

Approach in Agriculture Cooperative formation

AVSI Foundation Myanmar



**“ Promoting an experience of
Small -Scale Farmers’ Cooperative
in Labutta Township”**

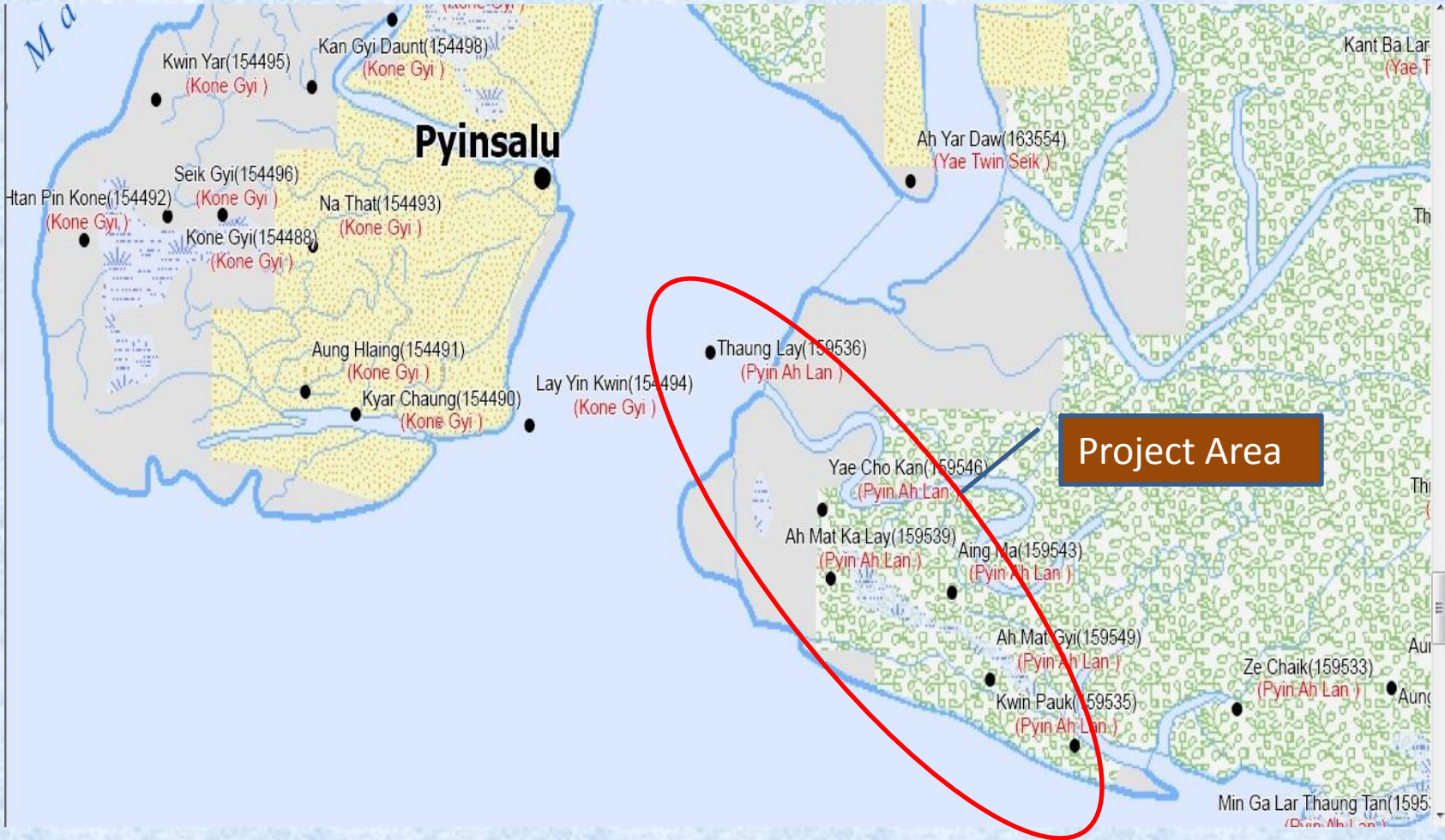
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AVSI project area in Pyin Sa Lu Sub-Township, Labutta



Introduction and Context

- Very close to Admin Sea
- Rely on single crop due to saline condition
- Nargis has reduced the number of Buffaloes for land preparation and Post harvest service problems
- Very remote from nearest town
- Farmers are facing difficulties in getting financial and other private and public services, the support received till now has been insufficient or inadequate
- Attitude of some beneficiaries is not well cooperating, lack of attitude on self development
- Total population – 4766, Total HH – 1140 and Total female – 2361



Target group – small scale farmer

Type activity of people	% of people involved	Actual number of HH per category
Households in farming	14%	162
HH with only back yard garden	4%	41
HH in fishing	24%	271
HH in trading and services	5%	58
Casual laborers (landless people)	52%	586
Total	100%	1140



Critical constraints

- Low income for small rice producers
- Inadequacy of public extension services for small farmers
- The killing factor of the farmer income is the production based on initial loans, the rising problem of debts
- Marketing issues; low selling prices of crops and high costs of agricultural inputs by traders
- Weak social organization and mutual support among farmers



Actual Objective

- Setting of the cooperative
- The creation of the management of the cooperative
- The building of a democratic way to control the life of the cooperative
- The building of the sense of ownership of the beneficiaries
- The confidence of the farmers /belong to them and has a goal of their development
- The cooperative acted as a platform in ensuring that provided inputs were maintained and distributed to the community



Applied strategy

- First Year
 - Trust building, provided some free inputs for Demo Plot
 - Try to know real needs of the community
- Second Year
 - Start to form Cooperative group, provide knowledge and skills
 - No longer free inputs, but repayment for the inputs back to Coop revolving fund
 - Providing some more post harvest infrastructures
- Third Year
 - Continue provide inputs and technical support
 - Strong on Business concept
 - Strengthening revolving fund system and financial management skills
 - Focus on institutional and organizational sustainability



Approach



Members development by Agriculture - Technique

1st Year

- Conducted one advocacy meeting for all villages about Co-op
 - 6 farmers joined as rice demonstration plots farmers (in raining, seed multi and hand transplant)
 - 12 farmers for black gram and green gram(winter)
- Total = 18 farmers as a nucleus for future association

2nd Year

- Next advocacy meeting with first year result presentation
 - Inviting new members with application forms
 - Steering committee & 4 services with rules and regulation
 - 2 Farmers Field Schools for same production techniques
- Total = 45 farmers as a start up Coop association

3rd Year

- Next advocacy meeting with Second year result presentation
 - Inviting new members with application forms
 - Reformed Management Group
 - 2 Farmers Field Schools for same production technique
- Total = 81 farmers as a start up coop association

Capacity & Service Assets Development

- Seed multiplication and Hand transplanting technique training
- Monthly agriculture technique trainings
- Free seeds & transplant cost to individual
- Provided Trailer Jeep for transport
- Conducted embankment renovation activity

- 1 week Cooperative Sense and basic concept of sustainable community development training
- Facilitating for rules and regulations developed
- Seed, Fertilizer, Transplant cost as credit with Coop revolving found system
- Provided Threshers, Buffalo and Rice mill and rice granaries
- Developed Coop revolving found system and opened Coop Bank account

- 1 week Cooperative business refresher training
- Legalization as "Kyun Ayar Coop Association"
- Government training with Township Cooperative Department
- 2 sessions per month for 2 FFS
- Capacity improved for Financial Management



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Farmer Cooperative Management Group Structure

Steering Committee (5)

- ❖ Chairman
- ❖ Vice Chairman
- ❖ Secretary 1
- ❖ Secretary 2
- ❖ Accountant



Buffalos Group (3)

- Group leader
- Cashier
- Member

Thresher Group (3)

- Group leader
- Cashier
- Member

Rice Mill Group (3)

- Group leader
- Cashier
- Member

Rice Granary and Trailer Jeep Group (3)

- Group leader
- Cashier
- Member

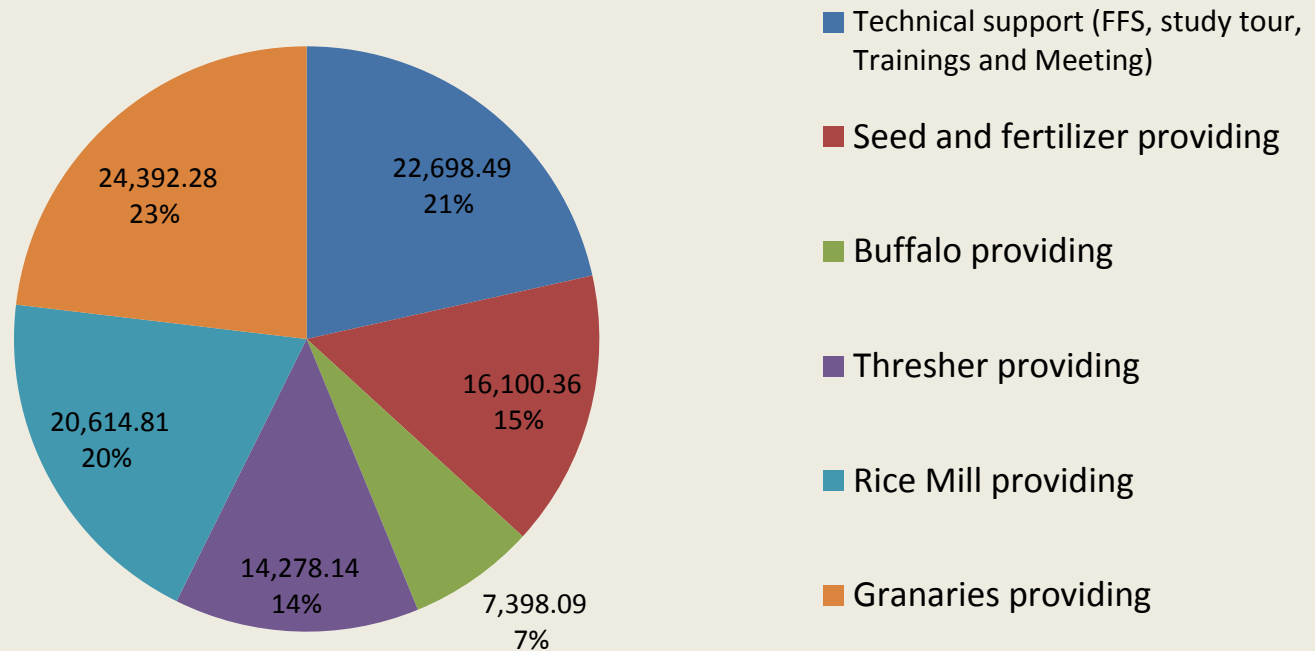
Total updated fund statement of the Farmer Cooperative Group up to end of June, 2014

No.	Description	Income(Kyat)	Expenses(Kyat)	Balance(Kyat)
<i>Income</i>				
1	Opening cash by 2013	312,800		
2	Repayment amount on agriculture loan provision	1,552,500		
3	Cooperative member fees (5000 kyat/member)	355,000		
4	Paddy loan repayment by cash	186,400		
5	740.5 baskets of paddy selling	3,610,250		
6	Service cost s from Buffalo group	220,000		
7	Service cost from Thresher group	833,200		
8	Service cost from Trailer jeep group	1,450		
9	Service cost from Rice Mill	491,000		
<i>Expense</i>				
1	500 number of Poly bags purchasing		92,500	
2	Trailer jeep renovation		200,000	
3	Heavy renovation to rice mill		3,066,850	
4	Phone purchasing		110,000	
5	Revenue purchasing for loan provision		66,200	
6	Transportation and miscellaneous charges		103,300	
		7,562,600	3,638,850	3,923,750

Updated Status-

- Cash – 3 million rotate in revolving fund system, one million saved in Bank
- Paddy – 1400 baskets of rice functioning in paddy bank activity

Representation of Total costs to beneficiaries



- The cost of training, FFS, meetings and study tours- USD 70 / person
- Home gardening activity- USD 99/ beneficiary
- Project cost- USD 467/ famer (significantly higher)



Validation

- A union of farmers from six different villages has merged to be a unique and effective strategy for the area.
- Self-policing and assistance within villages has helped strengthen the cooperative
- Establish a good internal accounting system/synchronize the group system
- Constitution /Governance of kyun Ayar coop association
- Government recognized cooperative function well



Successful outcome

- Increase productivity
- Reduce the debt cycle
- Create solidarity
- Move from single rural family economy to agro-business enterprise
- Increase income because of cooperative enter in the market with bigger bargain capacity
- Protect the single farmer in front of unexpected low performance
- Increase of social capital
- Community self development and capacity



Lessons Learned

- Some planned activities (**hand transplanting**) constraints to beneficiary selection
 - Incentive like transplanting cost providing
- Rice Mill by rice husk gasification
 - **should learned the required conditions of such gasified engine before deciding to implement it. In saline water agro eco zone, the use of rice-husk gasified engine is not recommendable**
- Project cost per beneficiary is significantly high.
 - Justifiable through the number of people being benefited by the project



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Recommendation



- To win the trust of is very important to ensure the sustainability of the coop
- A union of farmers from six different villages has merged to be a unique /the coalition of six villages has allowed them to work together, compete and monitor one another to achieve their object and strengthening the coop
- Project office set up in targeted area and hire local staff (from targeted area) which can easily get good relationship between project staff and beneficiaries and also can protect some misuse and easily get actual information
- Legalization is vital to the long term sustainability
- Building relationships with government
- Need to monitor the coop and provide support, suggestions and advice in the future



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**Thank you for your
attention**