

# **New Entrants Conference 2018**

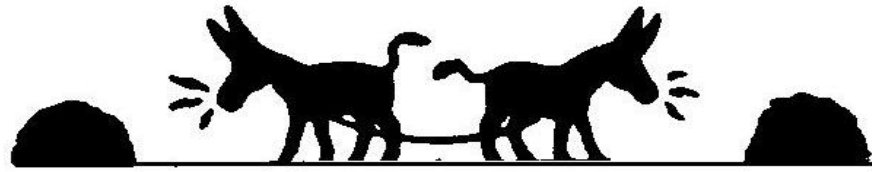
## **Co-operating for Success**

**Jim Booth**

# Scene setting thoughts .....

- There is a deficit in co-op understanding
- Co-operation is massive throughout the World
- Humans are inherently co-operative
- Young people are more likely to co-operate
- The need for co-operation and collaboration will only increase in the future.

# Why Co-operate?



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Co-operation involves two or more people working together to achieve objectives that they cannot achieve independently and individually.



# Cooperation and Collaboration

“In the long history of humankind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed.”

*Charles Darwin: Origin of Species*

## 2 types of Co-operation

1. Informal co-operation – neighbouring

**25%**

2. Formal co-operation – member of a co-op

**33%**



# The Advantages of neighbouring

## For the young farmer

- Save capital costs – sharing machines
- Access to labour – timeliness, gets things done
- Source of advice & access to network
- Social side – more fun, enjoyable

## For the Neighbour

- Access to labour, specialist skills
- Recognition of their knowledge & experience
- Satisfaction in helping the next generation



# Benefits of Co-operation

- Reduce costs
- Increase prices /income
- Improve bargaining power – keep the market fair
- Obtain products or service otherwise unavailable
- Obtain access to markets
- Help manage risk and volatility
- Access to Innovation
- Helps build farm resilience
- Supports rural communities
- Protects family farms

**Overcomes the main problem - Fragmentation**



# Power in the agri-business sector

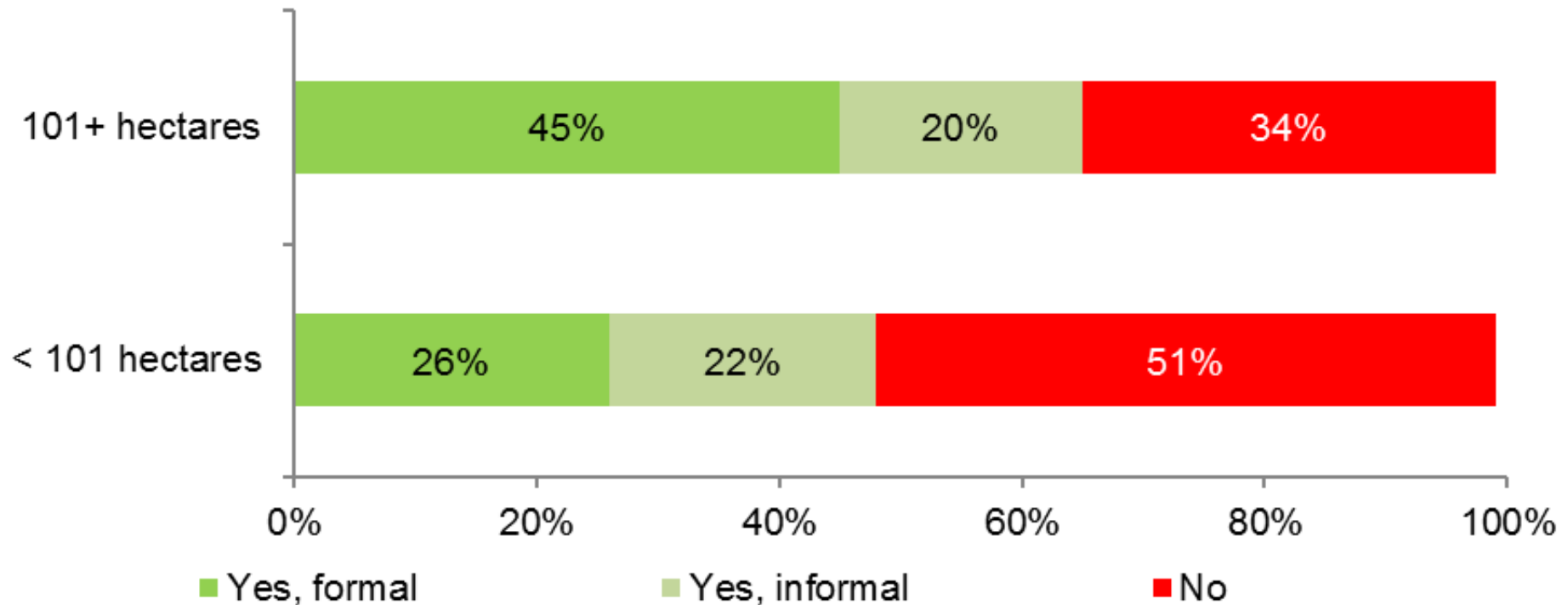
*“Consolidation across the agri-food industry has made farmers ever more reliant on a handful of suppliers and buyers, further squeezing their incomes and eroding their ability to choose what to grow, how to grow it, and for whom”*

*These trends have exacerbated power imbalances, allowing costs to be shifted onto farmers, squeezing their incomes, eroding their autonomy, and leaving them vulnerable.”*

International Panel on Sustainable Food  
Systems. Oct 2017

# Involvement in Co-operation by farm size

*Large farms twice as likely to co-operate than small farms!*



# What are co-ops doing to help new entrants?

## Here are a few examples .....

- Ringlink – Intern scheme
- ANM Group – capital
- Scottish Pig Producers – entry to pigs
- Grampian Growers - Innovation
- BMR, Tarff Valley – “Next Generation”
- All co-ops, major employers - careers

# Summary – take home message

- Co-operation is natural for humans
- Actively seek opportunities to neighbour - benefits both parties
- Investigate joining a co-op – build resilience
- The need for co-operation and collaboration will only increase in the future.

For any further information or advice on co-operation please see our web site or contact me direct.

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