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The Current Situation of Spanish Agrifood Cooperatives. Example of the Fruit and Vegetable Sector: ANECOOP

Tartu, 2018 november 22nd

Euroopa Liit maaelu arenguks

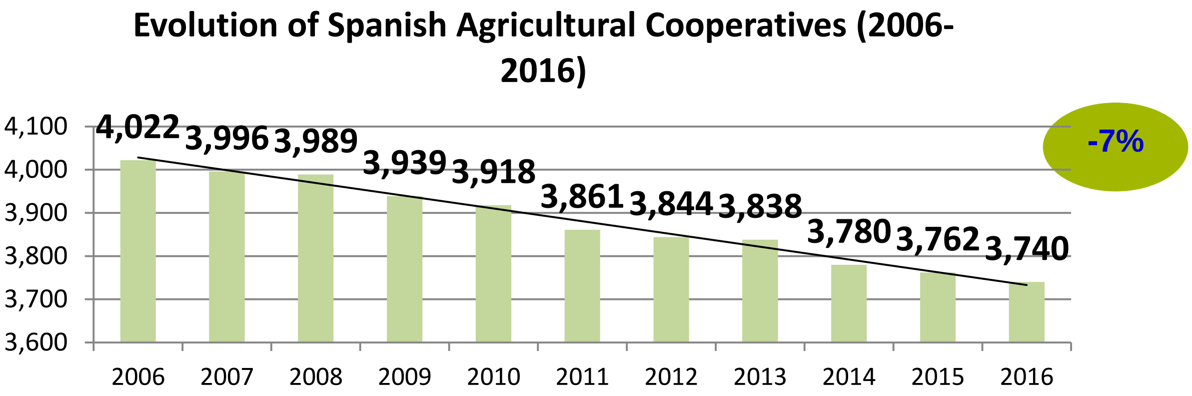
Euroopa Maaelu Arengu Põllumajandusfond: Euroopa investeeringud maapiirkondadesse

How important are cooperatives for farmers?

Two cooperative examples in Spain: CANSO and ANECOOP

Number of cooperatives. Evolution.

Slight decreasing trend (2006-2016)



Decrease [2006/16] **-7% (-10,6% only agri-food cooperatives without CEC)**

Decrease [2015/16] **-0,6% (-0,9% ony agri-food cooperatives without CEC)**

* Source: Cooperatives (agri-food and CEC) with employees registered in Social Security in 2016 (MEYSS)

Spanish Coops main figures

+44% from 2006
+10,7% previous year

	2006	2012	2013	2014	2015	2016	Var 2015/16	Var 2006/16
Agri-food Cooperatives Turnover (Million €)[1]	**20.095**	**25.233**	**25.688**	**26.929**	**26.198**	**28.993**	**10,7%**	**44%**
Global Turnover including investee companies (Million €)[2]	wd	**25.935**	**27.330**	**29.152**	**28.204**	**30.992**	**9,9%**	**s/d**
Final Agricultural Production (Million €)[3]	37.176	41.955	44.065	43.994	45.491	46.807	2,89%	25,91%
Food Industry Net Sales (Million €)[4]	78.726	90.169	91.450	93.396	95.208	96.419	1,27%	22,47%

wd= without data

- Turnover increased by **+10,7%** compared to the previous year, mainly due to two factors: the recovery on olive oil production after a year of "vecería" (natural low yields in olive trees), and an increase of the horticultural sector turnover.

- To get an idea of the relative size of the Spanish agri-food cooperatives, the total direct turnover *(including investee companies)* is equivalent to:
    - **66%** of the **Final Agricultural Production** value.
    - **32%** of the Spanish **Food Industry Net Sales** value - cooperatives represent 13% of the group.

1. Direct turnover not including investee companies. Directory of cooperatives 2017 (Cooperativas Agro-alimentarias de España).
2. Previous data + investee companies turnover- Directory of cooperatives 2017.
3. Agricultural Statistical Yearbook 2016 (MAPAMA).
4. Agri-food Industries Report 2016 (FIAB).

EU's definition of cooperative

A cooperative/PO is **<u>an enterprise</u>** characterized by user-ownership, user-control and user-benefit:

It is **user-owned** because the users of the services of the cooperative/PO also own the cooperative organisation; ownership means that the users are the main providers of the equity capital in the organisation;

It is **user-controlled** because the users of the services of the cooperative/PO are also the ones that decide on the strategies and policies of the organisation;

It is for **user-benefit**, because all the benefits of the cooperative are distributed to its users on the basis of their use; thus, individual benefit is in proportion to individual use.

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(2012). Support for Farmer's Cooperatives. Wageningen: Wageningen U.R.

Commercial organization of horticultural production: the two big models

The golden rule of all companies is: Low Expenses and High Income.

Cooperatives

HIGH INCOME

LOW EXPENSES IN WAREHOUSES AND PICKING

PAY MEMBER COOPS/FARMERS THE HIGHEST POSSIBLE PRICE

Private C's

HIGH INCOME

LOW EXPENSES IN WAREHOUSES AND PICKING

BUY PRODUCE FROM THE FARMER AT THE LOWEST POSSIBLE PRICE

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First-tier cooperatives

The aim of first-tier cooperatives is to enable growers **reach together** objectives that are impossible to be reached by them individually:

SUPPLIES

FACILITIES

SALES STRUCTURE

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Second-tier cooperatives

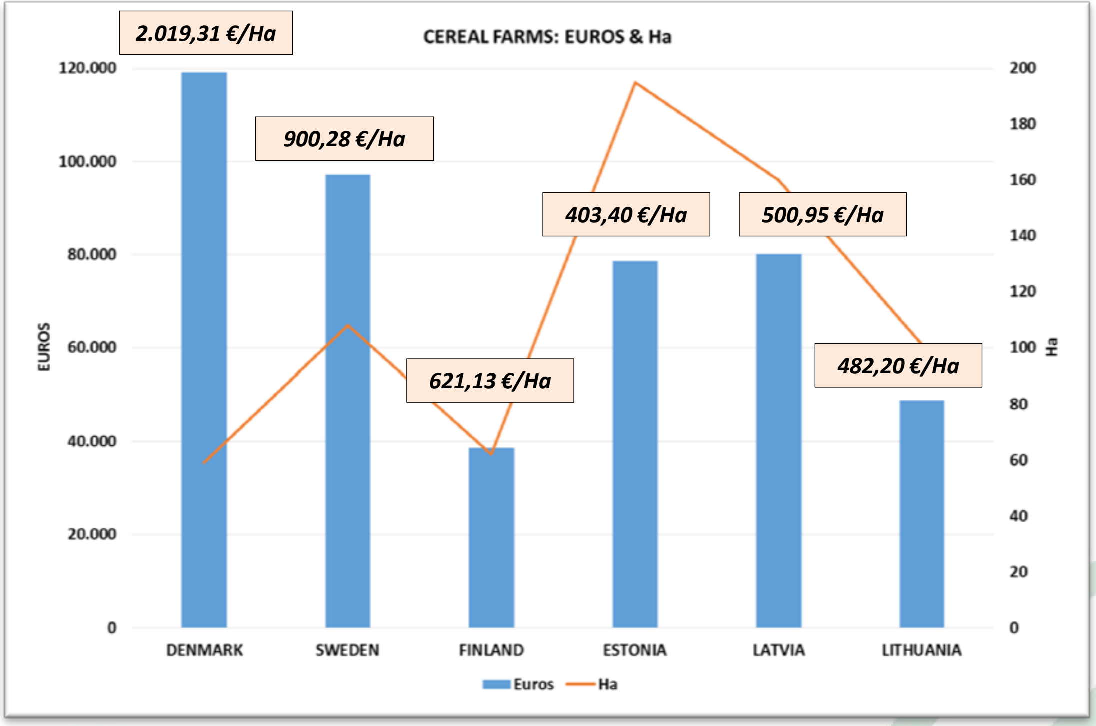
The aim of second-tier cooperatives is to enable first-tier cooperatives **reach together** objectives that are difficult to be reached individually:

STRUCTURAL DIMENSION

PRODUCT CONCENTRATION

SERVICES

Agricultural economy in North East Europe: Cereal sector



COUNTRY	FARMS TOTAL	FARMS REG.	%TOT /REG.
DENMARK	16,690	12,610	**75.55%**
SWEDEN	14,330	6,000	**41.87%**
FINLAND	25,360	12,020	**47.40%**
ESTONIA	1,990	1,473	**74.02%**
LATVIA	6,100	2,700	**44.26%**
LITHUANIA	17,040	7,380	**43.31%**

Kühl, R. (2012). Support for Farmer's Cooperatives: Sector Report Cereals. Wageningen: Wageningen U.R.

COUNTRY	COOP. NAME (Most imp. Coops in cereals per country)	TURNOVER 2010 (*) million	
Denmark	1. Dansk Landbrugs Grovvareselskab Amba	**5,279**	**SE/NO/FI/EE/LI/LT**
Sweden	1. Lantmännen ek. För	**4,029**	
Denmark	2. Danish Agro	**1,789**	**SE/DE**
Finland	1. Agri-Market	**1,056**	
Denmark	3. Vestjyllands Andel Amba	**142**	
Sweden	2. Kalmar Lantmän ek för	**124**	
Latvia	1. LPKS “Latraps”	**102**	
Sweden	3. Varaslättens Lagerhus ek. För	**33**	
Sweden	4. Vallberga Lantmän ek. För.	**32**	
Latvia	2. LPKS “Vidzemes agroekonomiskā sabiedriba”	**21**	
Denmark	4. Salling grovvare Amba	**20**	
Estonia	1. Kevili Põllumajandusühistu (Agr. Coop.)	**13**	
Denmark	5. Naesbjerg Foderstofforening	**12**	
Finland	2. A-spannmål	**2**	
Lithuania	1. Žemés ūkio kooperatyvas “Müsu ukis”	**1**	

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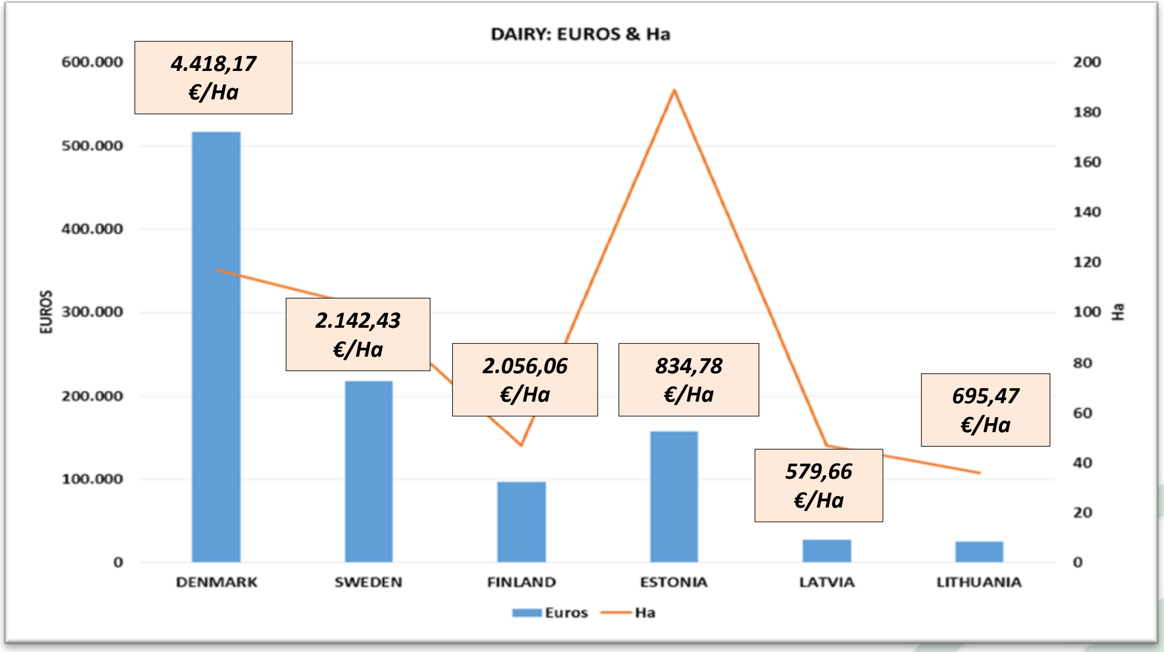
Agricultural economy in North East Europe: Dairy sector



COUNTRY	DAIRY TOTAL	DAIRY REG.	%TOT /REG.
DENMARK	4,460	4,447	**99.71%**
SWEDEN	6,490	6,450	**99.38%**
FINLAND	12,250	11,993	**97.90%**
ESTONIA	2,530	1,300	**51.38%**
LATVIA	22,080	8,370	**37.91%**
LITHUANIA	32,330	8,737	**27.02%**

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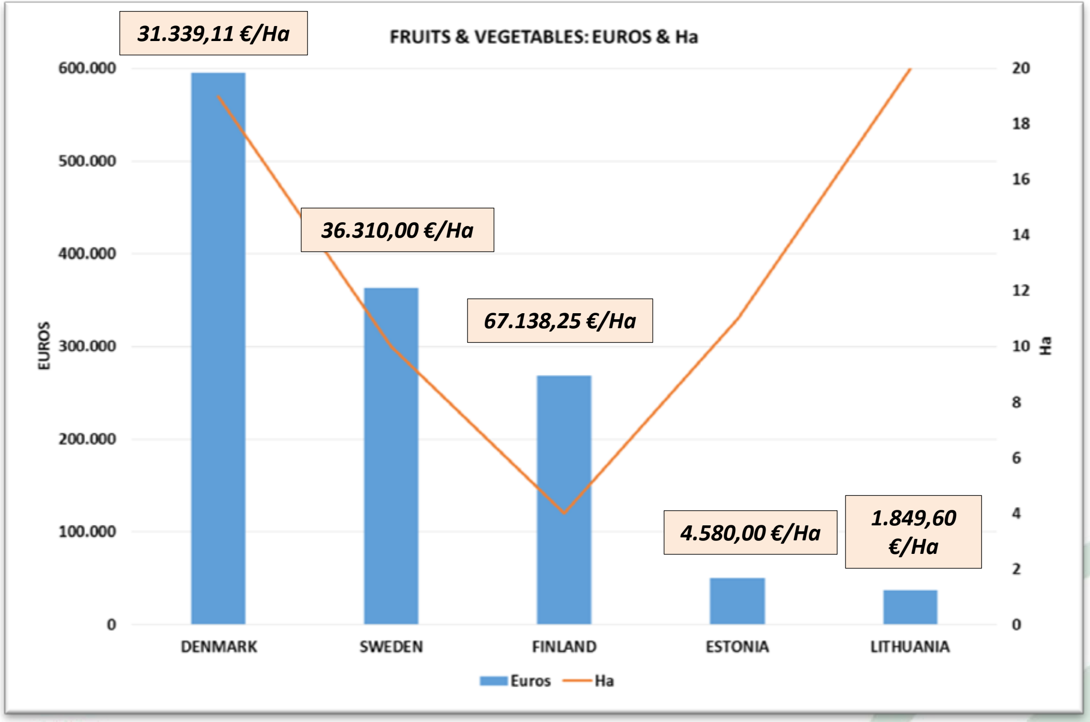
Hanisch, M., M. Müller and J. Rommeel (2012). Support for Farmer's Cooperatives: Sector Report Dairy. Wageningen: Wageningen U.R.

COUNTRY	COOP. NAME (most imp. Coops in dairy per country)	TURNOVER 2010 (*) million	
Denmark	1. Arla Foods Amba	**6,183**	**UK/POR/FIN/DE**
Finland	1. Valio	**1,844**	
Sweden	2. Skånemejeriers ek för.	**370**	
Finland	4. Osk. ItäMaito	**258**	
Sweden	3. Miljo ek. För.	**252**	
Finland	2. Osk. Pohjolan Maito	**224**	
Sweden	4. Norrmejerier ek. För.	**201**	
Finland	3. Osk. Maitosuomi	**160**	
Finland	5. Osk. Tuottajain Maito	**157**	
Sweden	5. Falköpings mejeri ek. För.	**64**	
Estonia	1. Piimandusühistu E-Piim (Dairy coop E-Pliim)	**32**	**RUSSIA**
Estonia	2. Saaremaa Piimandusühistu (Saarema Dairy Coop)	**19**	
Estonia	3. Rakvere Piimandusühistu (Rakvere Dairy Coop)	**9**	
Estonia	4. Tori-Selja Piimandusühistu (Tori-Selja Dairy Coop)	**3**	
Estonia	5. Tulundusühistu Mulgi Piim (coop Mulgi Milk)	**2**	

Agricultural economy in North East Europe: F&V sector



COUNTRY	F&V TOTAL	F&V REG.	%TOT /REG.
DENMARK	1,060	920	86.79%
SWEDEN	1,300	673	51.77%
FINLAND	2,980	2,053	68.89%
ESTONIA	650	280	43.08%
LITHUANIA	4,810	853	17.73%

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Bijman, J. (2012). Support for Farmer's Cooperatives: Sector Report F&V. Wageningen: Wageningen U.R.

COUNTRY	COOP. NAME (most imp. Coops. In F&V sector, per country)	TURNOVER 2010 (*) million
Sweden	1. Sydgrönt ek för	**148**
Denmark	1. Gasa Nord Grønt	**66**
Denmark	2. Gasa Odense Frugt-Groent Amba	**45**
Finland	1. Närpes Grönsaker	**39**
Sweden	2. Svenka odlarlaget ek För.	**21**
Finland	2. Vihannes Laitila (oy)	**17**
Lithuania	4. Kooperatiné bendrové “Bulvių namai”	**16**
Denmark	3. Gasa Kolding AmbA	**13**
Denmark	4. Ørskov Friksfrugt AmbA	**9**
Finland	3. Ålands Trädgårdhall	**9**
Denmark	5. Producentorganisationen for Dybfrostaerter AmbA	**7**
Sweden	3. Äppelriket Österlen ek.För	**7**
Sweden	4. Mellansvenska Odlare ek. För	**6**
Sweden	5. Kalmar Ölands Trädgardsprodukert	**4**
Finland	4. Leppävirran marjaosuuskuntaito	**2**
Finland	5. Tuore-Tawastia (oy)	**1**
Estonia	1. Peipsiveere Köögiviljaühistu	**n.a.**

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Performance of coops: market share

	CEREALS		DAIRY		FRUIT & VEGETABLES	
Country	2000	2010	2000	2010	2000	2010
DENMARK	*90%*	*95%*	*90%*	*94%*	*60%*	*70%*
SWEDEN	*90%*	*95%*	*98%*	*98%*	*60%*	*70%*
FINLAND	*40%*	*49%*	*96%*	*97%*	-	*40%*
ESTONIA	*8%*	*10%*	*33%*	*35%*	-	*4%*
LATVIA	*30%*	*37%*	*50%*	*33%*	*44%*	*50%*
LITHUANIA	*N.A.*	*N.A.*	*N.A.*	*25%*	-	-

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Position of cooperatives in Estonia in 1939

ACTIVITY	SHARE/TOTAL ACTIVITY
Banking	**51-52%**
Insurance	**31-49%**
Dairy	**98%**
Alcohol production	**59-64%**
Consuming	**20-25%**
Machine usage	**25%**
Seed production	**75%**
Export agric. Products	**41%**

25% of the population (287,768 people) are members of a cooperative.

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First-tier cooperatives: CANSO

1908

LA VEDRIOLA

Republican Cooperative

1912

SAN ANDRÉS

Catholic Cooperative

1941

LA VEDRIOLA + SAN ANDRÉS =
Cooperativa Nuestra Señora del Oreto (CANSO)

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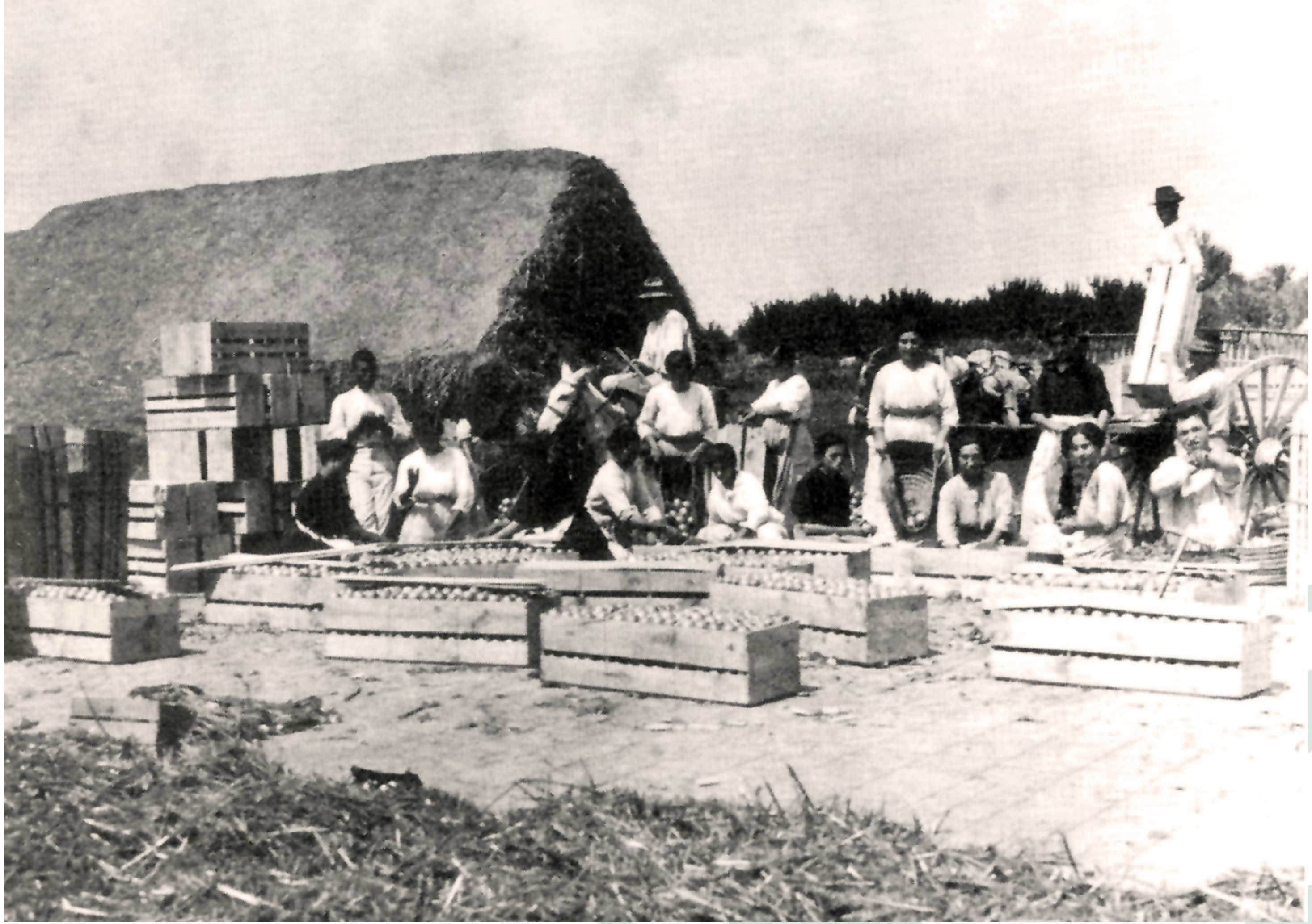

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First-tier cooperatives: CANSO

In 1975, CANSO joins three 2nd tier cooperatives:

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Coarval

BCC
BANCO DE CRÉDITO COOPERATIVO

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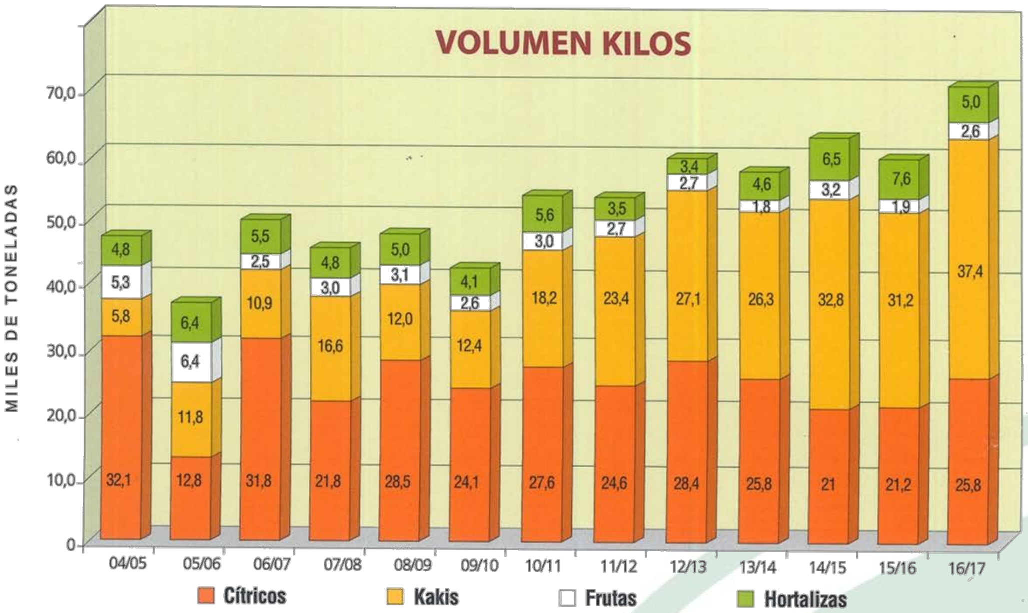
First-tier cooperatives: CANSO (2016-17)



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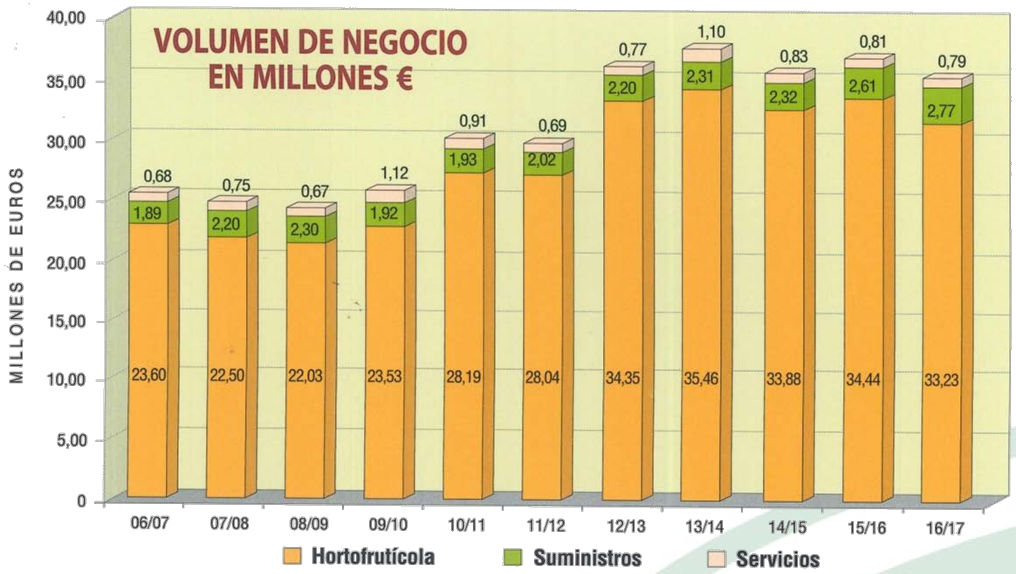
First-tier cooperatives: CANSO (2016-17)



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Anecoop: Who are we?

A second-tier cooperative

27.000 FARMERS	• Production
69 MEMBERS	• Product management • Packaging
ANECOOP	• Sales • Marketing

Founded in **1975**

Marketing **citrus fruit, fruit, vegetables and salad stuffs,** and **wine**

Over €850 M average yearly turnover and **1,000,000 tonnes** in sales volume

Five sales offices in Valencia, Almeria, Murcia, Seville and the Ebro Valley, **nine subsidiaries** in Europe and Asia, **two logistics platforms** and **two R&D&iT** centres

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The origins of the Anecoop Group. Goals

- **In 1975, 31 citrus fruit cooperatives from Valencia and Castellon joined forces to concentrate supply and become more competitive in the countries of the former USSR**

- ✓ To steadily **consolidate** cooperative supplying produce
- ✓ To **diversify** the offer, both by increasing the variety of produce marketed and by extending product seasons
- ✓ To **gain bargaining power** when dealing with large-scale distribution chains
- ✓ To **strengthen** co-operatives from the business and the economic point of view

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Anecoop's Mission

- To ensure optimum profitability, social and sustainable development, **and the maximum harmony and integration** of its farmers and members.
- To encourage the personal and professional development of its employees.
- To establish **business relations** with its customers for the **mutual benefit of all concerned.**
- To cater for the needs of end consumers and provide them with **healthy products**.

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Anecoop's Vision

Anecoop aims to become a **leader** for its members, and an agri-food business that is globally recognised, meeting the expectations of its members and customers, thanks to excellent strategic and operational management, based on constant **innovation** and **adaptation**, **product quality**, **efficiency**, and **growth**.

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Services

COMERCIALISATION
- Consolidation of product offer
- Diversification
- Extended production calendar

CORPORATE GROUP
- Logistic services
- Sales network
- Processing Industry

QUALITY
- Total Quality System
- HACCP
- Cost analysis

CODIFICATION
- Anecoop EAN - 128
- Traceability

RESEARCH & DEVELOPMENT
- Production programs
- Development of new products and varieties in our two Experimental Field Stations

CORPORATE SERVICES
- Strategy
- Coordination & Systems
- Co-operative Relations
- Communication
- Innovation in business management

MARKETING
- Promotion
- Image

naturane
- Integrated Crop Management Seal

Bouquet Bio
- Organic range

→ As our shareholders are also our suppliers, we can efficiently deliver all these services with top-quality guarantees, **through our member PO's we can control, plan and manage our produce directly from the field**

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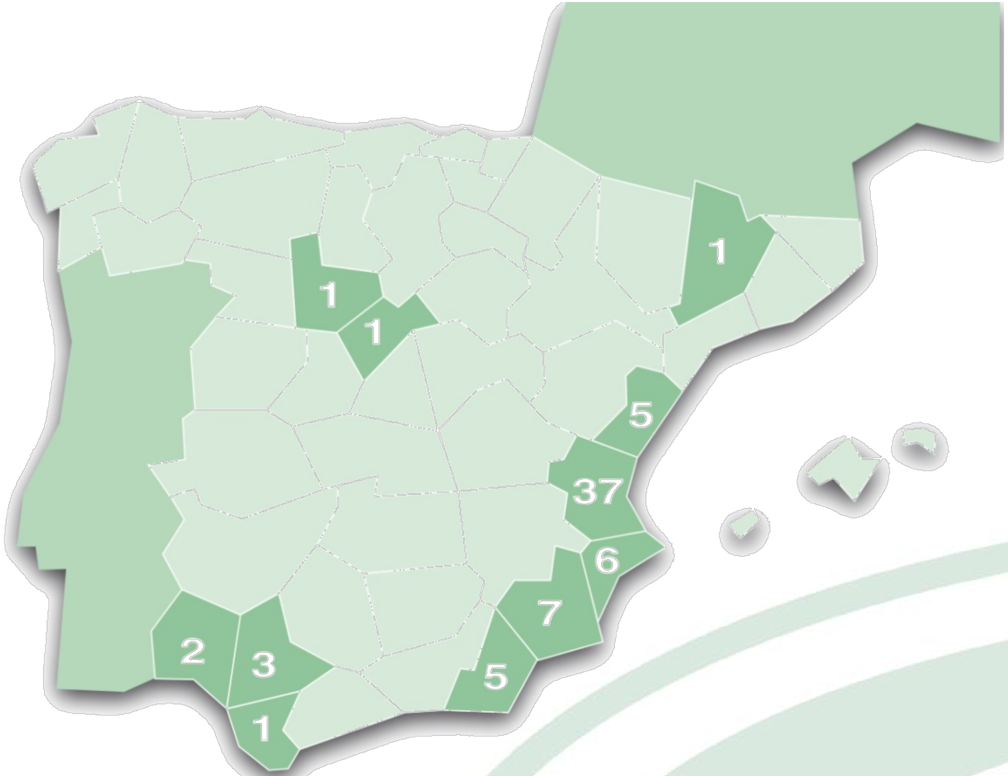
Members



69 Members

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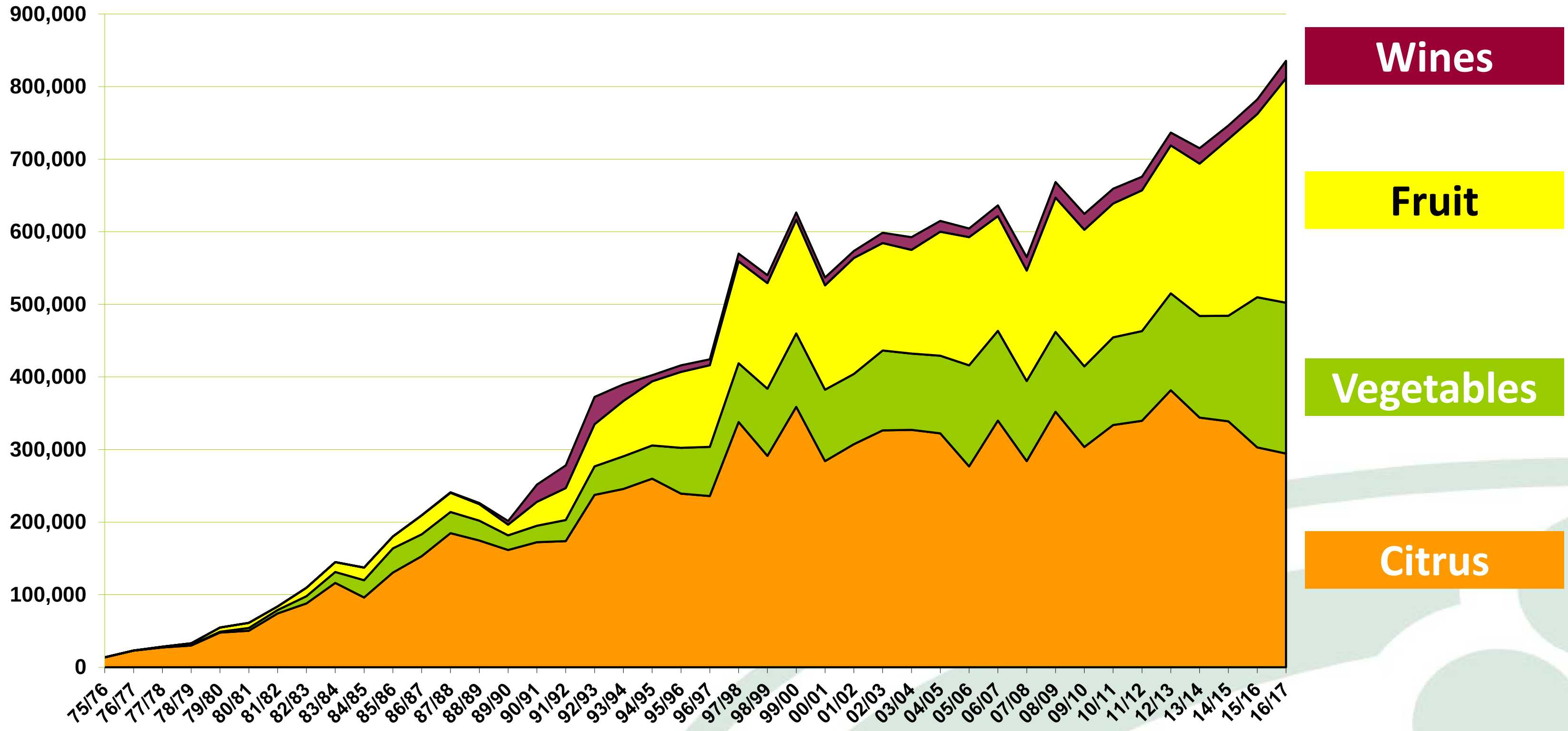
Sales development by group of product



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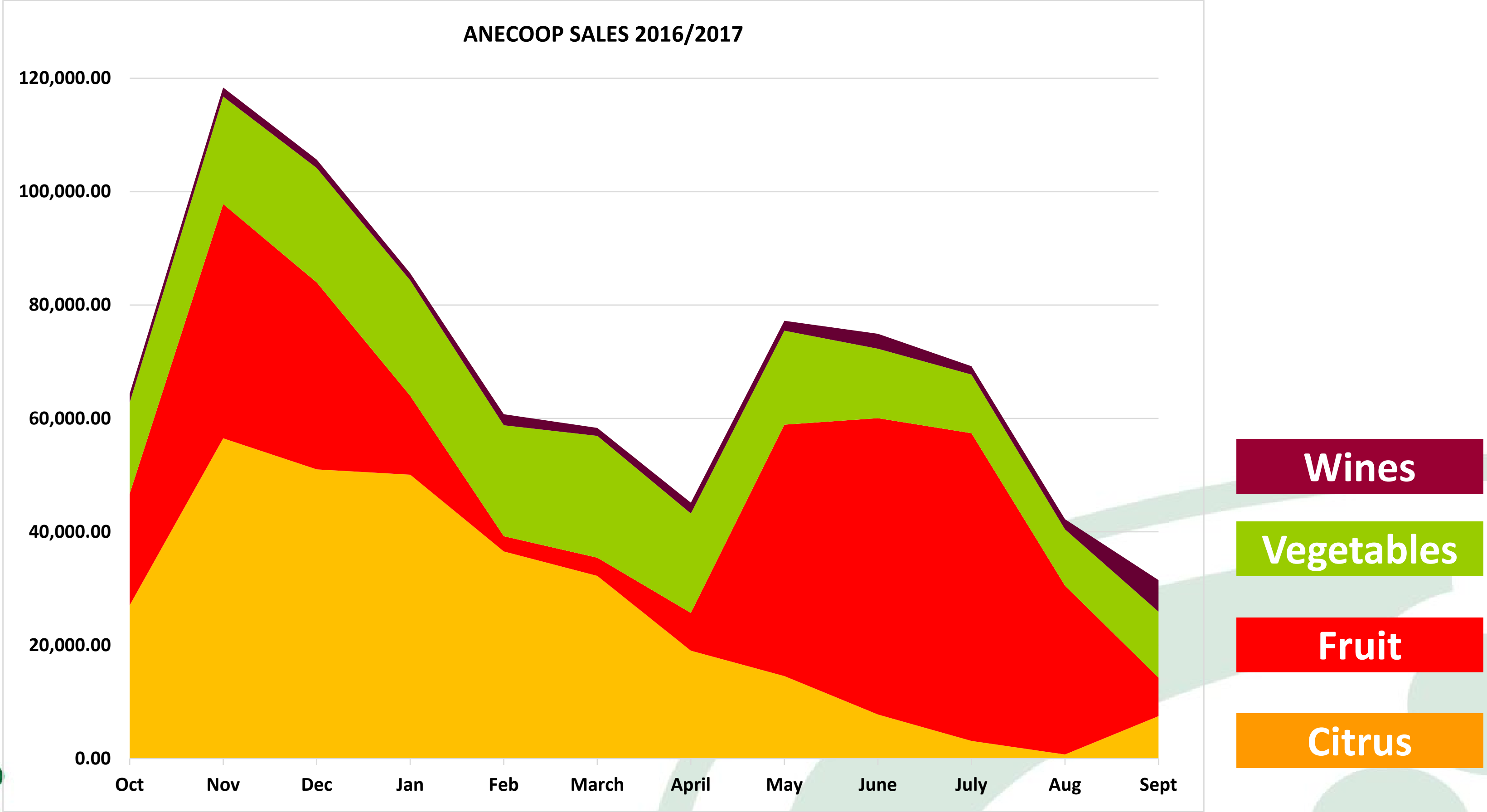
Wide product range all year round



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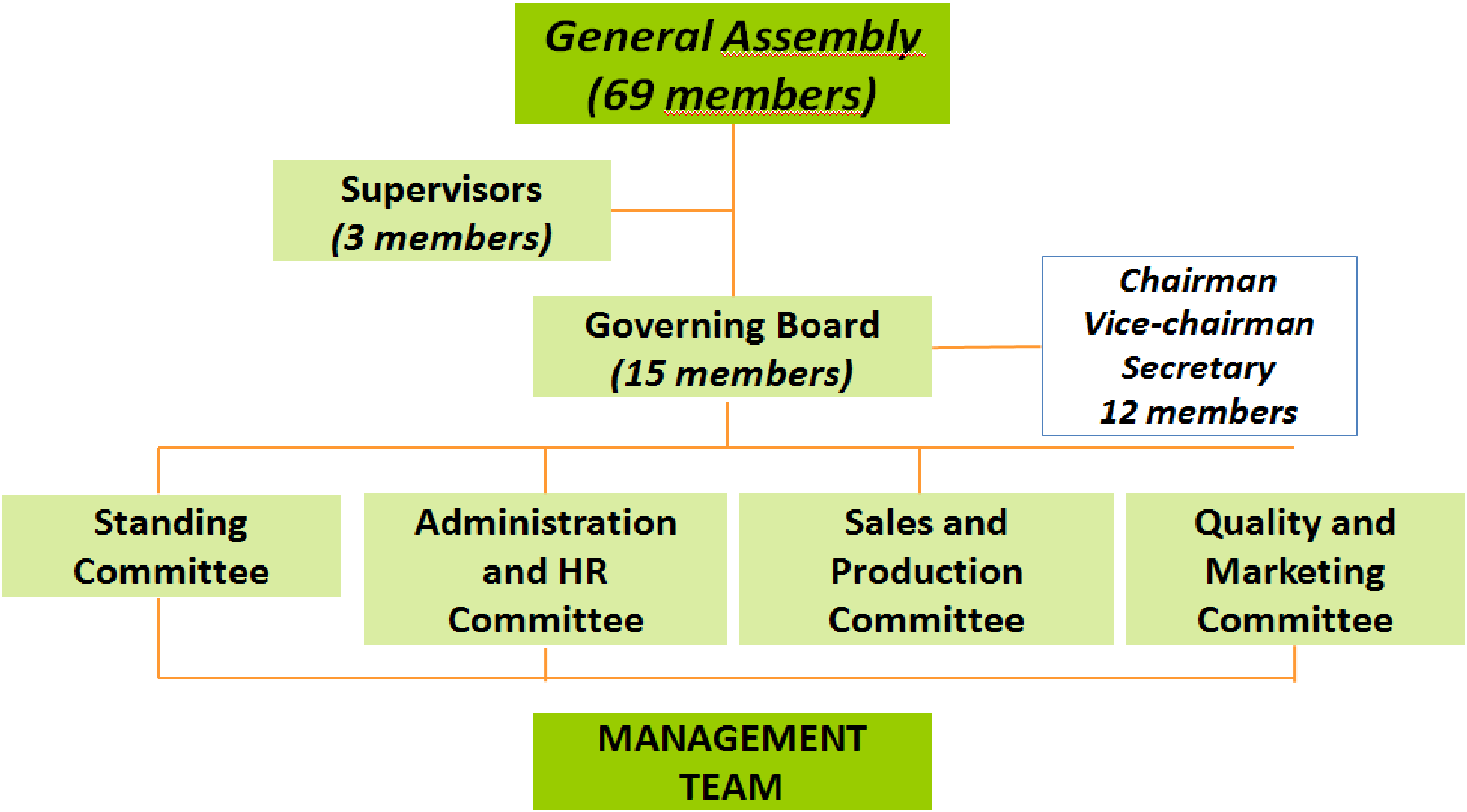
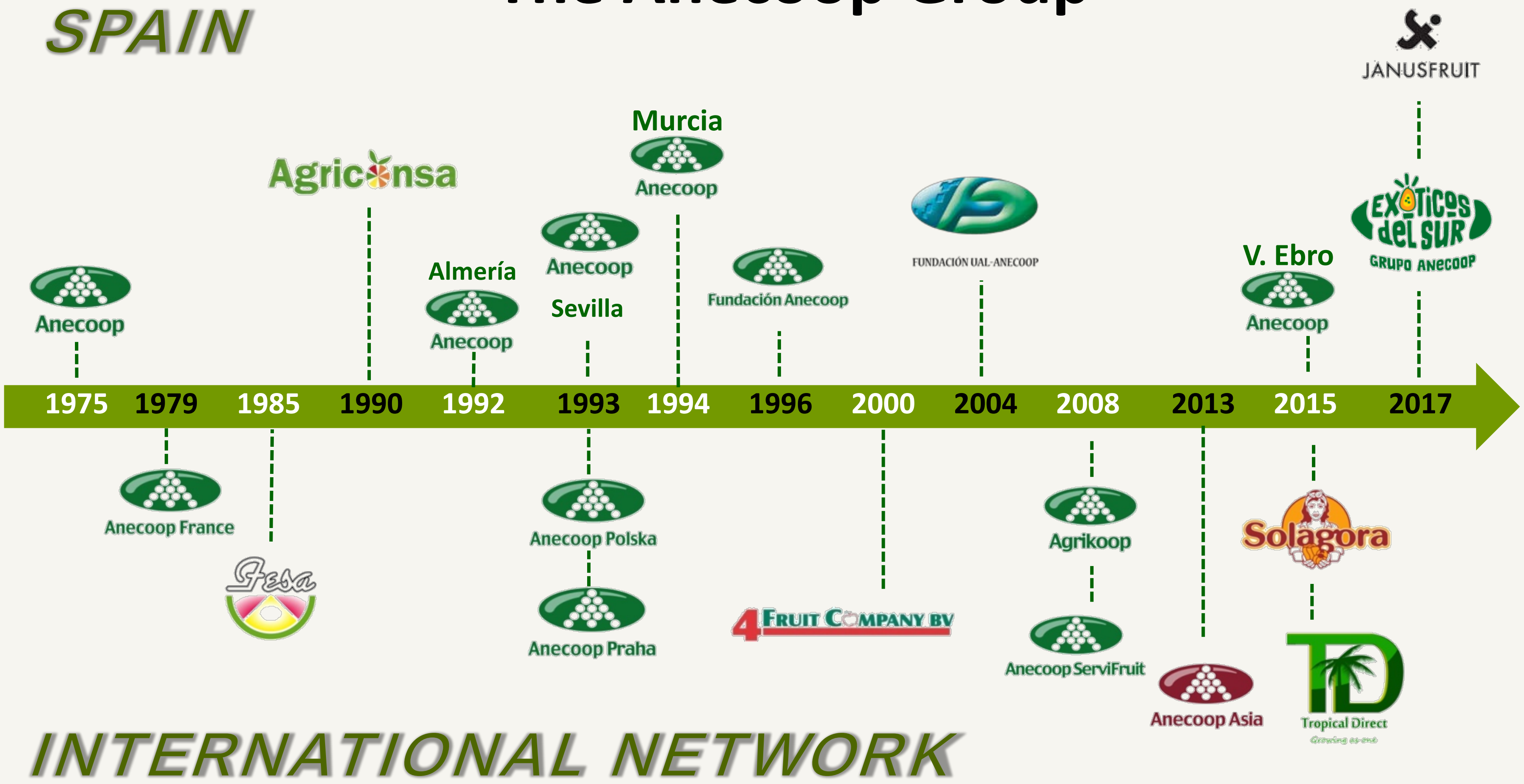
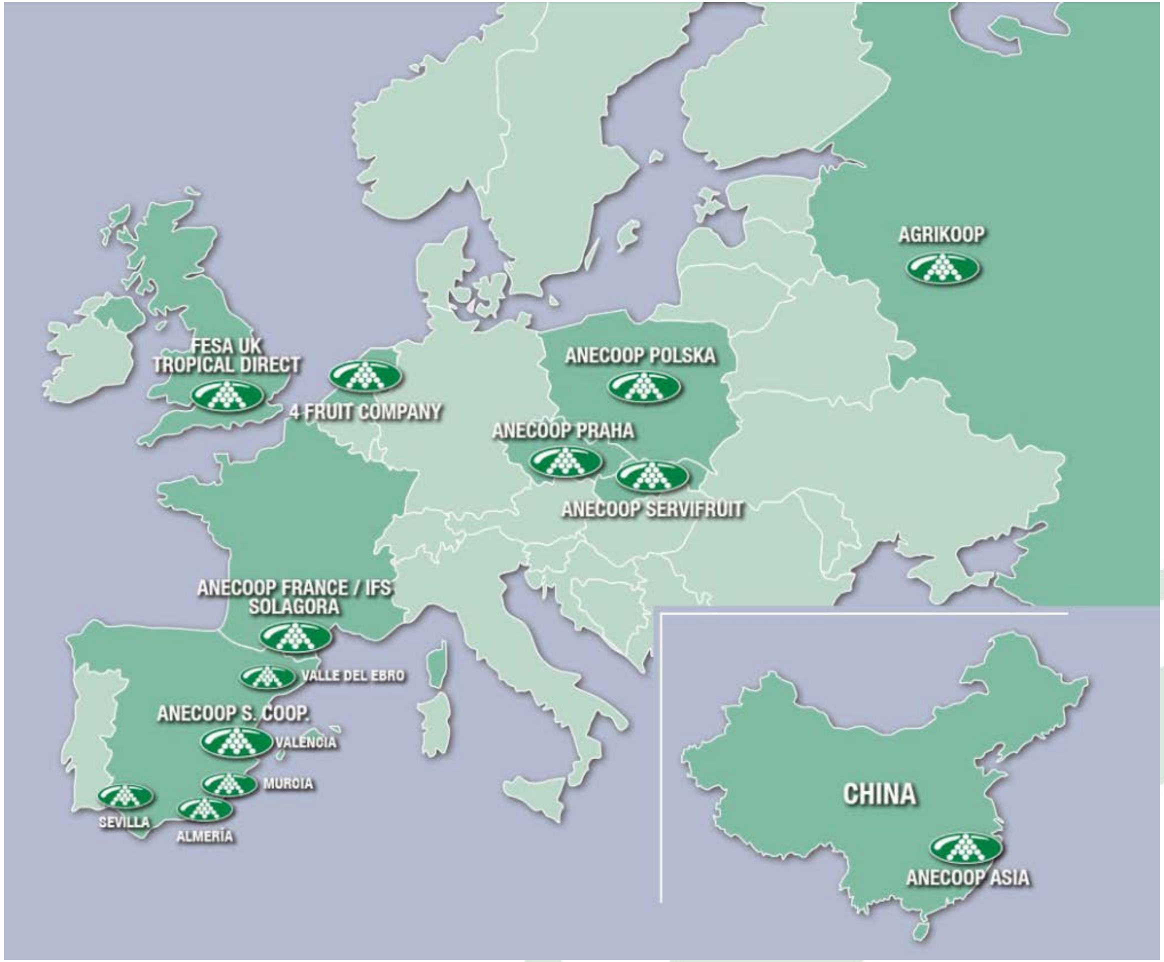
Governing bodies



The Anecoop Group



The Anecoop Group



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Impact of our exports

7.7%

5.9%

2.4%

Anecoop accounts for an average **5%** of **total Spanish exports of citrus fruit, other fruit and vegetables**

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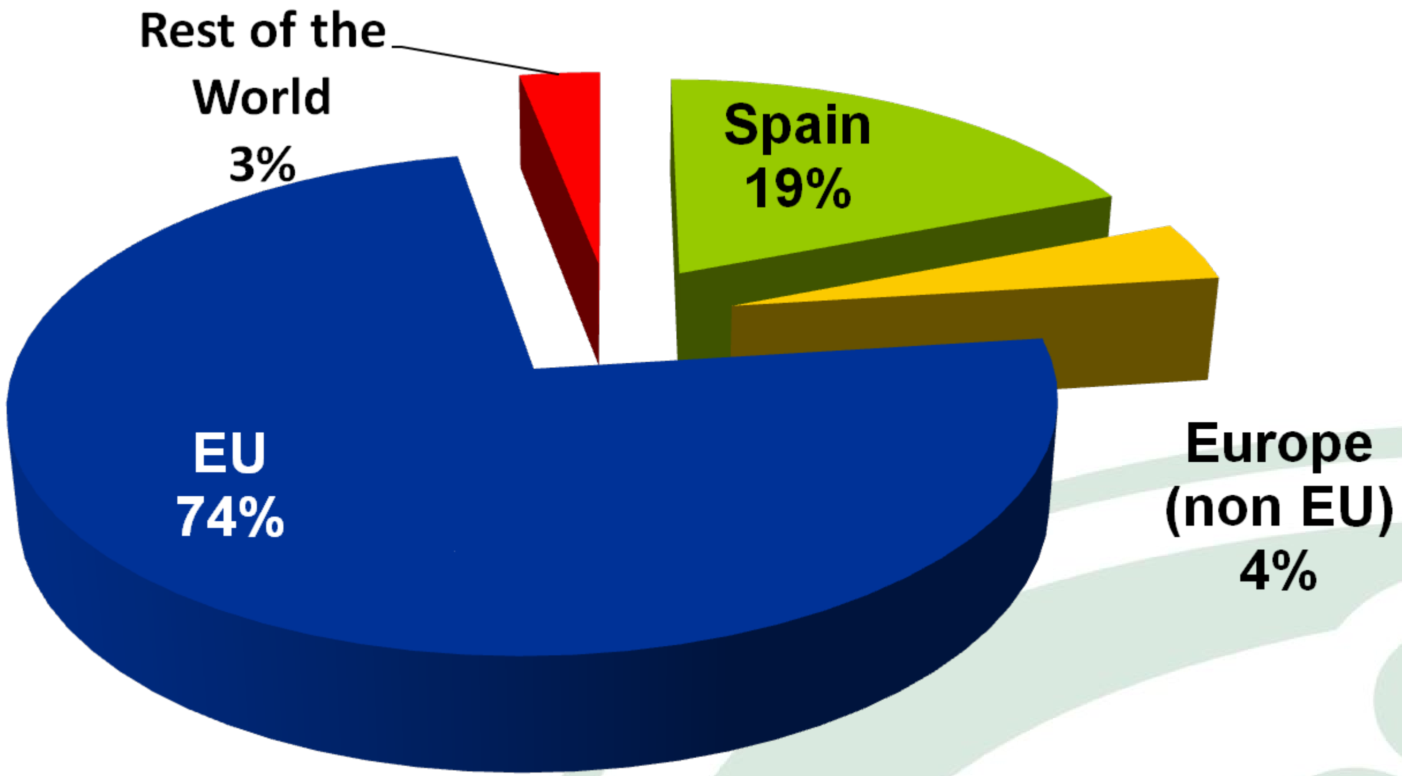
Anecoop sales volume (%)



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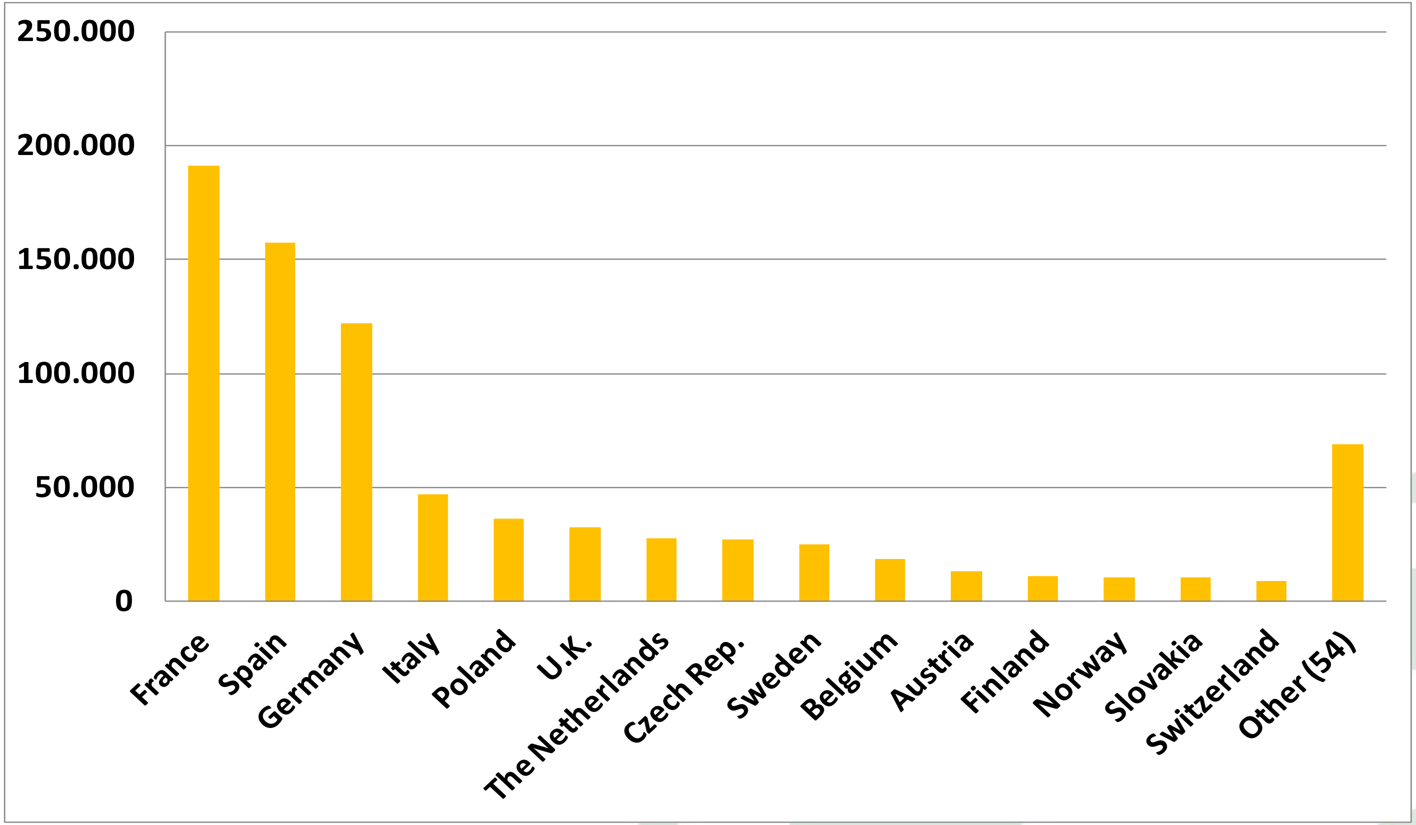
Top countries by sales (f&v in Tn 2016-2017)



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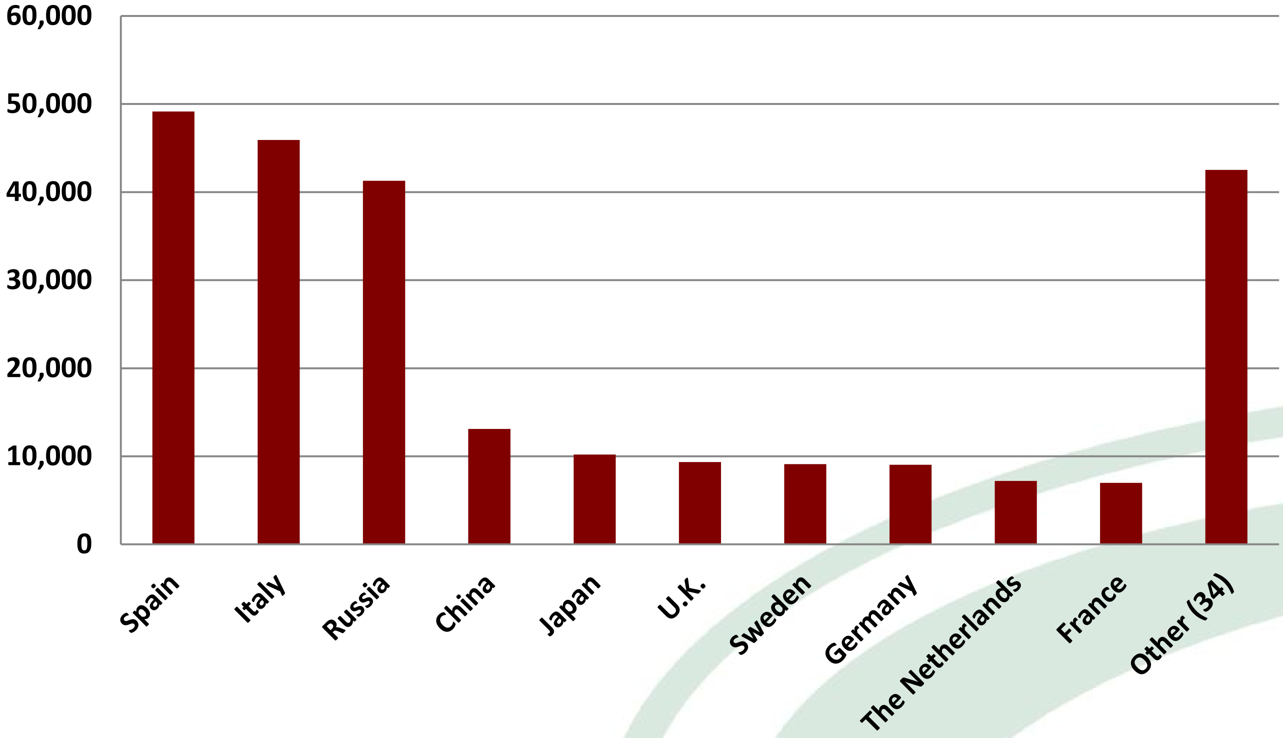
Top countries by sales (Wine in Hl.)



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R+D+iT

Anecoop Foundation (Museros, Valencia).

R+D+I in new varieties of citrus fruit, fruit and vegetables.

Greenhouse and open field farming

Laboratory for multi-residue pesticide analysis, shelf-life tests, microbiology, etc.

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R+D+iT

Anecoop Foundation– Almeria University

R+D+I in new varieties of fruit and vegetables

Greenhouse growing systems

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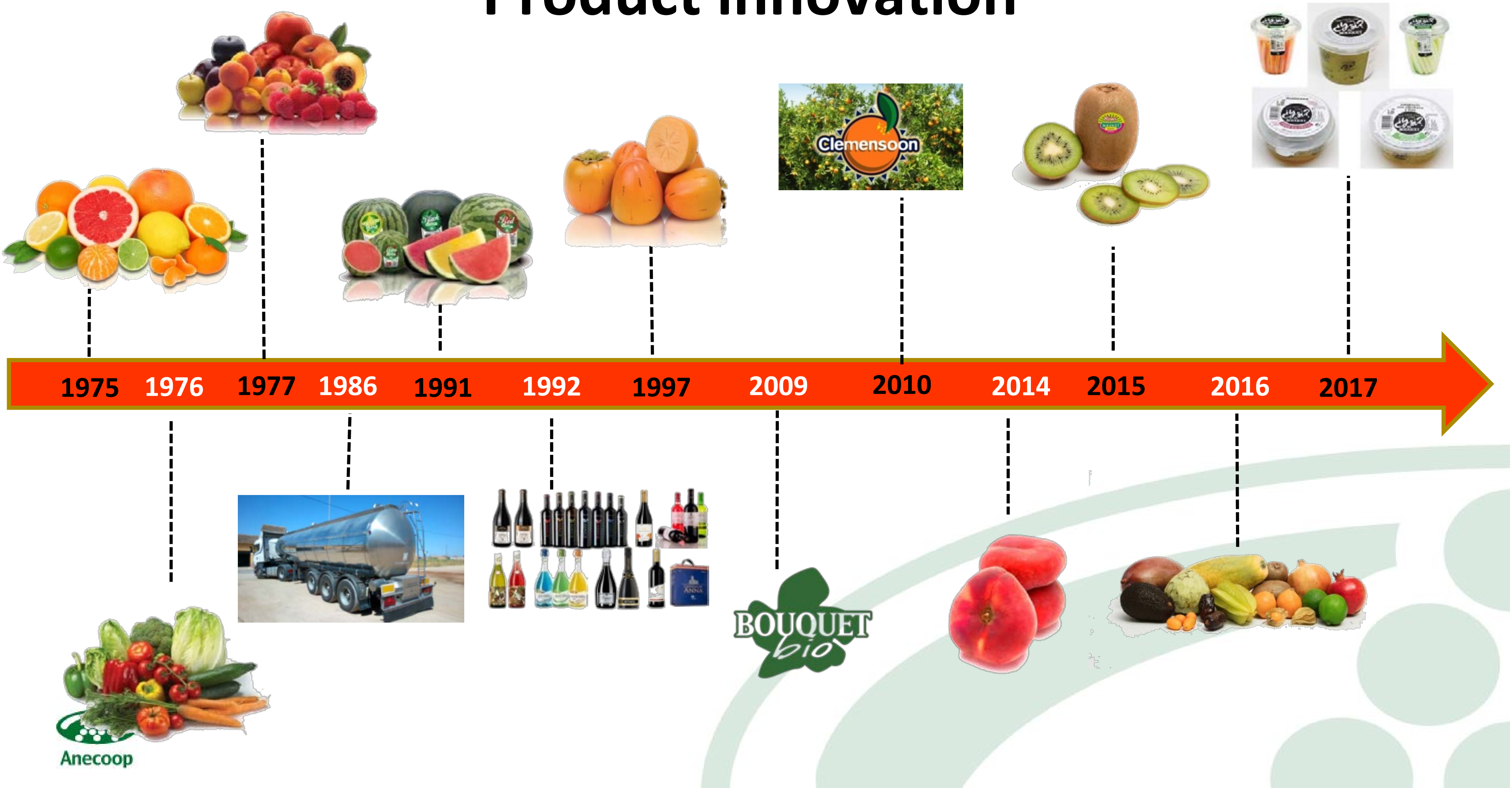
naturane: quality and Food Safety

- The first Integrated Crop Management System homologized by GLOBALGAP
- ***naturane*** regulations require exhaustive in-field monitoring. This is controlled by co-operative specialists together with Anecoop professionals
- The basis of the ***naturane*** system is traceability, which permits exhaustive monitoring of the product to guarantee food safety

Product innovation



Product innovation: Bouquet seedless watermelon

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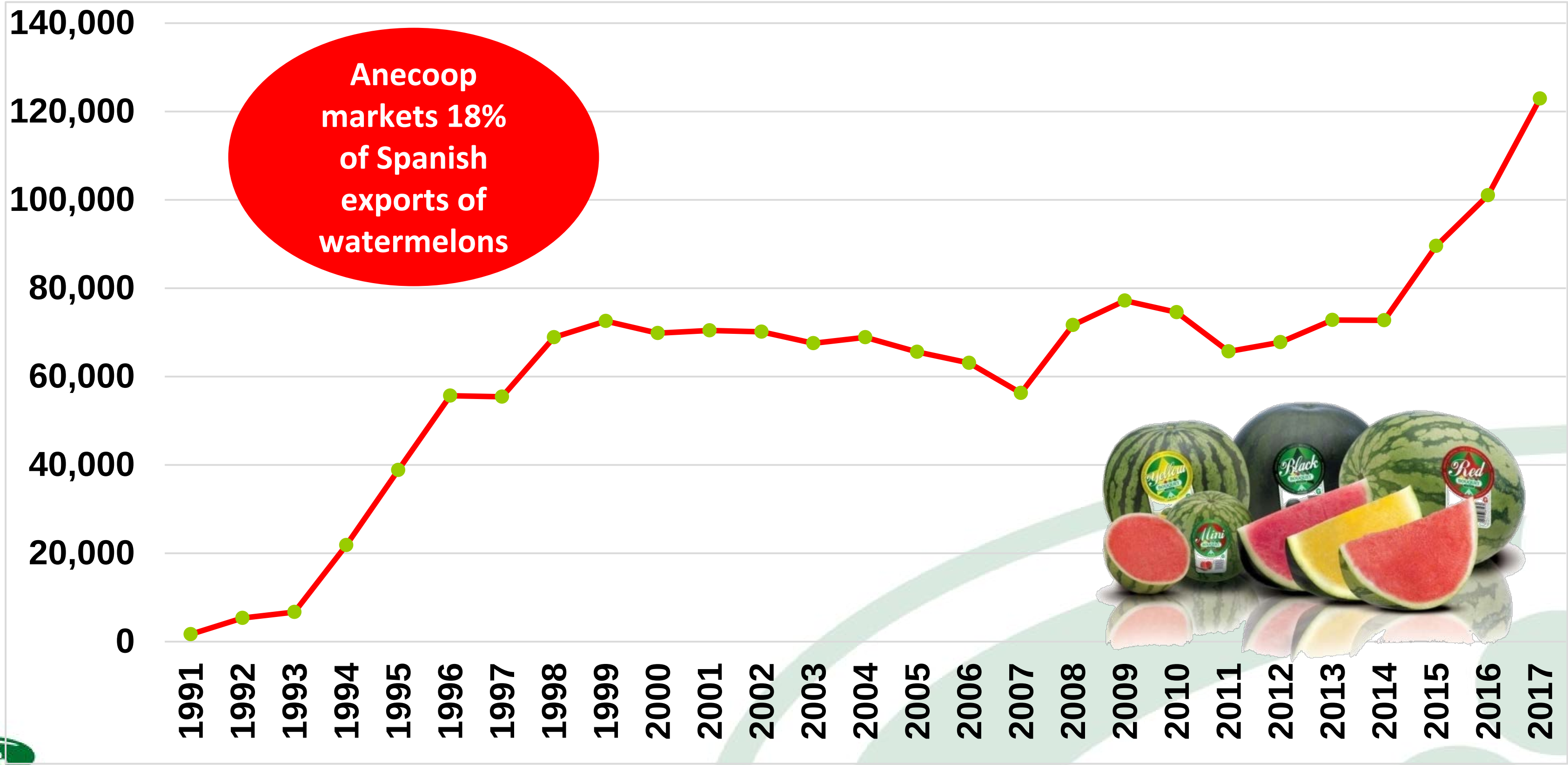
Product innovation: Bouquet seedless watermelon



Product innovation:Bouquet kakis

One fruit

Two products

Persimon Kaki

Classic Kaki

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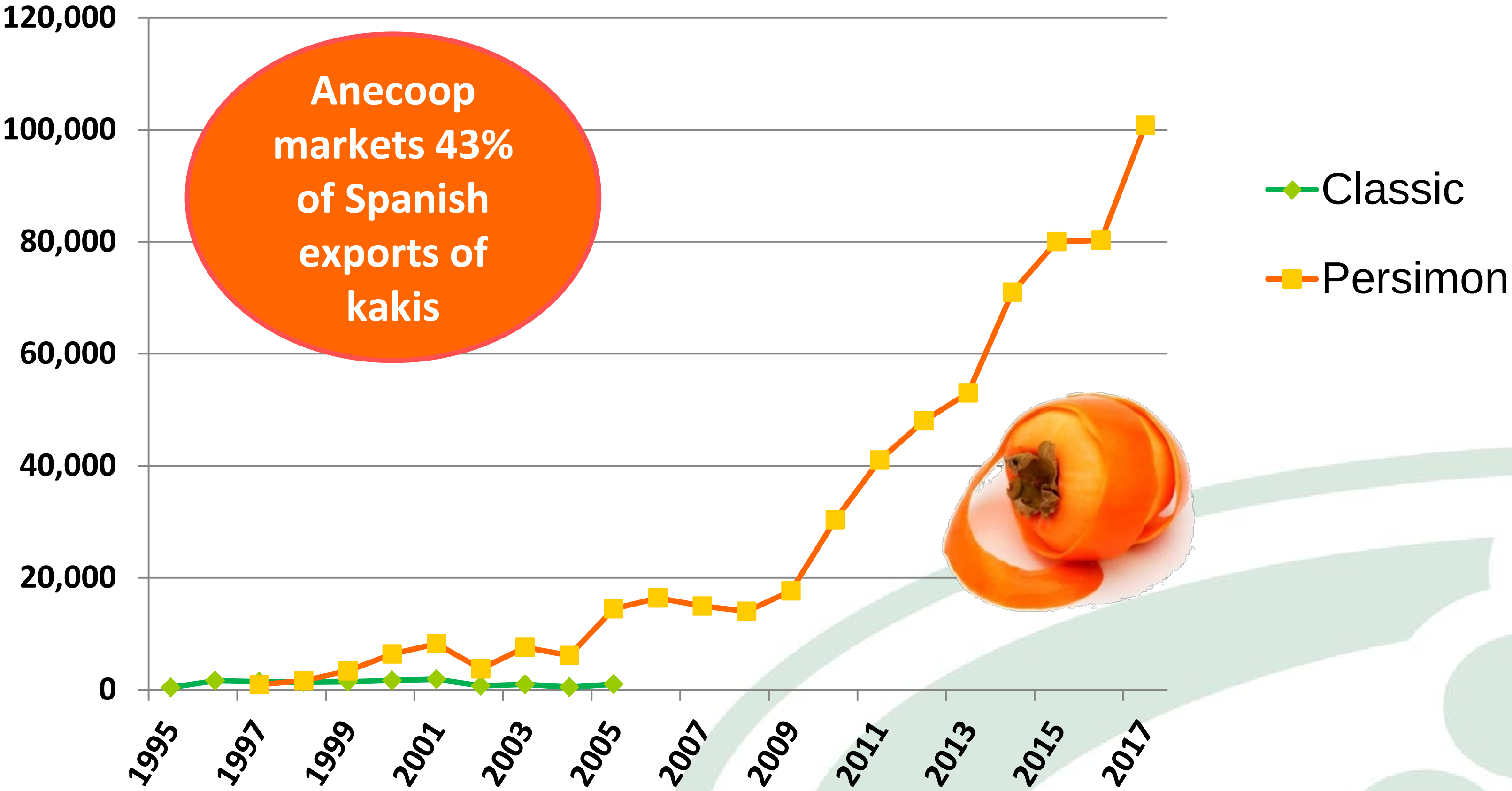
Product innovation:Bouquet kakis



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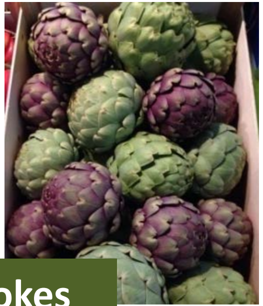
Product innovation

Clemensoon



Artichokes

Kiwi

Organic

Solagora

Pomegranates

Papaya

Seedless Grapes

Figs

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Product offer

New consumption possibilities

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Fruit and vegetables processing: Agriconsa

Agriconsa (Agricultura y Conservas, S.A.) was founded in 1990. It produces canned fruit and not-from-concentrate fruit juices from fresh farm produce. It processes 160,000 metric tonnes of canned fruits and juices per year with a turnover of 50 M€.

Canned satsuma segments

Orange and clementine juices

Canned artichokes

Brand strategy

BOUQUET Stars

BOUQUET naturane

BOUQUET Premium

BOUQUET bio

BOUQUET Exotic

BOUQUET Persimon

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Some conclusions

No farmer from l'Alcúdia, even the big ones, would have ever been able to become or represent what CANSO does

None of Anecoop's member cooperatives, even the big ones, would have ever been able to become or represent what ANECOOP does

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Thank you