

In 2003 the first agricultural cooperative was established in Siem Reap province in accordance with the Decree on Establishment and Functioning of Agricultural Development Cooperative, Agricultural Development Cooperative Union, and Pre-Agricultural Development Cooperative. Until the middle of 2015, more than 600 agricultural cooperatives worldwide have been established by farmers in Cambodia and running their businesses.

What is an agricultural cooperative?

Agricultural cooperative is a private organization which is voluntarily established by a group of farmers through joint investment, joint ownership and joint management in a democratic manner in order to enhance economic, social and cultural status of its members pursuant to the seven principles of International Cooperative Alliance and Law on Agricultural Cooperative in Cambodia.

What is the goal of agricultural cooperative?

The goal of agricultural cooperative is:

- **To enhance the economic status of members:** improve the living standard of members through increasing household incomes from agricultural business.

- **To enhance social status:** raise solidarity, ensure equality, equity and mutual help in agricultural cooperative, and participate in social development.
- **To enhance cultural status:** support cultural affairs such as preservation of farmers' tradition.

In order to achieve the above goal, the agricultural cooperative should implement below businesses or activities:

1. **Credit business of agricultural cooperative:** is a business which the agricultural cooperative accepts deposit from members with the provision of equal or higher interest rate compared to private company and provides loan to members with equal or lower interest rate compared to private company.
2. **Marketing business:** is a business which the agricultural cooperative buys agricultural products or other products from members and sells to factory, exporter or consumers. This business can make farmers find market and give them power to negotiate the price so that they can sell their products in high price.

EX. Agricultural cooperative buys 100 tons of Pka Romdoul paddy from members and

sells to paddy exporter directly with higher price than each farmer sells to middleman.

3. **Supply business:** is a business which agricultural cooperative purchases products such as agricultural fertilizer, pesticide, diesel, and sells to its members. This business gives farmers power to negotiate in buying products with high quality and reasonable price to reduce the production cost.

Ex. Agricultural cooperative buys 20 tons of fertilizer in bulk and sells in retail to members with the lower price than the surrounding retailers.

4. **Joint utilizing business:** is a business which the agricultural cooperative purchases agricultural machineries or constructs warehouse for rent or provides service to members. This business can produce any products or services that an individual farmer cannot do.

Ex. Agricultural cooperative buys a combine in order to provide supporting service concerning with harvesting activities of member who does not have enough ability to buy that machine to utilize by himself/herself by getting lower service fee than private company.

5. **Farming guidance and better-living activities:** is an activity which agricultural cooperative provides training or guidance to members regarding farming techniques and better-living activities. This activity can enhance the quality of agricultural products and services supporting agricultural production.

Ex. Agricultural cooperative provides training on pig raising techniques to members so as to help them grow pigs quickly and reduce death rate of pigs.

6. **Establish social fund:** is the fund used to join in social activities.

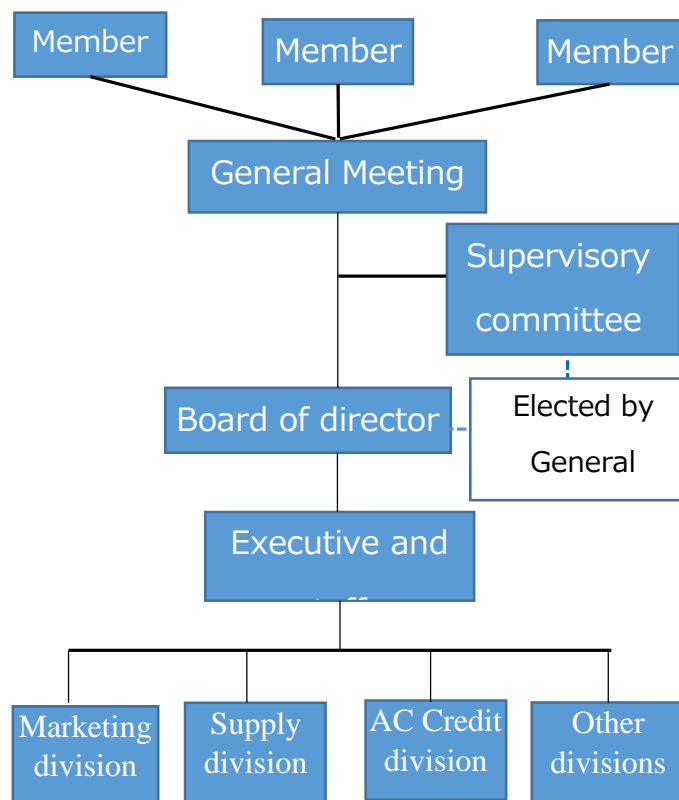
Ex. Agricultural cooperative establishes emergency fund for helping members who face urgent problems such as accident or sickness.

Agricultural cooperative has organizational structure as follows:

1. **General Meeting:** is the highest decision making body of agricultural cooperative. All members shall participate in this General Meeting in order to discuss and approve all tasks of their agricultural cooperative as well as elect the board of director and supervisory committee.

2. **Board of director:** is the executive body of the agricultural cooperative.
3. **Supervisory committee:** is the permanent internal monitoring body of agricultural cooperative.
4. **Executive and staffs:** are skillful staffs who are hired by agricultural cooperative and selected by board of director.

The organizational structure of agricultural cooperative



The Concept of Agricultural Cooperative



This leaflet is prepared in order to disseminate the concept of agricultural cooperative to government officials, agricultural cooperative's officials and staffs, member and nonmember farmers, and NGO's staffs in order to develop agricultural cooperatives and national economic.

2015

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