

«The day-to-day running of the cooperative in management, legislation, investment and trade. Perspective of producer groups and organizations.»

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TARTU, ESTONIA



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maapiirkondadesse

Content

- EU Legislation for cooperatives
- Statistic
- Management
- Trade and quality requirements
- Investment projects
- Challenges

BENEFITS AND IMPACTS OF COOPERATIVES

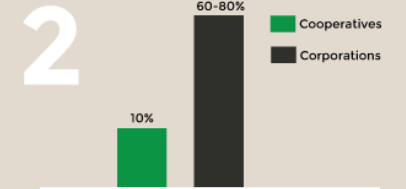


1

HELPS CREATE JOBS

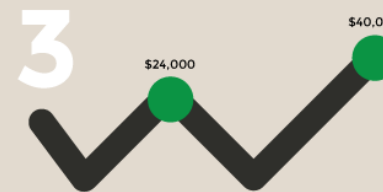
Co-ops have helped to create over 2.1 million jobs

2



LOWER FAILURE RATE

Co-ops have lower failure rates than corporations



3

HIGHER INCOME

4



LOCAL REVENUES

A new period, challenges, legislation

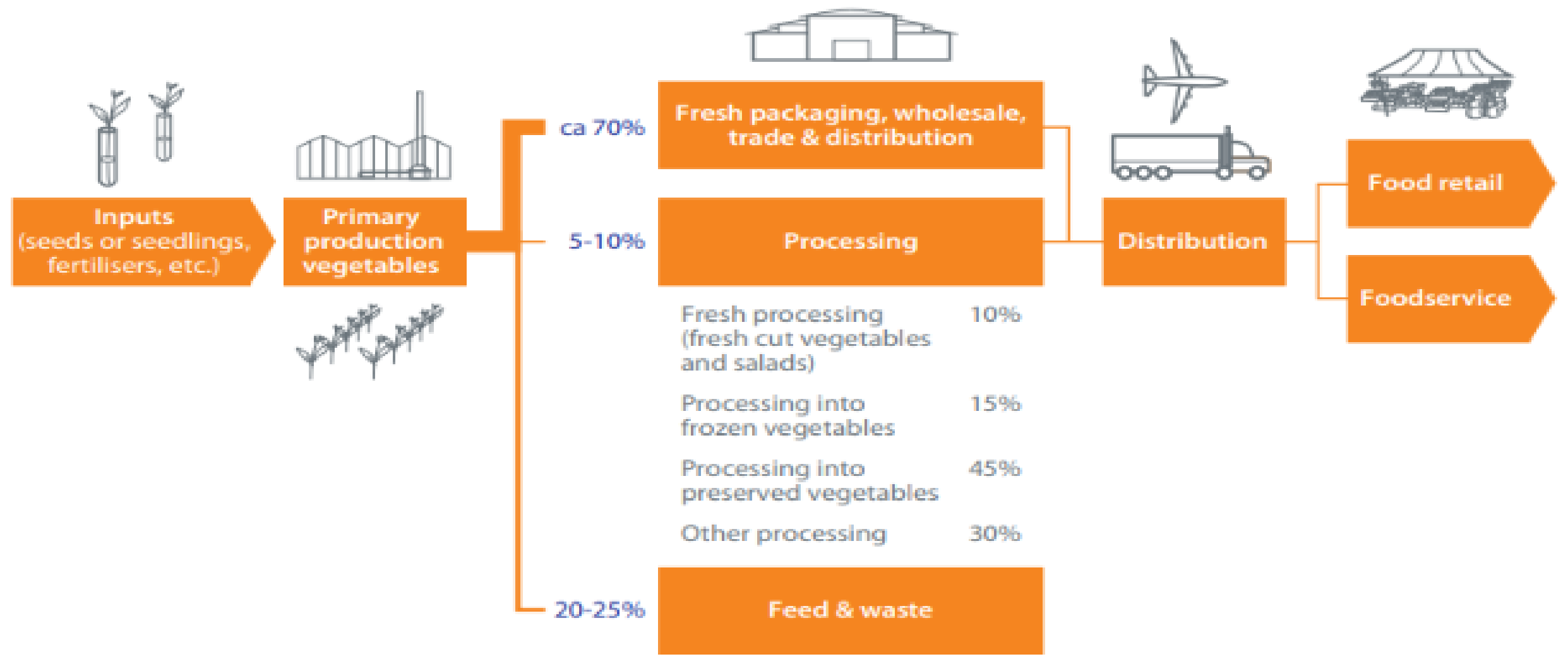


- The **European Green Deal** sets out how to make Europe the first climate-neutral continent by 2050
- The **Farm to Fork Strategy** is at the heart of the Green Deal. It addresses comprehensively the challenges of sustainable food systems and recognises the inextricable links between healthy people, healthy societies and a healthy planet.
- Regulation (EU) 2018/1999 (European Climate Law), COM(2020) 80 final, 2020/0036 (COD).

Legislation and derogations

- Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products.
- COMMISSION DELEGATED REGULATION (EU) 2020/884 –derogations:
- Delegated Regulation (EU) 2016/1149 - green harvesting, flexibility, setting up of mutual funds, possible changes of operations, etc.
- Delegated Regulation (EU) 2017/891, Member States are to withdraw recognition of a producer organisation.... Temporary derogations due to reasons linked to Covid 19 pandemic .

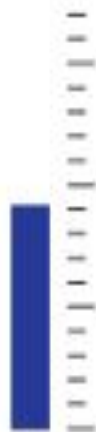
Simplified vegetable production chain



Top 10 vegetables by global production volume, 2017



1. Tomatoes



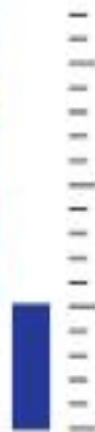
2. Onions



3. Cucumbers and gherkins



4. Cabbages



5. Aubergines



6. Carrots and turnips



7. Sweet peppers and chillies



8. Pumpkins and squash



9. Lettuce and chicory



10. Garlic

Governance structure of cooperatives

The board

Chairman

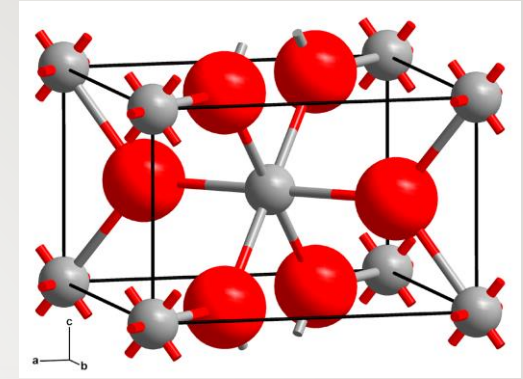
Executive

Sales managers/ KAM

Investment and
development
department

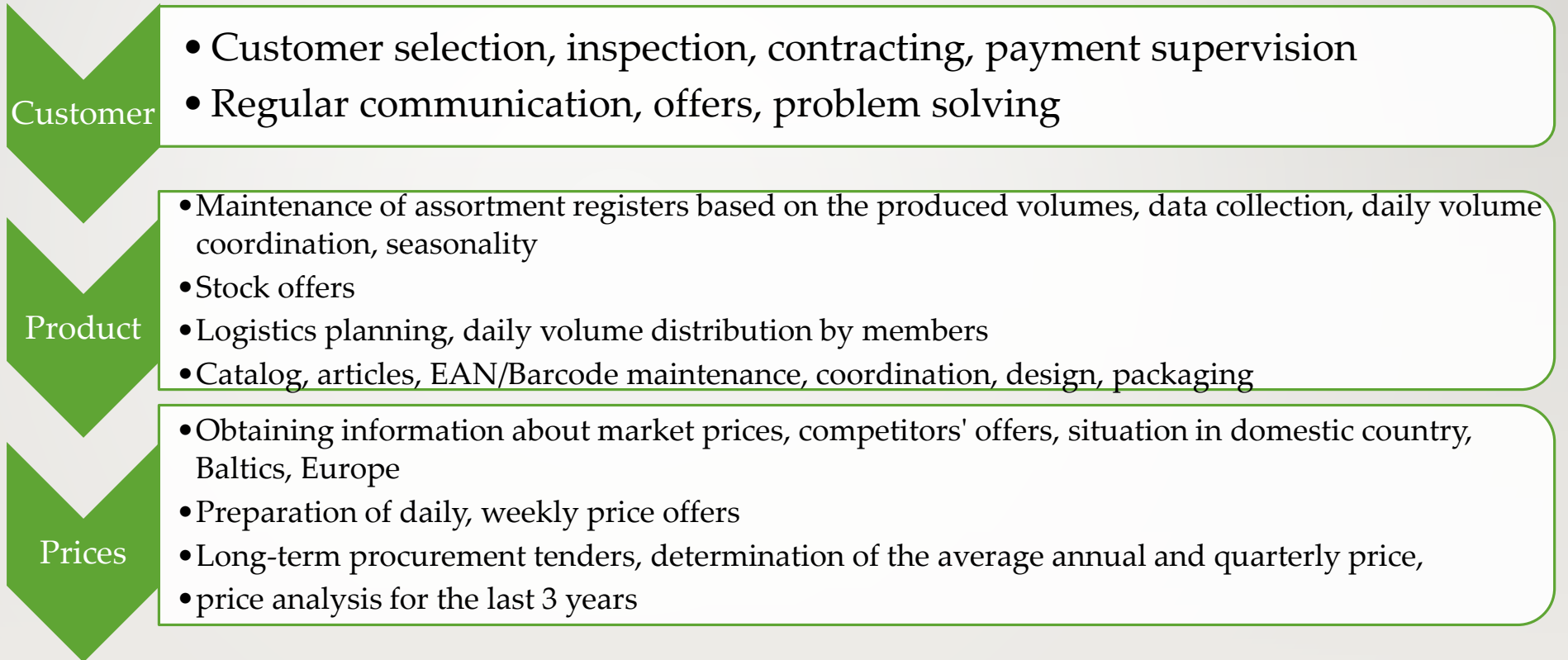
Quality managers

How to manage challenges?



- How to built the right structure.....
- The essence of cooperation is in **trade** - the customer wants the largest possible assortment from one supplier, but a member of the cooperative wants to specialize in the production of certain products.
- When choosing members of a cooperative, it must be possible to maintain a **balance** between large-scale producers - large farms, as well as producers of less demanded niche products, family farms with a high proportion of manual labor.
- **Niche products** can be in the assortment of only one manufacturer, but volume products must have at least 3 manufacturers in order to be able to ensure stable and continuous operation in deliveries practically all year round.

Marketing and trade



Investment management - step by step to the investment project

- Identification of members' needs, preparation for increasing the volume
- Calculation of the amount of cooperative support, analysis of strengths and weaknesses, financial and risk analysis of members and the cooperative
- Project availability (RSS, LIAA, LLKC, etc.)
- Availability of financing, loans, own financing
- Project writing, justification for investments
- Submission, Monitoring period
- Preparation and submission of reports, evaluation of results





Quality management

QUALITY 

- Knowledge of local and EU legislation / set of laws, regulations that are binding on the company from the manufactured products and process steps (pre-treatment, washing, packaging, storage, recycling, etc.)
- Implementation of quality management system based on cooperation partners, customer requirements and production specifics (HACCP, ISO 22000, **GLOBALG.A.P.**, FSSC22000, BRC, IFS, any of the social responsibility standards, environmental standard, etc.)
- The request of customers, certification according to these standards
- Compliance with FVS requirements and controls
- Customer supplier audits

Customer requirements



• Certification as the key to new markets

- *For Fresh produce GLOBALG.A.P.
- *Processed – BRC Food standard, IFS, FSSC 22000
- *Distribution,
- *Packaging BRC

*Product analysis based on the risk assessment-

*Water

*Microbiological

*MRL

*Approval against falsification

*Retailers supplier audits-

*Social audit

*Environmental audit

*Sustainability

*Audits based on BRC, IFS requirements

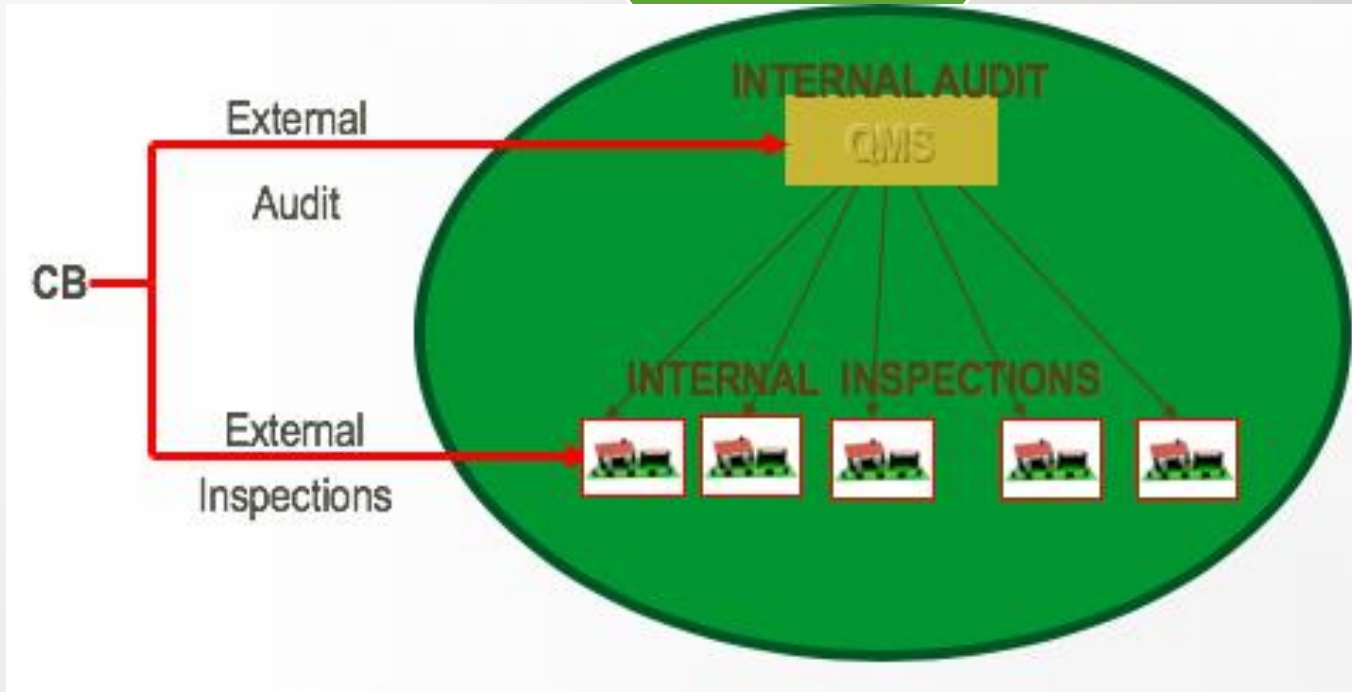


CERTIFICATION OPTIONS AND SCOPE

Option 2 by GLOBALG.A.P. standard

- A **producer group** applies, as a legal entity, for GLOBALG.A.P. group certification.
- The **group, as a legal entity, will be the certificate holder** once certified.
- QMS must be implemented and **General Regulations Part II – QMS rules** apply.
- **Flexible Distribution Rule**

STEP 2:
Decide on
certification
option and
scope



Benchmarked schemes

The categories for certification under benchmarked schemes Option 3 and 4 are explained in the GLOBALG.A.P. Benchmarking Regulations.

GR Part I
Section 3.2

Quality system and certification benefits

1. Add value to your products
2. Access to new local and global customers
3. Reduce your exposure to food safety and product safety reputational risks.
4. Improve the efficiency of your farm processes and management.
5. Trainings and new experience about quality management system in Agriculture
6. Increasing of knowledge used in farming with high level consultants
7. Access to new markets and diversification of exports directions
8. Higher reputation between exporters
9. Increasing benefits in competitiveness



Problems and solutions of daily management work

- Important:
- The cooperative must be able to maintain a friendly and positive atmosphere, conflicts must be able to be resolved peacefully
- It is desirable to establish a code of ethics signed by all members
- (this may be part of the internal rules
- All changes, decisions, meetings, agreements between members must be documented, because no matter how friendly the relationship, the once undocumented issue can grow into a conflict.
- Great attention and, if necessary, additional training in the use of computers and software is required for members, as sometimes delays in reporting or other issues are due to improper / ignorance of using computer programs, viruses, or accidental leaks to third parties.



Cooperative success key



Professional and
inspiring leader

Trust and great
management team

Information flow
between members and
management



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