



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



**STRENGTHENING MANAGEMENT OF
AGRICULTURAL COOPERATIVES
IN ASIA**

– Report of the 11th Course

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Report of the 11th ICA-Japan Training Course on
**Strengthening Management of Agricultural
Cooperatives in Asia** held in India, Sri Lanka and Japan
November 04 1996-April 20 1997

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Report

of the
11TH ICA-JAPAN TRAINING PROGRAMME
India-Sri Lanka-Japan
November 04 1996-April 20 1997

submitted to:
The Ministry of Agriculture, Forestry
and Fisheries-MAFF,
Government of Japan

by
the International Cooperative Alliance

June 1997

PREFACE

THIS Report is the result of the successful implementation of the Eleventh ICA-Japan Training Course on Strengthening Management of Agricultural Cooperatives in Asia, held in India, Sri Lanka and Japan, November 04 1996-April 20 1997. The International Cooperative Alliance places on record its highest appreciation and gratitude of the financial contribution made by the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the most active collaborative support extended by the Central Union of Agricultural Cooperatives of Japan (JA-Zenchu), and the Institute for the Development of Agricultural Cooperation in Asia (IDACA), Tokyo, in the execution of this important regional activity. The Alliance is most grateful to its member-organisations in India, Sri Lanka and Japan and our other collaborating specialised institutions for their help, advice, guidance and logistic support in the successful implementation of this training programme.

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

This time, during the term of the training course itself, we had organised a top leaders' conference on "Collaborative Strategies for the Development of Agricultural Cooperatives in Asia" in collaboration with JA-Zenchu and IDACA. The Conference was attended by seven senior level leaders of our member-organisations. The main purpose was to critically examine the relevance of the regional project as well as to encourage the implementation of the project proposals produced by our participants. The discussions held and the suggestions made by the Conference are of great significance not only to our member-organisations but to ourselves as well. The Report of the Conference forms part of this document. We value such introspections. We plan to continue this initiative even in conjunction with our future training courses.

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

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

Bruce Thordarson
Director-General
International Cooperative Alliance

Geneva. Switzerland.
June 1977

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ELEVENTH {11TH} ICA/JAPAN TRAINING COURSE ON
STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA
INDIA-SRI LANKA-JAPAN. NOVEMBER 04, 1996-APRIL 20, 1997

COURSE REPORT

SECTION : I

EXECUTIVE SUMMARY

01 The Eleventh ICA/Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia was held in India, Sri Lanka and Japan, from November 04, 1996 to April 20, 1997. The Programme was conducted with the financial assistance provided by the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan and was executed by the International Cooperative Alliance (ICA) as per agreement signed between the two Organisations. The first part of the 11th Training Course was held in India at the ICA Regional Office in New Delhi and at the Institute of Rural Management (IRMA) at Anand (Gujarat). Study visits were organised to cooperative institutions at various levels in and around New Delhi, and also in Gujarat and Maharashtra States of India. A two-day Workshop on Management Techniques for Processing and Marketing Cooperative Societies was held at the Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) at Pune.

02 The fifteen (15) participants to this year's training course were nominated by ICA Member-Organisations in Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, the Philippines, Sri Lanka and Vietnam.

03 The first part of the training course was organised from 04th November 1996 to 01st January 1997 in collaboration with ICA Member-Organisations in India and in technical collaboration with the Institute of Rural Management (IRMA), the Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) and cooperative organisations in the States of Gujarat and Maharashtra.

04 Part-I of the training course in India was followed by a study visits programme to agricultural cooperative organisations in Sri Lanka from 02nd to 9th January 1997. The field visits

programme in Sri Lanka was organised in close collaboration with the ICA Member-Organisation in Sri Lanka, the National Cooperative Council of Sri Lanka.

05 The Institute for the Development of Agricultural Cooperation in Asia (IDACA) Japan, was represented by a team of three staff members at the formal Inauguration of the 11th Training Course in New Delhi in November 1996 and by a team of two staff members at the Study Visits Programme in Sri Lanka in December 1996-January 1997. The first team was headed by Mr Toziko Takagi, Assistant General Manager of IDACA and consisted of Ms Chizuko Kogure and Ms Eriko Uchida, Programme Coordinators. The second team to Sri Lanka comprised of Mr Yukio Abe, Programme Coordinator and Ms Yukie Aoki, Finance Officer of IDACA.

06 After study visits programme in Sri Lanka, the participants returned to their respective home countries for preparation of their respective project proposals under the Home Country Assignments Programme of the training course. The Home Country Assignments was spread from 9th January to 22nd February 1997. During this period the participants engaged themselves in the actual preparation of project proposals on the basis of earlier discussions held within the country and on the basis of the training imparted to them at IRMA. All the fifteen participants prepared viable project proposals which were subsequently appraised by the participants themselves as a group and led by resource persons from IRMA, ICA and IDACA during the second part of the Programme held at IDACA, Japan.

07 On completion of the Home Country Assignments in their respective countries, the participants travelled to Tokyo, Japan, and arrived in Tokyo on 23rd February 1997, for attending the Projects Appraisal Sessions (PAS) and to study the cooperative management practices followed in agricultural cooperatives in Japan at the IDACA, Tokyo, Japan. The eight-week programme at IDACA was held from 24th February to 20th April 1997 including study visits to agricultural cooperatives in and around Tokyo and in Fukuoka and Shizuoka Prefectures in Japan. The participants got acquainted with a variety of national level cooperative federations in Tokyo, and held discussions with leaders, members and managers and staff of agricultural cooperatives in Japan. An End-of-the-Course Evaluation was conducted at the conclusion of the training course and Certificates of Participation were awarded to the participants.

08 During this year, the ICA, JA-Zenchu and IDACA also had organised a Top-Level Conference on "Collaborative Strategies for the Development of Agricultural Cooperatives in Asia", attended by Top-Level Executives of Member-Organisations of the ICA from China, Republic of Korea, Indonesia, the Philippines, Vietnam and Thailand. The top-level follow-up meeting was held in, Tokyo, Japan from 14th to 19th April 1997. A similar conference is proposed to be held next year for Member-Organisations from Bangladesh, India, Iran, Malaysia, Myanmar, Pakistan and Sri Lanka.

09 The meeting gave an opportunity to the organisers of the training Course, i.e., the ICA, JA-Zenchu and the IDACA and to the beneficiaries of the training course i.e., the Member-Organisations of the ICA in these countries, to review and analyze the follow-up action taken so far by the Member-Organisations in the implementation or otherwise of the project proposals submitted so far by the participants nominated by them for the earlier training courses. The Conference gave an insight of the problems faced by the cooperative organisations in the Region in formulating accepting, and implementing the project proposals prepared by the participants. A detailed report on the Conference forms part of this document.

10 The participants of the 11th Training Course also attended the Top-Level Conference for two-days for interaction with their respective chief executives and left Tokyo for their home countries on completion of the training course.

SECTION - I I

REPORT OF THE ELEVENTH {11TH} ICA/JAPAN TRAINING COURSE ON "STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA"

INDIA-SRI LANKA-JAPAN. NOVEMBER 04 1996-APRIL 20 1997

01 Background

The Management Training Project for Agricultural Cooperatives in Asia was launched by the ICA in 1986 after successful negotiations between the Central Union of Agricultural Cooperatives of Japan, JA-Zenchu, a member-organisation of the ICA from Japan and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan. The Project was launched for strengthening agricultural cooperative activities in the Asian Region through leadership training in new approaches in management practices. The ICA, an international non-governmental organisation, was chosen by the MAFF as the most suitable international organisation for bringing about these changes in the cooperative system in Asia. Within the United Nations, the ICA enjoys Category-1 Status with the U.N. Economic and Social Council (UN-ECOSOC). The ICA has affiliates in 101 countries with 225 national cooperative organisations and nine international organisations serving over 730 million individual members. The ICA Regional Office for Asia and the Pacific (ICA ROAP) operating from New Delhi, India, since 1960, serves 62 national level cooperative organisations from 26 countries and the ACCU, and represents nearly 500 million individual members.

02 Justification

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

Agricultural cooperatives are functioning, in one form or another, in almost all the countries of the Asia-Pacific Region. The cooperative activity started mostly with government assistance and initiatives or as a result of projects sponsored by bilateral or multilateral agencies. Each country has evolved its own pattern for organisational structure and functioning of these cooperatives. One thing common to all, however, is the existence of small and marginal farmer-members depending entirely for their livelihood on the meagre incomes from their small

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

The success spectrum within the cooperative movements in the region varies from country to country. There are still managerial problems interlaced with lack of membership participation in the business affairs of these cooperatives. There is a heavy participation and administrative influence of governments in the functioning of these cooperatives due to excessive pressure on these institutions to serve state policies and programmes. As a result cooperative institutions in many Asian countries are more akin to the policies of the government rather than catering to the needs and requirements of their basic constituents i.e. the members. The staff and board members of cooperatives also lack managerial skills mainly due to inadequate training support available within the movements. Due to limited resources at the command of primary and secondary level cooperatives, it has been difficult for them to sponsor their staff for training at higher level training institutions even within the country or abroad. The management leaders have very little opportunities to interact with their counterparts in other countries. Their understanding and appreciation of cooperative operations remains limited to their home situations. The need is to expand their horizons of knowledge and understanding to improve the quality of management of their own cooperative institutions. The ICA has been providing such opportunities in a limited way to some selected managers and policy-makers through its own programmes. Such opportunities and exposures are considered absolutely essential if the staff and board members are to play effective and fruitful roles in the business activities of their cooperatives.

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

03 Project Objectives

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

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

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

04 Acknowledgements

In the implementation of the Eleventh Training Course, the ICA has received full support and excellent cooperation from the Central Union of Agricultural Cooperatives of Japan, (JA ZENCHU), a member-organisation of the ICA from Japan; the International Cooperation Division of the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan; the Institute for the Development of Agricultural Cooperation in Asia (IDACA) in

Japan; the Institute of Rural Management (IRMA) at Anand, India; the Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) at Pune, India; the National Cooperative Union of India (NCUI), New Delhi; the State Cooperative Union of Maharashtra State, India; the National Cooperative Council of Sri Lanka (NCC/SL), Colombo; and other ICA member-organisations and numerous other cooperatives and other institutions in the Region and from resource persons specially recruited for the programme. The ICA is grateful to these leaders, managers and members of agricultural cooperative organisations in India, Sri Lanka and Japan, for most willingly receiving the participants and for providing them with lot of information and advice on their operations.

05 The Eleventh Year of the Regional Project

During the Eleven years of the Project working, 165 managerial personnel, both men and women, working in middle to senior level positions in agricultural cooperatives or in their apex level organisations from 13 countries from Asia, i.e. Bangladesh, China, India, Indonesia, Iran, Korea, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam were trained. Officials working with government departments or agencies closely associated with planning for cooperatives or cooperative development were also accepted in some cases, as an exception. By and large, majority of the participants were selected from cooperative organisations, having direct relationship with activities aimed at serving the farmer-members of agricultural cooperatives. Most of the candidates had already received in their home countries the basic training related to cooperative principles and the managerial and financial aspects of agricultural cooperatives. Only a very small number of these candidates had the opportunity earlier to study or observe cooperative activities outside their national environments.

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

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

Considering the size, number and structure of agricultural cooperative movement in the Asia-Pacific Region, the number of 15 participants per training course appears to be too meagre and inadequate. However, given the proper encouragement for country-based follow-up training programmes on similar lines, it is

possible to generate a chain reaction within individual countries to create an atmosphere for applying the management approaches and techniques through improvement of capabilities of increased number of managerial personnel on similar lines.

Throughout the training programme, during these eleven years, the emphasis was on discussions based on live conditions related to grass-root level cooperative activity. The participants were continuously exposed to experiences in various types of cooperatives in different countries through case studies, by visits to many such cooperatives in eight countries i.e., India, Sri Lanka, Thailand, Malaysia, Indonesia, Republic of Korea, Peoples Republic of China and Japan.

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

06 Project Funding

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

The positive decision of the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan to contribute funds to the ICA for the Eleventh Year of the Project was followed by a grant for its implementation. The financial contribution made by the MAFF has gone a long-way to help improve the skills and capacities of managers who are managing their agricultural cooperatives in the Region. The ICA is grateful to the Government of Japan for this gesture.

07 Administrative Arrangements for the Project

Dr Daman Prakash, appointed by the ICA Head Office as the Project Director in 1992, continued to lead the regional project for the Eleventh Course as well. Dr Prakash has the rich experience of working on international projects e.g., Chief Technical Advisor of the ILO/Swiss Cooperative Management Projects in Indonesia, Technical Advisor of the ICA/SCC/NCC Teachers' Training Project in Sri Lanka, Asian Regional Consultant of UNDP-TCDC/ICA Cooperatives in Asia Project; and Senior Technical Consultant of the JICA/JA-Zenchi-RI Study on KUD Development in Indonesia. He has been working with the ICA ROAP in various capacities with the ICA ROAP for the last 30 years.

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

Supporting staff to assist the Project Director in secretarial and financial matters was provided by the ICA Regional Office for Asia and the Pacific (ICA ROAP). Mr A.H. Ganesan, who had worked with the Project since its inception, continued to work with the Project as its Programme Officer.

08 Project Implementation Schedule

The following Implementation Plan was prepared for the Project:

I. Planning Phase: July 01-November 03, 1996

- Developing curricula and syllabi including planning of technical session modules and field visits in consultation with the Institute of Rural Management, Anand; Vaikunth Mehta National Institute of Cooperative Management, Pune; Maharashtra State Cooperative Union, Pune; and the National Cooperative Union of India, New Delhi.
- Planning the field study visits programme in India and Sri Lanka in consultation with the ICA Member-Organisations.
- Sending invitation letters to ICA member-organisations to sponsor candidates for the Eleventh Course.
- Identification and recruitment of resource persons.
- Preparation of case studies and related documentation.
- Selection of participants and finalising arrangements for their travel and accommodation.
- Consultations on project implementation with the JA-Zenchu, IDACA in Japan and member-organisations in India and Sri Lanka.
- Practical arrangements for organising the first part of the Course in India and Sri Lanka.
- Financial arrangements for the Training Course.

II. Implementation Phase: November 04, 1996-April 20, 1997

- Part-I of the Course in India, including comparative field Study Visits November 04, 1996-January 01, 1997; and Field Study Visits in Sri Lanka, January 02-09, 1997.

- Home Country Assignments for actual preparation of project proposals by Participants in their own countries. January 10-February 22, 1997.
- Part-II of the Training Course, including Project Appraisal Sessions at IDACA, Tokyo, Japan. February 23-April 16, 1997
- Participation in the Top Level Leaders' Conference on Collaborative Strategies For the Development of Agricultural Cooperatives in Asia, Tokyo, Japan April 15-16, 1997.
- Final End-of-the-Course Evaluation and the Concluding Session in Tokyo. April 16, 1997.
- Departure of Participants to their respective countries. April 17, 1997

09 Design of Training Course Programme

Based on the Project Implementation Schedule and after holding consultations with the ICA, MAFF and IDACA, the day-to-day programme was finalised. The programme design included class-room work, structured assignments, skills development exercises, comparative field studies, group work, interaction with field workers including managers and cooperative leaders and basic members, recreation and continuous evaluation and feed-back sessions.

The course programme as followed is placed at **ANNEXE-I**.

10 Reporting and Evaluation

The period from the end of the training course in Japan to the end of the Project period (April 20 to June 30 1997) was utilised to prepare the work report and financial statements for submission through the ICA Head Office in Geneva to the MAFF, Government of Japan, and to review the Project activities with the ICA authorities, JA-Zenchu and MAFF in Japan and other concerned organisations.

The activities of the regional training project have also been continuously reported at the ICA ROAP Committee meetings and Planning Sessions.

11 Course Participants

-Selection Procedures & Participating Countries

Upon receipt of confirmation from the Government of Japan to hold the training programme, the ICA invited nominations from its member-organisations in the Region. For this purpose a specially-designed nomination form was developed, and criteria for selection of participants fixed.

Based on the nominations received from the ICA Member-Organisations, and in consultation with collaborating

organisations, selection of candidates was finalised. Fifteen participants were selected from Bangladesh (1), China (2), India (2), Indonesia (2), Malaysia (1), Myanmar (1), Pakistan (1), Philippines (1), Sri Lanka (2), and Vietnam (2). No nominations were received from Thailand and Iran for this year's Course. Since the Agricultural Cooperative Movement in the Republic of Korea has developed fast during the past decade, it was felt to discontinue the invitations to that country and give more opportunities to deserving candidates from developing movements. All the participants attended the training course for its full duration.

A list of participants together with their up to date addresses is placed at **ANNEXE-II**.

12 Location of Training Activities

Part of the sessions of the Part-I of the Eleventh Course were held in the Conference Hall of the ICA ROAP at Bonow House in New Delhi and at the campus of the Institute of Rural Management, Anand (IRMA). A two-day Workshop on Management of Cooperative Marketing and Processing Activities was conducted at the Vaikunth Mehta National Institute of Cooperative Management, Pune. Study visits were arranged to cooperatives in and around New Delhi, and in the States of Gujarat and Maharashtra in India - well-known for strong agro-processing activities in dairy and sugar sectors.

The study visits in Sri Lanka were arranged to national level cooperative organisations, agricultural cooperatives and other cooperative institutions in and around Colombo and in Kandy areas.

Part-II of the training course was held at the IDACA premises in Tokyo, Japan, under an agreement signed earlier between the ICA ROAP and the IDACA.

Study visits to agricultural cooperative organisations in and around Tokyo and in Fukuoka and Shizuoka Prefectures were organised in Japan in collaboration with the IDACA and agricultural cooperative organisations in these two prefectures.

13 Pedagogy Followed

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

- Class schedule giving the details of the topic and reading material for each session was followed by discussion.
- Generally one topic and related case study materials were extensively covered in a day. Participants were asked to read the material in advance and/or in the class after initial presentation by the faculty. Participants discussed in groups the materials on the basis of questions and

guidelines provided by the faculty. Many case studies were prepared by the ICA with the help of specially-recruited resource persons for the purpose.

- During the group discussions, faculty members were also present to clarify issues and these discussions were followed by group reports, again followed by further discussions and faculty summaries. Extensive use of computers were made by the participants. Thus case methods, group discussions and audio-visuals supported by computer were blended together with class-room discussions to facilitate proper understanding of the subject under study.
- Computer inputs were made specifically for financial and project management modules and their applications.
- During Part-II of the Training Course at IDACA, the lecture method was combined with group discussion method. Some lectures were based on case studies prepared by the lecturers. Slides, OHTs, documentary films and also video films were extensively used. Group discussions were arranged on the basis of questions posed by resource persons. Assignments were given to the groups for preparing a Regional Agricultural Promotion Plan (RAPP) for a model multipurpose cooperative.
- Extensive use of overhead projector, slides, computer projection, maps and charts were also made during the entire programme.
- Participants were asked to revise their project proposals prepared and presented by them during Part-II of the training course in Japan based on the comments and suggestions made by the participants themselves and by resource persons.

14 Text Books and Support Material Distributed among the Participants

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

- 01 Guidelines for the Design of Agricultural Investment Projects. FAO-UN Publication
- 02 Financial Analysis in Agricultural Project Preparation
FAO-UN Publication
- 03 What is a Project? IRMA Publication
- 04 Managerial Decision-Making in Agricultural Cooperatives
-Some Selected Cases. ICA Publication
- 05 Some Contemporary Issues in Professionalising the
Management of Agribusiness Cooperatives. IRMA Publication

- 06 Agricultural Cooperatives in Japan - The Dynamics of their Development. MV Madane. ICA Publication
- 07 Agricultural Cooperatives in South Korea - The Unitary Approach. MV Madane. ICA Publication
- 08 Perspective Planning for Regional Development by Agricultural Cooperatives - the Japanese Experience. ICA Publication
- 09 Making Farmers' Cooperatives Work. Tushaar Shah. Sage Publications
- 10 Towards Genuine Cooperatives. Karl Fogelstrom. ICA Publication
- 11 Cooperative Democracy vis-a-vis Members' Education. Daman Prakash. The Coop Times Publication
- 12 Cooperatives & Environment. Daman Prakash. ICA Publication
- 13 Our Civil Society and Cooperatives. Daman Prakash. ICA Publication
- 14 Social Objectives of Cooperatives. Daman Prakash. ICA Publication

Copies of reports of previous courses, a variety of teaching modules, handouts and field study compendium were also circulated among the participants.

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 & 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.
11	Nov 03 1996- Apr 20 1997	India, Sri Lanka, and Japan	Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
Total Number of Attending Participants			...
Total Number of Training Courses Held			...
Total Number of Countries Covered under the Project			...
Total Number of Project Proposals Prepared by Participants (upto 10th JTC)			...
			165
			11
			13
			148

Countrywise Participation in ICA/Japan Management Training Courses held during 1986-87 to 1996-97

COUNTRY	1986-87 JTCI	1987-88 JTCII	1988-89 JTCIII	1989-90 JTCIV	1990-91 JTCV	1991-92 JTCVI	1992-93 JTCVII	1993/94 JTCVIII	1994/95 JTCIX	1995-96 JTCX	1996-97 JTCXI	Total
Bangladesh	1	1	1	1	1	1	1	1	1	1	1	11
China	2	2	2	2	2	2	-	-	-	1	2	15
India	3	3	2	2	2	2	3	2	3	2	2	26
Indonesia	1	2	-	-	-	1	1	2	3	1	2	13
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	1	11
Myanmar	-	-	-	-	-	-	-	1	2	1	1	5
Pakistan	-	-	1	1	1	1	1	1	-	1	1	8
Philippines	2	1	2	2	2	1	1	-	2	1	1	15
Sri Lanka	1	1	2	1	2	1	2	2	-	2	2	16
Thailand	2	2	2	2	2	1	1	1	-	1	-	14
Vietnam	-	-	-	-	-	1	1	1	2	1	2	8
TOTAL	15	15	15	15	15	15	15	15	15	15	15	165

SECTION- III

PART-I OF THE TRAINING PROGRAMME HELD IN INDIA

Part-I of the Training Course was held in India including study visits in and around Delhi and in Gujarat and Maharashtra States.

01 Programme Inauguration

The Eleventh Training Course for Strengthening Management of Agricultural Cooperatives in Asia was formally inaugurated at the ICA ROAP premises on Monday, 04th November 1996, by His Excellency Mr Seiji Kojima, Charge de Affairs and Minister in the Embassy of Japan in India. The Inaugural function was attended by a large distinguished audience of cooperators from different national level cooperative organisations, Government of India in Delhi, the participants, former participants and the staff of the ICA ROAP. The inaugural session was also addressed by Dr Robby Tulus, ICA Regional Director for Asia and the Pacific; Mr Tokizo Takagi, Assistant General Manager of IDACA; Mr B.D. Sharma, Chief Executive of the National Cooperative Union of India; Mr Guo Yong Kang, Agricultural Cooperative Adviser, ICA ROAP; and Mr A.H. Ganesan, Programme Officer, ICA ROAP.

Formally inaugurating the Eleventh Training Course, Mr Kojima recalled his association with the 9th and 10th training courses, which were also inaugurated by him, and said that the two training courses were of great success. He congratulated and commended the ICA "for most ably running this training programme regularly since 1986" which "brings together representatives from several countries in Asia, offering them invaluable opportunity to learn specialised management practices in running agricultural cooperatives". The emergence of Asia as a leading dynamic growth region in the world has led to a special thrust towards expansion of industries, especially in high-growth sectors of the economy. In this scenario, Mr Kojima said, agriculture being a primary yet a vital sector tends to face serious challenges and hence must strive to modernise itself both in technology up-gradation as well as in terms of marketing and management practices.

Mr Kojima recalled the experiences of the agricultural sector in Japan and said that it had to undergo such a transition in the face of an unprecedented boom in industrialisation and urbanisation causing a gradual shrinkage of arable area. It had to keep pace with development and played a crucial role through introducing latest technologies, diversification, improved management of agricultural land and better marketing of agro-products. He assured the participants that the experience of Japanese agricultural cooperatives, should be of great value and relevance to them.

He wished the participants a very useful work ahead of them including two months stay in Japan studying the Agricultural Cooperative Movement in that country.

Welcoming the Chief Guest, the distinguished guests and the participants, Dr Robby Tulus, ICA Regional Director for Asia and the Pacific, who presided over the inaugural function, said that the ICA has been able to successfully hold the Training Course for the eleventh time due to the unfailing mutuality that has grown in spirit and action between the ICA and the JA-Zenchu, and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan. He expressed the ICA's profound gratitude to the MAFF, through the Chief Guest, representing the Japanese Government in the country. He expressed his happiness on the long-standing collaborative efforts between the ICA ROAP and the IDACA and welcomed the IDACA team members led by Mr Tokizo Takagi.

Dr Tulus said that the ICA has so far trained 150 managers from various countries in Asia and in the present day changing context, cooperatives in Asia must begin to see new networks as a natural course of idea flows and hoped that this training programme will endeavour to heighten the quality of cooperative managers from the agricultural cooperative sector. The exposure that the participants will undergo during the training course, to the various management models in the countries to be visited by them, will, Dr Tulus hoped, bring the needed impetus for participants from other countries to emulate and implement effective changes within their own respective organisations. Dr Tulus wished the participants a fruitful and useful training ahead.

Speaking on the occasion, Mr Tokizo Takagi, Assistant General Manager of IDACA, extended fraternal greetings on the behalf of the IDACA. Eleven years have passed since the launching of the training project in 1986 and IDACA feels honoured to have been associated with the project since the beginning and is happy to share the appreciation of its successful implementation from all concerned, Mr Takagi said.

The Project is a unique one which has ushered in an era of international cooperation between a donor government and a non-governmental international organisation. Successful implementation of this training programme for the last many years by the ICA has made the extension of financial support by the Government of Japan to an additional training course for women cooperative leaders as well. The need for willing cooperation and keen interest by the participants, Mr Takagi said, would be essential for continued and close collaboration between the MAFF and the ICA for further development of cooperative movement in the region. He extended a warm welcome to the participants to Japan and IDACA after completion of the first part of the programme in India, Sri Lanka and their home country assignments.

Mr A.H. Ganesan, Programme Officer, ICA ROAP, welcomed the Chief Guest, the officials of the IDACA, the participants and distinguished invitees to the inaugural session. He conveyed the greetings of Dr Daman Prakash, Project Director, who was away in Indonesia on a JICA/Zenchu assignment to the participants and all those present in the function. The training programme has so far

trained 150 managers working at different levels of positions and tiers of cooperatives from 13 countries of Asia who have prepared 148 viable and bankable development project proposals. He said that 28 projects have been implemented in different countries of the region and around 20 are under active consideration for implementation. He said that the 11th course will be spread over in India, Sri Lanka and Japan for a period of six months and the participants will have an opportunity to study the cooperative management situations in these three countries. With the 11th course participants, Mr A.H. Ganesan said, 165 participants would have received training in the management techniques and practices in the region. He congratulated the participants on their selection for the training course and wished them a very successful training programme. Mr Ganesan expressed his gratitude to the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan for their continued cooperation and support to the programme and to the JA-Zenchu and IDACA for their active collaboration in the successful implementation of the Programme.

Mr B.D. Sharma, Chief Executive of the National Cooperative Union of India, extended welcome to the participants on behalf of the Indian Cooperative Movement and the NCUI. He said that the Indian Movement has been greatly benefited by participating in the training programme and expressed his grateful thanks and appreciation to the Government of Japan for the continued funding support. The continuation of the programme, Mr Sharma said, will be in the interest of the management of the developing cooperative movements in the member-countries of the ICA in the Asian Region. He also congratulated the ICA for an effective implementation of the programme during the last decade.

Mr Guo Yong Kang, Agricultural Cooperative Development Adviser of the ICA ROAP, extended a vote of thanks to the Chief Guest, the guests from IDACA, invitees who responded to the invitation and the participants for attending the inaugural function and for the successful start of the 11th Training Programme in India.

02 CHARACTERISTICS AND PROBLEMS OF AGRICULTURAL COOPERATIVES IN THE PARTICIPATING COUNTRIES - A Brief Regional Overview

The first two weeks of the training programme were devoted to the review of agricultural cooperative situation with special reference to their problems and managerial practices. The reviews were based on the papers prepared and presented by the participants from 10 countries. Resource persons from the ICA Regional Office participated in the Review Sessions.

[01] Bangladesh

Agricultural cooperatives in Bangladesh stand divided into two parallel structures i.e. the traditional cooperatives (numbering 40,678) headed by the Bangladesh Jatiya Samabaya Union following a three-tier structure; and among farmers cooperatives (numbering 103,424) run on the pattern of the Bangladesh Academy for Rural

Development (BARD). Both the types of cooperatives serve the same target groups and have created, the problem of over-dues on the one hand and inadequacy of loans on the other. The apex organisation of the traditional cooperatives is the Bangladesh Jatiya Samabaya Union, which also serves as the umbrella organisation of the movement. The BJSU is a member of the ICA. The traditional cooperatives, numbering 468, are serviced by the Bangladesh Samabaya Bank through the central cooperative banks numbering 72, and the 51 Thana central cooperative associations. The traditional cooperatives also include 13 sugarcane growers cooperative societies, 30 central level multipurpose societies, 46 land mortgage banks, 2 fisheries societies, ten urban cooperative banks, 152 primary multipurpose cooperatives, and others. 18 cooperatives were liquidated during last year. The BARD cooperatives are linked to the 449 Thana Central Cooperative Associations and the Krishi Samabaya samitis (64,866). Both these cooperative structures cover only 15% of the total agricultural credit requirements in the country and the rest is met by the cooperative banks, Grameen banks and others. Agricultural cooperatives cover about 25% of irrigation services, 25% of fertilisers, 20% of seeds, 20% of pesticides and 40% of agricultural machineries and equipments required by the farmers. The problems faced by the movement are many. To name a few:

- Lack of cooperation and coordination between the two types of cooperatives, and among the apex/secondary/primaries within each type for rendering effective services to the member-farmers;
- Short duration of the boards of directors - one year only;
- Interference and administrative control by the department;
- Lack of managerial skills;
- Small-size and low membership in primary societies making them weaker economic units.

The newly-elected Government is contemplating certain remedial steps to strengthen the cooperative movement in the country. These measures include: amalgamation of successful societies; liquidation of societies with huge overdues; cancellation of membership of wilful defaulters; reorganisation of Bangladesh Samabaya Bank as the single agency for all kinds of cooperative loans; unification of traditional and BARD agricultural cooperatives at the village level; introduction of rural based project financing for creating off-farm seasonal employments; and planning for integration of cooperatives at all levels and introduction of competent professional management.

The Bangladesh Samabaya Bank registered on 31st March 1948, is the country's apex financial institution with an area of operation throughout the country and its membership open to all types of cooperative societies. The bank services the movement through its 465 affiliates. Short-term loans in the shape of cash, seeds, fertilisers; medium-term loans for purchase of

plough cattle and small size agricultural implements; and long-term loans for redemption of old loans, purchase of agricultural machinery and improvement of land are given by the bank. During the period 1995-96, the bank disbursed agricultural loans of Taka 541.1 million and recovered Taka 477.4 million. The bank is financially sound and poised for further growth with new economic package of the new government.

[02] China

Liberalisation process of economy started in China in 1980 continued during the year 1996-97 as well. Agriculture occupies a dominant place in the economy. In 1995, the total area sown for grain crops was 110 million hectares, with cereal crops sown area was 89.3 million hectares, soybean 11.2 million hectares and tubers 9.5 million hectares. Main crops of China include Rice, Wheat, Corn, Soybeans, tubers, oil-seeds, industrial crops etc. The country's total grain output in 1995 was 466.6 million tons, an increase of 4.5% over 1994 production. 80% of the production is of cereal crops and others represent the remaining 20%. Quality of people's lives has gradually increased due to shift in food habits and more intake of animal protein.

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

The supply and marketing cooperatives of China follow a four tier-structure. 33,601 grass-root level supply and marketing cooperatives federate themselves into 2300 county level cooperatives, which in turn are affiliated to the 28 SMCs at municipal and provincial levels. All the SMCs are federated into the All-China Federation of Supply and Marketing Cooperatives (ACFSMC). The ACFSMC was formed in 1954 and became a member of the ICA in 1985. As the representative national apex of the cooperative movement, the ACFSMC is responsible for the cooperative reform programme, development strategy, policy coordination, management and protection of interests of SMCs. The ACFSMC coordinates and harmonizes actively the relations between the SMCs and other government departments and helps the SMCs across the country to promote foreign trade and technical exchanges with foreign countries.

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

Eighty percent of output value comes from agro-processing.

The Ningbo Supply and Marketing Cooperative Federation functions at municipal level and has primaries and country federations as its affiliates. In addition to its regular activities of supporting its members for input supply to farmers and marketing of produce, the Federation has engaged itself with a variety of activities, such as department stores, wholesale markets, hotels, restaurants and other welfare activities. The Federation has adopted four strategies to develop further : service strategy, integration between supply and marketing activities strategy, priority development strategy, and system of group management strategy.

[03] India

The Cooperative Movement in India is one of the oldest in the Region. Starting as a credit movement in 1904, it has now branched off into several specialised sectors such as marketing, international trade, agro-processing, fertilizer production and supply, production of heavy machinery, housing, consumer, fisheries etc. Agriculture is the strongest segment of the cooperative sector. During 1995, the total number of cooperatives in the country is around 395,267, with a membership of 189.62 million; share capital of Rs. 89 billion, working capital of Rs. 118 billion, and assets worth Rs. 826 billion. Cooperatives cover 99.5% of all villages in the country and rural household coverage of 96%. Most of the cooperatives are vertically integrated through their respective specialised federations or unions at the district, state and national levels. Twenty-one national level specialised federations are members of the National Cooperative Union of India (NCUI) which is the spokesman and umbrella organisation of the entire cooperative movement in the country and also has membership within the ICA. Primary cooperatives are affiliated to the district level unions/federations, which, in turn, are federated into 284 State level unions/federations.

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

The National Cooperative Development Corporation (NCDC), set up by the government, assists in the planning and development of marketing infrastructure and agro-processing industries within the cooperative sector. The Corporation has played an active role in the development of cooperative marketing and processing, dairies, poultry, fishing and has extended financial assistance to the tune of Rs. 3.3 billion since its inception.

The National Agricultural Cooperative Marketing Federation of India (NAFED) is the apex body of marketing cooperatives in the country. 5,926 primary marketing societies and 29 state level cooperative marketing federations are affiliated to NAFED. NAFED serves its member-organisations and through them farmer-members

of cooperative societies through its 29 branches offices, six agro-service centres and six processed food sales outlets and agro-processing units. Through its wide network NAFED ensures an effective interface for stabilising market prices, price support operations of various oil-seeds and pulses, and market intervention activities of perishables like onion, potato, ginger, pineapple, grapes and citrus fruits. In conjunction with public sector corporations like the Food Corporation of India, Cotton Corporation of India marketing cooperatives help ensure proper and effective procurement of commodities from farmers at remunerative prices.

NAFED's internal trade was Rs. 2.76 billion in 1995-96 and export trade amounted to Rs. 2.95 billion in 1994-95. NAFED exports commodities like onion, potatoes, garlic, kino, grapes and other fruits, and niger-seed and imports pulses, fertilizers and supports the government by importing essential commodities as and when required. The NAFED is continuously endeavouring to diversify its activities and in setting up of value adding activities in the fields of processing etc.

The Andhra Pradesh Dairy Development Cooperative Federation was set up in 1981-82 with the formation of 17 milksheds, and comprises 7,000 primary milk societies at the village level and ten milk units at district level. The total number of dairy farmers in the State is around 1 million. Primaries procure milk as per quality and grades fixed, provide feed and fodder to cattle and provide better and remunerative price to the dairy farmers. The district cooperative union procure milk from the primaries, process the milk in their dairy plants, provide inputs, testing facilities at the primaries, arrange services like AI, animal health care, feed and fodder supply.

The marketing operations of dairy products are looked after by the State Federation and the State Federation coordinates with district unions for the processing needs and plans. Some Unions specialise in production of specific commodities like cheese, UHT milk packed in tetra-packs, better, ghee etc. The Federation markets its products under its brand name "Vijaya" a famous and household name in many States of India. Surplus milk is converted into butter and powder and products marketed under the brand name of "Vijaya" include milk-spray, whole milk powder, skimmed milk powder, ghee, butter and cheese. Ice-creams, flavoured milk, khoa, and sweets made out of milk and sugar are marketed in the local markets. Automatic vending machines for sale of liquid milk has been installed in the city of Hyderabad and 200,000 litres of milk per day is also marketed through 200 bulk vending machines. The Federation helps the government in implementing its free milk scheme for poor children.

With the opening of dairy sector to the private people, due to liberalised economic policies of the Government, the dairy industry is facing a severe threat and competition. Ways and means of meeting this competition in a most effective and successful way is engaging the attention of the cooperators in the country.

Though the growth of the cooperative in the different parts of India is uneven and lopsided substantial progress has been achieved in many States. Cooperative sugar processing and dairying have achieved substantial success in the states of Maharashtra and Gujarat. Marketing activities are stronger in many states of India. Oil-seeds processing and fertilizer production as well as traditional sectors of credit have made spectacular inroads in a few states. Deposit mobilisation promoting savings amongst members are quite a success in States like Kerala. Overall the movement has a long way to go and one of the strong impediments to the growth of the movement is the restrictive nature of cooperative laws in many states of India and in spite of vigorous efforts by top leadership, the model cooperative societies law which provides less control of the department and more freedom to the cooperators is yet to see the light of the day. Every government which comes into power promises autonomy of cooperatives but when it comes to passing of law, it is not yet achieved.

Due to the liberalisation policies of the government, cooperatives in different sectors are faced with stiff competition and the demands for a level-playing field is gaining momentum. Sectoral conferences and national congresses of cooperators held, from time to time are seized with the problem and efforts and steps to improve the management system to effectively cope with the changed situations are continuing.

[04] Indonesia

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

KUDs have a membership of 13 million and non-KUDs have a membership of 12.6 million. Main objectives of the KUDs were to consolidate the people, consolidate and rationalise land resources for agricultural production and to provide means of incomes to the people and to use them to maintain national food stocks, mainly rice. More than 5,000 KUDs out of the total of 9,064 have achieved the status of self-sufficient cooperatives. Provincial level cooperatives have been formed by the primaries and the provincial level federations have formed the national federation.

Though the KUDs function on a multipurpose basis, their organisational strength is weak both in financial and business terms. KUDs market their rice through the BULOG which is the rice

procurement agency (National Food Stock) for the government. They also act as distribution agents on behalf of the government as and when required. Due to weak structural and financial link-up between the KUD, PUSKUD and INKUD, the cooperatives are not able to compete with private traders. There is very little active participation by members. KUDs lack suitable infra-structure for marketing, storage and processing and other value-adding activities. Other supportive services like member education, farm guidance and staff training activities are very inadequate. Government training facilities are available for cooperative employees though its network of 27 provincial level cooperative training centres and one national level cooperative training centre.

Member education and extension services are shared by the government as well as the Dewan Koperasi Indonesia (DEKOPIN). Formal education in cooperatives is provided by private foundations and academies. There is an Institute of Cooperative Management at the national level and eight cooperative academies in the country.

The role of government in the promotion of cooperatives is to create conducive and enabling environment for cooperative development through policy pronouncements and review of cooperative legislation; and to provide guidance, necessary facilities and protection for cooperative business. The Government of Indonesia has initiated a comprehensive study by experts on improvement of management of KUDs. The Study has been financially supported by the Japan International Cooperation Agency (JICA) of the Government of Japan and consists of experts from many countries (including one from the ICA ROAP). Two segments of the Study have been completed by now and the reports submitted to the Government of Indonesia. When the final report of the Study is submitted and implemented, it is expected that the KUD management structure will improve and strengthen further for the ultimate benefit of member-farmers.

The GKSI, the Indonesian Dairy Cooperatives Union, was established in April 1979, as a secondary level institution. The GKSI encourages formation of milk producers cooperatives and has encouraged establishment of processing facilities for milk and milk products and their marketing. The milk cooperatives have promoted dairy farming and the number of dairy cattle as well as dairy farmers are increasing steadily over the years. The milk cooperatives supply inputs like animal feed, equipments, medicines for cattle, AI facilities etc. Major portion of milk collected by the cooperatives is still sold to multinationals like Nestle as cooperatives still lack their own processing facilities.

[05] Malaysia

Malaysia is one of the fast growing economies in the Asian Region with an average growth rate of more than 8% during the last many years. The GNP growth rate was more than 10.7% in 1993 and 13.9% in 1994. The industrial growth in the country is fast developing

and like its neighbour, Singapore, Malaysia may join the elite group of developed countries status within Asia sooner than later.

The three main core agricultural activities in Malaysia are the estate sector, the small farm sector and the newly developed land sector. Agriculture is dominated by plantation crops. Oil palm cultivation has taken strides over rubber and other plantation crops due to its high returns and less labour demands. Livestock production is restricted to pigs and poultry. Local beef production is only 10% of total demand and the dairy industry is very small, but slowly expanding. The contribution of agriculture to national economy which was 33% in 1990, dropped to 15.8% in 1993 and the contribution of industry increased from 12.1% to 30.1% during the same period. Agricultural policy, development and its future is being governed by National Agricultural Policy (NAP) 1992-2010. The land usage for agriculture is expected to go down gradually in the future. Land holding is dominated by small farmers and the average size varies from 2.4 to 5.6 hectares.

At the end of 1995, 3,554 non-agricultural Cooperatives were registered and functioning under the Department of Cooperative Development. Agricultural cooperatives are under the registration and supervision of the Farmers Organisation Authority (FOA). 1511 agro-based cooperatives serving a total membership of 316,602 and with a share capital of RM 66.2 million were functioning as of 1994. FELDA is a government agency involved in opening up large tracks of jungle land into resettlement schemes for rubber, oil palm and cocoa plantations. The settlers are allowed to form their own cooperatives numbering 296, with a membership of 106,289 settlers and a paid up share capital of RM 34.80 million.

All FELDA coops are under the regulatory control of the Department of Cooperative Development under the Ministry of Ministry of Rural Development, and Land and Coop Development. Principal activities of these cooperatives include transportation, bus services, contract, haulage, provision shops, petrol stations, taxi services and others. FELDA assists in the formation of cooperatives and also in their proper running. Excess dependency on FELDA developed among the cooperatives hindered their natural development.

The ANGKASA (National Cooperative Organisation of Malaysia) is the national apex organisation of all cooperatives in the country and acts as the spokesman of the movement. The ANGKASA represents the Movement both at national and international levels and conducts education and publicity activities for managerial development. ANGKASA works in close collaboration with all government departments and agencies connected with cooperative development in the country and is the lobbying force for coop-related activities within and outside the Parliament. As a member of the ICA, it is represented in various specialised committees of the ICA and voices its views. ANGKASA also undertakes pre-audit of cooperatives and assists cooperative employees in their salary deduction facilities under the Federal Pension Scheme

(BPA). BPA now serves more than 400 cooperatives with one million accounts amounting to more than RM 80 million per month. BPA is on line with 14 banks in the country making the transactions easier and faster.

[06] Myanmar

The total population of Myanmar, as of 1994-95, was 43.92 million and 66% was engaged in agriculture. Of the total area of 67.6 million hectare, only 13% is under cultivation. A vast potential of land resources remains to be tapped for cultivation purposes. Main crops include cereals like wheat, rice, maize and millet, oil seeds, grams, pulses etc. cash crops like cotton, jute, sugarcane, rubber and tobacco, vegetables and fruits. In 1995-96, the total cropping area amounted to 32.3 million acres showing an increase of 27% over 1991-92. Animal husbandry is another area where substantial growth has been achieved in recent years. Fertilizer production is not self-sufficient and needed quantity is imported for meeting the requirements of farmers.

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

The CCS is the national spokesman organisation of the Cooperative Movement and is now a member of the ICA since 1993. The CCS is engaged in business and cooperative promotional activities. CCS also carries out cooperative education and training activities in collaboration with the Department of Cooperative Development.

The primaries are multipurpose in character and provide credit, input supply and marketing of members produce in addition to allied services. Value adding is done by owning and operating processing facilities like rice mills, oil expellers, condensed milk manufacturing, salt plants, textile mills and other workshops. Cooperatives have entered into many joint ventures keeping in tune with the changing scenario in the economy. A cooperative export-import enterprise was established on 1st September 1994 to facilitate trading by cooperatives. Beans and pulses, different species of hard wood besides teak and wood-

wares, rattan products, animal feed, handicrafts, dolls etc are exported and palm oil, consumer and household goods, fertilizer, vehicles etc. are imported. Import/export trade is mainly with India, Thailand, Singapore, Hongkong, Japan, South Korea, Germany, France, England and the United States of America.

[07] Pakistan

Pakistan, basically an agriculture oriented country, has wheat, rice, cotton, sugarcane, grams, maize, mustard and tobacco as its major crops. 70% of the population is still dependent on agriculture and agriculture has contributed 24% of GDP in 1994-95 and has employed 47.54% of labour force. Livestock production is one area where substantial growth has been recorded in recent years.

As of 1996, Pakistan had 61,077 cooperatives, out of which 37,665 were agricultural cooperative credit societies. Multipurpose cooperatives number around 4,948. The total membership of the cooperatives was 3,713,964 members, and 1,693,682 members belonged to the agricultural cooperative credit societies. Administratively the cooperatives are affiliated to the secondary federations at district level, then to the provincial level federations and at the national level to the National Cooperative Union of Pakistan, which is the spokesman organisation for the entire Cooperative Movement. The NCUP is a member of the ICA.

The cooperative banking structure in Pakistan is three-tiered with the agricultural cooperative credit societies at the base level, the provincial cooperative banks at the province level and the Federal Bank for Cooperatives at the national level. The FBC does not directly lend to the cooperative credit societies and routes through the provincial cooperative banks. The FBC provides training facilities to the staff of PCBs and has set up a National Centre for Cooperative Training in 1987 and the centre has held several long-term and short-term training courses. Besides being the principal financing institution for the PCBs, the FBC also carries out supervisory, inspection and monitoring control, education and training functions. The paid-up share capital of Rs.200 million has come from the State Bank of Pakistan and central and state governments. During 1995-96, the FBC advanced a total of Rs. 3.8 billion to PCBs, out of which Rs. 3.79 billion was for short-term production loans for agricultural inputs.

[08] Philippines

The Philippines, comprising 7,107 islands and islets with three main islands of Luzon, Visayas and Mindanao, is principally an agricultural country. 47% of its 70 million population is highly dependent on agriculture. Main crops of the country include rice, corn, sugarcane, rubber, fruits and vegetables. Agricultural production in the country suffers every year due to typhoons.

Cooperatives in the Philippines cater to diverse needs of its membership., i.e. credit, consumer, marketing, services etc. and

mostly are multipurpose in character. The new Cooperative Societies Act, RA 6938, enacted in 1990, has made the cooperatives free from the shackles of government interference and paved the way for smooth and proper democratic development of the movement. As of June 1996, there were 39,222 registered cooperatives in the country, out of which 24,814 (63%) were agriculture-based and 8,858 (23%) were non-agriculture based with a total membership of 5.59 million. The cooperatives are growing fast in number and the membership rose from 1.16 million in 1991 to 5.59 million in 1996. Contribution to GDP from the cooperatives has grown from 2.2 to 9% during 1991 to 1996, from Pesos 29 billion to Pesos 141 billion. 44 cooperative banks have been established by the movement so far. The cooperatives are striving hard to improve their operational efficiency. Marketing, supply, procurement, transport and processing are some of the weak areas needing improvement. Coops also lack warehousing, packaging, storing, distribution facilities.

The Cooperative Union of the Philippines (CUP) and the National Confederation of Cooperatives (NATTCO) are the two national apex organisations. The CUP is the umbrella organisation of the movement both nationally and internationally. The national organisations undertake training and educational activities and coordinate many developmental activities to achieve greater economic growth of its member affiliates.

The Ilocos Sur Federation of Cooperatives is one of the eight federations operating in Ilocos Sur province with 47 affiliates and an asset of Pesos 3.1 million. The young federation, registered only 1991, has an elected board with different specialised committees for ensuring smooth functioning of various activities. It provides assistance to its affiliates in the fields of marketing, trading, finance, training, liaison with government departments, and generally in the field of promotion of cooperative movement in the area of operation.

[09] Sri Lanka

With a contribution of 27% to the GNP, agriculture still occupies a predominant position in the economy of Sri Lanka. It employs 48% of the labour force and 58% of all export earnings for the country is achieved from export of agricultural products. Paddy, coconut, tea, rubber, spices, roots, maize, fruits and vegetables are the principal agricultural products. Livestock production accounts for 6% of GNP. Tea, rubber and coconuts are large scale plantations and are export crops.

Since the beginning of the movement in 1906, agricultural cooperatives have played a major role. The first credit cooperative society was established in 1911. In 1972, existing 955 multipurpose cooperatives were amalgamated into 372 stronger and more viable multipurpose societies and today 272 multipurpose cooperatives are functioning. These societies provide production credit through their rural banks, and supply inputs such as fertilisers and in some cases loans for land preparation etc. Today a total of 12,026 cooperatives of all types and at all

levels are functioning in the country with a total membership of 4,549,800 members. Majority of these societies are incurring losses in their business operations. Coconut and rubber producers cooperative societies are mainly involved in processing and marketing their products and have formed their own apex organisations for exporting their products. These societies also provide credit facilities, fertilizers, management advisory services etc.

Sri Lanka Cooperative Marketing Federation is the marketing apex organisation and membership includes all agricultural societies and MPCSSs. The federation collects the products and markets them through their own outlets in the urban areas. Milk producers cooperative societies have been formed in the last decade and are increasing in number yearly. These societies collect milk and market them for the best possible price and also provide some services like supply of cattle-feed, AI services, health care for the animals and breeding, education and training etc with the help of the Union. They have also formed their own apex organisation.

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

People's Bank, which was originally formed as a cooperative bank, has lost its cooperative character and is now functioning like any other commercial bank in the country. The cooperatives are unable to get their full credit requirements from the bank nor have any control on the management and affairs of the bank.

The Sri Lanka Institute of Cooperative Management, set up by the government, conducts management courses and consultancies for solving management problems of cooperatives in the country. Many studies conducted by the Institute have enabled them to identify the problem areas and possible solutions are found.

[10] Vietnam

Agriculture is still the main-stay of the economy of Vietnam. 78.3% of the work force depend on agriculture for their livelihood. 50% of GNP is contributed by agriculture. Paddy is the main commodity and the country has been able to achieve an export surplus of 2 million tons yearly. Livestock production is another area where steady increase has been reported. Other main crops include maize, sweet potatoes, cassava, potatoes, soybean, peanuts, rubber and fruits and vegetables.

In 1995, there were 16,243 cooperative enterprises (equivalent to multipurpose agricultural cooperative societies) and 2,548 cooperative production groups covering 64% of farming households in the country. Efforts made to strengthen the agricultural cooperatives and redistribution of agricultural land on a limited ownership basis has resulted in a positive impact on average plot yields. Some families are able to generate surplus incomes from farm management. The cooperative enterprises undertake activities in the field of input supply, production credit and marketing. Backward and forward linkages are provided to the members.

The cooperative enterprises at the primary level are affiliated to the district unions who in turn federate into provincial unions. At the national level all cooperatives federate into the Central Council of Cooperative Unions and Small/Medium Enterprises of Vietnam, (currently called the Vietnam Cooperatives Union) which is the apex body of the movement. As the apex organisation the Council represents the movement in national and international fora.

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

03 WORKSHOP ON ORGANISATION AND MANAGEMENT OF AGRICULTURAL COOPERATIVES HELD AT VAMNICOM, PUNE

A two-day Workshop Module on Management Practices of Agricultural Marketing and Processing Cooperatives was held on November 18-19, 1996, at the Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) at Pune with the faculty of the Institute as resource persons.

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

The Workshop discussions by the participants were based on four case studies prepared and presented by faculty members of the Institute and technical papers in respect of thematic perspective with analytical examination of the organisation and management of commodity-based marketing and processing cooperatives with special reference to value-adding. These workshop case studies were prepared on the cooperatives to be visited by the participants during their study visits programme in Maharashtra and has thus helped the participants to analyze the activities

and problems of the cooperatives to be visited before hand and also follow-up their discussions at the class room during actual visits to the societies. The technical papers inter-alia analysing the organisation process and management practices of respective cooperatives in relation to their value addition activities were analysed by the faculty, on the basis of issues arising out of the studies for group discussions among participants.

Participants actively participated in the workshop exercise and the group work and found them useful in critically analysing and evaluating the performance of agricultural marketing and processing cooperatives in the context of its main objective of providing better returns for their produce to members through integrated value addition activities.

SECTION - IV

COMPARATIVE FIELD STUDIES

01 COMPARATIVE FIELD STUDIES-I/INDIA

One of the core elements of the Training Programme was the exposure of the participants to actual and practical situations in the cooperative sector and to enable them to exchange views and opinions with cooperative leaders, managers and members. A series of study visits to cooperative institutions in different parts of the country and at different levels of the movement was arranged for this purpose. These visits enabled the participants to see for themselves the activities of the cooperative organisations at primary, secondary and national levels. The participants were received and briefed about the activities of the cooperatives by the top leaders, board members and senior level managers. The participants also had an opportunity of meeting Dr V. Kurien, Chairman of the National Dairy Development Board (NDDB) at Anand and exchanging views with him.

Study visits to cooperative institutions in India were organised in and around Delhi, Maharashtra and Gujarat States. The following institutions were visited by the participants:

Study Visits in Delhi:

- ICA Regional Office for Asia and the Pacific;
- National Cooperative Union of India (NCUI); and
- The National Agricultural Cooperative Marketing Federation of India (NAFED).

Study Visits in Maharashtra State:

- VM National Institute of Cooperative Management, Pune
- Cooperative Sugar Factory Complex, Pravaranagar
- Chandori Primary Agricultural Coop Society, Nashik.
- Lasalgaon Agri Produce Marketing Cooperative, Lasalgaon
- Nashik District Central Cooperative Bank Ltd., Nashik
- Maharashtra State Cooperative Union Limited, Pune
- Maharashtra State Cooperative Bank Limited, Bombay

Study Visits in Gujarat State:

- Institute of Rural Management, Anand
- AMUL Dairy, Anand
- Cattle-Feed Plant and Chocolate Plant of AMUL
- Tribhuvandas Foundation of Amul, Anand
- Mehsana Coop Dairy and its AI Centre, Laboratory
- Primary Milk Producers' Cooperative in Mehsana
- Mehsana Cooperative Oil Union, Mehsana
- Hindustan Packaging Co Ltd of NDDB, Baroda
- Tree Growers' Cooperative Society, Vatra
- Charotar Cooperative Sugar Factory, Palaj, Petlad.

During Study visits in India, the participants were exposed to the working of cooperatives at different levels, from the primary to the state/national levels, for the purpose of studying their organisation, working, management and performance towards improving economic status of the members. Cooperatives visited were carefully selected to appraise the participants about the existing horizontal and vertical integrations in the field of cooperative credit, marketing and processing institutions and also the backward and forward linkages of their activities and functions.

Detailed write-ups on the main features of the cooperatives to be visited were prepared and distributed among the participants in advance. During actual visits, the participants were briefed about the functions of the cooperatives by the leaders and officials of the cooperatives, the participants had detailed discussions with chairmen, board members and chief executives and members of these cooperatives. An on-the-spot visit to the actual working of the cooperative either followed or preceded these detailed discussions.

The emphasis during the discussions was on the "value-adding" activities of the cooperatives with the ultimate objective of increasing the incomes of farmer-members.

Cooperatives selected for field study visits included educational and promotional, credit, marketing, processing etc. The categories covered included primary agricultural credit society, primary marketing and processing cooperatives, district level cooperative banks, apex level state cooperative banks, cooperative unions and federations at state and national levels.

Participants were able to field-test some of the pertinent issues of the organisation and management of the cooperatives on the basis of papers presented and issues discussed earlier in the two-day workshop at VAMNICOM. Their subsequent interaction with the leaders, executives and members of cooperatives helped them solve their own points of clarification. As a result of the workshop and field visits the following aspects of the organisation and management of these cooperatives were identified:

- Effective and spontaneous leadership was found to be quite significant. Such leadership constituting elected management of the cooperatives provided policy guidelines for the working of the cooperatives and in ensuring performance of cooperative management towards the fulfilment of their objectives;
- Cooperatives had a good coverage of their membership in their defined areas of operation. Sound financial position has been achieved through share capital participation of members, financing agencies and the government;
- The practice of linking share capital with borrowings of the members and creation of permanent reserve funds out of

the surplus of the cooperative was found useful for such sound financial base. It was found that credit cooperatives at the primary level were not able to mobilize funds;

- Democratic management is prevalent in all cooperatives visited with full authority of the general body and duly elected managing committees. Managerial personnel and employees differed according to the size, level and range of activities of the cooperatives. Government officials on deputation were in charge of activities in some;
- The credit sector is well-developed - primary agricultural credit cooperative at the base level, district central cooperative banks at the secondary level, state cooperative banks at the tertiary level. Primaries provide production credit. Medium term credit and some times even investment credit is provided by central cooperative banks and state cooperative banks. The primaries obtain their funds from the district coop banks which in turn borrows from the state cooperative banks. Refinance is obtained by the state cooperative banks from the National Bank for Agriculture and Rural Development (NABARD) which is the apex financing institution for agriculture/rural development credit in the country. Credit management by these cooperatives include a two-component formula - small portion of the production credit to the farmer is paid in cash and the rest in the form of production inputs like fertilizers, seeds, pesticides etc. Such production inputs are supplied either by the primary credit or marketing society in the area. This system has ensured proper utilisation of credit for increasing the productivity, gives assured business of fertilizer and other inputs distribution to the supply and marketing cooperatives and also ensures proper utilisation and timely repayment of loans to the lending agencies;

Commodity-based cooperatives visited included sugarcane and dairy. These processing societies were doing very useful work in value addition resulting in better returns to its members. The working of these cooperatives reflected, to a great extent, the integration of various activities, viz., pooling/procuring of produce, processing the produce and marketing the end products. The value-addition activity is further supported by the sugar factories by undertaking processing of by-products, such as setting up of paper mills, industrial and potable alcohol running of consumer cooperative supermarkets, educational institutions from primary to higher secondary and graduation levels including higher technical education in medicines, engineering, nursing, etc., running of hospitals as their ancillary units. The Pravaranagar cooperative sugar factory visited by the participants was the first cooperative sugar factory to be established in India and which runs many supportive activities for the benefit of its members;

- Cooperation among cooperatives, one of the cooperative principles of ICA, is achieved by the sugar factories in

helping the credit societies in the recovery of loans from out of the sugarcane price due to the farmers and thereby ensuring linking of credit with marketing. They have also helped in infrastructure developments such as educational institutions, health services including hospitals, construction of roads, water supplies etc. in the areas of their operation. Overall development has been steady and progressive in the areas in which the sugar factories have been established;

- One of the major drawbacks of the Indian Cooperative Movement has been the restricted cooperative laws and dominance and interference of government officials in the working of cooperatives. The Movement has strived to make itself fully democratic and free of official control. Cooperation is a State subject in India. Different States have different laws pertaining to cooperation. Due to constant efforts of the Movements, a few state governments have passed liberal cooperative laws and have given freedom of operation and democratic management and financial control if they have no government share capital contribution. The leaders and the NCUI are striving hard to get the Model Cooperative Societies Law passed by the Parliament of India which envisages minimum role for government and promises more freedom to the Movement in its operations and management.

AMUL Dairy

During study visits in Gujarat State, the participants were able to visit the Anand Milk Union Ltd (AMUL) (Kaira District Milk Producers' Cooperative Union) and the Mehsana Cooperative Dairy at Mehsana. The Amul dairy is world famous institution known for its success, both in terms of organising the small milk producers through vertical integration and in linking all activities by forward and backward linkages. The AMUL celebrated its 50th year Golden Jubilee in December 1996 by dedicating to the nation a state-of-art technology cooperative dairy costing Rs. one billion with 500,000 litres capacity per day. The new dairy was formally declared open by the Prime Minister of India, Mr H. Deve Gowda.

The AMUL has demonstrated the effective horizontal integration by expanding the scope of cooperative activity related to the main dairy. It has emerged as the pioneer cooperative in dairy development in India. Its daily processing of milk is now over 1.5 million litres. Bulk of the processed milk is marketed as fresh milk for direct consumption to consumers located as far as Delhi, Calcutta, Madras and Bombay, the four major metropolitan cities of India. Surplus milk is converted into butter, milk powder, cheese, chocolates, baby foods, and several kinds of local sweets. AMUL has also established an animal feed plant to produce compound feed for dairy cattle distributed through milk cooperatives in the district. Marketing of milk and other by-products is done through the Gujarat State Cooperative Milk Federation.

A striking feature of AMUL is its extension and veterinary services for the benefit of dairy producers. Almost all requirements of dairy farmers are met by the primary societies. The participants visited the primary milk collection centres to observe the collection and other services. Another unique feature is down cash payment for the milk bought by the society in the previous day by the next day. The cash crunch in the villages is thus eliminated.

The success of AMUL has encouraged the Government of India to set up a parent body, the National Dairy Development Board (NDDB) at Anand, for replicating the Anand Pattern in other parts of the country. The NDDB offers subsidies, loans and technical assistance for setting up new units. It has also developed its own commodity base by entering into oilseeds, salt, fruits and vegetables market etc. The NDDB has also started premier institutions for research and development efforts in respect of its varied activities. The Institute of Rural Management, Anand., was established by the NDDB mainly to provide qualified and trained managers for rural cooperatives and agro-based cooperative institutions. IRMA also conducts research on rural development and allied activities.

The Mehsana Cooperative Dairy at Mehsana was established on the pattern of AMUL and is one of the largest dairy plants in Gujarat. The plant process 1.3 million lts of milk per day produces many bye-products. It has the same features like Amul in extension, health care and support services to its members.

The Tree Growers' Cooperative visited by the participants showed that success could be achieved by hard work and dedication. The cooperative has been able to convert waste land into green land thus helping its members to increase their incomes as well contribute towards environmental protection.

The Hindustan Packaging Company Ltd. is one of the subsidiaries of the NDDB. It produces different kinds of packaging material including tetra-packs for marketing of milk, oil and other liquid products.

The Cooperative Sugar Factory at Palaj, visited by the participants, was a sick unit running in losses for the last several years. It has now been revived under the leadership of a well-known and veteran cooperator. The importance of dynamic leadership was demonstrated here. The chairman of the cooperative sugar factory, after taking over has turned the table. The society has been able to revive its operations under his leadership. Members were paid their full dues and shares including proper cane price and other supporting services like quality seeds etc. With the cooperation of its members, the new chairman has been able to run the sugar factory successfully for the last two years, plans to wipe out the entire losses during the next few years and also plans to go for better, modern machinery to replace the old machinery and increase the crushing capacities of the sugar factory. This was a unique study for the participants where they could have detailed discussions with a

leader who was able to reformulate a loss-making enterprise into a viable and successful profit making one for the betterment of farmers in the area.

02 COMPARATIVE FIELD STUDIES-II/SRI LANKA

The Cooperative Movement in Sri Lanka, conceived as a result of the need to meet the problems of rural indebtedness, and emerged as far back as 1906 with the organisation of credit societies which led to the official inauguration of the Movement by the enactment of the Cooperative Thrift and Credit Societies Ordinance No.7 of 1911. As a result, many cooperative societies were constituted and registered practically all over the Island. In October 1930 a separate Department under the Commissioner of Cooperative Development was established. During 1940s, consumer cooperatives increased in number mainly to undertake supply of consumer items during the War period. Similarly, the development of Coconut Producers' Cooperatives, Agricultural Produce Cooperative and Small Tea Holders' Cooperatives appeared on the scene. At the same time, the government provided opportunities and facilities for the recruitment and training of cooperative personnel to run the emerging cooperatives.

The development work remained largely in the hands of the government through the Department of Cooperative Development which was regarded as the "Friend, Philosopher and Guide" of the Cooperative Movement. The history of the Cooperative Movement could thus be discussed under the following periods:

- 01 1911-1942
- 02 1942-1947
- 03 1947-1957
- 04 1957-1971.
- 05 1971 onwards

In 1957 the government issued a directive that it was not necessary to have a multiplicity of single-purpose cooperatives at the village level and the economic needs of the village could be met through one multipurpose cooperative institution. A target of one MPCs for each village was set and the Department was entrusted to accomplish the target. It was as spectacular a drive as the one that took place to create consumer cooperatives during the years of the World War-II. The number of MPCs that stood at 68 in 1957 reached 5,053 by 1965. With the increase in number of these cooperatives, the complexity of cooperative laws, rules and regulations also increased, thus increasing the powers of the Department to the extent that no cooperative could appoint or dismiss a manager or a secretary without its approval. During this period was also established the People's Bank by Act 29 of 1961 replacing the Cooperative Federal Bank. The federal bank and several other provincial and district level banks also were merged with the People's Bank.

The appointment of a Royal Commission in 1968 was an important event in the history of the Cooperative Movement with the main objective of reforming and streamlining the cooperative

structure. With the passage of Cooperative Societies' Special Provisions Act No.35 of 1970 in December 1970, the Department assumed the powers of amalgamating cooperatives by gazette notifications. The government also assumed the power of nominations on the boards. 1972 also saw the establishment of a Cooperative Employees Commission by Act 12 of 1972. The Commission was expected to regulate the employment conditions of cooperative employees, and serves as an appellate body in respect of disciplinary action taken by a society. The Act also gave the Registrar the authority to determine the strength of the permanent cadre of societies and the societies were expected to comply. However, it is significant that with the promulgation of the Cooperative Societies' (Amendment) Act No.11 of 1992 the cooperative law in the country was liberalised.

The MPCSSs still have a central function in the distribution of essential food items under the government Food Stamp Scheme, the Schools Mid-Day Meal programme and implementation of the Poverty Alleviation programme. Nearly 300 MPCSS have the main function of supplying consumer services to the people utilising nearly 650 wholesale depots, 7,400 retail outlets and 716 other sales points.

There are 1,152 Rural Bank branches of 292 MPCSSs and 6 Cooperative Rural Bank Societies, with the objective of providing credit to the rural poor to reduce rural indebtedness, encourage the savings habit and extend banking facilities to remote villages.

The spread of the Sri Lanka Cooperative Movement as of 1995 is as follows:

Multipurpose Cooperative Societies	...	...	300
Credit Cooperatives	...	...	8,035
School Cooperatives	...	...	1,345
Milk Producers' Cooperatives	...	...	265
Tea, Rubber, Coconut Cooperatives	...	...	109
Fisheries Cooperatives	...	...	740
Animal Husbandry Cooperatives	...	...	37
Small Industries' Cooperatives	...	...	241
Other types of cooperatives	...	...	902

At the national apex, the National Cooperative Council of Sri Lanka (NCC/SL), represents the Movement and participates in discussions with the government on cooperative policies and programmes. It provides cooperative education services to the members and employees of the Cooperative Movement.

There are a number of national business federations of various economic sectors. In addition there are a number of development institutions which cater to the needs of the Movement e.g., the Sri Lanka Institute of Cooperative Management, the School of Cooperation, and the regional centres of the NCC/SL.

During their field visits in Sri Lanka the participants were able to interact with the senior level cooperative officials, leaders,

managers and members of multipurpose and other cooperative institutions. The field visit was hosted by the National Cooperative Council of Sri Lanka. The field visits programme was inaugurated by Mr SB Diviratne, Additional Secretary of Youth Affairs, Sports and Rural Development of the Government of Sri Lanka (formerly the Commissioner for Cooperative Development).

The participants visited the following cooperative institutions during the period January 2-9 1997:

- 01 National Cooperative Council of Sri Lanka-NCC/SL
- 02 Coconut Producers' Cooperative Societies' Union
- 03 Sri Lanka Cooperative Marketing Federation-Markfed
- 04 Sri Lanka Institute of Cooperative Management-SLICM
- 05 Sri Lanka Industrial Coop Societies' Union-CEYESTA
- 06 Dunagaha Coconut Producers' Cooperative Society Ltd
- 07 NCC Project on Sustainable Development & Environment Conservation at Maho
- 08 School of Cooperation, Polgolla
- 09 Kundasale Multipurpose Cooperative Society Ltd, and
- 10 Kandy Multipurpose Cooperative Society Ltd.

At the end of the field study visits, a wrap-up session was held at the office of the NCC under the leadership of Mr Lionel Samarsinghe, President of the NCC.

The NCC: Serves as a national apex of the Sri Lanka Cooperative Movement. As at March 1994, the Council consisted of 35 members, 8 apex unions and 27 district councils. Its main activities include: Education and Training, Architectural consultancy services, Tax consultancy and banking advisory services, Insurance services, Cooperative printing press, Publication of cooperative literature, and coordination with the government on issues relating to cooperative development.

Coconut Union: Serves as an apex federation of coconut producers' cooperatives, and provides a variety of services e.g., marketing arm of 11 societies, promotes export of coconut products manufactured by member-societies, provides consultancy and guidance on coconut-industry related matters, coordinates with the government and private industry on coconut business development, advisory services in planting, estate management and marketing of coconut produce, supplies inputs like fertiliser, fencing materials and some credit.

MARKFED: Formed in 1973 by amalgamating consumer cooperative union and cooperative agricultural producers union. Its membership of 286 include multipurpose cooperatives. Its major activities include: export of betel leaves, production and marketing of condiments like ground chilies, saffron, pepper etc. It operates 5 wholesale depots, 4 retail outlets, a petrol pump and a packing centre.

SLICM: Established by the government in 1973. The Institute is dedicated to the development of Cooperation and Cooperative Societies, primarily through management promotion. Its main

activities include: Management consultancy activities, undertaking feasibility studies, offering management training and development programmes to cooperative employees, production of training material, organising cooperative technical meetings and conferences, and collection and dissemination of cooperative management information.

CEYESTA: This industrial union has 175 cooperatives in its membership. The main product of this Union is rubber mixed coir mattresses under the brand name of 'Ceyesta'. It operates its own manufacturing plant in Colombo. The coir producing unit is based at Madampe, a town within the coconut triangle in North-Western Sri Lanka. The unit produces 'bristle' and 'mattress' fibres, twisted coils of which are transported to the main manufacturing unit at Nawinna in Colombo.

Dunagaha Coconut Producers' Cooperative Society: The society operates a desiccated coconut processing plant using the products of surrounding coconut producers. The Manager of the Society was a former participant of the course. During his training he had produced a project proposal to establish a desiccated coconut plant and operate with efficiency to generate additional income for the members. Accordingly, the Society accepted the proposal and a new plant was established. The entire production at present stands committed for exports only. The efficiency in operations has produced sufficient funds to establish another plant in a nearby cooperative to produce desiccated coconut.

NCC's Maho Environment Project: The project has been developed in collaboration with the Canadian Cooperative Association to generate additional income for the dry-zone cultivators by planting new trees and tending forest wealth. The emphasis is on sustaining the interests of the local cultivators by using locally-available materials with some external guidance and support. Farmers have planted timber and fruit trees, preserved local traditions and created water resources through protection of environment.

School of Cooperation, Polgolla: An institution owned and operated by the Government was established in 1943, mainly to provide education and training of cooperative employees - government and movement. It is regarded as one of the oldest of cooperative education and training institutions in the Region. It has a fully operational campus which include teaching, administrative and residential (for 200 participants at a time) facilities. It has on its own campus an auditorium of 700 seating capacity, Information Technology Unit, and library and documentation centre. It offers regular long-term training programmes for cooperative inspectors and several certificate courses in banking, marketing, general management and entrepreneurship development.

Kundsale MPCs: The society was the result of an amalgamation of 24 consumer cooperatives. Its objectives are to promote the cooperative spirit, develop cooperative business and provide best possible services to its members in accordance with the

Principles of Cooperation. Its main activities are: thrift and credit services; production and agricultural services; and education and training services. Its business sections are: consumer services; rural bank; transportation; accounts; and public relations. It has a staff strength of 174. Its General Manager, Mr Sunil Jayasinghe participated in the 11th Course.

Kandy MPCS: The participants also visited the Kandy Multipurpose Cooperative Society and its retail outlet located in the Central Market of the city. The MPCS is engaged mainly in the distribution of consumer goods.

SECTION - V

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

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

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

01 Inaugural Session

The ICA-IRMA modules were conducted at the Institute of Rural Management, Anand, from November 27-December 27 1996. The Management Modules were formally inaugurated by Prof. Katar Singh, Director of IRMA on 27th November 1996. Prof Katar Singh welcomed the participants and ICA Officers and thanked the ICA for giving IRMA the responsibility for conducting the management modules for the third year in succession. He assured the ICA of IRMA's full cooperation in completing the assignment successfully. He wished the participants a fruitful and useful study period during their stay in IRMA.

Professor G. Krishnamurthi, the Programme Coordinator for the Course, welcomed the participants and assured them that he, together with his fellow faculty members, would strive to fulfil the objectives of the participants as well as of the training programme. While explaining the facilities of IRMA to the participants, Prof Krishnamurthi assured them of all possible comforts in spite of the fact that Anand is a small town with

limited opportunities for excursions etc. He, however, informed the participants that the IRMA campus is complete in all respects.

Mr AH Ganesan, Programme Officer, ICA ROAP, conveyed the greetings of the ICA and thanked the IRMA Director and the Faculty members for their continued support to the ICA in the implementation of the programme. He conveyed the appreciation of the ICA for introducing a two-day workshop on stress management and micro-macro economic analysis which were suggested by former participants.

02 Teaching Modules

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

The management modules consisted of the following segments:

- i. Integrated Cooperative System
- ii. Accounting, Costing and Financial Management
- iii. Marketing
- iv. Project Management
- v. Economics
- vi. Communications
- vii. Executive Effectiveness
- viii. Personal Computers, and
- ix. Stress Management

03 Teaching Faculty

The modules were designed and taught by a team of Professors and was coordinated by Prof. G. Krishnamurthi. Prof R. Rajagopalan, Prof M.J. Arul, Prof Hitesh Bhat, Prof. Sukhpal Singh, Prof. Rakesh Saxena, Prof M.S. Sriram, Prof. Shiladitya Roy, Prof. Rajesh Agrawal, and Prof. Rajagopal consisted of the faculty team and Mr P.J. Modi and his colleagues helped the participants in the computer training programme. Prof. Katar Singh, Director, IRMA, delivered a key-note address on Professionalisation of Management in Agri-Business Cooperatives on the first day and set the training course in motion.

As requested by earlier course participants, a two-day workshop on Stress Management was specially conducted for the course participants by Dr Palan, a practising medical doctor and a specialist in stress management. The workshop was found quite useful by the participants. A basic component on Economics, especially touching upon 'Micro' and 'Macro' economics was added to facilitate the process of learning.

04 Pedagogy Followed

A mix of cases, exercises, discussions, computer-based learning, participant project-work and presentations and lecture methods were used. Participants were inducted to the library and documentation services. A wide range of audio-visual aids, e.g., video coverage, self-assessment of own performance, and learning systems e.g., role plays, brain storming, simulation exercises, group discussions were used during the period of the training programme. A special emphasis was placed on the study of 'real-life' situations through study visits and open discussions with managers and basic members of cooperative institutions.

05 DETAILED MODULE DESIGNS

- Professionalisation of Management in Agribusiness Cooperatives

This module served the purpose of setting the tone for the entire training programme, by introducing the participants to a profile of agribusiness cooperatives in India and exposing them to the intent and rationale of professionalisation of their management, and finally, providing the participants an opportunity to discuss some contemporary issues in professionalising their management. The issues identified as obstacles to the professionalisation of management of agribusiness cooperatives included lack of professional managers having values and ethos congenial to cooperative management; lack of appropriate courses and curricula for training cooperative managers; excessive government control and interference; lack of good leadership; small-size of business and hence inability to hire professional managers; lack of performance-based reward systems; and internal work culture and environment not congenial to professionalisation of agribusiness cooperatives in India as well as in other developing countries of Asia, the module enabled the participants to identify potential solutions to the issues in the subsequent modules.

- Integrated Cooperative System (ICS)

The module explained the evolution of cooperatives as a system and a form of organisation gradually moving from a single-purpose cooperative to a multi-purpose cooperative thus achieving integration with the input on the one hand and the market on the other. The presentations on this module also compared and contrasted a traditional service-oriented cooperative to an integrated cooperative. The objectives of forward, backward, horizontal, and vertical integrations were discussed. The focus was on logic and the criteria that need to be looked into while decisions regarding integration are taken.

Purpose of integration in the output marketing is to establish direct linkages with consumers. A two-way integration has to be achieved: (i) Forward integration; and (ii) Backward integration. Forward integration implies the extension of marketing activities nearer to the consumers while backward integration is to establish linkages with the producers. Thus an integrated system

of output marketing must effectively link the producer at the one end and with the consumers at the other.

The factors that may lead to the success of integrated cooperative system within a cooperative could be as follows:

- Charismatic leadership with a large following and devoted to the cause of the society,
- Advanced but appropriate technology,
- Effective management,
- Responsiveness to members' needs,
- Constantly higher prices for the produce,
- Helping farmers to achieve higher production and productivity.

The concept of ICS with special reference to commodity sectors in India were discussed in detail. The commodity sectors covered included dairy, sugarcane, and paddy in India and credit cooperative system in Thailand.

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

Presentation on sugar cooperatives in Maharashtra and Gujarat States highlighted the reasons for successful integration. It was observed that sugar cooperatives helped the farmers to raise productivity of the sugar cane by providing fertilisers, seeds and also farm guidance on plantations, harvesting, transport etc. Successful sugar cooperatives also extended their activities by engaging into new product lines such as molasses processing, distilleries, card-board and paper-making in addition to its anchor activity of sugar production. These cooperatives have thus added value to the main produce of the member-farmers.

Case studies on multipurpose cooperatives and their functions and roles in integrated cooperative activities were discussed. Participants were encouraged to make individual presentations building on the concepts they had learnt in the module. Specific emphasis was laid on whether this approach is workable in the participating countries and, if so, the commodity sectors which could be identified; the possible constraints that may be

experienced in the implementation of this approach and steps needed to be taken to overcome the bottlenecks. Participants concluded that certain level of integration is existing in their own country situations and further improvements are possible for full integration.

- Economics

In this module, the participants were given an overview of the role of 'micro' and 'macro' economic principles and models in business decision-making, especially in the context of the management of agricultural cooperatives; the underlying theory of production, cost, and supply functions; basic concepts relating to demand and revenue, including an appreciation of contribution; the behaviour of demand in relation to price, using the concept of elasticity of demand; and market structure and price determination. A case entitled "The Saptamahar Milk Producers' Cooperative Union Limited" was used in all the sessions to illustrate the basic concepts of micro economics having a bearing on business decision-making.

- Accounting, Costing and Financial Management

The focus of this module was to understand how financial transactions affect the balance sheet and income and expenditure statements. Participants used the Accounting Primer developed by the IRMA faculty. Progressively they moved from accounting for simple trading-on cash transactions, through credit to complex manufacturing transactions. By the end of the module, the participants were comfortable with balance sheets and income statements.

Costing component focused on costs for decision-making. Emphasis was therefore on participants' understanding that costs are relevant in a specific decision-situation. Participants also learnt to distinguish between 'fixed' and 'variable costs' and to carry out 'break-even' analysis.

The financial management component first focused on 'the financial analysis of an organisation using ratios and common sizing. Working capital management was then covered. Participants learnt to make both quick assessments of working capital requirements, as well as detailed accurate estimates. Participants were taught the time value of money concept. They were introduced to the financial appraisal of capital investments using the payback method, and 'net present value' (NVP) and 'internal rate of return' (IRR) methods. They were also introduced to capital structure decisions and estimation of the weighted average cost of capital.

The concepts taught in this module were used extensively in the project management module.

- Marketing Management

The marketing module was designed to give the participants an understanding of core marketing concepts and to provide them with the marketing analysis tools and techniques required for preparing a good project report.

The module began with a coverage of cooperative marketing, the central issue was the threat from increasing competition from the private sector and the range of feasible solutions. Value addition was a major theme discussed to explore the possibility of shifting from undifferentiated commodity selling to branded products marketing. Cases from a range of cooperatives were used to analyze this shift. Also covered were the issues of monitoring and evaluating the marketing functions.

- Project Management - with special emphasis on Project Preparation

The sessions on project management were focused towards building the necessary skills in the participants in the preparation and appraisal of project proposals. It was understood and made clear to the participants that in their real life situations, they, as managers, will not only have to produce development projects but also appraise other projects which are sponsored. Managers often have been found lacking the skills in preparations and appraisal of such development project proposals. The sessions also covered the techniques for the preparation of plans for project implementation.

Definition of an integrated rural development project, concept of projects and forward and backward integration of an agro-industry with the market and producers' cooperatives was illustrated.

The definition of an agro-industry as an enterprise that processes materials of plant or animal origin and the significance of agro-industry as an instrument of rural development were also discussed. A categorisation of agro-industries, on the basis of transformation of raw-materials as proposed by EDI, World Bank, was also illustrated with examples. The opportunity was made use of to explain the special characteristics of agro-industrial raw materials and their significance and limitations for the design of agro-industrial projects. Linkages between the agro-industry with the farming system and the marketing structure were explained using the flow chart for agro-industrial projects developed by EDI. The following four types of systemic linkages were identified:

- i. Production chain linkages,
- ii. Macro-micro policy linkages,
- iii. Institutional linkages,
- iv. International linkages.

The concept of project life cycle illustrated the following four stage framework:

- i. Concept phase,
- ii. Implementation phase,
- iii. Operations phase, and
- iv. Abandonment phase.

The broad groups of activities which are generally undertaken in any project during the above four stages and the agencies involved as well as the costs and benefits were explained. A formal definition of project management as developed by the Project Management Institute was presented along with the goals of project management functions. The definition of project management as developed by the World Bank (reproduced below) was given to enable the participants to have an appreciation of the several ways of looking at a project.

The specific characteristics of a project from the points of view of the chief executive of an organisation as well as that of a project manager were also illustrated with certain examples of integrated rural development projects.

During this discussion, the major forces which had contributed to the growth of project management as an independent discipline were also brought out.

World Bank's Definition of a Project.....

"A Project ideally consists of an optimum set of investment-oriented actions, based on comprehensive and coherent sector planning, by means of which a defined combination of human and material sources is expected to cause a determined amount of economic and social development. The components of a project must be precisely defined as to character, location and time. Both the resources required in the forms of finance, materials and manpower and the general benefits - such as cost savings, increased production and institutional development are estimated in advance. Costs and benefits are calculated in financial and economic terms or defined (if quantification is not possible) with sufficient precision to permit a reasoned judgement to be made as to the optimum set of actions."

Following the above, the major steps involved in the planning of a project were outlined. An overview of the means of identification of projects and methods of idea generation, creativity and technological forecasting was also presented for the benefit of the participants.

Since the first step in the project identification happens to be a knowledge of the market, a detailed deliberation on the salient features of marketing factor, from the project analysis angle, was made. During the deliberations the framework for marketing plan and its interface with consumer analysis and competition analysis was evolved on the lines of EDI.

A brief outline of the various methods of data collection, their analysis, and forecasting methods was also presented.

In view of the peculiar characteristics of raw materials of agro-industries, the problems associated with their procurement were taken up for discussion along the following dimensions:

- i. Quantity,
- ii. Quality,
- iii. Time sensitivity,
- iv. Cost, and
- v. Organisation.

In particular, the seasonality, perishability and availability characteristics of raw materials in so far as they affect the project decisions such as location, capacity, etc. were discussed in detail.

The primary element of the processing factor to be considered while taking critical project decisions were next discussed along the following lines:

- a. Processing technology,
- b. Plant location,
- c. Inventory management,
- d. Packaging and other materials,
- e. Production planning and control, and
- f. By-products.

In this context, the significance of quality control and need for building in sound quality systems at the project stage itself were emphasised.

The methods for evaluation and selection of projects were dealt with subsequently. Details of 'discounted' and 'non-discounted' methods of cash flows which were covered in financial module were re-emphasised. Relevance of these techniques to short-listing the projects and their use as a starting point for the management of projects were brought forth.

A case entitled "Western Pengasinan Organic Fertilisers Project" (in the Philippines - produced by a participant of the 10th Course) was taken up for discussion and to illustrate practical complexities involved in cash-flow preparation in a real-life situation.

As a part of the financial analysis of the projects, methods of calculation of break-even point with special reference to a specific case was discussed. Participants were asked to discuss the segregation of the various cost data given in the case into fixed and variable costs and find out the unit production costs for various production volumes and their break-even points. The procedure for estimation of NPV and IRR was reinforced with a case and the participants analysed the data given in the case using spreadsheet. The concept of 'sensitivity analysis' was illustrated through a case and participants calculated the NPV

at different levels of interest rates to enable them to have a personal feel of the variation of the NPV as one of the influencing variables.

After the participants had a fairly good exposure to the basics of project identification and selection, they were exposed to the techniques of developing a plan for their implementation. The need for integrating implementation plan with the rough/preliminary plan was also stressed. The following techniques were explained in the order given with reference to a milk chilling centre as an example:

- i. Development of a work breakdown structure (wbs);
- ii. Development of an activity list, including estimation of activity durations and identification of predecessor relationships;
- iii. Development of a 'network, including procedures for numbering of nodes, calculation of project duration, calculation and significance of free and total floats, identification of critical path and its significance from the point of view of the project manager and other agencies involved in a project;
- iv. Derivation of a bar/Gantt chart from the network and depiction of the floats; and
- v. Incorporation of resources required for the individual activities in the bar chart to estimate the resource profile and use of floats for resource levelling.

The effect of the re-allocation of resources on the cash flows and consequently the NPV was also stressed. The participants presented three sample projects on the basis of cases earlier presented to them. To enable the participants to formulate their projects in their home country assignments a draft project outline was circulated along with questionnaires on the marketing factor, the procurement factor and the processing factor.

Each participant was asked to make a presentation of his draft project proposal, as envisaged by him, as a work experience model. The following proposals were presented in their rough form by the participants:

- i. Establishment of "Production Facilities for Broiler-Chicken", (Bangladesh) with a capacity of 75,000 chicks per year, spread over six cycles, at an estimated cost of Taka 2.5 million;
- ii. A project for "Increasing the Export of Fruit Juice (Apple and Pear) by Modernisation of an existing Fruit Processing Plant" (China) in view of a very high demand for the product;

- iii. A project for "Setting-Up a total Computer-Based Marketing Yard - Meilemen Shopping Centre" (China) at an estimated cost of Yuan 58 million, to be financed by the cooperatives, China Development Bank and China Agricultural Bank (Nimbo Branch) in the ratio of 20:29:9;
- iv. An experimental project for "Development of a new product to replace the Calf Milk" to be put up in Indonesia;
- v. A project for "Improving the Quality of Calf" in Indonesia;
- vi. A dairy development project for "Increasing the Milk Production in the district of Srikakulam, Andhra Pradesh" (India) to an animal growth rate of 15%;
- vii. A project for the "Modernisation of Fruit and Vegetable Processing Centre of NAFED" (India) at an estimated cost of Indian Rs 75 million including working capital margin of Rs. 15 million;
- viii. A demonstration project for the "Production of Nursery" for generation of cash inflows (Malaysia), spread over an area of 20-30 acres of wasteland at an estimated cost of M\$ 3,000 per acre;
- ix. A project for construction of structures for limiting the havocs caused by flood entitled "Small Farmers' Development Agency Flooded Area" (Myanmar) spread over an area of 50,000 acres and at an estimated cost of Kyat 300 million;
- x. Project for "Fish Farming" (Pakistan) in a location approximately 600 km north of Islamabad;
- xi. A project for the establishment of facilities for the "Production of Organic Fertilisers from Solid Wastes" (the Philippines), at an estimated cost of Peso 3 million;
- xii. Establishment of "Rice Processing Centre" (Sri Lanka) to process 13,000 tons per month, at an estimated cost of Rs 4 million to benefit 3,280 farmers cultivating paddy in two cropping seasons over a land area of 168,000 ha;
- xiii. A project for "Production and Marketing of Liquid Milk" (Sri Lanka) and cultivation of habit of consumption of liquid milk among a certain/chosen population to provide the necessary demonstration effort;
- xiv. A project for "Production of Validamycin LDSO Insecticides" (Vietnam) with a capacity of 500-2000 mt

tons per annum, at an estimated cost of US\$150,000; and

- xv. A project for "Breeding Poultry and a Processing Plant" (Vietnam) of 5,000 tons per annum capacity in a location west of Hanoi.

These project proposals, though in draft stages, were found useful by them for preparing their actual project proposals during the home country assignments. While some participants kept their original draft proposals in mind and improved upon them during their home country assignment period, others worked out new project proposals on the basis of discussions held with their organisations and priorities fixed by their authorities.

The draft proposals were commented upon by the faculty on sufficiency of details, feasibility of implementation, validity of assumptions, correctness of application of the techniques covered in the module etc. This review enabled the participants to get proper feedback on the comprehension of the principles of project management covered in the module, so that they could prepare their project proposals independently on their return to their home countries.

- Communication Strategies

The communication module was designed to assist the participants in the preparation and presentation of project reports. The participants learnt the techniques of writing elements of proper reports, organising and structuring of the report, and the style requirements. They were also taught proper ways of presentations and each participant made oral presentations which were video-taped. The tapes were played with a view to make the participants assess their own performance draw backs. Extensive feedback was provided to help participants develop communication skills.

- Executive Effectiveness

The following topics were covered in this module:

- a. The nature and role of assumptions in executive behaviour;
- b. The individual frame of reference and its significance;
- c. Superior-subordinate behaviour;
- d. A general framework of understanding human behaviour;
- e. Perception - its determinants, effects and caveats;
- f. Motivating the subordinates.

The module began with an introductory sharing from the participants regarding their job contents and some of the typical problems they faced as executives in their jobs. A role play exercise was carried out to illustrate the fact and role of assumptions that lay behind the behaviour of the participants. The need for one to be aware of one's assumptions and to question their appropriateness was then examined. In this context, the concept of individual frame of reference was introduced and its significance for executive effectiveness was discussed.

The domain of superior-subordinate behaviour was dealt with by means of a case and concepts discussed earlier were applied for reinforcing the concepts and for developing the skills of relating them to day-to-day life situations.

Executive effectiveness involves motivation of subordinates, the topic of how to motivate subordinates was taken up for discussion at the end of the module. Motivational problems from the participants own job contexts were discussed and analysed.

- Workshop on Stress Management

Keeping in view the suggestions made by earlier participants, a two-day workshop on Stress Management was organised this time. It included lectures and discussions on:

- i. Human mind, its functioning and potentials;
- ii. Physiology of mind-brain-body-mind communication;
- iii. Hypnosis and self-hypnosis; and
- iv. Explanations on some of the Vedic philosophical concepts viz., "Ahankar Shuddhi", "Panch Kosha" etc.

During the workshop, the participants were taught skills to induce self-hypnotic state of consciousness, to enjoy it and to terminate the same by themselves. In addition, they were also taught the skills to use various self-hypnotic techniques (based on Yoga, auto-suggestions, imageries and breathing rhythm) for reprogramming of their minds so as to:

- i. Develop positive thinking and healthy attitudes;
- ii. Enhance motivation to do what they want to/need to do;
- iii. Deepen their concentration in what they are doing;
- iv. Strengthen their self-confidence and self-esteem;
- v. Remain relaxed and comfortable during periods of stress; and
- vi. Provide better rest to body-mind within a shorter period of time, energising and invigorating the body when needed.

- Personal Computers: Awareness and Application

Participants were provided with personal computers to familiarise them through guided daily computer laboratory sessions. Word processing and Lotus spreadsheet software were used. Several modules which used computer-based learning also provided the participants with additional exposures to computers. A well-equipped computer laboratory was made available exclusively for the use of ICA Course participants.

SECTION - VI

PROJECTS APPRAISAL SESSIONS

- An Exercise in Skills Development

01 Introduction

The Participants, at the end of Part-I of the training course, were given home assignments which they were expected to complete during their Home Country Assignment (HCA) period. They were expected to produce agricultural cooperative development proposals in accordance with the instructions imparted during their studies at IRMA. The proposals were to be within the frame of priorities of their own organisations, and were to be produced in consultation with their organisations. They were expected to enlist the support and assistance of their chief executives and former participants.

A liberal use of internal documentation of the organisation was encouraged. Their sponsoring organisations were, in advance, requested to provide all possible assistance, cooperation and guidance to the participants in the preparation of these project proposals.

02 Methodology Adopted

The participants, at the time of entry to Part-II of the programme held in Tokyo, brought with them the draft proposals for discussions, appraisals, review and revision. With a view to objectively appraise the proposals a panel of resource persons was identified. Professor G. Krishnamurthi from the IRMA, Mr Yoshitada Nakaoka, Managing Director of the IDACA, Dr Robby Tulus, ICA Regional Director, Mr Daman Prakash, Project Director and Mr AH Ganesan, Programme Officer, worked as resource persons and commented upon the projects presented by the participants.

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

03 Skills Development

As is shown in the attached illustration, the exercise was intended to serve two basic purposes: i) Help improve the quality of the project proposals; and ii) Help learn the skills of appraising the project. This exercise in developing skills of

CHART SHOWING 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 to his/her sponsoring organisation
proposing its implementation.

appraising reinforced the skills in preparing a project proposal, which, in fact, are the principal responsibilities of managers of agricultural cooperatives in their real-life situations.

04 Design of Presentations and Areas of Feedback

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

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

05 Development Proposals Produced by the 11th Course Participants

The following project proposals were prepared and presented by the participants:

- i. "Khailkur Cooperative Poultry Project"
-Mr Nur Mohammad Molla of Bangladesh
- ii. "Processing of Wild Vegetables in Hallin Cooperative"
-Mr Wang Song Jun of China
- iii. "Ningbo Meilemen Shopping Centre"
-Mr Liu Fei Long of China
- iv. "Spice Processing-cum-Packaging Unit-NAFED"
-Ms Urmil Aneja of India
- v. "Dairy Development Project in Srikakulam District"
-Mr M. Rama Gopal of India
- vi. "Establishment of Virgin Calf Service"
-Ms Carolina HK of Indonesia
- vii. "Sentang Project in FELDA-Scheme Village Area"
-Mr S. Arikrishnan of Malaysia
- viii. "Brick-Making Plant Project"
-Mr Htin Kyaw Linn of Myanmar

- ix. "Fish Farming"
-Mr Muhammad Nasir of Pakistan
- x. "Fortified NPK Organic Fertiliser Manufacturing"
-Mr Teofilo R. Quintal of the Philippines
- xi. "Liquid Milk Pasteurising and Marketing"
-Mr WMK Samarasekera of Sri Lanka
- xii. "Modifications/Development of Rice Processing Mill"
-Mr RKA Sunil Jayasinghe of Sri Lanka
- xiii. "Validamycin Solution 3% Insecticide Production Proj."
-Mr Do Tien Vinh of Vietnam
- xiv. "Processing of Tomato"
-Ms Hoang Thi Vinh of Vietnam

Mr Hermaniadi of Indonesia did not produce any project.

The 14 agricultural cooperative development projects could be classified as follows:

[a] Relating to **Setting-up of Facilities for Agro-Processing**

- 01 Khaikur Cooperative Poultry Project-Bangladesh;
- 02 Processing of Wild Vegetables-China;
- 03 Dairy Development Project in Srikakulam Dist-India;
- 04 Spice Processing-cum-Packaging Unit-India;
- 05 Fish Farming-Pakistan;
- 06 Modification & Development of Rice Processing-Sri Lanka;
- 07 Liquid Milk Pasteurising & Marketing-Sri Lanka
- 08 Processing of Tomato-Vietnam

[b] Relating to **Infrastructural Development**

- 01 Brick-Making Plant Project-Myanmar

[c] Relating to **Establishment of Services**

- 01 Ningbo, Meilemen Shopping Centre-China
- 02 Establishment of Virgin Calf Service-Indonesia

[d] Relating to **Conservation/Upgradation of Environment**

- 01 Sentang Project in FELDA-Scheme Village Area;
- 02 Fortified NPK Organic Fertiliser Manufacturing-Philippines
- 03 Validamycin Solution 3% Insecticides Production-Vietnam

**06 General Yardsticks for
Appraising a Development Project Proposal**

An evaluation or an appraisal of a development project proposal can be done from various angles e.g., from the point of view of the organisation as to achieve its objectives or from the point of view of the clients/users of services of an organisation.

Given below are some of the broad guidelines:

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

07 Concluding Session

In conclusion, the resource person from IRMA, Professor G. Krishnamurthi, appreciated the improvement in the quality of the project proposals. He cautioned that the preparation of the project proposals demands a lot of hard work and an intensive study. At the present stage most of these proposals could only be considered preliminary/draft proposals. They needed a considerable refinement before any formal submission to funding agencies. This exercise was the first step in a long journey towards development. He complimented the participants on their work and stressed the importance of team-work in a project, right from its conception to its completion.

SECTION - VII

PART-II OF THE TRAINING PROGRAMME HELD IN JAPAN

01 Inaugural Session

The Second Part of the Eleventh Training Course was formally inaugurated on 4th March 1997 by Mr Shigeo Karimata, Assistant Director, Technical Cooperation Division, Economics Affairs Bureau of the Ministry of Agriculture, Forestry and Fisheries of the Government of Japan. The inaugural session was also addressed by Dr Robby Tulus, ICA Regional Director for Asia and the Pacific; Mr Yoshitada Nakaoka, Managing Director of IDACA and Dr Daman Prakash, Project Director, ICA ROAP.

Welcoming the Chief Guest Mr Karimata, Dr Robby Tulus, ICA Regional Director and the participants, Dr Daman Prakash said that the participants had completed successfully the first part of the training programme held in India and also the study visits programme in Sri Lanka held thereafter. He said the participants have reassembled in Japan with their project proposals, which were appraised earlier in IDACA by the participants themselves with the help of resource persons from IRMA, ICA and IDACA. Dr Daman Prakash informed the gathering that the programme for the eleventh course has been improved upon based on the suggestions and recommendations made by the former participants in their evaluation sessions and in consultation with the ICA member-organisations, IDACA, IRMA etc.

Many new aspects have been introduced which have improved the course contents. He said the second part of the training course is an important segment of the training programme as it exposes the participants to the experiences of the Japanese Agricultural Cooperative Movement. He expressed his hope that the participants will greatly benefit from their two months study in Japan and learn many new lessons for incorporation into their own country situations.

He thanked the MAFF for their continued funding support and JA-Zenchu and IDACA for their collaborative support in implementing the training programme in Japan. He specially welcomed Dr Robby Tulus to the training programme and thanked him for agreeing to be present in IDACA for the inaugural function and for attending a few sessions of the Projects Appraisal Sessions.

Speaking on the occasion, Dr Robby Tulus, ICA Regional Director for Asia and the Pacific, congratulated the participants for successfully completing the first part of the training programme in India and Sri Lanka and also for the project proposals prepared by them. He said that it was a rewarding experience for him to attend the Projects Appraisal Sessions earlier and felt that the project proposals have been designed well and could be bankable with some improvements. He thanked the MAFF and JA-Zenchu and IDACA for their meaningful collaboration and with

their collaboration, ICA has been able to complete ten training courses so far and the eleventh is in progress. A majority of the 150 participants trained so far are still working in cooperatives and their experience is being continuously utilised by the Movement in one way or the other. He thanked the IDACA for the close collaboration with the ICA over the three decades of its useful existence and hoped this will grow in the future years. The ICA is maintaining close collaboration with the Japanese Government through the MAFF and the Agricultural Cooperative Movement through the JA-Zenchu and the IDACA. The ICA has made available the services of Dr Daman Prakash to be a part of the JICA Study Team to Indonesia to study the working of primary agricultural cooperatives (KUD) in that country. Six training courses have been held so far for rural women leaders of agricultural cooperatives of Asia. He also referred to the fourth Ministers' Conference being organised by the ICA in March 1997 in Thailand and hoped the existing close collaboration between the ICA and the MAFF and Japanese Agricultural Cooperative Movement will grow stronger in the future.

Delivering his Inaugural Address, Mr Shigeo Karimata, Assistant Director, MAFF, congratulated the participants and welcomed them to Japan. He said that with the effective collaboration of ICA, the training courses have been found very useful by the movements in the Region. He thanked the ICA, JA-Zenchu and IDACA for the successful implementation of these programmes. He said that the MAFF supports the development efforts of agricultural cooperatives in Japan and in the Region without any interference.

Mr Karimata said that Japan is experiencing rapid economic growth in the last few decades. The agricultural cooperatives in Japan are contributing a lot to improve the level of productivity and thereby improving the life in rural areas. The Japanese Agricultural Cooperative Movement has its own problems and efforts are being made to face them and solve them. He urged the participants to study the Agricultural Cooperative Movement with an open mind and elicit maximum information by asking probing questions. He wished the participants a pleasant stay in Japan and an enjoyable time during Cherry Blossom season in April.

Mr Yoshitada Nakaoka, Managing Director, of IDACA, welcomed the participants to Japan and IDACA. He also welcomed the new Regional Director of Asia and the Pacific of the ICA, Dr Robby Tulus, to IDACA and thanked him for being present on the occasion. Mr Nakaoka said that he always felt that this training programme was unique in many respects. The programme has been designed as a result-oriented one. He thanked Mr Shiro Futagami, former Managing Director, for the role he had played in the execution of the earlier training courses and for the contribution made by him in designing and implementing these training programmes. He said that during his last visit to the Philippines for the IDACA Re-Union programme, he was impressed by the participation of the former participants of the ICA-Japan Management Training Programmes and was satisfied with the implementation of some of the project proposals made by earlier course participants from the Philippines. He requested the

participants to study the experiences of the Japanese Agricultural Cooperative Movement and try to emulate and implement some aspects suited to their own situations and experiences. He said that human development is an important aspect of life and appreciated the role and support of MAFF in extending its funding support towards this cause. He thanked the ICA Regional Director, Dr Robby Tulus, for his presence in Tokyo in spite of his intensive involvement in the preparations for the forthcoming Ministers' Conference and for taking time out of his busy schedule.

Mr Nakaoka briefed the participants on the role and functions of the IDACA since its establishment in 1963 and training more than 3500 participants from Asia, Africa and Latin America. He said that IDACA has developed a five-year Progressive Plan which will include many new aspects in addition to extending training support to the movements in the Region and sought the collaboration of the movements in their successful implementation. He mentioned that the IDACA enjoys a good working relationship with the ICA Regional Office for Asia and the Pacific, and from this relationship both the institutions stand to benefit.

02 CHARACTERISTICS OF AGRICULTURE, AGRICULTURAL COOPERATIVES AND RURAL COMMUNITIES IN JAPAN

- An Overview

- Agriculture in Japan

Farming is generally a family pursuit and there has been a moderate decrease in the number of farm households, despite a swift decrease in the number of farm workers. Those obtaining their income solely from farming form only a small proportion, while most households have a source of income other than agriculture. The average age of farm workers has been rising. Intensive farming practices are common due to the limited cultivated land available per farm household.

In 1994, workers engaged in agriculture numbered 3.69 million and the number of households engaged in farming totalled 2.835 million. Their share in the total number of employed persons and all households in Japan was about 5.5%. Of all the households, only 12.1% were exclusively engaged in agriculture (18.8% of the total agricultural work force were 60 years and above). Agriculture contributes only 1.7% 9.36 trillion yen to the national GDP and employs only 5.2% of eligible employed persons of 15 years old and over.

Cultivated land area including orchards and grasslands in 1993 was 5.1 million ha and the ratio of cultivated land to the total land area was 13.7% only. The average area of cultivated land per farm household was only 1.8 ha.

- Migration to Urban Areas

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

The migration to urban and semi-urban centres for employment has further reduced the number of people solely dependent on land for their livelihood. Over 85% of farmers' income is now derived mainly from non-agricultural sources. These trends have greatly influenced the living habits of rural society and brought in major changes in social structure. The percentage of elderly people has increased due to continued migration of young people to urban centres and also due to average increase in life expectancy. Even the traditional ways of living are giving way to more sophisticated ways of modern life. Fewer and fewer young people take up employment in agricultural areas and on an average less than 1,700 fresh graduates from farmers' academies and universities take up farming as their full-time job every year. Many young people are reluctant to take up farming because of the social disadvantages they have to cope with such as difficulties in finding brides, and the limited opportunities for social interaction among rural communities.

- Reduction in Farm Households

The above factors have greatly affected agriculture and the number of farm households has reduced from 6,043,000 in 1955 to 3,691,000 in 1994. Out of this only 447,000 are engaged in full-time farming; 429,000 in part-time-I, and 1,959,000 in part-time-II farming. In other words, part-time farmers constitute the major labour force in modern-day agricultural scene in Japan. A small percentage of land remains uncultivated due to availability of other sources of income to marginal farmers.

- Capacity Utilisation Aspects

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

The current efforts are focusing on Hamlet level farming groups which can help in pooling lands together for increasing management scale with a minimum cultivated plot of three ha and utilising surplus manpower for farming complexes, commodity groups and other such activities. This is expected to strengthen

the role of the full-time farmer which will be the group of core farmers and facilitate the withdrawal of disinterested part-time farmers.

The most important and urgent task before the farming communities is the reduction of production costs in order to be competitive in domestic and international markets.

**- Changes in Japanese
Traditional Farm Families**

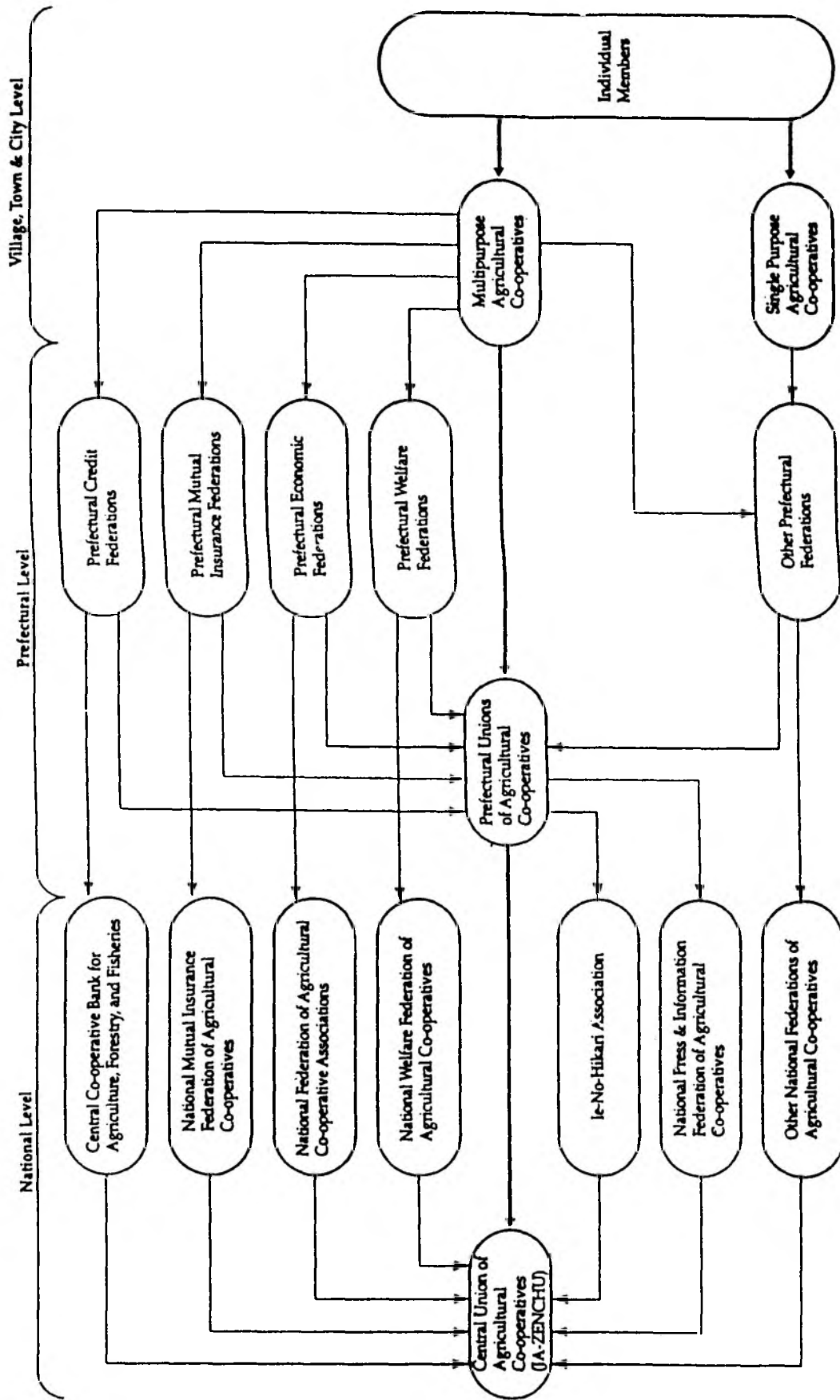
Agriculture is now in the hands of a small percentage of full-time farmers, a few core farmers and the aged people. More than men, the women devote more time to agriculture. It is known that less than 3% of the Japanese population is making a living on farming. More than 60% of agricultural labour force consists of women (mostly farmers' wives). Although opportunities for employment in urban centres have decreased, the people returning to agriculture (U-Turn) are few. The main labour force on agriculture continues to be grandfather, grandmother and the housewife, popularly called 'San-chan' (three dear ones) farming. Even this trio is gradually breaking up as many housewives are taking up employment in the nearby industries or other business establishments to supplement their income to cover the mounting cost of living.

There is over-production of several commodities but the demand remains stagnant. Rice production is being discouraged by the government by diverting about 30% of the total paddy land to other crops. Over-supply of local fruits and vegetables is evident due to import of these commodities. The imports have increased due to higher demand for more varieties of food and also due to appreciation of Japanese yen. And lastly, due to pressure from other countries, imports into Japan of agricultural products such as beef and citrus fruits has been liberalised since April 1991. The Government of Japan had agreed to import 4% or 400,000 to 800,000 tons of rice from 1995 onwards due to GATT agreements. The sale of rice has now been completely decentralised and is free for market operation. The government has also de-regulated the banking industry. The cooperatives have now to compete with the banking sector and post offices for deposits from farm households.

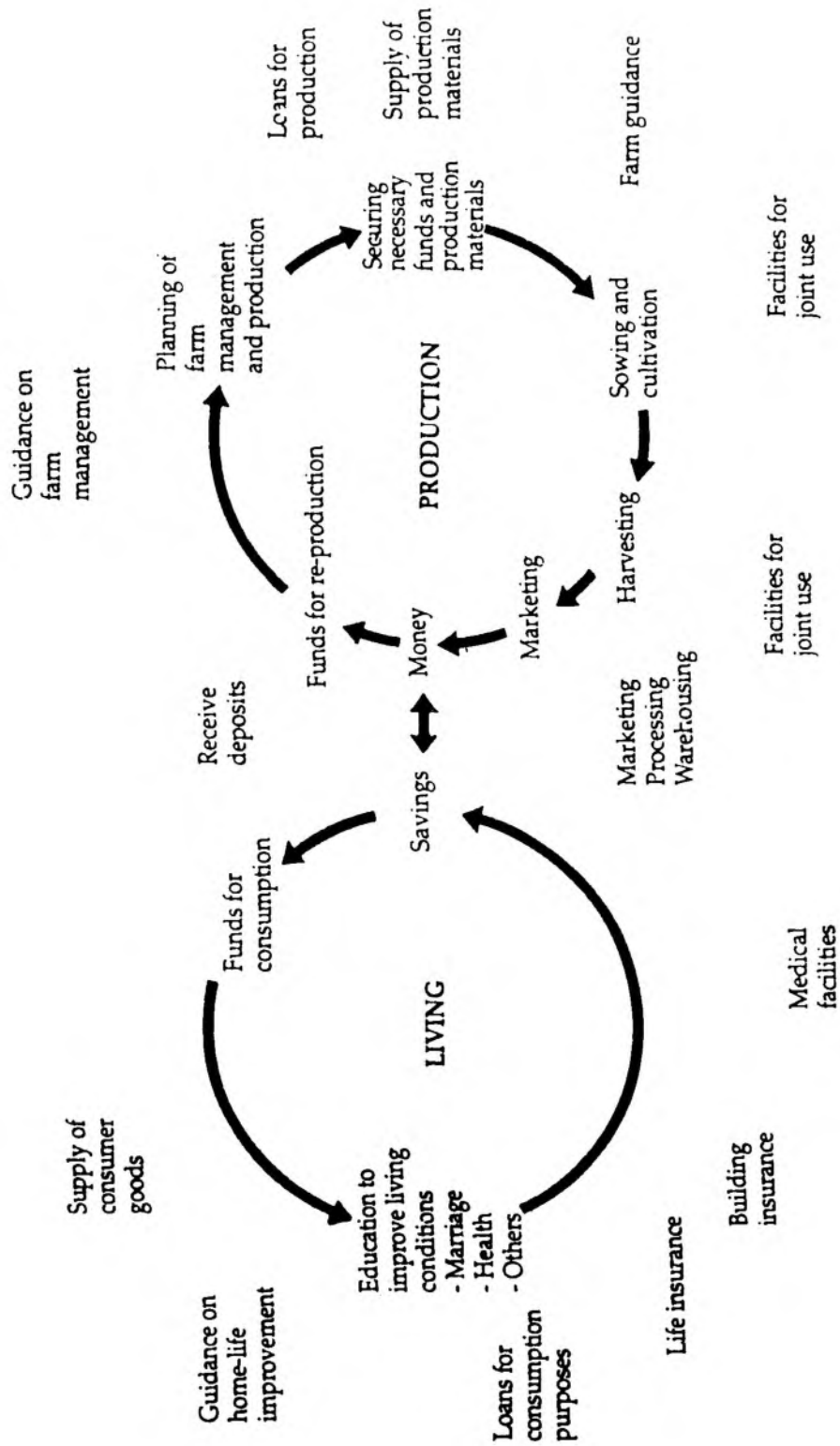
**- Agricultural Cooperatives:
Restructuring the Existing Pattern**

The process of amalgamation of multipurpose agricultural cooperatives is continuing. The number of 2,861 multipurpose cooperatives at the end of 1993 has been reduced to 2,400 by the end of March 1996 and is expected to be further reduced to achieve the ultimate goal to be reached by the beginning of 21st century of 564 multipurpose cooperatives. The number of single-purpose cooperatives at the end of 1994 was 3,829. Some of these cooperatives will get amalgamated in future into the multipurpose cooperatives.

The Organization of Japan's Agricultural Co-operatives



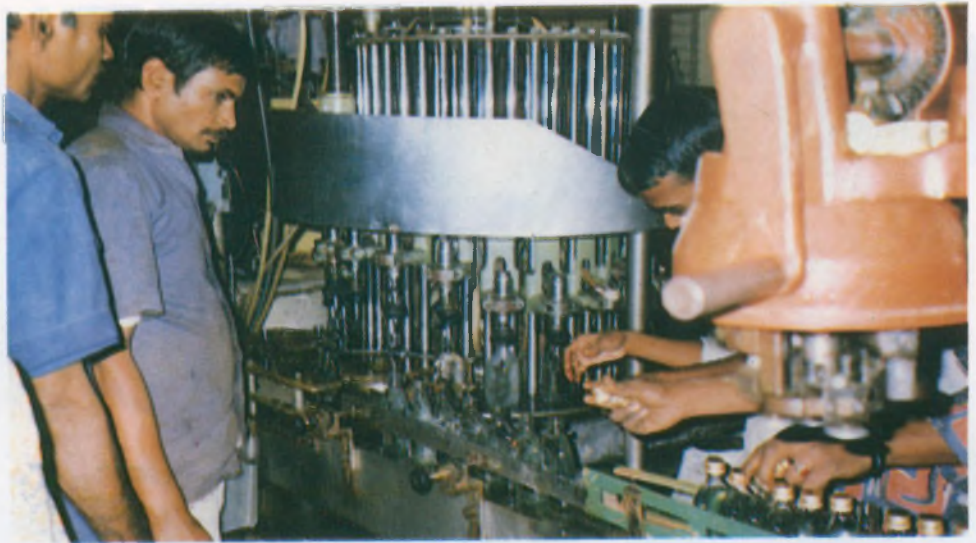
THE INTEGRATED APPROACH OF MULTIPURPOSE COOPERATIVES











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



Prior to his departure for Thailand for participation in the ICA 4th Cooperative Ministers' Conference, HE Minao Hattori, State Secretary for Agriculture, Forestry and Fisheries, Government of Japan, was briefed by Dr Robby Tulus, ICA Regional Director in Tokyo.





Coconut mill
at the
plantation
of the
estate



Group of
people
at the
plantation
of the
estate



Tea plantation
at the
estate

Although the percentage of full-time farmers continues to be decreasing, the total number of farmers is increasing due to the...



the services... cooperatives... are not engaged... organizing... membership... The... needs... as a... single... on... encouraging... it... some... the... number... of... the... last... few...

to handle... farm... The... need... for... reception... and... the... staff...



...the... local... staff... from... the... local... staff...

...making... up... other... work... country... trained... full... young... farmers... activities... This... will... be... in... will... be... paid... for... will... be... on...

...with... full... the... returns... to... range... of... work... every...





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

- Working Through Groups

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

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

- a. Production of quality and safe crops with full consideration to environment;
- b. Introduction of crops which will fetch better returns to the producer (enhancing further the concept of agro-processing for a higher value addition);
- c. Group use of land (greater use of farm machinery);

- d. Joint use of facilities (for processing, grading and warehousing);
- e. Reduction of production costs; and
- f. Greater emphasis on shipment associations to handle bulk quantities.

- Cooperative Institutions vs. Private Enterprises

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

The formation of commodity-wise groups, farming complexes and shipment associations have greatly helped in increasing marketing operations. However, the over-supply of several commodities has resulted in keen competition among agricultural cooperatives themselves from different areas. Also, regional level marketing is being encouraged as per consumer demand and dealings with consumer cooperatives on the increase through direct negotiations. Efforts are also being made to sell through negotiations to bulk consumers like supermarkets and hospitals. The sales through "A-Coop" stores (run by agricultural cooperative network), joint purchase schemes for perishables based on common menus in farm-households, distribution of food ingredients to members based on pre-orders (obtained through the 'Han' group network), and home delivery systems for consumer durables are on the increase.

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

**- Farm Guidance Services:
An Important Component of Japanese Agriculture**

A salient feature of Japanese agricultural cooperatives is its farm guidance advisory service that is provided to their members. This merits special attention since this service is sought to improve the economic situation of the member as well as provide quality products to the consumers. Agricultural cooperatives are established by members with an aim of improving their farm management and life. They are autonomous and democratic organisations. With the help of this service the farmer-members are able to carry out the entire process of business ranging from production to the marketing of their products. This service has the following principal functions:

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

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

- 22.5% is contributed by the farmer-member;
- 40.5% is the government assistance; and
- 37.0% is shared by the beneficiaries.

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

**- Trend Towards Happier Life:
Better-Living Activities and Role of
Women in Japanese Agriculture**

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

Table showing the difference between the Agricultural Extension Workers and Farm Guidance Advisors

Points	Extension Workers	Farm Guidance Advisors
Status/ character	Government employees	Employees of agricultural cooperatives
Qualifications/ Ability	Go through qualifying Examination. Homogenous ability	No qualifications. In Some prefectures qualifying exams have been prescribed. Not homogenous.
Objects for guidance and operation area	Farm households who are engaged in farming. Over the area of city, town, village (average 5 municipalities per office)	Member-farm households of agricultural cooperatives. Operational area of agricultural coop.
Guidance method	Individual to group.	Collection guidance for commodity-wise group.
Type of guidance	Objective.	Subjective-as per the needs of the coop.
Contents of guidance	High technology.	General technology.
Relations with administration	Comprehensive. Concentrated guidance for farmers and groups. Planned and continuous guidance based on extension plan in response to needs of farmers and the region.	Service to all members. Promotion of agricultural coop movement. Guidance linked with economic business. Group guidance on common problems for members.
Relations with research institutions	Direct.	Not established systematically.
Limitation of responsibility	Needed technology is available.	Limitation of technical sources.
Expenses	Advice is main. Comparatively light.	Strongly and precisely as requested by members and agri. cooperatives.
	Shared by Central Govt. and local Govts.	Paid by agri. coops and contributions made by members and users.

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

The process of changing people's attitude and in ensuring greater number of farm successors is difficult and complex. Hence better-living activities have assumed greater importance. Participation of the entire family in cooperative activities is being encouraged through a variety of better-living and purchasing activities.

Agricultural cooperatives contribute significantly to the promotion and development of women's associations which are mainly patronised by the wives and close relatives of farmer members. The women's associations have, therefore, been able to create parallel network of their own under the banner of the National Council of Women's Associations of Agricultural Cooperatives. This national council provides a variety of inputs to the local and prefectural level women's associations e.g., national priorities, relationship with cooperatives, marketing strategies, social activities covering mainly family welfare, balanced food, joint distribution system of food supplies, cooking, dress-making and others. The Associations, therefore, have emerged as a strong segment of Agricultural Cooperative Movement in Japan. Though informal in character, they have developed a strong sense of purpose. As of 1994, there were 1,850,000 members of women's associations representing 2,450 organisations in 47 prefectures.

Women's associations, youth associations, better-living groups and 'Han' groups will be required to play greater role in future in achieving this objective. The home life improvement activities of the government are also expected to play a significant role in this direction.

Equally important are the training and education activities undertaken by the JA-Zenchu to train leadership with a proper understanding of the challenges and the solutions needed to tackle them and the managerial cadres capable of meeting the growing needs for sophisticated management of the enlarged cooperative enterprises.

- Regional Agricultural Promotion Plan (RAPP)

An important segment of improving the economic lives of farmer-members is the implementation of Regional Agricultural Promotion Plans (RAPPs) by the agricultural cooperatives. The RAPP is the sum total of the identified needs and responsibilities of all farm households in the area for increasing production which involves restructuring the present farm lands and re-orienting the present-day farm management.

The basic objectives of RAPP are: (i) to modernise agricultural production; (ii) to modernise agricultural structure; and (iii) to modernise farm management.

The plan originates in the primary agricultural cooperative which remains the focus of all plan activities. All the programmes under the plan are carried out within the area of operation of the concerned society.

The plan is based on a full consensus of all members involved in its activities. It is important that all members are fully aware of the extent of their involvement and the responsibilities they have to shoulder for fulfilment of the plan objectives. RAPP is usually of three or five years duration and sets a given income target to be achieved by identifying key commodities for production and for achieving the set income target. Many cooperatives have successfully implemented several RAPP plans over the years to the advantage of their members.

- Government Support to Agricultural Cooperatives

With varying emphasis the government continues to provide substantial financial incentives to members of agricultural cooperatives through price support schemes, grants, subsidies, and extension services. The assistance for amalgamation and diversification of crops continues with reduced quantum. The price support schemes are formulated to ensure fair returns to farm producers and to enable continuation of production cycle of individual crops.

The government-controlled purchase and distribution of rice is being reduced and semi-controlled rice percentage is increasing. Price support scheme for wheat, soybeans, milk, meat, sugar and vegetables are based on standard price formulae established for each commodity. Agricultural extension services by government are geared to increasing agricultural productivity and improvement of home life of farm households. The government-run experimental stations and extension staff serve larger areas than one agricultural cooperative. Government extension services are complementary to farm advisory services. The difference is that government extension emphasises improvement in agricultural production while farm guidance through cooperatives covers wider areas relating to total economics of agriculture of farm households. The extension services try to help in ensuring farm successors through its "4-H" clubs for young farmers.

- Agricultural Insurance

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

By and large, farmers in Japan seek insurance protection for most of their agricultural activities. The agricultural cooperative insurance system is supported by the government.

- Education, Training and Publicity

Since the establishment of Raiffeisen model agricultural cooperatives in 1900, emphasis is being given on leadership development and cooperative education. Most of the training and education activities are carried out through the Central Cooperative College and through training programmes arranged by the prefectural unions. As the Movement became more democratic, the education and staff training activities have increased. Government support was available, especially at prefectural level. A huge amount of money is spent on education of members, training and development of employees and on leadership development by all the three-tier levels of the Movement; national, prefectural and primary societies. Highest priority is given to education and training by all levels of the Movement.

Publicity work is carried out through the National Press and Information Federation of Agricultural Cooperatives and the Ie-No-Hikari Association. The Agricultural Cooperatives Press Association publishes a daily agricultural newspaper called 'Nogyo Shimbun' (Agricultural News - 500,000 copies). The Ie-No-Hikari Association publishes three journals for farm households, children and youth. The journals 'Ie-No-Hikari' - monthly circulation 1,000,000 copies, 'Chagrin' (for children) - monthly circulation 60,000 copies, 'Chijo' (for youth) - monthly circulation 50,000 copies, are distributed throughout the country on subscription basis. In addition, the JA-Zenchu and its affiliates at various levels undertake extensive lobbying and public relations activities to influence government policies affecting agricultural cooperatives.

- Audit of Cooperatives

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

- 01 Internal auditors appointed by general meeting;
- 02 Special audit by staff members as per direction of the President of a Cooperative;
- 03 Audit by the Central Union; and
- 04 Audit by the Government.

- International Cooperation for Agriculture and Forestry

Over the past 30 years, Japan's international cooperation in the field of agriculture and forestry has steadily developed through bilateral and multilateral channels. Bilateral assistance is mostly through grants and soft loans. Technical assistance is channelled through the Japan International Cooperation Agency (JICA) to poorer countries for common good. The other developing countries receive loans for projects, food supply for boosting food production and import of agricultural machinery.

JA-Zenchu plays a leading role in its relationship with the ICA head office and through direct assistance to its Regional Office for Asia and the Pacific and through very effective liaison work with the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan in securing development aid for ICA activities.

Of special mention are: i) long-term Agricultural Cooperatives Management Training Project for the Managers of Agricultural Cooperatives in Asia; and (ii) four-week long training courses for the training of rural women leaders of agricultural cooperatives in Asia, and (iii) a 3-week long regional training programme on a topical subject of agricultural cooperative leaders and policy-makers of Asia.

The Institute for the Development of Agricultural Cooperation in Asia (IDACA) was established in 1963 by the JA-Zenchu with funds collected from among agricultural cooperatives in Japan and with the support of the Government. The IDACA, 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 project and has assumed the role of a survey and research organisation. During the last 33 years, the IDACA has trained more than 3,500 participants from different countries of Asia, Africa and Latin America. It has active collaboration on technical assistance programmes with the ICA and its Regional Office for Asia and the Pacific.

03 To Sum Up

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

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 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; 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 to produce and market the healthy and nourishing agricultural products to safeguard the interests of consumers; extensive application of joint marketing, joint purchasing, joint use of capital, joint use of facilities practices; and extending technical collaboration with the developing movements.

SECTION-VIII

COMPARATIVE FIELD STUDIES-III/JAPAN

01 Field Study Visits in Japan

During Part-II of the Training Course in Japan, study visits were arranged in Fukuoka and Shizuoka Prefectures and to cooperative institutions in and around Tokyo. The participants visited the following institutions during their stay in Japan:

- 01 JA-Zenchu (Central Union of Agricultural Cooperatives-Japan)
- 02 JA-Fukuoka Chuokai (Prefectural Union of Agri Coops-Fukuoka)
- 03 JA-Kurume - a primary level agricultural cooperative
- 04 Fukuoka Prefectural Coop Horticultural Fed & its Juice Plant
- 05 Fukuoka Agricultural Research Centre
- 06 Cooperative Training Centre of Fukuoka Prefectural Union
- 07 Milk Processing Plant of JA-Tskuigun
- 08 Zengyoren (National Fisheries Cooperatives' Federation)
- 09 JA-Shizuoka Chuokai (Prefectural Union of Agr Coops-Shizuoka)
- 10 Cooperative Training Centre run by the Prefectural Union
- 11 JA-Enshu Yumesaki
- 12 JA-Kannami Tobu
- 13 IDACA (Instt for the Development of Agri Cooperation in Asia)

02 Study Visits in Fukuoka Prefecture

Fukuoka city, the capital of Fukuoka Prefecture, is the largest city with one million population in Kyushu Island of Japan. As in other prefectures of Japan, the agriculture share of GNP is declining and rice production is also going down. While in 1983, 38% of total agricultural production consisted of rice, in 1996 it is only 28%, down by 9%. Vegetables have replaced rice production. Green house cultivation is increasing due to aging of farmers. Important products of the prefecture continues to be paddy, vegetables and fruits, livestock, flowers and plants. With the high degree of amalgamation achieved in the prefecture, the present number of 37 JAs will be reduced to 23 by year 2000. The ultimate aim of the Prefectural Union is to have only ten (10) multipurpose cooperatives in the Prefecture which would be very strong and viable to meet the future with confidence. The number of members per society would vary from 10,000 to 20,000 members.

Study visits were arranged in Fukuoka Prefecture, to its Union, the Horticultural Federation and its Juice Plant, one multipurpose cooperative JA Kurume and to the agricultural research station run by the prefectural government and the cooperative training centre run by the prefectural union.

JA-Fukuoka Chuokai: The Prefectural Union serves the 37 multipurpose cooperative societies and 36 single-purpose cooperatives in the Prefecture. The Union helps its member-constituents to promote amalgamation by consensus. All dairy cooperatives in the Prefecture are expected to merge into one

large-sized cooperative to make them economically viable and stronger. Eighty-three (83) cooperative business federations and primary cooperatives are affiliated to the Union. The Union has 145 employees to serve its member-societies. The Union follows the guidelines set by the 34th Prefectural Congress of Agricultural Cooperatives held in January 1995 and concentrates its attention on the following four focal points:

- Establishment of regional agriculture by fostering diversified farm successors;
- Enrichment of life and creation of a comfortable regional community;
- Establishment of those JAs that can cope with environmental changes;
- Further promotion of amalgamation of JAs and creation of a structure, whereby the prefectural federations could perform business activities in a more comprehensive and efficient manner.

During 1996, the cooperatives in the prefecture achieved the following business turnovers: input supply Yen 88 billion, consumer supply business Yen 140 billion; marketing Yen 168 billion; credit business Yen 1.8 trillion; loans outstanding Yen 548 billion; and insurance business Yen 830 billion. The cooperatives experienced a slight fall in purchasing business during the year. Cooperatives also suffered a set-back in savings business as a result of erosion of credibility due to Jusen issue. Insurance business made a steady progress in spite of competition from other insurance companies.

The Prefectural Union and the cooperatives in the Prefecture are convinced that to meet the stiff competition it may be necessary to have the two-tier system introduced in the country. Priorities for farm guidance and planning will still continue to be given the emphasis in the business aspects of cooperatives. The Prefectural Union expects to play the role of a guidance-cum-consultancy organisation to sustain the interests of the cooperatives in the Prefecture.

Fukuoka Prefectural Horticultural Federation: The Federation was established in 1954 to promote processing of fruits and to help assist its member-societies to add value by way of processing and marketing citrus fruits. 47 primaries are members of the Federation with a share capital of Yen 1.3 billion. It has a staff strength of 288 employees and a business of 110 billion yen.

The plant and machinery of the fruit juice plant was replaced with modern plant after 15 years at a cost of 10.9 billion yen. The mandarin orange juice plant run by the federation produces many kinds of canned fruit juices and is popular within the prefecture. The Federation gives farm guidance to member farmers of its affiliated societies and also supplies superior varieties

of seeds, assists in processing and marketing of fruits juice.

JA-Kurume: Participants of the 11th Course visited JA-Kurume and studied its varied activities. They were received by the President of the Society and briefed on the activities by the general manager and other senior officials of the society. JA Kurume was formed in 1981 after amalgamation of three societies working in the area. Main products of the area include paddy, livestock, vegetables and fruits and ornamental flowers. The society has a membership of 9,113 members out of which 5,686 were regular members and 3,427 were associate members. It has 432 employees and is managed by 22 directors duly elected by representative system. The society has 19 branches. Paddy and persimmon growers are the major groups with 122 and 248 members respectively.

Farming associations, branch managing committees, youth and women associations, pensioners' friendship groups, blue return form filling groups, hamlet management committees are the arms that help the society to achieve effective member relationship programmes. The society has achieved more business turnover than its target and has been paying high dividends, compared to the low returns on savings generally prevalent in Japan today.

JA-Kurume runs several facilities for its members like one agricultural control centre, 18 agricultural warehouses, 18 warehouses for materials, eleven shipping and collection centres, four country elevators, two "A-Coop" stores, one auto repair workshop, two service centres three paddy seedling nurseries, one pearl rice store, travel centre, land building consulting centre etc. Computer control centre monitors business activities of the society jointly with four other societies. Joint use of machineries is operated through eleven groups with 740 members and 130 farm machinery units. These groups jointly cultivate paddy, wheat, soybeans etc.

Fukuoka Agricultural Research Centre: The Fukuoka Agricultural Research Centre, established in 1879, by the Government has done great services to the farmers in the prefecture through its research and extension activities. The Centre has a total of 264 employees out of which 139 are engaged in research activities. The Centre undertakes livestock research and stock control, environmental protection, research on green tea, rushmats, and handles 400-500 subjects. It is one of the 37 research stations in Japan and disseminates the research findings to farmers in the area by introducing improved varieties of seeds, vegetables, fruits, pest control, tissue culture, new flower varieties, improved cattle for breeding, milking and beef. Research is also undertaken on improved breed of poultry, honey bees, embryo transfer etc.

Cooperative Training Centre: The Cooperative Training Centre was earlier run by the Fukuoka Prefectural government since its establishment in 1930 and was taken over by the Prefectural Cooperative Union in 1979. The Centre conducts training courses for employees and leaders. Short-term courses are more popular

and one-year training course conducted for students was discontinued last year due to lack of response from the younger generation. The Centre receives a good response for its courses and 70% of its offered seats for all the courses are utilised. The Centre has an annual budget of 500 million yen mainly funded by the Union. Recently the Centre has introduced some self-financing courses to augment its financial resources. The Centre has introduced an evaluation and monitoring system as a follow-up of its training courses since last year.

The participants visited the green house cultivation farms of tomatoes and flowers and held discussions with farmers on their farm management, turn-over and savings, successor problems and related issues. The farmers were young farmers and had taken up farming as a profession which is a welcome sign for agriculture in the prefecture.

03 Study Visits in Shizuoka Prefecture

During second study visits in Japan, the participants visited and studied agricultural cooperative institutions in Shizuoka prefecture with emphasis on planning and farm guidance activities. The participants visited the Prefectural Cooperative Union, the training centre run by the Union, and had a first-hand discussions on the working of JAs and its activities from the President of JA-Enshu Yumesaki who delivered a lecture on the working of his cooperative.

JA-Shizuoka Chuokai: The Shizuoka Prefectural Cooperative Union serves 27 multipurpose cooperatives at present. This number of JAs is expected to go down to be about 17 by the year 2000 due to further amalgamation. The prefecture has 300 single-purpose cooperatives which are also to be amalgamated into stronger and more viable cooperatives. Green tea is the major produce of the area with number one status in the country. Melon, oranges, Japanese horse radish (Wasabi) variety are the other important products of the prefecture. The Cooperative Union has ten federations in its membership. Due to amalgamation, the number of directors and employees are reducing. The Cooperative Training Centre run by the Union trains employees and leaders of cooperatives in the prefecture.

JA-Kannami Tobu: JA-Kannami Tobu is a small cooperative society with 262 regular members and 16 associate members mainly engaged in livestock dairy farming. This dairy cooperative runs a dairy plant and has stood on its own strength and has resisted amalgamation with other societies so far. The President of the Society was confident that the society will continue to function on its own and could survive the competition in the future too.

The society has 120 employees and acts as a bridge between the consumers and dairy farmers. The society is planning a "A Dairy Kingdom" on the main highway to take advantage of tourist boom in the area. The society is situated very near tourist attraction areas and not far from Tokyo. The Dairy Kingdom is being planned in collaboration with prefectural government, local municipal

office and several member groups. The society markets its chilled milk in tetrapack containers to super markets, department stores, hospitals, consumer cooperative stores, schools etc. It has developed special consumer-oriented packages to suit its consumer demands. Dairy farming is more than 100 years old in the area as the area is very well-suited for dairy farming. The society has started a second plant for production of cheese, pudding etc. Each member has a paid-in share capital of Yen 600,000 which is quite high as compared to other societies in Japan. Some members have more than Yen 3 million as share capital contributions. The society has a reserve fund of Yen 1.5 billion and a mutual help fund of Yen 150 million. Members are also given an annual rebate of Yen 18-25 per kg of milk supplied at the end of the financial year which acts as a great incentive to them.

The participants visited a dairy farmer's dairy farm with 300 cows, ultra modern system for milking, chilling and marketing, and studied his dairy management system. The farmer has taken long-term loans from the government with the help of the society and has established the modern high-tech computerised milking/chilling plant with imported machinery from USA. The facilities were established only in March 1997 and the participants were the first foreign batch of visitors to be received and explained of it by the dairy farmer.

SECTION - IX

END-OF-THE-COURSE EVALUATION, SUGGESTIONS AND RECOMMENDATIONS

01 Introduction

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, infrastructure and organisers on the other. Various instruments of evaluation employed during the Course have been: structured evaluation forms, group discussions based on structured questions and points-for-discussion, interviews, personal discussions, and, at the end of the Course the use of a comprehensive question-and-answer type of questionnaire covering all components of the training programme.

The End-of-the-Course evaluation covered the relevance, capacity and adequacy of resource persons, training and educational materials, logistics, training methods, study visits etc. The 11th Course had the advantage of interaction with some of the participants of former courses in Sri Lanka, and with the top leaders of sponsoring organisations during the Top Leaders Conference on 'Collaborative Strategies for the Development of Agricultural Cooperatives in Asia' held at Tokyo, Japan, towards the tail end of the training course, April 14-19 1997.

02 Evaluation Objectives

The main objectives of the Evaluation were:

- i. to assess the level of understanding of various aspects brought to the participants;
- ii. to assess the utility and relevance of the training programme itself; and
- iii. 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.

A specially-designed evaluation form covering all aspects of the training course and its entire span was used to obtain the feedback from the participants. Responses from 14 participants were received. An Internal Evaluation Committee consisting of two participants reviewed the responses and prepared a comprehensive summary. The summary was presented by the Project Director at the Concluding Session of the training programme held on the 16th of April 1997.

03 Summary of the End-of-the-Course Evaluation

The responses pointed out that the programme was well-designed, well-implemented, well-coordinated and responded to the work environment of the target group. All the institutions, organisers and supporting agencies involved played their respective roles seriously, in a professional manner, and with a view to satisfactorily achieve the objectives set out for the programme. All the participants whole-heartedly appreciated the role played by the Government of Japan (MAFF) and the ICA in holding this training programme for the managers of agricultural cooperatives. The funding support extended by the MAFF to the training programme was highly appreciated.

01 Responses to participants' own objectives (in addition to the Course Objectives) included to:

- study the various models of development of agricultural cooperatives with a view to compare with their own operational environments;
- study management and development strategies adopted by the Japanese Agricultural Cooperatives;
- observe the techniques of agribusiness development in agricultural cooperatives in different countries;
- improve own professional knowledge and visit progressive countries like Japan.

All these personal objectives were said to have been achieved by all the participants satisfactorily.

02 As to the achievement of Course Objectives, they said:

- All objectives set out for the training course were achieved fully;
- for 4 participants, it was between 50-60%;
- 3 participants said that the achievement was below 50%.

03 From which part of the programme, the participants benefited the most:

- IRMA inputs were relevant and technically sound and were most beneficial;
- Observation of performance of agricultural cooperatives in Japan and India, especially the "value addition through agro-processing" aspects; and
- Participation in the Top Leaders' Conference.

04 As to the preparation and presentation of their country background papers, the participants felt that the presentation

could have been better managed, Course leadership could have reinforced the presented material by additional information with a view to raise the understanding of the participants. However, the background papers needed more information on the state of cooperative development, especially the agricultural cooperative development. The background papers lacked basic statistics. (In fact, the selected participants were provided with a structure to produce their background papers.)

05 On IRMA Module (Management of Agricultural Cooperatives) held at the Institute of Rural Management, Anand, the participants made the following points:

- The faculty was highly enlightened, resourceful and fully cooperative;
- Training methods employed were relevant and of high standard. Audio-visual aids and support services were of high quality;
- Material distributed was relevant, sufficient and good in quality;
- Instruction on computer application was inadequate although a full-fledged computer lab was placed at the disposal of the participants;
- Almost all participants felt that the duration of study at IRMA should be expanded (suggested 5 weeks instead of the present four weeks);
- The physical facilities were of high order. Good work and study environment. Good food arrangements and support services.

06 Most important training aspects experienced by the participants during the entire course. The following were mentioned in order of preference:

- i. Management techniques in agricultural cooperatives
- ii. Value addition vis-a-vis agro-processing
- iii. Integrated cooperative development strategies
- iv. Preparation of a cooperative development project
- v. Project appraisal techniques
- vi. Board-Management relationship
- vii. Marketing as a key to success of agribusiness
- viii. Role of a Manager in an agricultural cooperative
- ix. Analysing financial statements
- x. Democratic management of cooperatives
- xi. Environmental concerns in agriculture
- xii. Open market vis-a-vis cooperative business
- xiii. Skills in working in groups
- xiv. Stress Management

07 On the organisation and management of Part-II of the programme held at IDACA, the responses were as follows:

- All topics presented were relevant and informative;
- Presentations reinforced by films and a-v aids;
- Training material distributed was relevant, good in quality and sufficient in quantity;
- Streamlining of presentation of lectures was necessary to avoid duplication of material and subjects;
- More of practising managers from cooperatives be invited to handle lecture assignments with a view to enrich contents;
- Additional subjects (while in Japan) suggested were:
 - Management Information System in Agricultural coops;
 - Success Story of a Japanese Farmer-Member;
 - History and Development of Agro-Processing in Japan;
 - More time for Better-Living/Farm Guidance activities;
 - Environment and Agriculture & Role of Agr cooperatives;
 - Women's Associations;
 - Visits to: Forestry, Fishery Coops and "A-Coops".
- It was suggested that the lecture on Japanese Society and Culture be suitably reduced; and more on Agriculture in Japan and Agricultural Cooperatives in Japan be included. The Introduction to JA-Zenchu should be more elaborate and be undertaken by a more responsible official.

08 Participants' response on Home Country Assignments (HCA) was as follows:

- The duration was considered to be adequate (60%);
- 6 participants felt that the support provided to them by their sponsoring organisations in the preparation of project proposals was inadequate;
- 8 participants had discussed their project proposals with their managing directors, 2 with their boards, 4 with their seniors;
- 9 had contacted former participants, 10 had studied former project proposals;
- Almost all suggested that at least two/three days be utilised at IRMA in producing and presenting a draft project proposal before returning home for HCA; and
- HCA was the most rewarding experience - a feeling of doing something constructive for own organisation.

09 The participants found the Projects Appraisal Sessions to be most useful. They felt like scrutinising their own performance - a great feeling. This skill would make them objective managers.

10 On comparative field study visits, the responses of participants were as follows:

India: Appreciative of visiting AMUL Dairy; meeting with Dr V. Kurien; successful work of dairy cooperatives; working at the IRMA; observing vast potential for development of by-products in sugar industry; tree growers' cooperative; production and marketing of onion and changing patterns of cultivation; and, of course, a visit to The Taj.

Sri Lanka: Appreciative of hosting of study visits programme by the National Cooperative Council of Sri Lanka; commercial use of coconut fibre; visit to the Dunagaha Coconut Producers' Cooperative - a successful venture of a former participant; the School of Cooperation at Polgolla, including the cooperative of Mr Sunil Jayasinghe - Kundasale Multipurpose Cooperative Society.

Japan: Besides visiting national federations and other institutions in and around Tokyo, the participants visited agricultural cooperatives in Fukuoka and Shizouka prefectures. All suggested these were relevant, useful and the material distributed was of good quality; practical arrangements made were excellent.

04 General Comments, Suggestions and Recommendations

- All felt that the training programme was most relevant to their work; resource persons were of high quality; material was informative and relevant; and practical arrangements made during the Course were excellent;
- All appreciated that they had the opportunity of also participating in the Top Leaders' Conference on "Collaborative Strategies for the Development of Agricultural Cooperatives in Asia" held in Tokyo, and listen to the user-organisations;
- The ICA and IDACA to impress upon the sponsoring organisations to evaluate the participants' project proposals and try to implement them;
- The financial support extended by the Government of Japan (MAFF) be not only continued but also expanded to train more managers from agricultural cooperatives in the Region;
- Recommended that the instructions on computer application at IRMA be improved so that the participants make the best possible use of the computer lab;
- Suggested that the introduction to JA-Zenchu be more elaborate and handled by a senior official.

The participants expressed their sincere thanks and appreciation for the roles played by the ICA and the MAFF in conducting this programme.

SECTION - X

COURSE CONCLUDING SESSION AND AWARD OF CERTIFICATES

The concluding session of the Eleventh Course was held at the MAFF Annexe in down-town Tokyo on April 16 1997. The session was attended by Mr Osamu Hirokawa, Deputy Director-International Cooperation Division of the MAFF, Mr GK Sharma, Special Advisor to the ICA Director-General (former ICA Regional Director), Mr Takao Yamamoto of the International Department of JA-Zenchu, Mr Yoshitada Nakaoka, Managing Director of the IDACA, and Mr Daman Prakash, Project Director of the ICA ROAP, among others.

Also present at the Concluding Session were the delegates of the Top Leaders Conference on "Collaborative Strategies for the Development of Agricultural Cooperatives in Asia-Pacific".

Addressing the session, Mr Hirokawa said that the Government of Japan recognises the importance of this training course and its relevance for the development of management of agricultural cooperatives in the Region. In the present day environment of open market economy and management of food resources, agricultural cooperatives have to face forces of competition and sustain the income levels of farmer-members. In spite of the squeeze on overseas development assistance programmes, the Government of Japan recognises that the activities of the regional training project should continue to safeguard the initiatives of grass-roots farmer-members and their cooperative institutions. He was happy that the participants have learnt a great deal from their participation in the training programme and hoped that they will contribute effectively to the development of their own organisations. He was satisfied that the ICA has been able to implement the training programme efficiently. Mr Hirokawa felt encouraged that several of the project proposals produced by the participants during previous courses have been considered fit for implementation. Such a trend is a good source of strength for the training project.

Mr Yamamoto conveying the greetings of the JA-Zenchu said the ICA has been provided full support in the implementation of MAFF-funded training programmes, and assured that the JA-Zenchu would continue to do so even in the future.

Mr GK Sharma conveyed the greetings of the ICA and that of Dr Robby Tulus, ICA Regional Director who was unable to attend the Conference due to his other engagements. Congratulating the participants on their successful completion of the training programme, Mr Sharma outlined the activities of the ICA in the Region and more specifically relating to the agricultural cooperative sector.

He briefed the participants on the results of the recently-concluded 4th ICA Conference of Cooperative Ministers held in

Thailand in March 1997. The recommendations of the Conference have strong positive influence on the growth and development of agricultural cooperatives. Mr Sharma conveyed the appreciation of the ICA to the MAFF-Government of Japan for providing financial support to the regional training project and hoped that in view of the current open market environment, agricultural cooperatives would continue to receive such an assistance in future too.

Mr Sharma mentioned that in view of the expanded size of the Region and the growing needs of agricultural cooperatives in the Region, such an assistance needs expansion and continuity. He assured the MAFF, JA-Zenchu and the IDACA that the ICA would ensure that the regional project is conducted in a professional manner. Mr Sharma thanked the JA-Zenchu and the IDACA for their continued support and collaboration in carrying out several of the ICA's technical assistance programmes in the Region.

Mr Daman Prakash, Project Director, reported on the performance of the training course, and presented a brief summary of the End-of-the-Course Evaluation. He congratulated the participants on their completing the training programme successfully. He thanked the MAFF, JA-Zenchu, IDACA, ICA member-organisations, and institutions which provided support to the successful implementation of the long-term training programme. He regretted that he could not be with the participants for the entire duration of the training programme because of his involvement in a Government of Japan-fielded Rural Cooperatives Study Project in Indonesia. He was happy that the programme has gone on well without any disruption with the support of the collaborating agencies.

Mr Nakaoka expressed his happiness that the top leaders of sponsoring organisations from East Asia have seen for themselves the work of the training project and exchanged notes with the participants of the 11th Course, and made valuable suggestions for the future development of ICA and IDACA training programmes. It was a joint exercise between the ICA and the IDACA that a high level evaluation of the regional project has been carried out together with the MAFF and JA-Zenchu representatives. He indicated that such evaluation meetings produce a good number of suggestions and ideas, and hoped that a similar Conference will be organised together with the 12th training course next year.

The Certificates of Participation from the ICA as well as from the IDACA were awarded to the participants at the end of the concluding session. The ICA Certificate was signed by Mr Bruce Thordarson, Director-General of the International Cooperative Alliance, and the IDACA Certificate was signed by Mr Yoshitada Nakaoka, Managing Director.

COURSE PROGRAMME

Part-I of the Training Course in India covering Review of Agricultural Cooperative Development in Participating Countries, Management Modules and Comparative Field Study Visits in India and Sri Lanka

Sat	2nd Nov		
Sun	3rd Nov	96	Arrivals in Delhi
Mon	4th Nov	1100	-Inauguration
		AN	Introduction to International Cooperative Alliance and the Regional Office for Asia and the Pacific by Dr Robby Tulus, ICA Regional Director for Asia-Pacific
			-Introduction to Working Methods etc.
Tue	5th Nov	FN	Introduction to India, the Economy and the Cooperative Movement By Mr B.D.Sharma, Chief Executive, National Cooperative Union of India
		AN	Cooperative Values and Principles By Dr R.C.Dwivedi
			ICA WELCOME DINNER
Wed	6th Nov		Presentation of Country Background Papers by participants
Thu	7th Nov		Country Papers (contd.)
Fri	8th Nov		Country Papers (contd.)
Sat	9th Nov		Visit to Agra, Taj Mahal
Sun	10th Nov		Diwali Festival, Holiday.
Mon	11th Nov		Sight-Seeing in Delhi. Holiday.
Tue	12th Nov	FN	Visit to the National Cooperative Union of India
		AN	Visit to the National Agricultural Coop Marketing Federation of India-NAFED
Wed	13th Nov		Country papers contd.

Thu	14th Nov	FN	Participation in the International Cooperation Day celebrations 1996.
Fri	15th Nov		Country papers (contd.)
Sat	16th Nov		Lv for Pune IC-849 - 1600/1800
Sun	17th Nov		Visits in and around Pune
Mon	18th Nov		Workshop on Management of Agricultural Credit in India
Tue	19th Nov		Workshop on Marketing and Processing Cooperatives in India at VMNICM
Wed	20th Nov		-Lv for Pravaranagar by bus -Visit Pravaranagar Coop Sugar Factory -Lv for Nashik -Stay at Green View Hotel, Triumbek Road, Nashik.
Thu	21st Nov	FN	Visit Chandori Primary Agricultural Credit Society Limited
		AN	-Visit Lasalgaon Agricultural Produce Marketing Coop Ltd. -Stay at Nashik Green View Hotel
Fri	22nd Nov	FN AN	-Visit Nashik District Cooperative Bank -Leave for Pune -Stay at VMNICOM Hostel, Pune.
Sat	23rd Nov	FN AN	-Visit Maharashtra State Coop Union Free Stay at VMNICM Hostel, Pune.
Sun	24th Nov	AN	-Lv for Bombay by bus -Free -Stay in Hotel Heritage, Byculla, Bombay.
Mon	25th Nov		-Holiday. Sight-seeing in Bombay -Stay in Hotel Heritage, Bombay
Tue	26th Nov	FN AN	-Visit Maharashtra State Coop Bank -Lv for Ahmedabad by IC-603 - 1750/1850
Wed	27th Nov	FN	Inauguration: IRMA Management Modules.
Thu	28th Nov-		IRMA Management Modules
Fri	27th Dec		
Sat	28th Dec		Lv for Delhi by S2.028 1430/1630
Sun	29th Dec		Free

Mon	30th Dec		Final Wrap Up sessions in
Tue	31st Dec.96		ICA ROAP
			ICA Farewell Dinner
Wed	01st Jan 97		Free for Practical Arrangements
			STUDY VISITS IN SRI LANKA
Thu	02nd Jan.97		-Leave for Colombo by Air Lanka Flight UL-192 0235/0710 -Stay at Holiday Inn Hotel, Colombo
Thu	02nd Jan. AN		Inauguration of Study Visits Programme at the National Cooperative Council of Sri Lanka
			Key Note Address by Mr S.B. Diveratna, Addl. Secretary, Youth Affairs, Sports and Rural Development Department Government of Sri Lanka.
			Welcome Dinner by National Cooperative Council of Sri Lanka
Fri	03rd Jan.		Visits in Colombo
		FN	-Sri Lanka Institute of Cooperative Management -Sri Lanka Marketing Coop Federtion -Coconut Producers' Coop Union
		AN	Visit to CEYESTA Main Office and Production Unit Stay in Colombo
Sat	04th Jan	FN	-Visits to Coop Milk Plant in Colombo -Visit to Dunagaha Coconut Producers' Cooperative Society
		AN	Visit Negombo Fisheries Federation Stay in Colombo
Sun	05th Jan	FN	-Visit NCC Environmental Project, Maho
		AN	-Travel to Kandy. -Stay at Cassamara Hotel, Kandy
Mon	06th Jan		Visits in Kandy
			-Cooperative College, Polgolla -Kundasale Multipurpose Coop Society
		AN	-Kandy Multipurpose Coop Society Ltd. -Stay at Cassamara Hotel, Kandy.
Tues	07th Jan		-Travel to Colombo -Stay in Colombo

Wed 08th Jan.	FN AN	-Final Wrap-up Session at NCC in Colombo -Free
Thu 09th Jan		Departure for Home Countries for Home Country Assignments (HCAs).
Fri 10th Jan Sat 22nd Feb		HOME COUNTRY ASSIGNMENTS FOR PREPARATION OF PROJECT PROPOSALS BY PARTICIPANTS IN THEIR HOME COUNTRIES.

**PART-II of Training Course in Japan at IDACA, Tokyo, Japan.
Management Practices Adopted by the Agricultural Cooperatives in
Japan with Special Reference to 'Value Addition Through Agro-
Processing' and Comparative Field Study Visits to Agricultural
Cooperatives in Japan.**

Sun 23rd Feb		Arrivals in Tokyo
Mon 24th Feb-	AN	INAUGURATION -Orientation -Project Appraisal Session
Tue 25th Feb		Project Appraisal Session (contd.)
Wed 26th Feb		Project Appraisal Sessions
Thu 27th Feb		Project Appraisal Sessions
Fri 28th Feb		Project Appraisal Sessions
Sat 01st Mar		Project Appraisal Sessions
Sun 02nd Mar		Free
Mon 03rd Mar		Project Appraisal Sessions Comments by Resource Persons
Tue 04th Mar		Inauguration of Part-II of the Training Course at IDACA.
Wed 05th Mar		Economic Business of Agricultural Cooperatives
Thu 06th Mar]		Organisation and Business of Agricultural Cooperatives
Fri 07th Mar]		
Sat 08th Mar		Sight seeing in Tokyo
Sun 09th Mar		Free
Mon 10th Mar]		Japanese Economy and Society and position of Agriculture and Agricultural Cooperatives in Japan.
Tue 11th Mar]		
Wed 12th Mar		Visit to JA-Tsukuigun.

Thu	13th Mar	Credit Business of Agricultural Cooperatives (Institutional Credit Savings Promotion, Fund Operation)
Fri	14th Mar	Insurance Business of Agricultural Cooperatives
Sat	15th Mar	Group discussions
Sun	16th Mar	Travel to Hiroshima Prefecture
Mon	17th Mar	-Sight-seeing in Hiroshima. -Move from Hiroshima to Fukuoka
Tue	18th Mar	-Visit to JA-Fukuoka Prefectural Union -Visit to JA-Fukuoka Horticultural Fedn.
Wed	19th Mar	Visit to JA-Kurume, Observation of Facilities.
Thu	20th Mar	National Holiday
Fri	21st Mar	-Visit to Fukuoka Prefectural Experimental Station -Visit to the Training Centre of the JA Fukuoka Prefectural Union
Sat	22nd Mar	Lv Fukuoka City for Tokyo
Sun	23rd Mar	Free
Mon	24th Mar	Summing-up of Study Visits
Tue	25th Mar]	Method of Adding Values to Agro Products for income generation
Wed	26th Mar]	
Thu	27th Mar]	Characteristics and challenges of agricultural cooperatives.
Fri	28th Mar]	
Sat	29th Mar	Group Discussions
Sun	30th Mar	Free
Mon	31st Mar	Visit to JA-Zenchu and Zengyoren
Tue	01st Apr	Overall Examination of Agricultural Cooperative Management centering on Financial Analysis.
Wed	02nd Apr]	Ways to formulate the Long term Perspective Plan - Exercise on the Regional Agricultural Plan
Thu	03rd Apr]	

Fri	04th Apr	Case Study on Cooperative Movement in Developing Countries and International Activities
Sat	05th Apr	Group Discussions
Sun	06th Apr	Free
Mon	07th Apr	Lv for Shizuoka for Study Visits
Tue	08th Apr	-Visit to JA-Shizuoka Prefectural Union -Visit to JA-Shizuoka Pref. Economic Federation
Wed	09th Apr	Visit to JA-Enshu Yumesaki, Observation of Facilities
Thu	10th Apr	Visit to JA-Kannami-Tobu, Observation of Facilities
Fri	11th Apr	Sight-seeing in Shizuoka prefecture
Sat	12th Apr	Lv Shizuoka for Tokyo
Sun	13th Apr	Free
Mon	14th Apr	Preparation of Evaluation Reports by Participants
Tue	15th Apr]	Participate in the ICA/JA-ZENCHU/IDACA Asian Top Leaders Conference on 'Collaborative Strategies for the Development of Agricultural Cooperatives in Asia'
Wed	16th Apr]	
Wed	16th Apr 1700	-Final Evaluation Session -Closing Ceremony.
Thu	17th Apr	Departure for Home Countries.

COURSE PARTICIPANTS

- | | | |
|-------------------|----|---|
| Bangladesh | 01 | Mr Nur Muhammad Mollah,
Assistant General Manager
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| China | 02 | Mr Wang Song Jun, Section Chief
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11th ICA-Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia

India - Sri Lanka - Japan. November 04, 1996 - April 20, 1997



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The INTERNATIONAL COOPERATIVE ALLIANCE (ICA) is a worldwide confederation of cooperative organisations of all types. Founded in London on 18th August, 1895, the ICA has affiliates in 101 countries with 225 national and 9 international level organisations as members serving over 730 million individual members.

The ICA Regional Office for Asia and the Pacific (ICA ROAP) serves 62 national level organisations from 25 countries, and one international organisation (ACCU) representing nearly 470 million individual cooperators. Main activities include: coordination of cooperative development efforts within the Region and promotion of exchanges and experiences; project identification, formulation and evaluation; promotion of establishment and development of national cooperative apex organisations; and organisation of seminars and conferences on specific subjects including support for programmes aimed at the involvement of women and youth in cooperative activities.

The ICA enjoys Category-I Consultative Status with the United Nations Economic and Social Council (UN/ECOSOC) and



has active working relations with UN and other international organisations.



The INSTITUTE FOR THE DEVELOPMENT OF AGRICULTURAL COOPERATION IN ASIA (IDACA) was established on July 8, 1963, by the Central Union of Agricultural Cooperatives of Japan (JA-ZENCHU), with funds raised from among agricultural cooperatives in Japan and with the support of the Government of Japan.

The Institute, established on the basis of 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.

During the last 33 years, the IDACA has trained more than 3500 participants from different countries of Asia, Africa and Latin America. It has active collaborative arrangements on technical assistance programmes with the ICA and its Regional Office for Asia and the Pacific.

The INSTITUTE OF RURAL MANAGEMENT, Anand (IRMA), was established in 1979 at Anand, Gujarat State. Beginning with providing management training and research support to the cooperatives in the dairy sector, IRMA currently extends its services to a wide variety of organisations: cooperatives in oilseeds, fruits and vegetables, credit, sugar handlooms, and handicrafts sectors; voluntary/non-governmental agencies; and governmental and other bodies. The core of IRMA's operating philosophy is that the partnership between rural people and committed professional managers is the basis of sustainable rural development. It offers a variety of programmes e.g., 2-year Post-Graduate Programme in Rural Management; one-year programme; 6-week programme on Management of Agricultural Cooperatives in Developing Countries; 6-week Management Appreciation Programme for Voluntary Organisations; and a variety of workshops and seminars for cooperatives and rural institutions.



SECTION - XI

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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**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

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

13 The delegates produced their country background papers which were presented to the Conference. Given below is the outline of the structure of the background papers produced and presented:

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 reposed 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."
-

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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 the Study Visits, the delegates return to IDACA for a Wrap-Up Session and to conclude Conference Discussions
-Presentation of Conference Draft Report and Conference Resolution
-Mr Daman Prakash & Mr Yoshitada 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 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 reposed 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.



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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.

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The **INTERNATIONAL CO-OPERATIVE ALLIANCE {ICA}** is a world-wide confederation of cooperative organisations of all types. Founded in London on 18th August, 1895, the ICA has affiliates in 101 countries with 225 national and 9 international level organisations as members serving over 750 million individual members.

The ICA Regional Office for Asia and the Pacific {ICA ROAP} serves 62 national level organisations from 25 countries, and one international organisation {ACCU} representing nearly 500 million individual cooperators. Main activities include: coordination of cooperative development efforts within the Region and promotion of exchanges and experiences; project identification, formulation and evaluation; promotion of establishment and development of national cooperative apex organisations; and organisation of seminars and conferences on specific subjects including support for programmes aimed at the involvement of women and youth in cooperative activities.

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

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