

Agricultural Co-operation in the U.K.

SERVICES FROM CENTRAL ORGANISATIONS

by

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Although many Co-operative organisations are multi-purpose, their function may conveniently be broken down into the following theoretical categories:

Requirements Societies are in effect supply organisations carrying out a Co-operative function which has the longest history and is furthest developed in the U.K. They handle feeding-stuffs, fertilisers, seeds, fuel oil, machinery, hardware etc. and in so doing, bring them on to the farm. Many requirements societies are themselves manufacturers of feeding-stuffs while others act as distributors.

Service Co-operatives provide their members with a service in addition to supplying trading facilities. They are geared to carrying out a job on the farm more conveniently than it can be done by the farmer himself, and more cheaply than it can be done by an outside contractor. The following services among others are provided: Artificial Insemination, Credit Control, Farm Secretarial Services, Promotional, Machinery Syndicates, and Pest Control.

The last two types of service organisations are linked together in national Federations.

Marketing - Producer controlled Co-operative organisations are increasingly concerned with providing a marketing service for produce coming

off the farm. In so doing they provide a more effective supply to the trade, in terms of quantity, quality and continuity, with consequent benefits to both producers and consumers. They also act as a countervailing force against the spread of vertical integration.

Production - Production Co-operatives are distinguishable from trading or service Co-operatives by the fact that the main reason why their members join together is to reduce capital overheads, save on labour and other costs and thus rationalise or improve their production. They are usually in addition joint buyers of the requirements of production and joint sellers of the goods they produce.

Federations and Federals

An agricultural Co-operative may be regarded as an extension of the farmer as an individual in business; through it he is organised on a first-tier basis, ie he is in direct membership of the organisation which serves him. The various types of Co-operative organisation described in the first part of this article exist independently in all parts of the United Kingdom. From time to time and for specific purposes, the Co-operatives are themselves grouped together as second-tier organisations either as Federations or as Federals.

Federations - Federations are nationally based organisations which carry out representational and service functions on behalf of their members. They do not trade in their own right and are supported by subscription income. Examples of such Federations in the U.K. are the National Federation of Agricultural Pest Control Societies, the United Kingdom Wool Growers Federation and the Federation of Syndicate Credit Companies.

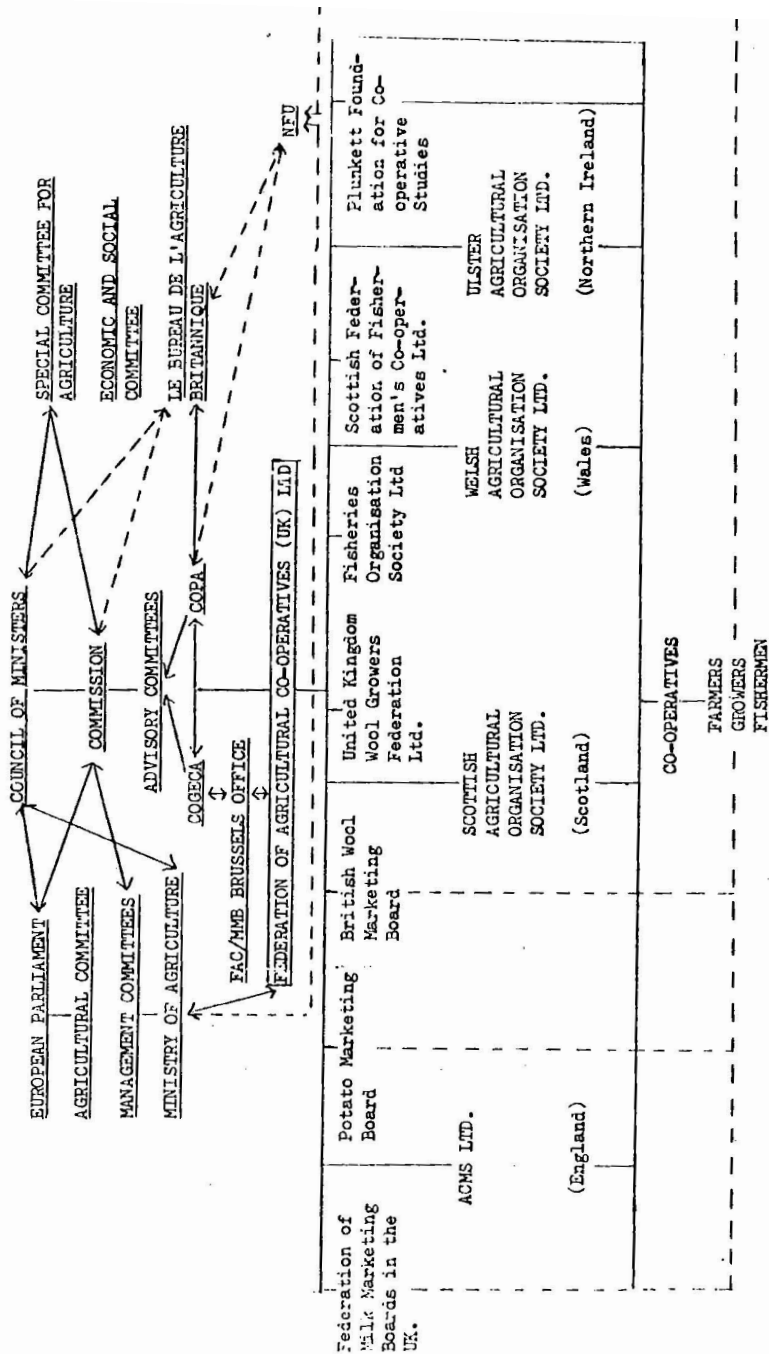
Federals - Federals are a comparatively recent development whereby a number of first-tier Co-operatives join together in order to provide commercial facilities and to carry on any trades, industries or businesses which further the general trading interest of their members. Federals have registered Co-operative constitutions and are empowered to trade in their own right.

United Grain Producers, for example, is a federal grain marketing organisation which exists to promote and develop the prosperity and growth of its member Co-operatives. It is unique in terms of developing Co-operation between Co-operatives, by uniting those with a common interest who are prepared to work together in a committed way to promote the progress and prosperity of the Co-operative movement as a whole as well as that of the individual grower.

National and U.K. Federations - and the E.E.C.

As the United Kingdom consists of four separate constituent parts representation is necessarily organised on a Federation basis. England, Scotland, Wales and Northern Ireland are represented at national, second-tier level by their own central Co-operative organisation, i.e. Agricultural Co-operation and Marketing Services Ltd., Scottish Agricultural Organisation Society Ltd., Welsh Agricultural Organisation Society Ltd., and Ulster Agricultural Organisation Society Ltd. respectively. Those in turn are represented on a United Kingdom basis through membership of the Federation of Agricultural Co-operatives (UK) Ltd. (FAC). The attached chart (Fig A) shows the membership of FAC, which includes the Marketing Boards, and traces how the farmer's voice is heard in Brussels as a Co-operator through FAC, and, as an individual

Fig. A



through the NFU. FAC is a member of the Central Co-operative Organisation for the EEC, COGECA, which shares a Secretariat with COPA, the equivalent body of the Farmers' Union.

The objects of FAC as stated in its Rules are to co-ordinate members' interests; to represent agricultural, horticultural, and fisheries Co-operative interests in the United Kingdom as a whole; and to work with all bodies and organisations both in the United Kingdom and outside it with interests in these three types of Co-operatives. FAC is controlled by a representative Board of Directors and an Executive Committee. It has a Chairman, Vice-Chairman and an Executive Secretary who meet from time to time in the Chairman's Committee together with two Directors, one a Director and the other a General Manager of a Co-operative, and the Chairman for the time being of the Executive Committee. The income of FAC is derived from members' subscriptions and to a relatively small extent from secretarial fees.

In order to improve communications between London and Brussels and with its own membership, and to provide more effective on-the-spot representation to COGECA and thence to the EEC Commission, FAC jointly with the Milk Marketing Board, established an office in Brussels in 1981. The staff consists of a Director, an Assistant Director, and a Secretary/Administrator. The work of this office has proved invaluable and is currently providing necessary support and back-up for the Chairman of FAC during his two year term of office as President of COGECA.

There is no space in a short article of this nature to go into the role, functions and structure of the constituent members of FAC in any detail. In general terms, the four central Co-operative organisations in England, Scotland,

Wales and Northern Ireland promote, organise, co-ordinate and represent agricultural and horticultural co-operatives in membership; they also provide specialist, professional advisory services, and, when appropriate, engage in or provide facilities for trading activities on behalf of their members.

Other Organisations in Service

Similar services are provided by the Fisheries Organization Society Ltd. and the Scottish Federation of Fishermens' Co-operatives Ltd. on behalf of Inshore Fishermens' Co-operatives in England, Wales and Scotland; and by United Kingdom Wool Growers' Federation Ltd. on behalf of Wool Co-operatives. The main function of the Plunkett Foundation for Co-operative Studies is to provide research (including the collection and presentation of statistics), and training and education facilities for UK Co-operatives; and to run courses in developing countries on agricultural Co-operation with the assistance of Government.

No account of agricultural Co-operation in the United Kingdom would be complete without mention of the Central Council for Agricultural and Horticultural Co-operation, a statutory corporation set up under the Agricultural Act 1967. It is not a representational body and its function is to advise Ministers on all matters relating to Co-operation in agriculture and horticulture. The Central Council is concerned with the promotion and development of marketing with particular reference to the administration of a grants scheme for purposes connected with Co-operative activities in accordance with a scheme approved by the Treasury.

Finally, it should be said that the Marketing Boards are essentially producer controlled Co-operative organisations comprising all the producers in the various areas covered by the individual Boards in the Commodity Sectors concerned. The initiative for establishing a Board rests with the farmers themselves who by their own vote decide whether it shall operate and, if so, with what powers. Equally, a Board can be wound up by the vote of the farmers who make it up.

Note of the Author: R.V.N. SURTEES - has been Executive Secretary of F.A.C. since 1970 and is also currently secretary of British Agricultural Council, Federation of Syndicate Credit Companies, and National Federation of Agricultural Pest Control Societies, Trustee of Plunkett Foundation and Suppléant to U.K. Vice-President of Confederation of European Agriculture.