

# The **power** of groups

**A farmer controlled business (FCB) is a legal entity that is controlled and managed by farmers or a farmers' organisation. An FCB allows its members to buy inputs such as farming supplies in bulk. The members can also share machinery and negotiate better prices for their products.**

In South Africa, the Co-operatives Act of 2005 aims to establish sustainable co-operative principles and in the process increase the number of economic enterprises that are operating in South Africa's formal economy. Another very important objective of the act, is to assist emerging farmers to form co-operatives.

## **Co-operative principles**

- A co-operative consists of voluntary members who accept the rules and responsibilities of the co-operative.
- A co-operative is a form of business based on the principle of co-operation.
- A co-operative is a democratic institution, which should be run like a business.
- A co-operative should be based on sound business planning, have competent managers and have adequate capital for start-up and growth.
- Its main aim is not to make a profit, but to gain market power.

Basically there are two types of co-operatives:

### **Primary co-operatives**

- There must be at least five members.
- Members are allowed to have one vote each.
- The members of a primary co-op can later establish a secondary.

### **Secondary co-operatives**

- Members can be allowed to have more than one vote on condition that it may not exceed 15% of the vote of all the members of the co-operative.

In a co-op, the members can decide at the end of the financial year whether they should divide the profits among themselves.

To learn more about co-operatives, contact Dr Koos Coetzee at e-mail [koos.coetzee@mpo.co.za](mailto:koos.coetzee@mpo.co.za). You can also download a document titled 'The power of groups' by visiting the Milk Producers' Organisation's website, [www.mpo.co.za](http://www.mpo.co.za), and click on the picture.

# The power of groups - Co-operative

## Farmer controlled business (FCB)

Legal entity. Controlled and managed by farmers or a farmers' organisation.

**Co-operative principles:** Consists of voluntary members who accept the rules and responsibilities of the co-operative. Business based on the principle of co-operation. Democratic institution. Runs like a business. Sound business planning, have competent managers and adequate capital for start-up and growth.

**Main aim:** To gain market power.

**Benefits include:** Buy farming supplies in bulk, share machinery and negotiate better prices for products.



## Die krag van samewerking – koöperasies

### Boerbeheerde onderneming (BBO)

Regsentiteit. Beheer en bestuur deur boere of 'n boereorganisasie.

**Kenmerke van 'n koöperasie:** Bestaan uit vrywillige lede wat die reëls en verantwoordelikhede van 'n koöperasie aanvaar. Die onderneming is gegrond op die beginsel van 'n koöperasie. Dis 'n demokratiese instelling en word soos 'n sakeonderneming bestuur.

Gesonde sakebeplanning, bevoegde bestuurders en genoegsame kapitaal vir oprigting en groei word benodig.

**Hoofdoel:** Om markkrag te bekom.

**Voordele sluit in:** Koop boerderyvoorraad in grootmaat, deel masjinerie en onderhandel vir beter pryse vir boere se produkte.

## Amandla amaqembu - Ukusebenzisana

### Ibhizinisi elilawulwa ngumlimi (i-FCB)

Inkampani esemthethweni. Ephethwe futhi ehanjiswa ngabalimi noma inhlangano yabalimi.

**Izimiso zokusebenzisana:** Iqukethe amalungu avuma ngokuzithandela amukela imithetho nezibophezelo zokusebenzisana. Ibhizinisi lesekwe phezu kwesimiso sokusebenzisana. Isikhungo sentando yeningi. Sisebenza njengebhizinisi. Ukuhlelwa kwebhizinisi okuyikona, kukhona amamenenja anekhono lokwenza ngemfanelo kanye nemali eqongelelweyo eyanele yokuqalisa kanye nokukhulisa ibhizinisi

**Inhloso eyinhloko:** ukuthola amandla okungena ezimakethe.

**Izinzuzo zifaka:** Ukuthenga okufunekayo epulazini okuningi, ukwabelana ngemishini bese kuxoxiswana ngezintengo ezingcono zokuthenga imikhqizo.



## Amandla amaqela - UMfelandawonye

### Ishishini elilawulwa ngamaFama (Farmer controlled business) (FCB)

Iziko lomthetho. Lilawulwa kwaye liphethwe ngamafama okanye imibutho yamafama.

**Imithetho-siseko yoMfelandawonye:** Unamalungu azithandelayo amkela imithetho neemfanelo zomfelandawonye. Lishishini elisekelwe kumthetho-siseko wentsebenziswano. Iziko ledemokhrasi. Liqhutywa njengeshishini. Lunoyilo olululo lweshishini, linabaphathi abafanelekileyo kunye nenkunzi eyoneleyo yokuqalisa nokukhula.

**Injongo engundoqo:** ukuzuzisa amandla emarike.

**Iinzuzo ziquka:** Ukuthenga izinto zasefama ngobuninzi, ukusebenzisa kunye oomatshini kunye nokuthetha-thethana ngamaxabiso angcono eemveliso.

## Matla a dihlopha – mekgatlo e sebedisanang

### Farmer controlled business (FCB)

Lekgotla la molao. Mekgatlo o laolwang le ho tsamaiswa ke borapolasi.

**Melao e laolang mekgatlo e sebedisanang:** E bopjwa ke ditho tsa baithaopi tse amohelang melao le boikarabelo ba mekgatlo e sebedisanang. Kgwebo e theilweng melaong ya mekgatlo e sebedisanang. Instijhushene ya lentswe la puso ya bongata. E tsamaiswa jwalo ka kgwebo. E na le leano la kgwebo le letle, e na le baokamedi ba tshwanelehang le tjelete e lekaneng ho qadisa kgwebo le bakeng sa kgolo.

**Sepheo se ka sehloohong:** ho fumana matla a dimmaraka.

**Melemo e kenyeletsa:** Ho reka thepa ya mapolasing ka bongaka, ho abelana metjhini le ho buisana ka ditheko tse molemo haholo bakeng sa dihlahiswa. **UM**