

ASSESSMENTS REGARDING THE INITIATION, ONGOING AND IMPLEMENTATION OF THE CONSULTANCY PROJECT ENTITLED “THE IMPROVEMENT OF FARM MANAGEMENT BY DEVELOPING AGRICULTURAL COOPERATIVES”

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Abstract

The main objective of this paper is to determine the impact of the Romanian Japanese cooperation project entitled "The improvement of farm management by developing agricultural cooperatives", that was produced on the activity of farmers in our country. The overall objective was to increase the income of the farmer members of agricultural cooperatives by access to adequate services, the purpose being the rationalization of agricultural activities by establishing model cooperative in the target areas. The launching of the project took place in July 2006 and the project was developed on a period of 30 months up to December 31, 2008. The two institutions responsible with the implementation were Japan International Cooperation Agency - JICA and the National Agricultural Advisory - ANCA (agency under the Ministry of Agriculture Forestry and Rural Development in Romania). For monitoring purpose, during the project took place assessments (intermediary and final) by teams of mixed composition. The research undertaken has been found unequivocally that the immediate impact of the project was positive, creating both a large number of cooperatives and also their superior structures. In conclusion, it can be said that the consultancy services offered by the project activities have resulted in more efficient activity of the farmers, through their integration into a modern associative structure.

Keywords: project, agricultural cooperatives, consultancy

INTRODUCTION

This paper aims to determine the impact that the Romanian - Japanese cooperation project entitled "The improvement of farm management by developing agricultural cooperatives" that was on Romania farmers activity. Structural component that was the outcome of the project was the Matrix of the Project. In the Matrix are found crucial elements of the project: purpose, objectives and results. All these elements are characterized by well-determined indicators. The need for analytical assessments embedded in this work, can be seen in how the analyzed project was designed and implemented. Therefore this project can be considered a model of institutional cooperation between Romania and a country that has extensive expertise in agriculture

association, especially in the democratic agricultural cooperatives.

The paper is organized as follows: the first section presents the motivations to do this analysis and the questions that the work must meet; section 2 presents a summary of legislative and organizational measures taken and a detailed explanation of the methodology applied; in the third section we find all the features of the project analyzed in detail and, also the results that the project had, according with the established priorities; the last section presents the conclusions of this paper.

The motivation of this paper is to analyze how the Romanian - Japanese cooperation project led to the creation of pilot cooperatives, which have influenced the establishment of a large number of modern agricultural cooperatives and their upper structures, with consequences for the rationalization of farming and

streamlining the activities of farmers in our country.

On December 9, 2004, the Romanian Parliament issued Law 566 [1], bill regulating the establishment and operation of democratic agricultural cooperatives in Romania. The complexities of this law, the offered advantages, are elements that form one of the most comprehensive legal association possibilities for Romanian farmers.

On June 1, 2005, a workshop was held with 30 participants from the Ministry of Agriculture, National Agency for Agricultural Consultancy (ANCA) and County Offices of Agricultural Consultancy (OJCA) and representatives of farmers. Based on the results of the workshop was formulated a draft framework of the Project, Matrix Plan of the Project, the preceding document of the Action Plan Matrix.

Along with minutes of meetings [2], legislation and Matrix Plan of the Project, Framework, documents which provide information about the project are: Final reports of activity of the National Agency for Agricultural Consultancy for 2006 [3], 2007 [4] and 2008 [5]. During implementation was done an interim evaluation report, from November to December 2007 [6] and a final evaluation report on the project "The improvement of farm management by developing agricultural cooperatives" [7].

Questions that this paper needs to provide answers for, are:

1. What is the dynamic of initiation, progress and project implementation?
2. What are the characteristics of agricultural cooperatives and upper structures created during the project?
3. Were the expected results in the Matrix Project, be achieved?

MATERIAL AND METHOD

During the pre and post integration both process of our country in the European Union, the main mission of the relevant bodies, namely the Ministry of Agriculture Forestry and Rural Development (MAPDR), was the development of associative forms in

agriculture. In this way, through the existence of those associative forms, of the European Union consider established the necessary mechanisms by which our country can benefit from the funds allocated in Brussels for rural development.

This paper aimed to analyze the two evaluations of the project in terms of predetermined criteria in order to monitor project progress, identify emerging constraints effectively, the performance achieved, compliance of the activities and strategies outlined in the matrix. Early results are analyzed as well as assessing the achievement of proposed results.

RESULTS AND DISCUSSIONS

As Terunuma (2005) stated, after 1990 as an effect of the abolition of former CAP sites, nearly 4 million owners of agricultural land had been reinstated as rightful owners. However, agricultural machinery, warehouses and silos were not distributed to landowners so that they faced difficulties in specific activities, the lack of production and market opportunities. [8]

Romanian Government adopted the Law on Agricultural Cooperatives on January 22, 2005, encouraging the creation of agricultural cooperatives with democratic functioning. In this context our country asked the Japanese Government a technical cooperation project to improve farm management through the development of agricultural cooperatives and training of trainers to strengthen the activities of agricultural cooperatives.

The official document which regulated the project in Romania was:

"Minutes of meetings of the Japanese study team for project preparation and authorities from the Romanian government involved in the Japanese technical cooperation to improve farm management through the development of agricultural cooperatives" [2]. This document was prepared in Bucharest on June 9, 2005 by representatives of the relevant Japanese institutions and representatives of the Ministry of Agriculture Forestry and Rural Development.

As shown in the Matrix Project, presented in Table 1:

The overall aim of the project was to increase the income of the farmers' members of agricultural cooperatives through access on appropriate services.

The overall objective was to rationalize agricultural activities by establishing model cooperative in the target areas of the project.

Table 1. Project Development Matrix

Descriptive summary	Verifiable indicators	Means of verification	Important assumptions
GENERAL PURPOSE Farm income of farmers belonging to agricultural cooperatives model increase by services provided through the cooperative.	- profit from the businesses developed by the model cooperatives - income of the cooperative members	- Data, reports ANCA - Questionnaires applied at the general meeting at the end of the agricultural	
PROJECT OBJECTIVE Agricultural activities are streamlined through the establishment of agricultural cooperatives model	- marketing and purchase price through cooperative - Working hours allocated to marketing, procurement and measures of production - Cooperative business volume	- Data, reports ANCA - annual rep	There will be no significant changes in the Romanian agricultural policy
RESULT OF PROJECT 1) Improve the training of staff responsible for the establishment and management of agricultural cooperatives. 2) Establish policies and regulations for the establishment and management of cooperatives. 3) Establish services of the agricultural cooperatives.	- Good level of technical training / seminar - Financial statement, balance sheet, surplus fund plan on destination) - Statutes, policies and rules - Number of members using the services of cooperative - Good level of services to agricultural cooperatives - Categories of services provided to members - questionnaires	- Questionnaires - annual reports - annual reports - Questionnaires applied at the general meeting	- Weather in the pilot counties will not affect agricultural production - ANCA budget, policy and management development of agricultural cooperatives will remain - The price of agricultural products will not drastically reduce

Also according with the Project Matrix, expected results were as follows:

a) Staff capabilities for establishment and management of agricultural cooperatives will be improved;

b) The policy, the rules for the establishment and management of agricultural cooperatives will be specified.

c) Cooperative services will be established.

In the project, the main contributors were two government agencies representative for each country, in the agricultural cooperation domain: Japan International Cooperation Agency (JICA - Japan International Cooperation Agency), an independent government agency that coordinates official development assistance provided by the Government of Japan, and the National Agency for Agricultural Consultancy (ANCA), institution of the Ministry of Agriculture and Rural Development which was involved in setting and development of associative forms, through the Training and Groups of Producers - Associations and Organization Activities Group Department.

The actual moment that the project started was constituted by the arrival of the Long Term International Expert in Romania, from JICA's side (Japan International Cooperation Agency), Mr. Hiroshi Terunuma.

Regarding the costs for the project activities this were supported mainly by the Japanese part, Romanian part providing mostly the technical infrastructure. Both institutions have provided input represented by allocated human resources.

At the beginning of the project, those responsible for development of agricultural cooperatives were selected from ANCA's national network, respectively from 41 County Offices of Agricultural Consultancy (OJCA) and 566 Local Centers for Agricultural Consultancy. It was a technical way to transfer those persons designated as instructors in the establishment of cooperatives to reach its territory. According to information provided in the final report of ANCA in 2008 [5] in a short period of two years and eight months (June 2006 - December 2008), from the start point of the project, 129 agricultural cooperatives have been created with ANCA's support. Since the

emergence of agricultural cooperative law in Romania in 2005 there were set up 11 agricultural cooperatives. In total, during 2005-2008, were set up in Romania 140 democratic agricultural cooperatives as can be seen in Figure 1.

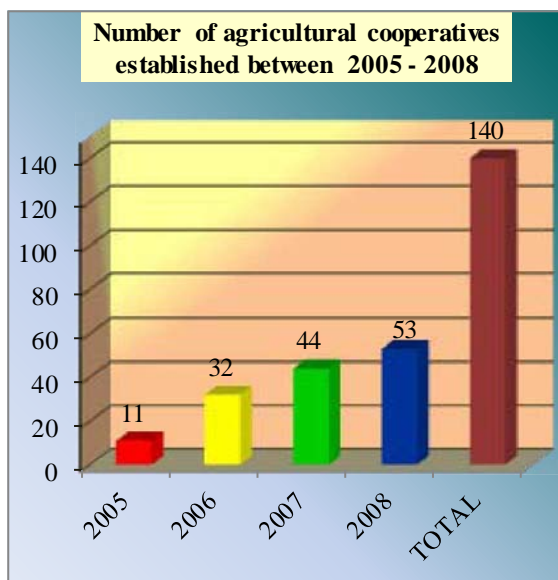


Fig.1. Number of agricultural cooperatives established between 2005 - 2008

During the development of the project from Japan were posted: one long term expert and two short term experts. The number of people who have attended training courses in Japan was 17 and together with seminars held locally, these training activities have been extremely effective in motivating participants to develop agricultural cooperatives. The central element in the project implementation was the selection of pilot agricultural cooperatives. Thus they developed a set of criteria designated to make a classification of cooperative efficiency. As shown in the medium term evaluation report [6], developed by ANCA in collaboration with JICA, in this context according also with the Table 2, seven pilot agricultural cooperative were selected and advice was provided directly to developing a model for agricultural cooperatives.

Pilot agricultural cooperatives play a central role in the agricultural cooperative groups classified according to their basic products and have a leading role in industry unions

such as wine-producing Union of Agricultural Cooperatives, Agricultural Cooperatives Union producing vegetables, Union of Agricultural Cooperatives Producing Honey, Union of Agricultural Cooperatives of Livestock.

Table 2: The structure of the pilot agricultural cooperatives in Romania

No. Crt	Name of the pilot agricultural cooperatives	Domain of activity	County
1	Agroecologica 2002 Agricultural Cooperative	Vegetables	Ilfov
2	Țarina Agricultural Cooperative	Vegetables and production of canned vegetables	Suceava
3	Plaiul Faraone Agricultural Cooperative	Viticulture and winemaking	Vrancea
4	Euroagris Agricultural cooperative	Cereal cultivation	Giurgiu
5	Albina Agricultural Cooperative	Beekeeping	Teleorman
6	Ovicarn Transilvania Agricultural cooperative	Zootechnics	Sălaj
7	Escarprod Agricultural Cooperative	Helicicultură	Braşov

From the data in Table 2 we can see that areas of activity of these forms of association are varied and their percentage share is different (data from Table 3 and Figure 2).

Table 3: Percentage share of the business areas of agricultural cooperatives established under Law 566/2004

Crt. No.	Domain of activity	Structure percentage
1	Horticulture (vegetable, fruit, winemaking)	41%
2	Agricultural activities (services, marketing)	20%
3	Beekeeping	14%
4	Livestock	10%
5	Cereal cultivation	10%
6	Fishery/Fish-farming	5%

One can notice very large share of agricultural cooperatives in horticultural structure, which together with the side areas (services, marketing), represent over 60% of the total, followed by beekeeping cooperatives (14%).

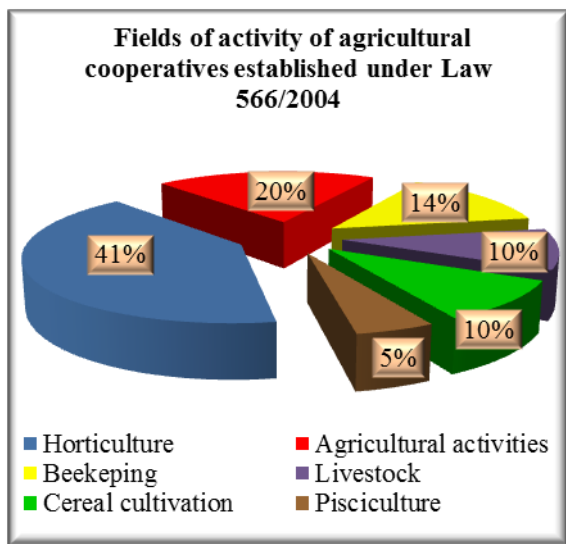


Fig. 2. Fields of activity of agricultural cooperatives established under Law 566/2004

Auto-support of the project has presented two aspects. One was represented by the organization of the project implementation and the other was represented by the evolution of the agricultural cooperatives.

Therefore the development of agricultural cooperatives in Romania is a good example to follow, considering the fact that the establishment of new agricultural cooperatives took place in a relatively short time. These new cooperatives have followed the example of pilot agricultural cooperatives like an echo effect. They exceeded expectations in the initial phase of preparation of the project, the impact of this project being positive.

Regarding the sustainability of agricultural cooperatives, they gradually started their own business, based on the own management plans and access to EU subsidies. After the agricultural cooperatives started their commercial activity it was promoted the cooperation with similar associations in other countries. In this context is integrated the collaboration between the profile Romanian

cooperatives and the Sheep Growth Cooperative in Norway, Mushroom Cooperative in Hungary, Wine cooperative in Italy. Also, the National Federation of Agricultural Cooperatives of Spain has expressed willingness to cooperate with agricultural cooperatives in Romania.

An important event for the development of agricultural cooperatives was the First National Conference of Agricultural Cooperatives held in Sibiu on 26-28 June 2008. Representatives of cooperatives have established that the purpose agricultural cooperative movement (in Romania) can be achieved through the establishment of the Central Union of Agricultural Cooperatives and joining the International Cooperative Alliance, to protect the rights of members and to develop the agricultural cooperative movement in accordance with the policies of the European Confederation of Agricultural Cooperatives.

Another important event was the promotion of agricultural cooperative consultative meeting , held on 13 -14 July 2008 in Constanta, which aimed at promoting and setting up an advisory group for the future sustainability of agricultural cooperatives activities.

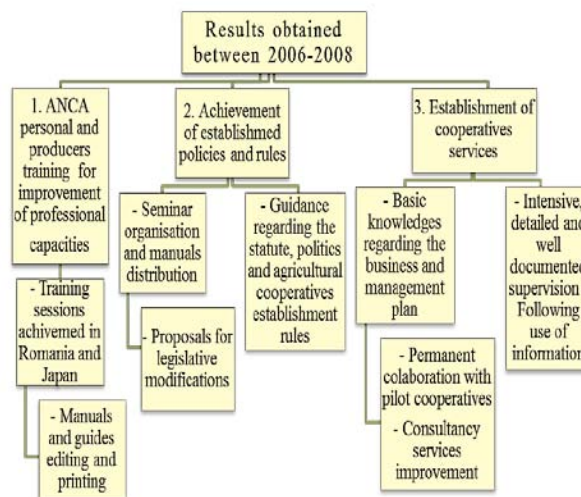


Fig. 3. Related activities within the project results

As can be seen from Figure 3, through the various activities undertaken during the project the results expected in the Matrix

project were achieved. Therefore, in the joint final evaluation report on the Japanese technical cooperation to improve farm management for the development of agricultural cooperatives [7] was made the following comments:

- Result 1: The staff for the establishment and management of agricultural cooperatives has improved their capabilities.
- Result 2: Policy and regulations for establishment and management of agricultural cooperatives are realized.
- Result 3: Services for agricultural cooperatives are established.

CONCLUSIONS

This paper reviews the trail of the project entitled "The improvement of farm management by developing agricultural cooperatives", implemented by JICA. After three years of completion of the project, results and impacts can be quantified by simple analysis of cooperative evolution. After a research and analysis of various elements that made up the project we can state unequivocally that:

- Project managed to change agricultural management and even institutional relations between farmers and state agencies.
- Relevance of the project comes from demonstrating the need to implement such a system, efficiently and effectively, as evidenced by the results in a relatively short time of initiation.
- Impact appreciated by participants and beneficiaries, was positive, long-term effects proved sustainable with government sources, during the implementation phase, developing on the way the self - sustainability of each group.
- When complete, the project initiated a number of other development projects through which the cooperatives should continue the changes initiated, to promote cooperation and to promote themselves, to constantly improve management, marketing and business plans, to access available funds or to initiate projects beneficial to the association plans structures, coordinate with the actions of the partners.

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