

ASPECTS REGARDING COOPERATIVE INTEGRATION ACCORDING TO THE NEW COMMON AGRICULTURAL POLICY

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Abstract

An important factor in boosting the rural economy is the cooperative spirit which gathers individual producers into real poles of competition, ensuring links between segments within distribution channels with the highest added value. After 2013, under the new Common Agricultural Policy, it will be possible to maximize yields and to ensure the diversity of demand, through shorting distribution channels between nodes of production and consumption. In the agricultural sector cooperative market is based both on supply and demand from the agro-food field and the relations of reciprocity or mutual benefit, seeking a more equitable and efficient value chain in economic and social-ecological terms. Participating cooperatives can strengthen their market position, may thus have greater access to basic resources and to more favorable conditions for producers and consumers, encouraging the emergence of synergies in the new environment of trade relations. The paper presents the general aspects of the establishment and operation of cooperatives as well as the key issues for market reorganization

Key words: Common Agricultural Policy, cooperatives, benefits, market, distribution channels

MATERIAL AND METHOD

For the current paper was utilised a main research for presenting the importance of cooperation in agriculture

RESULTS AND DISCUSSIONS

Common Agricultural Policy was created to build a balanced and equitable and to maintain food security in Europe.

Although now facing with huge problems, in Western Europe was a real success. In Romania, the implementation of the Common Agricultural Policy has been difficult, and the first results were quite varied. Today the Common Agricultural Policy is as an "umbrella" under which act the agriculture in the European Union. It is a complex policy, formed of many different and often conflicting sections.

In Romania, of Common Agricultural Policy have benefited so far the large farmers while the small farmers have no effectiveness.

In our country, nearly half of the population lives in rural areas, 93% of farms have an area of less than 5 ha and they account for only 30% of utilized agricultural area.

One of the solutions for out in that vicious circle of underdevelopment social from rural zone and from agriculture is the association in

agriculture, as by making the sharing of resources that helps the farmers to obtain the benefits which can not achieve by themselves.

The association in agriculture brings a added value for the individual members, but also for the community in which this it produces indifferent of the link of the chain would does.

Regarding the development of the associative sector in agriculture, Romania is currently far behind the countries of Western Europe, both in terms of diversity, and the presence on the market. The association relies heavily on interpersonal relationships and capital of trust. Prevail the consumer cooperatives and agricultural associations with representative role and associative forms with economically purpose which are very little developed.

Small producers are trying to mobilize their resources to build the administrative capacity and for infrastructure required on market, and all these goals are easier in frame of some structures allowing the coordinating of efforts.

Today, the associative forms with economic purpose represent the important actors in the EU agriculture:

From the 13 million of farmers, 7 million are members of 38 000 cooperative, that processes and sells 50% of total production.

In development of these firms, the literature distinguishes two different models of

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development - in Scandinavia, Germany, Belgium, the Great Britain there a relatively small number of cooperatives, but with a greater economic value and specialized on different channels, while, in Southern Europe, they are more numerous but generally lower as economic dimension.

The agricultural cooperatives it fall from point of view in economic and organizational in the following areas: - acquisitions and sales of products (marketing) - processing of agricultural products, agricultural services - agricultural land use. Since the beginnings of cooperative movement in Europa. the most common type of cooperatives were the marketing. This materialize the need of association of farmers in order to storing and sale of agricultural production.

The cooperative was organized to meet the social needs of cooperators, to ensuring the requirements of production and some household needs and family, so that to face the competition of the large companies has determined the necesitates to associate. The marketing cooperative can be considered base of agricultural cooperatives, based on this principle and has developed on vertically the cooperative associations and horizontally, depending on the specific, the cooperative of collection and processing, of the services, etc.

The cooperatives may hold strong networks of large stores where undoing some of its products. In small farms from Romanian the agricultural work is cover of local opportunities, but the small producers have difficulties in marketing their products or are victims of big retailers on an unregulated market. In areas of grain marketing cooperatives they can develop their activity in each common. Through the system of cooperatives, horticultural products, traditional products can be downloaded, stored, sorted, packaged and sold at market standards, helping to development the rural areas. Reviving the Romanian products on the market through marketing cooperatives will cause both increase incomes from agriculture, and changing attitudes toward farming small producers. In the next period this development of this type of cooperative should be a pillar of Romanian agriculture.

The second model of cooperative it representing the cooperatives for processing of agricultural. In Europe, meet this type of cooperative in the plant products and animal products sector.

Besides the storage warehouse and sorting fruit and vegetable, the producers of fruit and vegetables have developed vertical production chain, thus developing processing units (canned fruits and vegetables, juices, etc).

The problem of milk processing was solved by dairies of cooperatives. For example, the largest unit of milk -processing in the world (USA, 2000), was a cooperative unit.

For not depend on meat producers were slaughtering their own cooperative units.

On the chain of production, the processing units have been developed so that a much of the final profit returns of cooperative, so the concern for market delivery of products with processing has register a steady growth. So, the cooperatives have created national and international renowned brands both in milk field and processed products of the meat and horticulture.

The third model is represented the service cooperatives that can provide specialized services for cooperative members and for farmers.

The small and medium-sized farms don't have the technical means to perform agricultural works and so calls specialized services. For farms of several tens of hectares, the investments in equipment agriculture expensive, is not economically justified. Depending on the needs of the farmers, and of the crop structure, even for the farms of 200-300 ha, is justified investment in equipment for general use. The fourth model represent the cooperatives for agricultural land use that may appeal mainly to land leased or rented.

In Italy, France, members can accumulate several qualities: cooperative member, lessor of land to cooperatives and employee / worker.

Based principilui establishing, acquiring land use cooperatives owned land they farm with the leased / rented. One of the important components of the current Common Agricultural Policy (CAP) is the development of producer associations. For example, financial support for fruit and vegetables shall only organized on associative forms for marketing. Pillar 1 of the CAP (direct support) in 2012 was allocated 43 billion euros, which including co-financing support for producer organizations, particularly fruit and vegetable sector. Role of agricultural economic organizations at European level will increase after 2013, the European Commission proposes a co-financing rate to 90% for measures relating to producer groups.

In 2005 it were regulated the producer groups by OG 37/2005, defined as associations of farmers who aim to identify markets, adapting the production and use it according to market needs, aiming to ensure the quality of products, concentration of supply and supply rhythmic market. The cooperative identity is strengthened by values such as democracy, equality, equity, solidarity, transparency and social responsibility. Cooperatives should be acquire the 7 principles

established by the International Cooperative Alliance, namely; "voluntary and open membership; democratic decision-making, process controlled by members, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for the community. The market configuration in this case, is a game with positive sum in which all agents have earned maximizing shared value creation through the establishment of alliances and long-term agreements between major market agents under certain playing field loyal.

In the current period should be promoted, primarily associative and cooperative spirit that can become a powerful element to boost the rural economy. The individual producers or family can be integrated into larger structures and regional networks of centers of competition, so as to ensure alignment farmers to the circuits marketing segments with the highest added value.

This will maximize yields and the diversity of demand, the shorter distribution channels between nodes of production and consumption, ensuring these issues through a form of cooperative structures.

To ensure a better traceability both in quality and in the price formation can be achieved by integrating cooperative, which will lead to optimization of resources and greater efficiency.

Cooperative networks attract a number of social benefits

They return the participating cooperatives thus leading to increased opportunities to strengthen market position and increase employability, better access to basic resources and more favorable conditions for producers and consumers, facilitating the emergence of synergies in the new environment trade relations.

The consumer cooperatives will allow easy access to the product in terms of price and best quality. The direct contact with producers may be achieved progressively, from local markets and proximity to optimize virtual business transactions online. This approach coincides with the main stated objectives of agricultural cooperative organizations of farmers and the European Union:

"The objective is for stimulate / support initiatives farmers who sell their products directly to the final consumer."

In order to counter the strong share of economic actors who bring added value the chain marketing of food is to promote a circular market model focused on shortening the distribution channels. These circuits bring in rapid connections the facilities production with consumer. To counter the excessive weight of the actors that actually

includes both primary producers and final consumers. Through these circuits arise "loops market", which allow the correct change both the means and costs that arise between people's needs and production resources. In this way you can avoid deficits or excedendele fluctuarea determining prices artificially. The result of all these circuits will mostly reflect the existence and functioning food supply chain in a transparent and balanced. The steps with followed to reach this level of cooperative market are: promoting the spirit of sustainability in production and consumption, measures into Community policies, cooperative procurement, quality brands, consumer information, education and training in entrepreneurship spirit and social cooperatives', and the existence of different tax treatment.

During this period both production and consumption should be viewed in terms of responsibility and sustainability, two concepts that they will have an impact on all activities of cooperatives.

In Community policies should be taken into consideration especially promoted incentivisation, to support development agency promoting cooperatives, financial credit, cohesion and social innovation measures and measures to strengthen partnerships between public institutions and IMM-s, cooperatives, consumer associations or other groups.

In cooperative activity, an important role is public procurement. The progress recorded in recent years in public procurement "environmental" and more recently, the adoption of an ethical criteria in procedures for the award of government contracts had a significant effect on the social and economic dimensions of actions to promote sustainability and cooperation.

As regarding the quality brands, the specializing studies show they are promoting indirect instruments that certifying the origin, characteristics and quality of products sold.

The quality brands highlighted, the added value of cooperative social aspect of producing so-called co-operative brand. This type of mark can be highlighted the aspects of farm associations regarding the shift production orientation to a market orientation. The consumer information must be transparent and so on awareness the campaigns and awareness about possible purchasing decisions in a cooperative markets.

The quality and traceability in these markets is a balancing factor in the value chain, resulting in a symmetric information and coordinated action between production and consumption both indispensable for a model based on sustainability.

This ensures a strong connection between supply and demand in the respective marketing process integration.

In order to consolidate all market changes both education and training in entrepreneurship and cooperative integration should get new values.

Knowledge and assimilation principles in cooperative education centers should lead to dissemination of this practice among large collectivities young parents giving consumption patterns in relation to the proposed actions. Promoting entrepreneurship is vital in stimulating and motivating young people to launch and strengthen cooperatives or production phase or phases of the marketing or consumption.

All this will undoubtedly help, knowledge exchange and dissemination of good practice cooperative. In the tax area must achieve a different tax treatment.

A fairer form of taxation can allow the consumption being more efficient use of resources, to take better account of the content of each product, in terms of social and environmental, as well as the added value of co-operative formula.

Whatever the specific tax, the incentives tax and unemployment compensation are some of the most direct and the most potential for achieving the goals.

As demonstrated the experience gained in the various member states, to adopt a different tax treatment promotes autonomy and financial independence but, as some of the previously proposed initiatives require an impact assessment prior.

Besides the obvious advantages of a model based on sustainability and economic and social cooperation, cooperative market has a number of competitive advantages, which affects some extremely important issues for policies in the following areas: economic, social, and ecological:

The economic aspects are considering the safe and secure access to markets for agricultural products, sustainable financing, investing socially responsible, market dynamics, competition protection, protection of consumer rights and interests and so on;

The social aspects targeting rural development and inclusion, cultural, regional and local identity, sovereignty and food security, to avoid excessive production and food availability, social traceability of products, avoiding relocation of enterprises, guarantee decent wages and better working conditions, social responsibility and responsible consumption, the EU health and healthy lifestyles, direct citizen participation in decision-making in the institutions they represent, etc..

The environmental issues are considering the energy savings, preservation of ecosystems, ecological footprint, agroecology, rational and responsible use of raw materials and natural resources, the life cycle of food products, the creation of green jobs as a strategy serving the market. In Romania in 2011 fewer than 10 cooperative members , and in country's the total number of producers associated with agricultural cooperatives around 1,000 people.

Most of the existing cooperatives were established on the principles of cooperative operation in this structure lacking motivation and therefore no organizational and economic performance were not encouraging.

CONCLUSIONS

In search of a more sustainable economic model, the cooperative movement emerges as a competitive and efficient alternative that provides new answers imbalances food sector value chain and , in turn , promote employment and stimulate local food chains , food safety participation and social responsibility .

It is necessary to undertake structural reforms on existing markets food products in accordance with the challenges of the Europe 2020 Strategy and other Community initiatives .

Conventional distribution channels don't provide the adequate transparency of pricing , causing serious imbalances in the actors' ability to negotiate their damaging producers and consumers (the first and last link of the chain) .

Also, there are environmental costs unnecessary , as a result of an inefficient distribution of energy , for example for preservation of fresh food in cold season and transport of them to the market very far from the place of production .

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