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## RESEARCH IN ACTION: INSIGHTS ABOUT LOYALTY AND GOVERNANCE IN FARMER-BASED ORGANIZATIONS

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WEBINAR CHAT TRANSCRIPT

MAY 25, 2016

## **PRESENTERS**

Lorenzo Casaburi, Stanford University

Greg Grothe, Land O'Lakes ID

Rocco Macchiavello, Warwick University

## **FACILITATOR**

Thomas Carter, USAID

## WEBINAR CHAT TRANSCRIPT

- Agrilinks 2: Welcome!
- Agrilinks 2: We are happy to have you join us today. The presentations will start at 9:30 AM EDT.
- Lebo Mofolo: Yes, I can hear you
- Agrilinks: Welcome to today's Ag Sector Council seminar, brought to you by the USAID Bureau for Food Security and the Feed the Future initiative. We'll be getting started in about 15 minutes.
- Agrilinks: Please introduce yourself (let us know your org and country) and share your interest in today's topic!
- Lebo Mofolo 2: Hi, my name is Lebo, originally from Lesotho. I am a postgrad research student at the University of Warwick, and my thesis is on cooperative law and governance, comparing approaches in the UK to those of South Africa and Ethiopia. I also work full time at CTA (EU-ACP Technical Centre for Agricultural and Rural Cooperation) and I am based in Brussels.
- Dick Commandeur: Hello, I'm working with SNV USA, based in Bolivia, advising project in Africa. Several decades experience in working with producer organizations and always to hear other experiences.
- Dean Gilge: Cooperative Resources International is a farmer owned livestock development cooperative in Wisconsin USAWe are a member of OCDC (overseas cooperative development council) and are currently working in south Africa and Tanzania through a cooperative development grant
- Adaeze Okongwu: Adaeze Okongwu with East Africa programs at Lutheran World Relief, based in Baltimore, Maryland. We work with farmer associations on a number of value chains. Many of our projects focus on building the capacity of these cooperatives, especially in governance
- Rocco: Hi, I am Rocco, I am a professor of economics at the University of Warwick. My research focuses on private sector development and industrial organization in developing countries
- Cornelio Delgado: Hello, I am Cornelio
- Dick Tinsley: Dick Tinsley signing in from Colorado. I hope you all noted my pre webinar comments
- Cornelio Delgado: I am working at the Lundin Foundation, supporting economic development in different countries. I am in Kingston, Ontario.
- Agrilinks: Welcome, everyone! Thank you for joining today's Agrilinks webinar.

- Agrilinks: This chat box is the place to post discussion points and questions.
- Eva Adomaa Kyereboah: Hi
- Adaoha Ndibe: Hello everyone, my name is Adaoha Ndibe and we work with farmer associations in Africa under the umbrella of @agrifoodaid. I am also a full time research scientist at the Institute of Food Research, Norwich, UK
- Trent Blare: Hi I am Trent Blare. I am a market and value chain specialist with the World Agroforestry Centre (ICRAF) based in Peru.
- Eva Adomaa Kyereboah: I am from Ghana, and I work with USAID METSS
- Matthew Rhody: Cooperative Resources International is conducting a Cooperative Development Program in South Africa and Tanzania. We are a farmer-owned co-op in the US.
- Allison Williams: Allison Williams, COP, Land O'Lakes Liberia
- Kathleen Farrin: Good morning! Katie Farrin here in DC. I'm a research economist for the Food Security and Development Branch, Economic Research Service, USDA.
- Emilene Sivagnanam: Hi everyone. I am a Master's student at Columbia University. I am interested to learn more about food security for smallholder farmers
- Alison MacDonald: Hi there, Alison MacDonald from CPAR - working on food security projects with farmers in Ethiopia, Malawi and Tanzania
- Shambachew Hussen: Hi all, Greetings from Ethiopia Happy to join you all. My name is shambachew omer HussenI am a lecturer and researcher at Addis Ababa University, Ethiopia
- Tjeerd Rijpma: Hi all, I am Tjeerd Rijpma, Dutch, but based in Nairobi for an agri-agency working with farmer -led organizations in 14 countries
- Sarah Kozyn: Good morning, all. Sarah Kozyn from Abt Associates in DC.
- Andrea Allen: Greetings All - Andrea Allen, Michigan State University, here with research and development experience on producer organizations in Latin America and US
- Pin Thanesnant: Good morning everyone. This is Pin from Heifer International. I am the Institutional Business Program Officer, based in DC!
- Stephen Mink: Stephen Mink - ex-World Bank, now consultant based out of Washington DC. Years of applied professional work on cooperatives in Indonesia, Cote d'Ivoire, Burkina Faso, Benin, amongst others.
- Nicholas Neuenschwander: Nick Neuenschwander from Self Help Africa in New York City
- Agrilinks: Welcome! So glad to see people joining from different time zones

- Cristina Alvarez: Cristina Alvarez, from the University of Illinois
- Agrilinks: We'll be getting started shortly
- Angela Stene: Good morning--I'm Angela Stene with Palladium
- Philip Charlesworth: Philip Charlesworth, private sector, Cambodia
- cathy phiri: Good morning.
- Cecilia Gonzalez: Greetings, joining from South Florida, Food-Agriculture-Nutrition Integrator, Independent
- Edidah Ampaire: Hi All, Edidah Ampaire from International Institute of Tropical Agriculture, Uganda
- Caroline Kasabiti: hullo from feed the future Activity - Uganda
- Tjeerd Rijpma: My organization is AGRITERRA
- Lena Weingaertner: Hi, I'm Lena, a graduate student at the University of Amsterdam and Consultant for the UN University Institute for Environment and Human Security, working on the role of farmers' organisations in climate risk management
- LaRon Beemer: Greetings! I work for Dow AgroSciences and interested in cooperative development primarily in Kenya.
- Agrilinks: Welcome Lena - this seems like a relevant webinar for you. Always great to have students joining
- Karen Luz: Good morning, Karen Luz, working with the CARE-WWF Alliance on development and conservation with natural resource dependent communities.
- Agrilinks: Welcome, all! Thanks for joining. Tom Carter is joining
- Agrilinks: I mean is speaking ;-)
- Agrilinks: <http://agrilinks.org>
- Agrilinks: agrilinks@agrilinks.org
- Dick Commandeur: I don't hear anyone speaking
- Agrilinks: Hopefully you are all hearing Tom speaking now. If not, please "hover" over the "KDAD AV Tech" name at the top of the Attendees pod
- Agrilinks: Can we download the slides once the presentation finishes?
- Dick Tinsley: is this strictly on line webinar
- Agrilinks: And start a private chat with our AV tech
- Brent Matthysen: Greetings from the Seeds and Markets Project (South Africa) - A Palladium project in Lesotho, Swaziland and Zimbabwe.

- Agrilinks: Today's PowerPoint presentation can be downloaded from the Agrilinks event page for this seminar: <https://agrilinks.org/events/research-action-insights-about-loyalty-and-governance-farmer-based-organizations>
- Cristina Alvarez: Thank you!
- Agrilinks: If you have questions for the presenters, please post them at any time
- Agrilinks: We will collect them and ask questions after the presentations
- Agrilinks: Interesting. Does the fact that price was listed last surprise anyone? Or not?
- Tjeerd Rijpma: Hi Greg, thank you for this information. I work in Kenya as well, and I can nothing then to agree with your conclusions. Would be nice to discuss more in-depth
- Dick Tinsley: What percent of the beneficiary pool were members vs, non members in the dairy cooperatives of Kenya?
- Dick Tinsley: What were the alternative markets of dairy in Kenya?
- Jennifer King: Hi there. Are the graphs coming through for other viewers? I cannot see them.
- conny almekinderss: nor can I
- Tjeerd Rijpma: Me neither
- Yenenesh Tadesse Gebresilase: The same is happening here
- Agrilinks: Our apologies, we are missing some graphs on the slides right now. We are attempting to fix it
- Dick Tinsley: If i understand and earlier slide the cooperative was paying less than the private service providers, why was this?
- Agrilinks: We have fixed it to make sure the graphs appear. Thanks for your patience. You can download a PDF of the PPT here: <https://agrilinks.org/events/research-action-insights-about-loyalty-and-governance-farmer-based-organizations>
- Agrilinks: We can hear you in the room well!
- Dick Tinsley: loud and clear
- Dick Tinsley: Where were they side selling to?
- Dick Tinsley: what do you mean by share I don't understand the y axis
- Agrilinks: Good clarification questions, Dick
- Dick Tinsley: Do what extend does the side-selling reflect a poor business model on the part of the cooperative? Are you blaming the farmers for your lack of good business model?

- Dick Tinsley: I heard the entire presentation so far
- Cecilia Gonzalez: yeah, I heard the whole thing
- Afia Agyekum: I don't think we went off. I heard everything
- Dick Tinsley: graphs in next slide are fussy and too small to be clearly seen
- Adam Schreck: Sorry for that everyone. I am glad you online had no issues!
- KDAD A/V Tech: Sorry for the inconvenience everyone. Glad to hear that you online had no issues!
- Agrilinks: We lost audio in person, but all is well now!
- Agrilinks: Please post your questions for Rocco as they come
- Dick Tinsley: what is the percent of side selling in the coffee cooperatives? How much of the cooperative market share represents loan repayments
- cathy phiri: What are the differences in investment between the cooperatives and the private sector?
- Dick Tinsley: if cooperatives are struggling, why not simley put the emphasis on private service providers? If the cooperative colapses won't the private service providers take over?
- Laura Ostenso: Interesting, Rocco. One more of the tensions I see is coordination between coops and private device providers across hard to reach rural areas. Does the research treat it as competition between the two or as complimentary to each other?
- Agrilinks: Thank you for your questions! We will start posing them after Lorenzo speaks
- Laura Ostenso: In some value chains and countries I see it treated as a coordination issue rather than competition, e.g. formal extension and private service providers coordinating to reach as many farmers as possible.
- Dick Tinsley: how about the indiginous family enterprise that ar a permanent part of the community, can they be trusted?
- Agrilinks: Don't be shy about posting questions or comments! No question is too basic or too complex.
- Yenenesh Tadesse Gebresilase: Any suggetion on how cooperative managment members can build the strong relationship with the cooperatives in addition to creating common understanding of the purpose of the cooperative?
- Dick Tinsley: What is the sustainable overhead costs for operating a cooperative in providing the services. That has not been mentioned but will have to be covered by the farmers once external support eneds?

- Dick Tinsley: Isn't the lack of access to banking why the basic financial management strategy to retain goods in kind and minimize the cash on hand, which goes against the consignment of goods to a cooperative?
- Dick Tinsley: How often is it the women who are doing the marketing and only small quantities they can carry on their heads but need the immediate cash to meet their day's marketing needs?
- Dick Tinsley: <http://smallholderagriculture.agsci.colostate.edu/financial-management-strategy-retain-assets-in-kind/>
- Stephen Mink: In numerous countries (e.g. Indonesia, Vietnam, Cambodia), true farm member-driven coops are struggling to emerge for long periods of political meddling by political processes. "Trust" has to overcome the resulting long memories of farmers that political forces distorted many decisions in the cooperatives. The speakers' research base does not really speak to this context, but might they have some observations on countries that have done a better job of transitioning for periods of such political "interference" in cooperative governments to healthier member-accountable cooperative leadership?
- Agrilinks: Interesting question, Stephen!
- Agrilinks: We will start posting Qs soon, once Lorenzo wraps up
- Christine Shuaibu: Hi from Riaje Agro Consult from the UK doing projects in Nigeria.
- Pierre Rousseau: Coops provide recommendations to their members to increase production and meet quality standards. M&E can be used as a tool to rapidly develop recommendations. The process relies on strictly on-farm data that will lead to technically feasible, economically viable and socially acceptable recommendations. The big constraints are to collect M&E data that is representative, accurate and reliable. How is it addressed?
- Kristi Livingston: Please repeat the question for online listeners to hear
- Naomi Sakane: To Stephen, the Kenyan case is unique, especially that in Central Kenya. The study did not give us a background of the farmers in the study areas. But from my knowledge, Central Kenya, Karatina, Nyeri, Nyahururu, Kiambu, etc. is mainly Kikuyu dominated. This means that the coops are moreless homogeneous. Furthermore, most farmers are educated, government retirees that have returned onto their farms. They do have pensions and/or have children in town who do send them remittances. They also have other activities such as coffee farms, tea, or vegetables farms that produce cash. Moreover, they are supported by the Government!! I guess the story will be different in a more heterogeneous location!! Just thinking loud!!
- Cornelio Delgado: Question to Lorenzo and Rocco. In some countries coops are struggling with financial sustainability. What lessons and recommendations about

beeing a coop with market oriented practices in order to be financial sustainable organization. Thanks

Dick Tinsley:

Thank you

JAMES OKOTH:

Is there a possibility of striking a balance between the two sectors as building a synergy that mixes on the strengths of the two sectors?

Tjeerd Rijpma:

Agriterra works with coops throughout Kenya and I can confirm Naomi Sakane's guess that there are many heterogenous or not so well developed coops.

Samirah Faruk:

for women coop that face challenges in accessing finance in a country that does not have in place access to finance for women? How can it be overcome?

Agrilinks:

We are very interested to learn about your experiences with coops - please do share

Agrilinks:

Whatever questions we don't have time to address in the next 10 minutes, we will share with the presenters and ask them to write up answers to post on Agrilinks

JAMES OKOTH:

What criterion did you use to choose the farmers for the study?

JAMES OKOTH:

In Kenya?

Stephen Mink:

Thanks, Naomi, for the further info on the Kenya work. And the answer that pulled in the Rwanda case was helpful, and hopeful.

Agrilinks:

You will see some polls on your screen - please take them to help us shape future events

Lebo Mofolo 2:

Hi, I am interested in understanding, from the speakers, what they see as potential legal and regulatory implications are of this research, and other ongoing research on the performance of cooperatives, particularly considering the critical role that management plays in terms of relationship building but also in terms of its governance role? There is extensive research indicating that poor management and management lacking the requisite skills contribute significantly to poor performance of the cooperative and trust between members and management. But getting skilled management is limited by virtue of rules (bylaws and legislation) which potentially restrict hiring non-member managers, or in the alternative, non-member board. As a result, management oversight suffers. Do cooperatives have lessons to learn from other organisations on this issue of governance?

Agrilinks:

Very interesting question, Lebo. We might need to save it for the presenters to answer in writing

Naomi Sakane:

You are welcome Stephen. But I still support James' question on the main characteristics of the cooperatives - SACCOs- for this study!!

Knowing these will shade more light on most of issues that many raised during the presentation!! Most importantly, it can guide the development practitioners in their endeavors with similar case studies!!

Adaeze Okongwu:

Many of the FBOs we work with are newly formed and have trouble accessing financing to buy farmers production in timely manner. What are your recommendations for building trust before these young FBOs are able to reach a point where they are able to make those timely payments to farmers

Agrilinks:

Great Qs at the end here. We need to wrap up at 11, but we thank you so much for attending and sharing your experiences. We hope you gleaned some useful information for your work

Agrilinks:

You will receive an email with the webinar recording and other post-event resources

cathy phiri:

Thank you!

Agrilinks:

Thank you, Tom for facilitating!

Rocco:

Thank you !

Naomi Sakane:

Thank you

Agrilinks:

Thanks to all who listened and contributed. We appreciate your repeat "business" at the Ag Sector Council seminars

Adaoha Ndibe:

Thank you!

Cornelio Delgado:

just quick question. Is there a video recording of this conference available? Thanks and congrats for the excellent event. Best

Backup Host:

Hi Cornelio - not a video recording, but a recording of this webinar

Backup Host:

It will be emailed to you with other post-event resources once we clean it up