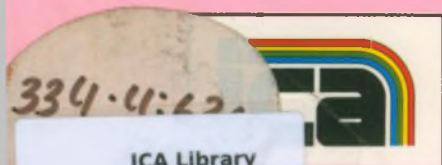




**Strengthening Management of  
Agri-Coops Business in Asia  
- A Report**



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

ICA/JAPAN MANAGEMENT TRAINING PROJECT FOR  
AGRICULTURAL COOPERATIVES IN ASIA

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R E P O R T

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of the Eighth Training Programme held  
in India, Sri Lanka, Thailand & Japan  
October 20 1993-April 21 1994

by

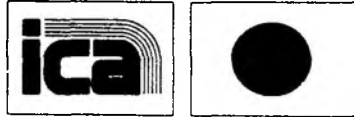
**Daman Prakash**  
Project Director  
ICA ROAP



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

**Report of the  
8th Training Programme  
(India, Sri Lanka, Thailand, Japan  
October 20 1993-April 21 1994)**

submitted to the

**Ministry of Agriculture, Forestry  
and Fisheries (MAFF)  
Government of Japan**

by the

**International Cooperative  
Alliance**

**June 1994**

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8th ICA/Japan Training Course for  
Strengthening Management of Agricultural  
Cooperatives in Asia  
October 20 1993-April 21 1994  
held in India, Sri Lanka,  
Thailand and Japan  
-A Report

Report compiled by : Daman Prakash

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## PREFACE

The present Report signifies the successful implementation of the Eighth Training Course for **Strengthening Management of Agricultural Cooperatives in Asia**, held in India, Sri Lanka, Thailand and Japan, during the period October 20 1993-April 21 1994. The Programme was attended by 15 participants from 11 countries of Asia. The International Cooperative Alliance places on record its highest appreciation of the financial contribution made by the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the most active collaborative support extended by the Central Union of Agricultural Cooperatives of Japan (JA Zenchu) and the Institute for the Development of Agricultural Cooperation in Asia (IDACA), Tokyo, in the execution of this important activity of the ICA. The Alliance is most grateful to its member-organisations in India, Sri Lanka, Thailand and Japan and our other collaborating specialised institutions and agencies for their help, advice, guidance and support in the successful implementation of this Programme.

The ICA is thankful to its member-organisations for sponsoring candidates for participation in this long-term training programme, which, I hope, would contribute significantly to the development of agricultural cooperatives as well as meeting some of their human resource development needs. The course is keyed to the development of the technical 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 farmer-members.

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

**Bruce Thordarson**  
Director-General



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Geneva. Switzerland

June 15 1994.

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## C O N T E N T S

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	Page No.
i. Preface	(i)
1. Introduction	1
2. Background and Justification	2
3. Project Objectives	4
4. Acknowledgements	6
5. The Eighth Year of the Project	7
6. Project Funding	8
7. Administrative Arrangements for the Project	9
8. Project Implementation Schedule	9
9. Course Programme	10
10. Reporting and Evaluation	11
11. National Review Workshops, 2, 3 & 4 India, Sri Lanka and Thailand	11
12. Course Participants	11
13. Location of Training Activities	12
14. Pedagogy	12

15. Part-I of the Training Course in India Programme Inauguration	14
16. Characteristics and Problems of Agricultural Cooperatives in Participating Countries of Asian Region - A Brief Review	16
17. Management Modules	28
18. Workshop on Organisation and Management of Agricultural Cooperatives	39
19. Field Study Visits in India	40
20. Field Study Visits in Sri Lanka	47
21. Field Study Visits in Thailand	50
22. National Review Follow-Up Workshops India, Sri Lanka and Thailand	53
23. Part-II of the Training Course in Japan Inauguration	65
24. Training Programme in IDACA, Tokyo	68
25. Project Appraisal Sessions	69
26. Characteristics and Problems of Agriculture and Rural Communities in Japan	74
27. Field Study Visits in Japan	96
28. End-Of-The-Course-Evaluation and Recommendations	103
29. Concluding Session and Award of Certificates	112
Annexe - 1 - Programme	113
Annexe - 2 - Participants	121



EIGHTH ICA/JAPAN TRAINING COURSE FOR  
STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA  
India, Sri Lanka, Thailand and Japan  
October 20, 1993 - April 21, 1994,

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R E P O R T

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1. INTRODUCTION

The Eighth ICA/Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia was held in India, Sri Lanka, Thailand, and Japan, from October 20, 1993 to April 21, 1994. The Programme was conducted with financial assistance from 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 Training Course was held in India at the ICA Regional Office, New Delhi, followed by study visits in Maharashtra and Gujarat States of India. A three-day Workshop on Management Techniques for Processing and Marketing Societies was held at the Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), in Pune. The first part of the training course was organised from 20th October 1993 to 21st December 1993 in collaboration with ICA Member-Organisations in India and with technical collaboration with the Indian Institute of Management (IIMA), Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) and cooperative organisations in the States of Maharashtra and Gujarat.



Part-I of the Training Course in India was followed by field study visits to agricultural cooperatives in Sri Lanka from 22nd to 31st December 1993 and field study visits to agricultural cooperatives in Thailand from 1st to 12th January 1994. The study visits in Sri Lanka were organised in close collaboration with the National Cooperative Council of Sri Lanka and the Department of Cooperative Development; and the visits in Thailand were organised in close collaboration with the Cooperative League of Thailand (CLT) and the Cooperative Promotion Department (CPD), in the Ministry of Agriculture, Thailand.

Three National Follow-up Review Workshops for former participants from India, Sri Lanka and Thailand were also organised as part of the eighth course programme. The Indian Workshop was held from 1st to 3rd December 1993 in New Delhi, the Sri Lankan Workshop on 29th and 30th December 1993 in Colombo and the Thailand Workshop was held on 3rd and 4th January 1994 in Bangkok. Status papers were presented by the participants on the latest position of implementation of their projects or reasons for not implementing them.

The participants left for their home country assignments, after the study visits programme in Thailand to prepare viable and bankable cooperative development projects in their respective countries, from 13th January to 20th February 1994.

The participants reassembled in Japan on 21st February 1994, for attending the Project Appraisal Sessions and to study the cooperative management practices followed in agricultural cooperatives in Japan at the IDACA, Tokyo. The eight-week programme at IDACA from 21st February to 21st April 1994 included study visits to agricultural cooperatives in Fukuoka and Aichi Prefectures in Japan, besides getting acquainted with a variety of national level cooperative federations in Tokyo.

The training course in Japan concluded with an End-of-the-Course Evaluation and awarding of Certificates of Participation to the participants. The participants left for their home countries on 21st April 1994.

## 2. BACKGROUND

The launching of the ICA Management Training Project for Agricultural Cooperatives in Asia was the result of successful negotiations between the Central Union of Agricultural Cooperatives of Japan (A-ZENCHU) and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan on the need for strengthening agricultural cooperative activities in the

Asian Region through leadership training in new approaches in management practices. The ICA, an international non-governmental organisation, was chosen as the most suitable international organisation for bringing about these changes in cooperative functioning.

#### Justification

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

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

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

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

### 3. PROJECT OBJECTIVES

#### Development Objective

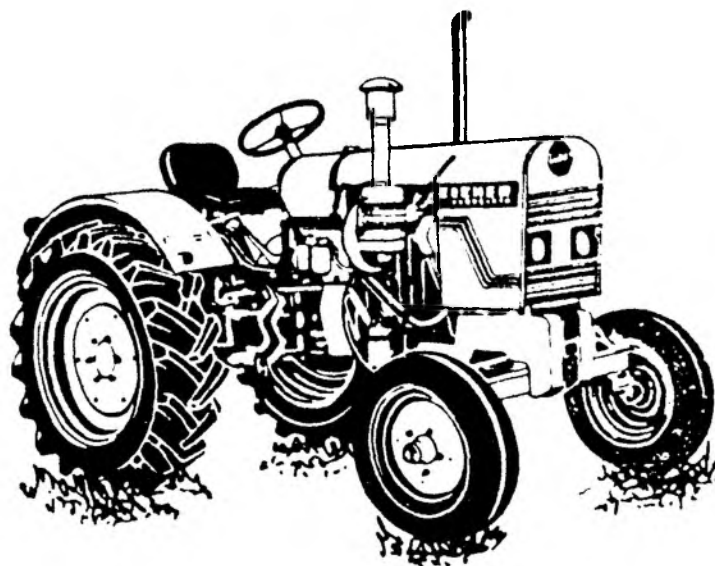
The overall objective of the Project is to help strengthen and improve agricultural cooperative performance in the Asia-Pacific Region in order to bring about a qualitative improvement in cooperative services to member-farmers at the grass-roots level. The overall aim is to help increase member's income,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

## Immediate Objectives

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

#### 4. ACKNOWLEDGEMENTS

In the implementation of the Training Project, the ICA has received full support and excellent cooperation from the Central Union of Agricultural Cooperatives (JA ZENCHU); 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 Indian Institute of Management, Ahmedabad (IIMA); Mr J.M.Mulani, former Chief Executive of the Gujarat State Cooperative Union, Ahmedabad; the Vaikunth Mehta National Institute of Cooperative Management in Pune, (VAMNICOM); the National Cooperative Union of India (NCUI); the Maharashtra State Cooperative Union (MSCU) in India; the National Cooperative Council of Sri Lanka, the Cooperative League of Thailand (CLT); and other ICA member-organisations and numerous other cooperative and other institutions in the Region and from resource persons recruited for the programme. The ICA is thankful to the leaders, managers and members of agricultural cooperative organisations in Japan who most willingly received the participants and gave them information on their operations.



## 5. THE EIGHTH YEAR OF THE PROJECT

During the eight years, the Project has trained 120 managerial personnel working in middle-level to senior level positions in agricultural cooperatives or in other apex level organisations from thirteen countries, i.e. Bangladesh, China, India, Indonesia, Iran, Korea, Malaysia, Myanmar, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam. In exceptional cases, officials working with government departments or agencies closely associated with planning for cooperatives or cooperative development were accepted for the training course. By and large, a majority of the candidates had a direct relationship with activities aimed at serving the farmer-members of agricultural cooperatives. 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 have been made over the past few years for increasing the number of seats in addition to the fifteen candidates now trained annually. Considering the size of cooperative organisations and structure of agricultural cooperatives in the Asian Region and the volume of their business, the number of fifteen candidates appears to be small and inadequate. However, given the proper encouragement for country-based follow-up training programmes on similar lines, it is possible to generate a chain reaction within individual countries to create an atmosphere for applying the management approaches and techniques introduced through the project and to derive full benefits through improvement of capabilities of increased number of managerial personnel on similar lines.

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

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

## 6. PROJECT FUNDING

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



## 7. ADMINISTRATIVE ARRANGEMENTS FOR THE PROJECT

Dr Daman Prakash, appointed by the ICA Head Office as Project Director, continued to work as Project Director for the Eighth Course. Dr Prakash, who has been working with the ICA since 1962, has a rich experience of leading and working with international technical assistance projects including those of UNDP and ILO in the Region. Supporting staff to assist the Project Director in administrative and financial matters was provided by the ICA Regional Office for Asia and the Pacific (ICA ROAP). Mr A.H.Ganesan, who had worked with the Project since its commencement, continued to work with the Project as its Programme Officer.

## 8. PROJECT IMPLEMENTATION SCHEDULE

The following implementation plan was prepared for the Project:

### a) Planning Phase: 1st July - 19th October 1993

- Developing curricula and syllabi including planning of technical session modules, field visits and national follow-up review workshops in consultation with the Indian Institute of Management, Ahmedabad; Vaikunth Mehta National Institute of Cooperative Management, Pune; the Maharashtra State Cooperative Union, Pune; and the National Cooperative Union of India, New Delhi.
- Planning the field study visits programmes and National Follow-up Review Workshops in India, Sri Lanka, and Thailand in consultation with the ICA member-organisations.
- Sending invitations to ICA member-organisations to nominate candidates for the eighth course and to former participants from India, Sri Lanka, and Thailand to attend national follow-up review workshops.
- Identification and recruitment of resource persons.
- Preparation of case studies and related documentation.
- Selection of participants and finalising arrangement for their travel and accommodation.



- Consultations on project implementation with the JA Zenchu, IDACA in Japan and member-organisations in India, Sri Lanka and Thailand.
- Practical arrangements for organising the first part of the course in Delhi.
- Financial arrangements for the training course.

Implementation Phase : October 20, 1993 - April 21, 1994

- Part I of the Course in New Delhi, including study visits and national follow-up review workshop ; India: October 20, 1993 - December 21, 1993
- Field Study visits and national follow-up review Workshop, Sri Lanka, December 22, 1993 to 1st January 1994
- Field Study Visits and national follow-up review workshop, Thailand, 1st January to 12th January 1994
- Home Country Assignments 13th January to 20th February 1994
- Project Appraisal Sessions at IDACA February 21 to March 2, 1994
- Part-II of the Training Course at IDACA, Tokyo. March 3 to April 21, 1994
- Final Evaluation and Closing Ceremony in Tokyo 20th April 1994
- Departure of Participants to their respective countries, 21st April 1994

## 9. COURSE PROGRAMME

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

10. REPORTING AND EVALUATION  
22nd April to 30th June 1994

The period from the end of the training course to the end of the Project period was used 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.

11. NATIONAL REVIEW WORKSHOPS - 2, 3, & 4  
INDIA, SRI LANKA AND THAILAND

Based on the experience and usefulness of holding the national follow up workshop for former participants from the Republic of Korea, as part of the seventh training course programme, three national follow-up review workshops were planned and implemented for former participants from India, Sri Lanka and Thailand during the eighth training course period. The national follow-up workshops helped to assess the probable areas of success and the problems faced by the project promoters, and helped in the exchange of views with the former participants. The National Review Workshops on Management of Agricoops were organised for three days in India, two days each in Sri Lanka and Thailand at which all the former participants from these three countries were invited to share their experiences with the eighth course participants.

The Workshops were organised with the following objectives:

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

## 12. COURSE PARTICIPANTS

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

## 13. LOCATION OF TRAINING ACTIVITIES

As in the case of last seven years, almost all sessions of the Part-I of the Eighth Course were held in the Conference hall of the ICA ROAP in New Delhi. A three-day workshop on management of cooperative marketing and processing activities was conducted on December 6 - 8, 1993 at the Vaikunth Mehta National Institute of Cooperative Management in Pune.

Part-II of the Course was conducted at the IDACA premises in Japan under an agreement signed earlier between the ICA ROAP and the IDACA. The field study visits in Sri Lanka and Thailand were arranged to cooperatives in and around Colombo and Kandy and in and around Bangkok and Chiangmai respectively. The study visits to agricultural cooperative institutions were organised in Japan with the collaboration of the IDACA.

## 14. PEDAGOGY

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

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

- During the group discussions, faculty members were also occasionally present to clarify the issues raised by the participants. Group discussion was followed by presentations of group reports, followed by further discussion and summarisation by the faculty. Computers were used during many of the group exercises. Thus, case method, group discussion and audio-visuals were blended together with class-room discussions to facilitate proper understanding of the subject under study.
- A special input was made right in the beginning of the Course in India on the following:
  - i) Methods and Techniques of Working in Groups (Group Dynamics),
  - ii) Use of Overhead Projectors,
  - iii) Demonstration of a Panel Discussion,
  - iv) Leadership Development in Cooperatives.
- During Part-II of the Course in IDACA, the lecture method was combined with group discussion method. Some lectures were based on case studies prepared by the lecturers. Slides, documentary films and video films were commonly used. Group discussions were arranged on the basis of questions posed by resource persons. Assignments were given to the groups for preparing a Regional Agricultural Promotion Plan (RAPP) for a multipurpose cooperative.
- Extensive use of overhead projector, slides, computer projection, maps and charts was also made during the programme.

## 15. PART-I OF THE TRAINING COURSE

Part-I of the Training Course was held in India, including study visits in Sri Lanka and Thailand.

### Programme Inauguration

The Eighth Training Course for Strengthening Management of Agricultural Cooperatives in Asia was inaugurated at the ICA Regional Office for Asia and the Pacific on Wednesday, 20th October 1993 by His Excellency Chusei Yamada, Ambassador of Japan in India, in New Delhi. Formally inaugurating the Training Course, Mr Yamada emphasised the need for value-adding activities by agricultural cooperatives for increasing incomes of farmer-members. Citing the Japanese success in agricultural cooperative management, the Ambassador said: "Japan has experienced transformation from a predominantly agrarian society into an industrially advanced society. Facing serious challenges and adverse situations, agriculture in Japan has continued to technologically update and modernise itself, thereby redefining its role and importance. In this process agricultural cooperatives have played a very important role contributing to the modernisation and transformation of agriculture in Japan". Mr Yamada hoped that the experience of Japan should be of considerable value to the participants while spending two months in Japan studying agricultural cooperative movement and its management system.

The inaugural session was presided over by Mr J.C.Pant, Secretary to the Government of India, Ministry of Agriculture. Mr Pant said: "Globalisation in general and liberalisation of economies in the developing countries in particular, has put greater responsibilities on the management of agricultural cooperatives in the region. The management has to be efficient to cope with the demands of changing times to survive and prosper in the changing situations". He hoped the training of managerial personnel in this training course will contribute immensely to the growth and development of cooperatives in the region.

Addressing the inaugural session, Mr G.K.Sharma, ICA Regional Director for Asia and the Pacific, thanked the Government of Japan and the JA Zenchu for their continued support to this Project. He stressed the need for incorporating two important aspects in the activities of agricultural cooperatives in the region: to give maximum benefit to members by way of special attention to the aspect of value-addition in agro-processing sector, and, secondly, development of an

efficient, objective and professional management leadership. Agricultural cooperatives need to effectively respond to the mechanisms of free market economy and try to stand firm to sustain and protect the interests of their farmer-members, Mr Sharma added.

Welcoming the Chief Guest, other distinguished cooperators, and Course Participants, Dr Daman Prakash, Project Director, said: "The agricultural cooperatives in Japan are the most sophisticated institutions which are professionally managed and provide a large number of social and economic services to the members. Participants will have an opportunity to study the high-tech agricultural cooperative management in Japan as well as those of India, Sri Lanka and Thailand". He said that with the completion of the seven courses, 105 managers working at different levels of cooperative organisations have been trained. With the 8th course participants, a total of 120 persons would have received training. Dr Prakash expressed his sincere appreciation to the Central Union of Agricultural Cooperatives of Japan and to the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan for their continued cooperation and support in the implementation of the Management Training Project and hoped that this support would continue in the future.

Mr B.D.Sharma, Chief Executive of the National Cooperative Union of India, said that the the feedback received from the participants had indicated the usefulness of the training project and thanked the Japanese Government and the Cooperative Movement for this assistance to the developing cooperative movements in the region. He welcomed the participants to India on behalf of the Indian Cooperative Movement.

Proposing a vote of thanks to all guests and invitees Mr Malte Jonsson, Senior Development Adviser, thanked the Japanese Ambassador and the Chairman of the Session and also the Japanese Government and the Cooperative Movement of Japan for their continued assistance to the Project.

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

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

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

A. Bangladesh

The agricultural cooperatives in Bangladesh are divided into two parallel structures serving almost the same target groups and thus creating, on the one hand, the problem of overdues and on the other the inadequacy of loans. The apex organisation of the traditional cooperatives is the Bangladesh Jatiya Samabaya Union. These cooperatives are serviced by the Bangladesh Jatiya Samabaya Bank Ltd. (BSBL) through the Central Cooperative Banks (CCBs) numbering 71, and the 51 Krishi Samabaya Samitis (KSS). The cooperatives under the Bangladesh Rural Development Board (BRDB) are linked to the Upzilla Central Cooperative Association (UCCA) and the KSS. In addition to this, the lendings by the commercial banks, the agricultural bank and the grameen (rural) banks operating in the rural areas have aggravated the already hopeless overdue situation.

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

## A. India

The Indian Cooperative Movement which started as a credit movement in 1904 has now covered almost all sectors of the economy and has branched off into specialised sectors such as marketing, international trade, agro-processing, fertiliser production, production of heavy machinery, housing and consumer services. Cooperatives are the strongest in the agricultural sector. The total number of cooperatives in the country is around 342,000 with a membership of 164 million, share capital of Rs. 533 billion and a working capital of Rs.716 billion. Cooperatives cover 65% of total households and 100% of all villages. Most of the cooperatives are vertically integrated through their respective specialised federations or unions at the district, state and national levels. The twenty national level specialised federations are members of the National Cooperative Union of India (NCUI) which represents the Cooperative Movement as a whole. The state level cooperative organisations number around 260 and those of district level are 2267. A total of Rs.467 billion was advanced as production credit and Rs.55 billion as investment credit during the last cooperative year.

The National Cooperative Development Corporation (NCDC) which is a government agency, provides assistance for planning and development of marketing infrastructure and agro-processing industries. Marketing activities are handled by the National Agricultural Cooperative Marketing Federation of India (NAFED) with the help of state marketing federations and their affiliates. District central cooperative banks play a major role in financing agricultural promotion through credit facilities to cooperatives and their members. Most of the cooperative banks are financing processing industries in the cooperative sector and have contributed a great deal in adding value to the primary produce. Long-term financing is handled by Land Development Banks.

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

A major review of the tasks before the Cooperative Movement including the formulation of a model cooperative law is under way at present. The future policy direction is expected to be: (a) revitalisation of cooperatives at the base level; (b) encouraging active participation of cooperative members; (c) establishing linkages between marketing activity and market oriented production activity; (d) promoting farmers' interests by



price support measures to be implemented through cooperatives; (e) establishment of vertical and horizontal linkages through economic activities; (f) stabilising cooperative management; and (g) to decrease the dependence of cooperatives on government for financial, technical and managerial support.

The Indian Farmers Fertilizer Cooperative Ltd (IFFCO) is a federation of about 30,000 primary societies at village level with a share capital of Rs.3.6 billion. IFFCO has emerged over the years as Asia's largest fertilizer cooperative. IFFCO has established four modern fertilizer plants and produced during 1992-93, 2.661 million tonnes of fertilizers with a capacity utilisation of 107.6 per cent. It produces nitrogenous fertilizers, phosphatic fertilizers and urea. The IFFCO plants' outstanding performances over the years have earned IFFCO many productivity and other awards from different distinguished institutions in India and abroad. IFFCO's extension programmes help farmers to increase their yield and incomes. Its village adoption and special projects covering more than 2000 villages in different parts of the country, serve the farmer-members in conducting various programmes in family welfare, adult education, child care, social forestry, medical and veterinary check up. It has 175 farmers service centres, and established a Cooperative Rural Development Trust for encouraging rural leadership.

The Rajasthan State Cooperative Bank, the apex bank in the State of Rajasthan, has in its membership 26 district central cooperative banks and serves 5,267 primary agricultural cooperative societies. As of 31st March 1993, the bank had a paid-up capital of Rs. 179 million, a reserve fund of Rs.396 million, owned funds of Rs.576 million and total deposits of around Rs. 5500 million. It had extended short-term loans of Rs.2,160 million and medium-term and other term loans amounting to Rs.270 million. The bank gets only a minimal margin on agricultural crop loans and faces the problem of lack of diversification of loan portfolio. Recovery of loans is still a major problem.

### C. Indonesia

Agricultural cooperatives in Indonesia are organised in a three-tier structure. The multipurpose cooperatives (KUD) at the primary level are federated into the PUSKUD at the provincial level, and these are affiliated to INKUD at the national level. There are at present more than 9,000 KUDs and around 25,000 other types of cooperatives in the country. Combination cooperatives can also be formed by three central (provincial) level cooperatives. Three such combination cooperatives can form a national level organisation.

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

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

The Indonesian Union of Dairy Cooperatives (GKSI) was established as a secondary level organisation in April 1979 to encourage milk producers cooperatives in dairy development and to establish processing facilities for milk and milk products and for their marketing. Milk production in Indonesia rapidly increased from 10,000 lts in 1979 to 260,000 lts in 1991 valued at Rp 2 billion in 1979 to 130 billion in 1991. The number of dairy farmers also substantially increased from 7,000 in 1979 to 74,000 farmers owning 263,000 dairy cattle under 201 primary dairy cooperatives. The dairy cooperatives supply animal feed, equipments, medicines for cattle, and artificial insemination facilities.

#### D. Iran

Rural and agricultural cooperatives network function under a three-tier system under the leadership of the Central Organisation for Rural Cooperatives of Iran (CORC) with unions of rural cooperative societies at the provincial level and primary rural cooperatives at the village level. There are rural cooperative societies and agricultural cooperative societies working in different specialised fields. The rural cooperatives number 3112, the agricultural cooperatives number 1270 and their unions number 203 cover more than 57,000 villages with 4.4 million members with a combined capital of Rials 5.6 billion. In addition to providing credit, supply of inputs and help in marketing of members produce, the cooperative network also exports goods to other countries. Apples and grapes were the main exported products. On-the-job training is imparted to employees and members and dissemination of information through publications form another activity of the cooperative network.

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

## E. Republic of Korea

### i. Agricultural Cooperatives

Agricultural cooperatives in the Republic of Korea are organised and integrated under the leadership of the National Agricultural Cooperative Federation (NACF)). The National Livestock Cooperatives Federation (NLCF) and the National Fisheries Cooperatives Federation (NFCF) look after the interests of the producers in their respective sectors. 1,397 primary multipurpose agricultural cooperatives are affiliated directly to the NACF in a two-tier system. The primary cooperatives have about 2 million households as members. The NACF operates through its 15 provincial city offices, 153 county offices, and 458 branch offices and through the primary cooperatives. There are 44 other cooperatives dealing with horticultural and other specialised products. Informal groups of members are formed at the village level.

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

As government entrusted business dominated NACF activities until recently, the members have not yet fully integrated themselves with cooperative activity. Their participation is still low. The management has not yet reached the professional level for the amalgamated cooperatives. Since 1989, a process of democratisation has been set in through direct elections for chairmen and board members of all agricultural cooperatives including their national federation. Also, the policy support by the government for encouraging the establishment of processing industry has made it possible for NACF to reformulate its policies towards processing units. However, the

three major problems which have to be tackled as major tasks of the NACF are viz. (a) diversified demands for additional services and benefits by member-cooperatives; (b) liberalisation of farm product imports; (c) lack of awareness among members of the real role of agricultural cooperatives.

ii. Livestock Cooperatives:

With the changing dietary habits due to improved living standards, the consumption of animal protein has increased in the last two decades. Consequently the percentage of livestock farming in total agricultural production has gone up from 11.3% in 1980 to 19.3% in 1991. As the average size of private entrepreneurship in this sector is rather large, the small farmers' interests are being protected through livestock cooperatives. More than 80 per cent livestock farmers are part-time as they also grow paddy and other crops.

In 1992, there were 183 livestock cooperatives in the Republic of Korea with a total membership of 272,000, the total business transacted amounted to 8.865 billion won. Livestock farmers unions in different villages provide the link between the farmer and the cooperatives. NLCF operates 11 feed mills and supply 2,033,000 tons of feed equalling 19.4% of the domestic market demand. The banking business of NLCF covers the entire country through its net-work. Through its research and survey activities, the NLCF provides various data and information to its member affiliates.

The livestock industry is growing year by year due to the changing food habits of people which has created greater demand for animal proteins. For example, per capita meat consumption has gone up from 11.3 kg in 1980 to 21.70 kg in 1992. Similarly milk consumption has risen from 10.8 kg to 43.20 kg during identical period. The livestock cooperatives also face similar operational problems as faced by the agricultural cooperatives.

## F. Malaysia

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

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

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



## G. Myanmar

In 1992-93, the total population of Myanmar was estimated to be 42.33 million. 65.73% of the population is engaged in agriculture. The total crop area of the country in 1992-93 was 26.68 million acres. The main agricultural products of Myanmar are: paddy, wheat, maize, beans and pulses, groundnut and seasmum and others. The total land holding in 1992-93 was 167.18 million acres. 2.64 million acres area are irrigated by various means. Agricultural products are used for home consumption as well as for exports. Agricultural produce is exported mainly to Singapore, India and China. The government has taken measures to maintain the production of some important commodities so as to enhance the production capacity. These productions include animal feedplant, medicine plants for animals, fertilizer plants, water pump factory and tractor factory. Emphasis is given to extension services in livestock breeding and animal health sectors. Part of the fertiliser is imported. Fertilisers are distributed to the farmers by the government, cooperatives and private enterprises. During 1992-93 a total of 0.15 million tonnes of fertilizer was sold to the farmers.

With the enactment of a new Cooperative Societies Law in December 1992, cooperatives have been given a free hand, and new cooperatives are being organised. The new law has been enacted keeping in line with the new market-oriented economic policies of the government and to enable the cooperatives to compete effectively with the private enterprises. Under the old law there were more than 20,000 cooperatives which have now to be re-registered or reorganised under the new law. By the end of 1993 over 700 cooperatives have been registered under the new law. It is expected that with the reorganisation/re-registration of old cooperatives under the new law, and with the creation of new cooperatives, the number of cooperatives will be 30,000 covering about 8 million individual members.

Primary cooperatives can group together into Syndicates (cooperative business unions) and these syndicates can form their own national syndicates/unions or join a specially created national cooperative union or get affiliated to the existing Central Cooperative Society (CCS). The CCS is now the national apex of the cooperative movement. It is engaged in business and cooperative promotional activities. The CCS also carries out the cooperative education and training activities in collaboration with the Department of Cooperative Development. The CCS regained the membership of the ICA during 1993.

The Mon State Cooperative Syndicate is the amalgamated organisation of ten township cooperatives. The syndicate carried out the following business: production services and trade activities, distribution of consumer goods through own outlets, procurement of goods, e.g. basic food items and other daily necessities, import of chemical fertilisers, edible palm oil etc. The syndicate also exports certain items.

#### H. Pakistan

As of 1989-90, Pakistan had 33,302 agricultural cooperative societies with an individual membership of 11.46 million, share capital of Rs. 93.88 million, reserve funds of Rs.191.28 million, had extended loans of Rs. 1.5 billion and had accepted deposits of Rs. 36 million. Apex level cooperative banks were operational in Punjab and Sind. The national umbrella organisation is the National Cooperative Union of Pakistan. The Federal Bank for Cooperatives, which was sponsored by the State Bank of Pakistan, serves as a principal financial institution for agricultural cooperative credit in Pakistan. The FBC channels its funds through the provincial cooperative banks.

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

## I. Sri Lanka

The traditional cooperative structure, based on voluntary principles was drastically changed when the government acting under special powers, cancelled registration of more than 1,000 cooperatives and established 372 multipurpose cooperatives. At present 289 multipurpose cooperatives are functioning but a majority of them are incurring losses. The Marketing Federation (MARKFED) and the Coconut and Rubber Unions in the plantation sector provide marketing services to the multipurpose cooperative societies. The National Cooperative Council of Sri Lanka is the apex organisation at the top. The NCCSL, a non-business organisation, carries out education and training activities through its District Councils, Education Centres and Regional Training Centres. The School of Cooperation at Polgolla, run by the Department of Cooperative Development, offers OL and AL certificate courses to cooperative employees as well as trains officials of the Department.

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

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



## J. Thailand

The agricultural cooperatives are vertically linked by a three-tier structure. After the amalgamation of earlier credit cooperatives, as of 1st January 1993, Thailand now has 1,797 multipurpose agricultural cooperatives spread all over the country with a membership of 2,752,724; 93 land settlement cooperatives with a membership of 101,290; and 36 fisheries cooperatives representing 7,302 members. The business activities of these cooperatives are supported by the Agricultural Cooperative Federation of Thailand (ACFT) at the national level and the Agricultural Cooperative Federations at the provincial levels. The Bank for Agriculture and Agricultural Cooperatives (BAAC) lends to farmers associations, to cooperatives and to farmers direct. The representative national level organisation is the Cooperative League of Thailand (CLT). The Cooperative Promotion Department (CPD) of the Ministry of Agriculture financially supports cooperative development programmes for storage construction, transport facilities, and for the purchase of agricultural produce through a price support scheme. The land settlement cooperatives have helped thousands of landless farmers in acquiring new lands and in organising production through joint efforts. Thailand also has a cooperative dairy.

The business linkages between the primary cooperatives and the federations are not so strong and often the primary society members market their produce through private traders who enter into pre-harvest contracts with producers. ACFT, under its new scheme supported by the government, has been trying to establish linkages between the credit and marketing operations so that the cooperatives could function with some immunity as regards competition from private traders.

## K. Vietnam

Vietnam is basically an agricultural country with 73% of the work-force depending upon agriculture for their livelihood. Agriculture contributes 50% compared to 32% by the manufacturing sector to the nation's gross national product.

The cooperative movement launched in Vietnam in 1959 underwent a qualitative change in 1965. Further, during 1975, after reunification of the country, efforts were made to strengthen the Cooperative Movement. In 1990, there were 16,341 multipurpose agricultural cooperative societies, with a membership of 35,498 households covering 69.2% of total households.

At present three types of agricultural cooperatives exist:

- i. Collectives formed during stages of agricultural cooperatives which absorb community activities in addition to farming activities.
- ii. Voluntarily formed cooperatives by farmers through their own funding (e.g. self-help groups).
- iii. Cooperatives formed by the farmers who entered into contracts with cooperatives.

Agricultural cooperatives carry out the following activities:

- Production and sale of agricultural inputs.
- Providing credit facilities to members through revolving fund or acting as an agent to agricultural banks.
- Providing agricultural machinery services such as tractors, water pumps, transport etc.
- Conducting farmers' saving schemes, investment and insurance.
- Marketing of agricultural product.
- Undertaking various agro-industries (e.g. coffee, cashew, fruits, etc.)

The multipurpose agricultural cooperatives at the primary level are affiliated to the district unions, in turn to the provincial unions and at the national level with the National Cooperatives Union of Vietnam. The cooperatives handle credit, farm machinery supply, input supply and marketing of members produce under this four tier structure. Main commodities handled include rice, maize, sorghum, sweet potatoes, cassava, pulses, soybeans, cotton, vegetables and fruits.

Since the reunification of the country in 1975, attempts to rationalise cooperative development have not produced any significant results. Further reorganisation and external assistance would be required to build up a strong cooperative structure in future.

## 17. MANAGEMENT MODULES

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

Module 1 : Integrated Cooperative System

Module 2 : Planning and Management (I)

Module 3 : Planning and Management (II)

Module 4 : Designing Projects for Agricultural  
Cooperative Development

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

The programme design was strengthened substantively by introducing new readings and case studies. The programme pursued two distinct themes. In the first part, various management concepts and techniques relevant for improving the performance of cooperative organisations were discussed, while in the second emphasis was laid on designing and appraising new projects which can enable cooperatives to grow through integration and diversification and thereby increase member-farmers incomes.

### Faculty Members

These modules were designed and taught by Professors V.R.Gaikwad, Ramesh Gupta, S Kolavalli, Gopal Naik and A.H.Kalro (Coordinator) of IIMA.

### Pedagogy

Case method, group discussion, computer simulation and audio-visual presentation methods were used. More computer based exercises were introduced in the eighth course.

## MODULE 1 : INTEGRATED COOPERATIVE DEVELOPMENT

### Content and Approach

The module began with a presentation on Integrated Cooperative System (ICS). The discussions focussed on three basic questions: (i) What is integrated cooperative system?, (ii) Why is it necessary in the context of the present day developments in regard to agriculture and cooperatives in Asia?; and (iii) How can it be operationalised?

Slides on Appropriate Management Systems for Agricultural Cooperatives (AMSAC) prepared by IIMA in collaboration with FAO, Rome, were presented to explain the concept of backward, forward and horizontal integration. The concept was further elaborated with the help of case studies on milk, sugar and paddy. The scope of agriculture for developing integrated cooperatives was discussed next and the importance of farmers' control over market forces through cooperative organisations anchored around the marketing and processing of their commodities, the critical role of leadership in mobilising farmers, and also of government policy to give preference and encouragement to the cooperative in agro-processing was highlighted. Through case studies the role of the manager in such integrated cooperative systems was covered and the participants were encouraged to visualise the benefits of backward, forward and horizontal integration and the consequences of unrelated diversification. The faculty also highlighted the differences between the terms 'multipurpose' and 'multi-function' so that the participants could fully appreciate the concepts on which ICS is anchored and differentiate between these ideas and the more common concepts underlying multipurpose cooperative societies. The concept of project cycle was also introduced in this module, to enable participants to understand the various components of project formulation, design and implementation. The following phases of project cycle were discussed: Identification, preparation (feasibility study), appraisal, negotiation, detailed operational planning, implementation, operation and supervision, and evaluation.

## MODULES 2 & 3: PLANNING AND MANAGEMENT

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

understanding of the basic cost concepts and price volume project relationships were covered. The modules also covered methods of appraising new projects which can stimulate growth through integration and diversification, and thereby increase member farmers' income.

#### Pedagogy:

As in the previous module, case method, group discussion and presentation were followed. Since production and finance oriented topics involved extensive calculations, several computer based exercises, spread sheets were used and also application of software (such as for linear programming) which helped the groups to solve the problems using PCs were demonstrated.

The modules covered: (a) basic cost concepts and breakeven analysis, (b) understanding financial statements, (c) location and capacity decisions, (d) product mix decisions, (e) procurement, (f) cash flows and time value of money, (g) techniques of investment analysis and investment appraisal, (h) working capital requirements, (i) network techniques, (j) market planning and (k) organisation design.

Participants were exposed to various cost concepts such as fixed costs, variable costs, direct costs, indirect costs, opportunity costs etc. Application of these concepts in break-even analysis was emphasized and participants examined implications of changes in cost structure, process and volume through appropriate case studies.

Participants were shown how to analyze financial statements. Various financial ratios and their uses were explained (these included profitability ratios, liquidity ratios, and solvency ratios) and how they can be used to diagnose the health of an enterprise.

The topic 'location and capacity decisions' was discussed. It was pointed out that these decisions are of strategic consequence because of their long-term implications, critical impact on return on investments and achievement of goals, and that such decisions once made are generally irreversible. Further, the periodicity at which such decisions are made in the life of an enterprise is very low. This was followed by detailed explanation of the factors to be considered in plant location.

A checklist of critical questions which must be answered in the context of agro-industrial projects was discussed in detail. During the discussion on capacity planning that followed, the important determinants of capacity choice were identified as (i) costs of building and operating different sized plants, (ii) market opportunities and constraints, (iii) raw material availability, variability, seasonality, perishability and cost of procurement, (iv) flexibility to alter capacity. Through a case study participants identified key aspects of capacity planning, viz. the mission and objective of the cooperative, small vs. large capacity and implications of opportunity costs.

Resource allocation decisions were introduced next, particularly product mix decisions. Participants were shown how the choice of objective can influence the product-mix and methods by which trade-offs can be made. Participants were taught how to formulate such decision problems as linear programmes and interpret the solutions.

This was followed by a presentation and discussion on procurement strategies. The dominant nature of the cost of raw material in most agro-processing industries was highlighted and the primary elements of procurement, viz. quantity, quality, time, cost and procurement organisations were discussed. Determinants of each element were identified and elaborated upon. For example, when discussing the time factor, the influence of seasonality, perishability and availability on procurement timing were highlighted. Issues related to raw material procurement by a cooperative agro-processing unit as opposed to a private processing unit were discussed. The major issue of pricing in procurement by cooperative processing units was discussed in detail, especially the importance of method of pricing, price and quality relationships and long-run considerations. The advantages and disadvantages of various methods of pricing such as offering same prices as that of markets, determining the prices based on value addition and pricing based on cost of production were explained. Problems related to quality-price relationship, such as number of grades and prices for each grade were also discussed. The long-run considerations of farmers response in terms of increasing production, improving quality and developing loyalty to the method of pricing were also discussed.

Through exercises participants were familiarized with the concepts of: (a) compounding and discounting, present and future values of cash flows, (b) life of a project and salvage value, and (c) discounted measures of project worth. Participants

were taught how to compare two streams of cash flows, and how to compute the net present value and internal rate of return of a stream of cash flows. Participants were given several exercises to familiarize them with tables of investment analysis.

Methods of determining working capital requirements with the help of financial ratios as well as the concept of operating cycle were explained. The dependence of working capital requirements on procurement, operations and marketing decisions was demonstrated through case studies. They were also shown how to evaluate sensitivity of requirements to various parameters. Spread sheets using Lotus Software were extensively used to demonstrate how such sensitivity analysis can be simplified.

Participants used the concepts studied earlier to learn the elements of investment appraisal and how financial appraisal of an investment project is done. Participants were asked to evaluate the financial viability of a sunflower oil mill after identifying the relevant cash flows. Project scheduling through network techniques discussed various concepts of critical path method and participants were shown how to draw the network and then make the necessary calculations to find the critical path, critical analysis, criticality index of activities and minimum duration to complete the project. Participants were also shown how activities can be compressed to reduce project duration at least extra cost.

The module on Marketing was followed by the concepts of demand forecasting, pricing, marketing strategies and marketing mix as well as the principles of cooperative marketing. The member dimension, enterprise dimension, ethical dimension and 4 Ps of marketing (product, price, place and promotion) were discussed in detail.

The concept of Organisational Design introduced next, highlighted the difference between line and staff organisations. Participants were shown how a relevant organisation structure can be designed for integrated agro-industrial projects.

#### MODULE 4 : DESIGNING PROJECTS FOR AGRICULTURAL COOPERATIVE DEVELOPMENT

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

This module covered the following topics:

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

Introduction of Project Cycle covered:

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

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

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



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

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

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

a) Basic Framework:

- (i) Integrated approach
  - objectives
  - functions and tasks
- ii) country's development strategy.

b) Identification of Project Idea:

- i. Basic data on the specific region
- ii. Possible projects.

c) Formulation :

- i. Justification,
- ii. Coverage.
- iii. Identification of functions/tasks.
- iv. Organisation (cooperative)

d) Preparation:

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

e) Project summary and recommendations.

f) Structure of the report.

### Elements of Project Framework:

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

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

## Economic Justification of Project Proposals:

### a) Financial Analysis:

- i) Evaluate the project proposal by computing the following:
    - pay-back period,
    - net present value
    - internal rate of return,
    - benefit cost ratio.
  - ii) Compute the break-even point.
  - iii) If you want to pass on all the benefits to the members, what is the maximum price you can pay for their produce?
  - iv) What is the risk involved in this project?
- b) Since this is proposed to be a farmers' cooperative society, how would you design its organisation and structure with a view to maximise participation, democratic functioning and self-reliance?
  - c) Following integrated approach, besides marketing what other activities/functions cooperative should undertake to increase farmers' income?
  - d) Prepare a detailed operations plan including project scheduling for implementing this project.

The following main points of caution were emphasised:

- i) The projects would have to be more and more commodity based, the concepts of multipurpose cooperative societies would necessarily have to give way to single commodity multi-function societies if the cooperatives were to successfully face the challenges posed by the private sector,
- ii) In the projects attention will have to be paid to three dimensions i.e. member, business and institutional. Failure in one dimension will result in failure of the project.

- iii) Due to consideration of scale economies, more attention will have to be paid to horizontal integration, because it would be very difficult for a small primary society to design and implement an agro-processing project based on a single commodity.
- iv) Much more attention would have to be paid to the quality of produce produced, including packaging of products as the markets for whatever is produced would be mostly in urban and metropolitan areas. Furthermore, if export earnings were desired, this factor would be of critical importance.
- v) It would be necessary to evolve implementation schedules which are time-bound and require the least amount of time. Delays will result in not only cost escalations leading to unviability but also losing out to the competition which would then take precedence in the same product markets as contemplated by the cooperative.

Check List:

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

For three days, the participants worked on a group project assignment. These comprehensive exercises were distributed to the groups. While each group was required to work on only one of them, they were asked to read all the three cases to get ideas about the kind of information they may want to collect in

preparing projects and appraising them. The cases and the project assignments were meant to provide an opportunity to participants to learn from each other and internalise the concepts taught in the programme. Participants working in groups were asked to answer the assignment questions distributed along with each case. These questions were meant to focus their presentations which were to cover at least the financial aspects, organisational aspects and implementation concerns. Participants were also told to cover in their presentations as well as in their final report the justification for undertaking the project.

Group presentations made by the participants were followed by lively discussion and provided with comprehensive feedback on presentations to enable the participants to better undertake their country-based project assignments.

During their visit to IIMA, Ahmedabad, concepts of project formulation were again reviewed and home country assignments were discussed.



18. WORKSHOP ON ORGANISATION AND MANAGEMENT OF  
AGRICULTURAL COOPERATIVES, AT VAMNICOM, PUNE (INDIA)

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

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

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

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

## 19. FIELD STUDY VISITS IN INDIA

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

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

- ICA Regional Office for Asia and the Pacific
- National Cooperative Union of India
- National Agricultural Cooperative Marketing Federation of India. (NAFED)
- IFFCO's Management Development Institute

### Study Visits in Maharashtra State

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

- i. Maharashtra State Cooperative Union
- ii. Pune District Cooperative Milk Producers Union, Katraj Dairy.
- iii. Sangamner Cooperative Sugar Factory
- iv. Nashik District Central Cooperative Bank
- v. Nashik District Potato and Onion Growers Cooperative Association.
- vi. Nashik Branch Office of National Agricultural Cooperative Marketing Federation (NAFED)
- vii. Maharashtra State Cooperative Bank, Bombay.
- viii. Vaikunth Mehta National Institute of Cooperative Management, Pune.

During the Indian field study visits, eight cooperatives in Maharashtra and seven cooperatives in Gujarat State working at various levels were visited for the purpose of studying their organisation, working, management and performance towards improving economic status of the members. Cooperatives for the field study visits were carefully selected with a view to appraise the participants about the horizontal and vertical

linkages of cooperative credit, marketing and processing institutions and backward and forward linkages of their activities and functions.

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

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

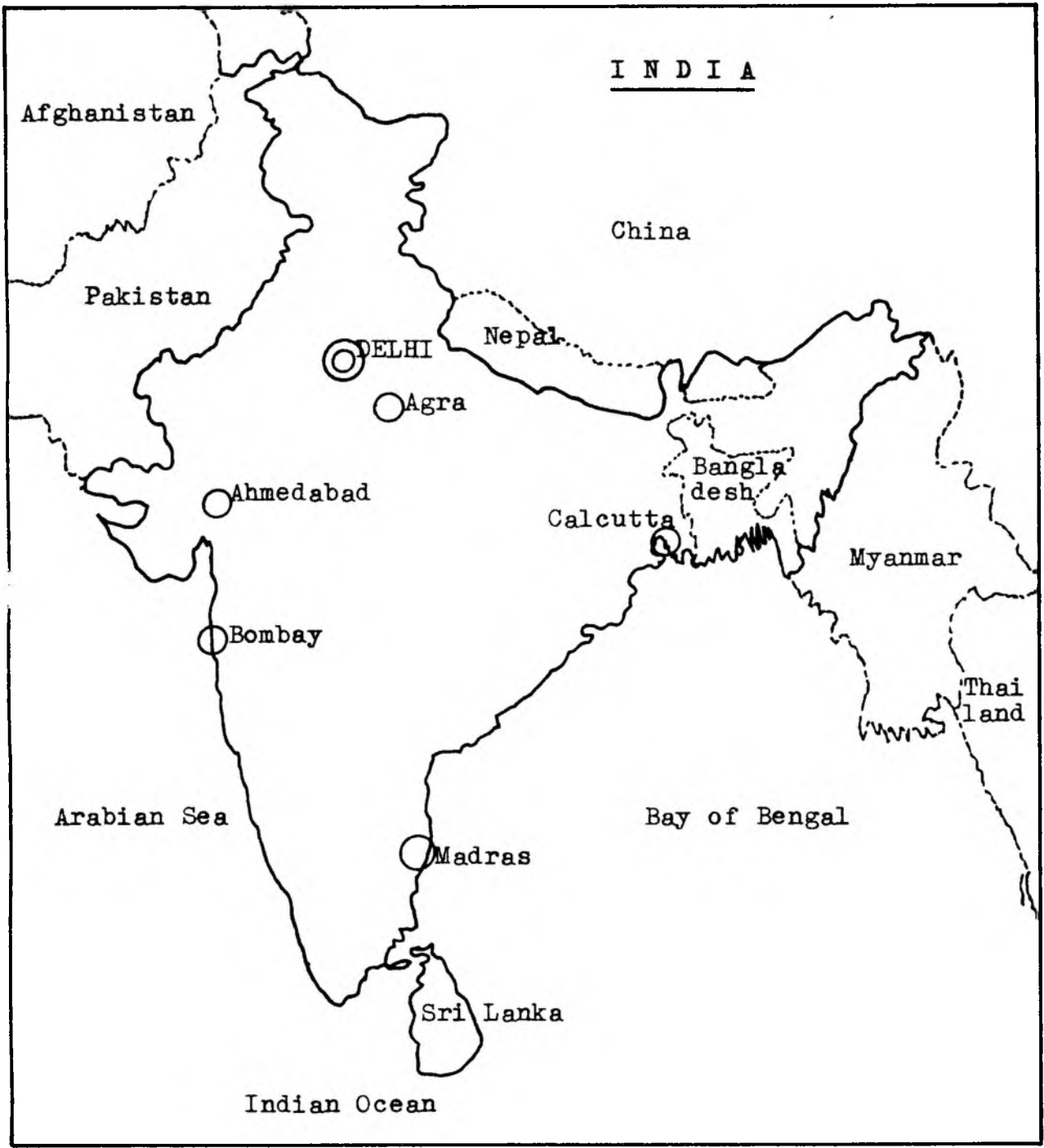
Cooperatives visited for field studies included credit, marketing, processing, agro-forestry and agricultural produce market committees. These categories covered primary agricultural credit; primary marketing and processing cooperatives; district cooperative banks; and apex level State cooperative bank.

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



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

- In organisation and management of different cooperatives contribution of effective and spontaneous leadership was found to be quite significant. Such leadership constituting elected management of the cooperatives provided policy guidelines for the working of the cooperatives and in ensuring performance of cooperative management towards the fulfilment of their objectives.
- Cooperatives visited have fairly successful record of working with good coverage of membership in their defined areas of operation. These cooperatives had a sound financial position due to share capital participation by the government and financial assistance and support from various development and financing agencies set up for the purpose.
- Practice of linking share capital with borrowings of the members and creation of permanent reserve fund out of the surplus of the cooperatives were found conducive to developing sound resource base for these cooperatives. In respect of resource mobilisation district level cooperatives were found to have rich and commendable level of deposits. However, credit cooperatives at primary level were not able to mobilise any sizeable amounts as deposits from members.
- Most of the cooperatives have democratic management with overall authority of the general body and duly elected managing committees. The cooperatives had varying number of managerial personnel depending upon the size, level and range of activities. Some of them had government officials on deputation as chief executives.
- In case of cooperatives in the credit sector - primary agricultural credit cooperatives, district central cooperative banks and the state cooperative bank had well-developed institutional linkages within the structure. Primary credit cooperatives provide production credit, medium-term credit as well as in certain cases even investment credit to the members.
- Primary cooperatives obtain finance from the district level cooperative bank which acts as a central financing agency and the district cooperative bank, in turn, borrows from the state cooperative bank. The state



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

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

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

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

## Study Visits in Gujarat State

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

- i. Primary Milk Cooperative Society, Uttarsanda
- ii. National Dairy Development Board (NDDB), Anand
- iii. Institute of Rural Management (IRMA), Anand
- iv. Anand Cooperative Milk Union Ltd. (AMUL), Anand
- v. National Tree Growers Cooperative Federation, Anand
- vi. National Oil Seeds Growers Cooperative Federation
- vii. Aashi Multipurpose Cooperative Society, Ashi
- viii. Indian Institute of Management (IIMA), Ahmedabad, .
- ix. IFFCO Kalol Fertiliser Plant, Kalol.
- x. Udhaybhansinhji Institute of Cooperative Management, Gandhinagar.

### Amul Dairy

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

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

The success of AMUL has encouraged the Government of India to set up a parent body called the National Dairy Development Board (NDDB). The NDDB has launched an ambitious programme to replicate Anand pattern in other parts of the country by giving subsidies, loans and technical assistance for setting up

new units. The NDDDB has also developed its commodity base by entering into the oilseeds market and by processing the oilseeds and marketing the finished products. Recently the NDDDB has also entered the fruits and vegetables market by opening marketing centres for fresh vegetables in larger cities. The NDDDB has started several institutions for research and development efforts in respect of its varied activities and the Institute of Rural Management, Anand (IRMA).

The participants visited the National Cooperative Federation of Oil Seeds Growers and the National Cooperative Federation of Tree Growers situated at Anand and also studied the working of the fertilizer plant of IFFCO at Kalol. The training activities conducted at the Institute of Cooperative Management at Gandhinagar for different categories of employees of cooperative institutions were explained during the visit to the Institute. The visit to the Indian Institute of Management at Ahmedabad gave an opportunity to the participants to interact with the faculty members.



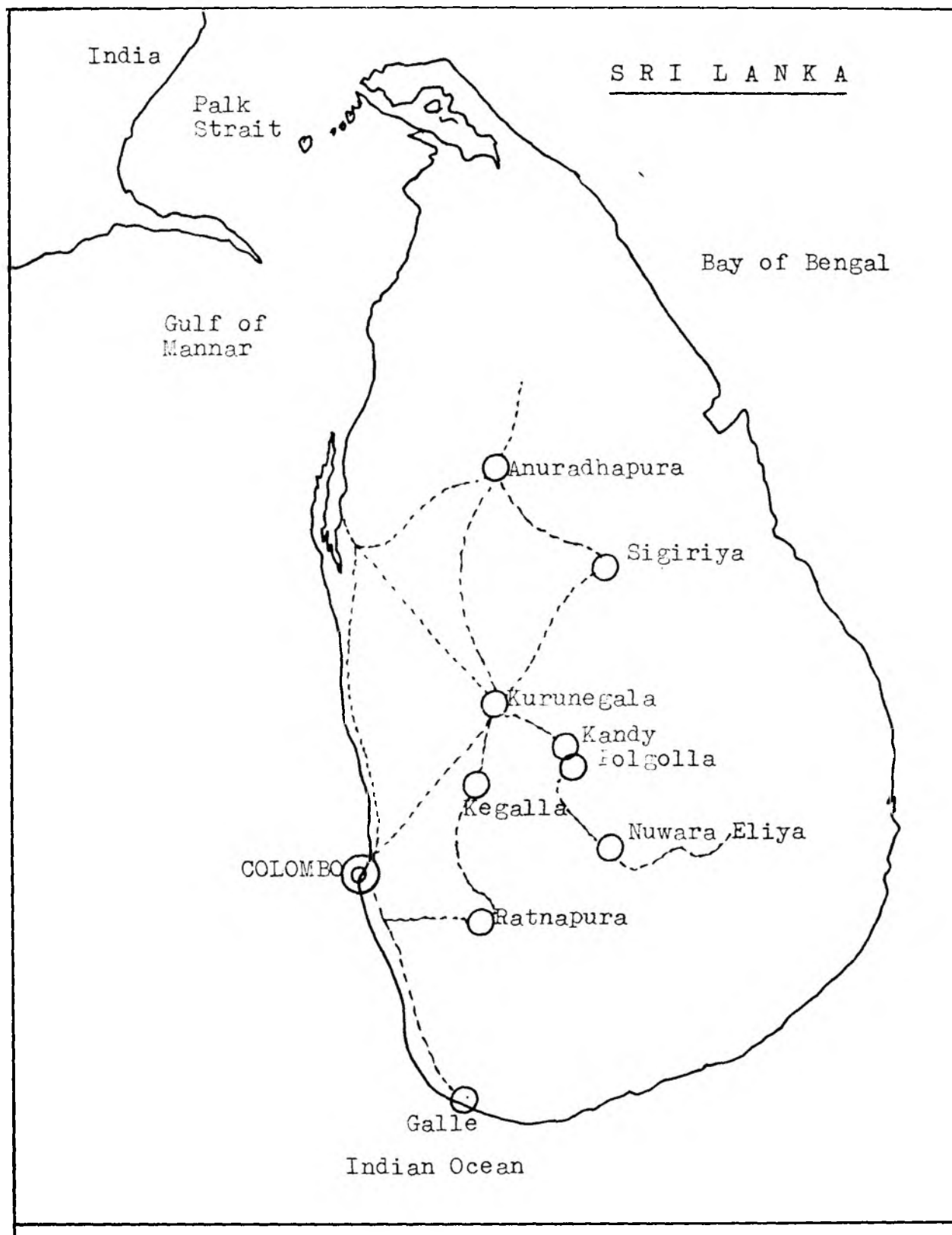
## 20. FIELD STUDY VISITS IN SRI LANKA

Field study visits to agricultural cooperatives in Sri Lanka were organised in collaboration with the National Cooperative Council of Sri Lanka. The following cooperative institutions were visited during the field study visits:

- i. National Cooperative Council of Sri Lanka
- ii. National Cooperative Marketing Federation (MARKFED)
- iii. Sri Lanka Coconut Producers Cooperative Union
- iv. Sri Lanka Institute of Cooperative Management
- v. Dunagaha Coconut Producers Cooperative Society
- vi. Mahaweli Cooperative Pilot Project
- vii. Naula Multipurpose Cooperative Society
- viii. School of Cooperation, Polgolla
- ix. Aranayake Multipurpose Cooperative Society
- x. Ruwanwella Multipurpose Cooperative Society

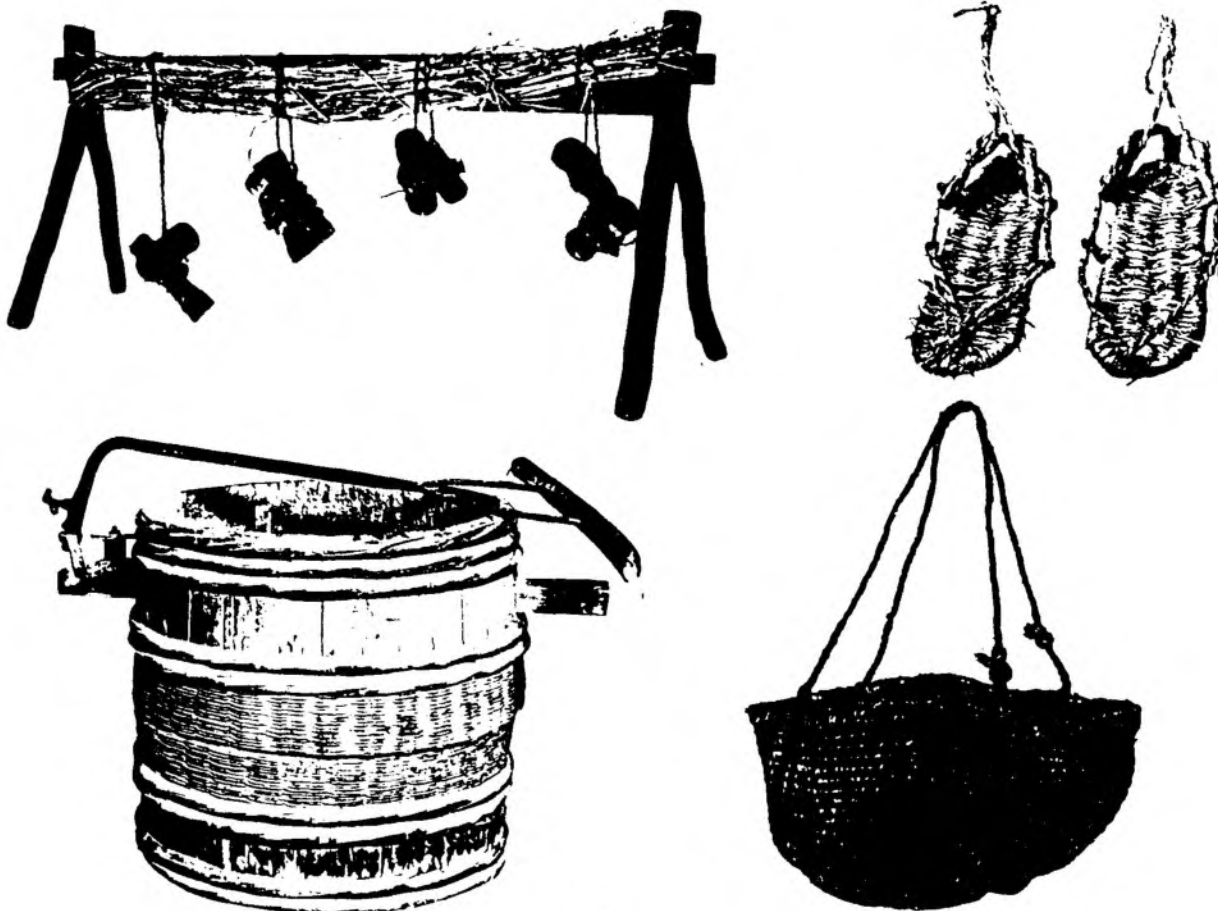
The National Cooperative Council of Sri Lanka, the apex national cooperative institution, has been established to promote and develop the cooperative movement, serve as an exponent of cooperative opinion and to represent the movement nationally and internationally. Membership of the Council is open to all national apex unions and district cooperative councils in the country. Recently the NCCSL was reorganised and restructured. The Government has established Provincial Cooperative Councils for decentralisation of state administration and devolution of power.

Multipurpose cooperative societies, numbering about 289, provide to farmers production credit and agricultural inputs, market their produce and promote savings. They are engaged in distribution of consumer articles and that too mostly as government agents. With the liberalisation of the economy introduced by the government in the recent years, the cooperatives have to face stiff competition from private sector in many of their activities. The link for credit with the People's Bank is weak and so is the case with marketing and commodity unions for these activities. The participants had the opportunity of visiting a few multipurpose cooperative societies in the Island, mainly those of former participants, and studied their activities in detail. In addition meetings were arranged with the Commissioner for Cooperative Development and the School of Cooperation, run by the department for training of cooperative officials. Of late the School of Cooperation has designed several special training programmes for various sectors of the cooperative movement as well as special groups such as managers, board members, women and youth.



The participants were able to observe the working of the Dunagaha Coconut Producers Cooperative Society and its new dessicated coconut mill established recently. The general manager of this society had participated in one of the ICA Japan Management Training Courses and had successfully implemented his project proposal. The society had modernised and automated its new dessicated coconut factory at a cost of Rs. 14 million. A high degree of physical and bacteriologically-free standards were achieved and the society is now successfully competing with those of other country products for export purposes. The society presently produces 16 metric tons of dessicated coconut per day and has a machine capacity to process 125,000 nuts per day. The society also owns two oil mills and five copra kilns fed with rejected nuts of the DC factory. The expansion project of the society was fully financed by the society from its own resources.

The participants also had an opportunity to observe some of the follow-up activities undertaken by earlier course participants like production of smoked rubber sheets, packing and marketing of rice and rice flour to suit the urban consumer and introduction of new rice mills etc.





## 21. FIELD STUDY VISITS IN THAILAND

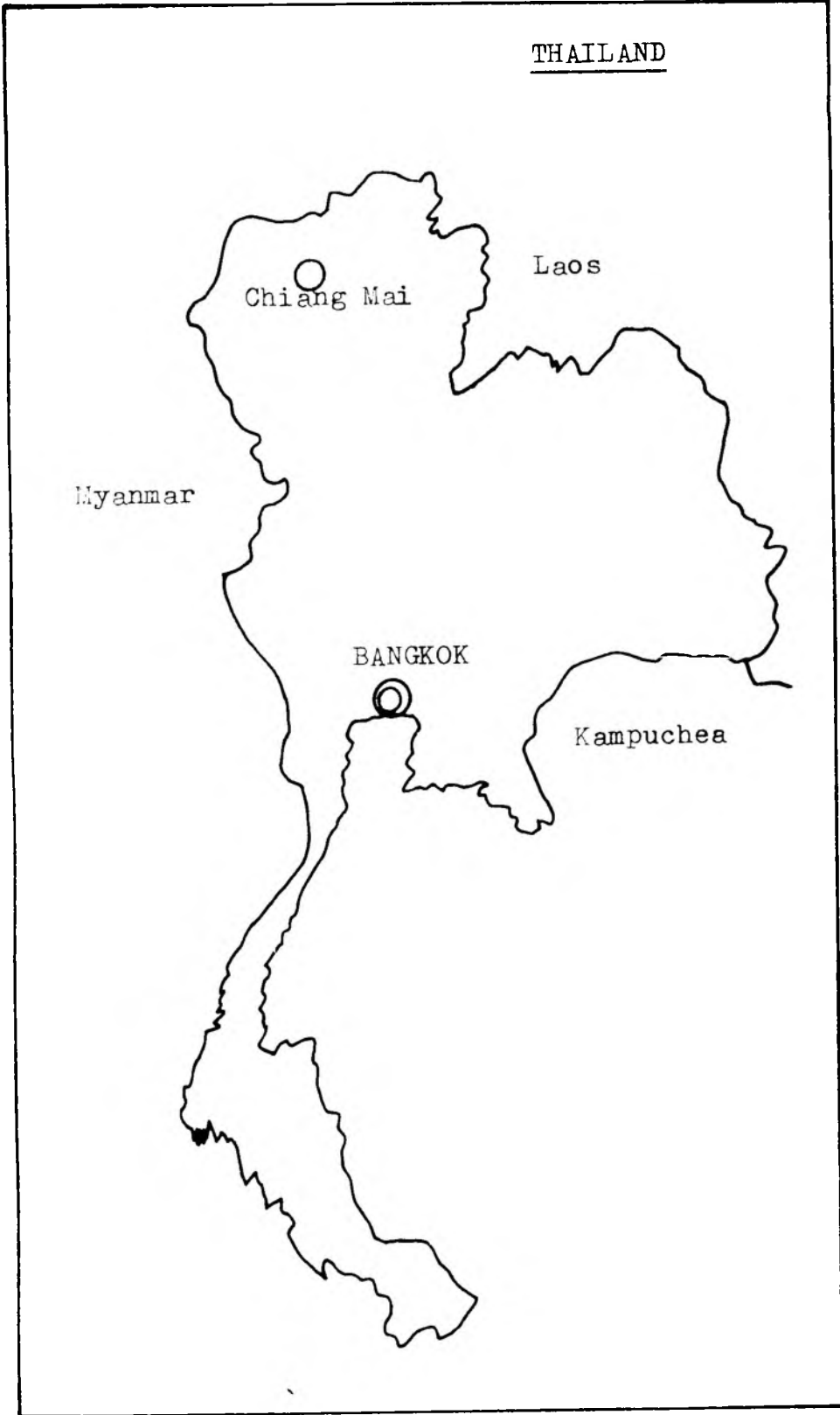
Cooperatives in Thailand are generally accepted as dating from 1916 when the first cooperative society was established with a group of 16 members in the rural area of Pitsanulok Province as a village cooperative on the Raiffeisen model on the initiative of the Government of the time. The purpose was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

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

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

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

THAILAND



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

At present there are six types of cooperatives in Thailand. They are 1,797 agricultural cooperatives, 93 land settlement cooperatives, 36 fishery cooperatives, 345 consumers cooperatives, 878 thrift and credit cooperatives and 286 service cooperatives, totalling 3,435 cooperatives in the country..

#### Cooperative League of Thailand

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

#### Ministry of Agriculture and Cooperatives and the Cooperative Promotion Department

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

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

The participants visited the following cooperative institutions in Thailand:

- i. Cooperative League of Thailand
- ii. Cooperative Promotion Department of Thailand
- iii. Chiangmai Provincial Agricultural Cooperative Federation.
- iv. Sanpathong Agricultural Cooperative, Sanpathong.
- v. Doi Saket Agricultural Cooperative Ltd
- vi. Pranakorn Consumer Cooperative Store, Bangkok
- vii. Royal Development Study Centre.

## 22. NATIONAL REVIEW FOLLOW-UP WORKSHOPS INDIA, SRI LANKA AND THAILAND

Based on the experience and successful holding of the National Follow-up Review Workshop for former participants from the Republic of Korea, held in Seoul in May 1993, as part of the Seventh Management Training Programme, it was planned to hold three such national review workshops for former participants from India, Sri Lanka and Thailand. These workshops were held in close collaboration with ICA member-organisations in these three countries. Participants of the Eighth Training Course attended all the three workshops in the different countries and gained first hand knowledge about successful implementation of several projects, problems and difficulties faced in implementing others which could not be implemented.

### Objectives of the National Workshops

The National Review (Follow-up) Workshops were organised with the following objectives:

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

### Methodology Adopted

During these workshops, the former participants were invited to participate in the programme and also to submit their status papers and other relevant information on their projects. A Panel Discussion was organised mainly to have an appreciation of the roles played by the organisers, collaborators and user-organisations in the context of Agricultural Management Training Programmes offered under the ICA-Japan Project. The Panel Discussion was also used to ascertain the views of the user-

organisations as to the development of human resources within the agricultural cooperative sector as well as to the benefits derived by the sponsoring organisations from these long-term training programmes. During the seven training programmes starting in '1986-87 until 1992-93, 105 participants drawn from agricultural cooperative sector from all over the Asian Region had attended, and they had produced 103 development projects based on a high level technical inputs on the techniques of producing development projects with a strong focus on 'value-addition in agro-processing' sector. The projects aim at increasing the income of basic members of cooperatives. The management of agricultural cooperatives is also sought to be improved. A number of these projects have been picked up for implementation by the sponsoring organisations, and several of them are already operational in some of the Asia Pacific countries.

During the Panel Discussion, representatives from these three organisations were requested to describe their involvement. The user-organisations were requested to comment upon the following points:

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

INDIA FOLLOW-UP WORKSHOP

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The National Workshop for former Indian Participants was held in New Delhi, at the ICA ROAP premises, from 1st to 3rd December, 1993. Twelve former participants out of a total of seventeen attended the Workshop. Five participants could not attend the workshop. The Workshop had the benefit of attendance of Mr T Sudo, Dy Director, MAFF; Mr Shiro Futagami, Managing Director, IDACA; Mr M.V.Madane, former Project Director of the Project; Prof. A.H.Kalro, Indian Institute of Management, Ahmedabad; Mr G.K.Sharma, Regional Director of ICA ROAP and the Project Director, Dr Daman Prakash, as Resource Persons.

All the twelve participants presented status papers indicating the present position of implementation of their respective projects, use of knowledge and skills acquired from the training course in their present work environments and dissemination of the knowledge to other fields/organisations.

The status papers indicated that the following five projects have been either fully or partly implemented and that six projects are still in different stages of consideration by the authorities and that one has been abandoned due to change in governmental policy.

The following projects have been implemented in full and/or in phases:

- i. Potato Marketing Project by Jahangunj Cooperative Society, Uttar Pradesh by Dr N.P.Sharma, 1st JTC

The Project proposal has been accepted by the Society for full implementation in principle. The first phase of the Project i.e. construction of cold storage at a cost of Rs. 4.27 million has been completed and is functioning. The member-farmers are making use of the facility on an actual utilisation basis. The loans taken for the construction of the cold storage is not yet fully repaid and the members have decided to take up the second phase of the project, processing of potatoes into chips for marketing, after a period of five years, when financial position is expected to increase.

- ii. Sheep and Wool Marketing through Dungarpur Shepherds Cooperative Society, by Mr Rajiv Mehta, 2nd JTC.

The Project has been implemented and is in full operation for the last three years. The main emphasis has been on

marketing of wool and on-foot animal, sheep. Eight shepherds cooperatives have been organised in the area and 150 youth have been trained on animal health care, cross-breeding, wool-sheering and first-aid to the animals. These youth are now working as extension agents and help the societies in increasing their membership. Total wool collection during 1992 was 8,800 kg. and is expected to increase upto 12,000 kg by 1993. Promotional activities such as village fairs, prizes for best animals etc. have been introduced to attract more number of shepherds to the cooperative fold. Four cross-breeding centres have been developed with the help from the Swedish International Development Authority (SIDA). Overall the project has helped the small farmers and shepherds in the area in breeding better quality animals and in marketing of wool and live animals.

iii. Onion Marketing Project in Lasalgaon  
District by Dr Promod Kumar Pandey, 3rd JTC

The Project has been implemented in full and has been successfully running for the last three years. The society has a turnover of Rs. 5 million and has helped its members in getting better prices for their products. It undertakes marketing of onion and grapes, storage, and distribution to distant markets, thus adding value addition to the members.

In addition to implementing his project proposal, the participant has helped his organisation in preparation of additional economic project such as fruit (grape) marketing including exports to Europe, Far East and Hong Kong.

iv. Cotton Processing and Marketing Project  
by Mr Raj Pal Gaba, 5th JTC

The first phase of the Project has been implemented by the Sanawad Cooperative Marketing Society for the last one year resulting in a net increase of income to the farmer-members of Rs.500 per tonne. The proposal envisaged scrapping of old single roller gins with modern double roller gins. 24 new gins have been installed by the society with automatic precleaner units. Storage space has also been augmented to 2,500 bales. The successful implementation of the first phase of the project has encouraged the society to go on for the second phase which would be taken up when financial resources of the society improve.

- v. Fruit and Vegetable Retail Project by  
Mr Ram Swaroop Jakhar, 7th JTC

The project proposal submitted by the participant has been approved in principle for financial assistance by the National Cooperative Development Corporation (NCDC) and will be implemented by the Jaipur Fruit and Vegetable Cooperative Marketing Federation. Discussions have been held with various government authorities and consensus have been arrived at for implementing the project by setting up several retail outlets for marketing of fruits and vegetables thereby reducing the role of middlemen and increasing the income of farmer-members. It is hoped that the project will get into full operation in the next two or three years.

The following project proposals are under different stages of consideration for implementation:

- i. Fruit Processing Unit at Narkhed
- ii. Sunflower Seed Oil Cooperative Mill
- iii. Mango Fruit Processing and Marketing Project
- iv. Apple Cider Wine Processing Project
- v. Marketing of Seed Potatoes Project
- vi. Potato Development and Marketing Project.

The following project proposal has been abandoned due to shift in government policies and change in cropping patterns:

- i. Integrated Paddy Cooperative Project.

#### SRI LANKA FOLLOW-UP WORKSHOP

The National Follow-up Review Workshop for former participants from Sri Lanka was held in Colombo on December 29 and 30, 1993. Nine out of ten former participants attended the workshop and presented status papers. One participant could not attend as he had left the Movement.

The Workshop had the benefit of experience and guidance of Mr Palita E Weeraman, and Mr R.B.Rajaguru, former ICA Regional Directors from Sri Lanka, Prof. A.H.Kalro of the IIMA and the Project Director, as resource persons.

The following five project proposals have been implemented and are fully operational.



1. Increasing income of Small Farmers through  
Producing Quality Rubber Sheets  
by Mr P.L.Gunasekera, 1st JTC

The project has been implemented by the Ruwanwella Multipurpose Cooperative Society and is in operation for the last four years with a capital investment of Rs. 265,000. The society buys latex from the small holders of the area, processes quality smoked rubber sheets from the latex and markets these sheets at a higher price thus value-adding to the produce. The society has also run classes to educate members to produce quality rubber sheets. Intensive extension work among the producer-members launched by the society has been appreciated by the members. Marketing activity of the society has been successful due to strong member participation in the society.

- ii. Modern Rice Mill Project in Mahaweli 'H' Area  
by Mr U.G. Dayananda, 2nd JTC

The project proposal is now in implementation stage. The building of the rice mill is under construction. The total investment in the Project is Rs. 6.5 million. The society will procure paddy from member farmers through its member-societies and process paddy into rice for marketing. The installation of plant and machinery is in progress and will be completed by February 1994 when the project will go into full stream.

- iii. Modernisation of Dessicated Coconut Mill  
by Mr M.B.R. Perera, 5th JTC

The project proposal has been implemented by the Dunagaha Coconut Producers Cooperative Society at a cost of Rs.17 million, raised out of its own resources and has been in full operation for the last one year. The society had suffered a fall from its export earnings in the past due to low standards and consequently modernisation was considered essential. The new plant is fully automatic and the entire production process is mechanised to produce higher quality dessicated coconut acceptable to foreign buyers. The plant is in operation, currently at 90% capacity. Already more than 200,000 kg of dessicated coconut has been produced and exported to foreign buyers. The plant has achieved a pre-shipment rejection rate of zero per cent within one year of its operation and the society's produce is able to compete qualitatively with those of the Philippines, currently leading exporter in the dessicated coconut. The member-farmers have been able to get better prices for their nuts and by sharing the profits by way of dividends, patronage refunds etc.

- iv. Vegetable and Fruit Collection and Marketing Project  
by Mr Ananda Walisinghe, 6th JTC

The project proposal has been implemented in a slightly modified form by the Welemada Cooperative Union at a cost of Rs. 11.5 million and is in operation for the last three months. Twenty-five primary level cooperatives have been organised with 25 members in each society. Fertilizers worth Rs. 1.5 million and seeds worth about Rs.100,000 were supplied to members for increasing vegetable production in the area. The vegetables produced by the farmer-members are marketed by the Coop Union thus contributing an increase in the incomes of its farmer-members.

- v. Rice Mill Project at Aranayake MPCs  
by MR A.G.S.M.Navaratne Banda, 7th JTC

The project proposal has been accepted by the Board of Directors of the MPCs for implementation in 1994. The participant has used the knowledge and skills learned in the training programme and has introduced several novel methods of marketing rice flour, tea, spices and other cereal flours in attractive packs. The idea for prepacking with attractive design and informative labelling was picked up by the participant from his training in Japan. A retail outlet has been established by the Cooperative in Colombo for marketing of products and good response has been received from the consumers in Colombo. The new products have also helped scores of destitute women in getting employment opportunities within the village. The society hopes to export red rice flour abroad.

The following projects have been approved in principle for implementation and are still under various stages of consideration:

- i. Rice Mill Project at Naula MPCs

The board of directors of the Naula Multipurpose Cooperative Society has approved the implementation and efforts are on to secure a second-hand rice mill initially and to start operations soon. The mill site and plant and machinery have already been identified.

- ii. Dessicated Coconut Project at Kammalpattu MPCs

The project has been accepted by the board for implementation, but non-availability of funds from the Peoples Bank or the Department has delayed the project implementation.

iii. Dairy Plant in Badulla District

Preliminary work has started for implementation and discussions are on for obtaining financial grants/loans of Rs.3.5 million. Expected to be implemented in 1994.

The following project proposal has been abandoned due to financial and other constraints:

Dairy Plant at Bandarawella

The project stands abandoned due to difficulties experienced by the participant within the country while preparing the project and due to lack of data and other support. A similar project has been prepared by the participant of the 7th training course for the same society and has been accepted for implementation.

THAILAND FOLLOW-UP WORKSHOP

The National Follow-up Review Workshop for former participants from Thailand was held in Bangkok on 3rd and 4th January 1994. Mr Shiro Futagami, Managing Director of IDACA, Mr A Miyazaki, Chief of the General Affairs Department of JA Zenchu; Mr H Terunuma, Programme Coordinator, IDACA, and Mr Norong Marukatut, Director, CLT, attended the Workshop. The IDACA held its Reunion Programme also in Bangkok during the same period. Six out of twelve former participants attended the Workshop and presented status papers. Out of the remaining six, two have already left the Movement and four did not attend.

The following Projects have been implemented in Thailand:

i. Sericulture Promotion and Raw Silk Production Project by Mr Taworn Supanawon, 2nd JTC

The project was approved for implementation by the Society. Its first phase has been implemented. The society has given loans of Baht 1,500,000 (Baht 50,000 each to 30 members) to grow mulberry trees. Members have already repaid Baht 800,000 and balance is to be repaid in next few years. The Society collects cocoons from members for marketing. Number of producer-members and loans can be increased only on repayment of earlier loan of Baht 1.5 million given by the Cooperative Promotion Department. The society is facing shortage of mulberry trees and also severe competition of cheap silk products from China and Vietnam which adversely affect the marketing activities of the society.

- ii. Production of Vermicelli (Noodles) Project  
by Mr Panuwat Nankornpanom, 2nd JTC

The project proposal in its original form could not be implemented due to shift in cropping pattern in the area from Mung beans to Soyabeans. The participant has prepared an alternative project i.e. soyabean sauce project at a cost of Baht 1.5 million and is expected to be implemented in 1994. The Participant has also helped in the establishment of several land settlement cooperatives in the area.

- iii. Expansion of Rice Mill Project by Dernbangnangbuan  
Agricultural Cooperative by Mr Thawee Thimmasaya, 3rd  
JTC

The project was accepted for implementation. The capacity of the existing rice mill of the Dernbangnangbuan Agricultural Cooperative was expanded and is now in operation for the last months. The society has borne the entire investment cost for the expansion from out of its own resources.

- iv. Shelling Machines for Soybeans Project  
by Ms Wasna Junthieng, 3rd JTC

The original project on Mango Processing prepared by the participant could not be implemented due to lack of financial and land resources. The participant prepared an alternate project for Shelling of Soybeans. Soybeans is an important crop in the Mae Chaem agricultural cooperative society area where 2,400 rais are cultivated by six groups. A loan of Baht 1.5 million was obtained by the society from the Cooperative Promotion Department for buying six shelling machines for soybeans - one machine for each group. The cooperative collects about 1,000 tons of soybeans and the shelling is done by groups thus saving time. These machines have been given to groups of members and ownership of the machines will get transferred to the groups after payment of initial loans. This value-addition activity has increased the income of members due to time and labour management. More members will be included in the scheme after repayment of initial loan taken from the CPD.

v. Promotion of Income-Generating Activities for Women Members by Ms Maroum Sutanana, 5th JTC

The project has been implemented with the financial assistance from the CPD and JICA of Japan. Women groups of 15 members each are engaged in dress-making. The society has procured 35 sewing machines and provides its members with clothing/dressing materials. Imparting of skills is done through training of members by the CPD and the CLT. The society registered a sale of Baht 700,000 with a profit of Baht 200,000 during 1993. Number of women members interested to work in the project is increasing and efforts are on to make the activity broad-based to cover more members.

vi. Rice Mill Project by Sanpathong Agricultural Cooperative by Ms Amporn Vongsopa, 7th JTC

The Sanpathong Agricultural Cooperative is considered to be one of the best managed and efficiently-operated cooperative in the country. It has provided a large variety of services to its members. The board of the society has agreed with the project proposal and the modernisation of the existing rice mill will be taken up for implementation in 1994/1995.

#### Conclusions Drawn from the Follow-up Workshops

The sponsoring organisations and all the participants - former participants and the current course participants - were unanimous in their opinion and belief that the technical training provided to them under the ICA/Japan Programme is relevant and of extreme value to strengthen the management of agricultural cooperatives in the Region. The participants indicated that their learning experience in India and Japan were valuable and highly relevant to their home situations.

In the implementation of their projects, the participants narrated a number of problems. Some of the problems were relating to the priorities of their own organisations, some related to the general policies of the government and some concerned with their own placement within the organisation e.g. their level of operation, their high ambitions to produce an ambitious project and their inability to process their projects in relation to their home situations.

The follow-up workshops, however, made the following points:

- i. The user-organisations and sponsoring organisations were of the opinion that the training opportunities provided under the ICA/Japan Project were of great relevance. The

project has served the interests of the agricultural cooperatives in the Region by developing a sound management leadership and by providing the most appropriate information on developing and fostering value-addition concept in the agro-processing sector of agricultural cooperatives in Asia. The project has, to a great extent, helped the development of appropriate human resource. Although the number of managers trained is small yet its impact on agricultural cooperatives in Asia is great.

- ii. The participants of the follow-up workshop as well as the user-organisations appreciated the contribution made by the Government of Japan through the ICA in inculcating among the managers the need for planning and diversifying the activities of agricultural cooperatives. It was strongly recommended by all constituents that the project should be continued and a provision be made to increase the number of participants to these courses in future.
- iii. The participants felt that it would be of real value to arrange for the orientation on training of high-level policy makers in agricultural cooperative management so that the experiences of Japanese agricultural cooperatives are suitably applied to the rest of the cooperative movements in Asia.
- iv. The participants were of the opinion that the ICA, with the help of the Government of Japan, provide initial funding support to the project proposals developed by the participants during their training. This is considered necessary because the project proposals do not get immediate financial support from their sponsoring organisations due to delays in securing adequate financial support from the lending agencies.
- v. The ICA should continue to monitor the progress of projects prepared by the participants and impress upon the user-organisations to make the best possible use of the training received by their sponsored participants.
- vi. The participants expressed their appreciation for the training opportunities given to them by the ICA with the help of IDACA. They recognised the importance of IDACA as a focal point for dissemination of technology and information on the management of agricultural cooperatives in Asia.

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











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

Inauguration

The participants arrived in Tokyo on 21st February 1994. The inaugural function of the Part-II of the Training Course was held at IDACA on 22nd February 1994 and was addressed by Mr G.K.Sharma, ICA Regional Director for Asia and the Pacific; Mr Bruce Thordarson, Director-General, ICA, Geneva; Mr Takayoshi Sudo, Deputy Director, International Cooperation Division, Economic Affairs Bureau in the Ministry of Agriculture, Forestry and Fisheries (MAFF), Government of Japan; Mr Hiroshi Nishido, General Manager, International Dept., JA Zenchu; and Mr Shiro Futagami, Managing Director of the Institute for the Development of Agricultural Cooperation in Asia (IDACA).

Addressing the inaugural session, Mr G.K.Sharma, ICA Regional Director, welcomed the participants to attend the second part in Japan. He said the Japanese movement is different from other Asian movements in respect of sectoral laws governing different sectors of the movement, its management patterns and efficient levels of operation. Mr Sharma added that cooperatives in the region are passing through a changing phase and will have to face developments arising out of liberalisation policies of the governments. He said the movements are slowly realising that governments are not the best agency for managing the cooperatives. Laws are also changing in many countries. He cited the examples of the Philippines, Vietnam and Myanmar where laws have been amended restricting the powers of the Registrar and granting more autonomy to the cooperatives. The role of cooperative leadership becomes vital in these changed circumstances and hoped that this training programme will help in that process. The participants will be more equipped to face their challenges in the future.

Mr Sharma added that the quality of this training programme is so high that always there were requests from cooperatives in the Region to enhance the intake of participants. The Movements in the Region are also asking for more intensive training in management leadership training for higher level policy-makers. He thanked the MAFF, JA-ZENCHU and IDACA for their continued support to this Project by way of financial support, technical expertise and logistic support in study visits and contacts with leaders and members of cooperative organisations. He expressed his happiness with the presence of the Director-General of the ICA at the Inaugural Session of the 8th training course in Japan.

Mr Takayoshi Sudo, Deputy Director, MAFF, welcomed the participants and the ICA officials to Japan on behalf of MAFF. He said that development of cooperatives result through combined efforts of all. MAFF supports the development efforts with no interference in the functioning of development programmes. Referring to the National Review Workshop which he had attended in India in December 1993, Mr Sudo said it provided an opportunity to the donors to know first-hand the follow-up actions taken by participants in implementing their projects. He was particularly impressed with the support and encouragement given to the participants by their sponsoring organisations in the process of implementation of their project proposals. He expressed his appreciation of the ICA handling the project in an efficient and professional manner. He thanked the JA-ZENCHU and IDACA for their support in implementing the second part of the programme in Japan and wished the participants good health and pleasant stay during the ensuing spring season in Japan.

Addressing the Inaugural Session, Mr Bruce Thordarson, Director-General of ICA, said the "recent trend of globalisation of economies, opening of markets and liberalisation of many formerly closed economies are major challenges to be faced by cooperatives all over the world. Government domination is also loosening thus giving opportunities for cooperatives to develop on their own which bring their own challenges. Biggest challenge to agricultural cooperatives is one of increased competition compared to the protection enjoyed by them earlier". He said, "the cooperatives have now to become more entrepreneurial and more business-like in the conduct of their business. This is the common trend all over the world". He asked the cooperatives to increase their fundamental strengths, the human resources, which exist within the membership base and in management.

Mr Thordarson said the ICA is trying to strengthen the management base of cooperatives through this programme, and is pleased with the collaboration with MAFF, JA-ZENCHU and IDACA and for their support to this programme. Mr Thordarson added that this programme is the largest single cooperative training programme carried under ICA auspices anywhere in the world in terms of money, time and skills to improve and modernise managerial and technical skills. Mr Thordarson said that the recent evaluation sessions regarding implementation of several projects in different countries, justify for the success of a course of this nature. He advised the participants to take full advantage of this course to improve and develop their managerial capabilities. The ICA Director-General mentioned that the Movements in the Region still needs more training opportunities in management leadership.

development. He would be too pleased if the donors could help the Movements in developing their human resource and management leadership in future too. In particular, Mr Thordarson welcomed the participant from Myanmar, the new member of the ICA from this region.

Mr Hiroshi Nishido, General Manager, International Department, JA Zenchu, welcoming the participants to Japan, expressed his gratitude to the MAFF for extending support to the Project and thanked the ICA ROAP for playing a central role in executing the Project. Emphasising the important role of planning in cooperative activities, Mr Nishido asked the participants to specially study the planning process adopted by cooperatives in Japan with full member participation and control. Planning by consensus of members as done by Japanese agricultural cooperatives has been successful, self-defined and forceful, he added. Involvement of members makes it successful in achieving the targets. He wished the participants a pleasant stay in Japan.

Mr Shiro Futagami, Managing Director of the IDACA, welcomed the participants to Japan. He advised the participants to study the experiences of the Japanese Agricultural Cooperative Movement in its entirety and to draw some lessons which may be useful to their own situation. Referring to his attendance at the Indian and Thai National Review Follow-up Workshops, Mr Futagami said that projects prepared by the participants would be more acceptable to local people if they are in line with their interests and in line with the priorities of cooperative organisations existing in the area. These will ensure successful implementation of the projects. Mr Futagami said that IDACA has trained more than 3000 participants from different parts of the world over its 30 years of working and has contributed to the sharing of knowledge and experiences among the cooperators. He urged the participants to focus their attention to membership participation in policy and programme implementations within the Japanese Movement and wished the participants a pleasant and healthy stay in Japan.

24. TRAINING PROGRAMME IN IDACA, TOKYO.

(February 22- April 21, 1994)

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

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

The field study visits were arranged to cooperatives in Fukuoka and Aichi Prefectures.



## 25. PROJECT APPRAISAL SESSIONS

The Project Appraisal Sessions were held immediately after the inauguration of the Second Part of the Training Course at IDACA. Prof. A.H.Kalro from the Indian Institute of Management, Mr Shiro Futagami, Managing Director of IDACA and Dr Daman Prakash, Project Director, worked as resource persons and commented upon the projects presented by the participants with a view to improving them both from presentation and bankability aspects. The presentation of the first project report was also attended by Mr Bruce Thordarson, Director-General of the ICA and Mr G.K.Sharma, ICA Regional Director for Asia and the Pacific.

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 participant. The participant was then provided an opportunity to respond to the observations made by the groups. This was followed by comments and suggestions by resource persons. The participants later revised the projects by incorporating additional information and analytical tables.

The agricultural cooperative development projects prepared by the participants of the Eighth course could be classified as under:

Rice Mill Projects	2
Fruits and Vegetables -	
Processing	2
Coop Dairying : Cattle Feed	1
Dairy Plant	1
Milk Marketing	1
Cattle Raising	2
Fish Culture	1
Rubber Processing	1
Seed Production : Paddy	1
Variety of Seeds	1
Buckwheat Processing	1
Gram Production and Marketing	1
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Total Projects submitted	15
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List of Project proposals submitted by 8th Course Participants

1. Narsingdi Cooperative Rice Mill Project  
by Mr Mohd. Anwaruzzaman, Bangladesh.
2. Seed Production Programme of IFFCO  
by Dr K.G.Wankhade, India
3. Processing of Gram (Pulses) at Champapura Village  
by Mr Deepak Kumar Saxena, India
4. Raising Cattle Breeding Business Scale Project  
by Mr Tanoyo Adi, Indonesia
5. Integrated Dairy Farming Business Project,  
KUD Tani Mukti, Indonesia  
by Mr Iskandar Mukhlas, Indonesia
6. Rice Processing Complex  
by Mr Ali Arbabi, Iran
7. Buckwheat Processing Project in Pyongchang County  
by Mr Do Hwan Woo, Korea
8. Kwangjeon Dairy Plant Project,  
by Mr Kwang Seog Song, Korea
- 9.. Danau Lubok Antu Cooperative Aquaculture Project,  
by Mr Anthony Samuel, Malaysia
10. Production of Rubber Products and Rubber Wood  
by Ms Sein Sein Htay, Myanmar
11. Cattle Feed Mill Project  
by Mr Tasadduq Hussain, Pakistan
12. Southern Pioneer Cooperative Paddy Enterprise Project,  
Hungama MPCs  
by Mr H.A. Siripala, Sri Lanka
13. Pineapple Fruit Processing and Marketing Project,  
by Mr K.L.Bandula, Sri Lanka
14. Tamarind Preservation Project  
by Mr Pratin Boontui, Thailand
15. Marketing of Milk Project,  
by Mrs Phung Thi Ngan Ha, Vietnam.

Feedback to participants were provided on the following aspects:

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

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

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

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

3. Have the objectives been clearly defined?

It was observed that there was a tendency on the part of participants to impose too many objectives to be achieved by the project. It was emphasised that the projects should be simple and should seek to achieve a limited number of well defined objectives and for which goals must be clearly spelt out.

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

Practically all projects sought to emphasise the integrated approach. In some cases the nature of linkages and how they strengthen the project design were not adequately described.

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

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

6. Has the technical analysis been properly done?

Several aspects of technical analysis, viz. providing flow chart of the entire process, giving details of plant and machinery, justifying location and capacity, and the technical standards to be achieved were spelled out in varying degree of detail in the projects. One of these issues, namely that of capacity, which is critical for the success or failure of the project, did not receive adequate attention. In most of the projects justification for the capacity created was meagre.

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

In most of the projects assumptions were made that the required procurement could be made and outputs would find markets at the prices assumed. By referring to the discussion during the training programme, it was pointed out to the participants how we should examine these commercial aspects, particularly the concerns related to quality, quantity and price in greater detail. Also product promotion did not receive adequate emphasis.

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

Although there were minor errors of computation in the presentations, by and large this was systematically carried out in most of the projects. Sensitivity analysis was also attempted in most of the projects. The suggested format was followed by all participants, except one.

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

Organisation design was another weak area in most of the projects. While different functions were adequately covered, the manpower requirements were not properly estimated. Furthermore, while some projects were designed to be under-managed, there were others which appeared to be over-managed.

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

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

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

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

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

In few projects, some attempt had been made to qualitatively identify these benefits.

It was pointed out to the participants that in order to strengthen the projects' design further, more attention would have to be paid to the following: (i) more information should be provided regarding the profile of the project area; (ii) the prevailing competitive situation for use of inputs as well as the outputs should be highlighted; (iii) marketing strategy should be clearly defined and elaborated upon; (iv) organisation structure and manpower requirements in several projects should be refined; (v) benefits to members must be quantified; and (vi) the implementation strategy should receive more attention.

The efforts of the participants were appreciated by the resource persons because participants had to internalise a large number of concepts and techniques in a short span of four weeks in a new environment, and then apply them to prepare a project proposal in 4-6 weeks time. Despite these limitations, they had, by and large, developed good project proposals which would yield benefits to members if implemented properly. In addition, the appraisal session had provided an unique opportunity to the participants to look at alternative project designs, strengthen design through appraisal, and assess risk factors in the context of varied environments. The project appraisal exercise would substantially contribute to their capability to design and implement projects for the growth and prosperity of cooperatives in their region which would lead to increase in income and reduction in risk for members of these cooperatives.

It was noted that interestingly this year, four of the projects presented were already under different stages of implementation.

## 26. CHARACTERISTICS AND PROBLEMS OF AGRICULTURE AND RURAL COMMUNITIES IN JAPAN

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

### Decreasing Farming Potentials

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 1,800 fresh graduates from farmers academies and universities take up farming as their full-time job every year. Many young people are reluctant to take up farming because of the social disadvantages they have to cope with such as difficulties in finding brides, and the limited opportunities for social inter-action among rural communities.

### 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 3,835,000 in 1990. Out of this only 592,000 are engaged in full-time farming; 531,000 in part-time I, and 2,712,000 in part-time II farming. In other words, part-time farmers constitute the major labour force in modern day agricultural scene in Japan. A small percentage of land remains uncultivated due to availability of other sources of income to marginal farmers.

### 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 is 0.1% (from 14.7% at present to 14.8%). However the investment in heavy machinery by individual farmers has increased production costs due to lack of full capacity utilisation of these facilities. Full synchronisation of capacity and its utilisation is yet to be achieved although serious efforts are being made to reorganise facilities for joint utilisation to the optimum level. The current efforts are focussing on Hamlet level farming groups which can help in pooling lands together for increasing management scale with a minimum cultivated plot of three ha and utilising surplus manpower for farming complexes, commodity groups and other such activities. This is expected to strengthen the role of the full-time farmer which will be the group of core farmers and facilitate the withdrawal of disinterested part-time farmers. The most important and urgent task before the farming communities is the reduction of production costs in order to be competitive in domestic and international markets.

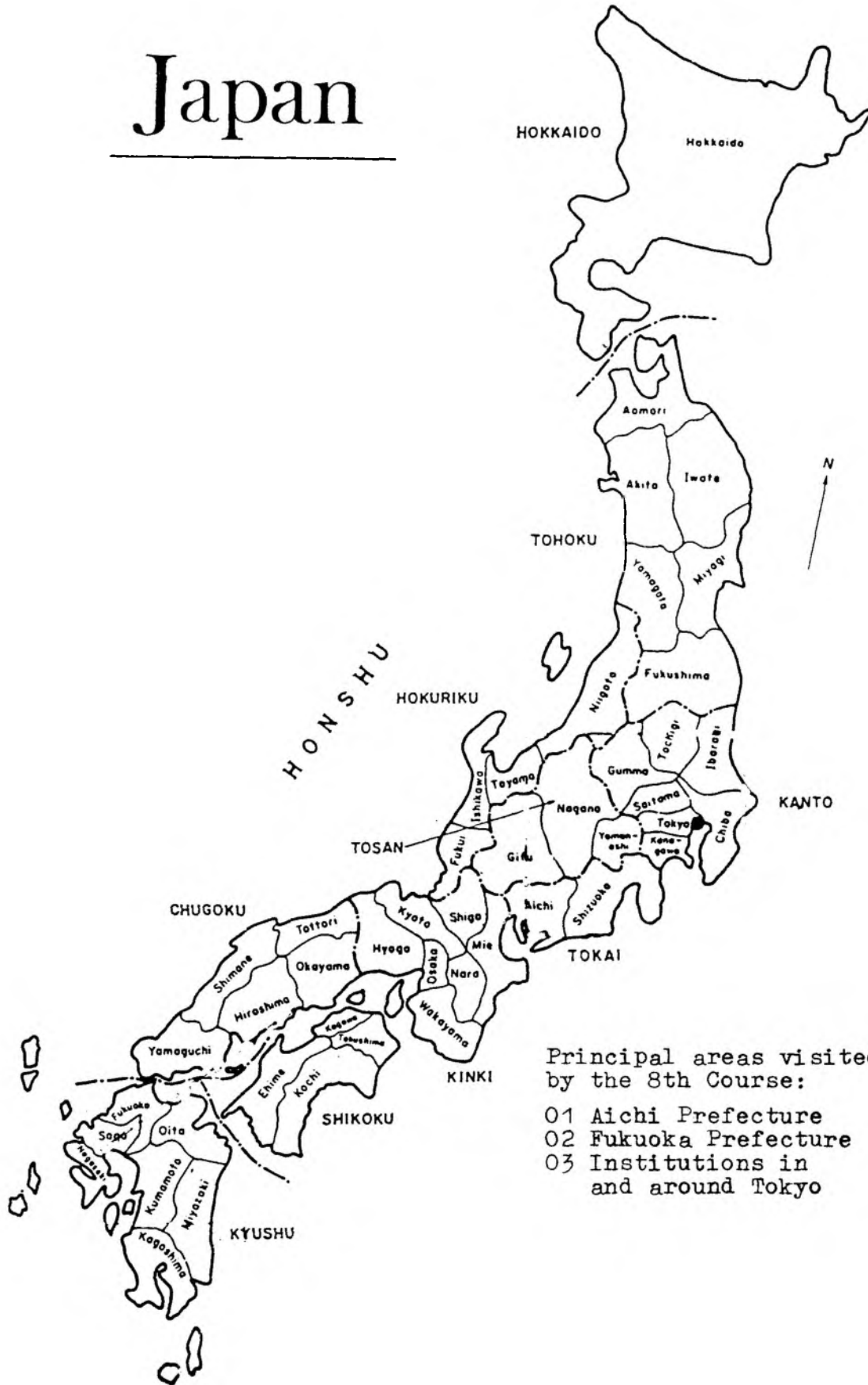
#### Change in Japanese Traditional Farm Families

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 only 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.

#### Import of Rice - Failure of Crops

In addition to all these factors, there is over-production of several commodities but demand is stagnant. Rice production is being discouraged by government by diverting about 30% of the total paddy land to other crops. Over-supply of fruits and vegetables is evident due to import of these commodities. The imports have increased due to higher demand for more varieties of food and also due to appreciation of Japanese Yen. And lastly, due to pressure from other countries, import into Japan of agricultural products such as beef and citrus fruits has been liberalised from 1st of April 1991. Due to cool summer in 1993, paddy production was less by 30% and the Government had to import 2,200,000 tons of rice in 1994 and will be forced to import 4% or

# Japan



400,000 to 800,000 tons of rice from 1995 onwards due to GATT agreements. The year 1993 is said to be year of 'Rice Panic'. Due to the limited marketing outlets, the quantity produced cannot be further increased but the general trend in rising costs has increased the fixed costs in productivity. In addition to this, the government has recently de-regularised the banking industry. The cooperatives have now to compete with the banking sector for deposits from farm households.

#### Agricultural Cooperatives - Restructuring the Existing Pattern

The process of amalgamation of multipurpose agricultural cooperatives is continuing. The number of 2,861 multipurpose cooperatives at the end of 1993 has been reduced to 2,727 by the end of March 1994 and is expected to be further reduced to achieve the ultimate goal to be reached by the beginning of 21st century of 700 multipurpose cooperatives. The number of single purpose cooperatives at the end of 1992-93 was 2,139. Some of these cooperatives will get amalgamated in future into the multipurpose cooperatives.

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

#### 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 commoditywise groups, hamlet level production unions, farming associations and complexes and joint use of facilities. Also, the trend is now shifting from mixed farming to specialised farming around selected commodities in order to achieve 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. Majority of the Japanese farmers are reluctant to sell their lands and hence the title on land continues to be with the owners. In this process, agricultural cooperatives may have to play a more active role in joint post-harvest activities for grading and packing centres and transport to markets.

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

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

#### Coops vs Private Enterprise

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

the share of cooperative insurance coverage among the farm households.

Percentage of marketing of rice and other agricultural products under the price guarantee scheme is on the decline as the government gradually reduces the quantum of its subsidy for rice. The percentage of semi-controlled high quality rice is increasing. This rice is marketed directly to the consumers through the cooperative network and also through wholesalers. The formation of commoditywise groups, farming complexes and shipment associations have greatly helped in increasing marketing operations. However, the over-supply of several commodities has resulted in keen competition among agricultural cooperatives themselves from different areas. Also, regional level marketing is being encouraged as per consumer demand and dealings with consumer cooperatives is on the increase through direct negotiations. Efforts are also being made to sell through negotiations to bulk consumers like supermarkets and hospitals. The sales through 'A Coop' stores, joint purchase schemes for perishables based on common menus in farm-households, distribution of food ingredients to members based on pre-orders, 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 the number and size of 'A Coop Stores'. In 1992 there were 7,382 'A Coop Stores' in the agricultural cooperative sector. 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.



## Farm Guidance Services

Of special significance is the farm guidance advisory service that is provided by the cooperative to its 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 and guidance on 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.

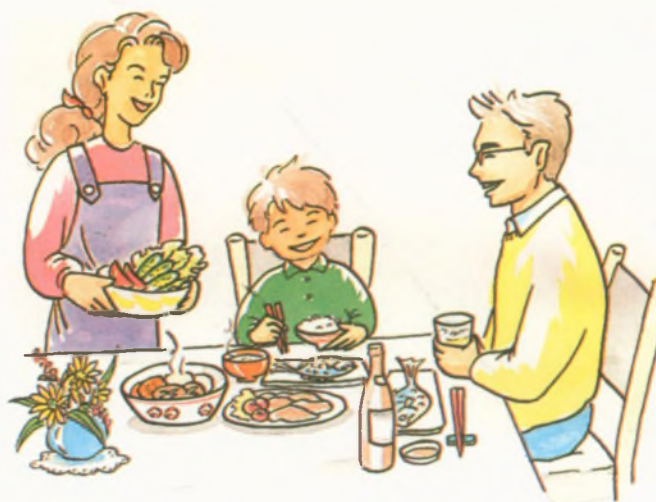
This service is not an income-generating activity of the cooperative. In view of its importance, the service is regarded as an integral component of the cooperative and of special significance, since through its successful results it has been possible for the Japanese farmers to achieve the world's highest yield of paddy, 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-members,  
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 net-work.

The attached table distinguishes the roles played by the government-employed Agricultural Extension Workers and the Movement employed Farm Guidance Advisers.





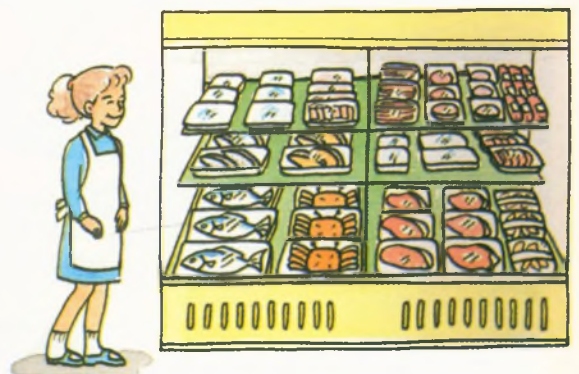




Table showing the difference between the Agricultural Extension Workers and Farm Guidance Advisors

Points	Extension Workers	Farm Guidance Advisors
Status/ character	Government employees	Employees of agricultural cooperatives
Qualifications/ Ability	Go through qualifying Examination. Homogeneous ability.	No qualifications. In some prefectures qualifying exams have been prescribed. Not homogeneous.
Objects for guidance 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.	Collective guidance for commodity-wise group.
Type of guidance	Objective.	Subjective - a 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.  Direct.	Service to all members. Promotion of agricultural coop movement. Guidance linked with economic business. Group guidance on common problems for members.  Not established systematically.
Relations with research institutions	Needed technology is available.	Limitation of technical sources.
Limitation of responsibility	Advice is main. Comparatively light.	Strongly and precisely requested by members and agri. cooperatives.
Expenses	Shared by Central Govt. and local Govts.	Paid by agri. coops and contributions made by members and users.



## Trend Towards a Happier Life

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

The result of high technology has generated a reaction towards more natural way of life. Cooperative members are being encouraged to use organic manure rather than chemical fertilisers to preserve land quality and protect environment. Some side effects of using organic manures have cropped up, and are being tackled through various safety measures and relocation of related facilities. There is more demand for quality products with less input of chemical fertilisers and insecticides. Consumers are demanding cheaper products even if they are not graded or packed in the most sophisticated way. People are encouraged to eat more rice and other traditional foods common to the Japanese people during the earlier days. Housewives are being educated in choosing the less harmful foods 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. Women's associations, youth associations, better living groups and Han groups will be required to play greater role in future in achieving this objective. The home life improvement activities of the government are also expected to play a significant role in this direction. Equally important are the training and education activities undertaken by the JA Zenchu to train leadership with a proper understanding of the challenges and the solutions needed to tackle them and the managerial cadres capable of meeting the growing demand for sophisticated management of the enlarged cooperative enterprises.

## Government Support to Agricultural Cooperatives

With varying emphasis the government continues to provide substantial financial incentives to members of agricultural cooperatives through price support schemes, grants, subsidies, and extension services. The assistance for

amalgamation and diversification of crops continues with reduced quantum. The price support schemes are formulated to ensure fair returns to agricultural producer and to enable continuation of production cycle of individual crops. The government controlled purchase and distribution of rice is being reduced and semi-controlled rice percentage is increasing. Price support schemes for wheat, soybeans, milk, meat, sugar and vegetables are based on standard price formulae established for each commodity. Agricultural extension services by government are geared to increasing agricultural productivity and improvement of home life of farm households. The experimental stations and extension staff serve larger areas than one agricultural cooperative. Government extension services are complimentary to farm advisory services. The difference is that government extension emphasises improvement in agricultural production while farm guidance through cooperatives covers wider areas relating to total economics of agriculture of farm households. The extension services try to help in ensuring farm successors through its '4-H' Clubs for young farmers.

#### Agricultural Insurance

Despite all the measures and precautions taken, agricultural success cannot be guaranteed. Heavy losses due to typhoons, floods, pests, and unfavourable weather conditions are always possible. So, the Government of Japan is operating a very elaborate scheme of agricultural insurance in collaboration with the agricultural cooperatives for compensating the farmers suffering losses caused by disasters and other natural calamities. Agricultural insurance was started to safeguard the reserved stocks of food. Before 1929, only livestock insurance was available. Since the starting of Agricultural Insurance Scheme all types of cooperative insurance are related to government schemes. Insurance is compulsory nationwide in respect of rice and other grains, sericulture and livestock. Insurance in fruits, fruit trees, other field crops and greenhouses is optional. In disaster prone areas, the insurance is compulsory. By and large, farmers in Japan seek insurance protection for most of their agricultural activities. During Cool-Summer followed by typhoons in 1993, the farmers were able to harvest only 30% of paddy and the total loss suffered was estimated to be Yen one trillion, out of which paddy growers alone suffered a loss of Yen 800 billion. The agricultural crop insurance system compensated the farmers to the extent of Yen 440 billion, highest amount paid during last 65 years, and was able to mitigate the sufferings of farmers. 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 Agricultural Cooperative College and through training programmes arranged by prefectural unions. As the Movement became more democratic, the education and staff training activities have increased. Government support was available, especially at prefectural level.

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

## Audit of Cooperatives

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

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

## International Cooperation for Agriculture and Forestry

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

# Now Call Us "JA"

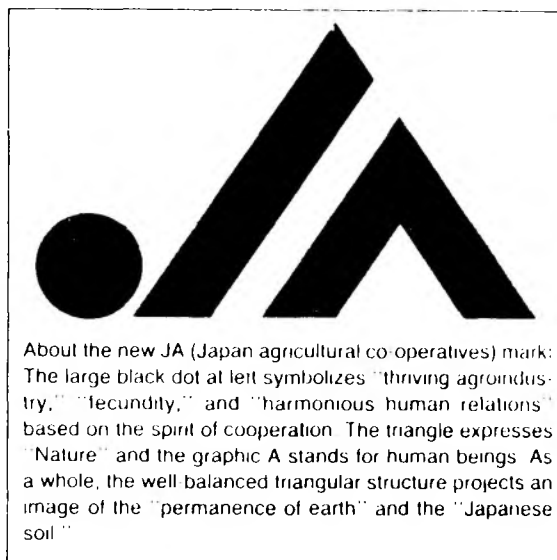
## —CI of Japan's Agricultural Co-operatives—

JA—this is the new sobriquet, or nickname, for "Japan Agricultural Co-operatives." On April 1 this year, Japan's agricultural co-operatives made a new start as "JA" to become "open co-operatives" in accordance with a resolution passed at the 19th National Congress of Agricultural Co-operatives, held in October 1991.

The new name was introduced to establish a CI (corporate identity) in the hope of renewing the image of co-operative organization, using a unified design or mark. Parallel to the use of the "JA" nickname, agricultural co-operatives, in trying to establish their CI, are promoting efforts to change officials' attitudes, to reform organization and business activities, and to improve the social image of co-operatives.

They also adopted a new mark. Japan's agricultural co-operatives, that is, the JA Group, are now vigorously promoting the establishment of a CI as part of their reform program.

On April 1, 1992, a CI declaration ceremony



About the new JA (Japan agricultural co-operatives) mark: The large black dot at left symbolizes "thriving agriculture," "fecundity," and "harmonious human relations" based on the spirit of cooperation. The triangle expresses "Nature" and the graphic A stands for human beings. As a whole, the well balanced triangular structure projects an image of the "permanence of earth" and the "Japanese soil."

was held at Tokyo's JA Building, and a campaign was launched to make "JA" familiar with the general public through TV commercial films, newspaper advertisements and posters at railway stations.

Meanwhile, primary agricultural co-operatives and federations also adopted the new name "JA" and the new mark. The new name has come to be fully recognized by community residents as well as by co-operative members through the use of new CI signs, etc. The adoption of the new nickname has not only resulted in changes of signs and marks but also produced tangible results such as improved counter services and friendlier handling of telephone calls.

According to a JA-ZENCHU survey in August, 98 percent of all agricultural co-operatives adopted the nickname "JA."



"Nokyo," a common word standing for "agricultural co-operatives," has now been changed to "JA."

# Direction of New Policies Toward Food, Agriculture and Rural Communities

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

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

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

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

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

## "The Basic Directions" of the New Policies

### (1) Consideration of global aspects:

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

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

### (2) Consideration of consumer viewpoints

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

### (3) Promotion of environment-conserving type agriculture:

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

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

### (4) Rural area development policies:

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

### (5) The fostering of farm management bodies

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

### (6) Presenting images of desirable management bodies

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

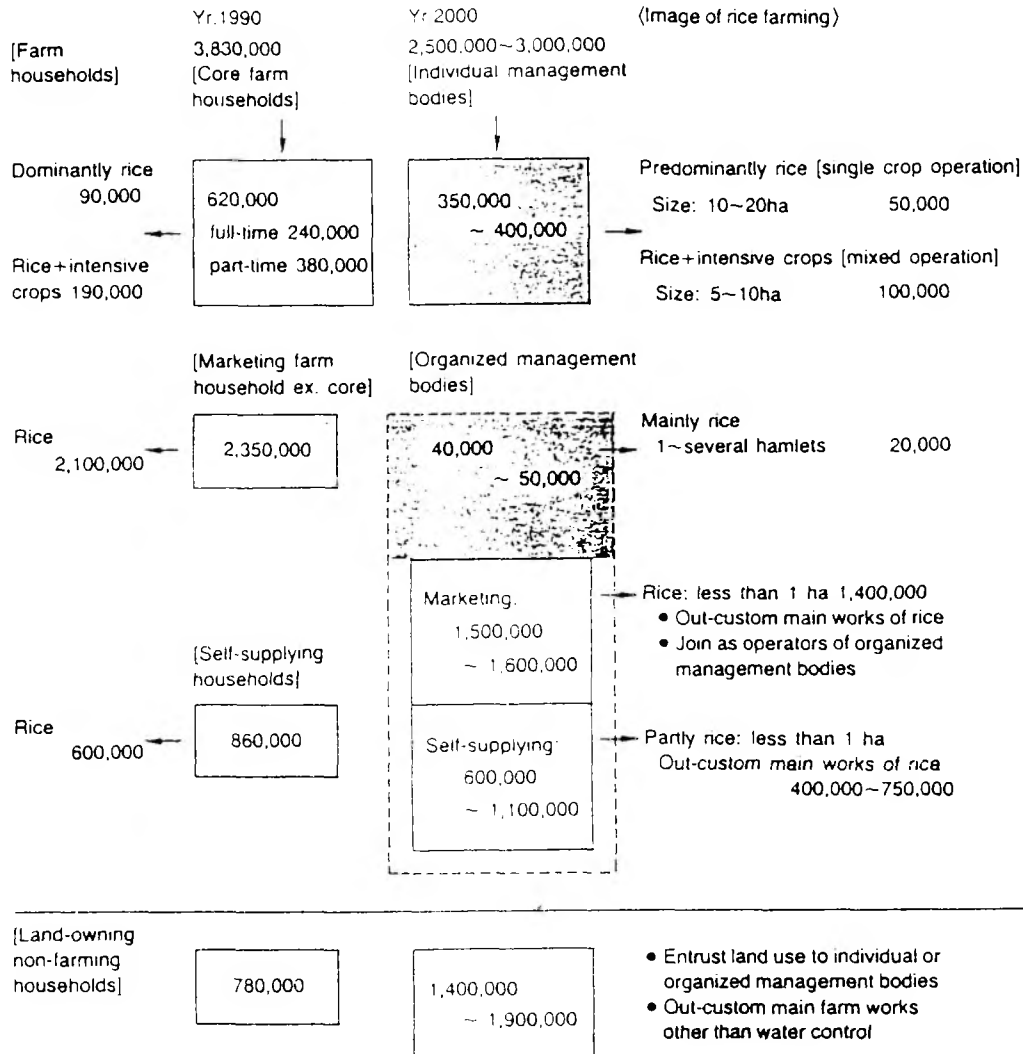
Perhaps the most notable points, however, of the New Policies, in a sense, is that it presented "images of desirable farm management bodies" and "measures to foster desirable management bodies."

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

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

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

### Management Bodies



# Response of JA for the New Policy

The Ministry of Agriculture, Forestry and Fisheries (Government of Japan) had issued in June 1992 "The Basic Directions of New Policies on Food, Agriculture and Rural Areas" in a move to rebuild Japanese agriculture to meet the surging waves of 'globalisation', 'deregulation', 'liberalisation', and 'information-intensive society'. Hereunder is reproduced the response of Agricultural Cooperative Movement of Japan to the New Policies. (Ref. IDACA NEWS, Tokyo, No.56, March 1 1994 issue.

The principal objectives of the New Policies can be roughly divided into the following three:

- ① To promote large-scale farming operations (through the acceleration of agricultural production on an organized and collective basis);
- ② To formulate measures to revitalize intermediate and hillside agricultural areas with difficulties in farming operations (through the establishment of a system directly compensating for less income); and
- ③ To improve the food control system and introduce a more efficient farm produce distribution system (through cost reduction).

In order to give concrete shape to the perception and directions set forth below by the aforementioned "New Policies," there is a definite need to enable the "New Policies" to have a clearcut framework and more substance. Agricultural cooperatives as well as the government are, therefore, urged to exert positive efforts to achieve this end. Following are the perception and directions clarified by the New Policies:

- (1) In order to ensure the stable supply of food to the people, revitalize regional economic societies and conserve national land and the environment, it is important, first and foremost, to clarify, with the consensus of public opinion, what food means to the people and the roles for agriculture and rural areas to play;
- (2) Multilateral functions of agriculture are of such great benefit to the people that it is impossible to do justice to them from the standpoint of economic efficiency only. Full scope can be given to such functions by maintaining and promoting a certain level of domestic agriculture;
- (3) The primary objectives in view lie in developing agriculture as efficiently as possible, but in order to maintain agricultural production and secure the domestic supply capacity, it is necessary that definite border adjust-

ment steps and the domestic agricultural policy should be implemented: and

- (4) It is of basic importance to prevent a further fall in the food self-sufficiency rate by securing management bodies with excellent managerial sense, arable land and water resources, innovating farming techniques and promoting cost reduction, and by also maintaining and expanding domestic agricultural production as far as possible while giving full scope to the natural conditions although land resources available are limited.

In accordance with the foregoing, affiliated agricultural cooperatives, in response to the aforementioned "New Policies," prepared in December 1992 "The Development of 'New Policies' and JA Group's Measures" as a framework for internal debates.

This plan comprises three chapters (Chapter 1 Comprehensive Measures; Chapter 2 Individual Measures; and Chapter 3 Measures for the JA Group to Promote). Following is the outline of each chapter:

Chapter 1 Comprehensive Measures (① Bolstering Border Adjustment Steps; ② Establishment of Food Security Policy; ③ Clarification of the Framework of Domestic Agriculture; ④ Formulation of Concrete Policies and Establishment of 'Agricultural Law'; ⑤ Establishment of Local Self-Autonomy; and ⑥ Formation of National Consensus).

Chapter 2 Individual Measures (① Production Measures; ② Measures to Foster Young Farmers and Farm Management Bodies; ③ Land Measures; ④ Price and Income Measures; ⑤ Processing and Distribution Measures; ⑥ Environmental Measures; ⑦ Regional Measures; ⑧ Financial Measures; and ⑨ Measures for Organizations).

Chapter 3 Measures for the JA Group to Promote (① JA Group's Comprehensive Promotion Measures; ② Strengthening System of Guidance on Farming Operations and Revitalization of Local Regions; and ③ Bolstering Agricultural Administration and Public Relations System).

Following are concrete descriptions of tasks, the directions of measures, and concrete plans regarding "The Directions of JA Group's Measures to Promote Regional Agriculture and Revitalize Local Regions":

## Direction of JA Group's Measures to Promote Regional Agriculture and Revitalize Rural Regions

### 1. (Comprehensive Measures)

#### Directions of Measures

- (1) Participation in local public entities' formulation and study of future plans
- (2) Formulation of future plans by JAs
- (3) Support for the formulation of hamlet rehabilitation plans

#### Primary Concrete Measures

\* To demand that future plans for agriculture and rural communities, which are based on an outlook on a decade or so ahead, be formulated in prefectures where they have not yet been worked out. To demand that prefectures, where such plans have already been formulated, review the plans. To demand that similar plans be formulated in cities, towns and villages.

\* These plans must expressly set forth the following points:

- ① Prospects for farm labor and for farm management bodies;
- ② Images regarding by-region agriculture and rural community;
- ③ Land utilization plan and approach to zoning;
- ④ Prospects for the production of priority crops and promotion measures;
- ⑤ Basic farm management patterns;
- ⑥ Role of JA Group; and
- ⑦ What a uniform system of guidance by agriculture-related organs should be.

\* Plans that incorporate the following matters will be formulated on the basis of local public bodies' plans:

- ① Measures to promote commodity-wise production;
- ② Measures to secure young farmers and foster farm management bodies;
- ③ Expanding the size of farming operations and promoting arable land fluidity;
- ④ Strengthening processing and marketing systems;
- ⑤ Strengthening protection of the environment;
- ⑥ Measures to revitalize local regions;
- ⑦ Strengthening research and development systems; and
- ⑧ Strengthening agricultural administration and public relations systems

\* JAs, in cooperation with cities, towns and villages, will grasp and analyze the present status of and future trends in regional farm labor and land utilization. On the basis of the results of such analysis, JAs will form a consensus of opinion of villagers and promote the formulation of plans for village rehabilitation. These plans will incorporate the following matters:

- ① Plans for land utilization and the improvement of basic land conditions;

- ② Measures to foster young farmers and farm management bodies;

- ③ Measures to accumulate arable land;

- ④ Specification of priority crops;

- ⑤ Plans for the joint utilization of machines and facilities;

- ⑥ Trustee/trust farming and manpower adjustment; and

- ⑦ Improvements in the living environment.

### 2. (Individual Measures)

- (1) Strengthening measures for commodity-wise production

\* Rural community-based approach to improvements in food self-sufficiency rate

- ① Decision on strategic crops and presentation of farm management patterns; and

- ② Measures to reduce costs.

Appealing for the enactment of the Agricultural Law; formulation of plans to promote production and handle farm crops; systematic provision of management patterns; study of Japanese-type income policy.

Reduction in the prices of production materials; installation of facilities; rental lease of farming machines; and strengthening measures to cope with the activities of large-scale farm households.

- (2) Securing young farmers and fostering farm management bodies

\* Establishment of a system for rural communities to take the initiative in securing young farmers

- ① Securing and fostering young farmers through support for the formulation of village rehabilitation plans;

- ② Creation of a JA intern system;

- ③ Support for young farmers;

- ④ Support for corporation management;

- ⑤ Improvements in farm guidance, including techniques and management; and

- ⑥ Adjustment of labor.

Establishment of income target and management patterns; formulation of plan to secure young farmers; and playing a role in adjusting land utilization.

Implemented in areas short of young farmers; and training them at JAs for about three years by assuring them a definite status, and helping them work independently by, for example, leasing means of production to them.

Creation by local public bodies of funds to train successors to farming; beefing up and fully utilizing such funds; provision of training expenses in various forms and scholarships; provision of opportunities for elderly farmers to make use of their own experiences; and fulfillment by women farmers of their roles.

Establishment of an agricultural corporation instructor (tentative name) system; temporary



undertaking of guidance on accounting business, etc.; and organizations of agricultural corporations and farming groups.

Appealing for the government to introduce a better legal framework; research and development through the joint cooperation of the JA Group, administration and industry; and establishment of comprehensive farm management centers within JAs, etc.

Fostering agricultural service bodies; provision by JAs of assistance and adjustment in the utilization of idle labor; and promotion of a movement to introduce no-work days.

(3) Expanding the size of farming operations and promoting agricultural land liquidity

\* Adjustment of arable land by farmers and agricultural organizations

- ① Cooperation with relevant organizations;
- ② Tackling farmland ownership rationalization projects;
- ③ JAs' direct participation in farm management; and
- ④ Dissemination of arable land and land control systems.

Establishment of an arable land utilization adjustment committee (tentative name) at a JA branch level; and cooperation with relevant organizations at a JA head-office level.

Tackling by all JAs of a project to promote farmland ownership rationalization.

Contracting farming operations, such as raising of seedlings, drying, agricultural chemical spraying and harvesting or farm management; dispatch of helping hands; and improvements in farm management functions for the benefit of member farmers.

Improvement and dissemination of systems enabling farmland per lot control and handling of farmland utilization charges.

(4) Strengthening processing and marketing systems

\* Strategy to expand added values that meet consumer needs and differentiation of domestic products from imported products

- ① Tackling farm produce processing and re-entrant businesses;
- ② Establishment of diverse marketing routes; and
- ③ Establishment of a labeling system, etc.

Tackling farm crops processing and establishment of marketing routes; and establishment of restaurants, wide-area eating-out centers, etc.

Expanding direct sales stations, including "morning markets," and developing "tourist agriculture"; and promoting direct sales to outside areas by mail order.

Establishment of a system of labeling organic cultivation, etc. and a differentiation system through the introduction of labels for domestic

products.

(5) Strengthening environmental conservation

\* Promoting sustainable development to build a promising future and developing a national movement

- ① Formulation of a basic policy for environmental problems;
- ② Environment protection-type arable land control;
- ③ Promotion of environmental conservation-type agriculture and distribution;
- ④ Addressing environmental issues in everyday life aspects;
- ⑤ Tackling JA management; and
- ⑥ National movement based on "Mizuho funds" (tentative name).

Formulation of basic policy; clarification of the sections post in charge of environmental affairs; cooperation with other organizations; and lobbying government ministries and agencies concerned.

Conservation of arable land by such means as creation of a system of exchanges with urban residents including land ownership in areas where otherwise agricultural production cannot be continued.

Dissemination of environment protection-type farming techniques; preparation of cultivation calendars; support for research and development efforts by member farmers; establishment of compost centers; organizing producers; promotion of self-contained distribution and direct-from-producers sales, labeling of produce as to farming methods; exchanges with consumers; and research and development of environment-friendly production materials.

Beautification movements for local regions; study activities; recycling campaign; supply of environment protection-type daily necessities; and improvements in duplex disposal and purification tanks.

Education on the environment; collection of refuse by types; recycling; resource-saving measures; and introduction of an environmental impact assessment system.

Creation of funds based on contributions raised by the JA Group and through JA activities; and provision of assistance in environment protection-type land conservation activities.

(6) Revitalizing local regions

\* Revitalizing regions through the promotion of agriculture and utilization of local resources

- ① Support for the formulation of hamlet rehabilitation plans;
- ② Promotion of agriculture in-between locations and mountains;
- ③ Tackling the spontaneous development of regional industry;
- ④ Exchanges between rural and urban areas; and

⑤ Promotion of urban agriculture.

Promotion of integral improvements in production and livelihood foundations through village rehabilitation plans, etc.

Promotion of high value-added agriculture, making use of sloping land and temperature differentials; support for complex, multilevel and multilateral farm management; and pursuit of differentiation of imported livestock and horticultural products through review of standards for the use of agricultural chemicals and introduction of labels for use on domestic products.

Promotion of information processing and supply industry, biologic new materials industry, natural energy industry, environment protection industry, etc.

Promotion of green-based tourism; furtherance of an amenity-type village construction to promote an influx from urban areas; and creation of JA public relations centers.

Adjustment with urban land utilization; exchanges with neighboring community residents; public relations activities; guidance on the production of "soft" vegetables; indigenous distribution; joint utilization of facilities and machines; and networking of producers.

(7) Strengthening systems for guidance on farming operations and revitalization of local regions

Building a system to enable new challenges through a change in top management attitudes and development of capabilities of personnel

① Reorientation of JA top management;

② Development of employees' capabilities;

③ Finances to support efforts to deal with issues; and

④ Problems involving businesses, facilities and organizations.

Change in thinking and self-training on the part of top management to enable JAs to give full scope to their new functions; and supply of information and implementation of seminars by the Unions of Agricultural Cooperatives, etc.

Introduction of qualifying examinations and education by correspondence systems for the development of professional abilities in arable land/land utilization adjustments, farm management guidance, etc.

Increasing retained profits of JAs to financially support their activities; creation of funds; and collection of subscriptions.

In order to enable JA activities to take hold and develop, there is an absolute need to organize them on a commercial basis, increase facilities and expand the organizations of member farmers. Hence more penetrating studies will be conducted in preparation for the prompt formulation of relevant policies.





お米を食べて  
元気でござんす。

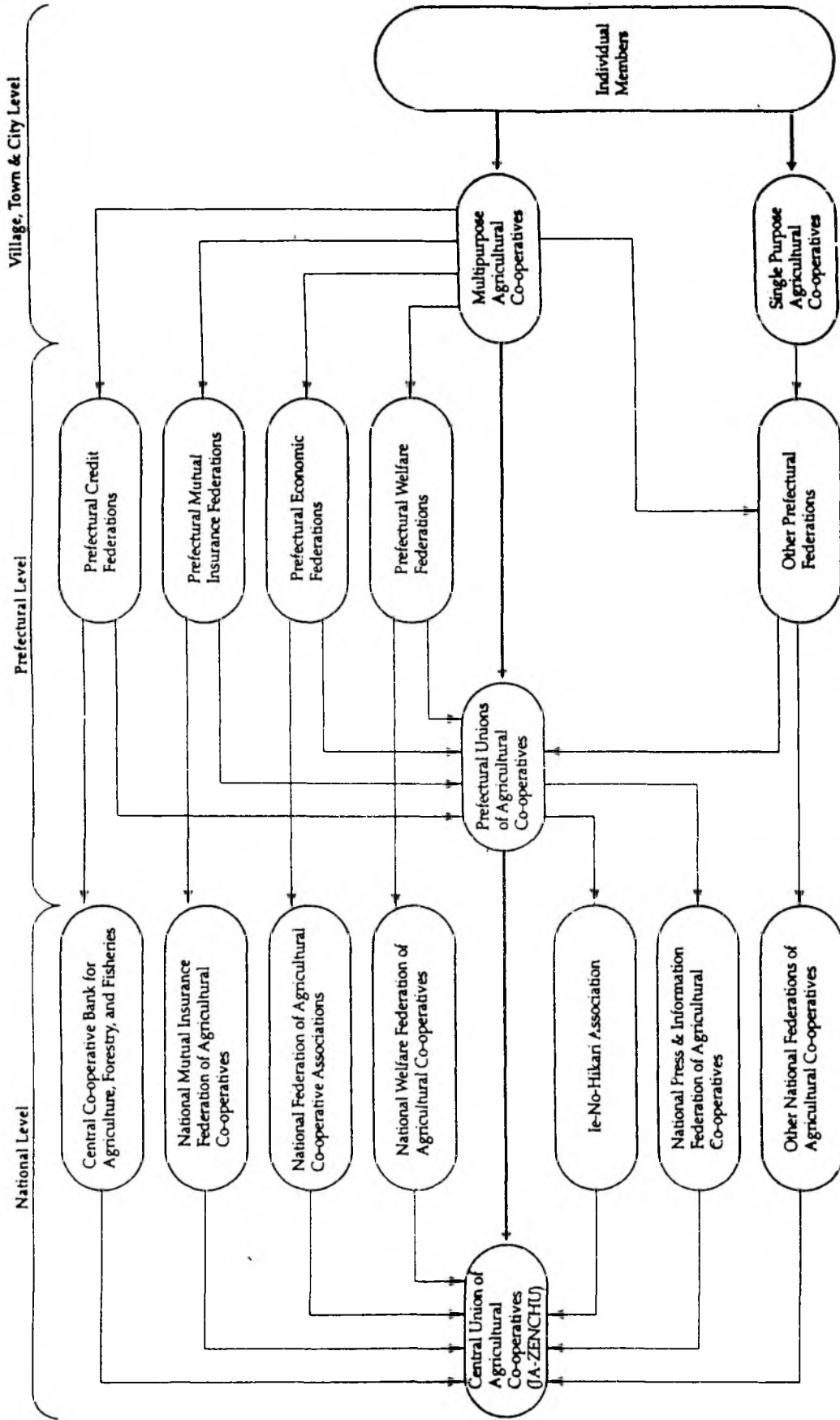
"I'm getting  
healthier because  
I eat rice."

ごちせ たかし  
フシベル 監・TMS NTV

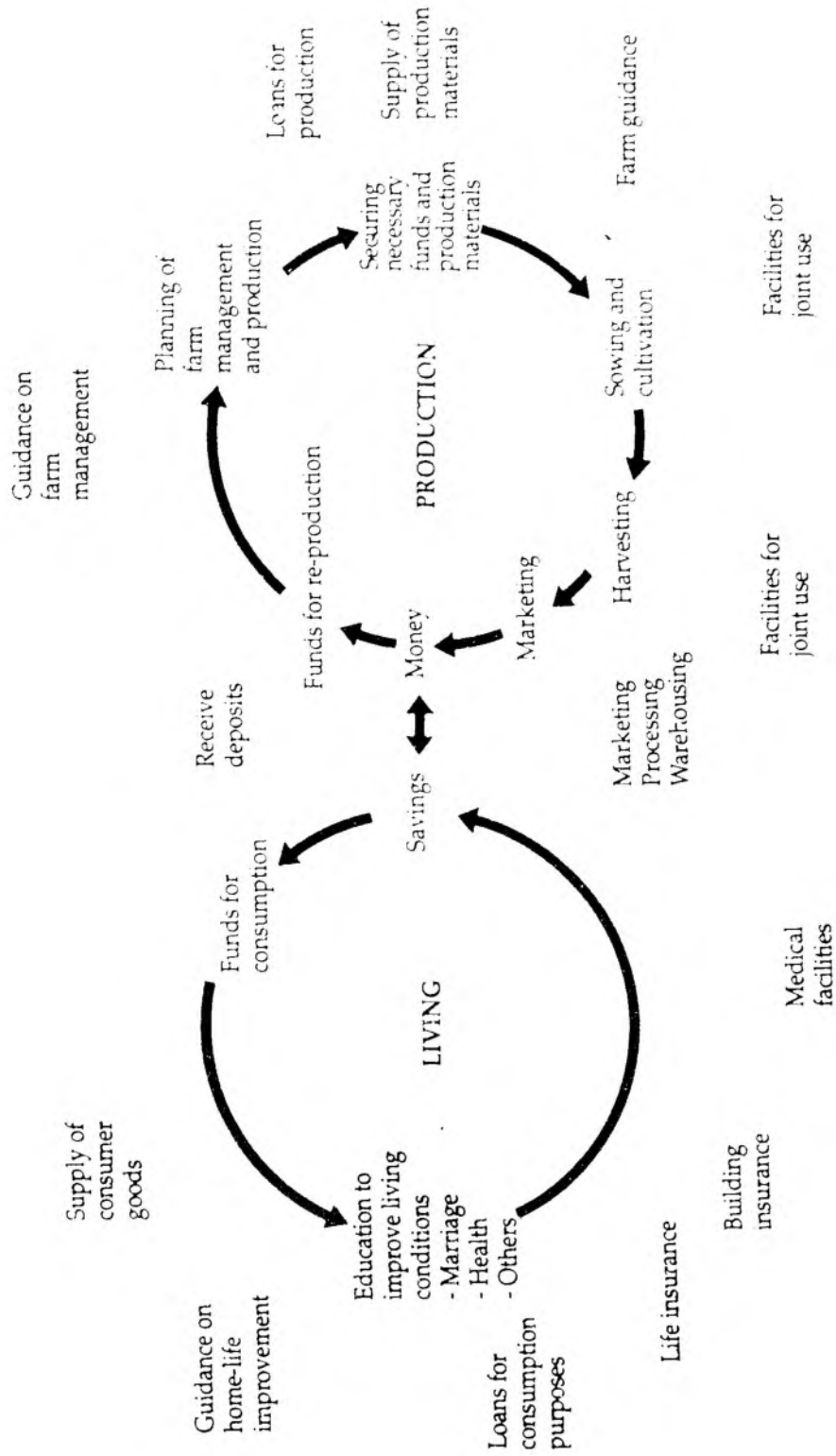
「JA」ジェイエイは、新しい農協の愛称です。

'JA' is the new logo of Agricultural Cooperatives

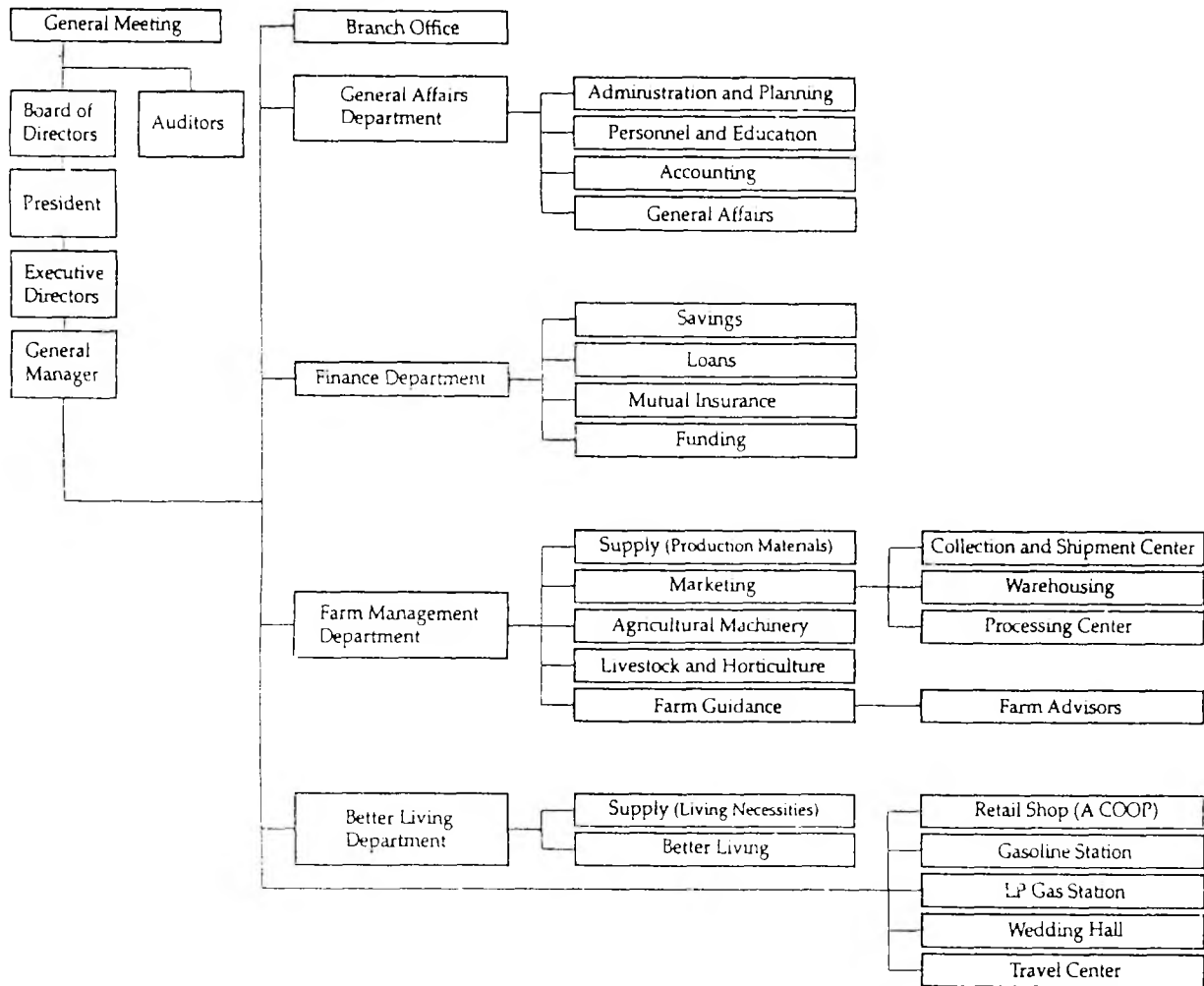
# The Organization of Japan's Agricultural Co-operatives



THE INTEGRATED APPROACH OF MULTIPURPOSE COOPERATIVES



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



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

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

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

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

## 27. FIELD STUDY VISITS IN JAPAN

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

- i. JA Zenchu (Central Union of Agricultural Cooperatives)
- ii. JA Zennoh (National Federation of Agricultural Cooperatives Association)
- iii. Norinchukin Bank (Central Cooperative Bank for Agriculture, Forestry and Fisheries)
- iv. JA Fukuoka Prefectural Union of Agricultural Cooperatives
- v. JA Fukuoka Purchasing and Marketing Federation and its several facilities.
- vi. JA Fukuoka Prefectural Cooperative Training Centre
- vii. Fukuoka General Business Centre
- viii. JA Kurume
- ix. JA Fukuoka Yoshii
- x. Fukuoka Prefectural Agricultural Research Centre
- xi. JA Aichi Prefectural Union of Agricultural Cooperatives
- xii. JA Anjou
- xiii. JA Higashi-Chita
- xiv. JA Zennoh Ohta Wholesale Market and several facilities run by Zennoh
- xv. National Fisheries Cooperatives Federation.
- xvi. JA Zenkyoren (National Mutual Insurance Federation of Agricultural Cooperatives)
- xvii. JA Zenmoriren (National Federation of Forestry Owners Cooperative Association)
- xviii. Ministry of Agriculture, Forestry and Fisheries
- xix. IDACA (Institute for the Development of Agricultural Cooperation in Asia)

Fukuoka city, capital of Fukuoka Prefecture, is the largest city in Kyushu. As in the case of other prefectures, the percentage of share of agriculture in GNP is declining year by year. Comparatively ratio of agricultural workers is still quite high in this prefecture. Important products of Fukuoka Prefecture includes paddy, vegetables and fruits, livestock, flowers and plants. The Prefecture has already achieved a high degree of amalgamation and the 65 societies as of December 1993 were amalgamated into 54 as of March 31, 1994. By 2000 AD the ultimate aim is to reduce them to 23. Each of these societies are expected to have a membership ranging from 10,000 to 25,000 members. Participants visited the Prefectural Union and the facilities run

by the Fukuoka Prefectural Purchasing and Marketing Federation such as rice centre, consumer goods distribution centre, and soil analysis centre. Participants also visited the Training Centre run by the Prefectural Union for training of employees.

The participants visited two primary agricultural cooperatives in Fukuoka Prefecture viz. JA Kurume and JA Fukuoka Yoshii. The emphasis on JA Kurume visit was on General Business Management of multipurpose cooperatives while in JA Fukuoka Yoshii, the subject studied was Organisation of Members and Better-Living Activities.

#### JA Kurume

JA Kurume was formed after amalgamation of three societies in 1981 and has a regular membership of 5,486 and associate members of 3013. Major agricultural produce in the area include rice, livestock, vegetables and fruits and ornamental flowers. Number of farm households as of 1993 was 5,256 out of which full-time farm households number 997, Part time I number 1,161 and part-time-II farmers number 3,098. The society operates several commodity groups, persimmon growers number 263 and glutinous rice growers number 122, being major groups. Farming Associations, Branch Managing Committees, Youth Associations, Women Associations, Pensioners Friendship Groups, Blue Return Form Filing Groups and Hamlet Management Committees help the society's member relations programmes. The society was able to achieve more than its targeted business turnover in terms of loans 102.6%, mutual insurance 103.9%, purchasing 103.4%, marketing 101.8% and savings 98.2%.

The society runs several facilities for its membership, like one agricultural control centre, eighteen agricultural warehouses, 17 warehouses for materials, 11 collection and shipping centres, four country elevators, two A-Coop Stores, one Auto Pal, two economic centres, two service stations, one pearl rice, cooking materials, travel and land building consulting centre each. The society, in collaboration with four other societies, has jointly established a computer centre to monitor its business activities.

#### JA Fukuoka Yoshii

JA Fukuoka Yoshii was formed after amalgamating five societies and now has a regular membership of 2,067 and associate membership of 676 out of a total population of 18,000 persons. It transacted total business of savings ¥ 20.2 billion; long-term mutual insurance of ¥ 73 million, and marketing turnover of 2.9 billion yen. Major crops and other agricultural activities were



rice, livestock, vegetables and fruits and ornamental flowers. Negotiations are in progress for further amalgamating the society with two other societies in the area to achieve economies of scale. While two societies have agreed to amalgamate, the third society is having reservations thus delaying the process. The society operates different facilities for use of its members like country elevators, A-Coops, petrol stations, auto repair shops, persimmon grading centre, green core centre for supply of agricultural machinery and other items, agro-processing centre, coin operated laundry machines, cooking station and food materials delivery centre. Participants were taken around many of the facilities for personal observation.

### Better Living Activities

The subject of study in JA Fukuoka Yoshii was Farm Guidance and Better Living Activities. Because of the declining percentage of agricultural population, it has become necessary to concentrate the efforts on regional agriculture with hamlet-based production unit for enlarging the scale of operation and full utilisation of the available manpower and agricultural machinery. The cooperative has a wide network of commodity groups for dealing with most of the commodities grown in the area. Twenty male farm guidance advisers take care of guidance activities related to productivity and three female better living advisers guide in better living aspects. In addition to this, special measures are initiated by the cooperative to tackle problems of production, distribution, pricing, taxation and others. The society has initiated a BOOM campaign for agricultural management, i.e. strengthening of Business, Organisation, Office and Management. Reforms of agricultural cooperatives by instilling in them Mind Identity (MI), Behaviour Identity (BI) and Visual Identity (VI) to create a Corporate Identity (CI) have also been started. The Society pursues to enlarge the identification of CI of JA.

The participants also visited the Fukuoka Prefectural Agricultural Experimental Station to study the different experiments made and their dissemination among farmers. The Centre helps farmers in developing Fukuoka special varieties through its production-environment institute, agricultural production institute, horticultural institute and livestock institute which conduct specialised research activities for dissemination among farmers.

## Study Visits in Aichi Prefecture

During second study visits in Aichi Prefecture, the emphasis of study was on preparation of Regional Agricultural Promotion Plan and processing facilities. The Aichi Prefectural Union of Agricultural Cooperatives serves 67 cooperatives with 280,000 farm households with 108 employees. The Union provides guidance, audit, management training and education of leaders and employees services to its members. Regional Agricultural Promotion Plan has been given special emphasis in the Prefecture and the Union strives to involve all cooperatives to prepare their Plans for increasing the incomes of farmer-members. Besides paddy, the important products of the Prefecture include flowers, vegetables, poultry and livestock farming. The average household income from farming in Aichi Prefecture was Yen 8.75 million a year, about 1.5 times more than the national average of Yen 6 million.

The Prefectural Union is actively promoting 'priority agricultural cooperative formula' to establish model agricultural cooperatives adopting regional agricultural promotion plans so as to duplicate the same by all cooperatives in the Prefecture.

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

- i. Regional Agricultural Promotion Plan,
- ii. Better Living Activities Plan
- iii. Business Operation Plan of Agricultural Cooperatives.

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

The participants visited the JA Aichi Kaizairen Bulk Blending Fertilizer Plant and observed the activities of the Plant. The Plant, established in October 1981, is managed directly by the Prefectural Cooperative Economic Federation and has a production capacity of 120 tonnes per day of 82 different types of blended fertilizer. The annual capacity of the plant is 33,000 tons. Fertiliser is sold in 20 kg packs through the JAs in the Prefecture and delivered directly to the farmers based on advance order system. About 20 to 30% of demands of the farmers in the Prefecture is met by this Plant.

Participants also visited the Tokai Kumiai Feed Company jointly owned by agricultural cooperative organisations in Aichi and neighbouring Prefectures. Out of a total of 250 feed companies operating in Japan, cooperatives own 47 with a production capacity of 9 million tons per year. The Tokai Feed Plant has a capacity of 600,000 tons per annum and produces 160 different kinds of feedstuffs for dairy cattle, beef cattle, pigs, hen layers, broilers and quails. Due to liberalisation policy, the Plant has experienced lesser demands resulting in rationalising its operations including reduction in its staff strengths. The Plant machinery which is already 20 years old may be replaced by new machinery in the future to meet with the demands.

#### JA ANJOU

JA Anjou located near Nagoya city has a farm household population of 3,967. It has a full time membership of 6,727 and part-time membership of 5,902 persons. Main crops/commodities grown include paddy, livestock, fruits and vegetables. Flowers have become an important commodity in the recent past. The society has 31 branches, and operates 11 A-coop Stores, five petroleum stations, and such other facilities. Due to urbanisation of the area, the society extends consultations services in tax, laws, house designing and construction supervision and immovable asset management services.

The society's seventh mid-term three-year plan was completed in 1993 and eighth plan is now in progress. The society's goals for credit business- savings, time savings was Yen 185 billion, loans Yen 35 billion, mutual insurance ¥ 51 billion, value of policies ¥ 778 billion, marketing ¥ 7.8 billion and supplying ¥ 12.7 billion. The society plans to achieve its targets by developing hamlet farm system where few core farmers will take responsibility of production. Participants observed the operations of Aikamatsu Farm Management Centre and green house horticulture operations.

#### JA Higashi-Chita

JA Higashi-Chita has 4,001 regular members and 68,204 associate members. Main commodities produced in the area besides paddy, include onions, cabbage, grapes and irish potato. Large sized Livestock farming, almost to the level of Hokkaido, is also an important farming activity. The society has several commodity wise groups and organisations for rural development. Its real estate business is another important activity. The society's

funeral services has become popular due to its fixed rates and prompt service. The society is also helping its members to visit places within and outside Japan by organising tours through its travel department.

Grape producers prefer direct sales to consumers and members take advantage of the society's savings, loans, purchasing and farm guidance activities. Better living, health care, member communication and town beautification campaign activities of the society are well-patronised by the members.

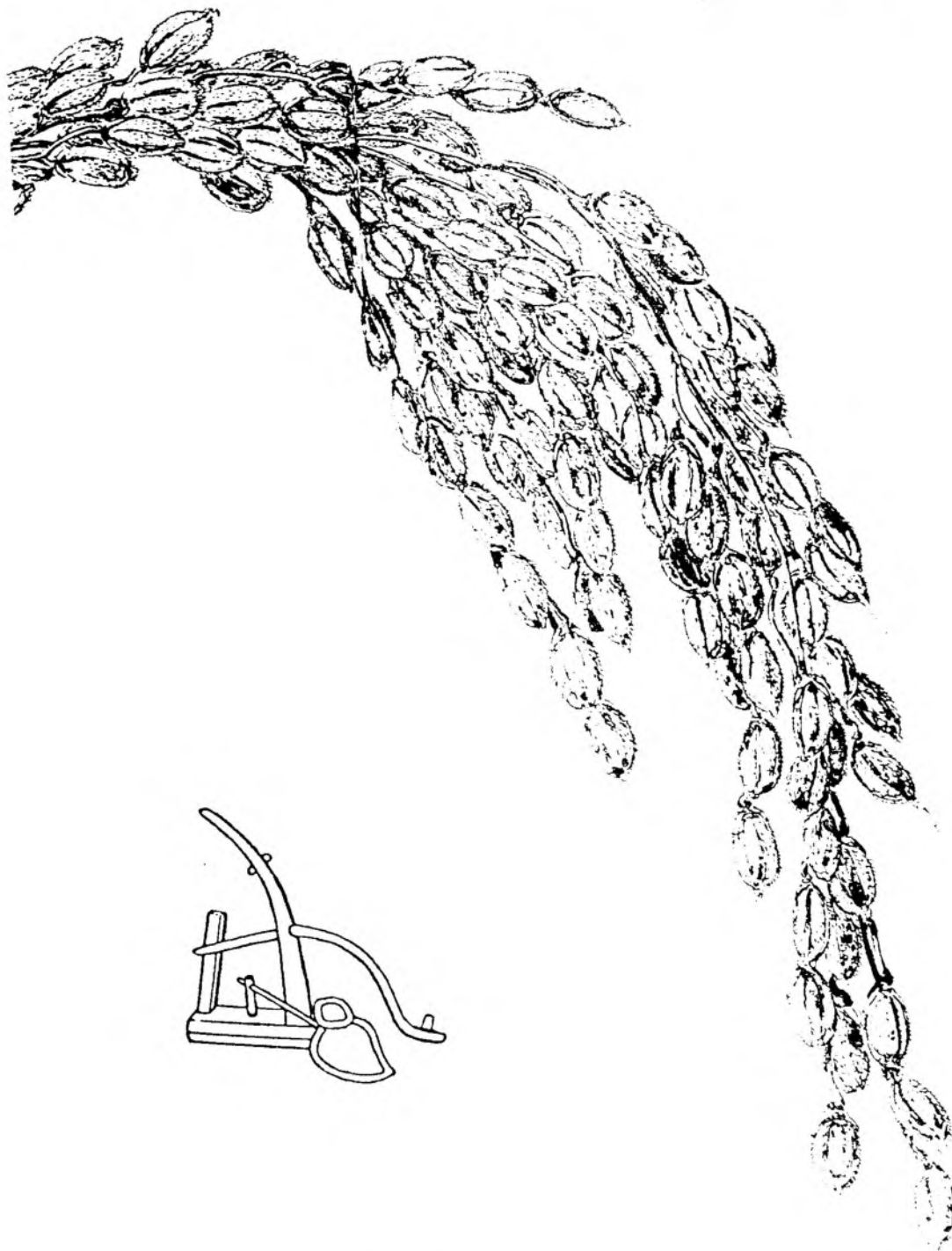
The society has developed a strategy called '7 wings' (means) to achieve the Seventh Plan targets as follows:

- Grasping the actual situation of member's organisations and reforms to make them easy to participate,
- Fostering members to promote agricultural cooperative activities and improving image of JA through study of advantages and joy of cooperative activities,
- Grasping situation of regional agriculture and promotion of the measure for reorganisation of paddy field utilisaton,
- Promotion of activities to promote healthy and cordial life based on family,
- Studying value of environment and efficient land utilisation and promotion of autonomous activities of land owners,
- Reaffirming basics of JA's financial business and adequate management in response to the age of low interest, and
- Implementation of concrete measures for strengthening management and constitutions by putting priority in promotion of memorial event for 20 years of amalgamation.

Fureai farm management, leasing of small lot of land by aged farmers to city urban consumers for practising hobby farming for a token fee has been encouraged by the society to avoid abandonment of land and addition of fallow land in the area. This has become quite popular in the area. Participants also visited a dairy farm and held discussions with the farmer regarding his scale of management.

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

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## 28. END-OF-THE COURSE-EVALUATION AND RECOMMENDATIONS

Evaluation, introspection and looking back have been the elements of the Course with a view to assess the performance of the participants on the one hand and of the various components of the Course on the other e.g. faculty, material, logistics, etc. The Eighth training course had the advantage of interaction of the participants with former participants from India, Sri Lanka and Thailand.

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

All the 15 participants, representing 11 countries, filled in the Evaluation Forms. The information thus received was analysed and computed. The information given by the participants related not only to the main course but also was influenced by their interaction with the former participants.

The completed Evaluation Forms were processed by a specially constituted Committee consisting of three participants: Mr Deepak Kumar Saxena, India; Mr Do Hwan Woo, Korea; and Ms Phung Thi Ngan Ha, Vietnam.

The Committee compiled the information and a Summary of which was presented by the Project Director at the Concluding Session held on 20th April 1974.

### Summary of Evaluation

Given below is a summary of the main points which emerged from the analysis.

#### 1. As to the participants' objectives they said:

- to learn management techniques in agricultural cooperatives in Asia by studying various models of development;
- to learn the concept of Integrated Cooperative System;
- to bring about qualitative and quantitative improvements in cooperatives;
- to increase farmer-members' income;
- to enhance members' participation in the organisation and business operations of their cooperatives;

- to increase own knowledge and enhance personal career development;
- to understand intricacies of management and inter-personal relationship among subordinates and seniors;
- to help improve quality of rural development through better-managed agricultural cooperatives;
- to gain knowledge and skills of preparing a cooperative development project according to management techniques and practices;
- to develop leadership quality and managerial skills;
- to understand level of development, culture and social life in the covered countries;
- to appreciate the developmental efforts of cooperative sectors in India and Japan on dairy cooperatives and distribution of agricultural produce;
- to understand the mechanism of agricultural cooperative credit;
- to understand financial management of large-size agricultural cooperatives;
- to understand education and extension techniques in agricultural cooperatives - to improve operations and performance;
- to improve English.

**Achievements of Objectives:**

- Of the Course: All 'Yes', some 'very well' and some 'to some extent',
- Of Participants: All yes. All the participants stated their personally-perceived objectives were adequately achieved, thanks to the wide-ranging coverage of subjects in the course. All were fully appreciative of the inputs made.

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

- Value addition aspects,
- Better living activities carried out by Japanese agricultural cooperatives through Women's Associations,
- Farm Guidance activities provided by the Japanese agricultural cooperatives,

- Management techniques,
- Emphasis of R & D in Japanese agricultural cooperatives,
- Growth of dairy and sugar cooperatives in India,
- Participation of women in agricultural cooperatives in Japan,
- Handling, grading and packing of products in Japan,
- Freedom of operation, decision-making in Japan.

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

- Most logically structured, contents are balanced, arranged in a proper sequence and covered the ideal location with appropriate infrastructure and examples;
- professionally managed and supported by appropriate qualified faculty;
- technically competent leadership, sound organisational capacity, well-handled practical and financial matters, highly respect-oriented attitude of course leadership towards participants, experienced and technical capability blended together.

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

1. Integrated cooperative development strategies,
2. Management techniques,
3. Value addition aspects,
4. Skills in preparing a cooperative development project,
5. Management leadership,
6. Decision-making,
7. Cooperative-member relationship,
8. Training by using case studies,
9. Skills in appraising a cooperative development project,
10. Board-management relationship,
11. Member-cooperative relationship.
12. Skills in collecting primary data,
13. Skills in presenting technical data,
14. Skills in working in groups,
15. Respecting each other's point of view.

5. Recruitment of Participants:

invitation to be sent from the ICA with the full contents of the programme to ensure receipt of applications from appropriate participants,



- ICA to impress upon the nominating organisations the need for providing support and guidance to their candidates on preparation of development projects. This may be done at the invitation stage itself.
- ICA to carry out prior consultations with member organisations on selection. If possible, interview the candidate to ensure:
  - age group conformity,
  - language proficiency,
  - work environment.
- ICA to select only movement officials, government departments have various other opportunities available for training through government network,
- One person per country and not more than two from any country.
- Knowledge of computers a must before joining course.

#### 6. Relevance and usefulness of the Course:

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

- no deletion of any subject from the programme recommended,
- time allocation for subjects needs attention,
- additional topics suggested were:
  - other areas like fisheries, forestry and consumer cooperatives may be added,
  - in India part of the course talks from NAFED, NCDC and Banks Federation may be included etc.

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

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

- the Indian Institute of Management, Ahmedabad
- the Vaikunth Mehta National Institute of Cooperative Management, Pune,
- the National Cooperative Council of Sri Lanka,
- the Cooperative League of Thailand,
- IDACA in Japan.

9. On group-work the participants said:
- strong initial orientation needed from the beginning,
  - group members to be rotated periodically,
  - an opportunity to learn to respect the views of others.
10. On study-visits the following points emerged:
- generally logical and relevant,
  - study material to be recast, to be made more concise,
  - special mention was made of Amul in India, multi-purpose cooperatives in Sri Lanka, large-sized agricultural cooperatives in Thailand and prefectural federations in Japan.
11. Some of the general observations were:
- This is the most useful management specific course. It should be continued.
  - Accommodation could be in hostels,
  - Member-organisations of the ICA and sponsoring organisations should commit themselves to the implementation of the projects and the ICA to monitor the development closely.
  - For home assignments, better to use former participants.
  - ICA to monitor future contacts with all the former participants,
12. On the National Follow-up Workshops held in India, Sri Lanka and Thailand, the participants said:
- This was the most useful exercise introduced by the Project which enabled the former and current course participants to get together and exchange their experiences and problems,
  - The current course participants appreciated the visits to the operational projects (of the former participants) and felt enthused to replicate the same work in their home countries,
  - Such national follow-up workshops should be conducted in all participating countries.

### 13. RECOMMENDATIONS

The participants made the following main recommendations:

- 13.1 With the completion of the present course, eight management training courses have been held and have been well-received by ICA member-organisations in the region. There is a demand to increase the number of participants from many countries.
- 13.2 In view of the effectiveness of the training course, the donors, the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan, should continue its funding assistance for years to come to enable the developing cooperative movements in the region to benefit from experiences of other countries, especially those of Japan.
- 13.3 Member-organisations of the ICA should ensure proper nominations so that the training imparted on the participants are of benefit to the movements.
- 13.4 Member-organisations should ensure the continued services of participants in their respective spheres of cooperative activity so that the training imparted do not go waste. The costs incurred by the ICA on each participant are high and this contribution of the ICA should be respected and duly acknowledged.
- 13.5 ICA member-organisations are requested to extend their continued full support to this programme by way of nominating the most deserving candidates and observing the time table for recruitment of trainees.
- 13.6 The JA Zenchu and IDACA, which have so far extended their full support to this programme, should strengthen their efforts to organise financial and technical assistance to the projects prepared by the participants in different countries. A fund should be created on a modest scale to assist the small-scale projects in the Asian countries.
- 13.7 Although the training programme is of a longer duration, it is recommended strongly that the participating organisations should participate in it fully because of its high quality and great relevance.
- 13.8 ICA member-organisations should give maximum possible publicity to this programme among their affiliates so that most appropriate nominations are made to the programme.

13.9 It was suggested that the following additional topics be included in the future training programmes:

- Mistakes made by the Japanese Agricultural cooperative movement as lessons for other countries,
- Research and Development activities in agricultural cooperatives in Japan,
- Women's participation in agricultural cooperatives in the Japanese agricultural cooperative movement,
- Environment-friendly activities in agricultural cooperatives in Japan,
- Relationship between consumer cooperatives and agricultural cooperatives in Japan,
- Visits to single-commodity cooperatives in Japan,
- Visits to primary level cooperatives in fisheries and forestry sectors.
- Participants should have an orientation in the use of computers, especially in word processing and Lotus 1,2,3 Programmes, before joining the Course.

13.10 The follow-up workshops be held on rotation in all participating countries over a period of years and some funding assistance for this purpose may be needed.

13.11 Many projects in Korea, India, Sri Lanka and Thailand are functioning and have been implemented. It may not be the case in other countries having paucity of resources. It may be necessary for the donors to have some funding programme specially for those projects as they do not require huge investments and that they are only small-investment oriented projects.

#### National Follow-up Workshops Recommendations:

14. The National Follow-up Workshops held in India, Sri Lanka and Thailand made the following suggestions and recommendations:

14.1 The user-organisations and sponsoring organisations were of the opinion that the training opportunities provided under the ICA/Japan Project were of great relevance. The Project has served the interests of the agricultural cooperatives in the region by developing a sound management leadership and by providing the most

appropriate information on developing and fostering value-addition concept in the agro-processing sector of agricultural cooperatives in Asia. The project, has, to a great extent, helped the development of appropriate human resources. Although the number of managers trained is small yet its impact on agricultural cooperatives in Asia is great.

- 14.2 The participants of the follow-up workshops and user-organisations appreciated the contribution made by the Government of Japan through the ICA in inculcating among the managers the need for planning and diversifying the activities of agricultural cooperatives. It was strongly recommended by all constituents that the project should be continued and a provision be made to increase the number of participants in these courses in future.
- 14.3 The participants felt that it would be of real value to arrange for the orientation on training of high-level policy makers in agricultural cooperative management so that the experiences of Japanese agricultural cooperatives are sufficiently applied to the rest of the cooperative movements in Asia.
- 14.4 The participants were of the opinion that the ICA, with the help of the Government of Japan, provide initial funding support to the project proposals developed by the participants during their training. This is considered necessary because the project proposals do not get immediate financial support from their sponsoring organisations due to delays in securing adequate financial support from the lending agencies.
- 14.5 The ICA should continue to monitor the progress of projects prepared by the participants and impress upon the user-organisations to make the best possible use of the training received by their sponsored participants.
- 14.6 The participants expressed their appreciation for the training opportunities given to them by the ICA with the help of IDACA. They recognised the importance of IDACA as a focal point for dissemination of technology and information on the management of agricultural cooperatives in Asia.

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

## 29. CONCLUDING SESSION AND AWARD OF CERTIFICATES

The Concluding Session of the Eighth Training Course was held at IDACA, Tokyo, Japan, on 20th April 1994. The Session was addressed by Dr Daman Prakash, Project Director, ICA ROAP; Mr Seiichi Igarashi, Director, International Cooperation Division, Economic Bureau, MAFF, Government of Japan and Mr Shiro Futagami, Managing Director, IDACA.

The Chief Guest, Mr Igarashi congratulated the participants on their successful completion of the 6-month training programme and wished them well in future career development. He hoped the experience gained by the participants in the four different countries and specially that of Japan, will be of use to them in their work situations. He expressed the hope that the project proposals prepared by the participants would be implemented in future. He conveyed the Government of Japan's gratitude and thanks to the ICA, the CUAC and IDACA for successfully implementing the Training Programme.

Dr Daman Prakash gave a brief resume of the summary of the evaluation questionnaires as responded by the participants. He expressed ICA's grateful thanks to the MAFF for the funding support extended to the Programme and to the ZA Zenchu and IDACA for the logistic and technical support extended for the programme in Japan.

Mr Shiro Futagami congratulated the participants on their graduation and wished them well in their future careers and in the implementation of the Projects. He expressed IDACA's satisfaction over the collaboration with the ICA in the conduct of the training programme.

Certificates of Participation from the ICA as well as IDACA were awarded to the Participants at the end of the Concluding Session. Two participants, one from Korea and another from Vietnam, conveyed the appreciation and grateful thanks on behalf of the participants to the MAFF, JA Zenchu, IDACA and ICA for the opportunity given to them for attending the course and for the able conduct of the training programme. They stressed the importance of the programme and strongly suggested that this programme should be continued.

## PROGRAMME

Oct 19, 93	Tuesday		Arrival of Participants in New Delhi Stay at Rajdoot Hotel Mathura Road, New Delhi Phone : 4616404/4699583
Oct 20, 93	Wednesday	FN	Inauguration
		AN	Methodology of Training Course
Oct 21, 93	Thursday	FN	Introduction to ICA and its Activities in Asia-Pacific Region - A Panel Discussion, Project Advisers of ICA ROAP
		AN	Group Dynamics, Individual vs Group behaviour - Learning through Working Together by Mr. Robby Tulus, Senior Policy Adviser, ICA ROAP
Oct 22, 93	Friday	FN	Use of Overhead Projector in Classroom by Daman Prakash Presentation of Country Background Papers by Participants.
		AN	Leadership Development in Cooperatives by Mr. G.K. Sharma, Regional Director, ICA ROAP. ICA Welcome Reception
Oct 23, 93	Saturday	FN	Country Background Papers (contd)
		AN	Introduction to Indian Economy and Cooperative Movement by Mr. B.D. Sharma, Chief Executive, NCUI.
Oct 24, 93	Sunday		Sight Seeing in Delhi
Oct 25, 93	Monday		Country Papers (contd)
Oct 26, 93	Tuesday	FN	Visit to the National Cooperative Union of India (NCUI)
		AN	Visit to the National Agricultural Cooperative Marketing Federation of India (NAFED)
Oct 27, 93	Wednesday		Country Papers (contd)
Oct 28, 93	Thursday		Country Papers (contd)
Oct 29, 93	Friday		Visit to IFFCO Rural Management Institute, Gurgaon
Oct 30, 93	Saturday		Country Papers (concluded)
Oct 31, 93	Sunday		Visit to Taj Mahal, Agra



## **IIMA MANAGEMENT MODULES**

### **1. MODULE ON INTEGRATED COOPERATIVE SYSTEM**

Nov 01, 93	Monday	Introduction to the Concept of Integrated Cooperative System
Nov 02, 93	Tuesday	Integrated Cooperative Systems at work. Essential Features of ICS
Nov 03, 93	Wednesday	Role of Manager in ICS
Nov 04, 93	Thursday	Role of Manager in ICS
Nov 05, 93	Friday	Potential for Developing Integrated Projects
Nov 06, 93	Saturday	Project Cycle
Nov 07, 93	Sunday	Free

### **2. MODULE ON PLANNING AND MANAGEMENT**

Nov 08, 93	Monday	Basic Cost Concepts and Breakeven Analysis
Nov 09, 93	Tuesday	Understanding Financial Statements
Nov 10, 93	Wednesday	Capacity Decisions
Nov 11, 93	Thursday	Product Mix Decisions
Nov 12, 93	Friday	Procurement
Nov 13, 93	Saturday	Free. Deepavali Festival
Nov 14, 93	Sunday	Free

### **3. MODULE ON FINANCIAL MANAGEMENT**

Nov 15, 93	Monday	Cash Flows, Time Value of Money
Nov 16, 93	Tuesday	Techniques of Investment Analysis
Nov 17, 93	Wednesday	Working Capital Requirements
Nov 18, 93	Thursday	Investment Appraisal
Nov 19, 93	Friday	Risk and Sensitivity Analysis
Nov 20, 93	Saturday	Network Techniques
Nov 21, 93	Sunday	Free
Nov 22, 93	Monday	Marketing Techniques
Nov 23, 93	Tuesday	Marketing Techniques (contd)
Nov 24, 93	Wednesday	Marketing Techniques (contd)
Nov 25, 93	Thursday	Principles of Cooperative Marketing/Organisation Design

### **4. MODULE ON PROJECT PREPARATION**

Nov 26, 93	Friday	Guidelines for Project Preparation
		Comprehensive Case Analysis
Nov 27, 93	Saturday	Comprehensive Case Analysis - Exercise
Nov 28, 93	Sunday	Comprehensive Exercise (contd)
Nov 29, 93	Monday	Comprehensive Exercise (contd)
Nov 30, 93	Tuesday	Presentation and Summing-Up

Dec 01, 93	Wednesday-		<b>NATIONAL FOLLOW-UP REVIEW WORKSHOP</b>
Dec 03, 93	Friday		<b>OF FORMER PARTICIPANTS FROM INDIA</b>
			<b>STUDY VISITS IN MAHARASHTRA AND GUJARAT</b>
Dec 04, 93	Saturday		Leave Delhi for Pune IC 849. 1700/1900 Stay at VMNICM Hostel, University Road, Pune 411 007 Phone: 59445; Fax: 212 54995; Telex: 0145-7796 VICM IN
Dec 05, 93	Sunday	FN	Visit to Katraj Dairy.
		AN	Free
Dec 06, 93	Monday-		<b>WORKSHOP ON MANAGEMENT OF MARKETING</b>
Dec 07, 93	Tuesday		<b>AND PROCESSING COOPERATIVES AT VMNICM, PUNE.</b>
Dec 08, 93	Wednesday		- Agro-Processing in Cooperative Sector in India. - Cooperative Marketing in India with special reference to Value Addition. - Management of Agricultural Cooperatives in India.
Dec 08, 93	Wednesday	AN	Visit to Maharashtra State Cooperative Union, Pune
Dec 09, 93	Thursday		Visit to Sangamner Sugar Cooperative Mills Visit Shirdi. Travel to Nashik by bus. Stay at Green View Hotel, Trimbak Road, Nashik. Phone: 0253 72231,2,3; Gram: Greenview, Nashik.
Dec 10, 93	Friday		Visit to Nashik District Central Cooperative Bank Visit to Onion-Potato Marketing Cooperative Society. Nashik Branch of NAFED.
Dec 11, 93	Saturday		Visit to Malsavangi Primary Agricultural Cooperative Society Visit to a Farmers Home
		AN	Travel to Bombay by bus. Stay at Hotel Natraj, Marine Drive, Bombay 400 020
Dec 12, 93	Sunday		Free
Dec 13, 93	Monday	FN	Visit to Maharashtra State Cooperative Bank Ltd., Bombay
		AN	Free Leave for Anand by night train.
Dec 14, 93	Tuesday		Arrival from Bombay Stay at NDDDB Guest House, Anand. Briefing on Study visits
		AN	Study Visits
Dec 15, 93	Wednesday-		Study Visits in and around Anand.
Dec 16, 93	Thursday		NDDDB/IRMA/AMUL/Tree Growers Cooperative Federation Milk Primary Cooperative Aashi Multipurpose Cooperative Service Society.
		AN	Leave for Ahmedabad by Bus. Stay at Klassic Gold Hotel, 42, Sardar Patel Nagar Navrangpura, Ahmedabad 380 006 Phone: 91-272 445508/ 445194/ 445595; Fax: 91-272-445195

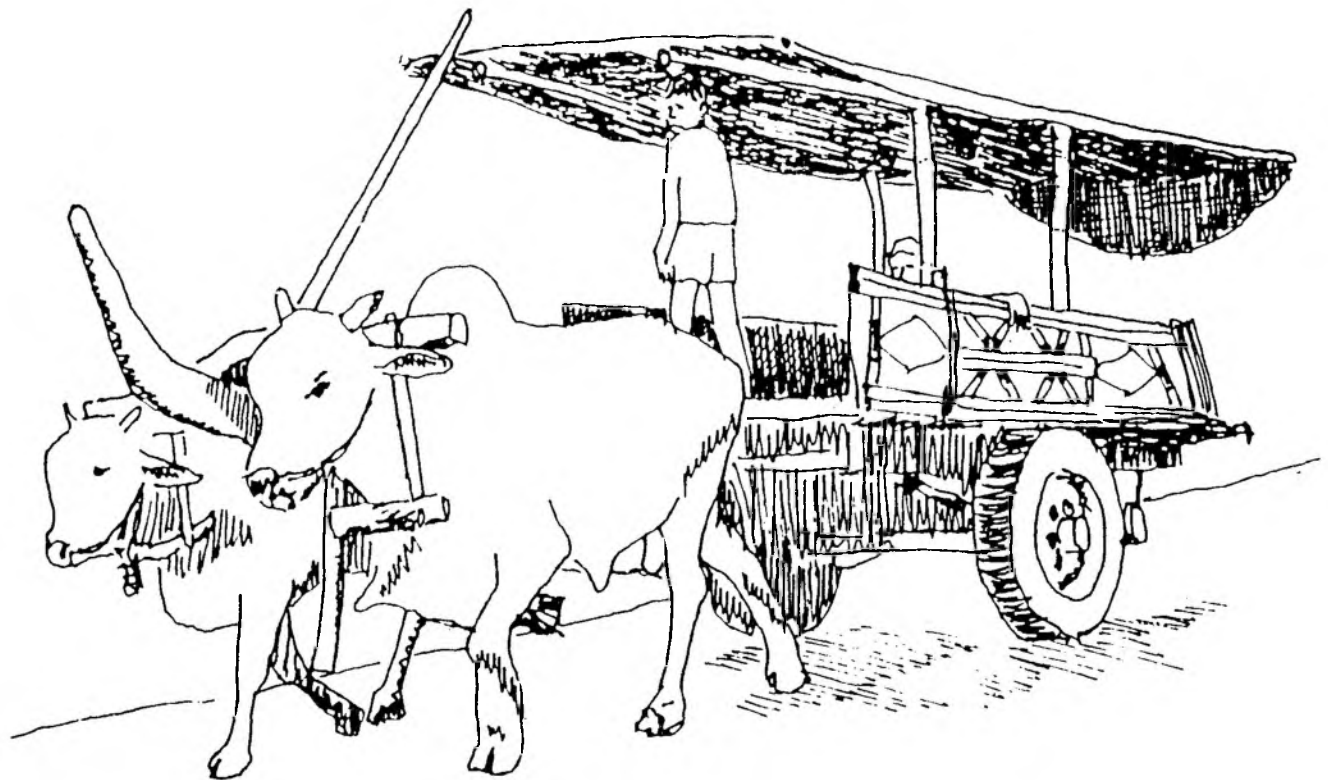
Dec 17, 93	Friday	Visit to IIMA and Review of Work on Project Formulation. IIMA Dinner at Vaishala
Dec 18, 93	Saturday	Visit to Akshardham, Gandhi Nagar Visit to Udai Bhansinhji Cooperative College, Gandhinagar ICA Dinner at Klassic Gold Hotel
Dec 19, 93	Sunday	Visit IFFCO Fertilizer Plant at Kalol.
Dec 20, 93	Monday	Leave for Delhi by IC 862. 20:45/22:10
Dec 21, 93	Tuesday	11.30 Concluding sessions at ICA ROAP ICA Farewell Dinner
Dec 22, 93	Wednesday	Packing and practical matters Leave for Colombo by UL 192 (at 03:00 hours of 23.12.93)
<b>FIELD STUDY VISITS AND FOLLOW UP WORKSHOP IN SRI LANKA</b>		
Dec 23, 93	Thursday	Arrival from Delhi by UL 192 at 0630 hrs Stay at Holiday Inn Hotel 30, Sir Mohamaed Macan Marker Mawatha Colombo.3. Ph.422001-9, Cable: Holinn; Fax: 447977. Telex: 21200 Holinn CE  11.30 Inauguration at National Cooperative Council of Sri Lanka. Introduction to Cooperative Movement in Sri Lanka 13.30 Visit to Cooperative Marketing Federation. Visit Sri Lanka Coconut Producers Cooperative Societies Union Visit Sri Lanka Institute of Cooperative Management Meeting with Commissioner for Cooperative Development
Dec 24, 93	Friday	Visit to Dunagaha Coconut Producers Cooperative Leave for Anuradhapura. Stay at Hotel Nuwara Wewa Anuradhapura Phone: 025-2565
Dec 25, 93	Saturday	Visit Mahaweli Cooperative Pilot Project Leave for Sigiriya Visit Naula Multi-purpose Cooperative Society Stay at Queens Hotel Ward Street, Kandy. Phone: 22121, 32079 ; Fax: 549280; Telex: 21201
Dec 26, 93	Sunday	Leave for Nuwara Eliya Meeting with President, District Cooperative Council, Nuwara Eliya. Stay at Kandy.
Dec 27, 93	Monday	Visit Kandy Multi-purpose Cooperative Society

Dec 27, 93	Monday		Visit to School of Cooperation, Polgolla
		1500	Meeting with Mayor of Kandy. Stay at Kandy
Dec 28, 93	Tuesday		Visit Aranayake Multi-purpose Cooperative Society Visit Ruwanwella Multi-purpose Cooperative Society Arrive Colombo Stay at Holiday Inn Hotel, Colombo
Dec 29, 93 Dec 30, 93	Wednesday- Thursday		<b>NATIONAL FOLLOW-UP WORKSHOP OF FORMER PARTICIPANTS FROM SRI LANKA</b>  Venue: Conference Hall, Holiday Inn Hotel, Colombo. ICA Dinner
Dec 31, 93	Friday		Free
Jan 01, 94	Saturday		Leave Colombo by UL 422 07:35 am Arrive Bangkok 12:30 hrs.
			<b>FIELD STUDY VISITS AND NATIONAL FOLLOW-UP REVIEW WORKSHOP OF FORMER PARTICIPANTS FROM THAILAND</b>
Jan 01, 94	Saturday		Arrival from Colombo/ Stay at Viengtai Hotel, Bangkok
		AN	Free
Jan 02, 94	Sunday		Free
Jan 03, 94	Monday		<b>National Follow-up Review Workshop of Former Participants from Thailand</b>
Jan 04, 94	Tuesday	FN	National Workshop (contd.)
		AN	<b>IDACA Reunion Programme</b>
Jan 05, 94	Wednesday	FN	Visit to Cooperative Promotion Department
		AN	Talks on: (i) Cooperative Movement in Thailand (ii) Cooperatives and Agriculture in Asia by FAO/ILO
Jan 06, 94	Thursday		Leave for Chiangmai by morning flight
		FN	Visit Chiangmai Provincial Agricultural Cooperative Federation Ltd.
		AN	Visit Sanpatong Agricultural Cooperative Ltd.
Jan 07, 94	Friday	FN	Visit Doi Saket Agricultural Cooperative Ltd.
		AN	Visit Royal Development Study Centre
Jan 08, 94	Saturday	FN	Visit Nakorn Chiangmai Cooperative Store Ltd.
		AN	Free
Jan 09, 94	Sunday	FN	Free
		AN	Leave for Bangkok by afternoon flight
Jan 10, 94	Monday	FN	Visit Pranakorn Consumer Cooperative Store Ltd. ICA Dinner

Jan 11, 94	Tuesday		Visit Royal Folk Arts & Crafts Centre at Bangpa-in, Ayudhya
Jan 12, 94	Wednesday		Departure of Participants to their respective countries.
<b>HOME COUNTRY ASSIGNMENTS</b>			
Jan 13, 94	Thursday-		Home Country Assignments of Participants for Preparation of
Feb 20, 94	Sunday		Cooperative Development Projects in their respective Countries.
<b>PART-II OF TRAINING COURSE IN JAPAN HELD AT IDACA, TOKYO</b>			
Feb 21, 94	Monday		Arrival of participants at IDACA for Part II of Training Course in Japan. Stay at IDACA Hostel, Tokyo.
Feb 22, 94	Tuesday	FN	Inauguration Introduction to IDACA
		AN	Project Appraisal Session of Projects prepared by Participants.
Feb 23, 94	Wednesday-		Project Appraisal Sessions
Feb 26, 94	Saturday		
Feb 27, 94	Sunday		Free
Feb 28, 94	Monday		Project Appraisal Sessions
Mar 01, 94	Tuesday		Project Appraisal Sessions
Mar 02, 94	Wednesday	FN	Project Appraisal Sessions
		AN	Summing up. Comments by Resource Persons
Mar 03, 94	Thursday		Japanese Culture, Economy and Society by Mr. Y. Abe, IDACA
Mar 04, 94	Friday		Introduction to Agriculture in Japan by Mr. H. Terunuma, IDACA
Mar 05, 94	Saturday		Group Discussion
Mar 06, 94	Sunday		Free
Mar 07, 94	Monday		Organisation and Business of Agricultural Cooperatives by Mr. Shiro Futagami, Managing Director, IDACA
Mar 08, 94	Tuesday		Marketing and Purchasing Business of Agricultural Cooperatives
Mar 09, 94	Wednesday		Credit Business of Agricultural Cooperatives
Mar 10, 94	Thursday		Farm Guidance Activities with Special Emphasis on Group Farming
Mar 11, 94	Friday		History of Rural Community in Japan by Mr. T. Takagi, IDACA
Mar 12, 94	Saturday		Review of Lectures and Group Discussions
Mar 13, 94	Sunday		Leave for Fukuoka Prefecture for Study Visits Stay at Fukuoka
Mar 14, 94	Monday		Visit Prefectural Cooperative Union and Prefectural Cooperative Economic Federation
Mar 15, 94	Tuesday		Visit JA Kurume Study on the Function of Multi-purpose Operations of Business
Mar 16, 94	Wednesday		Visit JA Fukuoka Yoshii-Machi Study on Member Relations Activities.
Mar 17, 94	Thursday		Observation of Agricultural Experiment Station and other Agricultural Related Organisations.

Mar 17, 94	Thursday		Leave Fukuoka for Hiroshima Stay at Hiroshima
Mar 18, 94	Friday		Sightseeing in Hiroshima
Mar 19, 94	Saturday		Leave Hiroshima for Tokyo Stay at IDACA Hostel, Tokyo.
Mar 20, 94	Sunday		Free
Mar 21, 94	Monday		Reivew of Study Visits
Mar 22, 94	Tuesday	FN	Better Living Activities in Japanese Agricultural Cooperatives
		AN	Activities of Women's Associations
Mar 23, 94	Wednesday		Processing Business of Agricultural Cooperatives by Mr. N. Kohashi
Mar 24, 94	Thursday		Visit to National Agricultural Cooperative Federations in Tokyo
Mar 25, 94	Friday	FN	Agricultural Cooperative Management
		AN	Agricultural Cooperative Insurance System.
Mar 26, 94	Saturday	FN	Visit to Cooperative Junior High School
		AN	Free
Mar 27, 94	Sunday		Free
Mar 28, 94	Monday	FN	Historical Development of Agricultural Extension Services
		AN	Practice of Agricultural Extension Services
Mar 29, 94	Tuesday		Agricultural Crop Insurance
Mar 30, 94	Wednesday	FN	Visit to the Ota Wholesale Market
		AN	Visit to the Yamato Perishable Foods Distribution Centre
Mar 31, 94	Thursday		Method for Formulation of Regional Agriculture Promotion Plan (RAPP)
Apr 01, 94	Friday		Exercise on Regional Agricultural Promotion Plan
Apr 02, 94	Saturday	FN	Exercise on RAPP
		AN	Group Discussions
Apr 03, 94	Sunday		Free
Apr 04, 94	Monday		Study Visits to Aichi Pref. Travel to Nagoya.
Apr 05, 94	Tuesday		Visit Aichi Pref Union of Agricultural Coops
Apr 06, 94	Wednesday		Visit JA Anjou. Study on Regional Planning
Apr 07, 94	Thursday		Visit JA Higashi-Chita. Farm Guidance & Commodity-wise activities. Dairy Farming.
Apr 08, 94	Friday		Travel to KYOTO. Sight-seeing and stay at Kyoto.
Apr 09, 94	Saturday		Travel back to Tokyo. Stay at IDACA Hostel, Tokyo.
Apr 10, 94	Sunday		Free
Apr 11, 94	Monday		Case Study of the Mikkabi-cho with special reference to 'How to Establish Closer Communication with Members'
Apr 12, 94	Tuesday	FN	Trade among Cooperatives
		AN	Environment Preservation Activities by Cooperatives

Apr 13, 94	Wednesday	FN	Visit to Zenmoriren and Zenkyoren
		AN	International Agricultural Cooperation
Apr 14, 94	Thursday		Educational Activities of Agricultural Cooperatives
Apr 15, 94	Friday	FN	Observation of Zennoh Distribution Centre
		AN	Visit to the Hiratsuka Agricultural Technical Centre
Apr 16, 94	Saturday		Group discussion
Apr 17, 94	Sunday		Free
Apr 18, 94	Monday		Report Writing. Project Redrafting
Apr 19, 94	Tuesday		Report writing. Project Redrafting
Apr 20, 94	Wednesday	FN	End-of-the-Course Evaluation
		AN	Closing Ceremony
Apr 21, 94	Thursday		Participants departure to home countries.



## PARTICIPANTS

- Bangladesh** 1. Mr. Md. Anwaruzzaman  
Principal Officer, Projects  
Bangladesh National Cooperative Bank Ltd  
9/D, Motijheel Commercial Area  
Dhaka 1000. Bangladesh
- India** 2. Dr. Krishna Ganuji Wankhade  
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3. Mr. Deepak Kumar Saxena  
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- Indonesia** 4. Ir. Tanoyo Adi  
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5. Mr. Iskandar Mukhlas  
National Union of Dairy Cooperatives (GKSI)  
Jalan Prof. Dr. Supomo 178  
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- Iran** 6. Mr. Ali Arbabi  
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Central Organisation for Rural Cooperatives of Iran  
753 Valie-e-asr  
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- Korea** 7. Mr. Do Hwan Woo  
Senior Assistant Manager  
Agricultural Finance Department  
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75, 1-ka, Choongeong ro, Jung-Ku  
Seoul. Republic of Korea.
8. Mr. Kwang Seog Song  
Assistant Manager,  
National Livestock Cooperative Federation  
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- Malaysia** 9. Mr Anthony Samuel  
Assistant Director  
Department of Cooperative Development  
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<b>Myanmar</b>	10.	Ms. Sein Sein Htay Manager, Mon State Cooperative Syndicate C/o Central Cooperative Society 334-336, Strand Road <b>Yangon, Myanmar.</b>
<b>Pakistan</b>	11.	Mr. Tasadduq Hussain Manager Punjab Provincial Cooperative Bank Head Office, Bank Square Shahrah-e-Quaid-e-Azam, <b>Lahore, Pakistan.</b>
<b>Sri Lanka</b>	12.	Mr. H. A. Siripala, General Manager Hungoma Multipurpose Cooperative Society Thavaluvila <b>Ambalantota, Sri Lanka</b>
	13.	Mr. K. L. Bandula General Manager Nattandiya Multi-purpose Cooperative Society Ltd. Marawila Road <b>Nattandiya, Sri Lanka</b>
<b>Thailand</b>	14.	Mr Pratin Boontioy Training Officer Cooperative League of Thailand 13, Pichai Road, Dusit <b>Bangkok, 10300, Thailand</b>
<b>Vietnam</b>	15.	Ms. Phung Thi Ngan Ha Officer, International Department Council of Vietnam Cooperatives and Non-State Enterprises, 6, Lang Ha Road, Ba Dinh District <b>Hanoi, Vietnam.</b>
<b>Project Director</b>		Dr Daman Prakash Project Director International Cooperative Alliance Regional Office for Asia and the Pacific 43 Friends Colony, P. O. Box 7011 <b>New Delhi 110 065, India</b>
<b>Programme Officer</b>		Mr A.H.Ganesan Programme Officer International Cooperative Alliance Regional Office for Asia and the Pacific 43 Friends Colony, P.O. Box 7011 <b>New Delhi, 110 065, India.</b>



## INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office for Asia and the Pacific  
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October 20, 1993 - April 21, 1994

### COUNTRYWISE PARTICIPATION IN ICA/JAPAN MANAGEMENT TRAINING COURSES, 1986/87 - 1993/94

COUNTRY	1986-87 JTC I	1987-88 JTC II	1988-89 JTC III	1989-90 JTC IV	1990-91 JTC V	1991-92 JTC VI	1992-93 JTC VII	1993/94 JTC VIII	TOTAL
Bangladesh	1	1	1	1	1	1	1	1	8
China	2	2	2	2	2	2	-	-	12
India	3	3	2	2	2	2	3	2	19
Indonesia	1	2	-	-	-	1	1	2	7
Iran	-	-	-	-	-	1	1	1	3
Korea, Rep.of	2	2	2	2	2	2	2	2	16
Malaysia	1	1	1	2	1	1	1	1	9
Myanmar	-	-	-	-	-	-	-	1	1
Pakistan	-	-	1	1	1	1	1	1	6
Philippines	2	1	2	2	2	1	1	-	11
Sri Lanka	1	1	2	1	2	1	2	2	12
Thailand	2	2	2	2	2	1	1	1	13
Vietnam	-	-	-	-	-	1	1	1	3
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>120</b>

CHRONOLOGY OF COURSES HELD

<i>Course No.</i>	<i>Dates</i>	<i>Countries where courses held</i>	<i>Participating countries</i>
<b>PHASE-I</b>			15 Participants from
FIRST	Nov 01, 1986 - May 03, 1987	India, Thailand, Japan & Republic of Korea	Bangladesh, China, India, Indonesia Korea, Malaysia, Philippines, Sri Lanka and Thailand
SECOND	Oct.26, 1987 - May 10, 1988	India. Thailand Japan & Republic of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand.
THIRD	Oct 24, 1988 - May 07, 1989	India, Thailand, Japan & Peoples Republic of China	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand
FOURTH	Oct 23, 1989 - May 10, 1990	India, Thailand, Japan and Republic of Korea.	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand.
FIFTH	Oct 22, 1990 - May 10, 1991	India, Thailand Japan and Republic of Korea.	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand.
<b>PHASE-II</b>			
SIXTH	Oct 21, 1991 - May 10, 1992	India, Thailand Japan and Peoples Republic of China	Bangladesh, China, Indonesia, India, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam.
SEVENTH	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.
EIGHTH	Oct 20, 1993 - April 21, 1994	India, Sri Lanka, Thailand and Japan	Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Myanmar, Pakistan, Sri Lanka, Thailand and Vietnam.
<b>Total Number of Participants : 120</b>			



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**Md. Anwaruzzaman**  
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**Deepak Kumar Saxena**  
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**Tanoyo Adi**  
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**Iskandar Mukhlas**  
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National Union of Dairy  
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**Ali Arbabi**  
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**Do Hwan Woo**  
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**Kwang Seog Song**  
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**Anthony Samuel**  
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**Ms. Sein Sein Htay**  
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**Tasadduq Hussain**  
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**Ms. Phung Thi Ngan Ha**  
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**Daman Prakash**  
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ICA ROAP



**A. H. Ganesan**  
Programme Officer  
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The **International Cooperative Alliance (ICA)** is a world-wide confederation of cooperative organisations of all types. Founded in London on August 18, 1895, the ICA has affiliates in 70 countries with 200 national and international organisations as members serving over 700 million individual members

The ICA Regional Office for Asia and the Pacific (ICA-ROAP) serves 68 national level organisations from 26 countries and the ACCU, representing nearly 450 million individual cooperators. More than 63% of the total ICA membership comes from the Asia-Pacific region. 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.



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