

Kingdom of Cambodia
Nation Religion King



Ministry of Agriculture, Forestry and Fisheries

General Directorate of Agriculture

Department of Agricultural Cooperative Promotion



Japan International Cooperation
Agency

**STUDY GUIDE FOR TRAINING OF
AGRICULTURAL COOPERATIVE MEMBERS
AND OFFICIALS IN CAMBODIA**

Prepared by: Project for Establishing Business-Oriented Agricultural Cooperative Models (BPAC)

Supported by: Japan International Cooperation Agency (JICA)

July 2015

Study Guide for Training of Agricultural Cooperative Members and Officials in Cambodia

Printed in July 2015

Published by Department of Agricultural Cooperative Promotion of General Directorate for Agriculture (MAFF)

The project for Establishing Business-oriented Agricultural Cooperative Models (BPAC)

Address: # 54B/49F, St. 395-656, Sangkat Toeuk Laak 3, Khan Toul Kok, Phnom Penh, Cambodia

Phone: (023) 883 427, Fax: (023) 883 427

© The project for Establishing Business-oriented Agricultural Cooperative Models

CONTENTS PAGE

About the study guide	01
01 Helpful Notes for the Trainers	02
02 Spread of Cooperative Movement... ..	07
03 History of the Cooperative Movement	08
04 International Cooperative Alliance-ICA& Principles of Cooperation	11
05 Forms of Cooperatives	18
06 Organisational Structure of Cooperatives	20
07 Organisation of an Agricultural Cooperative Society	22
08 Cooperative Law, Rules and Regulations	24
09 Why to be a Member of an agricultural Cooperative	28
10 Rights and Duties of an Agricultural Cooperative	29
11 Rights and Duties of Members	31
12 General Body of the Cooperative	32
13 Rights and Duties of Managing Committee/BOD	34
14 Supervisory Committee of an Agricultural Cooperative	36
15 Rights and Duties of secretary/Executive Director	37
16 Books of an Agricultural Cooperative	39
17 Capital Formation in an Agricultural Cooperative	41
18 Services Provided by an Agricultural Cooperative	42
19 Credit Services Provided by Agricultural Cooperative	43
20 Audit of an Agricultural cooperative	45
21 Restructuring of Agricultural Cooperatives	46
22 Promotional and Business Management of Agricultural Cooperatives	47
23 Special Points for Consideration	48
24 Summary of Discussions	50
Annex-I Cooperative Movement of Cambodia	52
About the author... ..	55

About this Study Guide

01 This “Study Guide for Training of Agricultural Cooperative Members and Officials in Cambodia” has been prepared with the objective of conducting short-term education and training programs for the members and officials of Agricultural Cooperatives in the Kingdom of Cambodia.

02 This training Manual is based on the provisions of the Agricultural Cooperative Law, and experiences of cooperative extension workers in the field as well as from other countries where agricultural cooperatives have succeeded well. The current Law appears to be well-structured and exhaustive but its application in the field would certainly need further improvement. Though all the provisions and safeguards have been made in various articles of the Law their applications leading to the successful and genuine results depend on the ingenuity of the General Body and the Board. Everything cannot be written in the Law – many issues remain to be interpreted depending upon the prevailing circumstances. That is why all laws of the world have provided for amendments and improvements.

03 It is expected that the agricultural cooperative trainers and promoters in Cambodia will take note of various sections of the Manual in order to deal with the subject properly. A special chapter on the ‘Helpful Notes for the Trainers’ has been added which provides additional background information to the trainers. The chapter takes note of the developments in the sector in other countries as well.

04 It is expected that the trainers will conduct training programmes in making use of the information given in the Manual and also make use of the experiences of existing agricultural cooperatives. At the end of the chapters a set of ‘Points for Discussion’ has been given. These points can be used by the trainers to summarize the chapter as well as to check the understanding of the issues by the participants.

A note on the Cooperative Movement in Cambodia is placed as **Annexure-I**.

Chapter-1

Helpful Notes for the Trainers

The trainers who are required to undertake training programmes are expected to be acquainted with various critical aspects of the development of agricultural cooperatives. These notes also carry the experiences of agricultural cooperatives in other countries. Some of the useful notes for the guidance of trainers are given below:

There are four strong pillars on which the structure of agricultural cooperatives stands firm. These are: [i] Participation, [ii] Governance, [iii] Transparency, and, [iv] Services. These principles are also reflected in the universally-accepted seven Principles of Cooperation. While the Principles of Cooperation are to guide the overall movement of cooperatives, the above mentioned four principles drive the agricultural cooperatives towards efficient institutions in the service of their members. For purposes of clarification and better understanding let us have a discussion on these four principles:

[i] Participation: The very basic requirement for an agricultural cooperative to succeed is the participation of farmer-members in all the organisational and business operations. No cooperative institution can deliver the best services without enlisting the participation of members, Participation here means – taking part in all meetings, offering voluntarily for various elected positions, working jointly for the progress of their cooperative, asking questions [on Annual and Audit Reports and Work Programmes etc.] during meetings, offering suggestions during meetings and outside meetings, making all purchases from the cooperative, selling all products through the agricultural cooperative, if you take loan from the cooperative it becomes your responsibility to return the loan with installments in full and in time so that all other members can take advantage of the loan, making voluntary deposits in the cooperative, purchasing all farm inputs and implements from the cooperative etc.. All cooperative institutions all over the world thrive and succeed on the principle of participation – participation has to be voluntary, free and spontaneous. A higher level of participation strengthens democratic traditions and economic standing of the cooperative. Participation is the indication of vibrancy in the institution.

[ii] Governance: An agricultural cooperative is an autonomous democratic business enterprise. All activities and business operations are transacted on the basis of cordiality, cooperation and mutual understanding and with the full consent of members. The governance structure of an agricultural cooperative consists of the Members' Meeting which is supreme in all respects to take decisions and to approve programs and financial statements; the Members' Meeting elects a Board of Directors, the action which places clear responsibility on the Board to carry out the decisions of the Members' Meeting as per policies laid down by the Members' Meeting; the Board of Directors is responsible to the Members' Meeting. The Board is subordinate to the Members' Meeting. The Board makes suggestions [not give orders] to the Members' Meeting. The Board gets its authority of appointments of staff from the Members' Meeting. Similarly, the Members' Meeting elects or selects a couple of members to serve as auditors and supervisors. Governance comes into play when all these elected bodies perform their tasks in accordance with the policies laid down by the Members' Meeting and as per the provisions of the constitution of the agricultural cooperative and within the framework of the prevailing law.

Governance here also calls for holding of meetings in time and to consider a well-structured agenda supported by relevant facts and figures. Governance calls for a fair discussion and fair decisions. In the constitution of the agricultural cooperative specific provisions have been made

about the management of meetings, terms of office of office-bearers, authority of the elected bodies and the functions they need to perform. Governance means that all these provisions need to be followed and observed strictly and in the best interest of the agricultural cooperative and its members. Democratic operations are the success posts for a successful agricultural cooperative which enjoys the confidence and esteem of its members.

Governance also calls for developing and maintaining cordial relationship with concerned institutions and sister-agricultural cooperatives so that the business operations are smooth and fair. Good governance calls for a strict compliance with the provisions of the constitution of the agricultural cooperative and going along with the policies laid down by the Members' Meeting.

Role and Functions of the Board: In accordance with the cooperative's vision and its strategic approach, the Board's functions relate to the monitoring and controlling of operational plans and to ensuring that members' interests are being followed at all times. To fulfill this task efficiently certain actions should be taken at regular intervals. Annual or six-monthly plan help the Board ensure that time and resources for these activities are accounted for. Such plans are not meant as a limit to the creative thinking of the Board, but more as a tool to help individual directors channel their thinking and avoid concentrating on certain aspects.

The type of plan and what activities it assigns to the Board will depend on the nature of the cooperative's business. Plans will include items which would be on the agenda at each Board meeting, with the exception of those which have been called to discuss one issue only [extraordinary or single-purpose meetings].

Frequency of Board Meetings: Though the frequency of Board meetings will depend on the characteristics of the cooperative and the activities in which it is involved, it is generally agreed that for the Board to be able to provide direction to the organisation it should meet on a monthly basis. If it convenes less frequently, management will need to take decisions which might result in policy changes not necessarily reflecting what the members want. If it meets more frequently there can be a danger of interference with operational tasks which should be left to the managers.

[iii] Transparency: In order to continue to maintain the loyalty and to ensure participation of members, agricultural cooperative should have the spirit of transparency in all its operations e.g., business operations, democratic management, participation of members, cordial relationship with the financing institutions, book-keeping, cash-handling and government supervisory agencies. It is expected of the agricultural cooperative's Board of Directors to prepared fair, accurate and true annual reports, accounts, audit reports, supervisory reports for submission to the Members' Meeting so that proper decisions are made.

Members should have confidence in all the financial transactions made by the cooperative for them relating to the all the purchases made and the loans received by the members and the money returned to the cooperative. Members should be free to get information on their financial dealings with the cooperative any time. They should enjoy unhindered access to their accounts as well as with their Board members, manager and other officials.

Financial instruments like the passbooks, cheque books, credit cards etc. should be prepared in time and be handed over to the members for safe keeping. The manager or the secretary should maintain proper accounts within the cooperative as well as with the financing institution. Audit should take place in time and a proper audit report must be submitted to the Members' Meeting after having been cleared by the Board of Directors and Supervisory Committee.

All sales points and warehouses and means of transportation should be in good order and fully operational all the time. All vehicles should have their log books. It should be ensured that all the monies given by the members to the cooperative against purchases and/or repayment of loan must be processed through the bank and proper receipts are issued to the members with entries made in their passbooks. The manager or the cashier of the agricultural cooperative must not mix official funds with their own personal funds which may lead to corrupt practices and mismanagement.

If the financial lines are clear and straight, farmer-members will have great confidence in their cooperative and their loyalty remains intact. Loyalty and members' confidence are important factors leading to successful, efficient and fair operations.

Why to keep accounts properly?: Members elect the Board of an emerging farmers' group or cooperative normally from their representatives, who are also farmers and not professional business managers. The Board members may not know their responsibilities or how to read and use the accounting reports in decision-making. The Board may not appreciate the entire function, but may see it only as a requirement of the government and, therefore, may not want to spend money to set up the function. Why do agricultural cooperatives have accounting and record keeping? Is it necessary? What are the reasons for it?

Reason-01: Handling other people's money" requires trust. All the members own together the property of the cooperative [its buildings, machinery, vehicles, furniture, stocks, money in the bank account, etc.] No member can alone claim to be the owner of the property of the cooperative. Therefore, the cooperative business has to be managed according to specific rules and decisions that members together have agreed to.

Reason-02: Members invest their money in the cooperative, but do not do so light heartedly. They do not want to lose their money, but are worried that their money will be lost. All the members, however, cannot be involved in the day-to-day supervision and control of the use of their money in the business of the cooperative. The members, therefore, elect some of the trusted members to a Board as their representatives to handle their money properly.

[iv] Services: The constitution of the agricultural cooperatives states clearly what kinds of business operations need to be undertaken. An agricultural cooperative is generally a multi-purpose cooperative performing various functions to serve the members.

Basic functions of an agricultural cooperative in relation to its members are four: [i] Credit, [ii] Farm Inputs, [iii] Marketing of members' produce; and [iv] Guidance and advisory services to the members. These services, if performed well, make the agricultural cooperative successful. Credit is the most important factor for the members because they need money to undertake a variety of agricultural functions.

Credit is generally given by the cooperative on concessional rates for farming operations and consumption, and on short or medium term basis. An agricultural cooperative may not have its own funds for disbursement to all the members at any one given time. It has to borrow the money from financial institutions [e.g., cooperative banks] on the strength of the decisions of the Board and as per the credit limits established for the members. The rate of interest is generally very low and reasonable as compared with the open market rates.

The cooperative lends the money to its members again on reasonable rates of interest, generally with a slight mark-up. The credit for agricultural purposes is generally far lower than the interest rates prevailing in the open market. A cooperative is not operating like any moneylender or a middleman and charging market rate interest. If it does, there is no need for an agricultural cooperative – farmer-members can as well borrow money from the outside moneylenders. Agricultural cooperative does not exploit the members – it is organized to assist its members and not to exploit them.

In many cases, the government has lending programme for agricultural cooperatives with the sole aim of enhancing agricultural production and to secure the interests of the farming community. The government does not charge market rates.

It should be mentioned that in a large number of countries, the government provides credit to the farmers to undertake farming activities and to take care of their other non-farming expenses. The credit to the agricultural cooperatives is given on very concessional terms. Agricultural cooperatives are expected to give loans to their members on concessional terms. Everywhere in the world and in a large number of countries, the rate of interest is very low. For instance, the agricultural credit given to the farmers in India is just 6% [2% of which is subsidized by the government; the interest charged to the farmers is just 4 per cent]. In some of the states in India the agricultural credit is 0%. The objective is to provide security to the farmers and to increase agricultural production. No farmer in the world can undertake farming operations without taking advantage of credit facilities. It is also never done that the agricultural cooperative charges the same rate of interest as is operating in the open market. The entire purpose of lending to the farmers is thus lost. Loans given for consumption, house building, purchase of household goods are slightly higher. In some cases these are about 5% higher than the agricultural credit.

Other services which an agricultural cooperative offers are supply of farm inputs like the seeds, fertilisers, farm chemicals etc. These should be made available on time to the members. Marketing of members' produce is another important service – In many cases the cooperative purchases the members' products and sells it to the market at a later stage when the market prices are higher. In several cases, the agricultural cooperative provides information on current and prevailing prices on which the members can sell their products and arranges a sort of commission agency for the member. The agricultural cooperatives also can undertake value-addition on its own or on behalf of the members to enhance their economic returns.

Another service is guidance or extension services to the members to support their farming operations. These services are somewhat technical in nature and, therefore, the agricultural cooperative needs to source the support from specialized institutions e.g., agricultural department or the agricultural universities etc.

To create a strong sense of belonging among the members towards their cooperative and to inform them of the utility and relevance of an agricultural cooperative, well-structured member education programmes need to be introduced and followed on a regular basis. To bring about professionalism and efficiency, the employees of the agricultural cooperative need to be trained. To expand the range of services and to enlist more members, extension services for women and youth are also important to be followed.

A combination of these factors leads to a successful agricultural cooperative. If these functions are performed well and in right earnest, members will continue to maintain their cordiality and smooth working relationship with their agricultural cooperative.

Essential conditions for continued success of cooperative organizations

There are a number of conditions which are essential if a cooperative is to continue to be successful after starting up.

- The cooperative needs to produce visible and tangible [economic and social] benefits for members, outweighing the costs involved in cooperation. Cooperatives can only develop as autonomous self-help organisations when they are able and allowed to operate as business institutions geared to succeed in market competition.
- The cooperative has motivated, experienced and dynamic managers who are able to plan and implement business policies. They must be able to provide the services and goods required by the members, taking in to account both the interests and needs of members as well as the entrepreneurial goals of the cooperative enterprise.
- The structure and management of the organisation correspond to the capabilities of its members. If members' competence and motivation is low, the promotion of complicated and complex cooperative organisations does not make sense.

•Members participate as both users and owners

Cooperatives are participative self-help organisations in that the members are also co-owners and have both the rights and obligations of participating in goal-setting, decision-making and control or evaluation processes of their cooperative. Members decide upon the services to be provided and benefit from what is produced or obtained by the cooperative. There should be incentives for them to contribute their own resources [capital, labour, produce] to the development of the cooperative. A major reason for the failure of cooperatives is the lack of participation of members.

It is strongly suggested that the trainers acquaint themselves with the Principles of cooperation on the basis of which the world cooperative movement stands. These Principles need to be known to all cooperative members and officials and trainers.

Conclusion

The trainers are free to make use of the experiences of existing agricultural cooperatives in Cambodia and thereby reinforce their arguments to make their points understandable to the members and officials of agricultural cooperatives. There are several successful agricultural cooperatives and farmers' unions in the country and they have their reasons for being successful.

Chapter-02

SPREAD OF COOPERATIVE MOVEMENT

All over the world, in all countries, provinces and even in villages cooperative institutions are found operating. Cooperative institutions operate under all kinds of political system and economic structures on democratic lines and in accordance with the universally-accepted Principles of Cooperation

Cooperative structure throughout the world follows almost a similar pattern. Member-farmers belonging to the community constitute a General Body Meeting [members' Meeting] which forms a legal institution called the primary agricultural cooperative. The primary cooperatives join in a district level agricultural cooperative union or a federation. The district level unions which are both promotional as well as business, federate themselves into a provincial level business or promotional federation or union. The provincial federations form a national level agricultural cooperative federation which undertakes both promotional and business functions on behalf of its member-societies.

The national level agricultural cooperative federations/unions join themselves in an international cooperative organisation which is called the International Cooperative Alliance [ICA]. The ICA, an international non-governmental organisation, safeguards the Principles of Cooperation and works for the promotion of cooperative activity by interacting with the United Nations and other international organisations including respective governments.

At present there are over 100 countries of the world which are the members of the ICA. Nearly 200 national level cooperative organisations with over 1.3 billion individual cooperative members are represented by the ICA. The ICA is headquartered in Brussels with five regional offices throughout the world. The regional office for Asia-Pacific is located in India.

Governments are not the members of the ICA. Only national and provincial level cooperative organisations can be the members of the ICA.

The Agricultural Cooperative Movement of Cambodia is a part of the International Cooperative Movement though not yet the member of the ICA.

Chapter-03

HISTORY OF THE COOPERATIVE MOVEMENT

Cooperation is an activity of the people. It is a self-generated, voluntary and self-sufficient activity. Cooperation has always been a feature of humankind. Essentially cooperation is an activity of the people for mutual help and collective progress. The cooperative form of business organization originated in England amongst the industrial workers in the mid-nineteenth century. Cooperatives started as an urban consumer stores but soon spread to rural areas amongst farmers.

The emergence of real Cooperative Movement can be credited to Rochdale Pioneers who established the cooperative consumer store in North England, which can be called as the first in the Cooperative Consumer Movement. In Great Britain Robert Owen [1771-1858] established self-contained semi-agricultural, semi-industrial communities. Owen was sure that working-class people, given the right environment, possibly will form cooperative communities. He put this into practice in New Lanark, Scotland, where his own business was based.

United Kingdom

The Cooperative Movement began in Europe in the 19th century, primarily in Britain and France. By 1830, there were several hundred cooperatives. Some were initially successful, but most cooperatives founded in the early 19th century had failed by 1840. It was not until 1844 when the **Rochdale Society of Equitable Pioneers** established the 'Rochdale Principles' on which they ran their cooperative, that the basis for development and growth of the modern Cooperative Movement was established.

Robert Owen [1771–1858] is considered as the father of the Cooperative Movement. Owen believed in putting his workers in a good environment with access to education for themselves and their children. These ideas were put into effect successfully in the cotton mills of New Lanark, Scotland. It was here that the first Cooperative Store was opened.

William King: Although Owen inspired the Cooperative Movement, others, such as, Dr William King [1786–1865], took his ideas and made them more workable and practical. King believed in starting small, and realized that the working classes would need to set up cooperatives for themselves, so he saw his role as one of instructors. King advised people not to cut themselves off from society, but rather to form a society within a society, and to start with a shop because, "We must go to a shop every day to buy food and necessities - why then should we not go to our own shop?" He proposed sensible rules, such as having a weekly account audit, having three trustees, and not having meetings in pubs.

The Rochdale Pioneers: The Rochdale Society of Equitable Pioneers was a group of 10 weavers and 20 others in Rochdale, England, that was formed in 1844. As the mechanization of the Industrial Revolution was forcing more and more skilled workers into poverty, these tradesmen decided to band together to open their own store selling food items they could not otherwise afford. With lessons from prior failed attempts at cooperation in mind, they designed the now famous Rochdale Principles, and over a period of four months they struggled to pool one pound sterling per person for a total of 28 pounds of capital. On December 21, 1844, they opened their store with a very meager selection of butter, sugar, flour, oatmeal and a few candles. Within three months, they

expanded their selection to include tea and tobacco, and they were soon known for providing high quality, unadulterated goods not only to the members but to others also.

Germany

Germany is the birthplace of Cooperative Credit Movement in the World. After the national collapse and German defeat in 1945, the country was divided into the German Democratic Republic and the Federal Republic of Germany, the formal agricultural production cooperatives have been formed on the pattern of collective farms as Russia. The Cooperative Movement later on developed in four distinct groups: [i] Rural Societies; [ii] Urban Cooperative Societies formed in urban areas, Schulze type of cooperatives have developed with the membership composing of retailers, restaurant owners, doctors, druggists and others. The organization of retail shop-keepers into cooperative serving as wholesalers was a feature of West Germany. Both Raiffeisen and Schulze type societies provided all services offered by commercial banks. Thrift is encouraged among members by offering various types of deposits such as long range savings, lottery savings, thrift messenger and club savings; [iii] Housing Cooperative Societies - These societies constructed houses for their members with the finances collected from the members as well as from the government. And, [iv] Consumers' Cooperative Societies.

Japan

Origins of Japanese Cooperatives: The origin of cooperatives in Japan can be traced back to credit unions such as "Hohtoku-sha" established in 1843 by farmers-activists, including Sontoku Ninomiya. These credit unions embodied a spirit of mutual aid at a time when there were no formal cooperative organizations.

In 1868 Japan underwent a great transformation. After 300 years of isolationist policy, Japan opened its doors to join the worldwide family of nations. At the same time it embarked on a course of modernization and industrialization. This necessarily led to a situation where traditional small producers were forced to compete with newer, much larger capitalist enterprises, creating an urgent demand for cooperative organizations that would bring economies of scale to small operators.

Japan's first modern cooperatives were the sales unions established to facilitate community trade. Between the late 1870s and the late 1890s, silk and tea producers established cooperatives in Gunma and Shizuoka Prefectures, the main producing areas of silk and tea, respectively. The government, for its part, strongly felt the need to promote the creation of cooperatives for the sake of the development of industry and the nurturing of small-scale producers. After many twists and turns, through efforts of Yajiro Shinagawa, Tosuke Hirata, and many others the Cooperative Society Law was enacted in 1900, leading to the establishment of cooperatives [Sangyo Kumiai] nationwide. The law authorized five types of cooperative: credit, marketing, purchasing, utilization [manufacturing] and usage.

Leaders of these single-purpose cooperatives soon realized that purchasing and other activities required strong financial backing. As a result, the government amended the law to allow credit cooperatives to undertake other business activities. Japan's present-day multipurpose agricultural cooperatives grew out of this development. And following the development of primary cooperatives, through amendments of the Cooperative Society Law in 1909 and 1910, federations at the level of prefectures were instituted. In addition, the Central Union of Co-operatives [Sangyo

Kumiai Chuokai] was established, to launch an energetic campaign to promote the Cooperative Movement on a national scale.

India

Indian Cooperative Movement was basically organised against the exploitation by unscrupulous money-lenders to exonerate the farming community from the web of poverty and indebtedness. The Government took lot of measures to improve the conditions of the farming sector and as such promoted Cooperative Credit Societies in the light of Raiffeisen model credit societies on the basis of recommendation of Sir Fredrick Nicholson 1889.

Today's Cooperative Movement in India was introduced by the then British government in 1904. After Independence in 1947 the Cooperative Movement became a part of the National Economic Development Plans and was promoted to organize the farmers and to build food reserves and to control prices. Its principal activity is to provide agricultural credit. It is now one of the largest movements in the world.

Overview of the World Cooperative Movement

Some time ago the International Cooperative Alliance [ICA] had conducted a study on the status and reach of 300 selected top cooperatives of the world. The net result of the study was very much in favour of the Cooperative Movement indicating that cooperatives are a force to reckon with in terms of outreach and business. Some of the pointers of the study are given below:

The listing and the data thus generated helps in identifying areas of possible cooperation, collaboration and technical assistance. The following are some of the significant highlights:

- Total Revenue of over 1 trillion USD;
- 10th Largest Economy of the World;
- 14% Growth Rate;
- 20% of the List are in the United States Alone;
- 50% of the List in US, France, Germany, Italy;
- 30% of List in Agriculture and Food Sector;
- 23% in Retailing; 22% Insurance; 19% in Banking;
- 20% More Jobs than all MNCs Put Together [100 million jobs];
- 40% Americans in Coop Membership;
- 45% Coop Business in Kenya GDP;
- 66% Swedish Daycare Units by Coops;
- 90% Retail Business by Swiss Coops;
- World's Largest Cooperative Bank is in France.

The Study has identified the following three broad economic sectors which generate money, employment and social security: [01] Agriculture [Represents over one-third of business]; [02] Financial Institutions [Insurance, banking, credit unions and diversified financial organisations. In terms of assets they are the largest. Nearly one-third of insurance cooperatives and mutuals are based in France and the UK.; and [03] Retailing & Wholesaling [It represents the well-known consumer cooperatives in countries such as the UK, Italy, the Nordic countries and other parts of Europe to Japan and North America.

Chapter-04

INTERNATIONAL COOPERATIVE ALLIANCE [ICA] AND PRINCIPLES OF COOPERATION

[A] International Cooperative Alliance [ICA]

Founded on 19th August, 1895 in London, the International Cooperative Alliance [ICA] is an independent, non-governmental international organisation which unites, represents and serves cooperatives worldwide. It is the largest non-governmental cooperative organisation in the world. ICA members are national and international cooperative organisations in all sectors of activity. Currently, ICA has 240 Member-Organisations from over 100 countries, representing more than 1.3 billion individual cooperative members worldwide. ICA is a decentralised organisation, democratically governed by its members.

Principal Objectives of the ICA: It promoting and defending the Cooperative Identity, ensuring that cooperative enterprise is a recognised form of enterprise; Raises awareness about cooperatives; Ensures that the right policy environment exists to enable cooperatives to grow and prosper; Provides its members with key information, best practice and contacts through publications and PR activities; Facilitates contacts between cooperatives for trading purposes and market intelligence; Provides technical assistance to cooperatives; Promotes capacity-building and financial support.

ICA Board is concerned with the practices and procedures used by an organisation to ensure that it can meet its objectives. It implements all the policy decisions made by the General Assembly. It consists of President, four Vice-Presidents, and eighteen members.

The General Assembly is the highest policy-making body of the ICA, bringing together representatives from all Member-Organisations every two years. It Formulates and implements the policy on major issues; Elects the President and Members of the Board, ratifies the election of the Vice-Presidents, and the sectoral organisation and youth representatives to the Board.

Organisational Structure: [i] The ICA-Global is presently located in Europe. The four Regional Offices serve as technical arms of the ICA global. The ICA-AP is the oldest among them all. [ii] Sectoral Organisations: ICA has eight sectoral organisations which regroup ICA Member-Organisations with specific sectoral interests; [iii] <http://www.ica.coop/ica/structure.html> ICA has four Thematic Committees which enable ICA members to focus on the issues of cooperative research, communications, human resource development and gender equality. Each Committee is democratically governed by its members and financed and supported by the ICA.

ICA Activities: ICA's priorities and activities centre on promoting and defending the Cooperative Identity, ensuring that cooperative enterprise is a recognised form of enterprise that is able to compete in the marketplace. [i] **ICA raises awareness about cooperatives;** [ii] **ICA is the voice of the Cooperative Movement.** [iii] **ICA provides its members with key contacts and information on best practices;** [iv] **ICA provides technical assistance to cooperatives** through its development programmes at global and regional levels.

Publications on Cooperatives -It publishes a wide variety of documents from its head and regional offices and from its sectoral organisations for its members and for the general public.

ICA Membership, Rules and Regulations: ICA membership is open to organisations which conform to the ICA Cooperative Identity Statement [ICIS] and observe the aims of the Alliance. The membership of ICA falls in two categories: [a] Full Member with voting rights; and [b] Associate Member with no voting rights.

Organisations with members in multiple countries at global or regional level [international or supra-national status] are eligible for Associate Membership of ICA. Enrolment of institutions to ICA membership is done through the respective Regional Offices.

[B] Principles of Cooperation

Since its creation in 1895, the International Cooperative Alliance [ICA] has been the final authority for defining cooperatives and for elaborating the Principles upon which cooperatives should be based. Previously, the Alliance had made two formal declarations on Cooperative Principles, the first in 1937, and the second in 1966. These two earlier versions, like the 1995 reformulation, were attempts to explain how Cooperative Principles should be interpreted in the contemporary world. Throughout its history, the Cooperative Movement has constantly changed; This was because of the changes taking place in the political and economic structures of various countries of the world and it will continuously do so even in the future as well.

Definition of a Cooperative: The Identity Statement on Cooperatives as adopted by the International Cooperative Congress in 1995 has three components: A Definition, Values and the Principles. The Statement defines a cooperative as follows:

“A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”

The definition emphasizes the following characteristics of a cooperative: [i] The cooperative is *autonomous* – it is as independent of government and private firms as possible; [ii] It is an *association of persons*; [iii] The persons are united ‘*voluntarily*’. Membership should not be compulsory. Members should be free to join or to leave; [iv] Members of a cooperative ‘*meet their common economic, social and cultural needs*’; [v] The cooperative is a ‘*jointly-owned and democratically-controlled enterprise*’. The dual characteristics of ownership and democratic control are particularly important in differentiating cooperatives from other kinds of organisations.

The Basic Cooperative Values: The basic cooperative values as enshrined in the Statement are stated as follows: ‘Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.’

ICA Statement on the Cooperative Identity [ISCI]

This Statement was adopted at the 1995 Congress and General Assembly of the International Cooperative Alliance [ICA], held at Manchester to celebrate the Alliance’s Centenary.

The Rochdale Principles [1844][Established by The Rochdale Society of Equitable Pioneers-UK]: The Cooperative Movement had its origins in Great Britain early in the 19th century. It was inspired by social-economic reformers such as Robert Owen. The first and best known was the **Rochdale Society of Equitable Pioneers**. It developed and set forth the principles that distinguish

cooperatives from ordinary business corporations. In 1844 they opened their store on Toad Lane, stocked with small supplies of butter, sugar, flour, oatmeal, and candles. The principles under which the store was operated have served as a guide for cooperatives ever since. The more significant Rochdale principles were:

- [01] Each member has only one vote, regardless of how many shares he holds;
- [02] Anyone may join regardless of his race or religion;
- [03] Goods and services are sold at market prices. After business expenses have been paid, the profits are returned to the members in proportion to their purchases, not their shareholdings;
- [04] The interest on capital invested in shares is limited;
- [05] Selling only for cash to avoid credit risks.

These principles were, in fact, the foundations for developing Principles of Cooperation promoted and protected by the International Cooperative Alliance.

Reformulated Cooperative Principles [1937]

- [01] Open Membership;
- [02] Democratic Control;
- [03] Dividend on Purchases;
- [04] Limited Interest on Capital;
- [05] Political and religious neutrality;
- [06] Cash trading;
- [07] Promotion of Education.

Reformulated Cooperative Principles [1966]

Keeping in view the changes which had taken place in the world economic structures, cooperatives were given a new direction in 1966. The ICA reformulated the Principles as follows:

[01] Membership – Membership of a cooperative society should be voluntary and available without artificial restrictions or any social, political or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibility of membership;

[02] Democratic Administration – Cooperative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed upon by the members and accountable to them. Members of primary societies should enjoy equal rights of voting [one-man-one-vote]. In other than primary societies, the administration should be conducted in a democratic basis in a suitable form;

[03] Interest on Share Capital – Share capital should receive a strictly limited rate of interest, if any;

[04] Disposal of Savings – Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such a manner as would avoid one member giving at the expense of the other;

[05] Education – All cooperative societies should make provisions for the education of members, officers, and employees, and of the general public, in the principles and techniques of cooperation, both economic and democratic;

[06] Inter-Cooperative Cooperation – All cooperative organisations in order to best serve the interests of their members and their communities should actively cooperate in every practical way with other cooperatives at local, national, and international levels.

ICA 1995 Congress Reformulated the Principles

A comprehensive statement of Cooperative Identity was issued in 1995. A brief description of the Principles with brief explanations is given below:

Part-I: Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Part-II: Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Part-III: Principles of Cooperation

The cooperative principles are guidelines by which cooperatives put their values into practice.

Principle 01: Voluntary and Open Membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

[Cooperatives are open to all who share a common need or interest and who join the cooperative on their own accord by buying at least one share together with the due admission fee. They are free to leave as and when they wish to leave the cooperative. Cooperatives welcome members regardless of their citizenship status and creed.]

Principle 02: Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights [one-member, one-vote] and cooperatives at other levels are also organised in a democratic manner.

[Cooperatives value transparency and develop processes for members to be involved with, to influence and to direct the management of cooperative enterprises while not damaging the effective management needed for the enterprise to be successful. Members who are the owners participate in the democratic process on the basis of 'one member one vote' irrespective of the number of shares held by them. They have the right to participate in meetings and elect their own representatives on the Board of Directors/Managing Committee and other for a of the cooperative.]

Principle 03: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

[Member control of a cooperative's capital is a reflection of the joint ownership of the cooperative by the members. Since a cooperative is an economic enterprise all services are linked with finances. No service is free. Members have to pay for all services and should be willing to participate in capital formation process by way of investments and deposits. It is not a pure money-lending and profit-making organisation. Cooperatives are introduced to eliminate exploitation of poor people.]

Principle 04: Autonomy and Independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

[Cooperatives will not form alliances with other organizations that might compromise the democratic control by the owner/members. Investments solicited to increase the available capital to the enterprise will not be made in a form that invites equity investor control proportional to equity in the operation of the cooperative. This is a further expression of the instrumental but subordinate nature of capital within cooperative enterprises. Cooperatives are not subordinate to any external authority. The Member General Body is supreme and is capable of taking its own economic and social decisions. It has the authority to elect a Board and delegate its powers of implementation to it]

Principle 05: Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.

[Cooperatives should provide education for the members, the community and local government officials. Without this education, cooperatives will not be adequately utilized, well supported, and democracy within them would be a sham. It is the task of the cooperative to earmark funds for education and training and carry out member education and employee training programmes in order to strengthen cooperative member relations and its business Professionalisation of management is the key to the success of the cooperative enterprise.]

Principle 06: Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

[Cooperatives advocate for each other; serve as customers and suppliers to each other; help to secure financing for each other and where possible pool resources, expertise and people for the

further development of the cooperative community. The higher level federations/unions should support their affiliates and do not compete with them]

Principle 07: Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

[Cooperatives hold environmental and social needs of communities as important. Cooperatives concern for community extends to a concern for justice and the opposition to oppression anywhere and everywhere, even if it means the loss of short-term economic advantage. It strives to look after the welfare of elders, women and children and improve living conditions by devising appropriate ways and means.]

The Principles of Cooperation are different from those used by other private businesses such as corporations/companies, as has been illustrated in the table given below:

Features	Cooperative Enterprise	Private Enterprise
Corporate Objectives	Service to Members; Promotion of Collective Action; Participation of Members through democratic processes; Empowerment	Profit; Competitive Power and Survival
Ownership	By Members who join primarily to use services of the cooperative	By investors who may or may not be involved in the operation of the enterprise
Control	'One Member-One Vote', regardless of shares held; Prominence of elected officers and board; Considerable intervention by government authorities in many countries	'One share-One Vote'; Prominence of elected officers, board and management
Nature of Subscribed Capital	Shares are purchased and redeemed at par; Redemption may be time-consuming; Capital revolves as new members join and old members leave; Shares may be issued in lieu of cash payments to members or from deductions from cash payments to members, from deductions from cash payments by members for services used; Regarded as the least expensive form of capital or source of finance	Shares are negotiable [i.e., they can be bought and sold freely, unless otherwise agreed by shareholders] but not redeemable; Price determined by negotiations between buyers and sellers or through bid/offer transactions; Regarded as the most expensive form of capital or source of finance
Financial Structure	Often dominated by members' shares where credit is difficult to obtain; Dominated by debt when foreign or government assistance is readily available; Varies by type of industry or activity	Varies by industry and by firm
Value of Investment by Owners	Redeemable value of shares plus savings from favourable prices offered by the cooperative on services used by the member	Market value of shares
Distribution of Net Income	In proportion to patronage, i.e., the extent of use of services provided by the cooperative measured in financial terms	In proportion to shareholding
Return on Owners' Investment	Limited return on shares, limited by law, tax considerations or by custom; Benefits from use of services provided	Dividends as decided by the board of directors, plus appreciation or depreciation in share values, depending on performance and financial market conditions

Source: Mobilising Capital in Agricultural Service Cooperatives, FAO, Rome. 1997

Because of these substantial differences between cooperatives and other businesses, many countries have recognised the cooperative business organisation as a special kind of business and have treated them accordingly, both in legal and economic terms.

Importance of Cooperative Principles: The Cooperative Principles are the basic foundations or cornerstones of cooperation. Cooperative Principles are applicable to all types of cooperatives under all types of economic and political conditions everywhere in the world.

Conclusion

The cooperative society is a legal entity by virtue of all eligible members joining in its formation and by the government according a legal recognition by registering its byelaws [constitution]. The byelaws are adopted by the Members General Meeting. These can be amended by the General Meeting whenever there is a need to amend them. The amended byelaws are again to be registered by the government. They are, consequently, elastic, applicable with different degrees of detail to different kinds of cooperatives in different kinds of situations. Above all, they require cooperators to make decisions, for example, as to the nature of the democracy of their institutions, the roles of different stakeholders, and the allocation of surpluses that are created. They are the essential qualities that make cooperators effective, cooperatives distinct, and the Cooperative Movement valuable.

Chapter-05

FORMS OF COOPERATIVES

Cooperatives are people's voluntary democratic socio-economic organisations. They conduct social as well as business functions and are, therefore, business enterprises. They are non-exploitative in character and conduct their business on member participation basis in a democratic way and within the national legal framework. Their principal objective is to provide the most reasonable efficient service to their members.

Cooperative institutions are found in almost all walks of life in every country. Anyone individual can join the cooperative of his/her choice and leave it at will. There are various forms of cooperative enterprises; some of the examples are given below:

Agricultural cooperatives – where members are the farmers. These cooperatives provide credit [for production and consumption], marketing of members' produce, provision of farm inputs like fertilisers and farm chemical and improved seeds, and guidance in the form of agricultural extension and better living activities. The number of agricultural cooperatives in the world is the highest among the total frame of cooperative structure, nearly 65% of all types of cooperatives. These agricultural cooperatives form their own business federations which undertake processing and marketing of agricultural products including providing promotional support.

There are single-purpose and multipurpose agricultural cooperatives as well. Single purpose cooperatives are like the milk producers' cooperatives, fertiliser producers cooperatives, cane-crushers' cooperatives, fisheries cooperatives e.g., sugar mills, seed growers' cooperatives, transport cooperatives. Multipurpose cooperatives are those which perform all functions to serve their members e.g., marketing of members' produce, warehousing, agricultural processing, land improvement, irrigation cooperatives, rural electric supply cooperatives, super markets, purchasing of agricultural produce for government's national food stocks etc. etc.

Consumer cooperatives which are formed by citizens to serve themselves with consumer goods and services. Such cooperatives run their own procurement centres, super market, small shops, packaging services, and member welfare activities including some health services;

Sugar cooperatives, members of which are the cane-growers. These cooperatives handle the production of sugarcane, gathering of products from the fields and getting those processed in the cooperative sugar mills. Sugar mills produce crystal sugar and other byproducts;

Fertiliser cooperatives. Farmers are the members of these cooperatives because they are end-users of fertilisers. Fertiliser cooperatives procure raw material from various sources, establish production factories and produce farm chemicals for distribution among the farmers through the network of marketing federations and unions. Such cooperatives also provide extensive agricultural extension services.

Fisheries cooperatives engage themselves in harnessing marine and inland fisheries resources and arranging their marketing and processing.

Other forms of cooperatives are: Cooperative banks [rural and urban], house construction cooperatives, medical services cooperatives, students' cooperatives, fruits and vegetable growers'

and marketing cooperatives, cold storage cooperatives, land improvement cooperatives, transport cooperatives, tourism cooperatives, women's industrial cooperatives, burial cooperatives, artists' cooperatives, teachers' cooperatives, Legal aid cooperatives, etc. etc.

All these cooperatives operate on the basis of the Principles of Cooperation and in accordance with the national cooperative legislations and within the national legal framework. All these cooperatives have their own business federations. In various countries there are special laws for various sectors of cooperative activity, like the Law on Agricultural Cooperatives in Cambodia.

All cooperatives form their provincial and national business federations. All cooperatives also form a national apex which oversees the development of cooperative institutions and safeguarding the Principles of Cooperation.

Chapter-06

ORGANISATIONAL STRUCTURE OF COOPERATIVES

Cooperative legislation where it does exist, or through the national consensus, cooperative institutions have been following a certain logical structure which takes care of democratic and business needs. In this and the following chapters the practices followed in many countries of the world are mentioned. In a majority of cases cooperative institutions have adopted the following organisational structure:

An ideal organizational structure of a cooperative looks like this:

Those persons who have paid in their Membership Fee and prescribed Share Money and who are admitted formally as members of the Agricultural Cooperative form a General Body. All operations and functions of the Cooperative are run by the General Body in accordance with the policies laid down by it. It generally meets every year to take note of the progress and consider and approve Annual and Audit Reports and to elect office-bearers.

It elects the Board of Directors/Managing Committee in accordance with the bye-laws. Members [generally 5-7] are assigned different tasks which they need to perform in accordance with the policies laid down by the General Body and the bye-laws of the Cooperative. The Managing Committee elects a President. Other office-bearers are: Vice- President, Treasurer and other members. The General Meeting also elects a supervisory Committee.

The Managing Committee converts the policies laid down by the General Body in implementable Work Plans for the execution of which it appoints a Manager and other employees. All paid employees work under the control and guidance of the Managing Committee. The Managing Committee also can appoint an Executive Committee and/or other Sub-Committees which are answerable to the Managing Committee. In some cases the General Body nominates/appoints such sub-committees which are then answerable to the General Body.

Depending upon the kind and size of the cooperative institution and also in accordance with the requirements of the cooperative law, and also in accordance with the constitution of the cooperative, the organisation structure can undergo several modifications. The General Meeting or the Board of Directors can appoint additional committees e.g., business committee, estate committee, personnel administration committee, goods procurement committee etc. etc. Also the number of business departments can be increased depending upon the volume of business and the area of operation of the cooperative society.

The constitution of the cooperative lays down rights and duties of the General Meeting, Board of Directors, Supervisory Committee, Auditors and other committees besides frequency of their meetings and the methods of convening such meetings and the procedures for holding elections. World over it has been found that cooperatives operate better when their services are used extensively and intensively and when the money remains in circulation. They call for a strong participation of members in organisational and business operations.

**ORGANISATIONAL STRUCTURE OF
AN AGRICULTURAL COOPERATIVE**
“Cooperatives are also like Human Bodies”

Members General Assembly

Board of Directors/MC

Auditors
Supervisors/Advisors

Manager/Ex Director

Business Departments
Business Departments

Chapter-07

ORGANISATION OF AN AGRICULTURAL COOPERATIVE SOCIETY

Methods of organisation of an agricultural cooperative are laid down in the Agricultural Cooperative Societies Law. The Cooperative Department provides assistance in the formation of cooperatives. Some of the steps taken in the organisation of a cooperative are:

- Any citizen of the country of sound mind, of the age of 18 or above, can become a member.
- All persons desiring to be the members must fill in a prescribed membership application form, deposit the prescribed member admission fee and share money;
- All such members, not less than 15, constitute a Promoters'/Founders' Meeting;
- The society has an area of operation usually of a village or a cluster of a few villages, a district or entire State;
- The Promoters' Meeting adopts a set of bye-laws [constitution] and agrees to impose it on themselves and promise to abide by them, and pass a resolution to establish an agricultural cooperative society;
- The Promoters' Meeting also elects a Managing Committee/Board of Directors [President, Vice-President, Treasurer and two other members] who are expected to run the agricultural cooperative after its registration;
- Prepare documents and all other papers for submission to the Registrar;
- Open an account in the name of the society and indicate the names of the signatories;
- A formal application is then made to the Registrar of Cooperative Societies through the Inspector of Cooperative Societies of the area, along with copies of the adopted bye-laws, list of promoter-members, membership and share money paid and the resolution, in triplicate;
- The application is then evaluated and examined;
- Upon the completion of these formalities, if everything is found in order, a 'Certificate of Registration' is issued to the agricultural cooperative;
- The Managing Committee then appoints a manager and other employees of the cooperative;
- The agricultural cooperative society can then begin to conduct its normal business;
- Different types of cooperatives can be formed e.g., primary agricultural cooperative, marketing cooperative, service cooperative, consumers' cooperative, irrigation cooperative, flowers producers' cooperative, milk cooperative, weavers' cooperative, forestry cooperative, horticulture cooperative, employees' cooperative, house construction cooperative, labour cooperative, shoe

manufacturers' cooperative, fishery cooperative, electricity production and distribution cooperative etc. etc.;

-For the formation of a cooperative, assistance can be obtained from the Registrar of Cooperative Societies, District Cooperative Union, Cooperative Bank etc. and this service is free.

Points for Discussion

What are the advantages of organizing an agricultural cooperative?

Who are entitled to become the members of an agricultural cooperative?

Is it a government agency or an agency owned by the members?

Chapter-08

COOPERATIVE LAW, RULES AND CONSTITUTION [BYE-LAWS/STATUTE] OF THE AGRICULTURAL COOPERATIVE

[A] Agricultural Cooperative Law

Agricultural Cooperative Law is the one which is enacted by the National Parliament. It gives a legal entity to the agricultural cooperative sector as a whole and especially to the agricultural cooperatives which are established under this Law. The Law provides for a registration process which is looked after by an Agricultural Cooperative Department the head of which is the Registrar of Agricultural Cooperative Societies. The Cooperative Department is answerable to the Minister of Agriculture. The Registrar has a line department which works from the top national level to the lowest administrative structure in the village or sub-division. The law provides for all legal factors e.g., auditing, supervision, management of agricultural cooperative structure and has coordinating links with other governmental departments. It is the Law which registers agricultural cooperatives and also winds up the agricultural cooperative institutions. All agricultural cooperatives are required to abide by the Law and also to report on a regular basis to the Department, as per requirement of the Law.

[B] Cooperative Rules

In order to implement the Law and to manage agricultural cooperatives and to ensure their efficient operations and to bring about effective controls by the Department on agricultural cooperatives, the Cooperative Department prepares rules, regulations and guidelines. These rules and regulations are issued from time to time and as and when required by the government. These rules are applicable to all agricultural cooperatives and they have to abide by them. Rules and regulations are not necessarily the controlling instruments, these are also regarded as instruments of facilitation of effective and efficient operation of agricultural cooperatives.

[C] Bye-laws/Cooperative Constitution

It is the statute of an agricultural cooperative which the members adopt for governance of their participation in the cooperative. The government generally prepares and makes available draft constitution [or byelaws] which the preparatory/founding meeting of an agricultural cooperative considers and adopts for its formal operations. The members are free to make necessary changes in the draft byelaws to suit the requirements, area of operation, and business ranges of the proposed agricultural cooperative. Once these byelaws are approved and adopted, these become a formal constitution or a statute of the agricultural cooperatives. All members are expected to abide by all the articles of the byelaws. Depending upon the types and volume of the business, increase in the membership of the cooperative, and the prevailing government rules and regulations, the members of the agricultural cooperatives can make amendments in the byelaws. The amendments need to be registered with the Cooperative Department to become effective.

Given below are some of the provisions relating to the cooperative law, rules and regulations and the byelaws of agricultural cooperatives:

-An agricultural cooperative society is organized in accordance with the provisions of the prevailing Agricultural Cooperative Law.

-To regulate the Cooperative Law, the government appoints a regulating authority, Cooperative Department, the head of which is the Registrar of Cooperative Societies-RCS, whose network extends down to the district or even sub-district level;

-The RCS does the registration of all cooperative societies to accord them a legal entity status;

-The Cooperative Law contains the methods, techniques and procedures to be followed on the organisation and management of cooperative societies;

-The Cooperative Department prepares and issues draft model bye-laws for different types of cooperatives for the guidance of prospective members. The draft model bye-laws are discussed by the prospective members in their promoters' general meeting and after making suitable amendments, are adopted;

-The adopted bye-laws are submitted to the Registrar of Cooperative Societies, who, after examining them, registers them and issues a Certificate of Registration to formalise the formation of an agricultural cooperative society;

-The Cooperative Department carries out inspection of cooperatives and issues instructions and guidelines from time to time;

-The audit of accounts of the cooperative is carried out by the auditors of the Cooperative Department. The Department prepares an Audit Report and makes it available to the cooperative for information and compliance;

-The Audit Report is submitted to the General Body for endorsement and approval. It is the duty of the cooperative to comply with the objections and suggestions made in the Audit Report and send it back to the Registrar for information;

-An Internal Auditor is elected from among the members of the General Body to keep check on the business affairs of the cooperative and also to assist the official auditors. In some cases the General Body can elect an Audit/Inspection or Supervisory Committee. The Internal auditor or the Audit and Inspection Committee are answerable only to the General Body;

-The Cooperative Department is **not** the regulator, controller or owner of an agricultural cooperative. Its main job is to offer suggestions and guidance to the cooperative; rather it serves as a Friend, Philosopher and Guide;

-The cooperative society makes amendments to its bye-laws from time to time and submits the amended bye-laws for registration to the Cooperative Department;

-Some of the important components of the bye-laws of a cooperative are:

Name, Address and Area of Operation; Objects of the Society; Membership of the Society; Liability Clause of the Society; Funds of the Society; Maximum Credit Limit of the Society; Organs of the Society - General Body of the Society, Managing Committee of the Society, Office-bearers of the Society, Secretary of the Society, Treasurer of the Society; Registers

to be Maintained; Types and Grant of Loans; Distribution of Profits; Amendment of Bye-laws; Miscellaneous;

-All members of the cooperative form a General Body which is supreme. This is the highest and most powerful organ of a cooperative;

-The members are those who have been lawfully admitted to the membership and who have paid their prescribed Share Capital along with the Membership Fee;

-All registered members are granted voting rights on the basis of 'One Member-One Vote' irrespective of the number of shares held by them;

-The procedures of admission and expulsion/removal of members and Managing Committee members is laid down in the bye-laws;

-The membership of a cooperative is open without any restriction on caste, creed and sex. Members are free to join the cooperative and relinquish the membership on their own unless one is declared illegible/disqualified to retain the membership;

-The members are free to elect a Managing Committee/BOD of their choice by exercising their right to vote;

-The term of office of the Managing Committee is laid down in the bye-laws [generally two years];

-In a small agricultural cooperative the number of Managing Committee is generally five. Depending upon the extent of its business, cooperative can increase the number of committee members;

-The frequency and type of General Body meetings including quorum is laid down in the bye-laws;

-The frequency of meetings of the Managing Committee including quorum is mentioned in the bye-laws;

-The bye-laws lay down the methods and procedures of elections to various committees of the cooperative;

-Bye-laws mention the methods of acquiring and dissolution of share capital;

-Rights and duties of members, General Body, members of the Managing Committee, President, Vice-President, Treasurer, and Manager/Secretary are mentioned in the bye-laws;

-Methods of obtaining loans and repayment are mentioned in the bye-laws;

-The bye-laws also provides for methods and techniques of management of funds of the society, book-keeping, members' register, management of assets and liabilities, preparation of various types of reports, etc.;

-The bye-laws also contain details of distribution/appropriation of profits of the cooperative and also the methods of management of losses;

-The bye-laws also lay down guidelines on how to dissolve the cooperative.

The liability of a member for deficit in the assets of the cooperative, in the event of being wound up, is generally limited to five times the value of share capital subscribed by the member. The liability clause can vary at the discretion of the General Meeting..

A cooperative institution is a democratic institution. The General Body members elect [not appoint] a Managing Committee/BOD and other committees. Since it is a democratic institution, all decisions are taken by a 'majority vote'. However, many enlightened members prefer the decisions to be taken by a 'consensus vote' which generates more of cohesion and goodwill among members. All employees are, however, appointed by the Managing Committee and they are answerable only to it.

Points for Discussion

- Have you ever seen, read or got read the bye-laws of your Cooperative?
 - Do you participate in the General Body Meeting of your cooperative?
 - Have you ever seen, read or got read the Annual and Audit Reports of your cooperative?
 - Have you ever contested for the election to the Managing Committee of your cooperative?
 - Which one is better – 'Majority Vote' or 'Decision by Consensus'?
 - What are your suggestions for the improvement of your cooperative?
-

Chapter-09

WHY TO BE A MEMBER OF AN AGRICULTURAL COOPERATIVE SOCIETY?

The ordinary members are the real owners of the cooperative. According to the universally-accepted Principles of Cooperation, the membership in a cooperative is open and voluntary. Members are free to join and leave the cooperative. Any person who is willing and qualified to take advantage of the services of the cooperative can seek its membership. Membership entitles the member to better his/her social and economic status.

I, therefore, wish to be a member of a cooperative because of the following reasons:

-The membership of the cooperative generates the feeling of belongingness and security for me and for my family;

-By being a member I can get better quality and timely supply of fertiliser, seeds, other farm inputs and farm implements including the marketing of my produce and credit facilities;

-By being a member I can get latest and authentic information on various aspects of agriculture which helps me in getting higher productivity and production;

-Market my agricultural produce quickly and at reasonable rates;

-Store my surplus produce in the warehouse of the cooperative;

I become a part of the cooperative community and get cooperation and collaboration of other members of the community.

The membership of the cooperative provides a greater and real bargaining power in obtaining supplies, credit and marketing of produce. The membership protects the member from middlemen, moneylenders and exploiters. A cooperative society is a network which provides adequate protection and safety to the members and their households.

A cooperative society is based on moral and ethical values which are the foundations of the Principles of Cooperation. Members are the promoters, managers and owners of a cooperative business enterprise and they are free to take their own business decisions. An agricultural cooperative is a strong pillar of strength for members in the rural setting.

Points for Discussion

- Discuss how to become a full member of the agricultural cooperative,
 - What are the advantages of being a member?
-

Chapter-10

RIGHTS AND OBLIGATIONS OF AN AGRICULTURAL COOPERATIVE

An agricultural cooperative shall have the rights and obligations as follows:

- [1] Carry on business affairs within the framework of agricultural production, agroindustry, agribusiness and related services in order to provide benefit to members;
- [2] Be a legal entity representing members for entering into contracts and carrying out contracts with private sector or with development partners;
- [3] Ensure members' rights to participate towards realizing the economic social and cultural aims of the agricultural cooperative;
- [4] Provide technical assistance and training to augment capacity of its members and provide information to members so as to stimulate their participation in the operation of the agricultural cooperative;
- [5] Apply for or receive technical or financial assistance from the Government and from various legitimate sources;
- [6] Be responsible for financial management, accounting, auditing, retaining and accruing capital as well as other resources of agricultural cooperative in line with competent laws and regulations;
- [7] Pay taxes and fulfill other financial obligations in line with competent regulations and laws;
- [8] Carry on other affairs relating to agricultural cooperative objectives.
- [9] Agricultural cooperative shall keep documents or records at its central office and at any place defined by law. Documents or records to be kept are as follows:
 - [10] Cooperative's statute, internal regulations, and Certificate of Registration; Cooperative's members' list, comprised of:
 - [a] Name and office address of agricultural cooperative;
 - [b] Name, nationality, date of birth, and address of agricultural cooperative's members;
 - [c] Date of membership admission;
 - [11] Members' shares list, comprised of: [a] Name and office address of cooperative; [b] Name of members holding shares, value of shares, number of shares and shares paid.
 - [12] Annual balance sheet of cooperative;
 - [13] Agricultural cooperative's Annual Report outlining the outcome of the agricultural cooperative's operation;
 - [14] Agricultural cooperative's Audit Report;

[15] All types of minutes and reports;

[16] Other documents of agricultural cooperative as required by the government or asked for by the members.

Points for Discussion

-How can the agricultural cooperative support further its members?

-Can the society assist in rural/village infrastructure development?

-Should the cooperative give copies of its constitution to all its members?

Chapter-11

RIGHTS AND DUTIES OF MEMBERS

The bye-laws/statute contains a detailed list of rights and duties of members and other functionaries and organs of an agricultural cooperative. While the bye-laws prescribe the rights, members are expected to perform their duties. Rights have no meaning without the performance of duties.

Some of the rights and duties of members, as per bye-laws, are as follows:

Duties of Members

- To participate in all General Body meetings;
- To transact all supply and marketing business with/through the cooperative;
- To safeguard the interests of the cooperative from opponents/critics;
- Not to leave the signed cheque book or passbook with any functionary of the cooperative;
- To preserve in safe custody all the receipts and vouchers issued by the cooperative;
- To obtain receipts promptly from the cooperative for all payments made;
- To elect honest, dedicated and hardworking members to the Managing Committee.

Rights of Members

- To avail all the services provided by the cooperative;
- To study and observe all the rules, regulations and provisions of the bye-laws;
- To study the Annual and Audit Reports of the cooperative;
- To ask questions and seek clarifications from the office-bearers;
- To exercise freely and without any fear or favour the right to vote;
- To get elected to the Managing Committee if not a defaulter;
- To get the receipt for the payment made to the cooperative;
- To obtain certified copies of documents from the cooperative free of any charge;
- To make suggestions and express opinions freely and frankly.

Don't be afraid of anyone and don't feel hesitant to ask any question or seek any clarification from any of the office-bearers of your cooperative society. Remember – You are the owner of the cooperative because you have created it. You are the employer in the cooperative. It is your right to make suggestions. A cooperative society is not a social club or a charity institution – you have to pay for all services. It is a business enterprise.

Points for Consideration

- How important is it to have a balance between rights and duties?
- Have you ever read or got them read the bye-laws pertaining to rights of members?
- Have you ever read or got them read the bye-laws pertaining to duties of members?
- Have you ever received the receipt for the payments made to the cooperative?
- Have you elected the Committee Member of your choice and on your own accord?

Chapter-12

GENERAL BODY OF THE COOPERATIVE

In the organisational structure of a cooperative, General Body of members is a significant organ. It consists of all those persons who have formally been admitted after paying their Membership Fee and Share Money. They are called members and who have become eligible to 'vote' on the principle of 'One Member-One Vote' according to the Principles of Cooperation. Cooperatives are autonomous and independent of the government structure.

The General Body is a supreme institution to lay down policies and programmes for the cooperative institution. To implement its policies, General Body elects a Managing Committee/Board of Directors and Supervisory Committee and other committees. They are all answerable to the General Body. The Managing Committee is then authorised to recruit employees.

General Body Meetings/Members' Meeting

There are various forms of the General Body meetings:

- Ordinary Annual General Body Meeting which takes note of the progress of work done and lays policies for implementation;
- Special General Body Meeting which, in addition to doing the work of the Ordinary General Body Meeting, also elects office-bearers;
- Extra-Ordinary General Body Meeting which makes amendments to the bye-laws; and,
- Requisitioned General Body Meeting which is called either by the members or by the Registrar of Cooperative Societies to deliberate on a specific issue.

Important Functions of General Body

-Being a supreme organ in the cooperative structure, the General Body lays down policies, approves programmes and elects committees;

-The meetings are chaired by the President/Chairman and, in his absence, by the Vice-President/Vice-Chairman;

-The President, or the person chairing the meeting, has a 'Casting Vote' in case there is a tie.

Powers of the General Body

- Election, suspension and removal of the elected members of the Managing Committee;
- Consideration of Annual and Audit Report, Profit & Loss Accounts and Inspection Notes;
- Fixing of Maximum Credit Limit [MCL] of each member;
- Amendments of the bye-laws.

All business discussed or decided at the General Body meetings are to be recorded in the Proceedings Register which is to be signed by the chairman of the meeting. All decisions taken by the General Body are binding on all members of the cooperative – whether they have voted for the motion or against it.

Points for Discussion

- Is it necessary to participate in all meetings of the General Body?
- Why should the Chairman of the meeting have a 'Casting Vote'?
- How can the General Body dismiss or suspend the elected Managing Committee?

Chapter-13

RIGHTS AND DUTIES

OF MANAGING COMMITTEE/BOD MEMBERS

All affairs of the agricultural cooperative are carried out by the Managing Committee/BOD on behalf of the members and in accordance with the general policies laid down by the General Body. The Managing Committee is elected by the members from among the members of the General Body. The principal task of the Managing Committee is to safeguard the interests of the members and of the cooperative itself. The Committee has the mandate and capacity to take all kinds of decisions on behalf of the members. The number of Committee members is prescribed in the bye-laws of the cooperative.

The Committee takes all decisions in concert with the general policies laid down by the General Body. The Committee is the convener of the General Body meetings and creates an agenda for discussion. It appoints a general manager and other employees to implement its decisions. The Committee makes all purchases and sales on behalf of the cooperative. It prepares an Audit Report, Inspection Report and an Annual Report for the information and approval of the General Body in its annual meeting. It appoints various committees or consultative groups to support the process of implementation of decisions and receives reports from them.

The bye-laws of the cooperative explain the rights and duties of the Managing Committee/BOD and Supervisory Committee. Some of the rights and duties of the Managing Committee are given below:

Duties of Managing Committee/Board of Directors

- To implement the policies laid down by the General Body;
- To ensure that the cooperative does not become either a defaulter or a debtor;
- To ensure that the committee members do not carry out the same business as of the cooperative;
- To ensure that the members participate in all meetings of the Managing Committee;
- To receive, study and analyse all aspects of the Inspection and Audit Reports;
- To take action on objections raised and comments/suggestions made;
- To be aware of all recent changes and developments in cooperative law, rules, regulations and guidelines;
- To be aware of all books, business development plans, projects and budget of the cooperative;
- To receive, analyse and approve/reject loan applications of members;
- To convene all meetings timely and prepare for elections;
- To warn or take action on those members who have taken loan but not repaid in time;

- To ensure that no business decisions of confidential nature are made public;
- To receive suggestions from members and to solve their problems;
- To maintain a cordial relationship with the Cooperative Department and Cooperative Bank and other associated/related institutions in the area;
- To refrain from selfish interests; and ensure that personal costs are not passed on to the cooperative.

Rights of Managing Committee/BOD

- To receive all cooperative business information from the Manager/Secretary;
- To seek suggestion and advice of the Manager/Secretary before taking any decision;
- To receive and study the Agenda of the Committee meeting at least a day in advance;
- To present own views and suggestions clearly in the Committee meetings;
- To examine monthly or quarterly reports from the Manager on all aspects;
- To ensure that the expenses of the cooperative do not overshoot the prescribed budget and seek clarifications, suggestions and recommend suitable action;
- To examine the books of accounts, cash and inventory from time to time, either by advance information or through surprise checks;
- To comply with the objections in Audit Report and prepare a compliance report;
- To prepare management rules and regulations, terms of employment of various employees, estate management and offer suggestions for improvement;
- Take action against those members who take loan from the cooperative but do not repay it in time and do not transact business with the cooperative, and those who criticize the functioning of the cooperative and its office-bearers.

Points for Discussion

- Who receives loan applications, considers them, approves or rejects them?
- Who gets affected if the loan is not repaid in time?
- Is it necessary that a reason be given to the applicant for rejection of application?
- Who appoints the Manager of the cooperative?
- Is the Secretary an employee of the cooperative or of the Cooperative Department?
- Have you ever received and studied the Annual/Audit Report of your Cooperative?

Chapter-14

SUPERVISORY COMMITTEE OF AN AGRICULTURAL COOPERATIVE

The Supervisory Committee is elected directly by the Members' Meeting. Upon convocation by the chair or request of at least two-thirds [2/3] of members, the Supervisory Committee shall convene. Whenever there are equal voices, the voice of the chair prevails. Members of the Supervisory Committee may attend the Board of Directors' meeting in advisory capacity.

Supervisory Committee shall enjoy rights and fulfill duties as follows:

- Check or order the checking of the cooperative's accounting ledger and all other books of account;
- Check or order the checking of all other assets and liabilities of the cooperative;
- Check the inventory list and Balance Sheet as required;
- Convey its findings to Board of Directors and include the findings into the Annual Report to be submitted to the General Meeting.

In the event that there is an emergency issue, or most members of Board of Directors find themselves in a state of inability to carry out their duties and responsibilities, the Supervisory Committee shall request to the chairman of the Board of Directors to convene an extraordinary General Meeting in order to address the issue.

Members of Board of Director and Supervisory Committee shall not be paid. However, the general meeting may set aside a portion of the budget to cover mission expenses and allowance/incentives for members.

Points for Discussion

- Who elects the Supervisory Committee?
 - Is it subordinate to the Board of Directors?
 - Can it function as Board of Directors any time?
 - Who can remove members of Supervisory Committee?
-

Chapter-15

RIGHTS AND DUTIES OF THE MANAGER/ EXECUTIVE DIRECTOR AND OTHER EMPLOYEES

The General Body of a cooperative elects a Managing Committee which implements the policies outlined by the General Body Meeting. The general policies are converted into implementable plans of action and executed through the employees who are appointed by the Managing Committee. The Committee employs a General Manager. This functionary is an important link between the members and the cooperative. His major tasks are: preparing plans of action, looking after the accounts and other books and assets of the cooperative, maintaining relationship with the members, interacting with the elected office-bearers, maintaining relationship with the Cooperative Department and the Cooperative Bank, managing the conduct of meetings etc. The manager is appointed by the Committee from the open market.

Duties of the Manager/Executive Director

- To serve the cooperative as a dedicated, honest and truly hardworking official;
- To provide guidance, advice and support to the Managing Committee;
- To be aware of and be capable of providing information on various aspects of cooperative law, rules and regulations and provisions of the bye-laws to the cooperative office-bearers;
- To look after and maintain all books of accounts, cash and inventory and all other services and business of the cooperative;
- To prepare business development plans, budget and statements of income and expenditure of the cooperative and submit monthly, quarterly and annual reports;
- To maintain and update all the passbooks and personal accounts of members;
- To fix maximum credit limits [MCL] of members as per the provisions of the Cooperative Bank and get them approved from the Managing Committee and General Body;
- To prepare a list of defaulting members and pursue all the needed recovery formalities;
- To participate in all committee meetings, except in those in which his personal emoluments and services are under discussion;
- To ensure that he does not retain with him passbooks and signed cheque books of members;
- To issue receipts to the members for all the payments made by members;
- To keep check on all the assets and liabilities of the cooperative;
- To carry out physical verifications of all the inventories – estate, godowns and office machines and equipment;

- To get the approval for maintaining 'Cash-in-Hand', and the surplus cash to be deposited in the bank;
- To keep control over the Seal of the Cooperative and other instruments of payments;
- To write cash book and ledgers daily;
- To deposit all the cooperative cheques with the bank and maintain their proper accounts;
- To arrange for cooperative's reconciliation of accounts with the Cooperative Bank;
- To ensure that all payments to vendors and members are made in time;
- To prepare a Members' Register and to facilitate election process in the cooperative;
- To prepare Agenda, Agenda Notes, Meeting Notices and arrange for their proper distribution;
- To prepare Audit Compliance Report and arrange for submission to the Registrar-RCS after having them approved from the Managing Committee;
- To prepare cooperative's Balance Sheet and get it approved from the Managing Committee;
- To prepare a list of defaulting members and issuing them recovery notices;
- To prepare terms of employment and working conditions of all employees;
- To help in the development of a proper, friendly and cordial relationship between the members and the Managing Committee;

Rights of the Manager

- To avail of all facilities which are granted by the cooperative and which are conducive to the discharge of his functions properly;
- To suggest improvements in cooperative's operations and work conditions of employees.

Points for Consideration

- Can a Manager participate in all the meetings of the Managing Committee?
- Can he approve/reject the loan application of a member by himself?
- Should the Manager keep with himself the passbooks and cheque books of the members?

Chapter-16

BOOKS OF AN AGRICULTURAL COOPERATIVE

By virtue of its registration under the Cooperative Law which grants it the status of a legal entity, a cooperative, as per its own bye-laws, is required to maintain a set of books and registers.

Due to its nature as a business enterprise, a cooperative undertakes a range of business operations not only with members and employees but also with others e.g., Cooperative Bank, farm input suppliers, traders, service providers, community related projects etc. A whole range of payments, either by cheques or in cash, are made or received. It is also required that a cooperative maintains proper registers and account books.

A selective list of some of the books and items to be maintained in the cooperative organisation is given below:

- A Register of Members,
- Cash Book;
- Seal of the Cooperative;
- Cash Safe Box, Cheque/Pass Books, and Passbooks for each member/depositor;
- General and daily ledger;
- Ledger account for each member, depositor, creditor, miscellaneous and contingent income and expenditure, and purchase and sale of any goods etc.;
- Balance Sheet;
- Audit Report and its compliance report
- Notice Book;
- Proceedings Book;
- Up to date Constitution with all the amendments included;
- Goods Movement Register;
- Vehicle logbook'
- Inventory/Stock Register;
- Share List or Register of Shares;
- A Register of Sureties;
- A Register showing MCL of each member;
- Cash memos with duplicate copies;
- Visitors' Register;
- Any other register prescribed by the Registrar or required by the Society.

One golden principle for an efficient and transparent management is that members should feel confident about their financial relationship with their cooperative.

There should not be any kind of bureaucratic procedure or style of functioning. Members are the real owners and therefore, they look for an efficient service from the cooperative.

All accounts books and financial transactions should be kept up-to-date.

When making payments to the cooperative, members must be promptly issued with an official receipt.

Employees must ensure that personal money and official money should be handled separately.

All these documents and registers are necessary to be kept in order, available and up to date. These help to prepare a comprehensive report for submission and approval to the Board of Directors and also are needed by the Supervisory Committee. These also are needed to be produced before the Registrar when demanded.

Points for Discussion

- Do you get an official receipt for payments made to the cooperative promptly?
 - Is it safe to keep the Cash Safe Box in the cooperative office or at the home of the President/Secretary?
 - Can you understand the business status of your cooperative from the Balance Sheet?
 - Do you possess the Passbook/Credit Card/Cheque Book issued by the Cooperative?
 - Have you ever signed in the Members' Register kept at the Cooperative?
-

Chapter-17

CAPITAL FORMATION IN AN AGRICULTURAL COOPERATIVE

A cooperative is a business enterprise with a difference that it is owned, managed and controlled by the members themselves democratically. Members are the decision-makers as well as employers. Cooperatives all over the world happen to employ more people than all the multi-national companies [MNCs] put together in the world. They are the largest estate-owners and are present in all parts of the world, down to the village level. They exist in different forms. They need funds for their operations. By mere collection of Membership Fee and Share Money and receiving small deposits from the members is not enough.

Cooperatives have, therefore, adopted some of the following methods to generate funds for their business operations:

- By selling shares to members who are paid interest and dividend;
- Inviting deposits from the members e.g., ordinary deposits, time deposits, compulsory deposits;
- Borrowings from cooperative banks, government and private investors;
- Governments also grant funds to cooperatives for various purposes;
- Earning appropriate/legal commission on sales/purchases and services;
- Financial assistance from the government and/or government-approved institutions.

It is advisable not to raise funds from the open market without the approval of the General Body and the government.

Points for Discussion

- Which is the best method of generating funds for the cooperative?
 - Can the cooperative institute a compulsory deposit scheme to get money?
 - What are the dangers of obtaining funds from the open market?
-

Chapter-18

SERVICES PROVIDED BY AGRICULTURAL COOPERATIVES

Members create an agricultural cooperative to help themselves. Because it is difficult to obtain all the farm-related services by the members on their own, they form a cooperative to take advantage of a collective action as they can have a better bargaining power. An agricultural cooperative can provide a variety of services to its members. It is, in fact, the members who ask the cooperative to provide services.

Some of the services provided by a cooperative are given below:

- Financial Services: A whole range of deposit and lending services and insurance;
- Agricultural Production and value-addition Services: Supply of fertiliser, improved and quality seeds, farm chemicals, agricultural implements, farm technology etc.
- Marketing and Processing Services: Members market their surplus agricultural and horticultural products through the cooperative. Cooperative also undertakes processing activities on behalf of members;
- Consumer Services: Supply of farm-related material, household goods etc.;
- Community Welfare Services: Community-related services e.g., drinking water supply, street lighting, rural roads, animal care, crèches, drainage and local security etc.

Agricultural cooperatives are primarily the service institutions for the farmers. Their principal functions, being multipurpose cooperative business enterprises, are: Provision of agricultural/non-agricultural credit to the members; Marketing of members' produce including value-addition; Provision of input supplies like fertiliser, improved seeds, farm machines and implements; and, Guidance including farm extension services, advisory services on better-living and production planning and insurance. Depending upon the extent of membership and area of operation, the agricultural cooperative can expand its services by opening branches and by providing more services which are needed by the members.

Based on the general and specific demands of the members and the community, an agricultural cooperative can also provide a wide range of other community-based and welfare services. A cooperative is a business enterprise and, therefore, all the services provided by it are priced, though moderately. It may be remembered that cooperatives are not charity institutions.

Points for Consideration

- Are you aware of the services provided by your cooperative?
- What kind of services you have availed from your cooperatives?
- What kind of services you would like your cooperative to offer?
- Are you willing to pay for services?

Chapter-19

CREDIT SERVICES PROVIDED BY THE AGRICULTURAL COOPERATIVE

A large number of people remain ignorant of the facilities and advantages that they can get from cooperatives. As a consequence many cooperative members or those who wish to be the members cannot receive the benefits from them. It, therefore, becomes important and relevant that people are informed of the advantages of doing business with cooperatives and the services they can offer. Enlightened and well-informed members can make use of the services of cooperative in a better way. It then becomes important that members are given information and education on the philosophy of Cooperation as well as on the services that can be provided so that they make their lives better.

A cooperative is competent to provide credit which helps in enhancing productivity and production; supply of better farm inputs like fertiliser and seeds and farm chemicals, marketing support in disposing off their produce at reasonably good prices and, above all, dissemination of farm technology. Credit is an important service which is given by cooperatives to their members. There is no farmer in the world that does not get credit for agricultural purposes. Open market credit has become expensive and also cumbersome but using cooperative as a tool to secure credit has the advantage of low interest rates and deferred payment in case of natural calamities.

Credit Facilities Given by Cooperatives

[a] Short-Term Credit: To prepare for cultivation farmers need money so that they can purchase agricultural implements, fertiliser, farm chemicals, and high quality seeds. These services are provided by the cooperative. The credit which is given for a session of cultivation for one season is called the Short-Term Credit. The primary agricultural cooperative society usually provides short-term credit or crop production loan. Loan recovery is done after the crop is harvested.

[b] Medium-Term Credit: This type of loan is given to the members for a period of three to five years so that they can purchase draught cattle, oxcart, bio-gas plant, small farm implements, fishery, poultry etc. It is found that immediately after sowing and upon harvest the workload of farmers get reduced. If the farmer can get some other work then it would be helpful to earn some additional income. Such loans can be obtained by becoming a member of a cooperative. The repayment of such loans is generally in installments. Medium and long-term loans are usually provided by the Central Cooperative Banks or Land Development Banks or even by the Agricultural Cooperative Department.

[c] Long-Term Credit: This type of loan is given for a period of five to ten years. These loans are granted through the land development banks. The purpose of such loans is to improve irrigation facilities and rural development including rural housing. The loan is granted on the basis of the quantum of land-holding of the member and is repaid in installments.

[d] Consumption Loans The cooperative society grants such loans to those members who are financially weak. Such loans are given for various purposes e.g., family social ceremonies like marriages, education, death etc. Such loans are of different durations and can be repaid in installments, as per the decision of the Managing Committee of the cooperative.

Procedures of Obtaining Loan

The member fills in an application called 'pronote' which serves as a contract between the member and the cooperative. The pronote contains the signature of the member, amount of loan requested, date, signature of the manager and signatures of two witnesses. The loan is repaid to the cooperative after selling the produce.

Timely Repayment

It is the duty of the member to repay the loan along with the interest in time as per the agreement. Timely repayment has the following advantages for the members: Can participate/contest in the election process; Can vote in the election process; Can take loan again from the cooperative; Can avoid payment of late penalty and collection charges; Can escape arbitration process and other provisions of the Cooperative Law; Can avoid unnecessary mental agony and financial constraints; Social standing and goodwill remains intact; Becomes a role model for other members for timely repayment of loan.

Fixation of Credit Limit

The Manager prepares a list of credit limits of all members in triplicate. Agreement of all members, whether defaulters or not, is secured. Just in the same way as the cooperative fixes the maximum credit limits of its members, the cooperative also gets its credit limit fixed from the Central Cooperative Bank. For crop loan the limits are fixed by the Central Cooperative Bank in consultation with Agriculture Department. The Cooperative Bank also gets its maximum credit limit fixed from the State Cooperative Bank.

Recovery of Loans

The efficiency of business operations of a cooperative depends on the recovery of loans. If the recovery is good, the goodwill of the cooperative is also rated good and its financial situation becomes strong. In case the recovery of loans is low the cooperative becomes a defaulter of the Cooperative Bank and faces problems in raising further funds. It is, therefore, important that whatever loan is recovered from the members should be repaid to the bank immediately so that the facilities of the bank continue to be made available to the cooperative. In the case of a defaulting cooperative, a penal interest is imposed on the cooperative which, in turn, becomes a burden not only on the cooperative but on all its members.

Important: *If it is your right to obtain credit from the cooperative, it then is your duty to repay the loan with interest in time to the cooperative. This process is for the benefit of all members and their cooperative as well. This is the best way to avail the services of the cooperative.*

Points for Consideration

- During the last three years how much loan have you taken from your cooperative?
- Have you repaid your loan with interest in time?
- Do you agree that the loan should be repaid in time?
- Did you ever face any loan recovery process?
- Do you have any suggestion on the procedure of repayment of loan?

Chapter-20

AUDIT OF AN AGRICULTURAL COOPERATIVE

Every agricultural cooperative shall be audited once a year, as per law.

Audit may be undertaken by the auditors of the Agricultural Cooperative Department/Registrar or by a chartered accountant hired from the market with the approval of the Department.

If provided in the bye-laws, the Members' Meeting can also appoint/elect auditors or an audit committee which is answerable to the General Meeting.

The Audit Report shall be submitted through the Board of Directors to the General Meeting for discussion and approval.

The result of deliberation and decision by the General Meeting shall be made a part of the Annual Report.

In many cases, agricultural cooperatives doing negligible business are generally exempted from a formal audit. In that case a report of the Accounts Committee or the Supervision Committee is good enough for submission to the General Meeting and to the Registrar.

The Manager is fully responsible for making all documents and facilities available to the auditors for a smooth auditing process.

Points for Discussion

- Why is audit essential for an agricultural cooperative?
 - Why the audit report should be submitted to the Members' Meeting?
 - Why cannot a member of the Managing Committee do the audit?
-

Chapter-21

RESTRUCTURING OF AGRICULTURAL COOPERATIVES

[A] Dissolution of an Agricultural Cooperative

Agricultural cooperative may be dissolved on any of the following grounds: [i] Decision of the General Meeting' [ii] Due to cause of dissolution as prescribed in its statute; [iii] When members resign, leaving less than six members; [iv] Upon being bankrupt or heavily indebted; [v] Upon court order; [vi] Upon the withdrawal of official Certificate of Registration.

[B] Amalgamation of Agricultural Cooperatives

Two or more agricultural cooperatives within the same geographical boundary may be amalgamated by a resolution of the General Meeting of each agricultural cooperative. Amalgamated agricultural cooperatives shall be registered again as a new agricultural cooperative in accordance with the provisions of the prevailing law. Cooperatives which are to be amalgamated shall clear their debts with creditors before amalgamation comes into force.

[C] Division of Agricultural Cooperatives

An agricultural cooperative shall be divided in the event that there is a change of administrative jurisdiction or boundaries of administrative locality, or a division of business organization become necessary for division. The division of an agricultural cooperative can be considered provided that there is a request of at least half [1/2] of the members.

After the date of the division resolution, the agricultural cooperative shall clear all dues. It shall get itself registered with the Registrar.

Points for Discussion

- What are the disadvantages to the members when the cooperative is dissolved?
 - What are the benefits when cooperatives are amalgamated?
 - Why should a cooperative be divided into two or three cooperatives?
-

Chapter-22

PROMOTIONAL AND BUSINESS MANAGEMENT OF AGRICULTURAL COOPERATIVES

In most countries, national and provincial federations have been organized by primary agricultural cooperatives in order to implement economic businesses more effectively. In addition, a national union of agricultural cooperatives or cooperatives has been organized to represent the country's Cooperative Movement and provide guidance, auditing and educational services.

Points for Discussion

- Why are the Unions important for the sector?
 - What is the advantage of creating an alliance for agricultural cooperatives?
-

Chapter-23

SPECIAL POINTS FOR CONSIDERATION

It should be remembered...

-An agricultural cooperative is your own institution. You are its owners. You only manage it and you only control it democratically. All its policies and programmes are laid and implemented by you;

-By buying its shares you can become its member voluntarily and also leave it whenever you wish to;

-Though the cooperative is registered by the Registrar of Cooperative Societies, the government does not become its owner. The cooperative society also is not an agency or department of the government;

-You only create its bye-laws and make amendments to the bye-laws and promise to abide by them;

-You only elect a Managing Committee/Board of Directors and other office-bearers e.g., President, Vice- President, Treasurer and other members;

-You are free to contest for any position in the cooperative – Managing Committee or any other committee;

-You are authorized to appoint your manager and other employees;

-This is your right to receive and read through the Annual and Audit Report or any other report of the cooperative and raise questions and seeks clarifications;

-In case the General Body meetings are not held in time, or you have not received the Annual and Audit Report in time, you are free to ask for reasons from the office-bearers of the cooperative or send a complaint to the Registrar of Cooperative Societies;

-This is of utmost importance that for all payments made to the cooperative, you should receive a formal official receipt and you should keep it in your safe custody;

-You are fully entitled to inspect your accounts in the cooperative any time and, if needed, can ask for an official certified copy of your accounts or of any other document without making any payment;

-Do not encourage corruption by giving bribes to the office-bearers or to any of the employees of the cooperative;

-You only can provide guidance and advice to the cooperative for its efficient work;

-This is your right to remove any employee of the cooperative due to inefficiency, misbehavior or misappropriation after proper enquiry;

-The principal objective of the cooperative is to safeguard the interests of its members and to strengthen their social and economic position in the community;

-No cooperative institution can succeed well and deliver the right kind of services if you do not participate actively in its economic and organizational activities;

-Members should be aware of the inward and outward flow of funds in the cooperative;

-Members should be aware of the importance of cordial relationship between the cooperative and the Cooperative Bank;

-To assist you in your agricultural operations, you borrow money from the cooperative. The cooperative borrows money from the Cooperative Bank. It is, therefore, your duty that you repay your loans in time so that the cooperative remains eligible to borrow money again from the Cooperative Bank and lend it to other needy members;

-If the loan is not repaid in time, other members of the cooperative remain deprived of the credit facility of the cooperative. It is your duty to assist your other friends [that is the meaning of cooperation];

-If you ever feel that some provisions of the cooperative law, rules and regulations framed by the Cooperative Department pose an obstruction in the smooth functioning your cooperative, you are free to discuss the issues with the office-bearers and even take them up with your local political leadership e.g., head of the village committee or, Member of Parliament [MP]. You only have elected them hence it is their duty to take the matter up with the government;

-The cooperative law is made for the guidance and proper management of cooperative business, not to control or direct it;

-You are aware that you only have adopted the bye-laws of the cooperative. You had agreed to abide by them while applying for the membership. Do you have a copy of these bye-laws? Have you ever read them or got them read to you? It is, therefore, expected that you understand the provisions of the bye-laws;

-The key to the success and efficient functioning of your cooperative lies in the bye-laws. All members should abide by them. In case you have not understood any provision of the bye-laws or are doubtful of its real meaning, you are free to discuss the matter with the President or other office-bearers of the cooperative or even with the Cooperative Department;

-It is your right to obtain full information about the functioning of your cooperative. You can obtain the information from the Manager, who happens to be your employee. It is his duty to serve the cooperative and its members and provide the members with proper and authentic answers to the questions asked by them.

Chapter-24

SUMMARY OF DISCUSSIONS

In a large number of countries within the agricultural cooperative sector farmer-members often faced a number of problems, which result in confusion and corrupt practices. The points given below are intended to clarify some of the critical issues. A brief summary of the topics discussed in this Manual and the key points which help strengthen cooperative institutions is given below:

“A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”.

Cooperative helps strengthen basic and ethical values among members and the community at large.

01 Each and every member, in some way, should participate in the business of cooperatives regularly e.g., purchases from the cooperatives, sales to the cooperative, and save with the cooperative;

02 A dedicated and honest person should hold the office in a cooperative. The person should be completely devoted to the cause, basis and Principles of Cooperation and should discharge his duties honestly and faithfully;

03 The officials of government cooperative department and the members should encourage the office-bearers and workers and should continue to appreciate their work. Good workers should be rewarded for their services;

04 Meetings of cooperatives should be held regularly and certainly in accordance with the procedures laid down in the bye-laws of the cooperative which the members have imposed upon themselves voluntarily;

05 Amendments to bye-laws and audit compliance reports must be submitted to the Registrar promptly. Any delay would lead to corruption and unnecessary harassment;

06 Officials from the Cooperative Department, Cooperative Bank, Rural Development Department, local-self-governing bodies, self-help group organisations and other concerned agencies which have a linkage with the cooperative, should be invited to meetings as guests and speakers;

07 The ‘One Man Show’ in a cooperative should be avoided at all costs. The cooperative is not a firm owned by an individual. It is a member-owned and member-managed institution;

08 The President/Chairman should organize training and information sessions for the Managing Committee members from time to time enabling them to get acquainted with the changes in policies and procedures and current market trends;

09 A specific amount should be reserved for members’ education and cooperative employees’ training in the budget of the cooperative. This amount should be used only for education and training and not for entertainment;

10 The President/Chairman should, as much as possible, seek the advice of the manager of the cooperative while taking business and organisational decisions. The manager who should be a full-time paid employee of the cooperative should be invited to all MC/BOD meetings except when his own employment terms are being discussed;

11 Every cooperative must possess a copy of its own up-to-date bye-laws. Every member must be asked to read the bye-laws, or, at least, be explained the main points relating to their rights and duties and the objectives of the cooperative;

12 Accounts should be kept securely and updated. Accounts should be transparent. Members should feel satisfied about their accounts;

13 Members must insist on an official receipt against any payment made by them;

14 Cheque books, Members Credit Card and members' passbook must be retained by the members themselves. No signed cheque book should be left with any employee of the cooperative;

15 Those cooperatives, which hold larger amounts in deposit, need to be extra-careful and vigilant in the management of funds;

16 Cooperatives, especially the village level agricultural cooperatives, should diversify their business. They should not restrict only to fertiliser and seed distribution. There are hosts of other business avenues e.g., distribution of farm chemicals, production and distribution of vermin-compost, deposits, fuel distribution, laying of nurseries, hiring of agricultural machines, electricity and water supply, farm extension and guidance, water and soil-testing, running a community centre, production of furniture, construction material, repair of machines and household equipment, warehousing, bee-keeping, livestock development, dairying, fisheries, etc.;

17 Cooperatives should perform community-related services e.g., health care, sanitation, street lighting, telephone kiosks, payment of electricity, water and house tax bills, adult education, crèches for children [day-care centres], scholarships to members' children etc.;

18 With a view to enhance business and social contacts, cooperative institutions operating in the neighbouring areas should get together in conjunction with local festivals. Exchange of visits helps members to learn from each other;

19 Cooperatives are, of course, not charity institutions. They cannot afford to provide services free of cost. Members need to pay for all services, and members do pay when they get the services. Any free service given or pilferage or leakage of resources is a loss. Office-bearers must ensure that their personal costs are not charged to the cooperative;

20 Cooperative Movement is not only a social and economic movement, but also serves as a moral building movement. An efficient cooperative serves as an ideal for the people.

Cooperatives are people-centred rather than capital-centred organisations. Cooperatives are the true binding agents of the community. They lead to strong cohesive society. Therefore, training and extension is the most appropriate tool for developing the cooperatives' most valuable asset, i.e., their members.

ANNEXURE-I

COOPERATIVE MOVEMENT IN CAMBODIA

Introduction

Poverty in Cambodia is primarily a rural phenomenon. The overwhelming majority of the poor get their livelihood from agriculture, and the incidence of poverty is also much higher among farmers than among other occupation groups. Approximately 84% of the population, and 90% of the poor, live in rural areas and agricultural activities are their main source of income. At the same time, agriculture provides over 26 % of the GDP in 2013. Therefore, the Government's strategies for developing the economy and for poverty reduction demand a much stronger focus on agricultural development, which is the most effective way to create more employment. But more crop, livestock, fisheries and forestry production will only lift people out of poverty if specific measures are taken to protect and assist the poor and if the country's natural resources are managed sustainably.

Agriculture's contribution to GDP has declined from an estimated 52% in 1990 to 26% in 2013, as agricultural growth has lagged behind that of the industrial sector. However, agriculture is still by far the most important sector in Cambodia's economy, and will remain so. Within the agriculture sector, crops and livestock account for about 68% of the total value-added, fisheries for about 26%, and forestry for about 5% in 2013.

The total land area of Cambodia is approximately 18.1 million hectares, of which one-third or 6.4 million hectares, is considered suitable for agriculture (Agricultural census was done and data will be issued by the government soon so we should wait for the updated data). Currently, the land effectively organized for all agricultural purposes is only about 2.7 million hectares, which implies that there is an additional 3.7 million hectares of land that could easily be brought under cultivation.

The Ministry of Agriculture, Forestry and Fisheries [MAFF] is responsible for the promotion, development and strengthening of agricultural cooperatives. As a matter of policy the government strengthens the existing farmers' organizations and also gives them an option either to continue in their present form or to convert into agricultural cooperatives.

History of Cooperative Movement

Prior to the civil war, the Royal Government had promoted cooperative institutions in Cambodia.

In 1956 the Office of Royal Cooperatives [OROC] was established under the Ministry of Agriculture to initiate and develop cooperatives to replace the Office of Popular Credit that existed for nearly two decades. The OROC supplied the cooperatives with funds and loans to buy and sell rural produce, set up experimental stations for producing improved seeds, rearing selected cattle, pigs and poultry and for setting up general stores in remote areas for supplying rural needs and for buying their produce. Since there was no private sector business in the rural areas the people had to depend on the cooperatives for their needs. OROC also assisted the production cooperatives to improve agronomic practices.

By mid-1966, a total of 512 cooperatives were functioning in rural areas. They were divided into 13 provincial credit cooperatives granting loans to members. The beneficiaries of credit were mostly from the non-poor class. In addition there were 390 multipurpose agricultural cooperatives,

55 consumer cooperatives, 14 specialized production cooperatives and 40 school cooperatives. Their turnover in 1965 amounted to US\$13 million. The Cooperative Movement was visible and reasonably strong and the results were impressive. The OROC even published a textbook on cooperation for the primary schools in Cambodia.

Following chronology of important events helps to present a clear picture of the transformation undergone by the cooperatives over the period:

- 1956 Elaboration of the statute of OROC
- 1958 Creation of consumer cooperatives in 13 provinces
- 1960 Formation of multipurpose cooperatives in 13 provinces
- 1961 Relocation of cooperatives under the Council of Ministers
- 1964 Formation of cooperatives up to the provincial level
- 1966 Establishment of the Cooperative College
- 1967 Establishment of 14 specialized coops on rice, cotton, tobacco etc.
- 1970 Commencement of the Lon Nol Regime – Name of OROC changed to National Cooperative Office [NCO]
- 1974 Relocation of cooperatives under the Ministry of Commerce
- 1975 Pol-Pot Regime: Cooperatives transformed into 'Popular Communes' along the Chinese model. Collective land, collective work, commune kitchens and commune eating places etc., were established against the wishes of the people
- 1979 Regime of Vietnam: 'solidarity groups' [KromSamakki] of 15-30 neighboring families, for collective cultivation but with limited landownership, sharing of limited remaining animals and equipment. This arrangement helped the many widows with children to make ends meet
- 1989 Discussions at the Agriculture Ministry level on the need to form 'farmers Organisations'. Heads of the Agronomy Department delegated with the responsibility of preparing the statute paper. But this needed document was never written.
- 1999 The workshop on the establishment of agricultural cooperatives was held by MAFF Cambodia
- 2001 The Royal Decree on Establishment and Functioning of Agricultural Cooperatives was promulgated to support the establishment of agricultural cooperatives legally. The Farmer Organization Office in charge of establishment and promotion of agricultural cooperatives was established in the Department of Agricultural Extension of MAFF Cambodia
- 2003 The Prakas on establishment and registration of agricultural cooperatives was promulgated to complement the Royal Decree

- 2013 The Law on Agricultural Cooperatives was enacted in succession to the Royal Decree
- 2014 The Department of Agricultural Cooperative Promotion was established in MAFF Cambodia as the specialized department in charge of promotion of agricultural cooperatives.

The following are the major phases of cooperative development in Cambodia:

- 1956-1969 ReechSahakor [Royal Cooperatives]
- 1975.1979 SahakorPromolphdom [Collective Cooperatives] Khmer Rouge
- 1979.1989 KromSamakkiBangkorBangkoenPhal [Solidarity groups]
- 2001-2012 SahakumAkphivatKaksekam [Agricultural Cooperatives]
- 2013-Present Sahakum Kasekam (Agricultural Cooperative)

After 1979 Cambodian agriculture was organized on a collective basis with 12-15 families making up a solidarity group or Krom-Samakki which, at that time, was the only type of farmers' organisations in the country. Samakki members cultivated between 15 and 20 ha of land by sharing labour, agricultural tools, and draft animals. The Samakki system was expected to guarantee a fair and equal distribution of land, draft animals, agricultural equipment, and male labour power [up to 70% of labour force was female]. Each member of Krom-Samakki was allocated a private plot of approximately 600-2,000 sq.mt for a house and private farming. On this private holding the members were allowed to grow crops or vegetables for increasing production, either for family consumption or private sale. In 1987 there were about 124,377 Krom-Samakki in the country.

The KromSamakkis were considered as useful collective groups in the sense that they served as production groups which also provided employment and livelihood security to women [since a majority of males were killed]. The groups also procured food for national consumption as well as distribution channels for farm inputs e.g., seeds, implements, fertiliser etc. At that time the farmland belonged to the State. The production was shared among the members and the surplus was retained in the village under the supervision and control of the chief of the commune/village. They worked on the basis of joint farming. The district office of the Agriculture, Forestry and Fisheries [DAFF] helped coordinate the cultivation, production and storage. There was no agricultural marketing system.

After the 1993 general elections the land was organized and the farmers were given land titles and were allowed to market their agricultural produce. There was no agricultural tax.

Since the agricultural production had gone down and the Samaki groups had begun to dissolve, farmers needed more systematic farm input supplies, and also the government needed some food reserves. The Government had then established a government company called COMCA. Keeping in line with economic reforms and promotion of government business houses, the COMCA was restructured into Agricultural Inputs Corporation [AIC] as a government corporation in 1999 under the purview of the MAFF. Its objectives are: to undertake activities relating to trade and other services in the field of agricultural inputs and supply; to import and sell agricultural inputs such as fertilizer, seeds, insecticides and other material and equipment serving agricultural production; to keep in line with the policies of the MAFF in respect of chemical fertilizer, agricultural inputs and their distribution; to manage statistical information and data of imports and exports; to participate in training conferences and workshops relating to chemical fertilizers; to participate and facilitate in the study for development and promotion of agricultural inputs, especially chemical fertilizers.

About the authors....

Dr Daman Prakash, Indian national, is former Director, International Cooperative Alliance Regional Office for Asia-Pacific; former Chief Technical Advisor, International Labour Organisation of the United Nations in Indonesia on Management of Agricultural Cooperatives; former Advisor to FAO Project in Myanmar; former Technical Advisor, ICA/SCC Project on Cooperative Teachers' Training in Sri Lanka, Senior Advisor to the Network for the Development of Agricultural Cooperatives in Asia-Pacific [NEDAC], and Advisor to the IFFCO Foundation. Currently, Director, Rural Development and Management Centre in New Delhi, India. 55 years of experience in field of cooperative development in India and abroad. He has a number of publications and technical papers to his credit. He can be contacted through: <damanprakash@yahoo.co.in>.

Study Guide for Training of Agricultural Cooperative Members and Officials in Cambodia

Printed in July 2015

Published by Department of Agricultural Cooperative Promotion of GDA (MAFF)

The Project for Establishing Business Oriented Agricultural Cooperative Models (BPAC)

Address: #54B/49F.St395-656,Sangkat Toeuk Laak 3 Khan Tuol Kok, Phnom penh ,Cambodia,

Phone: (023) 883 427, Fax : 023) 883 427

© The Project for Establishing Business-Oriented Agricultural Cooperative Models