

COPAC OPEN FORUM

Fair trade and Cooperatives

The best price or capacity building

Gastón Rico

Cooperativas Agrarias Federadas

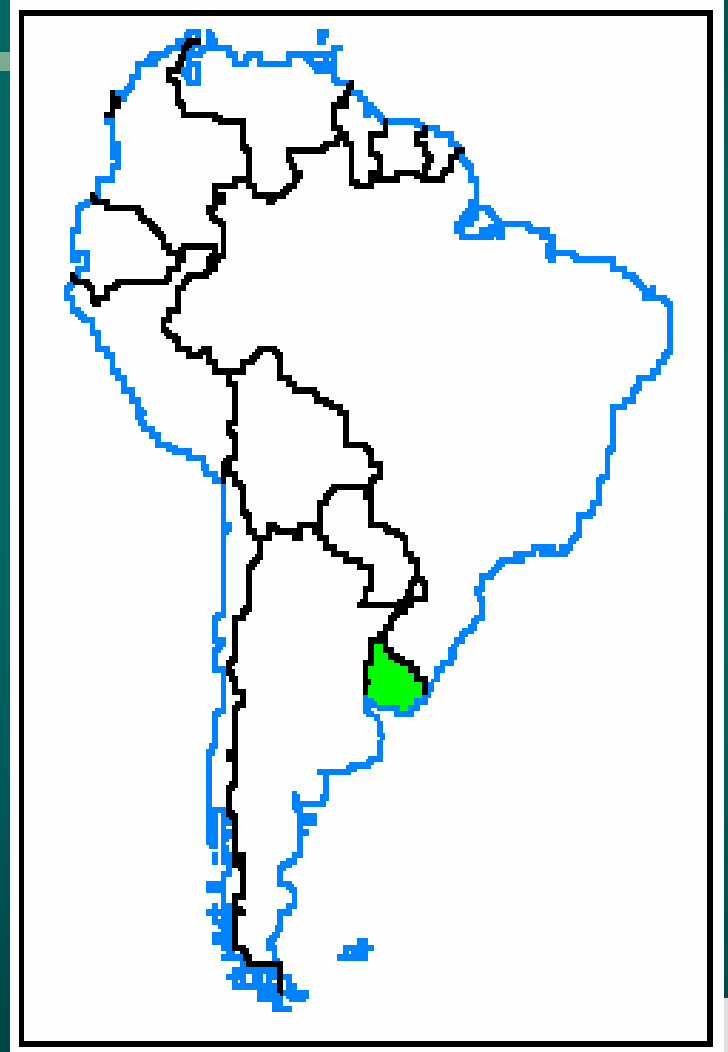
Uruguay

Berlín, January the 21st., 2005



Uruguay

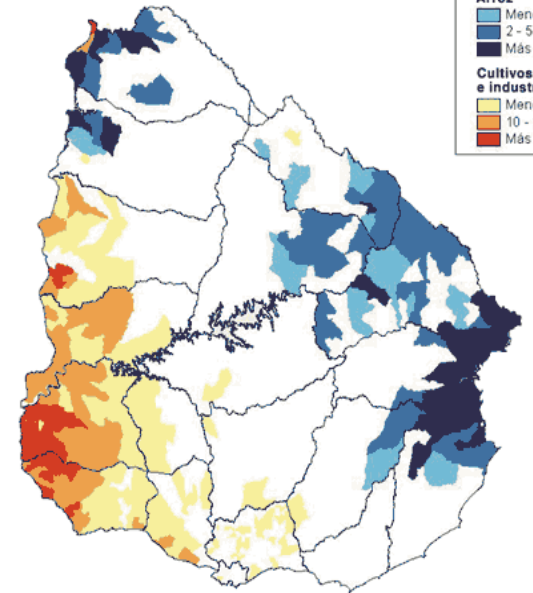
- SW of South America, between Argentina and Brazil
- Member of MERCOSUR
- 176000 sq km
- Climate: temperate
- Population: 3,164 millon
 - 91% urban
 - 9% rural








Uruguayan farming

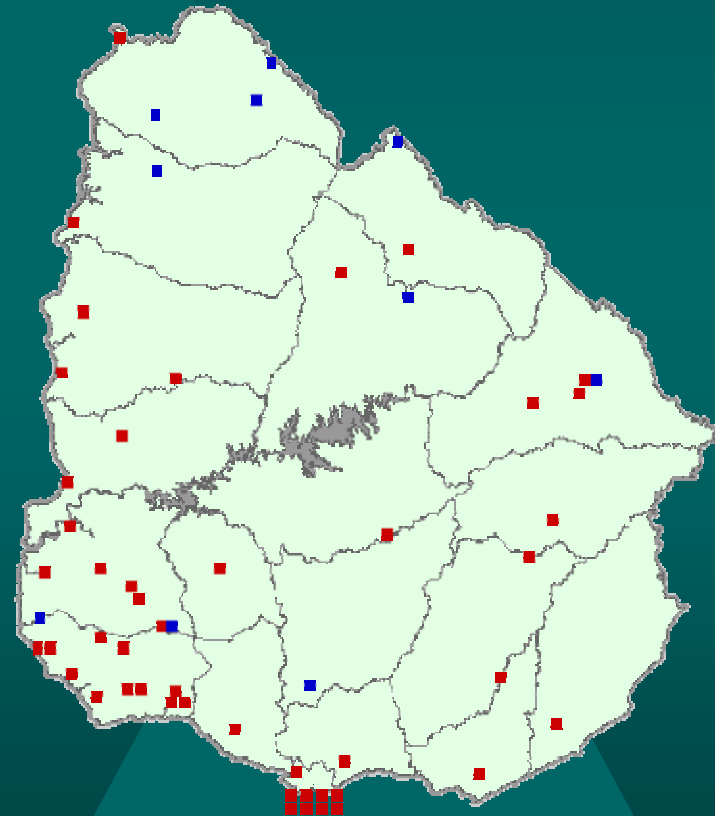
- CAF Mildly rolling surface
- CAF Natural rolling pastures
- CAF Agriculture: 9% of GDP
- CAF Agribusiness: 25 % GDP
- CAF 58000 farmers
- CAF 147.000 rural workers

MAPA 9. SUPERFICIE DE CULTIVOS CEREALEROS E INDUSTRIALES DE SECANO Y DE ARROZ (*)
Año 2000




Cooperative sector






-  55 cooperatives
-  2 Centrals (2nd degree)
-  All sectors
-  Several agroindustries
-  Reengenering, on going process



Basic figures

-  **Dairy:** 90% of the milk production, 3000 farmers
-  **Cereals & Oilseeds:** 2000 farmers (30% wheat/barley; 40% soybean/sunflower; 5% rice)
-  **Wool:** 10% Lamb meat: 50%
-  **Beef cattle:** 10 %
-  **Honey:** 35%-40% of exports
-  **Seeds, sugar cane, flower cut,.....**
-  **Important farmer's input & services suppliers, and technical advise network**






Beekeeping in Uruguay

-  Constant growth during last 30 years
-  3.500 beekeepers
-  350 – 400.000 beehives
-  Average (very variable)
 - 100 beehives/beekeeper
 - 30 kg of honey/beehives
-  Very small farmers or part time workers




Beekeeping in Uruguay

- Favorable conditions:
 - Climate, flora, population distribution
 - Network services
- Export oriented: 90% of the production
- Traditional markets
 - Germany, Spain, Brazil
 - Recently: USA, UK, Belgium, Canada

Beekeeping in Uruguay: growth pattern

-  Wide base of beekeepers
 - Many local groups, networks and coops.
-  Response to an attractive and sustainable business
-  Strong support from public and private sector
-  International cooperation
-  Leading role of cooperatives export oriented

Beekeeping – Coops – Fair trade History

-  CALFORU till 1991
-  1992, Central Apícola Cooperativa (CAC) born (13 first degree coops):
 - up to 400 beekeepers
 - Has bonded successfully external markets
 - In 1999 was the 1st. exporter with 3200 tons
-  Other exporters: CALAS and CALAPIS


Beekeeping – Coops – Fair trade History (cont.)


- 2000: CAC crisis begins
 - Great drought: 90% production drop
 - Investment in packing plant which never operated
 - 2001-02: major economic crisis (at regional and country level)
- 2002: CAC stopped its operations
 - Lack of production
 - Management failures
 - Membership crisis
 - Debt with GEPA
- *But... coops were a determining factor in the growth and export profile of honey*

Beekeeping – Coops – Fair trade History (cont.)

- At the beginning: NGO's role between CALFORU and GEPA: access to the market more than price
- CAC established a direct relation with GEPA
 - Annual Export: 300 ton to GEPA over a total of 1200- 1500 ton
 - Prices became relevant (GEPA's overprice: 25-30%)
 - Key issue: harvest vs shipping date





Beekeeping – Coops – Fair trade History (cont.)

-  GEPA's overprice shared with all CAC members
 - 50% redistributed
 - 50% to a development fund

-  Another advantage: advanced payment to farmers






Beekeeping – Coops – Fair trade History (cont.)

When CAC falls (2002):

-  Management failures
-  Lack of member's ownership
-  Exports commitments not fulfilled and increased debt with GEPA
-  (*GEPA was unable to adjust its prices to international market levels*)



Beekeeping – Coops – Fair trade

Lessons learned


-  Relation with GEPA was not corresponded by CAC
-  Due to its specialization in the honey CAC did not explore other products.
-  Need to organize the supply according this specific market requirements
 - Consolidation, classification, packing, shipping....
-  All farmers are linked to the market, but the smallest
-  Advantage of coop approach to organize and develop this sector

Beekeeping – Coops – Fair trade


Towards the future


-  CAF (with another groups of cooperatives) would like to start a new partnership with GEPA and other FT networks
-  CAF is a member of “Comercio Justo Uruguay” (a network wich want to improve and expand new opportunities)

Towards the future

-  We are also interested in wine, artisans cheeses, jams and candies, rice, wheat flour, sunflower oil.

Towards the future

-  Why do not go beyond the price?
 - Management, organization,....

-  The goal:
Capacity building to less advantageous farmers and their organizations

...through the Uruguayan Cooperative system

THANKS FOR YOUR KIND ATTENTION

Gastón Rico

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