

# Management Leadership Development in Agricultural Cooperative Business

Daman Prakash



**International Cooperative Alliance**

Regional Office for Asia and the Pacific, New Delhi

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**Daman Prakash**

Director

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Training Project for Asia and the Pacific

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by Daman Prakash**

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*Criteria for leadership include the ability to mobilize local resources for development, the capacity to acquire outside resources to complement local resources, and a willingness to use these for broad-based benefits to the community.*

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## Foreword

This book on **Management Leadership Development in Agricultural Cooperative Business** by my colleague, Dr Daman Prakash, is an attempt to highlight the wide scope of agricultural cooperatives in providing 'economic and other services' to basic members through an appropriate management system. In the context of the forces of open market economy and the fast extinguishing State subsidies, agricultural cooperatives have to rediscover their strengths. This is possible through efficient management, diversification of economic services (business) and maintaining close relations with the members. The institutions have now to be more "member-oriented" rather than cooperative (institution)-oriented. The strength lies among the members. They hold the produce and they need services to create quality goods.

This book, I believe, will be a useful handbook for managers and Board members of agricultural cooperative institutions to understand the importance of Manager-Board and Member-Cooperative relationship. Value-addition through agro-processing is the foundation on which these relationships rest. This has also been the theme of the 12 training courses that have so far been successfully conducted by us on "Strengthening Management of Agricultural Cooperatives in Asia". The regional project has been financially supported by the Government of Japan and conducted by the ICA in collaboration with our development partners i.e., the JA-Zenchu and the IDACA, and our other member-organisations in the Region. The document has, therefore, been appropriately divided into two segments.

A look at the contents has convinced me that the rich experiences gained by my colleague, Dr Daman Prakash, Director of ICA-Japan Agricultural Cooperative Management Training Project for Asia, has been given due reflections, to the extent that valuable lessons are learned and shared among the cooperative friends by way of this booklet. On a personal level, I have known Dr Prakash since 1980 when he worked for nearly six years in Indonesia with the UNDP/ILO Cooperative Management Training Project for Rural Cooperatives-KUD. I have also valued his cooperative extension work for a long time. We had also recently made his services available to the JICA/JA-Zenchu Indonesia Study on 'Integrated Development of Rural Cooperatives-KUD' for about two years. He has been working with the ICA since 1962.

It is written in simple language - like his other extension materials. I am very happy to have this material published as an ICA publication for wider circulation and for the use of managers of agricultural cooperatives.

**Robby Tulus**  
ICA Regional Director  
for Asia and the Pacific

Bonow House  
New Delhi.  
May 15 1998.

## Acknowledgements

In the preparation of this book I have made use of the literature available in the Library of the ICA Regional Office. I have also made use of the material that was circulated and produced during the Agricultural Cooperative Management Training Courses conducted under the ICA-Japan Regional Project on **Strengthening Management of Agricultural Cooperatives in Asia** which is financially supported by the Government of Japan. My extensive field visits to agricultural cooperatives throughout the Region, especially in India, Japan, Indonesia, Sri Lanka, Republic of Korea have provided me with a very good opportunity of frequently talking and listening to the basic members, board members, field extension workers - both men and women - and managers of agribusiness cooperatives. All these people have their own experiences, views and suggestions to make agricultural cooperatives effective and efficient. I have picked up their ideas and have made use of them.

My professional friends and collaborators like Mr GK Sharma, former ICA Regional Director, Mr Yoshitada Nakaoka, Managing Director of the IDACA, Mr N. Kohashi, General Manager of Agricultural Policy Department of the JA-Zenchu, Mr MV Madane, Prof G. Krishnamurthi of the IRMA, Prof DR Oza of VAMNICOM/CICTAB and my other friends in the Government and in the Movement have provided me with a lot of useful material, encouragement and support in the preparation of this material. I am particularly grateful to Dr Robby Tulus, ICA Regional Director, for not only writing a Foreword to this book but also facilitating my professional work within the organisation. He has very kindly given me a free hand to deal with the agricultural cooperative management training issues and by placing all logistic and operational resources and facilities at my disposal. I am grateful to him. He has very kindly authorised the publication of this book.

I have special regard for the basic members and managers of primary and higher level agricultural cooperatives. They have to continuously nourish their cooperatives. I admire the capacities of the managers who, in spite of many impediments, strive to maintain cordial and professional relationship with the Board members on one side and with the general membership on the other. It is a hard task. This "smooth" management relationship is the core for the success of our agricultural cooperatives.

I only hope that this material would be of some value and interest to the managers and board members in the Region.

*Daman Prakash*

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**MANAGEMENT LEADERSHIP DEVELOPMENT  
IN AGRICULTURAL COOPERATIVE BUSINESS**

**PART-I**

Agricultural Cooperatives as  
Institutions of Strength for Rural  
Population - An Evaluation

**PART-II**

Strengthening Management of Agricultural  
Cooperatives in Asia - An Introduction to  
ICA-Japan Agricoops Management Training  
Project for Asia

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## **PART-I**

# **AGRICULTURAL COOPERATIVES AS INSTITUTIONS OF STRENGTH FOR RURAL POPULATION - AN EVALUATION**

### **Introduction**

01 Nearly 65-75% of the population in Asia-Pacific countries depends on agriculture. Income from farm products has been the main source of livelihood of the farmers. Farm practices and means are traditional. Application of methods and technology for farm management, crop protection, post-harvest, diversification of cropping patterns, use of farm inputs, mechanisation of farming, farm guidance, farm production planning, have not yet been used extensively. Pressures on agricultural lands due to ever-increasing population, urbanisation and development of other non-farm infrastructures (housing estates, golf courses, holiday resorts, large hydro-electric projects, highways etc.) have been heavy. Organisation and management of farmers' groups or associations has been weak. In the rural areas, agricultural cooperatives have been playing significant roles by way of disbursement of farm credit, farm supplies, marketing and agro-processing. Although there are a large number of agricultural cooperatives, their main functions largely remain confined to the distribution of credit, fertilisers and procurement of farm products for national food stocks. Marketing, agro-processing, warehousing activities are still weak. Their services to the members are inadequate. Many of the agricultural cooperatives largely remain content with implementing some of the government-sponsored programmes. Income by way of commissions and service charges received by the cooperatives often form a major portion of their working capital.

02 Asia and the Pacific makes up a very large and diverse Region. Between countries and within countries there are astounding diversities in cultural traditions, social systems, ethnic groupings and religious beliefs. This has been the fastest growing Region in the world, although the rate of growth of most of Asian economies slowed somewhat in 1996. Average real GDP growth declined from 8.2% in 1995 to 7.4% in 1996. With the recent financial crises, particularly hitting the South-East Asian countries, economic growth

projections are being reconsidered and are likely to be in the 6% and less range in the coming couple of years or so. Trade within Asia has continued to grow at a much faster rate than has the trade with the rest of the world.

03 Contrasting national experiences have led to disparities in per capita incomes across countries. To illustrate, the following are some World Bank figures for the year 1995: On the higher end are the newly-industrialised economies (NIEs) (US\$ 10,000 to 30,000 per capita) and on the lower side are Nepal, Vietnam, Bangladesh, Cambodia, Mongolia and India (US\$ 150 to less than 500). In between are Uzbekistan, Indonesia, the Philippines and Papua New Guinea (US\$ 1,000 to 1,500). In the developing countries, the per capita income rose by an average of 3% in the 1970s and 5% in the 1980s. However, poverty remains very widespread today. The World Bank indicates that the incidence of poverty in 1993 was highest worldwide in South Asia - 43% of the population. While the incidence of poverty has declined slowly over the years in South Asia, the absolute number of poor people has risen due to the largest population increase. It is not difficult to imagine what the implications of such pressures are on the economy, social structures and the environment.

### **Erosion of Farm Potentials**

04 The twentieth century has seen an enormous growth of cities all over the world, and this trend towards greater urbanisation will continue even beyond 2000 AD when, for the first time in our history, over half of the world's population will be urban. In 1900, fewer than 10 cities had over a million people, but now over 300 cities have a population of over a million, and a growing number of metropolitan areas can count several million. Modern man is a city-dweller and in the future will become all the more urban. The balance between urban and rural is constantly changing, with a shift gradually going, for better or worse, towards the former. To take one country for example, in 1900 Japan had 40 million people, only 10 per cent of them urban; by 1970, it had 100 million and 65 per cent urban; by 2000, the population should be above 120 million and over 90% will be urban. The implications of greater and greater urbanisation are, of course, incalculable and are of immense significance for cooperatives. It means, a larger and larger proportion of people depending on a smaller proportion for food.

05 In the most advanced industrial societies, the number of people engaged in agricultural production has fallen below 5% of the total. Best of agricultural lands are fast being converted into concrete jungles thereby reducing the farm production potentials. Countries like India, Indonesia, Malaysia, Bangladesh, Sri Lanka, Thailand and Vietnam happen to be the worst victims. If this trend continues unabated these countries should not be surprised if they will one day have to import a major portion of their staple food, fruits and vegetables. One of the most obvious results is the declining political power of rural people. Many of the services e.g., education, health care institutions, transportation and other civic services are then for the urban areas - of course, at the cost of the rural areas.

06 There is, however, a fear that growing population is likely to strain the food supplies. Both are, no doubt, inter-linked but still are quite different. More food is being produced today than before. Based on current trends and improved agricultural technology, world aggregate food production will be sufficient to meet demand in the decades ahead. By 2010 AD it is anticipated that world food supplies will be adequate to feed the world's population. Right now there are viable alternative technologies in agriculture to secure the world food supply. Howard Hjort, Deputy Director-General of the Food and Agriculture Organisation of the United Nations (FAO/UN), recently observed that it is possible to increase agricultural efficiency without environmental degradation. He suggested that this may be accomplished through better research, more effective education and training, improved access to markets and more ecologically suitable farming practices. However, despite the availability of viable technologies to increase food and agricultural production, economic and social progress is still expected to be uneven among countries. This is because many of the poor countries are unable to be self-sufficient in food and agricultural production owing to various economic social and political constraints.

07 It is often assumed that world food shortages can be eliminated by increasing food and agricultural production through the application of modern technology. It is also argued that supplying modern inputs such as large-scale irrigation, chemical fertilisers, farm machinery and pesticides can improve the productive capacity of the land. However, when a new agricultural technology enters a system characterised by unequal power relationships, it brings greater profits only to those who already have some combination of land, finance resources, creditworthiness and political influence.

### **Threat to Farm Power**

08 Whatever advantages the rural institutions, particularly the agricultural cooperatives (or the rural cooperatives) had by way of political, economic and social strengths have been gradually eroding. Cooperatives have to compete with the growing power of giant business houses which increasingly dominate the world economy. In tough competitive conditions, both nationally and internationally, victory will tend to go to the stronger, and the resources of huge companies are immensely greater than those of cooperatives. Already there are large multinational companies which are trying to secure a foothold in the agricultural sector. Some of them are even large suppliers of seeds and farm chemicals.

09 The key obstacle to alleviating hunger is that the rural poor population in most developing countries, who depend and live primarily on local agricultural production, exercise little control over the prices they receive and the productive resources they need for efficient production. When the control of resources is in the hands of the actual farmers and tenants rather than in the hands of the absentee landlords, the farmers are likely to make efficient use of their land. When farmers own land and work for themselves, they have the motivation to work hard to make the land more productive.

## **Some Instances of Achievements**

10 Cooperatives in many countries have signal achievements to show. To illustrate the point a couple of them are mentioned here: Multipurpose cooperatives are largely responsible for the rural side of the modern economic development of Japan; Cooperatives for the distribution of electric power were responsible for “lighting up rural America” in the last generation; the Cooperative Movement in Romania had the best travel system and holiday resorts in the country; about half of all the sugar production of India is through sugar cooperatives; the agricultural cooperatives of France have the second largest credit and banking system in the world; the Mondragon cooperatives in the Basque region of Spain are among the country’s largest manufacturers of refrigerators and household appliances; the OK cooperative system in Sweden has the largest oil refinery in the country and supplies about 20% of the total market; the dairy cooperatives of the State of Gujarat in India operate some of the largest and most modern milk processing plants in the world (AMUL -Anand Milk Union, a cooperative dairy at Anand, alone handles a million litres of fresh milk a day); again in India, the Indian Farmers’ Fertiliser Cooperative (IFFCO) is the largest and most efficient producer and distributor of chemical fertilisers through a network of over 35,000 cooperative shareholders; in Malaysia, among the largest insurance systems is the one which is run by a cooperative-MCIS. These instances have not emerged because of their organisational or management strengths, but with a combination of various factors e.g., self-less and dedicated leadership with a high degree of acceptability among the members, managerial efficiency, capability and capacity of managers and board members, judicious use of capital, environmental necessities and collaboration with official authorities.

## **The Spread of Agricultural Cooperatives in Asia-Pacific**

11 From out of world’s total cooperative population of 770 million in the ICA fold nearly 500 million (65%) is from Asia-Pacific Region. Major Cooperative Movements in the Region are India (22.7%), China (20.7%), Japan (7.5%) and Indonesia (4.6%) from the global cooperative population point of view. The total number of cooperative organisations in the ICA membership on the global level is 230 (including 7 international cooperative organisations). In the Asia-Pacific Region itself there are 60 organisations (26%). Among the various forms of cooperatives in the world, agricultural cooperatives are most widely present and spread. Out of a total of 778,163 primary cooperatives of all types within the membership of the ICA ROAP in 1993, there were 285,847 agricultural cooperatives (36.7%) in the Region. Out of a total individual membership of 500 million there were 57 million (11.4%) individual members in the Region.

12 According to the Food and Agriculture Organisation of the United Nations (FAO) **The State of Food and Agriculture 1994**, the following countries of the Region are highly dependent on agricultural exports: Sri Lanka, Thailand, Afghanistan, Vietnam and Malaysia. The above Report also speaks thus about the relevance of post-Uruguay Round

Agreement "...The main implication of the Agreement on Agriculture is that policies that, according to given criteria, 'distort' agricultural production or trade are likely to be increasingly untenable. This includes many of the policies employed in the developing countries, such as, minimum guaranteed prices, procurement prices and price stabilisation schemes, even though some exemptions are made for food security purposes." This is an indication that farmers and their organisations including their agricultural cooperatives will have to have a harder look at their production and marketing strategies to be able to survive and compete in the open market. It also clearly indicates that the free and generous "gifts" like writing off loans and the provision of subsidies that the farmers used to get from their governments (mainly due to political compulsions, among others) will also gradually dry up or become harder to get. "India's policy-makers are debating reforms in a number of agricultural input markets, including reducing subsidies for water, fuel, and electricity. A reduction in fertiliser subsidies is planned throughout the 1993-1996 period, while reductions in irrigation subsidies are expected to take place more gradually. These reductions are likely to be accompanied by hikes in support prices targeted to smaller farmers. India's agricultural GDP increased by 2.3 per cent during 1993." Farm inputs will naturally become expensive which will, eventually lead to higher prices of consumer goods. Such effects will lead to finding alternative sources of finance and farm inputs, or perhaps farmers' organisations will have to come out with more aggressive programmes for supporting their members.

13 The table below gives the growth rates in agricultural GDP in some of the countries of the Region:

Country	1991	1992	1993	1994*
Bangladesh	1.6	2.2	1.9	2.6
Cambodia	4.7	1.9	3.2	--
China	2.4	4.0	4.0	3.7
India	-1.4	4.6	2.3	2.5
Indonesia	1.4	6.5	1.5	4.5
Malaysia	0.0	4.3	3.0	1.2
Myanmar	-2.4	13.6	7.5	--
Pakistan	5.0	9.7	-3.9	4.0
Philippines	1.4	-0.1	1.5	2.0
Sri Lanka	1.9	-1.5	5.1	3.5
Thailand	5.0	4.0	2.6	2.5
Vietnam	2.2	6.0	3.3	6.5

\*Tentative figures. Source: Asian Development Bank Outlook 1994, Manila

## **Development of Agricultural Cooperatives – A Regional Review**

14 A “cooperative enterprise” is indeed a viable and sustainable alternative to other sectors - public and private - both for building sound economic development as well as for the preservation of social advancement of communities where they subsist. Historically, cooperatives have fulfilled the socio-economic needs of communities, and have enjoyed success in many countries. Cooperatives are formed by middle and low-income communities to promote their well-being and to become self-reliant. By their very presence, cooperatives become a countervailing force to mitigate the negative effects arising from strategies espoused by many governments in terms of “a stand alone” economic development. By and large, community-initiated cooperatives have been successful in serving the needs of members by providing services such as credit, production, marketing, processing, farm supply, and, most important of all, in mobilising savings. But business expansion in the current market economy has intensified competition with private sector companies, pushing cooperative management to focus more narrowly on competition. This bias towards economic activities tends to reduce the differences between cooperatives and private corporations and, hence dilute the character of cooperatives as a community-based entity. They tend to emulate processes more attuned to the practices of private sector businesses, and cultivate human resources that runs counter to the cooperative culture. This ignores the cooperative identity, thus causing an identity crises.

15 This is also the reason why many large cooperatives are easily charmed by profit motivation and seek their survival by privatising their cooperative enterprise instead of taking advantage of their community-based strength. Cooperatives must stress the membership advantage because the central focus of the Cooperative Movement must always be the best interest of members in both the short and long-term. Cooperative exist primarily to serve them, and any measure of their effectiveness must be based on how well those needs are served. Cooperative economic development must be, therefore, woven around people, not people around the cooperative development.

16 Cooperatives in Asia cover almost every conceivable socio-economic activity and play a very important role in the total development effort of their respective countries. Along with the variety of cooperative entrepreneurship, the total volume of cooperative business is also quite large. Numerically speaking, almost 65% of cooperative members, represented by total ICA membership, are from the Asian Cooperative Movements. The size of the Cooperative Movements, however, is not matched by uniformity in their performance. There are some very good examples of viable cooperatives; at the same time there are some of the worst cooperative examples in the Asian Region. Generally speaking, primary cooperatives without structural support are relatively weak, vulnerable and ineffective. Environmental factors, particularly the role of the government and the quality and motivation of local leadership, seem to have decisively influenced the growth, pattern effectiveness and the structure of agricultural cooperatives in the Region.

17 In the message issued by the ICA to mark the 75th International Cooperative Day-1997, the contribution of agricultural cooperatives in food security issues has been highlighted. It said:

*“In future years, much of the responsibility for meeting the nutritional needs of a growing population will fall upon farmers and their organisations, including cooperatives. Today, the force of agricultural cooperatives is already significant. They are responsible for nearly one-third of total agricultural production with an estimated value of US\$ 522 billion. They are key actors in many national economies providing large percentages of domestic food products, but are equally important as food exporters. They will increasingly be called upon to provide higher yields while respecting the environment and consumer food safety concerns.*

*“However, agricultural cooperatives are not the only cooperatives which contribute to food security. The multi-sectoral character of the Movement provides contributions to all aspects of improving food production and access....A common factor between them is that cooperatives help their members help themselves as joint-owned, democratically-controlled enterprises. Cooperatives provide income and employment and contribute to the development of communities....However, improving food security and achieving sustainable development must be part of a global process involving political and financial initiatives. It requires technical and educational actions and must be integrated into operational, coherent and innovative strategies.”*

18 The major reason for the establishment of cooperatives was to free the poor and indebted farmers from the clutches of the traditional money-lenders who provided credit at exorbitant interest rates. The primary cooperatives, therefore, started out as credit societies. Later on other types such as marketing cooperatives were introduced. These were designed not only to facilitate the production process but also to increase agricultural production.

19 Most of the countries follow a three-tier system i.e., primary cooperatives at the village level, cooperative business federations at the secondary levels and apex organisations at the national level. An exception is the Republic of Korea which has shifted to a two-tier system. Cooperatives are either single-purpose or multipurpose or specialised organisations. Agricultural cooperatives in Japan are also gradually moving towards a two-tier system. The current emphasis there is on amalgamation and removing the intermediary secondary organisations at the prefectural levels. The number and size of cooperatives in the Region have generally grown. However, in recent years, there has been a tendency to amalgamate or merge small primary agricultural cooperatives into larger ones in order to take better advantage of economies of scale. The smallness of cooperatives has

been claimed to contribute to poor performance. The larger one is supposed to be more economically viable.

20 The government has traditionally played the leading role in the development of agricultural cooperatives in the Region. It provides the legal framework and undertakes registration and supervision of the cooperatives. More importantly, it supplies badly needed financial resources, particularly for credit, as well as technical assistance. The tendency of excessive bureaucratic intervention/control, however, has had negative impact on the operations of cooperatives. The latter's over-dependence also on government funds has greatly inhibited cooperatives from achieving greater self-reliance.

21 Other problems faced by agricultural cooperatives have been, among others, poor management, lack of capital resources, inadequate training/education system, lack of communication/ participation among members, feudalistic characteristics of society, unclear and inadequate policy on the development of agricultural cooperatives, and weak linkages among the activities of the cooperatives e.g., production, credit, marketing etc. To overcome such problems, some of the measures taken by the governments and Movements have been: human resource development through formal and informal training of members, development of commercial partnership and joint ventures with private enterprises, development of marketing and agro-processing, implementation of self-reliance projects, diversification of agricultural products including the development of export-oriented crops through contract farming, promotion of universal membership, and strengthening of legal framework of cooperatives.

### **Agricoops vis-a-vis External Pressures**

22 Although cooperatives generally profess their adherence to the Cooperative Principles, yet the degree to which rural cooperatives are really democratic varies considerably, so does the extent of members' involvement and participation. The process of professionalisation of management and development of management consultancy services have been slow. These, in turn, have diluted the effectiveness of cooperatives. In the fast changing competitive environments where growth is guided by market forces, cooperatives are required to compete on equal terms with larger corporations. In order to be able to do so, cooperatives need capital. Ideological and past practices, however, inhibit cooperatives from approaching capital markets. Government could and do help and provide capital, but with that also comes government control and a certain loss of autonomy.

23 In a way the most formidable challenge before agricultural cooperatives in Asia lies in evolving a mutually acceptable, but balanced framework for interacting with the government. If there is a large number of rural cooperatives in Asia today it is due to the support and role of the governments, but if these cooperatives have not been able to reach their full potential, that is also due to the role of the governments. Some practical arrangements will have to be devised and put into practice, if only to pave a way for orderly growth and



development of viable, democratic and performing rural cooperatives.

24 Cooperative enterprises provide the organisational means whereby a significant proportion of humanity is able to take into its own hands the tasks of creating productive employment, overcoming poverty and achieving social integration. These institutions contribute substantially to the common good in market economies, principally by improving the efficiency and quality of the economy, but also by assuring democratisation and environmental rationality. They constitute a model for a people-centred and sustainable form of societal organisation, based on equity, justice and subsidiarity. It has also been recognised that agricultural production has increased through innovations in farmers' organisations and institutions rather than relying on administrative measures. These farming promotion measures included, among others, soil and water improvements, promotion of better seeds and plant varieties, reassessment of growing schedules, and integrated pest management programmes.

### **Impact of Agricultural Cooperatives**

25 The impact of agricultural cooperatives in Asia has varied from time to time, and place to place. This impact has generally depended on the extent of members' involvement, quality of leadership, government policies and programmes, availability of trained and qualified staff and structural support, but above all, the intrinsic ability of cooperatives to serve their members and help them increase their incomes. Where cooperatives have evolved themselves into integrated structures and are inspired by dedicated leaders and managed by professional staff, and offer an entire range of service, these tend to have a high degree of impact. The positive impact of cooperatives can also be attributed to the coordination that exists between the leaders and the managers and the image they have for themselves as dedicated promoters and efficient professional managers of agricultural cooperative institutions.

### **What Determines the Impact of Cooperatives?**

26 Some of the studies carried out in various countries indicate that similar types of cooperatives within the same country are known to have varying degree of impact. There are two types of factors - internal and external which go to determine the impact. These are:

#### *Internal Factors:*

- Lack of involvement of members in decision-making;
- Use of cooperatives for purposes determined not by members but by politicians or government officials;
- Lack of structural support from the above;

- Lack of managerial skills;
- Corrupt management/misappropriation of funds;
- Breakdown in democratic control;
- Taking over of the cooperative by a narrow interest group;
- Failure to become self-reliant;
- Extensive dependence on an outside agency;
- Domination by big and the rich;
- Loss of goodwill and credibility among members;
- Inapt handling of members by cooperative staff;
- Smaller size, limited range of services and non-viable operations;
- Lack of access to credit/capital;
- Difficulties in retaining skilled staff;
- Design of the cooperative system itself;
- Unhelpful macro environment.

#### *External Factors*

- Economic inequalities and skewed pattern of land ownership;
- Rapid population growth;
- Illiteracy;
- Absence of infrastructure;
- Market fluctuations affecting prices of crops;
- Political instability;
- Lack of consistent government policies.

27 Dr AF Laidlaw has graphically described the activities of a high impact cooperative - a multipurpose cooperative in Japan. “. . . It provides farming inputs and markets to agricultural products; it is a thrift and credit organisation, an insurance agency, a centre for consumer supplies; it provides medical services and hospital care in some places; it has extension and field services for farmers, and a community centre for cultural activities. In short, this kind of cooperative embraces as broad a range of economic and social services as possible. Life of the rural people and the whole community would be entirely different without such a cooperative.”

28 Agricultural cooperatives in Japan are the most sophisticated high-tech managed cooperative institutions which, not only produce and market the needed agricultural products but also look after the members and their interests in its totality.

29 The phenomenal rise of Japanese post-War economy can safely be attributed to the hard and systematic work done by these agricultural cooperatives in consolidating people, land resources and producing the needed food and providing the needed services to the community. These services range from 'the cradle to the grave' [This slogan has presently and gradually been pushed into the background mainly due to the economic capabilities and capacities of agricultural cooperatives. The fact, however, remains alive because the organisational structure and system firmly exists and has been integrated in the services provided]. The Japanese agricultural cooperatives stand committed to '3-H Agriculture - Healthy, High Quality and High Technology'.

30 The Japanese Agricultural Cooperative Movement had successfully introduced a number of innovations which are of great relevance to the Movements in the Region. Some of the interesting features of the agricultural cooperatives have been :

Amalgamation of cooperatives to make them more economically-viable and service-oriented; Farm guidance and better-living services to achieve a high degree of communication with the members and to enrich their social life; Protection of interests of farmer-members through mutual insurance, health-care; Carefully planned and well-executed marketing and supply functions through specially-created and cooperative-owned holding companies; Production of quality consumer goods and services; Successfully interacting with the government through a process of policy dialogue and lobbying inside and outside legislature; Education and training of farmer-members through a network of cooperative training institutions; Ensuring higher economic returns to the farmer-members through a process of 'value addition'; Encouraging women and youth to form associations to compliment and supplement the work of agricultural cooperatives especially in taking care of and sustaining the interest of the young and the aged in the honoured profession of farming; Encouraging the farmer-members in controlling pollution to produce and market the healthy and nourishing agricultural products to safeguard the interests of consumers; and, Extending technical collaboration with the developing Movements.

31 In the light of the experiences of Japan, potential factors that would influence the operation of cooperatives are: Customs of mutual help and assistance remaining in rural areas; Introduction of new crops and technology to increase productivity; Active participation of women members through women's associations; Employment of capable managers; Acquisition of operating facilities and linking credit with marketing; and, Guidance and education for improving production technology. Based on the above factors, some general requisites for an effective operation of an agricultural cooperative could be derived. These include: Promoting members' participation - economic and organisational; Increasing mem-

bership by encouraging non-members, women and young people to join agricultural cooperatives; and, Promoting the utilisation of cooperative business by members.

32 The factors that seem to enhance the impact of an agricultural cooperative might thus be listed as:

#### *Internal Factors*

- Viable and integrated cooperative - single commodity or multi-commodity - but providing input supplies with extension and output marketing, and social and cultural services;
- Strong vertical structural support;
- Trained professional and motivated staff;
- Enlightened, dedicated, and selfless leadership;
- Well-honed means to encourage members' involvement and participation;
- Comprehensive programmes for members' education and information;
- Value-added activities through the use of advance technologies;
- Provision for reasonable coverage of risk for loss of crops and deposits.

#### *External Factors*

- Positive support and helpful role of the government;
- Market reforms;
- Reasonable rate of growth in agriculture/economy;
- Availability of basic infrastructure;
- Healthy linkages with regulatory and development agencies and institutions.

### **Conditions Necessary for Success of Agricultural Cooperatives**

33 Experiences of agricultural cooperatives and the results of various studies have identified several factors which are responsible for the success of agricultural cooperatives. These are :

- Cooperatives are member-driven, member-controlled and member-responsive organisations; design of the cooperatives imparts high drive level and a cohesive governance structure;
- Cooperatives are efficiently managed by trained and professionally-qualified staff under the supervision and control of democratically-elected boards of directors;

- Cooperatives have integrated their operations with the needs of their member-households i.e., the latter derive economic benefits from their membership of the cooperatives - single or multipurpose; and these benefits tend to be higher than from any other competing system;
- Well-integrated vertical structures of cooperatives exist and these provide support in order to enable the base level cooperatives to effectively and efficiently service their individual members; the federal cooperatives provide advisory services, technical know-how and back-up support services, be it of input supply, crop/animal care, marketing of output, extension, supply of equipment and machinery, sale of consumer articles, or of social or cultural nature. Some recent studies show that cooperatives dealing with cash crops (and highly perishable commodities e.g., milk) tend to be more successful than those dealing with food crops;
- Cooperatives undertake comprehensive programmes for member education in order to facilitate the process of members' participation, members' involvement and empowerment; and for training of staff and members of boards of directors;
- Cooperatives undertake value-added operations; choose, assess and employ appropriate but advanced technologies; and forge forward integration in order to gain competitive advantage in the market-place;
- Cooperatives establish viable and strong linkages with external research and development/extension agencies in the field of agriculture and technology. These are appropriate to the needs of cooperatives and their members;
- Cooperatives strive to become self-reliant, accumulate capital and develop other resources in order to remain free from all external controls and directions; and
- Cooperatives are open, ethical, caring, and socially aware institutions. These display social concern in their business operations and in their relations with customers, employees and members, and the community at large;

### **Agro-Processing Cooperatives – The Advantages of “Value-Addition”**

34 The term agro-processing in fact means establishing processing activities to handle the local produce of the basic farmers with a view to generate additional or higher economic returns to them. It means to reduce post-harvest losses, check outflow of rural population to urban centres, offer remunerative prices to basic producers, help transfer improved/advanced technology to rural areas, industrialise the rural areas, generate employment opportunities, help improve productivity, help develop specific commodities through greater soil treatment and appropriate application of fertiliser, bring recognition to the progressive and innovative initiatives of the farmers etc. Agricultural cooperatives happen to be the most appropriate agencies to establish and operate agro-processing industries as they have the distinct and unique advantage of their closeness and support of their farmer-

members. However, in many countries, they seem to have missed the bus. Private enterprises are gradually installing agro-industries in rural areas to take advantage of low-priced raw material.

35 Post-harvest losses among fruits and vegetables are the highest in India, around 20-25%, mango alone 17%, and the potato and onion almost 20%. India holds first ranking in the world on highest production area in terms of pulses, coarse grains, cereals, rapeseed, castor seed. India also happens to be the largest producer of millet, pulses, beans, castor seeds, sugar, mangoes, bananas, tea, jute and milk. India is the second large food producer in the world, next only to China. However, in terms of yield kg/ha Indian farm technology needs immediate attention and up-gradation e.g., wheat (42nd ranking in the world), coarse grains (129th), potato (57th), pulses (123rd), beans (95th), soyabeans (61st), grapes (2nd), tea (15th), milk (102nd), onion (76th) etc. Of course, there are many factors which influence the yield. Nowhere there are common factors. So India is no exception. Potentials for growth for India are, however, many.

36 In spite of India having 169 million hectare of arable land compared with 188 million in the whole of Asia, east of India including China, it is China which is the largest producer of food in the world with an output of nearly 853 million tonnes of food - 40% more than of India. China achieves this production on just 60% of land area of India. India, on the other hand, produces 601 million tonnes of food. The value addition to food production is only 7% in India compared with as much as 23% in China, 45% in the Philippines or 188% in the United Kingdom. Cooperatives are extremely important in perishable foods such as dairy products and fruits. And while India has one of the best dairy development Movements, cooperatives have a limited presence here. Cooperatives are needed to check exploitation of farmers, especially because they deal in perishable items and may not get a good bargain.

37 Although dairy cooperatives are among the country's largest food players, they are still responsible for only 15% of India's milk production. Dairy cooperatives, with the exception of Anand in Gujarat, have gained relatively low profile because of politicisation and mismanagement. Large investments are needed for making this sector thrive and for strengthening procurement, distribution and retailing as well as introduction of new technologies to help achieve this. There is an urgent need also to improve management systems which call for no interference from the government, politicians and provision of extensive training and development of half-baked managers.

38 Agro-processing cooperatives, like the sugar cooperatives in India, as integrated units, undertake value-added processing activities, frontally engage themselves with tasks of meeting the needs of member-farm households and aim at increasing members' income through productivity enhancement and higher price per unit of produce. As techno-economic systems, these cooperatives embody large-scale organisation of farmers, employ capital-intensive advanced technologies, and incorporate the traditional service-type credit

cooperatives in their infrastructure. Two examples of “value addition” through agro-processing are placed at ANNEXURE-I/A and I/B.

39 An integrated cooperative aligns its activities/operations with the members’ needs and requirements. Instead of merely providing services at the input and output ends, an integrated cooperative directly helps members to increase their production and productivity, by providing an integrated package of services including extension, credit, inputs, guidance and supervision, getting higher prices for their output and other marketing functions. The strength of an integrated cooperative can be attributed to the cooperative providing extension services, advanced technology based value-added processing and downstream integration. These enable the cooperative to fetch higher prices for the produce. It also creates pressure on management to ensure continuous flow of large volume of high-quality raw materials from members.

40 In an integrated agricultural cooperative, member-farmers’ income is expected to increase by: i) production enhancement activities (better seeds, chemicals, practices etc.); ii) cost saving activities (bundle volume purchases of inputs etc.); iii) loss prevention activities (better packaging, storage, transport and marketing); and iv) value-adding conversion into other products through industrial interventions, and gains due to various welfare activities.

41 The integration of cooperative activities in the Cooperative Movement could enhance economy of scale. However, this is only possible if the primary cooperatives are strong. The experiences in the Asian countries show that Cooperative Movements which have resorted to merger, consolidation and amalgamation at all levels have become more stable and self-reliant. In some countries, the cooperatives shifted from the three-tier to the two-tier cooperative structure and, at the same time, they merged and consolidated their primary cooperatives. In other countries, they merged and consolidated at the primary and secondary levels where both receive vertical support from the national level. In this structure, the integrated activities are not overlapping as the primary, secondary and tertiary cooperatives have their own defined role. The problem arises when this discipline is not followed, and when the secondary level cooperatives begin to compete with their own affiliates. Instead of competing with the affiliates, the principle of collaboration and mutual economic benefit should be adopted.

42 The sugar cooperatives in Maharashtra state of India are an outstanding example of these integrated agro-processing cooperatives. Some 220 sugar cooperatives account for 60.4% of the country’s total sugar production (14.6 million tonnes in 1994); 50% of this share is contributed by 93 sugar cooperatives in the State. The main reasons for the success of these cooperatives can be listed as: presence of charismatic leadership, application of appropriate but advanced technology, effective management, responsiveness to members and consistently higher price for the produce. These cooperatives have provided extensive economic and social services not only to their members but to the community at

large. The services include, among others, technical educational institutions, education and development of women, improvement of rural infrastructure, expansion of green cover, provision of irrigation facilities, rural electrification etc. etc.

43 Application of sophisticated technology for undertaking value-added activities has ensured the following for the integrated cooperatives and their members:

*For Cooperatives*

- Broader membership base;
- Ability to generate higher surplus;
- Enhanced surplus to cover costs on extension staff, and to offer extension services and create facilities for technology transfer at the farm level;
- Surplus resources to undertake rural development, including social and cultural activities;
- Optimum utilisation of members' crops/products and consequently higher returns.

*For Membership*

- Higher incomes;
- Higher productivity and production;
- Crops/produce/animal protection through integrated crop/animal-care delivery systems;
- Opportunity for participation in the social and cultural development processes;
- Sound all-round development and maintenance of infrastructure - roads, banks, transport services, schools etc.; and,
- Exposure to modern technologies and opportunities to participate in, and manage the working of larger complex social organisations, thus leading to development of rural entrepreneurs/leadership.

44 It should, however, be noted that value-addition does not take place through undertaking processing activities alone. Marketing plays an important role as well. Marketing of graded, properly packed semi or fully processed products still adds some more value than the marketing of basic material. The Japanese agricultural cooperatives have been able to establish 'on-line' contacts with farmers, farmers' groups, financing agencies, wholesale markets, major bulk buyers and consumer groups. For that matter, no agricultural cooperative can survive and bring benefits and services to its members if it is unable to market the produce of its members. Members want to sell their produce as fast as possible, and take the money home for savings, household expenses and for its employment in produc-



tion business. It thus becomes the responsibility of the cooperative to assist the farmers in not only selling the members' produce but also selling it with advantage. In India, no milk cooperative refuses any type of milk that is delivered to the cooperative by the members. In Japan, also the agricultural cooperatives do not refuse the products of farmers.

45 Cooperatives, have, therefore to be on an alert look out for markets and means of marketing the products of their members. The development of value-added agro-processing industry motivates the farmers for improving productivity and further opens up possibilities of industrial development. The basic requirements are sound marketing, modern technology and quality control. Based on the integrated agricultural cooperative marketing network, agriculture can work as the biggest safety net in the process of adjustment by softening the rigors of inflation as well as by raising income and employment for weaker sections of the society in the Region.

46 The main point is that the members should not run after their cooperatives to provide them with services and facilities - it should be the cooperative which should be keenly enthusiastic to offer a variety of services and facilities to its members. Member is a radiant factor from which the power of agricultural cooperatives emanates. Member is the key and the main source of economic strength of the cooperative. Member should not feel that he is dependent on the cooperative. He has several other options which may not be economically strong for him. It is the cooperative which should be dependent on the member. It is often heard that cooperatives do not do enough for their members - it should be the members who should, in fact, complain that their cooperatives do not do enough for them. For the cooperative, the focus should be on the member and his business potentials.

### **Relevance of Agricultural Cooperatives as Institutions of Rural Development**

47 Agricultural cooperatives are of immense importance to people. However, they suffer from a number of inherent weaknesses e.g., a) the individual farmer cannot fight against the brute forces of market and is unable to obtain the economies of large-scale production by his own efforts alone. Majority of farmers are small and are often scattered. They are unable to influence the market on their own; b) the yield from investment in agriculture is on an average much below that in industry or trade because of: [i] high inherent risk involved in production due to climatic factors and other contingencies; [ii] the high percentage of fixed costs and the long production cycle making the agriculture less flexible for coping up with sudden changes in demand; [iii] a highly imperfect market, perishable nature of many agricultural products and the lack of sufficient and suitable storage and processing facilities owing to which the farmers is compelled to sell his produce immediately; and, [iv] difficulties in obtaining the required finance.

48 Farmers need money and that money has to be a reasonably good return for the investments made. To secure returns, two factors are very important: value-addition and marketing. The process of marketing is more difficult than that of production. It requires

an intimate knowledge of market trends. It should be scientific and well-organised, otherwise the farmer runs the risk of not getting the full value of his produce. In cases where cooperatives are not able to respond to the marketing needs of the members, middle-men thrive and the farmer-members get sucked into the vicious circle which the cooperatives are supposed to eliminate.

49 In developing countries, marketing of agricultural produce is quite complicated. The size of the farm holdings being small, the storage facilities being inadequate, the means of transport and communication being backward and the farmer being illiterate and the government procedures being so difficult to follow. The process of marketing involves a number of activities e.g., collection of the produce at one place; storage, providing finance to the members till the produce is not sold; insurance against risks; standardisation of the product and transporting the produce to the market. Middlemen also play their negative part to the disadvantage of the farmers. Agricultural cooperatives, therefore, come to the rescue of the farmer-producers. They try to provide the farmers with an easy credit and other farm inputs and services. Cooperative marketing helps in providing efficient marketing service at places where they do not exist; in increasing the income of the farmers through better returns for their produce; in stabilising the prices; in keeping the margin of profit low and in exploring better markets.

50 Accordingly, the agricultural marketing cooperatives perform a number of functions, as follows :

- i. Information and extension: Information about world and domestic markets helps the farmers to adjust their production to demand. Information about the quality and variety; wholesale and retail prices, estimated production in other areas; trends in demand help the farmer in knowing his own position and thus, planning his operations;
- ii. Assembly of produce: The produce may be assembled either through personal delivery at the society, or the society may collect it from the farm or by adopting both the methods;
- iii. Grading: Grading of the produce is a very important function of agricultural marketing cooperatives. On grading depends the reputation and goodwill of the cooperative;
- iv. Storage: The storehouses, godowns or warehouses must be well-planned in their size and design. This is the place where packaging can be done to meet the demands of the market and from where goods can be released in the market from time to time and to the desired destinations.

51 Processing implies the transformation of products from their non-usable to usable forms. Processing increases the value of the products and makes it possible to retain them for a longer period. In many countries of the Region this aspect is often overlooked or not attempted thus not helping the farmers to increase their economic returns. However, in

countries like Japan and India some of the cooperative have invested heavily on agro-processing. Agro-processing is regarded as the most important aspect which is responsible for the success of agricultural cooperatives in Japan, and, to some extent, in India.

52 The relevance and success of the role played by agricultural cooperatives in facing the food security issues is closely linked with the participation of their members in their business and organisational structures. Cooperatives are major performers with regard to food security. (ANNEXURE-II highlights the role of cooperatives in food security in developing countries, with a focus on the contribution made by agricultural marketing cooperatives).

### **The Concept of Integrated Cooperative Development**

53 Agricultural cooperatives are not mere institutions which are responsible for distribution of farm credit and farm inputs and collection of farm produce. They are the complete and most relevant institutions which meet the entire needs of the farming community. They need to diversify their activities and strive for integration of all their activities in a given area. The objective of integrated development is to create employment potentials for the rural population and make the village as a strong economic unit by making use of the local resources and institutions.

54 Basic constituents of integrated rural (including cooperative) development are:

- Agriculture proper - cultivation of wet, dry and commercial crops including development and shaping of land;
- Agro-services including supply of inputs, credit, storage and marketing by making use of rural financing institutions, reliance on government rural programmes, warehousing agencies and farm input agencies;
- Agro-industrialisation - rice milling, flour mills, oil mills, cotton ginning and processing units, sugarcane factories, fruit preservation units, agencies to produce and service agricultural implements, blending of fertiliser for local use for special local crops, plant protection, insecticides etc.;
- Allied agricultural activities including horticulture, dairy development, dairy/beef-cattle development, sericulture, sheep breeding, poultry, piggery and fish culture;
- Economic overheads for agricultural development e.g., irrigation, rural electrification and rural communication;
- Social overheads including school, adult literacy centres, health centres, veterinary centres, vocational training institutions for women and youth, etc.;
- Land reforms and agrarian relationships;
- Village industry including handicrafts, handlooms, basket making and other traditional industries;

- Distribution of consumer goods through cooperative-owned retail shops, delivery trucks, members' groups etc.;
- Revitalisation of rural institutions like cooperatives, youth clubs and women's associations to expand and support better-living activities;
- Drinking water facilities, grazing grounds, rural sanitation playgrounds, better-living activities etc.;
- Some of the progressive institutions like the fertiliser producing companies can introduce demonstration farms, seeds multiplication programmes etc.

### Management and Participation Issues in Agricultural Cooperatives

55 It is understood that a primary level cooperative is a **basic level autonomous organisation**. Its basic objective is to **improve the standards of living and the quality of life of its members** residing in rural areas by undertaking **various economic activities** which help them to **increase productivity and production of agricultural and allied activities** and thereby **help increase their income**. In the cooperative, members are also expected to **participate actively - in its organisational structure as well as in its economic business**.

56 The major concerns for an agricultural cooperative, therefore, cover two aspects i.e., **economic activities and managerial efficiency**. The management of the functions of the society vests in the management bodies and offers at different levels of the organisational structure. These include, among others, the following: the General Body of Members which includes the annual members' meeting and other general meetings; the Managing Committee or the Board of Directors; Specialised committees; the Chairman and the Vice-Chairman, the General Manager and other business managers. While the general meeting frames the general policies, the managing committee implements them through the general manager and other employees of the cooperative.

57 Cooperatives are often blamed for non-performance mainly due to lack of participation on the part of their members. In agricultural cooperatives the entire business moves around the economic benefits which the members expect from their cooperative. Farmer-members are eager to sell their produce and obtain timely and sufficient funds to increase their produce. A manager is, therefore, confronted with several problems e.g., identification of markets, methods and techniques of handling members' produce, ensuring adequate returns to the member-farmers and maintaining their loyalty and relationship with the cooperative. Managers with experience, capacity, capability, tact, clarity of business ethics, and professional competence can overcome such problems.

58 In the developing countries of Asia-Pacific, management of cooperatives has been handled by different functionaries - in some cases the major business decisions are taken by the members of managing committees or the board of directors individually or in a

group, and in some cases the major business decisions are taken by the general managers which are based on the general decision of the board, and in some cases the general manager or the managing director takes the decision and informs the managing committee, and implements it through his managers. It has also been found in some of the countries that agricultural cooperatives make use of project approach in decision-making. Most of the managers prefer to adopt the **project approach** because they are clear of the objectives and confident of achieving them through the inputs which are also specified in the project. Many of the managers although are aware of the project approach yet they are not adequately aware of the systems, methods and techniques of preparing a project proposal and assessing its potentials.

### **Lessons from the Field**

59 Based on the experiences of agricultural cooperatives at the primary, secondary and national levels in various countries of the Region, the following lessons can be derived :

- Government should give more importance and provide greater support to agriculture if agricultural cooperatives are to perform satisfactorily;
- Cooperatives would function well with least government intervention;
- Discipline contributes much to the efficient operation of cooperatives;
- Cooperatives should be non-political and self-reliant organisations;
- Cooperatives could provide welfare measures for the benefit of members;
- Complete trust and confidence is necessary for cooperatives to succeed;
- Cooperatives should be managed in a more business-like manner;
- Cooperative guidance is valuable in the formulation and execution of farm production plans;
- Knowledge of scientific farming, provision of high quality inputs such as seeds, and mechanisation are important factors for enhancing productivity;
- *Collective action and spirit of cooperation are essential ingredients to successful operation of cooperatives;*
- Technological innovations that are pertinent to the changing needs of agriculture and the environment should be promoted;
- Introduction of new technology and methods of production are needed to develop agriculture;
- Cooperative should provide advice to farmers on crops to plant which earn them higher income;

- Regular dialogues among farmers, cooperatives and market authorities should be undertaken to resolve problems;
- Organisation should be led and managed by energetic, professional and dynamic persons;
- Improved packaging and marketing are important to enhancing the business operations of the cooperatives;
- For success the farmers orientation should be on improving productivity and quality;
- Quality and cleanliness are important to wholesale operations;
- Business should be conducted in accordance with modern management principles;
- Auctioning enhances a free market economy;
- Agricultural cooperatives could be encouraged to participate as wholesalers in the market and hence, enhance the benefits of their members;
- Good grading and packaging add to the final price of the product and enable efficient handling and distribution; and
- Hygienic practices are vital to market operations, particularly, in the case of marine products.

60 These lessons can very well form the basic guidelines for the development of leadership of agricultural cooperatives.

## Conclusion

61 Agricultural cooperatives provide all types of economic and social services to their members. They demand effective, enlightened and skilled leaders. They need initiatives and services to sustain the interests of their members through the provision of education, training, guidance, extension and farm inputs, farm credit and marketing opportunities. They have to be run on democratic lines. They operate within the framework of national guidelines, but at the same time fulfil the demands of domestic and international markets. Agricultural cooperatives, to be effective and acceptable, must take the members's views and their felt-needs into consideration. An active communication has to be established and sustained between the management and the members, and between the leadership and the management. Agricultural cooperatives have no reason to be afraid of the pressures of the open market pressures if the members remain united and respond to the needs of the market. To encourage and sustain the participation of members it is necessary to provide them with the services they need e.g., marketing of their produce.

62 Agro-processing leading to value-addition and higher economic returns to farmer-members is the key to the success of agricultural cooperatives because through this concept value- addition to members' produce takes place and the members get more economic

returns. Economic returns are the key to sustain the relationship between the members and their cooperatives. Agricultural cooperatives, if run on democratic lines and at the same time responding to the needs of their members and earning the confidence and good-will can easily become a source of economic strength of the rural Asia.

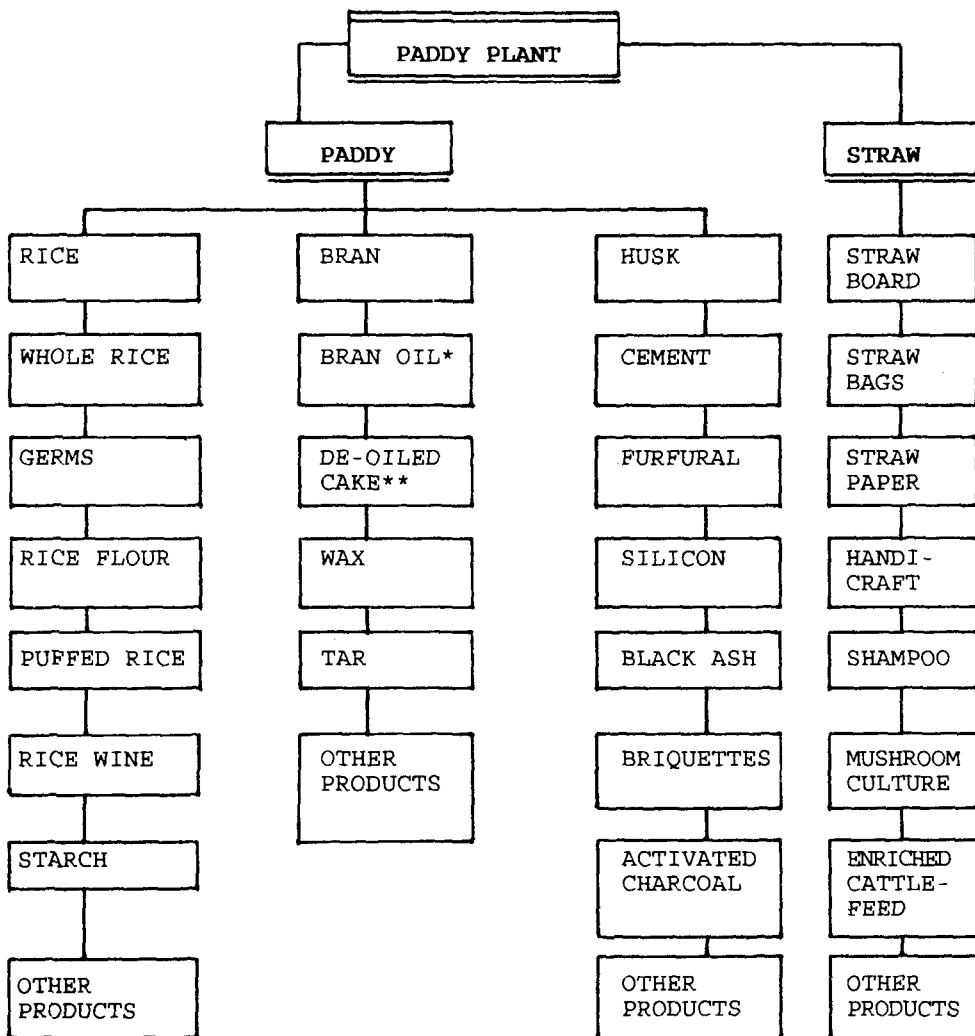
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## ANNEXURE-I/A

### PADDY BY-PRODUCT SYSTEM



\* Used for soap-making and for other industrial products;

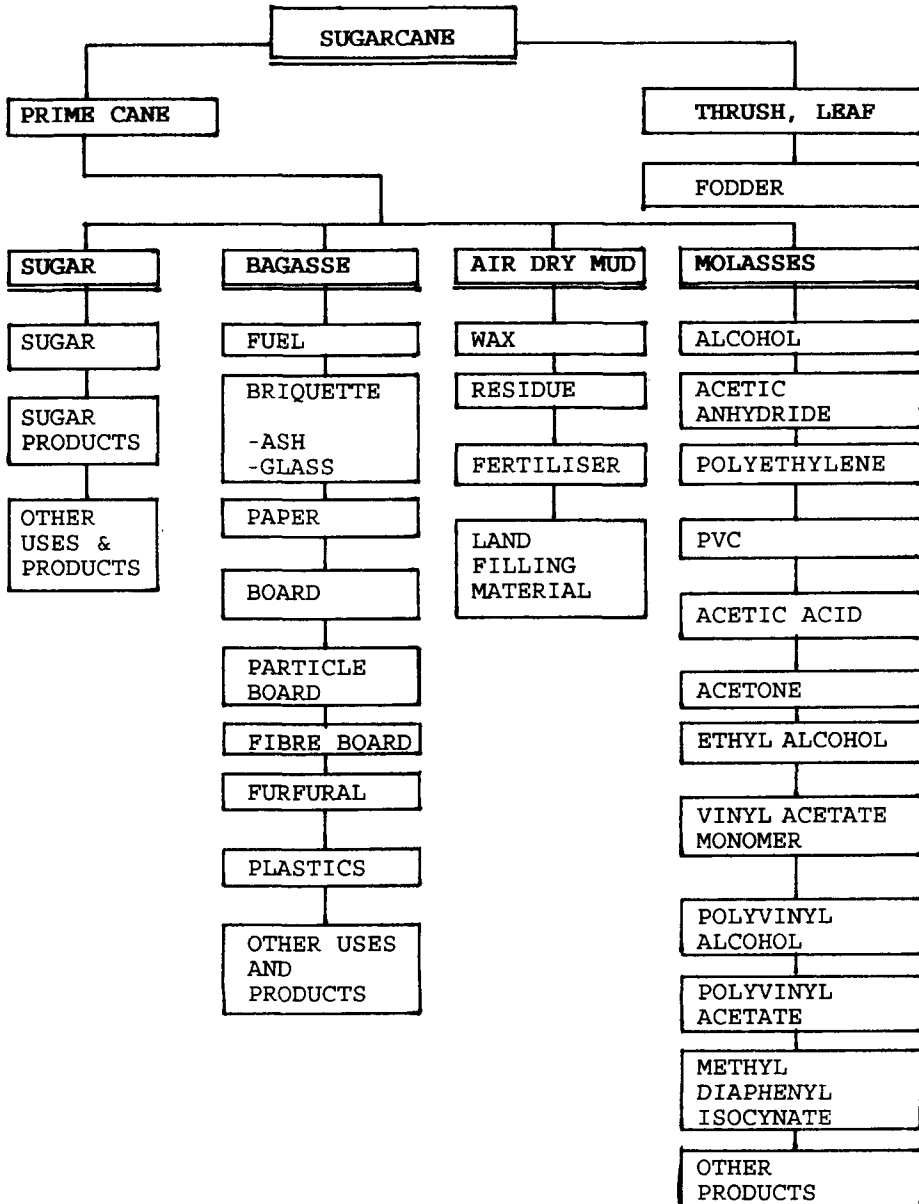
\*\*Used for manufacture of cattle-feed.

Source: Planning Rural Development Projects in Laos - A Guide  
ILO-ARTEP. International Labour Office



# ANNEXURE-I/B

## SUGARCANE BY-PRODUCT SYSTEM



Source: Planning Rural Development Projects in Laos - A Guide ILO/ARTEP. International Labour Organisation

## ANNEXURE-II

### COOPERATIVES AND FOOD SECURITY

*[Contributed by the Secretariat of the International Cooperative Alliance]*

*Cooperatives in the North as well as in the South within the agricultural, processing, wholesale and retail, fisheries, savings and credit and other sectors all contribute to global food security; in fact cooperatives worldwide are major actors in many food markets. It is estimated that approximately one-third of all food stuffs and drinks are marketed and processed by cooperative enterprises. Member-organisations of the International Cooperative Alliance (ICA) have also, through their **Cooperative Agenda 21**, laid down action guidelines for food security and sustainable agricultural development.*

*As indicated above, it is important to recognise that, globally, cooperatives are major performers with regard to food security. However, given the fact that food scarcity and hunger are most pronounced in developing countries, this article highlights the role of cooperatives in food security in the Third World, with a focus on the contribution made by agricultural marketing cooperatives.*

#### **Participation**

Many actors are involved in the process to improve food security: governments and their various departments and institutions, farmers, the NGO community, the private business sector (including the cooperatives) and local authorities, just to mention the most central. In order to ensure an optimum and sustainable effect of government policies and plans, the farmers must be actively involved. Mechanisms and organisational structures need to be in place so that effective partnership relations can be established between governments and farmers. This is well recognised by the World Food Summit Plan of Action, which states that economic and social organisations of the rural population should be fostered. Agricultural cooperatives are, together with the much smaller number of farmer unions, the true representatives of farmers and, with their organisational structures from local to national levels, they can therefore effectively engage governments and other actors in a partnership dialogue at all levels.

The dialogue with governments and others can, and already does, include a number of issues, such as policy and legislation and regulatory frameworks for food production and marketing. An example of a partnership needed to secure the participation of farmers is in agricultural research and extension, which has not yet been sufficiently developed. Research and extension are vital elements for sustainable agricultural production and, therefore, for food security. It is well known that it is essential for farmers to be given the opportunity to participate in this work, thereby contributing to a much needed demand-driven form of research and extension. This is hardly the case today and, had government

research institutions and extension departments recognised this in the past, involving the farmers in their cooperative organisations, agricultural practices and food production would most likely have been more effective.

## **Marketing**

Perhaps the most obvious and direct contribution made by cooperatives to food security happens to be the core function of agricultural cooperatives, i.e., marketing. Cooperatives buy food and non-food agricultural produce from the farmers, store it, in many cases process it and, finally, market it. For millions of farmers in the Third World, this is the essential service required to enable them to be part of the monetary economy, thus ensuring their own food security as well as contributing to the same for the non-producers who are dependent on the market. Most agricultural cooperatives also provide agricultural inputs and implements to their members, which is another essential service for improved and increased agricultural production.

Cooperatives do not only market food produced by those farmers who would also be attractive to other actors on the market, but they also market the produce of farmers in remote and marginal areas and of those who have only small volumes to sell - farmers who might be considered too marginal by an investor-driven market agent. If there is no demand for their products, marginal farmers will not produce a surplus. Thus, by purchasing their products, cooperatives include marginal producers in the monetary economy. This is a very important and direct contribution to food security for vulnerable groups, and at the same time it increases the volume of food on the market.

There are also important societal aspects of the agricultural cooperative movements in developing world countries. First, when seen from a national perspective, food supply can be sufficient but this does not guarantee food security for all. Hunger is not necessarily caused by a general shortage of food, it is also caused by inadequate marketing mechanisms and faulty distribution between rich and poor. Food can be in the wrong place at the wrong time. Furthermore, we will see an increasing share of the rural population engaged in the non-agricultural sector. The retention of food surpluses within a region is, therefore, becoming increasingly important. In fact, it is argued that surplus retention will need to be seen as one of the major elements in a strategy to develop non-agricultural production and services. Cooperatives, with their roots in the local community, have a better understanding of and are more willing to contribute to local surplus retention than many other operators on the market.

Second, increasing urbanisation will mean that a growing section of the population in developing world countries, in absolute as well as relative numbers, will have to rely on the market for obtaining food. Markets will consequently have to increase capacity in order to cope with this increasing demand, it has been estimated that markets will have to grow by about 6 percent annually. At the same time, many of these markets are now being opened up and freed from government intervention and excessive regulation, as part of the

liberalisation of economies in the developing world. It is essential that these markets stay open, and the presence of the farmer-driven cooperatives will contribute to diversified and competitive markets securing a maximum return to the producers.

## **Women**

Empowerment of women and gender equality are important elements in achieving food security. While the attitude among men and women cooperators towards gender equality is basically a reflection of the prevailing attitude in the society at large, there are several examples of a growing awareness and realisation that men will need to make room for women in the affairs of cooperatives. This is indeed of great relevance, since cooperatives are the most widespread form of organisational network in many rural areas, and they give women farmers a chance to enhance their income and economic independence as well as to contribute to food security. The growing awareness of the essential role that women play in agricultural production, food security and cooperative affairs is promoted by ICA through its development programme, and it is believed that this trend is not only irreversible, but will become even more pronounced in the future.

## **Finance**

Finance cooperatives such as banks, insurance cooperatives, savings and credit cooperatives provide important services to agricultural cooperatives as well as to the individual producer. The provision of credit facilities is one of the most important services for the small-scale farmer if he or she is to increase agricultural productivity and food production in a sustainable manner. However, rural savings and credit cooperatives do not only provide various types of non-agricultural and production credit. They also give the farmers an opportunity to save money on a regular basis, thereby accumulating capital in the local community, as well as assisting the farmer in establishing a better organised and secure household economy. This also contributes indirectly to improved agriculture and food security.

## **The Future**

Many agricultural cooperatives are now in a period of transition from government-controlled markets, often allowing cooperatives to have a monopoly for certain regulated crops, to open market conditions. Not having been exposed to competition before, the cooperatives are now restructuring themselves and adjusting to the new business environment. Some cooperatives will not be able to adapt and will therefore be eliminated by the competition. There are cases where cooperatives have lost the better part of their market share. On the other hand, there are many cooperative organisations that have managed to revitalise themselves by providing better services, improving their business performance and implementing organisational changes and mergers. This ongoing transformation will result in

fewer but more efficient cooperatives, and it is not unlikely that new structures will emerge that are better adapted to market-oriented economies.

However, in order to emerge successfully as competitive business organisations on the new market, cooperatives will need an enabling environment. Such an environment will have to comprise a conducive cooperative policy and law as well as a framework to regulate the open market. This would not only put cooperatives on an equal footing with other market agents, but it would also enable them to contribute more to sustainable agricultural production and food security. Furthermore, if governments and cooperatives are equally willing to enter into a partnership in which the cooperatives are given a true participatory role, the inherent qualities of cooperatives, member-owned and member-governed organisations can be brought into full play for the cause of food security.

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*James Yen, the founder of the Rural Reconstruction Movement in China in 1920s provided guidelines for many social development initiatives. He urges those who would help people to:*

*Go to the people  
Live among the people  
Learn from the people  
Plan with the people . . .  
Work with the people  
Start with what the people know, and  
Build on what the people have . . .*

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## PART-II

# STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA

## – An Introduction to ICA-Japan Regional Agricoops Management Training Project for Asia

### Introduction

01 A cooperative enterprise is unique in the sense that members are owners and customers as well, unlike private business. It is, therefore, essential that cooperative must provide goods and services to its members at slightly less than market price. At the same time it must earn some surplus. Both the objectives seem contradictory but can be achieved through managerial and operational efficiency. To effect managerial and operational efficiency, management is required to adopt improved managerial practices taking into account the size of the cooperative organisation, its organisational structure, use of technology and other developmental needs.

02 Production enhancement effort alone does not generate income until it is properly linked with marketing efforts like procurement, grading, storage, transportation, processing, promotion and selling. Since cooperative may have members belonging to different interest groups, it is desirable to take up integrated production and marketing activities for each interest group members. This will increase members' participation in the management and business of the cooperative. This may be achieved through functional discipline between primary and secondary level cooperative organisations.

03 It is understood that a primary level cooperative is a basic level autonomous organisation. Its basic objective is to improve the standards of living and the quality of life of its members residing in rural areas by undertaking various economic activities which help them to increase productivity and production of agricultural and allied activities and thereby help increase their income. In the cooperative, members are also expected to participate actively - in its organisational structure as well as in its economic business.

### Management of Agricoops

04 The major concerns for an agricultural cooperative, therefore, cover two aspects i.e., economic activities and managerial efficiency. The management of the functions of the society vests in the management bodies and offers at different levels of the organisation structure. These include, among others, the following: The General Body of Members

which includes the Annual Members' Meeting and other general meetings; the Managing Committee or the Board of Directors; Specialised committees; the Chairman and the Vice-Chairman, the General Manager and other business managers. While the general meeting frames the general policies, the managing committee implements them through the general manager and other employees of the cooperative.

05 Managers play a vital role in fulfilling the wishes of the general meeting. Some of the key functions of a manager are, among others, the following:

- Establishing purposeful directions in the light of the overall policies of the cooperative;
- Ensuring the continued growth and survival of the cooperative enterprise;
- Ensuring efficiency to generate business and surplus;
- Preparing for meeting competition;
- Introducing innovations through work efficiency, value-addition, employment of new technology, improved work methods and techniques;
- Strengthening and sustaining human resources within the organisation by providing development opportunities and creating better work environment;
- Demonstrating effective managerial leadership by developing the capacities and capabilities of other employees;
- Establishing effective communication between himself and the managing committee and between the cooperative and its members, and among other managers and employees of the cooperative;
- Adopting management skills in Planning, Controlling, Organising, Communicating and Decision-making; and
- Following self-appraisal and evaluation practices.

### **Manager - A Key Player**

06 Managers, to be effective, must acquire special knowledge and leadership skills and use the knowledge of many branches of science, as, for example, economics, sociology, social psychology, pedagogy, organisational science, jurisprudence, mathematics, statistics and special fields of the technical sciences for their managerial activity. Managers, being professionals within the cooperative management system, play an important role in an all-round development of a cooperative institution. Professionalisation of management in cooperatives explicitly implies that in the management of cooperatives, even when it is duly professionalised, it is the elected management which lays down the policy frame and procedural guidelines at the planning stage and regulates the performance of management towards achievement of its objectives at the control stage. In this sense, therefore, elected

management performs crucial role in providing sense of purpose and direction to the process and system of cooperative management. It is, however, painful to see that the elected leaders manage the day-to-day activities instead of the manager. Both of them, the elected leaders and the professional managers, have to work as a well-knit team to realise the policy frame established by the general body. Both should respect the role of each other.

07 Managers are organisation builders and more so when the organisation belongs to small and marginal farmer-members. In this situation a manager has to have:

- a. A thorough understanding of and good experience of working with small farmers;
- b. A capacity to interpret technological changes in their socio-cultural context;
- c. The patience and the capacity for research and study;
- d. Commitment and readiness to take up issues with the vested interest groups who will fight back for *status quo*; and
- e. Capacity to learn from failures, of which he may have many, because organisation building is a difficult task.

08 In contrast to general thinking, a manager of a small farmers' integrated cooperative has to have a greater degree of sophistication in vision and technical and managerial knowledge and skills. He must be viewed as a "development entrepreneur".

09 Cooperatives are often blamed for non-performance mainly due to lack of participation on the part of their members. In agricultural cooperatives the entire business moves around the economic benefits which the members expect and derive from their cooperative. Farmer-members are eager to sell their produce and obtain timely and sufficient funds to increase their produce. A manager is, therefore, confronted with several problems e.g., identification of markets, methods and techniques of handling members' produce, ensuring adequate returns to the member-farmers and maintaining their loyalty and relationship with the cooperative. Managers with experience, capacity, capability, tact, clarity of business ethics, and professional competence can overcome such problems.

### **Project-Oriented Approach for an Integrated Development**

10 In the developing countries of Asia-Pacific management of cooperatives has been handled by different functionaries - in some cases the major business decisions are taken by the members of managing committees or the board of directors individually or in a group, and, in some cases, the major business decisions are taken by the general managers which are based on the general decision of the board, and, in some cases, the general manager or the managing director takes the decision and informs the managing committee, and implements it through his managers. It has also been found in some of the countries that agricultural cooperatives make use of project-oriented approach in decision-making.



Most of the managers prefer to adopt the project approach because they are clear of the objectives and confident of achieving them through the inputs which are also specified in the project. Many of the managers although are aware of the project approach yet they are not adequately aware of the systems, methods and techniques of preparing a project proposal and assessing its potentials.

11 A development project is a systematic treatment of a problem. The concept of project life cycle illustrates the following four stage framework: Concept phase; Implementation phase; Operations phase; and Abandonment phase. It also ensures various linkages to ensure its sustainability i.e., Production chain linkages, Macro-micro policy linkages, Institutional linkages, and International linkages. A project has also to conform to the organisation and national priorities, and, should reasonably address to the needs of the local populace. It should have a reasonable assurance of working capital and continued input of raw materials.

12 A definition of a project proposal as given by the **World Bank** runs thus:

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

## **HRD in Agricoops**

13 In the Region there are around 280,000 agricultural cooperatives which means that there are as many managers. Arranging training and development for them is an enormous task which needs a broad-based infrastructure. Many of the countries have their own training and development arrangements in the form of training institutes, centres and colleges which offer a variety of training programmes for managers. The variety of training needs is also very broad. The resources at the command of cooperatives are rather limited. However, all the countries do recognise the need for human resource development. Many of the managers are trained on-the-job while a few are sent abroad for further training. The ICA itself does not have enough resources and facilities to arrange for training and development of such a vast number of managers. It facilitates the HRD activities by provision of technical support in the form of training material and occasional consultancies and collaboration with other national and international institutions.

14 Realising that the managers and key leaders are the main factors for the success of agricultural cooperatives, it is considered necessary that the managers are exposed not only to some of the successful models of agricultural cooperative development but also to give them some training on the key management aspects of agricultural cooperatives. Already in the Asia-Pacific Region several successful models exist.

### **Strengthening Management of Agricultural Cooperatives in Asia**

15 In the light of the foregoing, and based on the discussions held between the International Cooperative Alliance (ICA), the JA-Zenchu (the Central Union of Agricultural Cooperatives of Japan) and the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan, a regional management leadership training project on **Strengthening Management of Agricultural Cooperatives in Asia** was developed and agreed upon for implementation through the ICA. The Government of Japan graciously came forward to provide the needed funds to the ICA to implement the Project in the Region.

16 It was understood that middle-level managers of secondary level or national level agricultural cooperative organisations would be an appropriate target group. To achieve the desired results, it was also considered appropriate to limit the number of trainees to 15 persons per training course.

17 The first training course of 6-months duration attended by 15 participants from 9 countries of Asia was held during 1986-87. The programme was conducted by the ICA through its Regional Office for Asia and the Pacific (ICA ROAP), located in New Delhi, India, and with the active collaboration of well-known institutions e.g., the IDACA (the Institute for the Development of Agricultural Cooperation in Asia - a specialised institution established by the Japanese Agricultural Cooperative Movement) in Tokyo, the Indian Institute of Management, Ahmedabad, India (IIMA); the Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) in Pune, India; and the ICA Member-Organisations in the Region. Since the 8th training course, the IIMA has been replaced with the Institute of Rural Management, Anand (IRMA), Anand, India. This was the first ever long-term technical programme offered by the ICA to its member-organisations in the Region, and in the very critical area of **development of management leadership** of agricultural cooperatives.

18 The programme design was finalised by the ICA in consultation with the Government of Japan, the JA-Zenchu and the IDACA. The curricula, training methods, training materials and resource persons were field-tested during the first two courses, and on the basis of experiences thus gained several modifications in the design were incorporated. Based on the suggestions made by the participants and the beneficiary member-organisations some more innovations were introduced in the subsequent courses. Evaluation, introspection and looking back have been the core and constant elements of the course with a view to assess the performance of the participants on one hand, and of the various components, resources

and organisers on the other. This effort is further reinforced by holding constant dialogue by the ICA ROAP officials with beneficiary organisations and the former participants from time to time. The user-organisations, donors and collaborating agencies have also made suggestions on various occasions. As a result, the programme became so strong and popular that for each successive course there have been more demands for additional seats than the stipulated 15 seats per course. Until the 12th course, this trend has continued.

19 The programme has been structured in such a way that theoretical inputs are constantly reinforced by practical work and field observations. The strength of the training course are its management leadership development, project-oriented approach, value-addition through agro-processing, an intensive group work, and a constant evaluation and appraisal system.

20 So far (1986-87 to 1997-98) twelve such training programmes have been successfully held which were attended by 180 participants from 13 countries of Asia. Participants holding middle or senior level managerial positions in agricultural cooperatives and their supervising organisations are selected to attend these courses.

### **Project Objectives**

21 The overall objective of the training programme is to help strengthen and improve agricultural cooperative performance in the Asian Region in order to bring about a qualitative and quantitative improvement in cooperative services to member-farmers at the grass-roots level with the ultimate objective of increasing members' income and ensuring active participation in cooperative business.

22 Based on the Main Objective, the following **Immediate Objectives** have been established:

- i. To examine the present organisational structure of agricultural cooperatives in the Region and discuss on the basis of results obtained so far and the applicability of an integrated cooperative system for a more effective and result-oriented development process;
- ii. To introduce various forms of improved managerial practices in cooperative functioning supported by backward, forward and horizontal linkages at appropriate levels;
- iii. To introduce business planning for value-addition through cooperative management with special reference to decisions on location, capacity, budgeting, investment, costing and in evolving pricing policies;
- iv. To evolve a project-oriented development approach in cooperatives, and introduce methods for project preparation, appraisal, implementation, monitoring and evaluation;
- v. To study working of multipurpose, single-purpose and commodity-based cooperatives

and examine the applicability of their experience in the participating countries;

- vi. To study various ways of resource mobilisation for cooperative development; and
- vii. To induct managerial personnel in farm guidance and better-living activities for cooperative member-farmers in order to increase farm productivity and ensure their welfare and greater participation in cooperative activity.

23 The inner-core of the objective rests on **Value-addition through Agro-Processing**. An analysis of the objective would reveal that the training programme aims at the following factors:

- Enhancing the capability and capacity of an agricultural cooperative to provide maximum possible efficient services on a continuous basis;
- The efficient services could be provided only if the management of the cooperative is strong and responsive to the needs of the members;
- An efficient management is possible if a cooperative has properly trained manager who can communicate with the management of the cooperative as well as with the members and employees;
- An efficient manager should have the capability and capacity to plan for the cooperative and implement or appraise development projects which aim at enhancing the income and participation of the members at the grass-roots level;
- In agricultural cooperatives maximum benefits can be derived through agro-processing thus adding value to the produce of the members and facilitating its marketing; and
- The manager, should therefore, have proper training in developing, appraising and implementing development projects and should also have sufficient skills in communication.

24 The programme design, therefore, hinges securely on improving the management of an agricultural cooperative - by improving the managerial skills of the manager and enhancing his capacities and capabilities. The following subjects form an integral part of the training course:

- Management practices;
- Management of agricultural cooperatives/enterprises;
- Development of agricultural cooperative project proposals;
- Appraisal of agricultural management projects;
- Management leadership effectiveness;
- Communication skills and strategies;
- Board-Member/Board-Management Relationship;
- Business Management;

- Decision-making;
- Planning process;
- Computer application awareness;
- Home Country Assignments-HCAs;
- Practical assignments and field studies.

25 These subjects are covered in the background of **Integrated Cooperative Development Strategies** aiming at strengthening the management of agricultural cooperatives and enabling the cooperatives to consider employing “value-addition” methods to enable the basic farmer-members to increase their incomes. In agricultural cooperatives value-addition can be achieved through ‘agro-processing, effective marketing and providing extension and information services to the farmer-members’.

### **Course Modules**

26 The entire study programme has been divided into two principal parts. Part-I of the Programme is held in India under the guidance of the ICA ROAP, and in another country, including Home Country Assignments (HCA). Part-II of the programme exclusively deals with the application of management practices in agricultural cooperatives in Japan, including a small segment on methods and techniques of appraising the development project proposals produced by the participants during their Home Country Assignments. The project appraisal sessions are aimed at imparting skills of appraising projects.

27 The study programme has eight working modules. A brief description of these follows:

#### **Part-I of the Programme**

**Module-1 :** Understanding regional situation through presentation of country statements by participants, exposure to topical subjects by holding special lectures. The background papers are produced by the selected participants in accordance with the guidelines provided to them by the ICA at the time of their selection;

**Module-2 :** Understanding the Indian Cooperative Movement appropriately reinforced by Study Visits to national, provincial, district and local level agricultural cooperatives, discussions with management leaders and local members. Special focus is laid on agro-processing cooperative sector where value-addition has been adequately attempted with some reasonable and positive results e.g., exposure to dairy cooperatives, sugar cooperatives and other agro-processing cooperative enterprises;

**Module-3 :** 4-5 weeks class-room work on understanding “Integrated Cooperative Development Strategies” laying special focus on value-addition through agro-processing, management, leadership, skills in formulating and appraising agricultural

cooperatives development projects, communication skills, computer awareness. This is done by placing the participants at specialised institutes of higher learning for a period of 4-5 weeks;

**Module-4 :** Field study visits in a third country with a view to study a different model of agricultural cooperative development. Interaction also with the former participants from that country with a view to learn from them their experiences in implementing their own project proposals. This exercise is meant to enable the participants to pick up appropriate management aspects which might be relevant to them in their home situations;

**Module-5 :** Home Country Assignments (HCA), usually for 40-45 days enabling the participants to produce their own development project proposals in consultation with their own sponsoring organisations and in line with their own priorities - national and organisational.

## **Part-II of the Programme**

**Module-6 :** Imparting skills in appraising a development project proposal using the proposals produced by the participants during their Home Country Assignments. This is sought to be done by the participants under the guidance of resource persons and with the help of fellow-participants - individually and in groups;

**Module-7 :** Study programme on application of management practices in agricultural cooperatives in Japan, field visits, an interaction with the management leaders and member-farmers for about two-months in Japan. This is implemented in collaboration with the IDACA in Japan;

**Module-8 :** Evaluation and assessment of the participants, resources and logistics with a view to improve future programmes. This also includes reporting and planning phases. This is done by making use of a special proforma "End-of-the-Course Evaluation".

28 Module-3 deals specifically with management aspects. This 4-5 weeks module is covered by the Institute of Rural Management, Anand (IRMA). The subjects covered in the module are inter-related with all other modules and forms a part of the entire scheme of the training programme - see **Figure-I**. The subjects covered include:

- Management Practices;
- Financial Management;
- Resources Management;
- Integrated Cooperative System;
- Reporting and Communication Skills Development;
- Computer Awareness;
- Exercises and Analysis Skills;

- Interaction with Coop Managers, Leaders and Basic Members;
- Study Visits;
- Study Material/Text Books;
- Case studies;
- Guidelines for preparing Project Proposals;
- Interaction with Teachers/Resource Persons;
- Library and Documentation Use.

### **Preparing a Development Project Proposal**

29 A project in the private sector normally aims at the maximum possible return on investment (ROI) with due consideration to the project risk. In the cooperative sector, the project usually aims at increasing the members' income and at the same time ensuring a reasonable profitability of the project itself. Thus, if the cooperative is of the input suppliers e.g., sugarcane producers in the sugar industry, then the project would aim at guaranteeing the maximum possible price to sugarcane suppliers after ensuring some minimum acceptable profit to the sugar factory. But, if the cooperative organisation is promoted by the sugar manufacturers only, then the sole objective would be to earn the maximum possible ROI. Through such objectives, the members' (farmers or manufacturers) income would be increased to the maximum possible.

30 In the **project identification**, one needs to understand the following :

- a. **Industrial Policy:** The products which are open to investors and the availability of financial-fiscal incentives, if any, for various projects. In this regard special schemes for small-scale industries and cooperative sector, and the incentives for promoting industries in the backward regions must be clearly grasped;
- b. **Government regulations** with regard to licensing, project finance, foreign collaboration, foreign exchange, import-export policies, monopolies and restrictive trade practices etc.;
- c. **Performance of existing industries:** This is needed because things do not change overnight and the way we wish them to be;
- d. **Investors' strengths, weaknesses, opportunities and threats (SWOT):** It is well-known that in almost every industry, there are high, low and poor performers, and this is primarily due to the specific profiles of investors with regard to SWOT characteristics;
- e. **Linkages:** Horizontal and vertical (backward and forward).

31 An understanding of these four aspects would help the investor to limit his list of potential investment opportunities for further scrutiny.

32 **Project Formulation:** The project formulation is a rather tough activity. It involves

many aspects. The important ones are the assessment (selection) of:

- Location
- Capacity and Production over project life
- Land and Land Development
- Plant and Machinery
- Technical know-how
- Raw materials
- Manpower and Organisational Structure
- Project cost - Non-recurring and recurring
- Sources and cost of finance
- Cash flows during project life.

33 Since money has time value, cash in-flows and out-flows would have to be projected not only by the amount but also by the time of their occurrence.

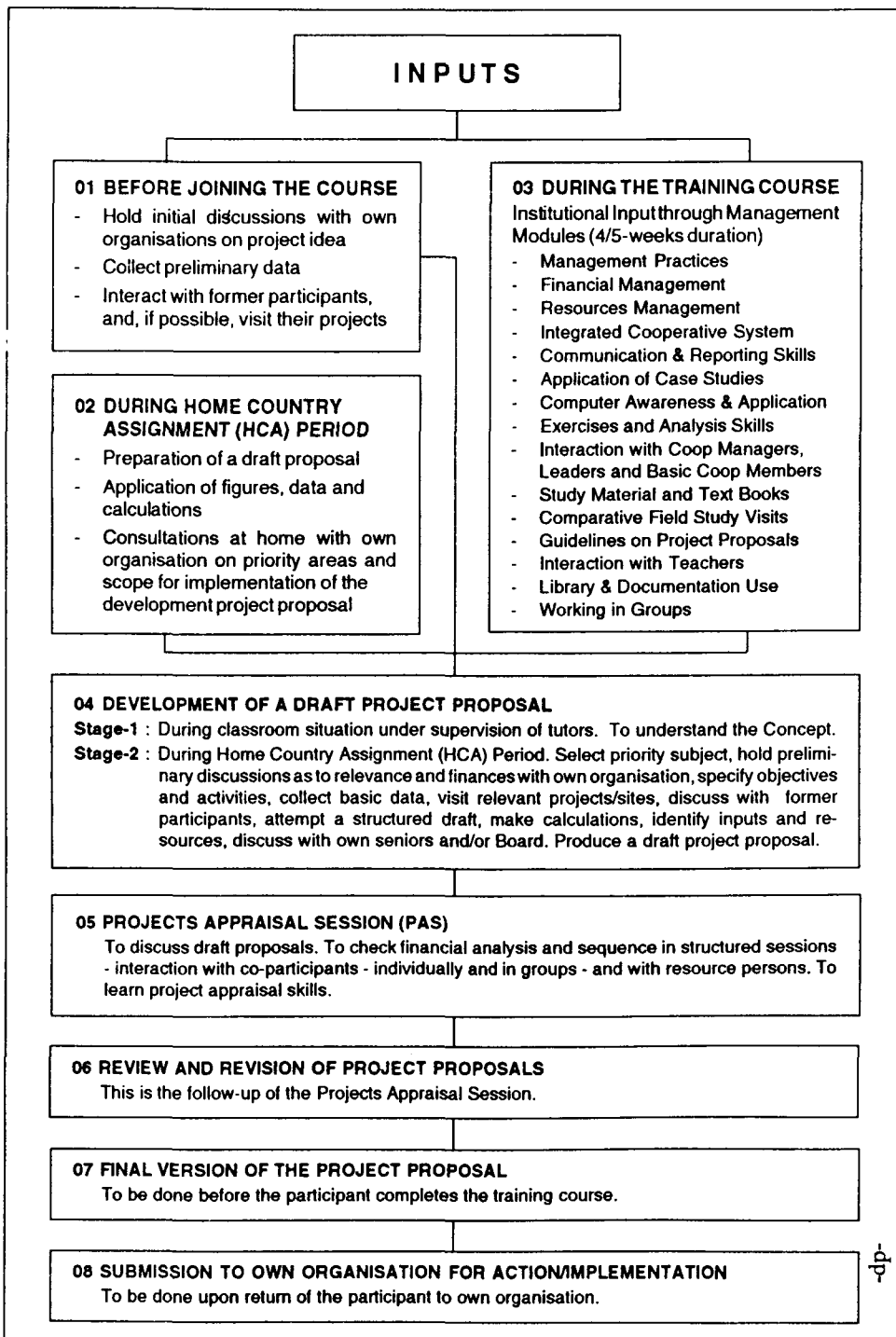
34 A flow chart describing the various aspects of preparing a cooperative development project proposal is given in **Figure-I**. There are eight stages which a participant has to observe to understand the methodology of producing a feasible, viable and workable project proposal - from the concept to the submission stage. The participants are encouraged to produce their projects based on the priorities and needs of their sponsoring-parent organisations. The participants are given intensive class-room exposure on the techniques of producing a project based on internationally-recognised and well-accepted principles and methods. They are given time to understand the techniques, and also opportunities to have discussions with their own organisations - usually with their Boards/Managing Directors, and seniors - and also to collect the needed data. The participants are also given time - during their Home Country Assignments - to work on the draft of their projects and obtain, if possible, the commitment of their sponsoring organisations to implement them later on. A suggested format for agricultural/agro-processing investment project report is placed as ANNEXURE-I. The elements of the project report can vary depending upon the size of the project proposal. A systematic development of the proposal, reinforced with facts and figures and sound arguments, and its presentation strengthens the acceptability of the proposal. The producer of the project proposal should also have some vision, vigour and aptitude to put things in a correct perspective. There are some indicators or pointers for the author to observe - refer ANNEXURE-II.

### **Project Appraisal Skills Development**

35 **Project appraisal** is concerned with two aspects: [a] Project feasibility; and [b] Project viability. Under feasibility, one examines the viability of all the resources which are inevitable for the implementation of the project. These include land, construction material and manpower, plant and machines, technical know-how, raw materials, utilities, finance, manpower (both skilled and non-skilled), foreign exchange, licences etc. If any one or



**Figure-I. : Inputs for the Argicultural Cooperative Management Training Course  
- A Learning Exercise in Skills Development**



more of these items is not available in the required quantity and time, and there is no alternative item for the missing ones, the original plan cannot be undertaken, irrespective of its perceived profitability. Under project viability, one examines as to whether the project satisfies the objectives behind it. Thus, if the project is in the private sector, one looks at the expected return on investment and the risk associated with it. For the cooperative sector project, one looks at the ROI as well as the specific benefits accruing to the members through better input price or better product price. The viability exercise is usually attempted through the computations of break-even sales (both in quantity and value terms) and the measures of investment worth such as, pay-back period, net present value, benefit-cost ratio, and internal rate of return.

36 Project formulation and analysis exercise is incomplete unless it incorporates the sensitivity analysis. This is because uncertainty is inherent in all the investment projects. Under this part of the analysis, the analysts evaluate the effects of possible changes in the values of the critical variables on the measures of investment worth. The critical variables usually considered are, as follows :

- Capital cost
- Major raw-material cost
- Interest cost of the capital cost
- Product price
- Capacity utilisation.

37 The project formulation and appraisal exercise must end with a clear message as to what would be the benefits from the project to the promoters - members of the cooperative, and to the society as a whole. The benefits to the promoters could be expressed in terms of the return on investment and the returns in other forms such as better price for inputs and or outputs of the members of the cooperative.

38 The project proposals are appraised at a special appraisal session of about ten days duration. The participants are given an opportunity to have a critical look at their own projects - the feasibility, viability and the chances of success - in the light of the comments made by the participants themselves through group work, and from the specialists and resource persons. **Figure-II** explains the process of appraisals skills development. An evaluation or an appraisal of a development project proposal can be done from various angles e.g., from the point of view of the organisation as to achieve its objectives or from the point of view of the clients/users of services of an organisation. Given below are some of the broad guidelines:

- Is the project in conformity with the development strategy of the concerned organisation?
- Is the project in conformity with the development strategy of the government of the participant concerned?
- Does the project represent high priority area within the development strategies of the government/organisation concerned?

**Figure-II : Chart Showing Steps in Appraising the Project Reports Prepared by the Participants during their Home Country Assignments**

<b>APPRAISAL STEPS</b>	
<b>STEP 01</b>	The Author prepares a Project Document/Report 01 Executive Summary 02 Main Report 03 Statistics/Calculations 04 Recommendations
<b>STEP 02</b>	Distributes the Project Report among the fellow-participants and Resource Persons in advance
<b>STEP 03</b>	The Author presents the Project Report by using the OHTs and other media (about 1 hour)
<b>STEP 04</b>	Immediately after presentation, the Author receives: -First-hand reactions from Participants; -Clarifications from the Participants
<b>STEP 05</b>	The presented Project Report is assigned to three groups for discussions (about 1 hour)
<b>STEP 06</b>	Each group prepares: - A set of questions; - A set of recommendations; and - Seeks clarifications.  (All aimed at improving the quality of the Project Report and helping the author to review/revise the Project Report)
<b>STEP 07</b>	Group leaders present their findings one by one (about 5 minutes each)
<b>STEP 08</b>	The Author replies to questions, tries to satisfy the clarifications and takes note of points made by the Groups for improvement of the Project Report.
<b>STEP 09</b>	The Resource Persons make their expert comments and suggestions to facilitate review/revision of the Project Report.
<b>STEP 10</b>	The Author revises the Project Report and prepares it for submission to his/her sponsoring organisation proposing its implementation.

- Have the project objectives been clearly defined?
  - To what extent has the integrated approach been followed e.g., backward, forward and horizontal integration?
  - Have the functions and activities to be performed been clearly spelled out?
  - Has the technical analysis been properly done?
  - Have the procurement of inputs and marketing of outputs been properly spelled out?
  - Has the financial and economic viability of the project proposal been systematically done?
  - Has the organisation of activities and management structure been defined in line with the functions and activities to be performed?
  - Have all the data - explanatory and statistical - been based on field studies, interviews, discussions and generally-accepted principles and norms?
  - Have the interests of basic members been adequately safeguarded?
- 39 The preparation and appraisal of development project proposals combines within itself the sum total of the training programme. It is this exercise that gives the participants a lot of confidence. The proposal is subsequently rewritten/revised and presented to their sponsoring organisations for consideration and for implementation.

### Participating Countries

40 The participants have come from a variety and levels of organisations e.g., agricultural marketing cooperatives/federations, agro-processing, agricultural financing institutions, agricultural training centre, supervising unions etc. Twelve courses held until 1997-98 were attended by 180 participants from 13 countries - see **Figure-III**. The countries represented were as follows :

Sr No.	Countries	Participants	% of Total
01	Bangladesh	12	6.7%
02	China	17	9.4%
03	India	28	15.5%
04	Indonesia	15	8.3%
05	Iran	03	1.6%
06	Republic of Korea	20	11.1%
07	Malaysia	12	6.7%
08	Myanmar	06	3.3%
09	Pakistan	09	5.0%
10	Philippines	17	9.4%
11	Sri Lanka	17	9.4%
12	Thailand	14	7.7%
13	Vietnam	10	5.5%
13	Total Participants	180	100

**Figure-III : Chronology of ICA-Japan Courses held during 1986-87 To 1997-98**

<i>Course No.</i>	<i>Dates</i>	<i>Countries Where Courses Held</i>	<i>Participating Countries</i>
01	Nov 01 1986- May 03 1987	India, Thailand, Japan, and Rep. of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand.
02	Oct 26 1987- May 10 1988	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand.
03	Oct 24 1988- May 07 1989	India, Thailand, Japan, and Peoples Rep. of China	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand
04	Oct 23 1989- May 10 1990	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, and Thailand.
05	Oct 22 1990- May 10 1991	India, Thailand, Japan and Rep. of Korea	Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand.
06	Oct 21 1991- May 10 1992	India, Thailand, Japan and Peoples Rep. of China	Bangladesh, China, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
07	Nov 09 1992- May 08 1993	India, Thailand, Japan and Rep. of Korea	Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
08	Oct 20 1993- Apr 21 1994	India, Sri Lanka, Thailand and Japan	Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Myanmar, Pakistan, Sri Lanka, Thailand & Vietnam.
09	Oct 17 1994- Apr 22 1995	India, Indonesia and Japan	Bangladesh, India, Indonesia, Korea, Myanmar, Philippines, and Vietnam.
10	Oct 18 1995- Apr 20 1996	India, Malaysia and Japan	Bangladesh, China, India, Indonesia, Korea, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
11	Nov 03 1996- Apr 20 1997	India, Sri Lanka and Japan	Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.
12	Oct 20 1997- Apr 17 1998	India, Philippines and Japan	Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Sri Lanka and Vietnam.
Total Number of Attending Participants			180
Total Number of Training Courses Held			12
Total Number of Countries Covered under the Project			13
Total Number of Project Proposals Prepared by Participants {upto 12th JTC}			177

**Countrywise Participation in ICA/Japan Management Training Courses held during 1986-87 to 1997-98**

COUNTRY	1986-87 JCI	1987-88 JCI	1988-89 JCI	1989-90 JCI	1990-91 JCI	1991-92 JCI	1992-93 JCI	1993/94 JCI	1994/95 JCI	1995-96 JCI	1996-97 JCI	1997-98 JCI	Total
Bangladesh	1	1	1	1	1	1	1	1	1	1	1	1	12
China	2	2	2	2	2	2	-	-	-	1	2	2	17
India	3	3	2	2	2	2	3	2	3	2	2	2	28
Indonesia	1	2	-	-	-	1	1	2	3	1	2	2	15
Iran	-	-	-	-	-	1	1	1	-	-	-	-	3
Korea, Rep. of	2	2	2	2	2	2	2	2	2	2	-	-	20
Malaysia	1	1	1	2	1	1	1	1	-	1	1	1	12
Myanmar	-	-	-	-	-	-	-	1	2	1	1	1	6
Pakistan	-	-	1	1	1	1	1	1	-	1	1	1	9
Philippines	2	1	2	2	2	1	1	-	2	1	1	2	17
Sri Lanka	1	1	2	1	2	1	2	2	-	2	2	1	17
Thailand	2	2	2	2	2	1	1	1	-	1	-	-	14
Vietnam	-	-	-	-	-	1	1	1	2	1	2	2	10
<b>TOTAL</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>180</b>

41 Almost all the participants continue to remain within the agricultural Cooperative Movement barring a few exceptions. The sponsoring organisations, in several cases, have given due recognition to the training received by the participants by giving them additional responsibilities with appropriate promotional incentives and compensations.

### **Current Status of Project Proposals Prepared by the Participants**

42 Up to 1997-98, 180 participants have attended 12 courses. 177 project proposals have been produced by them. Two participants could not produce their projects. **Figure-IV** contains information on the implementation status of the projects in the participating countries. The status has been described under four major headings: (i) Projects fully implemented, (ii) Projects partially implemented, (iii) Projects still under consideration; and (iv) Projects abandoned. It can be seen from the table that 29 projects have been fully implemented and they are in full operation. 73 project proposals are under consideration. 17 projects have been partially implemented. These include also those which have been modified from the original proposals produced by the participants. 29 projects have been abandoned mainly due to lack of funds, departure of participants from their organisations, lack of infrastructure, and changes in policies etc.

**Figure-IV : Countrywise Status of Implementation of Cooperative Development Proposals Produced by the Participants (Course 1-12)**

Country (No. of Participants)	Fully imple- mented	Partially imple- mented	Under consi- deration	Project Abandoned
01 Bangladesh (11)	01	-	10	-
02 China (17)	05	-	11	01
03 India (28)	04	05	14	05
04 Indonesia (14)	03	02	7	02
05 Iran (03)	-	-	03	-
06 Korea (20)	04	02	12	02
07 Malaysia (12)	03	01	7	01
08 Myanmar (6)	01	-	5	-
09 Pakistan (9)		-	6	03
10 Philippines (16)	01	02	6	07
11 Sri Lanka (17)	05	04	5	03
12 Thailand (14)	02	04	03	05
13 Vietnam (10)	-	-	10	-
<b>Total (177)</b>	<b>29</b>	<b>20</b>	<b>99</b>	<b>29</b>

*Note : A total of 180 participants had attended the 12 courses. Three participants - one from Bangladesh, one from the Philippines and one from Indonesia - could not produce their development project proposals.*

**43** **Figure-V** gives a subject-wise classification of the cooperative development proposals. This is the summary of all the projects. It can be seen that maximum number of proposals dealt with fruits and vegetables processing and setting-up of cold storage (32), 18 projects dealt with paddy and 19 projects dealt with dairy cooperatives and livestock development. This indicates the priority areas of the Region. Some of the major priority areas are:

- 01 Fruits, vegetables processing and cold storage;
- 02 Dairy and livestock development;
- 03 Rice/paddy processing;
- 04 Cattle-feed plants;
- 05 Rubber/rubber-wood processing;
- 06 Integrated rural/cooperative development;
- 07 Fisheries;
- 08 Coconut/coconut husk processing;
- 09 Food products;
- 10 Fertiliser application, reformulation & distribution;
- 11 Cane-sugar and its by-products;
- 12 Environment protection and cooperatives.

### **An Exercise in Learning Skills**

**44** Although preparation and appraisal of the project proposal is an integral part of the training programme, the implementation initiative rests with the sponsoring organisations. Much also depends on the resourcefulness of the participant himself as well as his position within the organisation. Another contributory factor is the priority and funding position of the organisation itself. It is not an obligation on the part of the participant or the sponsoring organisation to implement the project. From the training point of view, it is a learning exercise and a learning experience. If a project is picked up by the organisation for the implementation it is a credit to the training programme, its effectiveness and relevance. It is also certainly a credit to the participant who developed the project proposal and which has been considered viable, feasible and technically sound and fit for implementation.

**45** The very fact that as much as 29 proposals were picked up for implementation - in fact all these projects are in full operation - goes to suggest that the proposals were technically-sound, prepared in accordance with internationally accepted norms, and the organisations considered them fit for funding. Some of the projects have a financial input of several million dollars.

### **Contacts with Former Participants: National Follow-up Workshops**

**46** With a view to foster active contacts with the former participants, a series of National Follow-up and Review Workshops, have been conducted since the 7th training course.



**Figure-V : Subjectwise Classification of Cooperative Development Proposals Produced by the Participants (Course 1- 12)**

Sl. No.	Subject Area Covered	No. of Proposals
01	Animal Feed Mills	10
02	Cassava Processing	1
03	Coconut/Coconut Husk Processing	5
04	Corn Production	1
05	Cotton Production and Processing	3
06	Dairy and Livestock Development	25
07	Duck/Poultry Raising and processing	7
08	Farm Products (organic farming)	1
09	Fertilizer Application/Distribution	6
10	Fisheries	9
11	Flower Marketing	1
12	Food Products	7
13	Forestry	3
14	Fruits, Vegetable and Cold Storage	34
15	Handicrafts	3
16	Hog Raising and Meat Production	2
17	Integrated Rural/Cooperative Development	8
18	Jute Processing	1
19	Monitoring and Evaluation System for Coops	1
20	Oilseeds Processing	2
21	Pepper Processing	3
22	Rice/Paddy Processing	20
23	Rubber/Rubber-wood Processing/Nurseries	8
24	Rush Mat	1
25	Seed Production/Multiplication	2
26	Sericulture	2
27	Sheep and Wool Development	2
28	Soyabeans Processing	2
29	Strawboard Production	1
30	Sugarcane Production/Processing	2
31	Tobacco Processing	1
32	Wholesale Distribution	3
<b>Total</b>		<b>177</b>
Total Number of Training Courses Held		12
Total Number of Participants		180
Total Number of Proposals Produced		177

These workshops, conducted with the collaboration of ICA member-organisations, were tagged on to the study visits programme. Some of the workshops were held also in conjunction with the IDACA Re-Union Programmes. Until the end of the 12th training course, the following follow-up workshops were conducted:

01	Korea, Rep of	...	...	May 1993
02	India	...	...	December 1993
03	Sri Lanka	...	...	December 1993
04	Thailand	...	...	January 1994
05	Indonesia	...	...	February 1995
06	Malaysia	...	...	December 1995
07	Vietnam	...	...	September 1997
08	Philippines	...	...	February 1998

47 In the national follow-up workshops, the representatives of beneficiary organisations, former participants, and government cooperative department officials have participated. The workshops were also attended by representatives of the MAFF-Government of Japan, JA-Zenchu, IDACA and the ICA.

#### **Support to the Programme by ICA Member-Organisations in the Region**

48 The ICA member-organisations, realising the importance of the programme, have released their senior officials for a period of six months to participate in the programme. During the study visits programmes and national follow-up and review workshops, the member-organisations have willingly taken upon themselves the responsibilities of making practical arrangements, identifying institutions to be visited, supplying resource persons, helping in the preparation of background material, covering domestic travel and other costs of local former participants, and hosting orientation and social programmes for the participants.

#### **Development of Training Material: A Constructive Addition to Agricultural Management Literature**

49 With a view to provide the participants with authentic and latest material on development of management of agricultural cooperatives in the Region, a wide range of hand-outs and printed material has been developed and issued. Some of the important ones have been the following:

- Agricultural Cooperatives in Japan - The Dynamics of Their Development by MV Madane
- Agricultural Cooperatives in South Korea - The Unitary Approach by MV Madane

- Cooperative Agri-Business - Some Case Studies by Seetharaman and Shinghi (of IIMA)
- Social Objectives of Cooperatives by Daman Prakash
- Our Civil Society and Cooperatives by Daman Prakash
- Environment and Cooperatives by Daman Prakash
- Case Studies on Managerial Decision-making in Agricultural Cooperatives by Prof. Ajit Kanitkar (of IRMA)
- A Manual on Preparing an Agricultural Cooperative Development Project Proposal by Prof. G Krishnamurthi (of IRMA) (*currently under field-testing*).
- Management Leadership Development in agricultural Cooperative Business by Daman Prakash

### **Relevance and Acceptability of the Programme**

50 The programme has assumed a status of respectability among the cooperative organisations in the Region. It is regarded as a very prestigious and technically-sound training programme offered by the ICA to its member-organisations in the Region. A number of institutions of higher learning in the Region are associated with the Programme. Upon completion of the training course, the participants are given an ICA Certificate of Participation signed by the Director-General of the ICA, Geneva. Another certificate duly signed by the Managing Director of the IDACA and one by the Director of IRMA signifying the completion of the training programmes in their respective Institutes are also awarded to the participants.

51 Besides enhancing the capability and capacity of managers of agricultural cooperatives, the programme has created enormous good-will and appreciation for the Japanese and Indian experiences of management of agricultural cooperatives and value-addition as well as for the ICA. In addition, the project has contributed significantly to cooperative teaching and training literature in the form of well-documented publications, case studies, project ideas etc.

### **Continuous Consultations with Donors and Collaborating Organisations including Continuous Evaluation of the Programme**

52 The project leadership uses all available opportunities to promote the utility, relevance and contents of the programme so that the member-organisations of the ICA make the best use of the opportunity by sponsoring the most appropriate candidates. The leadership also continuously undertakes consultations with the MAFF, JA-Zenchu and the IDACA to make the programme more effective. The Director-General and the Deputy Director-General of the ICA, Geneva, and the ICA Regional Directors for Asia and the Pacific have

held regular consultations with senior level officials of the MAFF, JA-Zenchu and IDACA from time to time with a view to continue the project and expand its scope and to improve upon the quality of the training programme. They had also had several opportunities of interacting directly with the participants.

53 Evaluation and in-built assessment of the programme, participants, resource persons, infra-structural arrangements, training materials, venues for location of study visits, and the technical and managerial contributions of project leadership have formed an integral part of the training programme. Evaluations and assessments are carried out through various instruments:

- Group discussions;
- Practical assignments during teaching sessions;
- Home Country Assignments (proposal preparation);
- Project Appraisal Sessions;
- National level follow-up and review workshops;
- Periodic evaluation sessions during field missions;
- End-of-the-Course Evaluation; and
- Regular interactions with senior officials of the ICA, JA-Zenchu, MAFF & IDACA.

54 The **National Follow-up and Review Workshops** are organised with the following objectives:

- To enable the former participants to get together and exchange notes on their experiences with regard to their work and implementation of their project proposals prepared by them during their training;
- To exchange notes with the current course participants and to interact with them on problems encountered by them in the implementation process and how to enlist the support, interest and cooperation of their sponsoring organisations;
- To have a dialogue with the ICA officials and their sponsoring organisations to suggest areas of improvement in the training programme itself.

55 During these follow-up workshops, a Panel Discussion is also arranged which is attended by the sponsoring and nominating organisations, the representatives of the Cooperative Department and other user-organisations. The user-organisations are requested to comment upon the following points :

- Usefulness of the training received by their sponsored candidates, and usefulness to the organisation itself;
- Relevance of the project proposals prepared by their candidates;
- Main problems in not implementing the project proposals (e.g., Were the projects not relevant to the organisation? Were the project found to be too small or too

large? Was funding the main constraint? Were the government and/or organisation policies or priorities not conducive to the realisation of the proposals etc.);

- Were the project proposals ever discussed at a higher level after the return of their candidates e.g., at the Managing Director's level or at the Board of Directors level?
- How has the organisation made use of the skills achieved by the candidate?
- Would the organisation still like to sponsor candidates to such courses in future, and with what objectives?; and
- What kind of commitment (organisational or financial) the candidate is likely to receive if the project proposal conforms with the organisational policies?

56 A sample of observations made by the National Follow-Up Workshop (held in Malaysia in December 1995) is given below:

- i. The user-organisations and sponsoring organisations were of the opinion that the training opportunities provided under the ICA-Japan Training Project were of great relevance. The Project has served the interests of the agricultural cooperatives in the Region by developing a sound management leadership and by providing the most appropriate information on developing and fostering value-addition concept in the agro-processing sector. The Project has also, to a great extent, helped the development of appropriate human resources. Although the number of managers trained is small yet its impact on agricultural cooperatives in the Asian Region is significant;
- ii. The participants of the Follow-up Workshop as well as the user-organisations appreciated the contribution made by the Government of Japan through the ICA in inculcating among the managers the need for planning and diversifying the activities of agricultural cooperatives. It was strongly recommended by all constituents that the Project should continue and a provision be made to increase the number of participants to these courses in the future;
- iii. The participants felt that it would be of real value to arrange for the orientation on training of high-level policy-makers in agricultural Cooperative Movement so that the experiences of Japanese agricultural cooperatives are suitably and increasingly applied to the rest of the Cooperative Movements in Asia;
- iv. The participants were of the opinion that the ICA, with the help of the Government of Japan, provide initial funding support to the project proposals. This is considered necessary because the project proposals do not get immediate financial support from their organisations due to delays in securing adequate financial support from the lending agencies;
- v. The ICA should continue to monitor the progress of projects and impress upon the user-organisations to make the best possible use of the training received by their

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

training course. It covers the entire period of the course. The main objectives of the Evaluation are:

- to assess the level of understanding of various aspects (pertaining to agricultural cooperatives) brought to the participants;
- to assess the contents, utility and relevance of the training programme itself; and
- to enable the ICA and the organisers to pick up ideas from the participants with a view to improve the quality of future training programmes.

58 A sample of opinions expressed and recommendations made by the participants of the previous courses is given below:

- The programme was well-designed, well-implemented, well-coordinated and responded to the work environment of the target group;
- The participants benefited the most: (a) IRMA inputs were relevant and technically sound and most beneficial; and, (b) Observation and study of performance of agricultural cooperatives in Japan and India, especially the 'value-addition through agro-processing' aspects;
- Most important training aspects experienced by the participants during the entire course. The following were mentioned in order or priority:
  - Management techniques;
  - Value-addition aspects in agro-processing;
  - Integrated cooperative development strategies;
  - Analysing a financial statement;
  - Preparing a cooperative development project;
  - Appraising a development project;
  - Board-management relationship in a cooperative;
  - Role of a manager in an agricultural cooperative;
  - Skills in working in groups;
  - Respecting other's point of view.
- Sponsoring organisations to help participants in selecting project proposals and providing them with facilities and support in developing project proposals;
- The ICA and IDACA should organise consultation meetings with sponsoring organisations to foster implementation of project proposals which tend to be held up for want of financial and organisational support.

59 The project was also evaluated at a high level twice. Two Asian Top Leaders' Conferences on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia-Pacific were jointly organised by the ICA/JA-Zenchu and IDACA during

1997 and 1998. These conferences were attended by top level leaders representing China, India, Indonesia, Republic of Korea, Malaysia, Myanmar, the Philippines, Sri Lanka, Thailand and Vietnam. The conferences were also attended by senior officials of the donor agency (Ministry of Agriculture, Forestry and Fisheries of the Government of Japan), JA-Zenchu, IDACA, ICA Regional Office and the JICA (Japan International Cooperation Agency).

60 These Conferences were organised with the following objectives:

- i. To review the project proposals developed by the ICA-Japan Training Course participants from the participating countries with a view to identify common problems, constraints and their possible solutions;
- ii. To discuss strategies for the development of agricultural cooperatives and adopt a common development policy; and
- iii. To exchange views with the Japanese governmental development agencies, JA-Zenchu, IDACA and the ICA as to the relevance and continuation of such assistance.

61 The special features of these Conferences were:

- i. A fairly high level representation in the Conference by the user-organisations (both, movements and governments);
- ii. An evaluation of the Regional Project was carried out at the highest level in which the beneficiary organisations, implementing agencies, funding agency and the collaborating agencies had actively participated;
- iii. A close interaction with the participants of the on-going courses had taken place;
- iv. Impressed upon the beneficiary organisations to make the best possible use of their trained personnel and consider seriously the implementation of their project proposals; and
- v. Requiring the beneficiary organisations to sponsor the most suitable and relevant candidates for future training programmes.

62 A copies of two resolutions unanimously adopted by the two Asian Conferences are placed as ANNEXURE-III.

63 As a part of the reporting system, the course reports are submitted to the ICA member-organisations with a request to follow-up the work done by the participants, especially with regard to the implementation of project proposals prepared by them. Reports are also submitted to the Government of Japan - MAFF, the JA-Zenchu and the IDACA. The Project Director remains in constant touch with the former participants and ICA member-organisations through correspondence and mission visits.



64 The demand for participation in the programme is so high that at times the ICA ends up with a long waiting list. At many fora and through various evaluation sessions, demands have often been made to broaden the scope and intake of the programme, as well as its continuation for a longer period with additional funding support. The project leadership considers it more appropriate to institutionalise the programme in some way as to bring in consistency and to satisfy the continuing need for training of key managers in the management of agricultural cooperatives in the Region.

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### References Used for Part-II

Cooperative Management and Administration by BB Goel. Deep & Deep Publications, New Delhi.

Management for Agricultural Cooperatives - A Handbook by AK Shah. Sterling Publishers Private Limited, New Delhi.

The Organisation and Management of Cooperative Societies - Manual for Cooperative Officials. Published by the Union of German Consumer Cooperative Societies.

Improving Managerial Efficiency of Rural Cooperatives. Asian Productivity Organisation, Tokyo, Japan.

Reports of the ICA/Japan Agricoops Management Training Project for Asia. ICA Regional Office for Asia and the Pacific, New Delhi

Cooperative Development and Leadership. Published by Vaikunth Mehta National Institute of Cooperative Management, Pune, India.

A Guide to Management of Integrated Rice Cooperatives in Asia by VR Gaikwad and VK Gupta. Oxford & IBH Publishing Company Private Limited, New Delhi.

## ANNEXURE-I

### A SUGGESTED COMPREHENSIVE FORMAT FOR AGRICULTURAL/AGRO- PROCESSING INVESTMENT PROJECTS (WITH SPECIAL REFERENCE TO AGRICULTURAL COOPERATIVES)

Chapter Number	Title/Sub-Title/Brief Outline	Suggested No. of Pages
	Acknowledgements	01
01	<b>Executive Summary and Conclusions</b> (Brief synopsis of the essential elements of the proposal)	04
02	<b>Introduction</b>	01-02
	<ul style="list-style-type: none"> <li>- How/Methodology adopted;</li> <li>- By whom the project has been prepared;</li> <li>- Origin of the proposal;</li> <li>- Purpose of the project report; and,</li> <li>- To whom it is addressed.</li> </ul>	
03	<b>Background</b>	05-06
	<ul style="list-style-type: none"> <li>a. Key features: political, economic &amp; demographic;</li> <li>b. The agricultural sector;</li> <li>c. Income distribution and poverty;</li> <li>d. Development policies and social objectives;</li> <li>e. Institutions and services;</li> <li>f. Ongoing and proposed projects;</li> <li>g. Cooperative development situation;</li> <li>h. Brief description of the cooperative (Objectives, organisational structure, activities and its economic situation).</li> </ul>	
04	<b>The Project Area, its People and Development Potential</b>	05-10
	[A] Natural Resources	
	<ul style="list-style-type: none"> <li>- Location</li> <li>- Climate</li> <li>- Geology, Soils, Topography &amp; Land Use</li> <li>- Potential</li> <li>- Water, power and other Resources</li> </ul>	

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	[B] The Economy and the People	
	- The Local Economy	
	- The People	
	[C] Agriculture and the Sustainability of Natural Resource Use	
	- Land Use and Farming Systems	
	- Sustainability of Natural Resource Use	
	- Technologies	
	[D] Rural Institutions and Infrastructure	
	- Input Supply	
	- Produce Marketing	
	- Processing	
	- Infrastructure	
	- Administration, Services & Farmers' Organisation	
	[E] Projects and Ongoing Development Programmes	
05	<b>Project Rationale and Design Considerations</b>	03-06
	[A] Project Rationale/Context	
	[B] Design Considerations	
	- Project Location	
	- Target Population	
	- Scale	
	- Components	
	- Choice of Technical Strategy + Technology	
	- Organisational Arrangements	
06	<b>The Project</b>	05-08
	[A] General Description	
	- Overall and Immediate Objectives	
	- Brief Summary of Each Main Component	
	- Costs and Phasing	
	[B] Detailed Features	
	- Inputs (in brief)	

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	- Processing	
	- Marketing	
	- Financial (in brief)	
	- Others (legal, social, cultural, political situation)	
	[C] Project Implementation Plan	
	- Implementation Schedule	
	- Phasing of Resources and Benefits	
	[D] Cost Estimates	
	[E] Financing	
	[F] Procurement	
07	<b>Organisation and Management</b>	04-08
	[A] General Aspects including Linkages	
	[B] Technical Cooperation and Training	
	[C] Specific Aspects	
08	<b>Agricultural Development, Production, Financial Results and Relationship with Agricoop Development Policies</b>	04-06
	[A] Nature of Technical Changes	
	[B] Impact on Individual Producers	
	[C] Adoption Assumptions + Risk Perceptions	
	[D] Tests for Sensitivity	
	[E] Impact at Project Level	
09	<b>Market Prospects and Prices</b>	03-04
	[A] Markets and Marketing	
	[B] High Consumption Locations	
	[C] Warehousing & Transportation	
10	<b>Benefits, Risks and Sustainability</b>	03-06
	[A] Overview	
	[B] Economic Benefits and Costs	
	[C] Risk and Sensitivity Analysis	

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	[D] Impact on Income Distribution and Poverty Alleviation	
	[E] Environmental Impact and Technical Sustainability	
11	<b>Commitments, Issues and Follow-up Actions</b>	03-04
	[A] Commitment of the Cooperative	
	[B] Commitment of the Government	
	[C] Commitment of Financial Institutions	
	[D] Issues	
	[E] Follow-up Action	

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**Total Pages of the Main Project Report**

**(Roughly 70-75 Pages)**

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## **ANNEXURES**

- [I] Location Map
  - [II] Related Government Policies
  - [III] Commitment Resolution of the Cooperative
  - [IV] Financial Calculations
  - [V] Other relevant support material
-

## ANNEXURE-II

### A BRIEF ON PROJECT FORMULATION

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#### CHARACTERISTICS OF A PROJECT

- 01 A Start and a Finish
- 02 A Time Frame for Completion
- 03 A Unique One-Timeness
- 04 An Involvement of Several People on an Ad Hoc Basis
- 05 A Limited Set of Resources
- 06 A Sequencing of Activities and Phases

#### HOW TO MANAGE PROJECTS TO A SUCCESSFUL COMPLETION

##### Bottomline of Project Management

- Completion on Time, Within the Budget and According to Desired Quality Standards

##### Effective Project Managers

- Take the Time Necessary to Plan Their Projects and To Manage that Plan Well
- Involve a Large Number of People in the Planning Process
- Know when to Stop Planning and When to Move into Action
- Employ Their Power to Lead the Project Through to Completion

#### RULES FOR MANAGING PROJECTS

- 01 Set a Clear Project Goal
- 02 Determine the Project Objectives
- 03 Establish Checkpoints, Activities, Relationships and Time Estimates
- 04 Draw a Picture of the Project Schedule
- 05 Direct People Individually and As a Project Team
- 06 Reinforce the Commitment and Excitement of the Project Team
- 07 Keep Everyone Connected with the Project Informed
- 08 Build Agreements that Vitalise Team Members
- 09 Empower Yourself and Others on the Project Team
- 10 Encourage Risk-Taking and Creativity

#### GOALS HAVE TO BE

- 01 Clear
  - 02 Specific, Measurable, Agreed Upon Realistic and Time-Framed
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- 03 Communicated to all Team Members
  - 04 Kept Constantly in Front of People

### **OBJECTIVES NEED TO BE**

- 01 Smart
- 02 More Narrowly Defined
- 03 Related to Overall Goal
- 04 Linked to Rewards for Achieving Goal

### **GOOD PROJECT MANAGERS DEFINE**

- 01 Checkpoints to Mark Project Progress
  - 02 Activities that Get the Project Done
  - 03 Relationships Among Activities
  - 04 Time Estimates for Each Activity
  - 05 Schedule
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{Material extracted from: W. Alan Randolph & Barry Z. Posner's **Effective Project Planning and Management - Getting the Job Done**. Prentice-Hall of India Private Limited, New Delhi. India.}

## **ANNEXURE-III**

### **ICA/JA-ZENCHU/IDACA Second Asian Top Leaders' Conference on "Collaborative Strategies for the Development of Agricultural Cooperatives In Asia"**

Tokyo, Japan. April 13-17 1998

#### **Introduction**

01 The ICA Regional Office for Asia and the Pacific and the IDACA, in the past, have been carrying out evaluation exercises of the ICA-Japan Agricoops Management Training Project for Asia through correspondence, field contacts and national follow-up and review workshops. The project participants of 12 courses (participated by 13 countries) have produced 177 project proposals as a part of their training. Several of these proposals have been implemented in various countries. It was found that a lot depended on the organisational support to implement such project proposals.

02 It is in this context that the ICA ROAP and the IDACA have decided to organise an **Evaluation Session** with the chief executives of the sponsoring organisations in Asia. The first Conference was held in Japan during April 14-19 1997 which was attended by top leaders representing China, Indonesia, Republic of Korea, the Philippines, Thailand and Vietnam. A resolution adopted unanimously by the first Conference is enclosed herewith for reference.

03 This second Conference was organised during April 13-17 1998. Representatives from India, Malaysia, Myanmar, Pakistan and Sri Lanka attended the Conference.

#### **Conference Objectives**

04 The Conference objectives were as follows:

- i. To review the project proposals developed by the ICA-Japan training courses from the participating countries with a view to identify common problems and their possible solutions;
- ii. To discuss strategies for the development of agricultural cooperatives and adopt a common development policy;
- iii. To exchange views with the Japanese governmental development agencies, JA-Zenchu, IDACA and the ICA as to the relevance and continuation of such assistance.

05 A copy of the Resolution unanimously adopted by the Second Asian Conference is also attached.



**Resolution Unanimously Adopted by the First Asian Conference on  
“Collaborative Strategies for the Development of Agricultural  
Cooperatives in Asia-Pacific” at its session held on  
April 18 1997 at Tokyo, Japan**

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**RESOLUTION - ONE**

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01 A Top Leaders' Conference on **Collaborative Strategies for the Development of Agricultural Cooperatives in Asia-Pacific** was jointly organised by the International Cooperative Alliance Regional Office for Asia and the Pacific, New Delhi (ICA ROAP), the JA-Zenchu (the Central Union of Agricultural Cooperatives of Japan), and the IDACA (the Institute for the Development of Agricultural Cooperation in Asia-Japan), at Tokyo, Japan, April 14-19 1997.

02 The Conference was attended by seven top-level leaders representing China, Indonesia, Republic of Korea, the Philippines, Thailand and Vietnam. Participants of the 11th ICA/Japan Training Course on **Strengthening Management of Agricultural Cooperatives in Asia** representing 10 countries i.e., Bangladesh, China, India, Indonesia, Malaysia, Myanmar, Pakistan, the Philippines, Sri Lanka and Vietnam also attended the Conference. Senior level leaders representing the organisers and supporting agencies who delivered their inaugural addresses included: Mr Toru Shimizu, Director of Technical Cooperation Division-MAFF, Mr Hiroshi Kohno, Managing Director of JA-Zenchu, Mr Kazuyuki Tsurumi, Managing Director, Agriculture, Forestry and Fisheries Development Study Department of JICA, and Mr G.K. Sharma, Special Advisor to the ICA Director-General (and former ICA Regional Director).

03 The Conference was hosted by the IDACA and held at the MAFF Annexe building in down-town Tokyo. A familiarisation field study visit to JA-Isehara in Kanagawa prefecture was organised for the delegates. The Conference was jointly coordinated by Mr Yoshitada Nakaoka, IDACA Managing Director and Mr Daman Prakash, Project Director of ICA ROAP.

04 The Conference took note of the development work done by the ICA ROAP and the IDACA in the field of agricultural cooperatives, especially through the ICA/Japan long-term regional training project on **Strengthening Management of Agricultural Cooperatives in Asia**. The Conference, having reviewed the various parameters for the success of the long-term regional training programme, took note with appreciation of a high number of implementation of several of the development project proposals which were prepared by the participants. The Conference recognised that the implementation of project proposals was not the only parameter of the success of the regional project, there were others, such as, devoted leadership among beneficiary organisations, resourcefulness of the participants themselves, financial capacity of the user-organisations etc. The non-implementation of project proposals could be due to several factors e.g., financial constraints, organisational problems, technical inadequacies in the construction of project proposals, transfer of the participants, non-priority subject etc. The Conference appreciated the uniqueness and strong technical inputs of the regional project and stressed that not only the project be continued for some more time but also the project proposal preparation and appraisal

skills be improved further, and also to replicate similar programmes at the national level by making use of the trained officials (former participants).

05 The Conference took note of the developments in participating countries especially with regard to food security, facing the forces of open market economy, increase in agricultural products to meet the demands of the growing population, making farm products environment-friendly, and providing greater marketing opportunities to the farm-producers. The Conference impressed upon the agricultural cooperatives to diversify their business operations and make an increasing use of locally-available raw materials, resources and expertise. The experiences of the Japanese Agricultural Cooperative Movement, especially in amalgamation process, agro-processing, farm guidance, farm planning, better-living activities, management practices, women's associations, and development of agribusiness were considered by the Conference as relevant for the developing movements in the Region.

06 Taking note of the historical development of Movement-owned specialised institutions like the IDACA, and its close working relationship with the ICA ROAP and other regional and international organisations, the Conference appreciated its role in improving the quality of cooperative personnel and leaders through the provision of exposure programmes, training programmes and exchange of information. The Conference suggested that the IDACA, in association with its development partners, offers more practical and result-oriented programmes with the financial support of the MAFF and from other sources.

07 The Conference recognised the unique character of the International Cooperative Alliance as a non-governmental international organisation which has close relationship with agricultural cooperatives and understands their accomplishments and problems. In the Asia-Pacific Region, the ICA enjoys acceptability and respect among agricultural cooperative institutions through the network of its member-organisations in 26 Asia-Pacific countries.

08 The Conference made the following **recommendations**:

- 8.1 The Conference recognised the role of the International Cooperative Alliance, a non-governmental international association of cooperatives of all types, which has an intimate knowledge of the achievements and problems of agricultural cooperatives. The Conference places on record its highest appreciation of the MAFF for having placed its confidence in the ICA in implementing the regional project and the JA-Zenchu and the IDACA for having extended their full cooperation and collaboration to the ICA.
- 8.2 The Conference having taken note of the growing population, need to ensure food security, increasing demand for safe and healthy farm products, and encounter with the forces of open market economy pressures, recommended that intensive efforts by made by the ICA to expand and suitably enrich their development efforts by making its agricultural cooperative training and development programmes more result-oriented. For this purpose assistance of funding and collaborating agencies e.g., the MAFF, JA-Zenchu, IDACA and others be solicited in carrying out field studies and training programmes at regional and local levels.
- 8.3 In view of the presence of a large number of managers of agricultural cooperatives in the Region and lack of training opportunities of this kind available to them, the Conference recognised the implementation of the ICA-Japan regional training project as most relevant, logical and useful, which has so far tried to produce quality managers. The Conference

expressed its gratitude to the MAFF for having financially supported this training programme so far, and requests that the regional training project be continued to strengthen further the management of agricultural cooperatives in the Region.

- 8.4 The ICA ROAP together with the IDACA should persuade the MAFF to not only continue the regional project but also to increase the number of participant-intake with a corresponding increase in financial support;
  - 8.5 The ICA ROAP together with the IDACA should persuade the MAFF and other funding agencies to help establish national level training and development network on a replication basis through using the trained personnel;
  - 8.6 The funding agencies together with the collaborating organisations to strengthen agricultural cooperatives by identifying the critical needs through field studies, surveys, exposure of leaders/chief executives to developed/developing situations, exhibitions, meetings and conferences. The follow-up of the recommendations of the 4th ICA Cooperative Ministers' Conference held in Thailand, March 1997, merit an immediate attention;
  - 8.7 The sponsoring organisations to ensure that right candidates are sponsored for training at the regional project, and given full facilities and support in developing their project proposals in conformity with their defined development objectives and priorities. The Conference strongly recommended that the project proposals should be considered at the highest level within their organisations, before the trainees return for appraisal sessions after their Home Country assignments;
  - 8.8 The project proposals should have the benefit of advice, comments, guidance and some organisational commitments which could help in their implementation subsequently;
  - 8.9 The Conference recommended that financial resources at the local level be mobilised or set aside by sponsoring organisations for holding national level training programmes for managers of agricultural cooperatives, and the ICA and the IDACA to supplement these efforts through technical expertise and training materials etc.
- 09 The Conference expressed its thanks to the ICA ROAP, IDACA, JA-Zenchu and the MAFF for organising the Conference and facilitating its work. The Conference viewed such meetings useful and relevant and should be conducted more frequently to enrich the contents and purpose of the regional training project. Such Conferences were viewed as strong feed-back factors for the ICA and the IDACA.
- 10 The Conference hereby adopts the Resolution unanimously, and requests the organisers that its contents be made known to all the user-organisations in the Region.
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# **Resolution of the ICA/JA-ZENCHU/IDACA Second Asian Top Leaders' Conference On Collaborative Strategies for the Development of Agricultural Cooperatives in Asia-Pacific**

Tokyo, Japan. April 13-17 1998

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## **RESOLUTION - TWO**

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01 The Second Asian Top Leaders' Conference on "Collaborative Strategies for the Development of Agricultural Cooperatives in Asia", jointly organised by the ICA ROAP, JA-Zenchu and the IDACA, was held in Tokyo, Japan, April 13-17 1998. The Conference was attended by representatives of India, Malaysia, Myanmar and Sri Lanka, and the participants of the 12th ICA-Japan Training Course on Strengthening Management of Agricultural Cooperatives. The Conference was also attended by Dr Robby Tulus, ICA Regional Director for Asia and the Pacific.

02 The Conference took note of the resolution adopted by the first Asian Conference, the Conference Documentation explaining the conduct of the ICA-Japan training courses, and the financial contribution to the programme provided by the Ministry of Agriculture, Forestry and Fisheries of the Government of Japan. The collaborative arrangements between the ICA and the JA-Zenchu/IDACA to conduct the course and other agricultural cooperative activities were also taken into consideration.

03 In the light of the above, and the discussions which had taken place during the working sessions, the Conference adopted unanimously the following **recommendations**:

- i. The contents and format of the training programme have been of high quality and have been well-recognised by the user-organisations and the participants. The Conference strongly recommends that the financial assistance of the Government of Japan for this programme be continued, and the scope of the project be further expanded;
- ii. The Conference strongly urged the user-organisations/ sponsoring organisations to document the progress of the project proposals produced by their nominees, critically evaluate the pros and cons of the project proposals, and provide strong support to implement these proposals, with modifications, if necessary;
- iii. The Conference suggested to the ICA ROAP and IDACA to realign and redesign the contents and duration of the training programme without compromising its quality to attract more suitable candidates to participate in the future training courses, and, if possible, carry out discussions with the user-organisations to pre-select the participants. The Conference also urged the user-organisations to outline their expectations of their candidates from the training course e.g., project proposals;
- iv. The Conference taking note of the high quality of the training imparted, strongly recommended that the user-organisations come forward to be increasingly involved to consider

the increase of counterpart contributions in view of the anticipated budget cuts which the Government of Japan proposes to introduce effective 1998;

- v. In view of the importance of agricultural cooperatives to meet the challenges of free market competition and to ensure food security, the Conference strongly urged the user-organisations to strengthen the business management aspects of such cooperatives, and for this purpose, enlist the collaboration of other international and national organisations by using the ICA and IDACA network;
  - vi. The Conference placed on record with high appreciation the role played by the ICA Regional Office and the IDACA in the development of agricultural cooperatives in Asia, and recommended that more active contacts be established to identify common problems and their possible solutions.
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## *Other Publications by the Same Author....*

**Cooperative Democracy vis-a-vis Members' Education.** The Coop Times, New Delhi

**Communication and the Cooperative Teacher - A Handbook.** ICA ROAP

**Fishing Industry and Fishery Cooperatives in Selected Asian Countries - A Regional Review Paper.** ICA ROAP

**A Place to Live - Roles Cooperatives Play in Protecting the Environment.** ICA ROAP

**Environment and Cooperatives - A Regional Study covering India, Indonesia, Japan, the Philippines, Thailand and China.** ICA ROAP

**Sustaining Environment through Cooperative Action.** ICA ROAP

**Social Objectives of Cooperatives - Role of Cooperatives in Social Development with special reference to Poverty Alleviation, Social Integration and Employment Generation.** ICA ROAP

**Our Civil Society and Cooperatives - Role of Cooperatives in Enriching our Civil Society.** ICA ROAP

**Teaching Aids - for Cooperative Educators. A Manual.** ICA Geneva

**Cooperative Member Education - A Training Package.** ILO/UNDP Cooperative Training Project-Indonesia

**Cooperatives in Asia - A Regional Study on their Capacities and Capabilities for Technical Cooperation.** ICA/UNDP-TCDC Compendium. ICA ROAP.

**Reports of ICA-Japan Training Programmes on Strengthening Management of Agricultural Cooperatives in Asia.** ICA ROAP

**Reports of ICA-Japan Training Programmes on Development of Leadership among Rural Women Leaders of Agricultural Cooperatives in Asia.** ICA ROAP

**Reports of Top Leaders' Conferences on Collaborative Strategies for the Development of Agricultural Cooperatives in Asia, 1997 & 1998.** ICA ROAP.

**Report of the Afro-Asian Top Leaders' Conference of Farm Women Leaders of Agricultural Cooperatives.** 1997. ICA ROAP & IDACA.

**Management Leadership Development in Agricultural Cooperative Business.** ICA ROAP

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*To obtain copies of the above publications, please contact:*

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The **INTERNATIONAL COOPERATIVE ALLIANCE {ICA}** is a worldwide confederation of cooperative organisations of all types. Founded in London on 18th August 1895, the ICA has affiliates in 95 countries with 230 national and 7 international level organisations as members serving over 835 million individual members worldwide.

The ICA Regional Office for Asia and the Pacific {ICA ROAP} serves 62 national level organisations from 28 countries, and one international organisation {ACCU}, representing nearly 500 million individual cooperators. Main activities include: Coordination of cooperative development efforts within the Region and promotion of exchanges and experiences; Project identification, formulation and evaluation; promotion of establishment and development of national cooperative apex organisations; and Organisation of seminars and conferences on specific subjects including support for programmes aimed at the involvement of women and youth in cooperative activities.

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

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