

The environment for Agricultural Co-operatives in Norway

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1

Norway Land of Small Scale Agriculture

Cultivated land	1. mill. ha / 3%
Agricultural production in all parts of the country	
Average farm size	20 ha
Average cow herd	20 cows
Self-sufficiency 50% on energy basis	
Forest	10 mill. ha / 30%
Cultivated Forest	7 mill. ha / 20%
Substantial part of the forest is owned by farmers	



2

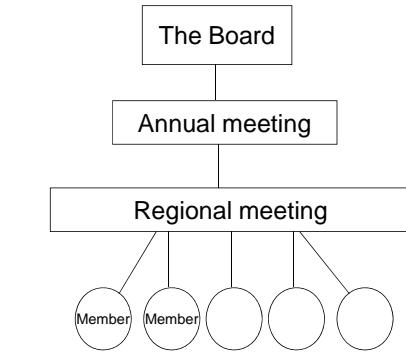
History

- Year 1856 first dairy co-operative
- Local co-operatives in all agricultural sectors
- National organisations
 - Increased number of members
 - Important role in implementing agricultural politics and market regulations



3

Democratic Member Control



4

Development

- Increased industrial activity
- Decrease in number of farms
- Merging of co-operatives – one national co-operative for each sector
- Merging of co-operatives in different sectors (meat, poultry, eggs)



5

The Agricultural Co-operatives Today

- 15 national agricultural co-operatives grouped into marketing, supply and breeding co-operative
- FNAC is the central meeting place for the agricultural co-operatives
- The Agricultural Co-operatives are significant actors in Norwegian economy, and particularly in the food sector
- Almost every farmer is member of at least one agricultural co-operative



6

Market Regulation

- Farmers are economically responsible for surplus of agricultural products
- Law of 1936 which levy production if there is a surplus of an agricultural product
- Co-operatives must collect from all farmers
- Co-operatives must deliver to all retailers and food industries



7

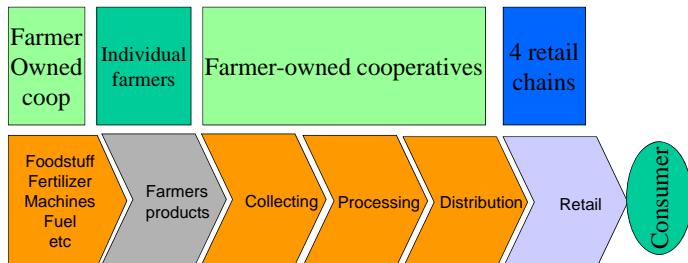
Food Chain – Power to Farmers!

- Globalisation deepens the inequalities in the food chain
- Farmers returns are being squeezed
- Risks are moved from retailers to farmers
- Market access moved from country borders to shelves in the supermarkets
- Farmers less contact with the consumer



8

From Farmer to Consumer



9

What environment needed

- Independency of the farm organisations
- Political goodwill and support
- Sufficient bargaining power in the food chain
- Adequate legal framework
- Close dialog with the national authorities
- Democratic organisation owned and controlled by the farmers themselves



10

Challenges

- Increased national and international competition
- Strong retailer chain – privat label
- Member loyalty
- Capital need
- Governance – member democracy



11

