Co-operation and Collaboration
Co-ops across the world (their future role)

FARM ADVISORY SERVICE





23.07.21

The European Agricultural Fund for Rural Development
Europe investing in rural areas

SAC CONSULTING

Scottish Government
Riaghaltas na h-Alba
gov.scot

SAOS

The future role of agricultural Co-ops and examples from around the world

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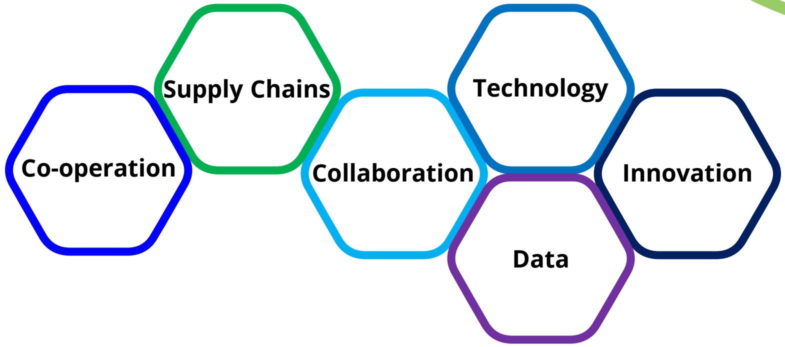
Co-op development manager



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Our co-ops work in a wide range of sectors


















Now and in the future

Big challenges (and harnessing big opportunities) need aggregate solutions e.g.

A farm with one hectare of deep peat

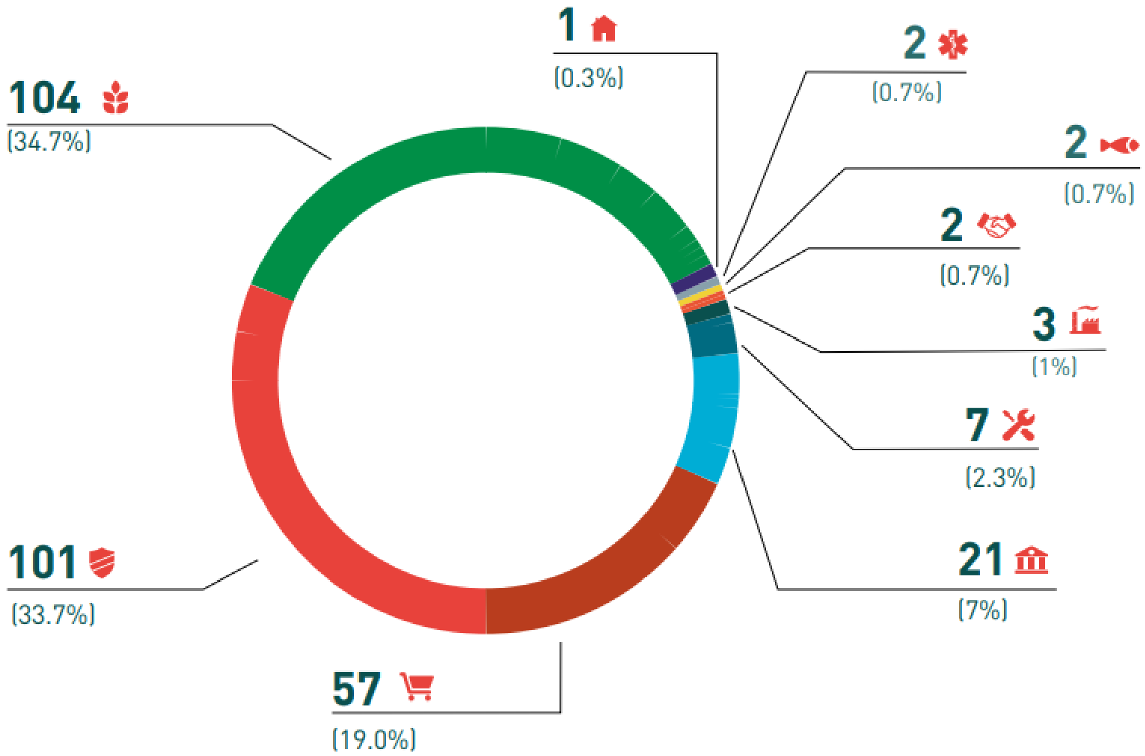
A group of farms with a collective 100ha of deep peat!

NOW EACH IS AN EQUAL PART OF A SOLUTION

How we compare

TOP 300 TURNOVER USD

Economic activities



TOP 300 TOTAL TURNOVER: **2,145.79** BILLION US$

TOP 300 TURNOVER USD

TOP 300 TURNOVER USD

Geographical distribution

AMERICAS	
USA	74
Canada	8
Brazil	4
Argentina	2
Total	**88**

EUROPE	
France	44
Germany	30
Netherlands	17
Italy	12
Finland	10
Denmark	9
Spain	8
Norway	7
Sweden	7
UK	6
Austria	5
Switzerland	5
Belgium	4
Ireland	1
Poland	1
Total	**166**

ASIA-PACIFIC	
Japan	24
New Zealand	7
Australia	4
Republic of Korea	4
India	3
Singapore	2
Malaysia	1
Saudi Arabia	1
Total	**46**

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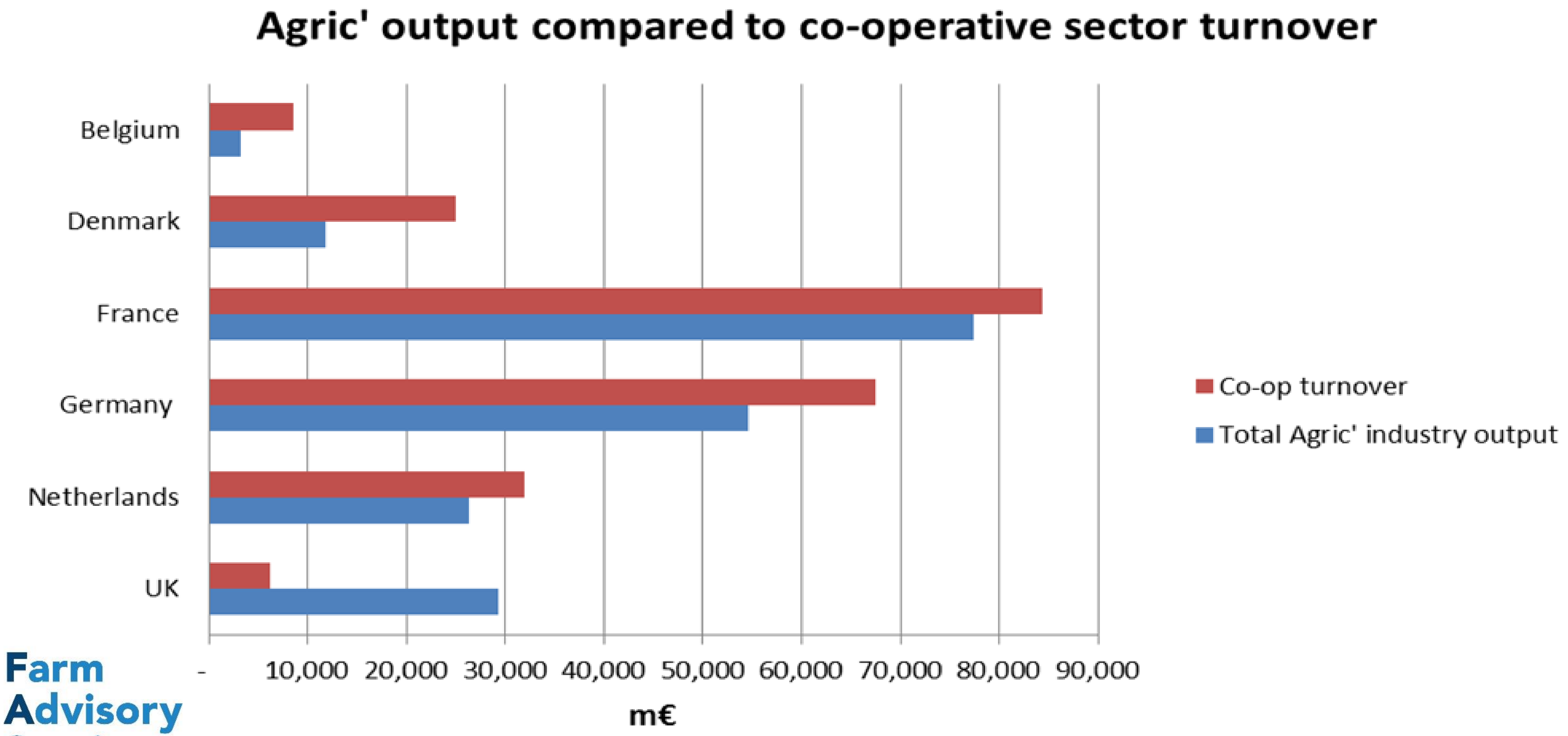
How we compare across Europe



Co-operatives around the world

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Co-operatives around the world

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BOERENNATUUR

GiSC

AG DATA TRANSPARENT

Danish Agro

arcowin
creating tomorrow...

SIRE DIRECTORY

BREEDING EVALUATION

BREEDING PROGRAM

Other examples

- Rural power generation
- Energy crops
- Rural finance – Rabobank
- Pharma
- Timber
- Novel crops
- Regional food
- Tourism…

Key points

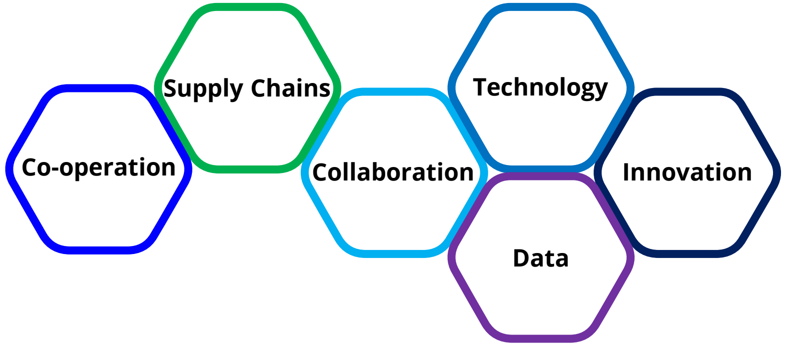
Ownership and ambitions **– that cannot be achieved alone**

Huge potential **– existing and emerging markets**

A proven, highly successful, ‘*new*’ way

https://saos.coop/ | | |

Working together to shape the future of farming and food



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Co-op development manager

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Agricultural Co-operation in Ireland

TJ FLANAGAN

CEO ICOS

Features of Agriculture in Ireland (ROI)

- Ireland has c 7 m ha
- 10% of total land, is used for forestry
- 64%, or 4.44 m ha, is suitable for agriculture.
- 81% of agricultural area is grass, 11% is rough grazing and 8% to crop production
- About 100,000 farms, 40 hectares each
- C.30,000 farms are full time commercial
- Others are semi-retired, part time etc.

Dairy Farm Average 2020
€74,236 Farm Size 60 ha

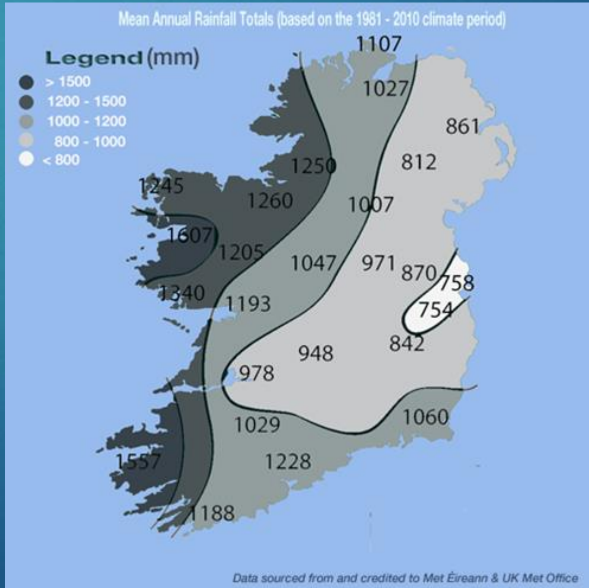
Cattle Rearing Farm Average 2020
€9,037 Farm Size 31 ha

Cattle Other Farm Average 2020
€14,813 Farm Size 37 ha

Sheep Farm Average 2020
€18,383 Farm Size 44 ha

Tillage Farm Average 2020
€32,525 Farm Size 62 ha

National Average 2020
€25,663 Farm Size 43 ha



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What is a Co-op in Ireland?

- It’s a Corporate Body, Registered under the IPS Act 1893 (not Companies Act)
- Democratic structure
- Owned and controlled by members
- For the benefit of members
- Governed by an ICOS Rule Book

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Agricultural Co-operatives in ROI

- Dairy
  - 20 Societies
  - 9 are processing (drying etc)
  - 7 pack Liquid Milk
  - Supplier numbers from 40 to 4,000+
  - Process 8.5bn litres ROI plus 800m from NI
  - Includes Ornua (Dairy Board)
  - Turnover totalling over c.€5bn
  - Most are active in Agritrading
    - buy >60% of grain
    - Manufacture >60% of ruminant feed
- Livestock Marts (Auction Markets)
  - 80 nationally
  - Half are Co-ops
  - Co-op marts t/o €1bn
  - Sell 1 million cattle, ½ million sheep
- Livestock Breeding Co-operatives
  - Cattle Breeding (AI) Co-ops
  - Breed Societies (Cattle, Sheep, Horse)
  - ICBF

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Agricultural Co-operatives in ROI

- Farm Services
  - Farm Relief; Labour and specialised services
  - Farm Accounts
  - Milk Recording
- Other Rural Co-ops
  - Group Water Schemes
  - Forestry
  - Fisheries
  - Mushrooms
- New Co-ops
  - Energy
  - Carbon Farming
  - Community Development
  - New Media

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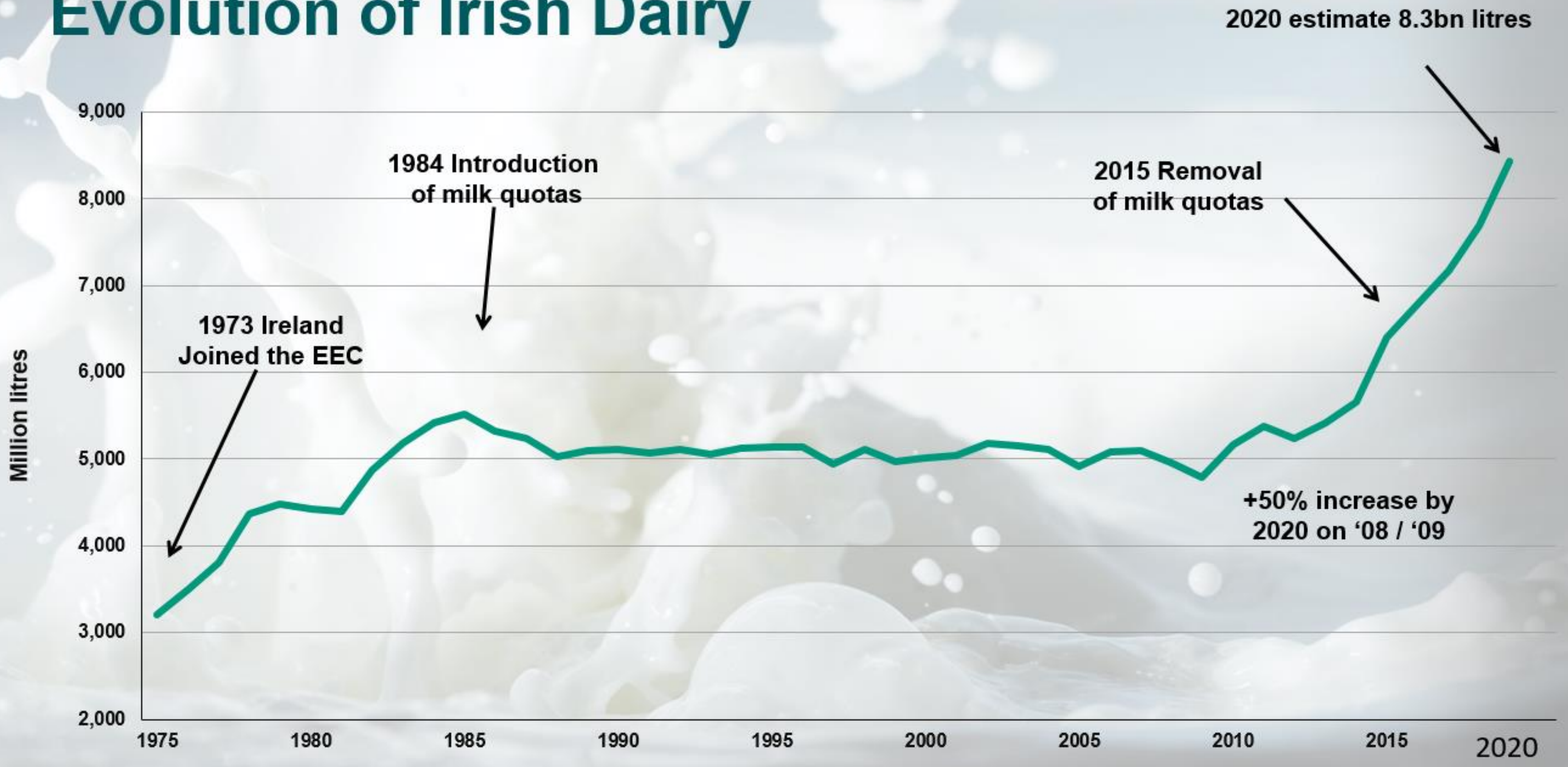
Evolution of Irish Dairy



Source: CSO

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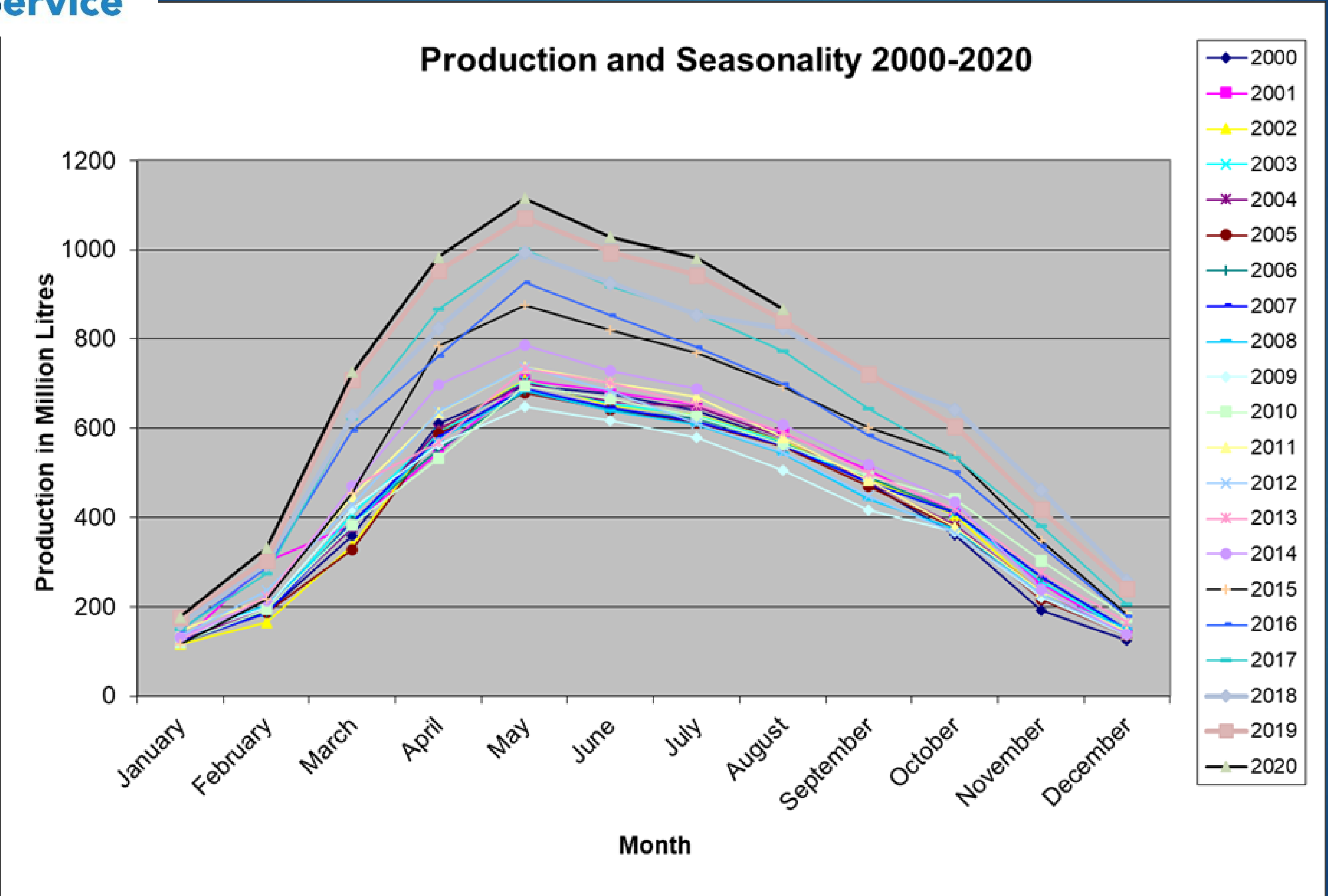
Production and Seasonality 2000-2020
Production in Million Litres
0
200
400
600
800
1000
1200
January
February
March
April
May
June
July
August
September
October
November
December
Month
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020

Why did Co-operatives "stick" in some sectors?

- Very successful in Milk
  - Individual farmers too small to have impact
  - Supply chains are long, complicated and expensive
  - The milk has to be collected every day or so….no time for pricing around and haggling
- Those Co-ops also dominate grain and agri-trading
- Only one co-op now involved in pig processing (a dairy co-op that purchased the business)
- No Co-op involved in Beef or Lamb Processing (small specialised exceptions)
  - Why????

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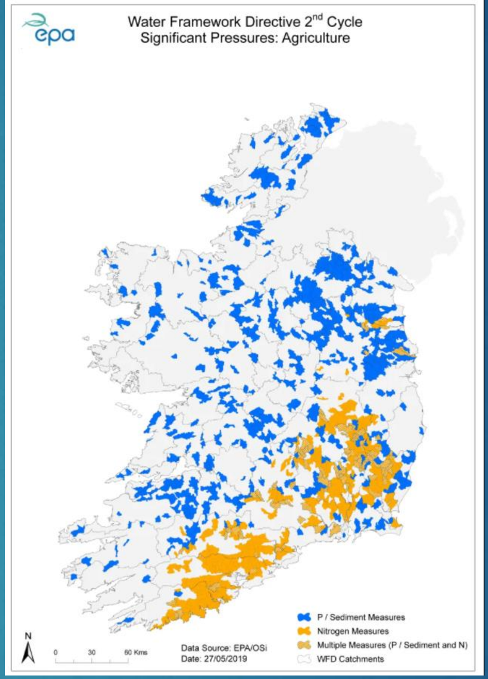
So what's the big issue?

- The Environment
  - Emissions
  - Water Quality; Nitrates and Phosphates
  - Biodiversity
- Co-ops are working hard to support farmers
  - Sustainability Advisory Programmes
  - Signpost Farms
  - Sustainability bonuses for milk
  - Supporting milk recording etc
  - Promoting Protected Urea and Low Emission Spreading
- Will it be enough?
  - National Target of 51% Emissions reduction by 2030
  - Ag will have to do its part.



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In summary

- Co-ops in Ireland have a long and proud tradition
- Most successful in milk, agri-trade, and farm services
- They weren’t an overnight success
- They’ve gotten best traction where there has been market failure
- Being a co-op, in itself, isn’t a guarantee of success
- The business model needs to be sound, and the business must be competitive