

Report of the Regional Seminar on

**Multi-Purpose
Cooperative
Societies**

with special reference to

Japan

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Multi-purpose Cooperative Societies

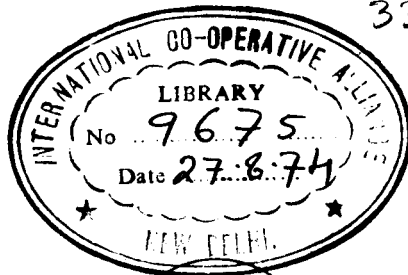
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Japan

(Tokyo, May 16 to June 6, 1972)

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INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office & Education Centre for South-East Asia
43 Friends Colony, New Delhi 110014

Regional Seminar on

**“Multi-purpose Cooperative Societies
with special reference to Japan**

held in Tokyo

May 16—June 6 1972

organised by the

International Cooperative Alliance

Regional Office and Education Centre for S-E Asia

in collaboration with the

**Central Union of Agricultural Cooperatives, and
Institute for the Development of Agricultural
Cooperation in Asia (IDACA), Tokyo**

Multi-Purpose Cooperative Societies
with special reference to Japan

INTERNATIONAL COOPERATIVE ALLIANCE

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**“MULTI-PURPOSE
COOPERATIVE SOCIETIES WITH SPECIAL
REFERENCE TO JAPAN”**

The Regional Seminar on “Multi-purpose Cooperative Societies with special reference to Japan” was held by the ICA Regional Office & Education Centre for South-East Asia, New Delhi in collaboration with the Central Union of Agricultural Cooperatives of Japan and the Institute for the Development of Agricultural Cooperation in Asia (IDACA), Tokyo, Japan from 16th May to 6th June, 1972, at IDACA in Tokyo.

2. The countries which participated in the Seminar were Bangladesh, India, Indonesia, Iran, Republic of Korea, Malaysia, Philippines, Singapore, Sri Lanka (Ceylon) and Thailand. A list of participants is annexed.

3. At the inaugural session of the Seminar, Mr. K. Fujimoto, Manager, International Department of Central Union of Agricultural Cooperatives of Japan and Mr. J. M. Rana, Director (Education) ICA Regional Office & Education Centre, welcomed the participants.

4. The Seminar was directed by Mr. J. M. Rana with the assistance of Messrs Lionel Gunawardana, Shiro Futagami and H. Togawa.¹

1. The designations and the names of organisations of these persons are given in the list of participants.

Objectives

5. The objectives of the Seminar were as follows :
- (i) To discuss the concept of a multi-purpose cooperative society,
 - (ii) To discuss methods of integration of credit, supply, marketing, etc. through multi-purpose cooperatives,
 - (iii) To discuss the management questions of multi-purpose cooperatives, and
 - (iv) To study the working of the multi-purpose cooperatives in Japan.

Study Visits

6. Prior to the start of the Seminar in Japan, a five-day study visit in the Republic of Korea was arranged to study the working of multi-purpose cooperatives and their federations in the Republic of Korea. These visits were held from 10-15 May, 1972. Following institutions were visited during the study visits :

- (i) National Agricultural Cooperative Federation (NACF), Seoul.
- (ii) Agricultural Cooperative College.
- (iii) Oksan-Ri Agricultural Cooperative Society.
- (iv) Chungwan-kun (County) Agricultural Cooperative Society.
- (v) Youngheung Ri Agricultural Cooperative Society.
- (vi) Sou-wai Ri Cooperative Society (Hungchung Buk Province).

Observations made during the study visits in Korea

7. Following are some of the important observations made by the participants during the study visits.

- 7.1 The Board of Directors of the NACF included the Minister for Agriculture, the Minister for Finance and two Agronomists or Economists of outstanding reputation. The presence of the two key Ministers on the Board ensured proper communication between the Government and the cooperative movement and helped in effective implementation of agricultural development programmes.
- 7.2 Amalgamation of small agricultural cooperative societies has provided scope for serving the members in a better way. It has preserved the involvement of cooperators of amalgamating small societies by constituting branch committees.
- 7.3 The legal provision which disallows politicians from holding office in cooperative societies helps to keep politics out of societies. A member of Parliament, Municipality or even of a political party can hold office in a cooperative only after two years of his retirement from Parliament after resigning from the membership of the party.

Concept of a Multi-purpose Cooperative Society

8. In defining the multi-purpose cooperative society, the Seminar referred to the classification adopted by the ICA in its annual statistics of the following organisations. This classification is as follows :--

- (i) Consumer,
- (ii) Credit,
- (iii) Agricultural,
- (iv) Building and Housing,
- (v) Workers' and Artisans' Cooperative Societies,
- (vi) Fishery,
- (vii) Insurance, and
- (viii) Miscellaneous.

The Seminar defined a multi-purpose cooperative society as “a voluntary association of members with the aim of improving their economic position and living standards by engaging in various related functions in furtherance of this common goal, i.e. engaging in production, marketing, consumer, credit, education activities etc.” The Seminar was of the opinion that both farmers and non-farmers should be allowed to join as members in a multi-purpose society but the bulk of membership should come from persons of identical interests. In order to harmonise the interests of the farmers and non-farmers, the society should provide adequate services to both the groups. However, it was regarded essential that private money-lenders and traders, whose interests conflict with those of the members of the society, should be excluded from membership of the cooperative society. It was also agreed that persons with vested interests may be debarred from being elected to the management of the society, so that they cannot play a part in the formulation of society’s policies and directing its business.

9. The multi-purpose cooperatives in rural areas are of the following types :

9.1 Farmers multi-purpose cooperatives in which only farmers—full time and part-time, are members.

9.2 Community multi-purpose cooperatives in which all the families living in the village, such as farmers, artisans, teachers would be members. This type of a cooperative society could be organized for urban communities as well.

10. The rural multi-purpose cooperative society should provide the following services, depending upon its capacity, for raising the social and economic conditions of members.

- (i) Credit,
- (ii) Marketing of agricultural produce,
- (iii) Supply of agricultural requisites,
- (iv) Farm Guidance,
- (v) Supply of Consumer Goods,

- (vi) Guidance for Home improvement,
- (vii) Insurance, and
- (viii) Facilities for recreational and cultural development of members.

11. It was noted that in Japan, the multi-purpose cooperative societies mainly comprised of farmers. However, in Sri Lanka (Ceylon) and India, the policies of government envisaged the development of community multi-purpose cooperatives. The bye-laws of cooperative societies in these countries reflected the activities mentioned above.

12. In order that the society is able to perform the services effectively, it is essential that the size of the society is viable which is consistent with member-interest and member-participation. In several countries in the Region, rural multi-purpose cooperatives are being amalgamated in order to make the societies viable and provide for growth potential. However, in larger societies, it is essential that a representative general body meeting is organized with necessary provisions in the bye-laws for membership meetings in the villages.

13. Management of a multi-purpose cooperative is more complex than that of a single-purpose society. Hence, it is vital that these societies should have competent and trained personnel. Other requirements for successful functioning are adequate member education and information activities and effective support from secondary organisations.

14. The following problems of multi-purpose cooperative societies were mentioned :

14.1 There was a great deal of government control over cooperatives which in its wake brought political interference. In the opinion of some participants of the Seminar, this problem had assumed serious proportions in some countries of the region. The Seminar felt that the cooperative movement in this connection was beset with a dilemma. On the one hand, State aid was essential for the development of rural multi-purpose cooperative

societies if they were to fulfil their aims of providing effective services to all sections of the rural community. In India and Sri Lanka it had been accepted as a policy of State to assist cooperative societies for the purpose of rural development. On the other hand, State aid brought in its wake tight government control and a great deal of interference by political elements. In such a situation, cooperatives were not able to function as autonomous units, and hence, board members felt stifled, and there was little room for development of initiative.

14.2 Other problems mentioned by the Seminar were as follows : (a) member apathy, (b) wide gap between the aims enunciated in State policies and results in terms of activities of and services provided by societies, (c) social and economic stratification in rural communities, on account of which cooperatives were dominated by better-off sections. The small farmers, the marginal farmer and the agricultural labourer did not get the needed services from cooperative societies, (d) accounting became complex task in multi-purpose cooperative societies. It was essential that separate accounts were kept for different activities. It was mentioned that this problem had not been satisfactorily solved in some countries. Unless proper accounting system was developed, real financial position of the various activities might not be revealed. (e) If the society was not careful, trading with non-members was likely to become more important. Some time it might become a major activity, thus impairing the cooperative character of the society. (f) In a community multi-purpose cooperative society there could be conflict of interests amongst various groups of members, such as producers and consumers or artisans and consumers, or farmers and labourers. (g) In view of this, allocation of patronage dividend on equitable basis becomes a difficult task in a multi-purpose society. It is essential that the Board of Directors is in a position to harmonize divergent interests of different groups of members.

Relevance and Feasibility of Establishing Multi-purpose Cooperative Societies in Urban Areas

15.1 The Seminar considered the feasibility of establishing

multi-purpose cooperative societies in urban areas. It was misconception that urban dwellers would be interested only in consumer activities. They needed credit for production and consumption. They needed dwelling houses and they would also wish to avail themselves of the benefits of various schemes of insurance. There was also the need to organize the unemployed and under-employed with a view to obtaining for them suitable avenues of employment—full time or part-time.

15.2 Multi-purpose cooperative societies could be organized to cater to the above needs of urban dwellers.

15.3 It may be said that there does not exist in urban areas, the necessary pre-requisites for the successful functioning of a multi-purpose cooperative society and that the social cohesion and community of interests obtaining in rural areas do not exist in the urban areas. However, an attempt needs to be made to organize multi-purpose cooperative societies even on a modest scale. Necessary safeguards should be taken in the matter of granting credit and whatever activities are undertaken should be on a phased programme depending on experience gained and the availability of funds.

15.4 The Seminar was of the view that there was scope for the formation of multi-purpose cooperative societies in the urban areas—particularly in countries that had financially sound urban credit societies in order to utilise their surplus funds for undertaking activities for further promoting the interests of members. Great caution was, however, necessary to ensure that trading activities which involved considerable risks would not damage credit activities and the society as a whole.

15.5 The Seminar also took note of the fact that in Japan and Germany, cooperative societies started with agricultural credit and gradually expanded their activities to cover supply and marketing. In some countries, the multi-purpose cooperative societies grow out of agricultural production and marketing societies while in a few other countries the present tendency is for the urban credit societies to convert themselves into multi-

purpose cooperative societies by extending their activities to consumer and housing fields.

Marketing

16. The Seminar discussed at length the practicability of multi-purpose cooperatives undertaking marketing activities in respect of several commodities. The Seminar took cognizance of the existing structural pattern in the organisation of cooperative societies at various levels in the countries in this region. By and large, the primary society at the lowest level has a multi-purpose character in several countries, though it is discharging its diverse functions with varying degrees of efficiency. In effect, these primary societies are at the moment mainly concentrating their effort in disbursement of credit and marketing of major food grains on an agency basis.

17. The bulk of the rural population in most of the countries in this region will continue, for years to come, to be engaged in whole-time agriculture, and that the concept of mixed farming will have to be increasingly promoted to raise the economic levels of the farming community. It is in this context that the question becomes important whether the marketing activities of cooperative societies at various levels should be multi-commodity in nature or whether special single-commodity specialised marketing societies should be promoted at appropriate territorial levels to cater to the specialised processing and marketing requirements of such diversified agricultural production.

18. The Seminar felt that there was undoubtedly merit in the formation of specialised marketing societies for newly emerging lines of agricultural production under the mixed farming concept, if such societies could have sufficient turnover in a particular region to enable them to operate viably and command significant share in the concerned market. Such a tendency was evident even in the case of Japan in the earlier stages of its cooperative development. There were, however, certain dangers in this approach. Firstly, it might lead to a multiplicity of marketing organisations which would weaken the main marketing

federal structure at the primary, regional and higher levels. Secondly, such societies, with some exceptions, might not become viable organisations without enlarging their territorial jurisdiction too much.

19. The Seminar therefore was of the view that the balance of advantage would lie in promoting and enabling the multi-purpose societies to undertake multi-commodity marketing activities, particularly all those lines of agricultural production which are covered under the mixed farming approach, which include poultry, dairy, piggery, etc. The advantage of this approach would be that the farmers who produce all these commodities, in course of time would be dealing with one single primary institution and the latter with one single marketing institution right up to the national level. As the turnover in various activities increases, specialised departments could be established in the multi-commodity marketing society to ensure the necessary degree of specialisation in marketing, processing and farm guidance.

20. A necessary pre-condition for this, no doubt, was that the primary multi-purpose society itself must be a viable unit capable of handling the various activities efficiently and adequately. Otherwise, the formation of specialised commodity marketing societies for poultry, dairy, piggery would become inevitable. This could be seen in Japan where, with the formation of large-sized societies by amalgamation, there was a clear tendency for the merger of specialised societies with multi-purpose societies at the primary and prefectural levels.

21. However, in the case of those commodities which were produced only by a small section of the farmers like plantation crops (rubber, tea, coffee, cashew-nuts, etc.) and other crops like fruits and vegetables, the Seminar felt that it would be more advantageous to have specialised marketing societies with a viable area of operation. It was also felt that membership of such societies should be thrown open to both the individual farmer concerned and the primary and secondary societies of the area.

Improvement of Consumer Distribution

22. The experience of most of the countries in the Region has been that even those multi-purpose societies which are engaged in consumer activities stock a very limited range of goods, mainly food stuffs which have been made available to them by governments as part of their schemes of distributing goods at fair prices. The Seminar felt that even with the limited resources of the primary societies in this region, it should be possible for the societies to enlarge their range of consumer goods so as to meet, at least, the basic and essential consumer requirements of the rural community. Where societies acted as agents of government in the distribution of foodstuffs, it was suggested that the margin of handling should be so fixed by the government as to enable societies to meet the costs of distribution.

23. The consumer articles to be supplied by multi-purpose cooperatives might be the following : staple cereals, sugar, salt, kerosene oil, edible oils, utility textiles, agricultural implements and tools, small power tillers, (depending on the demand), first-aid medicines, household appliances and utensils, toilet articles, stationery and school supplies, rain-coats and umbrellas, footwear commonly used by rural people, etc. The goods so stocked should be such as have a ready market and fast turnover in the rural areas so that the capital and warehousing space does not get locked up.

Arrangements for Procurement

24. It will not be possible for the primary societies to procure their supplies direct from the wholesale market because of the small size of their requirements. It is, therefore, necessary that bulk-buying arrangements at secondary level, on the lines of the Regional Distribution Centres in Japan, be devised. The function of bulk-buying can be undertaken by the secondary level multi-purpose societies if they exist; otherwise by the secondary level marketing for wholesale consumer societies. Needless to add that a systematic and properly co-ordinated arrangement for timely collection of requirements and indents from the primary level and timely supplies to them will have to be ensured.

25. The transportation of goods so procured by the secondary societies in terms of the indents of the primary societies will have to be done by the secondary societies because it will be difficult for the primary societies to arrange for transportation. If the quantities involved for each primary society do not amount to a full truck-load, the secondary society will still be able to hire full trucks and deliver the goods to several primary societies en-route. In the context of the countries in the region, it was not considered possible to involve the apex level societies in the bulk-buying of consumer goods. Even in Japan, it was noted that the apex level society was procuring only about 10 per cent of the total consumer goods distributed.

26. It is also important that multiple loading, unloading, and handling of goods purchased in bulk by the secondary level be avoided to the extent possible. The effort should be that, however possible, the goods should move direct from the wholesale market to the primary societies under suitable accounting arrangements between the secondary and primary societies.

Packing and Quality Control

27. It goes without saying that good packing is an important aspect of good marketing. However, the nature of packaging has also to be related to the expectations and the willingness of the consumers to pay for better packaging. In the present day situation, it may not be possible in most countries in the region to attain the standards of packaging of Japan. However, it is essential that even in these countries attention be given to packaging which is important at least for preserving the quality of goods in storage, if not for better presentability.

28. The consumers in rural areas in these countries have been buying adulterated and poor quality goods retailed by village shop-keepers who have often been the village money-lenders. Being members' own organisations, the cooperatives have to ensure supply of standard quality goods. An honest and socially motivated policy of this nature will also attract larger clientele in competition with village shop-keepers-cum-money-lenders.

Processing

29. The secondary society which has been contemplated as the bulk-buying agency should be encouraged to set up independent processing facilities for various commodities in local demand like oil seeds, paddy, lentils etc., for making supplies of these commodities of assured quality (edible oil, rice, etc.) to the primary societies at cheaper prices. This will not only serve the interests of the consumers but also of the producers of these crops. Similarly, cold storage and canning facilities could be established by the secondary societies to serve both the consumer and producer interests.

Distribution to Consumers

30. The facility of mobile shops in several areas perhaps might not be considered for the time being for societies in the Region as in Japan. However, the idea of "package" delivery system covering the requirements of a family of certain essential items including simple medicines for two or three months, as in Japan, can be introduced at least by a few good primary societies.

Management

31. Management has been the weakest point in the cooperative movement, not only in consumer activity, but also in other activities. The importance, therefore, of good management cannot be over-emphasized. The only solution is to recruit persons of right calibre, which will call for better remuneration and promotional prospects being given to them. Secondly, suitable training should be given to these people covering all aspects of management, including inventory control, accounting, budgeting, shop display etc.

Financing

32. It will not be possible for most primary societies to undertake consumer activity on an effective scale with their own resources. It is, therefore, necessary that financial support in the form of supply of goods on credit for a certain period be

given by the higher level societies. The exact nature of financial support and other financial disciplines in this regard can be worked out in the light of conditions in each country. The Seminar emphasized that as the primary societies gain in strength and experience, they should generate increasing resources of their own.

33. The Seminar considered the question primarily in the context of the existing situation in the countries in the region, and therefore made only such observations as were relevant for the next few years. As the societies advance from their present stage of development to the next higher stages, they will, it is assumed, be constantly upgrading their levels of operational efficiency with the object of achieving sophisticated and modern techniques of marketing in all aspects in the field of procurement, processing, packaging and distribution.

Farm Guidance, Farming Complex and Group Farming

34. The Seminar after considering the inter-relationship among the concepts of farming complex, group farming and farm guidance activities as practised by the Japanese agricultural co-operatives, placed the highest importance on farm guidance activities, which, if successful, would create the necessary environment for the successful operation of "group farming" and "farming complex". It was agreed that all these concepts were both relevant and practicable within the co-operative framework of each country, with certain limitations stemming mainly from the financial constraints placed on the co-operative movements in each country.

Farm Guidance

35. In practically all of the countries in the region, with the exception of Korea, generally speaking, farm guidance activities are not conducted by the societies. Farm guidance is confined only to the extension work of government officers. The Seminar was of the view that there was a basic difference in approach of the farm guidance activities of a co-operative society vis-a-vis

that of government. The extension workers of government will be concerned with overall targets and achievements whilst in the farm guidance done by the society there will be an individual approach. Taking into consideration the low income level of an average farmer of the region and the economic and social stresses he is undergoing at present, such an individual approach is very relevant and is urgently required. Undoubtedly there has to be close co-ordination between the efforts of the society and of the government so that the maximum benefit is derived by the farmer, as is seen in the Japanese co-operative movement.

36. In discussing the practicability of organising farm guidance activities by the societies, the Seminar felt that the major constraint would be the lack of adequate finances. Certain countries in the region would also be experiencing an inadequacy of expertise and trained personnel. It was noted that even in Japan, certain activities of the agricultural co-operatives were to some extent, subsidised by the Japanese government and the local authorities. Taking the region as a whole, it was the view of the Seminar that assistance from apex co-operative organisations would be very limited. It was therefore, accepted that without substantial assistance and support from the government, both by way of finances and by way of facilities for the training of farm guidance personnel of the co-operatives, the co-operatives within the region would not be able to undertake this activity in a very fruitful manner.

37. The Seminar was of the view that in the first instance, the co-operative societies should obtain assistance, if so required, in the training of personnel. It was also the view of the Seminar that pilot projects for farm guidance activities should be formulated by the societies and be implemented in a few selected societies. Such plans may be submitted to government for subsidies in defraying the cost of emoluments of the farm guidance officers and of preparing the extension literature. The ICA Regional Office and Education Centre should also guide and assist the co-operative societies within the region in the formulation and implementation of a few pilot projects.

Organisational Approach

38. The Seminar unanimously agreed that farm guidance and guidance on better living should be carried out at the primary level through the primary society.

39. The Seminar felt that co-operative banks or credit institutions at the secondary level which were responsible for financing the primary societies for agricultural production, marketing, supply etc. were the best institutions to plan, co-ordinate and guide the farm guidance activities in their areas of operation. These banks could formulate the pilot projects in collaboration with the co-operative unions and seek assistance from government and mobilise funds from the cooperative unions and the societies to be covered under the pilot projects.

Techniques of Farm Guidance and Guidance on Better Living

40 The Seminar listed the following techniques for effective farm guidance work :

40.1 Formulation of study groups at the village level to consider the village plan as a whole in the context of the activities of the society and other departments or institutions,

40.2 Formation of commodity groups, wherever necessary,

40.3 Formation of Women's Groups,

40.4 Formation of Young Farmers' Groups,

40.5 Arranging talks-cum-discussions on the subject of interest to the Groups,

40.6 Arranging study-cum-excursion tours for the possible development of members' occupations,

40.7 Arranging programmes of audio-visual education and cultural shows,

40.8 Supplying study material and discussion sheets on the

subjects of interest and utility to the groups, such material could be produced or procured by the co-ordinating Bank/Union.

40.9 Participation of the Guidance Officer and Officer/Office-bearers of the society in the Group Meetings,

40.10 Study programmes of students and teachers of agricultural college, medical college, teachers' training college, home science college, cooperative college to the pilot villages; these will provide knowledge and service both to members and visitors.

40.11 Inviting urban inhabitants (who have left the village for occupation outside) to stay for one week each year in the villages and talk to the villagers about their experiences and improved living.

40.12 Arranging education and training of the members, members of women and youth groups, and office-bearers and employees of the society.

41. The Seminar also felt that multi-purpose co-operative societies should undertake guidance on better living to assist the members to lead a fuller life. Such work could be effectively carried out by women workers. The following were listed as some areas in which these guidance activities could be undertaken :

41.1 Guidance and facilities to maintain better health of members and their families,

41.2 Guidance on and facilities for better communication system,

41.3 Programmes for recreation of members and their families,

41.4 Guidance and facilities on better sanitation,

41.5 Guidance on balanced diet,

41.6 Guidance on selection of quality consumer goods within the financial limitation of members,

41.7 Guidance on planned savings and insurance to meet the future responsibilities,

41.8 Guidance on better educational and vocational facilities available in and around the area, including adult education programmes,

41.9 Persuasion to leave old customs not suitable to the present times, and

41.10 Planned life and family planning.

Scope of activities

42. Farm guidance activities will include :

42.1 Occupational guidance to farmer members to raise their farm incomes,

42.2 Preparation of farm/occupational plans of members,

42.3 Guidance on use of agricultural inputs, fertilisers, farm chemicals, machinery, improved seeds, irrigation facilities, etc.

42.4 Guidance on change of crop pattern,

42.5 Guidance on use of common facilities provided by the co-operative societies and their federations,

42.6 Guidance on standardisation, grading, packing, transportation, warehousing and marketing,

42.7 Developing demonstration farm plots etc. either on the members' farms or on the plot entrusted to the society by the members or by the local authority,

42.8 Guidance regarding consolidation of holdings, etc.

43. The Seminar suggested that guidance should be linked up with the facilities to be provided by the society.

Group Farming

44. In Japan, government and the agricultural co-operative movement encourage "group farming" by farmers. By group farming is meant co-operative action by farmers in the various processes of production, such as joint ownership of farm machinery and services, sometimes involving pooling of land as well.

45. In the context of the prevailing farming conditions in the regions, the Seminar saw the following advantages in a group farming approach :

- (a) Increase in farmer's income,
- (b) maximum utilisation of land,
- (c) more effective farm management,
- (d) modernization of the farm and the acquisition of modern farm machinery which under normal conditions would be beyond the reach of the average farmer, and
- (e) better credit facilities.

46. These benefits would be derived only if the farming group in itself is an economically viable unit, with an adequate marketable surplus. The pre-requisite for maximum benefit of a group farming approach is land consolidation as land holdings in almost all countries of the region are partitioned and small. When a group invests in farm machinery, the group should get the maximum return from that investment. A programme of land consolidation should be carried out through proper incentives, supported by the government. Effective farm guidance was also considered necessary for the purpose.

47. The group farming approach could be effectively undertaken in the following areas :

- (a) acquisition of farm machinery,
- (b) farm management,
- (c) providing irrigation facilities,

- (d) pooling for transport and marketing,
- (e) simple processing and grading, and
- (f) construction of farm houses for common use, etc.

48. The agricultural co-operative movement and the government in Japan are also promoting "Farming Complexes". Under the "farming complex" concept an integrated system of production and marketing of agricultural and livestock products is sought to be built up by having (a) group farming by members, (b) by supporting activities of the group farmers through an organic link-up of the various activities of the enlarged and more efficient multi-purpose co-operative societies, (c) establishment of various facilities, such as warehouses, processing plants, and slaughter houses, in order to support both production effort as well as marketing activity. The conditions in agricultural production and marketing which created the "farming complex" concept within the multi-purpose societies exist in other countries of the Region only in a limited way. However, all the countries in the Region are experiencing an urban sprawl which is creating new patterns of demands for agricultural products. Industrial development has not reached the peak in any country as in Japan and the shortage of farm labour is not acutely felt. However, an integration of production and marketing was considered essential by the Seminar for all countries in the Region.

49. The Seminar was of the view that the "farming complex" approach was very relevant throughout the region in (i) increasing farm incomes, (ii) giving specialised guidance to individuals farmers in farm management in respect of each type of crop, and (iii) in the society rationalising its own management in order that the needs of the farmer were adequately met and that the farmer was properly serviced.

50. The diversification of crops by the farmer for additional farm incomes has hitherto been done on an individual basis without regard to common plans of production, marketing and credit. Organising "farming complexes" commodity-wise—is both relevant and practicable and will definitely help the farmers in

the region. Both in planning and plan implementation, the “farming complex” concept will be most effective. Such an approach is also very relevant in the context of the diversified interests in a community multi-purpose co-operative society.

State Support to Cooperatives

51. After a searching discussion of the fields in which State support to rural co-operatives was needed and the types of such State support, the Seminar agreed that the question would have to be looked at in the context of the differing conditions in different countries. The Seminar finally agreed on broad principles, and suggested that the fields in which State support was needed could be grouped as follows :

51.1 *Financial support* in the form of capital participation,

51.2 *Creating facilities for training* in management as well as special technical knowledge related to agriculture,

51.3 *Providing education*, both general and co-operative, which must be continuously and relentlessly carried out,

51.4 *Technical experts* and extension workers should be at hand to help the farmers to be more efficient in their production.

51.5 *Legal* : Enacting suitable legislation with a view to helping the growth of a healthy and efficient movement.

52. After lengthy discussion, the following points emerged :

52.1 Government should formulate the broad basic policy for the co-operatives. The policy may include providing assistance, guidance and regulating the co-operatives which should be done through national/apex co-operative institutions rather than directly. The societies should then be allowed to work as best as they can within the ambit of this policy. The government can help by having extension and guidance workers to aid and guide these societies.

52.2 The government should train sufficient co-operative

personnel to manage these co-operative societies. Strong management personnel will be helpful to promote initiative.

52.3 The State should encourage the members to think for themselves. The progress of the movement should be planned by the members.

52.4 Incentives such as subsidies and interest-free loans for land improvement or capital investment in machinery should be given by the State to add impetus to the movement.

Observations on Agricultural Cooperatives in Japan

53. Government has given positive legal and financial support to develop agricultural co-operatives mainly after the Second World War. A note-worthy feature is that government assistance has not in any way resulted in interference in the autonomy of the Movement.

54. Amalgamation of co-operatives is purely voluntary and is done in a well-planned way. Incentives for amalgamation are given in the form of concessions and subsidies for creating common facilities etc. The amalgamation process is carried out with the active assistance of the Central and prefectural governments.

55. Farm guidance and guidance on better living have become an integral part of the activities of societies at the primary level. These activities have played a "key role" in agricultural development and in the improvement of the socio-economic conditions of farmers. It has created better understanding among members about the services and facilities provided by the societies and has helped the societies in diversifying and developing business. Women and youth groups play an important role in increasing the usefulness of these services.

56. Industrial development in and around rural areas has influenced agriculture and farmers' economy. Increase in the number of part-time farmers and associate members is a visible sign of this change. Increase in farming incomes from the non-farming sector has changed the outlook of the farmer on living.

This has necessitated the society to develop its activities to meet the changed needs of farmers. Increase in sale and repairs of farm machinery, undertaking the sale of cars and transport cabs, etc. are signs of this change.

57. Well planned system of savings and insurance has given financial support to co-operatives to meet the growing needs.

58. Excellent coordination was found in the activities of the Agricultural Co-operative School and Agricultural Technical School providing facilities for training to young farmers, women, co-operative managerial and farm guidance personnel.

59. There is excellent co-ordination among primary societies and the activities of the various Federations at the prefectural and national levels.

60. Amalgamation of societies has resulted in increasing common facilities and strengthening the management. Member interest is being sustained through the medium of Representative Meetings, Commodity Groups, Wire Communication and Publications.

61. Concept of Farming Complex will help modernise agriculture and agricultural business. Commodity groups organised at primary level help in these activities.

62. The concept of Entrusted Farming appears to be an interesting experiment.†

63. Activities of placement service for consumer goods was found to be a good one.††

† Under this system, a farmer can entrust his land for cultivation to the society or to another farmer. This is a kind of renting of land by land-owners.

†† Under this system, the society places the medicines and some consumer articles, in the basket in the members' home. These stocks with the members are replaced periodically by the society. The member pays for the quantities consumed from time to time.

64. Society's interest in the health of the farmers, sanitation and welfare is worth noting. Arrangements for holiday resorts, health centres and hospitals, nursery, marriage bureau, etc. are the chief activities in this regard.

65. Proxy system under which members of the family are allowed to attend General Body Meetings under the Agriculture Cooperative Law has given scope to women and young farmers to take active part in the activities of the society.

66. Wire communication system and the use of computers for analysing the farmers' data showed that cooperatives had reached on an advanced stage of development.

67. Long-term finance by primary multi-purpose cooperative for construction of houses, land improvement, etc. is a noteworthy feature.

68. Loaning to village administrative unit (and non-members) was also found to be interesting and useful for creation of public utility services.

69. Ten-Year Plan of systematic and integrated cooperative development formulated by the respective organisations at national, prefectural and local levels was a notable example of democratic planning within the Movement.

70. Home life planning and the steps taken by the society to increase the income of individual member deserve special attention and are worthy of emulation.

71. 99.8 per cent of the farming population are members of cooperatives. The fact that during the war period, it was compulsory for all farmers to acquire membership in the agricultural associations would perhaps have contributed to this situation although this form of compulsion ceased to exist after 1947.

72. Yet another interesting feature is that the Credit and Insurance Departments work at a profit, while the Supply, Marketing and Guidance Departments work at a loss. There is an overall profit. However, steps are being taken to strengthen supply and marketing activities.

LIST OF PARTICIPANTS

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31. Mr. P.E. Weeraman
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32. Mr. J.M. Rana,
Director (Education)
33. Mr. Lionel Gunawardana
Joint Director.

SEMINAR SECRETARY

34. Mr. S.S. Avadhani,
Personal Secretary to Director (Education)

P R O G R A M M E

Wednesday, 10 May	Arrival of participants in Seoul
Thursday, 11 May to Sunday, 14 May	Study visits in the Republic of Korea
Monday, 15 May	Departure for Japan

Session No.

Tuesday, 16 May

09.00—10.00		Registration of participants
10.00—12.00	1	Inauguration
12.00—14.30		Lunch break
14.30—15.00	2	Programme and Working Methods of the Seminar
15.00—17.00	3	Presentation of background papers by participants

Wednesday 17, May

09.00—13.00	4	Presentation of background papers by participants (conti- nued)
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13.00—15.00

15.00—17.00

Lunch break

Presentation of background papers by participants (continued)

Thursday, 18 May

09.30—13.00

5 Presentation of background papers by participants

13.00—15.00

Lunch break

15.00—17.00

6 **Concept and Working of a Multipurpose Cooperative Society**

Lecturer : Mr. J.M. Rana
Director (Education)
ICA Regional Office &
Education Centre,
New Delhi

Discussion

Friday, 19 May

09.00—10.30

7 **History and Organisation of Agricultural Cooperative Movement in Japan**

Lecturer : Mr. H. Togawa
Managing Director
IDACA, Tokyo

10.30—11.00

Discussion

11.30—12.30

8 **Multipurpose Cooperative Movement in Ceylon**

Lecturer : Mr. P.B.W. Kinigama
General Secretary
Coop. Federation of
Ceylon, Colombo

- 12.30—13.00 Discussion
- 13.00—15.00 Lunch break
- 15.00—17.00 9 **Relevance and Feasibility of Establishing Multipurpose Cooperatives in Urban Areas**
- Lecturer : Mr. P.B.W. Kinigama
- Discussion

Saturday, 20 May

- 09.30—10.30 10 **Problems of Agricultural Co-operative Credit**
- Lecturer : Mr. Lionel Gunawardana, Joint Director (P&PR) ICA Regional Office & Education Centre, New Delhi
- 10.30—11.00 Discussion
- 11.30—13.00 11 **Panel Discussion : Problems of Agricultural Cooperative Marketing, Supply of Agricultural Inputs and Consumer Activities.**

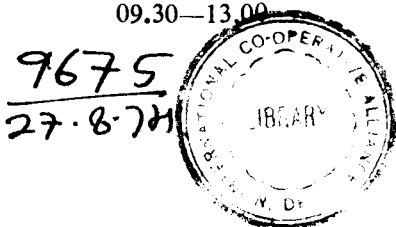
- 13.00—15.00 Lunch break
- Afternoon Preparation for study visits

Sunday, 21 May to Thursday, 25 May

Study visits

Friday, 26 May

- 09.30—13.00 12 **Structure and Activities of West-ralian Farmers Cooperative Limited—A Multipurpose Cooperative Society in Western Australia.**



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Lecturer : Mr. Irwin H. Hunter,
Divisional Manager,
Westralian Farmers
Coop. Ltd., Perth,
Western Australia

Discussion

13.00—15.00

Lunch break

15.00—17.00

13 **Activities of the Raiffeisen Co-
operatives in Germany**

Lecturer : Dr. Werner Schiffgen,
Head of the Inter-
national Department,
Deutscher Raiffeisen-
verband e.V. Bonn,
West Germany

Discussion

Saturday, 27 May

09.30—13.00

14 **Environmental Changes and
Future Direction of the Agricul-
tural Movement in Japan**

Lecturer : Mr. Y. Fujishiro,
Deputy Manager,
General Planning
Department, Cental
Union of Agricultural
Cooperatives, Tokyo

Discussion

13.00—15.00

Lunch break

Afternoon

Free

Sunday, 28 May		Free
Monday, 29 May		
09.30—13.00	15	Integrated Agricultural Production and Marketing at the Primary Level in Japan
		Lecturer : Mr. Y. Fujishiro
		Discussion
13.00—15.00		Lunch break
15.00—17.00	16	Group Discussions on Integrated Agricultural Production & Marketing at the Primary Level
Tuesday, 30 May		
09.30—10.30	17	Consumer and Better Living Activities at the Primary Level in Japan
		Lecturer : Mr. S. Ichikawa Deputy Manager, Farm Management & Living Improvement Dept., Central Union of Agricultural Cooperatives, Tokyo.
10.30—11.00		Discussion
11.30—13.00	18	Reporting by the Group Leaders on Study Visits
13.00—15.00		Lunch break
15.00—17.00	19	Marketing and Distribution at the Regional Level in Japan

Lecturer : Mr. Y. Fujishiro

Discussion

Wednesday, 31 May

09.30—13.00 20 **Credit and Insurance Activities at
the Primary Level in Japan**

Lecturer : Mr. Y. Fujishiro

Discussion

13.00—15.00 Lunch break

15.00—17.00 21 **Group Discussion on Credit &
Insurance Activities at the Pri-
mary Level.**

Thursday, 1 June

09.30—13.00 22 **Plenary on Group Discussions on
Integrated Production & Market-
ing at the Primary Level.**

13.00—15.00 Lunch break

15.00—17.00 OPEN

Friday, 2 June

09.30—11.00 23 **Reorganization (Amalgamation)
of Primary Societies in Japan.**

Lecturer : Mr. T. Nishioka
Deputy Manager, Or-
ganisation and Mana-
gement Department,
Central Union of Agri-
cultural Cooperatives,
Tokyo.

Discussion

11.30—13.00	24	Management of Multipurpose Societies in Japan.
		Lecturer : Mr. T. Nishioka
		Discussion
13.00—15.00		Lunch break
15.00—17.00		Discussion (continued)
Saturday, 3 June		
09.30—13.00	25	Discussion with Mr. A. Miyawaki, President, Central Union of Agricultural Cooperatives of Japan, on “Multipurpose Cooperatives in Japan with special reference to overall development programmes”
13.00—15.00		Lunch break
15.00—17.30	26	Discussion with Mr. S. Katayanagi, President, Central Cooperative Bank for Agriculture and Forestry “Financial Aspects of the Movement.”
Sunday, 4 June		
Free		
Monday, 5 June		
09.30—13.00	27	Discussion with Mr. M. Mihashi, President, National Federation of Agricultural Cooperatives (ZEN-NOH), on “Marketing and Supply Activities of the Movement.”
13.00—15.00		Lunch break

15.00—17.00

28

**Plenary on Group Discussions on
Credit and Insurance Activities at
the Primary Level**

Tuesday, 6 June

09.30—13.00

29

Final Plenary
Presentation of the Draft Report

Wednesday, 7 June

Departure of participants.

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