Cooperation Opportunities in Irish Agriculture

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Outline

1. Introduction to ICOS
2. The Story So Far - Success & Failure
3. Future Opportunities
Sir Horace Plunkett

- Founded;
  - ICOS in 1894 (US Influence)
  - Dept. of Ag. in 1899
  - Plunkett Foundation in 1919

- Goals
  - Better Farming
  - Better Business
  - Better Living
ICOS

• Representing >130 Co-ops in Ireland.
  • Dairy, Livestock and Rural Co-operative Enterprise sectors.
  • 100,000+ individual members. 12,000 Irish employees. Combined global sales of €12bn.
  • 13 person board. President: Bertie O’Leary Dairygold co-op.

• Offices in Ireland and Brussels
  • Offices in Dublin, Cork and Brussels
  • Member of Copa-Cogeca (European Association of Co-operatives from across 27 member states)
ICOS Represents over 130 co-operative businesses and organisations in Ireland
Mission & Values

• Mission

  Generating leadership, competitiveness and value through stronger co-operation and world class service.

• Core Principles
  • Vision
  • Leadership
  • Value
Irish Co-ops Future Success

- Internationalisation & Localization
  - Export Lead Growth & New Model at Local Levels
  - Sustainability Agenda
- Defined Focus
  - Purpose Driven Strategy
- Future Resources
  - People are the difference – New Members- Training
- Market Focus
  - Expansion, Co-operation, Collaboration, Co-opetition.
- Ownership
  - Engaging broad and varied membership
ICOS: 21st Century Role

- Providing Co-op Voice
- Advice, Support, Development
- Governance & Rules
- Communication & Networking
- Training & Education
- Lobbying: Legislation & Representation
- Funding
Approach

- Pull together the group of people (minimum of 7) to ascertain and define the common economic need.

Business plan

- Draw up a comprehensive business plan for the proposed co-operative enterprise.

Commercially Feasible

- On the basis of the business plan is the co-op commercially viable? Will it at least breakeven annually?

Determination of Commitment

- Determine the level of financial commitment from the group members of the co-op.

Enlisting Member Support

- What is the proposed financial input by the individual members?

File a request with ICOS

- Seek the assistance of ICOS to determine the suitability of the proposed enterprise as a co-operative.
Evolution

Dairy
Livestock
New Era- New Co-ops
Failures

- Meat Industry Private Dominated
- Fruit, Veg & Much of Grain
- Forestry
- Key Inputs – Fertilizer, Medicines

- Integration of Smaller Food & Other Co-operatives Under Umbrella
- Lack of joined up thinking with other bodies
- Loss of ownership of some horizontal areas – Engineering, Marketing etc.
Co-operation Opportunities

• Sustainability- Definition Evolving
• New Economic Situation
• Certification Labelling- Co-op Values
• Irish Political Attitude
• Public & Consumer Sentiment
• Co-ops ‘Outside the Box’
EU Aspects

- Food Chain Recognition & Problems
- CAP: Co-operation Art 36, CMO, Greening
- LEADER Funding
- Labelling- Organic, PGI/PDOs
- Promotion
- R&D
- Co-op Statute
Competitive Advantage?
Present: New Co-operative forms

• Helping rural communities through community-ownership and advice, to take control of the issues affecting them.
• Food & Service Co-op Enterprises
• Rural Community Initiatives
• Shops, Pubs, Transport
Loughmore Community Co-op Shop
Glanbia- Co-op Resurgence or Dilution?
## World’s Top 10 Dairy Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue (BN)</th>
<th>Year</th>
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</thead>
<tbody>
<tr>
<td>Nestle</td>
<td>€13 bn</td>
<td></td>
</tr>
<tr>
<td>Fonterra</td>
<td>€9.0 bn</td>
<td>2001</td>
</tr>
<tr>
<td>DANONE</td>
<td>€8.5 bn</td>
<td>2001</td>
</tr>
<tr>
<td>LACTALIS</td>
<td>€8.5 bn</td>
<td>2001</td>
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<td>FrieslandCampina</td>
<td>€8.5 bn</td>
<td>2008</td>
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<tr>
<td>DEAN FOODS</td>
<td>€7.5 bn</td>
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<td>dmk</td>
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<td>2010</td>
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<td>Kraft Foods</td>
<td>€5.5 bn</td>
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</tbody>
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*Irish Co-operative Organisation Society (ICOS) 20*
Barcelona FC

- Barcelona - Member owned co-op ➜ 170,000 members, Elect President every four years.
- Of the 11 players who started out on the field for Spain’s winning World Cup team, 10 of them play for a co-operative
Thank you!

www.icos.ie

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Irish Co-operative Organisation Society (ICOS)