



**ORGANIZATION OF COOPERATIVE TRADING
PROCESS AND COOPERATION BETWEEN
COOPERATIVES AND
THEIR MEMBERS /Example of Germany**

**ROLF SIELING
DEULA- Nienburg**

Cooperative associations shape Germany economy...

almost **100%** of all farmers, gardeners, wine-makers....

90% of all bakers and butchers

75% of all retail salesmen

65% of all independent tax consultants

60% of all craftspeople

A large, horizontal, olive-green oval shape with a slight gradient, containing the text "are members of a cooperative".

are members of a cooperative



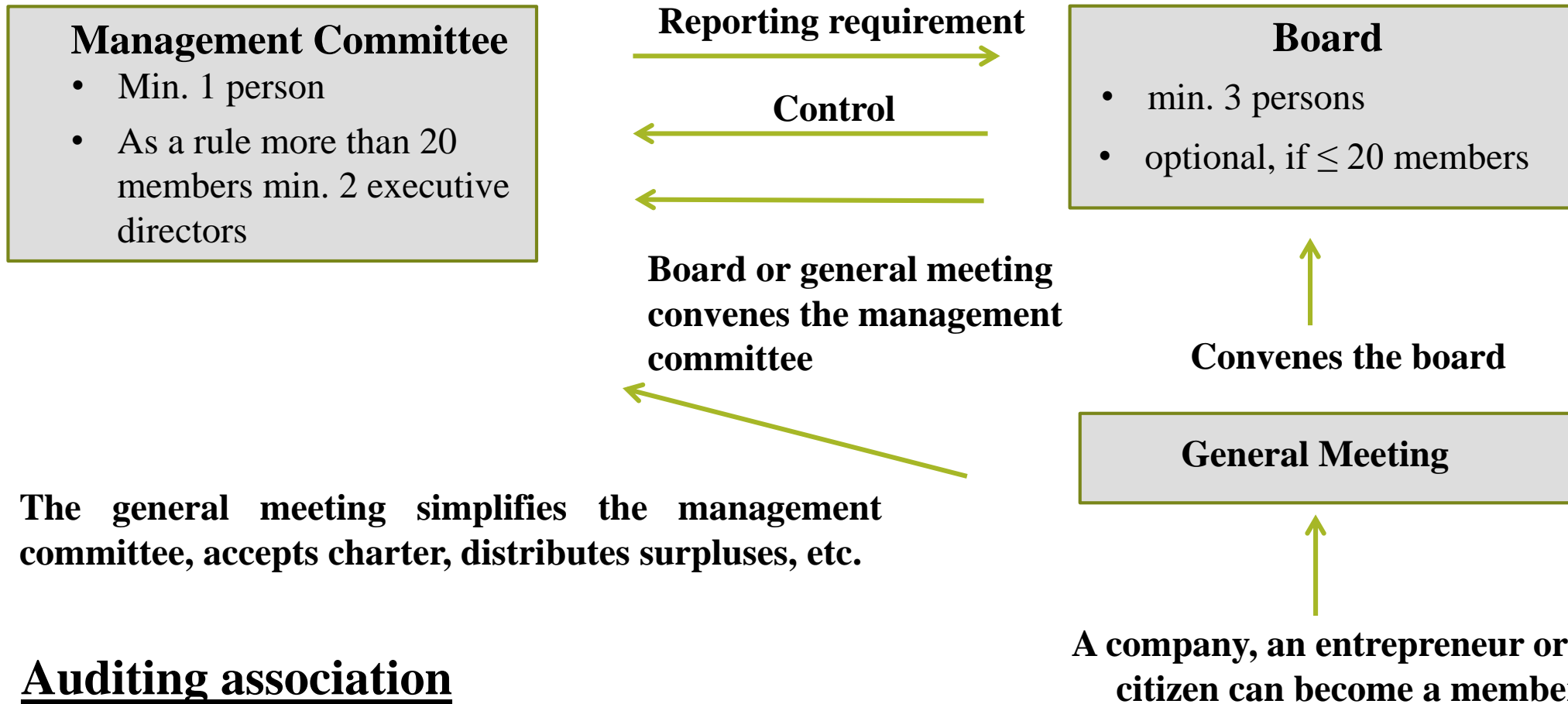
Cooperative societies are ideal legal form

- ✓ **Flexible formability of collective business activities**
- ✓ **Democratic cooperation: control of the association is kept by members according to the main principle, 1 person=1 vote**
- ✓ **Minimal financial risk for members**
- ✓ **Tax benefits alongside the payouts of the surplus to the members in the form of cooperative refund (they are invested in operating costs of the registered partnership)**

Cooperative societies are ideal legal form

- ✓ **Easy joining and withdrawal of members, credit balance transfer**
- ✓ **Translucid distribution of estates**
- ✓ **Responsibility of registered partnership is limited by cooperative estate**
- ✓ **Stable legal form – insolvency is less than 0,1% in the whole association**
- ✓ **State inspection, which is carried out with the form of year-end audit in the cooperative**

Organization structure of the cooperative societies



The general meeting simplifies the management committee, accepts charter, distributes surpluses, etc.

Auditing association

New associations since 2004

	2004-2008	2009	2010	2011	2012	2013	2014	Total
Energy sphere	21	23	29	56	44	38	12	223
Healthcare	21	32	2	4	1	2	1	72
Community facilities	42	11	10	11	10	21	10	115
Accomodation	4	2	1		3	3	3	16
Trade	3		1	1	1	4		10
Infrastructure	8	2	1	2	1	1	2	17
Craft sphere	2		1					5
Schools	1	72	45	77	60	69	30	464

New cooperatives

- New task field: business consulting, IT-service, accountancy, laboratory operation, quality control, education and further education, waste disposal, recycling, environment protection.
- Main points:
 - ✓ Generation and supply of energy
 - ✓ Healthcare system
- Cooperatives are suitable for different industry structures
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Important data of the cooperative organization



	Number	Balance sum	Members
Credit cooperative	1.047 ¹	788 billion €	18,02 m.
Central banks and affiliated companies of cooperative financial networks	11	534 billion € ²	
	Number	Turnover	Members
Consumer, service and agricultural cooperatives of Raiffeisen including headquarters	2.316 ¹	66 billion € ²	1,4 m. ²
Industrial consumer and service cooperatives including headquarters	1.262	117 billion € ²	0,33 m.
Energy cooperatives	822	1 billion € ²	0,15 m. ²
Consumer and service cooperatives	310	2 billion € ³	0,4 m.
Total	5.643		19,4 m. ² ⁴



- 1) Among 125 credit cooperatives with commodity trade
- 2) Preliminary data
- 3) Approximate
- 4) Including dual membership

Volksbank and Raiffeisenbank, credit cooperatives

- Approx. 30 million consumers
- 1,047 independent branches of Volksbank and Raiffeisenbank
- 12,770 bank branches
- Approx. 190,000 employees
- Originated credits: 482 billions €
- Deposits: 591 billion € among 200 billion € savings deposits (incl. saving bonds)





Raiffeisen cooperatives

- 2,316 consumer, service and agricultural cooperatives
- Turnover - 66 billion € in 2014
- 1,565 markets of Raiffeisen (goods for house and garden, pet feed)
- 714 hardware markets
- 850 petrol stations
- 82,000 employees

**EIN GEWINN
FÜR ALLE**
Die Genossenschaften

DGRV
Die Genossenschaften



Important data of Raiffeisen 2014



	Number	Turnover (m. € ³)
Regional center of agricultural cooperative ¹	6	37.500 ⁴
Cooperative purchasing and marketing association	293	
Credit cooperatives with commodity trade	125	
Dairy cooperatives ¹	225	14.800
Stock and meat processing cooperatives and breed association ¹	92	6.600
Vegetable, fruit and garden cooperatives	88	3.300
Agricultural cooperative	765	2.000
Winemaking cooperative ¹	169	800
Others ²	553	1.000
Total	2.316	66.000

- 1) Including headquarters
- 2) Including headquarters and other members
- 3) Approximate data
- 4) Including sales revenue of subsidiary companies and investments of cooperative association

Leading cooperatives



	Number	Turnover (in € ²)
Cooperatives of food, tobacco and drink trade	53	211 ¹
Consumer cooperatives of product trade	98	24.193
Food trade cooperatives	83	3.466
Nonfood trade cooperatives	95	2.819
Liberal professions and other professional groups	362	1.173
Industrial and provident society	148	520
Transportation society	119	540
Production cooperative	151	128
Water cooperatives	146	4
Total	1.255	33.054

- 1) The turnover of the EDEKA-Group and the REWE Group is specified in the headquarters.
- 2) Approximate data

Central offices

- 2 headquarters in trade, 5 in craft.
- Turnover – 84 billion € in 2014



Consumer cooperatives

- 310 consumer and service cooperatives
- 400,000 members
- Traditional branches: food retail trade
- Other branches: schools, organic food, ambulatory care, media, information technology.



Energy cooperatives

- 822 cooperatives in the sphere of renewable energy
- 150,000 members
- More than 90% of cooperative members are private persons



Cooperative associations – regional

1 Genossenschaftsverband
Weser-Ems e. V.

2 Rheinisch-Westfälischer
Genossenschaftsverband e. V.

3 Baden-Württembergischer
Genossenschaftsverband e. V.



4 Genossenschaftsverband e.V.
Berlin · Brandenburg · Bremen ·
Hamburg · Hessen · Mecklenburg-
Vorpommern · Niedersachsen ·
Rheinland-Pfalz · Saarland · Sachsen ·
Sachsen-Anhalt · Schleswig-Holstein ·
Thüringen

5 Genossenschaftsverband
Bayern e.V.

1. Cooperative association –
Weser – Erns

2. Rhine-Westphalia
cooperative association

3. Baden-Württemberg
cooperative association

4. Cooperative association
Berlin · Brandenburg · Bremen ·
Hamburg · Hesse ·
Mecklenburg-Western
Pomerania · Lower Saxony ·
Rhineland - Palatinate ·
Saarland · Saxony · Saxony –
Anhalt · Schleswig-Holstein ·
Thuringia

5. Cooperative association
Bavaria



Cooperatives in Europa

- 123 m. members
- Min. 160, 000 cooperatives with 5, 4 m. workplaces
- First of all baking industry, insurance sector, agricultural and food retail trade
- Cooperatives Europa – representative of cooperatives in Europe
- European associations of cooperative banks
- General association of agricultural cooperatives of European Union (COGECA)



DGRV – world successful consulting



- Support of cooperative organizations, when it has international contacts
- Carrying out of development and consulting projects abroad with great success
- Foundation of self-sustaining cooperatives and their association structure:
 - ✓ Financial sector
 - ✓ Commercial and SME-sector
 - ✓ Agricultural sector



Thank you for your attention



Max-Eyth-Str. 2
D 31582 Nienburg/Weser
Tel.: (+49) 5021 9728-14
Fax: (+49) 5021 9728-10
E-Mail: info@deula-nienburg.de