

International Cooperative Alliance

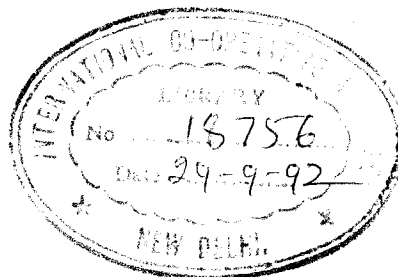
FIRST
ICA TRAINING COURSE FOR STRENGTHENING MANAGEMENT
OF
AGRICULTURAL COOPERATIVES IN ASIA

1986 - 87

SET no. 1

VOL. No. 1

REPORT OF THE COURSE AND ANNEXES



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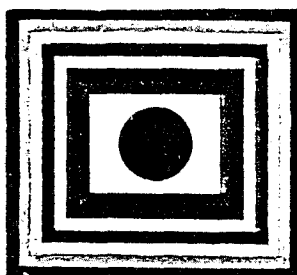
Appendix

ICA TRAINING PROJECT FOR
AGRICULTURAL COOPERATIVES
IN SOUTH-EAST ASIA

REPORT

Submitted to the Government of Japan

Volume-II



BY

M. V. MADANE

PROGRAMME COORDINATOR

INTERNATIONAL COOPERATIVE ALLIANCE

JUNE 1987

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Regional office for
South-East-Asia

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ICA Training Project for Strengthening Management of
Agricultural Cooperatives in South-East Asia

Appendix No. 1

Japanese Government Contribution (July 86 by Minst. of Fin.)

	Total Budget ¥ 1,000	¥ Account ¥ 1,000	¥ Account
1. Remuneration	26,949	6,300	98,800
2. Travel lodging Expenses	28,852	15,276	64,953
3. Operational cost	18,069	10,018	38,523
4. Report writing printing	773	355	2,000
5. Admin expenses	8,957	2,986	28,570
Total	83,600	34,935	232,846

ICA Training Course for Strengthening Management
of Agricultural Cooperatives in South-East Asia

Appendix No. 2

FIELD VISITS IN MAHARASHTRA STATE, INDIA

30th Nov. (Sun.)

Leave Delhi for Pune
Arrive Pune, Stay at VMNICM Hostel

1st Dec. (Mon.)

FN

Visit to Katraj Dairy of the Pune District
Coop Milk Producers Federation, Pune

AN

Discussion with Director and Faculty Members
of VMNICM

Sight-seeing in Pune

2nd Dec. (Tues.)

FN

Leave for Kolhapur by bus and stay at
Pearl Hotel, Kolhapur

3rd Dec. (Wed.)

FN

Visit to Kolhapur District Central
Cooperative Bank

AN

Visit to Shetkari Sahakari Sanghatan, Kolhapur

4th Dec. (Thurs.)

FN

Shahu Agricultural Market Committee, Kolhapur
Visit to Hupri Bank, Hupri (Paisa Fund
Cooperative Bank, Hupri)

AN

Nagdevvadi Cooperative Lift Irrigation
Aociety, Nagdev vadi, Kolhapur district
Shriram Agricultural Service Society, Kasba
Bawda, Kolhapur

5th Dec. (Fri.)

FN/AN

Visit to Warana Nagar Cooperative Complex and visit to Waranagar Cooperative Sugar Factory, Dairy Cooperative Poultry Cooperative Coop Paper Mill, Training and Education Complex, Coop Department Store, etc.

6th Dec. (Sat.)

FN

Leave for Pune by bus

AN

Visit to Maharashtra State Grape Growers Association, Pune

Sta at VMNICM Hostel, Pune

7th Dec. (Sun.)

AN

Leave for Nasik by bus

Visit to Associated Agricultural Development Foundation, sponsored by Nafed, Nasik.

Stay at Green View Hotel, Nasik

8th Dec. (Mon.)

FN

Visit to Agricultural Produce Market Committee, Lasalgaon, Nasik District

Lesalgaon Sahkari Purchase and Sale Union, Lasalgaon

Lasalgaon NAFED's Onion Complex

AN

Pimpalgaon Baswant Coop Purchase and Sales Society Ltd, Pimpalgaon, Nasik district

Nafed's Onion Complex

9th Dec. (Tues.)

FN

Visit to a small farmer's and a big farmer's families and discussion with them

Visit to Zilla Krishi Udyogik Sewa Sahakari Ltd., Nasik

AN

Leave for Bombay by bus

Stay at JAL Hotel, Bombay

10th Dec. (Wed.)

Sight-seeing in Bombay

Departure for Delhi and stay at Vikram
Hotel, New Delhi

11th Dec. (Thurs.)

Group Discussions on Field Visits in India

12th Dec. (Fri.)

Group Discussions on Field Visits in India

13th Dec. (Sat.)

Free

14th Dec. (Sun.)

Free

ICA Training Project for Strengthening Management
of Agricultural Cooperatives in South-East Asia

Appendix No. 3

Programme of the ICA participants' field visit in January 1987

Friday, 2 January 1987

- Morning - Courtesy call on the Director General of the Cooperative Promotion Department
- Lunch hosted by the Cooperative Promotion Department
- Afternoon - Meet with the Director of the Cooperative League of Thailand.

Saturday, 3 January 1987

- Visit Nong Po Dairy Cooperative, Ratchaburi

Monday, 5 January 1987

- Visit the Agricultural Cooperative Federation of Thailand

Tuesday, 6 January 1987

- Visit Hubkapong Cooperative Village, Petchaburi.

Wednesday, 7 January 1987

- Visit the Integrated Farming Project at Lam Look Ka Land Settlement Cooperative, Pathumthani.

Thursday - Friday, 8 - 9 January 1987

- Visit the Agricultural Cooperative Project in Nakornratchasima.
- Visit the Regional Training Centre in Nakornratchasima.
- Visit the Provincial Cooperative Federation in Nakornratchasima.
Pimai Agri. Coop. (Supported by Japan/Thai Project)

Saturday, 10 January 1987

- Travel to Yasothorn
- Muang Yasothorn Agricultural Cooperative

Sunday, 11 January 1987

- Visit the Women Project in Yasothorn.

Monday, 12 January 1987

- Return to Bangkok

Tuesday - Wednesday, 13 - 14 January 1987

- Free time in Bangkok

ICA Training Project for Strengthening Management
of Agricultural Cooperatives in South East Asia

Appendix No. 4

Programme for the Study Visit in Saga Prefecture
(15th March 1987 - 21st March 1987)

International Cooperative
Alliance (ICA)
IDACA

15th (Sun.) Travel for Saga

10:00 - 12:00 IDACA - Haneda Airport (Bus)
12:00 - 13:20 Lunch
13:55 - 15:40 Haneda - Fukuoka Airport (ANA 255)
16:00 - 18:00 Fukuoka Airport - Saga City (Bus)

Stay at Hotel New Ohtani Saga
(Tel:0952-23-1111)

16th (Mon.) Visit to The Saga Prefectural Union of Agricultural
Cooperatives

9:00 - 9:15 Hotel - Saga P.U.A.C. (Taxi)
9:30 - 10:30 Lecture on Agriculture Promotion Plan in Saga. Pref.
and agricultural cooperative development
10:30 - 10:45 Break
10:45 - 12:15 Lecture
12:15 - 13:30 Lunch
13:30 - 14:30 Lecture
14:30 - 14:45 Break
14:45 - 16:15 Lecture
16:15 - 16:30 Move to the hotel (Taxi)

Stay at Hotel New Ohtani Saga

17th (Tues.) Visit to the Minamihata Primary Agricultural Cooperative
Society

8:00 - 9:30 Hotel - Minamihata P.A.C.S.(Bus)
9:30 - 10:30 Lecture on the long-term planning of the society
10:30 - 10:45 Break
10:45 - 12:15 Lecture
12:15 - 13:30 Lunch
13:30 - 14:30 Lecture

14:30 - 14:45 Break
14:45 - 17:00 Observation of operation area of the society
17:00 - 18:30 Move to the hotel (Bus)

Stay at Hotel New Ohtani Saga

18th (Wed.) Visit to the Shiroishi Area Primary Agricultural
Cooperative Society

8:30 - 9:30 Hotel - Shiroishi Area P.A.C.S. (Bus)
9:30 - 10:30 Lecture of Agriculture Promotion Plan of the Society
and measures for developing the agricultural cooperative
10:30 - 10:45 Break
10:45 - 12:15 Lecture
12:15 - 13:30 Lunch
13:30 - 14:30 Lecture
14:30 - 14:45 Break
14:45 - 16:15 Lecture
16:15 - 17:15 Shiroishi - hotel (Bus)

Stay at Hotel New Ohtani Saga

19th (Thurs.) Visit to the Saga Prefectural Union of Agricultural
Cooperatives

9:00 - 9:15 Hotel - Saga P.U.A.C (Taxi)
9:30 - 10:30 Lecture
10:30 - 10:45 Break
10:45 - 12:15 Lecture
12:15 - 13:30 Lunch
13:30 - 14:30 Lecture
14:30 - 14:45 Break
14:45 - 16:15 Lecture
16:15 - 16:30 Saga P.U.A.C. - Hotel (Taxi)

Stay at Hotel New Ohtani Saga

20th (Fri.) Visit to the Shiroishi Area P.A.C.S. and move to Hakata

8:00 - 9:00 Hotel - Shiroishi Area P.A.C.S (Bus)
(Check out)
9:00 - 12:30 Observation of operation area of the society
12:30 - 13:30 Lunch
13:30 - 16:00 Shiroishi - Hakata (Fukuoka City) (Bus)

Stay at Hotel New Ohtani Hakata
(Tel: 092-714-1111)

21st (Sat.) Travel to Tokyo

10:00 - 10:30 Hotel - Fukuoka Airport (Bus)
(Check out)

12:15 - 13:40 Fukuoka Airport - Haneda Airport (ANA 252)

14:00 - 16:00 Haneda Airport - IDACA (Bus)

**ICA Training Project for Strengthening Management
of Agricultural Cooperatives in South-East Asia**

Appendix No. 5

Programme for Study Visit to Nagano Prefecture
ICA / IDACA

5th April (Sun) Move to Nagano City

11:00 Leave IDACA - Hachioji station (by taxi)
12:32 Hachioji - Matsumoto (14:56 / 15:06) - Nagano (16:09)
(Azusa No. 19) (Kamoshika) (Chuo Line)
Stay at Nagano Royal Hotel
Tel : 0262 - 28 - 2222

6th April (Mon.) Visit to Nagano Prefectural Union of Agricultural
Cooperatives.

9:00 - 9:15 Hotel - N.P.U.A.C. (by taxi)
9:30 - 10:30 Lecture
10:30 - 10:45 Break
10:45 - 12:15 Discussion
12:15 - 13:30 Lunch
13:30 - 14:30 Lecture
14:30 - 14:45 Break
14:45 - 16:15 Discussion
16:15 - 16:30 Move to the hotel

Stay at Nagano Royal Hotel

7th April (Tues.) Visit to Nagano Prefectural Union of Agricultural
Cooperatives and observation of federations.

9:00 - 9:15 Hotel - N.P.U.A.C.
9:30 - 10:30 Lecture
10:30 - 10:45 Break
10:45 - 12:00 Discussion
12:00 - 13:00 Lunch
13:00 - 17:00 Observation of Facilities.
Nagano Kohno
Automobile. Farm machinery repair centre
Hospital of Nagano Welfare Federation of Agricultural
Cooperatives.
17:00 Move to the Hotel

8th April (Wed.) Move to Komagane

9:00 - 9:10 Check out the hotel and visit Zenkoji Temple
10:00 - 17:30 Nagano - Inan
(Jeda castle, Kokubunji Temple, Lake Shirakaba,
Kirigamine platou.)
Stay at Komagane Green Hotel
Tel : 0265 - 83 - 1141

9th April (Thurs.) Visit to The Inan Primary Agricultural Cooperative Society.

9:30 - 10:30 Lecture
10:30 - 10:45 Break
10:45 - 12:15 Discussion
12:15 - 13:30 Lunch
13:30 - 14:30 Lecture
14:30 - 14:45 Break
14:45 - 16:15 Discussion
16:15 Move to the hotel

Stay at Komagane Green Hotel

10th April (Fri.) Visit to The Inan Primary Agricultural Cooperative Society.

9:00 - 12:00 observation of facilities owned by the society (by bus)
12:00 - 13:00 Lunch
13:00 - 16:00 Discussion meeting with representative members of
the society.
16:00 - 18:00 Move to Matsumoto City (by bus)

Stay at Matsumoto Tokyu Inn
Tel : 0263 - 36 - 0109

11th April (Sat.) Move to Tokyo

10:00 - Check out the hotel
observation of The Matsumoto Castle
13:34 Matsumoto (13:34) - Hachioji (15:53)
(Azusa No. 24)

ICA Training Project for Strengthening Management
of Agricultural Cooperatives in South-East Asia

Appendix No. 6

TIME SCHEDULE FOR FIELD
VISITS IN THE REPUBLIC OF KOREA
(APRIL 20 - May 3, 1987)

The field visits to agricultural cooperatives in the Republic of Korea will be devoted to the study of ;

- Managerial practice in multipurpose agricultural cooperatives
- Role of the NACF (National Agricultural Cooperative Federation) and primary agricultural cooperatives in integrated development of agricultural cooperative
- Functions of specialized outlets established to insure better returns to member farmers (marketing, purchasing and guidance)
- Cooperative member relations and interest groups

TENTATIVE TIME SCHEDULE

- April 19 (Sun.) : Arrival of participants, check-in Seolin Hotel
- April 20 (Mon.)
- A.M. : Opening Ceremony
Introduction to Korean Agriculture and Agricultural Cooperative and Slide presentation and discussion
- P.M. : Visit Cooperative College, BYEOJE Primary Coop., IMJINGAK
- April 21 (Tue.)
- A.M. : Visit Agri. Marketing Center (GARAK, Seoul)
Olympic Stadium
- P.M. : Visit Agri. Marketing Center (Shinchon, Youngdeungpo)

April 22 (Wed.)

- A.M. : Visit Rural Development Administration, SAMSUNG
Electronic Company
- P.M. : Agri. Coop. Leaders' Training Center
Jicksan Primary Coop.

April 23 (Thu.)

- A.M. : Check-out the hotel and move to TAEGU City
- P.M. : TAEGU Apple Coop. and Primary Agricultural
Cooperative (Namji)
Check in Bugok Hot Spring Hotel

April 24 (Fri.)

- A.M. : Move to ULSAN City
- P.M. : Visit Hyundai Ship Company, Hyundai Motor
Company, Check in Kyoung-Ju Hotel

April 25 (Sat.)

- A.M. : Sightseeing in Kyoung-Ju (Ancient City)
- P.M. : Move to Seoul

April 26 (Sun.)

- A.M. : Sightseeing in Seoul (63 stony building, Folk
Village, ITAEWON Shopping Center)

April 27 (Mon.)

- A.M. : Visit Livestock Cooperative Federation
- P.M. : Visit Fisheries Cooperative Federation,
Handicraft Center of the NACF

April 28 (Tue.) - 29 (Wed.)

- : Visit cooperative sub-organizations (interest
group for designated crops.)
(Participants will be divided into 5 groups.
Every group will visit 1 cooperative sub-organ-
izations (interest group for designated crops.)
guided by the NACF staff)

April 30 (Thu.) : Writting of report

May 1 (Fri.) : Final discussion, Closing Ceremony
(With NACF staff and among participants)

May 2 (Sat.) : Free

May 3 (Sun.) : Departure

Appendix No. 7

ICA TRAINING COURSE FOR STRENGTHENING MANAGEMENT OF
AGRICULTURAL COOPERATIVES IN SOUTH-EAST ASIA

New Delhi / Bangkok / Tokyo / Seoul

November 1, 1986 to 31st December 1986

programme

Saturday,	1st November 1986	Arrival of participants
Sunday,	2nd November:	Briefing regarding inauguration
Monday	3rd November:	and other practical matters.
Tuesday	4th November:	
	10.00 a.m.	Inaugural Function
		Welcome address by Mr R.B.Rajaguru, ICA Regional Director For SE Asia
		Address by the Chairman, Mr V.p.Singh, president, National Cooperative Union of India.
		Inaugural Address by H.E. Mr Takumi Hosaki, Ambassador of Japan in India.
		Vote of Thanks by Mr M.V.Madane, programme Coordinator.
	11.30 a.m.	Introduction and Working Methods
	14.00 - 17.30	Review on Bangladesh
Wednesday,	5th November:	
	0900 - 12.30	Review on Malaysia
	1400 - 17.30	Review on Sri Lanka
Thursday,	6th November:	
	0900 - 12.30	Review on Indonesia
	1400 - 17.30	Review on Republic of Korea
Friday	7th November:	
	0900 - 12.30	Review on India
	1400 - 17.30	Review on Thailand.
Saturday	8th November:	
	0900 - 1230	Review on people 's Republic of China *
	1400 - 1730	Review on philippines.
Sunday	9th November	Free

*The Review was done at a later stage due to late arrival of the participants from China.

INTEGRATED COOPERATIVE DEVELOPMENT

Monday 10th November :

0900 - 1030 Introduction to the Concept of Integrated Cooperative Systems (ICS)
 OHP Transparencies presentation and discussion

1100 - 1230 Group discussion on the concept of ICS

1400 - 1530 presentation of Group Reports on the Concept

1600 - 1730 Clarification of Issues raised by participants.

Tuesday 11th November:

0900 - 1030 Introduction to the Concept of ICS
 AMSAC Slide presentation followed by discussion.

1100 - 1230 pre-Requisites for ICS = Case - Saranga Cooperative Sugar Factory.

1400 - 1530 Group Discussion

1600 - 1730 presentation of Group reports and Clarifications

Wednesday 12th November:

0900 - 1030 Socio-Economic Gains of ICS

1100 - 1230 Case : Dudhsagar Dairy Revisited.
 Group Discussion on the above Case.

1400 - 1730 presentation of Group Reports on the above and Clarifications.

Thursday, 13th November:

0900 - 1230 Role of Manager in ICS
 Case : Royal Multipurpose Cooperative Society
 Group Discussion on the above Cases.

1400 - 1730 presentation of Group Reports and Clarifications

Friday, 14th November :

0900 - 1230 Role of Manager in ICS
 Case : Rajamani Agricultural Cooperatives (A, B & C)
 Group Discussion on the above cases.

1400 - 1730 presentation of Group Reports.

Saturday, 15th November :

0900 - 1230 Model Structure for ICS
 Group Discussion on Chapter I of the Guide to Management of Small Farmers Cooperatives.

1400 - 1730 presentation of Group Reports on the above.

Sunday 16th Nov.

Free

THE ORGANISATION

Monday 17th Nov.

0900 - 1230

Essential Aspects of the Organisation of Agricultural Cooperatives at Grass root level.

1400 - 1730

Organisation and Management of Agricultural Cooperatives for and its Objectives - Case Discussion.

Tuesday 18th Nov.

0900 - 1230

Services at the grass root level of agricultural cooperatives, with their horizontal and vertical linkages.

1400 - 1730

Organisation of primary agricultural cooperatives at base level - its objectives, coverage and integrated functions - Case Discussion.

Wednesday, 19th Nov.

0900 - 1230

Group discussion on above.

1400 - 1730

Discussion on group discussion reports in plenary.

Thursday, 20th Nov.

0900 - 1230

Infrastructure development and decision making process for effective services of credit plans, inputs supply, marketing and distribution by base level cooperatives.

1400 - 1730

Group Discussion - Case Discussion.

Friday, 21st Nov.

0900 - 1230

Discussion on the Organisational pattern and Structures of Different Types of Cooperatives - Field Case Studies based Discussion on

- a) Farmers Service Society
- b) Multipurpose Coop Society.

1400 - 1730

Discussion continued on

- a) Marketing Cooperatives
- b) processing Cooperatives
- c) Single Commodity Marketing Coops.

Saturday, 22nd Nov.

Free.

Sunday, 23rd Nov.

BASIC MANAGEMENT CONCEPTS

Monday	24th Nov.	
	0900 - 1230	Application of Management Functions in Cooperatives for optimum utilisation of resources : a) Material b) Financial and c) human.
	1400 - 1730	Human Resource Development in Cooperatives - A Case Discussion.
Tuesday	25th Nov.	
	0900 - 1230	Concept of Cooperative Management in the Context of Cooperatives output and effectiveness
	1400 - 1730	Developing Infrastructure for providing value added returns to members of cooperatives - Case Discussion.
Wednesday,	26th Nov.	
	0900- 1230	Measures to plan and implement integrated approach in the management of base level cooperatives - Group Discussion.
	1400 - 1730	d-o- (continued :)
Thursday,	27th Nov.	
	0900 - 1230	Human Resource Development for professionalisation of management in cooperatives.
	1400 - 1730	Developing professional management in Cooperatives - Case Discussion.
Friday,	28th Nov.	
	0900 - 1230	presentation of Reports and plenary discussion on Group Reports.
	1400 - 1730	presentation continued.
Saturday	29th Nov.	Free
		<u>FIELD VISITS IN MAHARASHTRA STATE, India.</u>
sunday	30th Nov.	Leave Delhi for pune Arrive pune, Stay at VMNICM Hostel.
Monday	1st December	
	FN	Visit to Katraj Dairy of the pune District Coop Milk producers Federation, pune.
	AN	Discussion with Director and Faculty Members of VMNICM
		Sight seeing in pune.
Tuesday	2nd December:	
	FN	Leave for Kolhapur by bus. and stay at pearl Hotel, Kolhapur.

International Cooperative Alliance

Course programme

page No. 5

Wednesday 3rd December 1986:

FN Visit to Kolhapur District Central Cooperative Bank.

AN Visit to Shetkari Sahakari Sanghatan, Kolhapur.

Thursday 4th December

FN Shahu Agricultural Market Committee, Kolhapur.

Visit to Hupri Bank, Hupri (paisa Fund Cooperative Bank, Hupri.

AN Nagdevvadi Cooperative Lift Irrigation Society, Nagdev vadi, Kolhapur district.

Shriram Agricultural Service Society, Kasba Bawda, Kolhapur.

Friday, 5th December

FN / AN Visit to Warana Nagar Cooperative Complex and visit to Waranagar Cooperative Sugar Factory, Dairy Cooperative, poultry Cooperative, Coop paper Mill, Training and Education Complex, Coop Department Store etc.

Saturday 6th December

FN Leave for pune by bus

AN Visit to Maharashtra State Grape Growers Association, pune.

stay at VMNICM Hostel, pune.

Sunday 7th December

AN Visit to Associated Agricultural Development Foundation, sponsored by Nafed, Nasik.

stay at Green View Hotel, Nasik.

Monday 8th December

FN Visit to Agricultural produce Market Committee, Lasalgaon, Nasik district.

Lasalgaon Sahkari purchase and Sale Union, Lasalgaon.

Lasalgaon NAFED's Onion Complex.

AN Pimpalgaon Baswant Coop purchase and Sales Society Ltd, Pimpalgaon. Nasik district.

Nafed's Onion Complex

Tuesday 9th December

FN Visit to a small farmer's and a big farmer's families and discussion with them.

Visit to zilla Krishi Udyogik Sawa Sahakari Ltd, Nasik.

RN Leave for Bombay by bus - stay at JAL Hotel, Bombay.

Wednesday,	10th December	Sight seeing in Bombay Departure for Delhi and stay at Vikram Hotel, New Delhi.
Thursday	11th December	Group discussions on Field Visits in India.
Friday	12th December	
Saturday	13th December	Free
Sunday	14th December	

PLANNING AND MANAGEMENT

Monday	15th December	
	0900 - 1230	planning Case : Managing PUSKUD. Group discussion on above.
	1400 - 1730	presentation of Group Reports
Tuesday	16th December	
	0900 - 1230	planning Case : planning for Vishnupur province Group discussion on above.
	1400 - 1730	presentation of Group Reports and discussion.
Wednesday	17th December	
	0900 - 1230	planning Step VI of the book "Guide to Management of Small Farmers Cooperatives " OHP presentation planning: Case : Rama Reddy's Rural Development Dilemma. Group Discussion on above cases.
	1400 - 1730	presentation of Group reports on the above cases.
Thursday	18th December	
	0900 - 1030	planning Techniques : Costing, Budgeting. 1. Break even charts 2. Case : ABC Cooperative Society 3. Case : CoCo Seed Oil Company.
	1100 - 1230	Group Discussion on the above two cases.
	1400 - 1530	Group discussion (contd.)
	1600 - 1730	presentation of group reports on above cases.

Friday 19th December:

0900 - 1030

planning Techniques : Financial Analysis and planning.

Case : Jessani Brothers.

1100 - 1230

Group discussion on the above case.

1400 - 1530

Group discussion (contd.)

1600 - 1730

presentation of Group Reports.

Saturday 20th December;

Sunday 21st December:

Free

Monday 22nd December:

0900 - 1030

Designing projects ; Economic and Financial Aspects, Investment Analysis.

Case: Jhalawar Farmers Cooperative Society Ltd.

1100 - 1230

Group discussion on the above case

1400 - 1530

Group discussion (contd)

1600 - 1730

Group reports presentation.

Tuesday 23rd December:

0900 - 1230

Designing projects : project Scheduling

Group discussion

1400 - 1730

presentation of the Group Reports on the above.

Wednesday 24th December:

0900 - 1030

Designing projects : Marketing Aspects

Case: Export of Fruits and Vegetables by Farmers Cooperatives.

OHP presentation.

1100 - 1230

Group Discussion on the above case.

1400 - 1530

presentation of Group Reports.

1600 - 1730

Thursday 25th December:

0900 - 1030

Designing projects : Marketing Aspects

Case: Matsyafed - Brief Introduction.

1100 - 1230

Group discussion

1400 - 1530

presentation of Group Reports.

1600 - 1730

Summarisation by Resource person.

Friday 26th December:

0900 - 1030

Designing projects : Organisational Aspects.

Case: potato Federation.

OHP presentation.

1100 - 1230

1400 - 1530

1600 - 1730

Group discussion on the above case

presentation of Group Reports.

Saturday 27th December :

0900 - 1030

Designing projects : Organisational Aspects.

planning for Vishnupur.

1100 - 1230

1400 - 1530

1600 - 1730

Group Discussion

presentation of Group Reports.

Sunday 28th December:

Free

Monday 29th December:

Forenoon

Briefing on Home Country Assignments.

Afternoon

Free

Tuesday 30th December

Free

Wednesday 31st December

Leave for Bangkok.

.....

 RESOURCE PERSONS
Indian Institute of Management,
Ahmedabad.
 prof. V.K.Gupta
 prof. V.R. Gaikwad
 prof. Ramesh Gupta
 prof. S.p.Seetharaman
 prof. P.M.Shingi
Vaikunth Mehta National Institute
of Cooperative Management, pune.

prof. D.R.Oza

National Agricultural Cooperative
Marketing Federation of India, New Delhi

Mr M.L.Ilwadia

International Cooperative Alliance
Regional Office for SE Asia, New Delhi.
 Mr R.B.Rajaguru
 Mr J M Rana
 Mr Sten Dahl
 Mr M.V.Madane
Department of Cooperation, Ministry
of Agriculture and Rural Development,
Government of India, New Delhi.

Mr B.K.Sinha

ICA Training Course for Strengthening Management of
Agricultural Cooperatives in South-East Asia

Programme (Final)

CUAC/IDACA

(Feb. 18 - April 17, 1987)

Date	Forenoon (9:30 - 12:00)	Afternoon (13:30 - 16:00)	Place of sta
Feb. 18 (Wed.)	Opening Ceremony	Orientation	IDACA
19 (Thurs.)	Reporting by participants (I)	Reporting by participants (II)	"
20 (Fri.)	Reporting by participants (III)	Reporting by participants (IV)	"
21 (Sat.)	Reporting by participants (V)		"
22 (Sun.)	Free		"
23 (Mon.)	Evaluation of the report	to be continued	"
24 (Tues.)	Evaluation of the report	to be continued	"
25 (Wed.)	The development process and the present situation of the agriculture in Japan (by Mr. S. Hara, Zen-Noh)		"
26 (Thurs.)	The development process and the present situation of the cooperative movement in Japan (by Mr. H. Togawa)		"
27 (Fri.)	The present situation and functions of agricultural cooperative organizations in Japan (by Mr. S. Futagami, C.U.A.C)		"
28 (Sat.)	Review		"
March 1 (Sun.)	Free		"
2 (Mon.)	Outline of rural society in Japan and functions and roles of various agricultural organizations in a village (The Tsukui-gun Primary Agricultural Cooperative Society)		"
3 (Tues.)	Land utilization plan and regional plan for agriculture promotion (by Mr. H. Tabata, N.A.A.S.I)		"

March	4 (Wed.)	Outline of the land consolidation project (by Mr. H. Tabata, N.A.A.S.I)	IDACA
	5 (Thurs.)	Outline of the agriculture structure improvement project (by Mr. G. Hashimoto, N.A.A.S.I)	"
	6 (Fri.)	The price stabilization system for agricultural products (by Mr. S. Izaka, C.U.A.C)	"
	7 (Sat.)	Review	"
	8 (Sun.)	Free	"
	9 (Mon.)	The measures for drafting the regional agriculture development plan (by Mr. K. Tsukada, C.U.A.C)	"
	10 (Tues.)	Actual situation of farm guidance in the primary agricultural cooperative society (by Mr. Y. Nakajima, The Higashi-chita Primary Agricultural Cooperative Society)	"
	11 (Wed.)	Actual situation of better living guidance in the primary society (by Ms. K. Sumida, The Asa-cho Primary Agricultural Cooperative Society)	"
	12 (Thurs.)	Actual situation of management of member's organizations and commodity-wise group (by Mr. A. Kuroyanagi, The Mikkabi-cho Primary Agricultural Cooperative Society)	"
	13 (Fri.)	Actual situation of business management in the primary society (by Mr. Saitoh, The Tsukui-gun Agricultural Cooperative Society)	"
	14 (Sat.)	Review	"
	15 (Sun.)	Departure for the study visit to Saga prefecture	Saga
	16 (Mon.)	Visit to The Saga Prefectural Union of Agricultural Cooperatives Actual situations and problems of agriculture development measures and implementation of the agricultural cooperative development measures in Saga prefecture	"

March 17 (Tues.)	Visit to The Minamihata Primary Agricultural Cooperative Society - Case Study for the regional agriculture development plan of the primary society and field observation -	Saga
18 (Wed.)	Visit to The Shiroishi Area Agricultural Cooperative Society - Case study for the regional agriculture development plan and the agricultural cooperative development plan of the society -	"
19 (Thurs.)	Visit to The Saga Prefectural Union of Agricultural Cooperatives - Long term plan of agricultural cooperatives and the future prospects of agriculture, agricultural cooperatives and it's members in Saga prefecture Visit to the Distribution Centre of the Prefectural Economic Federation of Agricultural Cooperatives	"
20 (Fri.)	Observation of the operation area of The Shiroishi Area Primary Agricultural Cooperative Society	Fukuoka
21 (Sat.)	Leave Fukuoka for Tokyo	IDACA
22 (Sun.)	Free	"
23 (Mon.)	The setting up and actual situation of the marketing business structure by agricultural cooperative organizations (by	"
24 (Tues.)	Actual situation of supply of production materials and consumer goods by agricultural cooperative organization (by Mr. Y. Inoue, C.C.C)	"
25 (Wed.)	The setting up and actual situation of the credit business by agricultural cooperative organizations (by Mr. C.C.C)	"
26 (Thurs.)	The setting up and actual situation of the better living activities of agricultural cooperative organizations (by Mr. H. Sogou, C.C.C)	"
27 (Fri.)	Actual situation of management strengthening policies in agricultural cooperative organizations (by Mr. Y. Takahashi, C.U.A.C)	"
28 (Sat.)	Review	"
29 (Sun.)	Free	"

March 30 (Mon.)	Actual situation and problems of member's and official's education by agricultural cooperative organizations (by Mr. H. Ohki, C.U.A.C.)	IDACA
31 (Tues.)	The measures for making up the business planning in a multi-purpose agricultural cooperative society (by Mr. T. Kai, C.M.C.J)	"
April 1 (Wed.)	Actual situation and problems of demand/supply adjustment measures for agricultural and livestock products (by Mr. K. Itoh, C.U.A.C)	"
2 (Thurs.)	Actual situation and the technical management of agriculture extension works by the government (by Mr. K. Kimura, MAFF)	"
3 (Fri.)	Actual situation and problems of the agriculture disaster compensation scheme (by Mr. F. Kawamura, N.A.I.A)	"
4 (Sat.)	Review	"
5 (Sun.)	Study visit for Nagano	Nagano
6 (Mon.)	Visit to The Nagano Prefectural Union of Agricultural Cooperatives	"
7 (Tues.)	- Functions and roles of the prefectural union and federations of agricultural cooperatives - The changes and the future prospects of farm management and living of member farmers	"
8 (Wed.)	Movement from Nagano to Inan	Suwa
9 (Thurs.)	Visit to The Inan Primary Agricultural Cooperative Society Farm guidance, better living activities and the member's participation in the society	"
10 (Fri.)	Observation of the operational area of the society	"
11 (Sat.)	Movement from Inan to IDACA	IDACA

April 12 (Sun.)	Free		IDACA
13 (Mon.)	Actual situation of Japanese international cooperation for agriculture and forestry (M.A.F.F. Mr. . Kayanuma)		"
14 (Tues.)	Drafting report by the participants	to be continued	"
15 (Wed.)	Drafting report by the participants	to be continued	"
16 (Thurs.)	Closing ceremony	Preparation for departure	
17 (Fri.)	Departure of participants for Seoul		

Notes:

- Zen-Noh: The National Federation of Agricultural Cooperative Associations
- C.U.A.C.: The Central Union of Agricultural Cooperatives
- N.A.A.S.I: National Association of Agriculture Structure Improvement
- C.C.C : The Central Cooperative College
- C.M.C.J : The Cooperative Management Centre, Japan
- M.A.F.F : The Ministry of Agriculture, Forestry and Fisheries
- N.A.I.A : National Agriculture Insurance Association

TRAINING COURSE FOR STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPS IN SE ASIA

NAMES AND ADDRESS OF PARTICIPANTS:

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Mrs Liu, Xinzhong	-do-		665330
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Sri Lanka:

Mr P.L.GUNASEKERA

General Manager, Ruwanwella H.p.S.Ltd RUWANWELLA Sri Lanka.	83 Vidyala Road Avissawella Sri Lanka.	0:892 Ruwanwella
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Regional Office & Education Centre
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43 Friend's Colony Bonow House
New Delhi 65 India

ICA Training Course for Strengthening Management
of Agricultural Cooperatives in South-East Asia

Appendix No. 10 - A

LIST OF RESOURCE PERSONS FOR PART ONE
OF THE TRAINING PROGRAMME IN NEW DELHI

1. Prof. V. K. Gupta
Indian Institute of Management, Ahmedabad (IIMA)
2. Prof. V. R. Gaikwad, IIMA *Pocket allowance 15 dollars
Honorary 150 " for 2 days*
3. Prof. Ramesh Gupta, IIMA
4. Prof. S. P. Seetharaman
5. Prof. Prakash Singhi
6. Prof. D. R. Oza
V. Mehta National Institute of Cooperative Management Pune, India
7. Mr. M. L. Ilwadia, Executive Director, Marketing National Agricultural Cooperative Marketing Federation
8. Mr. B. K. Singh, Chief Director (Cooperation), Ministry of Agriculture and Rural Development
9. Mr. R. B. Rajaguru, Regional Director for South-East Asia, New Delhi
10. Mr. J. M. Rana, Regional Development Officer, Development Coordination Union, ICA Regional Office, New Delhi
11. Mr. Sten Dahl, D.C.U., ICA Regional Office

Appendix No. 10 - B

List of Lecturers for IDACA(PART TWO) of ICA Training Course
for Strengthening Management of Agricultural Cooperatives in
South East Asia

(Feb. 18 - April 17, 1987)

- Feb. 25 (Wed.) The development process and the present situation of
the agriculture in Japan
(Lecturer)
 Mr. Sadashige Hara
 Adviser to the general planning department
 National Federation of Agricultural Coope-
 rative Associations. (Zen-Noh)
- Feb. 26 (Thurs) The development process and the present situation of
the cooperative movement in Japan
(Lecturer)
 Mr. Hidetane Togawa
 Ex. Managing Director of the Institute for
 the Development of Agricultural Cooperation
 in Asia. (IDACA)
- Feb. 27 (Fri.) The present situation and functions of agricultural
cooperative organizations in Japan
(Lecturer)
 Mr. Shiro Futagami
 Manager of the International Department
 of the Central Union of Agricultural Coope-
 ratives. (CUAC)
- March 2 (Mon.) Outline of rural society in Japan and functions and
roles of various agricultural organizations in a
village
(Lecturer)
 Mr. Isamu Sugioka
 General Manager of IDACA

- March 3 (Tues.) Land utilization plan and regional plan for agriculture promotion
(Lecturer)
Mr. Hideo Tabata
Manager of farmland planning department
National Association of Agriculture Structure Improvement. (NAASI)
- March 4 (Wed.) Outline of the land consolidation project
(Lecturer)
Mr. Hideo Tabata
Manager of farmland planning department
(NAASI)
- March 5 (Thurs) Outline of the agriculture structure improvement project
(Lecturer)
Mr. Goro Hashimoto
Manager of business affairs department (NAASI)
- March 6 (Fri.) The price stabilization system for agricultural product
(Lecturer)
Mr. Shigeru Iizaka
Chief of reserch section
agriculture and livestock products department
(C.U.A.C)
- March 9 (Mon.) The measures for drafting the regional agriculture promotion plan
(Lecturer)
Mr. Kazuo Tsukada
Chief of education section
education department (C.U.A.C)

- March 10 (Tues.) Actual situation fo farm guidance in the primary agricultural cooperative society (Lecturer)
 Mr. Yoshio Nakajima
 Deputy general manager
 The Higashi-chita Primary Agricultural co
 Cooperative Society (Aichi Prefecture)
- March 11 (Wed.) Actual situation of better living guidance in the primary society (Lecturer)
 Mr. Kiyoko Sumida
 Head of branch office
 The Asa-cho Primary Agricultural Cooperative
 Society (Hiroshima Prefecture)
- March 12 (Thurs.) Actual situation of management of member's organizations and commodity-wise group (Lecturer)
 Mr. Atsushi Kuroyanagi
 General Manager
 The Mikabi-cho Primary Agricultural Coope-
 rative Society (Shizuoka Prefecture)
- March 13 (Fri.) Actual situation of business management in the primary society (Lecturer)
 Mr. Hisahei Saitoh
 President
 The Tsukui-gun Primary Agricultural Coope-
 rative
- March 23 (Mon.) The setting up and actual situation of the marketing business structure by agricultural cooperative organizations (Lecturer)
 Mr. I. Ikuta
 Managing Director
 Labour Institute of Agricultural Cooperatives

- March 24 (Tues.) Actual situation of supply of production materials and consumer goods by agricultural cooperative organizations
(Lecturer)
Mr. Yoshiharu Inoue
Assistant section chief
The Central Cooperative College
- March 25 (Wed.) The setting up and actual situation of the credit business by agricultural cooperative organizations
(Lecturer)
Mr. Tatsuhiko Ueno
Assistant manager
The Central Cooperative College
- March 26 (Thurs.) The setting up and actual situation of the better living activities of agricultural cooperative organizations
(Lecturer)
Mr. Hideki Sogou
Section chief of training section
The Central Cooperative College
- March 27 (Fri.) Actual situation of management strengthening policies in Agricultural Cooperative Organizations
(Lecturer)
Mr. Yasuo Takahashi
manager of management and auditing department of C.U.A.C.
- March 30 (Mon.) Actual situation and problems of member's and official education by agricultural cooperative organizations
(Lecturer)
Mr. Hisaichi Ohki
manager of education department of C.U.A.C.

- March 31 (Tues.) The measures for making up the business planning in a multi-purpose agricultural cooperative society
(Lecturer)
Mr. Takeshi Kai
Managing Director
The Cooperative Management Centre, Japan
- April 1 (Wed.) Actual situation and problems of demand/supply adjustment measures for agricultural and livestock products
(Lecturer)
Mr. Kenzo Itoh
Chief of agriculture promotion section
Farm management department
C.U.A.C.
- April 2 (Thurs.) Actual situation and the technical management of agriculture extension works by the government
(Lecturer)
Mr. Kazue Kimura
Assistant director
Extension and education division
Agri. Sericulture, Horticulture Bureau
The Ministry of Agriculture, Forestry and Fisheries (M.A.F.F.)
- April 3 (Fri.) Actual situation and problems of the agriculture disaster compensation scheme
(Lecturer)
Mr. Fumio Kawamura
Auditor
National Agriculture Insurance Association
(N.A.I.A.)
- April 13 (Mon.) Actual situation of Japanese international cooperation for agriculture and forestry
(Lecturer)
Mr. Sigemi Kayanuma
Assistant director, International Cooperation Division, International Affairs Department
Economic Bureau, M.A.F.F.

ICA Training Project for Strengthening Management
of Agricultural Cooperatives in South-East Asia

Appendix 11-A (Tentative)

List of materials distributed in India

1. Managing Paddy - Rice Business of Small Farmers
- Integrated Co-operatives in Asia
by Prof. V. R. Gaikwad
Prof. V. K. Gupta
2. GUIDE TO MANAGEMENT OF SMALL FARMER'S COOPERATIVES
by Prof. V. K. Gupta
Prof. V. R. Gaikwad
3. Application of Science and Technology for Integrated
Agriculture and Rural Development
by Prof. V. R. Gaikwad
4. Farm - Industry Linkages: Some Illustrations
by Prof. V. R. Gaikwad
5. A Note on Defining Integrated Rural Development
by Prof. V. R. Gaikwad
6. Commentry for AMSAC Slide Presentation
7. Introduction To The Concept of Integrated Cooperative Systems
(ICS) OHP Presentation by Prof. V. K. Gupta, IIMA
8. SARANGA COOPERATIVE SUGAR FACTORY
9. DUDHSAGAL DAIRY REVISITED
10. Role of Small Farmers' Cooperatives in Strengthening Food
Security through Food Production and Marketing
by Prof. V. K. Gupta
11. OHP Presentation on " A Note on Defining Integrated Rural
Development "
by Prof. V. R. Gaikwad
12. OHP Presentation on "Understanding Scope of Agriculture"
by Prof. V. R. Gaikwad
13. OHP Presentation on "Organizational Designs for Technology
Oriented Integrated Rural Development"
by Prof. V. R. Gaikwad
14. Some Considerations for APPROPRIATE ORGANIZATIONAL DESIGNS
FOR INTEGRATED COOPERATIVES
by Prof. V. R. Gaikwad

15. OHP Presentation on "How to Design Organization"
by V. R. Gaikwad
16. A Brief Note on Understanding Scope of Agriculture
by Prof. V. R. Gaikwad
17. EVALUTION OF RURAL DEVELOPMENT STRATEGIES:
Evaluation of Some Early Experiments
by Prof. V. R. Gaikwad
18. PRODUCT IDENTIFICATION AND PROMOTION FOR AGRICULTURAL
MARKETING COOPERATIVES
by Prof. Seetharaman
19. ORGANISATIONAL DESIGNS FOR TECHNOLOGY ORIENTED INTEGRATED
RURAL DEVELOPMENT
by Prof. V. K. Gaikwad
20. "RAMA REDDY'S Rural DEVELOPMENT DILEMMA"
by Prof. V. K. Gaikwad
Mr. D. R. Mathur
21. BREAK EVEN CHARTS
by K. Balakrishnan
22. KEY ANALITICAL QUESTIONS ON MARKETING ASPECTS
23. EXPORT OF FRUITS AND VEGETABLES BY FARMERS COOPERATIVES
- IIMA -
24. CONCEPT OF AGRICULTURAL COOPERATIVE MARKETING
by Prof. S. P. Seetharaman
Mr. Mithileshwar Jha
25. KERALA MATSYAFED
by Prof. S. P. Seetharaman
26. PLANNING FOR VISHNUPUR PROVINCE
by Prof. V. R. Gaikwad
27. POTATO FEDERATION OF UTTAR PRADESH
by Prof. P. M. Shingi
Prof. S. P. Seetharaman
28. NOTE ON BANGLADESH
29. A Critical Examination of Cooperative Organizational
Structures and Management Practices & Problems in Bangladesh
by Md. Abdus Samee
30. Case Study on Raipura Central Cooperative Multipurpose
Society Ltd., NARSINGDI, DHAKA, BANGLADESH
31. ALL CHINA FEDERATION OF SUPPLY AND MARKETING COOPERATIVES

32. CASE STUDY - THE ZHOU CUM SUPPLY AND MARKETING COOPERATIVE
33. THE ANNUAL REPORT OF THE ZHOU CUN COOPERATIVE SOCIETY
34. THE BY-LAW OF THE ZHOU CUN SUPPLY AND MARKETING COOPERATIVE
35. THE SPECIALIZED COOPERATIVES UNDER THE ZHOU CUN SUPPLY AND MARKETING COOPERATIVE
(Till the end of September of 1986)
36. A NOTE ON COOPERATIVE MOVEMENT IN CHINA
37. A critical examination of coop. Organisational Structure and Management Practices and Problems in India
38. Balance Sheet of RAIPURA C.C.M.P.S. LTD as at 30 - 6 - 85
39. Case Study of The Dheen Primary Cooperative Credit & Service Society Limited
by Mr. C. D. SINGHAL
40. A note about the financial standing of the Haryana State Coop. Bank and the association of deputationist with it
41. Case Study --- Position of Agriculture Credit Cooperatives in The Union Territory of DELHI
by Dr. N. P. Sharma
42. A Brief Note on Agricultural Cooperatives in INDIA
43. A critical examination of Coop. Organisational Structures and Management Practices and Problems in India
44. NAFED and Marketing Services in India
45. A Note on the Objective, Structure, Operations and Achievements of National Cooperative Union of India, specially in the field of Agricultural Cooperatives in India and Association of deputationist with it
46. Development of Rice Marketing by K.U.D.
The Cooperative of Village Union in Indonesia
47. Introduction of Sinbuk Primary Agricultural Cooperative
National Agricultural Cooperative Federation Korea
48. Fruit of Cooperation
National Agricultural Cooperative Federation Korea
49. 25th ANNUAL REPORT
National Agricultural Cooperative Federation Korea
50. Recent Changes, Trends and Development in Korean Agricultural Cooperative Movement 1986 NACF Korea

51. Basic data of one village
by Mr. Jin Woo Kim
52. Present Status of the Agriculture Cooperative Movement in Malaysia
by Jawatankusa Kecil
Kertas Kerja
53. Brief Note Agricultural Cooperative Movement in Malaysia
by J. M. Rana
54. AN INTRODUCTION TO THE RICE BRAN OIL EXTRACTION IN THE RICE INDUSTRY - NATIONAL GRAINS AUTHORITY - TECHNICAL RESEARCH & SERVICE DIRECTORATO
55. THE AMC OF ILOCANDIA - Zamboanga del sur Philippines
by Mrs. JEAN N. ABDURASAD
56. NATIONAL DEVELOPMENT PLANNING STRATEGY
57. GENERAL INFORMATION - Cooperative Union of the Philippines -
58. A Critical Examination of Cooperative Organizational Structures and Management Practices and Problems in the Philippines
by Mrs. JEAN ABDURASAD
59. Brief Note on Agricultural Cooperative Movement in the Philippines
by Mr. J. M. Rana
60. The Country Paper on " A Critical Examination of Cooperative Organizational Structures and Management Practices and Problems in Sri Lanka
61. Case Study Ruwanwella Multi-purpose Cooperative Society, Ltd.,
by Mr. P. L. Gunasekera
62. Basic Data of Kadigamuwa Village
63. Wowg Wai Agricultural Cooperative Society Khon Kaen Thailand
64. Basic Data of Nong Ni Village Khon Kaen, Thailand
65. A Case Study of Shongpeenong Agricultural Coop. Ltd.
66. Basic data of the ninth village of Shongpeenong Amphoe (District) Supanburee Province
67. Agricultural Cooperatives in Thailand
68. Country Paper : THAILAND
69. Agricultural Cooperative Movement in Thailand
70. Brief Note : Agricultural Cooperative Movement in Sri Lanka
by Mr. J. M. Rana
71. Brief Note : Agricultural Cooperative Movement in Bangladesh

72. Project Ideas by Participants for their home country assignments
15th January to 15th February 1987
73. Speech of H. E. MR. TAKUMI HOSAKI, Ambassador of Japan to India on the occasion of the inauguration of ICA's Management Course on 4th November, 1986 at New Delhi
74. Programme for Inogural Function
75. Guidelines for Preparation of Projects for Integrated Agricultural Cooperatives
76. Modules by IIMA Faculty at Delhi
77. SHRI PAISAFUND SHETKARI SAHAKARI BANK LTD. HUPARI
- A STUDY OF MANAGEMENT AND BUSINESS PROFILE
by Prof. U. M. Shah
78. Lecture Note Concept of Cooperative Management in the Context of Objectives Out-put and Effectiveness
by B. K. SINHA
79. DEVELOPING INFRASTRUCTURAL AND SUPPORT SERVICES CONSIDERATIONS BY COOPERATIVES - A CASE DISCUSSION
80. AGRICULTURAL COOPERATIVES AT GRASS ROOT LEVEL ESSENTIAL ASPECTS OF ITS ORGANISATION
by Prof. D. R. Oza
81. CASE STUDY OF A FARMERS SERVICE COOPERATIVE SOCIETY - ITS ORGANISATIONAL ETHOS AND MANAGEMENT OBJECTIVES
by Prof. D. R. Oza
82. A Taluka Cooperative Sale and Purchase Union - Study of its Organisation and Management
by Prof. D. R. Oza
83. A CASE STUDY OF THE POONA DISTRICT COOPERATIVE MILK PRODUCERS FEDERATION LTD.,
by Shri M. A. Deshmukh
84. MANAGEMENT BY OBJECTIVES IN COOPERATIVES - A CASE DISCUSSION
by Prof. D. R. Oza
85. HUMAN RESOURCE DEVELOPMENT FOR PROFESSIONALISATION OF MANAGEMENT IN COOPERATIVES
by Prof. D. R. Oza
86. HUMAN RESOURCE DEVELOPMENT IN COOPERATIVES
- A CASE STUDY DISCUSSION -
by Prof. D. R. Oza
87. CONCEPT OF COOPERATIVE MANAGEMENT ITS OBJECTIVES, OUTPUT AND EFFECTIVENESS
by Prof. D. R. Oza

88. PUNE ZILLHA SAHAKARI DUDH UTPADAK SNAGH MARYADIT
- Brief Background
89. A NOTE ON WORKING OF KOLHAPUR DISTRICT CENTRAL
CO-OPERATIVE BANK LIMITED INDIA
90. THE SHETKARI SAHAKARI SANGH LTD., KOLHAPUR
91. ASSOCIATED AGRICULTURAL DEVELOPMENT FOUNDATION, NASIK
92. A BRIEF NOTE ON WARANA COMPLEX
93. VAIKUNTH MEHTA NATIONAL INSTITUTE OF COOPERATIVE MANAGEMENT
94. IMPACT OF DIRECT SALE OF FERTILISERS BY IFFCO ON THE
COOPERATIVE MOVEMENT IN MADHYA PRADESH
by Dr. S. L. Tripathi
95. COOPERATIVE PERSPECTIVE Vol. 21, No. 1
VMNICM
96. KOLHAPUR DISTRICT CENTRAL COOPERATIVE BANK LIMITED
- KOLHAPUR - MAIN FEATURES
97. ASSOCIATED AGRICULTURAL DEVELOPMENT FOUNDATION, NASIK
98. LASALGAON VIBHAR CO-OPERATIVE PURCHASE AND SALE UNION LTD.
- Main FEATURES
99. SHETKARI SAHAKAR SANGH LTD., KOHLAPUR
100. A Brief Note on the Activities of "THE ASSOCIATED AGRI-
CULTURAL DEVELOPMENT FOUNDATION "
101. Other Materials for OHP Presentations
102. Other Reports of Various Group Discussions

**ICA Training Course for Strengthening Management
of Agricultural Cooperatives in South-East Asia**

Appendix No. 11-B

List of materials distributed in IDACA

1. Past Development and Present State of Japanese Agriculture
- Economic Growth and Agriculture - (Mr.
(Mr. Sadashige Hara, Zen-Noh)
2. Agricultural Cooperative Movement in Japan (to be use in the
lecture by Mr. Shiro Futagami, CUAC)
3. 1984 - 1985 Agriculture & Agri. Coops in Japan Summary Tables
4. Statistical Handbook of Japan 1986 (Reference Material)
5. The Agricultural Cooperative Society Law (Reference Material)
6. Rural Community In Japan and Functions and Roles Played by
Agriculture Related Organizations in Village Levels
7. The National Land Utilization Plan and Agricultural Development
Plan
8. The Development Process for the Farmland Consolidation
Projects in Japan
9. History of Agricultural Cooperative Movement in Japan
(by Mr. H. Togawa)
10. Outline of the Farmland Consolidation Projects in Japan
11. Outline of the Agricultural Structure Improvement Projects
12. Brief Informations on ISEHARA CITY and ISEHARA-SHI Agricultural
Cooperatives
13. Regional Agriculture Promotion through Agricultural Cooperation
14. Outline of the Price Stabilization System in Japan
15. Higashi-Chita Agri. Coop. - The 4th Convention of Representa-
tives of member farmers Slide-show script
16. The Outline of the Higashi-Chita Primary Agricultural Coope-
rative Society
17. Farm Guidance of the Higashi-Chita Primary Agricultural
Cooperative Society
18. Actual Situation of Better Living Activities in the Primary
Society
The Asa-cho Agricultural Cooperatives in Hiroshima Prefecture

19. The Mikkabi-cho Primary Agricultural Cooperative Society .
20. Outline of the Activities of Mikkabi-cho Primary Agricultural Cooperative Society
21. The Agriculture Development Plan in Saga Prefecture
22. Shiroishi Area Agricultural Cooperative Society
23. Minami-Hata Agricultural Cooperative Society
24. Background Information Paper for the Visit to the Tsukuigun Primary Agricultural Cooperative Society
25. The History of Development of an Agricultural Finance and Cooperative Financial Business in Japan
26. Roles of Purchasing Business in Agricultural Cooperative Organizations
27. Improvement of Marketing Business System in Agricultural Cooperative Organizations and Its Actual Condition
28. Better Living Activities pushed on by the Agricultural Cooperative Organization
29. Appendix I. History of Agri. Coop Better Living Activities Objectives and Contents
30. Appendix II. History of Better Living Activities of the Coop
31. Long-Term Planning of the Cooperative Movement
32. The Procedure of Planning
33. Farm Management Plan of Farm Households and Business Planning of Agricultural Cooperatives.
34. Distribution of Fruits and Vegetables and Roles of Wholesale Markets
35. Educational Activities of Agricultural Cooperatives in Japan
36. Education Activities of The Agricultural Cooperative Movement in Japan
37. Agricultural Extension Service in Japan
38. Outline of Agricultural Extension Service in Japan
39. Outline of Agricultural Extension Service in Japan
40. Actual Condition and Problems of Demand/Supply Adjustment Measures for Agricultural and Livestock Products

41. The Framework of Japan's Agricultural Insurance Scheme
42. Information Material for Study Visit to Nagano Prefecture
43. Background Information on the Inan Primary Agricultural Cooperative Society in Nagano Prefecture
44. Outline of Cooperation for Agriculture Forestry and Fisheries

ICA Training Course for Strengthening Management
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Appendix No. 12

Guideline for Preparation of Projects
For Integrated Agricultural Cooperatives

1.0 General

During the last two months you have been exposed to (i) basic concepts of Integrated Cooperative Systems, (ii) basic management concepts as applicable to cooperative management, (iii) basic management concepts, techniques and tools useful for planning, and (iv) financial, economic marketing, technological and organisational aspects in relation to designing projects for integrated agricultural cooperatives.

During your home country assignment (January 16 - February 19, 1987) you will prepare a viable, bankable project proposal. While preparing this proposal you will apply the knowledge and skills you have gained during the last two months of training.

While preparing the proposal you should keep the following guidelines in mind.

2.0 Guidelines

2.1 Basic Framework

2.1.1 Integrated Approach

Design your project following the "Integrated Cooperative System Concept (Refer: OHP Presentation on the subject, AMSAC slides presentation by Professor V. K. Gupta and V. R. Gaikwad and Guide to Management of Small Farmers' Cooperatives, CH. II)

Remember,

- a) You are designing your project to "Increase Income of the Farmers".
- b) Your focus would be on OUT PUT marketing and processing of farmers' produce
- c) You would be primarily following commodity approach
- d) You would develop your project around a strong viable, economic activity related to marketing/processing of a commodity. This will be the Anchor activity around which backward forward and horizontal linkages will be developed.

- e) The cooperative will be "owned" and managed by the farmers directly and/or through their representatives. It will not be a government managed/controlled organisation.
- f) latest viable technology, technically competent persons and professional managers will be employed under your project.
- g) Your project should be bankable i.e. it must stand the scrutiny of a banker or financial institution. Hence, you have to prove its financial viability.

2.1.2 Country's Development Strategy

You should identify a project that will (a) fit into and support your country's development strategy, (b) meet sectoral objectives, and (c) be considered viable both by the government and bank/financial institutions.

2.1.3 Viability

Your project must meet a prima face test of feasibility that technical and institutional solutions are likely to be found at costs commensurate with the expected benefits.

2.2 Steps Involved

2.2.1 Identification of Project Idea

- (i) To start with you first decide the region (a group of villages or district) for which you would be designing the project i.e., the command area of your project.
- (ii) Collect basic statistics about the agricultural situation in the selected region covering the following (Refer: Planning for Vishnupur Province; the Guide Ch 1)

a. Production and productivity

- Cropping pattern
- Land ownership (farm size)
- Area, production, yield of all major crops for last 5 years
- Risks and uncertainties affecting production
- Fluctuations in production over the last five years
- Cost of production to farmers and income
- Systems of input supply, credit etc.,
- Potential for increasing production

b. Marketing of farmers produce

- Existing system of disposal of produce by farmers (home consumption, seed, marketable surplus)
- How produce is marketed; marketing channels; price spread (price received by the farmer at farm gate; price at different stages of marketing (whole seller, commission agent, consumer level)
- Cost of marketing (handling, packaging storage, transport, wastage and other losses)
- Locations of ultimate consumer

c. Processing

- Existing processing facilities for each major crop
 - number of units and processing capacity of each unit
 - ownership of these units (private, cooperative, government)
 - information about technology
 - investments
 - availability of plant and machinery
 - cost of processing
 - value addition
- By product processing (collect information as above)
- Marketing of processed goods (All aspects of marketing as given section 'b' above)
- Potential for further processing

d. Other income generating activities

- Existing major off-farm economic activities in which farmers are involved
- Investment, marketing and income related information about these activities
- Potential for generating other off-farm income generating activities

e. Organisation and institutions

- Farming population (number, location)

- Existing local cooperatives serving farmers

- Membership coverage
- Financial position
- Functions and activities
- Performance
- Management
- Member participation
- Strengths and weakness of existing local cooperative

(iii) Based on the basic data on the above mentioned items, decide;

- On what commodity you would concentrate ?
- What would be the anchor activity ?
- What would be the final coverage (hectares, production and membership) of the project i.e. the command area to suit the requirement of the anchor activity.

Note: Generally 5 to 10 thousand hectares on which at least two seasonal crops or one 12 month crop (like sugarcane) are cultivated are found viable for developing integrated services. This is no hard and fast rule)

- Whether to take into account the minimum or maximum or average level of production of the selected commodity while considering the coverage ?

Note: The term agriculture/farming cover crop husbandry (food crops, plantation crops, commercial crops, horticulture etc.) animal husbandry (dairy, poultry piggery, cattle, breeding for milk, meat, wool, leather and such other products), fishery (marine and inland), forestry etc. Your project must cover any of these categories. Appropriate information on the lines given above will have to be collected depend upon the commodity you would be selecting

Potential for developing project exists in all these fields (Refer: note on application of science and Technology for Integrated Agriculture and Rural Development)

2.2.2 Formulation

Once you have decided about the commodity and anchor activity you should work out the following;

(i) Justification for project

Based on the specific background information collected (as given in para 2.2.1), give justification for the project. How existing conditions do not help much in increasing the income of the farmers in the selected region, and what needs to be done to increase their income. While giving justification be specific, and only refer to the conditions in the specific region or locality and in relation to specific commodity. Do not make broad, generalised statements.

(ii) Objectives

Clearly and specifically define the project objectives. Do not make a long list covering every possible activity functions. Be specific and precise.

(iii) Coverage

Clearly spelled out the coverage of the project (hectare and number of farmers)

(iv) Identify functions, tasks and linkages

- a. Make a list of all the functions that must be performed to achieve the stated objectives.
- b. Identify discrete tasks and sub tasks that has to be performed under each function.
- c. Identify linkages among different functions and tasks for backward, forward and horizontal integration. Give special attention to horizontal integration, i.e. how individual farmers will be linked with the cooperative and how these linkages would be developed.

- d. Identify primary task the task the cooperative must perform to survive. Similarly under each function identify the primary task that must be performed for successful of that function.

2.2.3 Preparation

- (i) Identify technical and institutional alternatives

- a. Identify and compare the technical and institutional alternatives under each function (such as procurement, marketing, processing, extension, input supply etc.) and for achieving the project objectives. For example, under processing function alternate technologies, plant capacities, alternate locations (centralised verses scattered) have to be found out, and financial and organisational implications of each alternative are to be analysed before taking the final decision. Thus, preparation of project requires feasibility studies that identify and prepare preliminary designs of technical and institutional alternatives and compare their respective costs and benefits.

- (ii) Technical analysis

- a. Check all pertinent aspects of the technologies to be used in the project. Remember, technology is related to the nature of commodity. (Refer: note on "Some Considerations in Designing Appropriate Organisations for Integrated Cooperatives")
- b. Consider various technological alternatives, identify solutions and give expected results. Following this specify;
 - Physical scale (e.g. rice mill of 20 mt/8hr.)
 - Lay out and location of facilities (e.g., integrated plant lay out for rice mill and bran oil ex centrally located large rice mill or a number of small rice mills located at different places)
 - Technology to be used (e.g. modern rice mills, small RMU, huller, polisher)

- Types of equipment and processes (e.g., rubber rollers instead of stone polishers, dry milling vs par boiling)
- Local conditions and technical standards (eg. traditional handling or losses due to it, moisture content; degree of polishing; rice standards - percentage of whole rice, and broken, etc.)
- Approach in relation to provision of services
- Realism of the implementation schedule (eg; time needed to get plant and machinery after placing order; time for erection of factory; time for trial runs and testing)
- Livelihood of achieving expected levels of output

Critical aspect: Decisions in relation to technical aspects of the project must be based on proper review of cost estimates and engineering and other data. If necessary, you should consult technically qualified person on these matters.

(iii) Financial analysis

a. You have to justify financial viability of the project. Hence for each component give the estimate's project and of investments and revenues. This should cover the following.

- Fixed costs
- Variable costs
- Cash flows (in flow and out flows)
- Working capital requirements
- Break even analysis
- Financial internal
- Repayment schedule for loans
- Budget (year wise and consolidation

Budget for the first five years of the project)

(Refer to Professor Ramesh Gupta's class and material provided for financial analysis topic. If necessary, consult experts who have experience of doing financial analysis).

- b. While doing financial analysis give proper justification for the assumption made about various costs, prices and revenues, make financial provision for delays in project implementation since delays cost money.
- c. Give sources of funds for the project, such as share capital from members, loan from cooperative banks, other financial institutions, government etc.

(iv) Economic analysis

- Work out cost - Benefit analysis for the project
- Calculate EIRR

Give proper justification for all assumptions pertaining to costs, prices and revenues (value of land, and subsidies, direct and indirect benefits, prices of out put (market price, shadow price etc.,) labour cost, etc.) Also take into account length of project period, time value of money, present worth (discounting) internal rate of return, sensitive analysisam contingency allowances. (inflation, replacement costs, sunk costs)

(v) Organisation and management

- a. Design the organisation keep in mind the objectives, functions and tasks.

- Define the primary activities in relation to the objectives
- Identify discrete tasks in relation to activities
- For each task identify sub tasks
- Determine workload and nature of each task and sub task; check if these could be combined for greater efficiency and effectiveness
- Identify common needs for various operating systems; personnel, planning, etc.
- Divide the work logically taking into account factor such as functions, product nature, territory, process, technology
- Personnel policies to be followed in relation to recruitment(qualification, experience, salary etc.) and training

b. Methods and procedures for involvement of members in the management of the society (member groups, committees etc.), size of managing committee/board, appointment of board members etc.

c. Prepare organization chart

V Summary of project

Prepare a summary of project

VI Recommendations

Give in brief your recommendations as to how the project should be implemented. This should include also the likely problems during implementation and how to overcome these.

II Appendices

Provide all relevant statistical information, background descriptive information, maps, charts large tables and analysis of data in appendices. Give also sources of information and bibliography on technical matters.

2.3 Presentation

(a) Your report must be properly organised in terms of sequence of chapters, and nicely typed (one side of page; double spacing). The content must be precise and to the point. Do not write about things which are not directly relevant to the project. The main body of the report should be around 35 - 40 pages, excluding the appendices which should be around 10 pages. Thus, the total report should be around 50 pages.

2.4 The structure of report

The report should be organised on the following lines;

<u>Content</u>	<u>Approximate number of pages</u>
(i) Acknowledgement	1
(ii) Content	1
Ch. 1 <u>Summary</u>	2 - 3
Ch. 2 <u>Background</u>	
2.1 overall situation (ivt a commodity) (2)	} 5 - 6
2.2 area of project (1)	
2.3 problems faced by farmers (1)	
2.4 need and justification for the project (2)	
Ch. 3 <u>Project</u>	
3.1 objectives (½)	} 5 - 6
3.2 area of operation (1-½)	
3.3 project components (3 - 4)	
3.3.1 -	
3.3.2 - list all components such as	
3.3.3 - procurement, processing,	
3.3.4 - marketing, extension, by- product processing, etc.	
Ch. 4 <u>Details of operations</u>	
4.1 - give details of each	} 10 - 12
4.2 - operation related to	
4.3 - each component	
4.4 -	
Ch. 5 <u>Organization and management</u>	3 - 4
Ch. 6 <u>Financial analysis</u>	3 - 4
Ch. 7 <u>Budget</u>	1
Ch. 8 <u>Recommendations</u>	2
	<hr/>
	<u>Total pages</u> 33 - 40
<u>Appendices</u>	
- map	} 10 - 15
- tables	
- diagrams	
- details about culculationns	
- other technical data	
- bibliography on technical matters	
	<hr/>
	<u>Total volume</u> 43 - 55
	<u>out</u> 50 pages

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Appendix No. 13

Guidelines for Project Appraisal Review Exercise

1.0 General

- 1.1 While preparing the project proposal, participants should remember that their project proposals will be appraised reviewed on the basis of Guidelines given in Para 2.0 of this note.
- 1.2 The project appraisal exercise will be conducted at IDACA, Japan from 18-24 Feb. 1987. It is expected that each participant will bring with him 25 copies of his project proposal prepared during home country assignment. The project proposal should be complete in all respects.
- 1.3 Copies of all project proposals would be distributed to all participants on their arrival at IDACA.
- 1.4 Each day two project proposals will be reviewed. The participant whose project proposal is to be discussed on a given day will be given 30 minutes to make his independent presentation on his project proposal. He should prepare OHP transparencies in advance to present salient features of his proposal.
- 1.5 Remaining participants will review the project proposal. For this purpose they will be divided into two groups. Each group will discuss two project reports evening day and prepare their notes on each project. They will keep the guidelines given in Para 2 while commenting on the project.
- 1.6 After the presentation of salient features of the project by the participant who has prepared the project proposal as mentioned in para 1.4 above, the two groups will comment on the proposal. This will be followed by the reply by the participant, and suggestions for improvement by the resource persons.

2.0 Guidelines for Project Appraisal Review

The appraisal review exercise will be based on the learning you have during the first two months of the training course. Each project proposal will be appraised on the following lines:

2.1 Project Objectives

Are the objectives clear, specific, precise? Whether the basic concern of "Increasing farmers Income" is clearly reflected in the project objectives?

2.2 Justification for the Project

Whether relevant background information for the Justification of the project provided? To what extent the project takes into account various socio-political economic forces operating in the environment? Have appropriate strategies been suggested to cope up with these forces?

2.3 Integration

To what extent backward, forward and horizontal integration has been attempted?

Does the project proposal clearly emphasise the importance of "Output" marketing and processing orientation, and importance of horizontal integration in terms of development of linkages with primary producers and or farmer groups?

2.4 Anchor

Is there a central, dynamic self-sustaining, economic activity covering marketing processing around which backward, forward and horizontal linkages as well as social welfare and other income generating activities could be developed. Have the value addition activities incorporated in the project?

2.5 Marketing

To what extent marketing aspects have been looked into? For example potential consumer, market information, product market structure, competition, pricing strategy, promotional efforts distribution system, marketing mix, demand forecasting, etc.

2.6 Economic and Financial Analysis

With what vigour and precision the economic and financial viability has been worked out? Whether all relevant cost factors have been taken into account? Whether investment decisions, break-even analysis benefit-cost analysis has been systematically done? Whether cash flows working capital requirements have been worked out with sound assumptions? Has the role of financial agencies and members capital contribution been clearly spelled out.

2.7 Organization Design

Whether primary task for the organization as a whole and for each function activity clearly defined?

Has organizational arrangements for backward, forward and horizontal linkages have been systematically planned?

Have various management functions and specific tasks under each function clearly spelled out? Are they consistent with the anchor activity? Has the organizational structure been evolved to take care of these tasks and cooperative character what kind of organizational processes have been in cooperated in the project to ensure member mobilization member participation, Leadership training, member and staff skill development, extension work on production, processing and marketing functions, etc.?

Has the basic values that would govern all aspects of the organization clearly spelled out.

2.8 Technological Issues

To what extent nature or characteristic of commodity has been analysed, and to what extent this analysis has been used.

- To what extent all pertinent aspects of the technologies to be used have been looked into?
- Whether various technical alternatives were examined, solutions proposed and expected results mentioned.
- To what extent the following have been clearly spelled out.
 - Physical scale (size, capacity)
 - Layout and location of facilities
 - Technology to be used

- Types of equipment and processes
- Local conditions and technical standards adopted
- Approach in relation to provision of services
- Realism of the implementation schedule
- Livelihood of achieving expected levels of output

Critical Aspect: To what extent these are based on review of cost estimates and engineering and other data?

While making investment decisions, marketing decisions and designing the organization? To what extent nature of technological interventions, proposed degree of integration, need and potential for members participation and relative importance of various cost and other factors were taken into account?

Furthermore, to what extent the following technology related aspects have been analysed and presented.

2.9 Project Implementation

Has the activity scheduling according to "PERT" chart been prepared? Whether instructions regarding steps involved in the implementation of the project given? Whether likely difficulties in implementation of the project spelled out?

2.10 Management Information systems (MIS)

Have key areas of decision-making and information flow been identified? Is monitoring system adequate and functional? Does mistake care of different stages of growth?

2.11 Input-Output

Does the project mention clearly the financial and other inputs (Investments) and outputs (in financial and physical terms)?

2.12 Budget

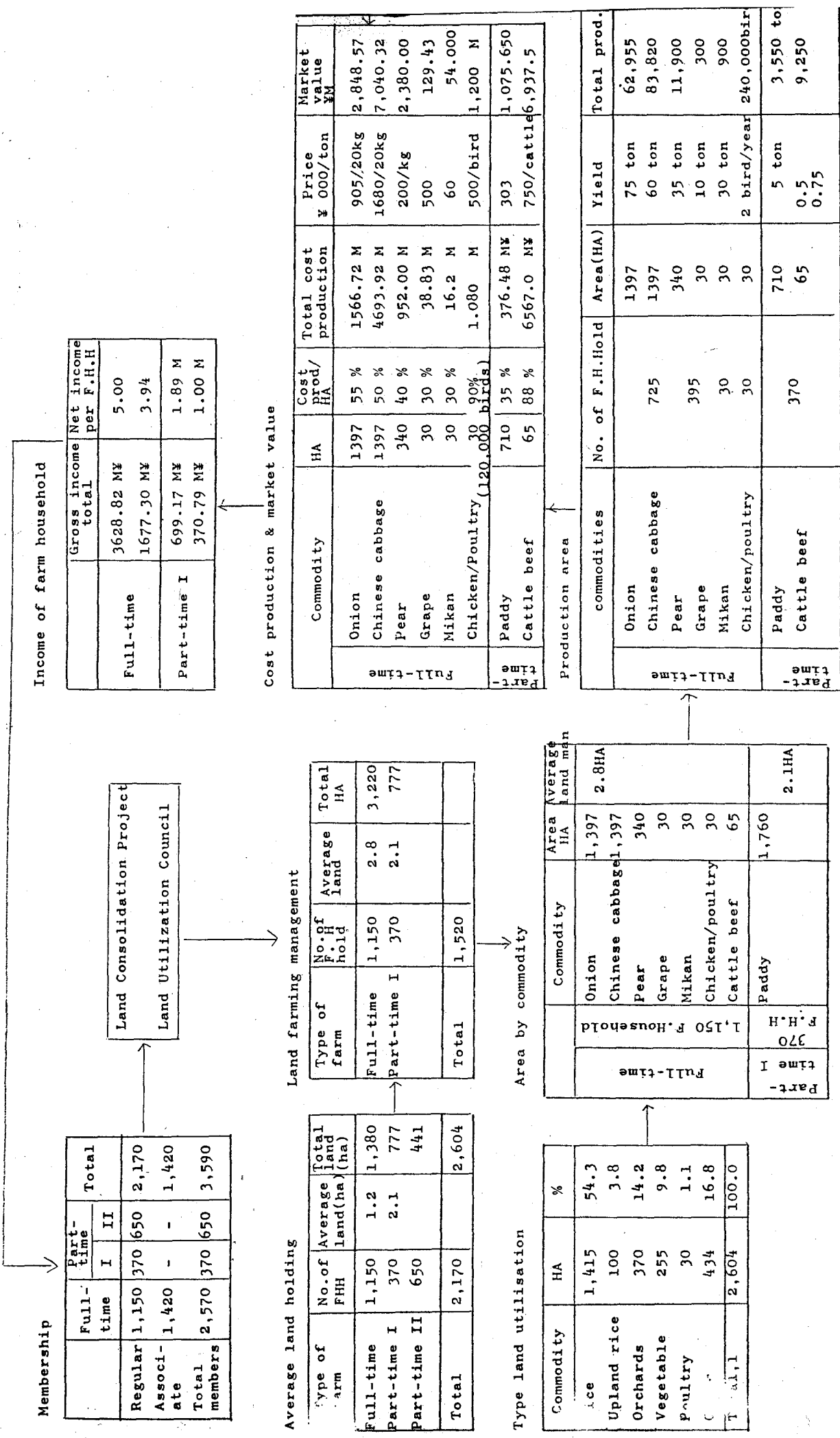
Does the project provides a detailed budget (item wise and year wise) and also the consolidated budget for a given period of time, say for five years starting from preparation stage.

2.13 Summary

Does the project document contains a precise summary of the salient features such as background and Justification, objectives, coverage, acitvities, investments, benefits, organization, likely constructs in implementation and ways of coping with there.

2.14 Overall Presentation

Is the project document nearly prepared and printed? Whether supporting information (maps, diagrams, charts, etc) properly presented? Whether information has been systematically presented with proper chapter schemes, section headings etc.



Membership

	Part-time		Total
	I	II	
Regular	1,150	370	1,520
Associate	1,420	-	1,420
Total members	2,570	370	2,940

Land Consolidation Project
Land Utilization Council

Average land holding

Type of farm	No. of F.H.	Average land (ha)	Total land (ha)
Full-time	1,150	1.2	1,380
Part-time I	370	2.1	777
Part-time II	650	-	441
Total	2,170	-	2,604

Land farming management

Type of farm	No. of F.H. hold	Average land	Total HA
Full-time	1,150	2.8	3,220
Part-time I	370	2.1	777
Total	1,520	-	-

Type land utilisation

Commodity	HA	%
Rice	1,415	54.3
Upland rice	100	3.8
Orchards	370	14.2
Vegetable	255	9.8
Poultry	30	1.1
Cattle	434	16.8
Total	2,604	100.0

Area by commodity

Commodity	Area HA	Average land man
Onion	1,397	2.8HA
Chinese cabbage	1,397	-
Pear	340	-
Grape	30	-
Mikan	30	-
Chicken/poultry	30	-
Cattle beef	65	-
Paddy	1,760	2.1HA

Income of farm household

	Gross income total	Net income per F.H.H
Full-time	3628.82 M¥	5.00
Part-time I	1677.30 M¥	3.94
	699.17 M¥	1.89 M
	370.79 M¥	1.00 M

Cost production & market value

Commodity	HA	Cost prod/HA	Total cost production	Price ¥ 000/ton	Market value ¥M
Onion	1397	55 %	1566.72 M	905/20kg	2,848.57
Chinese cabbage	1397	50 %	4693.92 M	1680/20kg	7,040.32
Pear	340	40 %	952.00 M	200/kg	2,380.00
Grape	30	30 %	38.83 M	500	129.43
Mikan	30	30 %	16.2 M	60	54.000
Chicken/Poultry (120,000 birds)	30	90%	1.080 M	500/bird	1,200 M
Paddy	710	35 %	376.48 M¥	303	1,075.650
Cattle beef	65	88 %	6567.0 M¥	750/cattle	6,937.5

Production area

commodities	No. of F.H.Hold	Area(HA)	Yield	Total prod.
Onion	725	1397	75 ton	62,955
Chinese cabbage	395	1397	60 ton	83,820
Pear	30	340	35 ton	11,900
Grape	30	30	10 ton	300
Mikan	30	30	30 ton	900
Chicken/poultry	30	30	2 bird/year	240,000bir
Paddy	370	710	5 ton	3,550 to
Cattle beef		65	0.5 0.75	9,250

A.

CAPITAL INVESTMENT

JOINT ACTIVITY REQUIREMENTS

GRADING CENTRE
 PACKAGING
 TRANSPORTATION
 MARKETING
 FARM MACHINERY
 NURSERY PADDY
 SEEDLING
 JOINT WORKSHOP

B.

INCOME PER HACT - COMMODITY WISE	
commodity	Net income (million ¥)
	one hectare
Paddy	0.985
Onion	0.916
Chinese cabbage	1.680
Pear	4.200
Grapes	3.0500
Mikan	1.260
Chicken	30 ¥ per bird/60 ¥ per year
Beef cattle	40000¥ per cattle, per year

C.

INPUT SUPPLY

Items	Amount	
	Month	Year
Fertiliser	Assulmed Assumed	Assumed Budgeting
Chemiclas		
Seedling		
Farm machinery		
Farm guidance		

D. ORGANISATION & MANAGEMENT

commodity group	
Paddy growers	
Onion	"
Chi. cabbage	"
Grapes	"
Pear	"
Mikan	"
Poultry	"
Cattle beef	"

Farm guidance advisors

Better living advisors-females

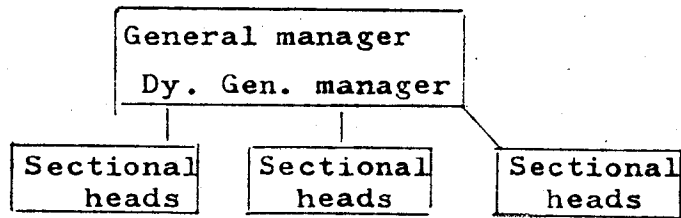
Auditors

Board of directors

President Managing director

Vice president

Directors



E. ACTIVITY BASE BUDGETING

Credit
Insurance
Production material supply
Cons. supply
Grading
Marketing
Farm guidance
Better living

Capital budgeting
Financial plan
Performance budgeting

FARMER PLAN

A. Family members, agri. labour

No.	Name	Relation	Age	Agri. working day		Type of farming
member	Kawasaki	self	47	180	180	Full-time
2.	Sumi	wife	43	120	120	Full-time
3.	Takami	son	8	-	-	Student
4.	Michi	daughter	3	-	-	Child

B.

Farm land facilities & livestock					Remarks
Farm land		Livestocks			
Type	Area	Type	No. of animal		
			1987	1988	
Paddy	-	Milk cattle	-	-	1. Farmer will have 1 hectare land for 3 years through land utilization Union
Up field	-	Cattle beef	-	-	
Citrus		Poultry	-	-	
Pear	1 hact				
Grape	0.3 ha				2. He already has land for 3 year
Mikan	-				
Onion	1 hact				
Chinese cabbage	1 ha				
Total	2.3 ha				

C. Holding of automobiles

Eype	Unit	Year of purchase	Regular up	Year of production	Insured	Plan for new purchase next 3 year
Ordinary truck	1	1981	October	1981	yu	no
Ordinary car	1	1983	September	1982	yu	no
Light truck	1	1979	October	1979	yu	no
Motorcycle (-	-	-	-	-	1988

D.

Building & other immovable property/facility					
Particulars	No.	Description	Future repairment		
			1988	1989	1990
Resi. house	1	3 beds w.c. kitchen	-	-	-
Ware house	1	10 M.T. capacity	-	-	-
Chicken house	1	10000 birds capacity not in use	-	-	-
Green house	1	0.3	-	-	-
Garage	1	18' 9'	-	-	-

E.

FARM MACHINERY				
Item	Unit	Year of purchase	Private joint use	Future purchase
1	2	3	4	5
Power tiller	1	-	joint use	joint use
Maint	1	1980	private	-
Power sprayer (liquid)	1	1979	"	+
Power sprayer (powder)	1	1982	"	+
Power grass	1	1983	"	+
Power gene	1	1985	"	+
Transplanter	1	-	joint use	joint use
Harvestor	1	-	joint use	joint use

F.

DURABLE CONSUMERS GOODS			
Item	Unit	Year of purchase	New purchases 1988
1. Laundry machine	1	1980	1
2. Electric cleaner	1	1980	1
3. Refrigerator	1	1983	-
4. Cooler	1	1982	-
5. Gas range	1	1984	-
6. Electronics range	1	1985	-
7. T.V. set	1	1984	-
8. Solar boiler	-	- -	1
9. Central heating	-	- -	-
10. Electric heating	4	1983	-

G.

EMPLOYMENT OF LABOUR								
Present position					Future plan			
	Full-time		Part-time		Full-time		Part-time	
	M	F	M	F				
Spring	-	-	1	1	-	-	1	1
Summer	-	-	1	2	-	-	1	2
Winter	-	-	-	1	-	-	-	1

H. PRESENT PRODUCTION & FUTURE PLAN

	Products	Present cultivated area	Future plan
Grains	Paddy	-	-
	Upland paddy	-	-
	Wheat	-	-
Fruit	Pear	1 hac 35000 kg	1 hac 35000 kg
	Grapes	0.3 hac 3000 kg	0.3 hac 3000 kg
	Mikan	-	-
Vegetables	Onion	1 hac 45000 kg	1 hac 45000 kg
	Chinese cabbage	1 hac 60000 kg	1 hac 60000 kg
	Cucumber	-	-
Live-stocks	Beef cattle	-	-
	Poultry	-	-
	Milk cattle	1 unit	1 unit

FARMER INCOME

Item	Total production	Gross yield	Cost of prod.	Net income
Pear	35000 kg	7,000,000	40 %	4.20
Grapes	3000 kg	1,500,000	30 %	1.05
Onion	45000 kg	2,036,250	55 %	0.91
Chinese cabbage	60000 kg	5,040,000	67 %	1.68
Total				7.84
less lease to part-time II farmer				1.00 mil.

Net income = 6.84

Million ¥

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Appendix No. 16

The Regional Agriculture Promotion Plan (RAPP)
of the NISHI-IDACA Primary Agriculture Cooperative

Q. Work out the outline of the master plan for the NISHI-IDACA
Primary Agriculture Cooperative with the following objectives;

OBJECTIVES

1. To increase full-time farmer's income to the level of 3 million yen.
2. To increase the part-time I farmers income of 2.5 million yen.
3. To persuade the part-time I farmers gradually become full time farmers.

The group B which consist of participants;

- | | |
|------------------------|---------------|
| 1) Dr. N. P. Sharma | (India) |
| 2) Prof. Baik | (Korea) |
| 3) Mr. Joshi | (India) |
| 4) Mrs. Liu | (China) |
| 5) Mr. Kreingsak | (Thailand) |
| 6) Mr. Cesar Alorntana | (Philippines) |
| 7) Mr. Mohamed Redza | (Malaysia) |

have discussed and suggested the RAPP of the NISHI-IDACA as
following;

1) Back-ground information

Current informations on membership, land holdings and commodity
were given and are arranged back as in tables below;

a) Membership

Table I

	Full time	Part time		Total
		I	II	
Regular member	1,150	370	450	2,170
Associate members	1,420			1,420
Total				2,590

b) Farmers land holdings

Table II

Farmers Classification	No. of Farm Households	Average land holdings(ha)	Total land holdings(ha)
Full-time	1,150	1.2	1,380
Part-time I	370	2.1	777
Part-time II	650		447
Total	2,170		2,604

c) CROPPING PATTERN

Table III

Types of commodity	Hectares	Percentage (%)
Rice	1,415	54.3
Upland Rice	100	3.8
Orchards	370	14.2
Vegetables	255	9.8
Poultry	30	1.1
Total	2,170	100 %

d) Conditions given

- I) Part-time I farmers not interested in improving agricultural income.
- II) Cooperative can't increase rice cultivation due to government restrictions.
- III) Growing demand for fresh and canned fruit and vegetable in domestic market while demand for pork and poultry is declining for beef is increasing.
- IV) Surplus foods is the farm of servings in cooperatives.
- V) Cooperative is near city, encroachment on agricultural land.
- VI) Cooperative has not yet introduced the commodity wise activities.

2) Assumptions

- I) Part-time I farmers are all growing paddy since the man/days of working in the field is 60 man/days per season. They would prefer to do agriculture with is possible to accomodate ample time for their part-time job in near by city.
- II) Since government improved restrictions on rice production the cooperative has taken big step in giving awareness and motivation to the full time farmers to diversify their agriculture from paddy to other high value crop. Government is giving fair comperations for these farmers who wish to diversified to other crops from paddy.
- III) The orchard of 370 ha is all grown with pears and these the primary cooperative is processing surplus production into wine.
- IV) Vegetables grown in this area is of the chinese cabbage and onions. Onions and chinese cabbage is grown in rotations.
- V) All poultry farmers have decided to rear other types of profitable livestock.
- VI) The cooperative has taken steps to give much lower rate of interest to members who wish to utilize surplus for agriculture project especially in diversification of their agricultural produce.
- VII) There is positive response from part-time II farmers to rent their land to those members who wished to expand their agriculture.
- VIII) New commodity such as grapes is suitable to be planted especially in upland area.
- IX) The poultry farmers have started rearing of beef cattle on a just small scale.

X) Market information given by the Economic Federation of the Prefecture on commodities development area as follows;

- a) Demand for 1,500 ha of chinese cabbage and onions in vegetable development in the prefecture.
- b) Demand of 1,000 ha of new grapes planting in the prefecture.
- c) Demand of 10,000 beef cattles in the prefecture.
- d) Stable production of pears in the prefecture.

Table IV

Commodity	FULL TIME		PART - TIME I		PART - TIME II	
	No	Acreage	No	Acreage	No	Acreage
1) Rice	522	434	370	777	10	12
2) Upland Rise	83	100	-	-	-	-
3) Pears Orchard	308	370	-	-	-	-
4) Onions & Chinese Cabbage (Vegetable)	202	255	-	-	-	-
5) Poultry	25	30	-	-	-	-
Total	1,160	1,381	370	777	10	12

Visions made were;

- 1) Upland rice should be converted into new fruits all of grapes .
- 2) The total pears acreage should be maintained
- 3) Part-time I farmers should rear beef cattle to increase the agricultural income expert farm paddy planting
- 4) Low land paddy growing should be sustained at part-time I farmers level only
- 5) Full-time farmers dealing with paddy was encouraged to diversified with vegetable growing of onions are chinese cabbage
- 6) Poultry farmers should go full time into Japanese beef cattle raising
- 7) Part-time II farmers land is encouraged to rent land to full-time farmers especially to those raising beef cattle
An autonomous body within the hamlet should be set up to coordinate leasing transfers.
- 8) Full-time farmers income should be increased to at least more than 3 million yen annually and part-time I agriculture income within 2.3 million yen to 3 million yen annually.

4. Objectives of Plan

To increase the agricultural income of

- 1) Full-time farmers to the level of 3 million yen annually or more
- 2) Part-time I farmers to a level between 2.5 million yen to 3 million yen annually.

5. Farming Pattern of farm family

Farming pattern is greatly reflected to the background informations and the visions that were given and it should be able to achieve the objective of the plan. Farm management plan of both the full time farmers and part-time I farmers will developed separately.

1) Full-time Farmers

The farming pattern of full-time farmers with arrange of 1.2 ha before the new one developed is as shown ;

Table VI

Acreage (Ha)	Cropping pattern	No. of farmers farming engaged	Acreage	Annual income of 1 farm family
1.2 ha	Paddy	522	434	1,182,000 yen
1.2 ha	Upland paddy	83	100	1,182,000 yen
1.2 ha	Onion cabbage	212	255	3,116,400 yen
1.2 ha	Pears	308	370	5,040,000 yen
1.2 ha	Poultry	25	30	"-

To develop the new farming pattern; the suggestion of changing;

- a) Upland to grapes wine was agreed by farmer
- b) Conversion of rice field to vegetables also was agreed by farmers
- c) Poultry farmers agreed to raising livestock of beef cattle
- d) Survey was done to all the farmers and results shown that they agreed towards the farming pattern.
- e) The vegetables farmers and the pears should still use the same farming patterns.

The new farming pattern of the full-time farmers with acreage of 1.2 hac. is as follows;

Table

Acreage (Ha)	Cropping pattern before	new	No. of farm family engaged	Acreage covered (Ha)	Renting feeds family 10,000 yen/ha	Annual income of 2 farm family
1.2 1.2	Paddy Paddy	Onion & chinese cabbage	523	634	-	3,116,400 yen
1.2	Upland paddy	Grapes	83	100	0	3,020,000 yen
1.2	Onion Cabbage	Onion Chinese cabbage	212	255	-	3,116,400 yen
1.2	Pears	Pears	308	370		5,040,000 yen
1.2 Land of ha	Pou- ltry	Beef cattle	25	130	200,000	6,300,000 yen
Renting(50) Beef cattle		(50heads) pasture				

Part-time I farmers

Part-time farmers have an acreage of 2.1 ha and of which 1 ha was utilized for paddy planting on previous occasions. This is the cropping pattern for part-time I farmers before as shown in table 8 below;

Table 8

Acreage	Cropping pattern	No. of farm family engaged	Acreage covered	Acreage in-covered	Annual income/family
2.1 ha but only 1 ha planted	1 ha paddy	370	(ha) 370	(ha) 407	983,000 yen

To develop the new farm management pattern the part time farmers agreed to develop the unplanted fields with pastures which require least mandays per session to be used as feed shift for raising beef cattle. They also agreed to rent another hectare of land farm part-time farmers for planting pastures. The survey should the agreement to the diversification in agriculture.

Table 9 Farming plan for part-time I farmers

Acreage	Cropping old	pattern new	No. of farm family engaged	Acreage covered(ha)	-Renting feeds	Annual income per family
2.1 ha (own land) 1 ha (rent)	1 ha of paddy	1 ha of paddy 2.1 ha of pasture +13 beef cattle	370	370 ha paddy+777 pastures	50,000 yen per ha	918,000 yen + 1,900,000 = ¥ 2,818,000

Master Plan for Commodity-wise of Primary Agricultural Society

Table 10

Types of farmers Cropping pattern of commodity	FULL TIME FARMERS			PART TIME I FARMERS				
	No. of farm family engaged	Acreage covered ha	Acreage of land needed for rental (ha)	Targeted annual income per farm family	No. of farm family engaged	Acreage covered ha	Acreage of land needed for rental (ha)	Targeted annual income per farm family
1) From 2.1 ha of paddy A. Land to ha of rice B. 2.1 ha of pastures and 1.5 Japanese beef cattle					370	370	370	¥918,000 + ¥1,900,000 = ¥2,818,000
2) 1.2 ha upland Padi to 1.2 ha of grapes vines	83	100		3,020 million yen				
3) 1.2 ha of pears	308	370		5,040 mil. yen				
4) 1.2 ha of paddy land to 1.2 ha onions and chinese cabbage	522	634		3,1165 mil. yen				
5) 1.2 ha of onions and chinese cabbage	212	255		3,1164 mil. yen				
6) From 1.2 ha of poultry for 5.2 ha of pasture and 50 heads of Japanese beef cattle	25	130ha pastures and 1,750 beef cattle	105	6.3 mil mil. yen				

Conclusion

The implement the master plan in addition the society has to develop (2) major new programmes separately that is;

- a) Land developed plan of developing the 100 acres of upland paddy to grape wines.
- b) Initiate development of hamlet steering committee to coordinate the legal leasing procedure of about 475 hectares of part time II farmers to the part time I farmers and full-time farmers mostly for planting pastures as feed shifts for Japanese beef cattle making.

Farmers Plan

Farm Management Plan - 1988

Code No. - X, HAMLET - IDACA - SHI, Name: Tanaka

1. Family Members:

No.	Name	Relations	Age	Agri. Working days	Remarks
(1)	(II)	(III)	(IV)	(V)	(VI)
1	Mr. Tanaka	self	50	195	Full time Farmer
2	Ms. Mie	wife	42	190	
3	Mr. Agame	son	12	-	student.
4	Ms. Aki	daughter	9	-	

2. Type of farmers: Full Time Farmers

3. Farm Land Facilities:

No.	Type	Area	Type	No. of animal	
				1987	1988
1	Paddy Field	0.3	I		
2	Upland field	0.1			
3	Orange	-	a) Matured	-	-
4	Pear	1 ha	b) calves	-	-
5	Grape	0.3 ha	II Beef cattle	10	50
6	Onion	0.5 ha	III Poultry		
7	Chinese cabbage	0.5 ha	Chickens	20,000	20,000 birds

4. Holding of Automobiles:

Type	Unit	Year of purchase	Year of Production	Insurance liability	Plan of Prurchase
Tractor	1	1981	1981	yes	no
Car	1	1983	1982	yes	-
Truck	1	1979	1979	yes	-

5. Farm Household Income

Agri. Production (Tons)	Net income	Livestock Production	Gross income	Cost	Net income
a) Grape 4	3 M. ¥	Beef cattle 50	35 M. ¥	30 M. ¥	5 M. ¥
b) Pear 3	2 M. ¥	Poultry birds 2000	12 M. ¥	10 M. ¥	2 M. ¥
c) Paddy 1.5	3 M. ¥				
d) Cabbage 36	2.5 M. ¥				
e) Onion 20	12 M. ¥				

Net income from crops. 1.5 M. ¥

Net income from livestock. 7 M. ¥

Total Net income. 15.5 M. ¥

6. Building and facilities

Item	No.	Description	Future Requirement
Living income	1	5 Rooms	-
Store	1	50 m ²	25 m ²
Cattle House	1	For 100 cattle	-
Poultry House	1	50,000 birds	-
Green House	1	0.2 hectare	-
Garage	2	-	-

7. Farm

Item	No.	Year of purchase	Joint use	Future plan
Power tiller	1	1980	No	Acquire Tractor
Maintenance workshop	1	1981	yes	
Power sprayer	2	1981&1983	yes	
Cutter	1	1981	-	
Combine harvester	1	1982	-	
Husker	1	1982	-	
Transplanter	1	1985	yes	

8. Durable consumer goods

No.	Item	No.	Year of purchase	Future plan
1	Washing machine	1	1982	-
2	Gas Range	2	1985	-
3	T.V. set	2	1982 / 1985	-
4	Solar boiler	1	1984	-
5	Central heating	-	1980	-
6	Other small household goods necessary	-	-	Not yet decided.

9. Labour

Employed labour

Full time

	Spring/Summer	Winter
Male	30	20
Female	10	5

Future plan

Full-time

	Spring	Winter
Male	30	25 (green house)
Female	15	10

Part-time

Male 30

10. Present production & future plan

Particulars	Present cultivated area (ha)	Future plan
1. Grains		
2. Upland paddy	0.1	-
3. Paddy	0.3	0.3
4. Wheat	-	-

Present production and future plan

Particulars	Present cultivated area(ha)	Future plan
Orange	-	0.2
Apple	-	0.2
Pear	1.00	1.0
Grape	0.3	0.2
Cabbage	0.5	0.5
Onion	0.5	0.4
Tomato	-	0.2

11. Land utilization plan - 3 years

Above plan will continue for coming 3 years

12. No entrust farming

13. Other details

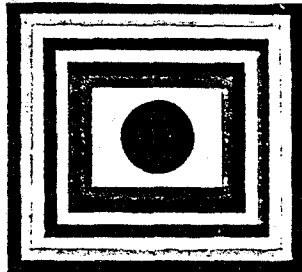
- a) will continue to be member of coop
- b) will continue to be full time farmer
- c) will continue to revise cropping pattern looking to the market situation and price policy of the group
- d) will abide by the decision taken by commodity group
- e) will like to continue in pear growing group
- f) will continue to have livestock and poultry along with agricultural and horticultural crops

ICA TRAINING PROJECT FOR
AGRICULTURAL COOPERATIVES
IN SOUTH-EAST ASIA

REPORT

Submitted to the Government of Japan

Volume-I



BY

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PROGRAMME COORDINATOR

INTERNATIONAL COOPERATIVE ALLIANCE

JUNE 1987

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1. INTRODUCTION

The ICA Training Project for Management of Agricultural Cooperatives in South-East Asia is a unique example of international collaboration between a government and a non-governmental international organization (NGO). The initiative taken by the Central Union of Agricultural Cooperatives of Japan in facilitating an agreement between the government of Japan and The International Cooperative Alliance (ICA) has opened up a new chapter in the sphere of international effort in mobilizing resources for the grass-root level cooperative activity aimed at ensuring tangible economic benefits to farmer member.

The first year of this collaboration not only aimed at translating the main objectives of the project into meaningful and result-oriented management development programmes, but also establishing certain norms for future activities on similar lines.

In the process of implementing this project, I have received excellent cooperation from the International Division of the Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan, Central Union of Agricultural Cooperatives (Zenchu), The Institute for the Development of Agricultural Cooperation in Asia (IDACA) in Japan, The Indian Institute of Management, Ahmedabad (IIMA) in India, The V.Mehta National Institute for Cooperative Management (VMNICM), Pune in India, The National Agricultural Cooperative Marketing Federation in India (NAFED), The Cooperative League of Thailand (CLT), The National Agricultural Cooperative Federation in the Republic of Korea (NACF), numerous other cooperative institutions which received the course participants during the field visits and my colleague both in the Head Office and the Regional Office for South-East Asia of the International Cooperative Alliance.

The willing cooperation of the course participants in taking keen interest in all activities of the programme and the support given to the project by the organizations which had sponsored the candidates for training have been commendable.

My sincere thanks to all the above individuals and agencies for their valued cooperation in leading the first year's training programme to a successful conclusion.

I have great pleasure in presenting this report to the Government of Japan.

M. V. Madane
Programme Coordinator
ICA Training Project for
Management of Agricultural
Cooperatives in S-E Asia

2 . BACKGROUND AND JUSTIFICATION

2.1. The Background

2.1.1 The first indication that the Japanese Government was considering a proposal to assist the International Cooperative Alliance (ICA) in establishing a cooperative training project was made known to the ICA authorities during the early months of 1986, through informal discussions with representatives of the Central Union of Agricultural Cooperatives in Japan (Zenchu). This was followed by frequent consultations between the ICA, ZENCHU and the Ministry of Agriculture, Forestry and Fisheries on the other.

2.1.2 Soon after receiving news of approval by the Government of Japan of the funds for the proposal, the ICA took steps to establish the project and pending conclusion of a formal agreement, drew up an implementation plan to execute it.

2.1.3 In accordance with the Implementation Plan, the ICA Training Project for the Management of Agricultural Cooperatives in South-East Asia was established from July 1, 1986 for the duration of one year. With the appointment of the Programme Coordinator from this date, the Project Implementation Plan became operational. The project was located at the ICA Regional Office for South-East Asia in New Delhi (India) and the area of operation of the project was determined to be identical to that of the ICA Regional Office.

2.2. Justification

2.2.1 Agriculture is by far the most important economic activity in almost all countries of Asia contributing to the highest percentage of their GNP. Agriculture is also the source of livelihood for majority of the population in this Region.

2.2.2 Over three-quarters of this century, agricultural cooperatives have been functioning in the Asian region. However, with only a few exceptions, the growth of these cooperatives is lopsided and not commensurate with the needs and aspirations of the agricultural communities.

2.2.3 There is no denying of the fact that the agricultural cooperatives are indispensable for accelerating the development of agriculture and rural areas in developing countries. The remedy lies in steering these cooperatives to the right course of action. For this purpose, leadership, responsive to the needs and aspirations of the farmers and managerial personnel competent to ensure maximum economic returns to the producers are needed to be at the helm of affairs of cooperative activity.

2.2.4 Realizing the importance of development of such kind of leadership, through right kind of training, the Government of Japan, in the Ministry of Agriculture, Forestry and Fisheries, has come forward to assist the ICA with necessary funds for the creation of the ICA Training Project for Management of Agricultural Cooperatives in South-East Asia.

3 . PROJECT OBJECTIVES

3.1. Development Objective

To improve capability of cooperative leadership at organizational and managerial levels in order to strengthen cooperative management and thereby ensure increased economic benefits to farmer members.

3.2. Immediate Objectives

3.2.1 To examine the present cooperative organizational structures in Asian countries and discuss the advantages and disadvantages of an integrated cooperative system for a more effective cooperative development process.

3.2.2 To introduce improved managerial practices in cooperative functioning supported by linkages at appropriate levels.

3.2.3 To introduce perspective planning in cooperative management with special reference to budgeting, investment analysis, costing and in evolving pricing policies.

- 3.2.4 To evolve a project approach in cooperative development and introduce methods for project preparation, implementation monitoring and evaluation.
- 3.2.5 To introduce the multi-purpose, single-purpose and commodity based cooperative models and examine their applicability in the participating countries.
- 3.2.6 To study various ways of resource mobilization for cooperative development; and
- 3.2.7 To introduce farm guidance methods to cooperative member farmers to increase farm productivity.

4 . PROJECT FINANCING

4.1. Budget

4.1.1 The decision of the Ministry of Agriculture, Forestry and Fisheries, Government of Japan, to contribute funds to the International Cooperative Alliance was followed by a grant of Japanese yen 83,600,000 for implementing the project in one year. The amount of contribution was divided into five budget heads as follows;

1) Remuneration to resource persons	¥ 27,000,000
2) Travel and lodging expenses	¥ 28,768,000
3) Operational costs	¥ 18,120,000
4) Report-writing, printing	¥ 755,000
5) Administrative expenses	¥ 8,957,000

4.2. Sub-contract to IDACA

4.2.1 The budgeted amount was transferred by MAFF to two separate accounts maintained by ICA in Geneva and in Tokyo. The US dollar account in Geneva (\$232,846) was for expenses to be incurred through the ICA Head Office and its Regional Office for South-East Asia in New Delhi and the yen account in Tokyo (¥34,935,000) for expenditure to be incurred by The Institute for the Development of Agricultural Cooperation in Asia (IDACA) for conducting second part of the training

course and for expenses to be incurred by ICA for its personnel and programmes in Japan.

4.2.2 For the purpose of conducting part-two of the training course in IDACA, for a period of two months, ICA entered into an agreement with IDACA authorities. Under this agreement, an amount of ¥ 26,646,520 was transferred to IDACA towards the cost of conducting this part of the programme.

4.2.3 Separate accounts were maintained for the utilization of these amounts in ICA Head Office in Geneva, The ICA Regional Office in New Delhi and the IDACA office in Japan.

Details of the budgeted amounts for expenditure at various places are given in appendix No. 1.

5 . PROJECT IMPLEMENTATION SCHEDULE

The one year project period was divided as follows;

5.1. July - October 1986 - Planning Stage

5.1.1 Appointment of Project Coordinator

5.1.2 Preparation of Course Programme

5.1.3 Sending invitations to member organizations to nominate candidates for the course.

5.1.4 Selection of resource persons

5.1.5 Preparation of case studies and documentation

5.1.6 Nomination of participants

5.1.7 Selection of participants and finalizing arrangements for their travel and accomodation.

5.1.8 Discussion on project implementation with the CUAC, MAFF and IDACA and member organizations in Thailand and Republic of Korea.

5.1.9 Practical arrangements for organizing part-one of the training course ; and

5.1.10 Financial arrangements for the Training Course

5.2. Part-one of the Training Course : New Delhi (India)
November - December 1986

5.2.1 First week : Review of Agricultural Cooperatives in the Region; their Management Practices (Nov. 4 - 8)

5.2.2 Second week : Modules on Integrated Cooperative Development (Nov. 10 - 14)

5.2.3 Third week : Module on the Organization (Nov. 17 - 22)

5.2.4 Fourth week : Module on Basic Management Concepts (Nov.24 - 29)

5.2.5 Field Visits in India (Nov. 30 - Dec. 10, 1986) Appendix No.2

5.2.6 Discussions on Field Visits (Dec. 11 - 12)

5.2.7 Seventh week : Module on Planning and Management(Dec. 15 - 19)

5.2.8 Eighth week : Module on Preparation of Projects for Agricultural Development (Dec. 22 - 27)

5.2.9 Briefing on Home Country Assignments
Summing up and Closing Function (Dec. 29 - 30)

5.2.10 Departure for Bangkok (Dec. 31, 1986)

5.3. Field Visits in Thailand (January 1 - 13, 1987)

The visits were arranged to national level cooperative federations and the Cooperative Promotion Department in Bangkok and to provincial and primary level cooperatives in Pathumthani and in Nakornratchasima and Yasothon provinces. Appendix No. 3

5.4. Home Country Assignments (January 16 to February 15, 1987)

During this period, the participants were given the specific task of preparing projects for agricultural cooperative development in their respective countries.

5.5. Part-two of the Training Course : IDACA (Tokyo, Japan)

February 18 - April 18, 1987

5.5.1 Appraisal of Projects prepared during Home Country Assignments (Feb. 18 - 24)

5.5.2 Introduction to the present situation of Agriculture and Agricultural Cooperatives, the Rural Society, Land Utilization and Consolidation Programmes, Regional Development Plans, the Price Stabilization System for Agricultural Products, the Farm Guidance and Better Living Activities and the Management of Agricultural Cooperatives in Japan (Feb. 25 - March 13)

5.5.3 Field Visits to Agricultural Cooperatives in Saga Prefecture (March 15 - 21) Appendix No. 4

5.5.4 Detailed discussions on various activities of Primary Agricultural Cooperatives (March 23 to April 4)

5.5.5 Field Visits to Agricultural Cooperatives in Nagano Prefecture (April 5 - 11) Appendix No. 5

5.5.6 Discussions on International Cooperation of Japan for Agriculture and Forestry (April 13)
Drafting of Reports by Participants and Course Evaluation (April 14 - 16)
Closing Ceremony (April 17)
Departure of participants for Seoul (April 19)

5.6. Field Visits in the Republic of Korea (April 19 to May 3, 1987)

The visits were arranged to the National Agricultural Cooperative Federation in Seoul and other ICA Member Organizations and their facilities and branches in the provinces and the primary agricultural cooperatives in Kyoeouguam and Kyoung-ju provinces. Appendix No.6

5.7. Reporting and Evaluation (May 4 - June 30, 1987)

The period from the end of the training course to the end of the Project period was used to prepare the report submitted by the ICA to the MAFF and to evaluate project implementation with ICA authorities and other concerned organizations and agencies. Studies related to the course programme and the country projects were continued during this period.

Copies on the entire course programmes in New Delhi (India) and IDACA(Japan) are enclosed in Appendices 7 and 8.

6. PLANNING AND PREPARATION FOR THE COURSE

6.1. Mr. M. V. Madane was appointed as the Programme Coordinator for one year by the Regional Director of ICA for South-East Asia. Mr. Madane had earlier worked for the ICA as a Joint-Director for Trade and Technical Assistance in the Regional Office for over fourteen years from 1962 to 1975. Thereafter, he had taken up an assignment for Food and Agriculture Organization (FAO) of the United Nations; first as the Senior Adviser to the Government of Afghanistan for nine and a half years and then as Senior Country Project Officer in the Asia and the Pacific Bureau of the FAO in Rome.

6.2. After finalizing his annual work plan, the Programme Coordinator prepared a tentative programme for the ICA Training Course for Strengthening Management of Agricultural Cooperatives in South-East Asia. The tentative programme was later discussed with the Regional Director and a revised draft was prepared.

6. 3. The ICA Regional Director had earlier sent out advance intimation about the training course to all its member organizations in South-East Asia. This was followed by a letter of invitation on 6th August 1986 to nominate candidates for the course which was targeted to commence on 1st November 1986.
6. 4. The Programme Coordinator then visited, during the month of August, the V. Mehta, National Institute of Cooperative Management (VMNICM) in Pune (India) and the Indian Institute of Management in Ahmedabad (IIMA), for recruiting resource persons and for preparing case studies and other documentation for the training course.
6. 5. As the training course programme was to be spread over four countries, viz, India, Thailand, Japan and the Republic of Korea, the Programme Coordinator visited these countries to discuss all arrangements with the concerned ICA member organizations. In India the discussions concerning the field visits were held with the National Cooperative Union of India (NCUI) and the National Agricultural Cooperative Marketing Federation (NAFED). The discussions in Thailand for arrangements concerning the field visits were held with the Cooperative League of Thailand (CLT) and Senior Officers of the Cooperatives Promotion Department (CPD). In Japan, detailed discussions took place with the International Department of the Central Union of Agricultural Cooperatives (ZENCHU) and the Institute for the Development of Agricultural Cooperation in Asia (IDACA) concerning arrangements for the Second Part of the Training Course in IDACA. The Programme Coordinator also visited the Senior Officials of the International Division of Ministry of Agriculture, Forestry and Fisheries in Tokyo and discussed with them the broad aspects of the Project and the financial arrangements for its implementation. The discussions in the Republic of Korea concerning the two weeks of field visits were held with Senior Officials of the National Agricultural Cooperative Federation (NACF) and other ICA member organizations in Seoul.

6. In the meantime, nominations had been received in the Regional Office of candidates from ICA member organizations from all the countries except Pakistan which regretted her ability to nominate due to lack of adequate time for the purpose. After returning from visits abroad, the Programme Coordinator finalized the selection of participants for the course in consultation with the Regional Director.

Fifteen participants from nine Asian countries were selected and letters of acceptance of their nomination were sent out to the respective member organizations. Travel arrangements for the participants were finalized through M/S Thomas Cook which are the official travel agents for the ICA Regional Office. A list of the candidates selected with their addresses is given in appendix No. 9.

7. Practical arrangements for first part of the course were completed in October 1986. The lecture hall of the ICA Regional Office was selected for conducting the course while the accommodation for the course participants was arranged at Vikram Hotel in New Delhi. The administrative and other facilities of the ICA Regional Office were made available for conducting the course. For the field visits in India, NAFED and its affiliates in the State of Maharashtra worked out the details including hotel and transport arrangements during these visits.

7. RESOURCE PERSONS AND PEDAGOGY

- 7.1. Realizing the importance of the training project and in order to ensure successful implementation of the training programme, the Programme Coordinator obtained the services of very experienced persons in the field of cooperative management and leadership development training programmes. The resource persons recruited for part-one of the training course were drawn from the following institutions.
- The Indian Institute of Management, Ahmedabad (IIMA)
- The V. Mehta National Institute of Cooperative Management, Pune (VMNICM)
- The National Agricultural Cooperative Marketing Federation in India (NAFED)
- The Ministry of Agriculture and Rural Development
- The ICA Regional Office for South-East Asia
- 7.2. For the second part of the training course in IDACA, arrangement for identifying the resource persons and arranging necessary documentations were made through IDACA authorities.
7. 3. A list of the resource persons associated with the entire training programme is given in appendix No. 10, A & B.
7. 4. The entire course programme in New Delhi was based on modules prepared for each week. The pedagogy used for this and subsequent modules was as follows; Class schedule giving details of topic and reading/discussion material for each session along with the reading/discussion material for the week was distributed to participants in advance.
7. 5. Generally, one topic and related case material was exhaustively covered in a day. Participants read the material in advance and or during the first session after initial presentation by the faculty. During second and third sessions, the participants in two groups discussed the material following the questions and guidelines provided by the faculty.

7. 6. During the group discussion, faculty members were also present to clarify and issues raised by the participants. Group discussion was followed by presentations of group reports, followed by further discussion and summarisation by the faculty. Thus, case method, group discussion and audio-visual presentations were followed.
7. 7. During part two in IDACA, the emphasis was on lecture method. However, some lectures were based on case studies prepared by the lecturers. Occasionally slides, documentary films and OHP films were used. Group discussion were arranged on a group of subjects and planning assignment were given to the groups on topics related to multipurpose cooperatives.
7. 8. The group discussion method was extensively used during the first week of IDACA programme when the projects were appraised. The presentation of the projects was done by most of the participants with the help of OHP films prepared earlier. Lists of material used for the New Delhi and IDACA programmes are enclosed in Appendix No. 11, A & B.

8. INAUGURATION OF THE ICA TRAINING COURSE FOR STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES IN SOUTH EAST ASIA

8. 1. The selected participants started arriving in New Delhi from first November 1986 and the first three days were spent in introductions and in giving guidance on the detailed arrangements made for the first part of the training course.
8. 2. The formal inauguration of the training course took place in the conference room of the ICA Regional Office, at the hands of H. E. Takumi Hosaki, Ambassador of Japan in India. The inaugural session was presided over by Mr. V. P. Singh, President of the National Cooperative Union of India (NCUI). Several leaders of the national level cooperative organizations in New Delhi attended the ceremony. The Regional Director of the ICA, Mr. R. B. Rajaguru welcomed H. E. the Ambassador and other distinguished guests and Mr. M. V. Madane the Programme Coordinator proposed a vote of thanks.

8. 3. In his inaugural address, H. E. Hosaki appreciated the efforts made by the ICA in organizing the training course which he described as "truly significant since it is the first endeavour (of its kind) ever undertaken in the sub-continent". The ambassador also referred to the important role played by the Government of Japan in financing the project. Ambassador Hosaki spoke on the growing concern of planness in many developing countries on the increasing demand for food and other agricultural products due to the pressure of population and the role played by cooperatives in developing awareness among these countries to find a solution to this problem by involving people in development efforts. "In this context", the ambassador added, " I should like to express appreciation to the role played by ICA which is one of the oldest non-governmental organization founded by International Congress held in London in 1895.

Before concluding, the Ambassador was pleased to note that eight national level cooperative organizations from Japan with individual membership of about 18 million are affiliated to the ICA.

H. E. Hosaki then extended his best wishes for the success of the training course and expressed the hope "that Japanese support to cooperative activities of the ICA can be consolidated in the future".

In his presidential speech, Mr. V. P. Singh emphasised the importance of leadership development through management training and extended his sincere thanks to the Government of Japan for financially supporting the ICA in its effort to strengthen management of agricultural cooperatives in the Asian region. He extended NCUI's full support to ICA in conducting the training course.

9. REVIEW OF CHARACTERISTICS AND PROBLEMS OF AGRICULTURAL COOPERATIVE MOVEMENTS IN PARTICIPATING COUNTRIES

- 9.1. Soon after the inauguration ceremony, the training course work commenced with the introductions and discussion on working methods.
- 9.2. The first week was devoted to the review of agricultural cooperatives in the participating countries and to the identification of problem areas which needed attention. The reviews on different countries were based on the background papers and case studies prepared by the participants. Resource persons from ICA participated in the review sessions. Following are some of the important aspects of each country identified during the review sessions.
 - 9.2.1 Bangladesh
 - 9.2.1.1 Despite the numerically strong cooperative movement (18 national level, 1009 secondary level and 121,046 primary level cooperatives), majority suffer for want of adequate financial strength and insufficiency of business activities.
 - 9.2.1.2 The cooperatives are divided into two sections; one voluntary cooperatives, led by the Bangladesh Jatiya Samabaya Union (BJSU) with meagre resources but based on sound cooperative principles and the other heavily supported and subsidized cooperatives under the Integrated Rural Development Programme (IRDP) functioning under the guidance of the Bangladesh Rural Development Board. Both the types of cooperatives are equally ineffective. The first due to lack of resources and government support and the second due to rapid expansion without matching efforts for management development and training.
 - 9.2.1.3 There is no serious effort made to integrate the two sections nor to strengthen the voluntary sector. The vast movement lacks a policy directive and adequate support for a planned and integrated development.

9.2.2 China

- 9.2.2.1 The current process of liberalization has given the supply and marketing cooperatives in China fair amount of autonomy to conduct supply and marketing activities all over the country. The All China Federation of Supply and Marketing Cooperatives has, as its affiliates, 28 provincial unions at provincial level, 2,100 cooperative unions at country levels and 35,000 cooperatives representing 130 million households at the primary levels.
- 9.2.2.2 The supply and marketing cooperatives have been given the important role by the government to vitalize agricultural production, to market farm produce and supply agricultural inputs and consumer goods to the rural population. Attempts are being made to integrate the cooperative activities through proper infra-structure such as processing, transport and marketing.
- 9.2.2.3 China has fewer cooperatives to cover the vast population with the result that one cooperative may have to cover over 50,000 households. This makes the cooperative less effective. Due to lack of coordination, the cooperatives in different areas compete with each other thereby reducing the collective power of all cooperatives to compete with non-cooperative sector. And in certain remote areas, local government authorities often transfer their own financial responsibilities to cooperatives which makes them financially weak.

9.2.3 India

- 9.2.3.1 Starting with credit in 1904, the cooperatives have now covered almost all sectors of economy and have branched off to specialized sectors such as marketing, international trade, agro-processing, fertilizer production, production of heavy machinery and housing in both urban and rural areas. The total number of cooperatives in the country are 300,000 with a membership of 125 million. Most of the cooperatives have been vertically integrated through their federations or unions at district, state and national levels headed by the National Cooperative Union of India.
- 9.2.3.2 Despite the size of the Cooperative Movement as a whole, the growth in various regions has been lop-sided. While on the one hand, spectacular success has been achieved in certain sectors such as dairy, sugar, oil seeds, fertilizers, the traditional sectors of credit and marketing have yet to come up to the level of minimum expected standards.
- 9.2.3.3 Some of the very serious problems faced by the Indian Cooperative Movement are; the overdues in credit and banking sectors, the heavy emphasis on input supply and agency business in marketing, the irregularities in the process of elections for democratic control, the heavy dependence on government for cooperative management by civil servants, grants and subsidies.

9.2.4 Indonesia

- 9.2.4.1 The agricultural cooperatives in Indonesia are organized in a three-tier structure. The multi-purpose cooperatives (KUD) at the primary level are federated into the PUSKUD at the provincial level and these are affiliated to INKUD at the national level. INKUD and other national federations such as dairy and salarly earners are members of the Cooperative Council (DEKOPIN). At present, there are 6,095 KUDs in 27 provinces.

9.2.4.2 The organizational base of the KUDs is weak both in financial and business terms. The marketing of rice is mostly through delivery to BULOG which is the rice procurement agency of the government. KUDs also function as distribution agencies on behalf of the government. The village level cooperative service places (TPK), cooperative service centers (PPK) and the Cooperative Administration Centres do not seem to contribute much to strengthening KUD activity.

9.2.4.3 Due to the weak structural and financial link-up between the KUD, the PUSKUD and INKUD, the cooperatives are not able to compete with private traders. There is no sense of belonging and active participation by members because the general feeling about KUD is that they are government agents. The KUDs lack suitable infra-structure for marketing, storage and processing and other value adding activities. Member education, farm planning and staff training activities are inadequate although the ILO Swiss project is trying to fill this gap.

9.2.5 Republic of Korea

9.2.5.1 Agricultural Cooperatives in the Republic of Korea are organized and integrated under the leadership of the National Agricultural Cooperative Federation (NACF). The Livestock Federation and the Fisheries Federation look after the interests of the producers in their respective sectors. 1,464 primary multi-purpose agricultural cooperatives are affiliated directly to the NACF in the two-tier system. The primary cooperatives have about two million farmer members representing over 90% of farm households. The NACF operates through its 13 provincial and city offices, 139 county offices and the primary cooperatives. There are 41 other cooperatives dealing with horticultural and other products. Informal groups of members are formed at the village level.

9.2.5.2 The NACF has a very large volume of business in banking, marketing, supply and insurance sectors. It's main income is through banking activity although efforts are being made to strengthen marketing business through marketing centers and supermarkets. It is encouraging and assisting the practice of joint utilization of warehouses and other facilities such as farm mechanization centers. Still, a large volume of NACF activities are conducted for implementation of government policies. However, the overall performance is satisfactory.

9.2.5.3 As government entrusted business dominates NACF activities, the members have not yet fully identified themselves with cooperative activity. Their participation is still low. The management has not yet reached the professional level for the amalgamated cooperatives. Agricultural cooperatives lack a price policy. The cooperatives are under pressure from the government for more efficient production and management performance and from the public for cheap supply of agricultural products. The NACF board is not a fully elected body.

9.2.6 Malaysia

9.2.6.1 Agricultural Cooperatives in Malaysia started with credit activities as early as 1922, but failed to create impact on producers' economy for lack of any value adding activities to his produce. Later, the government initiated a programme for the establishment of farmers' organizations (FOS) on the Taiwan model. The existence of the two types of organizations created an unhealthy situation. In 1973, the two organizations were merged and farmers cooperatives were created under the Farmers Organizations Authority (FOA). In 1983, there were 176 farmers organizations with 707 agro-based cooperatives with a membership of 98,562.

9.2.6.2 The agro-based cooperatives under FOA are rather weak from both organization and business points of view. The need exists to improve member participation in order to do away with the impression that these are government agencies. A single agency approach with suitable infrastructure is needed.

9.2.6.3 The management of cooperatives under FOs is handled by offices appointed by the FOA. The business needs to be increased through value adding activities and through greater participation of members. For this, facilities such as warehousing, processing and transportation are lacking although the National Cooperative Organization of Malaysia (ANGKASA) is making serious efforts to gear-up the development process. Malaysia needs a long-term cooperative policy.

9.2.7 Philippines

9.2.7.1 As the marketing cooperatives (FACOMAS) functioning since 1952 failed to create noticeable impact on the farmers economic life, a presidential decree in 1973 paved the way for the pre-cooperatives and cooperatives functioning today. Under the new policy directives, pre-cooperatives are formed and named as Samahang Nayon (SN). The Samahang Nayons create the necessary framework for full-fledged cooperatives either as Area Marketing Cooperatives (AMC) or Cooperative Rural Banks (CRB). The national level organization is the Cooperative Union of the Philippines with 21,000 Samahang Nayons, 84 Area Marketing Cooperatives, 31 Cooperative Rural Banks, 295 Marketing Cooperatives and 221 Producers Cooperatives as members.

9.2.7.2 Very few Samahang Nayons actually handle credit and marketing business. The process of transferring the SNs into AMCs and CRBs is rather slow, and those already in operation are structurally weak. Non-members are often serviced by these organizations. The services rendered are credit supply of inputs and marketing and in a few cases processing of agricultural produce such as paddy, corn, copra, vegetables, tobacco and livestock.

9.2.7.3 The capital formation process is rather sluggish due to low key member participation and meagre flow of savings towards the cooperatives. The members still rely heavily on traders and money lenders. A well planned and structurally well-coordinated effort is needed to strengthen the economic activities and to improve the viability of SNs, AMCs and the CRBs. This needs to be supported by a related education and training programme.

9.2.8 Sri Lanka

9.2.8.1 The traditional cooperative structure, based on voluntary principles was drastically changed when the government acting under special powers, cancelled registration of more than 1,000 cooperatives and established 372 multi-purpose cooperatives (M.P.C.S). The earlier credit and other small societies in villages became branches of the M.P. cooperatives. At present, 288 M.P. cooperatives are functioning but a majority of them are incurring losses. The Marketing Federation, the Coconut and Rubber Unions provide marketing services to the M.P.C.S. The National Cooperative Council of Sri Lanka is the apex organization at the top.

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

9.2.8.3 The major drawback of the M.P.C.S. is their emphasis on non-agricultural activities. The business practices are unsatisfactory taking most cooperatives to losses. Capital promotion is weak so also member participation. Except in the case of coconut, value adding is not effective. ICA/SCC/ILO supported projects have tried with some success to promote member education for women and training for managerial personnel.

9.2.9 Thailand

- 9.2.9.1 After the amalgamation of earlier credit cooperatives, Thailand has now 998 agricultural cooperatives spread all over the country with a membership of 785,000. The business activities of these cooperatives are supported by the Agricultural Cooperative Federation of Thailand (ACFT) at the national level and the agricultural cooperative federations (ACFP) at the provincial level. The Bank for Agriculture and Agricultural Cooperatives (BAAC) lends to farmers associations, to cooperatives and to farmers direct. The representative national level organization is the Cooperative League of Thailand. The Cooperative Promotion Department (CPD) financially supports cooperatives development programme for storage construction, transport facilities and for the purchase of agricultural produce through a price support scheme. Thailand has also a cooperative dairy.
- 9.2.9.2 The business linkage between the primary cooperatives and the federations is very weak and often the primary society members market their produce through private traders who enter into pre-harvest contracts with producers. The credit and input supply ratio is very low compared to member's needs. Except in case of the Japan/Thai Agricultural Cooperative Promotion Project in Nakoon Ratchasima province, the farm guidance and member education activities are rather weak. The member education aimed at providing income generating activities to women is being carried out through ICA project in Sukhotai province.
- 9.2.9.3 The participation of farmers in cooperative activity is very unsatisfactory and majority of the cooperatives suffer from insufficiency of funds. Cooperatives and the national level organizations rely heavily on government grants and except in case of some consumer cooperatives, management aspects are given little attention. Thailand needs a long-term cooperative development policy supported by a well-coordinated action programme among the various units.

9.2.10 Overall Agricultural Cooperative Situation in the Region

- 9.2.10.1 Agricultural cooperatives are functioning in all countries of the Asian Region in one form or another. The most commonly prevalent form of organization is the agricultural credit cooperative at the village level undertaking the minimum task of disbursing production credit once a year without much follow-up work concerning its utilization or repayment.
- 9.2.10.2 During recent years, experiments in conducting business under other types of cooperatives, structurally different from the primary credit cooperatives, are under way with considerable success. Some of these are the multi-purpose agricultural cooperatives in the Republic of Korea and the single commodity cooperatives like milk and sugar in India. Multi-purpose cooperatives and service cooperatives exist in quite a few other countries, but still without much activity beyond agricultural credit disbursement.
- 9.2.10.3 Credit and input supply dominate cooperative business. Loans without follow-up have resulted in mounting overdues. The agricultural input supply, mostly as agency business, is keeping many a cooperatives out of the red.
- 9.2.10.4 Marketing too is mostly a commission agency business either as agency of the government or a corporation. Risk marketing is more an exception rather than the rule.
- 9.2.10.5 Infra-structure such as storage, transportation, grading processing and packaging for adding value to the agricultural product is lacking except in case of certain commodity cooperatives.
- 9.2.10.6 Dearth of adequate capital for cooperative business is a common phenomenon. Capital formation process is sluggish while mobilization of savings as a deliberate policy is uncommon.

- 9.2.10.7 Heavy dependence on government for agency business, subsidies, grants and infra- structural development.
- 9.2.10.8 Cooperative business influenced more by government policy directives or by dominant leadership rather than by the collective will of the cooperative members.
- 9.2.10.9 Member participation in cooperative activity is weak and the leadership is generally not interested in encouraging member participation. Member education programme geared to encourage such participation are not effective. Majority of the members are unaware of their rights and responsibilities.
- 9.2.10.10 With a few exceptions, professional management is non-existent. Most of the managers in large size cooperatives are either civil servants on deputation or staff members who by their seniority have risen to managerial positions.

10. INTEGRATED COOPERATIVE DEVELOPMENT

10.1 The module on Integrated Cooperative System was presented and debated upon for 6 days from 10th November 1986. The discussion was based on case studies, teaching notes and OHP presentations by Prof. V. K. Gupta and Prof. V. R. Gaikwad of the Indian Institute of Management. The following three books were used during the modules on various subjects discussed in part one of the training course.

- 1) Guide to Management of Small Farmers' Cooperatives
- 2) Paddy Rice Business of Small Farmers' Integrated Cooperatives in Asia
- 3) Guide to Management of Integrated Rice Cooperatives in Asia

All the above books are jointly written by Prof. V. K. Gupta and Prof. V. R. Gaikwad of Indian Institute of Management. The first of the above books is published by the FAO.

10.2 The presentation by the resource persons centred around the following three questions.

10.2.1 What is integrated cooperative system ?

10.2.2 Why is it necessary in the context of the present day developments in regard to agriculture and cooperatives in South-East Asia ? and

10.2.3 How it can be put into operation ? ,

10.3 The OHP presentations included illustrations on integrated cooperative system in cooperatives with commodities like sugar, milk and paddy rice. A summary of OHP presentations was distributed to all the participants. The participants were then divided into two groups to debate the following three questions.

10.3.1 Is integrated cooperative management system as presented a viable proposition in your respective countries ? Discuss the nature of problems likely to be faced in its implementation.

10.3.2 What are the advantages of product-based specialised cooperatives ? Can the objectives of the integrated cooperative systems be effectively and efficiently achieved through the existing multi-purpose cooperative at the grass-root level ? and

10.3.3 What are some of the important policy level implications in the development of integrated cooperatives ?

The participants deliberated on the above three questions for one and a half hour in their respective groups; and the group leader made brief presentation on the same. The discussion on the presentation raised many questions both by way of clarifications and elaboration of the points discussed particularly from the point of view of applications in their respective country situations.

10.3.4 Following the above, on the second day (November 11) slides on "AMSAC" * concept were presented to explain the concept of backward, forward and horizontal integrations. The concept was further illustrated with the help of case studies on milk, sugar, and paddy. The slide review was followed by a brief presentation by the instructor on "Saranga Cooperative Sugar Factory". The participants were asked to deliberate on the following questions in respect of this case.

10.3.4.1 From Amritrai's method and approach what ideas could be isolated for incorporation in a management training programme ?

10.3.4.2 What do you think of the sequencing and timing of various socio-economic activities introduced by Amritrai. Give reasons, if you prefer a different sequencing.

10.3.4.3 What types of skills and capabilities are required in order to build farmers' agro-industrial cooperatives ?

* Appropriate Management Systems for Agricultural Cooperatives

10.3.4.4 Referring to Step V "Mobilisation of Human Resources" from the Guide to Management of Small Farmers' Cooperatives, identify the principles of collaboration amongst the farmers followed by Amritrai the leader who promoted the Saranga Cooperative Sugar Factory.

The two group discussed the case with respect to the above questions for two hours and made presentations on their deliberations. The discussions on the case elaborated on the nature of vertical and horizontal integration which helped farmers to double their income through their own self-reliant cooperative organization. The discussions centered around the processes which led to the development of a strong, successful organization.

10.3.5 On November 12, the participants were introduced to the second case study on "Dudhsagar Dairy Revisited". After a brief presentation on the case by the instructors, the groups were asked to deliberate on the case in respect of the following questions;

10.3.5.1 Identify and explain the differences in the organizational structure between the cases on Saranga Cooperative Sugar Factory and Dudhsagar Dairy Revisited.

10.3.5.2 Estimate the benefits obtained by members as compared to non-members in the Dudhsagar Dairy Revisited case.

10.3.5.3 Explain the process of growth of the case, Dudhsagar Dairy Revisited.

The two groups after a discussion of over two hours, presented their reports in respect of the above three questions. The discussions centered around the questions regarding (a) the need for specialised primary cooperatives, (b) factors which inhibit the development of such societies, and (c) should there be unrestricted membership. The discussions, however, emphasised integration of the primaries with the specialised cooperative structures upwards.

~~essions~~ it became obvious that the success of the two cases largely rested on the achievements of horizontal integration. They also identified that such integration is possible through management planning. It was also realised that at the centre of these two successful societies, there was modern industry which worked as an anchor around which all other activities could be effectively integrated. The industry provided a dynamic, self-supporting, economic force which sustained the cooperative organisation.

10.3.6 On November 13, the participants were given the third case "Royal Multipurpose Society" (A and B). After a brief introduction of the case by the instructors, the questions that the groups had to discuss in respect of the case were as follows;

10.3.6.1 Case A:

- a) If you were the General Manager, what reasons will you give for the declining purchases of paddy per member of your society ?
- b) Will you as its General Manager recommend its conversion to a single commodity cooperative society (Paddy Marketing Society) following an integrated approach ? What would be your reasons for taking this decision ?
- c) What measures would you recommend to the board in order to give a 20 % higher than guarantee price to your paddy farmer members ?

10.3.6.2 Case B:

- a) Does the given organizational structure and its functioning encourage member participation ?
- b) How will you apply the principles of building collaboration/participation ? What will be the needed changes in the organizational structure and its functioning in order to promote member participation ?

- c) What are the measures to be taken by the board of directors in order to make the society truly autonomous and involving participation of different sections of the society ?

The discussions on the above cases revealed that the participants began to understand the limits of diversification in business and the consequences of unlimited diversification. Three points began to emerge particularly with reference to integrated cooperative systems.

- a) That cooperatives have to have very clear-cut objectives in order to organize and manage their business effectively and efficiently;
- b) That homogeneity of interest amongst the members is critical to the development of society's business;
- c) That both the structure of membership and its capital determine the level of autonomy and self-reliance that can be achieved.

The questions of both backward and forward linkages as well as horizontal integration came to surface and it became clear to participants that lack of these results into economically non-viable operations.

10.3.7 On November 14, the participants were introduced to the fourth case on "Rajmani Agricultural Cooperative" (B and C). After a brief introduction to the case by the instructors, the participants went into group discussions on the following questions;

10.3.7.1 Case B:

- a) In terms of potential for development, growth and integration where does the Rajmani Agricultural Cooperative stand ? What needs to be done to achieve higher level of performance, growth and integration of activities ?

- b) Is lack of capital a problem ? If so, what is required and how should the necessary capital be mobilized?
- c) Is it a problem of poor efficiency and performance ? If so, how to overcome it ?

10.3.7.2 Case C:

- a) Why is the society's business stagnant in spite of nearly 6 - 7 years of working and after recent amalgamation ?
- b) What organizational arrangements are needed for the first-hand understanding of members' requirements and concerns ?
- c) How can the society integrate its activities with the socio-economic activities of its members ?

The participants in their deliberations and presentations on the above cases began to learn the following processes , (1) scanning opportunities in a given environment, (2) generating ideas with reference to exploitation of given opportunities, (3) methods of testing the ideas and developing long and short-term plans for the development of cooperative activities, (4) appreciation of different concepts of integration and (5) the processes as well as the methods of achieving such integration. The participants particularly emphasised on the method of scanning opportunities as discussed in the cases and found that such methods are neither costly nor are time consuming. Further, such methods really end up increasing the confidence of the manager in the activities that he subsequently develops through this process of scanning the environment. At this stage, the concepts of value addition in vertical integration, member participation through horizontal integration, and the overall process of decision-making in enterprises began to be appreciated by the course participants.

10.3.8 As a summing up of the week long deliberations on integrated cooperative system, the participants were introduced on November 15 to a presentation by the instructors on the following;

- a) Application of science and technology for integrated agriculture and rural development.
- b) Farm-Industry Linkages: Some Illustrations
- c) Organizational designs for technology oriented integrated cooperatives.

The discussions during the presentation brought out and reinforced the various concepts learned through the case studies undertaken during the week. In particular, the following growth elements in the organization and development of cooperatives were identified as important;

- 10.3.8.1 There should be a single and a simple message in relation to the objectives of a cooperative, passed on to existing members, potential members, employees, managing committees and managers. When the message is simple and uniform, among these different sections of a cooperative it not only develops a strong sense of direction but also people begin to monitor and control their activities with reference to the message.
- 10.3.8.2 Cooperative activities must be oriented to members' needs and aspirations. When a cooperative fulfills a significant economic need of members (the significance being judged by the impact made on the members' income) it has a greater chance of member participation and success in its activities.
- 10.3.8.3 The organization of a cooperative should be designed in a manner that it is action oriented in terms of quick, decisive and persuasive decisions. This is achieved by clear-cut division of work between the board and the managers and with a proper monitoring and evaluation system. Particular emphasis was given to the question of autonomy of the organization as a whole.

- 10.3.8.4 Continuous search for new opportunities is the key for growth. However, such new activities and new directions must only start after exhausting opportunities in the on-going activities/areas. It is the role of the management to continuously search for new opportunities, and also ensure timely and adequate services for the current activities of members.
- 10.3.8.5 Output marketing/processing should be the anchor activity of an agricultural cooperatives. This would work as an anchor around which activities for backward, forward and horizontal integration can be effectively developed. Agro-processing and by-product processing industrial activity under cooperative fold provides a dynamic, self-generating self-sustaining economic force which helps in economic and social development of primary producer.
- 10.3.8.6 There is no one standard form of organizational design which would be most appropriate for all types of cooperatives and commodities. Cooperative sugar factories and ilk processing cooperatives followed different types of organizational designs and both have been successful. While designing organisations, nature of commodity, nature of technological interventions, proposed degree of integration, need and potential for members' participation and relative importance of various cost and other aspects have to be taken into account since these individually and inter-actively, determine the nature of factors and tasks for a given commodity or product.

11. THE ORGANIZATION (Nov. 17 - 22)

11.1 The module on the organization was conducted with the help of the following two resource persons.

11.1.1 Mr. M. L. Ilwadia, Executive Director (Marketing), National Agricultural Cooperative Marketing Federation in India (NAFED) and

11.1.2 Prof. D.R. Oza of the V. Mehta National Institute of Cooperative Management (VMNICM)

11.2 The module was introduced with a case study on NAFED as a national level organization and several models in India at various levels as follows;

11.2.1 Shri Paisa Fund Shetkari Sahakari Bank at Hupri in Maharashtra

11.2.2 A Farmers' Service Cooperative Society (FSS) at the village level

11.2.3 A Sale and Purchase Union at the sub-district level

11.2.4 The Adarsh Cooperative Marketing Society at the sub-district level and

11.2.5 The Poona District Cooperative Milk Producers' Federation as a single commodity cooperative

11.3 The presentations on the organizational aspects were divided into several sessions; each session dealing with a particular aspect of the various kinds of structures under study. The most important topics were as follows;

11.3.1 As an organization interested in the socio-economic development of the rural community, what should be the coverage of primary cooperative in order to meet the needs of the rural people? Should a cooperative be a community cooperative or should it serve the selected categories? Should the motto "Better farming, better business, better life" dominate cooperative activity or should it be for a limited purpose?

- 11.3.2 If cooperative growth is to be compatible with the interests of the community as a whole, then the business considerations may not be able to prevail. A case of a dairy cooperative, taking up processing of lemon because some of the members grew lemon, created lively interest among the participants. Such a product mix was an unusual case.
- 11.3.3 The service at the grass-root level and the type of organizational structure needed to make them effective were the topics presented as a part of this module. As member farmers need several kinds of credit e.g. short-term, medium-term and long-term, should he be asked to go to several cooperatives dealing with different kinds of credit? Alternatively, should a single window approach be adopted by channelling all services through one cooperative? These questions were discussed from the point of view of overheads or service charges which a member has to pay for various loans, supplies and services.
- 11.3.4 The AMSAC (Appropriate Management Systems for Agricultural Cooperatives) approach was also discussed in which credit by itself is not considered adequate unless accompanied by forward and backward linkages for value adding activities.
- 11.3.5 On several occasions, the discussions centered around the question on reorganization and amalgamation of agricultural cooperatives in order to provide better services and to be economically viable. The question of member participation in large sized cooperatives was hotly debated in the context of basic cooperative principles.
- 11.3.6 The discussion on NAFED's case related to large scale economic activities in the fields of supply, marketing and foreign trade. NAFED's role as an agent of the government for price support operations and procurement was discussed. The question of risk marketing and its merits and demerits were discussed. However, majority of the marketing cooperatives were found to be doing the safe business of agency supply services and marketing on a consignment basis.

While discussing the structure of marketing cooperatives in India, the role of the provincial and district marketing cooperatives as intermediaries was critically examined. Many of the participants felt that these intermediaries added the servicing costs for meeting member's supply and marketing needs. Inter-cooperative relations were also discussed keeping in mind the need for a properly linked infra-structure for effective services at the grass-root level and for ensuring most profitable outlets for member's produce.

11.3.7 A very important question often posed during the module was whether one type of cooperative can serve as a model for all participating countries. Several models and case studies were discussed and many of these cooperatives had their individual merits, but the question was whether all these merits could be combined in one single organization. Perhaps, the background against which these cooperatives functioned, greatly influenced the degree of their suitability to a particular farming community.

11.3.8 All the above questions were then referred to of participants for detailed discussions and report. The 15 participants were divided into two groups of seven and eight members each. The groups discussed these questions for most part of the day and submitted detailed reports the following day.

11.3.9 While presenting their reports, the group secretaries prepared OHP transparencies to explain at the session the organization and service linkage structure recommended by their respective groups. The main points of group reports were as follows;

11.3.9.1 Both the groups recommended that the organizational structure must have a direct relationship with the objectives and goals to be achieved. The membership coverage and size of the structure must be based upon the criteria of viability and managerial efficiency.

A medium sized multi-purpose cooperative was favoured by the groups as a general service society while for certain commodities such as paddy, rubber, copra, milk and sugar, the groups recommended commodity based cooperatives on the models studied in India which could undertake processing and marketing activities for value adding to the primary produce.

- 11.3.9.2 One group felt strongly in favour of opening of membership to all sectors of the village community irrespective of the fact whether the members worked as farmers or were engaged in occupations related to the needs of the rural community. The other group recommended a society for the farmers only and specialized societies for other different commodities. This group recommended a link society at the sub-district level as an umbrella society servicing both the primary cooperative at the base level as well as the commodity based cooperatives. The group felt that this system will facilitate greater participation by cooperative members.
- 11.3.9.3 On the question of amalgamation, the groups emphasised the point that for attaining economic viability, it may be necessary to merge smaller societies into a single large unit. However, they emphasized that while considering the question of amalgamation, the following aspects must be taken into account.
- 11.3.9.3.1 The members to be affected by amalgamation must consent to such organizational changes. Also, amalgamation should not be undertaken under pressure from government or other agencies
- 11.3.9.3.2 It should be ensured that all members are able to participate effectively in the activities of the new cooperative. For this purpose suitable structural reorganization at appropriate level should be undertaken. Geographical proximity of members to the facilities of the cooperatives would be an important consideration.
- 11.3.9.3.3 One group emphasized that the societies with heavy liabilities, heavy losses and financial irregularities should not be considered for amalgamation.

However, the members of such a cooperative should be allowed entry into the larger amalgamated cooperative if they have fulfilled their obligations to the earlier cooperative to which they belonged.

- 11.3.9.4 On the question of capital formation, the groups unanimous in recommending that the process of linking business activities of members with share capital increase should be strengthened. Also, a minimum amount of share capital for the members should be made compulsory unlike in some countries of the region where one share of nominal value entitles the member to avail of all services provided by the cooperative.
- 11.3.9.5 Both groups favoured a single window approach for all services provided to farmer members. The groups felt that the member has to undergo considerable hardships and has to waste lot of time and energy to secure various kinds of services. They, therefore, recommended that the primary agricultural cooperative should be the one single channel for obtaining short-term production credit as well as medium-term and long-term credits for machinery, equipment and development purposes.
- 11.3.9.6 Can a model cooperative be recommended? No, the participants did not feel the need to have an uniform type of cooperative for all the countries. The cooperative form of organization has to be designed to suit the socio-economic conditions and as stated earlier, after taking into consideration the needs of farmer members and the objectives set forth to meet these needs. In addition, the participants recommended that an optimum size of membership to be covered and the number of households to be served should be decided taking into consideration economic viability and the practicality of the cooperative enterprises.

12. BASIC MANAGEMENT CONCEPTS (Nov. 24 - 29)

- 12.1 The module on Basic Management Concepts started with the introductions by Mr. B. K. Sinha, Chief Director, Ministry of Agriculture and Rural Development, Government of India, and Prof. D. R. Oza, of VMNICM. The basic papers and case studies prepared by faculty members of the V. Mehta National Institute of Cooperative Management were used for presentation and group discussions later on.
- 12.2 The pedagogy for this module included OHP presentations and interview method for the selection of a supply manager for a cooperative.
- 12.3 The major issues raised during the group discussions for two days were as follows
- 12.3.1 Selection of suitable structure for a cooperative was only one aspect of the total effort for fulfilling the objectives of increasing member farmer's income. Equally important was the question of effective management system specially geared to serve the members in contrast to private enterprise which aimed at securing maximum returns on the invested capital.
- 12.3.2 The decision making process in the cooperative reflected the supreme authority of members and the responsibility of management for their acts of commission and omission to the general body. Hence, participation of all members, whether directly or indirectly, in the decision-making process was the basic factor contributing to the cooperative character of the agricultural cooperatives.
- 12.3.3 Cooperatives function as agents of change. In the case of agricultural cooperatives, the targeted change is in the socio-economic upliftment of the farmer member through the increase in his income and through the improvement of his capacity to lead a healthy and contented life. However, this function is not carried out for the sake of change. The means adopted for achieving the objectives are as important as the end results. In other words, cooperatives observe self discipline and certain values in their functioning. These values originate from the cooperative principles which form the basis for all regulations and conventions for cooperative activity.

- 12.3.4 Some professional managers find the principle of open membership as a nuisance to their way of functioning. They are against changes which may be necessary to reflect the opinion of additional members. So, if the management is not responsive to the needs of all members, it may not be able to serve them as set out in the original objectives.
- 12.3.5 As professional managers are expected to respond to the general will of the members, so also the elected representatives on the Board of Directors are expected to respect the technical advice of the people trained to do the specific jobs. This requires a very clearly defined division of responsibility between the elected management and the professional and supervisory staff employed for various responsibilities. A balanced division of powers and functions and mutual respect for each others' fields of responsibilities is condition precedent for success of any cooperative enterprise.
- 12.3.6 The groups were not in favour of cooperative management with the help of civil servants deputed from government departments. It was felt that if, for want of trained personnel in the cooperative movement, government servants were required for running a cooperative enterprise, it should be done purely as a temporary measure. Serious efforts need to be made to train persons specifically required to run cooperative activity. In cases where, qualified personnel need to be recruited from outside, steps should be taken to orient them to cooperative principles and practices.
- 12.3.7 Cooperatives are expected to observe a strict discipline in their management of financial resources which are a sum-total of funds collectively owned by cooperative members. Resource mobilization through savings and capital formation process are important to a healthy cooperative growth. Equally important are the principles of financial management followed to safeguard members' interests and to ensure that funds are not used for purposes other than those for approved purposes. In this context, the practice of internal audit and external audit in each and every cooperative organization is of vital importance. Cooperative audit not only ensures proper utilization of funds but also serves as a watch-dog on behalf of the members for all management decisions and their implementation.

12.4 Human Resource Development; Recruitment of a Supply Manager
An interesting exercise was arranged with the help of all participants, to conduct interviews for selecting a supply manager for a cooperative organization. The participants formed two selection committees of five participants each which interviewed five candidates. The remaining participants acted as the applicants for the post of supply manager. This exercise created considerable interest among all the participants and the questions and answers related to almost all aspects of economic and member relations activities of a cooperative. The exercise produced good results. A comparative analysis was later made by the resource persons and the programme coordinator of the performance of two committees and the candidates interviewed by them.

12.5 The exercise was based on the following questionnaire sent by the managing director to the general manager of the cooperative.

12.5.1 Re Recruitment of a Supply Manager

You are already aware that the Board of Directors of our Cooperative has, at its meeting held on 26th November 1986, decided to create the post of a Supply Manager to take charge of all our activities related to the purchasing and procurement of all supplies as per our inventory, storage, transportation, retail packaging, labelling and delivery of the supplies to the branches and through them to our members. In addition to the commodities handled at present (viz. fertilizers, seeds, insecticides, agricultural implements, and water pumps), the board has decided to provide to our members the following items;

- i. tractors and their accessories
- ii. containers/cartons for packaging of fruits for sending to market
- iii. common medicines and essential consumer commodities
- iv. cattle feed

The Supply Manager will report to you direct on all matters concerning his job.

You are requested to take following action on the Board's decision:

- a. Prepare a job description/duty list for the Supply Manager and suggest salary scales
- b. Prepare an advertisement for newspapers and for the cooperative magazines.
- c. Short list the candidates for interview,
- d. Call a meeting of the Selection Committee to interview the candidates,
- e. Send to me the list of top three candidates recommended by the selection committee, and
- f. Draft a letter of appointment to be given to the finally selected candidate.

13. MODULE ON PLANNING AND MANAGEMENT (Dec. 15 - 19)

13.1 This module was conducted with the help of Professors V. R. Gaikwad, V. K. Gupta and Ramesh Gupta of the IIMA.

13.2 The focus of this module was on planning (strategic, programme and operational) and concepts and techniques which help in planning such as costing, investment decisions, capital budgeting, working capital, break-even analysis, and cost-benefit analysis. Module started with the case "Planning for Vishnupur Province". Participants were then divided into two groups. The assignments given were; Analyse the situation related to the following and give actions required in relation to each;

13.2.1 Production and productivity

13.2.2 Marketing of farmers produce

13.2.3 Processing

13.2.4 Other income generating activities

13.2.5 Institutions and Organisations

13.2.6 Support services, technical guidance

13.2.7 From the above, identify main components of the work plan and suggest actions to be taken. Give priorities and reasons for priorities.

13.2.8 Design a suitable organization keeping in mind the main functions of the PFAC and the action plan you have suggested.

13.3 The participants deliberated on the first two assignments (There was not sufficient time to take up the third assignment; this was taken up during the third module), and made brief presentation on the same. Discussion on presentation brought out salient aspects of planning such as generation of alternatives before taking decisions. For example, what strategies the society should follow while planning its activities? Should it take up all activities together or concentrate on one key activity working as an "anchor" or work out immediate priorities and take up projects in a given order? Implications of each of these alternatives were discussed. Another question was how much market share society should try to cover by its paddy business? While deciding about this, should it consider minimum or maximum or average paddy production in the command area of the society? The implications of uncertainties of production when processing capacity is based on minimum or maximum or average production level, were also discussed.

13.4 Following the above, on December '16, the case "Managing PUSKUD (A)" was taken up for group discussion. Participants were asked to deliberate the following questions:

- 13.4.1 What strategy they would suggest for PUSKUD to follow, keeping in mind a time horizon of 3 - 5 years and integrated approach?
- 13.4.2 What should be the planning process and what type of plan PUSKUD should have?
- 13.4.3 What would be the most appropriate personnel policies and organisational structure for PUSKUD?
- 13.4.4 What type of reporting system they would suggest, especially for paddy rice business?

- 13.5 The two groups discussed the case with respect to above questions for nearly two hours and made presentation on the first three questions (Due to shortage of time the fourth question could not be taken up). The discussions centred around the objectives (what PUSKUD was expected to do), strategies to be adopted (in relation to government policies, KUDs, larger interest of cooperative movement and private sector), division of functions and tasks (between the primaries (KUD), intermediate levels (PFIC/Branches) and the federation), and organizational issues.
- 13.6 Following the two case studies on Planning on 15th and 16th December, the session on 17th December (conducted by Professors V. K. Gupta and Ramesh Gupta) dealt with planning functions and the levels of decision-making. Briefly introducing the concepts of strategic planning, programme planning and operational planning, it was emphasised that the nature of planning in all the three areas is inter-dependent. Illustrations were used to describe as to what constituted strategic planning, programme planning and operations planning. The session also emphasised on objectively verifiable indicators which have to be developed as a part of comprehensive planning. It was indicated that such indicators are developed through feasibility analysis establishing input/output ratios, technical feasibility establishing ideal output levels/ capacities, commercial feasibility establishing performance levels in the context of market environment and socio-economic feasibility establishing the goal levels. The session also emphasised the management hypothesis in cooperative project planning. These were illustrated through both the training programme as was being conducted as well as from the field.

The framework for project planning was outlined and an illustration to clarify various elements of the framework were used from a sugarcane cooperative. After about an elaborate presentation of the basic concepts as discussed above, the class was introduced to the case "Rama Reddy's Rural Development Dilemma - A & B". The participants were asked to answer the following three questions:

13.6.1 Should all the societies have rice mills ?

13.6.2 Should there be a husk fuel plant with each society ?

13.6.3 Should all societies together have a bran-oil plant ?

13.7 The group considered the above three questions in the context of the above case for two hours and then made presentation of their reports. Both the groups recommended all the societies can have rice processing facilities and some of the existing rice cooperatives having rice mills can increase their milling capacities. Also, all societies could have husk fuel plants. However, only one of the existing cooperatives could have its own bran-oil mill. It was recommended that an association as suggested in the case of the ten cooperatives be formed and that this association undertakes marketing rice for all the cooperatives and develop facilities for bran-oil and cattle feed. Both the groups made extensive calculations to arrive at the above conclusions and attempted to establish both economic and financial advantages.

13.8 The sessions on 18th and 19th December were devoted to various techniques which help the planning process. These include cost estimation, fixed and variable costs, break-even analysis, joint and by-product pricing and cost-benefit analysis. The effects of alternate production and marketing policies on profitability were evaluated.

13.9 On 18th December, the case "Rama Reddy's Rural Development Dilemma "B" was again given to participants to estimate the value addition by undertaking processing activities of paddy into rice, bran and husk; and further processing of bran into bran-oil and de-oiled cake, and that of husk into briquetted fuel. With the given data in the case, breakeven points for each of these activities were estimated. The three questions which were assigned to participants on 17th December were once again assigned for group discussion and calculations.

13.10 On 19th December, the participants were further exposed to breakeven chart. This was followed by the case "ABC Co-operative Society" which highlighted the effects of alternate production and marketing strategies on probability. Furthermore, the case "Co-Coe Seed Oil Company" was given to participants. This helped in understanding determination of product cost with joint and by-products, concept of opportunity cost (by considering the alternate use of by-products), and the concept of marginal pricing (for production under cost plus contracts).

After initial explanation of various concepts by the instructor, the participants were asked to do the exercises and present the findings. This was followed by further clarification of various concepts mentioned above.

14. MODULE ON PROJECTS FOR AGRICULTURAL COOPERATIVE DEVELOPMENT

- 14.1 This module was conducted by Professors Ramesh Gupta, V. R. Gaikwad, S. P. Seetharaman and Prakash Shingi of the IIMA.
- 14.2 The focus of this module was on project approach to cooperative development. Topics related to project identification, formulation, feasibility and monitoring, implementation, etc. were discussed during the week. Under this, economic and financial aspects, scheduling aspects, marketing aspects and organizational aspects were covered.
- 14.3 The first session on December 22, was continuation of earlier sessions on financial analysis. These earlier sessions were also relevant for investment analysis. The instructor first explained various concepts, namely, time value of money, cost of capital, pay-back period, net present value, internal rate of return and benefit-cost ratio. The economic and financial evaluation of a project was discussed using the following case and reading materials:
(1) A note on Techniques of Investment Analysis: and (2) Case Jhalawar Fruit Growers Cooperative Marketing Society Limited.
- 14.4 Participants discussed the case in groups. Exercises on compounding, discounting, annuity, etc. were also done individually to get familiarity with the concepts and use of discounting tables.
- 14.5 The sessions on 23rd December covered ratio analysis, setting of operational and financial targets, operating style, estimation of working capital requirements and cash budgeting. A comprehensive case on financial analysis and financial planning was discussed in the class. During the discussion, the participants contributed a great deal in discussion the environmental and other factors affecting project planning under co-operative sectors.

14.6 Marketing aspects on projects for Agricultural Development

14.6.1 This part of the module was covered by Prof. S. P. Seetharaman and Prof. P. M. Singhi of IIMA.

14.6.2 The module started with a presentation on the concept of Agricultural Marketing Cooperatives (AMC). The presentation covered in detail the present role of AMCS. Most of the AMCS are involved by and large in input supply, consumer goods distribution and procurement activities though agricultural production scene has vastly changed in this country. In many commodities, the country is facing the problem of managing surplus production. But still the cooperatives are concentrating on non-risk traditional activities. The reasons for this lack of dynamism on the part of the AMCs were identified and the need for new role perception was emphasized. To being added benefits to their members, the AMCs should have to assume newer tasks of identifying consumer needs and organise production to meet the market demand. The relevance of the concept of marketing to AMC's was discussed at length. Two papers on this subject were distributed at the time of OHP transparency presentation. The session lasted for two hours. Several questions were raised during the discussions and all of them were answered. The pedagogy used in this session was mostly lecture-cum-discussion.

14.6.3 Following the presentation, a case on Export of Fruits and Vegetables by Farmers Cooperatives was distributed. Participants were divided into two groups and were asked to make recommendations as to how the society can restart export business. The groups were asked to specially comment on the nature of investments the society would have to make to enter export market. The groups presented their report after one and half hours deliberations.

Both the groups observed that investment would have to be made on transport, storage, packaging, research, development and publicity to enter export market. Two groups concentrated on starting export to Gulf countries and that too on a single commodity like Banana. Faculty member, while summing up, pointed out that the groups should not have limited their export exploration only to banana, when the society has the experience and potential to export other fruits like mango, lemon, chickoo, guava, vegetables and processed products. Similarly, limiting export entry only to Gulf countries was wrong because the society has the opportunity of exploring new markets. The faculty members brought home the investment needs or ensuring good market. On the whole, the case study helped the participants to understand marketing aspects had also the investment needs to ensure successful marketing.

14.6.4 On December 26, the theme for discussion was on incorporation of marketing aspects in agricultural projects. A project prepared by Kerala Fish Marketing Federation appraised and approved by the National Cooperative Development Corporation of India (NCDC) and under implementation was circulated for discussion by the two groups. Before the beginning of group discussion, the faculty member gave a brief idea about the role of NCDC in cooperative development in India. While discussing the NCDC's role, reference was made to the role of National Dairy Development Board and the National Bank for Agriculture and Rural Development (NABARD)

14.6.5 One group was assigned to defend the project prepared by the state for fisheries development and the method of its implementation. The other group was asked to critically appraise the project as designed and implemented. The focus on the debate was on the marketing aspects. The programme coordinator acted as the moderator during the debate. The two groups covered several aspects and the debate proved lively and useful.

14.6.6 While summing up, the Faculty observed that both the groups were not clear whether regulated market could ensure better price to fishermen. He explained how the project emphasising on auctioning fish at the beach landings may lose control on the market price with the result that better price to fishermen may not be achieved. He also pointed out how investments on retailing, storage and transportation were inadequate. On the whole, the case helped the participants to appreciate the need for providing such safeguards on marketing aspects while formulating new projects.

14.6.7 At the end, participants were given a brief idea about the investment needs of different types of projects. Depending on the nature of outputs, agricultural projects could be broadly classified into four groups. In each of them, there could be vast product wise differences requiring different emphasis on various aspects of marketing. The following conceptualisation was discussed.

Marketing Aspects in Agricultural Projects

% categorisation of projects	Variation	Remarks
Consumer goods producing projects	→ [Daily Specialised products]	Investments required would vastly differ from project to project
Projects providing services	→ [Simple Complex]	
Projects on Agri. Inputs	→ [Simple Complex]	
Industrial raw material costs producing projects	→ [Ready goods Complicated goods]	

14.7 ORGANISATIONAL ASPECTS OF PROJECT PREPARATION

- 14.7.1 The first session on December 26th covered organisational aspects of project preparation. The instructor explained the concepts like organisational goals, organisational structures, functions and processes. Leadership, administrative, managerial and technical roles and authority structures as well as the organisational aspect were introduced. Steps involved in designing organisational structures were described. Taking potato as a commodity and the UP Potato Federation as an example of emerging cooperative organisation, a case study was analysed in the second and the third sessions to understand the importance of various factors which influence the organisational patterns. Two experts from NCDC were requested to listen to the group presentations on organisational strategies and give their comments. Strengths and weaknesses of four different alternative structures were discussed at the end of the fourth session.
- 14.7.2 Organisational issues and methods of structuring organisations continued to be discussed on December 27. The instructor explained the focus of the session and provided a framework within which the "planning for Vishnupur" case could be discussed in the respective groups. The exercise involved actually designing an organisation on the basis of the information given in the case. Second and third sessions were used for group discussions and strategy formulation. Group reports were presented by both the groups in the last session. The faculty members critically assessed the suggested organisational designs and pointed out that for identification of activities and their divisions and integration, the groups had done excellent work; but identification of primary task and staff functions concept needed to be understood adequately while formulating the projects.

15. FIELD STUDY VISITS IN INDIA

The study visits in India were arranged in order to show to the participants the activities of cooperative and related institutions which they had earlier studied in the classroom situation. The state selected for the visits was Maharashtra in western part of India.

- 15.1 As an example of a single commodity cooperative, the participants visited the Katraj Cooperative Dairy owned by the Pune District Cooperative Milk Producers Union. The dairy collects raw milk through its affiliate cooperatives and processes it for marketing and converts surplus into byproducts. Through backward and forward linkages, the dairy cooperative union has established a direct link between the milk producer and the urban consumer.
- 15.2 In Kolhapur district, the participants had the opportunity of studying the working of a cooperative bank and a cooperative marketing society which provide to the agricultural producer, agricultural inputs and marketing outlets through a credit marketing link-up. The Kolhapur District Central Cooperative Bank provides production credit and promotes investment in agro-processing industries, while the Shetkari Sahakari Sangh, functioning as a district level marketing cooperative, supplies agricultural inputs and related services and markets agricultural produce mostly on a consignment basis. The society also operates stores for sale and repair of agricultural machinery and tools as well as gas stations and several consumer goods' outlets. A unique feature of marketing in Maharashtra is that agricultural produce is marketed by open auction in a defined area under the supervision of a Market Committee consisting of representatives of producers, cooperatives, buyers and local authorities with a view to ensure fair practices of selling, weighing, grading, timely payment without unfair deductions and settlement of disputes through arbitration.
- 15.3 A very unique example of cooperative enterprise was found in Kolhapur district. The Shri Paisa Fund Shetkari Sahakari Bank at a sub-district level serves the members in every possible way.

starting with a humble effort of collecting a few cents from each member of the poverty stricken community, a social worker came up with the idea of a cooperative bank and after getting firmly established, the Bank has now almost all kinds of services for the members. From pre-natal care of pregnant women the Bank looks after post-natal care, health education, higher education, weddings, old-age care and funerals.

As a Bank, it provides loans for production as well as credit for agricultural implement, and consumer goods. The Bank arranges marketing of agricultural produce, provides guidance for investment, arranges irrigation facilities, processes raw materials with appropriate technology and provides any kind of service which the member may need in his economic or social situation. Dedicated leadership, healthy management and member participation are the most crucial factors responsible for the success of this unusual cooperative venture. The participants were very impressed with the all-round performance of this organization.

- 15.4 In Kolhapur district, the participants also visited a single purpose cooperative which arranges water supply and water management services to the farmers. The primary village level cooperative they visited undertook multi-purpose activities such as input supply, production credit, processing of sugarcane juice into brown sugar (Jaggery) and marketing the produce of its members.
- 15.5 The best example of an integrated cooperative structure in Kolhapur district was the Warna Valley Cooperative Complex in which one single activity which was started as an anchor activity has promoted the development of a chain of institutions which provide almost every kind of service to the farming community in the area. Starting as a cooperative sugar factory, the complex has now established a dairy cooperative, a fertilizer mixing plant, a paper mill using sugarcane pulp as the raw material, a poultry farm, veterinary services, hospital for workers, a cooperative bank, consumer stores and better living activities in the form of schools, specialized colleges for commerce and engineering, musical orchestra and family planning.

The cooperative complex has an Area Development Fund established through deductions from sugarcane price delivered by members. Donations from this fund are made for better living activities of the rural community as a whole such as improvement of drinking water supply, rural hygiene, bio-gas plants and for library and gymnasium. Recently, a trust has been created by the cooperative complex to promote the development of agriculture in the area on a scientific basis.

- 15.6 In Nasik district, the group visited two sale and purchase unions at sub-district levels dealing mostly in onion marketing and to some extent in peanut and jaggery marketing. The Lasalgaon Cooperative Purchase and Sale Union markets the onion and peanuts on a consignment basis. The jaggery produced from sugarcane is also marketed through the same process and by open auction in the Market Committee. The Pimpalgaon Baswant Cooperative Purchase and Sales Society, besides marketing onions, and supplying inputs, runs a consumer cooperative stores in the area.
- 15.7 The National Agricultural Cooperative Marketing Federation (NAFED) has established, in the area of operation of the above cooperative, an Onion Complex for storage and grading of onions in order to provide suitable infra-structure to the marketing cooperatives. NAFED has also promoted establishment of the Associated Agricultural Development Foundation, with branches in many parts of the country to undertake research and development of post-harvest technology in export oriented commodities. The Foundation has a centre in this area.
- 15.8 Towards the end of their visit, the participants visited two farm households; a small size farmer and another big size farmer and discussed with the family members their economic and social activities.

Briefing for Project Preparation:

- 15.8.1 By the end of the training programme in India, the participants had the opportunity of studying various kinds of organizational structures and their operations with regard to planning, economic operations, financial and personnel management, member participation and the factors determining viability of a cooperative.
- 15.8.2 The last two days of the training programme in India, were devoted to the briefing of the participants on the preparation of projects for integrated agricultural cooperatives during the home country assignments. The following two documents were distributed among the participants.
- 15.8.2.1 Guidelines for Preparation of Projects for Integrated Agricultural Cooperatives; and
- 15.8.2.2 Guidelines for Project Appraisal and Review Exercise
- These guidelines were prepared by the resource persons from IIMA in consultation with the Programme Coordinator. Copies of the above guidelines are attached.
(Appendices No. 12 & 13)
- 15.8.3 The participants, accompanied by the Programme Coordinator, left for Bangkok on 31st December 1986. They celebrated the New Year Eve together in Bangkok and started the field visits in Thailand from 1st January 1987.

16. FIELD STUDY VISITS IN THAILAND (Jan. 1 - 13, 1987)

- 16.1 The field study visits in Thailand started with a courtesy call on the Director General of Cooperative Promotion Department (CPD) in Bangkok. The Director General (DG) explained to the participants the present position of agricultural cooperatives in Thailand, especially the situation regarding paddy processing and marketing of rice due to surplus production. He emphasised the need to streamline cooperative management and in this context, welcomed the initiatives taken by ICA in organizing the training course with financial support from the Government of Japan.
- 16.2 The participants also visited the Cooperative League of Thailand (CLT) and discussed with the Director and other staff members the various activities of CLT in respect of education and training, publicity, relation with member organizations and the efforts made to promote cooperative development in the country. During the discussion, the emphasis was on strengthening financial resources and CLT's role as a spokesman of the cooperative movement.
- 16.3 The Nong Po Dairy Cooperative visited by the participants and which is located at Ratchaburi, enjoys royal patronage from H. M. the King of Thailand and has received funds for initial investment in the dairy project. The plant with a capacity of 10,000 litres has helped in increasing the cash inflow in the farm household on a continuing basis. The delivery of milk was made by the farmers themselves and the cooperative processed and marketed the milk and milk products. Some of the products introduced by the dairy have become popular with consumers in the cities.
- 16.4 The Agricultural Cooperative Federation of Thailand (ACFT) is the apex organization of agricultural cooperatives in Thailand engaged in input supply to farmers and in marketing rice collected from member organizations.

It also acts as a procurement agency for rice on behalf of government (CPD) and receives funds for the purpose. ACFT has a printing press. The Board is elected by the member organizations. At present, the financial position of ACFT is not very satisfactory due to the losses incurred during procurement operations.

16.5 Petchaburi's Cooperative Village at Hubkapong near Bangkok was another example of cooperative established with royal patronage. The project was established with a land grant by H. M. the King. The land is now very productive with crops such as asparagus, pomelo and tropical vegetables. Asparagus is exported to Japan. The cooperative has cold storage facilities for agricultural produce. It also promotes development of eucalyptus plant cultivation.

16.6 The Integrated Farming Project at Law Look Ka Land Settlement Cooperative in Pathumthani was a good example of a successful cooperative venture with external assistance from EEC. The project has developed integrated services for extension education and for providing infrastructure for facilitating increased productivity.

inter-related production activity by feeding the fish with piggery byproducts and using the fish pond water for irrigation has helped the member farmers to make optimum use of available resources.

16.7 The participants then moved to Nokornratchsima province in which the Agricultural Cooperatives Promotion Project is located. The project has been established with the help of Government of Japan through Japan International Cooperation Agency (JICA) under which five Japanese experts and facilities are provided for cooperative development. The project has encouraged farmer members to participate actively in cooperative activity through education and extension services.

It is attempting to strengthen the role of agricultural cooperatives in the development of agricultural productivity in the area by identifying member needs and providing farm guidance and arranging marketing and purchasing activities.

- 16.8 The participants observed the working of Pimai Agricultural Cooperative in the province supported by the Project. The cooperative has initiated several programme for encouraging member participation in cooperative education and business activities. It functions as a multi-purpose cooperative with input supply and marketing services and supply of consumer goods. The commodities handled are rice, corn and some vegetables. The cooperative has the benefit of enlightened leadership and trained professional management. Managerial subsidy is provided by CPD.
- 16.9 The Provincial Cooperative Federation in Nokornratchasima functions as an apex organization for the province. It provides credit and agricultural inputs to farmer members, operates processing and storage (paddy) facilities for agricultural produce. The rice mill with 80 MT capacity per day and the two storages with 750 MT capacities are used to process and store paddy rice collected from farmer members mostly under government's rice procurement policy. The federation has 27 cooperative members, but lacks adequate capital. Marketing activity is sluggish due to low prices of agricultural produce. In 1986, the federation purchased 7,980 MT of paddy from primary cooperatives. Many cooperatives arrange direct marketing of their member's produce. Participants also visited the Regional Training Centre in Nokornratchasima which has very modern facilities, but it lacks adequate number of trainers. Another cooperative visited was the Koinburi Agricultural Multi-purpose Cooperative which had installed facilities for corn threshing and for making cussawa chips. The chips are sun dried. The cooperative has important value adding activities.

- 16.10 After Nokornratchasima, visits were arranged in Yasothorn province to the women's cooperative project which is supported by the ICA through a grant for introducing income generating activities for women. The main occupation in the area for women was the weaving of traditional cloth used for making sarongs and cushion covers. The project has laid great emphasis on education and vocational training. The participants had the opportunity of actually visiting the handloom facilities installed in several homes.
- 16.11 The agricultural cooperatives in Thailand, although multi-purpose in character, have still to develop the basic services for all the members. Inadequacy of funds and severe competition from private traders in marketing are some of the serious problems faced by these cooperatives.
- 16.12 Final briefing for home country assignments
The field visits in Thailand completed the first half of the training programme and the participants were ready to return home for the Home Country Assignments. Before leaving, the participants were thoroughly briefed on the assignments and on the methodology to be followed in drawing up questionnaires and in analysing the collected data.

PART TWO OF THE COURSE IN IDACA

JAPAN (Feb. 18 through April 18, 1987)

17. INAUGURAL CEREMONY

After completing their home assignments, the participants arrived in Tokyo between 15th and 17th February 1987. The accomodation was provided in the newly built IDACA building.

17.1 The part two of the training programme was inaugurated at a ceremony addressed by senior representatives of the concerned organizations and departments as follows;

1. Mr. Y. Koguchi, Mg-Director, Central Union of Agri. Cooperative;
2. Mr. Masao Kikuchi, Director, Overseas Tech. Coop. ICD, MAFF
3. Mr. R. B. Rajaguru, Regional Director for S.E. Asia, ICA
4. Mr. M. V. Madane, Programme Coordinator of the Project, ICA

17.2 During the speeches made by the above speakers, great emphasis was placed on the need for quality improvement of cooperative management in order to increase cooperative capability to help farmer members' improve their living standard. In this context, the representatives of ICA and the Central Union of Agricultural Cooperatives in Japan, expressed their appreciation to the Ministry of Agriculture, Forestry and Fisheries for the generous grant provided to the ICA for the Project on Agricultural Cooperative Management in South East Asia under which the training course had been organized.

17.3 Methodology used

17.3.1 By and large, lecture method was followed in IDACA throughout the training programme. Most of the lectures were given in Japanese and translated into English by interpreters. This process increased to some extent the time required for lectures and discussion.

17.3.2 Group discussions were arranged on all major topics. Usually, questions for group work were given by combining inter-related topics into one subject. A major assignment given to the group was to prepare an action plan for Regional Agricultural Promotion Plan (RAPP). The plans prepared by the two groups are attached in appendices No. 14 and No. 15.

17.3.3 Elaborate documentation was prepared for all the lecturers delivered in IDACA. In addition, reference documents on important subjects were circulated among the participants.

17.3.4 Audio-visual aids were also used.

The OHP films and the chalk-board were used often besides documentary films and slides to provide visual presentation of the subject matter under discussion. Occasionally, the close circuit TV channel and video films were used to show recorded programmes and illustrations from printed materials.

17.3.5 Classroom discussions helped in creating lively interest in the subject under study and in raising several issues of vital importance to the agricultural cooperatives in Japan.

18. APPRAISAL OF PARTICIPANT'S PROJECTS

18.1 The first week of the IDACA training programme was devoted to the appraisal of the projects by the following resource persons

18.1.1 Mr. R. B. Rajaguru, Regional Director for S. E. Asia, ICA Regional Office, New Delhi

18.1.2 Prof. V. R. Gaikwad, Indian Institute of Management in Ahmedabad

18.1.3 Mr. M. V. Madane, Programme Coordinator for the Project on Agricultural Cooperative Management in South East Asia

18.2 The appraisal was done in accordance with the guidelines issued earlier and supplied to the participants. The methodology used was as follows;

18.2.1 The concerned participant made a presentation of his project for about 45 minutes. Most of the participants used OHP transparencies and chalk-board to explain the main aspects of the project.

- 18.2.2 The resource persons then commented on the project proposal. This was followed by comments from the participants. The author of the project then replied to the comments by either defending his position or accepting the suggestions made. A discussion generally followed on important points.
- 18.2.3 The projects were then referred to the groups for discussion and comment. A full scale discussion followed the presentation of group reports. The author had another opportunity of defending the project.
- 18.2.4 The resource persons finally commented on the projects and requested the authors to modify the projects accordingly.
- 18.3 The participants, during the course of their stay in IDACA, modified the projects by adding new pages or by amending the text. This exercise has greatly improved the quality of all projects.
- 18.4 The Agricultural Cooperative Development Projects prepared by the participants are as follows;

<u>NO.</u>	<u>TITLE OF PROJEST</u>	<u>AUTHOR</u>
1.	Marketing of Pulses in Manikgonj (Bangladesh)	Md. Abdus Samee
2.	Fruit-Processing Factory in Guan County (China)	Mrs. Liu Xinzhong
3.	Duck Farming Project(China)	Mr. Guan
4.	Potato Marketing by Jahangunj Coop. Society (India)	Dr. N.P. Sharma
5.	Integrated Paddy Cooperative (India)	Mr. C.D. Singhal

- | | | |
|-----|--|--------------------------|
| 6. | Orange Development Project in Jhalawar District (India) | Mr. N.N. Joshi |
| 7. | Integrated Paddy Processing and Marketing Project in Jatisari KUD (Indonesia) | Mr. Samsul Arief |
| 8. | Integrated Area Development Project Chowal (Rep. of Korea) | Mr. Kim Jin Woo |
| 9. | Chinese Cabbage Marketing (Rep. of Korea) | Mr. Baik Chong Hyun |
| 10. | Establishing a Mini Oilpalm Oil Mill (Malaysia) | Md. Redza Hj Baba |
| 11. | A Project Study on Fishermen's Cooperative (Philippines) | Mrs. Jean Abdurasad |
| 12. | Project Study of Marketing (Palay Trading) for Baras-Baras SN; TARLAC (Philippines) | Mr. Cesar Alcantara |
| 13. | Production of Quality Smoked Rubber Sheets (SriLanka) | Mr. P.L. Gunasekera |
| 14. | Management of Paddy and Rice Business-Nong Wai Agri. Coop. (Thailand) | Mr. Kreigsak Sirihutakit |
| 15. | Establishment of Feed Mill in Thachang Agri. Coop. (Thailand) | Mr. Apichart Trigaituran |

Note: Copies of the above projects are attached to this report.

19. Agriculture : General Background

19.1 The lecture series arranged through IDACA started on 25th February 1987 with a lecture on past development and present situation of Japanese Agriculture. This was followed, after a gap of few days, by a lecture on rural society in Japan. Thereafter, three lectures covered the subjects of land utilization, land consolidation and projects for structural improvement of agriculture. These lectures helped to create among the participants, the basic understanding of the general agricultural situation and the measures taken to create a base for rapid growth of agricultural economy.

19.2 Agricultural development could be divided into four broad stages. During the first stage from 1945 to 1955, the attention was focused on reconstruction of the economy during the post-war period. The emphasis was on food production and providing employment. The situation was greatly eased through Land Reforms, removal of the stranglehold of the feudal lords, starting of the democratically managed agricultural cooperatives and measures for increasing food production. The second stage (1955 - 1975) witnessed a period of high economic growth with emphasis on industrialization and mechanization of agriculture. The third stage (1975 - 1985) started with the impact of the oil crisis which pushed down the real economic growth from 10 % to 4%. The fourth stage, which started from 1985, is experiencing financial deficit forcing down the investment to a very low level. The national currency is getting stronger forcing the restructuring of industries and reorganization of the price structure. The imports of foreign goods, especially agricultural products, is affecting seriously the already weak competitive character of agricultural products in Japan.

19.3 The structural changes in agriculture and farm villages during the high economic growth period were needed to bring agriculture closer to the rate of growth in other countries as well as in the domestic industrial sector. Modernization of agriculture was possible only with such structural changes. Government of Japan intervened very positively to change agricultural base through the following legislation.

19.3.1 Agricultural Basic Act of 1961

19.3.2 Structural Improvement Project of 1963

19.3.3 Agricultural Promotion Area Act of 1969, and

19.3.4 Agricultural Land Acts of 1962 and 1975.

Major projects for restructuring, such as flood control, irrigation, reclamation of land and taking over of uncultivated lands were completed. The sizes of arable land were readjusted to facilitate the use of heavy machinery and other high technology methods. The classification of land into agricultural and non-agricultural land was completed. The Land Improvement District created by the Land Improvement Law, played a key role in changing the structure of lands under cultivation.

19.4 The government initiated a series of measures to help the process of land consolidation and improvement. A system of subsidy was introduced for all structural changes. Despite the negative effect of the "Dodge Budget" which was introduced to check government investment, farmland consolidation was gradually achieved. Assistance from countries such as Holland was taken for land reclamation projects.

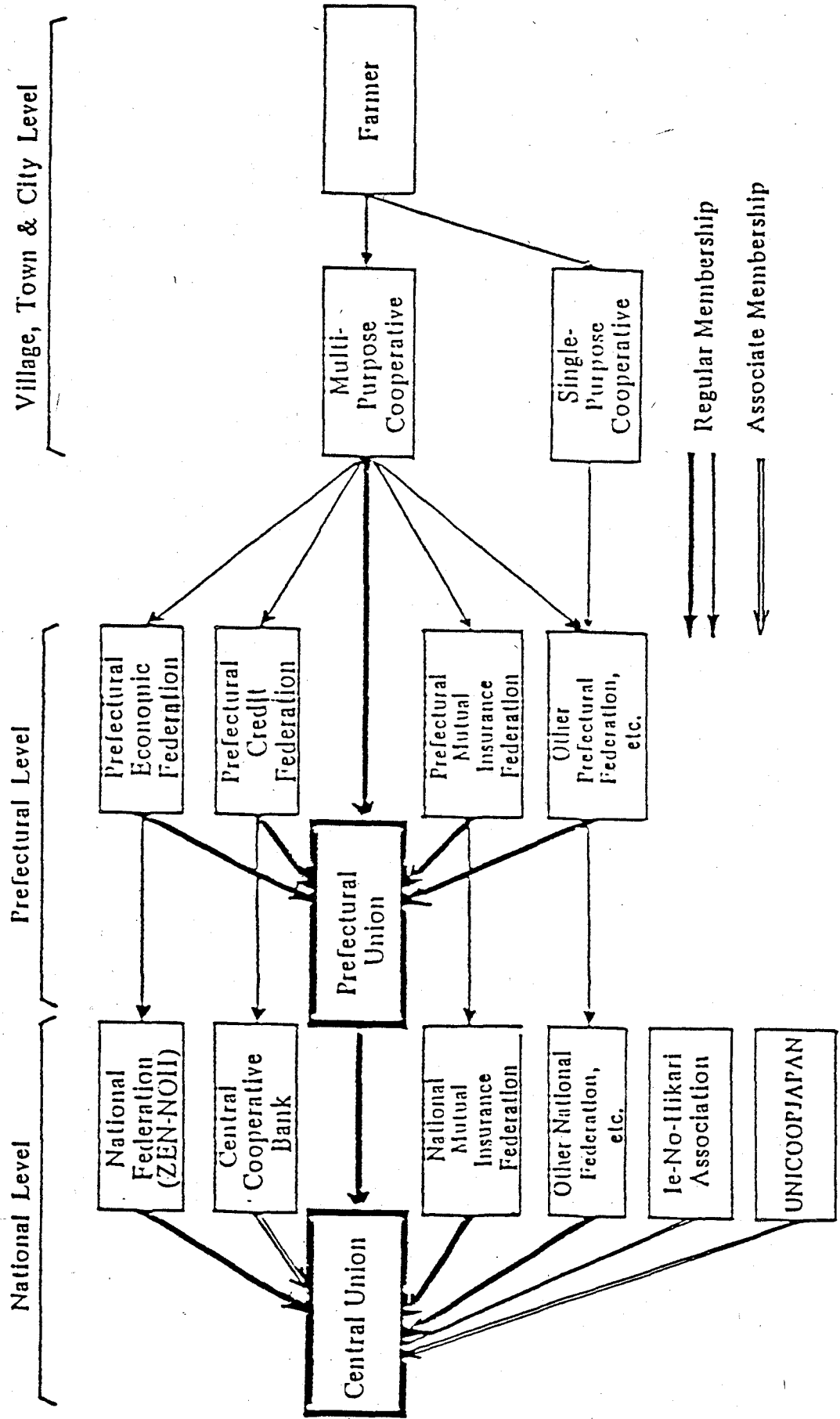
19.5 With the rapid growth of transport and communication system and the increasing opportunities of employment in other parts the character of the rural community underwent a radical change. This, coupled with the modernization of agriculture, has changed the living style in the rural communities thereby loosening the closer ties among community members. Various measures were initiated by the government in the form of discounting of bills and loaning to help in restructuring of rural houses and financing rural industries. Social guarantee schemes for public health, social welfare, public relief and social insurance supplemented the efforts made for economic development.

20. ORIGIN AND GROWTH OF AGRI. COOP MOVEMENT

- 20.1. Two lectures were presented on the subject of development and present situation of agricultural cooperatives in Japan. These lectures provided a broad outline of the total situation of these cooperatives and introduced to the participants the pattern of internal structure of the multi purpose cooperatives. Major sectors of the cooperative movement and activities of the organizations responsible for various activities were explained.
- 20.2 The first Cooperative Society Law of 1900 was enacted to form credit, marketing, purchasing and processing cooperatives which created a base for present type agricultural cooperatives. During the Second World War, the government had forcibly reorganized the whole structure in order to meet war-time requirements. After the war, in 1947, the Agricultural Cooperative Societies Law helped in reorganizing free cooperatives on farmlands acquired by farmers after the Land Reform.

- 20.3 During the past twenty years, various factors have contributed to the gradual decline in the number of farm households in the country. However, the total farm population declined more rapidly than the total farm households. The pattern of income of the farm households also changed reducing the share of agricultural income to the total farm household income from 50.2% in 1960 to 15.8% in 1984. At present, this share is around 13%. Two major reasons were identified for this trend. One was the less dependence on human labour due to mechanization and the other being new employment opportunities in the nearby areas due to rapid industrialization and consequent urbanization of rural areas.
- 20.4 Between 1965 and 1985, the cultivated land decreased from 6,004,000 ha to 5,379,000 ha, the number of farm households reduced from 5,576,000 to 4,376,000; the number of full-time farmers went down from 1,219,000 to 626,000. There was also decrease in the number of part-time (I) farmers from 2,081,000 to 775,000; but the number of part-time(II) farmers increased from 2,365,000 to 2,975,000. The trend continues to this day.
- 20.5 The structural outline of agricultural cooperative movement, as discussed in various stages, during IDACA part of the training course, is given in the following chart.

Chart 1 Structural outline of agricultural cooperative movement



The number of primary agricultural cooperatives has also undergone considerable reduction due to a programme of amalgamations. The 12,050 multi-purpose cooperatives in 1960/61 were reduced to 4,267 in 1985/86 while the specialized single purpose cooperatives decreased from 46,254 in 1960/61 to 8,854 in 1985/86.

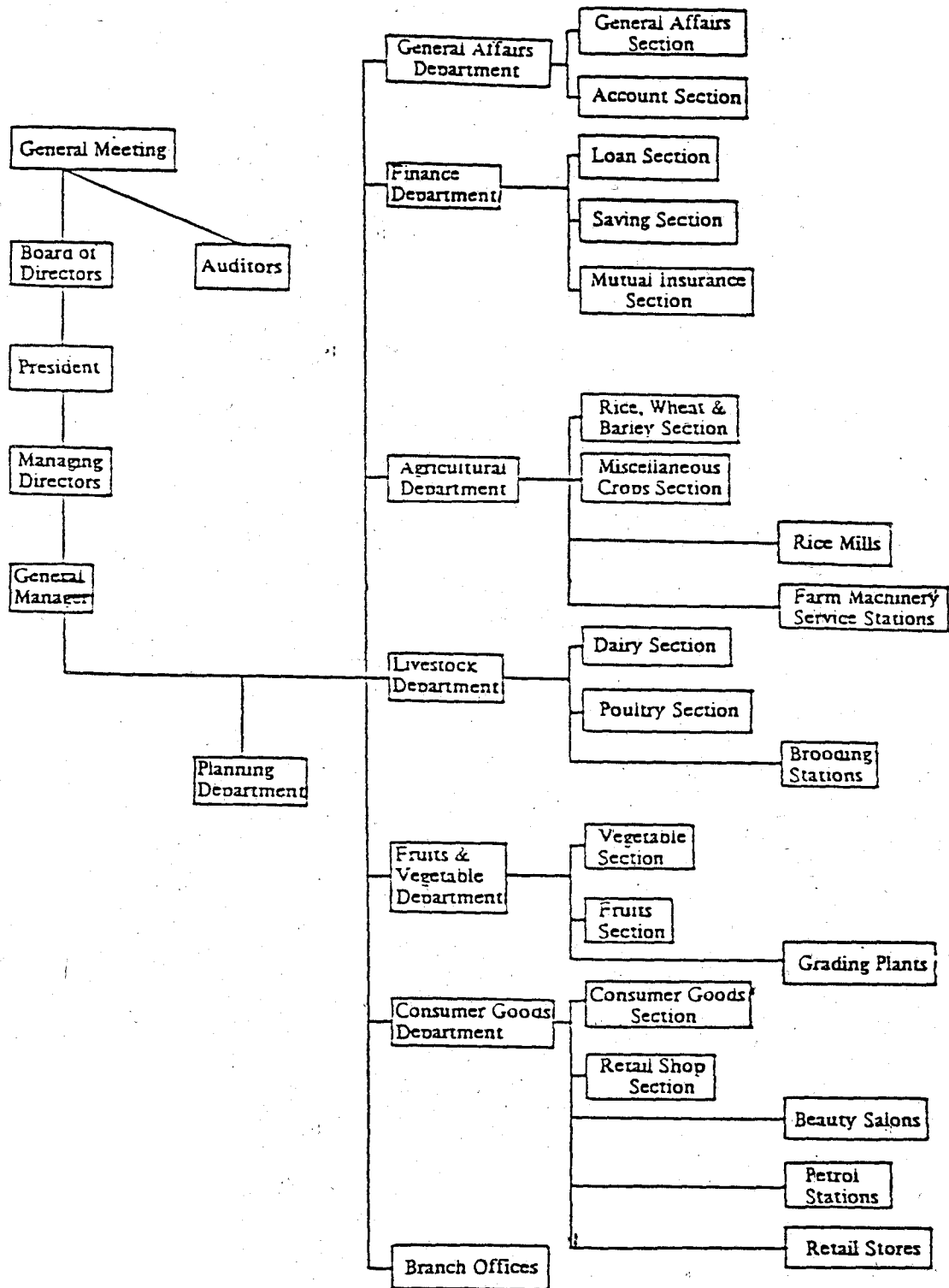
20.6 While the multi-purpose societies handle almost any kind of business touching the farmer's socio-economic life, the single purpose cooperatives deal with a variety of activities such as sericulture, livestock, dairy, poultry, grass land, horticulture, rural industries, settlers, farm broadcasting, service cooperatives and such other purposes. Following table gives the gradually declining number of these cooperatives/

Number of Agricultural Cooperatives (primary)

	1960/61	1965/66	1970/71	1980/81	1981/82	1982/83	1985/86
Multi-purpose agri. coops.	12,050	7,320	6,049	4,528	4,473	4,373	4,267
Single-purpose coops.							
Gen. service	973	538	437	221	218	215	214
Sericultural	6,293	4,294	2,557	1,190	1,145	1,116	890
Livestock	3,052	807	644	495	384	380	370
Dairy	—	764	715	628	596	586	574
Poultry	—	294	288	247	242	238	232
Grass land	—	1,141	1,023	846	907	899	882
Horticulture	679	676	571	557	559	550	541
Rural Indust.	597	496	334	214	211	205	195
Settlers'	4,789	4,438	3,484	452	414	404	371
Farm Broadcasting	—	183	169	106	101	94	89
Others	463	346	319	235	235	234	229
Sub-total	34,204	26,436	10,541	5,191	5,012	4,921	4,587
Grand Total	46,254	33,756	16,590	9,719	9,485	9,294	8,854

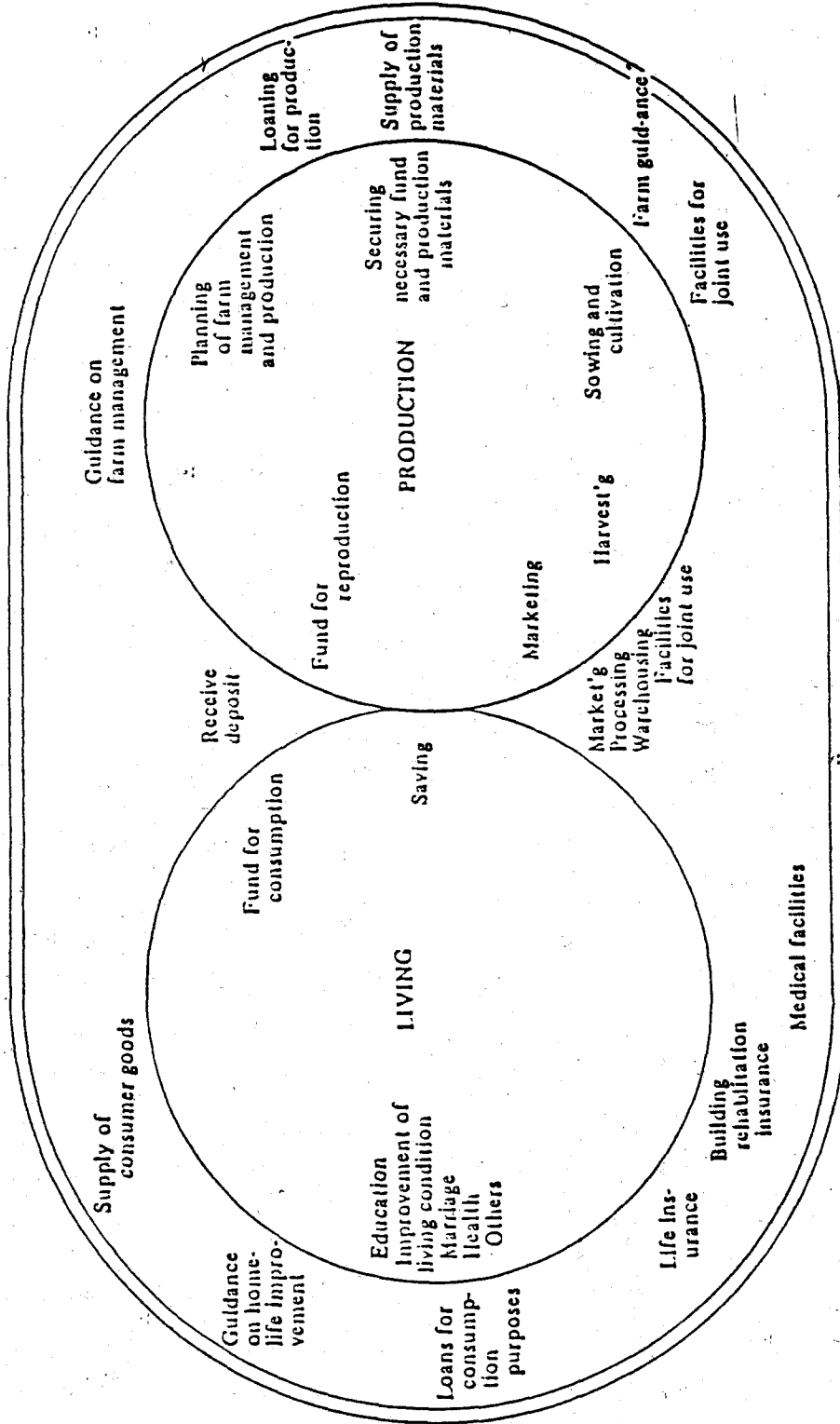
20.7 During the IDACA programme, the participants studied the working of multi-purpose cooperatives and their link-up with various federations up to the national level. With a few exceptions, the majority of cooperatives have a uniform pattern of organizational structure as shown in the following chart:

Chart 2 General pattern of internal structure of multi-purpose cooperative society



20.8 Because of the strong link with their federations, the multi-purpose cooperatives have most activities identical to each other. The variation is found in respect of commodities handled, degree of difference in mechanization, profit earnings and the extent of progress made in the process of converting paddy lands into land with other cropping patterns. The following chart shows in general the activities of multi-purpose societies.

Chart 3 ACTIVITIES OF MULTI-PURPOSE SOCIETY



21. OPERATION OF AGRICULTURAL COOPERATIVES AND THE PROBLEMS FACED DURING RECENT YEARS

21.1 Price Policy

21.1.1. Although post-war Agrarian Reform helped in the rapid development of agriculture, the imbalance between agricultural and non-agricultural incomes could not be corrected. The government responded to farmers' demand for equality by passing the Agricultural Basic Act in 1960 to help farmers maintain their economic and social status. The focal point of the price policy is the guaranteed price support for a certain quantity (4 million M/T) of rice, leaving the cooperatives to sell better quality rice direct to consumers at a free market-price (2.3 million). The rest of the produce is partly accounted for self-consumption or indirect sales. Although, the present production capacity is 14 million tons, a deliberate policy by government has kept the production to about 11 million tons.

21.1.2. The price policy for wheat helps by correcting the imbalance between the domestic produce and the superior quality imported wheat. But in the case of soybean, loss compensation is provided to farmers based on the Chicago price index. The vegetable price policy is activated when market prices drop the base level at a given point. The price compensation amount is shared among cooperatives and government on the basis of 60% by central government, 20% by prefectural government and 20% by the respective cooperatives. No compensation is given when there is total price

collapse. The price support-policy has removed the farmer's anxiety over the uncertainty of the agricultural occupation.

21.2 Amalgamations:

21.2.1 Agricultural cooperatives in Japan have undergone a process of mergers to create large size organizations with the following main objectives;

- a) To promote efficient management
- b) To increase ability to compete, especially in view of the demand for foreign products in domestic market;
and
- c) To strengthen the economic viability

21.2.1 Amalgamations have brought along with them new problems such as fear of increasing distance between members and their cooperatives, unwillingness of the financially strong cooperatives to merge with the weak organizations; and reduction of staff. Most of these problems are being tackled through negotiations and by providing safeguards in the agreements among the concerning cooperatives. Also amalgamations do not take place unless approved by the general meeting by a two-thirds majority and consented to by all the affected members. Government approval to the proposal is also needed because government provides subsidies and tax exceptions over incomes resulting from settlements and over re-registration of real estates in favour of the new cooperatives.

21.2.3 Interesting discussion points were raised regarding participation of members in cooperative activity due to the increase in the distance between them. However, the consensus was that the problem is being tackled effectively through the system of representatives meetings, creation of hamlet level groups, treating the merged cooperatives as branches and by creating commodity groups, production groups as well as women's organizations.

Measures were also being taken to encourage regular membership for women and for increasing the role of associate members. The process of amalgamation is expected to be continued until the total cooperative number is reduced to 2000.

21.3 Regional Agricultural Promotion Plan (RAPP):

- 21.3.1 With the growing volume of business, the agricultural cooperative movement is giving more emphasis on development through careful planning. Also, with the introduction of farming complexes and commodity-wise groups, there is a gradual shift from individual farming to individual commodities. The planning is based on a survey conducted among the farmer members. The individual plan of each farmer is taken into consideration. The cooperatives and the Regional Agricultural Promotion Council of the Agricultural Cooperative Society help the farmer in planning, but the actual implementation is by the farmer.
- 21.3.2 The Regional Agricultural Promotion Plan (RAPP) takes into account all aspects of the agricultural scene. Consultations are held with the Land Development District Agricultural Committee, the Extension Office, and other administrative offices. The Master Plan, and the Action Plan to implement it, represent the total picture for development for 3 years. Before the end of the 3 years, the last six months are used to review the performance of the previous two and a half years in order to plan more effectively for future.
- 21.3.3 All commodities are covered by RAPP. Twenty patterns of commodity combinations are available at present, in order to achieve the income target. Commodities are classified as key commodities, core commodities, promotion commodities and newly introduced commodities. Farm guidance activities help achieve Master Plan targets by a process of continuous and effective communication and by active participation by members in the planned activities.

21.4 Farm Management Plan:

21.4.1 More important than the planning process is the aspect of implementing the farm management plan, if the plan is not adapted to local conditions, it has little chance to succeed. So, the basis for the plan has to be the life-long happiness of members. The three basic factors to be taken into account while planning are, money, material and manpower. The farm guidance adds a new dimension to the 3M formula. Each plan is discussed at the hamlet level.

21.4.2 Only 14% cooperatives follow the total planning process. Each member's individual farm plan (family farming plan) includes,

- a) establishment of income target
- b) selection of the main crop to be produced
- c) land consolidation aspects
- d) technical innovation
- e) planting and breeding
- f) marketing
- g) materials procurement
- h) fund procurement
- i) revenue and expenditure

21.4.3 Three major syndromes were identified during the lecture on the subject.

- a) Drop out syndrome of farmers who are unable to cope with the planned development. (especially part-time II farmers).

- b) The apathy syndrome of lower level staff members of cooperatives who do not bother about any cooperative aspects beyond their own job. The "Mind ones' own business " attitude.
- c) The compartmentalization syndrome. There is less unified or coordinated effort for plan implementation among various departments. They are not interested in anything else.

21.5 Farm Guidance: (Discussed on the basis of case study of Higashi-chita Agricultural Cooperative)

21.5.1 The most important factor, identified during the training programme, for cooperative success in Japan is the farm guidance activities of agricultural cooperatives. Production and better living activities together account for the present day development of most of the cooperatives.

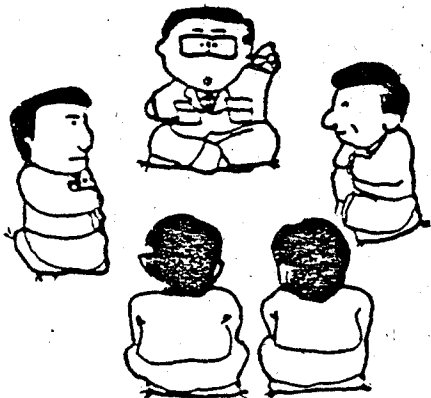
21.5.2 The farm guidance activities concentrate on the economic aspects of farming business. The emphasis is on constant communication, collection of individual data, frequent consultations, organizing group activities, on the spot training to individuals and groups and visits to other areas which have achieved higher levels of productivity. The following illustration gives the basic pattern of farm guidance activities.
(Next page)

21.6 Better Living:

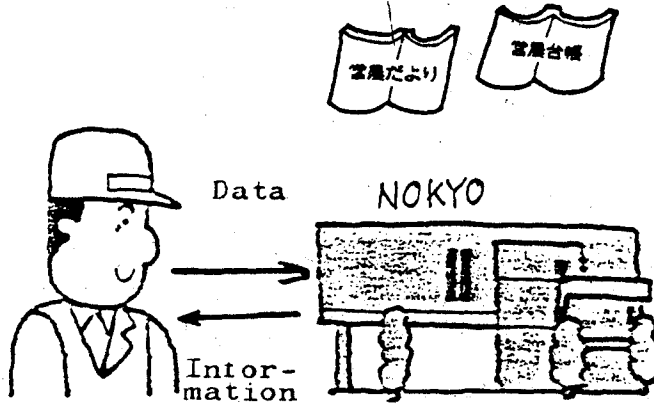
21.6.1 Better living activities were introduced in the training course through a lecture and another through the case study of Asa-Cho Agricultural Cooperative in Hiroshima Prefecture. The main thrust of these activities is to overcome the short comings of rural life and help the members and their families to lead a healthier and richer life. The activities are generally organized through members' organizations such as women's associations, better living groups, Hans and other groups set up as per the local conditions.

The basic patterns for farm guidance

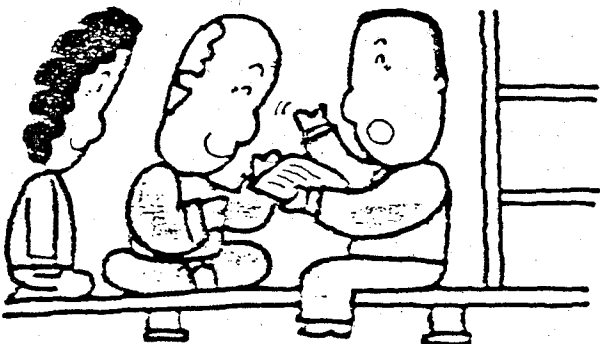
1. organizing groups and guidance for group activities



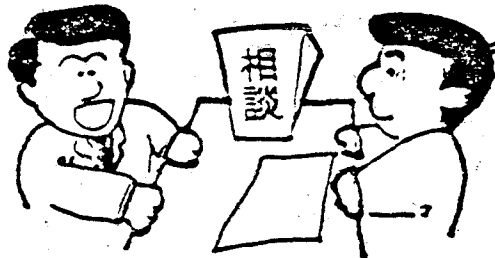
2. Collection of individual data
 -member's table
 -farm machinery's table
 -livestock holding table



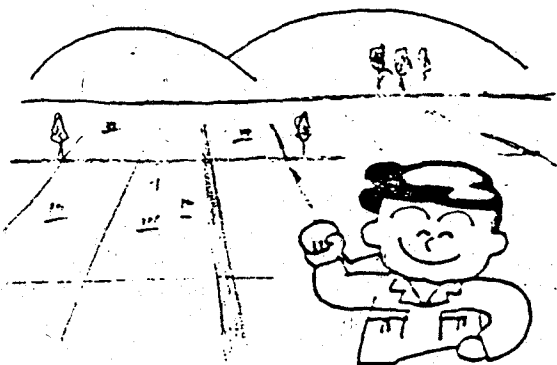
3. Visit to farm household once a month



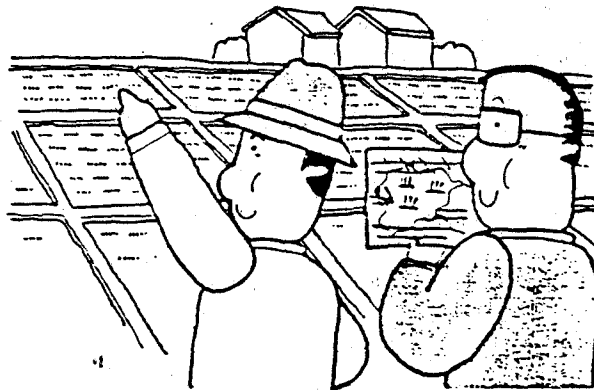
4. Individual consultation
 (farming techniques, management)



5. On the spot training



6. Study visit to advanced production area



Facilities are set up for these activities such as stores for daily commodities and centers for social and cultural activities.

21.6.2 The felt need for better living activities is much stronger now than even before. The economic boom of the past three decades has dissipated the interest of farm household members in these activities. Many members of the families work in non-agricultural establishments. They do not have the time to attend to classes for better living activities. Many members fall into part-time II or Sunday farmer categories. The cooperatives have, therefore, to suit the test and convenience of members and their families to conduct the activities. In addition, they have to secure the confidence of the people they wish to serve.

21.6.3 The better living activities of Asa-Cho Agricultural Cooperative are well organized and coordinated due to the efforts made by the Better Living Department and the Home Life Improvement Offices. The activities include;

- a) regular health check-up in clinics or through mobile vans
- b) advise on food and diet
- c) cooking classes
- d) cultural and health festivals
- e) exhibition of childrens' arts and plays
- f) excursions for sight-seeing and for plant collections
- g) weddings
- h) handicraft training center
- i) welfare of the elderly people.

Funds for these activities are provided mainly by the cooperatives, but some of them are supported by the prefectural welfare federation.

21.7 Agricultural Finance:

- 21.7.1 The origin of the agricultural cooperative credit system can be traced to the Agricultural Bill System introduced to salvage the post-war farm household economy. The Agrarian Reform during 1947 to 1949 gave the tenant farmers the title to the lands, but the agricultural cooperatives were too weak to sustain the heavy borrowings. Under this system, the promissory note issued by cooperatives was guaranteed by the Bank of Japan through low interest rate finance for purchase of most essential agricultural inputs. The promissory note was secured on the agricultural loss compensation fund because of joint rice marketing account supported by agricultural cooperatives, prefectural credit federations and the Central Cooperative Bank for Agriculture and Forestry. As the economic conditions of the farmers improved, the need for external funds also decreased and after 1952 the cooperatives entered the stage for rapid growth. Since then agricultural cooperatives have never looked back and have maintained the high rate of resource mobilization.
- 21.7.2 As the investment needs of cooperative members increased, the Agricultural Forestry and Fisheries Fund came into force and was operated by the Agriculture, Forestry and Fisheries Cooperation. The government funds came from post office savings and were used for long-term loans to farmers for land or facility improvement at 3.5 to 5.5% interest rate. The Fund balance now stands at 22.0 Billion Yen. In addition, Agricultural Modernization Fund was established by agricultural cooperatives for medium-term loans to cooperative members with interest subsidy from government.
- 21.7.3 These multi-dimensional efforts have now resulted in a very comfortable financial position of agricultural cooperatives. At present, their surplus funds far outweigh the total production and investment needs of member farmers and their cooperatives up to the national level. Credit business is also the major source of income for agricultural cooperatives. Investments outside the cooperative movement have become necessary.

21.8 Purchasing and supply

- 21.8.1. In the highly competitive society of present day Japan, the cooperatives have to maintain an edge over private suppliers. Due to the large quantity of supplies needed by them, the cooperatives, through their national economic federation ZEN-NOH, have attained a very high level bargaining power with manufactures for bulk supplies. So, under the agreements between ZEN-NOH and the suppliers, vertical supply channels are maintained both by the cooperatives and the private chains.
- 21.8.2. The cooperatives have attained self sufficiency in the manufacture of compounded feeds, but the bulk of the raw material has to be imported for which the ZEN-NOH has established a vast network of facilities in Japan and abroad. Flexibility in foreign trade operations is maintained through the cooperatively owned subsidiary company UNICOOPJAPAN.
- 21.8.3. The emphasis in the supply operations is on early planning of supply needs and timely picking up of items to reduce costs. Planning at the grass root level helps in assessing nationwide demand and arranging a time-table for storage, transportation of both agricultural inputs and consumer goods.
- 21.8.4. The future plans to improve cooperatives bargaining power include, a) expanding cooperative share, b) self promotion and reorganization of cooperative factories; and c) improve after sales service by the cooperatives. As cooperatives have to depend upon private supplier, only high level of efficiency can give them the advantage over the private competitors.

21.9 Marketing

- 21.9.1. While in respect of purchasing the agricultural cooperatives have a bargaining strength, the story of marketing is quite different. The vast competitive market is not easy to be influenced unless cooperative intervention increases to a

- a) legal obstacles or regulations by government
- b) Technical aspects due to higher levels of competitive strength attained by private industry.
- c) Lack of horizontal integration and competition among cooperatives
- d) Lack of effective vertical integration in marketing

21.9.2 Changing food habits, availability of foreign products and high production costs are some of the other constraints facing cooperative marketing.

21.9.3 An interesting case was milk marketing by agricultural cooperatives. Home delivery of milk was a common practice, but the emergence of supermarkets have removed the need for home delivery. Cooperatives have 90% share of milk marketing which can influence the market price.

21.9.4 The Tokyo Wholesale Market is operated by Tokyo Municipal Cooperation and ZEN-NOH uses the facilities for marketing purposes.

21.9.5 Government subsidy in respect of vegetables and grains helps ease marketing situation. However, as the government gradually intends to reduce the subsidy, cooperatives will have to prepare themselves for an open competitive market.

21.10 Demand-Supply Adjustment

21.10.1 The uncertain situation about marketing the produce gradually led to some new measures for more effective farm management and planning. The most important aspect of this strategy was the establishment of farming complexes. The farming complexes include the farmers' plans, commodity groups and mutual aid system. Through a comprehensive approach from production to marketing, the farm advisers from agricultural cooperatives help in implementing the farming complex system.

- 21.10.2 The idea of farming complexes was derived from housing complex system. They are also based on the demand-supply adjustments made in the competitive world of private trade. This new agricultural adjustment plan encouraged farmers to adapt a multi-cropping system and go into specialized farming in respect of cash crops and livestock. All these efforts are expected to increase the market share of agricultural cooperatives.
- 21.10.3 The total farm management approach is aimed at promoting an integrated development of agricultural cooperatives. Apart from commodity wise groups and production centers, special attention is being given to the problems of part-time farmers to sustain their interest in agriculture. The emphasis is on decentralized leadership initiative but actual business through centralized and coordinated economic linkage both vertically and horizontally.
- 21.11 Joint Utilization of Facilities and Processing of Agricultural Produce
- 21.11.1 Apart from rationalization of efforts in production, common use of facilities such as heavy machinery, country elevators and breeding stations is being promoted. The idea is to make available facilities to all farmers who may not be able to own them individually. This also helps in reducing the cost of production.
- 21.11.2 Not much emphasis was given by most of the agricultural cooperatives on processing for value adding activities. Processing was done mostly of surplus products. But with the changing scene of agricultural economics and with the growing competition from domestic and foreign products, the need for taking the agricultural produce to the consumer according to the consumer demand is being realized. Some prefectures have made considerable progress in this direction and many others are planning to change their policies towards improving the marketability of the produce through processing.

21.12 Agricultural Insurance

- 21.12.1 Despite all the measures and precautions taken, agricultural success cannot be guaranteed. Heavy losses due to typhoons, floods, pests and unfavourable weather conditions are always possible. So, the government of Japan is operating a very elaborate scheme of agricultural insurance in collaboration with the agricultural cooperatives for compensating the farmers suffering losses caused by disasters.
- 21.12.2 Agricultural insurance started to safeguard the reserved stocks of food. Before 1929, only livestock insurance was available. Since the starting of Agricultural Insurance Scheme, all types of cooperative insurance are related to government scheme.
- 21.12.3 Insurance is compulsory nationwide in respect of rice and other grains, sericulture and livestock. Insurance in fruits, fruit trees, other field crops and greenhouse is optional. In disaster prove areas, the insurance is compulsory, but by and large, farmers in Japan seek insurance protection for most of their agricultural activities.

21.13 Education and Training

Since the establishment of Raiffeissen model agricultural cooperatives in 1900, emphasis has been given on leadership development and cooperative education. As the movement became more democratic, the education and staff training activities increased. Government support was available, especially at prefectural level. Publicity work is being carried out through the National Press and Information Federation of Agricultural Cooperatives and the "IE-NO-HIKARI" Association. In addition, the Central Union of Agricultural Cooperatives and its affiliates at various levels, undertake extensive lobbying and public relations activities to influence government policies affecting agricultural cooperatives.

21.14 Audit

Audit is carried out to safeguard members' interest and to improve cooperative management. Professional auditors are not allowed to audit cooperative accounts.

Four kinds of audits are available:

- 1) Internal auditors appointed by general meeting
- 2) Special audit by a staff member as per direction of the cooperative president
- 3) Audit by the Central Union and
- 4) Audit by the Government.

21.15 Government Extension Services

- 21.15.1 Extension services by government at high productivity through maximum land utilization and increase in the yield. Financed by the central government, the extension officers work under prefectural government. Extension training is done through the Agricultural Academy. The feed back system helps field extension officers to refer highly complex problems to specialists at the university levels.
- 21.15.2 Despite marginal overlap, the roles of government extension officers and the farm guidance officers in agricultural cooperatives are complimentary to each other. Their interactive relationship in cooperative work helps in smoothening the process of government assistance in other areas.
- 21.15.3 As in the case of cooperatives, government extension services endeavour to change rural environment. Efforts are also being made to encourage rural youth to diversify agriculture through low interest loans.

21.16 International Cooperation for Agriculture and Forestry

- 21.16.1 Over the past 20 years, Japan's international cooperation in the fields of agriculture and forestry has steadily developed through bilateral and multilateral channels. Bilateral assistance is mostly through grants and soft loans. Assistance is channelled through the Japan International Cooperation Agency (JICA) to poorer countries for common good, the other developing countries receive loans for projects, food supply, for boosting food production and import of agricultural machinery. Japan prefers to receive Yen loan request under ODA from the

Overseas Economic Cooperation Fund which has a 25% grant element. The terms for all these loans are flexible and can be modified. Capital funds are not provided under bilateral assistance except for equipments and aids needed by experts.

21.16.2. General policy for assistance is through untied loans for projects for dams, drainage, irrigation and even loans to secure commodities from foreign countries are possible. Recently, two-step loans are being encouraged through a designated agency in receiving country for use in local development schemes. The purposes for use and procedures are left to the receiving government. Japanese private companies assisting a developing country can also receive assistance from Government of Japan. The best-form of assistance to cooperatives would be if Japanese agricultural cooperatives and the cooperatives in developing Asian countries join together in a project and Government of Japan provides the needed financial and technical support.

21.16.3 The representative from the Ministry of Agriculture, Forestry and Fisheries, who initiated the discussion, stated that Japanese government would like to receive requests from All Asian countries for assistance in agricultural and agricultural cooperative development. The requests have to be channelled through Japanese Embassies in the respective countries to be followed by missions from JICA. Future actions are based on the Record of Discussions (RD) of these missions and the project appraisal done in Japan. Maximum period of assistance for such projects is generally five years.

22. FIELD STUDY VISITS IN JAPAN

During the IDACA training programme, the participants had the opportunity of visiting cooperatives in two prefectures with varying topographical conditions. The Saga prefecture is located in Kyushu in the temperate monsoonic zone with mild climatic conditions while Nagano prefecture is surrounded by high mountain ranges (Japanese alps) on the main island of Honshu. Upland farming dominates agriculture in Nagano prefecture.

22.1. Saga Prefecture:

1.1 The comparatively warm climate of the prefecture makes it an ideal place for agricultural operations. The land reclamation project along the Ariake Bay has resulted in expanded farmland and in a more intensive agricultural activity on 1,174 HA of the plains.

22.1.2 Farm household population (279,000) constitutes 31.6% of the total population (883,000). Of the total farm households, only 13% (7,400) are occupied in full-time farming while part-time (I) farm households represent 25% (14,500) and part-time (II) represent 62% (35,800). The trend towards gradual decline in the percentage of agricultural income continues.

22.1.3 Paddy dominates farming with 69% of the total 72,800 ha arable land, followed by orchard land 25% and upland fields 8%.

22.1.4 The process of optimum utilization of available land, curtailment of production costs, conversion of paddy fields into orchards or vegetable growing plots and strengthening farm management is in full swing in this area. The overall action plans prepared under the Regional Agricultural Promotion Plan (RAP) has facilitated a coordinated development of agriculture with emphasis on mix-farming, establishment of commodity wise groups and establishment of production centres. The farm management under the plan has encouraged collective utilization and concentration of farm land as well as joint utilization of farm machineries.

- 22.1.5 In addition to the Prefectural Union and Federations, the participants visited two primary agricultural cooperatives in Saga. One was the Minami-Hata Agricultural Cooperative Society and the other Shiroishi Area Agricultural Cooperative Society. Minami-Hata cooperative is located on a high plateau flanked by high mountain of Seburi. The elevated lands grow grain like paddy, wheat and barley soyabeans, fodder grass as well as grapes, pear, oranges and several varieties of fruits and vegetables. Livestock, dairy cattle, poultry, piggery and sericulture are some of the other mix-farming activities undertaken by the farmers. The cooperative lays great emphasis on farm guidance and leadership development in order to improve quality of cooperative management..
- 22.1.6 The Shiroishi Cooperative is located on the plains served by Shiroishi North Dam for drainage and irrigation purposes. The cooperative has also large areas of farmland obtained through the land reclamation project implemented through embankment along the sea. Rice and barley are still the most dominant crops followed by onions, lotus root, oranges, grapes and strawberry, livestock, piggery, horse rash, melon and dairy.
- 22.1.7 The strategy of cooperative management has radically changed during recent years, in both the cooperatives due to government restriction on paddy cultivation beyond a certain limit. The tendency now is to switch to other crops. The safe channel of rice marketing to government is giving way to more risk involved farming. But this has highlighted need for quality improvement in management. Emphasis on commodity wise farming, joint utilization of farm machinery, hamlet level producers' groups and gradual introduction of processing industry for value adding has increased. Visible results has not yet been seen of the efforts to promote investment and reduce costs, but the process has been started. Efforts are being made to attract young farmers through the establishment of production centres for development of mix-farming and farming complexes.

farm succession problem is not so acute as in other areas.

22.2. Nagano Prefecture:

22.2.1 Nagano Prefecture has also 30% (185,000) households engaged in farming. Of these, only 13% (24,000) are full-time farmers, 14.7% are (27,000) part-time I farmers and 72% (134,000) part-time II farmers. Farm household population is 798,000 out of which people working for agriculture amount to 267,000.

22.2.2 Until 1951, Nagano had prosperous rural industries and cooperatives were engaged in silk reeling and noodle production as well as soy bean paste making. The reorganization of agriculture through farm management brought about a big change in agricultural scene and the earlier industries had to be closed giving way to agro-processing industries. At present, Nagano cooperatives lay great emphasis on value adding aspects through processing of fruits and vegetables and converting surplus produce into consumer commodities. These are 36 processing facilities directly run by agricultural cooperatives and four other on lease basis or through subsidiary organizations.

22.2.3 Due to its geographical situation at high altitude, rice cultivation is comparatively less than in Saga. Fruits, mushroom (mainly Enoki), livestock, vegetable growing and sericulture constitute bulk of the farming and related occupations. The total number of agricultural cooperatives is 126 out of which 500 - 1,000 member bracket constitutes 40%. Several single purpose cooperatives function for specialized activities. A unique feature of Nagano prefecture's progressive activities is the establishment of Nagano Kohnoh company for research in post-harvest technology and product development. The company is owned by the Pref. Economic Federation. The products handled are apples, Enoki mushroom, apricot and peaches. The company has developed simplified method of mushroom cultivation by using saw dust as a base.

- 22.2.4 In addition to the visit to the prefectural union for general briefing, the participants visited the facilities owned by the economic federation for processing of agricultural produce and for supply of agricultural inputs, agricultural implements, machinery and consumer goods.
- 22.2.5 Participants visited the large size Inan Primary Agricultural Cooperative Society which has a wide range of activities. Fruits and vegetables dominate the cooperative business followed by mushroom, sericulture, flowers, tobacco livestock and dairy. Rice seedlings are prepared in its nursery. Rice for producing sake wine is also cultivated. The participants visited the cattle raising farm, flower complex, the country elevator and the seedling center. The cooperative has a large-size super-market and a well furnished hall for better living activities. Many farmers rent out their land for cultivation to other farmers through the Land Utilization Union which acts as a clearing house between the farmer renting the land and the one taking it for cultivation. Representatives of cooperatives, farmers and local authorities sit on this union. Despite the low average holding of 0.8HA, the income level per farm household is quite high.
- 22.2.6 The Inan Society lays great emphasis on better living activities and has encouraged women to participate in activities at all levels. By dissolving the women's association, the cooperative has started better living groups open to all members of the household. A unique feature of the cooperative is the 3D Movement. It represents 3 DOWNS VIZ; less costs, less losses and zero defect.
- 22.2.7 As in other prefectures, Nagano farmers are also facing the problem of farm successors. The cooperative has initiated several activities to attract young farmers, but the trend of migration to non-agricultural areas and for working in non-agricultural industries for added income continues unabated.

22.3 Other visits to coop Institutions and Facilities

In addition to the field study visits in Saga and Nagano prefectures, the participants visited the following institutions and facilities, near Tokyo, during the training programme.

1. Isehara City and Isehara-shi Agricultural Cooperative
(Meeting for explanations and discussion)
2. Tsukuigun Primary Agricultural Cooperative Society
(Meeting for explanations and discussions)
3. Tokyo Fruits and Vegetables Market of Zen-Noh at Kanda
4. Japanese Consumers' Cooperative Union (JCCU) (Processing facilities and central warehouse for distribution of consumer commodities and a consumer super-market)

23. FIELD STUDY VISIT IN THE REPUBLIC OF KOREA

(April 19 to May 3, 1987)

- 23.1 The field study visits in the Republic of Korea started on 20th April with the opening ceremony in the National Agricultural Cooperative Federation (NACF) addressed by Mr. Suh, Ki Won, Director General of Research Department of NACF. During his speech, Mr. Suh referred to the present trend of giving more emphasis on cooperative management training as a timely action for the development of agricultural cooperatives. He said that Korean experience has proved that cooperatives were the most important agency to develop agriculture, and in this context, he welcomed the study tour of the ICA Training Course as a good opportunity for comparing the Korean experience with the developments in participating countries.
- 23.2 In Korea, all services to farmers are integrated through facilities operated by NACF. The two-tier link-up between NACF and the primary cooperatives has reduced to some extent the service costs to cooperative members. The Saemaul Movement has created a very strong base for cooperative activity throughout the country and the cooperatives have now taken over the major responsibility for continuing the work for agricultural and rural environmental changes.
- 23.3 Present programme of amalgamations has reduced the number of agricultural cooperatives from 21,500 in 1961 to 1,464 in 1985. While taking these steps for economic viability, the participation of members in cooperative activity appears to have been ensured through the Saemaul Farming Society, the Womens' Groups, the Youth Clubs and the Commodity Farming groups. Cooperatives cover over 90% of the farmers.

23.4 A major portion of NACF's income is derived from banking and insurance business, but efforts are being made to increase the share of economic activities such as marketing, purchasing and distribution. NACF operates several marketing centers, chain of supermarkets and distribution points in order to influence the market for better returns to farmer members.

23.5 The participants had the opportunity of visiting these primary multi-purpose cooperatives located in different provinces. The first cooperative was the Byeogje cooperative located near the capital city of Seoul. Sixteen village level cooperatives have been amalgamated to form this cooperative with two-thirds of the total farm households viz 2,018 engaged in agriculture. Because of the proximity to the capital city, the cooperative has 70% of its deposits from non-agricultural population. However, there is at present no visible trend of migration to the city by the farmers in this area. In addition to the normal business activities, the womens' groups at administrative village levels (Ri) operate 25 chain stores for distribution of daily necessities.

23.6 Coop. Management

The most interesting cooperative was the Haseong Primary Agricultural Cooperative of Yeochang county in Kyoeongnam province. Discussion during the visit centered around management aspects of the cooperative. Although the cooperative has only 411 members representing 412 households with 445 HA of arable land (1.08 HA per household), the cooperative has succeeded in making it a very successful and economically viable enterprise. Committed leadership with quality management have together made this cooperative a rallying point for the farmers in these hilly areas.

23.7 Some of the important activities handled by the cooperative are;

- 23.7.1 Introduction of imported cows for dairy improvement.
 - 23.7.2 Planned development of mulberry tree cultivation economically viable sericulture industry.
 - 23.7.3 90% of cash liquidity in the area being attracted to cooperative in the form of savings;
 - 23.7.4 Most of the loans given out of cooperative's own funds.
 - 23.7.5 80% supply of total consumer needs with the help of womens' groups.
 - 23.7.6 Creating a feeling among the members and their families that it is their own cooperative.
 - 23.7.7 95% of rice marketing and 55-60% share in marketing of other crops.
 - 23.7.8 Very active role of womens' organizations. They produce wooden nets for sericulture industry.
 - 23.7.9 "Faith by the members" and "Service by the cooperative" are the mottos adapted by the cooperative ; and
 - 23.7.10 Staff working under guideline such as "Be kind to members", "Be quick" and "Be accurate".
- 23.8 The president of the cooperative personally keeps in touch with each member and discusses with them their individual plans.

23.9 Marketing

The Namji cooperative on the plains was a much a bigger multi-purpose organization with a much larger area (1909 HA) and 2,443 members. The emphasis in the discussions was on marketing.

- 23.10 The cooperative operates its own market and arranges marketing of members produce by auction participated by designated dealers. The cooperative has a very efficient system of market information with communication links with NACF and terminal markets in big cities. The produce is directed to various markets as per the supply situations in various areas. NACF has developed a system of surveys an production of various commodities and giving advice to farmers on future production. But there is not much emphasis on demand surveys

- 23.11 The producer is supplied with corrugated card board boxes for packaging. The produce is graded by the farmer himself. There is no storage facility, but plans are underway to construct such a facility.
- 23.12 The cooperative discusses marketing problems with their members at various forums. It also publishes a magazine and booklets on specialized subjects or crops.
- 23.13 The single commodity cooperative visited was an example of considerable success through a close linkage with their members and wide-ranging publicity and advertising campaigns including selection of "Apple Queen" annually. The cooperative has its own nursery and guidance staff to develop apple farming methods.
- 23.14 Starting in 1917 (as a fruit trade association), the Taegu Apple cooperative has now surpassed the 40 billion turnover mark. It has 10,062 members with 10,482 HA and 176,000 M.T. production. Any farmer having 900 over apple trees can be a member. The cooperative provides specially suited inputs and equipment apple growers for spraying, weeding and sprinkler irrigation. Grading is done by members but extension staff help in improving the packaging methods. Apart from normal borrowings from NACF, the cooperative uses government special fund for loaning. The cooperative needs grading and storage facilities to further improve apple marketing.
- 23.15 Credit and Banking

NACF branches throughout the country have taken to the rural population, modern banking facilities with

added opportunities for using resources mobilized by NACF in urban areas. The marketing services by the branches are well coordinated through a communication network. The discussion at Volseong County Office centred around credit and banking.

23.16 The Branch Office monitors a balanced investment programme by channelling surplus funds to deficit areas. It has collected 10 million WON in deposit and its turnover is over 75 million. The area has a very good repayment record. Loans are given on individual basis. Terms and interest rates differ according to the source of funds. Most of the loans are approved on the day of application.

23.17 Village Level Organizations

23.17.1 The impact of the combined efforts of NACF and the Saemaul Movement (New Village Movement) is visible when visiting the village level organizations. Because of the improved rural environment created by the Saemaul Movement, the cooperatives have now a stronger base for farming as well as better living activities. The participants visited two village level cooperatives.

23.17.2 The overall organizational unit at the village level is the Saemaul Farming Society in which all cooperative members participate. Besides this society, the Saemaul Womens' Society and the Saemaul Youth Society are established to promote and organize occupational, social and cultural activities for the farm household members, especially the senior citizens. The farm guidance officers attached to the cooperative help in developing these activities.

23.17.3 If a single commodity like paddy/rice is the crop grown in the area, the Saemaul Society functions as a farming group for all members. However, as cropping patterns are changing and as second crop and greenhouse crops are becoming popular, specialized farming groups are being formed to look after the farmers' interest.

23.17.4 The farming groups promote maximum utilization of land (upto 4 crops under green house farming), help improve basic crop patterns, arrange technical and financial support for farming operations and arrange marketing, direct or through the NACF channels. Area-wise cropping patterns are being developed through loans and subsidies provided by local governments. The total operations are carried out under an integrated farming plan and through a coordinated implementation action programme.

23.18 In addition to the visits to above cooperatives and the NACF branch, the participants visited two marketing centers, cooperative supermarkets, Rice packing Center, Rural Development Office, Live experiential Station, Anseong Cooperative Leaders' Training Institute and the Junior Cooperative College.

23.19 The overall position of cooperatives in the Republic of Korea is on a secured ground of strong economic base supported by a strong federal organization led by trained and devoted leaders; trained managerial personnel, voluntary groups trained by experts in various fields, and above all by members greatly encouraged by results of the Saemaul Movement. If the costs of productions are carefully watched, the cooperatives in Korea will soon emerge as a very strong and viable economic enterprise.

23.20 Conclusion of the Training Course

With the completion of the field study visit in the Republic of Korea, the Training Course for Strengthening Management of Agricultural Cooperatives in South-East Asia came to an end. The concluding session was preceded by group discussion on the study visits. The plenary session was followed by evaluation of the field visits. Thereafter, all the participants made brief statements, expressing their appreciation to the ICA, NACF, IDACA, and ICA member organizations in India and Thailand for leading the training course to a successful completion. The Director General of the Research Department of NACF gave the farewell address. On second and third May 1987 the participants left Seoul for their respective countries.

24 RECOMENDATIONS

24.1 Part-I

- 24.1.1 The search for the most ideal form of cooperative organization has revealed that any type of cooperative can be made successful if proper linkages are established in an integrated manner. The emphasis should be an integration of services and planned development.
- 24.1.2 Trained leadership and professional management must go hand in hand to form a balanced team for a healthy cooperative growth. Both must respect each others' considered opinions, rights and responsibilities.
- 24.1.3 Agricultural production by cooperative members needs to be based on properly assessed demand for various commodities. Price guarantees by government should be welcome. However, this should not be treated as a permanent solution.

- 24.1.4 Cooperative should aim at economic viability and financial independence by ascertaining benefit-cost ratio of each activity.
- 24.1.5 The ultimate authority in the decision making process should remain with the cooperative member.
- 24.1.6 The total development effort by cooperatives should be geared to adding tangible economic and social advantages to member farmers.
- 24.1.7 Technical and leadership training to farm leaders and participation by farm household members can ensure grass-root level development of a democratically controlled agricultural cooperative.
- 24.2 Part-II
- 24.2.1 Cooperative organizations in participating Asian countries should extend their full support for initiating follow-up action for projects prepared by participants during home country assignments.
- 24.2.2 ICA should help coordinate the follow-up action through guidance and technical supports. Wherever, feasible, the project implementation work should be supported by financial contributions to member movements to conduct studies and data processing.
- 24.2.3 ICA and member movements should try, through mutual consultation, improve the process of selecting course participants in order to gradually attain increased homogeneity of the group.
- 24.2.4 One resource person should be recruited on a longer term basis to assist the programme coordinator in conducting the course.

24.2.5 ICA should try to organize support of other international organizations in respect of technical material and recruitment of resource persons.

24.2.6 ICA should try to canvass support of government and donar agencies, including the Government of Japan, for securing technical assistance and funds for the projects prepared by course participants during home country assignments.

24.3 Part-III

24.3.1 The Government of Japan is requested through MAFF, to organize added support to ICA and its member organizations, in implementing the projects prepared by course participants in the following way:

a) By informing the Japanese Embassies in the participating countries the details of the projects proposed.

b) By requesting the Embassies to bring the project to the notice of concerned government authorities as a possible component in an agricultural or rural development project for which assistance may be requested from the Government of Japan.

c) By making available to ICA additional funds for project implementation in future.

24.3.2 Early consultation should be initiated with the ICA and the Central Union of Agricultural Cooperatives in Japan to gradually modify the structure and financial break-up of the training project on the basis of experience gained during the first two years of project implementation.