

ICA/JA-ZENCHU/IDACA ASIAN TOP LEADERS CONFERENCE ON
"COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF
AGRICULTURAL COOPERATIVES IN ASIA", TOKYO, JAPAN.
APRIL 14-19, 1997

LIST OF DOCUMENTS CIRCULATED IN THE CONFERENCE

REPORT OF THE CONFERENCE INCLUDING RESOLUTION PASSED

PROGRAMME OF THE CONFERENCE

DELEGATES/PARTICIPANTS OF THE CONFERENCE

WORKING PAPERS

01. WORKING PAPER -1: Process of Evaluation and Monitoring of Project Proposals prepared by the Participants attending the ICA/Japan Agricoops Management Training Courses by Dr Daman Prakash, Project Director, ICA ROAP.
02. WORKING PAPER -2: Securing Organisational Commitment for the Implementation of Project Proposals prepared by the Participants with special reference to I) individual countries - sponsoring organisations; (ii) the Region as a whole and (iii) the collaborating Organisations e.g. the MAFF, JA-Zenchu, IDACA and the ICA by Dr Daman Prakash
03. WORKING PAPER -3: Process of Review of Training and Development Programmes of the IDACA with a view to improve their quality; and, Identification of Strategies for the Promotion of Agricultural Cooperatives in the Asian Region - by Mr Yoshitada Nakaoka, Managing Director, IDACA.
04. Conference Background Material

COUNTRY PAPERS

05. Country Status Background Paper from China by Mr Be Meija
06. Country Status Background Paper from Indonesia by Mr Rozak Mirza Astira
07. Country Status Background Paper from NACF, Korea by Mr Ho Kyum Lee
08. Country Status Background Paper from NLCF, Korea by Mr Sung Woo Nam.
09. Country Status Background Paper from the Philippines by Mr Felix Borja
10. Country Status Background Paper from Thailand, by Dr Adul Srithep
11. Country Status Background Paper from Vietnam, by Ms Le My Pho.



ICA/JA-Zenchu/IDACA
Top Leaders' Conference on

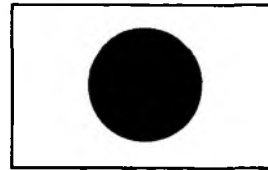
**COLLABORATIVE STRATEGIES
FOR THE DEVELOPMENT OF
AGRICULTURAL COOPERATIVES
IN ASIA-PACIFIC**

– A Report

Tokyo, Japan. April 14-19, 1997

Jointly organised by :

International Cooperative Alliance Regional Office for Asia and the Pacific; Central Union of Agricultural Cooperatives-Japan (JA-Zenchu); and The Institute for the Development of Agricultural Cooperation in Asia-Japan



ICA/JA-Zenchu/IDACA
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IN ASIA-PACIFIC**

– A Report

Tokyo, Japan. April 14-19, 1997

Report Compiled by:

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Regional Office for Asia and the Pacific, New Delhi

ICA/JA-Zenchu/IDACA Top Leaders' Conference on
Collaborative Strategies for the Development
of Agricultural Cooperatives in Asia-Pacific
Tokyo, Japan. April 14-19 1997

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June 1997 (150)

Printed in India and issued by the International Cooperative Alliance ROAP, 43 Friends Colony, New Delhi, for circulation among the ICA member-organisations in the Region. Printed at Document Press, HS-14 Kailash Colony Market, New Delhi 110048.

PREFACE

Agricultural cooperative sector is a major area of influence and activity in Asia-Pacific. This sector deals with food, a large number of farmers, farm field workers, men and women, business enterprises and governments. The sector has a variety of organisations - small primaries to very large national federations. All of them deal with financial institutions at various levels and transact all sorts of business deals. Management of the sector is crucial and very important. The role of a manager of a primary cooperative is as important as that of a managing director of a large-size federation.

Managers play an important role in the development of cooperative business and also serve as communication channels between the cooperative organisations and farmer-members. They need appropriate skills to perform these delicate functions. An efficient management of agricultural cooperatives is an important link in the chain of food security.

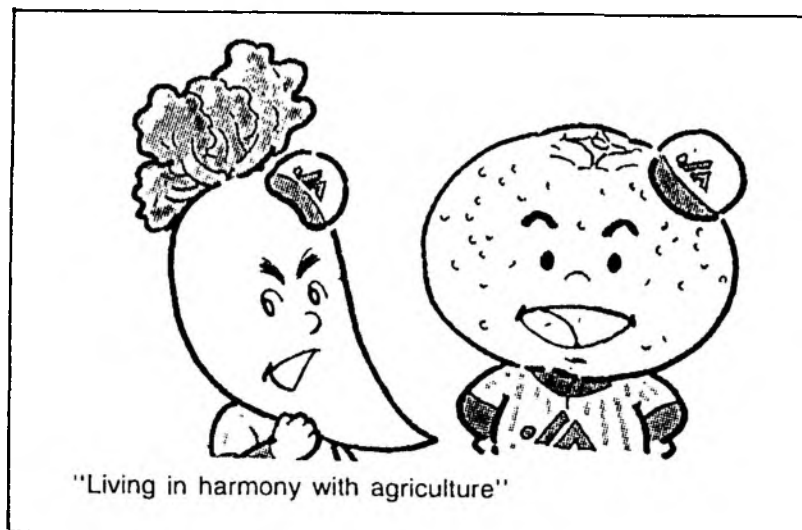
It is in this context that the International Cooperative Alliance has been providing some skills development inputs through a variety of training and development activities. The regional training project on Strengthening Management of Agricultural Cooperatives in Asia is one of such activities. The Project has been successfully operating for the last eleven years with the generous funding support provided by the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries (MAFF). In its implementation the ICA has received full collaboration and cooperation of the JA-Zenchu (the Central Union of Agricultural Cooperatives of Japan, our member-organisation), and the IDACA (the Institute for the Development of Agricultural Cooperation in Asia-Japan, our collaborating partner in the Region).

The present Report sums up the outcome of the discussions held at the Top Leaders' Conference on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia-Pacific held at Tokyo, April 14-19 1997. The Conference, first in the series of this kind, was attended by seven top leaders of our member-organisations from East Asia. The second one will be held in 1998 to which will be invited delegates from the rest of the Asian countries. The main aim of the Conference is to take stock of the work done by the regional training project and to highlight the problem areas for the development of agricultural cooperatives in the Region. It was a high-level evaluation exercise. We, at the ICA, continue to look backward to plan better for the future.

In the organisation of this Conference and presentation of this Report a lot of hard work has been done by my friend, Mr Yoshitada Nakaoka, Managing Director of the IDACA, and my colleague at the ICA ROAP, Mr Daman Prakash, Project Director of the ICA-Japan (MAFF) programmes. I am thankful to both of them.

New Delhi,
June 1997

Robby Tulus
ICA Regional Director for
Asia and the Pacific



REPORT OF THE ICA/JA-ZENCHU/IDACA TOP LEADERS' CONFERENCE ON COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN ASIA-PACIFIC. Tokyo, Japan. April 14-19 1997

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Tokyo, Japan. April 14-19 1997

PART - I

CONFERENCE REPORT

I. Preliminary

01 A Top-Leaders' Conference on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia-Pacific was jointly organised by the International Cooperative Alliance Regional Office for Asia and the Pacific, New Delhi (ICA ROAP), JA-Zenchu (the Central Union of Agricultural Cooperatives of Japan), and the IDACA (the Institute for the Development of Agricultural Cooperation in Asia-Japan), at Tokyo, April 14-19 1997. The Conference was attended by seven top-level leaders representing the user-organisations in China (All-China Federation of Supply and Marketing Cooperatives), Indonesia (Union of Indonesia Dairy Cooperatives-GKSI), Republic of Korea (the National Agricultural Cooperatives Federation-NACF, and the National Livestock Cooperatives Federation-NLCF), the Philippines (the Cooperative Union of the Philippines Inc-CUP), Thailand (the Cooperative League of Thailand-CLT), and Vietnam (the Vietnam Cooperatives Union).

02 Senior leaders representing the MAFF (Ministry of Agriculture, Forestry and Fisheries) of the Government of Japan, JA-Zenchu, JICA (Japan International Cooperation Agency), the ICA ROAP and the IDACA delivered their inaugural addresses at the Conference. They included: Mr Toru Shimizu, Director of Technical Cooperation Division-MAFF, Mr Hiroshi Kohno, Managing Director of JA-Zenchu, Mr Kazuyuki Tsurumi, Managing Director, Agriculture, Forestry and Fisheries Development Study Department of JICA, and Mr G.K. Sharma, Special Advisor to the ICA Director-General (and former ICA Regional Director for ROAP).

03 The Conference was attended also by the participants of the 11th ICA-Japan Training Course on **Strengthening Management of Agricultural Cooperatives in Asia** representing 10 Asian countries i.e., Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, the Philippines, Sri Lanka, and Vietnam.-

04 A list of participants is placed at **ANNEXE-TLC/I**. The programme followed by the Conference is placed at **ANNEXE-TLC/II**.

05 The Conference was jointly coordinated by Mr Yoshitada Nakaoka, Managing Director of the IDACA, and Mr Daman Prakash, Project Director of the ICA ROAP.

06 Realising that the managers and key leaders are the main factors for the success of agricultural cooperatives, it was considered necessary that the managers were exposed to a variety of models of development thereby enabling them to evaluate their own situations and to make use of successful models to improve upon their own. This was made possible by instituting a specialised 6-months long-term regional training programme entitled **Strengthening Management of Agricultural Cooperatives in Asia** for 15 middle to senior level managers of agricultural cooperatives and their supervising organisations, which was designed by the ICA in 1986-87 in collaboration with the JA-Zenchu, a member-organisation of the ICA in Japan, and IDACA. The MAFF-Government of Japan had agreed to finance this regional training programme. Since then 10 courses were conducted until the end of June 1996 which were attended by 150 managers from 13 Asian countries.

07 The overall objective of the regional training project is as follows:

"to help strengthen and improve agricultural cooperative performance in the Asian Region in order to bring about a qualitative and quantitative improvement in cooperative services to member-farmers at the grass-roots level with the ultimate objective of increasing member's income and ensuring his active participation in cooperative business."

08 Besides studying the various aspects of management of agricultural cooperatives in various country-locations, the participants had produced a total of 148 development project proposals in conformity with the priorities of their sponsoring organisations. A number of these proposals were accepted for consideration and implementation by the sponsoring organisations. In the framework of the design of the regional project, implementation of project proposals was not envisaged as a pre-condition. Although the preparation of project proposals was a skills development exercises, yet their contents were found to be technically sound and feasible for implementation. However, due to financial constraints, organisational problems, shifts in policies and transfers of candidates, all the project proposals could not be implemented.

09 Maximum number of project proposals dealt with fruits and vegetables and setting-up of cold storage facilities-32 projects (22%), dairy cooperatives and livestock development-19 projects (13%), and paddy and paddy processing-18 projects (12%) out of a total of 148 project proposals prepared until the 10th course. 29 projects (20%) have been implemented, 17 projects (11.4%) have been partially implemented, and 73 projects (49.3%) were reported to be still under consideration. 29 projects (20%) were abandoned mainly due to non-availability of organisational support, non-conformity with organisational priorities, short of

technical inputs, and lack of financial resources and other reasons. The regional project has been rated as very successful by the beneficiary organisations (user-organisations) and the participants due to various reasons e.g., well-structured curriculum, strong input of management aspects e.g., skills in preparation of development projects, their appraisal and implementation, exposure to various models of development of agricultural cooperatives, and responding to the needs of agricultural cooperatives in HRD and 'value addition' and agribusiness development. The success of the regional project cannot be attributed only to the successful implementation of the participants' project proposals. This is one of the parameters.

10 To impart skills in the above areas, a structured set of modules has been developed. These modules consisting of classroom work, field exposures, interaction with field level workers including managers and cooperative members, reading exercises, have been carried out with the assistance of ICA member-organisations and institutions of higher learning e.g., the Institute of Rural Management, Anand, India (IRMA), the Indian Institute of Management, Ahmedabad (IIMA), the Vaikunth Mehta National Institute of Cooperative Management, Pune, India (VAMNICOM), the IDACA etc.

II. Evaluation and Follow-Up Activities Undertaken

11 The ICA ROAP and the IDACA, in the past, have been carrying out evaluation and monitoring exercises through correspondence, contacts, Re-Union programmes, joint visits and National Follow-Up and Review Workshops. It was found that a lot depended on the organisational support to implement such development proposals. It was in this context that the ICA ROAP and the IDACA had decided to organise an Evaluation Session with the top leaders of beneficiary/sponsoring organisations to discuss relevant collaborative strategies for the development of agricultural cooperatives. It was decided that these evaluation sessions be held in two phases: first, for the East Asian countries (April 1997), and second, for the rest of the Region (April 1998).

III. Conference Objectives

12 The Conference was organised with the following objectives:

- i. To review the project proposals developed by the ICA-Japan Training Course participants from the participating countries with a view to identify common problems, constraints and their possible solutions;
- ii. To discuss strategies for the development of agricultural cooperatives and adopt a common development policy; and
- iii. To exchange views with the Japanese governmental development agencies, JA-Zenchu, IDACA and the ICA as to the relevance and continuation of such assistance.

IV. Conference Documentation & Report Structure

13 The delegates produced their country background papers which were presented to the Conference. Part-I of the Conference Report contains the background information, Conference objectives, a gist of discussions held, resolution adopted by the Conference, a list of participants and the Conference programme. Part-II of the Report contains the background material produced for the Conference and the working papers presented by the delegates at the Conference. Given below is the outline of the structure of the background papers produced and presented by the Conference delegates:

a) Names and current position and addresses of participants who were sponsored for the ICA-Japan 6-month training courses during the last 10 years, and who have since left the services etc.; b) Their project proposals, and which have been accepted for implementation or are implemented; c) Types of problems faced by them in implementing the proposals; d) A brief success story of an implemented project with all relevant data and photographs, if possible; e) our organisation's views as to the relevance of the training programme, and your suggestions for its future improvement; and, f) (i) A brief review of agricultural cooperatives in your country; (ii) with a special mention of agro-processing activities including a brief description of your own organisation.

14 A set of following comprehensive papers were produced by the ICA ROAP and the IDACA for the consideration of the Conference:

- i. Process of Evaluation and Monitoring of Project Proposals produced by the participants attending the ICA-Japan Management Training Courses
-Mr Daman Prakash
- ii. Securing Organisational Commitment for the Implementation of Project Proposals prepared by the participants with special reference to: i) Individual Countries; ii) the Region as a whole; and iii) the Collaborating Organisations e.g., the MAFF, JA-Zenchu, IDACA and the ICA. -Mr Daman Prakash
- iii. Process of Review of Training and Development Programmes of the IDACA with a view to improve their quality; and, Identification of Strategies for the Promotion of Agricultural Cooperatives in the Asian Region. -Mr Yoshitada Nakaoka.

15' The Conference remained in session for two full days, April 15 and 16. In addition a familiarisation study visit to Isehara Agricultural Cooperative in Kanagawa Prefecture was organised.

V. Special Features of the Conference

- 16 The special features of the Conference were:
- a) a fairly high level representation in the Conference by the user-organisations;
 - b) an evaluation of the regional project was carried out at the highest level in which the beneficiary organisations, implementing agencies, funding agency and the collaborating agencies had actively participated;
 - c) a close interaction with the participants of the on-going 11th Course had taken place;
 - d) impressing upon the beneficiary organisations to make the best possible use of their trained personnel and consider implementation of their project proposals; and
 - e) requiring the beneficiary organisations to sponsor the most suitable and relevant candidates for training.

VI. Situation Review in Participating Countries

17 Based on the Conference documentation, presentation of country background papers, and discussions held, the Conference took note of the following developments:

- 17.1 The user-organisations have found the regional project to be relevant, a contributory factor to the development of management of agricultural cooperatives, a useful contribution to human resource development, professionally implemented by the ICA ROAP, and fully supported by the MAFF and collaborating organisations;
- 17.2 The regional project underlined the importance of "value addition" through agro-processing, improved management capacities and capabilities of managers, strengthening communication between the members and their cooperatives on one hand, and between the managers and the board on the other, adoption of project-oriented approach, constantly keeping in view the interests of the grass-roots level farmer-members, and due consideration to continuous evaluation and feed-back factors;
- 17.3 Continuation of the regional project was seen as more crucial and relevant in the context of open market economy now than ever before when the management of agricultural cooperatives has to face stiff competition to sustain income levels of farmer-members;
- 17.4 In the case of the Republic of Korea, special attention is paid to the development of livestock/dairy cooperative activities; Korea International Cooperation Agency (KOICA) supporting development of agricultural cooperatives in

other countries through technical assistance programmes; the NACF strengthening its own cooperative training and education structure with a special focus on "self-sufficiency in food and food security"; and the NACF broadening its economic business in sectors like the travel and banking services;

- 17.5 In the case of Indonesia, the GKSI-Union of Indonesia Dairy Cooperatives, promoting quality and quantity of milch cattle, enhanced procurement of fresh milk, strengthening cattle-feed production and supply, and creating joint-use milk processing facilities in association with its affiliates and among the cooperatives themselves, help augment the income of dairy cooperatives and dairy-farmers;
- 17.6 In order to cover a larger number of managers of agricultural cooperatives in the Region the ICA and IDACA programmes could be made more broad-based and result-oriented in association with cooperative organisations in the Region. Short duration courses be organised at national level and supported with expertise, material and funding;
- 17.7 In order to offer more training and development opportunities, the IDACA and the ICA to solicit additional funding support from MAFF and other sources by proposing projects which aim at enhancing the use of locally-available raw material, making agriculture environment-friendly, boosting agribusiness, enhancing involvement of women and youth in agricultural cooperatives, and strengthening food security measures through activation of agricultural cooperatives etc.;
- 17.8 In order to create interest in the application of agribusiness development strategies, the ICA and the IDACA to intensify their contacts with agricultural cooperative organisations in the Region by using the mechanism of field studies and follow-up of the recommendations of the ICA Cooperative Ministers' Conferences.

18 The Conference took note of the special features of the Japanese Agricultural Cooperative Movement and considered that many of them could be relevant for the developing agricultural cooperative movements in the Region. The 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 much-needed food and providing the related 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.

19 The Japanese Agricultural Cooperative Movement had successfully introduced a number of innovations which are of great relevance to the Movements in the Asia-Pacific Region. Some of the interesting features of the agricultural cooperatives have been: amalgamation of cooperatives (by consensus) to make them more economically-viable and service-oriented; 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; 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; education and training of farmer-members through a network of cooperative training institutions and member guidance programmes; ensuring higher economic returns to the farmer-members through a process of value-addition; encouraging women and youth to form associations to complement and supplement the work of agricultural cooperatives especially in taking care of sustaining interest of the young and the aged in the honoured profession of farming; encouraging the farmer-members in controlling pollution and to produce and market the healthy and nourishing agricultural products to safeguard the interest of consumers; extensive application of joint marketing, joint purchasing, joint use of capital, joint use of facilities practices; and extending technical cooperation and collaboration to the developing movements.

VII. Recommendations and Suggestions

20 The Conference, besides commenting on various aspects of the regional project, made several recommendations and suggestions for follow-up by the beneficiary organisations, agencies providing funding, undertaking implementation and providing collaboration. A resolution (ANNEXE-TLC/III) containing the gist of discussions held and a set of recommendations was unanimously adopted by the Conference.

21 Over the years, and especially since 1992, member-organisations sponsoring participants, have shown increasing interest in the implementation of project proposals. In some countries, member-organisations have taken this matter up seriously. In the case of others, the training is viewed mainly as a pure training exercise. However, the trend in implementation of project proposals has been positive, and it can be said that the regional project has moved from a mere training exercise, to some extent, in the field of implementation of its project proposals mainly because of the reasonably high quality of proposals produced. It was, therefore, suggested to the Conference whether the sponsoring organisations should formally commit to implement the project proposals in view of the long duration of the course, high expenses involved, and a long absence of participants from their original positions. After some discussions it was concluded that it would be difficult for the sponsoring organisations as well as for the participants to provide the ICA with such an 'organisational commitment'. The

Conference, however, suggested that the sponsoring organisations should take into consideration the valuable inputs by the regional project, and sponsor the most relevant and deserving candidates for training, and consider favourably the project proposals for implementation, if they happen to fall within the priority areas of the organisations. The sponsoring organisations should, in fact, encourage their participants to produce such proposals which are in conformity with their organisational objectives and priorities and which have fair chances of being successfully implemented.

22 The recommendations made by the Conference, as contained in its unanimously-adopted Resolution, are reproduced below:

"The Conference made the following recommendations:

- 01 The Conference recognised the role of the International Cooperative Alliance, a non-governmental international association of cooperatives of all types, which has an intimate knowledge of the achievements and problems of agricultural cooperatives. The Conference places on record its highest appreciation of the MAFF for having placed its confidence in the ICA in implementing the regional project and the JA-Zenchu and the IDACA for having extended their full cooperation and collaboration to the ICA.
- 02 The Conference having taken note of the growing population, need to ensure food security, increasing demand for safe and healthy farm products, and encounter with the forces of open market economy pressures, recommended that intensive efforts be made by the ICA to expand and suitably enrich their development efforts by making its agricultural cooperative training and development programmes more result-oriented. For this purpose assistance of funding and collaborating agencies e.g., the MAFF, JA-zenchu, IDACA and others be solicited in carrying out field studies and training programmes at regional and local levels.
- 03 In view of the presence of a large number of managers of agricultural cooperatives in the Region and lack of training opportunities of this kind available to them, the Conference recognised the implementation of the ICA-Japan regional training project as most relevant, logical and useful, which has so far tried to produce quality managers. The Conference expressed its gratitude to the MAFF for having financially supported this training programme so far, and requests that the regional training project be continued to strengthen further the management of agricultural cooperatives in the Region.
- 04 The ICA ROAP together with the IDACA should persuade the MAFF to not only continue the regional project but also to increase the number of participant-intake with a corresponding increase in financial support;

- 05 The ICA ROAP together with the IDACA should persuade the MAFF and other funding agencies to help establish national level training and development network on a replication basis through using the trained personnel;
- 06 The funding agencies together with the collaborating organisations to strengthen agricultural cooperatives by identifying the critical needs through field studies, surveys, exposure of leaders/chief executives to developed/developing situations, exhibitions, meetings and conferences. The follow-up of the recommendations of the 4th ICA Cooperative Ministers' Conference held in Thailand, March 1997, merit an immediate attention;
- 07 The sponsoring organisations to ensure that right candidates are sponsored for training at the regional project, and given full facilities and support in developing their project proposals in conformity with their defined development objectives and priorities. The Conference strongly recommended that the project proposals should be considered at the highest level within their organisations, before the trainees return for appraisal sessions after their Home Country Assignments.
- 08 The project proposals should have the benefit of advice, comments, guidance and some organisational commitment which could help in their implementation subsequently;
- 09 The Conference recommended that financial resources at the local level be mobilised or set aside by sponsoring organisations for holding national level training programmes for managers of agricultural cooperatives, and the ICA and the IDACA to supplement these efforts through technical expertise and training material etc."

CONFERENCE PARTICIPANTS**Conference Organisers
and Special Invitees**

- | | | |
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- China 16 Mr Wang Songjun
- 17 Mr Felong Liu
- India 18 Ms Urmil Aneja
- 19 Mr M. Rama Gopal
- Indonesia 20 Ms Carolina HK
- Malaysia 21 Mr S. Arikrishnan

Myanmar	22	Mr Htin Kyaw Linn
Pakistan	23	Mr Mohammad Nasir
Philippines	24	Mr Teofilo R. Quintal
Sri Lanka	25	Mr WMK Samarasekera
	26	Mr RKA Sunil Jayasinghe
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	30	Mr Shiro Futagami, Advisor (former Managing Director of IDACA)
	31	Mr Yukio Abe, Programme Coordinator
ICA ROAP	32	Mr Daman Prakash, Project Director
	33	Mr AH Ganesan, Programme Officer

CONFERENCE PROGRAMME

April 14, 1997. Monday

- Arrival of Delegates in Tokyo
- Stay at IDACA

April 15, 1997. Tuesday

- 0815 Conference Delegates and 11th Course Participants leave IDACA for MAFF Annexe Meeting Hall in Tokyo
- 1030-1100 Opening Session
Greetings Conveyed by representatives of:
- MAFF, Government of Japan
- JA-Zenchu
- IDACA
- International Cooperative Alliance-ICA ROAP
- Japan International Cooperation Agency-JICA
- 1100-1130 Coffee Break
- 1130-1200 **SESSION-I**
Briefing on Conference Objectives, Programme, Procedures and Practical Arrangements
- Mr Daman Prakash & Mr Yoshitada Nakaoka
- 1200-1230 Presentation of Country Background Papers
- 1230-1400 Lunch Break
- 1400-1500 Presentation of Country Background Papers (Contd)
- 1530-1600 Presentation of Country Papers (Concluded)
- 1600-1700 **SESSION-II**
Presentation of Selected Project Proposals by Participants of the on-going 11th ICA-Japan Management Training Course (China, Indonesia, the Philippines, and Vietnam)
- 1800 Welcome Reception
After the Reception, all the participants return to IDACA

April 16, 1997. Wednesday

- 0815 Leave IDACA for MAFF Building in Tokyo
- 1000-1030 **SESSION-III**
Outlining the Collaborative Strategies by explaining the three subject-areas:
-Mr Daman Prakash & Mr Yoshitada Nakaoka
- 1030-1100 Coffee Break
- 1100-1230 **Discussion on Subject-I:**
Process of Evaluation and Monitoring of Project Proposals produced by the Participants attending the ICA-Japan Management Training Courses
- 1230-1330 Lunch Break
- 1330-1500 **Discussion on Subject-II:**
Securing Organisational Commitment for the Implementation of Project Proposals prepared by the participants with special reference to: i) Individual Countries; ii) the Region as a whole; and iii) the Collaborating Organisations e.g., the MAFF, JA-Zenchu, IDACA and the ICA.
- 1500-1530 Coffee Break
- 1530-1630 **Discussion on Subject-III:**
Process of Review of Training and Development Programmes of the IDACA with a view to improve their quality; and, Identification of Strategies for the Promotion of Agricultural Cooperatives in the Asian Region.
- 1630-1700 Open Discussion
- 1700-1800 Closing Session of the 11th ICA-Japan Training Course and Distribution of Certificates.

All participants return to the IDACA

April 17, 1997. Thursday

- 0830 Conference Delegates visit Agricultural Cooperative, JA-Isehara in Kanagawa Prefecture, and its Related Facilities.
- 1600 After Study Visits, the delegates return to IDACA for a Wrap-Up Session to conclude Conference Discussions: Presentation of Conference Draft Report and Conference Resolution: Mr Daman Prakash & Mr Y. Nakaoka
- 1800 IDACA Dinner

April 18, 1997. Friday

Tokyo Sight-Seeing Programme for Conference Delegates.

April 19 1997. Saturday

Departures for Home Countries

RESOLUTION UNANIMOUSLY ADOPTED BY THE CONFERENCE ON
"COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL
COOPERATIVES IN ASIA-PACIFIC" AT ITS SESSION HELD
ON APRIL 18 1997 AT TOKYO, JAPAN

R E S O L U T I O N

01 A Top Leaders' Conference on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia-Pacific was jointly organised by the International Cooperative Alliance Regional Office for Asia and the Pacific, New Delhi (ICA ROAP), the JA-Zenchu (the Central Union of Agricultural Cooperatives of Japan), and the IDACA (the Institute for the Development of Agricultural Cooperation in Asia-Japan), at Tokyo, Japan, April 14-19 1997.

02 The Conference was attended by seven top-level leaders representing China, Indonesia, Republic of Korea, the Philippines, Thailand and Vietnam. Participants of the 11th ICA/Japan Training Course on **Strengthening Management of Agricultural Cooperatives in Asia** representing 10 countries i.e., Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, the Philippines, Sri Lanka and Vietnam also attended the Conference. Senior level leaders representing the organisers and supporting agencies who delivered their inaugural addresses included: Mr Toru Shimizu, Director of Technical Cooperation Division-MAFF, Mr Hiroshi Kohno, Managing Director of JA-Zenchu, Mr Kazuyuki Tsurumi, Managing Director, Agriculture, Forestry and Fisheries Development Study Department of JICA, and Mr G.K. Sharma, Special Advisor to the ICA Director-General (and former ICA ROAP Regional Director).

03 The Conference was hosted by the IDACA and held at the MAFF Annexe building in down-town Tokyo. A familiarisation field study visit to JA-Isehara in Kanagawa prefecture was organised for the delegates. The Conference was jointly coordinated by Mr Yoshitada Nakaoka, IDACA Managing Director and Mr Daman Prakash, Project Director of ICA ROAP.

04 The Conference took note of the development work done by the ICA ROAP and the IDACA in the field of agricultural cooperatives, especially through the ICA/Japan long-term regional training project on **Strengthening Management of Agricultural Cooperatives in Asia**. The Conference, having reviewed the various parameters for the success of the long-term regional training programme,

took note with appreciation of a high number of implementation of several of the development project proposals which were prepared by the participants. The Conference recognised that the implementation of project proposals was not the only parameter of the success of the regional project, there were others, such as, devoted leadership among beneficiary organisations, resourcefulness of the participants themselves, financial capacity of the user-organisations etc. The non-implementation of project proposals could be due to several factors e.g., financial constraints, organisational problems, technical inadequacies in the construction of project proposals, transfer of the participants, non-priority subject etc. The Conference appreciated the uniqueness and strong technical inputs of the regional project and stressed that not only the project be continued but also the project proposal preparation and appraisal skills be improved further, and also to replicate similar programmes at the national level by making use of the trained officials (former participants).

05 The Conference took note of the developments in participating countries especially with regard to food security, facing the forces of open market economy, increase in agricultural products to meet the demands of the growing population, making farm products environment-friendly, and providing greater marketing opportunities to the farm-producers. The Conference impressed upon the agricultural cooperatives to diversify their business operations and make an increasing use of locally-available raw materials, resources and expertise. The experiences of the Japanese Agricultural Cooperative Movement, especially in amalgamation process, agro-processing, farm guidance, farm planning, better-living activities, management practices, women's associations, and development of agribusiness were considered by the Conference as relevant for the developing movements in the Region.

06 Taking note of the historical development of Movement-owned specialised institutions like the IDACA, and its close working relationship with the ICA ROAP and other regional and international organisations, the Conference appreciated its role in improving the quality of cooperative personnel and leaders through the provision of exposure programmes, training programmes and exchange of information. The Conference suggested that the IDACA, in association with its development partners, offers more practical and result-oriented programmes with the financial support of the MAFF and from other sources.

07 The Conference recognised the unique character of the International Cooperative Alliance as a non-governmental international organisation which has close relationship with agricultural cooperatives and understands their accomplishments and problems. In the Asia-Pacific Region, the ICA enjoys acceptability and respect among agricultural cooperative institutions through the network of its member-organisations in 26 Asia-Pacific countries.

- 08 The Conference made the following recommendations:
- 8.1 The Conference recognised the role of the International Cooperative Alliance, a non-governmental international association of cooperatives of all types, which has an intimate knowledge of the achievements and problems of agricultural cooperatives. The Conference places on record its highest appreciation of the MAFF for having placed its confidence in the ICA in implementing the regional project and the JA-Zenchu and the IDACA for having extended their full cooperation and collaboration to the ICA.
 - 8.2 The Conference having taken note of the growing population, need to ensure food security, increasing demand for safe and healthy farm products, and encounter with the forces of open market economy pressures, recommended that intensive efforts be made by the ICA to expand and suitably enrich their development efforts by making its agricultural cooperative training and development programmes more result-oriented. For this purpose assistance of funding and collaborating agencies e.g., the MAFF, JA-Zenchu, IDACA and others be solicited in carrying out field studies and training programmes at regional and local levels.
 - 8.3 In view of the presence of a large number of managers of agricultural cooperatives in the Region and lack of training opportunities of this kind available to them, the Conference recognised the implementation of the ICA-Japan regional training project as most relevant, logical and useful, which has so far tried to produce quality managers. The Conference expressed its gratitude to the MAFF for having financially supported this training programme so far, and requests that the regional training project be continued to strengthen further the management of agricultural cooperatives in the Region.
 - 8.4 The ICA ROAP together with the IDACA should persuade the MAFF to not only continue the regional project but also to increase the number of participant-intake with a corresponding increase in financial support.
 - 8.5 The ICA ROAP together with the IDACA should persuade the MAFF and other funding agencies to help establish national level training and development network on a replication basis through using the trained personnel.
 - 8.6 The funding agencies together with the collaborating organisations to strengthen agricultural cooperatives by identifying the critical needs through field studies, surveys, exposure of leaders/chief executives to developed/developing situations, exhibitions, meetings and conferences. The follow-up of the recommendations of the 4th ICA Cooperative Ministers' Conference held in Thailand, March 1997, merit an immediate attention.

8.7 The sponsoring organisations to ensure that right candidates are sponsored for training at the regional project, and given full facilities and support in developing their project proposals in conformity with their defined development objectives and priorities. The Conference strongly recommended that the project proposals should be considered at the highest level within their organisations, before the trainees return for appraisal sessions after their Home Country assignments.

8.8 The project proposals should have the benefit of advice, comments, guidance and some organisational commitments which could help in their implementation subsequently.

8.9 The Conference recommended that financial resources at the local level be mobilised or set aside by sponsoring organisations for holding national level training programmes for managers of agricultural cooperatives, and the ICA and the IDACA to supplement these efforts through technical expertise and training materials etc.

09 The Conference expressed its thanks to the ICA ROAP, IDACA, JA-Zenchu and the MAFF for organising the Conference and facilitating its work. The Conference viewed such meetings useful and relevant and should be conducted more frequently to enrich the contents and purpose of the regional training project. Such Conferences were viewed as strong feed-back factors for the ICA and the IDACA.

10 The Conference hereby adopts the Resolution unanimously, and requests the organisers that its contents be made known to all the user-organisations in the Region.

PART - II

**CONFERENCE BACKGROUND MATERIAL
AND WORKING PAPERS**

- 01 **Conference Background Material**
- Daman Prakash, Project Director, ICA ROAP
 - 02 **Working Paper-1: Process of Evaluation and Monitoring of Project Proposals prepared by the Participants attending the ICA-Japan Agricoops. Management Training Courses**
- Daman Prakash
 - 03 **Working Paper-2: Securing Organisational Commitment for the Implementation of Project Proposals prepared by the participants with special reference to: i) Individual countries - sponsoring organisations; ii) the Region as a whole; and iii) the collaborating organisations e.g., the MAFF/Government of Japan, JA-Zenchu, the IDACA and the ICA**
- Daman Prakash
 - 04 **Working Paper-3: Process of Review of Training and Development Programmes of the IDACA with a view to improve their quality; and, Identification of Strategies for the Promotion of Agricultural Cooperatives in the Asian Region**
- Yoshitada Nakaoka, Managing Director, IDACA-Japan
 - 05 **Country Background Status Papers Presented by Delegates from:**
 - 01 China Mr Bi Meija
 - 02 Indonesia Mr Rozak Mirza Astira
 - 03 Republic of Korea Mr Ho-Kyum Lee-NACF
 - 04 Republic of Korea Mr Sung-Woo Nam-NLCF
 - 05 Philippines Mr Felix A. Borja
 - 06 Thailand Dr Adul Srithep
 - 07 Vietnam Ms Le My Pho
 - 06 **Texts of Speeches delivered at the Conference**
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CONFERENCE BACKGROUND MATERIAL

Prepared by Dr Daman Prakash, Project Director, ICA-Japan Agricooops Management Training Project, ICA ROAP, New Delhi. India

Background

01 Nearly 65-75% of the population in Asia-Pacific countries depends on agriculture. Income from farm products has been the main income source of the farmers. Farm practices and means are traditional. Application of methods and technology for farm management, crop protection, post-harvest, diversification of cropping patterns, use of farm inputs, mechanisation of farming, have not yet been used extensively. Pressures on agricultural lands due to ever-increasing population, fast urbanisation and development of other infrastructures have been heavy.

02. Organisation and management of farmers' groups or associations has been weak. In the rural areas, agricultural cooperatives have been playing a significant role by way of disbursement of farm credit, farm supplies, marketing and agro-processing. Although there are a large number of agricultural cooperatives, their main function remains at distribution of credit, fertilisers and procurement of farm products for national food stocks. Marketing, agro-processing, warehousing activities are still weak. Their services to the members are inadequate. Many of the agricultural cooperatives remain content with implementing some of the government-sponsored programmes. Agro-processing for 'value addition' has been marginal.

03 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 agricultural cooperatives in Japan have been: Amalgamation of cooperatives to make them more viable and service-oriented; farm guidance and better-living services, mutual insurance and health care for members, marketing and supply functions through adoption of 'value-addition' through agro-processing; etc. The Japanese agricultural cooperatives have also offered a number of technical assistance programmes for the development of agricultural cooperatives in the Asia-Pacific Region. The JA-Zenchu (the Central Union of Agricultural Cooperatives of Japan) and the IDACA (the Institute for the Development of Agricultural Cooperation in Asia) have been offering several such programmes.

04 Realising that the managers and key leaders are the main factors for the success of agricultural cooperatives, it is

considered necessary that the managers are exposed to successful models. Already in the Asia-Pacific Region several successful models exist.

Strengthening Management of Agricultural Cooperatives in Asia

05 In the light of the foregoing, and based on the discussions held between the International Cooperative Alliance (ICA), the JA-Zenchu and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan, a regional training project on **Strengthening Management of Agricultural Cooperatives in Asia** was developed and agreed upon for implementation through the ICA. The Government of Japan came forward to provide the needed funds to the ICA to implement the Project in the Region.

06 It was understood that middle-level managers of secondary level or national level agricultural cooperative organisations would be an appropriate target group. To achieve the desired results, it was also considered appropriate to limit the number of trainees to 15 persons per training course.

07 The first training course of 6-months duration attended by 15 participants from 9 countries of Asia was held during 1986-87. The programme was conducted by the ICA through its Regional Office for Asia and the Pacific (ICA ROAP), located in New Delhi, India, and with the active collaboration of well-known institutions e.g., the IDACA in Tokyo, the Indian Institute of Management, Ahmedabad, India (IIMA); the Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) in Pune, India; and the ICA Member-Organisations in the Region. Since the 8th training course, the IIMA has been replaced with the Institute of Rural Management, Anand (IRMA), Anand, India. This was the first ever long-term technical programme offered by the ICA to its member-organisations in the Region, in the very critical area of development of management of agricultural cooperatives.

08 The programme design was finalised by the ICA in consultation with the Government of Japan, the JA-Zenchu and the IDACA. The curricula, training methods, training materials and resource persons were field-tested during the first two courses, and on the basis of experiences thus gained several modifications in the design were incorporated. Based on the suggestions made by the participants and the beneficiary member organisations some more innovations were introduced in the subsequent courses.

09 Evaluation, introspection and looking back have been the core and constant elements of the course with a view to assess the performance of the participants on one hand and of the various components, resources and organisers on the other. This effort is further reinforced by holding constant dialogue by the ICA ROAP officials with beneficiary organisations and the former participants from time to time. The user-organisations, donors and collaborating agencies have also made suggestions on various occasions. As a result, the programme became so strong and

popular that for each successive course there have been more demands for additional seats than the stipulated 15 seats per course. Until the 10th course, this trend has continued.

10 The programme has been structured in such a way that theoretical inputs are constantly reinforced by practical work and field observations. The strength of the training course is its project-oriented approach and an intensive group work.

11 So far ten such training programmes have been successfully held which were attended by 150 participants from 13 countries of Asia. Participants holding middle or senior level managerial positions in agricultural cooperatives and their supervising organisations are selected to attend these courses.

Project Objectives

12 The overall objective of the training programme is 'to help strengthen and improve agricultural cooperative performance in the Asian Region in order to bring about a qualitative and quantitative improvement in cooperative services to member-farmers at the grass-roots level with the ultimate objective of increasing members' income and ensuring active participation in cooperative business.

13 The inner-core of the objective rests on 'Value addition through Agro-Processing'. An analysis of the objective would reveal that the training programme aims at the following factors:

- Enhancing the capability and capacity of an agricultural cooperative to provide maximum possible efficient services;
- The efficient services could be provided only if the management of the cooperative is strong and responsive to the needs of the members;
- An efficient management is possible if a cooperative has properly trained manager who can effectively communicate with the management of the cooperative as well as with the members and employees;
- An efficient manager should have the capability and capacity to plan for the cooperative and implement or appraise development projects which aim at enhancing the income and participation of the members at the grass-roots level;
- In agricultural cooperatives maximum benefits can be derived through agro-processing thus adding value to the produce of the members and facilitating its marketing; and
- The manager, should therefore, have proper training in developing, appraising and implementing development projects and should also have sufficient skills in communication.

14 The programme design, therefore, hinges securely on improving the management of an agricultural cooperative - by improving the managerial skills of the manager. The following subjects form an integral part of the training course:

- Management Practices,
- Management of Agricultural Cooperatives/Enterprises,
- Development/Appraisal of Agricultural Management Projects,
- Management Leadership Effectiveness,
- Communication Skills and Strategies,
- Board-Member/Board-Management Relationship;
- Business Management,
- Decision-making,
- Planning Process,
- Practical Assignments and Comparative Field Studies.

15 These subjects are covered in the background of 'Integrated Cooperative Development Strategies' aiming at strengthening the management of agricultural cooperatives and enabling them to consider employing 'value addition' methods to enable the basic farmer-members to increase their incomes. In agricultural cooperatives, value-addition can be achieved through 'agro-processing, effective marketing and providing extension/information services to the farmer-members'.

Course Modules

16 The entire study programme has been divided into two principal parts i.e., Part-I of the Programme is held in India under the guidance of the ICA ROAP, and in another country, including Home Country Assignments. Part-II of the programme exclusively deals with the management of agricultural cooperatives in Japan, including a small segment on appraising the development project proposals produced by the participants during their Home Country Assignments. The project appraisal sessions are aimed at imparting skills of appraising projects.

17 The study programme has eight working modules. These are:

Part-I of the Programme:

Module-1: Understanding regional situation through presentation of country statements by participants, exposure to topical subjects by holding special lectures;

Module-2: Understanding the Indian Cooperative Movement duly reinforced by study Visits to national, provincial, district and local level agricultural cooperatives, discussions with management leaders and local members. Exposure to dairy cooperatives, sugar cooperatives and other agro-processing cooperative enterprises;

Module-3: 4-5 weeks class-room work on understanding 'Integrated Cooperative Development Strategies' laying special focus on value-addition through agro-processing, management, leadership, skills in formulating and

appraising agricultural cooperatives development projects, communication skills, computer awareness;

Module-4: Comparative field study visits in a third country with a view to study a different model of agricultural cooperative development. Interaction also with the former participants from that country with a view to learn from them their experiences in implementing their own project proposals;

Module-5: Home Country Assignments (HCA), usually for 40-45 days enabling the participants to produce their own development project proposals in consultation with their own sponsoring organisations and in line with their own priorities - national and organisational.

Part-II of the Programme:

Module-6: Imparting skills in appraising a development project proposal using the proposals produced by the participants during their Home Country Assignments,

Module-7: Study programme on management of agricultural cooperatives in Japan, field visits, an interaction with the management leaders and member-farmers for about two-months in Japan; and

Module-8: Evaluation and assessment of the participants, resources and logistics with a view to improve future programmes. This also includes reporting and a review of planning phases.

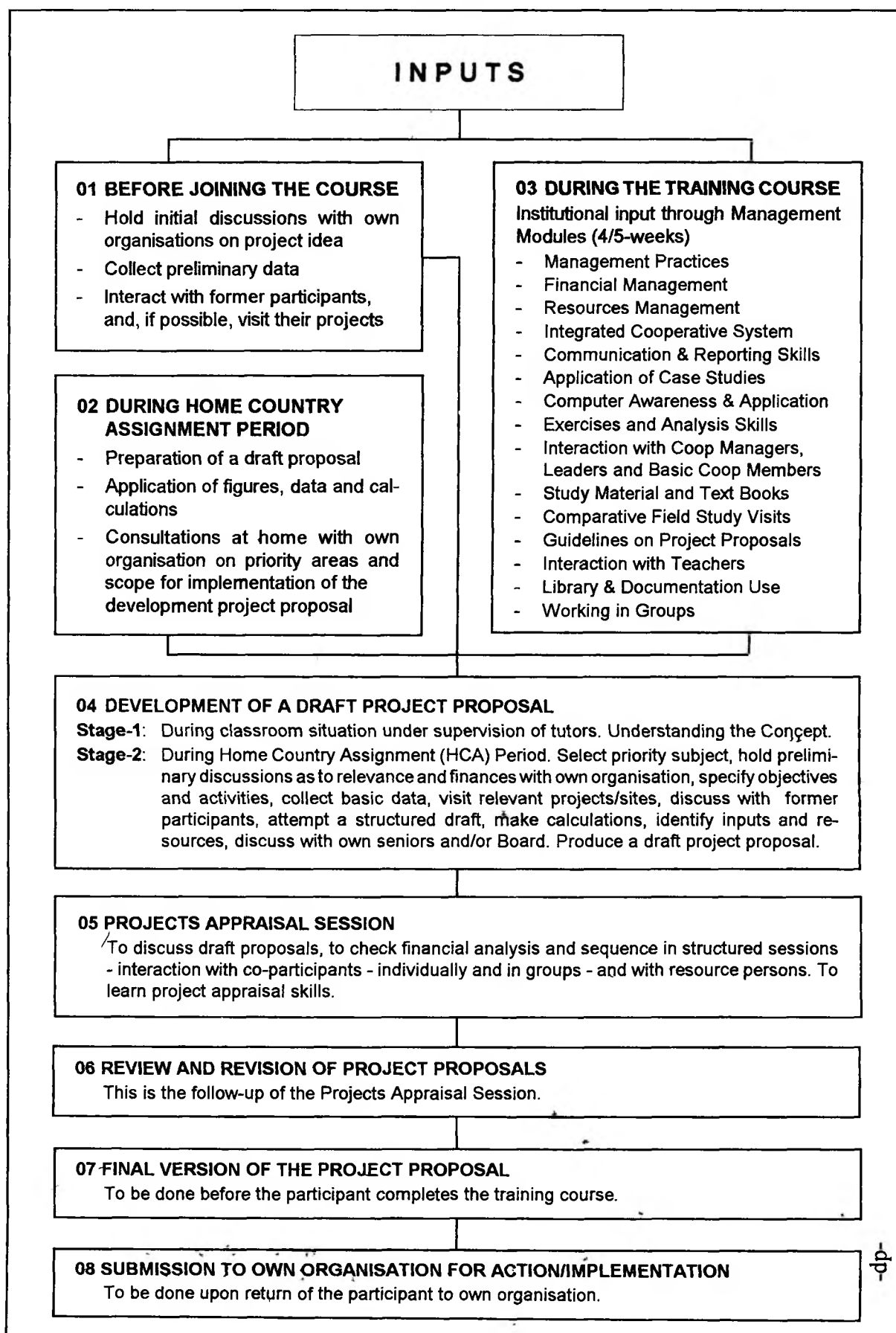
18 Module-3 deals specifically with management aspects. This 4-5 weeks module is covered by the Institute of Rural Management, Anand (IRMA). The subjects covered are inter-related with all other modules and forms a part of the entire scheme of the training programme - see Figure-I. The subjects covered include:

- Management Practices,
- Financial Management,
- Resources Management,
- Integrated Cooperative System,
- Reporting and Communication Skills Development,
- Computer Awareness,
- Exercises and Analysis Sills,
- Interaction with Coop Managers, Leaders and Basic Members,
- Comparative Field Study Visits,
- Study Material/Text Books,
- Guidelines for Preparing Project Proposals,
- Interaction with Teachers/Resource Persons,
- Library and Documentation Use.

Preparing a Development Project Proposal

19 A flow chart describing the various aspects of preparing a cooperative development project proposal is given in Figure-I.

**FIGURE-I: INPUTS FOR THE AGRICULTURAL COOPERATIVE MANAGEMENT TRAINING COURSE
- A Learning Exercise in Skills Development**



-dp-

There are eight stages which a participant has to observe to understand the methodology of producing a feasible, viable and workable project proposal - from the concept to the submission stage. The participants are given encouragement to produce their projects based on the priorities and needs of their sponsoring/parent organisations. The participants are given intensive classroom exposure on the techniques of producing a project based on internationally-recognised and well-accepted principles and methods. They are given time to understand the techniques, and also opportunities to have discussions with their own organisations - usually with their Boards/Managing Directors, and seniors - and also to collect the needed data. The participants are also given time - during their Home Country Assignments - to work on the draft of their projects and obtain, if possible, the commitment of their sponsoring organisations to implement them later on.

20 The project proposals are appraised at a special appraisal session of about ten days duration. The participants are given an opportunity to have a critical look at their own projects - the feasibility, viability and the chances of success - in the light of the comments made by the participants themselves through group work, and from the specialists and resource persons. Figure-II explains the process of appraisals skills development.

21 The preparation and appraisal of development project proposals combines within itself the total sum of the training programme. It is this exercise that gives the participants a lot of confidence. The proposal is subsequently rewritten/revised and presented to their sponsoring organisations for consideration and for implementation.

Participating Countries

22 The participants have come from a variety of organisations e.g., agricultural marketing cooperatives/federations, agro-processing, agricultural financing institutions, agricultural training centre, supervising unions etc. Ten courses held until June 1996 were attended by 150 participants from 13 countries - see Figure-III. The countries represented were as follows:

- 01 Bangladesh (10)
- 02 China (13)
- 03 India (24)
- 04 Indonesia (11)
- 05 Iran (03)
- 06 Republic of Korea (20)
- 07 Malaysia (10)
- 08 Myanmar (04)
- 09 Pakistan (07)
- 10 Philippines (14)
- 11 Sri Lanka (14)
- 12 Thailand (14), and
- 13 Vietnam (06).

FIGURE-II: STEPS IN APPRAISING PROJECT REPORTS PREPARED BY THE PARTICIPANTS DURING THEIR HOME COUNTRY ASSIGNMENTS

- STEP 01 The Author prepares a Project Document/Report
01 Executive Summary
02 Main Report
03 Statistics/Calculations
04 Recommendations
- STEP 02 Distributes the Project Report among the fellow-participants and Resource Persons in advance
- STEP 03 The Author presents the Project Report by using the OHTs and other media (about 1 hour)
- STEP 04 Immediately after presentation, the Author receives:
-First-hand reactions from Participants;
-Clarifications from the Participants
- STEP 05 The presented Project Report is assigned to three groups for discussions (about 1 hour)
- STEP 06 Each group prepares:
- A set of questions;
- A set of recommendations; and
- Seeks clarifications.
- (All aimed at improving the quality of the Project Report and helping the author to review/revise the Project Report)
- STEP 07 Group leaders present their findings one by one (about 5 minutes each)
- STEP 08 The Author replies to questions, tries to satisfy the clarifications and takes note of points made by the Groups for improvement of the Project Report.
- STEP 09 The Resource Persons make their expert comments and suggestions to facilitate review/revision of the Project Report.
- STEP 10 The Author revises the Project Report and prepares it for submission to his/her sponsoring organisation proposing its implementation.

FIGURE-III: CHRONOLOGY OF TRAINING COURSES HELD, NUMBER OF PARTICIPATING COUNTRIES AND THE PARTICIPANTS ATTENDING DURING TEN COURSES (COURSE 1-10)

CHRONOLOGY OF ICA-JAPAN COURSES HELD DURING 1986-87 TO 1995-96

Course No.	Dates	Countries where courses held	Participating Countries
01	Nov 01 1986- May 03 1987	India, Thailand, Japan, and Rep. of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand
02	Oct.26 1987- May 10 1988	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand.
03	Oct 24 1988- May 07 1989	India, Thailand, Japan, and Peoples Rep. of China	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand
04	Oct 23 1989- May 10 1990	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, and Thailand.
05	Oct 22 1990- May 10 1991	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand.
06	Oct 21 1991- May 10 1992	India, Thailand, Japan and Peoples Rep. of China	Bangladesh, China, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
07	Nov 09 1992- May 08 1993	India, Thailand, Japan and Rep. of Korea	Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
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.
09	Oct 17 1994- Apr 22 1995	India, Indonesia and Japan	Bangladesh, India, Indonesia, Korea, Myanmar, Philippines, and Vietnam.
10	Oct 18 1995- Apr 20 1996	India, Malaysia and Japan	Bangladesh, China, India, Indonesia, Korea, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
Total Number of Attending Participants			150
Total Number of Training Courses Held			10
Total Number of Countries Covered under the Project			13

Countrywise Participation in ICA/Japan Management Training Courses held during 1986-87 to 1995-96

COUNTRY	1986-87 JCT 1	1987-88 JCT 2	1988-89 JCT 3	1989-90 JCT 4	1990-91 JCT 5	1991-92 JCT 6	1992-93 JCT 7	1993-94 JCT 8	1994-95 JCT 9	1995-96 JCT 10	Total
Bangladesh	1	1	1	1	1	1	1	1	1	1	10
China	2	2	2	2	2	2	-	-	-	1	13
India	3	3	2	2	2	2	3	2	3	2	24
Indonesia	1	2	-	-	-	1	1	2	3	1	11
Iran	-	-	-	-	-	1	1	1	-	-	3
Korea, Rep. of	2	2	2	2	2	2	2	2	2	2	20
Malaysia	1	1	1	2	1	1	1	1	-	1	10
Myanmar	-	-	-	-	-	-	-	1	2	1	4
Pakistan	-	-	1	1	1	1	1	1	-	1	7
Philippines	2	1	2	2	2	1	1	-	2	1	14
Sri Lanka	1	1	2	1	2	1	2	2	-	2	14
Thailand	2	2	2	2	2	1	1	1	-	1	14
Vietnam	-	-	-	-	-	1	1	1	2	1	6
TOTAL	15	15	15	15	15	15	15	15	15	15	150

23 Almost all the participants continue to remain within the agricultural cooperative movement barring a few exceptions. The sponsoring organisations, in several cases, have given due recognition to the training received by the participants by giving them additional responsibilities with appropriate promotional incentives and compensations.

Current Status of Project Proposals Prepared by the Participants

24 Up to the tenth training course (1995-96), 150 participants have attended the 10 courses. 148 project proposals have been produced by them. Two participants (Bangladesh and the Philippines) could not produce their projects. Figure-IV contains information on the implementation status of the projects in the participating countries. The status has been described under four major headings: (i) Projects fully implemented, (ii) Projects partially implemented, (iii) Projects under consideration; and (iv) Projects abandoned. It can be seen from the table that 29

FIGURE-IV: COUNTRYWISE STATUS OF IMPLEMENTATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY PARTICIPANTS (COURSE 1-10)

Country (No. of Participants)	Fully Imple- mented	Partially Imple- mented	Under Consi- deration	Projects Abandoned
01 Bangladesh (09)	01	-	08	-
02 China (13)	05	-	07	01
03 India (24)	04	04	11	05
04 Indonesia (11)	03	02	04	02
05 Iran (03)	-	-	03	-
06 Korea (20)	04	02	12	02
07 Malaysia (10)	03	01	05	01
08 Myanmar (04)	01	-	03	-
09 Pakistan (07)	-	-	04	03
10 Philippines (13)	01	01	04	07
11 Sri Lanka (14)	05	03	03	03
12 Thailand (14)	02	04	03	05
13 Vietnam (06)	-	-	06	-
Total (148)	29	17	73	29

projects (20%) have been fully implemented and they are in full operation. 73 project proposals (49%) are under consideration. 17 projects (11.4%) have been partially implemented. These include also those which have been modified from the original proposals produced by the participants. 29 projects (20%) have been abandoned mainly due to lack of funds, departure of participants from their organisations, lack of infrastructure, and changes in policies etc.

25 **Figure-V** gives a subject-wise classification of the cooperative development proposals. This is the summary of all the

FIGURE-V: SUBJECT-WISE CLASSIFICATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY THE PARTICIPANTS (COURSE 1-10)

Sr No	Subject Areas Covered	No. of Proposals
01	Animal-feed Mills	09
02	Cassava Processing	01
03	Coconut/Coconut Husk Processing	05
04	Corn Production	01
05	Cotton Production and Processing	02
06	Dairy and Livestock Development	19
07	Duck/Poultry Raising and Processing	06
08	Farm Products (Organic Farming)	01
09	Fertiliser Application/Distribution Systems	03
10	Fisheries	06
11	Flower Marketing	01
12	Food Products	05
13	Forestry	02
14	Fruits, Vegetable Handling and Cold Storage	32
15	Handicrafts	01
16	Hog-Raising and Meat Production	02
17	Integrated Rural/Cooperative Development...	07
18	Jute Processing	01
19	Monitoring/Evaluation Systems for Cooperatives	01
20	Oilseeds Processing	02
21	Pepper Processing	03
22	Rice/Paddy Processing	18
23	Rubber/Rubber-wood Processing/Nurseries	06
24	Rush Mat	01
25	Seed Production/Multiplication...	02
26	Sericulture	02
27	Sheep and Wool Development	02
28	Soybeans Processing	02
29	Strawboard Production	01
30	Sugarcane Production and Processing	01
31	Tobacco Processing	01
32	Wholesale Distribution	01
Total		148

	Total Number of Training Courses Held/June 1996	10
	Total Number of Participants	150
	Total Number of Project Proposals Produced	148
	Total Number of Participating Countries	13

projects. It can be seen that maximum number of proposals dealt with fruits and vegetables processing and setting up of cold storage-32 (22%), 19 projects (13%) dealt with dairy cooperatives and livestock development, and 18 projects (12%) dealt with paddy. This indicates the priority areas of the Region. Some of the major priority areas are:

- Fruits, Vegetables Processing and Cold Storage,
- Dairy and Livestock Development,
- Rice/Paddy Processing,
- Cattle-feed Plants,
- Rubber/rubber-wood Processing,
- Integrated Rural/Cooperative Development,
- Fisheries,
- Coconut/Coconut Husk Processing,
- Food Products,
- Fertiliser Application/Distribution,
- Cane-sugar and its By-Products,
- Environment Protection and Cooperatives.

An Exercise in Learning Skills

26 Although preparation and appraisal of the project proposal is an integral part of the training programme, the implementation initiative rests with the sponsoring organisations. Much also depends on the resourcefulness of the participant himself as well as his position within the organisation. Another contributory factor is the priority and funding position of the organisation itself. It is not an obligation on the part of the participant or the sponsoring organisation to implement the project. From the training point of view, it is a learning exercise and a learning experience. If a project is picked up by the organisation for the implementation it is a credit to the training programme, its effectiveness and relevance. It is also a credit to the participant who developed the project proposal and which has been considered viable, feasible and technically sound.

27 The very fact that as many as 29 proposals (20%) were picked up for implementation - in fact all these projects are in full operation - goes to suggest that the proposals were technically-sound, prepared in accordance with internationally accepted norms, and the organisations considered them fit for funding. These project proposals apparently have also satisfied the local felt-needs. Some of the projects have a financial input of several million dollars.

Contacts with Former Participants: National Follow-up Workshops

28 With a view to foster active contacts with the former participants, a series of National Follow-up and Review Workshops have been conducted since the 7th training course. These workshops, conducted with the collaboration of ICA member-organisations, were tagged on to the study visits programme. Some of the workshops were held also in conjunction with the IDACA Re-Union Programmes. Until the end of the 10th training course, the

following follow-up workshops were conducted:

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

29 In the national follow-up and review workshops, the representatives of beneficiary organisations, former participants, and government cooperative department officials have participated. The workshops were also attended by representatives of the MAFF-Government of Japan, JA-Zenchu, IDACA and the ICA.

Support to the Programme by ICA Member-Organisations in the Region

30 The ICA member-organisations, realising the importance of the programme, have released their senior officials for a period of six months to participate in the programme. While the ICA had covered all the costs of the training programme, the sponsoring organisations protected their salaries, allowances and positions back home. During the study visits programmes, the member-organisations as well have willingly taken upon themselves the responsibilities of making practical arrangements, identifying institutions to be visited, supplying resource persons, helping in the preparation of background material, covering domestic travel and other costs of local former participants, and hosting orientation and social programmes for the participants.

Development of Training Material: A Constructive Addition to Agricultural Cooperative Management Literature

31 With a view to provide the participants with authentic and latest material on development of management of agricultural cooperatives in the Region, a wide range of hand-outs and printed material has been developed and issued. Some of the important ones have been the following:

- Agricultural Cooperatives in Japan - The Dynamics of their Development by MV Madane
- Agricultural Cooperatives in South Korea - The Unitary Approach by MV Madane
- Cooperative Agri-business - Some Case Studies By Seetharaman and Shinghi (of IIMA)
- Social Objectives of Cooperatives by Daman Prakash
- Our Civil Society and Cooperatives by Daman Prakash
- Environment and Cooperatives by Daman Prakash

- Managerial Decision-making in Agricultural Cooperatives by Prof. Ajit Kanitkar (of IRMA)
- A Manual on Preparing an Agricultural Cooperative Development Project Proposal by Prof. G Krishnamurthi (of IRMA) (currently under field testing).

Relevance and Acceptability of the Programme

32 The programme has assumed a status of respectability among the cooperative organisations in the Region. It is regarded as a very prestigious and technically-sound training programme offered by the ICA to its member-organisations in the Region. A number of institutions of higher learning in the Region are also associated with the Programme. Upon completion of the training course, the participants are given an ICA Certificate of Participation signed by the Director-General of the ICA, Geneva. Another certificate duly signed by the Managing Director of the IDACA and one by the Director of IRMA are also given to the participants signifying the completion of the training programmes in their respective Institutes.

33 Besides enhancing the capability and capacity of managers of agricultural cooperatives, the programme has created enormous good-will and respect for the Japanese experiences of management of agricultural cooperatives as well as the ICA. In addition, the project has contributed significantly to cooperative teaching and training literature in the form of well-documented publications, case studies, project ideas etc.

Continuous Consultations with Donors and Collaborating Organisations including Continuous Evaluation of the Programme

34 The project leadership uses all available opportunities to promote the utility, relevance and contents of the programme so that the member-organisations of the ICA make the best use of the opportunity by sponsoring the most appropriate candidates. The leadership also continuously undertakes consultations with the MAFF, JA-Zenchu and the IDACA to make the programme more effective. The Director-General and the Deputy Director-General of the ICA, Geneva, and the ICA Regional Directors for Asia and the Pacific have held regular consultations with senior level officials of the MAFF, JA-Zenchu and IDACA from time to time with a view to continue and expand the scope of the project and to improve upon the quality of the training programme. They had also had several opportunities of interacting directly with the participants.

35 Evaluation and in-built assessment of the programme, participants, resource persons, infra-structural arrangements, training materials, venues for location of study visits, and the contribution of project leadership has formed an integral part of the training programme. Evaluations and assessments are carried out in the following order:

- Group Discussions,
- Practical Assignments during Teaching Sessions,
- Home Country Assignments (when project proposals are prepared),
- Project Appraisal Sessions,
- National-Level Follow-Up and Review Workshops,
- Periodic Evaluation Sessions,
- End-of-the-Course Evaluation, and
- Interactions with senior level officials of the ICA, JA-Zenchu, MAFF and IDACA.

36 The **National Follow-up and Review Workshops** are organised with the following objectives:

- To enable the former participants to get together and exchange notes on their experiences with regard to their work and implementation of their project proposals prepared by them during their training;
- To exchange notes with the current course participants and to interact with them on problems encountered by them in the implementation process and how to enlist the support and cooperation of their sponsoring organisations; and
- To have a dialogue with the ICA officials and their sponsoring organisations to suggest areas of improvement in the training programme itself.

37 During these follow-up workshops, a **Panel Discussion** is also arranged which is attended by the sponsoring and nominating organisations, the representatives of the Cooperative Department and other user-organisations. The user-organisations are requested to comment upon the following points:

- Usefulness of the training received by their sponsored candidates, and usefulness to the organisation itself;
- Relevance of the project proposals prepared by their candidates;
- Main problems in not implementing the project proposals (e.g., were the projects not relevant to the organisation? Were the projects found to be too small or too large? Was funding the main constraint? Were the government and organisation policies or priorities not conducive to the realisation of the project proposals etc.);
- Were the project proposals ever discussed at a higher level after the return of their candidates e.g., at the Managing Director's level or at the Board of Directors level?
- How has the organisation made use of the skills achieved by the candidate?
- Would the organisation still like to sponsor candidates to such courses in future, and with what objectives; and

What kind of commitment (organisational or financial) the candidate is likely to receive if the project proposal conforms with the organisational policies?

38 A sample of observations made by the follow-up workshop held in Malaysia in December 1995 is given below:

- i. The user-organisations and sponsoring organisations were of the opinion that the training opportunities provided under the ICA-Japan Training Project were of great relevance. The Project has served the interests of the agricultural cooperatives in the Region by developing a sound management leadership and by providing the most appropriate information on developing and fostering value addition concept in the agro-processing sector. The Project has also, to a great extent, helped the development of appropriate human resources. Although the number of managers trained is small yet its impact on agricultural cooperatives in the Asian Region is significant;
- ii. The participants of the Follow-up Workshop as well as the user-organisations appreciated the contribution made by the Government of Japan through the ICA in inculcating among the managers the need for planning and diversifying the activities of agricultural cooperatives. It was strongly recommended by all constituents that the project should continue and a provision be made to increase the number of participants to these courses in the future;
- iii. The participants felt that it would be of real value to arrange for the orientation on training of high-level policy-makers in agricultural cooperative management so that the experiences of Japanese agricultural cooperatives are suitably and increasingly applied to the rest of the cooperative movements in Asia;
- iv. The participants were of the opinion that the ICA, with the help of the Government of Japan, provide initial funding support to the project proposals. This is considered necessary because the projects do not get immediate financial support from their organisations due to delays in securing adequate financial support from the lending agencies;
- v. The ICA should continue to monitor the progress of projects and impress upon the user-organisations to make the best possible use of the training received by their sponsored candidates;
- vi. The participants expressed their appreciation for the training opportunities given to them by the ICA and the IDACA. They recognised the importance of IDACA as a focal point for dissemination of technology and information on the management of agricultural cooperatives in Asia;

- vii. The project proposals prepared by them should be institutionalised and integrated in the total development plans of their sponsoring organisations, if these projects are to be implemented. The sponsoring organisation should provide the needed encouragement, logistic support to their candidates and help them to implement their projects. The sponsoring organisations should have the will to help their constituents by proposing, setting-up and implementing the development projects which are beneficial to them;
- viii. Projects to be prepared by the participants should not be in contradiction with policies, priorities and guidelines of governments/own organisations;
- ix. From project conception to its implementation there are a number of steps which need to be cleared e.g., overall acceptance of the project idea, obtaining the general approval of the project, allocation of the needed funding, identifying an executing agency, setting-up marketing strategies, fixing responsibilities with the primary cooperative and marketing agency etc. In order to cover these steps in a logical manner, it is necessary that the project proposal enjoys all the needed support;
- x. Lack of adequate funding. Problems in mobilising financial resources - from within and outside;
- xi. Lack of experience in implementing technical projects. Difficult to locate experts to execute small projects. Such expertise is generally not available at the primary cooperative level;
- xii. Problem of marketing becomes more apparent when the quantity of end-product is too small. Without any network support, it is difficult for a primary cooperative to compete with the private traders;
- xiii. Primary cooperatives, if prevailed upon to execute a small project, generally look for quick profits and a faster break-even point. For the local leader, it takes a lot of time to understand the mechanism of operating a production plant; and
- xiv. The participants expressed their highest appreciation for the funding provided to the ICA Project by MAFF-Government of Japan, and the collaboration extended by JA-Zenchu and the IDACA.

39 An **End-of-the-Course Evaluation** is carried out at the completion of the six-month training course. It covers the entire period of the course. The main objectives of the Evaluation are:

- to assess the level of understanding of various aspects (pertaining to agricultural cooperatives) brought to the participants;

- to assess the utility and relevance of the training programme itself; and
- to enable the ICA and the organisers to pick up ideas from the participants with a view to improve the quality of future training programmes.

40 A sample of opinions expressed and recommendations made by the participants of the 10th course are given below:

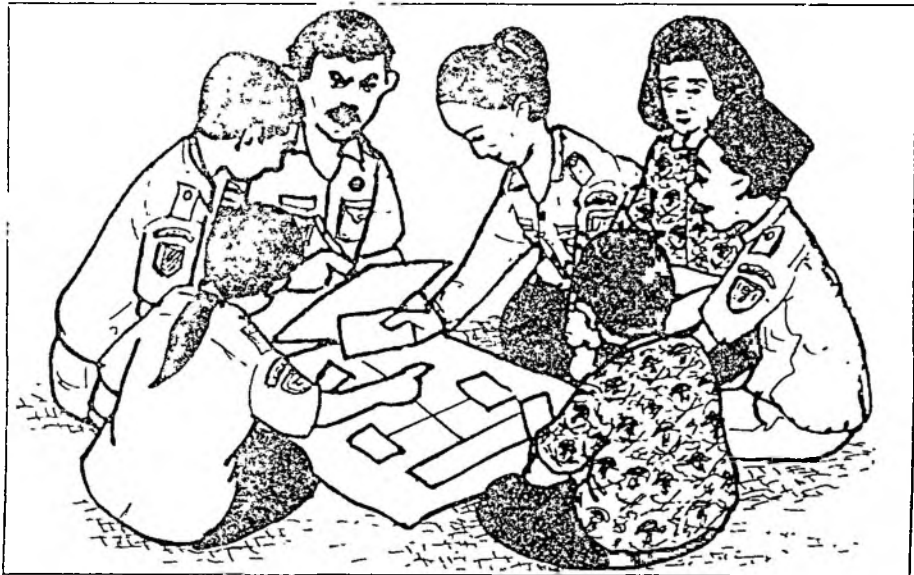
- The programme was well-designed, well-implemented, well-coordinated and adequately responded to the work environment of the target group;
- The participants benefited the most: (a) IRMA inputs were relevant and technically sound and most beneficial; (b) Observation and study of performance of agricultural cooperatives in Japan and India, especially the 'value addition through agro-processing' aspects;
- Most important training aspects experienced by the participants during the entire course. The following were mentioned in order of priority:
 - Management Techniques,
 - Value-Addition Aspects in Agro-Processing,
 - Integrated Cooperative Development Strategies,
 - Analysing a Financial Statement,
 - Preparing a Cooperative Development Project,
 - Appraising a Development Project,
 - Board-Management Relationship in a Cooperative,
 - Role of a Manager in an Agricultural Cooperative,
 - Skills in Working in Groups,
 - Respecting other's points of view.
- Sponsoring organisations to help participants in selecting project proposals and providing them with facilities and support in developing project proposals;
- The ICA and IDACA should organise consultation meetings with sponsoring organisations to foster implementation of project proposals which tend to be held up for want of financial and organisational support.

41 As a part of the reporting system, the course reports are submitted to the ICA member-organisations with a request to follow-up the work done by the participants, especially with regard to the implementation of project proposals prepared by them. Reports are also submitted to the Government of Japan - MAFF, the JA-Zenchu and the IDACA. The Project Director remains in constant touch with the former participants and ICA member-organisations through correspondence and mission visits.

42 The demand for participation in the programme is so high that at times the ICA ends up with a long waiting list. At many fora and through evaluation sessions, demands have often been

made to broaden the scope and intake of the programme, as well as its continuation for a longer period with additional funding support.

43 The project leadership considers it more appropriate to institutionalise the programme in some way as to bring in consistency and to satisfy the continuing need for training of key managers in the management of agricultural cooperatives in the Region.





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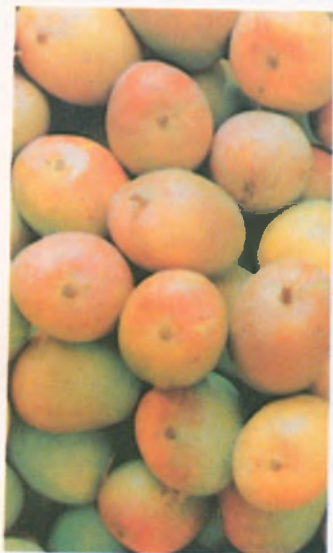
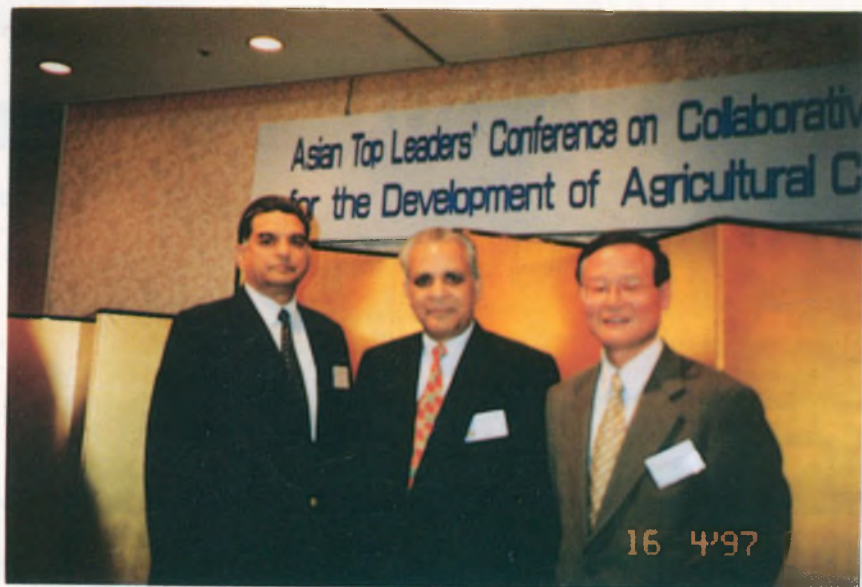
WORKING PAPER - 1

PROCESS OF EVALUATION AND MONITORING OF PROJECT PROPOSALS PREPARED BY THE PARTICIPANTS ATTENDING THE ICA-JAPAN SIX-MONTH TRAINING COURSES - Daman Prakash

01. Based on the discussions held between the International Cooperative Alliance, the JA-Zenchu and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan, a Regional Training Project for "Strengthening Management of Agricultural Cooperatives in Asia" was developed and agreed upon for implementation through the ICA. The Government of Japan came forward to provide needed funds to the ICA to implement the Project in the Region. The first training course of 6-months duration was attended by 15 participants from 9 countries of Asia and was held during 1986-87. The programme was conducted by the ICA through its Regional Office for Asia and the Pacific (ICA ROAP), New Delhi, India, and with the active collaboration of JA-ZENCHU and the IDACA. So far 10 such programmes have been successfully held which were attended by 150 participants from 13 countries of Asia. The underlying theme of the training course has been "Value addition through agro-processing". The scheme of the training course is described in Table-1.

02. Ten Courses held until June 1996 were attended by 150 participants representing 13 countries, as is shown in Table-2. As a part of the curriculum all participants are given assignments to produce development project proposals in accordance with the priorities of their own sponsoring organisations. 148 such project proposals were produced. The





current status of implementation of these projects is given in Table-3. The projects were produced on a variety of subjects, as can be seen from Table-4. It can be observed that maximum number of proposals dealt with fruits and vegetables processing and setting up of cold storages - 32 projects (22%); dairy cooperatives and livestock development - 19 projects (13%), and, paddy and paddy processing - 18 projects (12%).

03. Although preparation and appraisal of the project proposal is an integral part of the training programme, the implementation initiative rests with the sponsoring organisations. Much also depends on the resourcefulness of the participant himself as well as his position within the organisational structure. Another contributory factor is the priority and funding position of the organisation itself. It is not an obligation on the part of the participant or the sponsoring organisation to implement the project. From the training point of view it is a learning exercise. If the project is picked up by the organisation for implementation it is a credit to the training programme, its effectiveness and relevance. It is also a credit to the participant who had developed the project proposal and which has been considered viable, feasible and technically-sound.

04. The very fact that as much as 29 proposals (20%) were picked up for implementation - in fact all these projects are in full operation - goes to suggest that the proposals were technically-sound, prepared in accordance with internationally-accepted norms, and the organisations considered them fit for funding. Some of the projects have financial inputs of several million dollars.

05. Having been encouraged with the high quality of project proposals and their having been accepted for implementation, the ICA included an element of National Follow-up and Review Workshops in the training programme. Such workshops were intended to learn from the experiences of the former participants and to secure the opinions and views of the beneficiary organisations and government Cooperative Departments. Six such workshops have been conducted in : Korea (May 1993), India (Dec.1993), Sri Lanka (Dec 1993), Thailand (Jan 1994), Indonesia (Feb 1995), and Malaysia (Dec 1995). Such workshops were also attended by representatives of IDACA, JA-Zenchu, MAFF and the ICA.

06. In addition, the ICA ROAP maintains a close and active contact with the former participants and their organisations through correspondence and mission visits.

07. Of late, the monitoring and evaluation of project proposals is not so actively pursued mainly due to financial constraints at the ICA level. The institution of Follow-up and Review Workshops was considered a reasonable alternative..

08. With a view to closely monitor and evaluate the project proposals and the on-going projects, the following possibilities exist:

- The sponsoring organisations should make organisational commitment to support the project proposal by their participants when they are finally submitted to them;
- The National Follow-up and Review Workshops should form an integral part of the regular six-months training programme and the host organisations should cover all the local expenses;
- Organise at least two/three national or sub-national workshops in one country with the collaboration of the sponsoring and nominating organisations. Such workshops be attended by the donor agencies representatives of MAFF, IDACA, JA-Zenchu and the ICA;
- Special evaluation, monitoring and advisory teams be constituted by the donor agencies to undertake in-depth studies of some of the selected projects, and interact with the sponsoring organisations as to the improvement of these proposals;
- The ICA and the IDACA should document the current situation of all the project proposals and circulate it widely among the member-organisations for their information and replication, where considered desirable;
- Expand the scope and intake of the current training programme with appropriate funding support.

TABLE-1. THE SCHEME OF THE ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING COURSE - A Learning Exercise in Skills Development

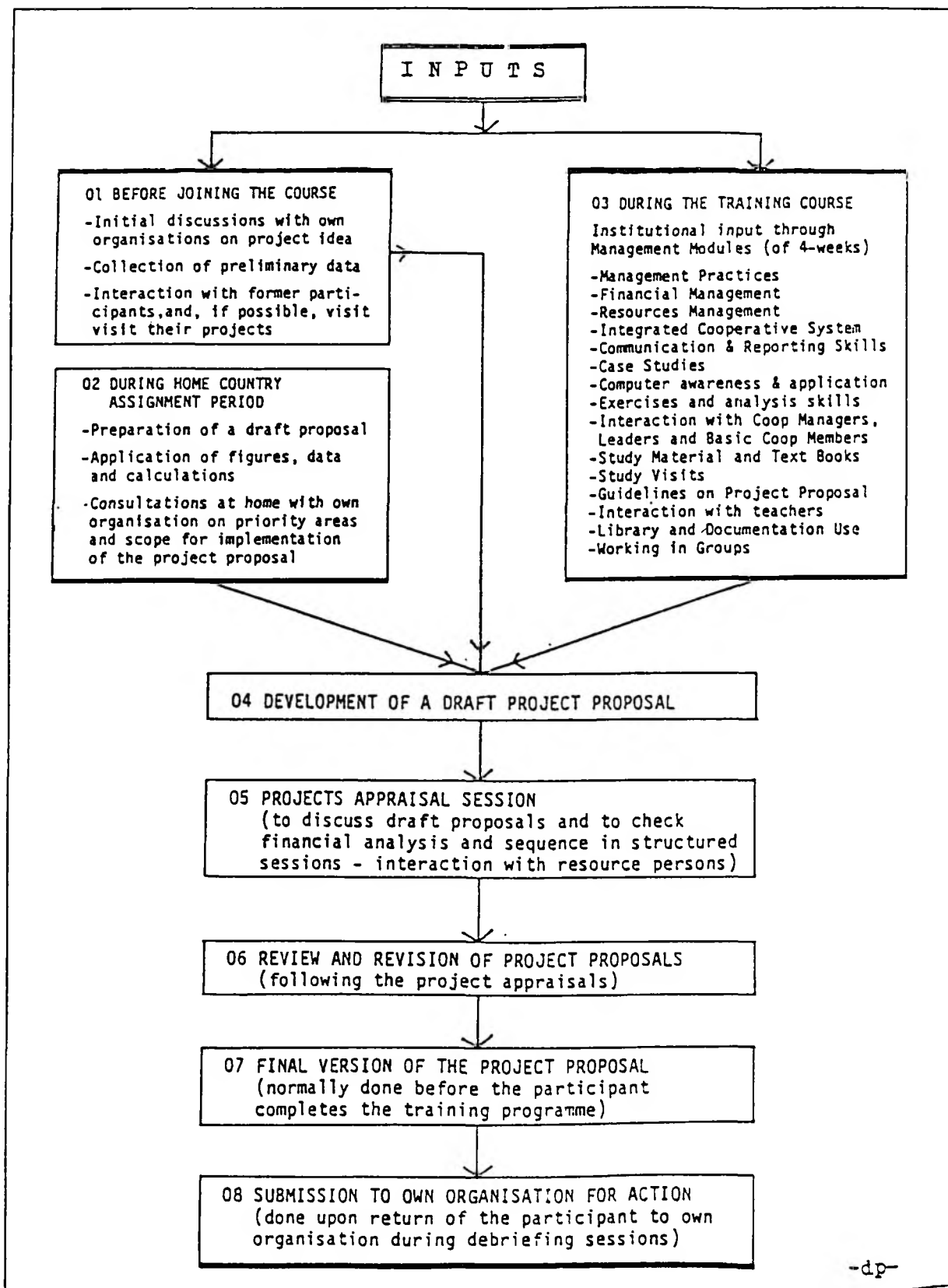


TABLE-2. CHRONOLOGY OF TRAINING COURSES HELD, NUMBER OF PARTICIPATING COUNTRIES AND THE PARTICIPANTS ATTENDING DURING COURSE 1-10

CHRONOLOGY OF ICA-JAPAN COURSES HELD DURING 1986-87 TO 1995-96

Course No.	Dates	Countries where courses held	Participating Countries
01	Nov 01 1986- May 03 1987	India, Thailand, Japan, and Rep. of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand
02	Oct.26 1987- May 10 1988	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand.
03	Oct 24 1988- May 07 1989	India, Thailand, Japan, and Peoples Rep. of China	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand
04	Oct 23 1989- May 10 1990	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, and Thailand.
05	Oct 22 1990- May 10 1991	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand.
06	Oct 21 1991- May 10 1992	India, Thailand, Japan and Peoples Rep. of China	Bangladesh, China, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
07	Nov 09 1992- May 08-1993	India, Thailand, Japan and Rep. of Korea	Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
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.
09	Oct 17 1994- Apr 22 1995	India, Indonesia and Japan	Bangladesh, India, Indonesia, Korea, Myanmar, Philippines, and Vietnam.
10	Oct 18 1995- Apr 20 1996	India, Malaysia and Japan	Bangladesh, China, India, Indonesia, Korea, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
Total Number of Attending Participants			150
Total Number of Training Courses Held			10
Total Number of Countries Covered under the Project			13

Countrywise Participation in ICA/Japan Management Training Courses held during 1986-87 to 1995-96

COUNTRY	1986-87 JCT 1	1987-88 JCT 2	1988-89 JCT 3	1989-90 JCT 4	1990-91 JCT 5	1991-92 JCT 6	1992-93 JCT 7	1993-94 JCT 8	1994-95 JCT 9	1995-96 JCT 10	Total
Bangladesh	1	1	1	1	1	1	1	1	1	1	10
China	2	2	2	2	2	2	-	-	-	1	13
India	3	3	2	2	2	2	3	2	3	2	24
Indonesia	1	2	-	-	-	1	1	2	3	1	11
Iran	-	-	-	-	-	1	1	1	-	-	3
Korea, Rep. of	2	2	2	2	2	2	2	2	2	2	20
Malaysia	1	1	1	2	1	1	1	1	-	1	10
Myanmar	-	-	-	-	-	-	-	1	2	1	4
Pakistan	-	-	1	1	1	1	1	1	-	1	7
Philippines	2	1	2	2	2	1	1	-	2	1	14
Sri Lanka	1	1	2	1	2	1	2	2	-	2	14
Thailand	2	2	2	2	2	1	1	1	-	1	14
Vietnam	-	-	-	-	-	1	1	1	2	1	6
TOTAL	15	15	15	15	15	15	15	15	15	15	150

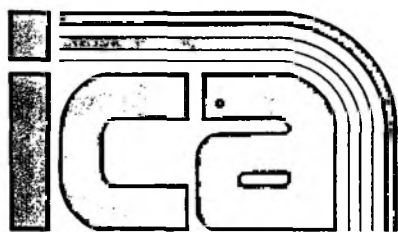
TABLE-3. COUNTRYWISE STATUS OF IMPLEMENTATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY THE PARTICIPANTS (COURSE 1-10)

Country (No. of Participants)	Fully Imple- mented	Partially Imple- mented	Under Consi- deration	Projects Abandoned
01 Bangladesh (09)	01	-	08	-
02 China (13)	05	-	07	01
03 India (24)	04	04	11	05
04 Indonesia (11)	03	02	04	02
05 Iran (03)	-	-	03	-
06 Korea (20)	04	02	12	02
07 Malaysia (10)	03	01	05	01
08 Myanmar (04)	01	-	03	-
09 Pakistan (07)	-	-	04	03
10 Philippines (13)	01	01	04	07
11 Sri Lanka (14)	05	03	03	03
12 Thailand (14)	02	04	03	05
13 Vietnam (06)	-	-	06	-
Total (148)	29	17	73	29

Note: A total of 150 participants had attended the 10 courses. Two participants - one from Bangladesh and one from the Philippines - could not produce their development project proposals.

TABLE-4. SUBJECTWISE CLASSIFICATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY THE PARTICIPANTS (COURSE 1-10)

Sr No.	Subject Areas Covered	No. of Proposals
01	Animal Feed Mills	09
02	Cassava Processing	01
03	Coconut/Coconut Husk Processing	05
04	Corn Production	01
05	Cotton Production and Processing	02
06	Dairy and Livestock Development	19
07	Duck/Poultry Raising and Processing	06
08	Farm Products (organic farming)	01
09	Fertiliser Application/Distribution	03
10	Fisheries	06
11	Flower Marketing	01
12	Food Products	05
13	Forestry	02
14	Fruits, Vegetable and Cold Storage	32
15	Handicrafts	01
16	Hog Raising and Meat Production	02
17	Integrated Rural/Cooperative Development	07
18	Jute Processing	01
19	Monitoring and Evaluation System for Cooperatives	01
20	Oilseeds Processing	02
21	Pepper Processing	03
22	Rice/Paddy Processing	18
23	Rubber/Rubber-wood Processing/Nurseries	06
24	Rush Mat	01
25	Seed Production/Multiplication	02
26	Sericulture	02
27	Sheep and Wool Development	02
28	Soybeans Processing	02
29	Strawboard Production	01
30	Sugarcane Production/Processing	01
31	Tobacco Processing	01
32	Wholesale Distribution	01
	Total	148
	Total Number of Training Courses Held	10
	Total Number of Participants	150
	Total Number of Proposals Produced	148



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WORKING PAPER - 2

SECURING ORGANISATIONAL COMMITMENT FOR THE IMPLEMENTATION OF PROJECT PROPOSALS PREPARED BY THE PARTICIPANTS WITH SPECIAL REFERENCE TO: i) INDIVIDUAL COUNTRIES; ii) THE REGION AS A WHOLE; AND iii) THE COLLABORATING ORGANISATIONS e.g., THE MAFF, JA-ZENCHU, IDACA AND THE ICA

01. The ICA/Japan Agricultural Cooperative Management Training Course has now entered its eleventh year. With the completion of the 11th course, in April 1997, the total number of managers trained under the project would be 165. The ten courses had produced 148 development proposals, several of which have been implemented because of their technical standards and viability. Maximum number of project proposals dealt with fruits, vegetables and setting-up of cold storages - 32 projects (22%); dairy cooperatives and livestock development - 19 projects (13%); and paddy and paddy processing - 18 projects (12%). 29 projects (20%) have been implemented, 17 projects (11.4%) have been partially implemented, and 73 projects (49.3%) are still under consideration. 29 projects (20%) have been abandoned mainly due to non-availability of organisational support and lack of financial resources and other reasons.

02. Implementation ratio of 20% is highly encouraging in view of the fact that these proposals were not prepared by professionals but by the students, and still they were considered fit for implementation. During the process of evaluation and monitoring through National Follow-up and Review Workshops and correspondence it has been observed that the principle of "organisational commitment" was the main prime-mover. The subjects

were in conformity with the objectives and priorities of sponsoring organisations.

03. In view of the above, it is necessary that organisational commitment should be the main foundation of the proposal. It is, of course, difficult and too premature for the sponsoring organisation to provide such a commitment at the time of the nomination of the participant. This organisational commitment should be secured when the participants return to their home countries for their Home Country Assignments. It is at that time that the participants should be provided with all the required facilities, freedom and access to information source, opportunities to meet with former participants and field work for the preparation of their project proposals. The project ideas should be considered and commented upon by the senior level officials/board of directors before the participants return to the course with their proposals for appraisals. With the commitment and confidence of their organisations with them, the participants can review/revise their proposals in the light of the appraisal comments.

04. In the light of the above discussion, several possibilities exist. These can be:

- i) The participants should carry with them a commitment from their parent organisations to implement the project when they return home after completion of their training. This commitment should reflect in the preface attached to their project proposals;
- ii) The current project could be reformulated in such a way that it encompasses the critical areas of the Region as a whole. The project could monitor, evaluate, assist in the reformulation of the project proposal and support, by way of funds, wherever needed; at least to some of the selected projects;
- iii) The advice and comments of the ICA Regional Agricultural Committee be solicited on the design and implementation strategies of the project proposals to ensure commitment of sponsoring organisations.
- iv) The collaborating organisations e.g. the MAFF, the JA-ZENCHU, IDACA, and the ICA should enhance their financial and technical contributions to the main project.



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ICA/JA-ZENCHU/IDACA TOP LEADERS' CONFERENCE ON "COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN ASIA-PACIFIC" TOKYO, JAPAN. APRIL 14-19 1997

WORKING PAPER-3

PROCESS OF REVIEW OF TRAINING AND DEVELOPMENT PROGRAMMES OF THE IDACA WITH A VIEW TO IMPROVE THEIR QUALITY; AND IDENTIFICATION OF STRATEGIES FOR THE PROMOTION OF AGRICULTURAL COOPERATIVES IN THE ASIAN REGION

The IDACA - Its Historical Development

01. 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 the support of the Government of Japan. The Institute, established on the basis of recommendations of the First Asian Agricultural Cooperative Conference held in Tokyo in April 1962, imparts training to overseas agricultural cooperators as part of its international cooperative projects and has assumed the role of a survey and research organisation.

02. Since its establishment, the IDACA has trained more than 3,500 participants from different countries of Asia, Africa, Latin America and East European Countries. It has active collaborative arrangements on technical assistance programmes with a number of international organisations e.g. the ICA, the AARRO, IFAP, APO, ILO, FAO etc.

03. The IDACA aims at providing opportunities for the participants to acquaint themselves with the working and experiences of Japanese agricultural cooperatives rather than to follow academic and theoretical studies. Most of the resource persons are invited from among the experts of national and primary agricultural cooperative organisations to handle a variety of topics. It also organises study visits for the participants to different agricultural cooperatives.

Facilities and Infrastructure at IDACA:

04. The IDACA has well-equipped class-room and rooms for group work. All audio-visual facilities, library and communication facilities are available. Accommodation with complete kitchen facilities for 25 persons is available.

05. All IDACA programmes are approved by its Board of Directors and further commented upon and reviewed at the ICA Regional Assembly and Executive Council meetings.

06. The IDACA organises about ten training courses a year on different themes lasting from two weeks to two months. These are broadly classified into three categories. The first category comprises those organised in collaboration with the international organisations such as the ICA, AARRO etc. The second category includes those commissioned by the Government of Japan aid institutions e.g. the JICA- Japan International Cooperation Agency or those organised with the subsidy from the Government. The third category is those arranged according to the bilateral agreements between the JA-Zenchu and agricultural cooperative organisations in other countries. It also holds yearly IDACA ReUnion Programmes in various countries with a view to assess the impact of IDACA training and to renew contacts with the former participants. The ReUnion also helps improve the contents of future programmes.

A Sample of Training Programmes Held

07. On the basis of the achievements during the last 33 years, the IDACA has implemented "a Five Year Promotion Plan" since 1995. The emphasis of the Plan is laid on strengthening of training programmes in a qualitative and quantitative manner and initiation of cooperative development projects relevant to survey/research functions under the support of

JICA and other development agencies. The Plan also aims to vitalise Asian Agricultural Cooperative Information Network System through contributions of former/present participants.

Given below is an illustration of the training programmes offered by the IDACA during the year 1996-97 and planned for 1997-98.

IDACA 1996-97 Programme (Implemented):

- Agricultural Cooperatives Training Course for 20 middle-level government officials - International (JICA/Colombo Plan funded programme).-
- Agricultural Cooperatives Training Course for 5 government officials from Thailand (ILO funded programme).
- Agricultural Cooperatives Training Course for 11 officials of Agricultural Cooperatives from Thailand (ILO funded programme).
- Agricultural Cooperatives Training Course for Selected Countries - 13 (Myanmar -5, Vietnam -8) Cooperative leaders and government officials (MAFF funded programme).
- Training Course for ten Chinese government officials (JICA funded programme).
- Middle-level Agricultural Cooperatives Technicians Course for 5 Chinese government officials (Japan-China Cooperation Foundation funded programme)
- Farm Guidance Seminar for 9 government/movement participants from the Philippines, India and Sri Lanka. (MAFF funded programme).
- Women Leaders of Agricultural Cooperatives Conference - 30 participants International (ICA/JAZenChu/IDACA/AARRO joint programme).

- Rural Women Leaders of Agricultural Cooperatives Training Course - 6 participants from three countries - Indonesia, Pakistan and Malaysia (ICA/MAFF funded programme)
- Special Training Course in Agricultural Cooperatives for 20 cooperators from Republic of Korea (NACF/JA-ZENCHU joint programme).
- Strengthening Management of Agricultural Cooperatives in Asia - 15 participants - international (ICA/MAFF funded programme).
- Asian Top Leaders Conference on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia - 30 participants International (ICA/ JA-ZENCHU/IDACA funded programme.)
- IDACA Reunion Programme in the Philippines (IDACA funded programme).

IDACA 1997-98 Programme (Planned)

- Agricultural Cooperative Training Course for 20 middle-level government officials - International (JICA/Colombo Plan funded programme).
- Agricultural Cooperatives Training/Orientation Course for 20 Indonesian cooperators (MAFF funded programme).
- Training Course for 10 government officials from China (JICA funded programme).
- Agricultural Cooperative Training Course for Selected Countries - 13 participants (MAFF funded programme).
- Rural Women Leaders of Agricultural Cooperatives in Asia - training course for 6 participants from 3 countries (ICA/MAFF funded programme).
- Training Course for 5 middle-level Chinese government officials (Japan -China Cooperation Foundation funded programme).

- Regional Training Course on Agricultural Cooperatives 16 persons- International (ICA/JA Zenchu/IDACA Joint Programme).
- Farm Guidance in Agricultural Cooperatives Seminar for nine persons from government/movements from three countries. (MAFF funded programme).
- Orientation Course in Agricultural Cooperatives for 20 officials from the Republic of Korea (NACF/JA ZENCHU joint programme).
- Strengthening Management of Agricultural Cooperatives in Asia Training Course- 15 participants - International (ICA/MAFF funded programme).
- Asian Top Leaders Conference on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia - 30 participants - International (ICA/JA ZENCHU/IDACA funded programme).
- IDACA Re-Union Programme (IDACA funded programme).

08. The IDACA also hosts several international meetings. The Managing Director and other staff participate in international events in the Region organised by the ICA, AARRO, and others. It also provides orientation and technical literature to Japanese experts who are despatched to work abroad under various technical assistance programmes.

09. The IDACA maintains contacts with the former participants through regular correspondence, newsletters and Re-Union Programmes.

New Concepts Adopted:

10. The following are some of the newly added concepts which have been adopted for implementation in line with the Five Year IDACA Promotion Plan:

- Emphasis to be laid more on result-oriented approach to organise follow-up and evaluation conferences more frequently.

- Training programmes to be combined with lecture/study visits, free exchange of views, debates, case studies, exercises, overseas training etc.
- Training programmes of shorter duration for chief executives and for former participants as a follow-up of activities.
- Selection procedures for participants by the nominating organisations to be re-examined with emphasis on careful screening of participants and increased participation of women candidates.
- Efforts to be made to secure resource persons with some knowledge and information on participants countries and proficiency in English language for direct communication with participants.
- To support the sponsoring organisations to strengthen their existing contacts with former participants for general communication as well as follow-up through reinforced information network system.
- Keeping in view the demand from various countries to learn more about the successes and experiences of the Japanese Agricultural Cooperatives, it is envisaged to improve the present physical and operational facilities including secretariat, library and documentation services, accommodation, strengthening of financial resources.

11. The IDACA, however, hopes that its contacts with the Movements and governments as well as with the collaborating agencies will expand further to disseminate information widely on Japanese Agricultural Cooperative experiences.

CHINA :
COUNTRY BACKGROUND STATUS PAPER

Presented by Mr Bi Meijia, Director, Department of Economic Development, All-China Federation of Supply and Marketing Cooperatives, Beijing. China.

During the last decade, a total of thirteen students from China have participated in the ICA Japan Training Courses. All of them except four working abroad, devote themselves, to their original cooperative organisations, but with great changes in their positions. Most of them have been promoted and have become the backbones of their cooperatives, while some have got important posts.

The name list is as follows:

1. Mrs Liu Xinzheng, in Britain.
2. Ms He Lanchai, in America
3. Mr Shi Yuejin, in America
4. Ms Liu Quan, in Australia
5. Mr Guan Aiguo, Section Chief, International Cooperation Department, All-China Federation of Supply and Marketing Cooperatives.
6. Mr Bi Meijia, Director, Economic Development Department, All-China Federation of Supply and Marketing Cooperatives.
7. Mr Gao Jihai, Dept Manager, Foreign Trade Co., Shandong Federation of Supply and Marketing Cooperatives.
8. Mr Jia Minsheng, General Manager, China Cooperative International Tour, All-China Federation of Supply and Marketing Cooperatives.
9. Mr Yang Baoguo, Dept Manager, Foreign Trade Company, Shanghai Federation of Supply and Marketing Cooperatives.
10. Mr Rong Jun, Section Chief, International Cooperation Dept., All-China Federation of Supply and Marketing Cooperatives.
11. Mr Huang Yadong, Manager, Foreign Trade Company, Hubei Federation of Supply and Marketing Cooperatives.
12. Mr Zhang Guanglun, Dy Section Chief, Foreign Trade Dept., Shaanxi Federation of Supply and Marketing Cooperatives.

13. Mr Liu Hui, Dy Section Chief, International Coopn. Dept., All-China Federation of Supply and Marketing Cooperatives.

The thirteen participants took responsibility of operating 13 agricultural production processing programmes, 80% of which run well. While the duck-raising project by Mr Guan has ceased because of grand production volume and low price of duck's down following the fast development of duck-raising, which brings with high cost of artificial removal. The duck-raising programme of Mr Jia also failed since the enterprise had got big loss due to bad management.

The Sanhe county integrated chickens breeding farm project engaged by Ms He Lanchai, Hebei Mancheng city, strawberry processing project by Mr Bi Meijia, cattle-breeding, fattening and slaughtering project by Mr Liu Hui and cold storage for farm products by Mr Gao Jihad go well until now. For instance, the Sanhe county integrated chicken breeding farm project developed very well that it provides a series services to farmers including chickens, feed, pesticide, processing and marketing. The annual benefit of the enterprise is over three million RMB yuan.

While the output value of strawberry processing project last year is more than five million RMB yuan, with profit exceeding one million. On the basis of this project, they have cooperated with a provincial company to produce a strawberry drink with good prospect.

There are three main common problems in the students' projects as follows:

- a. Lack of funds,
- b. Low level management,
- c. Bad sale of products due to serious competition in the market.

The appreciation from All-China Federation of Supply and Marketing Cooperatives

The ten training courses held by the ICA in collaboration with Japan have got very good effect, which have made 150 students trained. All the people know that China is in the time of transition from planning economy to social market economy, which brings with it crucial competition. The nature of competition on earth is the competition of talents. The cooperatives must pay much attention to foster talents in order to improve themselves. Most of the 13 students except a few abroad, have become the backbones of their cooperative institutions owing to the ICA-Japan Training Courses.

The ACFSMC makes a call for cooperation between the ICA and the Japanese Government to hold the training courses continuously although we have some recommendations here: shortening the training course period to one or two months and three to four times a year with 15-20 trainees each time.

The role of the Supply and Marketing Company in the Fresh Produce Sector



During his visit to Japan, Dr Robby Tulus, ICA Regional Director, called on Mr Mutsutami Harada, President of JA-Zenchu. On left is Mr Daman Prakash, Project Director

The main problems confronted by the Chinese Supply and Marketing Cooperatives and Countermeasures

Now a days China is going forward to social market economy. The existing problems are 'production at random, confused negotiation and backward service'. The farmers have no knowledge what to sell well, uncomplicated market system, the deal is out of order, some services especially information, financial and processing services cannot meet the needs of production.

Therefore, Chinese SMCs are making efforts in the works as follows:

- a. Improving information service: the whole country cooperative information network is being established.
 - b. Strengthening the training for cooperative members and employees.
 - c. Greatly developing agricultural production processing industry. It is good means to enhancing cooperatives' economic power as well as help farmers sell and sell well. We call it 'locomotive project'. It is proved by the practice in China that a country will get good fortune to the farmers as long as developing several 'locomotive projects' and the cooperatives themselves will be greatly developed. The Chinese government has also given a lot of support on policy especially on funds.
 - d. Developing gradually a great number of agricultural wholesale markets and stores in large and medium-sized cities, improving cooperative service to agriculture and erecting new cooperative identity.
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INDONESIA :
COUNTRY BACKGROUND STATUS PAPER

Presented by Mr Rozak Mirza Astira, Secretary, Research and Business Development Bureau, Union of Indonesia Dairy Cooperatives-GKSI, Jakarta, Indonesia

Indonesian Co-operatives through The Indonesian Co-operative Council (DEKOPIN) has been participated on the ICA/Japan Management Training Courses since 1986/1987. First participant from Indonesia chosen by DEKOPIN was Mr. Samsul Arif from Village Unit Co-operative (KUD/ Rice Coop) in West Java Province. Until 1995/1996 DEKOPIN has already sent 11 participants, which was 1 participant from Rice Co-op, 9 from dairy co-ops and 1 from fishery co-op.

Gabungan Koperasi Susu Indonesia / GKSI (The Union of Indonesian Dairy Co-operatives) has firstly been participated in the training course since 1987/1988 by sending 2 participants. DEKOPIN had no participants to send on the 1988/1989 - 1990/1991 training course. Then since 1991/1992 until 1995/1996 GKSI and dairy co-operatives has been continuously sent 7 participants.

The program has been successfully improved the visions, knowledge and management skills of all GKSI and dairy coops' staffs who participated in the management training courses. However, in the implementation of project proposals, there were still some difficulties faced by both the organization and the participant concerned.

II. GKSI PARTICIPATION ON THE ICA/ JAPAN MANAGEMENT TRAINING COURSE.

A. THE OBJECTIVE.

As the secondary dairy co-operatives, national level, GKSI has the task to provide better services to the members (Village Unit Co-ops and Primary Dairy Coops).

There are 207 KUD / Dairy coops, members of GKSI which have the rights to receive GKSI services. It is very difficult for GKSI to do the task without having enough staffs / professionals with better knowledge and skills. Therefore, one of the important policy of GKSI is the improvement of knowledge and skills of GKSI human resources.

The Management training courses which is carried out by ICA/ IDACA where GKSI/ Dairy Cooperatives can participate is a great help for our organization in improving our human resources capabilities. Most of GKSI staffs and KUD/ Primary dairy coops' staffs of ICA/IDACA training alumni are now hold better position in the GKSI / Dairy Coops' organizational structure.

B. LIST OF PARTICIPANTS.

There were 9 GKSI / Dairy co-ops' participants has already trained on the ICA/IDACA Management training courses between 1987/1988 - 1995/1996 which is listed below:

Name	Adress	Current Position
Ir. Yoyok Sunaryo (1987/1988)	Jl. Cendana Desa Winong Boyolali 57315.	First Chairman GKSI
Ir. Maharsi Adi Sucipto, MBA. (1987/1988)	Jl. Lebak sari Tromolpos 13 Pandaan 67156.	General Manager GKSI East Java.
Ir. Johny D. Priyana. (1991/1992)	Jl. Prof. Supomo, SH No. 178, Jakarta 12870.	GKSI Secretary of Managing Director
Ir. Ahmad Kosasih. (1992/1993)	Jl. Prof. Supomo, SH No. 178, Jakarta 12870.	GKSI Operational Director.
Ir. Iskandar Mukhlas. (1993/1994)	Jl. Rumahsakit Gedebage No 128, Ujungberung, Bandung 40601.	Manager GKSI Milk Plant West Java.
Ir. Tanoyo Adi, MBA. (1993/1994)	Jl. Pasar Baru No. 38 Nongkojajar, Pasuruan 67165	General Manager of Setiakawan Coop, Nongkojajar East java.
Drs Ayi Suhendi. (1994/1995)	Kompleks Pasar Raya Panorama, Lembang, Bandung.	General Manager KPSBU Coop, Lembang, West Java
Drh Ryaş Dyah Tri Silvana. (1994/1995)	Jl. Semambung 17, Grati, Pasuruan 67184.	3rd chairperson of Sukamakmur Coop, Grati, East Java.
Drh Andy Satyana. (1995/1996)	Jl. Pasar Baru No. 38 Nongkojajar, Pasuruan 67165.	Production Manager of Setia Kawan Coop, Nongkojajar, East Java.

III. PROJECT PROPOSALS, RESULTS / ACHIEVEMENT.

A.1. Ir. YOYOK SUNARYO (1987/1988):

Project Title:

Feedlot Fattening of Friesian Holstein Calf.

Nature of the project:

Supply of feedlot, grass and marketing of cows.

Project Location:

Cepogo Co-operatives, Boyolali, Central Java.

Financial Outlay:

IDR 74.35 Million, Payback period 5 years, IRR 26.95 %

Current Status:

This fattening project is being implemented with the volume of business average 240 head per year. Currently KUD Cepogo, Boyolali Kota and Wargamulya have just also developed heifer calve rearing business with the volume of business about 60 head of heivers per year/KUD.

A.2. Ir. MAHARSI ADI SUCIPTO (1987/1988):

Project Title:

Feed Mill Plant.

Nature of the project:

Establishment of Feed Mill for dairy farmers.

Project Location:

Setia Kawan Cooperative, Nongkojajar, East Java.

Financial Outlay:

IDR 1,159,093,000,-, Loan IDR 868 Million, interest rate 16% p.a. payback period 5 years, IRR 18,79 %

Current Status:

The project was completely implemented 1989 - 1996 with sales average 12,000 ton/year resulting an average profit around IDR 65 Million per year. The loan has paid up in November 1996. Starting this year, it is planned that the plant will install facilities for pelleting.

A.3. Ir. JOHNY D. PRILYANA (1991/1992):

Project Title:

Feed Mill Plant

Nature of the project:

Establishment of a modern feed mill plant, and expand capacity.

Project Location:

Sukabumi, West Java.

Financial Outlay:

IDR 403,500,000.-, Loan IDR 400 Mlillion, payback period 9 years, IRR 24.29 %

Current Status:

The project was implemented together by GKSI and KUD in Sukabumi. It was run on a pilot basis. Due to the change of policy in GKSI, then GKSI allowed the KUD to run the business on its own started on mid 1995.

The KUD then run the business on their own and the performance is quite good. However, the business scale is not increased according to the proposal due to the lack of financial support.

A.4. Ir. AHMAD KOSASIH (1992/1993):

Project Title:

Feed Mill in Ciwidey District.

Nature of the project:

Production of quality feed concentrate and marketing.

Project Location:

KUD Tani Mukti, Ciwidey, West Java.

Financial Outlay:

IDR 963,292,000.-, Loan IDR 928 Million, Payback period 10 years, IRR 14.12 %

Current Status:

Since the participant was promoted to GKSI Head Quarter in 1993, there was no body took place to implement the project. However the idea of having a feed mill plant is not dropped. Adjustment to the current situation is needed.

A.5. Ir. ISKANDAR MUKHLAS (1993/1994):

Project Title:

Integrated Dairy farming Business Activities.

Nature of the project:

Increasing the size of dairy farm.

Project Location:

KUD Tani Mukti, Ciwidey, West Java.

Financial Outlay:

IDR 182 Million, Loan IDR 157 million, payback period 3.67 years, IRR 26 %

Current Status:

The project was implemented during 1994 - 1995 in a small scale basis. Due to the lack of financial support and also there was a change in the organizational structure, where the persons incharge of the pilot project was changed their position, then the pilot was not continued. The cattle then shifted to the farmers.

However, the idea of the integrated dairy farming was adopted by the KUD's Board of Director and it was implemented by several big farmers in the area on their own limited funding support.

The location is very good for implementing the project in future. But, It takes time to solve financial and human resources problems in the field.

A.6. Ir. TANOYO ADI, MBA (1993/1994):

Project Title:

Raising Cattle Breeding Business Scale.

Nature of the project:

Cattle raising and Breeding.

Project Location:

Setia Kawan Coop, Nongkojajar, East Java.

Financial Outlay:

IDR 6 Billion. Loan IDR 5.4 Billion, payback period 3.21 years, IRR 28 %

Current Status:

The project has been adopted and adjusted by Setia Kawan Coop, Nongkojajar and has been implemented. The loan has been provided from Bank BNI East Java amounting IDR 5.4 billion for purchasing about 1,800 head of imported pregnant dairy heifers in 2 shipment (1994 / 1995) The last shipment was in November 1995. GKSI played key role in the importation process.

The cattle have been provided to the selected farmers to increase their cattle ownership from 3 - 6 head in a credit scheme which is scheduled for 5 years pay back period.

A.7. Drs. AYI SUHENDI (1994/1995):**Project Title:**

Dairy Cattle Pilot Project.

Nature of the project:

Integrated dairy cow business by increasing size of dairy farms, increase in milk yield and income.

Project Location:

Kawasan Industri Peternak (Kinak) KPSBU, Lembang, Bandung, West Java.

Financial Outlay:

IDR 33 Million, Loan IDR 30 Million, payback period 8 years, IRR 25.2 %

Current Status:

The Board of Director of KPSBU Coop. has made a strategic decision in 1996 to establish a Kawasan Usaha Peternakan / Kinak or dairy farming estate.

The participant developed the plan for the Coop's IDR 23 Billion Project. There are 2 Banks has given commitments for funding the project. The project is still waiting for the approval of the District Government authority. It is hoped that project will be implemented in this year.

Kinak is an integrated dairy farming estate where about 400 farmers with 4,000 head dairy cattle are placed in area of 200 Hectare land planted with grass, facilitated with housing for the farmers, infrastructure, equipment for farming dairy activities, Coop's services center i.e milk collecting, feed processing and supplies, etc.

A.8. Drh. RYAS DYAH TRI SILVANA (1994/1995):

Project Title:

Increase in dairy cow scale of business.

Nature of the project:

Increase the income of the farmers through increasing milk production by increasing the ownership of dairy cattle.

Project Location:

Suka Makmur Cooperative, Grati, Pasuruan, East Java.

Financial Outlay:

IDR 5,750,000,000.- Loan IDR 4 Billion, pay back period 4 years, IRR 26.7 %

Current Status:

The proposal has not been implemented yet. Although in principle, the Board has already agree with the idea, it's still difficult to fund the project.

A.9. Drh. ANDY SATYANA (1995/1996):

Project Title:

Village Breeding of Dairy Cows for small holder dairy farmers.

Nature of the project:

Developing village breeding of better dairy cows to increase productivity of dairy cattle, extension and marketing.

Project Location:

Setia Kawan Coop, Nongkojajar, East Java.

Financial Outlay:

IDR 22 Million, Loan IDR 22 million, payback period 1 year, IRR 210.24 %

Current Status:

The project is implemented, attached to the Coops' business activities.

B. SUMMARY OF ACHIEVEMENT:

From the individual results described above, it can be summerize below:

NAME OF PARTICIPANT	STATUS	REMARKS
Ir. Yoyok Sunaryo	Implemented	Well and developed.
Ir. Maharsi A. Sucipto	Implemented	Well and will be developed.
Ir. Johny D. Prilyana	Implemented, partly	Stopped, continued by KUD.
Ir. Ahmad Kosasih	Not implemented	Idea still on.
Ir. Iskandar Mukhlas	Implemented, Partly	Stopped.
Ir. Tanoyo Adi, MBA.	Implemented	On going project, adjusted and become part of Coop's business.
Drs. Ayi Suhendi	Being Processed	Revised by Coops, become IDR 23 Billion Project.
Drh. Ryas D.T.Silvana	Being Processed	Awaiting for fund.
Drh. Andy Satyana	Implemented	On going project, adjusted and become part of Coop's business.

From the 9 proposals produced by GKSI / Dairy coops there are:

- 2 project proposals were implemented.
- 2 project proposals were implemented with some adjustment.
- 2 project proposals were firstly implemented and then stopped.
- 1 project proposal was revised to meet the needs of Coop, being processed for implementation.
- 1 project proposal is being processed.
- 1 project proposal is not implemented.

The other 2 proposals were not implemented, which were prepared by:

1. Mr. Samsul Arif : Integrated Paddy Processing Project of IDR 529.5 million in Karawang, West Java.
2. Ms. Marleen E. Dien : Sidat Fish Production in Klaten Project of IDR 797 Million in Central Java.

IV. LESSONS LEARNT FROM PROJECT IMPLEMENTATION.

From the experience of GKSI / Dairy Co-operatives in Indonesia, there are some lessons that can be learnt:

1. The proposals produced by all participants have already reflected the needs of improvement. The participants have very sharply pointed out some of the problems arised in the field and converted into project proposals. It means that the theory / materials / topics of the course given to the participants has been succesfully adopted and applicable.
2. The implemented proposals in fact need:
 - a. Strong Coops which have better enviroentment for project implementation.
 - b. Better relationship of Coops to the financial institution i.e. Bank, and closer relationship with related Government institution concerned i.e. Departement of Cooperatives, Directorate General Livestock Services.
 - c. Better supportive Board of Directors and Management Team: And the participant is part of the management team who is take part in the decision making process.
 - d. The program choosen was in line with the coop's program / planning which the program proposed sit on the higher lists of coop's priorities.
3. There were also programs which are needed reorientation and adjustment to match with the current situation before the project were implemented.
4. The programs which was not implemented are mainly because:
 - a. Lack of financial support, both from the organization or from the financial institution. The performance of the respective cooperative is not so good.

The business of the coop is usually run by a limited capital, while loan from bank is difficult to get due to the limited skills and capabilities of coop's human resources i.e. the Board of Directors and the Management.

- b. The proposal may be feasible, but it maybe not bankable. Collateral that owned by coop is not enough for a loan guarrantee.
- c. Moreover, higher interest rate applied in Indonesia is not favourable for the risky business (Agribusiness in Indonesia is still concerned by financial institution as risky business). Commercial interest rate now is around 20 % per annum. Special credit loan from Central Bank is 16 % per annum.
- d. The proposal was not lied in the prioritized coop's programs. The time and condition was not suitable for the implementation of project due to the lack of support from the coop's human resources.

There are too many problems faced by the coop. In the situation where the fund is limited, the coop may think that there was nothing wrong with the current business which is carried out in a small volume and no need to increase the volume. Instead, it is better if the fund is used for other prioritized activities.

- i. The programs which were partly implemented mainly because:
 - a. The change of organizational policy, i.e. Project implemented in Sukabumi and Ciwidey/ Lembang, both in West Java.
 - b. The position of the person incharge in the project was changed.
 - c. However, eventhough the activities of the project has stopped, the idea was adopted / implemented by the coop in a different way depends on their own creativity and their own ability and limited amount of capital.
- . In addition, the program which is not implemented or partly implemented as mentioned above is also because the proposal is made in a hurry situation (limited time). The participant were not prepared very well. There were not enough time to discuss more detailed about the project with the decision maker concerned.

7. However, above all of the lessons mentioned earlier. It is the fact that the ICA/ IDACA Management Training courses has already made some improvement on the skills and knowledge of the participants. Right now, some of the participants hold better position in the organization.

V. FUTURE IMPROVEMENT.

Free trade era is in front of us. Competition amongst business enterprises in a country and between one country to the others in a global scope will happen soon and It can not be avoided. All of the world's economic sector will be influenced by this situation. The company / business enterprise which is defeated in the competition will have no chance to grow or even will slowly go bankrupt. Co-operatives is one of business organization, that would be affected by the free trade era.

Most of the co-operative movements in developing countries, i.e. Indonesia are treated specially by the Government, due to the condition that needs Government's supports. Also, we know that the quality of human resources in the co-operatives are relatively low. With all the weaknesses, it is impossible for the co-operatives to enter the global market competition. Meanwhile, in the developed countries where the co-operatives has become bigger and stronger, it is easy for them to enter the global market competition.

Some of commodities produced by co-operatives in developed countries maybe similar to the one produced by co-operatives in developing countries. In this situation it means that co-operatives in the developed countries will make their brothers in the developing countries suffer.

To avoid the situation, it is hoped that ICA to:

1. Establishing a regional network among co-operatives to allow the developing co-operatives to receive assistance from developed co-operatives to improve their business performance and their human resources quality.
2. Advocating collaboration between the developed co-operatives with the developing co-operatives.
3. Finding the best way for free trade to be implemented that will give mutual benefits to both developed and developing co-operatives in the region.

Some possibilities that could be arranged by ICA/JA ZENCHU/IDACA:

1. Advocating an exchange sectoral training program where the developing countries can be trained (on the job training scheme) in the respective developed countries for a certain period, while the expert(s) of developed countries work with the co-operatives in the developing countries as technical assistance. This program can be sponsored by ICA/JA ZENCHU/IDACA and the respective developed co-operatives.
2. Promoting collaboration / joint venture among developed co-operative and developing co-operative in a similar business.

Improvement of co-operatives' human resources is very important other than the improvement of business performance. The training program carried out by ICA/JA ZENCHU/IDACA should be continued. There are some suggestions to the future training program:

1. There are thousand of co-ops' Board of Directors, thousands of Managers who need to improve their skills and knowledge in the Asian countries. There are millions of co-ops' members who their income are depended on the business performance of their leaders. Maybe the time has come for ICA to think about the possibility of establishing more training center like IDACA or establishing "branch" of IDACA in other places in Asia.
2. The programs that was developed 11 years ago has produced at least 150 alumni. These people have to be used by ICA/IDACA to create something for the improvement of co-operatives in Asia. It can be used for supporting the first idea above.
3. The ICA/IDACA should develop progressive ideas of using better media of providing training materials which is cheap and can be used by many people, i.e diskettes, CD ROMs, Videos, Data base that can be accessed by co-operatives through internet.

When the participants finished their course, they will bring with them the training materials. So the participants can use the materials for training their own people in their own countries. With the standard well-prepared training materials, there will be more co-ops' human resources can get the benefit and more co-operators can improve their skills and knowledge in a very short time. While ICA/IDACA continuously revise, up-date, develop new materials, etc.

ICA/JA-ZENCHU/IDACA TOP LEADERS' CONFERENCE ON "COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN ASIA-PACIFIC", TOKYO, JAPAN. APRIL 14-19 1997

KOREA, REPUBLIC OF
COUNTRY BACKGROUND STATUS PAPER

Presented by Mr Ho-Kyum Lee, Director, Agricultural Cooperative Development Centre, Agricultural Cooperative College of the NACF-National Agricultural Cooperatives Federation, Seoul, Korea

-
- 01 Name and Current Position and Addresses of the participants during the last ten years
- 02 Status of Implementation of the Proposed Projects
- 03 In Implementation of the projects, the participants faced the following problems
- 04 Relevance of the Training Programme and Suggestions for Future Development
-

Table 1 Name and current position of the participants from NACF

Course No	Name of participant	Current position & address	Remarks
01	Chong Hyun Baik	18-8, Shinweol 5 dong, Yangcheon-ku, Seoul Korea	Retired from NACF
01	Jim Woo Kim	General Manager Military Supply Office, NACF 75, Chungjeong-ro 1-ka, Chung-ku, Seoul, Korea	
02	Yun Hee Lee	General Manager Weolkok-dong Branch Office of NACF 27-117, Ha-weolkokdong, Seongbuk-ku, Seoul, Korea	
02	Chung Shik Shim	General Manager Chungang-ro Branch Office of NACF 61, Chungang-ro 3-ka, Chuncheon-shi, Kangweon-do Korea	
03	Hyang Kyu Lee	Deputy General Manager Horticultural Department, NACF 75, Chungjeong-ro 1-ka, Chung-ku, Seoul, Korea	
04	Sang Deok Lee	Deputy General Manager Samsong-dong Branch Office of NACF 995-16, Daechu-dong, Kangnam-ku Seoul, Korea	
05	Kie Yup Shm	Research Fellow Research Department, NACF	Earned Ph D at Illinois University and return to NACF in June.

06	Hyun Keun Myung	Manager, Farm Extension Section Horticultural Department, NACF	
07	Han Ju Lee	Research Fellow Research Department, NACF	
08	Do Hwan Woo	Manager, Farm Inputs Division Kyonggi Provincial Office of NACF 1124-1, Inkve-dong, Paldal ku, Suwon-Shi. Kyonggi-do, Korea	
09	Jong Soo Lee	Assistant Manager, Planning Section Marketing Department, NACF	
10	Dong Young Kim	Professor Jeonnam Provincial Training Center of NACF Samin-ri, Yongbang-myun, Kurve-kun Jeollanam-do Korea	

As is shown in Table-1, out of 12 participants, 11 persons are now working in the senior or important post in the NACF: six persons at the Head Office; four at the branch offices; one at the training center. Only one person who attended the first training course retired from the NACF in March, 1997, now engaging in livestock farming with his family.

2. Status of Implementation of the Proposed Projects

A total of twelve projects were proposed by the participants. The projects were prepared on a variety of subjects as shown in Table-2. Out of twelve project proposals, six proposals were fully implemented and operational, and three were partly adjusted in implementation by the sponsoring organizations. However, three proposals were abandoned due to the change in market condition and financial constraints.

It can be observed that the implementation rate of the project proposals shows a good record. Contributory factor is placed on the fact that most of the project proposals were prepared in consultation with the sponsoring organizations

Table 2 Status of implementation of the project proposals by the participant

Participant	Name of project	Status of implementation
01 Chong Hyun Baik	Marketing of Chinese Cabbage Project	Not implemented due to change in cropping pattern
01 Jin Woo Kim	Integrated Area Development Project	Partially implemented and the integrated development approach was adopted in rural development policy
02 Yuh Hee Lee	Feed Mill Project	Project abandoned due to change in market condition, the excess of feed production capacity.
02 Chung Shik Shim	Cold Storage Project	Project abandoned due to financial constraint and poor
03 Hyang Kyu Lee	Kinchi Processing Plant Project	Project implemented and completed in 1991 by Cheongsan Agri. Coop. Business turnover has in-
04 Sang Deok Lee	Fruit Processing Mill	Project implemented and is operated by Samrangjin
05 Kie Yup shin	RedPepper Powder Plant Project	Project adjusted and implemented by Young-wol
06 Hyun Keun Myung	Apple Juice Plant Project	Project implemented and is operated by Kyungbuk
07 Han Ju Lee	Rice Processing Complex	Project implemented and was completed by Samdo
08 Do Hwan Woo	Buckwheat Processing Project	Project implemented and completed by Bongpyung
09 Jong Soo Lee	Flower Wholesale Market Project	Project implemented and was completed by the NACF
10 Dong Young Kim	Wholesale Distribution Center Project	Project adjusted and under implementation by the

3. In implementation of the projects, the participants faced the following problems.

- ◇ In most cases, the implementation of the projects prepared by the participants were not initiated by their own offices. Therefore, a negative attitude of the management and financial constraints by the sponsoring organizations were faced by the participants, inspite the projects were considered feasible and technically-sound.

- ✧ Because of the personal interchange system within different business units and offices of the NACF, the participants could not follow up and monitor the project implementation sufficiently when they were transferred to other offices or other business. This problem could be solved by improving communications with the management.
- ✧ Rapid change in cropping pattern and demand/supply situation of raw farm products arising from the progress of trade liberalization were the important problems in implementing the projects. These matters also caused the business operational rate of the completed plant to be lowered.

4. Relevance of the Training Program and Suggestions for future Development

It is observed that the training program has been well designed and efficiently responded to the training needs of the agricultural cooperatives in the Region in the following points.

- ✧ In terms of the length of training and diversity, the training program is very prestigious to the participants and member organizations of ICA Regional Office. During the 6 months training, the program dealt various subjects including management practices, planning and appraisal of development projects, decision making, and agricultural cooperative management. With the multi-country training arrangements in the program, the participants could increase the applicability of their learnings from the experiences of visiting countries, while avoiding the monotony arising from the long period of training.
- ✧ The combination of theoretical and practical study along with the field visits contributes to the improvement of participants' managerial skills which is utmost important factor in strengthening cooperative business performances. The project has served the interests of agricultural cooperatives by

stressing the value addition concept through agro-processing.

- ✧ Practical assignment given to the participants to produce development project proposals has been very helpful to the participants as well as to the cooperative societies in designing and implementing the agricultural projects needed for cooperative business development.
- ✧ Keeping in view of the financial and personnel capacity in the ICA Regional Office and its member organizations it is considered that the ICA/Japan 6-months training program was so successful and beneficial to the participating organizations attributed by the devoted efforts of the ICA and the contribution made by the Government of Japan. The training program contributed not only to the improvement of managerial ability of participating organizations but also to the promotion of understanding among member organizations.

On the basis of the successful result of the program during last ten years, the following suggestion could be raised for the future improvement of training programs.

- ✧ Increase the number of beneficiaries from the training program within the available financial resources, by shortening the 6-months training period
- ✧ Establish more programs for various target groups including managers and government officers associated with the development of agricultural cooperatives. To do this, more financial and personnel resources in member organizations need to be mobilized.
- ✧ Maximize the effect of learning by encouraging the study-visits and personnel exchange on a bilateral basis.

We, the NACF and member organizations are trying to and willing to share our experiences in agricultural cooperative development with the member organizations of ICA in the Region in order to improve cooperative business performances for the benefit of

small farmers. In 1996, the NACF and its Agricultural Cooperative College will sponsor two kinds of training programs for the officers and managers engaging in cooperative development with the financial support from the Korea International Cooperation Agency.

KOREA, REPUBLIC OF
COUNTRY BACKGROUND STATUS PAPER

Presented by Mr Sung-Woo Nam, General Manager, Research and International Cooperation Department, National Livestock Cooperative Federation-NLCF, Seoul, Korea.

Description of Project Implemented

I. PROJECT 1

A. Name of Project : Kimje Meat Processing Plant

B. Participant : Kyu Hyun Lee (5th course 1990/91)

Pyeong Woo Min (9th course 1994/95)

C. Project Summary

o Location : #9-13, Yongsan-Ri, Keumsan-Myun Kimjae-Kun

Cheonbuk Province, 577-960, Korea

o Construction Period : From December 1992 to June 1995

o Facilities

Site Area	Building Area					
	Slaughtering	Processing	Purifying	Office	Storage & etc	Total
65,530 m ²	8,608 m ²	12,902 m ²	698 m ²	1,468 m ²	3,230 m ²	26,906 m ²

o Capital Investment : 40 billion Won

o Production Capacity (Per Day)

Holding	Slaughtering	Products		
		Cut Meat	Processed Meat	Total
1,500 heads	2,000 heads	46 m/t	26m/t	72 m/t

o Major Products

- Cut Meat : Tender Loin, Loin, Ham, Shoulder Loin, Belly, Rib
- Processed Meat : Sausage, Ham, Bacon, Press Ham, Retort, Canned Products

D. Major Business Activities

o Hog Production by Vertical Integration System

- The NLCF provides contracted pig farmers (about 228 as of Feb. 1997) with young pigs produced at the NLCF's Pig Breeding Farm and assorted feed produced by the NLCF's feed mills.
- The pig farmers produce uniform and residue-free hogs under the NLCF's strict and formulated feed programs.
- The NLCF collects finished hogs (105-110kg) from contracted pig farms.

o Slaughtering and Processing

- The collected hogs are transported to NLCF's Kimje Meat Processing Plant located in Cheonbuk Province, south-western part of Korea.

- The plant produces pork carcass and cut meat through strict and hygienic quality control.
- Some part of meat is processed for export to foreign market, the rest is processed into ham, sausage, bacon and domestic consumption.
- The products produced at the Kimje Meat Processing Plant are sold in a brand of "Moguchon".

o Marketing

< Domestic >

- Processed meat and chilled pork are distributed to the NLCF's sales networks equipped with cold chain system across the country.

< Export >

- High-quality frozen or chilled cut meat is being exported to Japanese market.

- Sales Performance (1996)

	Slaughtering	Cut Meat for Export	Cut Meat for Domestic	Processed Meat	By-products
Quantity	288,000 heads	3,026m/t	9,101m/t	819m/t	13,048m/t
Value (million Won)	-	12,172	36,858	5,978	3,394

43

E. Feature

- o Advanced factory facilities are designed to meet the requirements of MAFF of Japan, USDA and EU hygienic standards.
- o The NLCF produces the best quality pork and processed meat under the slogan of "Clean, Natural and Fresh" and plays leading role for the development of domestic pork processing industry.

II. PROJECT 2

A. Name of Project : Chungyang Milk Processing Plant

B. Participant : Won Tae Kim (6th course 1991/92)
Sun Hak Kim (10th course 1995/96)

C. Project Summary

- o Location : 60, Hakdang-Ri, Chungyang-Eup Chungyang-Kun
Choongnam Province, 345-800, Korea.
- o Construction Period : From March 1993 to March 1997
- o Facilities

Site Area	Building Area				
	Engineering Room	Processing	Office	Others	Total
72,623 m ²	1,759 m ²	9,484 m ²	1,221 m ²	188 m ²	26,906 m ²

- o Capital Investment : 28 billion Won
- o Production Capacity (Per Day)

Market Milk & Processed Milk	Fermented Milk	Powdered Milk	Total
120 m/t	30 m/t	50 m/t	200 m/t

• Note : based on raw milk treatment quantity

o Major Products

- Market Milk
- Flavoured and Fortified Market Milk
- Fermented Milk
- Powdered Milk

D. Major Business Activities

o Collecting Raw Milk

- The NLCF collects raw milk produced by 750 dairy farms around Choongcheong Province, mid-western part of Korea.
- The NLCF conducts extension service for the farmers to produce high-quality raw milk.

o Processing Raw Milk

- Raw milk collected by the NLCF is processed at the plant.
- Products produced at the plant are classified into three categories : market milk, fermented milk and powdered milk.

o Marketing

- Market milk and fermented milk are distributed to consumers through NLCF's sales network.

E. Feature

- o Advanced cold chain system covers all procedure from collecting raw milk to distributing goods to consumers.



牧友村

CLEAN
NATURAL
FRESH



MOGUCHON

畜協中央会



畜協は畜産業の繁栄と豊かな農村の建設を目指して組織され、韓国最大の生産者団体であり、多様な事業を通じて人類共栄の協同組合の理念を具現しています。

主な事業

<指導事業>

畜産経営及び技術指導
畜産総合センター運用
弘報事業,他の協同組合との連帯協力
農政活動の推進

<畜産事業>

家畜の改良事業,系列化事業
畜産施設の支援事業
飼料検査及び研究
畜産後継者の支援活動

<流通,販賣,加工事業>

共販場の設置運営,備蓄倉庫の設置運営,畜産物集配事業,家畜市場の設置運営,肉加工・乳加工事業

<購買事業>

飼料原料及び副原料の購買と供給,牧草種子の購買と供給,配合飼料の生産と供給,生活物資・畜産関連資材の購買と供給

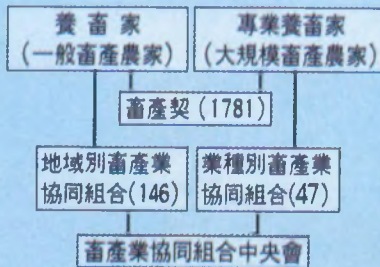
<信用事業>

相互金融,都市銀行,外換業務,共済事業,カード事業,畜産発展基金管理

沿革

- 1978. 4. 1 畜産振興會の發足
- 1980.12.15 畜産業協同組合法の制定
- 1981. 1. 1 畜協中央會の發足
- 1989.10.20 社屋の新築と移轉(ソウル城内洞)
- 1990. 4.13 初代直選會長の就任
- 1991. 1.12 子會社設立,(株)畜産貿易及び(株)畜産流通
- 1993. 6.30 宋燦源, 2代直選會長に就任

畜協の組織



事業規模

1996年賣上金:
¥8,428億

人間・社會・自然の調和で豊かなライフを作り出すのが畜協の使命です。



Pro-Pork

農家が出荷した原料豚は3段階の急速冷凍・冷却保管し,TLC,PSE等の品質検査に合格し、厳選,10℃に温度管理された作業室で自給り加工生産します。尖端設備と熟練された生産された高級チルドミートは8部位に分かれ衛生的です。

牧友村のチルドミートは次の特徴が

1. カルニチン(Carnitine)含有量が多いこと
2. ビタミンEの含有量が多いこと
3. におい(雄臭)がないこと。
4. 美味しい肉汁が豊かであること
5. 縮りがよいこと。



●ロース(Loin)



●モモ(Ham)



●スネ(Shank)

*カルニチンとは? (韓国内特許出願)
筋肉エネルギーの生産量を決定する主要成分として子豚の場合体内含





● カタロ-ス(Shoulder-Loin)



● ガルビ(Spare-Ribs)



● バラ(Belly)



● ウデ(Picnic Shoulder)



● ヒレ(Tender-Loin)

畜協牧友村は製品につきましては次の三つのお約束を守り致します。

清潔です。(CLEAN)
 純粹です。(NATURAL)
 新鮮です。(FRESH)

肉に詳しい畜協の専門家達が集まって一番衛生的で新鮮な製品を徹底的なゴールドチェーン流通システムを通じてお客様の食卓の上まで供給します。

Ham・Sausage

無防腐劑・無でん粉・國內産純豚肉

品格ある正統の味の創出と
 食品安全とをモットにして

- 全ての製品に防腐劑を使っていません。
- でん粉を一切使っていません。
- 國內産純豚肉だけを使っています。

牧友村生産製品

- ハム:8種
- ソーセージ:7種
- テリカ:8種
- ベーコン:2種
- 缶詰:2種



厳しい原料豚生産/衛生的なと畜/新鮮な生産

牧友村は食肉の衛生と安全を最も重要視しています。

1995年5月最尖端のと畜設備を備えた総合食肉処理工場完工!!

と畜から肉加工まで一貫処理できる理想的な工場での肉の新鮮さと美味しさをそのまま維持!!

畜協中央会は安全で衛生的な食肉の生産のために衛生面と技術面で完璧な肉加工工場を完成し、新鮮で美味しい生肉と獨創的で味が優れた正統肉加工製品を本格的に生産しています。

工場の特徴

- 徹底的な衛生管理
- ヨーロッパ式One-line全自動と畜設備
- 韓国農林水産部指定対日豚肉輸出有害残留物質検査機関(工場内品質管理室で完璧なHPLC検査)
- 完璧なコールドチェーンによるチルドミート流通
- 養豚系列化事業による選別された原料豚の調達で食品安全性の保障

工場の概要

- 名称: 畜協中央会肉加工工場
- 所在地: 全羅北道金堤市金山面龍山里9-13
- 事業内容: 食肉加工品の製造、販賣
- 商標: 牧友村®
- 工場建設期間: 1989.1~1995.5
- 工場開場日: 1995.12.4
- 建設所要資金: ¥約53億
- 工場規模:
 - 敷地: 19,823坪(65,530㎡)
 - 建坪: 8,139坪(26,906㎡)

(単位:坪)

計	と畜施設	加工施設	浄化施設	倉庫及び附帯施設	事務室
8,139	2,604	3,903	211	977	444

- 生産能力:
 - と畜: 2,000頭/日
 - 加工: 100トン/日
 - 部分肉: 74トン/日
 - 肉加工製品: 26トン/日



牧友村®

牧友村は畜協中央会畜産物加工食品事業のブランドです。牧友村の意味は「畜協の人達が協同して生産する畜産物」「畜産業に従事する人びとの集り」です。これから畜協が主體となって韓国の畜産物食品加工事業を導いて行くのが畜協の望みです。

畜協中央会



- 畜協中央会加工食品事業本部
ソウル江東區城内洞451 (02)224-8851~4
- 肉加工工場
全北金堤市金山面龍山里9-13 (0658)40-6700
- 顧客相談室
ソウル江東區城内洞451 (080)910-9000(受信者負擔)

III. PROJECT 3

A. Name of Project : Ice Cream Subsidiary Company

(Seoul Milk/Ice Cream Co., LTD.)

B. Participant : Byeong Hag Lee (7th course 1992/93)

C. Project Summary

o Location : #1059, Singil-Dong, Ansan-Si Kyonggi Province,
425-120, Korea.

o Date of Business Commencement : June 1993

o Production Capacity (Per Day)

(unit : piece)

Carton Ice Cream	Cup Ice Cream	Bar Ice Cream
19,200	96,000	12,000

o Production facilities were rented from the existing facilities of the Seoul Dairy Cooperative's milk processing plant.

o Sales Performance

(unit : billion Won)

1993	1994	1995	1996
28	35	28	29

D. Brief Description of the Project

- o The project was implemented by joint investment between Seoul Dairy Cooperative and Dongcheon Trading Corporation, a private company.
 - Investment ratio : Seoul Dairy Cooperative 51%, Dongcheon Trading Co. 49%

- o The objective of the project was to promote milk consumption through the production of ice cream.

E. Present Situation and Problem Faced

- o Although the Seoul Dairy Cooperative was a majority of the company, the Cooperative nominated the owner of the private company as the president of the Ice Cream Co. for business efficiency.

- o The president, however, betrayed the Cooperative's trust by increasing his stock share illegally. Thus, the investment ratio reversed ; the Seoul Dairy Cooperative 49%, Dongcheon Trading Co. 51%.

- o Since then, as conflict between two parties increased, business performance also decreased sharply.

Description of Project not implemented

Name of Participant (Course)	Name of Project	Reason
Byung Ho Jeong (3rd course)	Dairy Plant, Jeonbuk Province	The location of the dairy plant in the project was changed from Jeonbuk Province to Choongnam in consideration of collecting raw milk, and marketing, etc.
Byung O Kang (4th course)	Feed Mill Project	The project was not implemented because domestic assorted feed production capacity surpassed total domestic demand.
Kwang Seog Song (8th course)	Kwangjeon Dairy Plant	The project is under consideration.

A Glance of Present Situation of Projects by Participants of NLCF

Name of Participant (Course)	Current Position	Address	Name of Project	Remark
Byung Ho Jeong (3rd course)	Manager, Credit Loan Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Dairy Plant, Jeonbuk Province	Not implemented
Byung O Kang (4th course)	Manager, International Banking Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Feed Mill	Not implemented
Kyu Hyun Lee (5th course)	Chief of Branch Office, Yoido Branch, NLCF	Samchunri Bldg. 1F 35-6, Yoido-Dong, Yeongdeungpo-Ku, Seoul, 150-010, Korea	Meat Processing Plant	Implemented
Won Tae Kim (6th course)	Assistant Manager, Marketing Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Dairy Plant at Choongnam	Implemented
Byeong Hag Lee (7th course)	Manager, Personnel Department, Seoul Milk Cooperative	137-7, Sangbong-Dong, Chungrang-Ku, Seoul, 131-222, Korea	Ice Cream Subsidiary Company	Implemented
Kwang Seog Song (8th course)	Assistant Manager, Banking Business Planning Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Kwangjeon Dairy Plant	Not implemented
Pyeong Woo Min (9th course)	Assistant Manager, Research Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Kimje Meat Processing Plant	Implemented
Sun Hak Kim (10th course)	Assistant Manager, Auditing Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Chungyang Milk Processing Plant	Implemented

**THE PHILIPPINES :
COUNTRY BACKGROUND STATUS PAPER**

Presented by Mr Felix A. Borja, Secretary-General, Cooperative Union of the Philippines Inc., Quezon City, Philippines

I. INTRODUCTION

The Philippines is one of the 13 Asian countries benefitted by the technical assistance program for the development of agricultural cooperatives in the Asia-Pacific Region which is jointly sponsored by ICA, Japanese Government-MAFF, JA ZENCHU and IDACA. Thirteen managers and Coop officers underwent a specialized 6-month program for "Strengthening Management of Agricultural Cooperatives in Asia" since 1986. These participants were exposed to successful model-Coops, studied various aspects of management of agricultural Coops, developed skills in project preparation and produced individual project proposals. Ten years thereafter and after a series of follow-up exercises through correspondence, the sponsors of this 6-month agricultural training programme decided to organize an evaluation session of this program. Efforts are now being exerted by CUP to follow-up the activities of the IDACA graduates from the Philippines to determine the kind of support they need.

This paper presents a brief overview of the present status of the projects developed by the 13 participants to this course. (Please refer to the attached matrix of current status of the proposals developed by the participants of the 6-months agricultural training programme.)

II. BRIEF SUCCESS STORY OF AN IMPLEMENTED PROJECT - THE RICE STRAWBOARD MANUFACTURING PROJECT

The Cooperative Union of the Philippines has embarked on the project of utilizing waste rice straw in the manufacture of versatile construction boards for housing and other building systems. Mr. Philmore Quilat, who trained at IDACA under the 6-month course was assigned to the first manufacturing plant situated in Iloilo, Philippines. The P81M project is to be inaugurated in May 1997.

III. RELEVANCE OF THE SIX-MONTH AGRICULTURAL TRAINING COURSE

Based on interviews with former participants of this course and considering that almost 70% of the total registered cooperatives are agricultural cooperatives, this

management training course has been found to be very relevant to the development of agricultural coops in the Philippines. Majority of the participants have presented and shared the management strategies and techniques they have learned to other coops in their respective areas. The training course is very enlightening and the participants value the insights and learnings from the course. CUP regularly taps the management expertise of most of its 6-month course participants in its projects.

IV. BRIEF OVERVIEW OF AGRICULTURAL COOPS AND AGRO-PROCESSING ACTIVITIES IN THE PHILIPPINES

The Philippines is now a member of WTO, AFTA, APEC and other regional and sub-regional economic groupings which has placed more pressure on its being able to attain global competitiveness to prepare for total liberalization of imports and trade. As an agriculture-based economy, it has to industrialize agriculture and concentrate in improving the technology of production, processing and marketing of agricultural products.

To achieve this end, CUP is now assisting cooperatives in establishing organic fertilizer plants to make fertilizers affordable to our farmers. A participant in the present 6-month course (Mr. Teofilo Quintal) has been asked to do the study on the NPK Organic fertilizer plant as his IDACA project and will be deeply involved in it when he returns to the Philippines.

CUP is also engaged in sourcing new planting materials for sugar, feed aggregates, vegetables and other crops which will be introduced to cooperatives to improve the productivity of our farmers.

New and environment-friendly pest-management technology is also being accessed to break away from the harmful pesticides and chemicals used by our farmers to eradicate plant pests.

The establishment of more feedmills to support the livestock industry of agricultural cooperatives is also being pursued by CUP in collaboration with established Coop feedmills. Fishery Cooperatives development is also being implemented by training fishery coop leaders in the management of fishery resources.

The technology of dehydration has been introduced to enable vegetable farmers to prolong shelf-life of perishables and eliminate spoilage and wastes.

**MATRIX OF CURRENT STATUS OF PROJECT PROPOSALS
DEVELOPED BY 6-MONTH TRAINING COURSE PARTICIPANTS**

Name/Position/Address	Project Proposal/Nature of Project Coop/Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project/Remarks
<p>1. Mr. CESAR ALCANTARA Coordinator Operations Division Department of Agriculture Tarlac, Tarlac Tel. No. 982-1764</p>	<p>"Marketing of Paddy Project" - Marketing of Paddy through integrated approach - Baras-Baras Samahang Nayon</p>	<p>According to Mr. Alcantara, the project was not fully implemented due to limited capital of the coop.</p>	<p>The Baras Baras Samahang Nayon, a pre- coop was confirmed by the Cooperative Development Authority into a full-fledged cooperative. The Coop was one of the cooperatives assisted by the Land Bank of the Philippines. It has a present membership of 80 farmers. The Coop was a beneficiary of a loan from LBP amounting to P1,684,891.48 for its operating capital, purchase of hauling truck and palay production.</p> <p>Mr. Alcantara is employed with the Department of Agriculture and has very limited time to visit the coop. He promised to visit the Baras Baras PMPC to follow-up on the latter's operations more regularly.</p>
<p>2. Mrs. JEAN ABDURASAD c/o Barangay Putik Cooperative Village Zamboanga City</p>	<p>"Fishermen's Cooperative Project" - Creation of new Fisheries Coop. and input supply - Fishermen's Coop, Siganggang</p>	<p>For health reasons she could no longer work in the project.</p>	<p>The proponent, Mrs. Abdurasad, has left the Cooperative Movement. One of the problems she faced in implementing the project was, there was no support from the Regional Coop Development Assistance Office - Region 9 (RCDAO 9) to pursue the project. The RCDAO 9, Mrs. Abdurasad office, was dissolved sometime in 1988-89.</p>

Name / Position / Address	Project Proposal / Nature of Project Coop / Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project / Remarks
<p>3. Ms. BERNARDITA L. BARRANCO Loan Officer CASA Lending Investor Guangco St., Iloilo City Tel. No. 335-1201</p>	<p>"Integrated Paddy Processing and Marketing Project" - Paddy processing & marketing - First Iloilo Area Marketing Cooperative (FIAMC)</p>	<p>Project is being implemented by the Coop although Ms. Barranco resigned as General Manager of the Coop. FIAMC operates a rice mill, mechanical dryers and will inaugurate the Rice Strawboard Plant soon.</p>	<p>She resigned from her position and act as consultant to other agricult. cooperative federations in Iloilo province. However, she has left the coop movement and is now serving as a loan officer of a private lending firm in Iloilo.</p>
<p>4. Mr. SOFRONIO E. COLIYAT Vice-Chairman Sorosoro Ibaba Dev. Coop. Sorosoro Ibaba, Batangas</p>	<p>"Corn Production Project" - Promotion of production of corn in 150 hectares - Sorosoro Ibaba Development Cooperative</p>	<p>Area for corn production is very limited now. The Coop has shifted to feedmilling and livestock raising and is very successful in these lines.</p>	<p>The project was initially not implemented because the cooperative lacks an area for the production of corn. The main activity of the coop is livestock raising and processing. Mr. Coliyat is the coop's Vice-Chairman and is doing very well.</p>
<p>5. Mr. JOSE C. PALMARES Chairman Talongonan Agtabo Ilawod Multi-Purpose Cooperative Passi, Iloilo</p>	<p>"Integrated Expansion Project for Fertilizer Supply & Hauling" - Linkaging for hauling and supply of fertilizers for production increase - Northern Iloilo Sugar Producers Cooperative</p>	<p>Project is not yet implemented due to lack of capital.</p>	<p>Lack of funds for the purchase of trucks and machinery. The participant, Mr. Palmares, has left the cooperative federation and is now the chairman of a primary coop where he applies his training.</p>
<p>6. Mr. ADOLFO DELA PEÑA Agrarian Reform Officer Dept. of Agrarian Reform Mexico, Pampanga</p>	<p>"Integrated Paddy Processing and Marketing Project" - Rice milling</p>	<p>Project has been implemented and is in operation for the last few years.</p>	<p>Mr. Dela Peña is currently concentrating on agrarian reform activities in Mexico, municipality of Pampanga.</p>

Name/Position, Address	Project Proposal/Nature of Project Coop/Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project/Remarks
7. Mr. ABUNDIO V. FELIN Manager San Isidro Dev. Coop. San Isidro, Naga City	"Bicol Integrated Cooperative Farming System Project." - Integrated activities of financing, procurement and marketing, feed manufacturing, etc. - Bicol Integrated Cooperative Farming Society	Project is implemented on a small- scale basis due to limited funds.	The San Isidro Development Cooperative underwent rehabilitation which caused the delay in the implementation of the project. The Coop suffered losses due to mismanagement while Mr. Felin was on training at IDACA.
8. Ms. AMELITA PROVIDO Cooperative Development Specialist II CDA Iloilo Extension Office 60 Ledesma cor. Jalandoni Sts., 5000 Iloilo	"Small Farmers Integrated Marketing Coop Project" - Integrated coop development - Iloilo Second Area Marketing Cooperative (ISAMCO)	Project was not implemented by the Coop.	Ms. Provido, however, is putting to good use her IDACA training as Coop Develop- ment Specialist of CDA.
9. Mrs. EDITH SUSAN VALDEZ Manager Coop Rural Bank San Pablo, San Nicolas Ilocos Norte	"Integrated Paddy Processing & Marketing Project" - Processing and marketing of paddy - Ilocos Norte Federation of Farmers Coop	External funding sources is needed for implementing the project in a massive scale through the Coop Bank.	Mrs. Valdez is utilizing her training as Coop Bank Manager and is helping many Coops.
10. Mr. PHILMORE QUILAT c/o Cooperative Management Consultants 101-D Don Ramon Aboitiz St., Cebu City	"Rice Strawboard Manufacturing Plant" - strawboard manufacturing plant - Bohol Federation of Agricultural Cooperatives.	The project is currently being implemented in Iloilo province. The coop implementor is the First Iloilo Area Marketing Cooperative.	The Rice Strawboard Plant will soon be inaugurated in Iloilo. Mr. Quilat, was appointed plant manager of the project. CUP, together with FIAMC was able to source out around P58 Million from various agencies for the RSB Project.

Name/Position/Address	Project Proposal/Nature of Project Coop/Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project/Remarks
11. Mr. EDDIE LANTACA, Jr. General Manager Perpetual Help Credit Coop Dumaguete City	"Farmers Integrated Consumers Marketing Coop for Agro- Forestry Project in Negros Oriental" - reorganization of farmers associations into multi-purpose coops and further their activities.	Project has been started since 1995 and is hoped to be finally implemented by the year-end 1997.	Some of the problems encountered in project implementation were: 1. Availability of members/officers to attend scheduled seminars. The primary coops are scattered in the mountain areas and to gather them takes time due to the distances. Besides, these people are farming as their source of livelihood and to be away for some time is a big loss to their income. 2. Absorption in the seminar was also very slow since majority of the participants are only elementary graduates. 3. People are still stuck to the old-values that are hindrances to development.
12. Mr. RONY FARQUERABAO Chairman EARN Foundation Cooperative c/o 1143 Sampaloc, Manila	"Coconut Husk Processing Plant Industry Project" - to process coconut husk into twisted coils and mattress fiber to add value to the product.	Project is not yet implemented due to lack of funds.	The coop is having a hard time looking for organizations to finance the project.
13. Mr. CLAUDIO OFRANCIA General Manager Hundred Islands Multi- Purpose Coop or 120 Bonifacio Drive, Bgy. Lucao, Alaminos Pangasinan	"Organic Fertilizer Production Project" - establishment of an organic fertilizer plant using rock phosphate, guano ore, seaweeds, animal manure and residues. - Western Pangasihan Federation of Cooperatives	Project has been implemented on a pilot basis. Its expansion to full capacity will still be undertaken.	The proponent, Mr. Ofrancia has submitted the proposal to various donor organizations. He was temporarily displaced as a Manager of the Hundred Islands Multi-Purpose Coop, which caused a delay in the full implementation of the project. Recently, he regained his position as General Manager of the primary coop. He is now sourcing additional funds for full implementation of the project.

THAILAND :
COUNTRY BACKGROUND STATUS PAPER

Presented by Dr Adul Srithep, Chairman of Chiangmai Agricultural Cooperative Federation Limited, and Board Member of the Cooperative League of Thailand, Bangkok, Thailand

1. Agricultural Cooperative Movement in Thailand

The cooperative has been introduced in Thailand since 1916, At present, there are six types of cooperatives in Thailand. They are Agricultural Cooperatives, Land Settlement Cooperatives, Fishery Cooperatives, Consumers' Cooperatives, Saving and Credit Cooperatives and Service Cooperatives.

The growth of the cooperatives in Thailand as an institution for people's participation is seen from the variety of activities performed by the cooperative sector. As of January 1, 1997 there were in total 5,127 primary cooperatives with a total membership of 7,340,875 families.

Type	Number	Membership
1. Agricultural Cooperatives	3,143	4,336,512
2. Fishery Cooperatives	62	10,056
3. Land Settlement Cooperatives	95	131,691
4. Saving and Credit Cooperatives	1,119	1,985,444
5. Consumers' Cooperatives	361	762,429
6. Service Cooperatives	347	114,743
Total	5,127	7,340,875

1.1. Business Activities of Agricultural Co-operatives

In general, agricultural co-operatives in Thailand are set up among the farmers who are engaged in farming to undertake joint activities based on self help and mutual help. The business activities of agricultural co-operatives may be varied according to the local

1. To extend credit to the members
2. To receive deposit from the members
3. To collect agricultural produces / products from the members for marketing
4. To supply agricultural inputs to the members
5. To provide various to the members such as agricultural extension, irrigation system, land preparation and etc.

The detail information on the business volume and financial status of agricultural cooperative in Thailand is given in the papers.

1.2. Processing of Agricultural Produces in Agricultural cooperatives in Thailand

To enable the farmers members of agricultural cooperative in Thailand to earn higher income to their produces, it is necessary for the cooperative to arrange for processing and value added to the produces of the members.

Since the main crops in Thailand is rice, most of the cooperatives will provide facilities for processing of paddy to rice and marketed through the federation of agricultural cooperatives at the provincial and national level.

The government also tried to support the cooperatives in the field of agro- processing by providing various infrastructure such as storage, platform for drying the produces etc., as well as the revolving loan fund for purchasing the produces from the farmer members. Some processing plants have been granted to the cooperatives which deal with some specific produces such as palm oil extraction plant and processing plant for manufacturing of milk products for dairy cooperative.

Chiangmai is one of the province where the member of agricultural cooperatives produce various crops all year round such as rice, soybean, garlic and vegetables. Besides, there are some specific fruit tree that can grow in the northern part of Thailand

such as longan and lychee. Logan is a kind of fruit tree which can be harvested once a year during the period July - September. Most of the farmers will grow logan at least for their own consumption. The produces will be marketed to consumer and manufacturer for canning. Due to the price fluctuation, some year the farmers earned very low prices for their logan.

Efforts have been made by the cooperative and government agencies concerned to introduce the farmers to preserve and process logan. It is quite successful in Sarapee Agricultural cooperative Ltd. and maetaeng Land Settlement Cooperative ltd. where the technology of dehydrated was introduced to preserve the logan. In 1996, Sarapee agricultural cooperative Ltd. collected 341 tons of dehydrated logan produced by its members valued at 21.8 million Baht.

2. Participants of the ICA/Japan 6 months training courses

According to the record of the Co-operative League of Thailand, there were 14 participants from Thailand who attended the ICA/Japan 6 months training course since 1986. The names and address of the participants is given in Annex I

So far, 6 participants have left the services of the cooperatives. According to the survey of the CLT, none of the project proposals have been implemented by the cooperatives. The problems faced by them could be summarized as follows:

1. The participants who were not working with cooperatives found the difficulties to convince the cooperatives to accept the project proposal to implement in the cooperative.
2. The cooperatives have insufficient fund to invest in the project such as soybean project due to high investment in the project.

3. The cooperatives gave priority to other projects which they have to implement according to the government policies in which the grant fund from the government is given.

3. CLT's views as to the relevance of the training program and suggestions for future improvement

The 6 months training course is indeed a comprehensive training course in which the participants have been trained in various aspects of project preparation and appraisal. Comments for for future improvement are:

1. The duration of the course is quite long. it is quite difficult for cooperative to release the managers to undertake the training course for 6 months.
- 2.. The language is a big problem for the experienced managers of agricultural cooperatives in Thailand that hindered them from the training opportunity aboard.
3. Technically, it is recommended that the training course is of a high quality standard. Though, none of the project proposals have been implemented in Thailand. However, the participants could make use of the knowledge and experience of the training course in the project formulation of the cooperatives as well as for the Cooperative League of Thailand and the cooperative promotion Department.

VIETNAM :
COUNTRY BACKGROUND STATUS PAPER

Presented by Ms Le My Pho, Vice-Director, International Economic Relations Department, Vietnam Cooperatives Union, Hanoi, Vietnam

First of all please allow me extending my sincere thanks to IDACA and ICA/ROAP for inviting me to attend this meaningful Conference. I hope that this will be a good and effective chance for, at least, all of us here to discuss and share our views on strategies for the development of agricultural cooperatives in Asia and each country also. I hope that most of you here, if not all, knew that the first Cooperative Laws of Vietnam was approved by the National Assembly of Socialist Republic of Vietnam in March, 1996. Now, some enactments have been passed through by our Government, for the implementation of the Law, such as : the enactment on the tasks, powers and responsibilities relating to State management of all Ministries, other related State agencies and People's Committee at all levels on cooperatives; the enactment on encouraging the development of cooperatives and the enactment on transforming, registering cooperatives and the organization of cooperative union. Along with the Law on Cooperatives, these decrees are the legal and solid foundation for the development of cooperative movement in our country because although the first cooperative in Vietnam was established 50 years ago but only up to now we have the first Cooperative Law. This Law not only conforms with the situation of cooperative movement also with the economic Renovation in our country in the market economy, it also ensures all the principles and values of cooperative.

I think that a lot of you here know and hear of my organization, that is the Vietnam Cooperatives Union (VCU). Now I would like to have a few words about it. VCU has been formally established since 1993, before that it was known as the Central Council for the Supplying and Marketing Cooperatives of Vietnam. VCU has two main functions : the first is to support cooperatives in Vietnam and the other is to represent for the cooperative movement in Vietnam. Before the approval of Law on Cooperatives, VCU was only engaged in four fields of cooperatives, namely trading and service, construction, transportation and small - handicraft industry. But now according to new Law, VCU is in charge and responsible for all types of cooperatives, namely in 9 fields : agriculture, industry, transportation, construction, trading and service, fishery, forestry, insurance and credit, handicraft and small industry. So VCU now is more responsible for the development of cooperative movement in Vietnam. The organizational structure of VCU as follows :

- President
- Vice Presidents (4)
- Executive Board (51 members)
- Specialized departments :
 - . Administrative Dept.
 - . Mass organization and personnel Dept.
 - . Supervision Dept.
 - . Policy and Law Dept.
 - . Int'l Economic Relations Dept.
- Two centers :
 - . Center for Promoting Non-State Enterprises and Cooperative (NEDCEN)
 - . International Cooperation Promotion Center (ICPC)
- Two training schools.

Besides VCU has 16 companies directly belonging to. Before Vietnam had only 53 cities and provinces but now it has 61 ones. Under VCU, we have local councils in 58 provinces and cities so it is very easy for VCU to get situation of each locality.

Among all the fields, agricultural sector is the largest and intensive labour one. Now we are conducting some practical study to agricultural areas and to see how we can reorganize the agricultural cooperatives.

Policies of priorities supporting and assistance to coops. have been gradually solved; decrees and model by-laws to coop. types have been drafted and carefully discussed for the approval from the Government. The cooperative movement for the last two years has been experiencing active changes; coops. have overcome the crisis period and are transferring to a new era of their development, vertically and horizontally, with 25,000 cooperatives of all types in the fields of agriculture, handicraft and small industry, trading and services, transportation, construction, credit, fishery, ect. Out of that, many coops. have been gradually renovated and reorganized. The share of coops. that are effectively doing their business is increasing; besides a lot of coop. economic types and coops. of various kinds have been established to make their contribution to job settlement, to poverty elimination in rural areas. International relations in the coop. sector have been expanding day by day and gaining practical achievements. However from the real situation and on the ground of checking the 26 proposed recommendations, we can see that a lot of problems need more active concern and settlement, among that the important task is to popularize widely the Law on Cooperatives, model by-laws and decrees to bulk of the population to organize transportation and re-registration for cooperatives in accordingly with and following strictly the principles of organization and operation of stated by the Law on Cooperatives. At the

same time, VCU has been organizing the study and deployment of representing and supporting activities to cooperatives of all industries, economic sectors, mobilizing, popularizing and developing diversified coop. economies in line with Laws of economic development in Vietnam in this period; making contribution to the course of industrialization and modernization.

Thanks to the development of agriculture, Vietnam no longer suffers from food deficit but can export a large amount of rice and other agro-products, creating important precondition for the country to further develop in a new era-industrialization and modernization.

Currently, Vietnam is facing with great challenges to maintain its high and sustainable growth rate in agriculture in particular and in rural economics in general, simultaneously to develop rural culture and society, and to protect and improve rural development. During this process, a cooperative is an appropriate form for farmers to mobilize resources to overcome starvation and poor and to develop economy. However, promotion of coop. movement in Vietnam requires to implement under the new guideline suitable to market-oriented economy.

According to the Cooperative Law, a cooperative is a self-governing economic organization established in accordance with provisions of law by labourers who share common need and interests, and volunteer to contribute capital and labour to bring into play the strength of collective and of individual cooperative members so as to assist one another in carrying out more efficiently production, business and service activities and improving their living conditions. Thus contributing to the national economic and social development. Therefore the new coops. set up under the law on coop. will be really self-governing and independent of coop. members and be different from former coops. established in the previous centralized

planned mechanism. New coops. will contribute to encouraging dynamism of farmers, to fully use potential available in rural area for socio-economic development and improvement of living standard of coop. members themselves.

The law clearly determines authority, function and task of cooperatives; organizational principles, organization and activities of cooperatives; issues related to registration of cooperative; Congress of coop. members; the rights and obligations of coop. members; asset and fund of cooperative.

The documents in which stipulations for implementation of Coop. Law are specific clarifies function and tasks of state management agencies at levels to cooperative; Government policies to encourage development of cooperatives such as policy for land rental and reduction of land rent; policy on tax exemption; policy on loan; policy for training cooperative; policy on export and import and joint venture in consumption of products; policy on social insurance. These documents also specifically stipulate former cooperatives establish in the centralized economic management mechanism to new coops. registered under the Cooperative Law.

In the coming years, the Government of Vietnam will stimulate and provide facilities for the established cooperatives to make change to coops. running under the Law and will encourage development of variety of new economic cooperation of farmers in rural areas. In order to achieve this objective, the following are planned to implement :

- Continue to improve legal documents on cooperative; ministries and involved sectors will develop and provide cooperatives with introductions in the field of them-selves on implementation of cooperative law.
- Organize information, education and communication on idea and contents of law on cooperative for officials at levels, officers involved in movement of cooperative development, officers in charge of management of

cooperative, cooperative members and persons who will become cooperative members.

- Support involved officials in the system of state management agencies and officers for cooperatives.

- Provide support in establishment of new cooperatives in different areas and localities so as other localities would learn their experience. The experience of the model cooperatives will also help improve Government policies for cooperatives.

- Reinforce activities on international cooperation with concerned agencies and in-and out-region and organizations through programmes on cooperative to share and learn experience in development of cooperative in particular agricultural multi-form cooperative of farmers.

- For the period of 1996-2000, the major objectives of Vietnam on rural development include : to steadily resolve national food security; to develop diversified rural economy with annual growth rate at 4.5 - 4.7 percent; to increase double farmer income in comparison with 1993; to have twenty percent of the number of poor households; to limit the growth speed of disparity on living standard in rural areas and between rural and urban areas; to develop rural infrastructure; to strengthen protection of natural resources with a particular emphasis on land, forest and to improve rural environment.

The agricultural cooperation movement has undergone a period of nearly 40 years of construction and development in the Northern Region of Vietnam and 20 years in the Southern Region after the unification of the country (1975).

At the highest point of the movement (1987), there were 17,022 agricultural coops, and 36,352 agricultural production groups in the whole country, absorbing 70% of peasant households.

Implementing the renovation policy of the Party, especially after the Resolution No.10 was approved by politburo of the Party (1988), a lot of cooperatives, production groups under the former mechanism could not fit the new situation and had to be dissolved. Dissolved agricultural cooperatives accounted for 20% of total agricultural coops, in the whole country, and that of production groups was 93%. The remaining division the increasing number of coops, was 2,500. At present in the whole country, there are more than 16,000 agricultural coops, and 2,500 agricultural production groups, sharing nearly 60% of total agricultural households.

Existing coops, can be divided into the 3 groups : - Effectively renovated cooperatives : these account about 10% of total cooperatives. They carry out essential services for the development of household economy of members such as : irrigation, seeds provision, plant protection, seasonal farming guidance and providing fertilizer as required by members.

These cooperatives still have confidence from their members :

- Coops, which carry out one or two service activities, account for 40%.

The main services are irrigation, seasonal farming guidance.

- Inefficiently functioned coops, account for 50%. The existence of these coops, is merely a formality.

However, in many places farmers still have demand of cooperating, especially in places the production is developed.

In areas existing dissolved cooperatives and in areas of existing cooperative, farmers voluntarily establish various cooperation groups in order to help each other overcome difficulties and develop production.

In order to create favourable conditions for the renovation and development of cooperative movement in conformity with the new situation, in March 1996 Law on Cooperatives of Vietnam was approved by the National Assembly, regulating basic principles for activities of cooperatives at present stage. Basically cooperatives in Vietnam observe principles similar to that of ICA :

1. voluntary
2. Democratic Management and Equality
3. Self responsibility and mutual benefit
4. Benefit distribution assuring the combination of member's interests and cooperative development
5. Cooperation and community development, cooperation among cooperatives domestically and internationally in conformity with Laws.

In order to renovate and develop agricultural cooperatives in the spirit of the Law on Cooperatives of Vietnam, following tasks should be implemented :

1. To concretize legal grounds, create favourable environment for new transformation and development of agricultural cooperatives :

Model by-laws and concrete guidance should be established and issued.

At present the Government is considering draft by-laws of 6 industries, including agriculture, and regulations regarding to the transformation of the existing cooperatives under the former mechanism into coops. with new mechanism, coop. encouraging policies and relevant regulations.

Ministry of Agriculture and Rural Development is studying to issue professional guidances. At the same time provinces are establishing projects and action plans.

2. Staff training and propagande :

On the one hand, people should be informed and explained the State directions for agricultural coops. movement. At this time, perception of farmers on this matters is very limited and they still have strong impression on the cooperatives of the old model.

On the other hand, we should urgently train specialist and staff for coop. movement. For agricultural coops. in particular, we should train about 2.000 managers at provincial and district levels and teachers for cooperative training schools. At the same time, in order to serve the transformation of existing cooperatives, we should train 30,000 root personels.

Training is the key factor in renovation and development of cooperative movement.

Ministry of Agriculture and Rurul Development is studying a standard programme for training work. Managers in agriculture and rural development are organizing pilot training courses.

3. To establish models, draw experiences and multiply :

At present we still has not had a comprehensive model in the field of agriculture and rural development in the spirit of the Law on Cooperative, so we should quickly establish modes in order to draw experiences and then multiply in areas. This work is carried out in almost all of provinces.

VCU'S VIEWS AS TO THE RELEVANCE OF THE TRAINING PROGRAM

The first training course of 6 months duration for "Strengthening Management of Agricultural Cooperatives" was held during 1986 - 1987. For the last 10 years, there have been 6 participants from VCU attending courses on "Strengthening Management of Agricultural Cooperatives in Asia". Their names and their proposed projects they want them to be implemented in the future as follows :

COUNTRY : Vietnam

NAME OF PROJECT : CAGE FISH RAISING COOPERATIVE PROJECT

PREPARED BY : Mr. NGUYEN QUOC TUY
Participant to 6th course, 1991/92

PROJECT OBJECTIVE : To construct cages for fish raising and marketing for better returns to members.

NATURE OF PROJECT : Raising of fish in bamboo cages along the river and marketing for better returns.

NAME OF ORGANISATION : Hanoi Supply and Marketing Cooperative Union

FINANCIAL OUTLAY : Dong : 636,000,000
Working capital : 336 mill. dong
Loans : 30% from banks
Others : 50%, members 20%
IRR : 56.36
Pay back period : yrs.

EXPECTED BENEFITS TO : Increased income to members,
COOPERATIVE MEMBERS : and better marketing of catch.

REMARKS\CURRENT STATUS Project implementaion details awaited.

COUNTRY :	Vietnam
NAME OF PROJECT :	PROJECT ON DEVELOPING TRADITIONAL HANDICRAFT PRODUCTS
PREPARED BY :	Mr. LE VAN NHU Participant to 7th Course, 1992/93
PROJECT OBJECTIVE :	To develop and expand off-farm income of farmers by production of traditional handicraft items.
NATURE OF PROJECT :	Development of embroidery, weaving, tailoring and making cakes as off-farm income augmentation.
NAME OF ORGANISATION :	Xuandinh Agricultural Cooperative
FINANCIAL OUTLAY :	Dong : 507 million Own funds : Dong 123 million Loans : Dong 332 million
EXPECTED BENEFITS TO : COOPERATIVE MEMBERS :	Increased off-farm income to members.
REMARKS\CURRENT STATUS	Project implementaion details awaited.
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COUNTRY :	Vietnam
NAME OF PROJECT :	MARKETING OF MILK PROJECT
PREPARED BY :	Ms. PHUNG THI NGAN HA Participant to 8th course, 1993/94
PROJECT OBJECTIVE :	To collect and market milk
NATURE OF PROJECT :	Development of milk marketing
NAME OF ORGANISATION :	Phu Dong Cooperative
FINANCIAL OUTLAY :	Dong : 381,800,000 Own funds : Dong 95.4 million Loans : Dong 286.3 million IRR 12.1% Pay back period : 3.5 yrs.
EXPECTED BENEFITS TO : COOPERATIVE MEMBERS :	Increased income to members.
REMARKSCURRENT STATUS	Project implemetation details awaited.
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COUNTRY :	Vietnam
NAME OF PROJECT :	CASSAVA STARCH PROCESSING PLANT
PREPARED BY :	Ms. TRAN KIM LINH Participant to 9th course, 1994/95
PROJECT OBJECTIVE :	To establish cassava starch processing plant
NATURE OF PROJECT :	Construction of starch processing plant for cassava to increase income of farmers/
NAME OF ORGANISATION :	Linh Xuan Cooperative
FINANCIAL OUTLAY :	Dong : 500 million Own funds : 150 mill. dong Loans : 200 million from Government Govt. Subsidy : 150 million dong IRR : 8.58% Pay back period : 7.5 yrs.
EXPECTED BENEFITS TO COOPERATIVE MEMBERS :	Increased income to members through processing and marketing of cassava starch.
REMARKSCURRENT STATUS	Project to be submitted for approval to concerned authorities on completion of training.
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COUNTRY	Vietnam
NAME OF PROJECT :	SOYA MILK PROCESSING PLANT
PREPARED BY :	Ms. TRUONG NGOC OANH Participant to 9th course, 1994/95
PROJECT OBJECTIVES :	To establish a soya milk factory
NATURE OF PROJECT :	Processing of Soya into milk for retail marketing
NAME OF ORGANISATION :	Saigon Cooperative, Saigon
FINANCIAL OUTLAY	USD : 2,575,000 Own funds : \$ 475,000 Foreign collaborator : \$ 882,1430% from Loans : \$ 1.2 million IRR : 11.24% Pay back period : 9 yrs.
EXPECTED BENEFIT TO : COOPERATIVE MEMBERS :	Increased income to members, and better marketing of soya milk.
REMARKSCURRENT STATUS	Project will be submitted for approval by the participant on return to her country after training.

COUNTRY	Vietnam
NAME OF PROJECT :	JUTE PLANTING, PRODUCTION AND PROCESSING PROJECT
PREPARED BY :	Mr. PHAM MINH DUC Participant to Tenth Course, 1995/96
PROJECT OBJECTIVE :	To encourage farmers to plant and produce jute for increasing their incomes.
NATURE OF PROJECT :	Planting, Production and Processing of Jute
NAME OF ORGANISATION :	
FINANCIAL OUTLAY :	
EXPECTED BENEFITS COOPERATIVE MEMBERS :	Higher incomes through better yields
REMARKS(CURRENT STATUS):	<p>May, 1996 to June, 1996 I have discussed with President of Thai Binh Cooperative Federation for project "Jute products factory". This project have not established yet with reasons :</p> <ol style="list-style-type: none"> 1. Restrict the market : <ul style="list-style-type: none"> - Jute products can not be marketed in Russia that traditional market - Compete with Thanland and China in trade of Jute products 2. Decrease in raw metarial : Exchange of land law, so that farmers grew better effectient crop. 3. Projects only can be established on condition that : <ul style="list-style-type: none"> - Quality of Jute products must be better with new technologies - Recover market was lost - Sufficient capital.

Overall, all the participants want these projects to be realized but the conditions for this implementation are insufficient, although they have some certain advantages, e.g : the project proposed by Ms. TRUONG NGOC OANH. SAIGONCOOP has been considering this project and reserved around 6,000 m² for the project. But up to now on the one hand they are in short of capital and on the other hand they still have not found out proper partners for the implementation. The biggest problem for the implementation of all projects is short of capital. That is the common answer when I contacted these 6 participants for understanding.

ICA/JA-ZENCHU/IDACA TOP LEADERS' CONFERENCE ON "COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN ASIA-PACIFIC", TOKYO, JAPAN. APRIL 14-19,1997

Inaugural address delivered by Mr Toru Shimizu, Director, Technical Cooperation Division, Economic Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries, Government of Japan. April 15 1997

Distinguished Guests, Participants,
Ladies and Gentlemen,

On behalf of the Ministry of Agriculture, Forestry, Fisheries (MAFF) of the Government of Japan, I am very glad to make an address on the occasion of the opening of the Asian Top Leaders' Conference on "Collaborative Strategies for the Development of Agricultural Cooperatives". Also I would like to express my heart-felt welcome to the top leaders who have come from Asian countries, the 15 participant and delegates of ICA Regional Office.

In this morning, I understand that top leaders of agricultural cooperatives in Asian Region, who have the responsibility, will discuss about the fundamental strategies for agricultural development and the human resource development on the basis of each participant's project proposals which were made during the Training Courses for Strengthening Management of Agricultural Cooperatives in Asia. The training course is supported by our Ministry and is implemented with the cooperation of the Central Union of Agricultural Cooperatives of Japan, JA-Zenchu, and has been implemented 11 times so far. The total number of participants trained since 1986 was 165 persons including the 15 participants of the 11th course present here. I believe this course has fostered and strengthened Asian cooperatives and helped mutual relationships.

As you are aware, agriculture, forestry and fishery and rural areas have an important role for socio-economic development and for stability of life such as stable food supply as one of the most basic materials for human life, conservation of land and natural environment and creation of vital rural society. It is also a major theme for every country attending this meeting to stabilise nation's food supply and to vitalize economic activities in rural areas. I consider that expectancy for agricultural cooperatives is getting more and more.

On the other hand, in recent years, we are facing world environmental issues such as rapid population growth, ozone layer destruction, soil deterioration by acid rain, decreasing of tropical forests, desertification, sea pollution, green house effects and so on. The influence to the environment by any industrial activity has been taken an increasing interest in all countries of the world. It is often indicated that the primary industry is not efficient as compared with the secondary and

tertiary industries. However, agriculture is a harmonious industry to the environment.

Under these circumstances, recently in Japan, it is one of the major political issues to realise environmentally well balanced sustainable agriculture, forestry and fisheries with high productivity. Our government has taken some policy decisions not only to strengthen organisation and management of national agricultural, forestry and fishery cooperatives, but last to promote international cooperation activities for supporting of agricultural cooperative development in the Asian Region by making use of bilateral and multilateral cooperation with international organisations who have special knowledge and techniques. Those technical cooperation by Official Development Assistance (ODA) includes training programmes carried out by the ICA that are for strengthening management of agricultural cooperatives in Asia, training programme for women leaders of agricultural cooperatives and training project for leaders of fisheries cooperatives in the world.

Recently, our government financial situation has fallen to serious conditions, therefore we have to be moderate in proposal of new programmes and to reduce any previous ones from the financial authorities.

Anyway, it is important that cooperatives are self-reliant. I really expect that the results discussed in this meeting will affect your cooperative activities and will carry out in practice as a cooperative project.

Now in Japan, it is the spring season. Cherry Blossoms have just finished and new beautiful green leaves are growing. I hope you will learn Japanese culture and rural life in addition to enjoying Japan's beautiful spring-time scenery during your trips.

I would like to conclude my speech by wishing successful result of this meeting, future development of cooperatives in Asia and all of your health.

Thank you very much for your kind attention.

ICA/JA -ZENCHU/IDACA TOP LEADERS' CONFERENCE ON "COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL COOPERATIVES IN ASIA-PACIFIC", TOKYO, JAPAN. APRIL 14-19,1997

Address delivered at the Inaugural Session by Mr Kazuyuki Tsurumi, Managing Director, Agriculture, Forestry and Fisheries Development Study Department, Japan International Cooperation Agency (JICA) on April 15 1997

Hon'ble Guests, Distinguished Participants,
Ladies and Gentlemen,

It is my great pleasure to participate in the opening of the Asian Agricultural Top Leaders Conference on "Collaborative Strategies for the Development of Agricultural Cooperatives in Asia". I would like to congratulate the secretariat for the excellent organisation of the conference and express our heartfelt welcome to all the participants on behalf of the Japanese International Cooperation Agency-JICA.

There is no doubt that agricultural cooperatives have been playing significant roles in the field of agricultural credit, farm supplies, marketing and processing. Even so, some of the agricultural cooperatives in Asian countries are some times not active enough because of the limitations of resources, especially in human resources.

The JICA recognises that the assistance for agricultural cooperatives is one of the most important areas in the agricultural sector with top priorities as 'software' type cooperation. Requests for assistance in this field are increasing and JICA actively develops its efforts-through various types of cooperation programmes such as acceptance of trainees, project type technical cooperation and development study etc.

I would like to describe some of our programmes briefly in order to introduce some basic idea on JICA's activities.

Training Programmes

In the field of trainee acceptance programme, the 'Agricultural Cooperative Course' has been carried out in cooperation with IDACA since 1963. The programme of this course was once reviewed and today it is in the second phase.

During the 34 years more than 600 leaders of agricultural cooperatives from more than 60 countries have joined and studied in this course. Many of the leaders of Asian agricultural cooperatives have studied in this course.

Project-type Technical Cooperation

As project-type technical cooperation, the 'Agricultural Cooperative Promotion Project' had been carried out in Thailand

from 1984-1991. This project was planned making full use of conclusions of the development studies conducted before. And as a related programme, the 'Regional Training Centre in Nakorn Ratchasima' was built by grant-in-aid programme.

Development Study

In the field of development study, JICA carried out two studies related to agricultural cooperatives. One was in the Philippines and the other was in Thailand. And now another two studies are in progress. These are: Study for Strengthening of Agricultural Cooperatives in Mongolia and the Study on Integrated Development Project for Rural Cooperatives in Indonesia.

JICA will continue further develop its efforts for assisting agricultural cooperatives in Asia.

Finally, I would like to express my gratitude for all the distinguished participants and officials for your kind attention. I really hope for the success of this conference and further development of our future friendship.

Thank you very much.





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75th International Cooperative Day: Saturday, July 05 1997

MESSAGE FROM THE INTERNATIONAL COOPERATIVE ALLIANCE

THE COOPERATIVE CONTRIBUTION TO WORLD FOOD SECURITY

01 According to the Food and Agricultural Organisation of the United Nations (FAO/UN), ensuring food security, the basic right of people to the food they need, is perhaps the greatest challenge facing the world community. The challenge is most critical in low-income and food-deficient countries. The vast majority of the world's poor live in rural areas and are directly dependent on agriculture for employment and income. The most disadvantaged of all are women, stresses the FAO, the 'silent majority' of the world's poor. Rural women produce up to 80% of food in developing countries. Yet studies indicate that they have title only to a fraction of farm land and access to just 10% of credit and 5% of extension advice. In recent years the situation has deteriorated.

02 In future years, much of the responsibility for meeting the nutritional needs of a growing population will fall upon farmers and their organisations, including cooperatives. Today, the force of agricultural cooperatives is already significant. They are responsible for nearly one-third of total agricultural production with an estimated value of US\$ 522 billion. They are key actors in many national economies providing large percentages of domestic food products, but are equally important as food exporters. They will increasingly be called upon to provide higher yields while respecting the environment and consumer food safety concerns.

03 However, agricultural cooperatives are not the only cooperatives which contribute to food security. The multi-sectoral character of the Movement provides contributions to all aspects of improving food production and access. For example, fishery cooperatives provide important sources of protein; consumer cooperatives make food available in urban and rural areas - food that is safe, high quality and reasonably provided to ensure access by a majority of the population; the financial cooperatives (banks, credit unions, savings and credit and insurance cooperatives) are key actors providing invaluable services to the agricultural and consumer sectors to ensure production and distribution of food.

04 A common factor between them is that cooperatives help their members help themselves as jointly-owned, democratically controlled enterprises. Cooperatives provide income and employment and contribute to the development of communities.

05 Food availability is also linked to sustainable development as a whole. The Cooperative Movement has shown its concern to the sustainable development and environment issue for decades and has more recently taken action at a global level in support of recent UN initiatives, such as the 1992 Environment Conference and the ensuing UN Agenda 21.

06 In the five years since the Rio Conference on Environment and Sustainable Development, the ICA adopted a resolution on environment and sustainable development in 1992, followed by a universal declaration on the commitment of the Cooperative Movement. The Movement's own blueprint for achieving sustainable development, **Cooperative Agenda 21**, was adopted at ICA Centennial meetings in 1995. Cooperative Agenda 21 outlines actions promoting sustainable development, noting that cooperatives, as people's organisations, are ideally placed to implement activities dealing with the protection of the environment as well as with sustainable development questions. In the Cooperative Agenda 21 document, specific commitments are expressed by different economic actors. Agricultural cooperatives have pledged to promote sustainable agriculture by promoting the conservation of plant and animal genetic resources, and land and water resources. Environmentally viable, socially supportive and economically sound objectives for other sectors in the Cooperative Movement were also defined for the consumer cooperatives, housing, financial, tourism, worker and energy sectors.

07 However, improving food security and achieving sustainable development must be part of a global process involving political and financial initiatives. It requires technical and educational actions and must be integrated into operational, coherent and innovative strategies. Partnerships between people's organisations, other elements of the civil society and governments will be needed if we are to address these challenges.

08 The ICA calls on its members to work with other organisations and national governments to address the challenge of providing food security to the world's growing population. It calls on cooperatives from the different economic sectors to implement the Cooperative Agenda 21, so as to provide sustainable environment for future generations of cooperators to enjoy.

Issued by:

The International Cooperative Alliance
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Geneva. Switzerland

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ICA/JA-ZENCHU/IDACA Asian Top Leaders' Conference on
"COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF
AGRICULTURAL COOPERATIVES IN ASIA"
Tokyo, Japan. April 14-18 1997

CONFERENCE BACKGROUND MATERIAL - PART-I

Prepared by:
DAMAN PRAKASH, Project Director
ICA/Japan Agricooops Management Training Project for Asia

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Conference Organisers :

- * International Cooperative Alliance
Regional Office for Asia and the Pacific, New Delhi
- * JA-ZENCHU - The Central Union of Agricultural
Cooperatives-Japan, Tokyo
- * The Institute for the Development of Agricultural
Cooperation in Asia-IDACA, Tokyo



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ICA/JA-ZENCHU/IDACA ASIAN TOP LEADERS' CONFERENCE ON
"COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL
COOPERATIVES IN ASIA". Tokyo, Japan. April 14-19 1997

CONFERENCE BACKGROUND MATERIAL - PART-I

Prepared by Daman Prakash, Project Director
ICA/Japan Agricoops Management Training Project

Background

01 Nearly 65-75% of the population in Asia-Pacific countries depends on agriculture. Income from farm products has been the main income source of the farmers. Farm practices and means are traditional. Application of methods and technology for farm management, crop protection, post-harvest, diversification of cropping patterns, use of farm inputs, mechanisation of farming, have not yet been used extensively. Pressures on agricultural lands due to ever-increasing population, urbanisation and development of other infrastructures have been heavy. Organisation and management of farmers' groups or associations has been weak. In the rural areas, agricultural cooperatives have been playing significant roles by way of disbursement of farm credit, farm supplies, marketing and agro-processing. Although there are a large number of agricultural cooperatives, their main function remains at distribution of credit, fertilisers and procurement of farm products for national food stocks. Marketing, agro-processing, warehousing activities are still weak. Their services to the members are inadequate. Many of the agricultural cooperatives remain content with implementing some of the government-sponsored programmes. Agro-processing for "value addition" has been marginal.

02 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 agricultural cooperatives in Japan have been: Amalgamation of cooperatives to make them more viable and service-oriented; Farm guidance and better-living services; Mutual insurance and health care for members; marketing and supply functions through cooperative-owned holding companies; Higher economic returns through adoption of "value addition" through agro-processing; etc. The Japanese agricultural cooperatives have also offered a number of technical assistance programmes for the development of agricultural cooperatives in the Asia-Pacific Region. The JA-ZENCHU (the Central Union of Agricultural Cooperatives of Japan), and the IDACA (the Institute for the Development of Agricultural Cooperation in Asia) have been offering several such programmes.

03 Realising that the managers and key leaders are the main factors for the success of agricultural cooperatives, it is considered necessary that the managers are exposed to successful models. Already in the Asia-Pacific Region several successful models exist.

Strengthening Management
of Agricultural Cooperatives in Asia

04 In the light of the foregoing, and based on the discussions held between the International Cooperative Alliance (ICA), the JA-Zenchu and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan, a regional training project for "Strengthening Management of Agricultural Cooperatives in Asia" was developed and agreed upon for implementation through the ICA. The Government of Japan came forward to provide the needed funds to the ICA to implement the Project in the Region.

05 It was understood that the middle-level managers of secondary level or national level agricultural cooperative organisations would be an appropriate target group. To achieve the desired results, it was also considered appropriate to limit the number of trainees to 15 persons per training course.

06 The first training course of 6-months duration attended by 15 participants from 9 countries of Asia was held during 1986-87. The programme was conducted by the ICA through its Regional Office for Asia and the Pacific (ICA ROAP), located in New Delhi, India, and with the active collaboration of well-known institutions e.g., the IDACA in Tokyo, Japan, the Indian Institute of Management, Ahmedabad, India (IIMA), the Vaikunth Mehta National Institute of Cooperative Management, Pune, India (VAMNICOM), and the ICA member-organisations in the Region. Since the 8th training course, the IIMA has been replaced with the Institute of Rural Management, Anand, India (IRMA). This was the first-ever long-term technical programme offered by the ICA to its member-organisations in the very critical area of development of management of agricultural cooperatives in the Region.

07 The programme design was finalised by the ICA in consultation with the Government of Japan, the JA-Zenchu and the IDACA. The curricula, training methods, training materials and resource persons were field-tested during the first two courses, and on the basis of experiences thus gained, several modifications in the design were incorporated. Based on the suggestions made by the participants and the beneficiary member-organisations some more innovations were introduced in the subsequent courses. Evaluation, introspection and looking back have been the core and constant elements of the course with a view to assess the performance of the participants on one hand and of the various components, resources and organisers on the other. This effort is further reinforced by holding constant dialogue by the ICA ROAP officials with beneficiary organisations and the former participants from time to time. The user-organisations, donors and collaborating agencies have also made suggestions on various occasions. As a result, the programme became so strong and popular that for each successive course there have been more demands for additional seats than the stipulated 15 seats per course. Until the 10th course this trend has continued. The programme has been structured in such a way that theoretical inputs are constantly reinforced by practical work and field observations. The strength of the training course is its project-oriented approach and an intensive group work.

08 So far 10 such training programmes have been successfully held which were attended by 150 participants from 13 countries of Asia. Participants holding middle or senior level managerial positions in agricultural cooperatives and their supervising organisations are selected to attend these courses.

Objectives

09 The overall objective of the training programme is "to help strengthen and improve agricultural cooperative performance in the Asian Region in order to bring about a qualitative and quantitative improvement in cooperative services to member-farmers at the grass-roots level with the ultimate objective of increasing member's income and ensuring his active participation in cooperative business".

10 The inner core of the objective rests on "Value addition through Agro-processing". An analysis of the objective would reveal that the training programme aims at the following factors:

- Enhancing the capability and capacity of an agricultural cooperative to provide maximum possible efficient services;
- The efficient services could be provided only if the management of the cooperative is strong and responsive to the needs of the members;
- An efficient management is possible if a cooperative has properly trained manager who can communicate with the management of the cooperative as well as with the members and employees;
- An efficient manager should have the capability and capacity to plan for the cooperative and implement or appraise development projects which aim at enhancing the income and participation of the members at the grass-roots level;
- In agricultural cooperatives maximum benefits can be derived through agro-processing thus adding value to the produce of the members and facilitating its marketing; and
- The manager, should, therefore, have proper training in developing, appraising and implementing development projects and should also have sufficient skills in communication.

11 The programme design, therefore, hinges securely on improving the management of an agricultural cooperative - by improving the managerial skills of the manager. The following subjects form an integral part of the training course:

- Management practices
- Management of agricultural cooperatives/enterprises
- Development/appraisal of agricultural management projects
- Management leadership effectiveness
- Communication skills and strategies
- Board-Member/Board-Management Relationship
- Business Management
- Decision-Making
- Planning Process
- Practical assignments and field studies

12 These subjects are covered in the background of "Integrated Cooperative Development Strategies" aiming at strengthening the management of agricultural cooperatives, and enabling the cooperatives to consider employing "Value addition" methods to enable the basic farmer-members to increase their income. In agricultural cooperatives, value addition can be achieved through "agro-processing, effective marketing and providing extension/information services to the farmer-members."

Course Modules

13 The entire study programme has been divided into two principal parts i.e., Part-I of the programme is held in India under the guidance of the ICA ROAP, and in another country, including Home Country Assignments. Part-II of the programme exclusively deals with the management of agricultural cooperatives in Japan, including a small segment on appraising the development project proposals produced by the participants during their Home Country Assignments. The project appraisal sessions are aimed at imparting skills in appraising projects.

14 The study programme has 8 working modules. These are:

Part-I of the Training Programme

- Module-1 Understanding Regional situation through presentation of country statements by the participants; exposure to topical subjects by holding special lectures;
- Module-2 Understanding the Indian Cooperative Movement duly reinforced by study visits to national, provincial, district and local level agricultural cooperatives, discussions with management leaders and local members. Exposure to dairy cooperatives, sugar cooperatives and other agro-processing cooperative enterprises;
- Module-3 4-5 weeks class-room work on understanding "Integrated Cooperative Development Strategies" laying special focus on value-addition through agro-processing, management leadership, skills in formulating and appraising agricultural cooperatives development projects, communication skills, computer awareness;
- Module-4 Field study visits in a third country with a view to study a different model of agricultural cooperative development. Interaction also with the former participants with a view to learn from them their experiences in implementing their own project proposals;
- Module-5 Home Country Assignments (HCA), usually for 45-50 days enabling the participants to produce their own development project proposals in consultation with their own sponsoring organisations and in line with their own priorities - national and organisational.

Part-II of the Training Programme

- Module-6 Imparting skills in appraising a development project proposal using the proposals produced by the participants during their Home Country Assignments;
- Module-7 Study programme on management of agricultural cooperatives of Japan, field visits, and interaction with the management leaders and member-farmers for about two months in Japan;
- Module-8 Evaluation and assessment of the participants, resources and logistics with a view to improve future-programmes. This also includes reporting and planning phases.

15 Module-3 deals specifically with management aspects. This 4-weeks module is covered by the Institute of Rural Management, Anand (IRMA). The subjects covered are inter-related with all other modules and form a part of the entire scheme of the training programme - TABLE-1. The subjects covered include:

- Management Practices
- Financial Management
- Resources Management
- Integrated Cooperative System
- Reporting and Communication Skills Development
- Computer Awareness
- Exercises and Analysis Skills
- Interaction with Coop Managers, Leaders and Basic Members
- Study Visits
- Study Materials/Text Books
- Guidelines on Project Proposals
- Interaction with Teachers/Resource Persons
- Library and Documentation Use

Preparing a Development Project Proposal

16 A flow chart describing the various aspects of preparing a cooperative development project proposal is given in TABLE-1. There are eight (8) stages which a participant has to observe to understand the methodology of producing a feasible, viable and workable project proposal - from the concept to the submission stage. The participants are given encouragement to produce their projects based on the priorities and needs of their sponsoring/parent organisations. The participants are given intensive classroom exposure on the techniques of producing a project based on internationally-recognised and well-accepted principles and methods. They are given time to understand the techniques, and also opportunities to have discussions with their own organisations - usually with their Boards/Managing Directors, and seniors - and also to collect the needed data. The participants are also given time - during their Home Country Assignments - to work on the draft of their projects and obtain, if possible, the commitment of their sponsoring organisations to implement them later on.

17 The project proposals are appraised at a special appraisal session of about 10 days duration. The participants are given an opportunity to have a critical look at their own projects - the feasibility, viability and the chances of success - in the light of the comments made by the participants themselves through group work, and from the specialists and resource persons. TABLE-2 explains the process of appraisals skill development.

TABLE-1. INPUTS FOR THE AGRICULTURAL COOPERATIVE MANAGEMENT TRAINING COURSE - A Learning Exercise in Skills Development

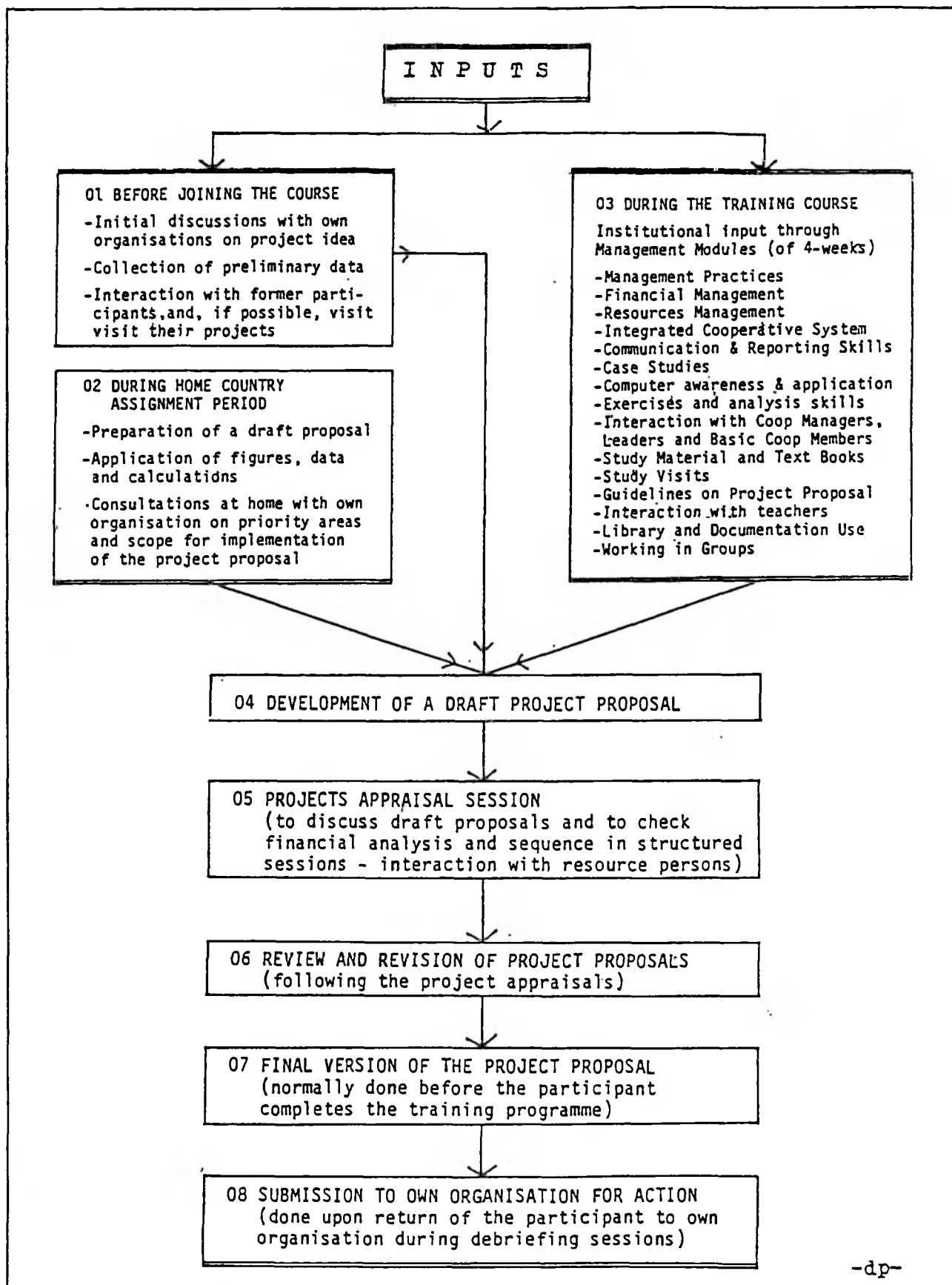


TABLE-2. STEPS IN APPRAISING THE PROJECT REPORTS PREPARED BY THE PARTICIPANTS DURING THEIR HOME COUNTRY ASSIGNMENTS

STEP 01	The Author prepares a PROJECT DOCUMENT/REPORT 01 Executive Summary 02 Main Report 03 Statistics/Calculations 04 Recommendations
STEP 02	Distributes the Project Report among the fellow-participants and Resource Persons in advance
STEP 03	The Author presents the Project Report by using the OHTs and other media (about 1 hour)
STEP 04	Immediately after presentation, the author receives: -First-hand reactions from Participants -Clarifications from the Participants
STEP 05	The presented Project Report is assigned to three Groups for discussions (about 1 hour)
STEP 06	Each group prepares: - A set of questions; - A set of recommendations; and - Seeks clarifications. [All aimed at improving the quality of the Project Report and helping the author to review/revise the Project Report]
STEP 07	Group leaders present their findings one by one (about 5 minutes each)
STEP 08	The Author replies to questions, tries to satisfy the clarifications and takes note of points made by the Groups for improvement of the Project Report.
STEP 09	The Resource Persons make their expert comments and suggestions to facilitate review/revision of the Project Report.
STEP 10	The Author revises the Project Report and prepares it for submission.

18 The preparation and appraisal of development project proposals combines within itself the total sum of the training programme. It is this exercise that gives the participants a lot of confidence. The proposal is subsequently rewritten/revised and presented to their sponsoring organisations for consideration and for implementation.

Participating Countries

19 The participants have come from a variety of organisations e.g., agricultural marketing cooperatives/federations, agro-processing, agricultural financing institutions, agricultural training centres, supervising unions etc. 10 courses held until June 1996 were attended by 150 participants from 13 countries - see TABLE-3. The countries represented were as follows:

- 01 Bangladesh (10)
- 02 China (13)
- 03 India (24)
- 04 Indonesia (11)
- 05 Iran (03)
- 06 Republic of Korea (20)
- 07 Malaysia (10)
- 08 Myanmar (04)
- 09 Pakistan (07)
- 10 Philippines (14)
- 11 Sri Lanka (14)
- 12 Thailand (14), and
- 13 Vietnam (06)

20 A complete listing of participants is given in ANNEXE-I. Almost all the participants continue to remain within the agricultural cooperative sector barring a few exceptions. Sponsoring organisations, in several cases, have given due recognition to the training received by the participants by giving them additional responsibilities with appropriate compensation.

Current Status of Project Proposals Prepared by the Participants

21 Up to the 10th training course (1995-96), 150 participants have attended 10 courses. 148 project proposals were produced by them. Two participants could not produce their projects. TABLE-4 contains information on the implementation status of the projects in the participating countries. The status has been described under four major headings: i) Projects Fully Implemented; ii) Projects Partially Implemented; iii) Projects Under Consideration; and iv) Project Abandoned. It can be seen from the table that 29 projects have been fully implemented and they are in full operation. 73 project proposals are under consideration. 17 projects have been partially implemented. These include also those which have been modified from the originals produced by the participants. 29 projects have been abandoned mainly due to lack of funds, departure of participants from their original positions, lack of infrastructure, and changes in policies etc.

TABLE-4. COUNTRYWISE STATUS OF IMPLEMENTATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY THE PARTICIPANTS (COURSE I-10)

Country (No. of Participants)	Fully Imple- mented	Partially Imple- mented	Under Consi- deration	Projects Abandoned
01 Bangladesh (09)	01	-	08	-
02 China (13)	05	-	07	01
03 India (24)	04	04	11	05
04 Indonesia (11)	03	02	04	02
05 Iran (03)	-	-	03	-
06 Korea (20)	04	02	12	02
07 Malaysia (10)	03	01	05	01
08 Myanmar (04)	01	-	03	-
09 Pakistan (07)	-	-	04	03
10 Philippines (13)	01	01	04	07
11 Sri Lanka (14)	05	03	03	03
12 Thailand (14)	02	04	03	05
13 Vietnam (06)	-	-	06	-
Total (148)	29	17	73	29

Note: A total of 150 participants had attended the 10 courses. Two participants - one from Bangladesh and one from the Philippines - could not produce their development project proposals.

22 TABLE-5 gives a subjectwise classification of the cooperative development proposals. This is the summary of all the projects. It can be seen that maximum number of proposals dealt with Fruits, Vegetable Processing and Setting-up of Cold Stores (32), 18 projects dealt with Paddy and 19 projects dealt with dairy cooperatives and livestock development. This indicates the priority areas of the Region. Some of the major priority areas are:

- Fruits, Vegetable Processing and Cold Stores
- Dairy and Livestock Development
- Rice/Paddy Processing
- Cattle-feed Mills
- Rubber/Rubber-wood Processing
- Integrated Rural/Cooperative Development
- Fisheries
- Coconut/Coconut-Husk Processing
- Food Products
- Fertiliser Application/Distribution
- Cane-sugar and its By-products
- Environment Protection and Cooperatives

TABLE-5. SUBJECTWISE CLASSIFICATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY THE PARTICIPANTS (COURSE 1-10)

Sr No.	Subject Areas Covered	No. of Proposals
01	Animal Feed Mills	09
02	Cassava Processing	01
03	Coconut/Coconut Husk Processing	05
04	Corn Production	01
05	Cotton Production and Processing	02
06	Dairy and Livestock Development	19
07	Duck/Poultry Raising and Processing	06
08	Farm Products (organic farming)	01
09	Fertiliser Application/Distribution	03
10	Fisheries	06
11	Flower Marketing	01
12	Food Products	05
13	Forestry	02
14	Fruits, Vegetable and Cold Storage	32
15	Handicrafts	01
16	Hog Raising and Meat Production	02
17	Integrated Rural/Cooperative Development	07
18	Jute Processing	01
19	Monitoring and Evaluation System for Cooperatives	01
20	Oilseeds Processing	02
21	Pepper Processing	03
22	Rice/Paddy Processing	18
23	Rubber/Rubber-wood Processing/Nurseries	06
24	Rush Mat	01
25	Seed Production/Multiplication	02
26	Sericulture	02
27	Sheep and Wool Development	02
28	Soybeans Processing	02
29	Strawboard Production	01
30	Sugarcane Production/Processing	01
31	Tobacco Processing	01
32	Wholesale Distribution	01
	Total	148
	Total Number of Training Courses Held	10
	Total Number of Participants	150
	Total Number of Proposals Produced	148

An Exercise in Learning Skills

23 Although preparation and appraisal of the project proposal is an integral part of the training programme, the implementation initiative rests with the sponsoring organisation. Much also depends on the resourcefulness of the participant himself as well as his position within the organisation.

Another contributory factor is the priority and funding position of the organisation itself. It is not an obligation on the part of the participant or the sponsoring organisation to implement the project. From the training point of view, it is a learning exercise and a learning experience. If a project is picked up by the organisation for implementation, it is a credit to the training programme, its effectiveness and relevance. It is also a credit to the participant who developed the project proposal and which has been considered viable, feasible and technically sound.

24 The very fact that as much as 29 proposals were picked up for implementation - in fact all these projects are in full operation - goes to suggest that the proposals were technically-sound, prepared in accordance with internationally-accepted norms, and the organisations considered them fit for funding. Some of the projects have a financial input of several million dollars. A complete listing of the status of projects for all countries is given in ANNEXE-II.

Contacts with Former Participants: National Follow-up Workshops

25 With a view to foster active contacts with the former participants, a series of National Follow-up and Review Workshops have been conducted since the 7th training course. These workshops, conducted with the collaboration of ICA member-organisations, were tagged on to the study visits programmes. Some of the workshops were held also in conjunction with the IDACA Re-Union Programmes. Until the end of the 10th training course, the following follow-up workshops were conducted:

01	Korea	May 1993	together with the 7th course
02	India	Dec 1993	together with the 8th course
03	Sri Lanka	Dec 1993	together with the 8th course
04	Thailand	Jan 1994	together with the 8th course
05	Indonesia	Feb 1995	together with the 9th course
06	Malaysia	Dec 1995	together with the 10th course

26 In the national follow-up workshops, the representatives of beneficiary organisations, former participants, and government cooperative departments have participated. The workshops were also attended by representatives of the MAFF/Government of Japan, JA-Zenchu, IDACA and the ICA.

Support to the Programme by ICA Member-Organisations in the Region

27 The ICA member-organisations, realising the importance of the programme, have released their senior officials for a period of six months to participate in the programme. During the study visits programmes, the member-organisations have willingly taken upon themselves the responsibilities of making practical arrangements, identifying institutions to be visited, supplying resource persons, helping in the preparation of background material, covering domestic travel and other costs of local former participants, and hosting orientation and social programmes for the participants.

Development of Training Material:

A Constructive addition to agricoops management literature

28 With a view to provide the participants with authentic and latest material on development of management of agricultural cooperatives in the Region, a wide range of hand-outs and printed material has been developed and issued. Some of the important ones have been the following:

- Agricultural Cooperatives in Japan
-The Dynamics of their Development by MV Madane
- Agricultural Cooperatives in South Korea
-The Unitary Approach by MV Madane
- Cooperative Agribusiness - Some Case Studies
by Seetharaman and Singhi (of IIMA)
- Social Objectives of Cooperatives by Daman Prakash
- Our Civil Society and Cooperatives by Daman Prakash
- Environment and Cooperatives by Daman Prakash
- Managerial Decision-making in Agricultural Cooperatives
by Prof Ajit Kanitkar (of IRMA)
- A Manual on Preparing an Agricultural Cooperative Development
Project Proposal by Prof G. Krishnamurthi (of IRMA)
(currently under field testing)

Relevance and Acceptability of the Programme

29 The programme has assumed a status of respectability among the cooperative organisations in the Region. It is regarded as very prestigious and technically-sound training programme offered by the ICA to its member-organisations in the Region. A number of institutions of higher learning in the Region are also associated with the programme. Upon completion of the training course, the participants are given an ICA Certificate of Participation signed by the Director-General of the ICA, Geneva. Another Certificate duly signed by the Managing Director of the IDACA signifying the completion of Part-II of the training programme is also given.

30 Besides enhancing the capability and capacity of managers of agricultural cooperatives, the programme has created enormous good-will for the Japanese experiences of management of agricultural cooperatives as well as for the ICA. In addition, the project has contributed significantly to cooperative teaching and training literature in the form of well-documented publications, case studies, project ideas etc.

Continuous Consultations with Donors and Collaborating Organisations including Continuous Evaluation of the Programme

31 The project leadership uses all available opportunities to promote the utility, relevance and contents of the programme so that the member-

organisations of the ICA make the best use of the opportunity by sponsoring the most appropriate candidates. The leadership also continuously undertakes consultations with the MAFF, JA-Zenchu and the IDACA to make the programme more effective. The Director-General and the Deputy Director-General of the ICA, Geneva, and the ICA Regional Director for Asia and the Pacific, have held regular consultations with the senior level officials of the MAFF, JA-Zenchu and the IDACA from time to time with a view to continue and expand the scope of the project and to improve upon the quality of the training programme. They had also had several opportunities of interacting directly with the participants.

32 Evaluation and in-built assessment of the programme, participants, resource persons, infra-structural arrangements, training materials, venues for location of study visits, and the contribution of project leadership has formed an integral part of the training programme. Evaluations and assessments are carried out in the following order:

- Group discussions;
- Practical assignments during teaching sessions;
- Home Country Assignments (when project proposals are prepared);
- Project Appraisal Sessions;
- National Level Follow-up and Review Workshops;
- Periodic evaluation sessions;
- End-of-the-Course Evaluation; and
- Interactions with senior level officials of the ICA, JA-Zenchu, MAFF and IDACA.

33 The National Follow-up and Review Workshops are organised with the following objectives:

- To enable the former participants to get together and exchange notes on their experiences with regard to their work and implementation of their projects prepared by them during their training;
- To exchange notes with the current course participants and to interact with them on problems encountered by them in the implementation process and how to enlist the support and cooperation of their sponsoring organisations;
- To discuss the methods and techniques employed by them in the implementation of their projects; and
- To have a dialogue with the ICA officials and their sponsoring organisations to suggest areas of improvement in the training programme itself.

34 During these follow-up workshops, a panel discussion is also arranged which is attended by the sponsoring and nominating organisations, the representatives of the Cooperative Department and other user-organisations. The user-organisations are requested to comment upon the following points:

- Usefulness of the training received by their sponsored candidates, and usefulness to the organisation itself;

- Relevance of the project proposals prepared by their candidates;
- Main problems in not implementing the project proposals (e.g., were the projects not relevant to the organisation? were the projects found to be too small or too large? was funding the main constraint? were the government/organisation policies or priorities not conducive to the realisation of project proposals? etc.);
- Were the project proposals ever discussed at a higher level after the return of their candidates e.g., at the Managing Director's level or in the Board of Directors?;
- How has the organisation made use of the skills achieved by the candidates?;
- Would the organisation still like to sponsor candidates to such courses in future, and with what objectives?; and
- What kind of commitment (organisational or financial) the candidate is likely to receive if a project proposal conforms with the organisational policies?

35 A sample of observations made by a follow-up workshop held in Malaysia in December 1995 is given below:

- i. The user-organisations and sponsoring organisations were of the opinion that the training opportunities provided under the ICA/Japan training project were of great relevance. The Project has served the interests of the agricultural cooperatives in the Region by developing a sound management leadership and by providing the most appropriate information on developing and fostering value addition concept in the agro-processing sector. The project has also, to a great extent, helped the development of appropriate human resource. Although the number of managers trained is small yet its impact on agricultural cooperatives in the Asian Region is great;
- ii. The participants of the Follow-up Workshop as well as the user-organisations appreciated the contribution made by the Government of Japan through the ICA in inculcating among the managers the need for planning and diversifying the activities of agricultural cooperatives. It was strongly recommended by all constituents that the project should continue and a provision be made to increase the number of participants to these courses in future;;
- iii. The participants felt that it would be of real value to arrange for the orientation on training of high-level policy-makers in agricultural cooperative management so that the experiences of Japanese agricultural cooperatives are suitably and increasingly applied to the rest of the cooperative movements in Asia;
- iv. The participants were of the opinion that the ICA, with the help of the Government of Japan, provide initial funding support to the project proposals. This is considered necessary because the project

proposals do not get immediate financial support from their organisations due to delays in securing adequate financial support from the lending agencies;

- v. The ICA should continue to monitor the progress of projects and impress upon the user-organisations to make the best possible use of the training received by their sponsored candidates;
- vi. The participants expressed their appreciation for the training opportunities given to them by the ICA and the IDACA. They recognised the importance of IDACA as a focal point for dissemination of technology and information on the management of agricultural cooperatives in Asia;
- vii. The project proposals prepared by them should be institutionalised and integrated in the total development plans of their sponsoring organisations, if these projects are to be implemented. The sponsoring organisations should provide the needed encouragement, logistic support to their candidates and help them to implement their projects. The sponsoring organisations should have the will to help their constituents by proposing, setting-up and implementing the development projects which are beneficial to them;
- viii. Projects to be prepared by the participants should not be in contradiction with policies, priorities and guidelines of government/own organisation;
- ix. From project conception to its implementation there are a number of steps which need to be cleared e.g., overall acceptance of the project idea, obtaining the general approval of the project, allocation of the needed funding, identifying an executing agency, setting-up marketing strategies, fixing responsibilities with the primary cooperative and marketing agency etc. In order to cover these steps in a logical manner, it is necessary that the project proposal enjoys all the needed support;
- x. Lack of adequate funding. Problems in mobilising financial resources - from within and outside;
- xi. Lack of experience in implementing technical projects. Difficult to locate experts to execute small projects. Such expertise is generally not available at the primary cooperative level;
- xii. Problem of marketing becomes more apparent when the quantity of end-product is too small. Without any network support, it is difficult for a primary cooperative to compete with the private traders;
- xiii. Primary cooperatives, if prevailed upon to execute a small project, generally look for quick profits and a faster break-even point. For the local leader it takes a lot of time to understand the mechanism of operating a production plant; and

- xiv. The participants expressed their highest appreciation for the funding provided to the ICA Project by MAFF-Government of Japan, and the collaboration extended by the JA-Zenchu and the IDACA.

36 An End-of-the-Course Evaluation is carried out at the completion of the 6-month training course. It covers the entire period of the course. The main objectives of the Evaluation are:

- To assess the level of understanding of various aspects (pertaining to agricultural cooperatives) brought to the participants;
- To assess the utility and relevance of the training programme itself; and
- To enable the ICA and the organisers to pick up ideas from the participants with a view to improve the quality of future training programmes.

37 A sample of opinions expressed and recommendations made by the participants of the 10th Course are given below:

- The programme was well-designed, well-implemented, well-coordinated and responded to the work environment of the target group;
- The participants benefited the most: a) IRMA inputs were relevant and technically sound and were most beneficial; b) Observation and study of performance of agricultural cooperatives in Japan and India, especially the "value addition through agro-processing" aspects;
- Most important training aspects experienced by the participants during the entire course. The following were mentioned in order to preference:
 - Management techniques
 - Value addition aspects in agro-processing
 - Integrated cooperative development strategies
 - Analysing a financial statement
 - Preparing a cooperative development project
 - Appraising a development project
 - Board-Management relationship in a cooperative
 - Role of a Manager in an agricultural cooperative
 - Skills in working in groups
 - Respecting others' points of view
- Sponsoring organisations to help participants in selecting project proposals and providing them with facilities and support in developing project proposals;
- The ICA and IDACA should organise consultation meetings with sponsoring organisations to foster implementation of project proposals which tend to be held up for want of financial and organisational support.

38 As a part of the reporting system, the Course reports are submitted to the ICA member-organisations with a request to follow-up the work done by the participants, especially with regard to the implementation of project proposals prepared by them. Reports are also submitted to the Government of Japan-MAFF, the JA-Zenchu and the IDACA. The Project Director remains in constant touch with the former participants and ICA member-organisations through correspondence and mission visits.

39 The demand for participation in the programme is so high that at times the ICA ends up with a long waiting list. At many fora and through evaluation sessions, demands have often been made to broaden the scope and intake of the programme, as well as its continuation for a longer period with additional supporting financial assistance. The project leadership considers it more appropriate to institutionalise the programme in some way as to bring in consistency and to satisfy the continuing need for training of key managers in the management of agricultural cooperatives in the Asian Region.

dp/Idaca-Tokyo
March 8, 97.

ANNEXE-I (14 pages)

CONSOLIDATED LIST OF PARTICIPANTS
OF TEN COURSES (COURSE 1-10)

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Regional Office for Asia and the Pacific
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ICA-JAPAN REGIONAL TRAINING COURSES ON STRENGTHENING
MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA

CONSOLIDATED LIST OF PARTICIPANTS OF TEN COURSES

[1986-87, 1987-88, 1988-89, 1989-90, 1990-91, 1991-92
1992-93, 1993-94, 1994-95 & 1995-96]

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- 78 1994-95 Mr Jong Soo Lee, Assistant Manager
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National Agricultural Cooperatives Federation-NACF
75-1 ka Chungjeon ro, Jung ku
Seoul 100 707. Republic of Korea.

- 79 Mr Pyeong Woo Min, Asst Manager, Research Dept.
National Livestock Cooperatives Federation-NLCF
451 Songnae dong, Kangdong gu
Seoul. 134 763. Republic of Korea.
- 80 1995-96 Mr Dong Young Kim, Planning Officer
Computer and Information Systems Dept.
National Agricultural Cooperatives Federation-NACF
214 Yangjai dong, Seocho ku
Seoul city. 137 130. Republic of Korea
- 81 Mr Sun Hak Kim, Asst Manager, Research Dept.
National Livestock Cooperatives Federation-NLCF
451 Songnae dong, Kangdong ku
Seoul City. 134 763. Republic of Korea
- VII. MALAYSIA
- 82 1986-87 Mr Mohd Redza Haji Baba, Jabatan Pertanian
d/a Kementerian Pertanian Tingkat 7
Jln Sultan Salahuddin, 50632 Kuala Lumpur.
- 83 1987-88 Mr Wan Abdul Rahman bin Wan Mohd. Zain
Senior Assistant Director
Farmers' Organisation Authority, (FOA)
No.9 & 11, Jalan Garland, Beg Berkunci No.50
30090 Ipoh. Malaysia.
- 84 1988-89 Mr Ghani Fikri, General Manager
Machang Rubber Smallholders' Cooperative
RISDA Machang, 18500 Machang Kelantan. Malaysia.
- 85 1989-90 Mr Abdul Razak Jamin, Administration Officer
Federal Land Development Authority (FELDA)
Ibu Pejabat Felda Jalan Perumahan Gurney
50400 Kuala Lumpur. Malaysia.
- 86 Mr Abu Bakar Ujang
Asrama FELDA Semai Bakti Kelana Jaya.
No.4, Jalan Perbandaran 226 Kelana Jaya
47301 Petaling Jaya. Malaysia.
- 87 1990-91 Mr Ku Mohd Rodzi, Director
Pejabat Pengarah FELCRA Negari Pulau Pinang
No. 21 Jalan Persiaran, Taman Selat
12000. Butterworth. Pulau Pinang. Malaysia.
- 88 1991-92 Mr Rofien Sapiin, Administration Officer
KESEDOR HQs,
18300 Gua Musang Kelantan. Malaysia.
- 89 1992-93 Mr Salleh bin Rehduan, Cooperative Officer
Department of Cooperative Development
Jalan Bukit Awi. 09000 Kulim, Kedah. Malaysia.

- 90 1993-94 Mr Anthony Samuel, Assistant Director
Department of Cooperative Development
Tingkat 10, Bangunan Sultan Iskander
PO Box 1368, Kuching. 93728. Sarawak. Malaysia.
- 91 1995-96 Mr Nik Mohd Nabil bin Nik Mansur
Agriculture Officer (Cooperative Development)
Rubber Industry Smallholders Development Authority
(RISDA), PO Box No. 11067, Jalan Ampang,
Kuala Lumpur 50990. Malaysia.

VIII. MYANMAR

- 92 1993-94 Ms Sein Sein Htay, Manager,
Mon state Cooperative Syndicate
154 Lower Main Road, Mawlamyaing. Myanmar
- 93 1994-95 Mr Aung Maung, Manager
Sagaing Division Cooperative Syndicate
Sagaing. Myanmar
- 94 Ms Htay Htay
Manager, Township Cooperative Society
c/o Central Cooperative Society
334-337 Strand Road, Yangon. Myanmar
- 95 1995-96 Ms Khin Khin Nyunt
Manager, Hinthada Township Cooperative Society
c/o Central Cooperative Society
334-337 Strand Road, Yangon. Myanmar

IX. PAKISTAN

- 96 1988-89 Mr Ahga Zaid Hussain, Manager (Accounts)
Provincial Cooperative Bank, HO,
Shahrah-E-Quaid-E-Azam, Lahore. Pakistan.
- 97 1989-90 Mr Tariq Hussain Nadeem, Dist Manager
Mercantile Finance Corporation
Katra Namak Mandi. Rawalpindi. Pakistan.
- 98 1990-91 Mr Islam Madni, Chief Accountant
National Cooperative Supply Corporation Ltd
41.A, Empress Road, Lahore. 1 Pakistan.
- 99 1991-92 Mr Gul Muhammad, Deputy Director
Federal Bank for Cooperatives
Sector G.5, PO Box 1218, Islamabad. Pakistan.
- 100 1992-93 Mr Syed Maqbool Hussain Shah
Circle Registrar, Forest Coop Societies
Hazara Division, Abbotabad Road
Mansehra. NWF Province. Pakistan.

- 101 1993-94 Mr Tasadduq Hussain, Manager (Land and Buildings)
Punjab Provincial Cooperative Bank Ltd.
Head Office, Bank Square
Shahrah-E-Quaid-E-Azam. Lahore. Pakistan.
- 102 1995-96 Mr Riaz Akhtar, Administration Officer
Federal Bank for Cooperatives
Sector G.5, PO Box 1218. Islamabad. Pakistan.

X. PHILIPPINES

- 103 1986-87 Mr Cesar Alcantara
Cooperative Rural Bank, Makabillos Drive
Tarlac. Tarlac. Philippines.
- 104 Mrs Jean N Abdurasad, Chairman/Director General
Agricultural Cooperative Marketing Federation
Putik, Zamboanga City. Philippines.
- 105 1987-88 Ms Bernardia L Barranco, Consultant, West Visayas
Federation of Area Marketing Cooperatives Inc.
La Salette Building, Valeria Solis Street,
ILO ILO CITY. Philippines.
- 106 1988-89 Mr S.E. Coliyat, Treasurer
Cooperative Union of Batangas,
Evangelista Street, Batangas City. Philippines.
- 107 Mr Jose C. Palmares, Director
Northern Iloilo Sugar Producers' Cooperative
Marketing Association
Nisprocom, Sra Road, Passi. Iloilo. Philippines.
- 108 1989-90 Mr Adolfo Dele Pena, Agrarian Reforms Officer
Cooperative Rural Bank of Pampanga
Capital Grounds, San Fernando. Pampanga.
Philippines.
- 109 Mr Abundio V Felin, Manager
San Isidro Development Cooperative
San Isidro. Naga city. Philippines.
- 110 1990-91 Miss Amelita Provido, Manager
Iloilo Second Area Marketing Cooperative
T. Magbanua Street. Pototan. Iloilo. Philippines.
- 111 Ms Edith Susan Valdez, Manager
Cooperative Rural Bank
San Pablo, San Nicolas, Ilocos Norte. Philippines.
- 112 1991-92 Ms Belma H Sales, Manager
Cooperative Rural Bank
Capital Hills, Batangas City. Philippines.

- 113 1992-93 Mr Philmore C Quilat, Programme Officer
Cooperatíve Union of the Philippines, CUP Building
A Roces Avenue Corner, Mother Ignacia Street
Quezon City. Philippines.
- 114 1994-95 Mr Edilberto B Lantaca Jr., Manager
Perpetual Help Credit Cooperative
Redemptorist Compound,
Dumaguete City. 6200. Negros Oriental. Philippines
- 115 1994-95 Mr Rony L Farquerabao, Chairman
EARN Romblon Federation of Cooperatives
1143-E Quintos Street, 1008 Sampaloc,
Manila. Philippines.
- 116 1995-96 Mr Claudio Acquino Ofrancia, Director
Western Pangasinan Federation of Multipurpose
Cooperatives Inc.
120 Bonfacio Drive, Brgy Lucap
Alaminos. Pangasinan 2404 Philippines.

XI. SRI LANKA

- 117 1986-87 Mr P.L.Gunasekara, General Manager
Ruwanwella Multipurpose Cooperative Society Ltd.
Ruwanwella. Sri Lanka.
- 118 1987-88 Mr U.G.Dayananda, Secretary (Member Relations)
Sri Lanka Cooperative Marketing Federation Ltd.
127 Grandpass Road, Colombo.14. Sri Lanka.
- 119 1988-89 Mr J.K. Thungasena, General Manager
Madampe Multipurpose Cooperative Society Ltd.
New Town, Madampe. Sri Lanka.
- 120 Mr E.M.E.G. Muthubanda, General Manager
Naula Multipurpose Cooperative Society Ltd.
Naula. Matale. Sri Lanka.
- 121 1989-90 Mr Sam Deerasinghe, Principal
National Cooperative Training Institute
National Cooperative Council of Sri Lanka
455 Galle Road, Colombo.3 Sri Lanka.
- 122 1990-91 Mr M.B.R. Perera, General Manager
Dunagaha Coconut Producers' Cooperative Society
Dunagaha. Sri Lanka.
- 123 Mr C.A.C. Fernando, Manager
Kammalpattua Coconut Producers' Coop Society Ltd.
Wennapuwa. Sri Lanka.
- 124 1991-92 Mr Ananda Walisinghe
Manager (Supplies and Marketing)
Cooperative Marketing Federation of Sri Lanka
127 Grandpass Road, Colombo. 14 Sri Lanka.

- 125 1992-93 Mr A.F.A. Perera, Finance Manager
Bandarawela Multipurpose Cooperative Society Ltd.
Bandarawela. Sri Lanka.
- 126 Mr A.G.S.M. Navaratne Banda, Production Manager
Aranayaké Multipurpose Cooperative Society Ltd.
Aranayake. Sri Lanka.
- 127 1993-94 Mr H.A. Siripala, General Manager
Hungoma Multipurpose Cooperative Society Ltd.
Thavaluvial, Ambalantota. Sri Lanka
- 128 Mr K.L. Bandula, General Manager
Nattandiya Multipurpose Cooperative Society Ltd.
Nattandiya. Sri Lanka.
- 129 1995-96 Mr R.B. Gamini Bandara
Research and Planning Officer
Environmental Conservation Project
National Cooperative Council of Sri Lanka
455 Galle Road, Colombo. 3. Sri Lanka.
- 130 Ms Chandrika Samanthi Ramanayaka
Lecturer, Financial Management
National Cooperative Council of Sri Lanka
455 Galle Road, Colombo. 3. Sri Lanka.

XII. THAILAND

- 131 1986-87 Mr Sirihatakit Kreingsak, Manager
Nongvai Agricultural Cooperative Society
213/5, Khonknen, Kalahim Road
Ampur Meeng. Khenkhen. Thailand.
- 132 Mr Apichat Treejaturon, Training Division
Cooperative Promotion Department-CPD
12 Krungkasam Road, Theves,
Bangkok.10200 Thailand.
- 133 1987-88 Mr Taworn Supanawan,
Cooperative Promotion Department-CPD
12 Krungkasem Road, Theves,
Bangkok.10200 Thailand.
- 134 Mr Panuwat Nanakornpanom, Coop Technician,
Land Settlement Coop Division,
Cooperative Promotion Department-CPD
12 Krungkasam Road, Theves,
Bangkok.10200 Thailand.
- 135 1988-89 Mr Thawee Thimasaya, Chief, Other Producers Section
International Trade Dept.
Agricultural Cooperative Federation of Thailand,
97 Rajdamri Road, Bangkok. Thailand.

- 136 Miss Wasna Junthieng, Manager
Mae Chaem Agricultural Cooperative Ltd.
38 Sutsanti Road, Amphur Mae Chaem,
Chiengmai. Thailand.
- 137 1989-90 Mrs Jansuda Watcharayon
Cooperative League of Thailand-CLT
4 Pichai Road, Dusit, Bangkok. 10300 Thailand.
- 138 Ms Pornrut Saitongsuk
Cooperative League of Thailand-CLT
4 Pichai Road, Dusit, Bangkok.10300 Thailand.
- 139 1990-91 Ms Maroum Sutanen, Manager,
Rongkwang Agricultural Cooperative Ltd
Rongkwang. Thailand.
- 140 Mr Suriya Thummavaro, Manager
Muyang Pijit Agricultural Cooperative Ltd
Muyang Pijit. Thailand.
- 141 1991-92 Mr Pronchadin Potiya, Manager
Maetaeng Agricultural Cooperative
133, Moo 3, Tambol Sanmahaphol
Ampure Maetaeng, Chiengmai. Thailand.
- 142 1992-93 Mrs Amporn Vongsopa, Manager
Sanpathong Agricultural Cooperative
238, Moo 10, Rambon Yuwa
Sanpathong Dist., Chiengmai Province. Thailand.
- 143 1993-94 Mr Pratin Boontioy, Training Dept.
Cooperative League of Thailand-CLT
13 Pichai Road, Dusit, Bangkok. 10300. Thailand.
- 144 1995-96 Ms Sunee Karndee, Cooperative Technician
Cooperative Promotion Department-CPD
12 Krungkasem Road, Theves,
Bangkok. 10200. Thailand

XIII. VIETNAM

- 145 1991-92 Mr Nguyen Quoc Tuy, Head, International Dept.
Central Council of Cooperative Unions and Small
& Medium Enterprises of Vietnam (VICOOPSME)
77 Nguyen Thai Hoc Street, Ba Dinh Dist.
Hanoi. Vietnam.
- 146 1992-93 Mr Le Van Nhu
Coop Agro-Product Marketing Centre
Central Council of Cooperative Unions and Small
& Medium Enterprises of Vietnam (VICOOPSME)
77 Nguyen Thai Hoc Street, Ba Dinh Dist.
Hanoi. Vietnam.

- 147 1993-94 Mrs Phung Thi Ngan Ha, International Dept.
Central Council of Cooperative Unions and Small
& Medium Enterprises of Vietnam (VICOOPSME)
77 Nguyen Thai Hoc Street, Ba Dinh Dist.
Hanoi. Vietnam.
- 148 1994-95 Ms Tran Kim Linh, Chief, Accounts Dept.
Central Council of Cooperative Unions and Small
& Medium Enterprises of Vietnam (VICOOPSME).
77 Nguyen Thai Hoc Street, Ba Dinh District.
Hanoi. Vietnam.
- 149 Ms Truong Ngoc Oanh, Propaganda Official
Saigon Cooperative
102 Nam Ky Khoi Nghia, Q.I
Hochi Min City. Vietnam.
- 150 1995-96 Mr Pham Minh Duc, Lecturer, Economic Management
Central Council of Cooperative Unions and Small
& Medium Enterprises of Vietnam (VICOOPSME)
77 Nguyen Thai Hoc Street, Ba Dinh Dist.
Hanoi. Vietnam.
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ANNEXE-II (30 pages)

CURRENT STATUS OF IMPLEMENTATION OF
DEVELOPMENT PROJECT PROPOSALS PREPARED
BY PARTICIPANTS DURING TEN COURSES
(COURSE 1-10)

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>BANGLADESH</u>						
001	BD.01/I/001 Manikgonj Integrated Rural Development Proj Mr Mohd Abdus Samee	I	-	-	X	-	
002	BD.02/II/016 Gazipur Upazilla Coop Rice Mill Project Mr Abdul Mannaf Mir	II	-	-	X	-	
003	BD.03/IV/045 Rangpur Cooperative Tobacco Project Mr Md Nuruzzaman Bhuiyan	IV	-	-	X	-	
004	BD.04/V/060 Rajshbaria Cooperative Poultry Project Mr Mohd Norul Hoque	V	-	-	X	-	
005	BD.05/VI/075 Cattle-feed Plant for Baghabarighat Milkshed Area Mr Sudhir Chandra Das	VI	X	-	-	-	
006	BD.06/VII/089 Banagram Coop Fish Culture Project Mr Mohd Habibullah	VII	-	-	X	-	
007	BD.07/VIII/104 Narashingdi Cooperative Rice Mill Project Mr Mohd Anwaruzzaman	VIII	-	-	X	-	

ANNEXE-II

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
008	BD.08/IX/119 Milk Chilling Project Mr Md Siddiquir Rahman	IX	-	-	X	-	
009	BD.09/X/134 Garpara Coop Fish Culture Project Mr Md Zillur Rahman	X	-	-	X	-	

ICA/JAPAN AGRICOOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	CHINA						
010	CH.01/I/002 Fruit Processing Factory in Guan County Ms Xin Zong Liu	I	-	-	-	X	
011	CH.02/I/003 Duck Raising Project Mr Aiguo Guan	I	X	-	-	-	
012	CH.03/II/017 Sanhe County Integrated Chicken Breeding Farm Project Ms He Lan Chai	II	X	-	-	-	
013	CH.04/II/018 Xianggu Mushroom Development Project in Fuyong Area Mr Shi Yue Jin	II	X	-	-	-	
014	CH.05/III/031 Strawberry Processing Project in Manchong County Mr Bi Meija	III	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
015	CH.06/III/032 Cold Storage for Farm Products Project Mr Gao Jihai	III	-	-	X	-	
016	CH.07/IV/046 Beijing English Duck Feeding, Processing and Marketing Project Mr Jia Min Sheng	IV	X	-	-	-	
017	CH.08/IV/047 Development of Rush Mat Project Mr Yang Bao Gua	IV	-	-	X	-	
018	CH.09/V/061 Sanhe Cooperative Chicken Feed Plant Mr Rong Jun	V	X	-	-	-	
019	CH.10/V/062 Integrated Chinese Onion Project Mr Huang Yadong	V	-	-	X	-	
020	CH.11/VI/076 Sangzhen Chilli Processing Project Mr Zhang Guang Lun	VI	-	-	X	-	
021	CH.12/VI/077 Chunsha Coop Clean Vegetable Project Ms Liu Quan	VI	-	-	X	-	

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
022	CH.13/X/135 Cattle-breeding, Fattening and Slaughtering Project Mr Liu Hui	X	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	INDIA						
023	IN.01/I/004 Orange Development Project Mr N.N. Joshi	I	-	-	-	X	
024	IN.02/I/005 Integrated Paddy Cooperative Project. Mr C.D. Singhal	I	-	-	-	X	
025	IN.03/II/019 Potato Marketing Cooperative Project Dr N.P. Sharma	I	-	X	-	-	
026	IN.04/II/019 Production and Marketing of Fresh Oranges Mr T.P. Bhutia	II	-	-	-	X	
027	IN.05/II/020 Sheep & Wool Marketing in Dungarpur-Rajasthan Mr Rajiv ID Mehta	II	X	-	-	-	
028	IN.06/II/021 Potato Marketing and Processing Plant Mr Ganesh Prasad Nema	II	-	-	-	X	
029	IN.07/III/033 Onion Marketing of Lasalgaon Area Project Dr Promod Kumar Pandey	III	X	-	-	-	The participant has also prepared other projects e.g., Grape processing and exports.

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
030	IN.08/III/034 Mango Fruit Processing and Marketing Proj Mr G. Ganga Rao	III	-	-	X	-	
031	IN.09/IV/048 Potato Development Through Project Integrated Cooperatives in Hassan District of Karnataka State Mr D.T. Rangaswamy	IV	-	-	X	-	
032	IN.10/IV/049 Potato Marketing Project Mr L.S. Rawal	IV	-	-	X	-	
033	IN.11/V/063 Fruit Processing Unit at Narkhed Mr Ziley Singh	V	-	-	X	-	
034	IN.12/V/064 Cotton Processing and Marketing Project Mr Raj Pal Gaba	V	-	X	-	-	
035	IN.13/VI/078 Sunflower Seed Oil Cooperative Mill Project Dr Ram Niwas Kundu	VI	-	-	-	X	Participant transferred.
036	IN.14/VI/079 Apple Cedar Wine Processing Plant Project Mr Virender Singh Sidhu	VI	-	X	-	-	Alternate project developed and implemented

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
037	IN.15/VII/090 Methane Gas Generation from Distillery and Paper Mill Effluent of a Cooperative Sugar Factory Mr I.K. Kadu	VII	X	-	-	-	
038	IN.16/VII/091 Jaisaf Food Products Plant Revival and Modernisation Project in Rajasthan Mr Subhash Singh	VII	-	-	X	-	
039	IN.17/VII/092 Fruits and Vegetables Cooperative Retail Marketing Project in Rajasthan Mr Ram Swaroop Jakhar	VII	-	-	X	-	
040	IN.18/VIII/105 IFFCO's Seed Production Programme Dr K.G. Wankhade	VIII	X	-	-	-	
041	IN.19/VIII/106 Processing of Gram Pulses at Village Champapura in Rajasthan Mr Deepak Kumar Saxena	VIII	-	X	-	-	
042	IN.20/IX/120 Strengthening of Agricultural Cooperatives through direct supply of Fertilisers Dr Durga Pada Patra	IX	-	X	X	-	

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
043	IN.21/IX/121 Revamping of Monitoring and Evaluation Systems for Development of Primary Agricultural Cooperatives in NCUI Projects Mr K.L. Nalwaya	IX	-	-	X	-	
044	IN.22/IX/122 Cold Storage In Dindigul Anna District Mr C. Sehar	IX	-	-	X	-	
045	IN.23/X/136 Dessicated Coconut Project Mr George Kuriakose	X	-	-	X	-	
046	IN.24/X/137 Farm Forestry Development Project Mr S.G. Parashar	X	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING. PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>INDONESIA</u>						
047	IA.01/I/007 Integrated Paddy Processing Project Mr Samsul Arief	I	-	-	-	X	
048	IA.02/II/022 Feedlot Fatténning of Frisian-Holstain Calf Project Mr Yoyok Sunaryo	II	X	-	-	-	
049	IA.03/II/023 Feed-Mill Plant Project Mr Maharsi Adi Sucipto	II	X	-	-	-	
050	IA.04/VI/080 Feed-Mill Plant Project Mr Johny Prilyana	VI	-	X	-	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
051	IA.05/VII/093 Feed-Mill in Ciwedei District Ir Achmad Kosasih	VII	-	-	-	X	Participants transferred
052	IA.06/VIII/107 Raising Cattle Breeding Business Scale Mr Tanayo Adi	VIII	X	-	-	-	
053	IA.07/VIII/108 Integrated Dairy Farming Business Activities, KUD Tani Mukti, Ciwidei Ir Iskandar Mukhlas	VIII	-	X	-	-	
054	IA.08/IX/123 Dairy Cattle Pilot Project Mr Ayi Suhendi	IX	-	-	X	-	
055	IA.09/IX/124 Sidat Fish Production through Coops in Klaten Ms Marleen Erna Dien	IX	-	-	X	-	
056	IA.10/IX/125 Increase in Dairy Cow Scale of Business in Primary Dairy Cooperative Suka Makmur, Grati, Pasuruan. East Java Ms Rias Dyahtri Silvana	IX	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
057	IA.11/X/138 Village Breeding of Dairy Cows for Small Holders of KUD Setia Kawan Mr Andy Satyana	X	-	-	X	-	

ICA/JAPAN AGRICULTURE MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>IRAN</u>						
058	IR.01/VI/081 Cold Storage Plant Project for Apples Mr Mohd Reza Gramipour	VI	-	-	X	-	
059	IR.02/VII/094 Orange Fruit Processing Project Mr Morteza Hafezi	VII	-	-	X	-	
060	IR.03/VIII/109 Rice Processing Complex Mr Ali Arbabi	VIII	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA
 Current Status of Implementation of Development Project Proposals Prepared
 by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>KOREA, REPUBLIC OF</u>						
061	KR.01/I/D08 Marketing of Chinese Cabbage Project Mr Chong Hyun Baik	I	-	-	-	X	
062	KR.02/I/009 Integrated Area Development Project Mr Jin Woo Kim	I	-	-	X	-	
063	KR.03/II/024 Feed-Mill Project Mr Yun Hee Lee	II	-	-	X	-	
064	KR.04/II/025 Cold Storage Project Mr Chung Shik Shim	II	-	-	-	X	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
065	KR.05/III/035 Kimchi Processing Mill Project Mr Hyung Kyu Lee	III	X	-	-	-	
066	KR.06/III/036 Dairy Plant in Jeonbuk Province Mr Byung Ho Jeong	III	-	-	X	-	
067	KR.07/IV/05D Fruit Processing Mill Project Mr Sang Derk Lee	IV	X	-	-	-	
068	KR.08/IV/051 Feed Mill Project Mr Byung O Kang	IV	X	-	-	-	
069	KR.09/V/065 Red Pepper Powder Plant Project Mr Kie Yup Shin	V	-	-	X	-	Participant went to USA for higher studies
070	KR.10/V/066 Meat Processing Mill Project Mr Kyu Hyun Lee	V	-	-	X	-	-do-
071	KR.11/VI/082 Apple Juice Plant Project Mr Hyun Keun Myung	VI	X	-	-	-	
072	KR.12/VI/083 Dairy Plant at Choongnam Mr Won Tae Kim	VI	-	X	-	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
073	KR.13/VII/095 Rice Processing Complex Project (of 30 MT per day capacity) Mr Han Ju Lee	VII	-	-	X	-	
074	KR.14/VII/096 Ice Cream Subsidiary Company under the Seoul Dairy Cooperatives Mr Byeong Hak Lee	VII	-	X	-	-	
075	KR.15/VIII/110 Buckwheat Processing Project Mr Do Hwan Woo	VIII	-	-	X	-	
076	KR.16/VIII/111 Kwangjeon Dairy Plant Mr Kwang Seog Song	VIII	-	-	X	-	
077	KR.17/IX/126 Flower Wholesale Market Project Mr Jong Soo Lee	IX	-	-	X	-	
078	KR.18/IX/127 Kimje Meat Processing Plant Mr Pyeong Woo Min	IX	-	-	X	-	

ICA/JAPAN AGRICULTURE MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
079	KR.19/X/139 Wholesale Distribution Centre in South Eastern Area of Seoul City Mr Dong Young Kim	X	-	-	X	-	
080	KR.20/X/140 Chungyang Milk Processing Plant Project Mr Sun Hak Kim	X	-	-	X	-	

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ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>MALAYSIA</u>						
081	ML.01/I/010 Establishment of a Mini Oil Palm Plantation Project Mr Mohd Redza Hazi Baba	I	-	-	X	-	
082	ML.02/II/026 Cocoa Processing and Marketing Project Mr Wan Abdul Rahman Zain	II	-	-	X	-	
083	ML.03/III/037 Production of Quality Rubber Through Central Processing Centre Mr Fikri Ghani	III	X	-	-	-	
084	ML.04/IV/052 Dairy Development Project Mr Abdul Razak Jamin	IV	-	X	-	-	
085	ML.05/IV/053 Pepper Processing and Marketing Project Mr Abu Bakar bin Ujang	IV	X	-	-	-	
086	ML.06/V/067 Integrated Sheep Rearing and Marketing Proj. Mr Ku Mohd Rodzi	V	X	-	-	-	
087	ML.07/VI/084 Production of Block Rubber Project Mr Rofien Sapiin	VI	-	-	-	X	

ICA/JAPAN AGRICULTURE MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
088	ML.08/VII/097 Establishment of a Ribbed Smoked Sheet Rubber Factory Mr Salleh Hj Rehduan	VII	-	-	X	-	
089	ML.09/VIII/112 Danau Lubok Antu Coop Acquaculture Project Mr Anthony Samuel	VIII	-	-	X	-	
090	ML.10/X/141 Establishment of a Rubber Nursery Mr Nik Mohd Nabil	X	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>MYANMAR</u>						
091	MY.01/VIII/113 Production of Rubber Products and Processing of Rubber Wood Ms Sein Sein Htay	VIII	X	-	-	-	
092	MY.02/IX/128 Integrated Farm Management Project Mr Aung Maung	IX	-	-	X	-	
093	MY.03/IX/129 Development of Sugarcane Project Ms Htay Htay	IX	-	-	X	-	
094	MY.04/X/142 Rice Mill Processing Project Ms Khin Khin Nyunt	X	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>PAKISTAN</u>						
095	PK.01/III/038 Potato Grading Plant Project Mr Agha Zaid Hussain	III	-	-	-	X	
096	PK.02/IV/054 Orange Fruit Processing and Marketing Project Mr Tariq Hussain Nadeem	IV	-	-	-	X	
097	PK.03/V/068 Cotton Ginning, Pressing and Oil Extraction Plant Project Mr Islam Madni	V	-	-	X	-	
098	PK.04/VI/085 Dairy Development Project Mr Gul Muhammad	VI	-	-	X	-	
099	PK.05/VII/098 Fruits and Vegetables Preservation Plan at Mansehra Mr Syed Maqbool Hussain Shah	VII	-	-	-	X	
100	PK.06/VIII/114 Cattlefeed Mill Project Mr Tassadduq Hussain	VIII	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
101	PK.07/X/143 Poultry Project Mr Riaz Akhtar	X	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>PHILIPPINES</u>						
102	PH.01/I/011 Marketing of Paddy Project Mr Ceaser Alcantara	I	-	-	-	X	
103	PH.02/I/012 Fishermen's Cooperative Project Ms Jean Abdurasad	I	-	-	-	X	
104	PH.03/II/027 Integrated Paddy Processing and Marketing Ms Bernardita L. Barranco	II	-	X	-	-	
105	PH.04/III/039 Corn Production Project Mr Sofronio E. Coliyat	III	-	-	-	X	
106	PH.05/III/040 Integrated Expansion Project for Fertiliser Supply and Hauling Mr Jose C. Palmares	III	-	-	-	X	
107	PH.06/IV/055 Integrated Paddy Processing and Marketing Mr Adolpho M. Dela Pena	IV	X	-	-	-	
108	PH.07/IV/056 Bicol Integrated Coop Farming System Project Mr Abundio V. Felin	IV	-	-	-	X	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
109	PH.08/VI/069 Small Farmers Integrated Marketing Cooperative Project Mr Amelita A. Provide	V	-	-	-	X	
110	PH.09/VI/070 Integrated Paddy Processing and Mktg Project Ms Edith Susan Valdez	V	-	-	-	X	
111	PH.10/VII/099 Rice Strawboard Manufacturing Plant Project Mr Philmore C. Quilat	VII	-	-	X	-	The project idea been picked up by the Coop Union of the Philippines
112	PH.11/IX/130 Farmers Integrated Consumers Marketing Cooperative for Agro-Forestry Project Mr Eddie Lantaca Jr	IX	-	-	X	-	
113	PH.12/IX/131 Coconut Husk Processing Plant in Southern Tagalog Region Mr Rony L. Farquerabao	IX	-	-	X	-	
114	PH.13/X/144 Organic Fertiliser Production Project Mr Claudio Ofrancia	X	-	-	X	-	

ICA/JAPAN AGRICULTURE MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>SRI LANKA</u>						
115	SL.01/I/013 Rubber Plantation Project in Ruwanwella Area Mr P.L. Gunasekera	I	X	-	-	-	
116	SL.02/II/D28 Modern Rice Mill Project Mr U.G. Dayananda	II	X	-	-	-	
117	SL.03/III/041 Coconut Oil Mill Project Mr J.K. Thungasena	III	-	-	-	X	
118	SL.04/III/042 Rice Mill Project E.M.E.G. Muthubanda	III	-	X	-	-	
119	SL.05/IV/057 Bandarawela Dairy Plant Project Mr Sam Deerasinghe	IV	-	-	-	X	
120	SL.06/V/071 Modernisation of Dessicated Coconut Plant Mr M.B.R. Perera	V	X	-	-	-	
121	SL.07/V/072 Modernisation of Dessicated Coconut Factory Mr C.A.C. Fernando	V	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
122	SL.08/VI/086 Vegetables, Fruits Collection, Cold Storage and Marketing Project Mr Ananda H. Walisinghe	VI	-	X	-	-	
123	SL.09/VII/100 Dairy Plant at Badulla District Mr A.F.A. Perera	VII	-	X	-	-	
124	SL.10/VII/101 Rice Processing Mill Project Mr A.G.S.M. Navaratna Banda	VII	X	-	-	-	
125	SL.11/VIII/115 Southern Pioneer Seed Paddy Enterprise Proj. Mr Hatharasinghe Siripala	VIII	-	-	X	-	
126	SL.12/VIII/116 Pine Applé Fruit Processing and Marketing Mr K.L. Bandula	VIII	-	-	-	X	The participant has deserted the cooperative
127	SL.13/X/145 Wasteland Development Project Mr R.B.Gamini Bandara	X	X	-	-	-	
128	SL.14/X/146 Marketing of Organic Farm Products Ms Chandrika Samanthi Ramanayake Epaga	X	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	THAILAND						
129	TH.01/I/014 Feed Mill Project Mr Apichart Ireejaturun	I	-	-	-	X	
130	TH.02/I/015 Management of Paddy and Rice Business Proj Mr Kriengsak Sirihatakit	I	-	-	-	X	
131	TH.03/II/029 Promotion of Sericulture and Raw Silk Production Project Mr Taworn Supanawan	II	-	X	-	-	
132	TH.04/II/030 Vermicilli Processing Project Mr Panuwat Nakornpanom	II	-	X	-	-	
133	TH.05/III/043 Expansion of Rice Mill Project Mr Thawee Thimmasaya	III	X	-	-	-	
134	TH.06/III/044 Production of Quality Mangoes for Processing - Shelling Machines for Soyabeans Project Ms Wasna Junthieng	III	-	X	-	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared
by the Participants during their training (Course 1-10)

Sr No	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
135	TH.07/IV/058 Sericulture Promotion and Raw Silk Production Project Ms Jansuda Watcharayon	IV	-	-	-	X	
136	TH.08/IV/059 Production of Soya Beans Project Ms Pornrut Saitongsuk	IV	-	-	-	X	
137	TH.09/V/073 Processing Plant for Feed Mix Mill Project Ms Maroum Sutanani	V	-	X	-	-	
138	TH.10/V/074 Integrated Farming Project Mr Surya Thumavaro	V	-	-	X	-	
139	TH.11/VI/087 Cattle Breeding and Raising for Meat Project Mr Pronchadin Potiya	VI	-	-	-	X	
140	TH.12/VII/102 Rice Mill Project by Sanpathong Agricultural Cooperative Society Ms Amporn Vongsopa	VII	X	-	-	-	
141	TH.13/VIII/117 Tamarind Preservation Project Mr Pratin Boontui	VIII	-	-	X	-	

ICA/JAPAN AGRICULTURE MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
142	TH.14/X/147 High Yielding Seeds Development Project Ms Sunnee Karndee	X	-	-	X	-	

ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT FOR ASIA

Current Status of Implementation of Development Project Proposals Prepared by the Participants during their Training (Course 1-10)

Sr No.	Country, Project Code, Project Title and Name of the Participant	Course Number	Fully Implemented	Partially Implemented	Under Consideration	Project Abandoned	Remarks
	<u>VIETNAM</u>						
143	VN.01/VI/088 Cage Fish Raising Cooperative Project Mr Nguyen Quoc Tuy	VI	-	-	X	-	
144	VN.02/VII/103 Project on Developing Traditional Handicraft Products Mr Le van Nhu	VII	-	-	X	-	
145	VN.03/VIII/118 Marketing of Milk Project Ms Phung Thi Ngan Ha	VIII	-	-	X	-	
146	VN.04/IX/132 Cassava Startch Processing Plant Project Ms Tran Kim Linh	IX	-	-	X	-	
147	VN.05/IX/133 Soya Milk Processing Plant Project Ms Truong Ngoc Oanh	IX	-	-	X	-	
148	VN.06/X/150 Jute Production Project Mr Pham Minh Duc	X	-	-	X	-	



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ICA/JA-ZENCHU/IDACA ASIAN TOP LEADERS' CONFERENCE ON
"COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL
COOPERATIVES IN ASIA". Tokyo, Japan. April 14-19 1997

CONFERENCE BACKGROUND MATERIAL - PART-II

- Subject-1 Process of evaluation and monitoring of Project proposals prepared by the participants attending the ICA/Japan Agricooops Management Training Courses
-prepared by Daman Prakash
- Subject-2 Securing organisational commitment for the implementation of project proposals prepared by the participants with special reference to: i) individual countries - sponsoring organisations; ii) the Region as a whole; and, iii) the collaborating organisations e.g., the MAFF, JA-Zenchu, IDACA and the ICA
-prepared by Daman Prakash
- Subject-3 Process of review of training and development programmes of the IDACA with a view to improve their quality; and, Identification of strategies for the promotion of agricultural cooperatives in the Asian Region.
-prepared by Yoshitada Nakaoka
-

current status of implementation of these projects is given in Table-3. The projects were produced on a variety of subjects, as can be seen from Table-4. It can be observed that maximum number of proposals dealt with fruits and vegetables processing and setting up of cold storages - 32 projects (22%); dairy cooperatives and livestock development - 19 projects (13%), and, paddy and paddy processing - 18 projects (12%).

03. Although preparation and appraisal of the project proposal is an integral part of the training programme, the implementation initiative rests with the sponsoring organisations. Much also depends on the resourcefulness of the participant himself as well as his position within the organisational structure. Another contributory factor is the priority and funding position of the organisation itself. It is not an obligation on the part of the participant or the sponsoring organisation to implement the project. From the training-point of view it is a learning exercise. If the project is picked up by the organisation for implementation it is a credit to the training programme, its effectiveness and relevance. It is also a credit to the participant who had developed the project proposal and which has been considered viable, feasible and technically-sound.

04. The very fact that as much as 29 proposals (20%) were picked up for implementation - in fact all these projects are in full operation - goes to suggest that the proposals were technically-sound, prepared in accordance with internationally-accepted norms, and the organisations considered them fit for funding. Some of the projects have financial inputs of several million dollars.

05. Having been encouraged with the high quality of project proposals and their having been accepted for implementation, the ICA included an element of National Follow-up and Review Workshops in the training programme. Such workshops were intended to learn from the experiences of the former participants and to secure the opinions and views of the beneficiary organisations and government Cooperative Departments. Six such workshops have been conducted in : Korea (May 1993), India (Dec.1993), Sri Lanka (Dec 1993), Thailand (Jan 1994), Indonesia (Feb 1995), and Malaysia (Dec 1995). Such workshops were also attended by representatives of IDACA, JA-Zenchu, MAFF and the ICA.

06. In addition, the ICA ROAP maintains a close and active contact with the former participants and their organisations through correspondence and mission visits.

07. Of late, the monitoring and evaluation of project proposals is not so actively pursued mainly due to financial constraints at the ICA level. The institution of Follow-up and Review Workshops was considered a reasonable alternative..

08. With a view to closely monitor and evaluate the project proposals and the on-going projects, the following possibilities exist:

- The sponsoring organisations should make organisational commitment to support the project proposal by their participants when they are finally submitted to them;
- The National Follow-up and Review Workshops should form an integral part of the regular six-months training programme and the host organisations should cover all the local expenses;
- Organise at least two/three national or sub-national workshops in one country with the collaboration of the sponsoring and nominating organisations. Such workshops be attended by the donor agencies representatives of MAFF, IDACA, JA-Zenchu and the ICA;
- Special evaluation, monitoring and advisory teams be constituted by the donor agencies to undertake in-depth studies of some of the selected projects, and interact with the sponsoring organisations as to the improvement of these proposals;
- The ICA and the IDACA should document the current situation of all the project proposals and circulate it widely among the member-organisations for their information and replication, where considered desirable;
- Expand the scope and intake of the current training programme with appropriate funding support.

TABLE-1. THE SCHEME OF THE ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING COURSE - A Learning Exercise in Skills Development

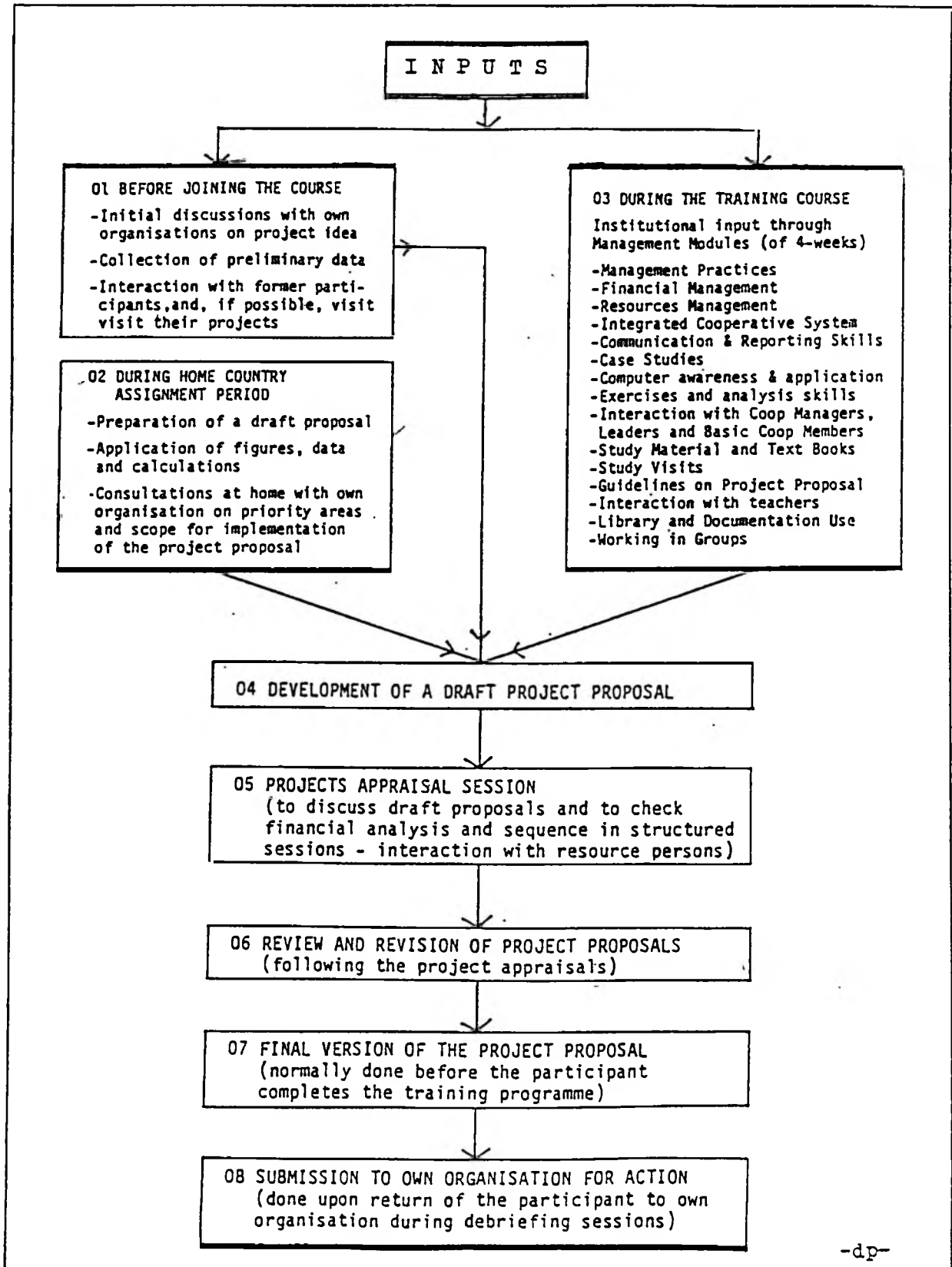


TABLE-3. COUNTRYWISE STATUS OF IMPLEMENTATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY THE PARTICIPANTS (COURSE 1-10)

Country (No. of Participants)	Fully Imple- mented	Partially Imple- mented	Under Consi- deration	Projects Abandoned
01 Bangladesh (09)	01	-	08	-
02 China (13)	05	-	07	01
03 India (24)	04	04	11	05
04 Indonesia (11)	03	02	04	02
05 Iran (03)	-	-	03	-
06 Korea (20)	04	02	12	02
07 Malaysia (10)	03	01	05	01
08 Myanmar (04)	01	-	03	-
09 Pakistan (07)	-	-	04	03
10 Philippines (13)	01	01	04	07
11 Sri Lanka (14)	05	03	03	03
12 Thailand (14)	02	04	03	05
13 Vietnam (06)	-	-	06	-
Total (148)	29	17	73	29
<p>Note: A total of 150 participants had attended the 10 courses. Two participants - one from Bangladesh and one from the Philippines - could not produce their development project proposals.</p>				

TABLE-4. SUBJECTWISE CLASSIFICATION OF COOPERATIVE DEVELOPMENT PROPOSALS PRODUCED BY THE PARTICIPANTS (COURSE 1-10)

Sr No.	Subject Areas Covered	No. of Proposals
01	Animal Feed Mills	09
02	Cassava Processing	01
03	Coconut/Coconut Husk Processing	05
04	Corn Production	01
05	Cotton Production and Processing	02
06	Dairy and Livestock Development	19
07	Duck/Poultry Raising and Processing	06
08	Farm Products (organic farming)	01
09	Fertiliser Application/Distribution	03
10	Fisheries	06
11	Flower Marketing	01
12	Food Products	05
13	Forestry	02
14	Fruits, Vegetable and Cold Storage	32
15	Handicrafts	01
16	Hog Raising and Meat Production	02
17	Integrated Rural/Cooperative Development	07
18	Jute Processing	01
19	Monitoring and Evaluation System for Cooperatives	01
20	Oilseeds Processing	02
21	Pepper Processing	03
22	Rice/Paddy Processing	18
23	Rubber/Rubber-wood Processing/Nurseries	06
24	Rush Mat	01
25	Seed Production/Multiplication	02
26	Sericulture	02
27	Sheep and Wool Development	02
28	Soybeans Processing	02
29	Strawboard Production	01
30	Sugarcane Production/Processing	01
31	Tobacco Processing	01
32	Wholesale Distribution	01
	Total	148
	Total Number of Training Courses Held	10
	Total Number of Participants	150
	Total Number of Proposals Produced	148



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APRIL 14-19, 1997

Background Material on Subject-2 :

Securing Organisational Commitment for the Implementation of Project Proposals prepared by the Participants with special reference to : (i) Individual Countries; (ii) the Region as a whole; and (iii) the collaborating organisations e.g. the MAFF, JA-ZENCHU, IDACA and the ICA.

01. The ICA/Japan Agricultural Cooperative Management Training Course has now entered its eleventh year. With the completion of the 11th course, in April 1997, the total number of managers trained under the project would be 165. The ten courses had produced 148 development proposals, several of which have been implemented because of their technical standards and viability. Maximum number of project proposals dealt with fruits, vegetables and setting-up of cold storages - 32 projects (22%); dairy cooperatives and livestock development - 19 projects (13%); and paddy and paddy processing - 18 projects (12%). 29 projects (20%) have been implemented, 17 projects (11.4%) have been partially implemented, and 73 projects (49.3%) are still under consideration. 29 projects (20%) have been abandoned mainly due to non-availability of organisational support and lack of financial resources and other reasons.

02. Implementation ratio of 20% is highly encouraging in view of the fact that these proposals were not prepared by professionals but by the students, and still they were considered fit for implementation. During the process of evaluation and monitoring through National Follow-up and Review Workshops and correspondence it has been observed that the principle of "organisational commitment" was the main prime-mover. The subjects

were in conformity with the objectives and priorities of sponsoring organisations.

03. In view of the above, it is necessary that organisational commitment should be the main foundation of the proposal. It is, of course, difficult and too premature for the sponsoring organisation to provide such a commitment at the time of the nomination of the participant. This organisational commitment should be secured when the participants return to their home countries for their Home Country Assignments. It is at that time that the participants should be provided with all the required facilities, freedom and access to information source, opportunities to meet with former participants and field work for the preparation of their project proposals. The project ideas should be considered and commented upon by the senior level officials/board of directors before the participants return to the course with their proposals for appraisals. With the commitment and confidence of their organisations with them, the participants can review/revise their proposals in the light of the appraisal comments.

04. In the light of the above discussion, several possibilities exist. These can be:

- i) The participants should carry with them a commitment from their parent organisations to implement the project when they return home after completion of their training. This commitment should reflect in the preface attached to their project proposals;
- ii) The current project could be reformulated in such a way that it encompasses the critical areas of the Region as a whole. The project could monitor, evaluate, assist in the reformulation of the project proposal and support, by way of funds, wherever needed, at least to some of the selected projects;
- iii) The advice and comments of the ICA Regional Agricultural Committee be solicited on the design and implementation strategies of the project proposals to ensure commitment of sponsoring organisations.
- iv) The collaborating organisations e.g. the MAFF, the JAZENCHU, IDACA, and the ICA should enhance their financial and technical contributions to the main project.



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APRIL 14-19, 1997

Background Material on Subject-3:

Process of Review of Training and Development Programmes of
the IDACA with a view to improve their quality; and
Identification of Strategies for the Promotion of Agricultural
Cooperatives in the Asian Region.

The IDACA - Its Historical Development

01. 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 the support of the Government of
Japan. The Institute, established on the basis of
recommendations of the First Asian Agricultural Cooperative
Conference held in Tokyo in April 1962, imparts training to
overseas agricultural cooperators as part of its inter-
national cooperative projects and has assumed the role of a
survey and research organisation.

02. Since its establishment, the IDACA has trained more
than 3,500 participants from different countries of Asia,
Africa, Latin America and East European Countries. It has
active collaborative arrangements on technical assistance
programmes with a number of international organisations e.g.
the ICA, the AARRO, IFAP, APO, ILO, FAO etc.

03. The IDACA aims at providing opportunities for the participants to acquaint themselves with the working and experiences of Japanese agricultural cooperatives rather than to follow academic and theoretical studies. Most of the resource persons are invited from among the experts of national and primary agricultural cooperative organisations to handle a variety of topics. It also organises study visits for the participants to different agricultural cooperatives.

Facilities and Infrastructure at IDACA:

04. The IDACA has well-equipped class-room and rooms for group work. All audio-visual facilities, library and communication facilities are available. Accommodation with complete kitchen facilities for 25 persons is available.

05. All IDACA programmes are approved by its Board of Directors and further commented upon and reviewed at the ICA Regional Assembly and Executive Council meetings.

06. The IDACA organises about ten training courses a year on different themes lasting from two weeks to two months. These are broadly classified into three categories. The first category comprises those organised in collaboration with the international organisations such as the ICA, AARRO etc. The second category includes those commissioned by the Government of Japan aid institutions e.g. the JICA- Japan International Cooperation Agency or those organised with the subsidy from the Government. The third category is those arranged according to the bilateral agreements between the JA-Zenchu and agricultural cooperative organisations in other countries. It also holds yearly IDACA ReUnion Programmes in various countries with a view to assess the impact of IDACA training and to renew contacts with the former participants. The ReUnion also helps improve the contents of future programmes.

A Sample of Training Programmes Held

07. On the basis of the achievements during the last 33 years, the IDACA has implemented "a Five Year Promotion Plan" since 1995. The emphasis of the Plan is laid on strengthening of training programmes in a qualitative and quantitative manner and initiation of cooperative development projects relevant to survey/research functions under the support of

JICA and other development agencies. The Plan also aims to vitalise Asian Agricultural Cooperative Information Network System through contributions of former/present participants.

Given below is an illustration of the training programmes offered by the IDACA during the year 1996-97 and planned for 1997-98.

IDACA 1996-97 Programme (Implemented):

- Agricultural Cooperatives Training Course for 20 middle-level government officials - International (JICA/Colombo Plan funded programme).-
- Agricultural Cooperatives Training Course for 5 government officials from Thailand (ILO funded programme).
- Agricultural Cooperatives Training Course for 11 officials of Agricultural Cooperatives from Thailand (ILO funded programme).
- Agricultural Cooperatives Training Course for Selected Countries - 13 (Myanmar -5, Vietnam -8) Cooperative leaders and government officials (MAFF funded programme).
- Training Course for ten Chinese government officials (JICA funded programme).
- Middle-level Agricultural Cooperatives Technicians Course for 5 Chinese government officials (Japan-China Cooperation Foundation funded programme)
- Farm Guidance Seminar for 9 government/movement participants from the Philippines, India and Sri Lanka. (MAFF funded programme).
- Women Leaders of Agricultural Cooperatives Conference - 30 participants International (ICA/JAZenChu/IDACA/AARRO joint programme).

- Rural Women Leaders of Agricultural Cooperatives Training Course - 6 participants from three countries - Indonesia, Pakistan and Malaysia (ICA/MAFF funded programme)
- Special Training Course in Agricultural Cooperatives for 20 cooperators from Republic of Korea (NACF/JA-ZENCHU joint programme).
- Strengthening Management of Agricultural Cooperatives in Asia - 15 participants - international (ICA/MAFF funded programme).
- Asian Top Leaders Conference on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia - 30 participants International (ICA/ JA-ZENCHU/IDACA funded programme.)
- IDACA Reunion Programme in the Philippines (IDACA funded programme).

IDACA 1997-98 Programme (Planned)

- Agricultural Cooperative Training Course for 20 middle-level government officials - International (JICA/Colombo Plan funded programme).
- Agricultural Cooperatives Training/Orientation Course for 20 Indonesian cooperators (MAFF funded programme).
- Training Course for 10 government officials from China (JICA funded programme).
- Agricultural Cooperative Training Course for Selected Countries - 13 participants (MAFF funded programme).
- Rural Women Leaders of Agricultural Cooperatives in Asia - training course for 6 participants from 3 countries (ICA/MAFF funded programme).
- Training Course for 5 middle-level Chinese government officials (Japan -China Cooperation Foundation funded programme).

- Regional Training Course on Agricultural Cooperatives 16 persons- International (ICA/JA Zenchu/IDACA Joint Programme).
- Farm Guidance in Agricultural Cooperatives Seminar for nine persons from government/movements from three countries. (MAFF funded programme).
- Orientation Course in Agricultural Cooperatives for 20 officials from the Republic of Korea (NACF/JA ZENCHU joint programme).
- Strengthening Management of Agricultural Cooperatives in Asia Training Course- 15 participants - International (ICA/MAFF funded programme).
- Asian Top Leaders Conference on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia - 30 participants - International (ICA/JA ZENCHU/IDACA funded programme).
- IDACA Re-Union Programme (IDACA funded programme).

08. The IDACA also hosts several international meetings. The Managing Director and other staff participate in international events in the Region organised by the ICA, AARRO, and others. It also provides orientation and technical literature to Japanese experts who are despatched to work abroad under various technical assistance programmes.

09. The IDACA maintains contacts with the former participants through regular correspondence, newsletters and Re-Union Programmes.

New Concepts Adopted:

10. The following are some of the newly added concepts which have been adopted for implementation in line with the Five Year IDACA Promotion Plan:

- Emphasis to be laid more on result-oriented approach to organise follow-up and evaluation conferences more frequently.

- Training programmes to be combined with lecture/study visits, free exchange of views, debates, case studies, exercises, overseas training etc.
- Training programmes of shorter duration for chief executives and for former participants as a follow-up of activities.
- Selection procedures for participants by the nominating organisations to be re-examined with emphasis on careful screening of participants and increased participation of women candidates.
- Efforts to be made to secure resource persons with some knowledge and information on participants countries and proficiency in English language for direct communication with participants.
- To support the sponsoring organisations to strengthen their existing contacts with former participants for general communication as well as follow-up through reinforced information network system.
- Keeping in view the demand from various countries to learn more about the successes and experiences of the Japanese Agricultural Cooperatives, it is envisaged to improve the present physical and operational facilities including secretariat, library and documentation services, accommodation, strengthening of financial resources.

11. The IDACA, however, hopes that its contacts with the Movements and governments as well as with the collaborating agencies will expand further, to disseminate information widely on Japanese Agricultural Cooperative experiences.

Background paper

1. In recent decade, there are totally thirteen students from China having participated in the ICA/Japan training courses. All of them except four working on abroad devote themselves to their original cooperative organizations, but with great changes in their positions. Most of them have become the backbones of the cooperatives, while some have got the important posts. The name list is as followings:

1. Mrs. Liu Xinzheng, in Britain
2. Ms. He Lanchai, in America
3. Mr. Shi Yuejin, in America
4. Ms. Liu Quan, in Australia
5. Mr. Guan Aiguo, Section Chief, International Cooperation Department, All-China Federation of Supply and Marketing Co-operatives
6. Mr. Bi Meijia, Director, Economic Development Department, All-China Federation of Supply and Marketing Co-operatives
7. Mr. Gao Jihai, Department Manager, Foreign Trade Company, Shandong Federation of Supply and Marketing Co-operatives
8. Mr. Jia Minsheng, General Manager, China Coop. International Tour, All-China Federation of Supply and Marketing Co-operatives
9. Mr. Yang Baoguo, Department Manager, Foreign Trade Company, Shanghai Federation of Supply and Marketing Cooperatives
10. Mr. Rong Jun, Section Chief, Int'l Coop. Dept., All-China Federation of Supply and Marketing Co-

operatives

11. Mr. Huang Yadong, Manager, Foreign Trade Company, Hubei Federation of Supply and Marketing Cooperatives
12. Mr. Zhang Guanglun, Deputy Section Chief, Foreign Trade Department, Shaanxi Federation of Supply and Marketing Cooperatives
13. Mr. Liu Hui, Deputy Section Chief, Int'l Coop. Dept., All-China Federation of Supply and Marketing Cooperatives

2. The thirteen students took responsibility of operating 13 agricultural production processing programs, 80% of which run well. While the duck raising project by Mr. Guan has ceased because of grand production volume and low price of duck's down following the fast development of duck raising, which brings with high cost of artificial removal. The duck raising program by Mr. Jia also failed since the enterprise had got big loss due to bad management. The Sanhe county integrated chickens breeding farm project engaged by Ms. He Lanchai, Hebei Mancheng City strawberry processing project by Mr. Bi Meijia, cattle breeding, fattening and slaughtering project by Mr. Liu Hui and cold storage for farm products by Mr. Gao Jihai go well until now. For instance, the Sanhe county integrated chickens breeding farm project develops very well that it provides a serial service to farmers including chickens, feed, pesticide, processing and marketing, and the annual benefit of the enterprise is over three million RMB yuan. While the output value of strawberry processing project last year is more than five million RMB yuan with profit exceed one million. On

the base of the project, they have cooperated with a provincial company to produce strawberry drinking with good prospect.

3 、 There are three main common problems in the students' projects as followings:

- a. lack of funds
- b. low-level management
- c. bad sale of products because of serious competition in the market

4 、 the appreciation from All China Federation of Supply and Marketing Co-operatives

The ten training courses held by ICA in collaboration with Japan have got very good effect, which have made 150 students trained. All the people knows that China is in the time of transition from planning economy to social market economy, which brings with crucial competition. The nature of competition on earth is the competition of talents. The cooperatives must pay much attention to foster talents in order to improve themselves. Most of the thirteen students except a few on abroad have become the backbones of cooperative institutions, which owing to the ICA/Japan training course. The ACFSMC make a call for cooperation between ICA and Japan government to hold the training course continuously, although we have some recommendations here: shortening training period to one or two months and three or four times a year with 15-20 trainees each time.

5 、 The main problems confronted by Chinese supply

and marketing cooperatives and countermeasures

Nowadays, China is going forward to social market economy. The present existing problems are “production at random, confused negotiation and backward service”: the farmers have no sense what to sell well; uncomplicated market system: the deal is out of order; some services especially information, financial and processing services cannot meet the need of production. Therefore, Chinese SMCs are making effort in the works as follows:

- a. Improving information service: the whole country cooperative information net is establishing.
- b. Strengthening the training for cooperative members and employees.
- c. Greatly developing agricultural production processing industry. It is good means to enhancing cooperatives' economic power as well as help farmers sell and sell well. We call it vividly “locomotive project”. It is proved by the practice in China that a county will get good fortune to the farmers as long as developing several “locomotive projects”, and the cooperatives themselves will be greatly developed. Chinese government has also given a lot of support on policy especially on funds.
- d. Developing gradually a great number of agricultural wholesale markets and stores in large and medium sized cities, improving cooperative service to agriculture and erecting new cooperative identity.

B A C K G R O U N D P A P E R

Country: INDONESIA

On:

ICA / JA - ZENCHU / IDACA TOP LEADERS CONFERENCE
ON "COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT
OF AGRICULTURAL CO-OPERATIVES IN ASIA
TOKYO, JAPAN, APRIL 14 - 19, 1997.

PREPARED BY:

GABUNGAN KOPERASI SUSU INDONESIA
(THE UNION OF INDONESIAN DAIRY CO-OPERATIVES)

Jalan Prof. Dr. Supomo, SH No. 178

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I. INTRODUCTION.

Indonesian Co-operatives through The Indonesian Co-operative Council (DEKOPIN) has been participated on the ICA/Japan Management Training Courses since 1986/1987. First participant from Indonesia chosen by DEKOPIN was Mr. Samsul Arif from Village Unit Co-operative (KUD/ Rice Coop) in West Java Province. Until 1995/1996 DEKOPIN has already sent 11 participants, which was 1 participant from Rice Co-op, 9 from dairy co-ops and 1 from fishery co-op.

Gabungan Koperasi Susu Indonesia / GKSI (The Union of Indonesian Dairy Co-operatives) has firstly been participated in the training course since 1987/1988 by sending 2 participants. DEKOPIN had no participants to send on the 1988/1989 - 1990/1991 training course. Then since 1991/1992 until 1995/1996 GKSI and dairy co-operatives has been continuously sent 7 participants.

The program has been successfully improved the visions, knowledge and management skills of all GKSI and dairy coops' staffs who participated in the management training courses. However, in the implementation of project proposals, there were still some difficulties faced by both the organization and the participant concerned.

II. GKSI PARTICIPATION ON THE ICA/ JAPAN MANAGEMENT TRAINING COURSE.

A. THE OBJECTIVE.

As the secondary dairy co-operatives, national level, GKSI has the task to provide better services to the members (Village Unit Co-ops and Primary Dairy Coops).

There are 207 KUD / Dairy coops, members of GKSI which have the rights to receive GKSI services. It is very difficult for GKSI to do the task without having enough staffs / professionals with better knowledge and skills. Therefore, one of the important policy of GKSI is the improvement of knowledge and skills of GKSI human resources.

The Management training courses which is carried out by ICA/ IDACA where GKSI/ Dairy Cooperatives can participate is a great help for our organization in improving our human resources capabilities. Most of GKSI staffs and KUD/ Primary dairy coops' staffs of ICA/IDACA training alumni are now hold better position in the GKSI / Dairy Coops' organizational structure.

B. LIST OF PARTICIPANTS.

There were 9 GKSI / Dairy coops' participants has already trained on the ICA/IDACA Management training courses between 1987/1988 - 1995/1996 which is listed below:

Name	Adress	Current Position.
Ir. Yoyok Sunaryo (1987/1988)	Jl. Cendana Desa Winong Boyolali 57315.	First Chairman GKSI
Ir. Maharsi Adi Sucipto, MBA. (1987/1988)	Jl. Lebak sari Tromolpos 13 Pandaan 67156.	General Manager GKSI East Java.
Ir. Johny D. Priyana. (1991/1992)	Jl. Prof. Supomo, SH No. 178, Jakarta 12870.	GKSI Secretary of Managing Director
Ir. Ahmad Kosasih. (1992/1993)	Jl. Prof. Supomo, SH No. 178, Jakarta 12870.	GKSI Operational Director.
Ir. Iskandar Mukhlas. (1993/1994)	Jl. Rumahsakit Gedebage No 128, Ujungberung, Bandung 40601.	Manager GKSI Milk Plant West Java.
Ir. Tanoyo Adi, MBA. (1993/1994)	Jl. Pasar Baru No. 38 Nongkojajar, Pasuruan 67165	General Manager of Setiakawan Coop, Nongkojajar East java.
Drs Ayi Suhendi. (1994/1995)	Kompleks Pasar Raya Panorama, Lembang, Bandung.	General Manager KPSBU Coop, Lembang, West Java
Drh Ryas Dyah Tri Silvana. (1994/1995)	Jl. Semambung 17, Grati, Pasuruan 67184.	3rd chairperson. of Sukamakmur Coop, Grati, East Java.
Drh Andy Satyana. (1995/1996)	Jl. Pasar Baru No. 38 Nongkojajar, Pasuruan 67165.	Production Manager of Setia Kawan Coop, Nongkojajar, East Java.

III. PROJECT PROPOSALS, RESULTS / ACHIEVEMENT.

A.1. Ir. YOYOK SUNARYO (1987/1988):

Project Title:

Feedlot Fattening of Friesian Holstein Calf.

Nature of the project:

Supply of feedlot, grass and marketing of cows.

Project Location:

Cepogo Co-operatives, Boyolali, Central Java.

Financial Outlay:

IDR 74.35 Million, Payback period 5 years, IRR 26.95 %

Current Status:

This fattening project is being implemented with the volume of business average 240 head per year. Currently KUD Cepogo, Boyolali Kota and Wargamulya have just also developed heifer calve rearing business with the volume of business about 60 head of heivers per year/KUD.

A.2. Ir. MAHARSI ADI SUCIPTO (1987/1988):

Project Title:

Feed Mill Plant.

Nature of the project:

Establishment of Feed Mill for dairy farmers.

Project Location:

Setia Kawan Cooperative, Nongkojajar, East Java.

Financial Outlay:

IDR 1,159,093,000,-, Loan IDR 868 Million, interest rate 16% p.a. payback period 5 years, IRR 18,79 %

Current Status:

The project was completely implemented 1989 - 1996 with sales average 12,000 ton/year resulting an average profit around IDR 65 Million per year. The loan has paid up in November 1996. Starting this year, it is planned that the plant will install facilities for pelleting.

A.3. Ir. JOHNY D. PRILYANA (1991/1992):

Project Title:

Feed Mill Plant

Nature of the project:

Establishment of a modern feed mill plant, and expand capacity.

Project Location:

Sukabumi, West Java.

Financial Outlay:

IDR 403,500,000.-, Loan IDR 400 Mliilion, payback period 9 years, IRR 24.29 %

Current Status:

The project was implemented together by GKSI and KUD in Sukabumi. It was run on a pilot basis. Due to the change of policy in GKSI, then GKSI allowed the KUD to run the business on its own started on mid 1995.

The KUD then run the business on their own and the performance is quite good. However, the business scale is not increased according to the proposal due to the lack of financial support.

A.4. Ir. AHMAD KOSASIH (1992/1993):

Project Title:

Feed Mill in Ciwidey District.

Nature of the project:

Production of quality feed concentrate and marketing.

Project Location:

KUD Tani Mukti, Ciwidey, West Java.

Financial Outlay:

IDR 963,292,000.-, Loan IDR 928 Million, Payback period 10 years, IRR 14.12 %

Current Status:

Since the participant was promoted to GKSI Head Quarter in 1993, there was no body took place to implement the project. However the idea of having a feed mill plant is not dropped. Adjustment to the current situation is needed.

A.5. Ir. ISKANDAR MUKHLAS (1993/1994):

Project Title:

Integrated Dairy farming Business Activities.

Nature of the project:

Increasing the size of dairy farm.

Project Location:

KUD Tani Mukti, Ciwidey, West Java.

Financial Outlay:

IDR 182 Million, Loan IDR 157 million, payback period 3.67 years, IRR 26 %

Current Status:

The project was implemented during 1994 - 1995 in a small scale basis. Due to the lack of financial support and also there was a change in the organizational structure, where the persons incharge of the pilot project was changed their position, then the pilot was not continued. The cattle then shifted to the farmers.

However, the idea of the integrated dairy farming was adopted by the KUD's Board of Director and it was implemented by several big farmers in the area on their own limited funding support.

The location is very good for implementing the project in future. But, It takes time to solve financial and human resources problems in the field.

A.6. Ir. TANOYO ADI, MBA (1993/1994):

Project Title:

Raising Cattle Breeding Business Scale.

Nature of the project:

Cattle raising and Breeding.

Project Location:

Setia Kawan Coop, Nongkojajar, East Java.

Financial Outlay:

IDR 6 Billion. Loan IDR 5.4 Billion, payback period 3.21 years, IRR 28 %

Current Status:

The project has been adopted and adjusted by Setia Kawan Coop, Nongkojajar and has been implemented. The loan has been provided from Bank BNI East Java amounting IDR 5.4 billion for purchasing about 1,800 head of imported pregnant dairy heifers in 2 shipment (1994 / 1995) The last shipment was in November 1995. GKSI played key role in the importation process.

The cattle have been provided to the selected farmers to increase their cattle ownership from 3 - 6 head in a credit scheme which is scheduled for 5 years pay back period.

A.7. Drs. AYI SUHENDI (1994/1995):

Project Title:

Dairy Cattle Pilot Project.

Nature of the project:

Integrated dairy cow business by increasing size of dairy farms, increase in milk yield and income.

Project Location:

Kawasan Industri Peternak (Kinak) KPSBU, Lembang, Bandung, West Java.

Financial Outlay:

IDR 33 Million, Loan IDR 30 Million, payback period 8 years, IRR 25.2 %

Current Status:

The Board of Director of KPSBU Coop. has made a strategic decision in 1996 to establish a Kawasan Usaha Peternakan / Kinak or dairy farming estate.

The participant developed the plan for the Coop's IDR 23 Billion Project. There are 2 Banks has given commitments for funding the project. The project is still waiting for the approval of the District Government authority. It is hoped that project will be implemented in this year.

Kinak is an integrated dairy farming estate where about 400 farmers with 4,000 head dairy cattle are placed in area of 200 Hectare land planted with grass, facilitated with housing for the farmers, infrastructure, equipment for farming dairy activities, Coop's services center i.e milk collecting, feed processing and supplies, etc.

A.8. Drh. RYAS DYAH TRI SILVANA (1994/1995):

Project Title:

Increase in dairy cow scale of business.

Nature of the project:

Increase the income of the farmers through increasing milk production by increasing the ownership of dairy cattle.

Project Location:

Suka Makmur Cooperative, Grati, Pasuruan, East Java.

Financial Outlay:

IDR 5,750,000,000.- Loan IDR 4 Billion, pay back period 4 years, IRR 26.7 %

Current Status:

The proposal has not been implemented yet. Although in principle, the Board has already agree with the idea, it's still difficult to fund the project.

A.9. Drh. ANDY SATYANA (1995/1996):

Project Title:

Village Breeding of Dairy Cows for small holder dairy farmers.

Nature of the project:

Developing village breeding of better dairy cows to increase productivity of dairy cattle, extension and marketing.

Project Location:

Setia Kawan Coop, Nongkojajar, East Java.

Financial Outlay:

IDR 22 Million, Loan IDR 22 million, payback period 1 year, IRR 210.24 %

Current Status:

The project is implemented, attached to the Coops' business activities.

B. SUMMARY OF ACHIEVEMENT:

From the individual results described above, it can be summerize below:

NAME OF PARTICIPANT	STATUS	REMARKS
Ir. Yoyok Sunaryo	Implemented	Well and developed.
Ir. Maharsi A. Sucipto	Implemented	Well and will be developed.
Ir. Johny D. Prilyana	Implemented, partly	Stopped, continued by KUD.
Ir. Ahmad Kosasih	Not implemented	Idea still on.
Ir. Iskandar Mukhlas	Implemented, Partly	Stopped.
Ir. Tanoyo Adi, MBA.	Implemented	On going project, adjusted and become part of Coop's business.
Drs. Ayi Suhendi	Being Processed	Revised by Coops, become IDR 23 Billion Project.
Drh. Ryas D.T.Silvana	Being Processed	Awaiting for fund.
Drh. Andy Satyana	Implemented	On going project, adjusted and become part of Coop's business.

From the 9 proposals produced by GKSI / Dairy coops there are:

- 2 project proposals were implemented.
- 2 project proposals were implemented with some adjustment.
- 2 project proposals were firstly implemented and then stopped.
- 1 project proposal was revised to meet the needs of Coop, being processed for implementation.
- 1 project proposal is being processed.
- 1 project proposal is not implemented.

The other 2 proposals were not implemented, which were prepared by:

1. Mr. Samsul Arif : Integrated Paddy Processing Project of IDR 529.5 million in Karawang, West Java.
2. Ms. Marleen E. Dien : Sidat Fish Production in Klaten Project of IDR 797 Million in Central Java.

IV. LESSONS LEARNT FROM PROJECT IMPLEMENTATION.

From the experience of GKSI / Dairy Co-operatives in Indonesia, there are some lessons that can be learnt:

1. The proposals produced by all participants have already reflected the needs of improvement. The participants have very sharply pointed out some of the problems arised in the field and converted into project proposals. It means that the theory / materials / topics of the course given to the participants has been succesfully adopted and applicable.
2. The implemented proposals in fact need:
 - a. Strong Coops which have better enviroentment for project implementation.
 - b. Better relationship of Coops to the financial institution i.e. Bank, and closer relationship with related Government institution concerned i.e. Departement of Cooperatives, Directorate General Livestock Services.
 - c. Better supportive Board of Directors and Management Team. And the participant is part of the management team who is take part in the decision making process.
 - d. The program choosen was in line with the coop's program / planning which the program proposed sit on the higher lists of coop's priorities.
3. There were also programs which are needed reorientation and adjustment to match with the current situation before the project were implemented.
4. The programs which was not implemented are mainly because:
 - a. Lack of financial support both from the organization or from the financial institution. The performance of the respective cooperative is not so good.

The business of the coop is usually run by a limited capital, while loan from bank is difficult to get due to the limited skills and capabilities of coop's human resources i.e. the Board of Directors and the Management.

- b. The proposal may be feasible, but it maybe not bankable. Collateral that owned by coop is not enough for a loan guarrantee.
- c. Moreover, higher interest rate applied in Indonesia is not favourable for the risky business (Agribusiness in Indonesia is still concerned by financial institution as risky business). Commercial interest rate now is around 20 % per annum. Special credit loan from Central Bank is 16 % per annum.
- d. The proposal was not lied in the prioritized coop's programs. The time and condition was not suitable for the implementation of project due to the lack of support from the coop's human resources.

There are too many problems faced by the coop. In the situation where the fund is limited, the coop may think that there was nothing wrong with the current business which is carried out in a small volume and no need to increase the volume. Instead, it is better if the fund is used for other prioritized activities.

- 5. The programs which were partly implemented mainly because:
 - a. The change of organizational policy, i.e. Project implemented in Sukabumi and Ciwidey/ Lembang, both in West Java.
 - b. The position of the person incharge in the project was changed.
 - c. However, eventhough the activities of the project has stopped, the idea was adopted / implemented by the coop in a different way depends on their own creativity and their own ability and limited amount of capital.
- 6. In addition, the program which is not implemented or partly implemented as mentioned above is also because the proposal is made in a hurry situation (limited time). The participant were not prepared very well. There were not enough time to discuss more detailed about the project with the decision maker concerned.

7. However, above all of the lessons mentioned earlier. It is the fact that the ICA/ IDACA Management Training courses has already made some improvement on the skills and knowledge of the participants. Right now, some of the participants hold better position in the organization.

V. FUTURE IMPROVEMENT.

Free trade era is in front of us. Competition amongst business enterprises in a country and between one country to the others in a global scope will happen soon and It can not be avoided. All of the world's economic sector will be influenced by this situation. The company / business enterprise which is defeated in the competition will have no chance to grow or even will slowly go bankrupt. Co-operatives is one of business organization that would be affected by the free trade era.

Most of the co-operative movements in developing countries, i.e. Indonesia are treated specially by the Government, due to the condition that needs Government's supports. Also, we know that the quality of human resources in the co-operatives are relatively low. With all the weaknesses, it is impossible for the co-operatives to enter the global market competition. Meanwhile, in the developed countries where the co-operatives has become bigger and stronger, it is easy for them to enter the global market competition.

Some of commodities produced by co-operatives in developed countries maybe similar to the one produced by co-operatives in developing countries. In this situation it means that co-operatives in the developed countries will make their brothers in the developing countries suffer.

To avoid the situation, it is hoped that ICA to:

1. ✓ Establishing a regional network among co-operatives to allow the developing co-operatives to receive assistance from developed co-operatives to improve their business performance and their human resources quality.
2. ✓ Advocating collaboration between the developed co-operatives with the developing co-operatives.
3. ✓ Finding the best way for free trade to be implemented that will give mutual benefits to both developed and developing co-operatives in the region.

Some possibilities that could be arranged by ICA/JA ZENCHU/IDACA:

1. Advocating an exchange sectoral training program where the developing countries can be trained (on the job training scheme) in the respective developed countries for a certain period, while the expert(s) of developed countries work with the co-operatives in the developing countries as technical assistance. This program can be sponsored by ICA/JA ZENCHU/IDACA and the respective developed co-operatives.
2. Promoting collaboration / joint venture among developed co-operative and developing co-operative in a similar business.

Improvement of co-operatives' human resources is very important other than the improvement of business performance. The training program carried out by ICA/JA ZENCHU/IDACA should be continued. There are some suggestions to the future training program:

1. There are thousand of co-ops' Board of Directors, thousands of Managers who need to improve their skills and knowledge in the Asian countries. There are millions of co-ops' members who their income are depended on the business performance of their leaders. Maybe the time has come for ICA to think about the possibility of establishing more training center like IDACA or establishing "branch" of IDACA in other places in Asia.
2. The programs that was developed 11 years ago has produced at least 150 alumni. These people have to be used by ICA/IDACA to create something for the improvement of co-operatives in Asia. It can be used for supporting the first idea above.
3. The ICA/IDACA should develop progressive ideas of using better media of providing training materials which is cheap and can be used by many people, i.e diskettes, CD ROMs, Videos, Data base that can be accessed by co-operatives through internet.

When the participants finished their course, they will bring with them the training materials. So the participants can use the materials for training their own people in their own countries. With the standard well-prepared training materials, there will be more co-ops' human resources can get the benefit and more co-operators can improve their skills and knowledge in a very short time. While ICA/IDACA continuously revise, up-date, develop new materials, etc.

**VI. AGRICULTURAL CO-OPERATIVES IN INDONESIA.
(WITH AGRO-PROCESSING ACTIVITIES).**

A. AGRICULTURAL CO-OPERATIVES

Agricultural co-operatives in Indonesia is well known as Village Unit Co-operative or Koperasi Unit Desa (KUD). The KUDs are usually located in villages where the farming activities are carried out.

KUD was established in the new order Government after most of the politicized co-operatives were collapsed due to the political situation in 1966. In 1967 The Government issued Co-operative Law No.12. At that moment many KUD established in the villages. At the same time the Government introduced the PELITA (5 years development planning) and it was emphasized on the Agricultural sector.

The Government supported KUDs in order to achieve self sufficiency of rice production, while at the same time to improve farmers income, provide job and stimulate economic growth in the villages. It has been achieved since 1984.

Before 1978, the co-operatives was supported by the Government through the Directorate General of Co-operative under the Departement of Trade. Within 1978 - 1983, the co-operatives was taken care by the Junior Minister of Co-operatives. Then, within 1983 - 1988 the Junior Ministry become Departement of Co-operative. And finally since 1988 - now the Department has been added another responsibility for co-ordinating Small Enterprise sector. Village Unit Co-operatives /KUD is co-ordinated under Directorate General of Rural Co-operative Guidance.

The development of Village Unit Cooperatives:

Item	1994	1995
1. Number of KUD	9,025	9,157
2. Total Members (million)	12.6	13.0
3. Average Surplus (USD mill)	21.96	23.89

Today KUD is reoriented to achieve the targets such as: self sufficiency in food crops; export market oriented agriculture produce, poverty allevation.

The Agricultural co-operatives businesses in Indonesia is listed below:

1. Food procurement (rice, corn, soy bean, green bean, peanut, sagoo, cassava).
2. Horticulture, fruit, flower and decoration plant
3. Plantation (coconut / copra, clove, oil palm, rubber, coffee, vanilla, tea, cacao, tobacco).
4. Fishery (marine fisheries, inland fisheries)
5. Dairy.
6. Beef.
7. Poultry.

The activities of KUD's businesses are varied, from just only farming activities to processing of finished product. The co-operatives ie. rice, dairy, copra, beef and poultry co-ops are usually facilitated with processing equipment to produce semi-finished product or finish product. While the other co-operatives usually produce raw materials.

B. DAIRY CO-OPERATIVES

1. INITIAL STAGE OF DEVELOPMENT (1890s - 1970s):

Dairy farming business in Indonesia was introduced by Dutch societies by importing dairy cattle from Holland in 1890s.

After Indonesia proclaimed independence in 1945, the remaining dairy cattle owned by the farmers were not developed due to the political situation.

During the year 1950 - 1969 when the situation was improved, the farmers started to develop dairy farming with all of their limitation. In this period, the political and socioeconomic conditions was not favourable to increase milk market and milk consumption as well.

2. NATIONAL DAIRY FARMING DEVELOPMENT (NEW ERA)

After the establishment of the New Order Administration (1967), the Government of Indonesia in 1968 issued Law of Foreign Investment (Law No. 1 / 1968). The first Foreign Investment agreed to was PT. Australian -Indonesian Milk Industry, a joint venture of Indonesian company with the Australian Dairy Corp. which has commenced since 1969.

Other Multi-national Dairy Industry Investments were booming during the years 1969 - 1978, e.g. P.T. Vriesche Vlag Indonesia (joint venture with Dutch Company); P.T. Food Specialities Indonesia / Nestle (Switzerland); Foremost (USA). In this period all of the raw milk materials needed by the factories were imported. •

A study of dairy farming was discussed in a meeting held by Milk Processors and 17 Dairy Cooperatives in 1978. The agreement was that dairy farming would be undertaken by farmers in a co-operative organization, and the milk processors should use local milk product as their raw materials. In addition, the Government agreed to support and create a favourable condition for dairy farming business.

The next meeting in 1979 was noted as the starting point of Dairy farming business when the dairy development plan discussed was agreed by all of participants concerned including the Milk Processing Industries and dairy farmers (represented by Dairy Co-operatives) , the Government Institution concerned, especially Junior Ministry of Co-operatives, Ministry of Agriculture and Ministry of Industry.

On this event the Union of Indonesian Dairy Cooperatives (Gabungan Koperasi Susu Indonesia) was established. It's a national level secondary dairy co-operative.

3. ACHIEVEMENTS

The first importation of pregnant dairy heifers about 54,000 heads during 1979 - 1983 and the second import of 27,000 head during 1987 - 1989 led to the increased of dairy cattle population. The development of Local dairy farming has given significant contribution to respond the national milk demand. The achievements of dairy farming development are described as the following:

- a. More co-ops participated in dairy farming business.
- b. More members participated in dairy farming.
- c. The farmers have permanent jobs.
- d. Other supporting businesses to dairy farming have also developed and hence absorb labor.
- e. The farmers' income has improved.
- f. Economic condition of certain villages consequently have been improved.

The other important achievement is that the milk production has been increased and simultaneously the milk importation has been reduced (the ratio is reduced). The ratio of local to imported milk in 1979 which was 1 : 20 has significantly decreased to 1 : 2.9 in 1995. The lowest ratio that ever been reached was during 1987 to 1989 when the ratio was 1 : 0.7. The fluctuation of the ratio is because the ratio is depended on the national demand. Today the ratio is 1 : 2.

4. AGRI-BUSINESS CONCEPT

From the general accepted concept of Agribusess, the dairy farming business covers 3 sub-systems, which are:

- a. Pre-production sub-system with the main activities are procurement of input supplies i.e. feeding, breeding, technical and medical services.
- b. Process-production sub-system of which the main activities are in distribution of input supplies to dairy farmers, dairy farming, milking and some supporting activities such as: training, education and extension.
- c. Post-production sub-system which consists mainly of distribution, processing / treatment and marketing of fresh milk and other potential products to be sold.

Please also look at the GKSI frofile attached.

GKSI

GABUNGAN KOPERASI SUSU INDONESIA
UNION OF DAIRY CO-OPERATIVES OF INDONESIA



HADIRKAN SETIAP HARI DI RUMAH ANDA
NIKMATILAH KEMURNIAN ALAMI
SUSU ALAM MURNI



DIPASTEURISASI dan DIHOMOGENISASI

DAPATKAN 5 KELEBIHAN UTAMA ALAM MURNI

- Murni alami
 - Lezat dan nikmat
 - Tanpa pengawet
 - Bergizi tinggi
 - Diproses dengan teknologi modern

I. HISTORY

Dairy cattle in Indonesia was introduced by the Dutch Colonial Government by the end of the 19th century. During the Japanese occupation, the dairy cattle which were inherited from the previous Dutch Government were kept by the farmers. It was the beginning of small dairy farming in Indonesia.

Since milk is perishable product and the dairy farmers usually live far away from the consumers, the farmers felt the need for establishment of dairy cooperatives. The first dairy co-operative was established in 1948 in Pengalengan-Bandung in West Java and then in 1962 another dairy co-operative was established in Pujon-Malang, which was followed by the establishment of dairy co-operatives in Nongkojajar-Pasuruan, Grati-Pasuruan, in East Java, and in Boyolali and Ungaran in Central Java.

During 1960-1968 period, dairy co-operative development was not favourable due to the worse economic situation and bad competition among the small farmers as well as the beginning of the establishment of milk processing industries which preferred using imported raw material of milk, so that many dairy cooperatives became bankrupt.

An ironic situation occurred in 1969-1977 period, when many small dairy farmers were bankrupt on one side, while, on the other side, a few milk processing industries were developing well. In such conditions, there were only two dairy co-operatives survived, i.e. South Bandung Dairy Co-operative Pengalengan (KPBS Pengalengan) and SAE Dairy Co-operative Pujon-Malang.

The first great step in dairy co-operatives development in Indonesia was taken in the beginning of the year 1978 by, Mr. Bustanil Arifin, SH, who was the Junior Minister for Co-operatives Affairs and Mr. Ir. Muslimin Nasution, the Secretary of the Minister. They visited several dairy co-operatives in Java to study the existing problems and to find alternative solutions. They also studied dairy co-operative system in Anand India.

In July 1978, the Government held a meeting between dairy co-operatives and the milk processing industries (IPS) and as the result it was agreed that IPS would utilize the small dairy farmers' milk produce with a reasonable price. Prof. Dr. Hutasoit as the Director General of Livestock Services had a significant role in the dairy co-operative development, especially in reaching the above agreement.

In 19-21 July 1978 the First Dairy Co-operatives Workshop was held in Jakarta which was attended by 14 primary dairy co-operatives. One of the decision made was the formation of the Dairy Co-operative Coordination Board of Indonesia (BKCSI) which was chaired by Drh. Daman Danuwidjaja.

In 29-31 March 1979, the second dairy co-operative workshop was held in Malang which was attended by 17 primary dairy co-operatives. It was agreed that the Dairy Co-operative Coordination Board of Indonesia (BKCSI) was dissolved and established the Union Dairy Co-operatives of Indonesia (GKSI) and appointed Drh. Daman Danuwidjaja as the chairman.

II. DAIRY CO-OPERATIVE DEVELOPMENT

2.1. Organization.

Legal status of GKSI is based on the decree of the Director General of Co-operatives No. 08/Dirjen/Kop/1980, which was registered as BH No. 8284 dated on 16 July 1980, it was renewed by BH No.8284/a dated on 30 August 1980, later it was renewed again by BH No. 8284/b dated on 15 September 1987. The most recent registration number of BH No. 8284/c dated on 24 April 1994.

In the 12th Annual Members Meeting which was held on 20 July 1992 in Yogyakarta, which it was attended by the representatives of all primary dairy co-operatives in Indonesia, GKSI changed its structural organization and appointed new chairman Mr.Hardjono Hamidjojo, from KUD Boyolali Kota (Boyolali Kota KUD Milk Unit).

GKSI with the new Board of Directors set out new policies. Some efforts were made to improve the dairy business activities professionally. The GKSI Board of Director also appointed a Management Team who has the responsibilities for the GKSI operational businesses. In addition GKSI applied a systematic corporate plan as a base of formulating Annual Financial and Expenditure Budget Plan (RK-RAPB). The business activities would be evaluated annually.

2.2. The Government Policy.

A joint three ministerial decree (SKB) of the Ministry of Agriculture, Ministry of Industry and Ministry of

Trade and Co-operatives was issued on 21 July 1982. The decree was designed especially for the arrangement of milk importation as raw materials for the Milk Processing Plants (IPS) and their obligation to absorb domestic fresh milk products (SSDN) through the absorption receipt mechanism (BUSEP). The objective of this policy is to balance the national milk demand and supply with the amount of milk importation is calculated based on the local production and national demand.

Presidential Instruction (INPRES) No. 2 was issued on 15 January 1985 on the National Dairy Coordination and Development. This Instruction initiated the formation of National Dairy Coordination Team (TKPN) which consist of members from 10 directorates of 7 ministries, e.g. Ministry of Agriculture, c.q. Directorate General of Livestock Services, Ministry of Co-operative and Small Enterprise Development, Ministry of Trade, Ministry of Internal Affairs, Ministry of Health and the Coordinating Board for Investment. The task of the Team (TKPN) was among others to determine milk absorption allocation of domestic fresh milk product (SSDN) by the milk processing plants (IPS) and to determine the ratio between the imported raw material of milk and domestic fresh milk product (SSDN).

2.3. Agri-business in Dairy.

In implementing the business activities, Dairy Co-operatives follow agri-business management pattern which consist of pre-production, production and post-production sub-systems. GKSI business activities are mainly on pre-production to

sub-system which covering provision of feed, dairy farming equipment, and provision of dairy breeding stock. GKSI also dealing with post-production sub-system which covering dairy processing and marketing. While the farmers and the primary dairy co-operatives business activities are mainly on the production sub-system. (Diagram 2)

2.3.1. Pre-production.

It covers the provision of livestock, feed, dairy equipment and technical services which are done by GKSI and the strong primary co-operatives or collaborate with private sectors.

2.3.1.1. The provision of dairy cattle.

There were 56,375 heads of dairy cattle with the value of approximately Rp.41 billions had been imported from Australia and New Zealand during the year by 1979 until 1983 under credit system facilitated by the Government. The cattle were distributed to the small farmers, members of Village Co-operative Unit (KUD) and the primary dairy co-operatives which are members of GKSI in 8 provinces (e.g. DKI Jakarta, West Java, Central Java, DI Yogyakarta, East Java, North Sumatera, West Sumatera and Bengkulu).

PT Nandi Amerta Agung (NAA) was established in 1985 in Central Java as a pioneering company to develop a Nucleus Estate Scheme (PIR) in dairy. NAA was a joint cooperation among GKSI, PT Mantrust and Land of Lakes, American Company, USA. NAA acted as the nucleus and the primary dairy co-operatives acted as the plasma in a nucleus plasma cooperation scheme with each farmer received 6 heads. Some of the cattle were kept in nucleus farm. NAA had imported 20,000 head dairy cattle from USA. However due to the unsatisfactory

management practice in 1987, GKSI withdrew as a working partner from NAA. In 1990 an outbreak of anthrax occurred in the NAA nucleus breeding farm, which caused its bankruptcy.

During 1987-1989 Dairy Co-operatives imported 27,410 heads dairy cattle from Australia, New Zealand and USA, which were distributed to small farmers through KUD and Primary Dairy Cooperatives, members of GKSI in 5 provinces in Java.

In 1994, GKSI introduced heifer calf rearing program in co-operation with the potentially strong primary dairy co-operatives in West and East Java. A slow progress has been achieved.

The realization of the 3rd phase of dairy cattle importation in 1994-1995 GKSI imported another from Australia 4,100 heads by utilizing Primary Co-operative Fund for their members (KKPA). About 3,608 heads was allocated to 5 primary dairy co-operatives in East Java and 492 heads to 2 primary dairy co-operatives in West Java.

2.3.1.2. The provision of feed.

Two feed mill plants (PMT) were established in 1983 which are located in Cirebon and Kejayen-Pasuruan, financed by the Government soft loan of Rp. 1,5 billions to GKSI. The objective was to support the feed (concentrate) provision for the small farmers members of KUD/Primary Co-operatives in the provinces of West Java and East Java. Since 1989 both plants were managed by Primary Dairy Co-operatives.

A feed mixing equipment and storage facility was established in 1990 in Mojosongo-Bojolali, utilizing GKSI fund of Rp. 0.5 billion. The establishment was

fulfill the need of feed (concentrate) for the small farmers members of KUD/Primary Co-operative in Central Java and Yogyakarta.

2.3.1.3. Provision of production infrastructure.

Directorate General of Livestock Services has given priority to GKSI in supplying frozen semen since 1979 up till 1986 as the Government commitment for supporting dairy co-operatives.

GKSI has received two phases government's soft loan in 1983-1984 and 1985-1986 respectively, in the form of artificial insemination tools which was intended to fulfill the need of its members in carrying out the artificial insemination activities in the field.

Since 1987, co-operatives have been able self supporting in carrying out the artificial insemination, especially in providing frozen semen which was purchased from Lembang and Singosari Artificial Insemination Centres with low price and imported semen from Canada, which was intended to fulfill the demands for better quality of frozen semen.

In 1993, GKSI has been entrusted by the Directorate General of Livestock Services as the only distributor for dairy frozen semen which were produced by DGLS in Lembang and Singosari Artificial Insemination Centres.

Since 1994, DGLS has been collaborating with GKSI in a pilot project for dairy cattle genetic improvement program using embryo transfer.

2.3.2. Production - sub system.

Milk production activities are carried out by the

primary co-operative and KUD milk unit together with their members (the farmers).

2.3.3. Post-production - sub system.

Four GKSI Milk Treatment (MT) Plants have been established in 1983 located in Ujung Berung Bandung, Boyolali, Pandaan-Pasuruan and Batu-Malang. These were the first phase of the Government equity involvement (PMT) program in the form of a soft loan, to GKSI of Rp. 5,9 billions. The objectives were to support the KUD which have no milk cooling facilities and for production of pasteurized milk for direct marketing. The milk from KUDs and Primary Dairy Co-operatives which were cooled at the plants then was sent to the milk processing plants, e.g. PT Vriesche Vlag Indonesia (FVI), PT Foremost Indonesia (FI), PT Ultra Jaya (UJ), PT Dairy & Farmer Co-operative Associates (DAFA), PT Sari Husada (SH) and PT Nestle Indonesia (NI).

Since July 1984, GKSI has been able to produce pasteurized milk as finished product and directly marketed to the consumers, with the brand name of Susu Alam Murni. GKSI also produced yoghurt and pasteurized cream.

GKSI established a joint venture company with PT. Margorejo namely PT. Tirta Amerta Agung (PT. TAA) in 1984. GKSI as the shareholder owned 50 % share of the company. PT. TAA is a milk processing company which was operated in 1986. The company received raw milk produced by co-operatives in Central Java and West Java and processed the milk into skim milk powder and anhydrous milk fat. The products were then sold to the other Milk Processing Industries e.g. PT. Frieshe Vlag Indonesia, PT. Indomilk and PT. Food Specialities Indonesia. However, there was a change in market structure of semi finished product where PT. Food Specialities

lities Indonesia in East Java expanded the capacity of receiving raw milk produced by the farmers in East Java. PT. Indomilk established a new milk powder company. So, PT. TAA had difficulties in marketing its products.

In 1989, GKSI withdrew as the share holder. PT. TAA inactive since 1991.

Additional processing milk facilities were installed in 1989 in Milk Treatment Plants (MT) Ujung

Berung-Bandung and Pandaan-Pasuruan for producing sterilized milk. A plastic bottle factory installed in MT Ujung Berung-Bandung. Those facilities were the second phase of the government equity involvement (PMP II) of Rp.4 billions, which intended to increase market milk production.

In 1995 GKSI collaborated with a private sector in a joint venture company for milk processing and marketing with the establishment of PT Indo Murni Dairy Industry (PT. IMDI) located in East Java.

Diagram 1. Milk Marketing Channel from The Producer to Consumer.

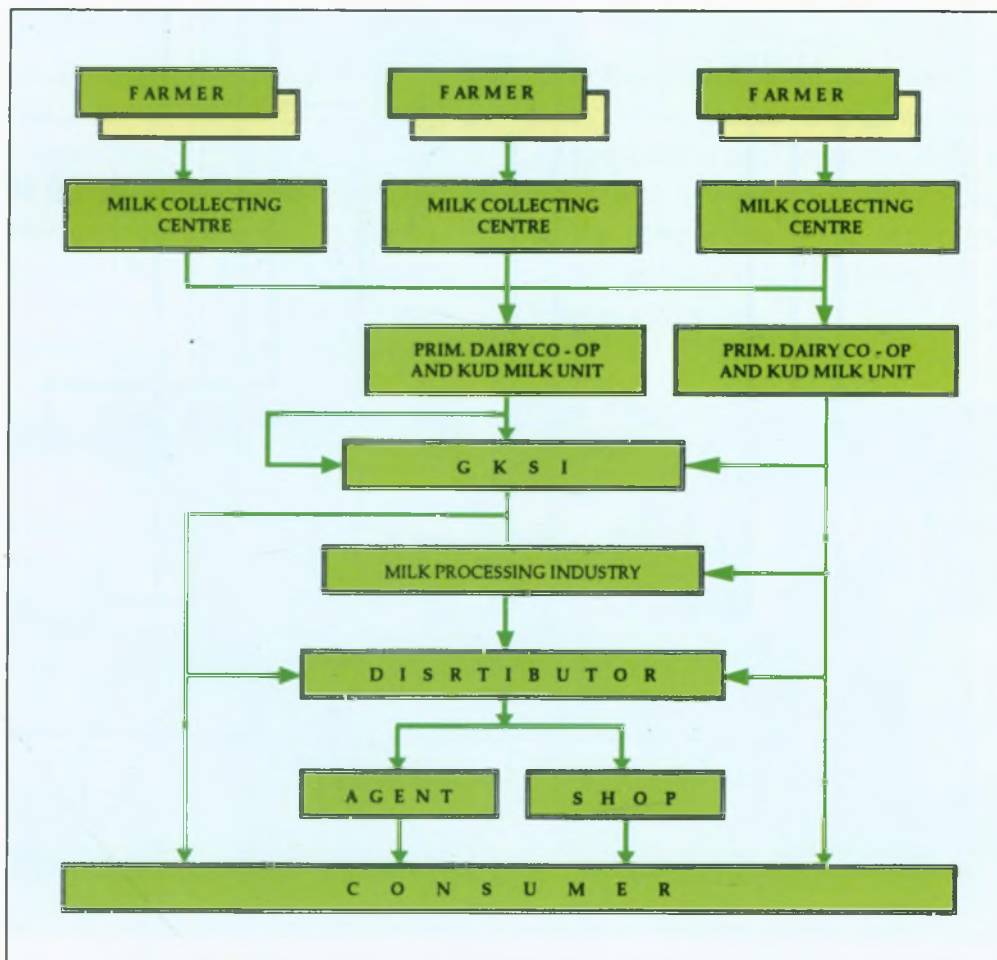
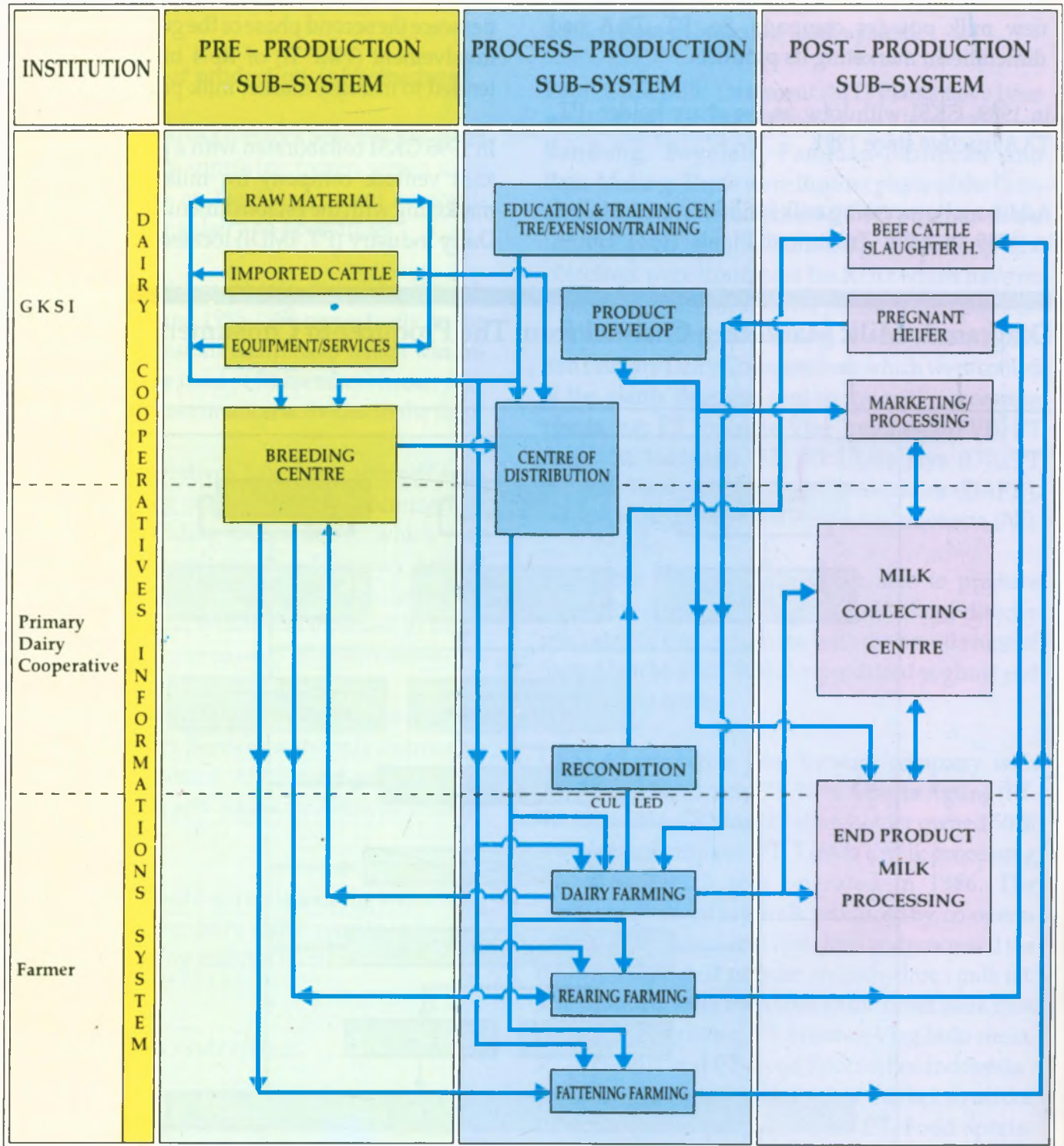


Diagram 2. Agribusiness Patern - in Dairy



2.4. Foreign assistance.

Under the Department of co-operative's project (QTA-27) which was supported by the New Zealand Government, GKSI received 4 New Zealand technical experts, 8 scholarship and dairy industry training in New Zealand, and some milk equipment in the form of Milk Cooling Units, Milk Transfer Tanks and laboratorium equipment.

In 1983, ASEAN and FAO provided some equipment i.e. milk cooling, artificial insemination, medical and milk quality testing equipment. Those aid facilities were used for extension and demonstration tools in delivering technical and milk quality control training. The facilities were provided to members of GKSI through Directorate General of Livestock Services (DGLS).

In 1991-1992, GKSI received some assistance cooperation between Indonesian Co-operative Council (DEKOPIN) and Co-operative Centre Denmark (CCD) which was funded by the Government of Denmark (DANIDA). Extension Management Project/DEMAPI). GKSI received a dairy farm management expert (DFM) and a women extension ex-

pert (WE) who worked with KUD/Primary Dairy Co-operatives. The project which valued of Rp. 982 millions has been conducted in East Java GKSI Regional Coordinator (KORDA) and 4 KUD/Primary Dairy Co-operatives in East Java.

The program of Dairy Extension Management Project (DEMAP-2) was continued for 1993-1996 in which the locations was extended to 16 Primary Dairy Co-operatives in East Java, with the assistance of 1 advisor and supporting fund of Rp.1.6 billions.

Under DEKOPIN program of INCODAP (Indonesian Co-operative Development Assistance Program), Canadian Co-operative Association assisted GKSI in 5 main programs since 1994 for 5 years with the value over Rp. 2 billions for direct transfer.

The program are milk quality control improvement, dairy cattle productivity improvement, business diversification development, milk processing and marketing development, and co-operative organization development. The program also included some advisors and suties in Canada. and co-operatives



GKSI Senior Cooperators and Canadian Dairy Cooperators in Canada

Table 1. Growth of Dairy Co - operatives and KUD Milk Unit in Indonesia, Year 1979 - 1994

Description	1979	1984	1989	1993	1994
No. of Primary Dairy Co - op & KUD Milk Unit :					
- GKSI member	27	181	198	204	205
- Non member.	27	180	197	200	201
-	-	1	1	4	4
Labour absorption :	4,801	97,979	173,569	227,949	236,360
- Farmer.	1,497	32,999	58,797	77,435	80,480
- Worker.	2,495	54,999	97,995	129,058	134,134
- Staff of Primary Dairy Co - op & KUD Mil Unit.	578	6,910	11,615	14,854	15,055
- Staff on non Primary Dairy Co-op & KUD Milk Unit	231	3,071	5,162	6,602	6,691
Dairy cattle population (head) :					
- National. *)	94,000	203,000	287,665	329,520	330,481
- Primary Dairy Co - op & KUD Milk Unit.	5,988	131,997	235,188	309,740	321,921
- Local.	4,909	75,674	151,403	223,914	236,095
- Imported (cummulative number).	1,079	56,323	83,785	85,826	85,826
Dairy cattle value (billion Rp.).	2,25	73,87	226,15	372,71	467,20
Milk production (million litre) :					
- National. *)	72,20	179,00	338,20	4,125,50	425,00
- Primary Dairy Co - op & KUD Milk Unit	12,48	165,84	278,76	356,50	361,69
- Absorbed by Milk Processing Industries (IPS).	10,40	138,20	232,30	297,08	301,41
- Others.	2,08	27,64	46,46	59,42	60,28
Milk ration domestic to imported milk.	1 : 20	1 : 3,5	1 : 0,7	1 : 1,07	1 : 2
Milk price (Rp./Lt) :					
- Milk price at IPS (Rp/kg).	194,00	314,00	440,00	580,00	615,00
- Farm gate milk price (Rp/litre).	165,00	262,50	385,00	483,00	516,50
- Average consumer milk price Eq. to fresh milk (Rp/litre).	265,00	750,00	1,261,00	1,700,00	1,823,00
Total milk sold (billion Rp).	2,04	43,39	102,35	172,31	185,37
Foreign exchange saved of imported milk (billion US\$)	3,24	42,13	57,76	82,20	85,40

*) Source : Directorate general of Livestock, 1994.

III. GKSI CORPORATE PLAN.

3.1. GKSI Mission.

Based on the GKSI by law, Article 2, the objectives of GKSI is to improve its members' prosperity, and the surround society as participating effort to the National program for the prosperity of the people based on Pancasila principles and the 1945 Constitution, through:

- a. The development and providing services to the members.
- b. Coordinating and strengthening GKSI and its members' business activities with other business partners and related institutions.
- c. Strengthening GKSI institution with and among its members, and between the members with others e.g. other co-operative movement, private sectors, state owned companies and the government institutitons.

3.2. GKSI Vision.

Controlling fresh milk production and become a business partner of the milk processing industries in producing processed milk, which is strengthened by strong supporting industries which are feed material industry and dairy breeding farm which in turn could be able to increase the number of cattle ownership by farmers and the scale of business of the Primary Dairy Co-operatives.

3.3. Strategy.

- a. Implementation of dairy agri-business pattern more professionally as a consolidation program in dairy business.
- b. Improvement of the business management at all levels.
- c. Application of advanced technology.
- d. Strenghtening business research and development.
- e. Sophisticated and strong in management information.
- f. Development of human resources.
- g. Strenghtening internal organizational.
- h. Strenghtening financial resources.
- i. Strengthening acces to estabilized and to improved business partnership in dairy.

3.4. Management and supervision.

GKSI organizational stucture consists of the Board of Director, the Supervisory Board and the Advisory Board in which the personal incharge are elected from and by GKSI members at the Annual Member Meeting (RAT). The Board of Director are elected once in 5 years. The Supervisory Board and the Advisory Board are elected every 3 years as stated in the GKSI by law article 13, 24 and 27 accordingly.

Based on the 12th GKSI Annual Members' Meeting held on September 1992 Yogyakarta and the 14th GKSI Annual Members' Meeting held on May 1994 in Malang, the members of the Board of Director, the Supervisory Board and Advisory Board are listed below:

The Board of Directors

General Chairman	:	HardjonoHamidjojo
First Chairman	:	Noerwyndho
Second Chairman	:	H. Endang Suharya, DVM.
Secretary General	:	Salim Al Bakry, Ir., MBA, Ph.D.
First Secretary	:	Herdi Sumeri, DVM.
Treasurer	:	Herman Sukanda, Ec.

The Supervisory Board

Chairman	:	Mohamad Awan.
Member	:	Dawam Sastrolaksono.
Member	:	Abdul Wahid Nur, Ir.

The Advisory Board	:	H. Bustanil Arifin, Law. H. Kalam Tirtorahardjo. H. Kadar.
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In order to assist the Board of Directors in implementing their tasks at the provincial level, i.e. in the fields of organization, coordination, guiding the members and work relations with the government institution concerned, GKSI appointed GKSI Area Representative Coordinator

(KORWIL) as stated in GKSI by law article 19, sub-article (1).

Based on the 12th GKSI Annual Member Meeting held in September 1992 in Yogyakarta, the Representative Area Coordinator in each Provinces are:

GKSI Area Representative Coordinator (KORWIL)

West Java and DKI Jakarta

Chairman	:	H. Ondi Rukmana.
Vice Chairman	:	Unang Sudarma, Law.
Secretary	:	Djafar Hidayat.

Central Java and DI Yogyakarta

Chairman	:	R. Soekarno, DVM.
Vice Chairman	:	Beni Haryono.
Secretary	:	Surono.

East Java

Chairman	:	H. Achmad Soebagyo.
Vice Chairman	:	H. Zaenal Abidin.
Secretary	:	Kuswo Prayitno.

In order to assist the Board of Directors in conducting their task in the field of organizational development and business policy, Expert Staffs are appointed, in accordance with GKSI by law article 15,

sub-article (2). Based on the decision of the 14th GKSI Annual Member Meeting held on May 1994, the expert staffs are listed below:

The GKSI Expert Staffs	
Coordinator	: Rozak Mirza Astira, Eng.
Member	: Tri Widharetna, DVM., MSc.
Member	: Lily Liring Widayati, Ir.
Member	: Ryandy Z. Masduki, Ec.
Member	: Pammusureng, DVM.

In order to assist the Board of Directors in implementing their task in managing the business, an Executive Management Board appointed with the duration period of 3 years, in accordance with GKSI by law, chapter VIII, article 15 sub-article (2) and

chapter XIII article 29 sub article (3) and was based on decision of the 14th GKSI Annual Member Meeting on May 1994 The members of the Executive Management Board are as follows:

Executive Management Board	
Managing Director	: Nani Zairina, Eng.
Operational Director	: Achmad Kosasih, Ir.
Financial Director	: Yetty Rusyati, Ec.

In order to assist the Executive Management Board in implementing their business activities in the prov-

inces, GKSI appointed Area General Managers which listed below:

Area General Managers	
West Java and DKI Jakarta	: Nandang Ginanjar, Ir.
Central Java and Yogyakarta	: Yoyok Sunaryo, Ir.
East Java	: Maharsi Adi Sucipto, Ir., MBA.

3.5. Human Resources.

3.5.1. Education and Training.

GKSI as business organization realizes the importance of having qualified human resources in supporting the success of the business activities. Therefore GKSI always tries to improve and develop the knowledge, skill and capability of its human resources and improve their welfare.

In 1983, GKSI has worked together with the Directorate General of Livestock Services in increasing the quality and quantity of milk production by conducting the extension of the farmers through animal husbandry technical and milk quality control training for the technical staff of KUD/Primary Dairy Cooperatives.

GKSI had sent 8 staffs to New Zealand in 1983/1984 and 1984/1985, for in milk industrial management and dairy technology training for 15 months. This program was an aid program under the Project QTA-27 of the New Zealand government in cooperation with the Ministry of Trade and Co-operative.

In cooperation with the Directorate General of Livestock Services, GKSI got an aid from the New Zealand government in 1984 and 1985 in the form of scholarships for 2 GKSI staffs and 2 Primary Dairy Co-operative staffs to take part in dairy technical services training for 4 months.

Since 1987 in cooperation with DEKOPIN, GKSI got assistances from the International Co-operative Alliance, Central Union of Agriculture Co-operatives of Japan (JA-ZENCHU) and the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF), and had sent 9 staffs of GKSI and from KUD/Primary Dairy Co-operatives to participate in the agricul-

tural cooperative trainings in India, Japan and the other Asian countries for 6 months. In addition GKSI had also sent some participants to take part in the Seminars and Workshops on cooperatives in several Asian and European countries.

In 1991/1992, the Directorate General of Livestock Services and British government has given a scholarship for a GKSI staff for a post graduate study in Reading University in England.

In cooperation with DEKOPIN, GKSI got 2 scholarships from the Denmark government (DANIDA) in 1992 and 1994 in the Overseas General Management Courses ((OGMC) in Denmark for 3 months.

GKSI also collaborates with CCA under INCODAP Project (Indonesian Co-operative Development Assistance Program) coordinated by DEKOPIN. Within this program GKSI has already sent 8 persons to Canada for training at the International Livestock Management School for 7 weeks. Also, GKSI has sent 3 persons of Board Directors and 1 person of Managing Director for a 2 weeks Dairy Mission to Canada on October 1995.

3.5.2. The welfare of the workers.

To improve its workers' welfare GKSI has given some facilities e.g. health and medical program, worker's social and security insurance (JAMSOSTEK), retirement program, provision of Moslem praying facility and annual holiday allowance.

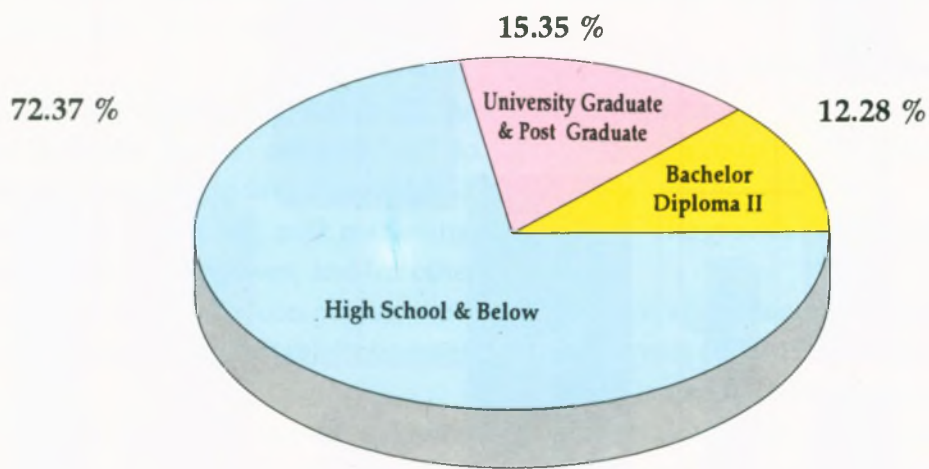
The salary which is given by GKSI to the workers is above the standard wages as stipulated in the government regulation. In addition all GKSI workers join GKSI Workers' Co-operative.

3.5.3. The number of the workers.

The number of GKSI workers by December 1994 was 228 people, consisting of 38 staffs in Head Office and 190 staffs in provincial areas. Based on their

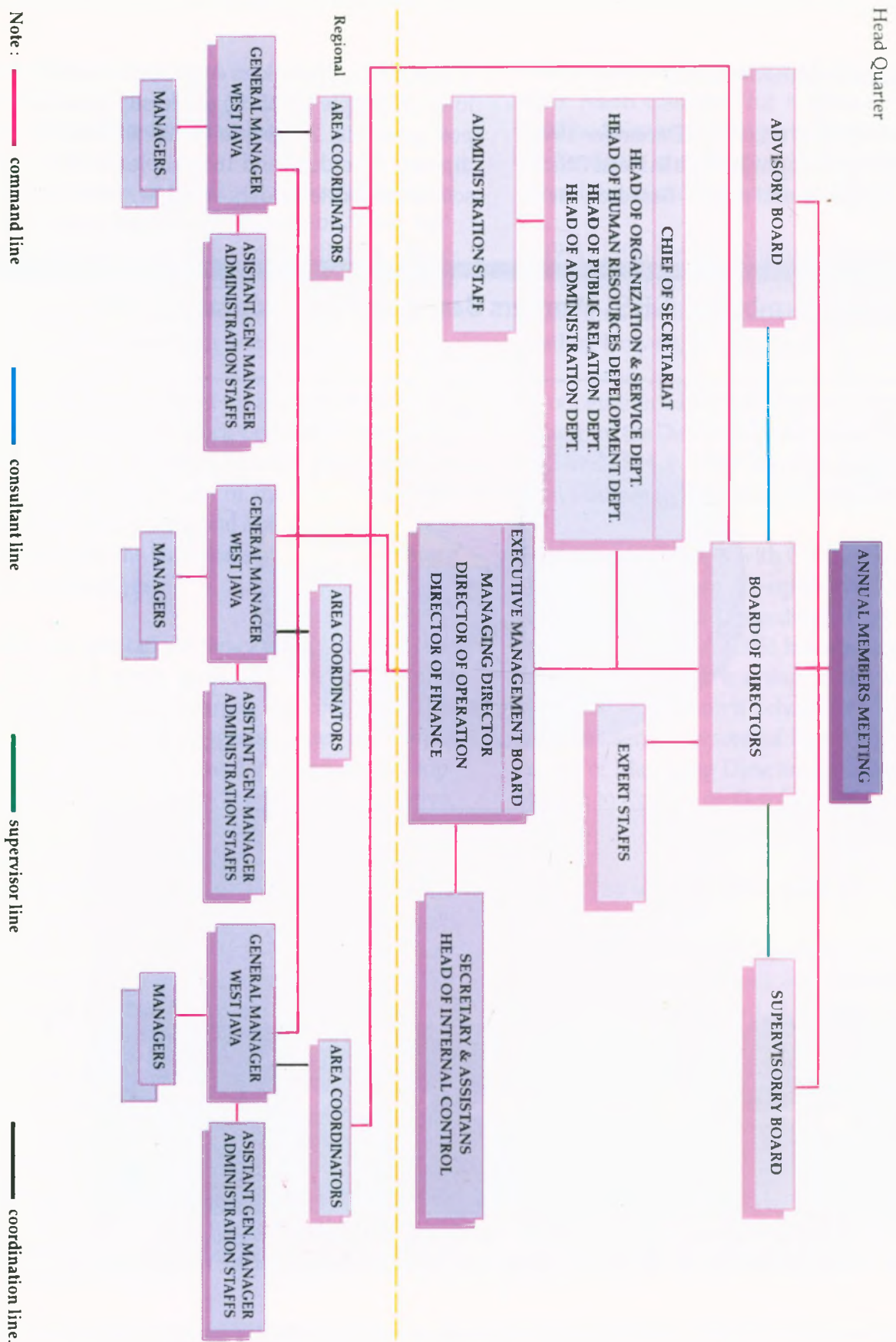
education GKSI workers could be classified as follows: 35 people (15.35 %) university graduate and post graduate, 28 people (12.28 %) bachelor and diploma II holders, and 165 people (72.39 %) high school certificate holders or below.

Diagram 3. The Number of GKSI Workers Based on Their Education, 1994.



Board of Directors, from left to right : Mr. Endang Suharya, Mr. Noerwyndho, Mr. Hardjono Hamidjojo, Mr. Salim Al Bakry, Mr. Herman Sukanda and Mr. Herdi Sumeri

Diagram 4. GKSI Organization Chart



IV. DAIRY CO-OPERATIVE BUSINESS PROSPECT.

4.1. General

GKSI is the only secondary dairy co-operative in Indonesia which has the function to develop and to give services to the members (KUD/Primary Dairy Co-operatives), and also to coordinate all of the members' businesses related to institutions in order to increase the dairy farmers' welfare.

Based on GKSI by law chapter XII, article 28, the GKSI business activities are to obligate and to activate the members saving fund regularly at GKSI; milk production, milk processing, milk marketing; to work together with co-operatives, and/or other related companies e.g. private companies, state owned companies in a mutual profitable businesses.

The effort to obligate and activate the members saving regularly at GKSI consists of: basic saving for KUD/Primary Dairy Co-operative on first registration as GKSI member; obligatory and voluntary savings for each member in which the amount is arranged in GKSI By-Law or in a special regulation.

Production business is covering:

- (1) Provision of breeding stock, heifer calf rearing, bull calf fattening.
- (2) Provision of supporting materials to dairy business, i.e. feed, artificial insemination, equipment as well as milk handling equipment.

Milk processing business covers:

- (1) First phase processing e.g. cooling and pasteurization
- (2) Second phase of processing e.g. condensed milk, sterilized milk, milk powder, cheese, etc, in cooperation with other companies.

Milk marketing business is covering:

- (1) Marketing of the first phase products.
- (2) Marketing of the second phase or finished product in cooperation with the other companies.

4.2. The growth of National Milk Consumption.

The average Indonesian population growth in the last 5 years (1990-1994) is 1.87%. In 1995 the population is about 190 million people. The economic growth also significant with the average of 6% per annum which leads to the income per capita increase to the \$ 900.

In addition, better education, better communication system, political stability has been creating good condition for Indonesian economics to grow. Consumption of goods and food are increased including milk consumption. During the last 5 years, milk consumption increased with the average of 12.8% per annum.

In fulfilling national milk consumption demands, the Indonesian dairy co-operative as the main supplier of domestic fresh milk contributes 35 - 40 % with the growth of 5.3 % per annum.

Table 2. Milk Consumption Growth 1990-1994.

Year	Population (million)	Consumption/capita (Kg)	National Consumption (000 M/T)	Domestic Fresh Milk Production (000 M/T)	Import Eq. to Fresh Milk (000 M/T)
1990	179.4	3.3	595.2	346	249.2
1991	182.7	4.2	764.3	360	404.3
1992	186.1	5.0	927.7	367	560.7
1993	189.1	5.1	966.5	413	553.5
1994	192.2	5.2	998.1	425	573.1

Sources : National Dairy Seminar in Jakarta, August 21, 1995

4.3. The prospect of dairy business.

The national milk demand is continuously growing in line of the growth of population. There is a huge market for milk and there is a big space for developing dairy business in Indonesia especially in pushing domestic milk production to increase domestic

contribution to the demand.

The projected milk consumption for the year of 1995-2000, by using parameters of the average of population growth, national milk consumption and the domestic fresh milk contribution in the last 5 years, is shown in table 3.

Table 3. The National Milk Consumption Projection in 1995-2000.

Year	Population (million)	Consumption/capita (Kg)	National Consumption (000 M/T)	Domestic Fresh Milk Production (000 M/T)	Import Eq. to Fresh Milk (000 M/T)
1995	195.5	5.8	1,125.9	447.5	678.4
1996	198.8	6.4	1,270.0	471.2	798.8
1997	202.2	7.1	1,432.5	496.2	936.3
1998	205.6	7.9	1,615.9	522.2	1,093.4
1999	209.1	8.7	1,822.7	550.2	1,272.5
2000	212.7	9.7	2,056.0	579.4	1,476.6

Sources : National Dairy Seminar in Jakarta, August 21, 1995

V. SUMMARY OF FINANCIAL DATA.

GKSI financial data during 1992 - 1994 is figured in Table 4. It was already audited by the National Auditing Services Co-operative.

Table 4. GKSI Financial Data Summary 1992-1994.

Description	31 Dec 1994 (Rp)	31 Dec 1993 (Rp)	31 Dec 1992 (Rp)
Financial position in 1 year period :			
Profit before tax	656,790,556	1,025,819,686	41,147,515
Other revenue (-) spending	(119,743,576)	49,764,438	100,482,380
Net profit	537,046,980	1,075,584,124	141,629,895
Financial position end of year :			
Current asset	15,833,925,610	13,719,859,817	12,502,133,748
Fixed asset	8,101,538,927	7,880,953,258	9,848,467,197
Other asset	17,931,274,632	16,880,063,033	15,275,460,176
Current debt	12,020,771,979	10,040,225,725	10,519,250,991
Long term debt	20,080,960,554	20,483,259,444	20,688,406,210
Total liability & equity	41,866,739,169	38,498,876,108	37,626,061,120

Sources : GKSI Finance Director, 1994

Jakarta, January 1996

GABUNGAN KOPERASI SUSU INDONESIA

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**Project Situation & Introduction
of NLCF and
Korean Livestock Industry**

*PREPARED FOR
ICA/JA-ZENCHU/IDACA TOP LEADERS CONFERENCE ON "COLLABORATIVE
STRATEGIES FOR THE DEVELOPMENT OF AGRICULTURAL CO-OPERATIVES IN ASIA"*

DATE April 15-18, 1997

PRESENTED BY SUNG-WOO NAM



**National Livestock
Co-operatives Federation**

C O N T E N T S

*A Glance of Present Situations of Projects
by Participants of NLCF* ----- 1

Description of Project Implemented

Attached Paper No. 1 ----- 2

Attached Paper No. 2 ----- 5

Attached Paper No. 3 ----- 7

Description of Project not Implemented

Attached Paper No. 4 ----- 9

*Introduction of NLCF and
Korean livestock Industry* ----- 10

A Glance of Present Situation of Projects by Participants of NLCF

Name of Participant (Course)	Current Position	Address	Name of Project	Remark	Reference
1 Byung Ho Jeong (3rd course)	Manager, Credit Loan Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Dairy Plant, Jeonbuk Province	Not implemented	Attached paper No.4
2 Byung O Kang (4th course)	Manager, International Banking Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Feed Mill	Not implemented	Attached paper No.4
3 Kyu Hyun Lee (5th course)	Chief of Branch Office, Yoido Branch, NLCF	Samchunri Bldg. 1F 35-6, Yoido-Dong, Yeongdeungpo-Ku, Seoul, 150-010, Korea	Meat Processing Plant	Implemented	Attached paper No.1
4 Won Tae Kim (6th course)	Assistant Manager, Marketing Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Dairy Plant at Choongnam	Implemented	Attached paper No.2
5 Byeong Hag Lee (7th course)	Manager, Personnel Department, Seoul Milk Cooperative	137-7, Sangbong-Dong, Chungrang-Ku, Seoul, 131-222, Korea	Ice Cream Subsidiary Company	Implemented	Attached paper No.3
6 Kwang Seog Song (8th course)	Assistant Manager, Banking Business Planning Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Kwangjeon Dairy Plant	Not implemented	Attached paper No.4
7 Pyeong Woo Min (9th course)	Assistant Manager, Research Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Kimje Meat Processing Plant	Implemented	Attached paper No.1
8 Sun Hak Kim (10th course)	Assistant Manager, Auditing Dept., NLCF	451, Sungnae-Dong, Kangdong-Ku, Seoul, 134-763, Korea	Chungyang Milk Processing Plant	Implemented	Attached paper No.2

Description of Project Implemented

I. PROJECT 1

A. Name of Project : Kimje Meat Processing Plant

B. Participant : Kyu Hyun Lee (5th course 1990/91)
 Pyeong Woo Min (9th course 1994/95)

C. Project Summary

- o Location : #9-13, Yongsan-Ri, Keumsan-Myun Kimjae-Kun
 Cheonbuk Province, 577-960, Korea
- o Construction Period : From December 1992 to June 1995
- o Facilities

Site Area	Building Area					Total
	Slaughtering	Processing	Purifying	Office	Storage & etc	
65,530 m ²	8,608 m ²	12,902 m ²	698 m ²	1,468 m ²	3,230 m ²	26,906 m ²

- o Capital Investment : 40 billion Won
- o Production Capacity (Per Day)

Holding	Slaughtering	Products		
		Cut Meat	Processed Meat	Total
1,500 heads	2,000 heads	46 m/t	26m/t	72 m/t

o Major Products

- Cut Meat : Tender Loin, Loin, Ham, Shoulder Loin, Belly, Rib
- Processed Meat : Sausage, Ham, Bacon, Press Ham, Retort, Canned Products

D. Major Business Activities

o Hog Production by Vertical Integration System

- The NLCF provides contracted pig farmers (about 228 as of Feb. 1997) with young pigs produced at the NLCF's Pig Breeding Farm and assorted feed produced by the NLCF's feed mills.
- The pig farmers produce uniform and residue-free hogs under the NLCF's strict and formulated feed programs.
- The NLCF collects finished hogs (105-110kg) from contracted pig farms.

o Slaughtering and Processing

- The collected hogs are transported to NLCF's Kimje Meat Processing Plant located in Cheonbuk Province, south-western part of Korea.
- The plant produces pork carcass and cut meat through strict and hygienic quality control.
- Some part of meat is processed for export to foreign market, the rest is processed into ham, sausage, bacon and domestic consumption.
- The products produced at the Kimje Meat Processing Plant are sold in a brand of "Moguchon".

o Marketing

< Domestic >

- Processed meat and chilled pork are distributed to the NLCF's sales networks equipped with cold chain system across the country.

< Export >

- High-quality frozen or chilled cut meat is being exported to Japanese market.

- Sales Performance (1996)

	Slaughtering	Cut Meat for Export	Cut Meat for Domestic	Processed Meat	By-products
Quantity	288,000 heads	3,026m/t	9,101m/t	819m/t	13,048m/t
Value (million Won)	-	12,172	36,858	5,978	3,394

E. Feature

- o Advanced factory facilities are designed to meet the requirements of MAFF of Japan, USDA and EU hygienic standards.
- o The NLCF produces the best quality pork and processed meat under the slogan of "Clean, Natural and Fresh" and plays leading role for the development of domestic pork processing industry.

II. PROJECT 2

A. Name of Project : Chungyang Milk Processing Plant

B. Participant : Won Tae Kim (6th course 1991/92)

Sun Hak Kim (10th course 1995/96)

C. Project Summary

o Location : 60, Hakdang-Ri, Chungyang-Eup Chungyang-Kun
Choongnam Province, 345-800, Korea.

o Construction Period : From March 1993 to March 1997

o Facilities

Site Area	Building Area				
	Engineering Roon	Processing	Office	Others	Total
72,623 m ²	1,759 m ²	9,484 m ²	1,221 m ²	188 m ²	26,906 m ²

o Capital Investment : 28 billion Won

o Production Capacity (Per Day)

Market Milk & Processed Milk	Fermented Milk	Powdered Milk	Total
120 m/t	30 m/t	50 m/t	200 m/t

* Note : based on raw milk treatment quantity

- o Major Products
 - Market Milk
 - Flavoured and Fortified Market Milk
 - Fermented Milk
 - Powdered Milk

D. Major Business Activities

- o Collecting Raw Milk
 - The NLCF collects raw milk produced by 750 dairy farms around Choongcheong Province, mid-western part of Korea.
 - The NLCF conducts extension service for the farmers to produce high-quality raw milk.
- o Processing Raw Milk
 - Raw milk collected by the NLCF is processed at the plant.
 - Products produced at the plant are classified into three categories ; market milk, fermented milk and powdered milk.
- o Marketing
 - Market milk and fermented milk are distributed to consumers through NLCF's sales network.

E. Feature

- o Advanced cold chain system covers all procedure from collecting raw milk to distributing goods to consumers.

III. PROJECT 3

A. Name of Project : Ice Cream Subsidiary Company

(Seoul Milk/Ice Cream Co., LTD.)

B. Participant : Byeong Hag Lee (7th course 1992/93)

C. Project Summary

o Location : #1059, Singil-Dong, Ansan-Si Kyonggi Province,
425-120, Korea.

o Date of Business Commencement : June 1993

o Production Capacity (Per Day)

(unit : piece)

Carton Ice Cream	Cup Ice Cream	Bar Ice Cream
19,200	96,000	12,000

o Production facilities were rented from the existing facilities of the
Seoul Dairy Cooperative's milk processing plant.

o Sales Performance

(unit : billion Won)

1993	1994	1995	1996
28	35	28	29

D. Brief Description of the Project

- o The project was implemented by joint investment between Seoul Dairy Cooperative and Dongcheon Trading Corporation, a private company.
 - Investment ratio : Seoul Dairy Cooperative 51%, Dongcheon Trading Co. 49%

- o The objective of the project was to promote milk consumption through the production of ice cream.

E. Present Situation and Problem Faced

- o Although the Seoul Dairy Cooperative was a majority of the company, the Cooperative nominated the owner of the private company as the president of the Ice Cream Co. for business efficiency.

- o The president, however, betrayed the Cooperative's trust by increasing his stock share illegally. Thus, the investment ratio reversed ; the Seoul Dairy Cooperative 49%, Dongcheon Trading Co. 51%.

- o Since then, as conflict between two parties increased, business performance also decreased sharply.

Description of Project not implemented

Name of Participant (Course)	Name of Project	Reason
Byung Ho Jeong (3rd course)	Dairy Plant, Jeonbuk Province	The location of the dairy plant in the project was changed from Jeonbuk Province to Choongnam in consideration of collecting raw milk, and marketing, etc.
Byung O Kang (4th course)	Feed Mill Project	The project was not implemented because domestic assorted feed production capacity surpassed total domestic demand.
Kwang Seog Song (8th course)	Kwangjeon Dairy Plant	The project is under consideration.

Problem-

- Fund Raising - to purchase land, machinery,
- specialists
- language

**INTRODUCTION OF NLCF AND
KOREAN LIVESTOCK INDUSTRY**



C O N T E N T S

I . National Livestock Cooperatives Federation(NLCF)

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I . National Livestock Cooperatives Federation

The NLCF is the largest livestock farmers' organization in Korea, aiming at the development of Korean livestock industry. It comprises 146 local livestock cooperatives and 47 specialized livestock cooperatives all over the country.

1. Brief History

The brilliant economic growth of Korea since 1970 brought about the changes in the national dietary pattern, which induced the rapid increase in demand for livestock products.

In order to facilitate the development of domestic livestock industry, the Livestock Cooperative Act was enacted on December 15th, 1980. According to the Act, the NLCF was established on January 1st, 1981.

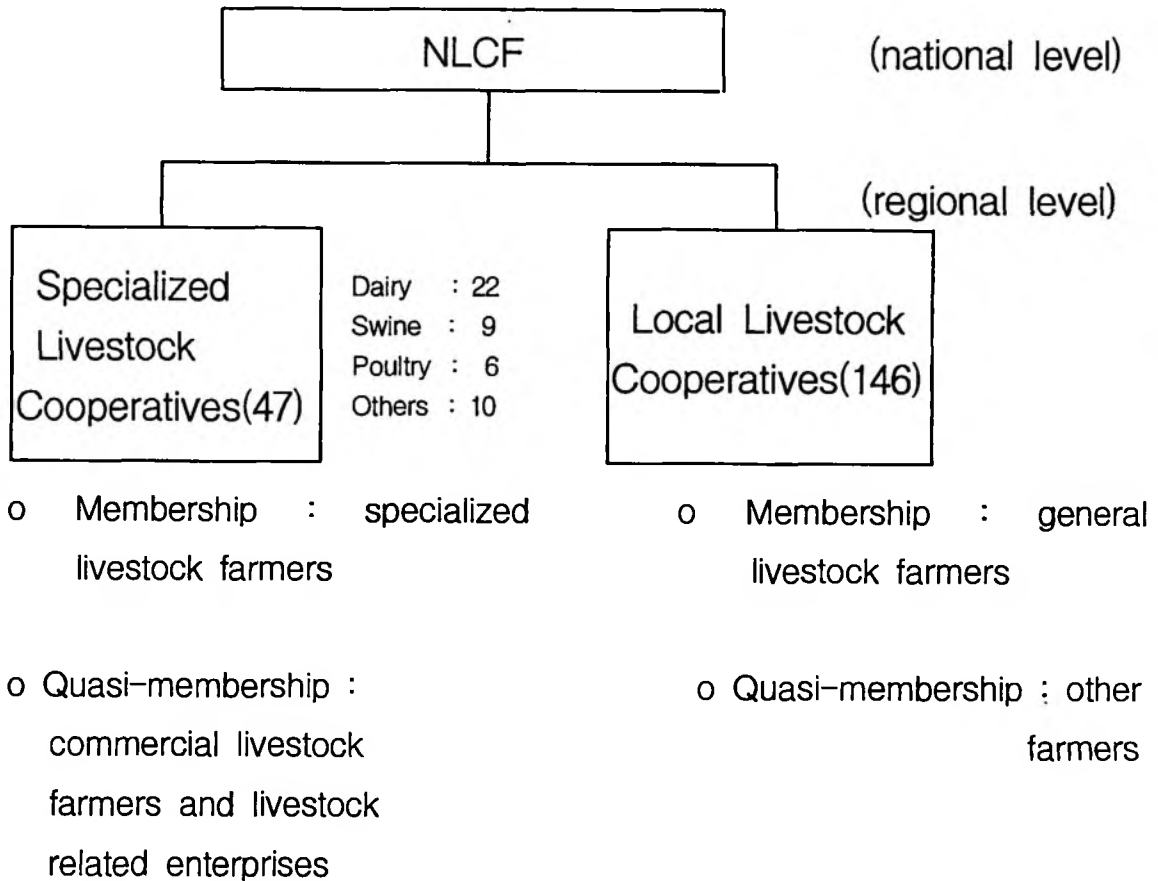
2. Organization

< Livestock Cooperative System >

Livestock Cooperatives are vertically organized at two-tier system in Korea ; primary cooperatives at the regional level(i.e. member cooperatives of NLCF) and the federation at the national level(i.e. the NLCF). Primary cooperatives are classified into two categories : multipurpose local livestock cooperative and specialized cooperative. The former is organized at the local area irrespective of the kinds of animals member farmers are raising, while the latter is organized by the member farmers raising the same kinds of animals. The NLCF

comprises both multipurpose and specialized cooperatives as members and 146 local and 47 specialized cooperatives are serving for their 270,000 member farmers nationwide.

< **Organizational Structure** >



3. Objectives and Functions

The NLCF, an independent organization established under the Livestock Cooperative Act, is striving for the development of Korean livestock industry, improving the socio-economic status of livestock farmers and realizing the welfare of rural communities by maximizing its services. It is also contributing to the balanced development of national economy by implementing various activities in livestock sector.

For the development of livestock industry and the improvement of socio-economic status of livestock farmers, a trustworthy operation of cooperative organization is very important. To this end, the NLCF is pouring its efforts into its extension service. The NLCF is contributing to the effective operation of member cooperatives by introducing managerial advice and financial support at lower interest rates, etc.

The NLCF has been providing artificial insemination and livestock improvement services to build up cattle herd size and to enhance animal productivity. For the development of Korean livestock industry, it is also operating feedmills and a feed laboratory to supply quality assorted feeds at lower prices, developing livestock farming models designed for unique Korean climate conditions, providing farm management techniques, various types of information and low-interest-rate financial aids.

4. Major Businesses

< Cooperative Business >

- o Extension and Education
 - Education and training for livestock farmers, cooperative managers and staffs.
 - Extension service for farmers.
- o Research and Development
- o International Cooperation
 - international coopération with foreign agricultural organizations for mutual benefits.

- o Livestock Improvement
 - A.I. dissemination and development of livestock breeding technique.

- o Procurement and Supply
 - Supply of livelihood goods including farming materials for farmers.

- o Marketing, Sales and Processing of Livestock Products
 - Better quality for consumers and higher income for producers.

< Banking Business >

- o Savings & deposits
- o Loans
- o International Banking
- o Credit Card Service
- o Mutual Relief (Insurance)

II. KOREAN LIVESTOCK INDUSTRY

1. Livestock Industry in National Economy

The consumption of livestock products has been sharply increased due to increased income in line with the economic growth. With the agricultural share in GNP decreasing, the livestock share of the total agricultural, forestry and fisheries production showed a steady increase from 5.5% in 1970 to 12.3% in 1995.

The livestock share of the total agricultural production (excluding forestry and fisheries) has shown continuous rise over the past decades from 15% in 1970 to some 25% in 1995. As a result, livestock farming has become the most important income source for farm households because of its relatively better profitability than other crop farming.

2. Present Situation of Korean Livestock Industry

Prior to the second half of the 1970s, most of types in Korean livestock farming were part-time jobs, subsidiary to crop farming. However, entering the 1980s, it has gradually become a full-time job with larger scale as the consumption of livestock products increased rapidly in line with the growth of national income. The agricultural sector has been lagging far behind because of the heavy industry-oriented economic development policy. The livestock sector, nevertheless, grew up continuously as an important part of the agriculture, forestry and fisheries. Its share in the agricultural, forestry and fisheries production increased from 5.5% in 1970 to 12.3% in 1995.

The Korean livestock industry, which has developed as a major rural income source during the short period, has potentials to grow further with national income increase. However, livestock farming in Korea is still small family-oriented farming compared with large farming operations in industrialized countries. This situation is also getting worse with farm labour shortage. Especially, since the completion of UR Trade Negotiations the market liberalization gives negative effect to Korean livestock industry.

Comprehensive policies are required to overcome the difficulties which Korean livestock industry is facing ; scaling up herd size, automatizing farm facilities, reducing production cost through management reform.

<2-1> Glance at Korean Livestock Industry

Item	1970(A)	1995(B)	1996(C)	(C-A)/A
No. of Livestock(1,000heads)				%
- Korean native cattle (Hanwoo)	1,286	2,594	2,844	121.1
- Dairy cattle	24	553	552	2,200
- Pig	1,126	6,461	6,516	478.7
- Poultry	23,633	85,800	82,830	250.5
No. of Farm(1,000farms)				%
- Korean native cattle (Hanwoo)	1,120	519	513	△54.1
- Dairy cattle	3	24	21	600.0
- Pig	884	46	33	△94.7
- Poultry	1,338	203	187	△86.0
Per Capita Consumption of Livestock Products(kg)				%
- Beef	1.2	6.7	7.1	491.6
- Pork	2.6	14.8	15.3	488.5
- Chicken meat	1.4	6.0	6.26	347.1
- Egg	4.2	10.1	10.3	145.2
- Milk	1.6	47.8	54.3	3,293.8

3. Cattle

Most cattle in Korea are Korean native cattle (named as "Hanwoo") and a small number of the rest consists of imported cross-bred cattle such as Charolais, Hereford, Braman, etc. The number of cattle has

steadily increased despite chronic price fluctuations during last two decades, from 1,286,000 heads in 1970 to 2,594,000 heads in 1995 due to the increased beef consumption. On the other hand, the number of farms raising beef cattle declined by around 50% from 1.12 million to 0.52 million during the same period. Cattle farming in Korea is in transition period from part-time to full-time job. Farm number with only 1-2 heads disappeared steadily, while that with over 5 heads sharply increased. Average herd size per farm, however, remains only 5 heads. The Korean beef industry is still dominated by small-holders, although the trend is toward large commercialized operations.

<3-1> Number of Cattle by Herd Size

(Unit : '000 Heads)

Herd Size	1991	1992	1993	1994	1995	1996
1-2Heads	581	527	465	421	373	337(11.9%)
3-9	671	834	914	904	973	1,044(36.7%)
10-19	287	377	427	470	535	614(21.6%)
20-49	144	177	332	424	507	607(21.4%)
over 50	90	104	122	173	206	240(8.4%)
Total	1,773	2,019	2,260	2,392	2,594	2,842(100%)

<3-2> Hanwoo Cattle Herd Size

(Unit : '000 Heads, '000 Farms)

	1990	1991	1992	1993	1994	1995	1996
No. of Head	1,622	1,773	2,019	2,260	2,392	2,594	2,844
No. of Farm	620	601	585	570	540	519	514
Average Herd Size Per Farm (heads)	2.6	3.0	3.5	4.0	4.4	5.0	5.5

<3-3> Number of Slaughtered by Year

(Unit : '000 Heads)

Kind of cattle	1991	1992	1993	1994	1995	1996. 11
Korean native cattle (Hanwoo)	302	344	488	576	580	574(75.5%)
Dairy cattle	233	182	182	187	189	172(22.7%)
Beef cattle	3	4	6	3	2	7(0.9%)
Crossbred cattle	7	7	11	12	9	7(0.9%)
Total	545	537	687	778	780	760(100%)

<3-4> Beef imports by Year

	1990	1991	1992	1993	1994	1995	1996
Quantity(M/T)	84,060	125,000	132,000	99,000	125,995	147,995	146,396
Value('000US\$)	309,860	444,808	471,948	336,637	438,746	537,563	487,053

4. Pig

Pig farming has significance in Korean livestock sector as pork has been major source of protein intake in Korean diet. As of the end of 1996, pork accounted for more than 50%(15.3kg) in per capita meat consumption(28.7kg).

The number of pig farm has sharply fallen from 900 thousand in 1970 to 33,000 at the end of 1996, whereas the number of pig greatly increased, more than 6 times over the same period, from 1.1 million to 6.5 million heads. In addition, the average herd size per farm rapidly increased to 196 heads.

However, the herd size of pig farm is still small compared with those of industrialized countries. To cope with international competition, much higher productivity with capital-intensive farming and advanced technology is needed. In addition, the average herd size per farm is required to be scaled up steadily.

As of the end of 1996, the number of pig farm decreased by 13,000, 28.3% down, while the total number of pigs increased slightly. And the number of sows has decreased by 18,000 heads, 2.2% down during the last year.

<4-1> Trend of Pig Herd Size

	1970	1980	1990	1995	1996
No. of Pig Farm (1,000farms)	884	503	133	46	33
No. of Pig (1,000heads)	1,126	1,784	4,528	6,461	6,516
Average Herd Size (heads)	1.3	3.5	33.9	140.8	195.8

<4-2> Trend of Farmgate Pig Price

(Unit : Won/kg)

	Mar.	Jun.	Sep.	Dec..	Average
1994 (A)	1,506	1,757	1,748	1,466	1,587
1995 (B)	1,629	1,852	1,497	1,329	1,550
1996 (C)	1,580	1,760	1,900	1,740	1,712
B/A (%)	10.4	5.4	△14.4	△9.3	△2.4
C/B (%)	△3.0	△5.0	26.9	30.9	10.5

* Note : on the basis of live weight

5. Dairy

Despite the short history of 30 years, dairy farming in Korea has achieved remarkable development encouraged by strong support programs from the government and the increased consumption of dairy products.

However, Korean dairy industry is faced with a big problem ; the import liberalization of dairy products. Since the inauguration of World Trade Organization(WTO) regime in 1995, the import of dairy products such as powdered milk and cheese have increased sharply. The sharp increase is causing serious damage to Korean dairy industry.

Thus, the Government of Republic of Korea decided to import powdered milk on the basis of quota system from March 1997 after the completion of investigation under the Article 19 (Emergency Action on Imports of Particular Products) of GATT 1994.

<5-1> Trend of Dairy Farming Growth

	1970	1980	1990	1995	1996
No. of Dairy Cattle (1,000 heads)	24	180	504	553	551
No. of Dairy Farms (1,000 farms)	3	18	33	24	21
Average Herd Size (heads)	7.6	10.2	15.1	23.5	26.1
Milk Production (1,000 M/T)	48	452	1,752	1,998	2,040

6. Poultry

Poultry farming, in the aspects of management and technology, has most developed in Korean livestock sector. In terms of herd size, poultry has been rapidly commercialized compared with others.

During the past 30 years, the number of birds has sharply increased, from 23 million in 1970, to 40 million in 1980 and to 83 million in 1996. Meanwhile, the number of poultry farms has steadily declined from 1.3 million in 1970 to 0.2 million in 1995.

However, the average number of birds per farm was 422 as of the end of 1995, and 97% of total farm households bred less than 1,000 birds. Accordingly, Korean poultry farming is still dominated by small-sized farms.

Chicken production(ready to cook basis) increased from 45,000 M/T in 1970 to 282,000 M/T in 1996. In addition, egg production in 1970, 1980 and 1995 was 135,000, 250,000 and 454,000 M/T, respectively.

<6-1> Poultry Farming Situation

	1970	1980	1990	1995	1996
No. of Bird (1,000 birds)	23,633	40,130	74,463	85,800	82,829
No. of Poultry Farm (1,000 farms)	1,338	692	161	203	188
Average Flock Size (birds)	18	58	463	423	442



牧友村

*Kimje Meat
Processing Plant*

*CLEAN
NATURAL
FRESH*



MOGUCHON

畜協中央会



畜協は畜産業の繁榮と豊かな農村の建設を目指して組織され、韓国最大の生産者団体であり、多様な事業を通じて人類共榮の協同組合の理念を具現しています。

主な事業

<指導事業>

畜産経営及び技術指導
畜産総合センター運用
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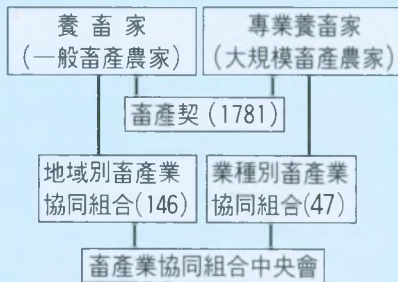
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相互金融、都市銀行、外換業務、共済事業、カード事業、畜産發展基金管理

沿革

畜協の組織



事業規模

1996年賣上金：
¥ 8,428億

人間・社會・自然の調和で豊かなライフを作り出すのが畜協の使命です。

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農家が出荷した原料豚は3段階の急速冷保管し、TLC,PSE等の品質検査に合格し、選、10℃に温度管理された作業室で自動加工生産します。尖端設備と熟練された技術で高品質チルドミートは8部位に分かれて生産されています。

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NATURAL
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MOGUCHON

畜協中央会



畜協は畜産業の繁栄と豊かな農村の建設を目指して組織され、韓国最大の生産者団体であり、多様な事業を通じて人類共栄の協同組合の理念を具現しています。

主な事業

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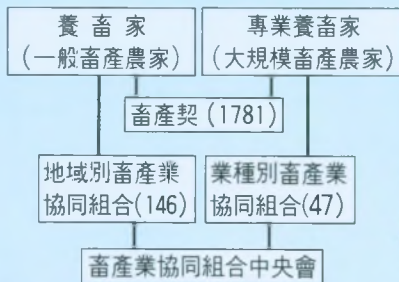
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ICA/JA-ZENCHU/DACA TOP LAEDERS CONFERENCE
ON
"COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT
OF AGRICULTURAL COOPERATIVES IN ASIA",
Tokyo, Japan. April 14-19, 1997

COUNTRY REPORT

By National Agricultural Cooperative Federation,
Seoul, Korea

April 1997

Ho-Kyum Lee

Director

Agricultural Cooperative Development Centre

AGRICULTURAL COOPERATIVE COLLEGE

Korea

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Part I : Evaluation on the ICA/Japan 6-months Training Courses

1. Name and Current position and addresses of the participants during last ten years

From the National Agricultural Cooperative Federation(NACF), a total of 12 persons participated in the ICA/Japan 6-months training courses during last ten years.

Table 1 Name and current position of the participants from NACF

Course No.	Name of participant	Current position & address	Remarks
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As is shown in Table-1, out of 12 participants, 11 persons are now working in the senior or important post in the NACF: six persons at the Head Office; four at the branch offices; one at the training center. Only one person who attended the first training course retired from the NACF in March, 1997, now engaging in livestock farming with his family.

2. Status of Implementation of the Proposed Projects

A total of twelve projects were proposed by the participants. The projects were prepared on a variety of subjects as shown in Table-2. Out of twelve project proposals, six proposals were fully implemented and operational, and three were partly adjusted in implementation by the sponsoring organizations. However, three proposals were abandoned due to the change in market condition and financial constraints.

It can be observed that the implementation rate of the project proposals shows a good record. Contributory factor is placed on the fact that most of the project proposals were prepared in consultation with the sponsoring organizations.

Table 2 Status of implementation of the project proposals by the participant

Participant	Name of project	Status of implementation
01 Chong Hyun Baik	Marketing of Chinese Cabbage Project	Not implemented due to change in cropping pattern
01 Jin Woo Kim	Integrated Area Development Project	Partially implemented and the integrated development approach was adopted in rural development policy.
02 Yuh Hee Lee	Feed Mill Project	Project abandoned due to change in market condition, the excess of feed production capacity.
02 Chung Shik Shim	Cold Storage Project	Project abandoned due to financial constraint and poor
03 Hyang Kyu Lee	Kimchi Processing Plant Project	Project implemented and completed in 1991 by Cheongsan Agri. Coop. Business turnover has in-
04 Sang Deok Lee	Fruit Processing Mill	Project implemented and is operated by Samrangjin
05 Kie Yup shin	RedPepper Powder Plant Project	Project adjusted and implemented by Young-wol
06 Hyun Keun Myung	Apple Juice Plant Project	Project implemented and is operated by Kyungbuk
07 Han Ju Lee	Rice Processing Complex	Project implemented and was completed by Samdo
08 Do Hwan Woo	Buckwheat Processing Project	Project implemented and completed by Bongpyung
09 Jong Soo Lee	Flower Wholesale Market Project	Project implemented and was completed by the NACF
10 Dong Young Kim	Wholesale Distribution Center Project	Project adjusted and under implementation by the

3. In implementation of the projects, the participants faced the following problems.

- ❖ In most cases, the implementation of the projects prepared by the participants were not initiated by their own offices. Therefore, a negative attitude of the management and financial constraints by the sponsoring organizations were faced by the participants, inspite the projects were considered feasible and technically-sound.

- ✧ Because of the personal interchange system within different business units and offices of the NACF, the participants could not follow up and monitor the project implementation sufficiently when they were transferred to other offices or other business. This problem could be solved by improving communications with the management.
- ✧ Rapid change in cropping pattern and demand/supply situation of raw farm products arising from the progress of trade liberalization were the important problems in implementing the projects. These matters also caused the business operational rate of the completed plant to be lowered.

4. Relevance of the Training Program and Suggestions for future Development

It is observed that the training program has been well designed and efficiently responded to the training needs of the agricultural cooperatives in the Region in the following points.

- ✧ In terms of the length of training and diversity, the training program is very prestigious to the participants and member organizations of ICA Regional Office. During the 6 months training, the program dealt various subjects including management practices, planning and appraisal of development projects, decision making, and agricultural cooperative management. With the multi-country training arrangements in the program, the participants could increase the applicability of their learnings from the experiences of visiting countries, while avoiding the monotony arising from the long period of training.
- ✧ The combination of theoretical and practical study along with the field visits contributes to the improvement of participants' managerial skills which is utmost important factor in strengthening cooperative business performances. The project has served the interests of agricultural cooperatives by

stressing the value addition concept through agro-processing.

- ✧ Practical assignment given to the participants to produce development project proposals has been very helpful to the participants as well as to the cooperative societies in designing and implementing the agricultural projects needed for cooperative business development.
- ✧ Keeping in view of the financial and personnel capacity In the ICA Regional Office and its member organizations is considered that the ICA/Japan 6-months training program was so successful and beneficial to the participating organizations attributed by the devoted efforts of the ICA and the contribution made by the Government of Japan. The training program contributed not only to the improvement of managerial ability of participating organizations but also to the promotion of understanding among member organizations.

On the basis of the successful result of the program during last ten years, the following suggestion could be raised for the future improvement of training programs.

- ✧ Increasement of the beneficiaries from the training program within the available financial resources, by shortening the 6-months training period
- ✧ Establish more programs for various target groups including managers and government officers associated with the development of agricultural cooperatives. To do this, more financial and personnel resources in member organizations need to be mobilized.
- ✧ Maximize the effect of learning by encouraging the study-visits and personnel exchange on a bilateral basis.

We, the NACF and member organizations are trying to and willing to share our experiences in agricultural cooperative development with the member organizations of ICA in the Region in order to improve cooperative business performances for the benefit of

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As is shown in Table-1, out of 12 participants, 11 persons are now working in the senior or important post in the NACF: six persons at the Head Office; four at the branch offices; one at the training center. Only one person who attended the first training course retired from the NACF in March, 1997, now engaging in livestock farming with his family.

2. Status of Implementation of the Proposed Projects

A total of twelve projects were proposed by the participants. The projects were prepared on a variety of subjects as shown in Table-2. Out of twelve project proposals, six proposals were fully implemented and operational, and three were partly adjusted in implementation by the sponsoring organizations. However, three proposals were abandoned due to the change in market condition and financial constraints.

It can be observed that the implementation rate of the project proposals shows a good record. Contributory factor is placed on the fact that most of the project proposals were prepared in consultation with the sponsoring organizations.

Table 2 Status of implementation of the project proposals by the participant

Participant	Name of project	Status of implementation
01 Chong Hyun Baik	Marketing of Chinese Cabbage Project	Not implemented due to change in cropping pattern
01 Jin Woo Kim	Integrated Area Development Project	Partially implemented and the integrated development approach was adopted in rural development policy
02 Yuh Hee Lee	Feed Mill Project	Project abandoned due to change in market condition, the excess of feed production capacity.
02 Chung Shik Shim	Cold Storage Project	Project abandoned due to financial constraint and poor
03 Hyang Kyu Lee	Kimchi Processing Plant Project	Project implemented and completed in 1991 by Cheongsan Agri. Coop. Business turnover has in-
04 Sang Deok Lee	Fruit Processing Mill	Project implemented and is operated by Samrangjin
05 Kie Yup shin	RedPepper Powder Plant Project	Project adjusted and implemented by Young-wol
06 Hyun Keun Myung	Apple Juice Plant Project	Project implemented and is operated by Kyungbuk
07 Han Ju Lee	Rice Processing Complex	Project implemented and was completed by Samdo
08 Do Hwan Woo	Buckwheat Processing Project	Project implemented and completed by Bongpyung
09 Jong Soo Lee	Flower Wholesale Market Project	Project implemented and was completed by the NACT
10 Dong Young Kim	Wholesale Distribution Center Project	Project adjusted and under implementation by the

3. In implementation of the projects, the participants faced the following problems.

- ◇ In most cases, the implementation of the projects prepared by the participants were not initiated by their own offices. Therefore, a negative attitude of the management and financial constraints by the sponsoring organizations were faced by the participants, inspite the projects were considered feasible and technically-sound

- ✧ Because of the personal interchange system within different business units and offices of the NACF, the participants could not follow up and monitor the project implementation sufficiently when they were transferred to other offices or other business. This problem could be solved by improving communications with the management.
- ✧ Rapid change in cropping pattern and demand/supply situation of raw farm products arising from the progress of trade liberalization were the important problems in implementing the projects. These matters also caused the business operational rate of the completed plant to be lowered.

4. Relevance of the Training Program and Suggestions for future Development

It is observed that the training program has been well designed and efficiently responded to the training needs of the agricultural cooperatives in the Region in the following points.

- ✧ In terms of the length of training and diversity, the training program is very prestigious to the participants and member organizations of ICA Regional Office. During the 6 months training, the program dealt various subjects including management practices, planning and appraisal of development projects, decision making, and agricultural cooperative management. With the multi-country training arrangements in the program, the participants could increase the applicability of their learnings from the experiences of visiting countries, while avoiding the monotony arising from the long period of training.
- ✧ The combination of theoretical and practical study along with the field visits contributes to the improvement of participants' managerial skills which is utmost important factor in strengthening cooperative business performances. The project has served the interests of agricultural cooperatives by

stressing the value addition concept through agro-processing.

- ◇ Practical assignment given to the participants to produce development project proposals has been very helpful to the participants as well as to the cooperative societies in designing and implementing the agricultural projects needed for cooperative business development.

- ◇ Keeping in view of the financial and personnel capacity in the ICA Regional Office and its member organizations it is considered that the ICA/Japan 6-months training program was so successful and beneficial to the participating organizations attributed by the devoted efforts of the ICA and the contribution made by the Government of Japan. The training program contributed not only to the improvement of managerial ability of participating organizations but also to the promotion of understanding among member organizations.

On the basis of the successful result of the program during last ten years, the following suggestion could be raised for the future improvement of training programs.

- ◇ Increase the number of beneficiaries from the training program within the available financial resources, by shortening the 6-months training period
- ◇ Establish more programs for various target groups including managers and government officers associated with the development of agricultural cooperatives. To do this, more financial and personnel resources in member organizations need to be mobilized.
- ◇ Maximize the effect of learning by encouraging the study-visits and personnel exchange on a bilateral basis.

We, the NACF and member organizations are trying to and willing to share our experiences in agricultural cooperative development with the member organizations of ICA in the Region in order to improve cooperative business performances for the benefit of

small farmers. In 1996, the NACF and its Agricultural Cooperative College will sponsor two kinds of training programs for the officers and managers engaging in cooperative development with the financial support from the Korea International Cooperation Agency.

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Part II: Organizational Structure and Present Situation of Agricultural Cooperatives

1. Introduction

Korean Agriculture, witnessing the world agricultural trade reform brought about by the establishment of the World Trade Organization, is on the verge of restructuring.

Agricultural cooperatives in Korea, a large organization as a whole in terms of their membership, financial and human resources mobilized, wide range of business activities and diversified physical facilities all over the country, have close relationship with the future of Korea's agriculture.

The trend of market opening in agricultural sector as well as service industries implies an emergency of a crisis not only for Korean agriculture but for the agricultural cooperatives.

Launching the second period of democratic a cooperatives in 1994, we devoted most of our efforts to reforming our cooperative organization and operations so as to meet the felt needs of member farmers and enhance the competitiveness of cooperative business activities.

The purpose of this paper is three fold : first, to broadly describe the agricultural cooperatives system and its current situation in Korea ; second, to overview the overall business of the NACF in sectors ; and lastly to introduce the Agricultural Cooperative College.

2. Agricultural Cooperatives in Korea

2.1. Organization Structure

The agricultural cooperatives in Korea are organized vertically at two level ; primary agricultural cooperatives and special agricultural cooperatives at the township level and their federation at the national level. Regional cooperatives are horizontally classified into two categories ; multipurpose cooperatives and special cooperatives.

The multipurpose cooperatives are organized by farmers primarily engaged in the production of grains such as rice and barley, while special cooperatives are established by the farmers who are mainly engaged in fruit and vegetable farming.

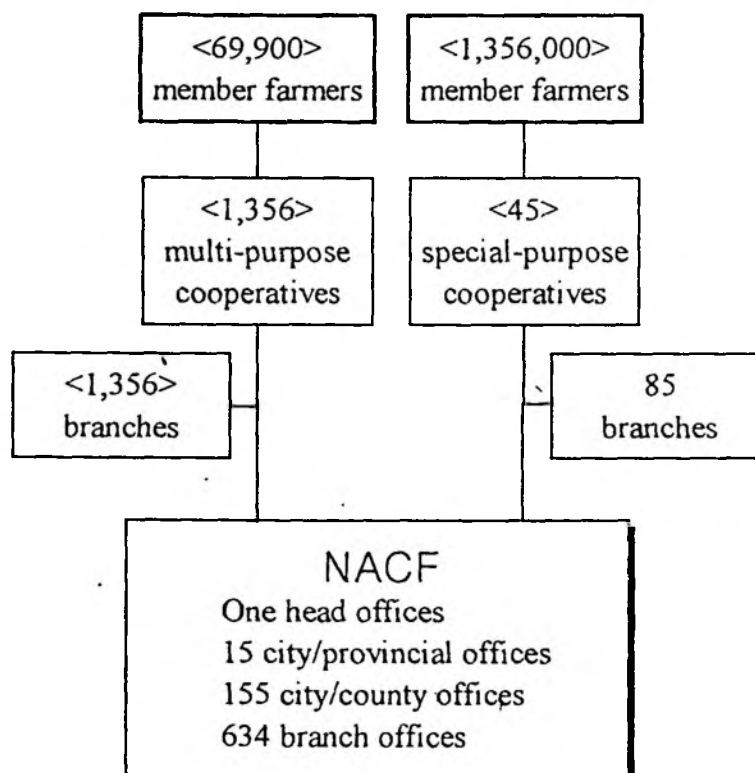
The multipurpose cooperatives and special cooperatives are affiliated with the national apex organization called the NACF or National Agricultural Cooperative Federation.

At the end of the 1996, the NACF is organized by approximately 2 million member farmers, 1,356 multipurpose cooperatives, and 45 special cooperatives.

The number of officers and staff of agricultural cooperatives totals 71,041 including 17,947 NACF staff.

The NACF runs various subsidiary companies to perform effective business activities : the Agricultural Technology Cooperation Co., the Farmers Newspaper, the Korea Coop-Trading, the Agricultural Cooperative Marketing Co., the Korea Coop-Agro Inc., the Agricultural Cooperative College, the Nam-Hae Chemical Corporation

2.2. NACF Organization Chart



2.3. Characteristics

- ✧ A farm producers organization democratically organized with their capital subscriptions
- ✧ A multi-purpose type of cooperatives engaging in supply and marketing enterprises, banking, insurance, and farm extension service
- ✧ Dual character of cooperative movement and business management
- ✧ A banking institution exclusively handling farm credit, with NACF serving as a deposit money bank and its member cooperatives as credit cooperatives

2.4. Brief History

- 1961 : The present multi-purpose cooperative organization was inaugurated by merging the Agriculture Bank and the Agricultural Cooperative, with a three-tier system of village co-ops, county co-ops and the national federation(NACF).
- 1981 : The nationwide organization was restructured into a two-tier system of member cooperatives and their national federation. The former county-level cooperatives were dissolved to be branch offices of the federation, and livestock cooperatives were separated to set up their own independent federation.
- 1989 : The Agricultural Cooperative Law was revised to open the way for the direct election of presidents of both the federation and its member cooperatives.
- 1995 : NACF was reorganized into two separate headquarters under the same umbrella : one for the banking and insurance service, the other for the supply and marketing enterprises.

2.5. Current Issues and Reforms Process toward Competitive Cooperative

With the opening of new government in Feb. 1993, a wide variety of reforms were promoted within the every aspect of Korean society. In addition, according to the conclusion of the GATT/Uruguay Round of multilateral trade negotiation and the settlement of the WTO system, it was required to increase competitiveness of Korean agriculture and restructure agricultural cooperatives as a producer's organization

Under the new economic and social environments surrounding agriculture and agricultural cooperatives, the NACF and member cooperatives have initiated a number of reformation programs since Mar. 1994 when the second directly elected Chairman & President of the NACF was inaugurated.

2.6. Revised the Agricultural Cooperative Law

- ◇ According to the revised Agricultural Cooperative Law in 1994, the candidate for the Chairman & President of the NACF was restricted only to member farmers. The Law stipulated to be effective from the next election in 1998.
- ◇ The number ratio of presidents of member cooperatives among the NACF board members increased from half to two thirds, and thereby the presidents of member cooperatives had stronger influential power in the Federation's decision making
- ◇ Paralleling with the trend of rural community "aging and womanization", agricultural cooperatives introduced the plural membership system allowing NACF two memberships from one farmhoushold.

2.7. Issues on Restructuring the NACF

In the discussion of the revision of the Agricultural Cooperative Law, some people insisted upon separating the NACF banking sector to establish an independent agricultural bank or a cooperative bank.

- ◇ They argued that such a separation will help improve the competitive strength of both the bank and the agricultural cooperatives.
- ◇ The opposing parties, including the NACF, countered that the separation of the banking sector from the NACF will have a negative impact upon the viability and business operations of member cooperatives.

The new Agricultural Cooperative Law stipulated that, even under the same umbrella(NACF), a more distinct accounting system and a more strict budgeting system should be rigorously applied to the banking and other cooperative business sectors, and report its operating results to the Cooperative Development Planning Board, an adhoc committee of the Ministry of Agriculture and Forestry from June 1995 to June this year.

- ◇ The CDPB will evaluate the results of the cooperative per-

formance under the current system and finally decide whether to separate banking business from the Federation.

2.8. Best and Real Service to Member Farmers

The NACF and member cooperatives has been doing its best to reform its business operation in order to provide real benefit for member farmers

- ✧ For this purpose, the NACF selected “100 vital projects” aimed at better serving member farmers from the year of 1994. It introduced such vital projects as the farmgate pickup service for farm produce and farm delivery service for farm inputs on regular basis for the increased convenience of farm producers
- ✧ The NACF encouraged member farmers to have their own name cards and provided designing service so that they would feel pride and dignity as professional farmers.

Another top-priority emphasis was place on the education of staff and member farmers as a means of tiding over severe competitive agricultural environments.

- ✧ We began to work on educational reform program in 1995, titled “the Year of Education Reform Year”.

Announcing the year 1996 as “the Extension Service Reform Year”, we concentrated our efforts on extension service originated toward the member farmers. And more, the year of 1997 was announced as “the Banking Business Reform Year” for the fruitful and successful banking business in the era of market opening and competition.

2.9. Vision and Development Strategy toward the 21st Century

The situation surrounding agricultural cooperatives is changing rapidly with the launching of the WTO and joining to the OECD last year by Korea, which means to face challenging and competitive environments. In such drastic situation, we may be very vulnerable to losing our market position if we only follow the busi-

ness strategies of our rivals.

The NACF and member cooperatives adopted, therefore, “the Vision and Development Strategy toward the 21st Century”, on the occasion of its 35 anniversary on August last year as follows :

Korean agricultural cooperatives will achieve the first-class cooperative on the global stage in the coming twenty first century by maximizing the synergy effects resulting from the multi-purpose cooperative system on the basis of creative management.

In order to realize creative management, the NACF and member cooperatives will concentrate our efforts on constructing management system differentiated from private enterprises and harmonizing organizational power and management innovation. We will also focus our efforts on fostering the sound cooperative culture and developing advanced cooperative business and activities.

3. Major Business and Activities

The objectives of agricultural cooperatives are to increase agricultural productivity, to enhance the economic and social status of farmers and to ensure a balanced development of the national economy through the voluntary organization of farmers. In an effort to attain these objectives, agricultural cooperatives conduct diverse businesses and activities as follows ; supply farm inputs and consumer goods, marketing of farm products, food processing, credit and banking business, mutual insurance, extension and research.

3.1. Marketing of Farm Products

Cooperative marketing of farm products is among the most essential services for ensuring higher returns to member farmers.

✧ The NACF and member cooperatives now operates 86 agricultural marketing centers, 348 supermarkets, and 6 distribution centers in order to facilitate favorable disposal of farm prod-

ucts and reduce intermediary marketing costs.

Especially, as the rice is the major source of farm income, agricultural cooperatives have placed special emphasis on its marketing. In 1996, 16 modernized rice processing complexes were newly established in the major rice producing areas, thus totaling 146 centers across the country.

Table 3 Coop. Marketing of Farm Products (in billion won)

	1995	1996
Foodgrains	3,163	3,428
Fruits	1,126	1,349
Vegetables	1,877	2,176
Livestock & Others	989	1,070
Total	7,155	8,023

The US\$-won basic exchange rate was 1,000 won(KRW) = US\$ 1.185 at December 31, 1996.

3.2. Supply farm Inputs and consumer goods

Farm inputs and consumer goods are supplied to farmers through the cooperative system. Agricultural cooperatives supply farm inputs to help reduce production costs for member farmers and to realize rational consummation life of member farmers.

Total farm inputs supplied by the NACF and its member cooperatives reached 1,525 billion won in 1996. The major farm inputs handled were fertilizers, farm chemicals, farm machinery, polyethylene films, seeds, seedlings, feedstuffs, and oil.

The cooperative chainstore system, with its direct link with manufacturers, contributes to substantial savings in farm family expenditures and to higher standard of living.

✧ The total number of chainstores stood at 2,446 at the end of

1996. Total consumer good supplies reached 1,309 billion won in 1996, up 7.5% from the year earlier.

Table 4 Supplies of Major Farm Inputs and Consumer (in billion won)

		1995	1996
Farm In-puts	Fertilizer	370	338
	Chemicals	82	84
	Feedstuffs	492	615
	Machinery	231	283
	Other Inputs	183	195
Consumer Goods		1,218	1,309
Total		2,576	2,834

The US\$-WON basic exchange rate was 1,000 won(KRW)=US\$ 1.185 at December 31, 1996.

3.3. Banking Business

The NACF provides comprehensive banking services to mobilize and extend funds required for the development of agriculture and related businesses. They include domestic banking, bank credit card service, trust, securities investment, credit guarantee, and international banking operations.

The NACF was ranked first among domestic banks in terms of total deposits and trust funds, and successfully supplied funds required for agricultural development.

- ✧ In 1996, the banking business volume totaled 39,079 billion won.
- ✧ The mutual credit of agricultural cooperatives has also played a pivotal role in mobilizing savings and extending loans to member farmers. At the end of 1996, the total deposits re-

ceived stood at 38,383 billion won.

- ◇ In 1996, the NACF extended its international banking business network to 75 branches (total 262). Also the NACF arranged 60 new correspondent relationships with eminent overseas banks in the year and it maintained close correspondent relationship with 1,301 banks around the world.

3.4. Mutual Insurance

Agricultural cooperatives have conducted insurance business with a view to providing for long-term savings as well as compensating for unexpected losses to member farmers and customers.

- ◇ Premium income received was valued at 2,759 won billion (life insurance 2,742 billion won, non-life insurance 17 billion) won.
- ◇ A variety of patronage refund was made for the welfare of member farmers. Scholarships were granted to 7,000 students, and free health check-up service was extended to 52,000 policy holders during the year.

4. Food Processing Business

Since 1991, the NACF and its member cooperatives have put special emphasis on developing the food processing enterprises in order to provide member farmers with higher income by directly returning the added-value of agricultural processing to them and stabilizing the prices of farm products.

Korean agricultural cooperatives processing activities were also designed to meet the diverse needs of consumers and their rapid change of dietary patterns.

The cooperatives have produced about 400 items of processed food from their processing plants numbering 182. The development of the cooperative processing business will benefit consumers by the healthier and better quality food as well as member farmers by increased income.

As is often the case, the cooperative processing business also have

some problems such as profitability, technology, and competition with private business.

Today, the NACF and its member cooperatives have made their every efforts to solve the problems resulting from small scale, cooperative attributes.

4.1. Status of the Processing Plants

Table 5 Establishment by Year

Year	'91	'92	'93	'94	'95	'96
Member Coop.	50	84	107	134	167	175
NACF	1	3	5	6	5	7
Total	51	87	112	140	172	182

(Unit : EA/Factory)

Table 6 Investment by Sources

Total	Subsidy	Borrowing	Self-fund
221,049	43,387	31,125	146,537

(Unit : mil. won)

Table 7 Establishment & Investment by Items

Item	No of factory	Total invest-ment(per fac.)
Kimchi	13	31,510(2,424)
Salted products	17	8,522(501)
Hot pepper powder	8	12,644(1,581)
Garlic	7	5,677(811)
Edible oil	7	607(87)
Paste	13	17,340(1,334)
Processed rice cookie	20	19,120(956)
Dried vegetable	10	5,120(512)
Chinese herb drink	10	2,448(245)
Tea	12	3,385(282)
Drink	12	65,712(5,476)
Vinegar	4	1,051(263)
Peanut	5	1,675(335)
Starch powder	4	5,483(1,371)
Others	32	40,752(1,274)
Total	182	221,049(1,215)

(Unit : mil. won)

Table 8 Status of the Performances

Turn over by year	'91	'92	'93	'94	'95	'96
member Coop.	6,387	15,294	46,639	77,028	87,835	100,000
(Export)	(203)	(350)	(1,818)	(2,691)	(4,223)	(6,000)
NACF	492	2,18	5,920	7,913	12,442	30,000
Total	6,879	17,442	52,559	84,941	100,277	130,000

(Unit : mil. won)

4.2. Category of the Processed products by Coops

Beverage	Tea	Liquor
Edible oil	Persimmon	Vinegar
Starch	Peanuts	Tafty
Dried Edible Greens		Soy sauce
Kimchi	Pickle	Red pepper powder
Sea Food	Chinese herb	medicine
Seasoning	Health Food	Rice Cake
Others		

4.3. Establishment of Comprehensive Logistics Center

The NACF established Seoul Logistics Center of processed product in 1994, and has the plan to set up logistics centers in many cities. This center will directly supply cooperative processed foods to mass-purchasers such as departments, big markets, and also distribute the foods to coop-marts & chain stores.

The NACF will conduct the role of the nation-wide network, link-

ing with between plants and canters, and between centers and associate coop. Shops. Paralleling with the Logistic Centers, the establishments of associate coop-shop will be explosively expanded as below plan.

Table 9 Establishment Plan of Associate Coop-Shop

	'96	'97	'98	'99	2000	2001
Metropolitan area	150	200	300	400	500	600
5 major cities	30	300	500	700	800	1,000
Total	180	500	800	1,100	1,300	1,600
Turn over	25	100	120	150	170	200

(Unit : EA, bill. won)

4.4. Future Plan of Cooperative Food Processing Business

Table 10 Establishment of Processing Plants

Year	'96	'97	'98	'99	2000	2001
National Food Industry	8,000	9,000	10,000	11,000	12,000	13,000
Agro-coop.	182	190	200	220	230	250

(Unit : EA)

Market share of Coop. In 2001 will reach 1.9%

Table 11 Investment of Processing Facilities

	'96(a)		2001(b)		Increase(b-a)	
	No. of Investment Plants		No. of Investment Plants		No. of Investment Plants	
Coop-Plant	182	221	250	289	68	68

PART3: Brief Introduction to Agricultural Cooperative College

The Agricultural Cooperative College was established first in 1962 by the Keonkuk Educational Foundation to cultivate manpower needed for agricultural and rural development. In 1966, the ACC was undertaken by the National Agricultural Cooperative Federation (NACF) and moved to present place, encompassing 300 thousand m² of land area, situated about 15 km north of Seoul. Since then, the ACC has been the educational cradle to bring up young pioneers and cooperative leaders necessary for the propagation of Korean agricultural cooperative movement and development of rural community.

The main function of this college can be explained in four categories.

- ◇ The first one is the education of selected college students. In the college education, we offer a two year course which prepares for a diploma of any of four departments: Cooperative Management, Farm Mechanics, Food Processing, and Data Processing. The most distinctive feature of ACC is, among others, that it pursues education of a small number of elite students. In order to develop the spirit of cooperation and practical knowledge, students are required to live in the dormitory and to attend cooperative in service training and on farm training. Graduates who successfully complete prescribed courses are guaranteed for employment by NACF's member cooperatives.
- ◇ The second one is the operation of various training programs for the officers and employees of agricultural cooperatives, and member farmers.

Training programs offered by the college include: Agricultural Cooperative Top Management Course for the presidents of agricultural cooperatives and farm leaders, Advanced Farm Manager Course for young farmers in Kyonggi Province, Farm

Machinery Operation Technology Course for the mechanics of agricultural cooperatives, and Intensive Agricultural Marketing Course for the cooperative employees working for marketing business.

- ◇ The third one is conducting international training programs and research services to those associated with agricultural cooperative movement and rural development in developing countries. International training programs of the college are usually organized in collaboration with the NACF and Korea International Cooperation Agency(KOICA), a government agency established to share Korea's development experience with currently developing nations. The ACC sponsors three to four programs a year on different subjects related to rural and agricultural cooperative development, lasting one to two weeks. The ACC has well-equipped conference room with audio-visual facilities, and rooms for group discussion. The campus dormitory has 15 modernized rooms for foreign guests, and a total of thirty persons can be accommodated on a sharing basis.
- ◇ The fourth one is research and development conducted by the institutes affiliated to the college. The Food Processing Technology Research Institute provides technical supports to the agricultural processing plants operated by agricultural cooperatives through the research on product development and quality improvement. The Rural Development Research Institute conducts the research on the social, economic and cultural aspects related to the agricultural development and growth of agricultural cooperatives.

Since the establishment of ACC a total of 29 hundred students graduated from the college. Most of them are currently working for the NACF and member cooperatives composing a core part of manpower for the development of agricultural cooperative movement in Korea. In addition, about seven hundred persons engaging in the agricultural cooperatives and farm industry are trained annually according to the training programs .

With a variety of education and training programs offered by the college, we are trying to make the most of functions and capacity

of ACC in order to cultivate manpower needed for the development of agriculture, rural community and agricultural cooperatives.

We also have been willing to share our experiences in rural development and cooperative movement with our overseas friends. Keeping in view of the increasing demand from various countries, the ACC has a plan to increase and improve international training programs by strengthening collaboration with the NACF and government agencies.

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COOPERATIVE UNION OF THE PHILIPPINES

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A COUNTRY REPORT TO THE TOP LEADERS CONFERENCE ON
"COLLABORATIVE STRATEGIES FOR THE DEVELOPMENT
OF AGRICULTURAL COOPERATIVES IN ASIA"

Tokyo, Japan
April 14-19, 1997

presented by

Mr. FELIX A. BORJA
Secretary General

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I. INTRODUCTION

The Philippines is one of the 13 Asian countries benefitted by the technical assistance program for the development of agricultural cooperatives in the Asia-Pacific Region, which is jointly sponsored by ICA, Japanese Government-MAFF, JA ZENCHU and IDACA. Thirteen managers and Coop officers underwent a specialized 6-month program for "Strengthening Management of Agricultural Cooperatives in Asia" since 1986. These participants were exposed to successful model-Coops, studied various aspects of management of agricultural Coops, developed skills in project preparation and produced individual project proposals. Ten years thereafter and after a series of follow-up exercises through correspondence, the sponsors of this 6-month agricultural training programme decided to organize an evaluation session of this program. Efforts are now being exerted by CUP to follow-up the activities of the IDACA graduates from the Philippines to determine the kind of support they need.

This paper presents a brief overview of the present status of the projects developed by the 13 participants to this course. (Please refer to the attached matrix of current status of the proposals developed by the participants of the 6-months agricultural training programme.)

II. BRIEF SUCCESS STORY OF AN IMPLEMENTED PROJECT - THE RICE STRAWBOARD MANUFACTURING PROJECT

The Cooperative Union of the Philippines has embarked on the project of utilizing waste rice straw in the manufacture of versatile construction boards for housing and other building systems. Mr. Philmore Quilat, who trained at IDACA under the 6-month course was assigned to the first manufacturing plant situated in Iloilo, Philippines. The P81M project is to be inaugurated in May 1997.

III. RELEVANCE OF THE SIX-MONTH AGRICULTURAL TRAINING COURSE

Based on interviews with former participants of this course and considering that almost 70% of the total registered cooperatives are agricultural cooperatives, this

management training course has been found to be very relevant to the development of agricultural coops in the Philippines. Majority of the participants have presented and shared the management strategies and techniques they have learned to other coops in their respective areas. The training course is very enlightening and the participants value the insights and learnings from the course. CUP regularly taps the management expertise of most of its 6-month course participants in its projects.

IV. BRIEF OVERVIEW OF AGRICULTURAL COOPS AND AGRO-PROCESSING ACTIVITIES IN THE PHILIPPINES

The Philippines is now a member of WTO, AFTA, APEC and other regional and sub-regional economic agrupations which has placed more pressure on its being able to attain global competitiveness to prepare for total liberalization of imports and trade. As an agriculture-based economy, it has to industrialize agriculture and concentrate in improving the technology of production, processing and marketing of agricultural products.

To achieve this end, CUP is now assisting cooperatives in establishing organic fertilizer plants to make fertilizers affordable to our farmers. A participant in the present 6-month course (Mr. Teofilo Quintal) has been asked to do the study on the NPK Organic fertilizer plant as his IDACA project and will be deeply involved in it when he returns to the Philippines.

CUP is also engaged in sourcing new planting materials for sugar, feed aggregates, vegetables and other crops which will be introduced to cooperatives to improve the productivity of our farmers.

New and environment-friendly pest-management technology is also being accessed to breakaway from the harmful pesticides and chemicals used by our farmers to eradicate plant pests.

The establishment of more feedmills to support the livestock industry of agricultural cooperatives is also being pursued by CUP in collaboration with established Coop feedmills. Fishery Cooperatives development is also being implemented by training fishery coop. leaders in the management of fishery resources.

The technology of dehydration has been introduced to enable vegetable farmers to prolong shelf-life of perishables and eliminate spoilage and wastes.

**MATRIX OF CURRENT STATUS OF PROJECT PROPOSALS
DEVELOPED BY 6-MONTH TRAINING COURSE PARTICIPANTS**

Name/Position/Address	Project Proposal/Nature of Project Coop./Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project/Remarks
<p>1. Mr. CESAR ALCANTARA Coordinator Operations Division Department of Agriculture Tarlac, Tarlac Tel. No. 982-1764</p>	<p>"Marketing of Paddy Project" - Marketing of Paddy through integrated approach - Baras-Baras Samahang Nayon</p>	<p>According to Mr. Alcantara, the project was not fully implemented due to limited capital of the coop.</p>	<p>The Baras Baras Samahang Nayon, a pre-coop was confirmed by the Cooperative Development Authority into a full-fledged cooperative. The Coop was one of the cooperatives assisted by the Land Bank of the Philippines. It has a present membership of 80 farmers. The Coop was a beneficiary of a loan from LBP amounting to P1,684,891.48 for its operating capital, purchase of hauling truck and palay production.</p> <p>Mr. Alcantara is employed with the Department of Agriculture and has very limited time to visit the coop. He promised to visit the Baras Baras PMPC to follow-up on the latter's operations more regularly.</p>
<p>2. Mrs. JEAN ABDURASAD c/o Barangay Putik Cooperative Village Zamboanga City</p>	<p>"Fishermen's Cooperative Project" - Creation of new Fisheries Coop. and input supply - Fishermen's Coop, Siganggang</p>	<p>For health reasons she could no longer work in the project.</p>	<p>The proponent, Mrs. Abdurasad, has left the Cooperative Movement. One of the problems she faced in implementing the project was, there was no support from the Regional Coop Development Assistance Office - Region 9 (RCDAO 9) to pursue the project. The RCDAO 9, Mrs. Abdurasad office, was dissolved sometime in 1988-89.</p>

Name/Position/Address	Project Proposal/Nature of Project Coop/Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project/Remarks
<p>3. Ms. BERNARDITA L. BARRANCO Loan Officer CASA Lending Investor Guangco St., Iloilo City Tel. No. 335-1201</p>	<p>"Integrated Paddy Processing and Marketing Project" - Paddy processing & marketing - First Iloilo Area Marketing Cooperative (FIAMC)</p>	<p>Project is being implemented by the Coop although Ms. Barranco resigned as General Manager of the Coop. FIAMC operates a rice mill, mechanical dryers and will inaugurate the Rice Strawboard Plant soon.</p>	<p>She resigned from her position and acted as consultant to other agricultural cooperative federations in Iloilo province. However, she has left the coop movement and is now serving as a loan officer of a private lending firm in Iloilo.</p>
<p>4. Mr. SOFRONIO E. COLIYAT Vice-Chairman Sorosoro Ibaba Dev. Coop. Sorosoro Ibaba, Batangas</p>	<p>"Corn Production Project" - Promotion of production of corn in 150 hectares - Sorosoro Ibaba Development Cooperative</p>	<p>Area for corn production is very limited now. The Coop has shifted to feedmilling and livestock raising and is very successful in these lines.</p>	<p>The project was initially not implemented because the cooperative lacks an area for the production of corn. The main activity of the coop is livestock raising and processing. Mr. Coliyat is the coop's Vice-Chairman and is doing very well.</p>
<p>5. Mr. JOSE C. PALMARES Chairman Talongonan Agtabo Ilawod Multi-Purpose Cooperative Passi, Iloilo</p>	<p>"Integrated Expansion Project for Fertilizer Supply & Hauling" - Linkaging for hauling and supply of fertilizers for production increase - Northern Iloilo Sugar Producers Cooperative</p>	<p>Project is not yet implemented due to lack of capital.</p>	<p>Lack of funds for the purchase of trucks and machinery. The participant, Mr. Palmares, has left the cooperative federation and is now the chairman of a primary coop where he applies his training.</p>
<p>6. Mr. ADOLFO DELA PEÑA Agrarian Reform Officer Dept. of Agrarian Reform Mexico, Pampanga</p>	<p>"Integrated Paddy Processing and Marketing Project" - Rice milling</p>	<p>Project has been implemented and is in operation for the last few years.</p>	<p>Mr. Dela Peña is currently concentrating on agrarian reform activities in Mexico, municipality of Pampanga.</p>

Name / Position / Address	Project Proposal/Nature of Project Coop/Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project/Remarks
7. Mr. ABUNDIO V. FELIN Manager San Isidro Dev. Coop. San Isidro, Naga City	"Bicol Integrated Cooperative Farming System Project." - Integrated activities of financing, procurement and marketing, feed manufacturing, etc. - Bicol Integrated Cooperative Farming Society	Project is implemented on a small- scale basis due to limited funds.	The San Isidro Development Cooperative underwent rehabilitation which caused the delay in the implementation of the project. The Coop. suffered losses due to mismanagement while Mr. Felin was on training at IDACA.
8. Ms. AMELITA PROVIDO Cooperative Development Specialist II CDA Iloilo Extension Office 60 Ledesma cor. Jalandorri Sts., 5000 Iloilo	"Small Farmers Integrated Marketing Coop Project" - Integrated coop development - Iloilo Second Area Marketing Cooperative (ISAMCO)	Project was not implemented by the Coop.	Ms. Provide, however, is putting to good use her IDACA training as Coop Develop- ment Specialist of CDA.
9. Mrs. EDITH SUSAN VALDEZ Manager Coop Rural Bank San Pablo, San Nicolas Ilocos Norte	"Integrated Paddy Processing & Marketing Project - Processing and marketing of paddy - Ilocos Norte Federation of Farmers Coop	External funding sources is needed for implementing the project in a massive scale through the Coop Bank.	Mrs. Valdez is utilizing her training as Coop Bank Manager and is helping many Coops.
10. Mr. PHILMORE QUILAT c/o Cooperative Management Consultants 101-D Don Ramon Aboitiz St., Cebu City	"Rice Strawboard Manufacturing Plant - strawboard manufacturing plant - Bohol Federation of Agricultural Cooperatives.	The project is currently being implemented in Iloilo province. The coop implementor is the First Iloilo Area Marketing Cooperative.	The Rice Strawboard Plant will soon be inaugurated in Iloilo. Mr. Quilat, was appointed plant manager of the project. CUP, together with FIAMC was able to source out around P58 Million from various agencies for the RSB Project.

Name/Position/Address	Project Proposal/Nature of Project Coop./Orgn. Implementing the Project	Status of the Project	Problems faced in Implementing the Project/Remarks
<p>11. Mr. EDDIE LANTACA, Jr. General Manager Perpetual Help Credit Coop Dumaguete City</p>	<p>"Farmers Integrated Consumers Marketing Coop for Agro- Forestry Project in Negros Oriental"</p> <ul style="list-style-type: none"> - reorganization of farmers associations into multi-purpose coops and further their activities. 	<p>Project has been started since 1995 and is hoped to be finally implemented by the year-end 1997.</p>	<p>Some of the problems encountered in project implementation were:</p> <ol style="list-style-type: none"> 1. Availability of members/officers to attend scheduled seminars. The primary coops are scattered in the mountain areas and to gather them takes time due to the distances. Besides, these people are farming as their source of livelihood and to be away for some time is a big loss to their income. 2. Absorption in the seminar was also very slow since majority of the participants are only elementary graduates. 3. People are still stuck to the old-values that are hindrances to development.
<p>12. Mr. RONY FARQUERABAO Chairman EARN Foundation Cooperative c/o 1143 Sampaloc, Manila</p>	<p>"Coconut Husk Processing Plant Industry Project"</p> <ul style="list-style-type: none"> - to process coconut husk into twisted coirs and mattress fiber to add value to the product. 	<p>Project is not yet implemented due to lack of funds.</p>	<p>The coop is having a hard time looking for organizations to finance the project.</p>
<p>13. Mr. CLAUDIO OFRANCIA General Manager Hundred Islands Multi- Purpose Coop or 120 Bonifacio Drive Bgy. Lucao, Alaminos Pangasinan</p>	<p>"Organic Fertilizer Production Project"</p> <ul style="list-style-type: none"> - establishment of an organic fertilizer plant using rock phosphate, guano ore, seaweeds, animal manure and residues. - Western Pangasinan Federation of Cooperatives 	<p>Project has been implemented on a pilot basis. Its expansion to full capacity will still be undertaken.</p>	<p>The proponent, Mr. Ofraancia has submitted the proposal to various donor organizations. He was temporarily displaced as a Manager of the Hundred Islands Multi-Purpose Coop, which caused a delay in the full implementation of the project. Recently, he regained his position as General Manager of the primary coop. He is now sourcing additional funds for full implementation of the project.</p>

Presentation on Agricultural Cooperatives in Thailand

by

Dr. Adul Srithep

Co-operative League of Thailand

1. Agricultural Cooperative Movement in Thailand

The cooperative has been introduced in Thailand since 1916, At present, there are six types of cooperatives in Thailand. They are Agricultural Cooperatives, Land Settlement Cooperatives, Fishery Cooperatives, Consumers' Cooperatives, Saving and Credit Cooperatives and Service Cooperatives.

The growth of the cooperatives in Thailand as an institution for people's participation is seen from the variety of activities performed by the cooperative sector. As of January 1, 1997 there were in total 5,127 primary cooperatives with a total membership of 7,340,875 families.

Type	Number	Membership
1. Agricultural Cooperatives	3,143	4,336,512
2. Fishery Cooperatives	62	10,056
3. Land Settlement Cooperatives	95	131,691
4. Saving and Credit Cooperatives	1,119	1,985,444
5. Consumers' Cooperatives	361	762,429
6. Service Cooperatives	347	114,743
Total	5,127	7,340,875

1.1. Business Activities of Agricultural Co-operatives

In general, agricultural co-operatives in Thailand are set up among the farmers who are engaged in farming to undertake joint activities based on self help and mutual help. The business activities of agricultural co-operatives may be varied according to the local

1. To extend credit to the members
2. To receive deposit from the members
3. To collect agricultural produces / products from the members for marketing
4. To supply agricultural inputs to the members
5. To provide various to the members such as agricultural extension, irrigation system, land preparation and etc.

The detail information on the business volume and financial status of agricultural cooperative in Thailand is given in the papers.

1.2. Processing of Agricultural Produces in Agricultural cooperatives in Thailand

To enable the farmers members of agricultural cooperative in Thailand to earn higher income to their produces, it is necessary for the cooperative to arrange for processing and value added to the produces of the members.

Since the main crops in Thailand is rice, most of the cooperatives will provide facilities for processing of paddy to rice and marketed through the federation of agricultural cooperatives at the provincial and national level.

The government also tried to support the cooperatives in the field of agro- processing by providing various infrastructure such as storage, platform for drying the produces etc., as well as the revolving loan fund for purchasing the produces from the farmer members. Some processing plants have been granted to the cooperatives which deal with some specific produces such as palm oil extraction plant and processing plant for manufacturing of milk products for dairy cooperative.

Chiangmai is one of the province where the member of agricultural cooperatives produce various crops all year round such as rice, soybean, garlic and vegetables. Besides, there are some specific fruit tree that can grow in the northern part of Thailand

such as longan and lychee. Logan is a kind of fruit tree which can be harvested once a year during the period July - September. Most of the farmers will grow logan at least for their own consumption. The produces will be marketed to consumer and manufacturer for canning. Due to the price fluctuation, some year the farmers earned very low prices for their logan.

Efforts have been made by the cooperative and government agencies concerned to introduce the farmers to preserve and process logan. It is quite successful in Sarapee Agricultural cooperative Ltd. and maetaeng Land Settlement Cooperative ltd. where the technology of dehydrated was introduces to preserve the logan. In 1996, Sarapee agricultural cooperative Ltd. collected 341 tons of dehydrated logan produced by its members valued at 21.8 million Baht.

2. Participants of the ICA/Japan 6 months training courses

According to the record of the Co-operative League of Thailand, there were 14 participants from Thailand who attended the ICA/Japan 6 months training course since 1986. The names and address of the participants is given in Annex I

So far, 6 participants have left the services of the cooperatives. According to the survey of the CLT, none of the project proposals have been implemented by the cooperatives. The problems faced by them could be summarized as follows:

1. The participants who were not working with cooperatives found the difficulties to convince the cooperatives to accept the project proposal to implement in the cooperative.
2. The cooperatives have insufficient fund to invest in the project such as soybean project due to high investment in the project.

3. The cooperatives gave priority to other projects which they have to implement according to the government policies in which the grant fund from the government is given.

3. CLT's views as to the relevance of the training program and suggestions for future improvement

The 6 months training course is indeed a comprehensive training course in which the participants have been trained in various aspects of project preparation and appraisal. Comments for future improvement are:

1. The duration of the course is quite long. it is quite difficult for cooperative to release the managers to undertake the training course for 6 months.

2. The language is a big problem for the experienced managers of agricultural cooperatives in Thailand that hindered them from the training opportunity aboard.

3. Technically, it is recommended that the training course is of a high quality standard. Though, none of the project proposals have been implemented in Thailand. However, the participants could make use of the knowledge and experience of the training course in the project formulation of the cooperatives as well as for the Cooperative League of Thailand and the cooperative promotion Department.

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country paper

Agricultural Cooperatives Development in Thailand

ON

ICA/JA-Zenchu/IDACA

Asian Top Leaders Conference on

" Collaborative Strategies for the Development of Agricultural Cooperative in Asia "

Tokyo, Japan.

April 14-19, 1997

by : Dr. Adul Srithep

The Cooperative League of Thailand

Agricultural Cooperatives Development in Thailand

1. Historical Background

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

The first Cooperative Societies Act was promulgated in 2471 (1928) which was amended in 1934 broadening the scope of societies authorized. The land settlement cooperatives were organized in 1935. The consumers' and paddy marketing cooperatives were established in 1938. Service cooperatives were started in 1935 and farm products marketing in 1952. In 1954 there were 10,332 cooperatives of 22 types in 65 provinces of the country but the village credit cooperatives continued as the most importance.

In 1943, a Bank for Cooperatives was formed to serve as financial institute of the cooperatives and to take the place of government's direct lending. It was superseded in 1966 by the Bank for Agriculture and Agricultural Cooperatives with authority to lend to individual farmers, farmer associations and agricultural cooperatives.

— Currently, the cooperatives in Thailand is enforced by the Cooperative Societies Act B.E. 2511 enacted in 1968. It repealed the 1928 legislation. The important provision of the 1968 legislation were :

- (1) The restructuring of the cooperative infrastructure under the three - tiers system : district (amalgamating of village societies) ; provincial and national cooperative federation.
- (2) The establishment of the Cooperative League of Thailand as a national apex organization of the cooperative movement to function as the promotional and educational body of the cooperatives.

A government program to amalgamate cooperative societies was implemented during 1969 - 1972 merging several village level credit societies into district level cooperatives called "agricultural cooperative". This type of cooperative conducted multipurpose activities, serving the members' needs in credit, supplies, marketing, storage and processing, receiving deposits and improvement of land.

At present, there are six types of cooperatives in Thailand. They are Agricultural Cooperatives, Land Settlement Cooperatives, Fishery Cooperatives, Consumers' Cooperatives, Saving and Credit Cooperatives and Service Cooperatives.

The growth of the cooperatives in Thailand as an institution for people's participation is seen from the variety of activities performed by the cooperative sector. As of January 1, 1997 there were in total 5,127 primary cooperatives with a total membership of 7,340,875 families.

Type	Number	Membership
1. Agricultural Cooperatives	3,143	4,336,512
2. Fishery Cooperatives	62	10,056
3. Land Settlement Cooperatives	95	131,691
4. Saving and Credit Cooperatives	1,119	1,85,44
5. Consumers' Cooperatives	361	762,429
6. Service Cooperatives	347	114,743
Total	5,127	7,340,875

Unofficially, the first three types are grouped into agricultural cooperative type while the three later are classified as non - agricultural cooperative type.

2. Structure and Function of Agricultural Cooperatives

Agricultural Cooperatives in Thailand are organized in three - tiers structure : district or primary cooperatives ; provincial or changwat level federations ; and national federations.

District or primary cooperatives are made up of individual farmers producing primarily grain crops, livestock, fruits, vegetables and cut - flowers, etc. Within the society the members are divided into groups at the village level, based on commodity lines, for the purpose of rationalizing economic business or extension and training.

Provincial or changwat cooperative federations are intermediate or secondary level whose members consisted of primary cooperatives located in the administrative area of the province. At present, the agricultural cooperatives are federated at 76 cooperative federations at the provincial or changwat level to under take the joint business activities, especially, processing and marketing of the produces for their affiliated cooperatives.

The national level cooperatives are organized as the apex organizations of cooperatives whose member consisted of both primary agricultural cooperatives at the district level and provincial cooperative federations. At this level, the cooperatives are horizontally classified into two categories as follows:

- (1) The national federation related to multi-purpose agricultural cooperatives is the Agricultural Cooperative Federation of Thailand Ltd., (ACFT). This apex society is undertaking economic activities primarily in marketing important grain products, like rice, maize, etc., produced by the farmer members of cooperatives as well as supplying of agricultural inputs, like fertilizers, chemicals, farm machinery and equipment supply directly to cooperatives. The ACFT also engages in import and export.
- (2) Those apex societies related to specialized agricultural cooperatives are the Swine Raisers Cooperative Federation Ltd. and the Sugar-cane Growers Cooperative Federation Ltd., which are carrying out production and marketing activities of swine raisers and sugar-cane growers cooperatives respectively.

As already mentioned, the Cooperative League of Thailand (CLT) was established, under the Cooperative Societies Act B.E. 2511 (1968), as a national apex organization of the cooperative movement. The major activities of CLT are the training and promotion of cooperatives of all types throughout the country.

3. Organization of Agricultural Cooperatives

The organization of agricultural cooperatives are divided into two main parts :

- (1) The policy formulation and controlling.
- (2) The administration and management.

3.1 The policy Formulation and Controlling are composed of :

3.1.1 *General Meeting*: Generally, the general meeting is composed of all members. In case of the larger-size cooperatives or cooperative federations it will choose to have a general meeting by the representatives of members. The members shall be called to the general meeting at least once a year. It has the supreme power in decision making of the cooperative.

3.1.2 *Board of Directors*: The Board shall be elected yearly from the members by the general meeting. The duties of the Board are to manage all affairs of the cooperative in appropriate way according to the laws, by-laws, regulations, policies and the decisions of the general meeting.

3.2 *The Administration and Management*: This part consists of the manager and the operating staff. The manager is elected and appointed by the Board of Directors. In turn, the manager will elect and appoint the staff. The manager has his duty in managing of all day to day activities of cooperative according to the policies set up by the Board of Directos.

4. Relationship Between Government Agencies and Cooperatives

The Ministry of Agriculture and Cooperatives (MOAC) is responsible directly for policy and planning on cooperative development in accordance with the National Social and Economic Development Plan. Three Government agencies within MOAC perform a dominant role in the cooperative development as follows :

4.1 The Office for the Development of Farmers Institutions

According to the Cooperative Societies Act. B.E. 2511, the Cooperative Registrar is responsible for registration and controlling of cooperatives, appointing of cooperative auditors, and other works authorized by the Act. At present, the Permanent Secretary of the Ministry of Agriculture and Cooperatives is the Cooperative Registrar. The Office for the Development of the Farmer Institutions functions as secretariat office of the Cooperative Registrar.

4.2 Cooperatives Promotion Department (CPD)

CPD is in charge of supervising, regulating and promotion cooperatiyes including provision of technical and financial assistance to cooperatives. The Department is headed by a Director-General and three Deputy Director - Generals. There are 10 divisions with 53 sub - divisions and sections at head office which includes also the office of Cooperative Inspectors of 9 regions and Internal Checking Office. Locally, There are 44 Land settlement cooperative offices, 76 Provincial Cooperative Offices, 751 District Cooperative Offices, 9 Agricultural Cooperative Demonstration Centers, 10 Regional Cooperative Training Centers.

4.3 Cooperative Audit Department (CAD)

CAD is in charge of auditing of both cooperatives and farmer associations as well as providing advice and consultation in book keeping and accounting. CAD is also responsible for submitting

its audit reports to the Cooperative Registrar. The CAD has established 12 Regional Audit Centers to supervise the activities of the Provincial Audit Offices which located in 76 provinces.

Moreover, the other related agencies within MOAC, namely Department of Fisheries, Department of Livestock, Department of Agricultural and Department of Agricultural Extension etc., are providing technical assistance related to their fields to agricultural cooperatives and their members.

As well, a substantial assistance in marketing business is given by Ministry of Commerce. The assistance is made available to agricultural cooperatives in two respects. The first is to purchase milled rice of primary cooperatives through the government purchase program of rice via Public Warehouse Organization and ACFT. The second is to award quotas for the export of agricultural commodities to ACFT for the commodities purchased by primary cooperatives.

5. Business Activities of Agricultural Co-operatives

In general, agricultural co-operatives in Thailand are set up among the farmers who are engaged in farming to undertake joint activities based on self help and mutual help. The business activities of agricultural co-operatives may be varied according to the local conditions and crops. However, most of the business activities carried out by agricultural co-operatives in Thailand are as follows:

1. To extend credit to the members
2. To receive deposit from the members
3. To collect agricultural produces / products from the members for marketing
4. To supply agricultural inputs to the members
5. To provide various to the members such as agricultural extension, irrigation system, land preparation and etc.

6. Business Volume (fiscal Year 1995 : 30 April 1994 - 31 March 1995)

In fiscal year 1995, agricultural cooperatives in Thailand under took various business activities for the benefit of the members. The total business volume was 35,551.77 million Baht. The business volume increased over 1994 by 6,165.55 million Baht or 20.98% The volume of each business activities were as follows:

- 1. Credit Business:** In 1995, the total volume of credit business was 13,828.39 million Baht, composed of short term credit 8,467.23 million Baht, medium term credit 5,249.18 million Baht and long term credit 111.98 million Baht. The volume of credit business increased over 1994 by 1,500.65 million Baht or 12.17%
- 2. Saving Business:** In 1995, the total volume of saving business was 10,409.18 million Baht, composed of saving deposit 6,418.50 million Baht and time deposit 3,990.68 million Baht. The volume of saving business increased over 1994 by 3,148.36 million Baht or 143.36 %
- 3. Supply Business:** In 1995, the total volume of supply business was 7,056.32 million Baht. The volume of supply business increased over 1994 by 619.69 million Baht or 9.63 %. The commodities supplied by agricultural cooperatives were as follows:

Item	Total Sales		Sales to members	
	amount	Qty	amount	Qty
1. Fertilizer	2,271.72	517,903,377	1,837.15	326,688,933
2. Insecticide	223.99	-	179.50	-
3. Machinery	1,024.02	27,060	828.34	21,889
4. Agricultural tools	383.65	-	361.65	-
5. Seeding	182.45	-	156.14	-
6. Rice	263.43	34,749,135	189.67	20,238,132
7. Feed Stuff	821.88	-	702.14	-
8. Gasoline	1,122.54	266,575,790	535.98	64,409,499
9. Others	762.64	-	646.46	-
Total	7,056.32	-	5,437.03	-

3. Marketing Business : In 1995, the total volume of marketing business was 4,156.56 million Baht. The volume of marketing business increased over 1994 by 887.67 million Baht or 27.16 % The produces collected by agricultural cooperatives for marketing were as follows:

Produces	Total Collection		Member produces	
	Amount	Qty	Amount	Qty
1. Paddy	1,010.48	251,317,743	865.88	221,796,063
2. Maize	174.67	56,477,072	164.52	53,353,322
3. Beans	110.55	12,726,247	101.21	12,209,692
4. Sugar Cane	84.31	103,254,015	77.94	93,634,084
5. Sorghum	0.86	300,010	0.86	300,010
6. Cotton	3.89	234,047	3.78	172,694
7. Pineapple	117.79	68,821,957	115.22	66,845,941
8. Lin seed	0.77	145,009	0.67	107,026
9. Rubber	1,005.90	35,164,072	294.05	11,196,797
10. Cassava	32.90	28,454,290	18.11	17,951,399
11. Dried Chili	1.13	68,702	1.02	62,080
12. Bamboo shoot	0.72	-	0.03	-
13. Coffee	92.05	1,731,106	84.04	1,598,627
14. Kenaf	1.50	202,204	1.07	152,053
15. Tea	1.14	135,030	1.14	135,030
16. Coconut	3.17	481,545	0.13	19,905
17. Salt	21.62	44,429,170	18.23	41,527,000
18. Cow/sheep	46.14	-	46.14	-
19. Pig	131.27	-	130.39	-
20. Milk	1,186.62	141,499,638	1,004.47	119,768,309
21. Others	129.08	-	116.18	-
Total	4,156.56	-	3,045.08	-

4. Agricultural Extension Services Business:

In 1995, the volume of Agricultural extension services business was 101.32 million Baht, composed of land preparation service 3.61 million Baht, water pumping service 26.53 million Baht and other services 71.18 million Baht. The volume of agricultural extension service business increased over 1994 by 9.96 million Baht or 19.18%

7. Business Operation of Agricultural Co-operatives

According to the audit report of agricultural cooperatives in Thailand for fiscal year 1995, 2,237 agricultural cooperatives have been audited, out of which 1,720 cooperatives were engaged in business, 88 were not engaged in business activities. Out of 1,720 cooperatives that were engaged in business, 1,526 cooperatives were running in profit for the amount of 1,169.14 million Baht and 244 cooperatives suffered the loss for the amount of 28.97 million Baht. The result of operation were as follows:

7.1 Incomes: In 1995, the total Incomes of agricultural cooperatives was 14,614.81 million Baht, composed of Incomes from credit business 2,175.43 million Baht, supply business 7,056.32 million Baht, marketing business 4,690.03 million Baht, services business 101.33 million Baht, and other Incomes 304.39 million Baht. The total Incomes increased over 1994 by 1,865.01 million Baht or 14.63 %

7.2 Operating Costs: In 1995, the total operating costs of agricultural cooperatives was 13,474.64 million Baht composed of credit business 645.90 million Baht, supply business 6,634.63 million Baht, marketing business 4,592.21 million Baht, agricultural extension services business 71.02 million Baht. Expenses on business 497.78 million Baht and other expenses 1,033.10 million Baht. The total operating costs increased over 1994 by 1,675.61 million Baht or 14.20 %. The total operating costs was 92.20 % of the total incomes.

7.3 Net Profit: In 1995, the total net profit of agricultural cooperatives was 1,140.17 million Baht. The net profit increased over 1994 by 189.40 million Baht or 19.92 %

8. Financial Status of Agricultural Co-operatives

As at the end of fiscal year 1995 (31 March 1995), the financial status of agricultural cooperatives was summarized as follows:

8.1 In 1995, the total assets of agricultural cooperatives was 26,345.73 million Baht. The total assets increased over 1994 by 3,346.72 million Baht or 14.55%, composed of :

8.1.1.	Current assets	24,164.04 million Baht or 91.72%
8.1.2.	Fixed assets	1,717.14 million Baht or 6.52%
8.1.3.	Other assets	464.55 million Baht or 1.76%

8.2 Liabilities.

In 1995, the total liabilities of agricultural cooperatives was 16,213.33 million Baht or 61.54% of the working capital. The total liabilities increased over 1994 by 2,154.35 million Baht or 15.32%, composed of :

8.2.1.	Current liabilities	15,065.53 million Baht or
8.2.2.	Long term liabilities	265.73 million Baht or
8.2.3	Other liabilities	882.07 million Baht or

8.3 Own Funds

In 1995, the total own funds of agricultural cooperatives was 6,012.31 million Baht. The total own funds increased over 1994 by 1,192.37 million Baht or 13.34%, composed of :

8.3.1.	Share capital	6,012.31 million Baht
8.3.2.	Reserve	2,389.24 million Baht
8.3.3	Accumulated funds	675.35 million Baht
8.3.4	Net profit before distribution	35.10 million Baht
8.3.5.	Net profit	1,140.17 million Baht
8.3.6.	Accumulated Loss	119.77 million Baht

9. Revolving Funds

In 1995, the total revolving funds of agricultural cooperatives was 9,098.51 million Baht. The revolving funds increased over 1994 by 1,052.80 million Baht or 13.09%

10. Working Capital

In 1995, the total working capital of agricultural was 26,345.73 million Baht. The working capital increased over 1994 by 3,346.77 million Baht or 14.55%

Summary: In fiscal year 1995, agricultural cooperatives in Thailand undertook various business activities to serve their members. The major business activity which brought the highest incomes to the cooperatives was the supply business valued at 7,056.32 million Baht. The major commodities supplied by agricultural cooperatives was fertilizer valued at 2,271.72 million Baht or 32.19 % of the supply business. The other activity was the marketing business valued at 4,690.03 million Baht. The major produces collected by agricultural cooperatives was milk valued at 1,186.62 million Baht or 28.55 % and paddy valued at 1,010.48 million Baht or 24.31 % of the marketing business.

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Table 1: No of Agricultural Cooperative

Item	1991	1992	1993	1994	1995	Average
Beginning Balance	1,373	1,486	1,695	1,900	2,354	1,761.60
Increase during the year	113	209	205	454	265	249.20
Decrease during the year	-	-	-	-	5	1.00
Balance	1,486	1,695	1,900	2,354	2,614	2,009.80
Increased No	113	209	205	454	260	248.20
Percentage	8.23	14.06	12.09	23.89	11.05	13.86

Table 2: No. of Member of Agricultural Cooperative

Item	1991	1992	1993	1994	1995	Average
Beginning Balance	917,731	1,017,459	2,057,455	25,154,493	3,029,107	1,907,449.00
Increase during the year	144,743	1,088,886	675,301	564,177	87,527	512,126.80
Decrease during the year	45,015	48,890	217,263	50,563	62,078	84,761.70
Balance	1,017,459	2,057,455	2,515,493	3,029,107	3,054,556	2,334,814.00
Increased No	99,728	1,039,996	456,038	53,614	25,449	427,365
Percentage	10.87	102.22	22.26	20.42	0.84	31.32

Table 3: Share Capital

Item	1991	1992	1993	1994	1995	Average
Beginning Balance	2,448.47	2,886.38	3,603.64	4,331.16	5,295.69	3,713.07
Increase during the year	628.91	895.06	1,032.81	1,265.80	1,061.64	976.84
Decrease during the year	191.00	177.80	305.29	301.27	345.02	264.07
Balance	2,886.38	3,603.64	4,331.16	5,295.69	6,012.31	4,425.84
Increased No	437.91	717.26	727.52	964.53	716.62	712.77
Percentage	17.88	24.85	20.19	22.27	13.53	19.74

Table 4: Business Volume

Item	1991	1992	1993	1994	1995	Average
Credit Business	8,190.77	9,380.82	10,863.43	12,327.74	13,828.39	10,918.23
Saving Business	3,919.49	4,360.44	5,199.91	7,260.82	10,409.18	6,229.97
Supply Business	2,348.66	2,803.83	3,702.22	6,436.63	7,056.32	4,469.53
Marketing Business	3,287.78	2,846.36	2,530.19	3,268.89	4,156.56	3,217.96
Extension Services	44.10	97.94	79.16	92.14	101.32	82.93
Total	17,790.80	19,489.39	22,374.91	29,386.22	35,551.77	24,918.62
Amount increased	3,237.16	1,698.59	2,885.22	7,011.31	6,165.55	4,199.63
% Increased	22.24	9.55	14.81	31.34	20.98	19.78

Table 5: No of Agricultural Cooperative Audited

Item	1991	1992	1993	1994	1995
In operation	1,282	1,402	1,603	1,853	1,720
Stop operation	6	-	33	52	67
No operation	71	109	55	65	450
Total	1,359	1,511	1,691	1,970	2,237

Table 6 : No of Agricultural Cooperative Operated in profit/loss

Item	1991		1992		1993		1994		1995	
	Coop	Amount	Coop	Amount	Coop	Amount	Coop	Amount	Coop	Amount
Operated in profit	1,025	503.08	1,173	721.38	1,278	711.23	1407	993.62	1526	1169.14
operated in loss	229	(37.12)	229	(36.42)	252	(47.21)	238	(42.85)	244	(28.97)
No profit/loss	28	-	-	-	161	-	325	-	467	-
Total	1,282	465.96	1,402	684.96	1,691	664.02	1970	950.77	2237	1140.17

Table 7 : Credit Business

Item	1991	1992	1993	1994	1995	Average
Short Term Loan	4,841.22	5,821.11	6,878.32	7,639.74	8,467.23	6,729.52
Medium Term Loan	3,320.30	3,555.87	3,978.65	4,684.19	5,249.18	4,157.64
Long Term Loan	29.25	3.84	6.46	3.81	111.98	31.07
Total	8,190.77	9,380.82	10,863.43	12,327.74	13,828.39	10,918.23
Amount increased	1,496.47	1,190.05	1,482.61	1,464.31	1,500.65	1,426.82
% Increased	22.35	14.53	15.80	13.48	12.17	15.67

Table 8 : Saving Business

Item	1991	1992	1993	1994	1995	Average
Saving Deposit	2,415.61	2,648.71	3,077.80	4,213.08	6,418.50	3,754.74
Time Deposit	1,503.88	1,711.73	2,122.11	3,047.74	3,990.68	2,475.23
Total	3,919.49	4,360.44	5,199.91	7,260.82	10,409.18	6,229.97
Amount increased	633.00	440.95	839.47	2,060.91	3,148.36	1,424.54
% Increased	19.26	11.25	19.25	39.63	43.36	26.55

Table 9 : Business Volume

Item	1991	1992	1993	1994	1995
Supply Business					
Fertilizer	939.82	1,050.43	1,224.99	2,006.61	2,271.72
Insecticide	120.79	139.13	181.59	214.33	223.99
Machinery	238.00	228.03	551.74	1,247.12	1,024.02
Agricultural Tools	50.81	104.04	65.85	224.08	383.65
Seeding	46.60	46.91	109.42	188.98	182.45
Rice	192.35	261.92	266.70	273.57	265.43
Feed Stuff	348.13	344.60	473.45	652.90	821.88
Gasoline	34.24	127.36	252.91	868.89	1,122.54
Other Commodities	377.92	465.41	575.57	760.19	762.64
Total	2,348.66	2,803.83	3,702.22	6,436.63	7,056.32
Marketing Business					
Paddy	588.69	1,007.77	1,007.34	1,165.47	1,010.48
Maize	111.97	146.16	136.65	129.02	174.67
Beans	125.80	89.99	102.63	124.77	110.55
Sugarcane	108.54	47.14	53.22	57.03	84.31
Sorghum	1.62	1.50	1.04	0.05	0.86
Cotton	32.80	32.34	15.83	5.45	3.89
Pineapple	219.02	252.35	280.24	151.08	117.79
Lin seed	1.58	2.51	1.07	1.11	0.77
Kenaf	1.32	1.41	4.08	1.71	1.50
Rubber	128.67	142.44	164.57	206.24	1,005.90
Casava	13.59	14.32	6.84	5.98	32.90
Salt	0.01	-	0.10	21.18	21.62
Dried Chili	1.14	0.74	0.46	0.92	1.13
Bamboo Shoot	2.60	3.76	1.10	2.26	0.72
Coffee	5.49	16.17	43.00	60.89	92.05
Tea	0.54	0.73	0.92	1.90	1.14
Coconut	1.97	0.97	3.54	1.23	3.17
Rambutan	0.02	0.01	0.12	-	-
Tobacco	-	-	-	29.59	-
Cow/Sheep	23.72	28.21	31.54	56.81	46.14
Pig	375.93	299.63	249.67	184.91	131.27
Milk	819.98	581.36	319.39	783.23	1,186.62
Others	722.78	176.85	106.84	278.06	129.08
Total	3,287.78	2,846.36	2,530.19	3,268.89	4,156.56
Extension Services					
Land Preparation	9.25	8.00	11.63	5.18	3.61
Water Pumping	17.07	24.82	29.91	30.97	26.53
Demonstration Field	0.03	0.26	-	0.04	-
Others	17.75	64.86	37.62	55.95	71.18
Total	44.10	97.94	79.16	92.14	101.32

Table 10 : Financial Status of Agricultural Cooperative

Item	1991	1992	1993	1994	1995
Current Assets					
Cash&Bank Deposit	1,124.50	1,525.37	2,060.46	2,777.26	3,342.61
Payment ib transit	12.08	10.38	23.08	54.99	35.25
Short term investment	2.99	3.04	6.46	44.08	141.68
Account Receivable - trading	268.05	298.01	348.76	469.06	496.82
-Loan	9,973.51	11,922.26	14,014.92	16,399.33	18,123.74
-Service fee	-	-	3.46	13.51	9.88
-Others	152.11	182.38	201.86	325.97	414.49
Less Doubtful Debt	(143.51)	(157.14)	(161.43)	(190.41)	(269.29)
Accrued Interest	253.11	191.68	175.34	265.88	420.92
Less Bad debt	(92.42)	(86.31)	(85.83)	(103.03)	(114.67)
Inventories	452.36	775.16	875.14	967.75	937.70
Raw Material	45.58	20.83	24.51	30.86	36.23
Other Current Assets	89.51	78.21	91.57	349.85	588.68
<i>Total Current Assets</i>	12,137.87	14,763.87	17,578.30	21,405.10	24,164.04
Fix Assets					
Rental Right	6.97	3.84	5.01	2.01	3.87
Land	165.09	190.21	260.86	403.31	617.01
Buildings	270.72	330.77	373.05	447.67	524.20
Building under Construction	15.18	14.12	21.55	43.49	120.84
Machine	81.76	126.48	137.24	164.35	185.70
Vehicles	54.57	66.96	78.88	114.03	145.38
Breeding Cattles	0.62	1.44	1.55	1.76	5.30
Office Equipment	39.56	50.81	60.24	91.50	114.84
<i>Total fixed Assets</i>	634.59	784.66	938.78	1,268.12	1,717.14
Other Current Assets					
Licence	0.12	0.03	0.40	5.16	1.09
Investment	143.26	142.97	160.09	216.27	281.29
Deferred Expenditures	49.92	37.69	32.27	55.14	81.35
Others	23.39	28.24	33.01	49.22	100.82
<i>Total other Assets</i>	216.57	208.90	225.37	325.79	464.55
Total Assets	12,989.03	15,757.43	18,742.45	22,999.01	26,345.73

Table 10 : Financial Status of Agricultural Cooperative

Item	1991	1992	1993	1994	1995
Current Assets					
Cash&Bank Deposit	1,124.50	1,525.37	2,060.46	2,777.26	3,342.61
Payment ib transit	12.08	10.38	23.08	54.99	35.25
Short term investment	2.99	3.04	6.46	44.08	141.68
Account Receivable - trading	268.05	298.01	348.76	469.06	496.82
-Loan	9,973.51	11,922.26	14,014.92	16,399.33	18,123.74
-Service fee	-	-	3.46	13.51	9.88
-Others	152.11	182.38	201.86	325.97	414.49
Less Doubtful Debt	(143.51)	(157.14)	(161.43)	(190.41)	(269.29)
Accrued Interest	253.11	191.68	175.34	265.88	420.92
Less Bad debt	(92.42)	(86.31)	(85.83)	(103.03)	(114.67)
Inventories	452.36	775.16	875.14	967.75	937.70
Raw Material	45.58	20.83	24.51	30.86	36.23
Other Current Assets	89.51	78.21	91.57	349.85	588.68
<i>Total Current Assets</i>	12,137.87	14,763.87	17,578.30	21,405.10	24,164.04
Fix Assets					
Rental Right	6.97	3.84	5.01	2.01	3.87
Land	165.09	190.21	260.86	403.31	617.01
Buildings	270.72	330.77	373.05	447.67	524.20
Building under Construction	15.18	14.12	21.55	43.49	120.84
Machine	81.76	126.48	137.24	164.35	185.70
Vehicles	54.57	66.96	78.88	114.03	145.38
Breeding Cattles	0.62	1.44	1.55	1.76	5.30
Office Equipment	39.56	50.81	60.24	91.50	114.84
<i>Total fixed Assets</i>	634.59	784.66	938.78	1,268.12	1,717.14
Other Current Assets					
Licence	0.12	0.03	0.40	5.16	1.09
Investment	143.26	142.97	160.09	216.27	281.29
Deferred Expenditures	49.92	37.69	32.27	55.14	81.35
Others	23.39	28.24	33.01	49.22	100.82
<i>Total other Assets</i>	216.57	208.90	225.37	325.79	464.55
Total Assets	12,989.03	15,757.43	18,742.45	22,999.01	26,345.73

Table 10 : Financial Status of Agricultural Cooperative(Cont)

Item	1991	1992	1993	1994	1995
Current Liabilities					
Bank overdraft & borrowing	4,237.71	5,536.91	6,384.02	7,471.23	7574.89
Account Payble on Trading	538.25	395.45	725.89	981.20	974.38
Portion of Long Term Loan	41.13	61.42	56.34	76.65	89.40
Deposit Receivec	2,250.10	2,397.26	3,074.68	4,127.12	5,570.87
Contribution Fee to CLT	12.23	11.49	13.75	13.31	16.40
Other Current Liabilities	265.54	383.64	429.20	689.88	839.59
Total Current Liabilities	7,164.96	8,786.17	10,683.88	13,359.39	15,065.53
Long Term Liabilities					
Account Payable on Loan	123.23	144.62	188.44	201.88	264.03
Others	9.29	12.16	5.35	0.15	1.70
Total Long Term Liabilities	132.52	156.78	193.79	202.03	265.73
Other Liabilities					
Reserve funds for staffs	-	-	-	123.97	139.59
Retirement allowance	-	-	-	229.44	262.31
Deferred Income	37.44	1.54	0.80	7.40	2.45
Others	237.26	286.44	366.71	136.75	477.72
Total Other Liabilities	274.70	287.98	367.51	497.56	882.07
Total Liabilities	7,572.18	9,230.93	11,245.18	14,058.98	16,213.33
Equities					
Share Capital	2,886.38	3,603.64	4,311.16	5295.69	6012.31
Reserve Fund	1,781.46	1,921.10	2,100.06	2237.79	2389.24
Accumulated Funds	362.73	409.35	507.74	574.80	675.35
Net Profit before distribution	-	3.53	3.38	12.81	35.10
Net Profit/Loss	465.96	684.96	664.02	950.77	1140.17
Accumulated Profit/Loss	(79.68)	(69.08)	(109.09)	(131.83)	(119.77)
Total Equities	5,416.85	6,526.50	7,497.27	8940.03	10132.40
Total Liabilities and Equities	12,989.03	15,757.43	18,742.45	22999.01	26345.73

ICA/JA - ZENCHU/IDACA TOP LEADERS CONFERENCE ON

**"COLLABORATIVE STRATEGIES
FOR THE DEVELOPMENT OF
AGRICULTURAL COOPERATIVES IN ASIA"**

Tokyo, Japan Apr. 14 - 19, 1997 .

A COUNTRY PAPER

PRESENTED BY MRS. LE MY PHO
VICE - DIRECTOR OF INT'L ECONOMIC RELATIONS DEPT.
VIETNAM COOPERATIVES UNION (VCU)

- Representative of MAFF, Government of Japan
- Representative of JA-Zenchu
- Mr. Nakaoka, Managing Director of IDACA
- Mr. Prakash, ICA/ROAP
- Representative of JICA

First of all please allow me extending my sincere thanks to IDACA and ICA/ROAP for inviting me to attend this meaningful Conference. I hope that this will be a good and effective chance for, at least, all of us here to discuss and share our views on strategies for the development of agricultural cooperatives in Asia and each country also. I hope that most of you here, if not all, knew that the first Cooperative Laws of Vietnam was approved by the National Assembly of Socialist Republic of Vietnam in March, 1996. Now, some enactments have been passed through by our Government, for the implementation of the Law, such as : the enactment on the tasks, powers and responsibilities relating to State management of all Ministries, other related State agencies and People's Committee at all levels on cooperatives; the enactment on encouraging the development of cooperatives and the enactment on transforming, registering cooperatives and the organization of cooperative union. Along with the Law on Cooperatives, these decrees are the legal and solid foundation for the development of cooperative movement in our country because although the first cooperative in Vietnam was established 50 years ago but only up to now we have the first Cooperative Law. This Law not only conforms with the situation of cooperative movement also with the economic Renovation in our country in the market economy, it also ensures all the principles and values of cooperative.

I think that a lot of you here know and hear of my organization, that is the Vietnam Cooperatives Union (VCU). Now I would like to have a few words about it. VCU has been formally established since 1993, before that it was known as the Central Council for the Supplying and Marketing Cooperatives of Vietnam. VCU has two main functions : the first is to support cooperatives in Vietnam and the other is to represent for the cooperative movement in Vietnam. Before the approval of Law on Cooperatives, VCU was only engaged in four fields of cooperatives, namely trading and service, construction, transportation and small - handicraft industry. But now according to new Law, VCU is in charge and responsible for all types of cooperatives, namely in 9 fields : agriculture, industry, transportation, construction, trading and service, fishery, forestry, insurance and credit, handicraft and small industry. So VCU now is more responsible for the development of cooperative movement in Vietnam. The organizational structure of VCU as follows :

- President
- Vice Presidents (4)
- Executive Board (51 members)
- Specialized departments :
 - . Administrative Dept.
 - . Mass organization and personnel Dept.
 - . Supervision Dept.
 - . Policy and Law Dept.
 - . Int'l Economic Relations Dept.
- Two centers :
 - . Center for Promoting Non-State Enterprises and Cooperative (NEDCEN)
 - . International Cooperation Promotion Center (ICPC)
- Two training schools.

Besides VCU has 16 companies directly belonging to. Before Vietnam had only 53 cities and provinces but now it has 61 ones. Under VCU, we have local councils in 58 provinces and cities so it is very easy for VCU to get situation of each locality.

Among all the fields, agricultural sector is the largest and intensive labour one. Now we are conducting some practical study to agricultural areas and to see how we can reorganize the agricultural cooperatives.

Policies of priorities supporting and assistance to coops. have been gradually solved; decrees and model by-laws to coop. types have been drafted and carefully discussed for the approval from the Government. The cooperative movement for the last two years has been experiencing active changes; coops. have overcome the crisis period and are transferring to a new era of their development, vertically and horizontally, with 25,000 cooperatives of all types in the fields of agriculture, handicraft and small industry, trading and services, transportation, construction, credit, fishery, ect. Out of that, many coops. have been gradually renovated and reorganized. The share of coops. that are effectively doing their business is increasing; besides a lot of coop. economic types and coops. of various kinds have been established to make their contribution to job settlement, to poverty elimination in rural areas. International relations in the coop. sector have been expanding day by day and gaining practical achievements. However from the real situation and on the ground of checking the 26 proposed recommendations, we can see that a lot of problems need more active concern and settlement, among that the important task is to popularize widely the Law on Cooperatives, model by-laws and decrees to bulk of the population to organize transportation and re-registration for cooperatives in accordingly with and following strictly the principles of organization and operation of stated by the Law on Cooperatives. At the

same time, VCU has been organizing the study and deployment of representing and supporting activities to cooperatives of all industries, economic sectors, mobilizing, popularizing and developing diversified coop. economies in line with Laws of economic development in Vietnam in this period; making contribution to the course of industrialization and modernization.

Thanks to the development of agriculture, Vietnam no longer suffers from food deficit but can export a large amount of rice and other agro-products, creating important precondition for the country to further develop in a new era-industrialization and modernization.

Currently, Vietnam is facing with great challenges to maintain its high and sustainable growth rate in agriculture in particular and in rural economics in general, simultaneously to develop rural culture and society, and to protect and improve rural development. During this process, a cooperative is an appropriate form for farmers to mobilize resources to overcome starvation and poor and to develop economy. However, promotion of coop. movement in Vietnam requires to implement under the new guideline suitable to market-oriented economy.

According to the Cooperative Law, a cooperative is a self-governing economic organization established in accordance with provisions of law by laboures who share common need and interests, and volunteer to contribute capital and labour to bring into play the strength of collective and of individual cooperative members so as to assist one an other in carrying out more efficiently production, business and service activities and improving their living conditions. Thus contributing to the nationanl economic and social development. Therefore the new coops. set up under the law on coop. will be really self-governing and independent of coop. members and be diffierent form former coops. established in the previous centralized

same time, VCU has been organizing the study and deployment of representing and supporting activities to cooperatives of all industries, economic sectors, mobilizing, popularizing and developing diversified coop. economies in line with Laws of economic development in Vietnam in this period; making contribution to the course of industrialization and modernization.

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planned mechanism. New coops. will contribute to encouraging dynamism of farmers, to fully use potential available in rural area for socio-economic development and improvement of living standard of coop. members themselves.

The law clearly determines authority, function and task of cooperatives; organizational principles, organization and activities of cooperatives; issues related to registration of cooperative; Congress of coop. members; the rights and obligations of coop. members; asset and fund of cooperative. The documents in which stipulations for implementation of Coop. Law are specific clarifies function and tasks of state management agencies at levels to cooperative; Government policies to encourage development of cooperatives such as policy for land rental and reduction of land rent; policy on tax exemption; policy on loan; policy for training cooperative; policy on export and import and joint venture in consumption of products; policy on social insurance. These documents also specifically stipulate former cooperatives establish in the centralized economic management mechanism to new coops. registered under the Cooperative Law.

In the coming years, the Government of Vietnam will stimulate and provide facilities for the established cooperatives to make change to coops. running under the Law and will encourage development of variety of new economic cooperation of farmers in rural areas. In order to achieve this objective, the following are planned to implement :

- Continue to improve legal documents on cooperative; ministries and involved sectors will develop and provide cooperatives with introductions in the field of them-selves on implementation of cooperative law.
- Organize information, education and communication on idea and contents of law on cooperative for officials at levels, officers involved in movement of cooperative development, officers in charge of management of

cooperative, cooperative members and persons who will become cooperative members.

- Support involved officials in the system of state management agencies and officers for cooperatives.
- Provide support in establishment of new cooperatives in different areas and localities so as other localities would learn their experience. The experience of the model cooperatives will also help improve Government policies for cooperatives.
- Reinforce activities on international cooperation with concerned agencies and in-and out-region and organizations through programmes on cooperative to share and learn experience in development of cooperative in particular agricultural multi-form cooperative of farmers.
- For the period of 1996-2000, the major objectives of Vietnam on rural development include : to steadily resolve national food security; to develop diversified rural economy with annual growth rate at 4.5 - 4.7 percent; to increase double farmer income in comparison with 1993; to have twenty percent of the number of poor households; to limit the growth speed of disparity on living standard in rural areas and between rural and urban areas; to develop rural infrastructure; to strengthen protection of natural resources with a particular emphasis on land, forest and to improve rural environment.

The agricultural cooperation movement has undergone a period of nearly 40 years of construction and development in the Northern Region of Vietnam and 20 years in the Southern Region after the unification of the country (1975).

At the highest point of the movement (1987), there were 17,022 agricultural coops. and 36,352 agricultural production groups in the whole country, absorbing 70% of peasant households.

Implementing the renovation policy of the Party, especially after the Resolution No.10 was approved by poliburo of the Party (1988), a lot of cooperatives, production groups under the former mechanism could not fit the new situation and had to be dissolved. Dissolved agricultural cooperatives accounted for 20% of total agricultural coops. in the whole country, and that of production groups was 93%. The remaining division the increasing number of coops. was 2,500. At present in the whole country, there are more than 16,000 agricultural coops. and 2,500 agricultural production groups, sharing nearly 60% of total agricultural households.

Existing coops. can be divided into the 3 groups : - Effectively renovated cooperatives : these account about 10% of total cooperatives. They carry out essential services for the development of household economy of members such as : irrigation, seeds provision, plant protection, seasonal farming guidance and providing fertilizer as required by members.

These cooperatives still have confidence from their members :

- Coops. which carry out one or two service activities, account for 40%.

The main services are irregation, seasonal farming guidance.

- Inefficiently functioned coops. account for 50%. The existence of these coops. is merely a formality.

However, in many places farmers still have demand of cooperating, especially in places the production is developed.

In areas existing dissolved cooperatives and in areas of existing cooperative, farmers voluntarily establish various cooperation groups in order to help each other overcome difficulties and develop production.

In order to create favourable conditions for the renovation and development of cooperative movement in conformity with the new situation, in March 1996 Law on Cooperatives of Vietnam was approved by the National Assembly, regulating basic principles for activities of cooperatives at present stage. Basically cooperatives in Vietnam observe principles similar to that of ICA :

1. voluntary
2. Democratic Management and Equality
3. Self responsibility and mutual benefit
4. Benefit distribution assuring the combination of member's interests and cooperative development
5. Cooperation and community development, cooperation among cooperatives domestically and internationally in conformity with Laws.

In order to renovate and develop agricultural cooperatives in the spirit of the Law on Cooperatives of Vietnam, following tasks should be implemented :

1. To concretize legal grounds, create favourable environment for new transformation and development of agricultural cooperatives :

Model by-laws and concrete guidance should be established and issued.

At present the Government is considering draft by-laws of 6 industries, including agriculture, and regulations regarding to the transformation of the existing cooperatives under the former mechanism into coops. with new mechanism, coop. encouraging policies and relevant regulations.

Ministry of Agriculture and Rural Development is studying to issue professional guidances. At the same time provinces are establishing projects and action plans.

2. Staff training and propagande :

On the one hand, people should be informed and explained the State directions for agricultural coops. movement. At this time, perception of farmers on this matters is very limited and they still have strong impression on the cooperatives of the old model.

On the other hand, we should urgently train specialist and staff for coop. movement. For agricultural coops. in particular, we should train about 2,000 managers at provincial and district levels and teachers for cooperative training schools. At the same time, in order to serve the transformation of existing cooperatives, we should train 30,000 root personels.

Training is the key factor in renovation and development of cooperative movement.

Ministry of Agriculture and Rurul Development is studying a standard programme for training work. Managers in agriculture and rural development are organizing pilot training courses.

3. To establish models, draw experiences and multiply :

At present we still has not had a comprehensive model in the field of agriculture and rural development in the spirit of the Law on Cooperative, so we should quickly establish modes in order to draw experiences and then multiply in areas. This work is carried ott in almost all of provinces.

VCU'S VIEWS AS TO THE RELEVANCE OF THE TRAINING PROGRAM

The first training course of 6 months duration for "Strengthening Management of Agricultural Cooperatives" was held during 1986 - 1987. For the last 10 years, there have been 6 participants from VCU attending courses on "Strengthening Management of Agricultural Cooperatives in Asia". Their names and their proposed projects they want them to be implemented in the future as follows :

COUNTRY : Vietnam

NAME OF PROJECT : CAGE FISH RAISING COOPERATIVE PROJECT

PREPARED BY : Mr. NGUYEN QUOC TUY
Participant to 6th course, 1991/92

PROJECT OBJECTIVE : To construct cages for fish raising and marketing for better returns to members.

NATURE OF PROJECT : Raising of fish in bamboo cages along the river and marketing for better returns.

NAME OF ORGANISATION : Hanoi Supply and Marketing Cooperative Union

FINANCIAL OUTLAY : Dong : 636,000,000
Working capital : 336 mill. dong
Loans : 30% from banks
Others : 50%, members 20%
IRR : 56.36
Pay back period : yrs.

EXPECTED BENEFITS TO : Increased income to members,
COOPERATIVE MEMBERS : and better marketing of catch.

REMARKSCURRENT STATUS Project implementaion details awaited.

COUNTRY :	Vietnam
NAME OF PROJECT :	PROJECT ON DEVELOPING TRADITIONAL HANDICRAFT PRODUCTS
PREPARED BY :	Mr. LE VAN NHU Participant to 7th Course, 1992/93
PROJECT OBJECTIVE :	To develop and expand off-farm income of farmers by production of traditional handicraft items.
NATURE OF PROJECT :	Development of embroidery, weaving, tailoring and making cakes as off-farm income augmentation.
NAME OF ORGANISATION :	Xuandinh Agricultural Cooperative
FINANCIAL OUTLAY :	Dong : 507 million Own funds : Dong 123 million Loans : Dong 332 million
EXPECTED BENEFITS TO : COOPERATIVE MEMBERS :	Increased off-farm income to members.
REMARKSCURRENT STATUS	Project implementaion details awaited.

COUNTRY :	Vietnam
NAME OF PROJECT :	MARKETING OF MILK PROJECT
PREPARED BY :	Ms. PHUNG THI NGAN HA Participant to 8th course, 1993/94
PROJECT OBJECTIVE :	To collect and market milk
NATURE OF PROJECT :	Development of milk marketing
NAME OF ORGANISATION :	Phu Dong Cooperative
FINANCIAL OUTLAY :	Dong : 381,800,000 Own funds : Dong 95.4 million Loans : Dong 286.3 million IRR 12.1% Pay back period : 3.5 yrs.
EXPECTED BENEFITS TO : COOPERATIVE MEMBERS :	Increased income to members.
REMARKSCURRENT STATUS	Project implemetation details awaited.

COUNTRY :	Vietnam
NAME OF PROJECT :	CASSAVA STARCH PROCESSING PLANT
PREPARED BY :	Ms. TRAN KIM LINH Participant to 9th courst, 1994/95
PROJECT OBJECTIVE :	To establish cassava starch processing plant
NATURE OF PROJECT :	Construction of starch processing plant for cassava to increase income of farmers/
NAME OF ORGANISATION :	Linh Xuan Cooperative
FINANCIAL OUTLAY :	Dong : 500 million Own funds : 150 mill. dong Loans : 200 million from Government Govt. Subsidy : 150 million dong IRR : 8.58% Pay back period : 7.5 yrs.
EXPECTED BENEFITS TO : COOPERATIVE MEMBERS :	Increased income to members through processing and marketing of cassava starch.
REMARKS\CURRENT STATUS	Project to be submitted for approval to concerned authorities on completion of training.

COUNTRY	Vietnam
NAME OF PROJECT :	SOYA MILK PROCESSING PLANT
PREPARED BY :	Ms. TRUONG NGOC OANH Participant to 9th course, 1994/95
PROJECT OBJECTIVES :	To establish a soya milk factory
NATURE OF PROJECT :	Processing of Soya into milk for retail marketing
NAME OF ORGANISATION :	Saigon Cooperative, Saigon
FINANCIAL OUTLAY	USD : 2,575,000 Own funds : \$ 475,000 Foreign collaborator : \$ 882,1430% from Loans : \$ 1.2 million IRR : 11.24% Pay back period : 9 yrs.
EXPECTED BENEFIT TO : COOPERATIVE MEMBERS :	Increased income to members, and better marketing of soya milk;
REMARKS\CURRENT STATUS	Project will be submitted for approval by the participant on return to her country after training.

COUNTRY	Vietnam
NAME OF PROJECT :	JUTE PLANTING, PRODUCTION AND PROCESSING PROJECT
PREPARED BY :	Mr. PHAM MINH DUC Participant to Tenth Course, 1995/96
PROJECT OBJECTIVE :	To encourage farmers to plant and produce jute for increasing their incomes.
NATURE OF PROJECT :	Planting, Production and Processing of Jute
NAME OF ORGANISATION :	
FINANCIAL OUTLAY :	
EXPECTED BENEFITS COOPERATIVE MEMBERS :	Higher incomes through better yields
REMARKS\CURRENT STATUS :	<p>May, 1996 to June, 1996 I have discussed with President of Thai Binh Cooperative Federation for project "Jute products factory". This project have not established yet with reasons :</p> <ol style="list-style-type: none"> 1. Restrict the market : <ul style="list-style-type: none"> - Jute products can not be marketed in Russia that traditional market - Compete with Thanland and China in trade of Jute products 2. Decrease in raw metarial : Exchange of land law, so that farmers grew better effectient crop. 3. Projects only can be established on condition that : <ul style="list-style-type: none"> - Quality of Jute products must be better with new technologies - Recover market was lost - Sufficient capital.

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Overall, all the participants want these projects to be realized but the conditions for this implementation are insufficient, although they have some certain advantages, e.g : the project proposed by Ms. TRUONG NGOC OANH. SAIGONCOOP has been considering this project and reserved around 6,000 m² for the project. But up to now on the one hand they are in short of capital and on the other hand they still have not found out proper partners for the implementation. The biggest problem for the implementation of all projects is short of capital. That is the common answer when I contacted these 6 participants for understanding.