



Report of the

**SCC/ICA SUB-REGIONAL
FOLLOW-UP SEMINAR ON
AGRICULTURAL COOPERATION**

Colombo, Sri Lanka

27th July to 11th August, 1981

INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office & Education Centre for South-East Asia
"Bonow House", 43 Friends' Colony, New Delhi-110065, India

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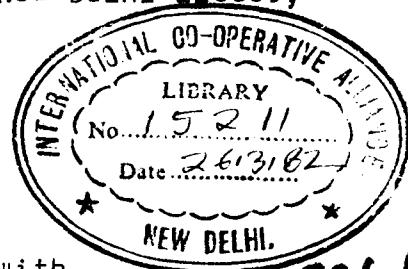
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Held by

INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office & Education Centre for South-East Asia,
"Bonow House", 43 Friends Colony, New Delhi-110065,
INDIA.



In collaboration with

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National Cooperative Council of Sri Lanka,
455 Galle Road, Colombo-3, Sri Lanka.

SCC/ICA SUB-REGIONAL FOLLOW-UP SEMINAR ON AGRICULTURAL COOPERATION
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SCC/ICA SUB-REGIONAL FOLLOW-UP SEMINAR ON AGRICULTURAL COOPERATION

Introduction

A Sub-Regional Follow-up Seminar on "Agricultural Cooperation" was held by the International Cooperative Alliance Regional Office and Education Centre for South-East in collaboration with the National Cooperative Council of Sri Lanka in Colombo, Sri Lanka from 27th July to 11th August 1981. The seminar was directed by Mr. Lionel Gunawardana, Joint Director & Specialist in Agricultural Cooperation, ICA ROEC.

The seminar was inaugurated by Mr. C.M.B. Bogollagama, President of the National Cooperative Council of Sri Lanka. The inaugural meeting was also addressed by Mr. R.B. Rajaguru, ICA Regional Director for South-East Asia, Mr. Lionel Gunawardana and Mr. P.K. Dissanayake, Commissioner for Cooperative Development and Registrar of Cooperative Societies, Sri Lanka.

The seminar was attended by 24 participants from Indonesia, Malaysia, Philippines, Singapore, Sri Lanka and Thailand. These participants had earlier attended seminars of the ICA and SCC on the subject of agricultural cooperation.

The seminar discussed the following subject areas :

1. Credit (including savings).
2. Supply of agricultural inputs.
3. Agricultural marketing.
4. Board of directors - Paid Executive - Member Relations.

The participants presented case studies specially prepared for the seminar by them on agricultural cooperatives with special reference to the above subject areas.

Study visits were arranged to agricultural cooperatives in Sri Lanka for a period of one week and in Kerala State, India, for another week.

CREDIT (INCLUDING SAVINGS)

The seminar identified various problems faced by cooperatives and recommended solutions.

1. Inadequate working capital in cooperative societies for loaning to members.

To solve the problem of cooperatives not having enough fund to carry out credit programmes, capital build up programmes should be implemented which involve encouraging members to contribute more share capital to the cooperative and also encouraging members to deposit their savings with the cooperative. This would enable the cooperatives to have more working capital. Providing incentives for encouraging savings would help in attracting more savings to societies. The cooperatives also should seek the help from the government in allocating fund or loans to the cooperatives so that credit programmes can be carried out by the cooperatives effectively. This will assist in good farm production by the member farmers. Further to this the cooperatives also should strengthen the banking structure to avoid transactional weaknesses.

2. Loan policies

The cooperative leaders should convince the governments of the importance of formulating clear and consistent policies regarding the extension of credit facilities to farmers through cooperatives. Farmers, in order to be able to contribute to the formulation of credit policies, should be represented in policy formulating bodies. The membership should also be made to understand them clearly by conducting seminars, etc.

3. Untimely release of loans

Before the season starts, the cooperatives should undertake credit investigation and make a farm plan for all members and budget for all the credit needs based on their loan applications. The time of credit need of each crop should be identified in the farm plan to make sure that the loan proceeds are released at the needed time.

4. No mechanism for credit, supply, marketing and collection linkage

The cooperatives should make an agreement with the members before extending loans whereby the farmers are legally bound to deliver their produce to the cooperatives for payment of their loan obligation. Integrated financing system with a strong linkage with marketing need to be established.

5. Lack of loan supervision

Some cooperatives suffer from lack of competent staff to supervise the use of credit which was available to the members and also the resources to transfer the necessary technology to the borrowers.

In some cooperative societies recording systems of loaning operations are defective which result in difficulties in identifying the borrowing members.

A programme of systematic training of staff should be undertaken and the assistance of the government in way of training subsidies should be sought for this programme.

6. Weak loan repayment

It was noted that there exists a common loan collection problem for cooperative financing institutions and state owned banks extending agricultural production credit to cooperative members. They are faced with poor collection/recovery of loans granted to members which is often aggravated by sudden changes of government policies with regard to loan procedures, recoveries, etc.

To solve these problems, it was recommended that loans to be granted only to members with due certification from the various credit/banking institutions serving the area that they do not have any outstanding loans to these institutions. Loans should be extended only to bonafide farmers who are members of the cooperatives. Other steps recommended were fixing of credit limits, undertaking of credit investigation before extension of loans, reminding the farmers the

maturity date of their loans, improving collection system by adopting modern techniques in collection, educating member borrowers on the importance of credit as tool for production, enforcing of penalty/sanctions against defaulting borrowers, formulation of incentive schemes for collection such as giving certain percentage of the amount collected to the collector and giving rebates to borrowers who pay before the maturity date.

7. Stiff competition from privately owned banking institutions.

Cooperatives have to face stiff competition from private sector in deposit mobilisation and in extension of credit. Most times have to face unfair competition from individual lenders whose services are available to farmers at any time of the day. Cooperatives should adopt lending policies which satisfy the various needs of the borrowers not only for their production needs but also consumption needs. Their loaning procedures should be less cumbersome.

8. Inability of the cooperative societies to hire competent or highly trained managers to work with them

This problem is prevalent among cooperative societies especially at the initial stage of functioning. Cooperative leaders are hesitant to hire highly trained and highly paid managers because of the mistaken belief that the cooperatives cannot afford to pay.

Some countries government operates subsidy schemes where salaries of managers are paid fully until the cooperatives can afford to pay. There are also cases where the government pays the salaries of managers on a sliding scale and the cooperatives ultimately takeover the payment of salaries,

9. Interference of board of directors

Undue interference by individual directors in the boards or by politicians in purely operational functions such as the use of undue influence on cooperative management to indiscriminately extend

credit to farmers even though not qualified to borrow, thus violating the rules and regulations of sound business practices adversely affect the cooperatives.

The management should insist from the assembly or board for a clear cut policy wherein functions of the board and managers are specified to evade overlapping of functions and responsibilities. Open and frank dialogue between the Boards and management can help to solve a lot of misunderstanding.

10. Lack of government support towards the cooperative movement.

Measures should be taken to organise or strengthen the political arm of the cooperative societies like Farmers Association or Federation so that it could strongly lobby with the governments to effect favourable measures necessary for cooperative development and growth. At the same time symposiums and other similar activities should be sponsored so as to develop and influence public opinions to protect cooperative interest.

SUPPLY OF AGRICULTURAL INPUTS

1. Farm Planning

The cooperative should keep statistical data of the individual farmers' farm acreage and the crops produced by them. This will enable the cooperatives to determine in advance the quantified figures of the exact kind/grades of inputs required by its members. Advance procurement planning could be formulated by the society on this basis.

The cooperative members should be categorised into three groups :-

- i. Those who would purchase fertiliser on advance cash basis.
- ii. Those who would apply for agricultural production loans wherein arrangement could be made with the state banks or multipurpose society whereby the farmers' inputs will be supplied by the cooperative. The financing institution will tender payment to the cooperative institution from the proceeds of the loan allocated for the inputs.

- iii. Those with dues from the cooperative from which payment of the inputs purchased by the members could be offset.

Summation or collation of the advance purchase orders along these categories should be undertaken by the procurement officer in order to have an advance knowledge of the total quantified grades/kind of inputs needed to be purchased by the cooperative at a given period in accordance with the time demand of the members as well as the plan of schedule deliveries.

2. Credit lines

Cooperative societies should establish credit lines with fertiliser/chemical or supply organisations if societies are to be placed with adequate input resources to meet the needs of the members. Once such credit lines could be extended to a cooperative, availability of stock will not be a problem and efficient input withdrawals could be achieved.

3. Farm service centres

Societies should establish branches/farm service centres to effect availability and accessibility of the inputs which could be readily channelled and distributed to the farmers in time. To minimise transport, storage and handling cost, input withdrawals should not be stored in the branches but if possible be immediately distributed directly to the members at the farm gate. This could be arranged through proper scheduling of fertiliser deliveries to farmers' groups in a given area commensurate with the trucking load capacity of the cooperatives. However, where this could not be made possible, societies should provide the necessary storage facilities strategically located to serve the cooperative members. Preferably it should be situated in a place accessible to them. This will make the timely delivery of inputs to coincide with their cropping pattern and thereby effect efficient service to ensure maximum production. At the same time, a systematic planning of procurement and distribution of inputs could be evolved. The society should establish a proper communication system with the members for timely supply and distribution services.

4. Extension services and farm guidance

These activities should be undertaken by the cooperative societies. Societies if possible should maintain their extension or farm guidance services and/or coordinate with the extension services of the government technicians. The system of giving farm guidance should be improved and made efficient so that the transfer of package technology could be effected for increase of production.

The farmers should be convinced that good and competitive price will be awarded if they produce good quality product which can be achieved by using proper agricultural inputs.

Proper coordination should be established between the government and the cooperatives for proper scheduling times withdrawals and distribution of inputs by the apex organisation which should be strong enough to be in a position to have a better bargaining position in getting a better price to the farmers by way of bulk procurement.

5. Transport

In areas where the cooperatives do not have transport or passable roads on certain seasons, transportation problems in hauling and delivering of inputs should be anticipated and appropriate plan of action should be evolved.

AGRICULTURAL MARKETING

The seminar discussed the problems involved in effective agricultural cooperative marketing methods and suggested the following measures.

1. Outright purchase method

In the three kinds of marketing methods the outright purchase method can be practised provided the society has :

- (a) Strong financial resources,
- (b) The cooperatives should have storage facilities so that grains can be stored till the time a better price is offered.
- (c) The society should be in a position to take the risk.

2. Consignment method

Marketing could be done under this method where the apex society is very strong and acts as a price leader. The primary society acts only as an agent of the apex. This type of marketing system is practised in the Republic of Korea and Japan. Market intelligence service is done efficiently in these countries. In this method, the member is not satisfied because he cannot immediately get cash payment for his produce delivered to the cooperative. Also the cooperative mixing of stocks of different grades inevitably leads to price differentiation due to lack of proper post harvest facilities.

3. Contract farming method

This system could be practised if there is a floor price and also if there is a demand for a certain product. If there be increase in price the farmer could get an additional payment. In case of crop failure or fluctuation in price, this system will face a serious problem.

The seminar classified the different marketing problems according to the different marketing functions as follows :

1. Marketing planning

The absence of marketing planning has hampered the operation of cooperatives, as well as brought in several problems like the inability to supply the required volume and at the time the products are needed by the market. At the same time, members produce more than what can be absorbed by the local market and are not able to sell outside their area of coverage.

The seminar suggested that the societies should evolve a market plan by conducting a market research survey and by setting up a market information system whereby they will know the market needs and therefore are able to procure right quantities for resale. Also the system would enable the cooperative society to know what products the members produce at any given time. These activities could be done by the apex organisation or by the primary cooperative societies.

2. Market intelligence

There is a general lack of market intelligence services within the cooperative movements. The apex organisation like the ZENNOH of Japan, should provide market information to the cooperatives and the farmers through radio and other effective channels of communication.

Farming guidance and extension service activities including formation of commodity groups should be available to the farmer to help him increase his yield.

3. Procurement

In procurement the societies face the following problems :

- (a) Poor communication between members and cooperative societies for lack of buying station/stores.
- (b) Competition in buying the products of members. When member loyalty is low, they tend to sell their good quality produce to private buyers and sell the bad ones to the cooperative societies.
- (c) Payment problem. The cooperative societies, due to lack of funds, are not able to buy on cash which is preferred by the member.
- (d) Problem of product grading by members where their standards are not the same as set by the cooperative societies.

The seminar suggested the following as possible solutions :

- (a) The cooperative societies should establish more buying stations/stores/points to be managed by the buying committee selected from the members. Necessary control would have to be instituted.
- (b) The cooperative societies should be able to offer competitive prices and employ staff who are competent and aggressive in buying the members' produce. An incentive scheme for the staff would be helpful.

- (c) The members should also be properly oriented about their duties and responsibilities to the cooperative. Member education seminars should also be conducted.
- (d) On the problem of differences in product grading, the cooperative societies should follow the current market practice and demand.

4. Transport/storage/processing

Marketing activities of cooperatives are greatly hampered because of their inability to acquire the necessary facilities for efficient operation.

The cooperative societies should be assisted by the government in acquiring these facilities either through soft loans, through lease or lease-purchase arrangement.

5. Distribution channels/outlets

The seminar listed the following as problems in the distribution of products.

- (a) Lack of stable market outlets.
- (b) Stiff competition.
- (c) Lack of or weak apex organisation to assist the primary societies in marketing especially their excess products which should be marketed outside their area of operation.

The seminar suggested the following solutions.

- (a) Government should utilise the services of cooperatives in the following undertakings :
 - i. Distribution of agricultural inputs.
 - ii. Distribution of agricultural produce.
 - iii. Export and import of agricultural products.

- (b) Inter-cooperative trade should be encouraged to help attain better leverage in competition. The cooperatives should engage in further processing and packaging. Also use of advertising and promotional aids as well as incentives to buyers should be attempted.
- (c) The apex organisations should be strengthened so that they can help the primaries in return. The primaries should trade with them as frequently as possible. Excess products of primaries should be sold through the apex and help them to sell to deficit areas.

6. Inadequate capital

The cooperative should negotiate for inventory financing with banks so that it could expand its business transactions.

They should provide additional incentive schemes for member investors for raising share capital formation.

7. Lack of capable persons to manage the cooperatives

The management and staff should be carefully selected. Assistance from the government should be sought to fully or partially subsidise the salary of managers for newly organised cooperatives or cooperatives in distress they become financially viable.

A continuing training programme should be formulated and implemented for managerial personnel.

In this connection, the ICA should arrange more training programmes for management and staff of cooperative societies. Refresher courses such as this follow-up seminar should be increased.

BOARD OF DIRECTORS - PAID EXECUTIVE - MEMBER RELATIONS

1. Board of directors

In some countries government appoints some directors to the society who do not have cooperative orientation and commitment and sometime they are selfish personal with political interest.

Cooperative leaders should lobby the government to pass legislation which would promote cooperative development and guarantee and conserve their independence, giving membership absolute democratic control of their own societies.

In cases where government policy of appointment could not be evaded, insist that appointment should be subject to consultation with the general assembly and its confirmation.

2. Lack of coordination and harmonious working relationship with members.

In some societies there is the tendency of some board of directors to interfere in purely operational functions thus undermining the effectiveness of management.

Formulate office guidelines and prospective job functions of management and board. Hold seminars for training of board of directors and management from time to time.

Schedule regular meetings/consultations between board and management.

3. Inadequate educational background and business experience.

In many instances directors are elected more on their popularity and less on their capability. Some are elected because of political connections and/or influence.

To ensure election of right persons an educational training programme should be implemented for the whole membership in line with cooperative business operation, leadership and cooperative precepts.

4. Lack of sense of belonging, dedication and sincerity in some members of the board.

Some members of the board seldom attend meetings set by the management and the members after their election thereby lose the trust and respect of the members.

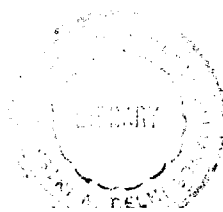
Hold seminars for directors exclusively and design to educate them that membership in boards of management should not be treated as a decorative post but an opportunity or privilege for them to be of service to their members to whom they owe gratitude and trust.

Have bulletin board showing the attendance record of every member of the board and also publish in Cooperative News Letter their individual performances during board meetings thereby helping the members' choice of the right leaders for their society.

Involve the board of directors in activities that have direct bearing or relation to the members by allocating a specific area of operation to each director and also encourage organisation of discussion groups in their areas of responsibility. The directors can coordinate these discussions and thereby establish a link with the members.

5. Dual capacity of cooperative managers

In some countries like Malaysia, in certain sectors of agricultural cooperatives, staff if appointed by the Farmers' Organisation Authority are responsible for the daily operation to the board of directors as well as the FOA. In some instances the managers act for and on behalf of the Director General and thereby bypasses the wishes of the board.



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Seek the possibility of proper/prior consultation by government representative with board of directors of the society before appointment is done or in cases that appointment has to be done before consultation confirmation of appointment should take place early after consultation with the board.

6. Instability of employment

Instability of employment in cooperatives is due to lack of incentives, frequent changes in boards and policies.

Professionalise the employees rank and file by way of adopting permanent fringe benefit programmes and incentive schemes for longevity in service.

Adopt a permanent policy or guideline with regard to employees promotion and appointment.

7. Abuse of authority and misappropriation of cooperative funds by officers.

Some officers of cooperatives are sometimes corrupted by offers of commissions or conveniences by private companies to the extent that they become detrimental to the society's interests.

Adopt strong measures against erring officers by way of suspension, expulsion and legal action.

Improve internal control measures by way of periodic cross checking and surprise inspections or cash countings.

Require adequate fidelity bonds for accountable officers.

8. Negative attitude of members on their responsibilities and demand on rights and privileges.

Involve the members in all possible activities of the cooperative and hold regular meetings for purpose of disseminating right information on the duties, responsibilities, rights and obligations.

9. Incompetency of management and staff
in dealing with society members.

There exists a gap between members and those who manage the day to day operations of the cooperative business which becomes a hindrance in successful working of cooperatives.

Have regular briefing and training for rank and file in line with client development, public relations and similar matters. Likewise check the employees' field performances to discourage the misuse of office hours.

EVALUATION OF PREVIOUS SEMINARS

One of the objectives of the seminar being to discuss overall usefulness of seminars held by the ICA and SCC on Agricultural Cooperation to the participants and what modifications are needed, if any, in holding these seminars participants were asked to comment on this aspect. Instead of merely questioning participants on their views whether the educational activities in which they have participated were beneficial to them as such questions have been asked at the end of each seminar and the general feeling of the participants has been that they were useful, a different approach was adopted at this seminar. Participants were asked to list the major aspects that they have been able to learn in the seminars they have attended, and the aspects they could implement in their countries in addition to expressing their views on the general usefulness of the seminars.

A brief summary of the main observations made by the participants and certain actions they have been able to take based on lessons learnt by them and their comments on the usefulness of the seminars are given below.

Japan and the Republic of Korea

Participants of the seminar listed large number of observations they have made during their participation in seminars held in Japan, Rep. of Korea, Germany and Sweden. They also reported some of the work they have been able to do as a result of the knowledge they gained by participation in these seminars. Some of the more important and common observations made by them and some of the work done by them are summarised below.

Multipurpose type societies

Agricultural cooperatives are mainly of multipurpose type and undertake a wide range of activities e.g. supply of agricultural inputs and credit, marketing of farm produce, mutual insurance, farm guidance and better living activities and consumer business. The farmer is thus able to get all the services he needs from one society.

Amalgamation and well knit organisational structure

Small agricultural cooperatives had been amalgamated into large and viable units. The procedures adopted and the ways the problems faced in the process of amalgamation provided lessons to other movements engaged in amalgamation work. Systematic efforts have been made to strengthen the large units established by amalgamation with the active support of the national level cooperative organisations. Considerable support has been extended by the governments by way of grants and subsidies for construction of facilities such as processing and grading centres. The well knit organisational structure of the primary agricultural cooperatives facilitates smooth functioning of the societies.

Extensive membership

A large percentage of the farmers are members of the agricultural cooperatives. Membership loyalty is of a high order due to various services performed by the societies efficiently.

Communication with Members

The cooperatives keep their membership aware of their activities through their own publications, hamlet meetings (and in Japan also through wire communication). This results in closer relationship between the society and the members.

Farm guidance

The agricultural cooperatives extend farm guidance through their farm guidance workers. The commodity groups of farmers are used as a vehicle for extending these services. This has helped the farmers in the adoption of modern agricultural practices and increasing their production. All these have resulted in increased agricultural production which in turn has helped in improving the living standards of the farmer.

Better Living Activities and involvement of women and youth.

Agricultural cooperatives undertake better living activities. These societies have better living advisers. They train housewives in cooking, dress making etc. and make use of the women's group in saving promotion activities. The role of women in agriculture was clearly observable in production on the fields as well as in their cooperatives, especially in their active participation in better living activities such as in savings activities, collective buying, economising in costly marriage ceremonies and so on. These services also contribute to a large extent to the improvement of the member loyalty to the society.

Saving activities

Different kinds of savings schemes have been introduced by cooperatives to suit the needs of the members. Instalment saving schemes help the members to build up savings gradually. Deposit schemes for special purposes like education of children, sight-seeing, weddings, etc. encourage to save for different personal requirements. The employees of the societies visit the members' homes to collect savings.

Under the mutual credit system in the Rep. of Korea the savings mobilised in the area of a society are lent to the other needy members of the same society. The surplus funds, if any, are deposited with the National Federation which use these funds to lend to other needy societies. The high interest rate paid on deposits encourage members to save.

Supply of agricultural inputs and consumer goods

The societies supply agricultural inputs and consumer goods required by members. For supply of consumer goods they run consumer stores. The requirements of agricultural inputs by members are ascertained by the societies well in advance of the cultivation season. These are pooled together and orders placed with the high-tier organisations who will buy them in bulk and distribute to the primaries at the required time. Thus ensuring that farmers receive the inputs on time and in high quantities.

Grading

Systematic collection and grading of members' agricultural produce by the societies for marketing helps the farmers to obtain good prices for their products. In the Rep. of Korea the National Agricultural Cooperative Federation (NACF) collects the produce of primaries through their collection centres and send them to big consuming centres. In Japan this work is done by the Prefectural Economic Federation and the National Agricultural Cooperative Federation (ZENNOH). The combined approach of the primaries and the higher tier organisations has resulted in the smooth flow of the produce to the market. The cooperative system also provides market information to farmers regularly.

Insurance

The agricultural cooperatives are engaged in insurance business. This provides funds for their development and usually the funds mobilised are used for long-term investment.

Farm machinery centres

The societies maintain farm machinery centres. These centres undertake repairs of farm machinery and equipment at reasonable rates. They are also able to repair them with least delay so that farmers can make use of their machinery when they are needed. Some of the societies also have machinery banks which lend their machinery and equipment to farmers thus avoiding the need to maintain costly machinery by all farmers.

Government support without interference in management

The government support the farmers through agricultural cooperatives. For example by subsidising interest rates for agricultural loans, by purchasing rice at guaranteed price (Japan), by giving grants to societies to construct facilities such as grading and processing plants and giving incentives for cultivation of fruits and vegetables and for raising livestock. Though the government extends massive support, government does not interfere especially in Japan in the management of cooperatives.

Employees

The employees of primary agricultural societies, especially in the Rep. of Korea, are normally recruited from the area of operation of the society. Such employees could be expected to be more loyal and dedicated to the society than those from outside the area. They are also able to work for a lesser salary than outsiders. The employer-employee relations seem to be very cordial.

Saemaul Undong Movement

Activities of the 'Saemaul Undong' Movement in the Rep. of Korea which functions in close association with cooperatives has helped in the improvement of social and economic improvement of the farmers. This is impressively displayed by the good housing conditions in rural areas.

Federal Republic of Germany

Auxiliary fund

The apex cooperative organisation maintains a fund - "Auxiliary Fund" to which contributions are made by cooperatives regularly. This fund is made use to help cooperatives in financial and managerial difficulties, thus giving them a helping hand to tide over the difficulties.

Machine pools

There are 'Machine Pools' as adjuncts to agricultural cooperatives which are loose associations of members who pool their agricultural

machinery. The machines are given to others on rent when not used by the owners.

Training

In Germany cooperatives have a centralised training system. The training centres carry out training of society staff on a regular basis.

Auditing and consultancy services

The auditing associations of cooperatives carry out auditing services and give advice to societies on legal, management and taxation problems.

Contract marketing

The societies enter into contract with the producer to market their produce. Price for 50 per cent of the produce is fixed at the time of signing the contract and price for the remaining 50 per cent is fixed at the time of the sale depending on the prevailing market situation.

This method gives the farmer some guarantee in regard to the expected income and advance knowledge of approximate income that can be expected. He has the advantage also of being able to benefit by any rise in prices at the time of sale. As they are getting a fixed price for 50 per cent of their produce if the price falls to low level they have to bear the loss only with regard to 50 per cent of their produce.

Sweden

Single purpose cooperatives

The agricultural cooperatives are single purpose in Sweden. There is only one multipurpose agricultural cooperative. Perhaps it is more correct to describe them as single crop cooperatives performing all activities pertaining to supply of inputs, marketing, etc. for that crop.

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Managers participation in board meetings

The managers of the society participate in the board meetings. This gives an opportunity to have very effective communication between the board and the manager and the manager is able to implement the decisions of the board more effectively as he would not only know the decisions but the full background to the decisions.

Planning

Sales planning is carried out by using data collected regarding the farmer members. The data collected include farming acreage, crops planted, input requirements and other economic services required by them. The sales division makes use of these data to plan and budget their activities. The Swedish agricultural cooperatives undertake meticulous advance planning with regard to all their activities. They also encourage the members to do likewise. This careful planning is a key factor for the success of agricultural cooperatives.

Organisational structure

In the Swedish cooperatives their organisational structure on the local, regional and national levels are well defined. This has resulted in a very effective implementation of the societies' plans. This set up has been responsible for serving the society's interest. In Sweden for example the local societies need not worry about sources of farm inputs, marketing of farm produce, technical matters such as quality control, research, statistics, etc. These aspects are taken care of by the apex organisations or their subsidiaries.

Share capital

In agricultural cooperatives in Sweden members are required to contribute to the share capital in proportion to their annual turnover of business with the society. As a result of this method the members who make use of the facilities of the society contribute to their construction and maintenance in proportion to the benefits they derive from them.

Processing

The livestock cooperatives in Sweden own slaughter houses and meat processing plants. This ensures the producer members getting a reasonable price for their produce.

Communication with members

The societies keep their members informed of their activities through printed brochures, bulletins, newsletters. They made use of these publications also to keep the members abreast with the latest technology in agriculture.

Training

Ample opportunities are provided to the employees of the cooperatives for development of skills by following especially designed training programmes. The members of the board of directors are also given opportunities to attend short-term training courses.

Central location of service facilities

Various facilities like society office, banks and consumer shops and agricultural input supply centres are located in close proximity to each other. This makes it easier for the members to do their transactions with the society.

Several participants stated that they have adopted in their societies saving mobilisation schemes similar to that found in Japan and the Republic of Korea.

A participant from Indonesia reported that she was able to introduce a savings scheme in her society and the accumulated saving when reached to a level higher than the demand for credit in the society, the society invested the surplus in a consumer shop.

She further reported that by retaining a part of the profit with the society they were able to establish a consulting clinic for mothers and children.

A Thai participant reported that some societies under his guidance introduced a scheme of retaining 10 per cent of the sale proceeds of the members as deposits with their consent and these societies have been able to build-up substantial amount of deposits.

Other participants from Thailand reported that better living activities have been introduced in several societies as a result of the experience they got in Japan, Rep. of Korea and Sri Lanka. Income generating activities like cottage industries have been introduced.

Participants from Indonesia and the Philippines also reported that societies have conducted campaigns to convince members to reduce unnecessary expenditure in marriages, funerals and other social functions as is done in Japan and the Republic of Korea.

A Malaysian participant reported that following the example he saw in Germany a small 'Machine Pool' has been started in his society, which is now functioning satisfactorily.

A Philippines participant also reported that in his society he started a 'Machine Pool' following the German example.

The Malaysian participants reported that they are encouraging the members to contribute to the share capital in proportion to their use of the societies facilities as is done in Sweden in order to increase share capital of the society.

The Philippines participants reported that they are introducing to a certain extent the communication methods such as publication of brochures and reports as is done in Sweden to keep their members informed of the society's activities.

Number of participants reported that they are introducing sales planning methods as is practised in Sweden.

Most participants from the Philippines and Malaysia reported that they on their own limited way were trying to introduce advance planning of activities as they saw in Sweden.

Indonesian participants reported that the experience of Japan and the Rep. of Korea in amalgamation of small agricultural cooperatives and the literature published by the ICA on these programmes were of great help in implementing the amalgamation programme in Indonesia.

All participants agreed that the exposure of many cooperators to the multipurpose agricultural cooperative system in Japan has influenced the cooperative movements in the countries in the Region in adopting the multipurpose system in their countries, and that they continue to look to Japan for lessons for further development.

The participants were of the view that specific lessons they have been able to learn and adopt in their societies were important indicators of the usefulness of the seminars they have participated. More important they thought was the overall contribution these seminars have made by way of adding to their knowledge and skills and to the development of their personalities. They felt that contributions made by the seminars in this regard were substantial.

The exparticipants of the Swedish International Seminar were of the view that seminars conducted on agricultural cooperation in Sweden are of immense value to those who participated in them and to the organisations in which they work. They have helped them in improving their skills, adding to their knowledge and improving their performance in the fields they work. What they saw in Sweden have convinced them of the heights to which the cooperatives can rise to and have given them inspiration to work to improve their own cooperatives.

The exparticipants of seminars held in Japan (with study visits in the Republic of Korea) felt the same way.

The participants were of the unanimous view that seminars on Agricultural Cooperation should be held in Sweden and Japan for the cooperators of the Region more frequently as the exposure of the cooperators from the Region to developed cooperative movements enabled them to see for themselves how the successful cooperatives in these countries serve their members. These exposures they felt will inspire them to work with greater confidence and dedication to improve their own cooperatives.

The participants felt that ICA Regional Office should keep in touch with the participants through correspondence, the Regional Bulletin and by the ICA officers meeting them whenever they visit their countries.

SEMINAR PROGRAMME26th July Sun.

Arrival of participants in Colombo

27th July Mon.

0900-1000

Inauguration

1000-1030

Tea break

1030-1100

Working methods

1100-1300

Lecture No.1 : Agricultural Cooperatives in Sri Lanka by Dr. J.M. Gunadasa.

1300-1430

Lunch break

1430-1530

Lecture No.2 : Better Living Activities in Agricultural Cooperatives in Sri Lanka by Ms. J.C. Tennakoon.

1530-1630

Lecture No.3 : Managerial Problems in Agricultural Cooperatives by Mr. Taweewat Charoensook.

28th July Tue.

0900-1030

Lecture No.4 : Factors responsible for effective agricultural cooperative credit by Mr.R.B. Ekanayake

1030-1100

Tea break

1100-1300

Presentation of case studies on Credit

1300-1430

Lunch break

1430-1630

Group work - I.

29th July Wed.

0900-1030

Lecture No.5 : Agricultural Cooperative Marketing Techniques & Problems by Mr. Kalika Jayawardena.

1030-1100

Tea break

1100-1300

Presentation of case studies on Marketing

1300-1430

Lunch break

1430-1630

Group work - II.

30th July Thu.

0900-1030 Lecture No.6 : Supply of Agricultural inputs for increasing production by Dr.N.F.C. Ranaweera.

1030-1100 Tea break

1100-1300 Presentation of case studies on Supply

1300-1430 Lunch break

1430-1630 Plenary on group work - I.

31st July Fri.

0900-1030 Group work - III.

1030-1100 Tea break

1100-1300 Group work - III (contd.,

1300-1430 Lunch break

31st July Fri. AN
to 5th Aug Wed.

Study visits in Sri Lanka

6th Aug Thu.

0900-1030 Plenary on group work - II.

1030-1100 Tea break

1100-1300 Presentation of case studies on Member Relation.

1300-1430 Lunch break

1430-1630 Group work - IV.

7th Aug Fri.

0900-1030 Plenary on group work - III & IV.

1030-1100 Tea break

1100-1200 Plenary on group work - III & IV (contd.)

1200-1300 Presentation of seminar assessment by participants

1300-1430 Lunch break

1430-1630 Group work on observation in Sri Lanka

<u>8th Aug Sat.</u>	Preparation of the Report
<u>9th Aug Sun.</u>	F r e e
<u>10th Aug Mon.</u>	Final Plenary
<u>11th Aug Tue.</u>	Travel to Trivandrum
<u>12th Aug Wed. to 16th Aug Sun.</u>	Study Visits in Kerala State
<u>17th Aug Mon.</u>	Travel to New Delhi via Madras
<u>18th Aug Tue. & 19th Aug Wed.</u>	Visit to ICA Regional Office and other cooperative organisations in Delhi.
<u>20th Aug Thu.</u>	Departure of participants to their home countries

Afternoon tea break : 1530-1545

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