


THE ROLE OF THE ORGANIZATION OF CONSUMPTION FOR PRODUCTION SUPPORT IN FOOD COOPERATIVES: THE CASE STUDY OF TEMİZ HASAT CONSUMER COOPERATIVE

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- There are respectable changes in food consumption over the past decades because of various socio-demographic factors in different countries.
 - Consumers choose farm products in developing countries.

Taste, freshness, health and convenience.

- Urban consumers pay more attention on purchasing quality and more classified food with smaller amount, the consumers in the rural area struggle with the higher prices of food.
- As consumer interest in local food increases, the study of food distribution channels grows in importance.
- Consumer interest in local food increases  food distribution channels become more important.

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- Food cooperatives are established for production purpose instead of consumption concerns.
 - Face financial difficulties on their sales and marketing activities.
 - The study aims to describe and understand the importance of production support to change the consumption patterns.

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- A single case study method is chosen.
 - Temiz Hasat Consumption Cooperative
 - The data is collected via interview and discussions with the Board Members and the other members of the cooperative
 - A semi-structured research guide is used.

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- Literature review about the cooperative system and the main idea of the consumer cooperatives.
 - History, types and the current situation of the cooperatives in Turkey.
 - Temiz Hasat Consumer Cooperative in Turkey as the case study.

It is a big dilemma that capitalism policymakers encourage the enlargement of global markets through free trade agreements while local communities and national economies are exposed to deal with economic competition. This leads local producers and workers to increase their efficiency and scale of operations to compete. In rural areas, food producers have the pressure either to expand or quit while in urban areas, grocery stores, pharmacies and other locally owned enterprises have been forced by the same market pressures to enlarge their operations or face bankruptcy.



In developing countries attempts to organize farmers into cooperatives have often failed for many reasons, although cooperatives have the potential to supply farm inputs and market farm products that are both important for agricultural development. One of the reasons can be defined as the failure in assuring the amount of sales for the producers. Cooperatives generally obtain the production from the producers, and after that they seek for distribution channels and markets to sell them which leads to a concern and unsustainability of selling for the producers.



Cooperatives generally obtain the production from the producers, and after that they seek for distribution channels and markets to sell them which leads to a concern and unsustainability of selling for the producers.

In this article, the organization of consumption for the production support is tried to be investigated as it is one of the main points for supporting and increasing production.

A COOPERATIVE

“An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (The International Cooperative Alliance)

THE SEVEN INTERNATIONALLY RECOGNIZED COOPERATIVE PRINCIPLES

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Provision of education, training and information
- Cooperation among cooperatives
- Concern for the community

THE UNITED STATES NATIONAL COOPERATIVE BUSINESS ASSOCIATION (NCBA)

- Cooperatives are owned and democratically controlled by their members who use the cooperative's services or buy its goods, and not by outside investors. Members elect their board of directors from their ranks. Major policy decisions are based on the one-member, one-vote principle, regardless of each member's investment in the cooperative.
- Cooperatives return surplus income to members in proportion to their use or patronage of the cooperative, and not proportionate to their investment or ownership share.

THE UNITED STATES NATIONAL COOPERATIVE BUSINESS ASSOCIATION (NCBA)

- Cooperatives are motivated not by profit, but by providing a service to satisfy members' requirements for affordable and quality goods or services.
- Cooperatives exist only to serve their members.
- Cooperatives pay taxes on income retained for investment and reserves. Surplus revenues are returned, according to patronage, to individual members who pay taxes on that income.

WHY COOPERATIVES ARE BEING FORMED

- to maintain access to competitive markets
- strengthen bargaining power
- improve income opportunities
- obtain needed products and services on a competitive basis
- capitalize on new market opportunities
- reduce costs and manage risk

CONSUMER COOPERATIVES

- Many types of cooperatives have been established worldwide to serve the interests of members, including consumer, producer, worker, and service cooperatives.
- The term “consumer cooperative” can be applied widely to all cooperatives that organize people in their capacity as consumers rather than as producers.

CONSUMER COOPERATIVES

- The consumer cooperatives challenge the traditional investor-owned organizational structure while they are owned by consumers, managed democratically and aimed at addressing the members' needs and claims.
- They are based on a customer ownership system and therefore the customer not only occupies the role of the consumer but also through ownership, influences the management.
- Consumer cooperatives can be regarded as a tool for the customer owners themselves through which they can facilitate their own value creation

COOPERATIVES IN TURKEY

- Dates back to Ottoman Empire.
- Ahi Organization (1172-1261) basic concepts: harmonious relations between the labor and capital, the nation and the state, the producer and consumer, the rich and the poor.
- The organization had well established principles for membership, protecting the consumers' and producers' rights, trade as raw material provision and sale, pricing, marketing, production planning in terms of quality and quantity, educating youth in professional skills and trade ethics.

THE COMMON FEATURES OF THE AHI ORGANIZATIONS AND TODAY'S COOPERATIVES

- embracing a service oriented approach instead of a profit oriented approach
- democratic management based on legal and equal rights for members through democratically elected committees
- dividend payments to members
- allocating resources for theoretical and on the job training
- input purchases in bulk and distribution to the members
- vertical organization from grass root to regional and national levels

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- Later in 1863, the Governor of Ottoman Empire of Southeastern Serbia started a fund called “Country Chest“. This fund was established for the farmers who were having financial difficulties in rural areas. The working capital of the Country Chest created mainly with the contribution of the farmers was under the protection of the Empire and used to provide credits to the needy, not unlike today’s “credit cooperative” model.

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- In the Ottoman Empire, the Agricultural Bank (“Ziraat Bankası”) was established in Istanbul in 1888 to meet the increasing demands for finance for the agricultural sector as an extension and expansion of Country Chests.
 - In 1923, with the establishment of the Turkish Republic, the first cooperative development effort came with Ataturk (Founder of the Republic) who thought cooperatives as one of the ways of distributing the economic benefits and encourage democratic participation. Based on passing a regulation in Parliament, 40 cooperatives that mostly operating in agricultural sector were established in the western part of the country. The cooperatives gained a legal and social status between the years 1926 and 1935.

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- There are 73,581 cooperatives comprising 36 different types under the mandate of 3 ministries in Turkey as December 2014, according to the last updated data. The total number of cooperative members is 7,642,520 which is 9% of the population of Turkey.
 - The number of consumer cooperatives in Turkey is 2,617 but only 541 of them are active with the lowest ratio (21%) among the active cooperatives. The number of members is 234,797 and they are under the mandate of Ministry of Trade

TEMİZ HASAT CONSUMPTION COOPERATIVE

- Temiz Hasat Cooperative was established on March 2018 in İstanbul. Has 148 members.
- The main objective of the cooperative is supporting production by organizing consumption.
- Producers in Gördes, Manisa; Edremit Gulf, Balıkesir; Baklan, Denizli; Çanakkale, Bilecik, Sürmeli, Bafra and Serinyol, Hatay.
- First year sales revenue is 400.000 Turkish Lira which is equal to 70.000 USD
- The main motto of the cooperative is “if only the consumption can be well organized, production can be supported”

CONSUMER COOPERATIVES VS. TEMİZ HASAT

CONSUMER COOPS.

1. Finds the producers
2. Collect the production
3. Try to find distribution channels and marketplaces to sell them.

TEMİZ HASAT COOP.

1. Finds a region to develop
2. Signs agreements for Solidarity Packages
3. Make the production done.

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- “Solidarity Packages” consist of 15 different types of food such as; fruits, vegetables, legumes, dried nuts and fruits, olive, olive oil and cheese.
 - The Cooperative sells “Solidarity Packages” to its high-income members and other consumers with one year agreements and delivers the production every 3 months which is 4 times in a year. Over 200 packages were sold in 2018 and the cooperative’s 2019 target is 500 packages. This ensures the producers to guarantee for 1 year sale.

TEMİZ HASAT COOPERATIVE

- supports locally grown food movement and local organization
- supports especially women labor and families in rural areas
- seeks to provide regional economic and social development, does not act only for the producers, acts for the whole region.
- provides production planning, pre-finance and sustainability for the producers
- promotes the producers by “community supported agricultural model” from seed to the harvest with the support of agricultural and food engineer volunteers.
- hinders the local people to sell their lands and leave their regions.
- provides consumers clean and quality local food controlled and supported from seed to the harvest
- supports cooperatives to be a demanded model with a win-win produce-consume relationship.



CONCLUSION

This marketing and distribution system is believed to be a good model for other consumer cooperatives that seek to ensure benefit for the local development. In this article, only one side of the model is examined. In the future, research can be expanded and investigated deeper on marketing strategies, pre-finance opportunities and local area development.

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