



MODULE 2a

Factors that support a successful co-operation partnership

Support-factors; Strengths/ opportunities

Overview

In this module, we will present the factors that support and encourage cooperation and the strengths and opportunities of current forms of cooperation/collaboration in farming. For that purpose we will use links to Case Studies, Summary Report and additional material where appropriate contents are presented.

Learning objectives (knowledge/skills/attitudes acquired)

Knowledge

- You will realize the importance of factors supporting and encouraging cooperation.
- You will be able to understand the strengths and opportunities of current forms of cooperation and collaboration.

Skills

- You will be able to consider your own position and options for cooperation and collaboration.

Attitudes

- Awareness of options for establishing or improving cooperation and collaboration in farming.
- Importance of knowledge/skills/attitudes.

Table of Content

1. Factors that support and encourage cooperation.
2. Strengths of cooperation/collaboration.
3. Opportunities of cooperation/collaboration.
4. Knowledge/skills/attitudes.

Preliminary note

Due to the significant structural changes occurring within the rural economy, there is a growing necessity for farmers to co-operate and collaborate more closely with each other in order to reduce capital, labour and training costs. In order to enhance cooperation/collaboration among farmers, there is a need for support structures for those engaged in collaboration.

Based on the COFARM Summary report and case studies this module will help you find out more about the impact of support factors on cooperation and collaboration in farming.

Through linking to the case studies you will gain an insight into the strengths and opportunities of current forms of cooperation/collaboration.

1. Factors that support and encourage cooperation

1.1 Factors

There are many factors supporting and encouraging farmers cooperation:

- **Tradition, culture, history** – (non formal forms of collaboration in agriculture is part of tradition, culture and history in most countries).
- **Social and economic environment** (formal forms of cooperation have been developed through the development of the markets for agricultural products in urban areas).
- **Policy supports** (fostering of cooperation has a wider social significance, so we cannot leave it to market forces alone).
- **Legal framework** (a functioning and transparent legal environment is a prerequisite for successful cooperation).
- **Taxation policies** (can be strong encouraging or discouraging factor).
- **Support structures** (no effective policy management is possible without support structures).
- **Human resources** (need for leadership and recruitment).
- **Knowledge and skills transfer** (lack of knowledge and skills can be limiting factor for successful cooperation).

You can find more in the cofarm summary report chapter - mechanisms (factors) to encourage collaboration / cooperation.



1.2 Factors – tradition/culture/history

- **Unformal farm cooperations** e.g. farm walks, discussion groups, unformal meetings...(see [John O'Connell](#)).
- **Historical circumstances that led to formal cooperation** e.g. first Cooperations at the end of 19th century or beginning of 20th century – depends on the development of agricultural products markets) ([see Arrabawn Co-op](#)).
- **Interruption of the natural development of cooperation in some countries** development of Cooperatives in some countries were interrupted because of historical circumstances – nationalisation e.g. Slovenia, Czech Republic ([see Summery report part 3 CZ and SI](#)).

You can find more in the COFARM Summary Report chapter - Mechanisms (Factors) to Encourage Collaboration / Cooperation.



1.3 Factors – social and economic environment

- **Globalisation, scientific and technical progress.** Globalization, scientific and technical progress has contributed to an increasingly competitive environment. The consequences are productivity growth on the one side and the collapse or restructuring of many farms on the other. ([see Brassica](#)).
- **Consumer awareness.** Consumers are increasingly aware and demanding. The demand for organic products, local products and higher quality products of a known origin is increasing. ([see Bio-Schaukäserei Wiggensbach eG](#)).
- **Public opinion.** The public interest for agriculture and its impact on natural resources and food safety is increasing ([see Zadruga Konopko, zadruga za razvoj trajnostne pridelave in predelave industrijske konoplje – Konopko z.o.o., socialno podjetje](#)).

You can find more in the COFARM Summary Report chapter - Mechanisms (Factors) to Encourage Collaboration / Cooperation .



14 Factors – policy supports

- EU common agricultural policy

https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/cap-glance_en

- National Rural Development Programmes (RDP) there are different approaches in national RDP to support cooperation.
- International trade rules. In the recent period, the barriers to international trade in agricultural products have diminished. The markets are more and more competitive.

You can find more in the COFARM Summary Report chapter - Mechanisms (Factors) to Encourage Collaboration / Cooperation.



1.5 Factors – legal framework

- European legal framework

https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/cap-glance_en#legalfoundations

- National legislation from case studies it is evident that bureaucracy and excessive regulation are an obstacle to cooperation.
- Regional specifics from the case studies it is evident that there are some specific forms of cooperation in certain regions e.g Alpine region in Slovenia, sheep pasture regions in Spain.
- Legal status and forms there are many different forms of cooperation ; cooperatives, production groups, associations, contract rearing, machinery rings, companies, agrarian communities.

You can find more in the COFARM Summary Report chapter - Mechanisms (Factors) to Encourage Collaboration / Cooperation.



1.6 Factors – taxation policies

- **Taxation:** taxation policies differ a lot among states and even regions. Taxes concern areas such as; ownership of land and real estate, inheritance, profit.

<http://www.oecd.org/tad/agricultural-policies/taxationandsocialsecurityinagriculture.htm>

- **Tax optimization** (see [Reutehof GbR](#)).

You can find more in the COFARM Summary Report chapter - Mechanisms (Factors) to Encourage Collaboration / Cooperation.



1.7 Factors – support structures

- **Advisory service.** From the case studies, it is clear that the role of the advisory service in strengthening cooperation in certain countries is very important (Ireland) and others less so (see [Sligo Leitrim Lamb Producer Group](#)).
- **Agricultural research organisations.** Direct or indirect involvement in cooperation, (see [Network for the generation and exchange of knowledge](#)).
- **Public agencies**, e.g. somewhere local developing agencies have important roles.
- **State institutions** coordinated functioning of the state administration reduces bureaucratic burdens.
- **Non-governmental organizations(NGOs)** there is a lot of incentives available for NGOs for cooperation specially in the field of Social Entrepreneurship.
- **Civil society.** In some fields of cooperation (social farming, farmers associations) , volunteering plays an important role (see [Kerry Social Farming](#)).

You can find more in the COFARM Summary Report chapter - Mechanisms (Factors) to Encourage Collaboration / Cooperation.



1.8 Factors – human resources

- **Recruiting members, staff and managers.** Human resources are key to success of cooperation. There are successes and failures in the same environment. This points to the importance of the human factor. ([see Arrabawn Co-op](#)).
- **Leadership.** Leadership needs managerial skills and knowledge ([see Kratzer](#)), ([see Nákup z farmy "Purchase from the Farm"](#)).

You can find more in the COFARM Summary Report chapter - Mechanisms (Factors) to Encourage Collaboration / Cooperation.



1.9 Factors – knowledge and skills transfer

- **School system.** Agricultural education programs should inform pupils about the possibilities of cooperation/collaboration in farming.
- **Adult Education system.** Adult residents of rural areas should have equal opportunities for access to education as residents of urban areas.
- **Education and training provided by advisory services.** The advisory service offers education related to agriculture. It is important that farmers have access to other educational contents.
- **Informal forms of education and training.** The transfer of knowledge and experience through informal channels is an important and popular form. It is necessary to enable farmers to have personal contacts with other farmers.
- **EU projects support** e.g the COFARM project can develop new solutions and information form sharing amongst farmers.

You can find more in the COFARM Summary Report chapter - Training and Up-Skilling Requirements.



2. Strengths of cooperation/collaboration

The following case studies from the COFARM project highlights specific strengths of successful cooperation.

- Efforts by agricultural advisory services to develop and promote the concepts; ([see John O'Connell](#)).
- Recognition of the potential of collaborative arrangements; ([see Bio-Schaukäserei Wiggensbach eG](#)).
- Improved the quality of life and incomes of those involved; ([see CS IR 04](#)).
- Facilitated growth and achievement of scale ([see Brassica](#)).
- Improved efficiency and economies of scale (reduction in production costs; marketing; distribution); ([see Sociedad Cooperativa Andaluza \(S.C.A.\)](#)).
- Increased productivity for some farms which were in decline; ([see John O'Connell](#)).
- More options for new entrants to become established in farming; ([see CS IR 04](#)).
- Intergenerational and inter-farmer transfer of knowledge and experience ([see Cooperation of two autonomous family farms: parents and their daughter](#)).
- Number of options for collaboration being explored and developed; ([see Zadruga Konopko, zadruga za razvoj trajnostne pridelave in predelave industrijske konoplje.](#))
- Social orientation; ([see Kerry Social Farming](#)).
- Improvement in market access; ([see Nákup z farmy "Purchase from the Farm"](#)).
- Enables collective acquisition of equipment (machinery rings) ([see Kögel](#)).

3. Opportunities of cooperation/collaboration

The following case studies from the COFARM project highlights specific opportunities in the field of cooperation.

- Significant potential for further growth in cooperation; ([see The pantry of San Nicolás](#)).
- New structures being developed; ([see Ekomeat](#)).
- Expansion into the other sectors; ([see Pöhlmann](#)).
- Potential to grow and prosper through political incentives & measures (rural development programme) ([see Sligo Leitrim Lamb Producer Group](#)).
- Enhanced professionalization (business management; technical operations; digital technologies); ([see Arrabawn Co-op](#)).
- Promotion of innovation and searching for new markets (internationalization); ([see The pantry of San Nicolás](#)).
- Collaboration between cooperatives ([see Eco Farm Bošina](#)).

4. Knowledge/skills/attitudes

Training is required by both farmers and the professionals who support and advise farmers.

Education on the potential opportunities and benefits of cooperation both for those engaged in cooperative activities and those who may be considering them;

- Training on cooperative structures and functions and both the requirements and responsibilities of those who get involved in these structures – incorporating legal, economic, financial, administration, health and safety, marketing, technical and management aspects;
- Understanding of collaborative farming models - focus on how collaboration works in practice: why they work; why they don't work; number and type of arrangements in place. Principles and practices that make a collaborative farming arrangement work.

The training should include a wide range of topics:

- Time management: critically important when working with others;
- Financial and cost management and control (long-term budgeting and cash flow management);
- Leadership and corporate governance: for those who are taking on roles within cooperatives/businesses;
- Entrepreneurialism: encouraging individuals to develop new enterprises and business opportunities;
- People and relationship management skills: either as a partner in a larger business or as a manager, farmers are often lacking people management skills;
- Cooperative/collaborative skills and decision making: farmers have traditionally worked and made decisions on their own (or with family input) and therefore require training in the area of working with others and shared decision making;
- Strategic planning skills;
- Succession planning skills;
- Stress management and well-being skills;
- Communication skills;
- Training for effective cooperation/collaboration;
- Conflict management and resolution skills;
- Approaches/practices to improve efficiency;
- Use of technology to improve efficiency.

You can find more in the COFARM Summary Report chapter - Training and Up-Skilling Requirements.

References/Links

- <https://coopseurope.coop/>
- https://ec.europa.eu/growth/sectors/social-economy/cooperatives_en
- <https://www.ica.coop/en/media/resources>
- <https://www.copa-cogeca.eu/eaci.aspx>
- <http://www.fao.org/partnerships/en/>
- <https://www.program-podezelja.si/sl/knjiznica/100-zadruznistvo-ucinkovit-model-poslovnega-organiziranja/file>
- <http://www.kgzs.si/Portals/0/Gradiva/Prirocnik%20za%20uporabo%20Zakona%20o%20agrarnih%20skupnostih%20Verzija%201%20april%202016.pdf>

We hope that the module has helped you understand the factors that support collaboration/cooperation and that you are now better acquainted with the opportunities and strengths of collaboration/cooperation in farming.

We invite you to visit the COFARM PROJECT website to access the summary report and case studies and deepen your knowledge of cooperation/collaboration in farming.

And remember:

Entrepreneurs have a natural inclination to go it alone. While this do-it-yourself spirit can help you move forward, adding an element of collaboration into the mix can make you unstoppable. - LEAH BUSQUE