnership between rural people and committed professional managers is the basis of sustainable rural development. It offers a variety of training programmes e.g., two-year post-graduate programme in Rural Management; one-year programme; six-week programme on management of agricultural cooperatives in developing countries; six-week management appreciation programme for voluntary organisations and a variety of workshops and seminars for cooperatives and rural institutions. The IRMA has been able to develop a good working relationship with the ICA Regional Office on cooperative management leadership training and development activities.

The **Institute for the Development of Agricultural Cooperation in Asia [IDACA]** was established on July 8 1963 by the Central Union of Agricultural Cooperatives of Japan [JA-Zenchu], with funds raised from among agricultural cooperatives in Japan and with the support of the Government of Japan.

The Institute, established on the basis of the recommendations of the First Asian Agricultural Cooperative Conference held in Tokyo in April 1962, imparts training to overseas agricultural cooperators as a part of its international cooperative projects and has assumed the role of a survey and research organisation. During the last 37 years, the IDACA has trained more than 5,500 participants drawn from Agricultural Cooperative Movements and Governments from different countries of Asia, Latin America and Africa. It has active collaboration on technical assistance programmes with the ICA and its Regional Office for Asia and the Pacific.

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