

NEWSLETTER

by

PETER CLARKE

Until 1982 the Land Settlement Association (LSA) operated a scheme involving ten estates with a total of 500 smallholdings largely focused on horticultural production. The LSA's scheme aimed to provide new entrants into the horticultural industry with an opportunity to obtain a holding of their own ("the first rung on the farming ladder" as it was called just after the war). Since 1969 the LSA has helped growers to develop large scale horticultural enterprises and as a result some enormous glass-houses have been erected on LSA holdings. The individual holdings on each of the estates are economically integrated with the centralised marketing, purchasing and plant propagation facilities of the LSA.

Closure of LSA Scheme - and its Effects

On 1st December 1982 the Ministry of Agriculture, which is ultimately responsible for the LSA, announced the abrupt closure of the scheme. The Ministry said they wanted to see individual estate Co-operatives established. Sadly, however, the Ministry has gone about achieving this objective in a way which most outside observers believe is guaranteed to make life difficult for the new Co-ops.

After six months turmoil a picture is emerging of the plans each estate is making. Four are attempting to form estate Co-operative societies and retain a national marketing

scheme under a new grower controlled federal Co-operative, Home Grown Salads, using the English Village Salads brand. The founding Co-operatives are Fen Drayton, (Cambridgeshire), Foxash (Essex), Fulney (Lincolnshire) and Newborne, (Suffolk). 80 growers are involved and a £3¹/₂ to £4 million turnover is anticipated. Home Grown Salads will be based at Canterbury, sharing facilities with Home Grown Fruit, the second tier Co-operative concerned with the marketing of apples, pears and soft fruits.

Of the other six, Sidlesham (Sussex) and Snaith (Humberside) are hoping to form Co-ops. but have not yet capitalised them. One estate, Potton (Bedfordshire) has gone in with a successful local Co-op., Bedfordshire Growers. No marketing Co-op. will be established at Abington (Cambridgeshire); instead the small-holders are to focus solely upon local marketing. Growers at Chawston (Bedfordshire) and Newent (Gloucestershire) are currently undecided about their future.

Capital? The big difficulty for growers as a result of the closure of the LSA, is obtaining capital to replace this scheme's short and medium term credit facilities (which are being withdrawn), to buy their holdings and to capitalise their new Co-operative societies.

To be successful the estate Co-ops. have to acquire their estate's existing central facilities (the packing shed, transport etc). The Ministry has placed the sale of these assets in the hands of estate agents and is insisting that the Co-ops. buy them at the

estate agent's valuation. This inflexibility is inequitable since the growers have already paid for these assets by the depreciation element of the marketing charges levied on the sale of their goods.

London Co-op. Trade Fair - 21st and 22nd
February 1984

"This is our opportunity to prove that Co-ops. are entirely professional". In this way Margaret Davis, organiser of the London Co-op. Trade Fair, announced that the Fair will take place at the Town Hall, Kensington on 21st and 22nd February 1984.

There will be 100 stands of which 90 have already been booked. 40 were made available to Worker Co-ops. outside London, and 19 to participants from the EEC. Co-ops. known to be coming include representatives from Clothing and Footwear, Computer and Video, Building and Architecture, Furniture, Printing and Publishing, Toys and Fancy Goods, Music and Leisure, and Food as well as from general manufacturing and services.

The Fair is being sponsored by the Greater London Enterprise Board, the West Midland County Council, the Wales Co-op. Development and Training Centre, the National CDA, Royal Arsenal Co-operative Society, London Region CRS and London ICOM. A Conference is being held simultaneously, sponsored by the Co-operative Union.

Details from Margaret Davis, Greater London Enterprise Board, 53-67 Newington Causeway, London SE1 6BD 01-403-0300.

A Federal for the Western Isles Co-chomunn?

Bulletin 47 reported on the efforts being made by the eight Western Isle Community Co-operatives to form a Federal. Since last September discussions have continued but it is unlikely that any Federal formed will include all eight Co-operatives (known locally by the Gaelic for Co-operative, Co-Chomunn). It is possible that the four Southern Co-Chomunn, Barra, Eriskay, Lochdar and Vatersay, will form a representative body with the aim of eventually making it a formal trading body, providing financial consultancy to the member Co-Chomunn.

The stark geographical facts make it extremely difficult to form a Federal covering the whole Western Isles. It is, in fact, an archipelago of about 50 islands of which 9 are inhabited. It stretches 120 miles from Vatersay in the South to the Point of Ness in the North. It has a population of only about 30,000 of whom 9,000 live in the town of Stornoway. Although you can fly from the North to South and back on certain days of the week it is impossible to make a return trip by road and sea except with an overnight stay, and only then on a few days a week.

Nevertheless, the Highlands and Islands Development Board is still hoping that a Federal can be established so that when its Co-operative field officers have to be withdrawn at the end of 1983 (as a result of a Whitehall inspired staffing cutback) a supportive structure will remain.

Commonwork: 83-84 Programme of Activities

The Commonwork Centre is located in an attractively converted series of old barns on a 500 acre Dairy Farm in an area of outstanding natural beauty, 25 miles from London in a Weald of Kent. The farm is a profitable 350 cow dairy enterprise with ancillary stock rearing, a methane digester, an experimental worm farm and a process for composting cattle manure. Handmade bricks are made from waste clay. Ecology, conservation and the development of woodlands are high priorities.

Commonwork was founded by Neil and Jennifer Wates in 1976 to explore ways of working together both with people and with natural resources. "It is therefore about "Co-operation" in its broadest rather than its technical sense", says Jennifer Wates. Between 1978 and 1980 Commonwork funded Paul Chaplin's work at the Open University Co-operatives Research Unit. Recently the centre has announced its 1983-84 programme. This offers a fuller and more varied scheme than ever before reflecting Commonwork's decision to use the educational resources of the farm and study centre to the full.

Of interest to Co-operators will be the courses in self-audit led by Neil Wates (10-12th February 1984) and Peacemaking led by Rosslyn Miller (23-25th March 1984). Fees for each course are £35. The Commonwork Open Day, when there will be a chance to examine all the activities of Commonwork, will take place on 24th June 1984 from 10.00 am to 5 pm.

Full details can be obtained from Terry Miller, Commonwork Centre Director, Bore Place, Chiddingstone, Edenbridge, Kent TN8 7AR.

West Midlands - Industrial Common Ownership Finance (ICOF)

In August 1982 the West Midlands County Council gave ICOF £75,000 to lend to Co-operatives in the West Midlands via Coventry, Birmingham and Black Country CDAs. In April 1983 a further £250,000 was given. From this fund £70,000 has been lent and £30,000 has been agreed though not yet released; and 14 Co-ops. have been helped involving about 70 jobs. The financial package often involves an ICOF loan, a loan from the West Midland Fund and a West Midland's Grant. (Grants have almost equalled loans.) The loans are given at 5% for varying periods, the maximum being 5 years. Borrowers may get a 6 to 10 month capital repayment holiday and are charged interest quarterly. Some Co-ops. are already making repayments.

Thanks to the increased income that ICOF is generating from interest on these loans it has been able to appoint Mary Asfour as a part time field officer monitoring existing loans and applications. Mary Asfour is a Chartered Accountant committed to Co-operatives.

Co-operation between Co-operatives

Two new studies advancing the theme of Co-operation between Co-operatives have been published.

The first comes from the Bank of Ireland's Centre for Co-operative Studies; Co-operation between Co-operatives, by Michael Ward, Robert Brisco and Mary Linehan. Published in 1982, it sells for £3.50 and can be obtained from the Bank of Ireland's Centre for Co-operative Studies, University College, Cork, or from the Plunkett Foundation for Co-operative Studies, 31 St. Giles, Oxford OX1 3LF.

It is a critical analysis of two different approaches towards the development. It explores such issues as economies of scale, centralisation and decentralisation, amalgamation and federation. It examines the conventional amalgamation approach - hitherto virtually the only option considered in Ireland - and proposes a new alternative approach which will involve members in assessing their own needs and designing organisation structures tailor-made to meet those needs. While the new approach is applicable to all types of Co-operatives, the authors base their analysis on a detailed case study of the recent efforts to amalgamate seventeen agricultural societies in the North East of the Republic of Ireland.

The second study is contained in the Revue des Etudes Co-operatives, No. 7 1983 and has articles by H. de Vignes de Puylaroque, Phillipe Fremeaux and Gerard Deshayes. It can be obtained from:

Revue des Etudes Co-operatives, 27-33 Quai le Gallo, 9215 Boulogne - Billancourt Cedex, France.

The Greater London Enterprise Board

The Greater London Enterprise Board (GLEB) is now well under way with its programme of support for Co-operatives. GLEB was set up by the GLC and includes on its Board the Society's very own Tony Eccles. John Berry, Rachel Heatley and Laura McGillivray make up its Co-operative section.

Two financial initiatives have been launched. Firstly, during its first three months it has lent £353,000 to fifteen Co-ops. involving 135 jobs, as risk capital for the development of their business. Secondly, it has launched its "Small Sums Scheme" which will make start-up finance available through London local CDA's. The 13 CDA's currently staffed in London will be eligible for grants of up to £20,000 per annum to help new Co-ops. conduct feasibility studies, prepare business plans, provide training for members, purchase stationery or small items of capital equipment or cover registration costs, with a maximum of £2,000 per Co-op. assisted. Lambeth and Hackney CDAs have already agreed and another six - Brent, Islington, Kingston, Newham, Southwark and Waltham Forest - may also receive funding during the current financial year. Local CDA's are asked to seek additional assistance from their local authority on a £ for £ basis.

GLEB is also preparing the next Co-operative Enterprise Training Programme (for 1984), studying marketing by Co-ops. in the U.K. in order to identify whether any marketing interstructure is necessary and carrying

out a study of the building Co-op. sector in London. This last study is regarded as a "pilot" study, as it could affect the way GLEB helps other Co-op. sectors in London.

Recent Publications

A Plan for Woolworths. Available from
ASTMS, 79 Camden Road, London NW1 9ES

Trade Unions and Co-ops. - An Advice Note
for Trade Unionists. 95p including postage
from London ICOM, 245a Coldharbour Lane, London
SW9 8BR or Co-op. Union, Holyoake House,
Hanover Street, Manchester M60 0AS.

Portrait of a Movement. (New 1983 edition):
Co-operative Union.

Towards Common Ownership: from Labour
Finance and Industry Group, 220 Queens Town
Road, London SW8 4LP £1.50.

Workers Co-operatives. Potential and
Problems: Mary Linehan and Vincent Tucker
(Editors): Bank of Ireland's Centre for Co-
operative Studies. Price £3.50.

Use your Local Co-operative. 95p including
postage from London ICOM.

Co-operation at Work in Scotland: from
Scottish Co-operative Development Committee,
Templeton Business Centre, Templeton Street,
Bridgton, Glasgow G40 1DA.

Workers Co-operatives and their Environ-
ment: Comparative Analysis with a view to Job
Creation: Marianne Rigge and Michael Young,
Commission of the European Communities Programme

of Research and Actions on the Development of the Labour Market. Available from Directorate General of Employment, Social Affairs and Education, Division V/A/1 Commission of the European Communities, 200 Rue de la Rue, 1049 Brussels, Belgium.

Revolutions from Within: Co-operatives and Co-operation in British Industry: Michael Young and Marianne Rigge, Weidenfeld and Nicholson.
£6.95 paperback.

Note of the Author

PETER CLARKE is Research Officer of the Co-operative Party. His published work includes studies of Government promotion of all types of new Co-operatives, of closer relations between the retail Co-operative Movement, the agricultural Co-operative Movement and the "new" Co-operative Movements and of the Land Settlement Association; and a bibliography of new literature on new Co-operatives.