

FARMERS COOPERATIVE

A Cook Islands Domestic Primary Industry
Cooperative Company







A COOK ISLANDS DOMESTIC PRIMARY INDUSTRY

COOPERATIVE COMPANY

VISION, MISSION, VALUES AND PRINCIPLES

VISION

A sustainable primary industries support mechanism that contributes to the Cook Islands economy in a manner that is respectful of environmental, social, and cultural values.

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MISSION

The Cooperative mission is to establish a Cook Islands Growers company (Farmers Coop) to support, upskill, innovate & expand our primary producers' farm businesses & to mitigate commercial risks of agricultural production & exporting primary produce (starting with Nita) on behalf of its members.

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Commercial risks include the technical support services provided to its Farmers, in their production, disease & pest control, grading, treatment & border security, packaging, branding, marketing, st orage, transport, distribution, sales and collection of revenue and distribution of net proceeds determined by the quantities of product a member grower sells to the Cooperative.

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DEFINITION OF A COOPERATIVE¹

A cooperative is 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.

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COOPERATIVE VALUES

Cooperatives are based on the values of self help, self responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. [translate]

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COOPERATIVE PRINCIPLES

The cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training, and Information

Cooperatives 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.

6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

Based on the ICA revised Statement on the Cooperative Identity which contains the definition of a cooperative, the values of cooperatives, and the seven cooperative principles as described below. The <u>Guidance Notes on the Cooperative Principles and Values</u> give detailed guidance and advice on the practical application of the Principles to the cooperative enterprises.

ECONOMIC PRINCIPLES TO ESTABLISH A PRIMARY INDUSTRY

The key structures, partners and actions envisioned to establish our Primary industry to support our Vision & Mission in the start-up phase are:

Grower participation in Primary Industry – A Farmers Cooperative

- The Farmer in our language is the Grower; the Farmers' Cooperative represents our Growers of our Primary Industry; establishing both are essential components to restructure & diversify our economy
- Our ancestors, cultural heritage, traditional knowledge is based upon generations of a successful sustainable Polynesian Society. Today we preserve & live these traditions & value our families, education & knowledge, our environment & its natural resources.
 Our society is alive today, remains intact and governed by these values. A great foundation for the transition to a diversified primary sector economy.
- The Farmers' Coop maintains a register of Growers, Farm profiles for each grower, their family & lands, the register of agriculture and horticulture crops & detailed crop production data.
- The Farmers' Coop mitigates commercial risks
- The Farmers' Coop provide Farm Management Practices assist growers thru advisory services, soil tests, chemical & nutrient balance & solutions, propagation, production, quality, fruit selection standards, research & innovation, plus expanded innovative range of added-value products
- The Farmers' Coop negotiate with Government, Ministries & business partners, Trade terms & conditions, shipments, freight rates & export market access
- The Farmers' Coop manages Brands, Logos, Trademarks & Copyright
- The Farmers' Coop provides product Marketing, Packaging, Export Services & Price negotiations
- The Farmers' Coop marketing will identify the personality & family culture of each Grower in advertising & social media with the consumer
- The Farmers' Coop will manage consignment contracts & payments
- The Farmers' Coop will operate Air & Sea port Export Receiving & Border Heat Treatment Facilities. Cooperating with MOA, Airlines & Shippers to facilitate Border Biosecurity, MPI compliance, documentation & product export.
- The Farmers' Coop will provide an Innovation Hub for the Growers
- The Farmers' Coop will manage Government coordination, program support & grants, guarantees & trade practices & bilaterals
- In doing so the Farmers' Coop will facilitate Research & Innovation, new & added-value Export crop & products for the farmers

Growers are Farmers - The Members of the Farmers Coop

- Members of the Farm Coop are Growers. Growers may be individuals, company's, or Incorporated Societies who primary objective is as grower
- Members secure & manage their farmlands, including all farm lease & crop use agreements and independently operate in business as growers
- Farm and produce agreed crops. It is a priority to start with Nita orchards
- Contract with the Farmers Coop to produce & consign export quality fruit
- Accept the Farmers Coop responsibilities & terms
- Pay share capital to the company as the owners' commitment to the Coop
- Allocate retained earnings from the Farmers Coop to agreed Innovation Hub projects and Members Reserve Funds
- Secure additional funds & surpluses from partner associations and cooperatives (e.g. Nita Growers Association) to fund the startup & development phase of the Farmers Coop
- Participate in the Farmers Coop governance, leadership & advisory services

Development partners - Facilitating Economic Transition & Innovation

- These Public sector partners encourage & initiate cooperation agreements across our Pacific & Metropolitan Primary Industry partners, public sector governments & private sector companies and associations. They will encourage long term partnerships with the Farmers Coop to support the mission and development of Farmers Coop members & primary sector technical capability.
- In-country CI Government, Ministries, and local government agencies will support the Farmers Coop core funding and innovation programs through long term partnerships to provide specific appropriations, access to grant funds, and providing relevant technical assistance
- Regional Bilateral partners shall coordinate support for primary industries and the Farmers' Coop Research & Innovation programs for its members
- Private Venture Capital & Investment partnership in the Cook Islands developing infrastructure, primary industries and growers farming services sector, eg includes Scientific Testing Laboratory partnership, Recyclable green packaging, Environmental & Renewable energy engineering
- Non-governmental & CSO organisations. Advocate and coordinate programs for youth and women development in primary industries. Inform the Farmers Coop of environmental and social impacts recommend industry improvements
- Support & encourage business incentives & taxation concessions for Trusts, Endowments & Foundations, facilitating grants & endowments to

SUMMARY OF FARM MANAGEMENT INITIATIVES, IDENTIFIED AS POTENTIAL TECHNICAL ASSISTANCE & BILATERAL TRADE PROGRAMS:

1. Farmers Coop Establishment

- · Strategic Vision, Mission & Principles & Feasibility Peer Review
- Communications Media Plan and the Brand Marketing & Corporate Image consultancy
- Produce Biosecurity & Export Establishment the Airport Receiving Depot, Border Security Heat Treatment Facility, (equipment design & sourcing) & Cargo Handling. Essential priorities for the Farmers' Coop Business Airport Facilities. Heat Treatment equipment, similar to that designed in 1980's by NZ & CI experts is today available and initial negotiations have commenced.

2. Farmers Advisory & Technical Services

- Lab tests & soil trials
- · Fruit protection techniques pest, bird, fruit fly.
- Farm advisory sciences & services propagation, enhanced farm technologies, ripening, packaging, display, grower indentity.
- NZ Ministry of Primary Industries, Trade, Industry & Innovation, application of programs to Realm states
- Guaranteed trade access to NZ / AUS Markets
- MPI, Plant & Food Research Inc and other Institutions support programs.
- IT & Cloud based Digital intranet modern farm management practices, testing & sensor data systems – for nutrients, water, fertiliser, pesticide management and biological farming
- Software design of Farmers App, links Producer to Consumer and provides a comprehensive data platform for the Grower.
- School, College and Agricultural Academy extension training programs, in partnership with MOA, Ministry of Education, CITTI, USP; may operate within the Education curriculum at all Rarotonga & Pa Enua Schools & Colleges. It is an education extension program designed to operate in partnership with schools / Colleges accessing their Community Hubs, Vaka's, Villages & Coop members Farms. This education extension program is designed to be supported & may be coordinate with Primary Industries & the Farmers Coop.
- Youth & Adult Community Training Programs & HR Scholarships recruiting short- & medium-term CI Farm workers & training schemes [farm production, picking & packing labour schemes] targeting our network of Cook Islands Citizens living in Australia & New Zealand.
- Short Term scholarships & work schemes supported by Government and offering a combination of Agriculture Work Schemes and Village Community Cultural schemes.
 Offering 3, 6 or 12-month Work Schemes in Rarotonga & Pa Enua.
- Farm Worker Agriculture Scheme to provide work permits and 1, 2, or 3-year work and

residency schemes working under the Farmers Coop Farm Management Practices App. Workers to be employed at Coop Farms on a planned rotational basis coordinated within each Growers Farm management Plan. Workers will be housed and accommodated by member family's farms. This scheme will be introduced to complement the Agricultural college and Youth Training Scholarship Services

- Senior management positions to initiate "transfer of knowledge" scheme for a targeted range of Primary Industry key expertise appointments across the sciences, engineering, environment, CEO / corporate management roles, eg vacancies for CEO & Technical Farm Manager for the Farmers' Cooperative
- To establish our Country database of alumnae and academics. In Primary Industries it is
 essential to build this business sector upon the growing body of our Cook Islands academic database of Agriculture, Engineering, Energy, Horticulture, Science, Technology
 etc. Provide initiatives to bring these essential human resources into the diversification
 of our Primary Sector.
- Business-Upskill, R&D and introduction of IT and Sciences into modernising of our primary business

3. Further recommended public private Innovation.

- Advisory Services trials, farm & crop tests, research and lab work etc, will be undertaken on nominated Coop member's farms. These advisory services are part of the continuing farm management practices offered by MOA, Partner Governments & Agencies
- Nita growers living in the Pa Enua qualify as Coop members. Pa Enua members to be considered for added incentives to offset freight to Rarotonga.
- All export will be via the receiving depot for processes through the Heat Treatment Facility prior to export
- New product-added value will research range of new Nita products and packaging to innovate primary industries export range to add to existing & new world markets
- Primary Sector restructure is essential to the diversification of our economy and Govt & Public Agencies should ensure they work directly & via the growers and businesses in this sector. Gov & its agencies policy development should include private sector at Trade bilateral negotiations
- Restructuring of our national private sector requires strategic plans directed to business
 continuity as part of the economy diversification process. Continuity should include
 Investor equity, Company & Association mergers, education, re-training & research and
 other devices to strengthen the producer's capacity and productivity of this primary
 sector.
- Integration within our Vision 2030 Economic Development Strategy.
- Risk mitigation of uninsurable events by the extension of Captive Insurance products to the Primary Industries

