Farmer Organization & Aggregation

Third Consultative Forum
International Coffee Organization
Belo Horizonte, Brazil
September 10, 2013

The National Cooperative Business Association
CLUUSA International

Established in 1916, NCBA CLUSA is the oldest and largest U.S. trade association for cooperative businesses in the U.S. and an international development agency

- 29,000 Cooperatives in the US
- Over 90 million members
- $652 billion in annual sales
- $3 trillion in assets

www.NCBA.coop
Aggregation...
What’s HOLDING things BACK?
Decisions small holder farmers make are not just economic, they are...

Agribusinesses see small scale farmers as too risky and unreliable

How do you build confidence?
Farm Organization Outreach Models
Community-Based Solution Providers (CBSP’s)/FGs

- Selected by their communities/ farmer groups as third party agents
- Aggregate products – input and output
- Provide extension services to FGs
- Work of sales/commissions/fees
Mid-Sized Farmer Organization

- Provide financing, bulking, technical services to several hundred farmers
- Engage in larger scale aggregation through contract farming and other business alliances

Large Cooperative Business

- Serves thousands of farmers and employees hundreds of workers
- Offers a wide range of business solutions in close proximity to farmers
- Ag processing, technology, and service clustering, exporting, etc
- Is managed by professionals that are accountable to a board
- Tends to focus on a single commodity
Cooperative Principles

Cooperative Principle #1

**Voluntary and Open Membership**
Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
Cooperative Principle # 2

**Democratic Member Control**

Cooperatives are democratic organizations controlled by their members who actively participate in setting their policies and making decisions.

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Cooperative Principle # 3

**Member Economic Participation**

Members contribute to the capital rather than outside investors. Members benefit in proportion to the business they conduct with the cooperative rather than on the capital invested.
Cooperative Principle # 4

**Autonomy and Independence**

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative’s autonomy.

Cooperative Principle # 5

**Education, Training, and Information**

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.
Cooperative Principle # 6

**Cooperation among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative sector by working together through local, national, regional and international structures. Cooperatives often lack necessary resources to meet all the needs of their members; can achieve greater economies of scale by working with other co-ops.

Cooperative Principle # 7

**Concern for Community**

While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members. Cooperatives serve their members most effectively and strengthen the cooperative sector by working together through local, national, regional and international structures.
Final Note

Strong Farmer Organization
Working in Close Collaboration
with all industry actors

= More Efficient Aggregation

Thank You

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