

International Year of Cooperatives 2012

AGRICULTURAL COOPERATIVES: PAVING THE WAY FOR FOOD SECURITY AND RURAL DEVELOPMENT

Cooperatives play a crucial role in reducing poverty, improving food security and in generating employment opportunities. The United Nations has declared 2012 the International Year of Cooperatives to raise awareness of the important contribution of cooperatives 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, united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise¹. 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, such as education and training. This model of enterprise exists in a large number of sectors including agriculture, consumer and financial services and housing. Cooperatives provide 100 million jobs worldwide² and count over 1 billion members.³

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.



Cooperatives: a pillar of agricultural development and food security

Agriculture, including farming, forestry, fisheries and livestock, is the main source of employment and income in rural areas, where the majority 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 more resilient to economic and environmental shocks. Cooperatives offer small agricultural producers opportunities to access markets, and provide them with a range of services such as better access to natural resources, information, communication, technologies, credit, training and warehouses. They also facilitate small producers' participation in decision-making at all levels, support them to secure land use rights and to negotiate better terms for engagement in contract farming and better prices for agricultural inputs such as seeds, fertilizer and equipment. Through this support, small 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 (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 to promote their growth through:

Raising awareness of the role of agricultural cooperatives in reducing poverty and improving food security. The agencies will produce and disseminate case studies, good practices and documentaries to explain the role of cooperatives in different agricultural contexts and their impact on the lives of smallholder women and men farmers. The agencies will also conduct an analysis in pilot countries to better understand the different ways men and women participate in cooperatives and the effectiveness of cooperatives in economically empowering women and men. Broader research and analysis will also be carried out to address gaps in data about cooperatives.

Facilitating the formation of agricultural cooperatives' networks, through which 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. These networks can also support them to link 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 by assisting policymakers in the design and implementation of policies, laws, regulations and projects that take into consideration the needs and concerns of women and men smallholder farmers.

WORKING WITH COOPERATIVES ON THE GROUND

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

After years of civil conflict, agriculture in the Democratic Republic of Congo is characterized by subsistence farming on fragmented parcels of land, while trade has come to a virtual standstill. WFP and FAO are working hand in hand to help rebuild the country's agricultural commodity markets by connecting smallholder farmers to markets through the Purchase for Progress (P4P) pilot initiative.

In Katanga province, farmers' organizations were provided with tools and seeds by FAO and training in post-harvest handling and storage by WFP. WFP also signed contracts with the organizations, providing farmers with a guarantee of purchase for their production in case they were not able to link up to traders.

In the last agricultural season, the farmers working with FAO and WFP in Katanga province produced 2,300 tons of maize, 35% of which were used for household consumption and 65% of which were traded. In the end, only five tons were delivered to WFP because the farmers who had signed contracts were widely approached by traders who offered them higher prices—a great result for the initiative.



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 8 districts in Kenya, Tanzania and Uganda. 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 the increased participation in the Farmer Field Schools 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-size land holdings. For the three countries combined, agricultural income in the districts where the project was implemented increased by 61%, with a 100% increase in Tanzania. In Kenya crop productivity increased by 80%, and in Uganda, livestock production for female participants increased by 187%. The evaluation emphasized the importance of supporting farmers' organizations as a major vehicle for agricultural development.

Agricultural cooperatives facilitate small producers' access to:

- **Natural resources such as land and water.**
- **Information, knowledge and extension services.**
- **Markets, food, and productive assets such as seeds and tools.**
- **Policy and decision making.**