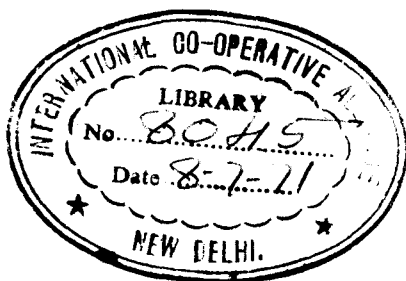


# Farm Guidance Activities of Agricultural Cooperatives

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# PART I

## REPORT

### I. INTRODUCTION

The Regional Seminar on Farm Guidance Activities of Agricultural Cooperatives was held from 29th September to 17th October, 1969 in the Ambassador Hotel, Seoul, Republic of Korea. The Regional Office & Education Centre for South-East Asia, of the International Cooperative Alliance, organised the seminar in collaboration with the National Agricultural Cooperative Federation, Republic of Korea and (for study visits in Japan) with the Central Union of Agricultural Cooperatives, Japan. The seminar started with the study visits in Japan. The objects of the seminar were :

- (i) to determine the role of agricultural cooperatives in farm guidance activities,
- (ii) to discuss how to plan and implement farm guidance activities through agricultural cooperatives, and
- (iii) to examine the existing arrangements of training and research in the field of farm guidance.

2. The seminar was attended by 28 delegates and observers. Countries participating from South-East Asia were : Ceylon, India, Iran, Japan, Republic of Korea, Nepal, the Philippines and Thailand. International organizations, viz., I.L.O., F.A.O. of the United Nations and U.S. AID, Republic of Korea, were represented by resource persons and observers. Dr. Dharm Vir, Joint Director (Education Centre) of the ICA led the seminar, assisted by his colleague Mr. Shiro Futgami, Deputy Director and the Korean counterparts. A list of participants, observers and resource persons is attached to this report as Annexure 'A'.

3. The seminar was formally inaugurated on 4th October 1969 in the main hall of N.A.C.F. at Seoul. The congratulatory address was read by the Vice Minister of Agriculture and Forestry on behalf of His Excellency Shi Hyung Cho, Minister of Agriculture and Forestry, Republic of Korea. A number of local cooperative organisations and their representatives, including the

President of the N.A.C.F., played host to the seminar at a number of socials and extended numerous hospitalities.

4. The final seminar programme is enclosed with this report as Annexure 'B'. The three main case studies presented indicated approaches used in Japan, the Republic of Korea and India which emphasized different aspects of farm guidance. These case studies were prepared by resource persons from the countries concerned. Two of the agricultural cooperatives in Japan and Korea on which case studies were presented, were visited by the seminar participants for detailed studies.

## II. THE OBJECTIVES AND SCOPE OF FARM GUIDANCE

### *Concept of Farm Guidance*

5.1. Farm Guidance is agricultural advisory service through cooperatives integrated with credit, supply, marketing and other activities of cooperatives. The concept of farm guidance was conceived from the experiences of Japanese agricultural cooperatives. Farm guidance is indispensable to an integrated approach of multi-purpose cooperatives.

5.2. In most of the countries, agricultural advisory services are undertaken by the government through its agricultural extension offices and the contents of such government agricultural extension works may vary from country to country. However, it may be mentioned that most of these governmental extension works are rather confined to the technical aspect of agricultural production, such as improved production techniques, use of improved inputs etc. with a view to increasing agricultural production. However, it was often found that such extension work had not had the desired impact on the improvement of agriculture or the farmers' economy. To increase productivity is not enough—the farmer must also be assured of better economic return. Unless more attention is paid to the economic aspects of new technique application (with proper provision of credit, supply, marketing, etc., facilities), there will be no positive response from the farmers, actually deciding on and implementing the new production techniques.

5.3. In pre-war Japan, agricultural advisory service was undertaken by a separate organisation financially supported by the government. But after World War II, agricultural cooperatives started again under the new Agricultural Cooperative Act, the objective being to increase agricultural productivity as well as the economic and social strand of farmers. Hence, guidance service

was added to the traditional activities of agricultural cooperatives. Such services are to give advice to the farmers in order to raise the economic and social conditions of the farm household, which may include both production and living aspects of farmers. Therefore, guidance services of Japanese agricultural cooperatives are divided into two: (1) guidance on farm management improvement, and (2) guidance on home-life improvement, the former being called farm guidance. In multi-purpose cooperatives in Japan, agricultural services are well integrated with their economic activities through farm guidance service. This has enabled the cooperatives to formulate and implement their business programmes.

5.4. Thus farm guidance is used in the context of cooperative agricultural advisory services for the improvement of farm management of individual farmers, emphasizing its economic aspects, while the agricultural extension service is referred to the governmental agricultural advisory service on production techniques.

#### *Objectives and Scope*

6. Cooperative leaders in many countries are becoming increasingly interested in combining agricultural advisory services with the traditional cooperative services of credit, farm supply and marketing, either through closer collaboration with the governmental extension service or by supporting a corps of farm guidance advisors within the cooperative structure itself. This trend is accentuated by the degree to which agricultural cooperatives are becoming more broad-based, emphasizing a "package approach" in serving the farmers. Under these conditions, farm guidance services are seen to be vital component which must be effectively integrated with credit, supply and marketing, etc.

7. Cooperatives are becoming more on-the-farm production minded. The farm unit is indeed the unit of concern to which all cooperative activity must be directed. The success or failure of cooperatives must necessarily be judged by the success or failure of the farm units being served. The typical cooperative operating statement and balance sheet does not necessarily reflect this condition and can, therefore, be quite misleading in terms of the true measure of success of a cooperative in serving its members effectively.

8. It goes without saying that the provision of agricultural advisory services within a cooperative programme adds a new and welcome dimension to the task of economic and social development. This approach also gives greater opportunities for

more effective service to extension personnel by working with an already organized and identifiable clientele—one set up specifically to have access to the inputs and auxiliary services which can make extension activities really meaningful.

9. Where cooperative organizations engage and pay their own farm guidance personnel (as is the case with the Agricultural Cooperatives of Japan and the Republic of Korea), it is necessary for the latter to work closely with the national extension service and also have access to the results of the agricultural research and experimental stations. On the other hand, in some countries; *e.g.*, in Uganda, the Ministry of Agriculture has deputized certain extension officers to work exclusively with the cooperatives.

10. The objectives of farm guidance with a cooperative programme should be considered at two levels :

(1) *General objectives*

- Improve the level of living of the farming community.
- Improve the performance of the cooperatives.
- Contribute to the improvement of the national economy.

(2) *Specific objectives*

These give direction to the day-to-day activities of the cooperatives and the agricultural advisory service in achieving the general objectives :

- (a) Increase the efficiency of the farm units through farm planning and the provision of inputs and services through cooperatives and other agencies. This calls for (i) an assessment of the actual and potential on-the-farm resources (physical, financial and human) and of production capacity in relation to the price structure and the effective market demand; (ii) an estimate of additional requirements and services and the extent to which these can be provided through cooperatives and other agencies; and (iii) formulation of a farm plan and budget based on the repaying capacity of the farm unit.
- (b) Improve the performance of the individual farmers in terms of *increased knowledge*, and *changed attitudes*. This implies an educational process involving the farmer :
  - (i) *On a group basis*: Here the onus is on the extension agent to create the learning situation



which may be in a meeting hall or in a field. The content of the group learning experience may be :

- principles and techniques of farm planning
- on-the-farm demonstration of improved practices and use of farm tools and equipment
- the role of the cooperative in improving farm operations through the provision of inputs, credit, marketing services, etc.
- benefits and limitations of joint farming activities. In addition to the foregoing, the farmer-members can be influenced through attendance at cooperative business meetings where they can acquire new and useful knowledge, develop skills in democratic participation and develop leadership qualities.

(ii) *On an individual basis :*

- participation with the extension agent in drawing up the individual farm plan and budget
- learning about the market through radio and other media
- learning about the cooperative through specialized media for components (newsletters, special broadcasts, etc.)
- development of skill in money management (especially where loans are involved).

(iii) *On a reciprocal basis*

Communication in the extension educational process is reciprocal. Not only does the farmer learn and improve his skills, etc., but he provides a “feedback” to those who are in the rôle of teachers. This two-way communication helps to identify the real needs of the farmers and indicates their capacity for follow-up action. The process is vital in giving direction to the work of agricultural researchers whose activities must be oriented to solving the problems of the farmers. The “feedback” is also vital to successful cooperative management in terms of providing the kind of services the farmers can use effectively.

11. *Organisational Patterns of Agricultural and Farming Guidance Services*

- (1) Guidance provided exclusively by the National Extension Service to farmers in general, with no special relationship or reference to the cooperatives, *e.g.* in U.S.A.
- (2) Guidance provided by the National Extension Service to cooperative members by special arrangement, *e.g.* in India, Pakistan, Canada and some countries in Africa.
- (3) Farm guidance provided by specialized cooperative personnel, employed directly by the cooperatives, and supported by the personnel of the National Extension Service and the National Research and Experimental Stations, *e.g.* in Japan and the Republic of Korea.
- (4) Guidance provided exclusively by cooperative personnel—including research and experimentation, *e.g.* in Norway.

12. *Conditions for the Success of Farm Guidance*

- (1) Enlightened “support” by government *e.g.* support from the National Extension Service, experimental and research stations etc.
- (2) A rational agrarian structure—land and water use and tenure arrangements conducive to farmer interest, risk taking, investment.
- (3) Potential expanding markets at home and/or abroad.
- (4) A dynamic cooperative marketing organisation *e.g.* in Scandinavia, Japan.
- (5) A cooperative structure which can :
  - (a) Effectively mobilize capital
  - (b) Concentrate capital and direct it into the most profitable lines of production
  - (c) Integrate the various services—credit, supply, marketing and farm guidance.
- (6) Well trained and adequately paid cooperative personnel at all levels - general cooperative services staff as well as farm guidance officers.
- (7) Dedicated leadership

13. The seminar participants discussed all aspects of impediments and their findings were as follows :

- (1) All farm guidance has to be integrated in the National

Agricultural Plan, necessary for the successful implementation of any farm guidance. Whenever there are plans, they must be executed effectively at all levels.

- (2) One of the basic impediments towards introduction of farm guidance would be lack of dedicated leadership in the cooperative structure itself.
- (3) Restrictive features of cooperative legislation have retarded accumulation of financial reserves in the institution itself which are sufficient to sponsor an activity such as farm guidance, one which will not pay for itself immediately; and moreover it was felt that there would be hesitance on the part of lending institutions to finance this activity. It was also felt that in the region the primary societies were not sufficiently economically viable to be able to allot funds for educational activities including farm guidance.
- (4) In some countries in the region, land reforms would have to be carried out in respect of security of tenure, prevention of fragmentation of lands and consolidation of already fragmented lands, wherever necessary.
- (5) Conservativeness of the farmer would prove to be a great impediment to his receiving advice and thereby tending to increase the application cycles; consequently this would delay the guidance activity paying for itself.
- (6) Stabilization of prices is the important factor in the smooth working of a production plan. It would impede the farmers to adopt a farm production plan if there is no stabilization of prices for their produce.
- (7) Non-availability of trained personnel for the execution of farm guidance.
- (8) Weaknesses of cooperative organizations to undertake the marketing and supply business.
- (9) Dissension amongst members arising from social barriers, political factions, etc., will resist cooperation in the implementation of the plans drawn up by the farm guidance personnel.
- (10) Lack of proper communications in rural areas.
- (11) Lack of inter-departmental coordination at all levels.
- (12) Lack of coordination between technical extension and farm management guidance (which have tended to overlap since introduction of extension services).

- (13) The non-availability of statistics necessary for farm guidance plans, e.g., market surveys, data on production and different produce.
- (14) Lack of continuity in farm guidance activities. Lack of close touch with farmers by way of audio-visual aids and press.

### III. PRE-REQUISITES FOR COOPERATIVE UNDERTAKING FARM GUIDANCE ACTIVITIES

14. The main objective of farm guidance activities of agricultural cooperatives is to create an interest and willingness among farmers to improve their farm management. For this purpose society has to extend assistance to farmers in an integrated way in the field of finance, material, supply, production and marketing techniques. Farm guidance activities may include various aspects of agricultural management. An agricultural cooperative should decide on the priority areas and establish closer collaboration and coordination with all other institutions concerned. An important pre-requisite for successful farm guidance is the existence of a common policy on farm management improvement. On the basis of such a common policy, better integration and coordination will be established.

15. Farm guidance should be an integral part of the whole of cooperative activities. In view of this, the society must analyse the factors affecting farm management, make long-term production and management plans for farmers and work out the business programme of the society accordingly. The steps to be taken by a cooperative at the initial stage of farm guidance will be as follows :

- (1) Consideration of basic factors affecting farm management.
- (2) Classification of farmers according to the extent of their willingness.
- (3) Setting up of individual member's income target which will be a basis to decide pattern of farming.
- (4) Formulation of long-term farm management programme of individual farmers.
- (5) Standardization of farming patterns.
- (6) Commodity-wise consideration of these farm management programmes in the areas of the society.
- (7) Planning of production and marketing facilities by the society.

- (8) Marketing, supply and financial programme to meet the requirements of members for effective implementation of their farm management programme.

16. The important task of agricultural cooperatives is to change the simple reproduction process of agriculture into dynamic expansive production. Therefore, a cooperative's farm guidance activities must be a process of implemented programmes for agricultural modernization and positive education. It is neither to preach nor dictate to the farmers, but to generate their interest in and willingness towards improved farm management and also demonstrate the scientific facts in order to induce them to take the initiative for action and reform.

17. Major elements of farm guidance through cooperatives considered are given below :

- (1) Suitable agricultural policy of the government.
- (2) Land improvement schemes.
- (3) Research and socio-economic surveys.
- (4) Selection of crops to be produced and bulk production.
- (5) Production and management programme of the whole village and that of individual farmers.
- (6) Standardisation of quality of agricultural produce and agricultural inputs.
- (7) Formation of commodity groups.
- (8) Joint utilisation of machinery and labour.
- (9) Planned production, protection and joint marketing techniques.
- (10) Improvement of production techniques of farmers and reduction in cost production.
- (11) Joint cost production, grading and checking facilities.
- (12) A plan for farm management and life improvement.
- (13) Cooperative member education and information.
- (14) Trained personnel.

18. The following basic information would be needed for formulation and successful implementation of a guidance programme.

- (1) Change in demand for agricultural products with special reference to the commodities produced in the area. The changes in demand may call for changing the pattern of farm management from small individual production to large-sized production so as to ensure economic advantages and increase the commercial value of the products.

- (2) Trends of processing industries of agricultural products and changes of consumption patterns. They may make it necessary to improve the quality to the level of standardized products to reduce production cost and to continuously supply sufficient quantity of products. For this purpose production programme for wider areas will be more effective.
- (3) Changes in distribution system: cold chan, super markets, stores, etc., which may necessitate the establishment of an effective organizational system with a view towards integrating various functions such as, credit, supply of inputs, farm guidance and marketing. Then agricultural cooperatives may play a more important role in the field of production and marketing and strengthen their bargaining power.
- (4) Development of agricultural production techniques and mechanisation of agriculture which might require the promotion of joint effort among farmers engaged in production of the same line of commodities, the result being to attain maximum economic benefit.
- (5) Trends of agricultural policy at national and secondary levels which may sometimes make it necessary for the society to adjust their activities in order to play a more important role in the total agricultural development programme.
- (6) Agricultural land should be surveyed to bring about the pattern of land ownership and utilisation, effect of industrialisation or urbanisation which will effect the pattern of farm management and the scope of mechanisation in the future, land consolidation, farm roads, irrigation and drainage facilities.
- (7) Changes of farm labour resources and the major factors responsible for the changes.
- (8) Machinery, credit and facilities needed for long range improvement of farm management, assessment of capital owned by farmers taking into consideration the crops they produce and farm labour available.
- (9) Types of crops grown in area, their production and marketing facilities, profitability and adaptability to trends in the market and the feasibility of farm management improvement with a view to determining future crops and storage facilities.

- (10) Facilities such as workshop, centre for utilising and maintaining machinery, land consolidation facilities, joint insecticides facilities, mixing plant for fertilisers and feed stuffs, transportation and communications.
- (11) Joint seed bed, joint breeding facilities, hatchery, artificial insemination centre, silo, pond, irrigation and draining facilities, green-house etc.
- (12) Processing facilities.
- (13) Facilities for assembling, storage, processing and marketing of products.

19. It was decided that cooperatives should obtain information and data at appropriate levels and preferably in joint collaboration with national organisations. (These organisations should be strengthened so as to expedite the task of collecting information and data.)

20. After some deliberation the participants were of the opinion that all countries in South-East Asian Region should carry out these functions through cooperatives in varying degrees. There is, however, need of collecting all relevant information and using it for effective farm guidance work.

21. The seminar was of the opinion that the following steps should be taken by a society for formulating regional production plans :

- (1) Survey regarding the capability of the society, prevailing conditions about sub-soil water, nature of soil, kinds of crops grown in the area, existing yield, marketing position, size of land holding, lands whether fragmented or consolidated, family structure, nature of mixed farming concerning livestock, etc., etc.
- (2) To convey the results of survey to the members.
- (3) Selection of crops possible for maximum growth and benefit.
- (4) To arrange for the improvement of land.
- (5) Management of the farm production plans of the farmers.
- (6) Arrangements for the supply of agricultural inputs and provision of other services.
- (7) Arrangements for common services, like tractors, tubewells, combiners, threshers, bulldozers etc., if necessary.
- (8) To assess the future expenditure of each farmer and to advise him about the crops to be sown and about

other subsidiary undertakings, keeping in view the survey relating to the particular farmer, so as to increase his income for meeting future expenses.

- (9) Installation of processing plants to be arranged.
- (10) Selection of appropriate marketing places.
- (11) To arrange for proper communications to facilitate supply and marketing.
- (12) To arrange for trained farm guidance advisers.
- (13) Education of farmers.
- (14) Formation of commodity groups and selection of leaders of each group.
- (15) To arrange for financial resources.
- (16) Demonstrations to create interest and willingness.
- (17) Storage facilities.
- (18) Standardization of techniques.
- (19) To arrange for coordination amongst the extension officers of the government and of the society.
- (20) To arrange for the continuation or stay of young farmers on land.
- (21) To plan for the purchase of young livestock and other things.
- (22) To assist the farmer in planning for family and hired labour, for feed production or acquisition; for repayment of loans and for income-expenditure of each farmer.

22. Steps that cooperatives should undertake in the field of guidance to increase the income of farmers :

- (1) There should be planning based on survey.  
The planning should include improved practices to be undertaken, the time during which such practices will be undertaken, the value of inputs, the credit requirements, the land appropriate for a particular crop, area to be undertaken for particular crops according to survey, etc.
- (2) Setting up of long-term management programme, minimum price fixation and announcement thereof, etc.
- (3) Proper education of the farmers to understand the farm guidance programme of their cooperatives.
- (4) To provide experts for different crops, soil, sub-soil water etc.
- (5) Demonstration of agricultural machines, high yielding



varieties of seeds, fertilizers, etc., so as to influence the farmer along improved lines.

- (6) To provide storage and marketing facilities.
- (7) To arrange mixed farming.
- (8) To provide common sources, such as tractors, bulldozers, pumping sets, transportation, etc.
- (9) To assist by installing processing plants.
- (10) Supply of information about new techniques, market conditions, diseases and their remedies.
- (11) To arrange for the purchase of young livestock, to plan for feed production.
- (12) To make out a financial plan of production.
- (13) To plan for repayment of loans.
- (14) To assist farmers in planning their income and expenditure, enabling them to switch over to new techniques and to a proposed plan of production.
- (15) To plan the utilization and improvement of land.

#### IV. ORGANIZATIONAL STRUCTURE AND FUNDS REQUIRED FOR FARM GUIDANCE THROUGH COOPERATIVES

23. Farm guidance is not a theory but an action programme. Continuous efforts of the society regarding production and management will be the basis of better integration and coordination between marketing, supply, credit, education and facilities. With systematic and effective correlation between farm guidance and its other activities, the society will be able to carry out farm guidance successfully. On the other hand, it is also very necessary to define the functions and responsibilities of cooperatives and government agencies and implementing farm management improvement programme. While the role of the government extension office is to extend new production techniques, to train young farmers, to improve soil conditions and to promote mechanization of farming, that of the society is to look after the economic aspects of production and home-life.

24. To maintain the maximum efficiency of the cooperatives' activities, responsibility for farm guidance at national level is attached to the Central Union of Agricultural Cooperatives while other economic activities are undertaken by national business federations. At the prefectural level, these functions and responsibilities are similarly divided among prefectural union and other federations.

25. At the primary level, it has been promoted to set up commodity-wise production groups for effective promotion of a farm guidance programme. Primary objectives of such groups are to promote systematic production and marketing, to reflect views of farmers in the business programme of the society and to establish effective linking between various activities of the society. The expenses of the group are met by the members' contribution and the subsidy from the society. A cooperative farm advisor is appointed to serve as a secretary of such group.

26. Agriculture, farmers and rural community cannot get rid of the effects of rapidly changing socio-economic conditions. Agricultural cooperatives are confronted with so many problems. However, there will be no alternative way to overcome these problems other than the creation of strong solidarity among the members. Only when the society performs its activities on the basis of farm guidance programme, confidence and solidarity will be created among members.

## V. ORGANIZATIONAL STRUCTURE

27. The seminar discussed the existing organizational structures of each participating country in detail and unanimously decided to adopt a model organizational structure (subject to slight changes if necessary for a country), with fixed number and work for committee members at different levels. This type of chart is given as Annexure 'C'.

28. In the beginning, there should be an exhaustive study of all factors to better ensure the practical success of the entire programme of farm guidance activities. The resultant facts and figures shall be the basis of an overall plan. The multipurpose cooperative society will send all survey data to the district committee for research and, if necessary, to the provincial committee. The research results will be channelled to the farmers and implemented through trained personnel and experts.

29. In short, to make the farm guidance programme successful, the planning should be prepared from the level of the multi-purpose cooperative societies. After a thorough study by commodity groups, a physical survey of the area will be done ; the programme will be implemented by trained farm guidance personnel and experts who know the needs of the farmer. Necessary legislations will also be required to adopt these suggestions.

30. Instead of the governments' direct involvement in all aspects of farm guidance activities (as mentioned in para 16) the

cooperative should be increasingly concerned and should take the initiative and leadership along this particular endeavour. Government should allow more leeway for the cooperatives to shape their own destiny, that is, the governmental system should provide the necessary enlightened support to the cooperative movement to enhance viable growth and development.

## VI. METHODS AND TECHNIQUES

31. Farm guidance is an educational process for the member-farmers who participate in a business programme to improve their economy. The selection of methods of guidance depends on several factors, *such as the objectives of the programme, quantity and quality of participants, contents to be conveyed and resources available, including the trained teachers*, suitable study material and audio-visual aids. As we already know, the teacher is one of the most important factors in the effective practice of methods, he should be given choice and facilities in his work. Nevertheless, important methods have been classified according to the size of audience and the level of participants' development. These are listed below under the Mass Teaching Methods, Group Teaching Methods and Individual Teaching Methods. Emphasis has been laid on the methods which are effective with small groups of adult participants and which emphasise self-help.

### *Mass Educational Methods*

32. These are mainly for the purpose of raising awareness and interest in some new ideas. They include the following mass media of communication :

- (a) Radio.
- (b) Television (would be supported by satellite communication system).
- (c) Wire-communication system as in Japan.
- (d) Visual-aids, such as posters, charts, film shows, slide-shows etc.
- (e) Press and publicity material such as news stories, features stories, newspaper columns, special news pages, bulletins, leaflets and circulars, reaching people by direct mail, through magazines, study material of various types and campaigns.

### *Group Educational Methods*

33. Group methods assist people from the awareness stage

to that of interest and sometimes to the trial stages of accepting new practices. They include the following methods. It is possible for the participants to ask questions, exchange ideas and stimulate each other to action whenever a new idea is presented to them as a group.

**Group Educational Methods (large groups)**

- (a) Method demonstration.
- (b) Result demonstration.
- (c) Meetings of farmers, combined with method demonstration or result demonstrations, lectures, panel discussion, symposium, colloquy, etc.
- (d) Exhibitions, models, fairs and festivals.
- (e) Study tours and field days.
- (f) Seminars and workshops.
- (g) Training courses, functional literacy classes.
- (h) Residential courses, e.g. folk high schools in Denmark, Vidyapeeths in India.
- (i) Contests and achievement days.
- (j) Dramas, group songs.

**Group Educational Methods (small groups)**

34. It has been found effective to serve in local cooperatives, through

- (a) Advisory groups.
- (b) Short courses.
- (c) Local leadership (model farmers)
- (d) Clinics, role playing, creative dramatics and other group development techniques.
- (e) Study Groups, Study Circles, Group Discussions.
- (f) Commodity groups e.g. in Japan.
- (g) Tele-clubs and Radio Farm Forums as in India and other countries.
- (h) Voluntary and local leadership.
- (i) 4-H and Young Farmers' Clubs
- (j) Home Demonstrations.

**Individual Educational Methods**

35. Although much of extension teaching is done in groups, learning is an individual process. In many instances individual contacts with farmers are necessary to study the local situation and to get farmers to adopt a new practice. Individual methods include the following :

- (a) Visit of guidance workers to farms and homes.

- (b) Assistance in preparation of individual production plans.
- (c) Supervised credit programmes.
- (d) Correspondence courses.
- (e) Farmers' calls to the offices of guidance agencies.

### *Local Leadership Methods*

36. This method is the use of leader-follower pattern existent in any community. Local leadership is utilised to reach a large number of farmers. The method involves locating, developing and utilising the local functional and voluntary leadership. The local study groups, study circles and discussion groups, combined with problem-solving and audio-visual techniques, can help in developing local leadership and contribute to effective farm guidance work and member education programmes. Commodity groups in Japan which have been described later, have significantly contributed towards development of local leadership.

It is obvious that no single method or technique can reach all people nor can it influence all if it does so. Farm guidance workers must be proficient in the use of various methods of education and guidance. To achieve desired objectives, they should be able to select, adapt and use a suitable combination of methods and techniques. In general, people are influenced to make changes on their farms, in their homes and in their community in proportion to the number of exposures they experience in extension education. However, some people may respond quickly while others may react slowly. This is due to different background, so they are in different stages of adoption. This calls for a continuous and practical type of extension education using a variety of methods suitable to meet the educational objectives and contents set for different groups. The resources locally available should also be kept in mind while selecting educational methods and techniques.

### *Commodity Groups within the Cooperative System*

37. The commodity group method
- (1) is an answer to the perpetual conflict of single-purpose vs. multipurpose cooperatives — avoids the necessity of a farmer joining several societies ;
  - (2) encourages member involvement—interest maintained throughout the year—radio programmes can be tailored to suit the special interests of the various groups ;

- (3) polarizes leadership and at the same time disperses leadership tasks among many ;
- (4) facilitates the propagation of new ideas and the adoption of new practices ;
- (5) simplifies record keeping by the farmers themselves ;
- (6) leads to joint-action at farm level, and also the development of specialized services which aid production— *e.g.*, controlled raising of chicks up to 120 days ;
- (7) facilitates specialization by the cooperative farm guidance staff ;
- (8) rationalizes the use of credit (supervised credit) and facilitates the recovery of loans. Concentrates capital in profitable lines of production rather than dispersing limited resources ;
- (9) facilitates the work of National Marketing Boards and Cooperative Federations ;
- (10) makes possible price stabilization over several years of the production cycle— (In Japan this is achieved through the monthly salary or long-term average payment system).

#### *Commodity Groups in Japan*

- (1) Commodity groups were considered as informal units under the cooperative societies in Japan. It was assumed that the pattern of farming of each member of a group is similar.
- (2) That commodity groups are actual partners of the cooperatives to increase the production of specialized commodities in areas where cooperatives operate.
- (3) Commodity groups provide avenues for training of local voluntary leaders for cooperative development.
- (4) Commodity groups make possible systematic marketing, effective and practical financial projections and full utilization of facilities and equipment of the cooperative society.
- (5) Assistance should be provided by the cooperative society to commodity groups to level up in terms of credit and supply commodities.
- (6) Commodity groups should support the cooperative society and the cooperatives in turn should cater to the needs of its members.
- (7) Processing facilities and marketing equipment should

be made available to commodity groups to enhance efficiency and effectiveness.

- (8) Commodity groups should organize education and information activities for individual members in specialized project undertakings.
- (9) Cooperatives should provide the essential and necessary guidance to raise the farmers' standards, quality and production capacity.
- (10) Development programmes evolved by the commodity groups should be submitted to cooperatives and sent to local government to invite its support.

## VII. EDUCATIONAL MATERIAL AND AUDIO-VISUAL AIDS

38. In the cooperative movement, the owners and users are the members who exercise ultimate control over both the policies and operations of their cooperative societies and the movement as a whole. Accordingly, it is of the utmost importance that the greatest possible efforts should be made for the development of member education ; it is obvious that much of the success of farm guidance programmes depends upon the study material produced and its proper use.

39. In preparing study material, the following factors should be observed :

- (1) it should be written in simple language and style and be adequately illustrated ;
- (2) proper selection of contents preferably related to practical problems of farmer members ;
- (3) needs of the target groups, e.g. commodity groups ;
- (4) percentage of literacy in the group ;
- (5) funds available.

40. The most commonly used study materials are leaflets, pamphlets, posters, booklets, instruction manuals, and audio-visual aids such as films, film-strips, flannelgraphs, slides, broadcasting, etc.

41. It has been proved that proper use of audio-visual aids brings better results in communicating ideas, developing interest because of the following advantages :

- (1) It stimulates feeling and emotion.
- (2) It helps much to eliminate monotonous fatigue.
- (3) It easily attracts attention.
- (4) It aids in long clear memory retention.

42. The N.A.C.F. in Korea has understood and recognized the importance of audio-visual education. It has been equipped with a camera-car, 10 mobile units, 2 movie cameras, 2 projectors, 163 slide-projectors, etc., consequently many kinds of audio-visual aids are produced and utilized for member education.

43. As the cooperative movement undertakes more complex and difficult businesses, the movement must recognize the growing needs of systematization and continuous improvement of cooperative education, particularly the production of varieties of audio-visual aids.

44. The seminar noted that F.A.O. has recently produced a manual on production and use of audio-visual aids for cooperative education. It also appreciated that the ICA Regional Office and Education Centre for South-East Asia has produced a manual for Study Circle Leaders and some material for member education work. However, it was strongly recommended that model material, audio-visual aids and manuals for use of farm guidance workers should increasingly be produced by the I.C.A. These materials may be adopted to local conditions by the national cooperative movements in the region.

#### VIII. EVALUATION OF FARM GUIDANCE PROGRAMMES

45. In the field of education and farm guidance, evaluation is a systematic and objective assessment of activities and programmes as a whole seen in terms of objectives laid down in advances and measured against a set of criteria.

46. Educational evaluation can be compared with action or programme research and may lead to deeper research studies. However, it is more than psychological measurements, examinations, testing and record keeping for purpose of grading the trainees. Evaluative studies are also conducted from organisational, administrative and economic points of view.

47. The main purposes of evaluation may be described as follows :

- (a) to keep the programme on correct lines,
- (b) to bring improvements into a programme,
- (c) to collect evidence to reinforce conviction in the utility of the programme.

*Some Characteristics* of an evaluation are :

- (a) Evaluations can be both qualitative and quantitative.
- (b) It can be internal or external or both. Educational evaluation is internally conducted for bringing improve-



ment in teachers performance, trainees achievements, and in the utility of training material and facilities. The results of evaluation are used to change syllabi and curricula.

- (c) Sometimes though concurrent evaluation is conducted as a part of educational programme, it is generally conducted periodically and at the final stage of the programme.
- (d) It tends to be comprehensive. However, different aspects of the programme can be assessed separately.
- (e) It should be simple and economical.

48. It was considered necessary to determine the needs and objectives of the programme, and conduct a bench mark survey for the effective implementation and evaluation of a farm guidance programme. Other steps to be followed in evaluation are as follows :

- (1) Defining the needs and objectives of the programmes.
- (2) Setting up of a committee to develop the frame of reference and determination of scope, criteria, methods of evaluation etc.
- (3) Collection of data (facts and figures) from direct and indirect sources in different stages of the programme implementation.
- (4) Analysis and interpretation of data (to ensure that causes of deviation from objectives are detected).
- (5) Reporting of results, suggesting ways and means of improving the programme.
- (6) Application of results and recommendations.
- (7) Further research and evaluation.

### *Research and Farm Guidance*

49. The experience of planners in agricultural development shows that there are several problems of technological, social and economic character to be faced before any success is expected. The *research, education of personnel and extension work for farmers* are to be geared to the solution of these problems. In addition, a better climate for farm guidance should be created through land reforms, other legislation and movements like community development and Cooperation.

50. Recently, inter-disciplinary approach in research and evaluation has been emphasized to get practical results in the field of agricultural development; compartmentalisation of knowledge

under different subjects would lead to only theoretical results. Specialists from such organisations as academic and research institutions, public administration institutions and cooperative organisations should form teams and conduct applied research to solve farmers' problems.

51. Agencies which have undertaken research, education and extension for rural areas have succeeded in making an effective contribution to agricultural development. Land Grant Colleges in the U.S.A. and rural or agricultural universities in India and Japan are some of good examples of such institutions for agricultural and rural development. Cooperatives can act as agencies for agricultural extension and undertake farm guidance. They can also contribute to research, and the education of guidance personnel. The evaluation report (1960-61) on India's Intensive Agricultural Development Programmes (I.A.D.P.), has highlighted the key role that research (technological, administrative as well as economic) has to play in modernizing agriculture. It has also emphasized effective coordination between research and extension, necessary for farmers' problems to be effectively solved.

#### IX. INTEGRATED AND COORDINATED APPROACHES TO FARM GUIDANCE : A CASE STUDY FROM JAPAN

52. To present an integrated approach to farm guidance through agricultural cooperatives, a case study of a primary multi-purpose cooperative society situated in Ibaragi Prefecture of Japan was examined. The most important achievement of the society was integration of farm guidance services in its business activities. This integration brought dynamic changes in behaviour and economies of the members, and thus enabled the society to substantially improve its business. It may be mentioned that the society was running at a loss before undertaking the farm guidance activities. A brief description of the society and its farm guidance activities are given below :

- (1) Due to the limitation of land in the area of the Ogawamachi Agricultural Cooperative Society, it was not possible to expand members' land holdings in order to increase agricultural production. The only alternative was to increase agricultural income by expanding size of farming, which does not require much land. Then the agricultural cooperative society worked out a

regional production programme keeping the government regional agricultural development programme in mind. In consultation with other institutions concerned, the society selected major items for increased production and set up a certain pattern of farming, e.g. rice and poultry farming, rice and pig rearing, rice and dairy farming, etc.

- (2) The society has established commodity-wise production groups. Conditions of eligibility for the membership of groups are as follows :

*Poultry*—Those farmers who are breeding more than 300 chickens.

*Pig rearing*—Those farmers who are breeding more than 25 pigs.

*Dairy farming*—Those farmers who are breeding more than 5 cattle. Those farmers who are not eligible are grouped in a part-time farming group according to type of farming.

- (3) The society has worked out their business programme in order to meet the requirements of these groups. The departments of the society were divided into planning and administration, business and guidance. Subject-matter specialists were appointed and funds were made available to farmers according to a special scale formulated by the society. Facilities were also expanded. As a result of these measures, achievements have been made in the field of (a) systematic production, (b) expansion of farming, (c) standardization of variety of produce, (d) quantitative and systematic marketing.
- (4) Next to cope with were price problems. The society worked out a long-term Equal Payment System for pig-rearing and a monthly payment system for chicken rearing. In addition, a Five Year Plan was implemented whereby expansion and stabilization of production have been brought about to a considerable extent.
- (5) In 1968, the society made a long-term Farm Management Improvement Programme in which home-life improvement was included. The problems with which the society is confronted are (a) further improvement of land conditions, (b) contract farming and (c) housing for members.

## X. PROGRAMMING OF FARM GUIDANCE

53. Based on the experience gained by the Ogawamachi Agricultural Cooperative Society in Japan, the procedures involved in the programming of farm guidance activities were discussed in the seminar.

54. The most important task of agricultural cooperatives is to help farmers in increasing agricultural production and in improving marketing conditions. Successful implementation of such function will result in ensuring better income and improvement of farmers' life. The guidance activities of the agricultural cooperatives are for both farm management and life improvement. In 1962, the Ogawamachi Agricultural Cooperative Society made a Five Year Plan to promote livestock industry in the area. But by the end of the plan, only 50% of the target was achieved. The causes of failure were lack of basic information on farming and inadequate attention to members' interest in farm management. On the basis of this experience, the society has conducted a survey on agricultural conditions in the area, with a view to collecting necessary data for formulation of an effective farm guidance programme.

55. After the survey, the society has organized group meetings throughout the village to inform the farmers of the findings and to discuss measures to be followed. Then the society worked out its regional agricultural development programme with unanimous support of the members.

56. In formulating this programme, the society has selected major items to be increasingly produced, taking into consideration the future trends of prices and consumption of agricultural products. For effective implementation of the programme, the society organized its members into small groups according to the pattern of farming shown in the survey, and in consultation with these groups, the society decided the minimum size of farm management to standardize the management. Then each member of the group worked out an individual production programme and on that basis, the society formulated regional production programmes of major items.

57. The society selected the major items for increased production to shift the traditional agrarian management towards profitable and commercial agriculture, and to strengthen its bargaining power in the market. For this purpose, the detailed improvement programme was considered essential. An example of an improvement programme of rice production is given in the

following account. When the basic data was compiled, the cultivated area of paddy was 436 hectares and the volume of production was 1,829 tons. The only possibility of expanding paddy production in this area was through the reclamation of swampy forestry land. The target of the improvement programme is to produce 2,501 tons of rice with 576 hectares of land by 1972. However, as it is presumed that the shortage of farming labour will be more acute, the society has decided to stress the primary importance of promotion of mechanization and joint farming in collaboration with the village administration, Prefectural Government, Extension Office and Prefectural Union of Agricultural Cooperatives. The society has also made a programme to increase the productivity by means of selecting a better variety of rice, better fertilization plan and soil improvement.

## XI. COORDINATED APPROACH TO FARM GUIDANCE

58. A case study of a primary cooperative from the Republic of Korea was presented to show how a cooperative can successfully coordinate different factors and help farmers through farm guidance. A brief description of the farm guidance activities of the society is given below:

59. In the area of Yongheung-Ri Agricultural Cooperative, the agricultural production pattern is being switched from the predominant food grains production to a combined suburban style—the cultivation of rice and truck crops plus livestock raising. The most effective factor for this growth is the easy access of the village to the big consuming cities like Seoul and Suwon.

60. In order to cope with such transition in agricultural pattern, the cooperative has formulated a farm development plan which was motivated by the following factors:

- (a) Transition of agricultural production pattern from the production for self-consumption to that of surplus chiefly for sales.
- (b) Geographically favourable conditions for the introduction of a new farming pattern which is suburban agriculture, livestock raising and the cultivation of truck crops.
- (c) Sharp rise of land prices resulting in the relative disadvantage of the traditional farming pattern.
- (d) Encouragement measures of the government and the N.A.C.F.

61. In compliance with this plan, eight project or commo-

dity-wise production groups have been established. Each group has a leader and a subject-matter technician, who are all on a voluntary basis. The activities of these groups are centred on the joint control of blights and insects, cooperative procurement of required materials, joint sales of their products, hatchery service, etc.

62. The Cooperative plays the function of coordinating the activities of the project groups. It makes arrangement for the provision of funds, material, marketing information, etc.

63. As a result of the plan, income has been increased. In 1968, each farm household acquired an additional average income of 15,000 Won to 28,000 Won.

64. The problems encountered in implementing the farm guidance programmes were indicated as follows :

- (a) Excessive dependency on support from outside.
- (b) Inadequate adaptability to fluctuations in farm prices.
- (c) Inefficiency of marketing.
- (d) Rise of land price and lack of farm labour.

65. The case study concluded with the remark that farm guidance means a series of integrated approaches to harmonize and coordinate all the activities of agricultural cooperatives in favour of producer-farmers. In this sense, the farm guidance activities in agricultural cooperatives are considered to be a prerequisite for rural growth in developing countries.

## XII. FARM GUIDANCE IN INDIA

66. A case study of two districts in India where the Intensive Agricultural Development Programme has been in operation for the last 8 years was presented to the seminar. The study highlighted the need of trained personnel required for effective farm guidance work. The Intensive Agricultural Development Programme (IADP) was introduced in India in 1960 on the recommendations of a team of agricultural experts, sponsored by the visiting Ford Foundation in 1959. The essence of the Programme is that instead of spreading the efforts on a uniform basis throughout the vast area of the country, intensive efforts for agricultural production should be made, combining manpower and resources, in selected district areas which had the optimum conditions for stepping up agricultural production. The Ten Point Pilot Programme for increasing food production contains the essential pre-requisites for implementation of the IADP Programme.

67. In the IADP Programme, extension is an integral part

of planning both at the Central and State levels. As an educational process, it has necessarily to be supported by technical guidance, supplies and services. In addition to the specialists, subject matter specialists, extra extension officers and village level workers provided in the district, block and village levels respectively, the employees of cooperative institutions *e.g.*, service cooperatives, cooperative banks, marketing societies, are also directly involved in the agricultural development programme. The participation of farm leaders is ensured through direct involvement of progressive farmers and through their voluntary organisations. The contribution of the Rural Agricultural University and its staff for extension work in one of the districts under study has been found to be excellent. The Uttar Pradesh Agricultural University, Pant Nagar, has started organising programmes in this direction in the districts under study and also in other selected areas.

68. The case study has revealed that the farmers have, by and large, adopted new methods and techniques in both the districts. The cooperative societies have contributed to the outstanding results in agricultural production, adoption of high yielding variety and increased consumption of fertilizer. The study has further revealed that the problems of the farmers in regard to agricultural technology, farm management, economics of crops, marketing of produce, etc., need to be studied along with the farmers and their organisations by the agricultural universities and government departments and timely remedial measures suggested.

69. One of the important results of this case study is that farm management and water utilisation should be accorded high priority in the districts under study. Institutions like cooperative societies require strengthening at various levels. This has been done in the two districts in order to provide extension services so as to gradually reduce dependence on governmental machinery. Mere increased agricultural production has not been the panacea for the problems of raising the farmers' income level. The storage, marketing, communication and processing arrangements must be effectively improved if the farmer is to be benefited by the adoption of agricultural innovation.

70. Training and orientation programmes are essential for all categories of functionaries in the government and cooperative movement. These should be organised at regular intervals. The institutional training arrangements need also to be oriented to meet the emerging problems. Radio as a mass communication medium is playing a useful role in farmers' education and therefore

should be adopted extensively in all other areas. Demonstration of improved practices may be conducted on a more scientific and planned basis with the problems of small but viable farmers deserving special attention.

71. The case study has confirmed the view expressed by the Experts' Committee that recently evaluated the IADP Programme in India, that the Intensive Agricultural Development Programme in the two districts under reference, have undoubtedly acted as "path finders" and "pace-setters" and together with a high yielding variety programme throughout the country, have ushered a breakthrough in agriculture. This has generated a huge demand for tractors, electric tubewells and pumping sets, mixed fertilizers, latest high yielding varieties of seeds, plant protection measures, production based credit from various agencies, research, etc. The role of agricultural cooperatives in providing the essential services of farm guidance is crucial to the success of any programme aimed at increasing the farmers' economy and in turn that of the nation.

### XIII. COORDINATION AMONG AGENCIES IN THE FIELD OF FARM GUIDANCE

72. There are generally several agencies concerned with planning, implementation, research and evaluation in the field of farm guidance in a country. Some of these agencies are :

- (a) Farmers' Organisations, such as Cooperative Federations, Land Improvement Associations.
- (b) Government Agriculture and Extension Departments.
- (c) Radio and TV broadcasting stations.
- (d) Publishing agencies bringing out simple literature for farmers, *e.g.*, the Ie-No Hikari Association in Japan.
- (e) Agricultural academic institutions, such as in India and Japan, rural or agricultural universities, experimental stations and land grant colleges in the United States.
- (f) Specialised research and evaluation agencies in the field of agriculture and rural development, *e.g.*, Programme Evaluation Organisation in India and Pakistan Academy for Rural Development in Pakistan.

73. Basically, farm guidance activities at the farm level are designed to motivate individual farmers to improve their own economic and social welfare, which has an important bearing on the development of agriculture and balanced growth of the economy.



74. The core of the cooperative farm guidance is a comprehensive independent self-help programme based on the cooperative system of production and marketing among farmers.

75. Therefore, actual farm management guidance activities with regard to optimum combination of available management, financial and technical resources, should be performed by the agricultural cooperatives and their member-farmers.

76. So far as the role of government department is concerned, their major contribution should be in providing a favourable environment for farm guidance and basic information on agricultural development. The agricultural, academic and research institutions should contribute by training of farm guidance personnel, development and dissemination of new techniques of production and conducting experimental projects in the field of farm guidance and rural development. These institutions can also provide a technical consultancy service for farmers and their cooperatives.

77. An effective coordination among the agencies is needed to plan and implement farm guidance programmes. Cooperatives should undertake such coordination and provide farm guidance to its members in an integrated manner.

78. To achieve coordination among the various agencies, particularly within the movement at all levels, it was suggested that there should be coordination committees at the provincial/prefectural, district/county and block level of government representatives, and cooperative organisations; these coordination committees should not only be advisory but, in order to be effective, should be vested with administrative powers with a view to minimise friction and bring the advantages of technology and research to the farmer. A pattern for organisation and coordination among various agencies has been indicated in Annexure 'C'.

#### XIV. THE ROLE OF INTERNATIONAL ORGANISATIONS

79. The following international organisations are concerned with training, research, evaluation and technical assistance in the field of farm guidance and rural development.

- (a) UN Agencies, such as FAO, ILO, UNESCO, UNDP, ECAFE.
- (b) International Development Bank, Asian Development Bank.
- (c) International Cooperative Alliance (ICA), International Federation of Agricultural Producers (IFAP).

- (d) International educational institutions, such as St. Xavier University, Canada and the Institute for Development of Agricultural Cooperation in Asia, Tokyo.

80. There is a need for closer coordination among these agencies in the field of financial and technical assistance for co-operative development. In addition, all the agencies implementing agricultural or rural development should have departments for research and evaluation to assist in planning, implementing and constant evaluation of their programmes.

81. Assistance (technical or financial) needed from international organisations in planning and implementing the projects on farm guidance is indicated below. Technical assistance from international organisations may concentrate in the following areas :

- (1) Supply of equipment like audio-visual aids, books for the library, etc. Preparation and publication of manuals, model material and audio-visual aids.
- (2) Granting of fellowships for (a) deputation of the personnel to countries for training where the movement has a significant programme, (b) participation of senior persons in seminars, conferences, workshops etc. abroad for exchange and sharing of experiences.
- (3) Assistance in research and preparation of case studies on the systems of farm guidance through cooperatives in selected countries.
- (4) Securing of experts should be limited to the actual needs of the agricultural cooperatives and, in the view of the seminar, this form of assistance needs to be kept to a minimum. The international experts and advisers should be given local counterparts who will undertake the full responsibility in due course.

#### 82. *Financial Assistance*

Grants, loans and subsidies for specific businesses (farm mechanisation, land improvement, processing and marketing of farm produce, etc.

83. The international organisations should also assist in collecting market and supply information and marketing of farm produce at reasonable prices.

84. The ICA should be more effective in formulating the requirements of technical assistance of the agricultural cooperatives in the region, and channelling of the available assistance of the various international organisations to the movement.

85. While formulating any legislative measure, the respective governments should take into consideration the principles of cooperation, as laid down by the ICA. This is with a view to promoting the growth of genuine cooperatives, which should receive technical assistance from international and other agencies.

86. It was further suggested that the ICA, through cooperatives, should act as a coordinating agency in the field of farm guidance. The TA projects in this field may be channelled and processed through the ICA Regional Office & Education Centre and adequate facilities and funds should be provided for the purpose.

87. The international agencies should pool their *funds* and other resources to conduct experimental projects, research and evaluation programmes of common interest. Recently the FAO, ILO, ICA and IFAP, have agreed to have a joint committee and a coordinated programme in the field of technical assistance to agriculture. The committee has initiated a research study on guarantee funds for international financing of cooperatives. It may also promote some projects in the field of agricultural education and consultancy work, particularly in management of cooperative enterprises.

88. It was recommended by the seminar that after assessing the working of the above Liaison Committee at an international level, a similar committee for the South-East Asian Region should be formed by the organisations concerned. The ICA Regional Office & Education Centre should take initiative in this direction.

89. It was mentioned that the ICA Agricultural Committee and its Sub-Committee for South-East Asia are deeply interested in the promotion of farm guidance through agricultural cooperatives. The committee will seriously consider the recommendations of the seminar and will explore possibilities of further trainings and research in the field of farm guidance and agricultural cooperation. As the training and incentives for cooperative management and farm guidance personnel were considered essential for successful cooperative development, it was recommended that the ICA should explore possibilities of developing training programmes for different types of farm guidance personnel.

#### 90. *Some Suggestions for Research*

There are quite a few research studies of the applied type conducted for solving farmers' problems. The main problem before guidance personnel is to understand farmers' problems, their

psychology and their reaction to new ideas. There is also a need for inter-disciplinary approach to research and evaluation. Therefore, practical research studies in the field of rural psychology, sociology and other subjects should be increasingly undertaken to assist farmers' guidance personnel in their work. They should also be trained in simple techniques of action research and evaluation. The United Nations Research Institute for Social Development, Geneva, is engaged in meaningful motivational research work in collaboration with the UN Specialized Agencies.

91. In different countries of South-East Asia, some pilot projects on farm guidance activities through agricultural co-operatives should be undertaken. Research and evaluation must be made an integral part of such projects. Analytical case studies on cooperatives successfully undertaking farm guidance activities should be made. Some case studies on farm guidance of agricultural cooperatives in Japan, Republic of Korea, and India have already been prepared and made use of in the seminar.

92. An outline of the Cooperative Enterprise Development Centre (CEDC) was discussed. The seminar was of the opinion that the idea of CEDC can suitably be adopted to specific conditions prevailing in South-East Asia. It should be implemented on an experimental basis with the help of cooperative organisations, the ICA and the governments of the countries concerned. Promotion of farm guidance should be one of the important activities of CEDC. It was indicated that properly formulated projects on the line of CEDC have the possibilities of receiving support and aid from the ILO and UNDP.

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National Agricultural Cooperative  
Federation, 75, 1st-ka, Choongjung-Ro,  
Sudaemoon-ku, Seoul, Republic of Korea.
29. Mr. Allan W. Sudholt,  
Rural Development Division,  
U.S. AID, Korea.

ICA REGIONAL OFFICE & EDUCATION CENTRE,  
NEW DELHI

30. Mr. P.E. Weeraman,  
Regional Director,  
International Cooperative Alliance,  
Regional Office & Education Centre for  
S-E Asia.
31. Dr. Dharm Vir, Seminar Leader,  
Joint Director, Education,  
International Cooperative Alliance  
Regional Office & Education Centre for  
S-E Asia.
32. Mr. Shiro Futagami,  
Deputy Director, Education,  
International Cooperative Alliance  
Regional Office & Education Centre for  
S-E Asia.



## SECRETARIAT

33. Mr. Gurcharan Singh, Seminar-Secretary,  
International Cooperative Alliance  
RO & EC for South-East Asia,  
New Delhi, India.
34. Mr. Dong Hoo Joh,  
Deputy Manager, Research Department,  
N.A.C.F., Seoul, Korea.
35. Mr. Byung Hang Choi,  
Chief, Agr. Economic Section,  
Research Department, NACF.  
Seoul, Korea.
36. Mr. Kyung Soo Sohn  
Assistant Manager, Research Department,  
NACF, Seoul, Korea.
37. Mr. Kyung Soo Han,  
Research Department,  
NACF, Seoul, Korea.

## Annexure—B

### PROGRAMME

#### September 28 Sunday

Arrival in Japan (Tokyo)

#### September 29 Monday

Forenoon

Orientation of Participants in the Japanese Agricultural Cooperative Movement and its Farm Guidance Activities.

#### September 30 Tuesday

and

#### October 1 Wednesday

} Study visits in Japan.

#### October 2 Thursday

Arrival at Seoul.

#### October 3 Friday

Free (National Holiday : The Foundation Day).

#### October 4 Saturday

1000-1100

1. *Inauguration of the Seminar in Auditorium of NACF.*

1100-1120

Introduction to ICA's activities in South-East Asia.

Dr. Dharm Vir, Joint Director (EC), ICA RO&EC.

1120-1230

2. *Working Methods of the Seminar*

Mr. Shiro Futagami, Deputy Director (EC), ICA RO&EC.

0230-0315

3. *The Objectives and Scope of Farm Guidance*

Dr. A.F. Braid, Acting Chief, Cooperatives, Credit & Rural Sociology Branch, FAO, Rome

*Introduction by : Dr. A.F. Braid.*

0315-0330 Questions and observations.  
0400-0500 Group Discussion.  
0700 Dinner by the President of the NACF.

**October 5 Sunday**

Free for sightseeing.

**October 6 Monday**

0900-1100 4. *Review of Farm Guidance in South-East Asia.*  
(Presentation of the country background papers by the participants).  
Chairman : Dr. Dharm Vir.

1115-1230 Session 4 continues.  
*Remarks by:* Dr. A.F. Braid.

0230-0315 5. *Coordinated Approach Towards Farm Guidance*  
A case study from the Republic of Korea.

*Introduction by:* Mr. Hyo Chul Ahn  
Manager,  
Research Department, NACF, Seoul.

*Chairman :* Dr. A.F. Braid,  
F.A.O.

0315-0330 Questions and observations.

0345-0445 6. *Integrated Approach Towards Farm Guidance*  
A case study from Japan.

*Introduction by:* Mr. M. Hasegawa,  
Chief, Farm  
Guidance Division,  
Ogawa-cho Agril.  
Coop. Society,  
Ibaragi Prefecture,  
Japan.

*Chairman :* Mr. Shiro Futagami

0445-0500 Questions and observations.

**October 7 Tuesday**

0900-1230

0230-0500

7. *Cooperative Farm Guidance in the U.S.A., Canada, Pakistan and India.*

Panel Discussion.

*Chairman :* Mr. M.A. Quraishi  
Addl. Secretary,  
Ministry of Food,  
Agriculture,  
Community Deve-  
lopment & Coope-  
ration, Government  
of India, New Delhi

*Members :* Mr. Allan W.  
Sudholt, Rural  
Development Div.,  
US/AID, Korea.  
Dr. A.F. Braid,  
Dr. Dharm Vir,  
Mr. J.N. Chaku,  
Deputy Director,  
(Coop. Training)  
Ministry of Food,  
Agr. C.D. & Coop.  
Department of Co-  
operation, Govern-  
ment of India,  
New Delhi.

1130-1215

8. *Pre-requisites for Cooperatives Undertaking Farm Guidance Activities.*

Analysis of local socio-economic conditions—Determination of farmers' needs—Planning of farm production and cooperative business planning—Organisation for implementation of the plan and facilities to be given to farmers—Technical innovation required in farming—Improvement in farm management—Technical information to and education of farmers—Assistance in marketing.

*Introduction by* : Mr. Shiro Futagami  
Deputy Director  
(EC) ICA RO & EC

*Chairman* : Mr. Poo Young Lee,  
Deputy Manager,  
Education & Public  
Relations Dept.,  
NACF, Seoul,  
Korea.

1215-1230

Questions and observations.

0230-0500

Group Discussion

**October 8 Wednesday**

0900-1000

9. *Programming of Farm Guidance.*  
(Based on experience from Japan)  
How to determine the contents of farm guidance; how to formulate, implement and assess the effectiveness of farm guidance programme (Mass media such as, Radio, T.V., Wire-Communication, Films, Press, etc., will be kept in view).

*Introduction by* : Mr. M. Hasegawa,  
Chief, Farm Guidance Div. Ibaragi  
Prefecture, Japan.

*Chairman* : Mr. Hyo Chul Ahn.

1000-1015

Questions and observations.

1030-1130

10. *Personnel for Farm Guidance.*  
Requirement at different stages of development, qualifications of farm guidance workers, training of farm guidance personnel, institutional training, on-the-job training, contents, methods, etc.

*Introduction by* : Mr. M.A. Quraishi  
Additional Secy.,  
Govt. of India,  
New Delhi.

- Chairman* : Mr. Edgar Tilly,  
Regional Advisor  
on Coop. Management, ILO,  
Bangkok.
- 1130-1200 Questions & observations.
- 0200-0400 Group Discussion.
- 0400-0530 11. Plenary Session.
- October 9 Thursday** Study visits in Seoul Area.
- October 10 Friday**
- 0900-1000 12. *Organisational Structure and Funds  
Required for Farm Guidance through  
Cooperatives—Vertical & horizontal  
Introduction by* : Mr. Y. Mogami,  
Manager, Agricultural Policy & Farm  
Guidance Department, Prefectural  
Union of Agrl. Cooperatives,  
Ibaragi Pref. Japan.
- 1000-1015 Questions and observations.
- Chairman* : Mr. Shiro Futagami  
Deputy Director  
(EC) ICA, RO & EC
- 1030-1130 13. *Education Material and Audio-  
Visual Aids*  
Use of study material, pamphlets,  
manuals, non-projected visual aids,  
etc. (demonstration of some of the  
material in use for the farm guidance  
work).  
*Introduction by* : Mr. Poo Young Lee,  
Deputy Manager,  
Education & Public  
Relations Dept.  
NACF, Seoul,

*Chairman* : Mr. C.S. Amaratunga,  
Director, Cooperative  
Federation of Ceylon,  
Colombo.

1130-1200

Questions and Observations.

0200-0245

14. *Methods and Techniques of Farm Guidance, (in term of objectives, contents, audience and resources available).*

*Introduction by* : Dr. Dharm Vir,  
Joint Director (EC)  
ICA, RO & EC.

*Chairman* : Mr. Poo Young Lee

0245-0300

Questions and observations

0330-0500

Group Discussion

**October 11 Saturday**

0900-1000

15. *Role of Different Agencies in Co-operative Farm Guidance Work. Coordination among different agencies (Vertical & Horizontal government departments, cooperatives, experimental stations, other extension agencies, universities and research institutions, etc.*

*Introduction by* : Dr. Nam Kyu  
Chung, Executive  
Vice President,  
NACF, Seoul,  
Rep. of Korea.

*Chairman* : Mr. M.A. Quraishi.

1000-1030

Questions and observations.

1100-1200

16. *Evaluation and Research in the Field of Farm Guidance Work.*

Areas of Research, Methods and Techniques, Need of Evaluation, Problems.

		<i>Introduction by</i> : Dr. Dharm Vir, Joint Director (EC) ICA RO & EC.
		<i>Chairman</i> : Mr Hyo Chul Ahn.
1200-1230		Questions and observations.
0230-0400	17.	<i>Technical Assistance in the Field of Farm Guidance</i> Panel Discussion. Role of international organisations, e.g. FAO, ILO, ICA, IFAP, etc. <i>Chairman</i> : Mr. Edgar Tilly, ILO. <i>Members</i> : Mr. Ottogil, Land & Water Expert, FAO. Mr. Shiro Futagami, Dy. Director (EC), I.C.A.
0415-0530		Plenary Session.
<b>October 12 Sunday</b>		Free
<b>October 13 Monday</b>		
0900-1230		Group Discussion.
0230-0500	18.	Plenary Session.
<b>October 14</b> } <b>October 15</b> } <b>October 16</b> }		Study Visits in the Republic of Korea.
<b>October 17 Friday</b>		
0830-1000		<i>Final Plenary Session</i> Presentation of the draft report. Comments on the Summary.
1015-1030		<i>Remarks by</i> Dr. N.K. Chung.
1030-1045		<i>Remarks by</i> Mr. P.E. Weeraman, ICA Regional Director, New Delhi.
1045-1100		<i>Remarks by</i> Participants & Observers
1100-1115		<i>Vote of Thanks</i> : Dr. Dharm Vir.



STUDY VISITS IN JAPAN : September 29—October 1, 1969.

**SEPTEMBER 29, MONDAY**

- 1000 a.m.-1200                    Visit to the Central Union of Agricultural Cooperatives.  
—General Introduction on Farm Guidance Activities of Agricultural Cooperatives in Japan.
- 0130-0500                        Visits in Tokyo.

**SEPTEMBER 30, TUESDAY**

Visit to Ibaragi Prefectural Union of Agricultural Cooperatives, Cooperative College and Ibaragi-cho Primary Agricultural Cooperative.

**OCTOBER 9, WEDNESDAY**

Visit to Agriculture Extension Office, Ogawa-cho Agri. Cooperatives, Farmer's House, Cooperative Feedstuff Processing Factory and Fruits & Vegetables Grading Centre.

STUDY VISITS IN KOREA : October 9 and 14-16, 1969.

**OCTOBER 9, THURSDAY**

- 0830                                Depart Ambassdor Hotel.
- 0900-0940                        Visit Seoul Dairy Cooperative.
- 1040-1110                        Visit Agricultural Cooperative College.
- 1110-1120                        Visit Artificial Insemination Centre.
- 1120-1200                        Visit Suesamneung Pilot Dairy Farm.
- 1240                                Arrive at Hotel.

**OCTOBER 14, TUESDAY**

- 0900                                Depart Ambassador Hotel for Incheon.
- 1130-1230                        Visit Incheon Horticulture Cooperative.  
Luncheon by Manager of Kyunggi Provincial Branch Office of NACF at Olympos Hotel.
- 1400-1500                        Visit Kyunggi Provincial Branch Office of NACF.
- 1500-1630                        Visit Yongheung-Ri Agricultural Cooperative.
- 1830-                                Arrive at Onyang Admiral Hotel.
- 1900-2100                        Dinner.

**OCTOBER 15, WEDNESDAY**

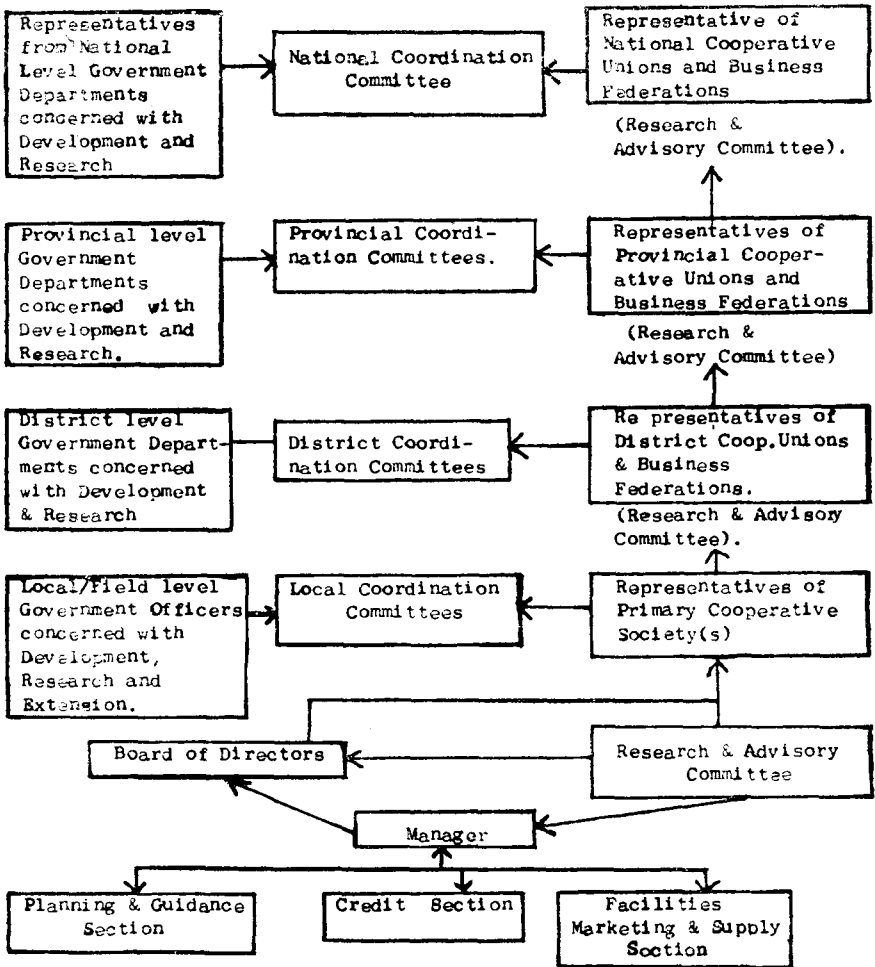
0930-1030 Visit Asan-Gun Agricultural Cooperative  
1030-1230 Sightseeing at Hyunchoong-Sa  
(Memorial Area of Admiral Lee).  
1230-1400 Lunch Break at Onyang Hotel.  
1400 Depart Onyang Hotel.  
1600 Arrive at Mannyunjang Hotel, Yusung.  
1900-2100 Reception by Manager of Choongnam  
Provincial Branch Office NACF.

**OCTOBER 16, THURSDAY**

1000 Depart Mannyunjang Hotel.  
1030-1130 Visit Choongnam Provincial Branch Office  
of NACF.  
1130-1300 Lunch Break.  
1300 Depart Taejun for Suwon.  
1530-1700 Visit Office of Rural Development in  
Suwon.  
1830 Arrive in Seoul.

Annexure C

ORGANISATIONAL STRUCTURE FOR FARM GUIDANCE



COMMODITY GROUPS

## EXPERIMENTAL PROJECT ON FARM GUIDANCE

An outline for the experimental project on FARM GUIDANCE through Agricultural Cooperatives in South-East Asia is indicated below :

### A. Objectives

#### 1. General objectives :

- (a) Improve the performance of the agricultural cooperatives.
- (b) Promote improvement of the standard of living of the farming community.
- (c) Contribute to the growth of the national economy.

#### 2. Specific objectives :

- (a) Increase efficiency of the farm units by involving the members of the community in farm planning and, for the purpose, provide inputs and services through cooperatives and other agencies.

This would include (i) conducting survey to assess the actual and potential resources i.e. physical, human and financial, and assessment of production capacity as related to the price structure and market demand, (ii) estimate of additional requirements and facilities can be provided through cooperatives and other agencies; and (iii) relating to the commodity interest of farmers, formulate a farm plan and a budget based on the repaying capacity of the farm unit.

- (b) Improve the performance of the individual farmers in terms of increased knowledge, new skills and changed attitudes.
- (c) To provide essential leadership training at different levels.

### B. Organisation (indicated in Annexure C)

A suitable number of primary cooperatives may be involved

in the experimental projects. The sample of these cooperatives should be drawn from a compact area or economic region.

#### *C. Functions of the Cooperatives :*

1. Survey and business planning and evaluation.
2. Credit : loaning saving and recovery.
3. Supply : Production material and consumer goods.
4. Marketing : Cereals, livestock etc.
5. Education and farm guidance : guidance on farm management and home life improvement as well as member education.
6. Formation of servicing to commodity groups.
7. Coordination with relevant agencies.

#### *D. Personnel*

1. Manager of an agricultural cooperative :  
He should possess fair degrees of cooperative knowledge and business administration with a view to implement successfully the day-to-day programme of the society under the general guidance of the Board of Directors.
2. Experts on specialised subjects : The manager shall be assisted by a team of experts who should be well-qualified preferably graduates and trained in their various branches of work i.e. production, marketing, supply including farm guidance. The number of experts will vary according to the size and viability of each society. Each multipurpose society to be involved in the experiment should appoint atleast one farm advisor.

The seminar is of the view that training of the personnel of the society should be given due importance. A cadre of cooperative personnel should be formed, wherever it does not exist, so that the farm guidance programme with its allied activities is implemented by the personnel of the movement itself. The practice of taking persons from the government department, wherever in vogue, should progressively be restricted. Legislation, if any, in the matter requires to be liberalised.

#### *E. Funds*

The funds should be raised from the following sources :

1. Share capital of the cooperatives.
2. Contribution of members for farm guidance activity.

3. Raising of rural deposits.
4. Loans from financing agencies.
5. Financial assistance in form of grants or subsidies from the government till such time that the agricultural cooperative societies become financially self-reliant.

*F. Evaluation*

Evaluation should form an integral part of the pilot project with a view to assess the achievement and failures of the objectives set forth in advance. The lessons learned should be brought into the planning process of action programmes at an early stage.

## PART II

### COORDINATED APPROACH TOWARDS FARM GUIDANCE : A CASE STUDY FROM THE REPUBLIC OF KOREA

(Prepared by Mr. Hyu Chul Ahn, Manager Research Department,  
National Agricultural Cooperative Federation, Seoul.)





# COORDINATED APPROACH TOWARDS FARM GUIDANCE

—A Case Study from the Republic of Korea

## I. GENERAL REVIEW

### 1. RECENT DEVELOPMENTS IN AGRICULTURE

The Korean economy has maintained an average annual growth rate of 8.3 per cent since 1962. The nation's economic growth rate reached 13.3 per cent in 1968, the second year of the Second Five-Year Economic Development Plan, in spite of a setback in agricultural production resulting from drought.

Keeping pace with the development of the national economy, Korean agriculture recorded an average yearly growth rate of 6.3 per cent during the 1962-66 period. Due to recurrent droughts during the 1967-68 period, however, the growth rate dropped by 6.0 per cent in 1967, and the annual increase rate stayed at an extremely low 1.2 per cent in 1968. As a result, the share of agriculture in the national economy continued to decrease.

In 1962, the nation's agricultural production constituted 39.7 per cent of the GNP. In 1968, it dropped to 29.4 per cent. However, agricultural production continued to increase during the 1962-67 period, and total agricultural production in 1968 showed an increase of 25.7 per cent over 1962. Particularly sharp increases were recorded in livestock raising and in the cultivation of fruits and vegetables. Their respective increases were 29.9 per cent, 57.6 per cent, and 52.7 per cent in 1967 over 1962.

### 2. THE NEED FOR FARM GUIDANCE IN AGRICULTURAL DEVELOPMENT

Under the Second Five-Year Economic Development Plan to be implemented during the 1967-71 period, the Korean economy is expected to grow at an average rate of 7.0 per cent per year, while the average annual growth target for agricultural production is set at 5.0 per cent. The Plan also indicates that agricultural production will increase 30 per cent in 1967 over 1965, and production of foodgrains in particular will increase as sharply as 39 per cent.

Some of the major objectives of agricultural policies include (1) increased production of foodgrains, (2) the elevation of farm productivity and farm income for the rectification of the gap between the rural and urban areas, and (3) structural improvement of agriculture following the liberalization of foreign trade.

Such goals of the development plan and the agricultural policies cannot be adequately achieved simply by means of the Government's investment and loan policies or farm price and marketing policy. The successful achievement of these goals requires farmers—the prime movers of agricultural development to spontaneously and actively take part in the programme to reform farm management.

Projects for creating production foundation such as the expansion of arable land, the rezoning of farmland, exploitation of underground water resources and the expansion of irrigation facilities, are prerequisite to agricultural development, and at the same time, effective means of promoting it. However, there is a limit to the effects of investment and loans on agricultural development and to the raising of funds required for investment and loans.

In addition, the farmers do not readily respond to fluctuations in farm prices and their capability of adapting themselves to price fluctuations is very limited, because agricultural production and agricultural development in Korea are hindered by the following economic and non-economic factors :

- (1) The submarginal scale of farmland per farm household and the excessive population,
- (2) Traditional farming methods and techniques,
- (3) Inadequate accumulation of capital,
- (4) Unstable farm prices,
- (5) The traditional sense of value and attitude on the part of farmers ; and
- (6) Limitations imposed by unfavorable weather conditions.

Due to interactions of such socio-economic and physical factors, the Korean agricultural production remains stalemated and confined to the almost exclusive cultivation of rice and barley based on the traditional farming practice. In order to more effectively promote agricultural development, therefore, policies are necessary to induce, guide and enlighten farmers who are the prime movers of the project.

### 3. CHARACTERISTICS OF FARM GUIDANCE IN KOREA

The contents and scope of farm guidance in agricultural

cooperatives vary in different countries and in different cooperatives. In some countries, farm guidance denotes nothing more than the provision of agricultural techniques. In general, agricultural techniques are studied and extended by government agencies with a considerable amount of funds appropriated out of the government budget. Therefore, the provision of advanced agricultural techniques is regarded as one of the most important tasks the government carries out for the development of agriculture.

The ultimate goal of cooperative farm guidance activities is to assure increased income for member farmers, which in turn will depend upon increased productivity in agricultural production and upon cooperative efforts of individual farm management ranging from production to marketing. The agricultural cooperative can make important contributions to farm guidance (1) in providing useful information and recommendations on improved technology and management, and (2) in organizing cooperative efforts of individual member farmers.

The adoption of improved technology on the part of farmers is closely related to cooperative business activities, since the application of new technology usually requires improved seeds, improved farm materials and equipments, along with additional financial requirements. Thus we know that the cooperative guidance activities including credit service, marketing, supply, utilization and processing.

The cooperative farm guidance activities can play an important role in the following field :

- (a) The cooperative farm guidance activities can be effectively directed towards developing a cooperative system of production on the basis of proper farming in the proper area, and such a cooperative production programme can readily be geared into the type of business activities performed by the cooperative.
- (b) The improvement of agricultural land is prerequisite to the cooperative farm planning. The cooperative can be a useful organization in developing irrigation system, rezoning and rearrangement of agricultural land.
- (c) Joint purchase of improved seeds, farm materials and equipments can be greatly facilitated through cooperative guidance activities.
- (d) The cooperative guidance activities can contribute to joint adoption of improved technology, specialization

through division of labour, and joint prevention of crop diseases, which will save a lot of labour costs.

- (e) The contributions cooperative guidance activities can make in developing joint inspection, storage and processing of farm products will increase quality standardization and improve marketing benefit to farmers.

The necessity for such comprehensive guidance activities in agricultural cooperatives has long since been recognized in Korea. The multi-purpose cooperative organization in Korea has proved to be extremely successful in combining cooperative business and guidance activities as an integrated whole.

## II. CASE STUDY

(Yongheung-Ri Agricultural Cooperative)

### 1. GEOGRAPHICAL AND AGRICULTURAL CONDITIONS OF THE AREA

Yongheung-Ri Agricultural Cooperative is situated in Yongin-Gun, Kyungki Province. It is about 40 kilometers south of Seoul.

There are 333 farm households in the area. The arable land covers 4,512 hectares and the acreage per farm household is 1.3 hectares, which shows much higher than the nation's average, 0.9 hectares. Also, by size of farm, the number of farm households with more than 1 hectare occupies 64.1 per cent of the total farm households, indicating far greater than the nation's average of 32.2 per cent.

The production of rice and barley has so far been predominant. But recently, since the opening of the Seoul-Pusan Expressway, the pattern of agricultural production is being switched to a combined suburban style—the cultivation of rice and truck crops plus livestock raising. It is generally considered that the easy access to the big consuming areas such as Seoul and Suwon is the most affecting factor.

### 2. OUTLINE OF THE YONGHEUNG-RI AGRICULTURAL COOPERATIVE

Yongheung-Ri Agricultural Cooperative was inaugurated in 1957 by only 20 members in the village of Borari which was called Borari Agricultural Cooperative. Several months after the inauguration, the membership was expanded to 57 members, and it established a rice mill and opened a cooperative store. In 1966, five cooperatives were merged, and the present Yongheung-Ri Agricultural Cooperative came into being with the membership of 333 farm households.

The major developments since the merger are as follows :

In 1967—Built a food processing plant.

In 1968—Bought a power-tiller, built warehouses for fertilizer and potato storage and a brick-making plant, and opened an agricultural marketing centre.

In 1969—Planned to buy a truck.

There is a general meeting and a general representative meeting. A president, 17 directors, and 5 auditors are elected from among the member farmers. There are five departments

such as the General Affairs, the Farm Guidance, the Living Improvement, and Business Department. The Cooperative employs 8 fulltime employees including a general manager and managers in charge of each department.

As a multi-purpose cooperative, the Yongheung-Ri Agricultural Cooperative conducts credit services, marketing, supply, utilization and processing.

At the end of 1968, the liabilities and the capital reached 6.8 million won. The capital amounted to 3.6 million won or 54 per cent of the total operating fund. The total fixed assets including rice mill, processing plant, cooperative stores, warehouses, and sweet potato silo valued at 5.3 million won which was equivalent to 78 per cent of the operating capital.

The turnover of the businesses during 1968 reached 29 million won or more than four times as much as the capital. The turnover by activity was :

(Us \$ 1.00=275 Won app)

Credit service (Loan)	17.9 million won
Supply of fertilizer, farm chemicals and production materials	8.9 million won
Marketing of farm products	1.3 million won
Utilization and processing	0.9 million won
<b>Total</b>	<b>29.0 million won</b>

### 3. FACTORS DETERMINING INTRODUCTION OF FARM GUIDANCE

The Cooperative has formulated a development plan with stress on production of truck crops and livestock raising. Such farm development plan was motivated by the following factors :

- (a) Paddy land occupies most of arable land in this area, and its acreage per farm household is greater than that of nation's average. Nevertheless, the economic

situation is little better than that in other area because the traditional farming method depending on the cultivation of rice and barley has so far been practised. Therefore, the scale of the cooperative activities has to be naturally limited due to the limited scale of its marketing. In this context, it was required to switch the pattern of agriculture from the production for self-consumption to that chiefly for sales. And as a result, the marketing activity of the cooperative could be expanded to the satisfactory extent.

- (b) The recent opening of the Seoul-Pusan Expressway provided the area with a better access to Seoul and Suwon, both large consumer cities. Therefore, the geographical conditions made this area favourable for the operation of livestock raising and the cultivation of truck crops, which are rapidly growing as suburban agriculture.
- (c) The sharp rise of land prices in this area resulting from the opening of the Seoul-Pusan Expressway has led to the relative disadvantage of the previous agricultural pattern concentrating on the cultivation of rice and barley.
- (d) In addition to the above-mentioned socio-economic factors, the local populace has come to be interested in livestock raising and horticulture on the encouragement measures of the Government and the NACF. Nevertheless, individual farmers had difficulties in getting breeding livestock and initiating truck crop cultivation. Lack of funds and techniques, and poor information on marketing conditions has been most vital.

The plan was accepted at the general meeting in 1968. It was recommended at the meeting that every member farmer should actively participate in the development plan. It was also considered that the advisory and consultant services of the Cooperative are prerequisite to the performance of the plan. Needless to say, the plan had been backed by energetic measures from Gun Cooperative and the government agencies.

#### 4. ORGANIZATIONAL SET-UP, AND METHOD AND TECHNIQUE OF PROMOTING FARM GUIDANCE

According to the nature of farming of individual farm household, eight project groups were established, as shown in the

table below. Each group has a leader and a technician. They are all voluntary.

### FARM GUIDANCE DELT

Rice Culti- vation Group	Native Beef Cattle Raising Group	Pork Swine Raising Group	Breed- ing Pig Raising Group	Poultry Raising Group	Sweet Potato Seedling Growing Group	Horti- cul- tural Group	Floral Group
333	65	40	20	14	191	33	60
house- holds	house- holds	house- holds	house- holds	house- holds	house- holds	house- holds	house- holds

Each group holds meeting at least once a month. At the meeting, the members discuss the problems faced. Especially, their discussions are focused on the marketing information, joint sales and the new farming methods.

Meanwhile, each group has its major activities. For example, the Rice Cultivation Group is engaged in the joint control of blights and insects, and the cooperative procurement or renewal of seeds.

Cooperative purchase of food stuffs, farm chemicals, production materials, etc., are performed. Hatchery service was done by the Cooperative and the incubated chickens are kept for 30 days in the Cooperative raising house. The Cooperative storage facilities are provided. And cooperative marketing of the products is functioned.

After setting up the above organization, the Cooperative requested the county cooperative and the NACF to supply funds and materials, and the ORD local guidance centre to provide technical guidance. The first request was concerned with the livestock raising project. What the Cooperative did for this project is as follows :

#### (a) *Financial Assistance*

The most difficult problem facing the farmers in raising livestock is how to raise funds for buying livestock. In consideration of the present situation of this country, it is beyond the individual farmer's capability to raise enough funds to initiate



livestock raising. Therefore, the Cooperative naturally came to request the county cooperative and the NACF for the special allocation of low-interest intermediate or long-term loans, and received 12 million in intermediate and long-term loans. Co-op. thus reallocated the loans ranging from 50,000 to 1 million Won to each farm household. The loans helped to foster 14 chicken raising farm households, 30 swine raising farm households, and 67 beef cattle raising farm households in this area.

*(b) Supply of Materials and Feeds*

The next problem is related to feed stuffs. By-products from crops per farm household in this country, on the average, can feed only 0.54 head of cattle, 0.60 head of swine or 9.82 head of chicken. Therefore, they should purchase 14 to 20 per cent of the required feed. The Yongheung-Ri Agricultural Cooperative purchases the required feed from the county cooperative or a neighbouring livestock cooperative and distributed it to its livestock raising members at fair prices as a means of encouraging livestock raising in addition to the supply of fertilizer and farm chemicals to ordinary crop cultivating farmers. The total amount of the Cooperative supply of feed reached 749,000 in 1968.

Standardization, grading, packing and quality control for the better merchandise are another important role of the cooperative marketing. In order to have better produce to meet growing market, it is very natural that the cooperative tries to supply proper seeds and other supplies as well as technical information.

*(c) Technical Guidance*

Technical guidance to members is primarily conducted by the group leaders and technicians who are all voluntary workers. However, some technical matters, who are beyond the ability of individual members or voluntary workers within the association, are usually carried out by the specialized technician of the upper organizations and government agencies.

*(d) Exploitation of Marketing*

No less important than funds and feeds in raising livestock and growing horticultural crops is the exploitation of market. Unless market is available, the stock-raising and horticulture fostered with the integrated assistance of funds, material and techniques are destined to end in failure. Therefore, the Cooperative has concentrated efforts for the exploitation of market and cooperative marketing. Eggs have been sold through the marketing

channels of the livestock cooperative, and vegetables and fruits are jointly sold at the Marketing Centre in Seoul which is operated by the NACF. The total amount of vegetables and fruits the Co-op sold through the Marketing Centre reached 1.3 million Won in 1968.

*(e) Education and Training*

The education and training of the voluntary leaders including the group leaders and technicians have been delegated to the county cooperative, the NACF, and the ORD guidance centre. The member education is conducted mainly at the cooperative by those voluntary leaders. Various information and knowledge required for farm operation are exchanged through panel discussions and the monthly meetings of each group. Also, information is being frequently exchanged between the cooperative and its members through the group leaders. Various publications supplied by the NACF are circulated among members.

*(f) Others*

The cooperatives are being used as a service centre for purchase, supply, castration of livestock, epidemic control, sterilization, joint use of facilities and equipment, joint spray of farm chemicals, etc.

## 5. RESULT OF FARM GUIDANCE

The guidance activities have made great contribution to the increase of the income of the member farmers. In 1968, each farm household acquired an additional 15,000 Won to 28,000 Won on the average by raising beef cattle, pork swine, and chicken, and the cultivation of flowers and other horticultural crops. A particularly great amount of additional income was acquired from the swine raising. Swine raiser earned an average of 21,000 Won per household. However, due to the continuous drops in the prices of pork swine, eggs during the fourth quarter of 1968 to the first half of 1969, farmers suffered loss. In 1960, therefore, many farmers had to either discontinue or reduce the scale of swine or poultry farming. Instead, the farmers are paying greater attention to the cultivation of truck crops and flowers.

Therefore, the Cooperative is planning to encourage 125 member households to grow flowers and truck crops while maintaining the scale of its livestock raising at the current level.

## 6. OBSTACLES AND PROBLEMS IN PROMOTION OF FARM GUIDANCE

The following obstacles and problems have been encountered in the course of guidance activities of the Yongheung-Ri Agricultural Cooperative :

### (a) *Excessive Dependency on Support from Outside*

Due to the individual farmer's financial weakness, external help of funds, materials and techniques is necessary, as explained above. Now, the problem lies in the fact that the need for external assistance desired by the farmers is beyond the fiscal capability of the government or the financial capability of the NACF.

### (b) *Dependence Attitude by External Assistance*

The concentrated external assistance to the Yongheung-Ri Agricultural Co-op resulted in reducing the independent and self-help activities and in fostering the reliance upon the outside help. This situation is well reflected by the fact that the cooperative has come up with a request for the supply of 18 million Won from outside to cultivate horticultural crops after it received 12 million in financial assistance for the development of livestock raising.

### (c) *Inadequate Adaptability to Fluctuations in Farm Prices*

The domestic markets of livestock products and truck crops are still rather unstable. Thus, the fluctuation of their prices is more intense and frequent than those of such staple food cereals as rice and barley. According to agricultural outlook survey, however, the demand for livestock and horticultural products will increase more sharply than that for rice, barley and other cereals, and accordingly their prices will soar at sharper rates. In addition, the long-range trends have so far shown that the prices of livestock and horticultural products have soared at sharper rates than those of rice or barley.

In order to encourage the cultivation of horticultural crops or livestock raising, therefore, it is necessary for the concerned farm households to counter fluctuation in prices. At present farmers in Korea are very vulnerable to the fluctuations in prices. This is a serious problem. For example, many farmers used to give up their raising of swine and chicken simply because of temporary drops in prices of pork, chicken and eggs.

### (d) *Inefficiency of Marketing*

In operating a farm, marketing is no less important than

production, especially in case of livestock products or horticultural crops. Nevertheless, the Cooperative generally lacks satisfactory marketing services for livestock or horticultural products. Moreover, the Cooperative and higher-level cooperative cannot so easily exploit markets or strengthen the cooperative marketing functions as they provide financial and technical assistance for livestock raising or the cultivation of horticultural crops.

It is clear that the local cooperative had to let individual farmers sell livestock products individually without exploring new markets or promoting cooperative sale in spite of the loss they suffered from the drop in prices of livestock products while a large portion of vegetables and fruits were sold through the NACF Marketing Centre in Soul.

#### *(e) Submarginal Scale of Farm Operation*

Another problem also lies in the submarginal scale of farm operation. This makes farmers prefer to rely on external assistance rather than on their self-help endeavours and deters the expansion of business volume.

#### *(f) Rise of Land Price and Lack of Farm Labour*

Rise of land price, which was caused by the opening of the Expressway going through this area, hindered the agricultural development. Naturally, farmers have paid more interest in the soaring price of land than in the earnings from the farming. In addition, industrialization and more job opportunities in the field of public engineering caused the shortage of the farm labours.

## 7. CONCLUSIONS

This case study has so far been made on the organization, contents, methods, results and problems of farm guidance conducted by the Yongheung-Ri Agricultural Cooperative. In conclusion, it is clear that the farm guidance enforced by agricultural cooperatives is essential for the effective development of the Korean agriculture. They provide funds and materials, help to improve the marketing conditions by means of exploitation of markets and promotion of cooperative sales, promote cooperative farming, and extend education, training and technical guidance to the farmers. Moreover, it has been learned that farm guidance activities have made great contribution to the increase of farm income. But, of course, as is clear in this case study, the farm guidance activities of agricultural cooperatives face many problems and are still at an immature stage in some sense.

Therefore, it is recommended that special consideration be given to the following matters in conducting farm guidance activities :

*(a) Discontinuation of Excessive Dependence of External Assistance and to Foster Independent and Self-help Efforts*

In order to more effectively develop regional agriculture, individual farmers and the local cooperatives should minimize the dependency of assistance from outside. They have to formulate and implement their farm development plans based on their independent, self-help and creative efforts.

*(b) Intensive Guidance by Performance of Farm Operation and Scale of Farm*

In order to induce the farmers to end reliance on others and make greater efforts for self-help, external support should be appropriately given to them depending on their actual necessity determined on the basis of the farm operating performance and scale of individual farms. The uniform outside assistance or excessive grant of loans with no regard for farm operating performance and scale of individual farmers should be discontinued.

*(c) Strengthening of Cooperative Marketing Functions*

In order to encourage the production of livestock and horticultural crops which are on the increase, greater efforts should be made for the cooperative sales and the exploitation of market rather than for guidance for production. It is also necessary for farmers to be able to meet temporary fluctuations in prices of livestock and horticultural products by means such as Price Stabilization fund operation, cooperative storage and processing facilities.

*(d) Cooperation in Production*

Cooperative way of production, such as the joint growing of seedlings, joint incubation, joint breeding, and the joint operation of farm machinery has to be encouraged.

*(e) Special Assistance for Suburban Agriculture*

Advisory and consultancy services particular to the suburban style of agriculture should be given for its development in the rural area near the big cities.

It may be concluded that the farm guidance means a series of integrated efforts to harmonize and coordinate all the activities of agriculture cooperatives in favour of producer-farmers. In this sense, the farm guidance activities in agricultural cooperatives are prerequisite to the rural developing countries.



## PART III

### FARM GUIDANCE ACTIVITIES OF AGRICULTURAL COOPERATIVES IN JAPAN

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# FARM GUIDANCE ACTIVITIES OF AGRICULTURAL COOPERATIVES IN JAPAN

## I. LEGAL FRAMEWORK AND HISTORICAL REVIEW

### *1. Legal Basis*

In the post-war agrarian reform of Japan, three major policies emerged in the shape of Agricultural Land Law, Agricultural Cooperative Society Law, and Agricultural Improvement Encouragement Law.

Article 1 of the Agricultural Cooperative Society Law of November 1947 provides that “the objective of the law shall be to encourage the development of farmers’ cooperative organisations and thereby foster agricultural productivity and improvement of their economic condition....” Here lies the legal foundation upon which the agricultural cooperative movement is to take up services directly relating to development of agricultural productivity along with other multi-farious activities like marketing, supply and credit, etc.

Article 10 of the Law details the activities as follows :

- (i) Organisation of joint farming practice and installation of facilities for improvement of farming labour efficiency. (Article 10-1-4)
- (ii) Reclamation, improvement or maintenance of land for agricultural purposes, and installation or maintenance of agriculturally-related water facilities. (Article 10-1-5)
- (iii) Educational activities for advancement of the level of members’ knowledge relating to agricultural techniques and cooperative services, and installation of facilities for general information services to members. (Article 10-1-10).

These functions are new assignments upon the agricultural cooperative movement of post-war Japan and they were not undertaken in the pre-war era of the Industrial Cooperative Movement. (Note : In the pre-war period, guidance services on agricultural production techniques were carried out by “agricultural technical experts” of the Imperial Agricultural Society—an organi-

sation which is separate from cooperative bodies — under government financial support.)

## 2. *Farm Guidance in the Post-war Period*

In the post-war Japan, channels for technical guidance on agricultural production were diversified ; agricultural extension service by government authority, farming guidance service of agricultural cooperatives and technical guidance service of agricultural insurance societies. Farming guidance services of agricultural cooperatives started with personnel transmitted or inherited from the Imperial Agricultural Society which laid emphasis on technical guidance on production. Although in 1950, practically every cooperative unit had one personnel in charge of technical guidance, their number decreased to 4,200 (or 0.4 man per cooperative unit) by 1952, partly due to a slump in business management of cooperatives and partly due to consolidation of agricultural extension services of the government.

In the period from 1951 to 1954, when the land reforms were almost completed and agricultural reconstruction was well under way, the issue of reorganising agricultural organisations came to the fore. Unification or monolification of diversified guidance channels and reorganisation of representative organ of farmers' and agricultural interests were the major topics. The issue was at last settled by establishing a co-ordinating relationship between the extension services of the government and the farming guidance services of agricultural cooperatives.

The issue of reorganising agricultural organisations cast a starting point on agricultural cooperatives to rebuild their farming guidance functions which were at one time set back while the movement was undergoing rehabilitation of its business and re-consolidation of its organisations during the period from 1950-1959. The "Three-Year Cooperative Renovation Plan," initiated in 1957, summarised the characteristics of farming guidance services as follows :

- (i) Farming guidance services of agricultural cooperatives intend improvement of overall farm economy and progress of cooperative business by means of joint activities relating to agricultural production.
- (ii) Farming guidance activities of agricultural cooperatives should be such as would set guidelines for members' farming management and establishment of a firm

foundation thereof as well as giving an orientation to cooperative business along the direction.

- (iii) Farming guidance system of agricultural cooperatives should be established by their own efforts and initiative.

Besides the above mentioned points, "planning of farm household economy" was taken up in the "Three Year Cooperative Renovation Plan". It was based on the understanding that the sole way of protecting small-scale farming and the livelihood of farmers was to combine the efforts of members under cooperatives by planning their economy and building them up on cooperatives.

(Note: Farm guidance is agricultural advisory services of agricultural cooperatives combined with their economic activities such as credit, supply, marketing etc. Agricultural extension services are generally undertaken by government agencies and rather confined to improvement of production techniques. However, cooperative farm guidance puts more emphasis on the economic aspects of farm management in order to help farmers to increase production, reduce production cost and to provide the best possible marketing conditions so that better economic returns may be ensured. Farm guidance is also an education process to change attitudes of farmers and create an interest and willingness among farmers to improve their farm management.)

### 3. *Farm Guidance in the 1960's*

The Cooperative Constitutional Improvement Campaign, which was started in 1960, was aimed at directly linking members' farm and livelihood management with cooperative credit, marketing and supply business. Concepts like supervised purchases, supervised credit and supervised marketing stem for the campaign.

The campaign's beating upon farm guidance activities of agricultural cooperatives was two-fold :

- (i) Setting "the objective of farm management improvement" for the area in which the cooperative does business.
- (ii) Formulation and implementation of "regional plan for farm management improvement".

It meant development of cooperative measure from individual approach under the name of "planning your farm economy" to a more regional approach with wider scope under which members are to plan improvement of their own farm management that

is to be realised through joint efforts of members of the area. The change in the way of approach is based on the recognition of, for one, advancement of agriculture from labour intensive type to a capital intensive one resulting from technical progress, and for another, limitation of individual effort and approach to improve the market position which is necessitated by progress of commercial farming.

#### 4. Consolidated Farming Area (Danchi) as a New Approach

In the practical implementation of the regional approach to improvement of farm management arose in 1966, the scheme of organising a *cooperatively consolidated farming area (or cooperative farming Danchi)*. As a background for this the change in the environment of agriculture brought about by the rapid economic development after 1955, the following can be pointed out :

- (i) Progress and diversification of demand for food resulting from increase of national income—demand of expansion for livestock products and green perishables and rise of necessity to expand production on select lines.
- (ii) Progress of technological innovation in farming like large-scale mechanisation.
- (iii) Increase of labour outflow into secondary and tertiary sectors, increase of part-time farming and abandoning of farming.
- (iv) Urbanisation of rural areas.
- (v) Advancement of private capital into rural community —vertical integration of livestock industry by lending capital to marine industry.
- (vi) Development of transport and communication, accompanying progress in distribution revolution.
- (vii) Progress in foreign trade liberalisation.

Under such circumstances, agricultural productivity continued the path of relative decline and the number of farmers that could not earn sufficient income only from farming was on the increase. For agricultural cooperatives the following problems relating to farm guidance activities were presented :

- (i) The undeniable limitation of individual effort to improve farm management.
- (ii) The direction of improvement of farm management should be to foster simplification of the farm management of individual holdings and its specialisation,

standardisation to realise large-scale economy's merit by mass production and thereby to establish farms as commercial farming units.

- (iii) Resulting from the expansion of demand for livestock products and green perishables, there arises an increasing necessity of strengthening the position in markets. Standardisation and quality unification, cost reduction and regularised market delivery being pre-requisites for securing a favourable bargaining position in markets, the scale of production area should be enlarged to ensure a certain volume of produce to be marketed.
- (iv) It is becoming increasingly important for the agricultural cooperatives to have and offer for joint utilisation by members large-scale production and distribution facilities because they are beyond individual farmers' capacity to get well-equipped both from the technical and financial points of view. But the technological innovation of farming calls for capital intensification.
- (v) In order to upgrade the area as a commercial commodity production area, the agricultural cooperatives on their part should provide for themselves specialised handling system covering from production to marketing.
- (vi) In converting the area as Danchi joint activities of farmers of the same line are called for. That means that members should be organised into commodity groups of each basic product rather than relying upon the existing groups on hamlet basis.
- (vii) In order that the cooperative society could function as control tower for the area it should strengthen business competency and provide a system in itself that can offer in integrated fashion credit facilities, input supply and guidance with key equipment for production and distribution.
- (viii) However, the road to accomplish such tasks is a long one. Hence a flexible approach should be taken so that a cooperative may start with what can be done within its capacity.
- (ix) Last but not least in importance is the question of having competent personnel for the task. It should make all the efforts to secure able workers.

## 5. *Farm Guidance as a new Strategy of Cooperatives*

The scheme of cooperative consolidation of farming (formation of *cooperative farming Danchi*) was formulated on the basis of consideration of the above mentioned points. What should need attention in this connection is the fact that the concept of cooperative farm management guidance service has gradually evolved into clearer shape with the above scheme's emergence, which has undergone changes in the post-war development of the agricultural cooperative movement.

In other words, the farm guidance service was placed behind cooperative management, especially in the period of cooperative reconstruction and renovation when it was regarded merely as a means of promoting or expanding other business, like credit, supply, marketing and insurance. Or it was considered to be entrusted to extension service of the government because it was not a profit making section but rather as service sector.

The scheme provides that it is wrong to put farm guidance function in a subordinate position to other functions like marketing supply etc. because all the functions of the agricultural cooperative movement is meant for improvement of members' farm management as a matter of principle. All the functions of the agricultural cooperatives including guidance, marketing, supply and credit etc. should be rendered in integrated fashion for improving members' farming position. With the above idea in mind it was decided to promote the establishment of a farm guidance service system in cooperatives. Danchi promoters (Danchi Sennin Shidoin) and farm guidance advisers are appointed with their roles clearly defined along specialised lines of produces.

After 20 years of growth of post-war agricultural cooperative movement, the 11th National Congress was held in November 1967 in which a resolution on cooperatives' "basic policy for agricultural development" was adopted. Efforts in the field of agriculture in rapidly advancing economy along with trade liberalisation shall be to establish a highly productive and efficient agricultural system. For that, development of production system that overcomes the limitation of small scale farming is called for. But rapid expansion of individual units of holdings will be difficult. The agricultural cooperative movement should therefore foster and organise group or joint farming units centering on full-time farms but embracing part-time farming as well. In relation to marketing the cooperative should, on the basis of joint farming units,

promote the organisation of a cooperatively consolidated farming area (or cooperative farming Danchi) which would be able to conduct planned production and planned marketing. The crux of the resolution is to extend the Danchi coverage to all agricultural areas of the country towards the 1980's so that cooperatives can assume a leading position in agricultural markets. Danchi formation is the main theme of guidance activities of agricultural co-operatives today.

## II. CURRENT STATUS OF FARM GUIDANCE ACTIVITIES OF AGRICULTURAL COOPERATIVES

### 1. *Farm Guidance Advisers*

- (i) Multi-purpose unit agricultural cooperatives of Japan generally have staff in charge of farm guidance services which are conducted closely with other cooperative functions like marketing, supply and credit. The number of cooperative farm guidance advisers is on a steady increase year after year (as has been shown below) and they outnumber governmental extension officers.

1962	...	...	...	11,900
1963	...	...	...	12,205
1964	...	...	...	12,620
1965	...	...	...	13,163
1966	...	...	...	13,579
1967	...	...	...	14,523

- (ii) According to the Agricultural Census of 1967, 69, 61 multipurpose cooperative societies had employees numbering 224,211 of which 14,523 were farm guidance advisers. Percentage-wise they are 2.1% of all employees. As regards technical staff of unit co-operatives there are some 5,073 staff members in charge of technical guidance on agricultural machinery, and 1,477 cooperative better-living advisers.
- (iii) The figures given below show more detailed distribution of farm guidance advisers among unit societies (in 1967) 70 per cent of all multi-purpose unit co-operatives have at least one farm guidance adviser and

30% have none at all. With the furthering of the cooperative merger, the number of societies with more than two farming advisers is on the increase. They are providing the system of specialised advisory service for each line of produce together with the efforts of forming Danchi.

Number of advisers of a society	none	1	2	3	4	5-6	6-10	11-20	20	Total
Number of societies	2,027	2,311	994	541	290	333	244	178	43	6,961
Percentage	29.1	33.2	14.3	7.8	4.2	4.8	3.5	2.5	6	100

(iv) Academic achievement or school education, career of cooperative service and qualification of the farm guidance advisers are given below. (1967)

Level of Education	No. of Advisers	Length of Experience	No. of Advisers	Qualification Acquired
High School (12 years)	8,987	5 years	4,900	Extension Officers (2,275)
Junior College (14 years)	1,879	5-10 years	4,578	Technical Experts (2,180)
University (16 years)	457	10-15 years	2,637	Veterinary Surgeons 287
Others	3,200	15-20 years	1,617	Other title Without title 4,662
		20 years	791	5,119
Total	14,523		14,523	14,523



In terms of academic achievement the majority is high school<sup>1</sup> graduates counting 62%. Most of those in "other" categories are graduates of training institutes attached to agricultural experimental stations after graduation from agricultural high schools.

In terms of cooperative service career, those with less than ten years of service are the majority counting 65%. And one-third of cooperative farming advisers are possessing qualification either of extension officers or of technical experts.

- (v) The assignment of advisers is specialised as indicated in the following table (percentage-wise)

Year	Grain	Live- stock	Vegeta- bles	Fruit	Sericul- ture	Farm mana- gement	Machine	Other	Total
1962	18.9	19.0	13.6	11.0	3.7	19.1	—	16.2	100
1967	13.8	24.5	11.7	17.0	3.7	17.0	2.9	5.3	100

## 2. Content of Farm Guidance Services

- (i) Agricultural Census of 1967 reveals types of services relating guidance on agricultural production and facilities for joint utilisation relating to agricultural production. As for guidance on agricultural production, services relating to rice culture, vegetable and fruit growing, livestock breeding and joint disease and insect preventive practices, and lease of animals are the major ones. The cooperative societies have joint utilisation facilities relating to both production and distribution for such produce. Recently such facilities are assuming key importance as a nucleus of guidance services.

Number of cooperatives as seen with practising different type of guidance service relating to agricultural production :

Type of Services	No. of cooperatives offering such services	Percentage to total No. of cooperatives
Land consolidation, improvement and management	836	12.0
Installation and management of water facilities	577	8.3
Rice culture	4,978	71.5
Fruit growing	3,011	43.3
Vegetable growing	3,876	55.7
Prevention of rice disease	4,520	44.9
Vegetable seed field	401	5.8
Joint animal husbandry	409	5.9
Lease of animals	2,288	32.9
Medical treatment of animals	983	14.1
Artificial insemination	1,395	20.0
Pasture maintenance	243	3.5

The farm guidance activities of today's agricultural cooperatives are conducted along the line of cooperative Danchi formation by enlarging guidance on production techniques on an individual basis. What farming members want from the cooperative is not only technical instruction of production but information and guidance as to how to manage their farming enterprises to get increasing income and to enjoy better living. In the following passage, let me give you the relationship of such desires with the functions of the cooperative societies.

How should farm management be conducted to get increased income and enjoy better living ?

- (i) What should be produced and how much ?
  - selection of choice of commodity
  - formulation of production plan

NUMBER OF COOPERATIVES POSSESSING JOINT  
UTILIZATION FACILITIES : (1967)

Types of Facilities	No. of Coops.	Types of facilities	No. of Coops.
Types of facilities	2,407	Meat cattle breeding centre	72
Rice centre	275	Joint grazing pasture	92
Country elevator	18	Livestock collection centre	225
High speed sprayers	492	Milk collection facility	689
Joint silk-worm breeding	591	Cooler station	74
Green perishable collecting depot	1,665	Livestock product cold storage	82
Green perishable market	149	Milk and milk product facilities	52
Green perishable assortment facility	1,044	Bulk feeds installation	102
Green perishable storage facility	168	Feed processing facility	44
Cold storage facilities for green perishables	101	Agricultural machinery service station	1,943
Incubation facilities	26	Oil supply depot	1,875
Brood	419	Joint riding tractors	821
Egg assortment facility	404	Fattening pig supply centre	179
Broiler processing plant	93		
Animal breeding stations	153	Others	634

- setting farm management pattern according to income target.
- (ii) How to carry good farming or production ?
  - selection variety
  - unification and guidance of production (farming techniques)
  - including the making of farming itinerary
  - selection and supply of production input
  - supply of credit facilities for farming.
- (iii) How to manage favourable marketing ?
  - quality unification and standardisation
  - consolidation of joint assorting and packing facilities
  - selection of outlets
  - improvement of price and bargaining method.
- (iv) How could the management be stabilised ?
  - implementation of management stabilisation measures on a voluntary basis (long-term average payment, price support, scheme of cooperatives)
  - appeal to administrative authority on agricultural policy.

The subject of farm guidance of agricultural cooperatives of today is to respond to and meet the expectations of the farming members. For that purpose the scheme of cooperatively consolidated farming area is the clue. How the scheme is implemented and realised shall be accounted by an example of Ogawa-cho Agricultural Cooperative Society at another occasion. Here it suffices just to mention how it is promoted on a nation-wide scale.

The formation of a cooperatively consolidated farming area has been undertaken since 1961 as the cooperatives' voluntary and autonomous project. First, the "Manual for Cooperative Livestock Danchi Formation" was made by the joint office for livestock enterprise composed of national level agricultural cooperative organisations. The work of propagation and promotion of the scheme has been conducted through Unions of agricultural cooperatives by staff in charge.

The survey conducted in November 1964, reveals that 834 cooperative farming Danchi in 36 prefectures had been formed. But they have not necessarily developed successfully since then due to difficulties caused by a price slump in agricultural produce and a slump in management of key facilities of Danchi. The Central Union of Agricultural Cooperatives then decided to

advance the project by adopting an improved model Danchi method which will now be carried out in cooperation with prefectural unions in accordance with the idea incorporated in our "Cooperative Basic Policy on Agricultural Development". In 1968, 51 national models and 71 prefectural models have been selected and efforts will be put on these model Danchi which would function as the key from which further efforts of Danchi promotion will be conducted on a planned basis.

### 3. *Cost of Farm Guidance Service*

According to some statistics of 1967, the multipurpose agricultural cooperatives spent 11,034 million yen total or 1,585,000 yen per cooperative on guidance activities. The figure does include some 30% of expenses for better living and cultural activities but personnel expenses on farm guidance advisers are omitted. The total expenditure incurred in connection with farm guidance amounts to over 15,000 million yen. Revenue relating to farm guidance is 9,297 million yen and a third of which or 3,153 million yen is fees collected from the members. (US \$1 = 360 Yen.)

#### Income and Expenditure

	Total Yen	Per Coop. Yen	No. of coops. collecting fee
1. Income	9,297,843,000	1,335,000	—
Fees from members	3,153,181,000	768,000	4,101
2. Expenditure	11,034,254,000	1,585,000	—
3. Net result	(—)1,736,411,000	(—)249,000	

### 4. *Organisation System of Farm Guidance Services*

#### (i) *Position as internal organ of agricultural cooperatives*

Generally most of the societies have a farm guidance section on a parallel line with other business sections like credit, marketing,

supply, etc. But recently the idea of reorganising internal structure, centering on commodity-wise integration of all related functions so that the society can cater from production to marketing consistently on commodity basis, is gaining ground and now there are a number of societies whose business section set-up is like the agricultural section, livestock section, and horticultural section etc.

*(ii) Producers' Group*

The cooperative societies up to date used to have their sub-organisations based on the geographical bondage or unit known as hamlet group. But the hamlet sub-group is showing more internal heterogeneity these days as a result of increase in the number of part-time farms, specialisation and enlargement in the size of operation etc. Therefore, reorganisation of producers into commodity groups or professional lines is underway now so that the cooperative society can have a better channel or objective through or to which it can extend guidance service.

Besides the commodity group the cooperative societies have youth groups as their fraternal organ. There are not a few cases in which the youth groups are playing a key role regarding farm guidance activities.

*(iii) Association of Farm Guidance Advisers*

There are a number of prefectures where the farm guidance advisers have organised themselves into an association whose main and common purpose is to deepen personal and intellectual exchange among themselves. They are in most cases run under the guidance and co-operation from the Unions of Agricultural Cooperatives and their main activities are to arrange study meetings, lectures, pay study visits to other prefectures who have achieved a greater degree of success, meetings for exchange of experiences, rewarding good workers (colleagues) and activities relating to the enrichment of their social status, etc. Associations of farm guidance advisers in different prefectures have affiliated and formed themselves into a National Association of Agricultural Cooperative Officials and Employees.

**5. Collaboration with related Organisations and Institutions**

*(i) Relationship with Agricultural Extension Services*

Farming instruction in rural communities of present Japan is conducted mainly by agricultural cooperatives and by agricultural extension service men. Although there are differences between

the two in terms of their status, qualifications and functions, farming instruction for farmers is their common task. The extension service men are working mainly for education and propagation of new production techniques developed by agricultural experimental stations and research institutions, while other co-operative farm guidance advisers are giving their service in economic matters relating to farming *i.e.* their work is closely associated with business economics and facilities available from the society established for the members' economic benefit. In this sense, farm guidance of agricultural cooperatives is more than a propagation of techniques, but it has a direct bearing on the economic result of members' labour.

We are not short of good examples where agricultural co-operatives are so nicely collaborating with governmental institutions in order to reach the common goal in their respective area that their farming instruction is bearing rich fruits.

Concretely illustrating there is a tendency among extension service men to take charge of a wider area on a specific produce and the grass root or direct guidance service is more and more left upon farm advisers of agricultural cooperatives.

#### *(ii) Relationship with governmental administration*

In implementing farm guidance functions, agricultural co-operatives cannot ignore administrative agricultural policies and measures. Usually, the agricultural cooperatives play a key role in implementing such measures. Therefore, there is positive co-operative participation in planning such measures and in practical implementation the cooperatives do not spare in lending helping hands to administrative authorities taking, of course, a cooperative stand and co-ordinating them in favour of the members and the movement.

#### *6. Secondary and National Organisations Undertaking Farm Guidance*

Central and Prefectural Unions of agricultural cooperatives are carrying business relating to farm guidance in order to activate and propagate farm guidance activities of the primary cooperative societies. The activities of the Union include the making of guidelines and plans for farm guidance, training and education of farm guidance advisers, information and intelligence activities relating to farm guidance, liaison with related organisations and institutions. They are conducted by an independent section set in the Union.

## *Farm Guidance Business of Prefectural Unions*

- (i) Japan is divided into 46 administrative units known as prefectures. A union is set up in each of the 46 prefectures consisting of primary cooperative societies and federations of them at prefectural level. Establishment of the Union is based on a special legal provision in the Agricultural Cooperative Society Law.

The objective of the Union is to help its members in their sound development. Guidance conducted to this effect includes guidance on organisation, management and business operation, education and information services to member societies, liaison and mediation of disputes relating to the member societies, making appeals to administrative authorities on related questions, etc. To conduct such business most of the unions have divisions in charge of planning, general affairs, legislative activities, education and information, public relations, farming and household management of cooperative's members, management and auditing. Strength of staff of the unions range from 50 to 200 with average budget of 100 million yen.

- (ii) The set up of a particular section for farm guidance in the union is something like follows. Normally the farm guidance section has 5 to 10 staff members in the main office besides what they have in branch offices. In the branches there are usually one or two staff members.

Business relating to farm guidance by the Union usually includes the following :

- (a) Establishment of farm guidance system in unit co-operatives
- consolidation of farm guidance organisational set up
  - mediatory agent function
  - holding training courses
- (b) Activities relating to farming improvement
- holding of joint meeting of offices relating to farm guidance
  - promotion of Danchi formation on commodity basis (formation of model Danchi, field implementation, guidance on management of Danchi facilities)
  - production campaign



- guidance on making regional agricultural development plan
  - measure to improve farm management (large scale farming, joint management, independent management ; fostering and guidance
  - guidance on farming book-keeping
  - liaison with related organisations
- Farm guidance business of the Central Union of Agricultural Cooperatives

- (i) The Central Union has as its members prefectural unions and indirectly their members : unit cooperative societies and federations as well as national level federation. The role of the Central Union is to organise united will of the members, orientate the whole movement towards a set direction and take leadership and guidance function both within and outside of the movement.

Internal structure of the Central Union is something like follows : Official Secretariat, Central Affairs Dept., Farm Guidance Dept., Living Improvement Dept., Education and Public Relations Dept., Agricultural Policy Dept., Organisation and Cooperative Management Dept., Auditing Dept., and International Dept. The Union has 129 staff members of which those in charge of farm guidance business is 16. The budget scale of the Union for business year 1968 as referred from its general account is 534 million yen.

- (ii) The business relating to farm guidance of the Central Union includes :
- management of activities of the Central Office for promotion of Cooperative Basic Policy on Agricultural Development
  - plan making and its implementation on cooperative farming. Danchi formation
  - encouragement of model Danchi organisation (holding of experience-exchange meetings, holding of achievement study meetings, granting promotion subsidy etc.)
  - guidance on management of group farming organisation

- promotion of commodity-wise grouping of producers
- promotion of commodity-wise measure
- training of the staff of prefectural unions in charge of farm guidance and ‘Danchi’ promoters.
- propagation of field accident insurance system
- guidance on contract farming of beer barley
- publication of “Danchi Information”
- liaison with related organisations.

## PART IV

### ACTIVITIES OF OGAWA-CHO AGRICULTURAL COOPERATIVE SOCIETY (JAPAN) WITH SPECIAL REFERENCE TO FARM GUIDANCE

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# ACTIVITIES OF OGAWA-CHO AGRICULTURAL COOPERATIVE SOCIETY WITH SPECIAL REFERENCE TO FARM GUIDANCE

## I. GEOGRAPHICAL AND AGRICULTURAL CONDITIONS OF THE AREA WHERE OGAWA-CHO COOPERATIVE SOCIETY IS SITUATED

The area in which the society is operating is largely a plain field and it does not have what would be called mountain areas. Plain field of the 20 to 30 metres above sea level is used as crop field and lower dampish field around inland sea Kasumigaura connecting the Pacific Ocean is used as one crop paddy field.

As a water resource for farming, we have Sonobe River of 30 metres width flowing from south-western part of the area of eastern direction pouring into Kasumigaura.

The society does not have a nearby consuming centre or markets worth mentioning. But it has a large consuming centre 100 km away *i.e.* Metropolis Tokyo and Yokohama. Thanks to the improved national traffic route, time required for transportation has been cut and the area is enjoying greater attention as the Metropolis's kitchen.

Some basic figures of the area are given below.

### (i) *Area of Farming Field*

Paddy field	315 ha.
Crop field	668 ha (other than paddy)
Mulberry orchard	70 ha.

### (ii) Cooperative Members

634 households

### (iii) *Classification of farmers*

full-time farmers	205 households	32.5%
part-time farmers 1	336 „	53.0%
part-time farmers 2	93 „	14.5%

### (iv) *Classification of farmers by size of land-holdings*

Less than 50a.	36 households	5.7%
50—100a	103 „	16.3%
100—150a	271 „	42.8%
150—200a	161 „	25.4%

200—250a	40	households	6.3%
250—300a	11	„	1.7%
300 a	12	„	1.8%

(v) *Population*

Total population	...	...	6,469
Agricultural population	...	...	3,456
Working population			
Male above 15 years	...	...	849
Female above 15 years	...	...	913

(vi) *Average size of land-holding and average income per 10a.*

Paddy field	50a.	Y 50,000
Crop field	105a.	Y 30,000
	155a.	Y 565,000

(vii) *Average Income per Farm Household*

Agricultural income	Y 565,000
Non-agricultural income	Y 600,000

Note : (1) Hectare (*ha*) = 100 are (a) = 2.5 acres

(2) Part-time farmer 1 = farmer who is deriving his major income from agriculture.

(3) Part-time farmer 2 = Farmer who is deriving his major income from non-agriculture.

(4) Y 360 = US \$ 1

## II. OUTLINE AND ACTIVITIES OF OGAWA-CHO AGRICULTURAL COOPERATIVE SOCIETY

The Ogawa-Cho Agricultural Cooperative Society was established in 1948. It was established in a rural community where the inhabitants were earning their income by running small farms and/or small shops of family business. The area used to be known as local agricultural trade spot from and to which agricultural produce and input (mainly fertilizer) were brought in and out. The Ogawa-Cho Credit Society, the antecedent of the present agricultural cooperative society was operating which was known as the leading credit institution of the area. The area being a local trade centre, there were many private traders and merchants : rice trader, fertilizer merchant and jack-of-all-trades type of stores. There were times when farmers were driven into a desperate position with their lands in the possession of these commercial interests from and to which farmers obtained inputs and delivered the result of their sweat.

## *1. Deficit Account*

At the time of the society's inception, it inherited from the Agricultural Association (government controlled organisation established during the World War II and all cooperatives were merged into this association. Membership was compulsory.) Bad assets. Together with it deficit accumulation of the noodle-making mill (rural industry) drove the society almost into a position where it could not reimburse the deposits to the members. In 1961, the society was designated object of special governmental measure as Rehabilitation Society. Then the accumulated deficit amounted to 5,200,000 yen. The present President or the Managing Director of the society made up his mind to present before the members this bare fact and started reconstruction work by having discussions as to how to improve the position. Reconstruction work has been implemented with the conviction that hand in hand with the farmers who were planning to build their lives solely on farming there would be no insurmountable difficulty.

## *2. Rehabilitation of the Society*

With a firm conviction that where there is a will there is a way, meetings and discussions were held every night and day in hamlets and in members' homes. Finally, members reached a conclusion that all efforts shall be made by them and by the cooperative society to revive the society into a position where it can walk on its own foot in next five years.

The year 1961 cast the turning point for the society when consensus was reached at the general meeting that the members should unite under their cooperative and that the cooperative should provide unremitting services to members in order to help establish a firm foundation for their farm management. Annual average income of the members was at the time only 360,000 yen.

In order to attain the set target it was realised necessary to re-organise internal structure of the cooperative society in such a way that the cooperative can assist in the farming management of members. Increase of farm income is possible only by increased output which in itself is a contribution to improvement in the living standard and to development of agriculture of the area. How then could output expansion be realised? One solution is to have more farming field or to expand the area of cultivable land, which could be achieved either by opening wood and wild field or by land reclamation. Another solution is the intensification of the capital component in the factors of production. It is often

## COMPARATIVE BUSINESS POSITION

Unit : Yen

	1965	1968
<i>Credit and financial position</i>		
Deposits	18,958,000	234,707,000
Loans advanced	26,271,000	310,137,000
Fixed assets	7,216,000	40,260,000
Members' deposits	27,916,000	512,935,000
Borrowings	25,049,000	30,366,000
Share capital	5,069,000	14,915,000
Total	32,284,000	319,220,000
<i>Supply</i>		
Fertilizer	15,313,000	29,069,000
Feed stuff	13,991,000	153,972,000
Agricultural input	1,617,000	31,304,000
Seedlings	820,000	1,258,000
Farm chemicals	543,000	5,404,000
Living necessities		17,893,000
Others		80,293,000
Total	31,594,000	511,149,000
<i>Marketing</i>		
Rice	29,070,000	174,747,000
Wheat & barley	17,472,000	59,413,000
Livestock	27,594,000	207,630,000
Other cereals	2,506,000	582,000
Fruit & vegetables	5,119,000	38,189,000
Others	283,000	30,588,000

(It should be mentioned here that there existed three rivalry credit institutions and seven rice-fertilizer merchants.)



pointed out that Japan's agriculture is short of financial resources and hence capital. Agriculture has to be developed under conditions of limited land and limited labour. Therefore increased capital investment becomes the only solution, in this direction. However, increased capital investment in agriculture is not without risk.

Yet the latter was exactly the conclusion considered to be the only solution left towards better future. Even a small sized farmer with only 50a. crop area would not be earning a small income if he keeps 1,000 poultry and earns something from that also. It was realised that the cooperative society should lend a helping hand there. It should help members to reform their farm management by unremittingly availing of its full functions and knowledge towards better living of the members.

### *3. Steps towards Expansion of Agricultural Output*

In the meetings and discussions held among the members, argument arose as to whether the cooperative rebuilding or the increase of income of farmer-members should come first. The conclusion was that the latter should have priority over the former, because members are the masters and cooperatives' officials and workers are their servants. On the basis of an understanding that the increase in members' income and the development of an area's agriculture are the foundation for cooperative rebuilding, a number of meetings were held and a programme of agricultural development of the area was formulated at the initiative of the members and the cooperative society with attendance of people concerned of the town of prefectural government, upper organisation of agricultural cooperatives and of agricultural extension office. There the same conclusion was reached that the development of agriculture of the area would be possible only by intensification of capital investment though it might mean importation of a risky factor in the management.

The general pattern of farm management of the time could be characterised by much, perhaps too much diversification within each unit of management. Multi-farious commodities were grown on a farm and the farmer was engaged in many enterprises. For example, one could see rice grown on dry field of 20 a., groundnuts on 30a. and sweat potato on a 10a. size field. From the view point of management, such farming practice did not pay because it could not gain a strong bargaining position in the market. It was a wrong way for increased farm income.

Then the cooperative society promoted a new farm management pattern. It advised members to grow rice as the principal crop and side by side take up cattle breeding, farming which was considered to be very promising. Simplification of the management pattern was the first step encouraged by the cooperative.

With Japan's agriculture centering traditionally on rice culture, not only the management pattern but also the working system was built up on this line. The system of farming work along other lines was not well-established at the time and yet farmers started new lines. At busy season priority was given to rice at the cost of other lines.

Farms with 2.5 hac. rice field might do well to ignore the other new line at their busy time but what about the farms with only 50a. of rice field and perhaps 2,000 poultry ? Obviously, the poultry section is important for such a farm in terms of the money invested, yet to a normal psychology of a traditional farmer, rice section looks more important. At any rate, efforts have been directed to promote simplification of farm management by advising members to specialise along one line in the subordinate sections.

#### *4. Organisation of Producers into Commodity Groups*

Once the direction was set, the expansion of agricultural production should be pursued along livestock farming, the next step was to organise the producers into commodity groups. Commodity groups were formed for poultry producers, pig rearing farmers, and dairy cattle farmers.

If a farmer has enough rice farming field then he could well specialise along single crop rice culture. To farmers wishing to develop compound enterprises, *i.e.*, rice culture and a line of livestock, the cooperative society offered them free choice as to which of the livestock enterprise they would like to choose.

However favourably a farm may be bestowed with the endowment of labour, fertile land and good standards of techniques, none can expect much from it, unless it is also bestowed with willingness. Quite normally, therefore, the choice of the new livestock line was cast before them. On the basis of a commodity group thus organised by willing members, production and marketing plans were formulated. It meant for each farm concentration on selected lines and simplification of management pattern on the

one hand and planned diversification of agriculture for the area on the other.

Organisation of producers into commodity groups was not realised without difficulty. One such difficulty was caused by joining of farmers, though on the same line, but possessing different sizes of land. In other words, smooth operation of a commodity group, let us say, poultry farmers, is not easy if one member of this group possesses 10 to 20 poultry and another member possessing 500 to 1,000 simply because the importance attached to management of poultry farming by these two members differs.

Encountering a difficulty of this nature, the cooperative society devised a scheme and set a minimum standard size for each line below which farmers were categorized into part-time groups and above which into full-time groups.

Poultry	constantly	300	and more
Pig	constantly	25	and more
Dairy cattle	constantly	5	and more

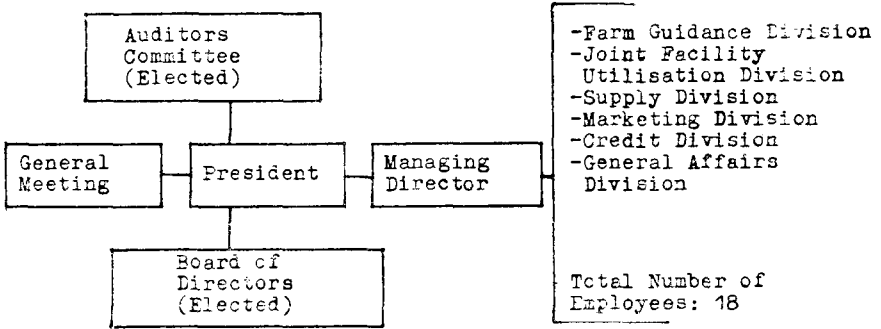
Classification of farmers into above category helped a lot in making up their decision and nurtured willingness to specialise in one line in which they envisaged better future and concentrated capital investment. The traditional type of excess diversification of farming pattern was reorganised along simpler lines and the system of bulk production and planned marketing was prepared.

##### 5. *Reorganisation of Business Structure of the Society*

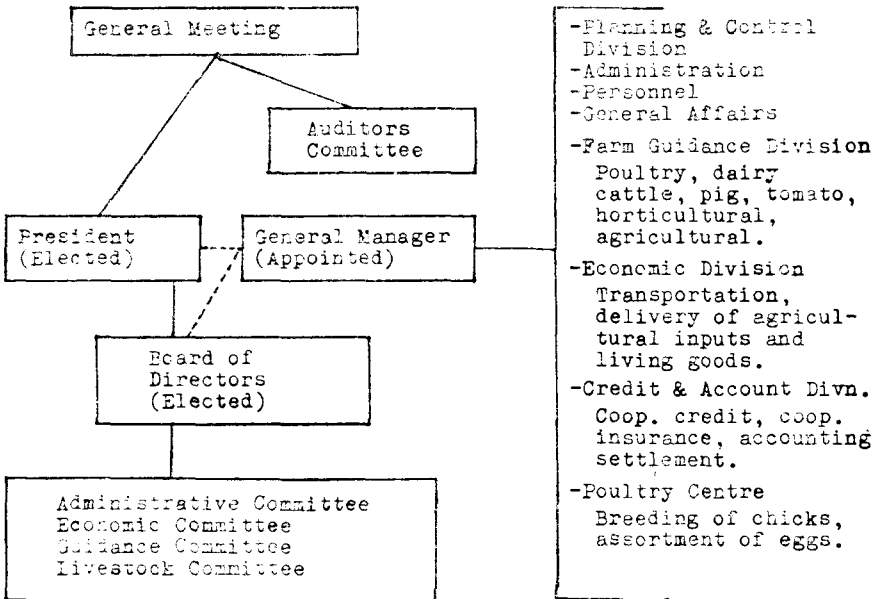
Now that the farmer-members were organised into commodity groups, the internal business structure of the society itself had to be reorganised. In order to improve business efficiency, the working system of the society was divided into an administrative section and a field or front service section. The Farm Guidance section was the most important one in taking closest contact with the members as far as their farming activity was concerned.

The main task of the cooperative farming advisers up to that time was the propagation of a monthly magazine published by a cooperative publisher, and its distribution. Besides no clear division of function along distinctive lines of farming was set among the cooperative farming advisers or cooperative employees in charge of farming guidance. Everyone looked after every commodity, *i.e.* vegetables, grains like rice, wheat and barley, livestock and fruit. It was not rare to find them assisting lorry drivers in loading and unloading cargo at warehouses and at farm gates. Thanks to the reform of internal structure a clear division

Internal Structure  
before Reform:



Internal Structure  
after Reform:



of labour is established today and every farming adviser is concentrating his time and energy on each assigned duty. Besides, settlements of accounts arising out of marketing of each members' produce is now undertaken by the administrative section. Before the Farming Guidance division was strengthened, employees with little knowledge of keeping poultry, pig or cattle were working at times as farming advisers. Today everyone in charge is sent to training courses and seminars and they are making a contribution in levelling up farming techniques and techniques of management of the members as a whole, to higher and same standard. They learn the most advanced techniques of the members and try to spread it among the whole members.

It was in 1962 that the internal structure of the society was reformed. As a result the farming guidance division now has five advisers ; two for poultry and one each for pig, dairy cattle and vegetable. Each of them are functioning also as the secretary of each producers group. Commodity-wise appointment and assignment is known as vertical system. As a result ways have been paved for the expansion of the production size, promotion of planned production, bulk and planned marketing and delivery, which all has struck the basis in establishing cooperative livestock farming settlement.

In order that farms of each group can, through joint efforts with and under cooperatives, promote simplification of work, standardisation of techniques, planned production and marketing and attain a stronger position in markets, minimum standard numbers of farms must join the group.

#### *6. Management of Producers' Commodity Groups*

In order to realise the expansion of agricultural output, reorganisation of producers into commodity groups and reformation of cooperative structure have been implemented.

Next question is how to manage the organised producers' groups. In this connection, the appointment of the group chief assumes importance. The chiefs of producer groups have been elected at the will of each group among the members, and the cooperative society did not make an attempt to suggest nor appoint them. Because of the more intimate and closer relationship with the cooperative society, these groups are carrying on activities like joint marketing and joint purchasing much better than the former voluntary producer associations. Cooperative farming

guidance advisers are also there to help in secretariat works for the groups. These groups have branches in hamlets as more frontier units for action. For poultry and pig there are 17 hamlet branches each and the dairy group has ten. Heads of each branch, to take an example in the poultry group, are responsible for delivery of eggs and aged poultry, making advance orders once a month, calling monthly or regular meetings in each hamlet, and for introducing chicks etc. They are responsible for the overall aspect of poultry farming in each of their branches. Duties are carried on with a firm sense of head and with enthusiasm.

Here the cooperative should always remember a note of warning. It should never behave at the ignorance of the commodity groups as far as such behaviour is related to the interests or affairs of the group concerned. Otherwise it will lead to destruction of the group and help arousing anti-cooperative sentiment. Activities carried out by the group or by the branches of the group should never be interfered with by the cooperative society. What can be solved within the group or branches should not be touched upon by the society directly. Besides the cooperative society should never take a bureaucratic stand like sliding more problematic matters down on the group.

On the basis of such lessons and experiences a Five Year Plan for Livestock Business was formulated in 1962, by which expansion of agricultural production was envisaged along poultry, pig rearing and dairy cattle industry as 'plus x' enterprise of 300 farms of all 634 members households. Average annual income of the members households at the time was only 369,000 yen. Average per household population was 5.9, annual living cost per head some 96,000 yen. Living cost per household 576,000 yen plus depreciation of machinery amounted together to some 600,000 yen and that certainly exceeded earnings by 200,000 yen. One could not make both ends meet in such a situation. The Five Year Plan envisaged to make up that gap by establishing 'plus x' sections. 80 farms keeping constantly more than 25 pigs, 150 farms with more than 1,000 hens and 70 farms with more than five cattle *i.e.* creation of 300 livestock farms was the idea incorporated.

Members being heterogeneous in size of arable land possessed, in labour available and in preference to livestock, simplification of specialization along a selected line has never been an easy task. The cooperative society on its part started with the resolution that it will carry out the plan with an earnest and willing member, with three or four joining members at beginning may be. At the

beginning of the second year of the Plan the number of joining members were seen to have increased as following :

Poultry	30 farmers	10,000 hens
Pig	30 farmers	1,300 pigs
Dairy cattle	35 farmers	200 cattle

We were always convinced with the organisations of producers into commodity groups promotion of bulk production and marketing with a resulting stronger marketing position lead to our final target of increase in agricultural production, and improvement of the living standard of members.

### 7. *Defensive Measure Against Price Fluctuation*

Formation of producer groups and development of agriculture along livestock lines with intensive capital investment plunging into farming of more risky nature. Government lacked policies for price stabilisation for the so-called promising products and resulting loss had always been shouldered by farmers. Livestock cycle of three year period was in force and it meant sharp drop and skyrocketing prices along the cycle when the market went into demand-supply disequilibrium. We have been convinced, however, if member farmers take longer time perspective they were certainly earning or making profit by livestock industry over years though markets may slacken and jump at times.

With that conviction in mind, discussions and meetings were held with the members, which lead to the conclusion, referring again to an example of poultry, that a *monthly salary system* should be adopted for poultry farmers. For the pig rearer group a similar measure is adopted, which is known as a *long-term average payment system*, one of the pooled accounting schemes. Besides the well-known merit of pooled accounting it has the objective of reforming household and farm management into regular and planned ones like household management of urban wage earners. The cooperative society concluded the five year contract with members joining such schemes. The basis of calculating the amount of monthly payment was fixed after discussions with poultry farmers on the number of laying hen cages, which is fixed as far as the number of hens is fixed.

1.00 yen is deducted out of 1.58 yen for repayment of facility loan. On that basis 0.50 yen per hen is paid every month. If a farmer keeps 2,000 hens his daily income would be 1,000 yen and he gets 30,000 yen, let us say one-10th of every month. The cooperative

## BASIS OF SALARY CALCULATION

1.	laying ratio	65%
2.	annual renewal ratio	70%
3.	price of egg	175 yen (54 g)
4.	aged hen	150 yen
5.	dung	6 yen per kg
6.	cost of feeding	4 yen
7.	renewal cost	700 yen per hen
8.	depreciation	92 yen per hen

Based on that standard of calculation, production cost of one egg is something like follows :

Proceed of an egg	A	9.50 yen	100.0%
feeding cost	B	6.25	65.7%
renewal of hen	C	1.62	17.0
depreciation	D	0.38	4.0
chemical, medicine	E	0.22	2.3
A - (B + C + D + E)	H	1.03	
proceed of hen's dung	F	0.55	
H + F		1.58	

society is advising him to live within that income and in case he finds difficulty then he is advised to increase the number of hens on his farm. It is our objective that their household economy management becomes regularised too.

As mentioned, the objective of the system was to offer a bumper or cushion within the cooperative society itself so that the income of the poultry farmers got regularised whatever the market position and prices are. The system has been in force since 1963. Initial borrowing of poultry farmer was 1,700 yen per hen. Hence if he keeps 1,000 hens his total borrowing at the time of inception was 1,700 yen per hen. Thus the first session of the monthly salary system ended in success and we are today in its second session.

Similar success was achieved in the pig producer group, too. The long-term average payment system allows producers 2,000 yen per pig and he gets 1,500 yen in cash at the time of marketing, the



rest of 500 yen repaid for the facility loan to the cooperative society. The period of one term is also five years.

These devices are appreciated highly as farmers' voluntary defensive measures against ever-moving prices for livestock products. They are recognised as good examples of joint effort of farmers under a cooperative society.

#### PRICE OF EGG PER KG. IN THE LAST 5 YEARS

	1963	'64	'65	'66	'67
February	216	198	152	237	189
March	164	186	165	174	187
April	159	151	148	187	153
May	167	151	140	167	135
June	178	145	140	182	134
July	161	142	150	160	141
August	207	152	173	166	172
September	221	170	216	194	185
October	204	159	203	196	185
November	195	154	213	182	192
December	204	173	230	204	215
January	173	147	213	183	207
Average	187	159	183	185	172

Synopsis of Implementation of Monthly Salary System for Poultry Group and the one for Pig Group are attached together with contract formula as appendix B.

#### 8. *Agricultural Structure Improvement Project : Measure of Government*

Now the steps have been taken under Five Year Plan for Livestock Business for increasing farmers' income along livestock lines. The cooperative has come to a realisation that it should help members by undertaking a more risky process of capital intensive and risky livestock farming and thereby facilitate expansion of the size of unit holdings.

Among three lines *i.e.*, poultry, pig and cattle, of livestock industry the main direction was set at poultry farming. After consulting with the members, the cooperative society instituted in 1963 the Poultry Centre. In order to develop the area as an egg producing centre it was found necessary to have a chicks breeding station, egg assortment facility and aged hens disposal station. Thus the area of Ogawa-Chō cooperative society has come to attract wide attention as an egg production centre fully equipped with related facilities.

About the same time the Government was initiating a new agricultural programme known as Agricultural Structure Improvement Project the aim of which was to expand agricultural production by land consolidation on the one hand and encouraging growing or expanding lines on the other. The cooperative society never failed to take this opportunity and made an application for the project centering on poultry farming development. The idea was to set up by the project facilities capable of doing business for 120,000 hens. In 1963, the then existing facilities were consolidated and expanded in size which is today known as the Poultry Centre. The operation of such facilities by the cooperative society, which meant some 50 to 60% of the poultry farming undertaken by the society, helped members a lot in simplifying their work and also in cutting the capital investment.

Now let me mention briefly the business of the Poultry Centre. There developed a clear division of labour in poultry farming as among the cooperative society and the members. Chicks are bred in the poultry centre unit up to 120 days and the members get them when they are almost ready to lay eggs. Then the members feed the hens in their laying period while the collection and marketing of eggs are done by the cooperative society. That meant a drastic change in the poultry farming practice on the part of farmers. Under traditional practice hatched chicks had to be bought and fed by the farmers during breeding days. It needed chick breeding facilities and capital investment for that purpose. Moreover, the expansion of the size was very difficult under such circumstance. Now that 50% of the work is done, and the part is unproductive and more risky, capital investment by each member is reduced and better use of available fund becomes possible. Result is that we have more farmers with more hens each and their work much simplified.

1962	30 farms	10,000 hens (average size about 300 to 400 hens)
1963	60 farms	50,000 hens
	300— 400	8 farms
	400— 500	17
	500— 600	6
	700— 800	5
	800— 900	10
	900—1000	4
	1000—1500	3
	1500—2000	3
	2000	1

### 9. *Completion of the Cooperative Rehabilitation*

Thus cooperative facilities for joint utilisation by the members were consolidated, organisation of members into commodity groups also came to show effect gradually and preconditions for production expansion were provided. The marketing position of the cooperative society has been much improved and farmers' income has increased year after year. Strives and efforts for development of agriculture of the area have borne good fruit. Moreover, the five year programme of cooperative reconstruction itself completed in success and the previous deficits and losses were done away with, as a result of reformation of cooperative management based on the needs and voices of the members.

The fact that the cooperative rebuilding has succeeded firstly by striving to increase and improve the income of the members and after long years of various difficulty owes much to tear-provoking hard work and co-operation of the members. Since then efforts have been made to extend the Cooperative's helping hands to the field hitherto left untouched for better services to members. It is our great honour that such efforts resulted in the Central Union's Prize which is awarded to cooperative societies of excellent performance.

### 10. *Five Year Plan for Better Farming*

#### (i) *Members' Opinion Survey*

After completion of the Five Year Plan for livestock business, the cooperative society then decided to extend improved services, on the basis of commodity groups, of guidance on farm management and to consolidate services structure so that all the

commodity fields were covered. With this idea in mind the Five Year Plan for better farming was formulated and started.

All the previous plans and programmes had been made not necessarily properly based on the voice and wishes of the members. But the present Five Year Plan was made fully based on the wishes of the members. It is based on the result of an inquiry through various methods into members' opinions. Let me present an example. The cooperative society, for one, caught members' opinions by inquiry sheet. Of all the 634 member households 523 or 82.5% replied.

### RESULTS OF INQUIRY

(1) What is your idea on farm management in future ?

(a) Expect income improvement by agriculture	336 households
(b) Keep the present farming position as it is	79
(c) Expect income improvement from non-farming sector with farming income keeping good enough as subsistence level	82
(d) No definite idea	26

(2) How do you expect to improve your farming position ?

(a) specialise on rice culture	123 households
(b) specialise on poultry farming	11
(c) specialise on pig rearing	12
(d) rice+poultry	24
(e) rice + pig	67
(f) rice + dairy cattle	50
(g) rice + sericulture	72
(h) rice + vegetable	52
(i) rice + fruit	34
(j) rice + tobacco	56
(k) other	2

From the above result of inquiry one can see easily that the desired pattern of farm management is what we call 'plus alpha' formula which had been the practice in the last years. But we can also see that the number of farmers wishing to specialise on single line is on the increase.

*(ii) Formulation of Improvement Programme*

Keeping the following 5 points in mind, the improvement programme was formulated for various crops and livestock.

- (i) Term of the Plan Five year from 1968 to 1972
- (ii) Income target Target was set at 350,000 yen per head towards which efforts to improve farming income, upgrading farms to viable units and modernisation of the ways of living shall be made.
- (iii) Plan Making Number of households and population has been referred from the past statistics while demand and supply projection was taken from those made by government.
- (iv) Economic Projection
- (v) Others In the projection of agricultural production possible decrease in output arising from unexpected events like disaster is ignored.

*Improvement Programmes*

Selection of main commodities and points of improvement.

**Rice :**

- expansion of the size of operation by reclaiming rice field in addition to existing ones.
- adoption of large-scale machinery and promotion of joint farming practice
- selection and propagation of improved variety, joint adoption of standard variety.

**Beer Barley :**

- establishment of labour saving and mechanised farming practice
- measure to encourage back crop farming on paddy field.

**Cucumber :**

- develop cucumber growing on unsheltered field
- cooperative integration of cucumber growing along with expansion of size of operation.

**Processing Tomato :**

- maintenance of contract farming
- establishment of labour saving practice
- implementation of joint farming practice
- consolidation of cooperative facilities

**Sericulture :**

- improvement and modernisation of mulberry orchard and development of labour saving techniques
- consolidation of joint silk worm breeding station
- encouragement of joint practice

**Chestnut :**

- renewal into improved variety
- improvement of soil control and rationalisation of fertilizer input
- improvement of assortment and storage

**Poultry :**

- expansion of the size of operational unit
- measures against public hazard
- thorough implementation of hygienic management
- continuation of long-term pooled accounting
- measures of credit provision

**Pig :**

- improvement in the quality of meat and promotion of planned marketing
- encouragement of joint practice
- introduction of excellent boar stock
- measures against public hazard
- continuation of long-term pooled accounting

**Dairy Cattle :**

- improvement of feeding grass and procurement of grassland
- improvement of breeding capacity
- saving of working hours'
- measures of credit provision
- measures to maintain producer price

**Tobacco :**

- improvement of production efficiency in collaboration with Tobacco Monopoly Corporation
- measures to improve producer price.

### (iii) Consolidation of Guidance System

- consolidate the system of farming guidance both on management and farming techniques by appointing specialised advisers for each commodity
- appoint cooperative better living advisers to help members improve or modernise their living practice, aiming at the same time to bring up their standard of life on par with that of city workers.

### (iv) Consolidation of Related Facilities

- administrative section : mechanisation of clerical work
- field section :
  - i. construction of *poultry mansion*
  - ii. expansion of agricultural warehouse
  - iii. construction of pig gathering sty
  - iv. introduction of large tractor

What is noteworthy among the above mentioned points of improvement are (i) introduction of large tractors, three sets, (ii) construction of poultry mansion, (iii) consolidation of guidance system.

### 3. Participation of the Society in its Implementation

Current position of the propagation of agricultural machinery is that large cultivators and small tractors are both introduced in parallel while the joint farming practice or joint operation and standardisation of variety are not practised. That means that mechanisation on an individual basis endangers the management of farming because the burden of depreciation as well as initial spending would not be negligible. In order to overcome such a position, also to intensify land utilisation and to promote land improvement, large scale machinery is introduced by the cooperative society.

As to the construction of the Poultry Mansion, it has been done with a view to upgrade the area as an egg supply centre with 100,000 hens. We encountered many difficulties in increasing the number of hens from 50,000 above in 1963. A careful study of the situation revealed the following points as the cause of bottleneck:

- (i) Not a few poultry farmers were keeping only 300 to 500 hens and their principal enterprise was grain. In short, poultry was their secondary occupation.
- (ii) Expansion of the size of poultry farming was difficult because they were raising their poultry farm in the backyards of their houses.

- (iii) Facilities for disposal of dung were inadequate and it created a public nuisance.
- (iv) Measures to attract new farmers to take up this occupation (poultry keeping) were lacking.

On the basis of the result of the analysis and in consultation with the member-farmers and related organisations, construction of a Poultry Mansion was decided. Together with the Poultry Mansion, the following measures were considered to promote expansion of the size with the aim of increasing farming income.

- (i) Encouragement measures shall be adopted to create a condition under which one man can keep 4,000 to 5,000 hens, which would finally lead to bulk production and marketing with still stronger position in markets.
- (ii) Living environment shall be improved by separating the place of living from that of farming. Poultry farming shall be shifted to forests and farming areas where it is possible to expand the size unlike the case in a housing site. Poultry houses of the size of 1,200 to 1,600 hens shall be concentrated in such a place where the poultry farmers became commuting workers like city workers.
- (iii) Particularly where the farming community is changing rapidly into housing sites of commuting city workers poultry farming shall be shifted to sparsely populated areas to avoid public nuisance.
- (iv) As a financial measure to expand the size, a joint management system by members for a fund has been established.

If one wants to start a poultry business with 5,000 hens it would necessitate 6,000,000 yen since initial cost per hen is 1,200 yen. That is obviously beyond one's capacity, if it is to be done on an individual basis. Therefore, the cooperative society decided to assist them by providing poultry houses and supplying chicks so that only work to be done by the member is feeding (brave new credit policy).

The idea behind it is the development of poultry farming by the younger generation where they can do the business with shorter working hours and enjoy more leisure.

#### *4. Promotion of the Five Year Plan*

Once the points of improvement and blue print for better farming and living are prepared, members of the cooperative



society have begun to show a more positive response to the Better Farming Plan. The Better Farming Plan is implemented with catch phrase '3 up 35 Campaign for Richer Lives'. 35 means income target of 350,000 yen per head for the five year period of the Plan. By 3 Up is meant :

- (i) Pick Up : Members are prompted to pick up principal commodity along which they are to plan income and better living.
- (ii) Tie Up : However earnestly and hard the cooperative society and its members may strive, there is limitation to what we can do by ourselves alone. The development of agriculture of the area has to be undertaken with tie up collaboration with the upper cooperative organisations and town authority, extension office etc.
- (iii) Level Up : Once the principal commodity lines are selected by the members, levelling up of the standard of farming techniques becomes necessary to increase income along the lines.

It is our sincere hope that the objectives and target provided in our Plan be achieved with cooperation and efforts of the member farmers and for which all the town be involved in view of regional or community development. Credit should also go to the members for the fact that the cooperative society could do away with the deficit in three years which had been assumed to take five. With members groups into professional interests, internal structure reformed, agriculture structure improvement project adopted, price stabilisation measures provided and Better Farming Plan formulated and initiated, the cooperative society together with members is now ready to step into a new road for a brighter future of members.

### III. FARM GUIDANCE PROGRAMME AS A MAJOR FACTOR CONTRIBUTING TO AGRICULTURAL DEVELOPMENT & REHABILITATION OF THE SOCIETY

#### 1. *Practical Method of Programming*

The agricultural cooperative is the only organisation of farmers in rural areas. Its most important task is, therefore, to help farmers in increasing agricultural production and in improving marketing conditions. Successful implementation of such functions

will be resulted in ensuring better income and improvement of life to farmers. When technical assistance on production and consultative service on farm management are made available to farmers they increase agricultural production. This is what the society intends to undertake through farm guidance.

However, only to get higher income is not sufficient to achieve the objectives of agricultural cooperatives. Further effort is yet to be made to attain the ultimate goal which is to improve the living conditions in rural areas in the field of housing, food habits and health control. Thus the guidance activities of agricultural cooperatives must be for both farm management and life improvement which are the two wheels of a cart.

In the past, guidance on life improvement was not given much attention in the activities of agricultural cooperatives, though the importance was talked about and each farmer had to make an improvement, on individual basis, of cooking stove, sewer system, rooms etc. Therefore no impact was seen on the living conditions in a village as a whole. The guidance and education in the field of life improvement must be an integral part of the activities of agricultural cooperative to make such small individual investments most effective in achieving the purpose. The guidance activities of agricultural cooperatives must be planned on the long-term basis.

## *2. Survey on Agricultural Conditions in the Area of the Society*

General survey on agricultural conditions of 634 members of the society has provided the most important data for formulating improvement programmes of farm management of individual members.

The society conducted this survey to collect information on the following points :

- (i) Total production of each type of agricultural produce in the area ;
- (ii) Marketing ratio of the produce-rate of commercialisation ;
- (iii) Structure of farming population ;
- (iv) Family structure ;
- (v) Size of land holdings and number of livestock owned by farmers ;
- (vi) Profit and loss of farm management.

In 1962, the society made a five year plan to promote the livestock industry and had made a lot of effort to improve the basic conditions of production. In 1963, Ogawa-Cho area was

chosen as an Agricultural Structure Improvement area by the government and the improvement of basic conditions of production had been very much accelerated.

However, the Five Year Plan of the society could achieve only 50 per cent of the target at the end of the Plan. In evaluation of the result, it was found that the lack of basic information and disregard of the interest of members were the most important factors of its failure. The society had been too much absorbed only in the increase of production without having sufficient information of members.

On the basis of this evaluation the society decided to conduct a survey on agricultural conditions in the area and to work out a long-term farm management programme as a first step for agricultural development in the area.

### 3. *Summary of the Results of the Survey*

- (i) Regarding structure of farming population the survey shows an increase of young part-time farmers and of older full-time farmers.
- (ii) It was also found that the successors of agriculture are not sufficient in this area. Most of the junior high school graduates have lost their interest in agriculture and do not remain on the farm. Only some of the senior agricultural high school graduates come back to the farm. A lot of effort is to be made to keep these young people in agriculture.
- (iii) As to the farming pattern, most of the farmers are engaged in upland farming, and rice production is additional. The annual agricultural income per farm family is Y 900,000 (US \$2,500).
- (iv) The size of a family is 5.2 persons but it is estimated in the future that it will be four persons.
- (v) The expectations of the farmers with regard to the improvement of farm management are as follows:
  - (1) *With regard to the size of the farm management*
  - (a) to expand paddy fields and to rationalise the paddy production (212 farmers)
  - (b) to increase the number of dairy cattle and to become a full-time dairy farmer (43 farmers)
  - (c) to expand the size of pig raising (53 farmers)
  - (d) to expand the size of poultry farming and to become a full-time poultry farmer (45 farmers)

- (e) to increase income by way of mixed pattern of farming paddy production and sericulture as additional (86 farmers)
- (f) to increase income by way of upland farming as main, and horticulture as additional (102 farmers)
- (g) to increase the size of sericulture and to become a full-time sericulture farmers (20 farmers)
- (h) Uncertain (73 farmers)
- (2) *With regard to a successor*
  - (a) There is a successor (310 farmers)
  - (b) Not decided yet (256 ,, )
  - (c) Others ( 68 ,, )

After the survey, the society has organised group meetings throughout the area to make the farmers fully understand the result of the survey and so discuss the measures to be followed.

#### 4. *Regional Agricultural Development and the Target to be Achieved*

As a result of the group meetings the society decided its regional agricultural development programme with unanimous support from members.

##### (i) *Method of implementing programme*

- (a) After detailed study of basic data from the point of view of future trend of price and of consumption of agricultural and livestock products, the society has decided the major items to be produced more in the area. In making this decision much attention was paid to whether such items would be accepted by farmers and would be suitable for establishing a consolidated production area. Then the society worked out the detailed programme to increase production and productivity of such items.
- (b) The society organised its memers into small groups according to the pattern of farm management expressed in the survey, and decided the minimum size of management in consultation with such small groups to standardize the management.
- (c) The members of each small group worked out the individual production programme and on that basis the society formulated a regional production programme of major items.

## *(ii) Improvement Programme of Major Items*

Taking into consideration that Ogawa-Cho area is located within a distance of two hours of the big consuming area, the society selected the major items for increased production to get rid of the traditional agricultural management towards the profitable and commercial agriculture, and to strengthen the bargain power in the market. For this purpose the detailed improvement programme is very essential. The following are the brief descriptions of these programmes :

### *(a) Rice*

At the time of compiling the basic data, the cultivated area of rice was 436 hectares and the volume of production was 1,829 tons. The possibility of expanding rice production in this area was only through the reclamation of swamp land and forest. The target of the improvement programme is to produce 3,501 tons of rice with 576 hectares of land by 1972.

However, it is presumed that the shortage of farm labour will be more serious because of such reclamation of land. In view of this the society has decided to put the primary importance on the promotion of mechanisation and joint farming in collaboration with the Village Administration, Prefectural Government, Extension Office and Prefectural Union of Agricultural Cooperatives.

The society has also made a programme to increase the productivity by means of selecting a better variety of rice, better fertilisation scheme and soil improvement.

### *(b) Cucumber*

Cucumber is a rather traditional production in this area and its production techniques have been standardised. The society has decided upon the target of producing 660 tons with 11.0 hectares of land by 1972, as against 24 tons with 0.6 hectares in 1968. To attain this target the society decided to standardise the variety and grade, to establish a consolidated production area and to establish better marketing conditions through cooperatives.

The standard size of management for cucumber production is between 0.1 and 0.15 hectares.

### *(c) Tomato*

In case of tomatoes it was decided to maintain the contract farming for processing purposes. The target of production to be achieved by 1972, is 21,000 tons with 30 hectares as against 101 tons with 2 hectares in 1968. Also it was decided to provide joint

seed-bed, joint pest control and other new production techniques whereby the cost of production will be reduced.

On the other hand the society has made a programme for those members who are producing tomatoes for fresh consumption on a limited scale. However, it requires farm labour of 120 persons per 0.1 hectare, the large size production may not be recommendable.

#### *(d) Sericulture*

Most of the sericulture farmers are living in rice producing areas and they are engaged in both rice production and sericulture. This was made possible by the provision of young silk-worm centre by the society, well-balanced distribution of labour in rice production and sericulture, and simplified raising techniques of silk-worms. The sericulture farmers are getting good economic returns through a well-planned production system.

The society has decided to further expand the programme of facilities of mechanisation and of diffusion of new techniques. The target set for 1972 is 81,600 kg of cocoon and 68 hectares of mulberry field as against 23,000 kg of cocoon and 23 hectares of mulberry field in 1968.

#### *(e) Poultry*

This is the most important one among the major items for production in this area. At the time of survey the total number of chickens in this area was 50,000 and total egg production was 640 tons. The target to be achieved by 1972 is 105,000 chickens and 1,344 tons of eggs. For this purpose the society will make efforts to improve chick-rearing centres, to make effective use of egg grading centres and to provide chicken processing plants and to rationalise the egg marketing system so that the production cost may be minimised.

With regard to the size of poultry farming it was decided that the standard size should be 5,000 chickens per head engaged in poultry farming. The average number of chickens per family at present is only about 1,200 but in the improvement programme it was taken into account that raising techniques will be further simplified and that large scale of poultry farming would be made possible.

For the purpose of stabilisation of management the society will also continue to improve the present long-term Average Payment System for eggs. However, the feedstuffs entirely depend

upon the purchased one, so that further effort is to be made to produce feedstuffs by themselves.

*(f) Pig-raising*

In keeping pace with the increase of demand for pork in recent years, the number of pigs being raised by farmers has remarkably increased and even the price has been well-maintained.

The target set for 1972 is to sell 7,500 head of pigs as against 4,460 head in 1968. At the same time the society has made the plan to introduce a superior variety of pigs as well as to improve the marketing system. However, rapid expansion of the size of pig raising has resulted in the shortage of piglets, therefore in the improvement programme the society decided to purchase breeding pigs of a superior variety. This will make it possible for the society to produce sufficient piglets within the area will ensure planned production and marketing.

The long-term settlement of account system for pig will be maintained to protect the farmers from price fluctuation whereby management of pig-raising will be stabilised.

*(g) Dairy Farming*

In general the livestock industry in this area depends entirely upon the feedstuffs provided from outside, which makes the live stock industry unstable. But in the case of dairy farming 40 per cent of the feedstuffs are produced locally by farmers and 60 per cent are purchased from outside. This is an important factor to stabilise the dairy farm management.

In the improvement programme, it is suggested to secure 0.1 hectare per dairy cattle for self production of feedstuffs and to raise eight dairy cattle per person engaged in dairy farming.

With regard to the price of milk, the Milk Price Guarantee System of the Government has made a considerable contribution to the stabilisation of dairy farming. In addition to this, the society decided to start the retail sale of fresh milk for stabilising the management and for better economic returns.

According to the recent data, the number of dairy farmers is decreasing and on the contrary the size of dairy farming is expanding. By 1972, the number of dairy cattle will be increased to 400 from 200 in 1968, so that increased production of milk will be ensured. The income of dairy farmers will also be sufficiently enough to be independent full-time dairy farmers.

## 5. *Programme of the Society to Promote the Development Programme of Major Items.*

As explained in the preceding chapters, the society has made the individual improvement programme of farm management and the regional target for expansion of production. The destination, towards which the agricultural development is to be directed, was identified before the members.

The programme may be adjusted according to the change of economic conditions in future but ultimate destination of these programmes is to ensure the income of Y 350,000 per head.

The society, in order to meet the requirements of such programmes should strengthen the farm guidance service, to employ experts on different commodities, to establish better facilities, to provide credit facilities and to supply production materials.

For example, many farmers are suffering from labour shortage, so that the society will extend to following services :

- (i) Promotion of land consolidation and land improvement.
- (ii) Joint purchase of big agricultural machinery and joint farming using this machinery.
- (iii) Simplification of poultry farming by establishing Chick Rearing Centres.
- (iv) Establishment of poultry mansion.
- (v) Encouragement of large-scale poultry farming.
- (vi) Improvement of living conditions in rural areas.
- (vii) Establishment of chicken processing plant.
- (viii) Simplification of silk-worm rearing centres.
- (ix) Standardisation of raising techniques.

The agricultural development programme has been implemented with active support of members and with the help of the society in various ways mentioned above including financial assistance.

## 6. *Recruitment and Training of Cooperative Farming Advisers and their Role*

The farm advisers are recruited as general or ordinary employees of cooperative society. Then they are to work for the first three to five months in other divisions of the society during which period they learn cooperative business and acquire the position of member farmers. When the orientation period is over they are assigned to farming guidance services. It is our principle that each adviser should be given a single or specialised field. In a short time they should become specialised farm advisers,



Their role or the field of work is two-fold in their specialised assignment; guidance on farm management and guidance on production techniques. Let me take the case of a poultry farming adviser. He is responsible for sixty poultry farms and his itinerant service includes prevention of disease and infectious diseases. He has also to look after the poultry houses and see that they are well-maintained. That is called technical instruction. But for such farmers who would build their career solely with poultry business—such farmers generally have high and sometimes higher technical standard than advisers—an adviser would have to step into their farm management as a whole in order to assist in income improvement.

The poultry farming adviser is soon encountered with a question of why farmers are short of operational funds every year when they are making a profit in the poultry business. It was found that the farm management or household management as a whole had been carried with single book or in mixed accounts. Farm guidance service to assist members improve their farming management thus, lead to guidance on living improvement.

It was disclosed that profit accruing from the poultry business was found to be utilised as funds for electrification like purchasing washing machines, colour television etc. or to rebuild farm houses. It is therefore, realised necessary that the member's kitchen be disclosed to cooperative advisers so that advisers can make proper suggestions and help him make a proper plan for his better living. Guidance aiming ultimately at realising better living of members should therefore not be confined to technical instruction of production and farm management alone but also it should cover household management of members.

As an example of intimate and intensive guidance let me present the livestock book-keeping campaign. Under this campaign the cooperative guidance section is making members of poultry groups keep a book or record every day. Such record is submitted to regular meetings of the poultry group for examination and discussion among all the poultry members. Their performance of excellent management is presented also and it is taken as a model to be followed by others.

Records include such items like egg laying ratio, ratio of hen cage occupation and weight of eggs, etc. which are important for knowing monthly revenue and expenses of each farm. On that basis, a farming adviser can make instruction to further improve the position. Henceforth such farmers who do not keep records

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are even disqualified from the membership of the poultry group. That means the loss of the advantages which he was getting from the cooperative society such as itinerary visits by the adviser twice every week, prior consideration in case of using cooperative loan for his farming etc. By such intensive guidance the cooperative society is trying to enhance the level of poultry farming of the area as a whole.

### *7. Impact of Guidance Services*

Since the volume of the business of the society was given in the Case Study, only the average volume of utilisation by a member was shown here. In keeping pace with the increase of business the society has also increased its membership. The factors of such success could be seen in what the society has done in the past five years.

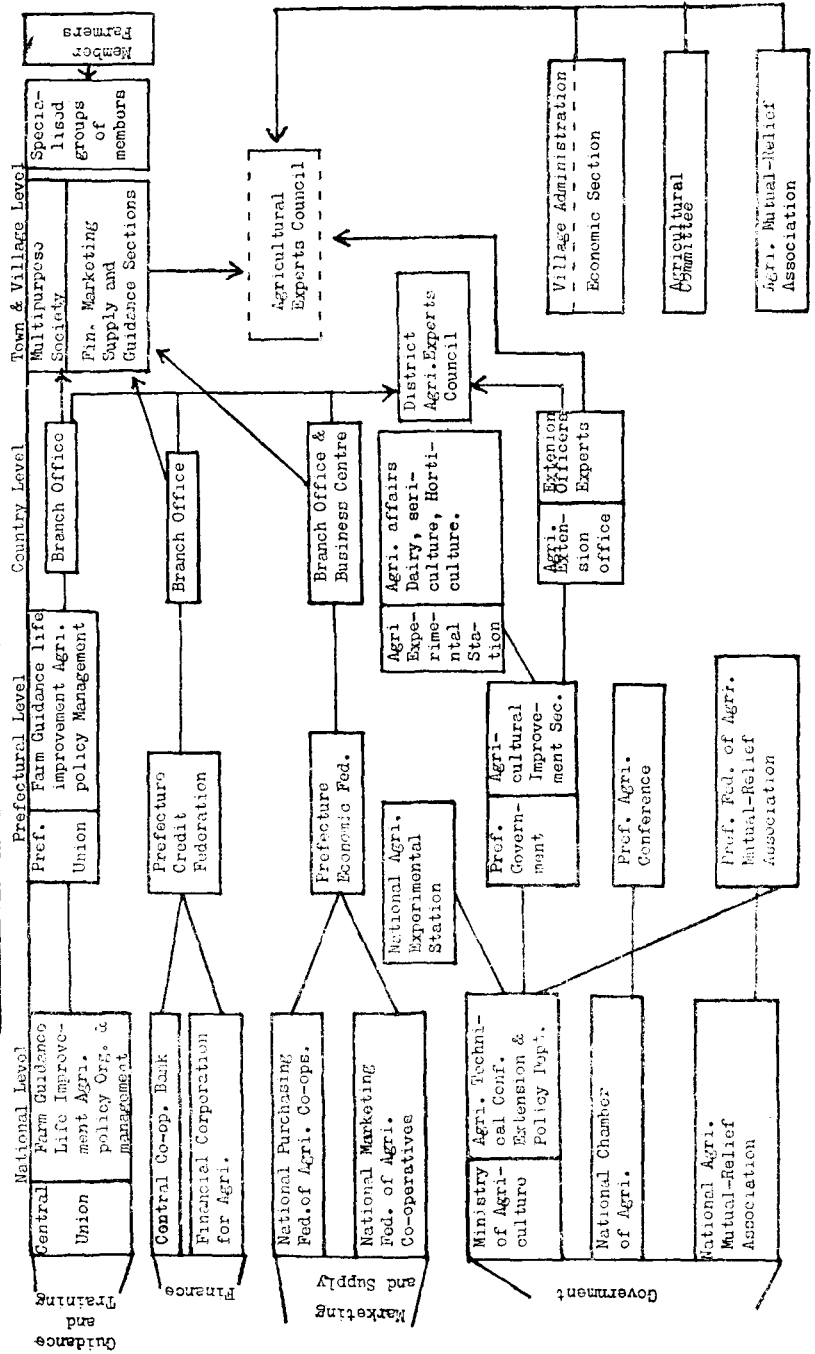
In 1964, the society was designated as a reconstruction and a revitalisation society. But after three years the society could pay off the debt of Y 5,200,000, thanks to the support and collaboration of the members.

In 1964, it was decided to place the primary importance on farm guidance activities as the restarting year of the society. As a result of this, the average amount of utilisation by a member had increased to Y 790,000 in 1968, from Y 33,000 in 1964. This remarkable increase is largely due to the reclamation of the paddy field and promotion of large-scale poultry farming and pig-raising which have brought the increase of income to farmers. For example, the first factor was that the society, which sold 90 per cent of rice in 1964, could sell 100% in 1968; the second factor was the expansion of paddy field by 70 hectares and the third factor was expansion of the livestock industry.

The tasks of a farm adviser of the society in reclamation were to arrange the financial facilities, the bulldozers and well drilling for irrigation. While arranging such services, the farm advisers have made efforts to call as many farmers as possible for the same purpose so as to reduce the cost. The implementation and strengthening of farm guidance activities of the society could ensure a better economic return to farmers and in turn the loyalty of the members towards the society has increased.

APPENDIX 1.

ORGANISATIONAL STRUCTURE OF FARM GUIDANCE IN AGRICULTURAL CO-OPERATIVES



## BUSINESS PERFORMANCE OF THE COOPERATIVE SOCIETY

Items	Unit: 1,000 Yens									
	1961	1962	1963	1964	1965	1966	1967	1968		
Deposits .. ..	18,724	52,390	81,035	130,235	230,007	175,871	198,397	234,707		
Loan .. ..	54,070	92,390	108,438	143,909	164,416	219,390	234,010	310,137		
Fixed Assets .. .	8,210	12,145	16,491	25,657	27,856	35,896	34,983	40,260		
Members' Deposit	45,136	85,930	160,065	240,999	343,593	371,080	413,064	512,953		
Borrowing .. .	36,140	31,445	33,637	34,938	47,233	38,850	28,520	30,366		
Share Capital ..	5,706	6,240	8,012	8,184	8,730	10,049	12,817	14,915		
Supply .. ..	60,655	92,190	101,527	172,902	282,080	270,818	280,060	319,227		
Fertilizer .. .	15,815	16,329	16,852	17,800	18,956	22,598	26,760	29,097		
Feed Stuffs .. .	37,431	57,364	72,811	109,312	144,366	169,036	158,951	152,973		
Farm Chemicals..	550	890	1,059	1,241	2,458	3,307	3,312	5,404		
AGR.Machinery ..	2,930	9,540	3,440	7,403	8,563	6,517	13,997	14,739		
Seedlings .. .	1,306	718	921	1,215	1,521	1,506	2,413	1,258		
Breeding Stock..	0	0	0	25,835	40,921	45,454	47,864	79,805		
Daily Commodities	0	3,020	2,620	4,743	8,863	13,170	17,031	17,894		
Others .. ..	2,623	4,329	3,824	5,353	6,432	9,230	9,732	17,057		
Marketing .. .	113,570	173,341	203,693	241,651	311,182	397,442	509,000	511,150		
Rice .. ..	33,548	45,287	55,135	63,781	74,706	100,356	152,032	174,747		
Wheat and barley	20,287	27,297	30,368	53,178	61,972	79,792	109,202	59,413		
EGG .. ..	14,314	32,946	47,590	54,350	88,536	93,283	87,267	73,455		
PIG .. ..	20,145	16,161	40,050	41,290	57,209	78,790	75,341	85,198		
Milk .. ..	8,498	12,379	15,290	17,290	23,1904	29,488	33,288	41,863		
Other cereals than rice	1,895	8,108	1,223	1,054	750	625	1,197	582		
Fruit & Vegetables	3,721	6,540	8,789	9,850	13,629	8,770	19,986	38,188		
Others .. ..	11,362	14,623	5,248	858	10,476	6,336	30,687	37,704		

(A) GENERAL PRINCIPLES FOR ORGANISING  
COMMODITY GROUPS

*Objective*

Article 1 In order to enrich member farmers' lives through farming occupation, favourable bargaining position in agricultural markets has to be obtained, for which bulk production of standardised commercial produce is the precondition. For that purpose, a joint effort of the member farmers under the cooperative society is necessary. The general principles for organising commodity groups are provided with the above mentioned points in mind.

*Nomenclature*

Article 2 Commodity group organised on the basis of this principle shall be called Producers' Group of Ogawa-Cho Agricultural Cooperative Society.

*Conditions of Organisation*

Article 3 When more than the following number in each professional line, who are permanently engaged in that line of farming as his/her principal enterprise, wish to initiate an autonomous group activity at their own initiative, they shall organise a commodity group under the cooperative society by the decision of the board of directors. The minimum number at the time of inception of the commodity group shall be as follows:

1. Pig Rears' Group more than 20 farmers with more than 50 pigs each
2. Poultry Farmers' Group more than 20 farmers with more than 1000 hens each (target 3000 hens)
3. Broiler Farmers' Group more than 20 farmers with annual marketing of over 3,000 poultry

- |    |                                |   |
|----|--------------------------------|---|
| 4. | Dairy Cattle<br>Farmers' Group | more than 20 farmers with<br>more than 5 cattle each  |
| 5. | Horticulturists'<br>Group      | more than 20 farmers with<br>over 10a. field for single<br>vegetable<br>more than 20 farmers with<br>orchard area of over 0.3<br>hectares for fruit |
| 6. | Grain Farmers'<br>Group :      | when grain farmers (rice,<br>beer barley etc.) join<br>together.  |

Applicants for the groups who do not satisfy the above mentioned qualifications shall be temporarily treated as qualified in view of the previous Standing Rules of Commodity (Livestock) Groups.

*Qualification of Member Commodity Group*

- Article 4 Any member farmer who satisfies the minimum requirement of size mentioned above and who is ready to develop his farming occupation together with the cooperative society is eligible to organise or to join the commodity group. Affiliation to or withdrawal from the commodity group is his/her free choice.

*Office-holders and Management of the Commodity Groups*

- Article 5 Each commodity group shall elect, from among the members, a head of the group. The head shall be such a member as can make positive contributions to the group. The group activities shall be managed by the members' autonomous action within the framework of provisions of these general principles.

*Relationship of the Commodity Group and Agricultural Cooperative Society*

- Article 6 The commodity group shall be the only objective through which the cooperative society may provide farming guidance services.

*Activities*

- Article 7 The commodity group shall conduct the following activities :
1. Formulation of production planning
  2. Standardisation of farming techniques

3. Formulation of marketing plan
4. Planning of joint purchasing of production inputs
5. Planning of procuring financial resources
6. Research and investigation
7. Other activities as necessity arises.

*Contract for Exclusive Utilisation of Cooperative Services*

Article 8 The commodity group shall conclude a contract for exclusive utilisation of cooperative services for their marketing and purchasing needs.

*Recording (Documentation)*

Article 9 The group shall keep records of member lists, production plans, marketing plans and so forth.

*Sub-Organ of the Commodity Group*

Article 10 The commodity group shall have a hamlet branch as its sub-organ.

*Management Committee*

Article 11 The head of each commodity group shall be appointed to management committee and they shall participate in the planning and implementation of cooperative society's activities in related fields.

*Expense*

Article 12 All the expenses of the commodity group shall be met by commodity group's membership fee and subsidy from the cooperative society.

*Secretariat*

Article 13 The farming guidance section in the cooperative society shall undertake the function of secretariat to the commodity group. Guidance and liaison services shall be provided by the cooperative employee in-charge of the guidance service.

*Standing Rules of the Commodity Group*

Article 14 Any commodity group organised on the basis of these general principles shall have standing rules of its own.

*Amendment and Abolishment of the General Principles*

Article 15 Amendment and abolishment of these general principles shall be decided by the board of directors.

### *Supplementary*

The general principles for organising commodity groups shall be effective from \_\_\_\_\_ onwards.

## STANDING RULES OF POULTRY FARMERS' GROUP

### *Objectives*

Article 1 The objective of the poultry farmers' group shall be to pursue common interest of members under their joint efforts through the cooperative society with a view to establish members' farm management on a firm basis and thereby to achieve improved living standard.

### *Nomenclature and Location of Office*

Article 2 The group shall, as its formal nomenclature, be called Poultry Farmers' Groups of Ogawa-Cho Agricultural Cooperative Society. The office of the group shall be located at the cooperative society.

### *Geographical Coverage*

Article 3 The geographical coverage of the group shall be the same as that of the cooperative society.

### *Membership*

Article 4 The group shall be organised by poultry farmers of the area who are willing to make positive cooperation with others in the group with a view to establish a firm management basis for poultry farming along the line of the objective provided in Article 1. Affiliation to and withdrawal from the group shall be by autonomous decision of the poultry farmers.

### *Office-holders and their Term of Office*

Article 5 The group shall have the following office-holders. A term of office shall be two years and no one shall be prevented from being elected more than once.

Head	1
Deputies	2
Associates	several

### *Remuneration*

Article 6 The office-holders of the group shall be remunerated.



### *Activities*

- Article 7 The group shall conduct the following activities with co-operation of the cooperative society :
- (i) Introduction of good stock poultry, matter relating to improvement of poultry farming management,
  - (ii) joint marketing of eggs, joint purchasing of related inputs such as fertilizer and joint utilisation of related facilities etc.
  - (iii) matters relating to fund for poultry management,
  - (iv) research and investigation into matters relating to farming techniques and distribution (marketing),
  - (v) Other matters necessary to achieve the objective.

### *Sub-Organ*

- Article 8 The group shall have branches in hamlets (smallest geometrical unit). Standing rules of the sub-organ shall be made after the Rules of the Group.

### *Recording (Documentation)*

- Article 9 The head of the group shall keep all the records of the group such as member list, poultry book, marketing plan etc.

### *Expense*

- Article 10 The expenses of the group shall be met by the membership fee and subsidy from the cooperative society and others.

### *Qualifications and Disqualifications of Members*

- Article 11 An applicant becomes a member when the application is admitted together with the application form. He shall be disqualified at the decision of the office-holders meeting in case the member's behaviour transgresses provision of rules.

### *Supplementary*

The standing rules shall be effective from——— onwards.

## (C) SYNOPSIS FOR IMPLEMENTATION OF SALARY SYSTEM FOR FULL-TIME POULTRY FARMERS

### *Objective*

- Article 1 The objective of the salary system is to provide conditions to poultry farmers who are engaged in this line of

livestock farming as their principal enterprise in accordance with Livestock Farming Development Plan of the Cooperative Society, under which they are assured a stable annual income despite sharp fluctuation of the producer price of eggs.

*Pre-requisite for Beneficiaries (Qualification)*

Article 2 Beneficiary shall conclude a long-term contract with the society under which he/she is required to keep a certain minimum number of hens constantly. The number of hens to be kept by the beneficiary shall be decided by the president of the cooperative society.

*Method of Implementation*

Article 3 The cooperative society shall transfer the proceeds of the beneficiary (contract member) arising from egg, dung, and aged poultry into his/her overdraft account for the livestock operational fund after deduction of incurred costs. It shall be done so whatever the prices (marketing prices) may be.

*Payment*

Article 4 On a certain day of every month, 0.50 yen per hen shall be transferred from the said account to his/her ordinary deposit account. The number of hens shall be that which is provided in a separate affirmation form.

*Duty*

Article 5 The beneficiary (contract member) shall keep the number of hens constantly, which is provided in the contract, during the period of contract.

*Enforcement*

Article 6 The cooperative society shall be able to enforce the introduction of a contracted number of hens into the contract member's farm. The date of bringing in shall be decided with consultation of the member.

*Stock-taking*

Article 7 The cooperative society shall make a member carry out stock-taking (checking the number of hens) twice a year and submit an account of revenue and expenditure.

### *Obligation of Contract Member*

Article 8 The contract member shall make an endeavour to improve the management techniques of poultry farming.

### *Facilities*

Article 9 The cooperative society shall recognise the contract member as a full-time poultry farmer (member of full-time poultry group) and shall provide him/her with key facilities and services.

### *Collateral*

Article 10 The cooperative society shall be able to request a contract member to present a collateral against his/her overdraft in the account of livestock operation fund as deemed necessary.

### *Affiliation to Guarantee Association*

Article 11 The contract member shall affiliate himself/herself to livestock price guarantee association in order to develop the engaging line on a stable basis.

### *Change in the Number of Hens*

Article 12 The contract member cannot change the number of hens unless the term of contract is over.

### *Penalty*

Article 13 The system shall be operated on the basis of trust between the cooperative society and the contract member, henceforth it has no penalty provision.

### *Amendment and Abolition*

Article 14 Amendment and abolition of the provision of this synopsis shall be decided at the board of directors.  
The synopsis shall be effective from ———— onwards.

## **(D) CONTRACT FOR SALARY SYSTEM FOR FULL-TIME POULTRY FARMERS**

I shall conclude contract for salary system for full-time poultry farmers with the Ogawa-Cho Agricultural Cooperative Society in full agreement and affirmation of the following provisions :

Article 1 I shall conclude this contract with ———— hens in accordance with the Article 6 of the Synopsis for Implementation of Salary System for Full-time Poultry Farmers.

- Article 2 I shall promise to keep the contracted number of hens constantly and in case there arises shortage no complaint shall be made against the forced introduction of lacking number of hens by the cooperative society.
- Article 3 I shall entrust to the cooperative society marketing of eggs, aged poultry and dung under full consignment.
- Article 4 I shall make no objection to the cooperative society if the society recovers outstanding balance of loan in my overdraft account of livestock at the end of term (or upon maturity) by proceeds accruing to me.
- Article 5 I shall agree to presentation of collateral at the time of concluding overdraft contract for livestock account as required.
- Article 6 The term of the contract shall be made one year and in case no side proposes amendment or nullification it shall be extended to next year.
- Article 7 The contract shall be made both in original in copy, either of which shall be kept by contracting parties.

Year

Month

Date

Farmer's signature

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