

The Development of Producer Cooperatives:

A countryside movement in the
emerging welfare state

Carin Martiin

Agricultural and Rural History, SLU

Producer cooperative:

- The World Food Day defines cooperatives widely, as:
any member-owned enterprise
run on democratic principles
- The typical Swedish producer cooperative of the 20th century was formally organized in line with basic cooperative principles.

Open for all farmers:

- In a certain geographic area
- Engaged in a certain kind of production
- As example: All dairy farmers in a parish



**It has always been natural and essential
to cooperate**



New, when producer cooperatives were initiated in the late 19th and early 20th centuries:

- Clearly specified objectives
- That the objectives to great extent were related to the increased market orientation in Swedish farming
- Based on formal cooperative ground
- The social, economic and political context – urban demand, developed infrastructure, and national and international trade.

The way forward included:

- Individual initiatives, developed in farm-yards, farm-house kitchens, and outside the parish church on Sundays
- Successive founding of local cooperatives
- Successive increase in numbers of cooperatives, members, and in different types of activities



A kind of countryside movement

- Over time the producer cooperatives came to be something of a countryside movement
- A typical farmer was engaged in several cooperatives
- And the cooperatives were engaged in most activities at the farm
- The cooperatives were, however, primarily seen as male concerns – a striking female absence in the cooperative boards

Producer cooperatives were among other things engaged in:

- Guaranteed purchase of the members' production (milk, grain, meat, timber...)
- Supply of inputs and other necessities
- Collection and delivery
- Processing
- Sale of machines
- Bulls and AI
- Cooperative banks
- Insurance
- Advisory service, in parallel with purchase, sale and services

Producer cooperatives and the welfare state

- The real break-through: 1930s
- From then on each and every farmer was supposed to be a member of the producer cooperatives
- Face-to-face engagement of neighbours
- Political support – the aims of the producer cooperatives were well in line with the aims of the emerging welfare state
- Such as: Decent pay to farmers and reasonable food prices to consumers, without anybody profiting on expense of the other.

Indirect outcomes

- Social belonging in times of ‘flight from the countryside’
- Social respect of farmers active in local and regional committees
- Education: meetings, debating, writing protocols, budgets, analyses, contacts, democracy, solidarity, management of cooperative plants, employees...
- ‘A school’ for political engagement at local, regional and national levels
- Representatives for agriculture, together with the ‘pre-LRF’ organizations
- Contributed to the shaping of mainstream ideas about how to farm, for example types and quantities of inputs.

The producer cooperatives of the 20th century required:



- Time, and someone who could do the practical work at home
- Engagement and ambitions year after year
- Solidarity
- Was generally seen as 'obligatory' . 'Freeriders' could be frozen out.

Over time one can see:

- Producer cooperatives grew and expanded along the food chain - not only mills but also bakeries
- Cooperative ideas have, since around the late 1980s, often been seen as 'out-of-date'
- Successive merging of local cooperatives into regional, national and international businesses
- Lately one may speak of tendencies of polarization, with giants on the one hand and different kinds of small-scale collaboration on the other