Educating Members of Dairy Co-operatives Pre-Board Selection.

A report for

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Farming Scholarships

By Sean O’Brien
2014 Nuffield Scholar

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Executive Summary / Abstract

This report examines ways to educate the next generation of members and in turn Board members of dairy co-operatives in Ireland. The study suggests the importance of selecting Board members with the business acumen to manage the expected substantial growth period within the dairy sector. While the research establishes the challenges associated with educating farmers, it also looks at the support structures which are available. In addition, it explores the most recent findings on the education practices of international co-operatives and compares these to Irish practice. Finally, an analysis of the data gathered both nationally and internationally highlights the problems and opportunities presented.

Key Objectives

- To determine how Irish Co-operatives and Agricultural Colleges educate their members/students on cooperative structures.
- To discover how international Co-operatives educate their young members.
- To propose a new strategy for educating the next generation of Co-operative members pre-Board selection.

Key Findings

Global Co-operatives such as Mondragon Corporation and Friesland Campina have recognized the importance of educating their young members. This contributes to the overall success of these co-operatives. Both at home and abroad, the practice of educating young co-operative members is difficult, mostly due to time constraints, lack of funding and work and family life balance.

When we compare the way other global co-operatives educate their co-operative members there is room for development in the Irish context. From observation, the need to motivate young co-operative members in Ireland must no longer be ignored. Even if they never get involved at committee level, the more young members are educated about their co-operative and the philosophy of co-operatives in general, the better understanding they will have of how a successful co-operative operates. In turn, this will have a positive ripple effect for everybody involved.
Recommendations:

According to this researcher, a new strategy is required to educate the next generation of Co-operative members pre-board selection, in Ireland. There needs to be equal investment in education throughout the co-operative structure, from management level to member/owner and next generation farmer members.

This author recommends that co-operatives engage their youth by offering a financial incentive and involving young members in matters that are interesting and important to them. When young people are connected within the co-operative structure, undoubtedly this should generate innovation and vision within the organization. Primarily, the author recommends that it ought to be compulsory for each new member to take part in a one day course in order to understand what they are invested in as a member and also to identify what their particular co-operative manufactures and exports. This might include a tour of one of the Co-operatives’ production facilities along with a simple social event to end the course. Educating everyone can help a little to make a big change.
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Report Summary
In 1999, my parents entrusted me with working the family farm. At the time my father’s farm consisted of 30 suckler cows, cattle and tillage. Some of the land was also leased out. I studied for National Certificate in Agriculture before travelling to The Netherlands to study dairy farming. I wanted to see what it would be like as a career. On my return from Holland, I bought twenty milking cows and put the necessary infrastructure in place to produce milk.

Since I began farming, my main aim has been to maintain growth at a sustainable level. To achieve this, I have realised that farm costs have been continually monitored and adjusted should the need arise. We calved over 320 cows in 2015, moving to 400 in 2016. Planning is the most important task undertaken each year and we readjust our five year plan on a yearly basis or when new opportunities arise. Having returned to education as a mature student in 2009, I completed a Diploma in Corporate Direction (Food Business). In 2011, I completed my degree in Mutual Business. Currently, the Nuffield Scholarship enables me to meet more like-minded Dairy Farmers, who recognise two principal priorities - family and profit.

My Nuffield study tour included Australia, The Netherlands, Thailand, Cambodia, Vietnam, France and The Basque Country in Spain. The Scholarship enabled me to expand my viewpoints on the global aspects of agriculture in the 21st century. World perspectives have given me further insight into the need for greater collaboration within the Dairy co-operatives of Ireland, principally in the area of education.
Acknowledgements

First and foremost, I would like to sincerely thank Nuffield Ireland, in particular Bill O’Keeffe and John Tyrrell for entrusting me with this project. As anyone working in dairy farming knows ‘cows don’t take a day off,’ therefore, completing this project during the greatest growth phase of our own enterprise has been an enormous yet very enjoyable undertaking.

I would like to express thanks to my sponsor, The Golden Jubilee Trust for their generous support which has allowed me to fulfil this unique experience.

I am grateful to my wife Bernadette, who has supported me throughout the preparation of this report with her encouragement, patience, knowledge and feedback.

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To my mother Nora and my father Con - thank you for leading by example with your constant support and encouragement, and to my sisters for their never-ending work ‘behind the scenes’.

Lastly, I wish to acknowledge and thank those who helped by participating in the study. These are the professionals who I interviewed and had discussions with throughout my research; business and education experts in Agriculture including Darina Allen (Ballymaloe), Frank Murphy (Teagasc), Richard Dickmann (Bayer CropScience Head of New Business Development Australia), Ron Forrester, (Communications and Marketing Agrifood Skills Australia), Bill O’Keefe (Nuffield Ireland), John Tyrell (Nuffield Ireland), Albert Canrinus (Lecturer Entrepreneurship at CAH Dronten University of Applied Sciences), Bram Prins (President, Global Dairy Farmers), Raymond Hunter (Emerald Agriculture), Tim O’Leary (Vice President, IFA), Bertie O’Leary (Ex-Chairman Dairygold), Jim Wolfe (CEO Dairygold), Mark Lyons (Vice-President Corporate Affairs, Alltech), David Murphy (Chairman, Dairy Ireland), Kevin Twomey (Nuffield Scholar), Jack Kennedy (Dairy Specialist, Farmer’s Journal), John de Jonge (President, Artex Barn Solutions) and Andy McFarlane (Farm Advisor, NZ). I would also like to thank the experts in the co-operative area including Mark Voorbergen (Global Dairy Analyst), Mikel Lezamiz (The Mondragon Corporation), Piet Boer (Chairman Friesland Campina) and Marije Klever (Youth Group, Friesland Campina) Ad van Velde (NoorderlandMelk) and Jerry O’Sullivan (Dairygold). It was a privilege to speak to and learn from you all.
Glossary

FAO – Food and Agriculture Organisation
ICA – International Co-operative Alliance
ICOS – Irish Co-operative Organisation Society
IDB – Irish Dairy Board
IFA – Irish Farmers Association
GIIL – Glanbia Ingredients Ireland Ltd.
Introduction

Evolution of the Dairy Co-operative in Ireland

‘Teamwork divides the task and doubles the success.’

In 1889, Ireland’s first co-operatives were established in Doneraile, Co. Cork and the first co-operative creamery was opened in Dromcollogher, Co. Limerick. Five years later Sir Horace Plunkett and his friends formed the Irish Agricultural Organisation Society Ltd. (later renamed the Irish Co-Operative Organisation Society Limited – ICOS).

Now in 2015, ICOS continues to serve and promote commercial Co-operative businesses and enterprises, including dairy. As confirmed by ICOS, approximately 17,000 Irish dairy farmers milk 1.1 million cows and supply 5.5 billion litres of milk annually. Irish milk is mainly produced from fresh green grass and just over 85% of Irish dairy products are exported. ‘The Irish Dairy Board’s brand commands a top three position in 27 of the 50 markets in which it is sold’ (ICOS, 2015). Never has it been more important to highlight how Co-Operatives in Ireland can contribute to education for the good of the future of Irish Agriculture within the global market.

Blueprint for a Co-operative Decade

The plan in the Blueprint for a Co-Operative Decade - the “2020 Vision” - is for the co-operative form of business by 2020 to become the acknowledged leader in economic, social and environmental sustainability; the model preferred by people and the fastest growing form of enterprise. As identified in this Blueprint; ‘The diversity of co-operative forms and goals is under-recognised. Case studies and first-hand stories showing the contributions of co-operatives to education, communities, health and other public goals are important here and needed' (International Cooperative Alliance, ICA, 2013, p.18).
The essence of this argument is that; co-operatives worldwide need to showcase their many significant contributions to the business world through investigation and review. The investigation in this subsequent study aims to highlight methods to educate the next generation of board members for dairy co-operatives in Ireland.

Preceding this study, Murphy (2012), made substantial recommendations for the Irish dairy sector based on almost 2 years of travel, meetings, interviews and investigations in Europe, the Americas, and Australasia (ICOS, 2012). On Co-operative Education he argues that

Education programmes need to be established to reinvigorate and reconnect grass roots farmers with their co-ops, these programmes should encompass how the co-op business model works and how it differs from investor type businesses. Education programmes for elected representatives must be more intensive and elected members should be voluntarily required to complete a set number of individual training courses over each term of service. Points awarded on completion of education modules for elected representatives - with a minimum amount of points required for an individual to be eligible to contest a seat at council or board level of the representative structure (Dairy Digest, 2012)

The view that co-operatives are a marginal form of enterprise is not uncommon. From observation, most farmers/members of Irish Co-operatives concede that they are indifferent to the structure and workings of their co-operative. In general ‘there is often a failure to understand precisely how they work or the benefits they deliver (exacerbated by the general lack of coverage of co-operative in the education and training of those going into the business world)’. (Blueprint for a Co-operative Decade, p.29)

A Greater Understanding

Accordingly, the main aims of this research are to:

- Establish how Irish Co-operatives and Agricultural Colleges educate their members/students on cooperative structures
- Ascertain how international Co-operatives educate their young members.
- Endorse a new strategy for educating the next generation of Co-operative members pre-Board selection.
With the ending of the milk quota regime on the 1st April 2015, there is a predicted 50% increase in milk production (Food Harvest 2020, Department of Agriculture). Undoubtedly, this anticipated increase will affect the export market. As seen in Britain when ‘the Chinese suspended all UK cheese imports’, the export market is difficult to develop and maintain (Coonan, 2014). In April 2013, the Cooperation Framework Agreement between the FAO (Food and Agricultural Organisation) and the Regional Commissions was formalized to strengthen joint work relating to agricultural and rural development, food and nutrition security, and sustainable management of natural resources, including land, water and forests. Certainly, the Agreement will purposely improve the collection, analysis and dissemination of relevant data and statistics in these areas. This author suggests a greater understanding of the global market is required for the next generation of Co-operative Board members. A high aptitude of expertise is needed from young farmers in order to strategically plan the preferred path for their particular co-operative.

This specific case study aims to give an overview of the educational practices currently in place for Dairy Co-operatives in Ireland, whose farmer/members aspire to become Board representatives. These practices are compared and contrasted to those of some of the most lucrative Co-operatives around the world with a view to a revision of Co-operative structures in Ireland and a proposal for best practice in the area of education.

According to Salvatori (2013) if we do not have the right comprehension of the co-op movement it is difficult to make any strategic planning for the future (European Research Institute on Cooperative and Social Enterprises (EURICSE). As part of its purpose and vision statement, ICOS strives to ‘promote greater member participation within co-operatives, particularly with younger generations of members’. Certainly, this goal is commendable, however, more incentives are needed directly from each co-operative to encourage and support younger farmers as they become members of their co-operatives.

### Aims of the Study

As a foundation, this study investigates the education programmes that are presently in place for milk suppliers in Ireland. The syllabus of the current Certificate in Agriculture is examined, bearing in mind that ninety five percent of students entering milk production will be paid by a co-operative of their choice. Also, the study reviews the existing curriculum to examine the level of understanding students most likely have of the cooperative structure on completion of their studies.

In addition, the report investigates the Friesland Campina Youth Group, an association of young farmers
Educating Members of Dairy Co-operatives Pre-Board Selection. Seán O’Brien from France and Holland, who report to the main board of directors of Friesland Campina on a monthly basis. An ‘inside’ perspective is presented from a member of this Youth Group to give an understanding of the pros and cons of this type of organization, along with the types of projects in which they participate. Furthermore, the paper explores the educational work Friesland Campina does for indigenous countries, in particular South Vietnam.

Subsequently this report investigates the ‘Mondragon Corporation’, a federation established worldwide with a total of 103 co-operatives associated with it. The co-operative employs 75,000 people and specializes in four areas – finance, industry, retail and knowledge. The ‘knowledge’ area has a dual focus: education-training and innovation, which have both been key elements in the development and success of the Corporation.
Methodology

Qualitative methods are most appropriate for this piece of research as the interview process acknowledges the significance of personal language as data (Newton, 2010). For this study, semi-structured interviews were used to collect data. As opposed to the structured interview, which is more controlled, the semi-structured interview allowed for flexibility in terms of the order in which the topics were thought-out (Denscombe, 2010). Undoubtedly, one of the main advantages of using the interview method is its flexibility, whereby responses can be explained and elaborated (Bell, 2003).

When interviewing the respondent, an interviewer can delve deeper and follow up on thoughts and philosophies. Providing the interviewee is at ease, this method of data collection can explore motives and feelings. Certainly, this is distinct from any other research technique. A reply made during an interview can be expanded upon or simplified. In contrast to the written response in a questionnaire, the way in which an answer is given, for example, the tone of voice or a facial expression, can provide information that may otherwise be concealed (Bell, 2010). Furthermore, the interviewee can expand on ideas and speak more extensively on the issues presented by the researcher. In this case, since the answers were open-ended, there was a higher possibility of those being interviewed elaborating on points of interest (Denscombe, 2010).

Limitations

There are a number of limitations to this study including: time restraints, diverse sample and bias. It would be unrealistic to carry out a large scale qualitative study in the allocated time frame, therefore a purposive sample was chosen for this research, mainly members/workers of Co-operatives. Bias is a constant limitation in this type of qualitative study, and it can occur in many ways (O’Leary, 2004). Certainly, it is very easy for a sole interviewer to be restricted by bias. For example, it can happen if the researcher selects only references which support his/her point of view (Bell, 2003). Throughout the research process, the researcher acknowledged the highly subjective nature of the interview and endeavoured to limit researcher bias (Punch, 2009).

Data Collection

The research instrument used in this study was a Topic Guide (See Appendix 1). A set of topics was listed and questions were compiled for the researcher to explore with the research participants. In order to generate a type of data which was rich in content, questions were open-ended to illicit elaborate responses.
The way in which the researcher conducts the interview can determine the quality of the data collected (Bogdan & Taylor, 1975). In this case, the semi-structured interview would gather information on the more ‘intangible aspects’ of what it is like to be educated through a co-operative (Cohen, Manion and Morrison, 2007, p. 97). The interviews were very conversational in style. A schedule of open-ended questions was prepared for the semi-structured interviews. This enabled the contents to be reordered, digressions and expansions made, new avenues included, and further probing undertaken (Cohen, Manion and Morrison, 2007).

The semi-structured interviews were used as a method to collect data for the researcher to interpret. The interviews lasted an average of one and a half hours. In each case the interviews were recorded, transcribed and analysed.

Initially, research was carried out on Co-operatives in Ireland. Information was sought from local libraries and websites. The researcher was informed of ongoing co-operative meetings. With the intention of meeting and conversing with other co-operative members, the researcher decided to speak to as many co-operative members as possible.

**Data Analysis**

An audit trail transpired when the interview was conducted and then transcribed, and themes which emerged were identified. This type of data analysis is cyclical and acts as a ‘safe guard’ in qualitative research. (Cohen, Manion and Morrison, 2007, p149). Explanation and prediction in qualitative analysis involves the careful analysis of documented and other material. A full description of the interview was given and this was crucial whereupon the researcher used a type of discourse analysis which involved a ‘careful reading and interpretation of textual material’ (Cohen, Manion and Morrison (2007, p.390).

**Validity**

Cohen, Manion and Morrison (2007) maintain that validity is crucial for successful reflective research. When findings are invalid, the research is worthless. Klenke (2008) states that findings are valid to the degree that they resonate with the experiences of those who have experienced the phenomenon in question, in this case, co-operative education. Triangulation is used as a strategy for the validation of the process and results of empirical social research. (Flick, Kardorff and Steinke, 2004). It is used in order to achieve objectivity and avoid subjectivity.
Research

Education on Co-operatives for Co-operatives

Primary Level

While there has been some research on the value of co-operative learning in schools in Ireland, namely Kirk (2005), this author suggests further studies are needed. This researcher believes that co-operative learning is necessary earlier in education, to instil in our youth the importance of Co-operative approaches. The Department of Education states that ‘the practice of working with others brings children to an early appreciation of the benefits to be gained from co-operative effort’ (Department of Education and Skills, p.17). The blueprint on ‘Co-operative for a Decade’ states that ‘Learning about co-operative ideas and traditions needs to be included within the curriculum at all stages of education. Co-operative education is the best way to build an understanding of co-operative identity and messages by the widest possible range of individuals’ (ICA Blueprint, p. 24). Admirably, the Department of Education is in pursuit of using the co-operative model as part of the current curriculum, and perhaps with further research, additional efforts will be made in this area.

Secondary Level

Presently, on the Leaving Certificate ‘Business Studies’ Syllabus, the co-operative model is covered in the unit entitled ‘Domestic Environment’. The objective of this unit is to enable students to understand the interaction between business firms, the local community, the Government and the economy. Included in this unit is information on types of business organisation, the changing trends in ownership and structure and choosing between the alternatives; which includes co-operatives (Department of Education, 2015). While this part of the curriculum covers the business features of the co-operative structure, this author suggests our youth need to learn more about the importance of the co-operative spirit. As we are well cognisant of the fact, ‘education is the key to the good fortune and future of our youth and our very own society’ (Arizmendiarrieta, DJM).

Third Level

The Level 5 Certificate in Agriculture more commonly known as the ‘Teagasc Green Certificate Course’ is offered at six agricultural colleges in Ireland – Kildalton, Clonakilty, Ballyhaise, Gurteen, Mountbellew and Pallaskenry. The course is covered over a twelve month period and combines on-farm practical learning course work delivered on benchmarking farms, and block release course work at the college amounting to four weeks. During the course, students operate their home farm to a farm development plan in conjunction
Educating Members of Dairy Co-operatives Pre-Board Selection. Seán O’Brien with the Teagasc tutors. They must also carry out projects on their home farm (Teagasc Course Prospectus, 2015). The Certificate in Agriculture requires a total of one thousand study hours over the course of two years. This program includes two hours ‘looking at the structure of a co-operative’ (Murphy, 2015). The module ‘Specification for Farm Business Organisation’ is a mandatory module which all students take. It is worth 10 credits and the contact time for the full module is approximately 50 hours. One section of the module covers the ‘Role of Co-operatives in Irish Agriculture’. It looks at co-operative principles, and the current contribution of co-operatives to Irish Agriculture. This author believes that there is an absence of practical knowledge on the value of a co-operative for the farmers who complete this certificate.

Murphy (2015) accurately asserts that ‘the principles of a cooperative mean nothing to a student until they have implications for that individual. Similar to the chapter on banking, it means very little to students in theory, until they are involved in the realities of banking for their business.’ Likewise, students/dairy farmers/milk suppliers must be made aware of the effects their contribution and participation will have for the potential of their own cooperative and in turn their own future income.

The International Co-operative Alliance (ICA) acknowledges the fifth principle of a co-operative which states that

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation’ (ICA, 2015) (See Fig 1, Co-operative News).

Figure 1. The Fifth Principal. Co-operative News 2015.
From observation, early and appropriate implementation of the fifth principal is key to the success of a co-operative. Certainly, some level of education or training for members is more valuable to the co-operative than none whatsoever.

Commendably, Irish Dairy Co-operative Glanbia is presently starting to implement an education course which consists of 5 one day modules covering the different Glanbia businesses with an overview of ICOS and IFAC and European and National Policies. In 2015, forty members of the advisory committees participated in the course and there are plans for the course to run on an annual basis (Glanbia Ingredients Ireland Ltd., 2015). O’Sullivan (2015) states that Dairygold offers a 3 day course similar to the program offered by Glanbia. Both co-operatives are finding it very difficult to fill the spaces available. This author believes that the incentives are not sufficient to motivate individuals to participate. Moreover, a one-stop program for all is ineffective as the range of members is too diverse for such an umbrella approach.

Macra na Feirme, in conjunction with ICOS, has also developed a training programme for young farmers to introduce them to the co-operative decision making process (Macra na Feirme, 2015). This kind of forward thinking and development by Macra na Feirme is attributable to its success as an organization. However, when we compare the way other global co-operatives run courses for co-operative members, there is room for further development in the Irish context. This type of basic course is compulsory in efficacious co-operatives like Friesland Campina and Mondragon Corporation.

ICOS Skillnet in conjunction with University College Cork runs the Diploma in Corporate Direction (Food Business) which is a Management Development Programme for co-operative Board members and senior management.

This Diploma includes seven modules and an In-Company Project. The seven modules are as follows:

- Corporate Governance
- Strategic Management in Food Organisations
- Financial Appraisal for the Food Industry
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- Policy and Regulatory Environment for the Food Industry
- Communication and Presentation Skills for Food Organisation Including Co-operatives
- Leadership, Organisation Development and Change in Food Organisations
- International Marketing for the Food Industry
- New Technologies and Future Food Developments

UCC also offer an MSc in Co-operative and Social Enterprise which aims to

- equip graduates for management careers and/or voluntary service at senior level in a wide range of co-operatives and social enterprises
- equip participants with the specific knowledge and skills they will need to be able to participate meaningfully and effectively at leadership level in the decision-making, management and entrepreneurial processes of co-operatives and social enterprises
- develop the capacity of both voluntary and salaried senior practitioners in co-operative and social enterprises to respond creatively to the needs and problems of the wider community and society
- provide adults, combining family responsibilities and full-time jobs, with access to postgraduate and personal development opportunities in the co-operative and social enterprise field

**Formula for Success**

On reflection and with the benefit of having qualified in the Diploma in Corporate Direction (Food Business), this author queries whether this course or similar modules be compulsory for members of co-operatives at Committee level. As members of our co-operatives, it is important to ‘marry work and education, to tie them together in the service of a progressive community, for the good of the people’ (Arizmendiarieta, n.d.). This reflection on ‘a progressive community’ is indicative of the co-operative spirit and perhaps one which should be re-ignited at a local and global level. Never, have we been in a more advantageous position to spread the idea of the co-operative model ‘which the social technologies of the internet can facilitate’ (Brand, 2014).

Certainly, the opportunities for co-operatives to become more and more successful are facilitated by proper use of social technology by educated co-operative members. A combination of appropriate use of technology and a high caliber of members is a formula for further success in the Irish Dairy Industry. Correspondingly, O’Mahoney (2014) accurately states that ‘Co-ops are going to need stronger farmer leaders than ever before during a rapid growth phase’. In support of this argument, this researcher asserts...
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that more encouragement is needed from these co-operatives in order to foster stronger farmer leaders. As Schoepp (2015) quotes ‘Once in your life you need a doctor, a lawyer, a policeman and a preacher, but every day, three times a day, you need a farmer.’ As is frequently indicated; farmers are experts in their field, however, farmers must often be experts in many fields. Surely, dairy co-operatives in Ireland need to draw on that diverse expertise for the benefit of all members and for the continued success of the co-operative model.

How International Co-operatives educate

Friesland Campina

Friesland Campina provides millions of consumers all over the world with dairy products. With annual revenue of 11.3 billion euro, Friesland Campina is one of the world’s six largest dairy companies. Friesland Campina has offices in 32 countries and employs over 22,000 people. The Company is fully owned by Zuivelcoöperatie Friesland Campina U.A., with over 19,000 member dairy farmers in the Netherlands, Germany and Belgium, it is one of the world’s largest dairy cooperatives.
In this section the study examines how Friesland Campina (Figure 2) involves its younger members through education. It reviews a youth members’ perspective as part of a successful global corporation. On examination, international co-operatives are investing heavily in the next generation of Board members. For example, Friesland Campina’s youth group (eighty members) are paid €80 per meeting while a group of twenty-one are paid €240 per meeting. The Chairman of Friesland Campina, Piet Boer is in attendance for all Youth meetings. At these meetings, members have a voice and may share concerns and ideas. Compared to these global corporations, Irish co-operatives offer few incentives for members to become involved in their organizations.

There are approximately four thousand young people (under 35) who will take over farms within Friesland Campina. Together the title of this group is ‘Organisation Youth’ or Youth Organisation (See Figure 3). Friesland Campina is a producer/owner Co-operative. Marije Klever (Nuffield Scholar, 2015) is on the
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Youth Board and was interviewed for the purpose of this report. The Youth Board consists of approximately eighty farmers, which includes four young farmers from every district (of which there are twenty-two). Altogether, these eighty young farmers meet four times a year. During these meetings a member of the management team of Friesland Campina is present to give information about the Corporation. According to Klever, it could be an issue, for example, “we might have issues on animal welfare or issues on food safety, so something related to Dairy and the Corporation will be discussed there, and also Piet Boer will be there to answer questions on Corporation Issues” (Klever, 2015).

In addition, there are also committees of twenty-one members and they see each other more often, they meet approximately ten times a year and evidently these meetings are more in-depth. Klever states that “Piet Boer is also there, so that’s very nice, because then you are with twenty-one people and with the Chairman, they can talk to him in person about all the issues that are there in the corporation. We also have work groups. At the moment I am in a work group on ‘How to finance the Corporation’ because there is a lot of the farmer’s money in Friesland Campina and maybe getting so high that it becomes a problem. If all of a sudden all the farmers say ’Oh I don’t want to be involved in Friesland Campina anymore’ and they take their money out, then Friesland Campina cannot exist anymore, so we are kind of thinking about ‘is this a good system for the future?’ …how we finance Friesland Campina at the moment? Also, once a year, we
have an excursion abroad. We have been to Ireland …to Glanbia, for example and Belgium also. Next year we go to Sweden to discuss with other young farmers and Dairy Corporations about their issues”.

Consistent with the interview, twenty-one young farmers go on these trips. From those twenty-one, there are five who are in the Young Farmers Board and they meet each other even more often than the group of twenty-one, almost twenty times a year. The name of this group is ‘Jongerenwerk’ which roughly translated means ‘Youth Work’ of Friesland Campina.

“Normally, we get €240 per meeting. We come together for the whole day. If we go abroad, they put the money, normally for a meeting, we use for raffling and sometimes we have to use, or put a little extra in from our own. It is partly funded by Friesland Campina. The eighty young farmers get €120 per meeting. It’s also means you have an organization in which you involve young farmers and keep in touch with the corporation and when they need new people in the Board and in the general committees, you know who is active and you know who wants to be in there”.

In this participant’s region it is quite difficult to get people involved. Young farmers have to be approached by her group. They can go to the meetings and then decide if they want to take part. In the south of Holland, there is a waiting list of young people wanting to get involved. They have to do an interview or wait their turn in the queue. In the middle of Holland, there are lots of young farmers who work a side job because their parents are still working on the farm so it is more difficult for them to get time off from these side jobs to go to the meetings. “Maybe that is why there is a different level of interest between the middle of Holland and the south”.

The respondent states that “It’s really nice to get paid, it’s not a lot, but when you are young its ok, and also you learn a lot. We have trainings in how to present sometimes and you have all this information on all the different issues which are related to Dairy so if I had to promote it, I would tell other people ‘I am always very interested because normally if you want to have training for education you have to pay for it and here you get paid for it!”

This interviewee is on the Youth Board with five other young farmers and along with an associate from Cooperative Affairs; they make an annual plan. Speakers from Friesland Campina are selected to speak and the Board also invite a guest from outside of the co-operative to give talks. The Youth Board are obliged to contact these speakers and interview them before they speak in front of the eighty farmers. They arrange all of this themselves. “We also make an advice (suggestion) for the board each year for Piet Boer and his Board Directors. We will present that to them and we will ask later – what did you do with that
The group also devise a topic or raise an issue which they bring to the board each year. “It could be anything. Last year we did a topic on Food Safety and Consumer Perspectives and this year we will do it on the next cooperative structure so that’s also why financing is important. We also put financing issues in our advice”.

Every two years they have a young farmer’s day and every young farmer from Friesland Campina can come. This year (2015), it will be on ‘The Farmer of the Future’ and there will be about one thousand young farmers there. “There’s a lot of food and a lot of nice speakers and then every year we have a meeting in all the districts and there will be about fifty young farmers and there will be a speaker who speaks about the issues related to the corporation”.

When asked how many people were in the youth group that have now gone through to the board of Friesland Campina, the interviewee replies; “For example in my district there are half of the people from the district level who have also been in the young farmers group before”. According to Klever, “The eighty young farmers who are in the group for a four year cycle so that’s sixteen meetings in total – you learn a lot about Friesland Campina and if you do not get in a district board or a higher board, you still have farmers who are more educated on the Corporation. Also the farmers who are not in the board have to be educated on the corporation”.

Concerning education, Klever stated that “It is also a discussion within our groups in particular in Piet Boer’s Board – how much should we try to involve education in our co-operative? They (Friesland Campina) are involved in politics, they are involved in a lot of things but they are not involved in education yet, but I think we should because we have distance from education.

Due to the fact that there are both Germans and Belgians on the youth boards, there are always translators at the various meetings. In particular, if the group of eighty meet, there are translators there at all times. Piet Boer is always present and repeatedly, there are good speakers in attendance. Friesland Campina invests a lot of money and attention in the youth board. They devote time and spend money to make something of it. “They take it seriously and I think that really helps and the thing that really helps is also to take yourself seriously because you know you get some money for it and they have arranged speakers and translators and everything and somebody from Cooperative Affairs who I think more than fifty percent of his job goes towards helping us. So I think to give good advice and get really involved, ask good questions during the meetings, they are taking us seriously (the youth work) so we should take them seriously.” To
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view a short movie (video clip) on the youth work (See Appendix 2).

From observation, this perspective of Friesland Campina’s youth work is a very positive one and when analyzed, it demonstrates that the Co-operatives’ success is representative of the force among its’ younger members. Friesland Campina places huge emphasis on co-operative education, training, and information for members, elected representatives, managers and employees alike. They also extend further to fulfill the fifth and seventh co-operative principles simultaneously, through ‘Education, Training and Information’ with ‘Concern for Community’ by funding projects for dairy farmers in developing countries. While this type of education is not critical for pre-Board selection, it does educate their co-operative members/shareholders on the responsibilities of global co-operatives. Moreover, it allows pre-Board selects to understand the importance of working with developing countries to increase their export market.

**Development Education – The Bigger Picture**

Friesland Campina realises its corporate responsibility as a leader on the global business stage. Development Education is a major part of this realisation. Without question, Friesland Campina can see ‘the bigger picture’. By simple definition, development education is an educational reaction to issues of development, human rights, justice and world citizenship. Bown (2007, p.3) states that ‘development is about change, seen as change for the better, and implicit in all change are concepts of movement and process’. Friesland Campina in conjunction with Rabobank, are involved in the enhancement of local dairy farming in Indonesia and Vietnam. They support the local dairy farmers by ‘leveraging knowledge and expertise, and providing financing on relatively favourable terms’ (Friesland Campina, 2015). By doing so, they hope to improve the quality of local dairy farming. The loans are used to buy cows, improve conditions in barns and fund biogas units. Friesland Campina purchases the milk that is produced. The interest and loan repayments are subtracted from the price paid for the milk, allowing the farmers to repay the loans in gradual stages. Local farmers are also given training to increase their milk yield and improve its quality (See Figure 4).

The projects tie in seamlessly with the Sustainable Business Facility and Food Security Programme (FDOV), to which Friesland Campina is affiliated in the context of its Dairy Development Programme. It collaborates on the programme with Wageningen University and Agriterra, among others. The programme’s aim is to increase the professionalism of farmers so that they will operate more efficiently and supply better quality milk. This in turn will boost their income.
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The initiative involves an overall investment of 22 million euros, of which Friesland Campina provides a total of 12 million. Approximately 30 Friesland Campina staff and member dairy farmers are directly or indirectly involved with the Dairy Development Programme every day.

Figure 4 - Visit to one of the Education Centres for New Dairy Farmers funded by Friesland Campina (South Vietnam, 2015)

Figure 5 - Vietnamese Farmers delivering their milk to a central location.

Local dairy farmers deliver milk to a centre which is opened for 1 hour in the morning and 1 hour in the evening. There, the milk is tested for PH and antibiotics. It is also weighed and then cooled in a refrigerated tank not unlike the common Bulk Tank. The typical Vietnamese farmer is milking ten to twenty cows. Primarily, the education centre is teaching and facilitating the farmers to become better at feeding their animals to increase their output. The standard of living is very low in this area but people who start milk production with ten cows are far better off than the neighbour who may work in any other local industry. The co-operative model is seen in operation albeit on a much smaller scale.
The strategic planning of the larger scale co-operative is far from the minds of these farmers. Their involvement is purely for production purposes. The average milk price is approximately 65cent per litre with high production costs accounting for about 70% of turnover, driven by imported compound feed and high replacement rates. Undeniably, as leaders of global co-operatives it is our responsibility to educate our members on real issues which include a combination of the fifth principle on Education and Training and the seventh principle ‘Concern for Community’. In turn members will learn to appreciate the idea that ‘community’ can represent both the local and global community.

**Mondragon Corporation**

Mondragon Corporation is the epitome of the co-operative movement that began in 1956, when the first industrial co-operative in Mondragon was established in the province of Gipuzkoa. Mondragon’s business philosophy is encompassed in its corporate values of: Cooperation, Participation, Social Responsibility and Innovation. In terms of organisation, it is divided into four areas: Finance, Industry, Distribution and Knowledge, and is today the leading Basque business group and the tenth largest in Spain.

While Friesland Campina is a producer/owner co-operative, Mondragon Corporation is different in that it is a worker/owner co-operative. Mikel Lezamiz is an employee at Mondragon Headquarters and was interviewed for the purpose of this study. Mondragon is a corporation and federation of worker cooperatives based in the Basque region of Spain (See Figure 6). According to Lezamiz, Mondragon was founded in the town of Mondragon in 1956 “by graduates of a local technical college”, and is now the tenth-largest Spanish company in terms of asset turnover. At the end of 2014, it employed 74,117 people in 257 companies and organizations in four areas of activity: finance, industry, retail and knowledge (Mondragon-Corporation, 2015).

MacDonald, Wallace and MacPherson (2013) question why many co-operatives are placing less and less emphasis on education and give the following reasons:

- People do not have any time available to attend anything but short-term programs
- Cooperatives feel that spending only on training or education programs will negatively affect
They see people as more mobile, so investing in employees that are likely to leave may be a poor investment

Co-operatives have internal web-based sources of good information for officials and staff

They feel knowledge depreciates so rapidly that many skills and abilities will be obsolete in five years

They have already hired people who have education and experience so training is less important

Co-operatives don’t expect elected officials to be interested as many are already professionals or business people

Figure 6 - Seán O’Brien & Mikel Lezamiz, Mondragon Headquarters, The Basque Country, Spain.

According to Lezamiz, “Mondragon Corporation is a co-operative that faces all of these issues, however it considers investment in education to be the basis for its success. Education-training and innovation have both been major factors in the development of the Corporation. Training-education is mainly linked to the strength of the University of Mondragon. The University is a co-operative one, which combines the development of knowledge, skills, and values, and retains close relations with business, especially Mondragon co-operatives. Technological advancement is made through the co-operatives’ own Research and Development departments, the corporation’s 12 technology centres, the Corporate Science and Technology Plan, and the Garaia Innovation Park. Technology centres play a central role in the development of Mondragon’s four sectors of focus. The Mondragon principle is based on a worker/owner cooperative model. Each worker must commit €15,000 as a start-up cost, a payment which is spread over four years”.

The basic structure within a Mondragon co-operative is seen in Figure 7 below. The board selection
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process is as follows:

- Any candidates wishing to put themselves forward for a Board position has their resume emailed to all members of the Co-operative. Co-operative members vote, basing their decision on the profile of the candidate.
- Mondragon is a worker/owner cooperative where the employee voted in as Board director continues to hold his/her position in the workplace however, working less hours.
- If any member/owner/worker wishes to upskill at any stage, it is paid for by the cooperative.
- There is a four year period spent on the board with fifty percent of the Board members changing every second year.
- Each year approximately 2 percent of the net profit goes towards an education fund.

![Basic Structure within a Cooperative](image)

**Figure 7 – The Basic Structure within a Mondragon Co-operative**

The mission statement for The Mondragon Corporation, defined at the first Co-operative Congress held in October 1987 with the approval of all the co-operatives that make up Mondragon is thus:

Mondragon is a co-operative business organisation integrated by autonomous and independent cooperatives that competes on international markets using democratic methods in terms of its company organisation, job creation, both the human and professional development of its workers and a commitment to the development of its social environment (Mondragon Corporation).

The Basic Principles of the Mondragon Co-operative Experience were also approved at this congress. Mondragon maintains that ‘to promote the establishment of the principles, it is essential to set aside
sufficient human and financial resources for co-operative, professional and youth education’. Undoubtedly, the key to the success of the Mondragon Corporation is its principle on Education.

Mondragon has 9 University campuses with 4,567 Students, offering 13 Degrees, 11 Masters and 3 PhD programmes. According to Lezamiz (2015), the advantages to investing in education are apparent as the corporation have the option to pick the cream of the crop from Mondragon’s university and offer internships to these candidates. In turn, these candidates can choose to work in one of Mondragon’s 103 co-operatives around the globe (See Figure 8).

Unquestionably, the basis for Mondragon’s success is education. On the subject of co-operatives, Wilson (2014) argues that ‘the process of election is no guarantee of competence’. Training and development provision, which is engrained in co-operative values, can assist elected members to acquire skills which will enable them to deliver productive challenges to executives. In line with co-operative philosophy, this ought to be an essential feature of any co-operative education programme. Unsurprisingly, and as is evident in the case of Mondragon Corporation, the greater the number of educated members, the more successful the co-operative (See Figure 9).
Figure 9 – Summary of Mondragon’s Success in Numbers

Lezamiz exuded great confidence in the Mondragon Mission which states that “Mondragón Co-operative Corporation (MCC) is an entrepreneurial socioeconomic entity with deep cultural roots in the Basque Country, created by and for the people, inspired by the Basic Principles of our Co-operative Experience, committed to the community, to the improvement of competitiveness and to the satisfaction of customers, to create wealth within society through entrepreneurial development and job creation, preferably membership-jobs in co-operatives”. According to Lezamiz, “Mondragon Corporation is based on a commitment to solidarity, using democratic methods (one person, one vote). Mondragon encourages participation and integration in: Management, Profits and Ownership and delivers harmonizing projects aimed at social, business and personal development”.

On reflection, the perception of Mondragon’s operation is a very positive one and when examined, it reveals that the corporation’s success is demonstrative of its commitment to education. Certainly, it is an example of a successful business model that Irish co-operatives can look to, when considering their plans for and obligation to education and training for their members.
Conclusions:

Global Co-operatives such as Mondragon Corporation and Friesland Campina have recognized the importance of educating their young members. This attributes to the overall success of these co-operatives. Both at home and abroad, the practice of educating young co-operative members is difficult, mostly due to time constraints, lack of funding and work and family life balance. The youth group within Friesland Campina is effective because the members are given responsibility for choosing the topics and issues which concern them within their co-operative.

When we compare the way other global co-operatives educate their co-operative members there is scope for major progress from an Irish perspective. The need to motivate young co-operative members in Ireland must no longer be overlooked. Even if they never get involved at committee level, the more young members are educated about their co-operative and the philosophy of co-operatives in general, the better understanding they will have of how a successful co-operative operates. In turn, this will have a positive ripple effect for everybody involved.

According to this researcher:

- A new strategy is required to educate the next generation of Co-operative members pre-Board selection, in Ireland.
- Considering the findings of MacDonald, Wallace and MacPherson (2013) that many co-operatives are placing less and less emphasis on education due to the fact that people do not have any time available to attend anything but short-term programs - We need to start small and keep it simple.
- There needs to be equal investment in education throughout the co-operative structure, from management level to member/owner and next generation farmer members.

Recommendations:

This author recommends that:

1. Co-operatives engage their youth by offering a financial incentive which would allow them to travel to co-operatives and relevant places of interest. Co-operatives could involve young members in matters that are interesting and important to them. When young people are connected within the
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co-operative structure, undoubtedly this generates innovation and vision within the organization.

2. It should be compulsory for each new member of a co-operative to take part in a one day course in order to understand what they are investing in and also what their own co-operative manufactures and exports. This would include a tour of one of the co-operatives’ production facilities along with a simple social event to end the course. Educating everyone can help a little to make a big change.

3. The ICOS Skillnet Diploma in Corporate Direction (Food Business) course is currently intended for new Board members of co-operatives. On average, Board members do not procure a long term benefit on completion of their studies, because by the time they have graduated, their term on the co-operative Board is almost at an end. This author suggests that a course with similar modules be made available and intended for all members of co-operatives at Committee level.

4. Essentially, members who are interested in putting themselves forward for Board positions within their co-operative should have formerly completed a Diploma in Corporate Direction.

5. Co-operatives should set up a youth group for its members to allow the next generation of potential board members to gain a greater understanding of the responsibilities of global co-operative.
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Murphy, F. (2015) Curriculum Development & Standards Manager, Teagasc, Kildalton College


Appendices

Appendix 1

Topic Guide

Interview Schedule

Agricultural Colleges and Education

1. In the current typical Agricultural College curriculum what subjects (if any) are in place that relate to cooperatives?

2. When a young dairy farmer leaves Agricultural College what is his/her understanding of a cooperative?

3. How can we encourage young Agricultural students to familiarise and educate themselves with the cooperative structure?

4. From your perspective how and where do you think this area can be improved?

Co-operatives and Education

1. Do you educate your members on the Co-operative structure?

2. Can a member put him/herself forward to participate in a course paid for by the Co-operative?

3. Are members paid to partake in the committees that support the Board of the Co-operative?

4. Do you find it difficult to get people involved in the committees and Board structure within Mondragon Corporation?
Appendix 2

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(Available separately due to File Size)
Report Summary

Project Title: Educating Members of Dairy Co-operatives Pre Board Selection

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Objectives

- To determine how Irish Co-operatives and Agricultural Colleges educate their members/students on cooperative structures.
- To discover how international Co-operatives educate their young members.
- To propose a new strategy for educating the next generation of Co-operative members pre-Board selection.

Background

As is frequently indicated; farmers are experts in their field, however, farmers must often be experts in many fields. Surely, dairy co-operatives in Ireland need to draw on that diverse expertise for the benefit of all members and for the continued success of the co-operative model.

Research

The incentives are not sufficient to motivate individuals to participate. Moreover, a one-stop program for all is ineffective as the range of members is too diverse for such an umbrella approach.

Recommendations

1. Co-operatives ought to engage their youth by offering a financial incentive and involving young members in matters that are interesting and important to them. When young people are connected within the Co-operative structure, undoubtedly this generates innovation and vision within the organization.
2. It should be compulsory for each new member of a Co-operative to take part in a one day course in order to understand what they are investing in and also what their own co-operative manufactures and exports. This would include a tour of one of the Co-operatives’ production facilities along with a simple social event to end the course. Educating everyone can help a little to make a big change.
3. The ICOS Skillnet Diploma in Corporate Direction (Food Business) course or similar modules ought to be made available and intended for all members of Co-operatives at Committee level.
4. Essentially, members who are interested in putting themselves forward for Board positions within their co-operative should have formerly completed a Diploma in Corporate Direction.