

2012  
International  
Year of



# Cooperatives

Agricultural cooperatives:  
paving the way for food security  
and rural development



Enabling poor rural people  
to overcome poverty



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**Cooperatives play a crucial role in reducing poverty, improving food security and generating employment opportunities. The United Nations declared 2012 the International Year of Cooperatives (IYC) to raise awareness of cooperatives' important contribution to global socio-economic development and to promote the growth and strengthening of cooperatives all over the world.**

## What is a cooperative?

A cooperative is an autonomous association of women and men, who unite voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.<sup>1</sup> It is a business enterprise that seeks to strike a balance between pursuing profit and meeting the needs and interests of members and their communities. Cooperatives not only provide members with economic opportunities, but also offer them a wide range of services and opportunities. The cooperative enterprise model exists in many sectors, including agriculture, consumer issues, marketing and financial services, and housing. Cooperatives provide 100 million jobs worldwide<sup>2</sup> and count more than 1 billion members.<sup>3</sup>

## Cooperatives: a pillar for agricultural development and food security

Agriculture – farming, forestry, fisheries and livestock – is the main source of employment and income in rural areas, where most of the world's poor and hungry people live. Agricultural cooperatives play an important role in supporting small agricultural producers and marginalized groups such as young people and women. They empower their members economically and socially and create sustainable rural employment through business models that are resilient to economic and environmental shocks. Cooperatives offer small agricultural producers opportunities and a wide range of services, including improved access to markets, natural resources, information, communications, technologies, credit, training and warehouses. They also facilitate smallholder producers' participation in decision-making at all levels, support them in securing land-use rights, and negotiate better terms for engagement in contract farming and lower prices for agricultural inputs such as seeds, fertilizer and equipment. Through this support, smallholder producers can secure their livelihoods and play a greater role in meeting the growing demand for food on local, national and international markets, thus contributing to poverty alleviation, food security and the eradication of hunger.

# Supporting agricultural cooperatives: the International Year of Cooperatives and beyond

The three Rome-based United Nations agencies – the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP) – work closely with agricultural cooperatives and will act as a driving force throughout the IYC and beyond, promoting the growth of cooperatives in many ways.

- **Raising awareness of the role of agricultural cooperatives in reducing poverty and improving food security.** The three agencies will produce and disseminate case studies, good practices and documentaries explaining the roles of cooperatives in different agricultural contexts and their impact on the lives of smallholder women and men producers. Analysis in pilot countries will improve understanding of the different ways in which men and women participate in cooperatives, and the effectiveness of cooperatives in empowering women and men. Broader research and analysis will address gaps in the data about cooperatives and their impact on food security, income generation and poverty alleviation.
- **Assisting the development of agricultural cooperatives' capacities.** Through cooperatives, small producers can pool their assets and competencies to overcome market barriers and other constraints such as lack of access to natural resources and lack of voice in decision-making. The Rome-based agencies can support small producers in developing links with external economic and policy actors such as governments, private businesses and the research community.
- **Supporting the development of enabling environments and better governance frameworks for agricultural cooperatives.** The agencies will assist policy-makers in the design and implementation of policies, laws, regulations, economic incentives and consultation fora that take into consideration the needs and concerns of women and men smallholder farmers, allowing small farmers' organizations to thrive.

1 International Labour Organization Recommendation 193.

2 ILO Coop Fact sheet No.1: Cooperatives and rural employment, 2007.

3 Statistical information on the cooperative movement. International Co-operative Alliance.



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**WORKING WITH COOPERATIVES ON THE GROUND**

## Democratic Republic of the Congo: WFP and FAO connect farmers to markets

For years, Florent Banza Ilunga grew cassava on 0.2 hectares in the Kabalo region of the Democratic Republic of the Congo, barely managing to feed his wife and eight children. His attempts to diversify were not successful, and he found it impossible to make ends meet. He did not have the experience, the training or the resources to make his farm viable.

This changed in 2009, when the Purchase for Progress (P4P) project arrived in the area. Jointly implemented by WFP and FAO, P4P supports smallholders as they organize themselves into cooperatives, increase their productivity and obtain access to markets. Florent is a member of Dilume farmers' organization.

In his second year with P4P, Florent planted 1.3 hectares and harvested 1.1 tonnes of cassava. Selling part of this increased harvest to WFP, he earned about USD 220, which he decided to invest in another income-generating activity: Kitule had a health centre, but no pharmacy. Florent decided to invest USD 173 in establishing a small shop and stock. By early 2012, he had made profits of USD 1 260.



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WORKING WITH COOPERATIVES ON THE GROUND

## Farmer Field Schools improve agricultural productivity in Eastern Africa

In 1999, IFAD and FAO jointly implemented a project to promote the Farmer Field School (FFS) approach in eight districts of Kenya, Uganda and the United Republic of Tanzania. The FFS approach enables farmers to make decisions, solve problems and acquire new skills and techniques through experiential learning and participatory group approaches.

An evaluation carried out by the International Food Policy Research Institute (IFPRI) in 2010 revealed that increased participation in FFS had resulted in improved crop productivity, production and income. It proved to be particularly beneficial for women, female-headed households, people with low literacy levels and farmers with medium-sized landholdings. Agricultural income in project districts increased by an average of 61 percent in the three countries, and by 100 percent in the United Republic of Tanzania. In Kenya, crop productivity increased by 80 percent, and in Uganda, livestock production for participating women increased by 187 percent. The evaluation emphasized the importance of supporting farmers' organizations as a major vehicle for agricultural development.

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# Agricultural cooperatives facilitate smallholder producers' access to:

- **natural resources such as land and water**
- **information, communication and knowledge**
- **markets, food and productive assets such as seeds and tools**
- **policy- and decision-making**

FAO is the lead agency promoting agriculture sector cooperatives within the IYC. It collaborates closely with other UN entities, in particular the International Fund for Agricultural Development (IFAD), World Food Programme (WFP) and the Committee for the Promotion and Advancement of Cooperatives (COPAC) members: UN Department of Economic and Social Affairs (UNDESA), International Labour Organization (ILO) and International Cooperative Alliance (ICA).



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