

Project under FARM Responsive Mechanism

**Project: “Agricultural Service Cooperatives Development and Promotion of
Cooperative Movement in Crimea”**

**Project Partners: Crimea Private Farmers and Landowners Association
(CPFLA)**

&

Government of Saskatchewan Specialists

Final Summary Report

January – September 2007

Executive Summary

The main objective of the project was to raise the awareness of agricultural producers and interested parties in cooperative principles, and to demonstrate the advantages of cooperatives through improving the knowledge of agricultural producers about the practical use of cooperatives and their functions, as means of maximizing production efficiency, improving the marketing of agricultural products, providing new or missing services and attainment of market power.

The target audience of the project were agricultural producers; members of the initiative groups wishing to create cooperatives; members of the agricultural service cooperatives; other interested parties who lack knowledge about the agricultural service cooperatives and officials from agricultural departments.

The project achieved its objectives by providing agricultural producers information on the principles of cooperative development; demonstrating the advantages of the multifunctional service cooperatives; training 20 trainers in cooperative development; establishing cooperative promotion and consulting centres in 10 rayons of Crimea.

Background and Rationale for the Project

The main goal of the project was to develop civil society in the rural areas through dissemination and facilitation of the cooperative movement in Ukraine, specifically the development of multifunctional service cooperatives in the Crimea region where there's a lack of qualitative services for agricultural producers and tremendous potential.

Cooperative development is very urgent problem in Ukraine today. Cooperatives are an important element of support for agriculture producers and a necessity for the successful development of the agrarian sector. That is why creation of cooperative promotion and support centres in Crimea under this project is an innovative idea which may be replicated in other regions of Ukraine and make positive contribution into the improvement of economic and social situations in rural areas.

Achieved Project Goal and Objectives

Provided training to the agricultural producers in the principles of cooperative development and demonstrated the advantages of the multifunctional service cooperatives.

Disseminated and facilitated the idea of the service cooperatives development.

- 14 training seminars were conducted introducing farmers to the main principles of cooperative development and demonstrating the advantages of cooperatives. Participants received knowledge and practical skills on cooperative principles; formation of cooperatives; financing cooperatives, cooperative management; cooperative marketing and the roles and functions of board of directors and heads of cooperatives.

Trained 20 trainers in cooperative development.

- 20 trainers trained who are able to provide training on cooperative development issues and support the CPFLA in strengthening cooperative movement in Crimea.

Established cooperatives promotion and consulting centres.

- Cooperative promotion and consulting centres created in 10 rayons of Crimea, they are providing practical advice and support forming cooperatives, legal issues, business planning and general and financial management of service cooperatives.

Established sources credit to the newly established cooperatives.

- CPFLA in partnership with Crimea KREDO credit union worked together to provide credits to the newly created cooperatives. Activities are currently being conducted to find additional sources of credit and financing for cooperatives.

Created 10 multifunctional service cooperatives in 10 rayons

- 10 multifunctional cooperatives were created in Crimea. As farmers are seeing the benefits of uniting into cooperatives, and the importance of obtaining membership in cooperatives.

Created of a data base on the producers and processors of agricultural products in the region in order to improve marketing opportunities for the agricultural producers.

- The data base includes information about over one hundred agricultural producers in Crimea, seed, fertilizers and chemicals suppliers, companies providing services to agricultural producers, agricultural products, processors, and auction companies active in Crimea and in Ukraine.

Increased profitability of the agricultural producers through providing more efficient agricultural services and improving social-economic level of the rural communities.

- 10 created cooperatives serve as a good example and help agricultural producers to make their operation more profitable and increase their profitability.

Produced an information bulletin with latest information on changes in acting legislation, information about prices on agricultural products and marketing possibilities.

- Monthly information bulletin was issued disseminating information about the project results, project training materials as well as information on legislation, inputs provision and marketing. It also contained information about specialized exhibitions and educational seminars held in Crimea and in Ukraine, new energy saving technologies, agricultural products prices forecasts and market perspectives.

Outcomes and Results

- **Cooperative promotion and consulting centres were created in 10 rayons of Crimea.** The Centres provide practical advice and support on formation of cooperatives. In the course of the project activity these centres were visited by 289 people (72% men and 28% women). The most frequently asked questions were: legal issues; taxation, Markets, Input suppliers, Crediting, How to form a cooperative.
- **20 trainers in 10 rayons** were trained in order to disseminate the cooperative idea in the rayons.
- **10 multifunctional cooperatives were created in Crimea.** The goal of the cooperatives is to unite agriculture producers, mostly small household plot owners and small farmers into cooperatives to make their operation more profitable and increase their profitability.
- **5 Business plans developed** for newly created cooperatives.
- **12 publications published** about how to form and manage cooperatives.
- **14 three-day training seminars** were conducted in 14 rayons of Crimea. 219 project participants attended the seminars (171 men and 48 women)
- **A study tour for 30 farmers (22 men and 8 women)** was conducted to learn the experience of the cooperatives in the Odessa oblast. The trip participants found the trip very informative and useful. They were able to see with their own eyes the advantage of cooperation and got acquainted with the functioning cooperative.
- **Round table “Problems and perspectives of agricultural service cooperatives development in Crimea” conducted** with participation of the Deputy Head of Cabinet of Ministers of Crimea, Head of State Tax Administration of Crimea, Deputy Head of Ministry of Agrarian Policy of Crimea, Deputy Head of Ministry of Agrarian Policy of Crime, Head of Small Entrepreneurship and Regulatory Policy Department of Ministry of Economy of Crimea, UN Coordinator of the Program for Development and Integration of Crimea, , Head of Department for Legal and HR Policy of Crimea Ministry of Agriculture, President of CPFLA, Vice President of CPFLA, Chairman of the Standing Committee of Crimea.
- **Web site was created.** Project website was developed with the aim of introduction of agriculture producers into legal, financial, economic issues related to coops creation and operation. The primary users of the website are agricultural producers, professional associations and public organization.
- **Project publication materials created and disseminated** – monthly project newsletter and 12 manuals on cooperative development developed, published and disseminated.
- **A final forum was conducted** in Simferopol (capital of Crimea) at the Simferopol Agrarian College in order to increase awareness and promote cooperative idea on the oblast level. The Minister of Agriculture Mr. Akimov, Vice Prime Minister on Agricultural issues Mr. Kolesnichenko, Head of Commission on Agricultural Issues Mr. Rusetski participated in the forum.

Canadian Partner Contribution

A Canadian partner, Wayne Thrasher, a specialist with the Government of Saskatchewan visited Crimea in April 2007. Mr. Thrasher provided the following:

Two, one-day training sessions of 20 trainers. Trainers were selected on the basis of the following criteria:

- Background in co-operative development;
- Legal, financial and management skills;
- Leadership and communication skills; and
- Commitment to work with CPFLA after the end of the projects.

Worked with CPFLA management, on how co-operative associations work in Canada and the role of government and its relationship with the co-operative sector. Specifically:

- How is the co-operative idea promoted in Canada via co-operative organizations?
- How do co-operative associations co-operate with government as regards lobbying for co-operative interests and development of legislation.

Conclusion

In the course of the project implementation the following lessons have been learned: There is a great need to continue cooperative education in Crimea in order to support the newly created cooperatives which need assistance in their first stage of their development given their lack of experience and also to support initiative groups which are in the process of forming the cooperatives. CPFLA is committed to providing this support and continue the cooperative movement in Crimea and Ukraine.