

Cooperatives

Cooperative Associations Today (源流は今) ①

— Continuing Spirit of Raiffeisen

Proof of Security — Europe

Time to Cast Spirit of Mutual Aid in New Light

The main cooperative banks in the world

Country	Bank	Deposit scale
Germany	Raiffeisenbank	Second place (in the country)
Austria	Raiffeisenbank	First Place (in the country)
France	Crédit Agricole	First Place (in the country)
Netherlands	Rabobank	First Place (in the country)
The Province of Québec, Canada	Desjardins	First Place (in the province)
Japan	JA bank	Second Place (in the country)
South Korea	Agricultural Cooperatives & National Association	First Place (in the country)
Taiwan	Farmers Association	Seventh Place (in the country)

In European countries, the tide is running in favor of cooperative banks. Impact of the financial crisis on them two years ago was small. The crisis rather strengthened their bonds of trust. They are strong as if “the century of cooperatives has come.

The French top financial group, Crédit Agricole (CA), is not a commercial bank, but a cooperative bank which was born at rural villages in poverty 122 years ago. The group has developed in rural areas, as the name of “agri” indicates. The group also took roots

in urban areas. It's taken into confidence of even "les parisiens". Bertrand Shaefer, head of relation press of Fédération Nationale du Crédit Agricole, said, "The number of clients is increasing after the Lehman shock. People like us after all because of the healthy management." He added that even the clients of other banks now often choose CA.

The financial crisis attacked European countries directly. Central bank of CA suffered a blow to its international investment banking business, but the whole group was not wounded as seriously as other commercial banks. In particular, regional banks of CA are quite free from investment loss, because they are lending most of their money to regional businesses.

As a symbol of security, CA is now appealing its cooperative. "People in urban areas used to think cooperatives are old and out of fashion, but today, they see us in different ways. Cooperatives can offer them with advantages in terms of credibility," said Shaefer confidently.



The cooperative banks are born in Germany. In 1862, at a rural village in poverty along the Rhine River, rural cooperative banks were born under the direction of Friedrich Wilhelm Raiffeisen, the founder of the rural cooperatives. They were founded at the height of the Industrial Revolution. Steam ships brought cheaper grains from the New World. Numbers of farmers were in great difficulty and deprived of their land by loan sharks. Rural cooperative banks were measures to protect the farmers by cooperatively borrowing money from commercial banks at lower interest rates.

This is the start of Raiffeisenbank, German cooperative bank. Martin Leis, senior director of Raiffeisenbank covering the birthplace, Anhausen village, put his hand on his heart and said, "The spirit of Raiffeisen, the spirit of self-reliance with mutual aid, is still now living in our hearts."

After the financial crisis which symbolized the failure of "market for market's sake", Leis believes, "the century of cooperatives" has come. In Germany, more than one thousand cooperatives, which cover the sector of health & welfare and natural energy etc., are established by rural inhabitants. Leis said, "In the whole society, cooperatives are taking their roots."



In Mühldorf village, located in the Danube basin in Austria, the country's first rural cooperative bank was born. The Mühldorf branch of Raiffeisenbank, the branch with proud tradition, works for the good of the local community.

Its financial service counter is placed in island-style and persons in charge provide financial service while standing close together with their clients. Rudolf Denk, branch manager of the bank, said, "In rural areas, having a fence at the counters is not acceptable. We must keep our relations with the clients as if we are their families." He bent over and welcomed an old farmer with a smile. Cooperatives born in Europe were introduced into Canada and some Asian countries. The cooperative spirit is now starting to shine again all over the world.



Rural cooperative banks were established in Germany 148 years ago. It was the beginning of modern cooperatives. Raiffeisen, who advanced the cooperative spirit "One for all, all for one," guided them. All of the world cooperative banks developed under such spirit. We visited "the roots" of cooperative banks of each country. We shall report each country's rural cooperative bank, gaining self-confidence after the financial crisis, where the spirit of Raiffeisen is still alive. (Kenji Tanaka, Kosuke Nagai)



“Let me hold your baby.” At the financial service counter arranged in island-style, a bank clerk woman (right) provides financial service while showing much consideration for a young mother (left). (At the branch of Raiffeisenbank in Mühldorf, Austria)

Cooperatives

Cooperative Associations Today (源流は今) ②

— Continuing Spirit of Raiffeisen

Spirit of Founder—Germany

Always “For Farmers”

The green farms extend on a hilly country, in the mid-west part of Germany. “All the land in sight belongs to me,” Uwe Quiring (49 years old), a farmer based in Anhausen village, said pointing faraway. He keeps 58 milk cows and cultivates pasture and wheat on the 200-hectare farm.

Quiring mutters to him, “Last year I was quite at a loss what to do with the fall in the price of milk.” The dairy farming crisis attacked Europe. Due to the financial and economic turmoil and the increased yield of raw milk, the price of milk dropped suddenly by half compared with the price of 2 years ago. Dairy farmers had staged serious protest demonstrations in many European countries.

Quiring trusted to a branch of a local cooperative bank, Raiffeisenbank Neustadt. “I sheltered from the crisis by borrowing working capital from the bank. It could not be possible if I had chosen other commercial bank.”

His family has been helped by the bank since his father’s generation. His parents had to leave former East-Germany area during World War II, wandered from place to place, and arrived at this place 50 years ago. The bank lent agricultural money to the family although they had no acquaintances or relatives in the local community.

“The bank supports everyone equally. It’s cooperative.” Quiring also uses non-financial cooperatives. He forwards raw milk to dairy farming cooperative. Regarding sale of wheat and purchase of agricultural material like agricultural chemical, he uses “Raiffeisen Markt”, which is the marketing and supplying subsidiary of Raiffeisenbank.



In the 19th century, farmers in this area were in poverty. Farmers ate up all seed potatoes at the time of harvest failure. Commercial banks refused to lend money to the farmers, forcing many of them to rely on loan sharks. After they were deeply in debts, they lost their land. Number of them had to leave the area to go to the New World.

Looking at such miserable situation, Raiffeisen's blood boiled with the righteous. He worked hard to establish rural credit associations. The Anhausen mutual credit association, or Darlehnskasse-Verein, established in 1862, was the first one. Through such association, member farmers borrowed money from commercial banks with their unlimited responsibility, and lent money to each other.

The German and Austrian cooperative banks, which originated in this activity, named themselves "Raiffeisenbank", using the name of the founder. The trade mark of them, a crossing horse head, adopted the image of Gable Cross, or Giebel Kreuz, which was the charm against evils usually placed on the roof of farmhouses. It indicates that their starting point was the spirit of "For Farmers".

"We follow Raiffeisen, never pursue profits, and work for members and local community." Jürgen Kroll, branch manager of the present branch of Raiffeisenbank in Anhausen village, talked with a firm sense of mission. The branch puts its heart and soul into friendly financial service at this small village with a population of 4,000.



Near Anhausen, in Neuwied city along the Rhine River, a local museum permanently exhibits its collection of items on Raiffeisen since 10 years ago. The museum has many visitors from other European countries for study tours. A 60-kilometer road from Neuwied city to Hamm village, where Raiffeisen was born, is named "Raiffeisen road". The road connects famous places associated with Raiffeisen.

The sacred place of cooperatives is still now full of spirit.



Quiring (right), farmer, takes care of his cows with his son (left), his successor. He puts faith in cooperative banks because “it’s reliable”. (At Anhausen, in Germany)

Cooperatives

Cooperative Associations Today (源流は今) ③

— Continuing Spirit of Raiffeisen

Close to Community—Austria

Precisely Answering Residents' Needs

At Mühldorf village in the mountains, within the Danube basin, located 80 km to the west of Vienna, vineyards for wine extend and stock farming is active. In Austria, in 1886, the first rural credit association was established in this village. With proud tradition as the origin, there is a big statue of Raiffeisen's face.

Beside the statue of "Farther of the Cooperatives", local 4th year schoolchildren with racing helmet came riding bicycles in a group. It's the Road Safety Lesson by local police. On their bibs, there are trade marks (Gable Cross, or Giebel Kreuz) of the cooperative bank, Raiffeisenbank, a co-sponsor of this event.

"It's very important to contribute to local communities. It may be different with a commercial bank, but all the more with a cooperative bank," emphasized Reinhard Springinsfeld, senior director of Raiffeisenbank Krems controlling Mühldorf village branch.

There are lots of non-farmers even in rural areas. In the case of Raiffeisenbank, any resident can become its member (with share) or client (without share). To survive as a community-based financial institution, wide client base is essential. Therefore it's important "to answer residents' needs precisely." (Reinhard Springinsfeld)



"Eco-century has come in this village, too," said Rudolf Denk, branch manager of Raiffeisenbank Krems. The branch is positively answering loan needs regarding natural energy which is currently in focused here. Johann Dallinger (54 years old) dairy farmer, borrowed money from the branch, and introduced a machine to make wood chips out of

fallen trees in the forest and pastureland. By selling the wood chips for floor heating fuel, he earns “1,000 euros a month.” He looks happy.

The branch manager and 4 clerks of the branch make it a rule to attend the meeting of local community. Only familiarity with residents can realize kind financial consultant here. The branch also hosts tennis, soccer, and mountain bike tournaments for children while it promotes “child pocket money accounts” targeting clients’ children from 10 to 13 years old. Generation of grandchildren will become the next generation of clients.



Why such a rural credit association was established in the mountain village like here 124 year ago? Phylloxera, harmful insects from the United States, raged in Europe and caused annihilation of vineyards. Many farmers relied on loan sharks, who took farms one after another. Unable to stand by any longer, Ernst Vergani, headman of Mühldorf village, took measures. He brought back constitutional documents of the rural credit association by Raiffeisen method from Germany, and helped farmers to establish such associations, so as to rescue the farmers from poverty.

Raiffeisenbank follows the cooperative spirit. Owing to the process of its establishment, many directors representing members are farmers. However, most of its clients are non-farmers. “Rural areas have changed during the past 100 years. Our mission is to help local community’s residents,” Springinsfeld firmly said.



Children participated in the Road Safety Lesson ride bicycles proudly. Bibs on their chest have the trade mark of Raiffeisenbank, a co-sponsor. (At Mühldorf village, in Austria)

Cooperatives

Cooperative Associations Today (源流は今) ④

— Continuing Spirit of Raiffeisen

Sound Management — Netherlands

Establishing Trust to Win New Clients

Lonneker village, near Enschede city, at the eastern edge of Netherlands, is the birthplace of Dutch cooperative bank, Rabobank. Now the village is a quiet residential area in fresh greenery.

In a gentle rain, a woman came to an ATM, or an Automatic Teller Machine, to withdraw her deposit from the bank. “I always use this bank at ease. Besides, Rabobank is the only bank here,” said Y. Nylant (42 years old). Nylant is a doctor who sometimes appears on television.

As she said, no other bank extends a branch network in local communities as Rabobank does. ABN AMRO bank, the only one competitor for Rabobank, fell into difficulties making big loss two years ago because of the financial crisis and was bought by three foreign banks. Rabobank is now an only domestically-owned bank.



“After the financial crisis, the number of our clients is increasing,” said Dick Kolkman, administrative director of Rabobank Enschede-Haaksbergen, proudly. The number of this local bank’s clients was 57,149 at the end of 2008. It increased by 983 last year and boosted by 1,038 during last three months. The bank has established trust by maintaining sound management on which its clients keep closed eyes after the financial crisis. Rabobank’s international credit rating is supreme “triple A”.

The bank also suffered loss due to the financial crisis, but only the central bank, or Rabobank Nederland, had 1.7 billion dollars (about 170 billion yens) loss related with the U.S. subprime loan while all local member banks were unhurt. Such a structure

and fate were really different from ABN AMRO, which was dissolved due to a failure of its investment banking business.

“Rabobank always keeps Raiffeisen’s spirit which values clients above profits,” said Kolkman, emphasizing its basic difference from commercial banks which tend to pursue profits extremely and blindly.

Rabobank Enschede-Haaksbergen holds its Member Council four times a year, so as to listen to its clients. “We always make every effort to propose new financial service.” Dr. René Bogart’s, retail director of the bank, said with a lot of confidence.



Rabobank originated in rural credit associations in the Germany style which was established at Lonneker village, encouraged by the movement of Van Den Elsen, a Dutch priest. He aimed for the rescue of farmers and clothing factory workers in poverty. After that, “Raiffeisenbank” for the Protestants and “Boerenleenbank (Agricultural credit bank)” for the Catholics developed. The two banks were integrated in 1972, and named themselves “Ra-bo-bank”, taking the first sound of the names of the two banks.

“We must always work soundly. Our clients demand such management,” said Dr. Bogaarts. The bank has the steadiness and the fidelity of cooperative banks.



“I can trust in this bank.” Nylant, a local doctor, uses local branch of Rabobank. (At Lonneker village, in Netherlands)

Cooperatives

Cooperative Associations Today (源流は今) ⑤

— Continuing Spirit of Raiffeisen

Returning Profits — France

Solid Branch-network to Support Community

Salins village, in the Mideast of France, is a mountain village near Jura mountain range on the border of France and Switzerland. In the village, there is an old two-storied house with red walls. It is the house, which had been used for Agricultural Cooperative, or Syndicat Agricole, established in 1884. Four years later, the house became the office of Agricultural Credit Association, or Crédit Mutuel Agricole, which was the first rural credit association in France. The house is therefore the birthplace of French cooperative bank, Crédit Agricole (CA).

At that time, commercial banks dealt with only merchants and factory owners. “It was a revolution that farmers in poverty established such rural credit associations for borrowing money.” Christian Poux (61 years old) is a local dairy farmer and chairman of the Local Bank of CA of Salins, whose board of directors is held in Salins branch of Regional bank of CA of Franche-Comté. He talked about the history of the origin with passion.

“Farmers were poor. They had to cooperate to survive. That was the beginning of the activities,” he said. Farmers each gathered bringing raw milk so as to process cheese, and milled wheat all together. Then, the story on success of rural credit associations by Raiffeisen method was brought to the village. Three key persons, i.e. a village headman, a baron, and a cooperative activist, made efforts to introduce such an association together.



“The starting point of cooperative spirit is unchangeable,” Poux believes so firmly.

Pascal Boisson (47 years old) is a farmer and chairman of the Local Bank of CA of Poligny. He appreciates CA's efforts to maintain its branch network, for example. "CA never closes any branch which is helping residents, even if it costs a lot of." The principal of "one branch for one village" is firmly maintained although rural villages of today are getting depopulated.

"In fact, if we only look at financial aspects, we must shut down half of our branches. But to keep our close relationships with clients, we never do that," said Philippe Marmier, Senior Officer of Regional Bank of CA of Franche-Comté, which controls 130 branches in 4 prefectures in this region. The group's branch network is maintained as part of contribution to community. "We return 90% of net profits to local communities. It's big difference from commercial banks." The senior officer said firmly and with confidence.



CA group gives high priority to lending money to farmers, residents, and enterprises, carefully considering each client's situation. The group has also established the associations of "The Link Point " or "Le Point Passerelle", which carefully answers to the clients who are temporarily in difficulties for repayments due to sickness or business troubles etc.

The group's contributions to local communities are various and active. The group also supports restoration of local churches for example. In urban areas, the group periodically holds events to promote understanding of agriculture. This spring, in Paris, the group covered Champs-Élysées leading from the Triumphal Arc, or L'Arc de Triomphe, with lots of flower gardens of rape blossoms, so as to appeal the importance of agriculture.

In either urban or rural areas, making closer relationship with clients is indispensable for establishing trust. "What's most important is not enlarging the scale of the organisation, but being helpful for clients and meeting to clients' expectation." Catherine Migault, head of agricultural business and sustainable development of Fédération Nationale du Crédit Agricole, insisted the importance of the cooperatives and smiled sweetly.



Red house used as the office of the first agricultural credit association in France. “The group originated in this mountain village.” Local leaders are proud of having the birthplace of Crédit Agricole in this village. (At Salins village, in France)

Cooperatives

Cooperative Associations Today (源流は今) ⑥

— Continuing Spirit of Raiffeisen

Supporting Farmers — Canada

Preparing to Help Farmers of Next Generations

The province of Québec in the eastern part of Canada, French Canada, is the place where French settlers reclaimed in the beginning of the 17th century. The Desjardins group, Canadian cooperative bank group, which developed almost only in the province of Québec, is overwhelmingly dominant in the province.

The trade mark of the group is “honey comb”. “Bees work together and help each other. So the honey comb is just right for the symbol of cooperatives,” explained Hubert Thibault, head of the Institutional Relation Division of Provincial Association of Desjardins bank of Québec, or Fédération des caisses Desjardins du Québec. He also emphasized, “We are basically different from commercial banks which sometimes go too far in pursuit of profits and cause a financial crisis.”



The provincial association of group is located in Lévis city along the St. Lawrence River. The city is the birthplace of Desjardins group. People come and go by ferry boat between Lévis city and Québec city on the opposite shore.

In the river, there is Orleans island, sandbank. Simon Plante (20 years old), core farmer, cultivates 12 kinds of vegetables and fruits including strawberries in wide field. He also runs his own food processing factory combined with a direct selling store. When he constructed the facility 3 years ago, he borrowed 200,000 Canadian dollars (about 17 million Yen) from Desjardins. Owing to Desjardins, Plante’s dream of having his own processing factory came true.

The store prospers and this year he borrowed additional money to purchase new

processing machines. “This bank understands farmer’s actual situation. I can always seek for their advices,” Plante said with a smile.

The Desjardins Enterprise Financial Center of Capital, or Le Centre Financier aux Entreprises Desjardins de la Capitale, in Québec city, answers to consultation needs of large-scale farmers. In the center, two experts with agricultural Ph.D. answer to agricultural loan consultations.

“With viewpoints of both bankers and agricultural doctors, we are able to offer precise advices,” said Serge Prémont, Agricultural Director of the center. “Promotion of agriculture brings development to the communities,” Dominic Roy, Principal Director, emphasized the importance of agricultural loan. Desjardins group has established 50 Enterprise Financial Centers in the province since 12 years ago.

The Union of Agricultural Producer, or L’Union des Producteurs Agricoles (UPA), has 40,000 members in the province and it keeps in close contacts with Desjardins.

Guylaine Gosselin, Chief Executive Officer who has agricultural Ph.D, said “Its agricultural loan is reliable.” Desjardins and UPA work together over their plan to establish “Succession Fund”, which helps farmers in young generations to succeed farms with no successor. Securing future core farmers is the vital question in Canada. “The fund will be established very soon,” smiled the CEO.



The Desjardins group originated in popular credit union, or *caisse populaire*, which Alphonse Desjardins, stenographer of the Federal Parliament of Canada in Ottawa at that time, established in 1900.

In those days, French habitants, who had been defeated by the British, were mostly forced to become small farmers and borrow money from loan sharks who sometimes required them to pay back the money at the rate of three thousand percent per year.

Desjardins, stenographer, got very angry at knowing such difficulties introduced in the parliament. Through exchanges of letters, he studied the mechanism of credit associations in rural and urban areas in Europe, which Raiffeisen and other pioneers had extended. Then he established original *caisse populaire*.

Every habitant could become a member of *caisse populaire*, if she or he paid only 5 Canadian dollars as the share. The minimum share to become a member of Desjardins is still now the same amount, which is 500 Yen in Japan. The group widely opens its door as “popular friend”.



The honey-comb trade mark is shining on the wall at the reception desk of the Desjardins Enterprise Financial Center of Capital as a symbol of “cooperative”. (At Québec city, in Canada)

Cooperatives

Cooperative Associations Today (源流は今) ⑦

— Continuing Spirit of Raiffeisen

Synthesized Agricultural Cooperatives (No.1) — South Korea

The Base to support Local Residents

Synthesized rural cooperatives, which “Father of Cooperatives” Raiffeisen idealized, are now blooming in Eastern Asia, for example in Japan, South Korea, and Taiwan. This is beyond imagination of the originators, European countries. In South Korea, Regional Agricultural Cooperatives work in closer cooperation with National Agricultural Cooperative Federation, and comprehensively do the business of cooperative banking, mutual insurance, and marketing & supplying. They support farmers’ farming and their entire life.



Near North Korea, in Paju-City, upper Gumchon-Dong, South Korea, Won Byung Chai (58 years old), farmer, cultivates potted plants such as cyclamen in one hectare vinyl house. He says, “Commercial banks tend to hesitate to hold mortgage on farms. Only Regional Agricultural Cooperative answers our needs of loan. It’s really useful.”

The military boundary is only a little way from here, and troops and military vehicles frequently come and go. In the case of emergency, the area might be thrown into the hardest confusion. Though loan activity in the area involves great risks, Regional Agricultural Cooperative continues its service for the sake of members.

The contribution to local community by Regional Agricultural Cooperative is remarkable. Kwangtan Regional Agricultural Cooperative in the city shoulders the charge for school meal and offers the scholarship, for the sake of children in poor families. The cooperative helps local residents with their charge for medical examination and provides heating expenses of homes for the aged. Jo-Hyun Back,

President of Kwangtan Regional Agricultural Cooperative, says, “Welfare preparedness is indispensable in rural residents’ dairy life.”

Head office of Regional Agricultural Cooperative is big and has been just redecorated two years ago. In front of that, food selling floor and Automatic Teller Machine are located. In the inner part, agricultural material selling space and financial counter are set up. In the depth of the site, there is a repair shop for agricultural machines and implements. The site is the base to support members’ farming and life by diversified functions. “Members can get their all job done here, whether it could be shopping of groceries or withdrawal of deposit.” Back, president, talks proudly about the role of Regional Agricultural Cooperative as the core of local communities.

Everywhere in Regional Agricultural Cooperative and County Office of National Agricultural Cooperative Federation, the atmosphere is full of animation with conversation between users and staffs. Every staff bows politely to users. Sang-Gung Yeu, General Manager of Paju County Office of National Agricultural Cooperative Federation, said, “Every staff has a spirit of “For members”.” They think that their ties with residents shall realize on such mind.



This year, 100 years have passed since Japan annexed Korea. After the Japanese synthesized cooperatives system, or Sangyo-Kumiai, were organized in 1900 in Japan, Korean Credit Cooperatives, or Kinyu-Kumiai, and Korean Marketing & Supplying Cooperatives, or Sangyo-Kumiai, were established in Korea under the rule of Japan. Both systems are based on small administrative districts.

After the World War II and the independence of South Korea, two systems had been integrated with other organizations. Now there are 1,200 Regional Agricultural Cooperatives, which do the business of cooperative banking, mutual insurance, and marketing & supplying in a body. National Agricultural Cooperative Federation has the functions of Japanese National Association of Agricultural Cooperatives, or Zenchu, Japanese National Marketing & Supplying Federation of Agricultural Cooperatives, or Zen-Noh, Japanese National Mutual Insurance Federation of Agricultural Cooperatives, or Zenkyoren, and Japanese Central Bank for Agricultural, forestry, and fishery Cooperatives, or Norinchukin.

However, the Korean Government now presses National Agricultural Cooperative Federation for the separation of bank-insurance business and marketing-supplying business. Such separation aims for strengthening marketing-supplying business.

Facing such movement, among the persons concerned with the Agricultural Cooperatives, there are some anxious calls such as “If such separation weakened marketing-supplying business in national level, the shock against Regional Agricultural Cooperatives could be a worry.” “Cooperatives are different from Limited Companies. Does the Government understand that?”

The Asian-style synthesized agricultural cooperative system is valuable for the multiplier effect regarding whole function. There are some anxieties about the situation that “The cure could turn out to be worse than the disease”, not only in Japan, but also in South Korea.



In the large-sized vinyl house for cultivating potted plants, Ms. and Mr. Chai say, “The loan service by Regional Agricultural Cooperative is really useful.” (At Paju-City, upper Gumchon-Dong, in South Korea)

Cooperatives

Cooperative Associations Today (源流は今) ⑧

— Continuing Spirit of Raiffeisen

Synthesized Agricultural Cooperatives (No.2)—Taiwan

Strengthening Management to Support Rural Districts

In Taiwan, there is a synthesized agricultural cooperatives-styled group, “Farmers Association”. “Provincial Farmers Association”, group’s national organization, has the same functions as Japanese National Association of Agricultural Cooperatives, or Zenchu, and Japanese National Marketing & Supplying Federation of Agricultural Cooperatives, or Zen-Noh, and so on. Four years ago, the group and the government established the National Agricultural Bank, which is similar to Japanese Central Bank for Agricultural, Forestry, and Fishery Cooperatives, or Norinchukin. Such bank aims for supporting management of Regional Farmers Associations and providing them the infrastructure to continue the support to rural districts.



At Beitou District, located 25 km to the north of Taipei city, Lu Zhu-Cheng (41 years old), flower cultivator, looks happy and says, “On the advice of Regional Farmers Association, we began the sale of our flowers using an Internet site last year. This marketing turned out well and our income is increasing.” He cultivates Calla and Hydrangea. Such internet flower sale is so popular for gift, and more than 700 boxes have already been ordered this year.

Marketing & supplying business by Regional Farmers Association is substantial. Lu explains the example that Regional Farmers Association “helps us with one third of expenses of fertilizer and agricultural chemical.” Cao Jing-Han (36 years old), his wife, also looks satisfied and explains the example that, at the event of Calla festival, which local flower cultivators held, Regional Farmers Association “aides our activity of Public Relation, including making pamphlet of such festival.”

The group of Farmers Association supports farmers’ farming and life. Wang Chih-Wen, Ph.D., Secretary General of National Training Institute for Farmers Organizations, which is responsible for training of managers and staffs of the group, emphasizes, “The role of Farmers Association is to seize actual situation of farmers and to answer to

farmers' needs precisely.”

In Taiwan, there are 302 Regional Farmers Associations, which cover most of the 319 towns and villages. In other hand, one third of towns and villages have no branch of city-styled commercial banks which coldly treat inefficient loan for agriculture. Therefore each Regional Farmers Association has a great presence, but each management is not easy. The group of Farmers Association has a strong sense of responsibility in concentrating its energies on marketing & supplying business and contribution to local community. But now the group runs the business mostly leaning on its profits of credit business. Wan indicates the theme while saying, “There are lots of associations having hard time.” The group established National Agricultural Bank, for the purpose of maintaining financial network in rural districts. The group aims for integrating operating infrastructure of credit business, because each Regional Farmers Association now does such business individually. National Agricultural Bank is highly expected to support rural districts.

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While Taiwan had been under the rule of Japan since 1895 for half a century, Taiwanese synthesized cooperatives, or “Sangyo-Kumiai”, to run both of credit business and marketing & supplying business, and Taiwanese Chamber of Agriculture, or “Noh-Kai”, to be responsible for spreading government’s agricultural policy, had been established at the same time. In 1944, at the last period of the World War II, the two systems had been integrated into new Chamber of Agriculture, which remained after the war. In 1974, the group changed its structure to independent cooperative of “Farmers Association” from public organization.

In line with Raiffeisen’s teaching of “Decide your regional things on your region’s own”, each Regional Farmers Association is highly independent. But in recent days, combined power covering wide areas is indispensable.

“The group aims for building up a closer connection among Regional Agricultural Associations, so as to become more convenient.” Wan, Secretary General, says. For the sake of development of Taiwanese agriculture and rural districts, Farmers Association is increasingly demanded to fulfill its function. (The End)



Cao (left) and Lu (right), who begun the flower sale using Internet site on the advice of Regional Farmers Association, smile and say, “Regional Farmers Association is reliable.” (At Beitou District of Taipei city, in Taiwan)

13 August, 2010 The Japan Agricultural News

After the financial crisis of two years ago, cooperative banks are establishing trust and becoming healthy in Europe. On the other hand, supplying and marketing services by their detached organization are also useful for agriculture of farmers. In Germany, the subsidiaries of Raiffeisenbank provide that. In Austria, the collateral cooperatives of Raiffeisenbank take the services on themselves. In Japan, synthesized agricultural cooperatives, providing both of supplying and marketing services and credit services, comprehensively support farmers. Also in Europe, the birthplace of cooperative, it seems that supplying and marketing business is indispensable for supporting farmers, as well as credit business. We report the present situation in both countries. (Kenji Tanaka, Kosuke Nagai)

The Birthplace of Cooperatives • Europe

Supplying and Marketing Business Takes Roots

Farmers Join Forces to Compete Merchants

Giving Helping Hands to Any New Cultivation Plan

Germany

In the latter half of the 19th century, Raiffeisen, “Father of cooperatives”, spread rural credit associations around the Rhine basin in the mid-west part of Germany. In addition, he recommended such association to handle joint selling of agricultural products and joint buying of agricultural materials.

Such ideal of supplying and marketing business is embodied in “Raiffeisen Markt”, a subsidiary of German cooperative bank, Raiffeisenbank.

In Neuwied city where Raiffeisen made the big impact, Uwe Quiring (49 years old), a dairy farmer of neighboring Anhausen village, uses “Neuwied Raiffeisen Markt”. “The Markt also welcomes my questions about applying medicine for controlling parasites on my milk cows.” He looks satisfied.

Quiring also farms crops and forwards wheat to this Markt. “Without Markt, merchants could beat the price of agricultural products down.” He praises the supplying and marketing business by cooperatives.

This Markt deals with 70 farmers in large-scale, within a 30 km-radius from it. In its

site, there are 2 grain silos, and piled fertilizers and agricultural chemicals. The number of users per day reaches almost 200. Even non-farming consumers often come to buy gardening materials.

“We value clients above profits. When we get a telephone call, we lose no time in delivering agricultural materials everywhere.” L. Stein, liaison desk of the Markt, emphasizes their first priority to services for clients. “Without supplying and marketing services, we can not keep our agricultural clients.” The Markt’s business is in black.

Austria

In Austria, the group of “Raiffeisen Lagerhaus”, the collateral cooperative of Austrian Raiffeisenbank, provides supplying and marketing service. Near the railway station of rural areas, we often see grain warehouses of this group.

The history of Lagerhaus is long. In 1898, at Pöchlarn city, along the Danube River, located 100 km to the west of Vienna, the first Lagerhaus was born as an agricultural cooperative. At that time, potatoes were annihilated by sickness. Farmers established the agricultural cooperative to buy seed potatoes together in Germany. Before that, 12 years ago, at Mühldorf village, the first rural credit association was established. This credit association and agricultural cooperative developed separately.

After the World War II, the two groups were integrated under the same “spirit of Raiffeisen (self-aid, self-management, and self-responsibility)”, and started to use the same trade mark (Gable Cross, or Giebel Kreuz).

“There has been no difficulty in management, because farmers give us their full trust.” Graf Leopold, pig breeder, president of “Raiffeisen-Lagerhaus Mostviertel”, the Lagerhaus with the proudest tradition in Pöchlarn, explains the stability of the Lagerhaus.

This Lagerhaus deals in not only joint pick up and forwarding of agricultural products like grain, but also joint purchase of agricultural machines, materials, seeds, saplings, wood chips for generation of electricity, for example. It currently has 4,173 members and most of the local farmers join the Lagerhaus.

Ten merchants compete with the Lagerhaus in this region. “It goes without saying that we make efforts to provide agricultural materials at moderate prices, and to sell agricultural products in better prices,” the president said, with confident and pride in the association.



Raiffeisen-Lagerhaus Mostviertel, as the useful cooperative for farmers, provides repairs of agricultural machines as well as supplying and marketing service. (At Pöchlarn city, in Austria)