

# Cooperative Assessment for Tabour Farmers Multipurpose Cooperative Union

*Version 12-12-2017*

Cooperative assessment for Tabour Farmers Multipurpose Cooperative union is an assignment within the framework of project 18at-7335- AS.8948 Ethiopia. The business advisor responsible for this assignment is Habtamu M. Awoke. In case of changes in the assignment and/or programme the liaison officer has to be consulted immediately.

## **Agriterra**

Agriterra is a network organization of Dutch farmers and their organisations. It has a vision that farmers' associations and cooperatives can have a positive influence on the development of colleague organisations in developing countries through speeding up the process, and ensuring a more equal distribution of income and an enhancement of democratic decision making and relations. The key area of action for Agriterra is the support to these organizations in enhancing the entrepreneurship of their members, improving their advocacy results based on members' interests, and making cooperatives with investment plans bankable. Agriterra uses three approaches; grassroots entrepreneurship, advocacy and agribusiness development.

Agriterra developed a new strategy, laid down in the programme "Farmer Common Sense in Business", that runs from 2016 – 2019. Agriterra focuses no longer on capturing funds to grant to farmers' organizations, but its focus is on the transfer of knowledge by offering the hands-on expertise needed to take advantage of funds available from different sources, and to produce financial strategies that underpin their priorities for action in favour of members' interests. Expertise that is sourced from a vast network of agribusiness and farmers' organizations in The Netherlands and abroad. To be more effective Agriterra concentrates its efforts on a smaller number of countries, where it is also preparing a local presence. In Africa, Agriterra has selected Ethiopia as one of its appr. 26 focus countries to strengthen entrepreneurial/business oriented farmers organizations in the coming years. 80% of resources (financial and human) will be targeting farmer organizations and cooperatives in these countries.

## **Background**

Tabour Farmers' Multipurpose Cooperative Union established on November 30, 2006 and located at Akesit city, south Wollo Administrative zone in Amhara region. The union have 97 primary cooperatives. Its main functions are marketing members' agricultural products: teff, wheat, white pea beans, malt barley, food barley, beans and lentil and distributing agricultural inputs and consumer goods to the members and non-members. Most of the union districts are producing two times a year especially the malt barley producing areas. The union have a five-year strategic plan for the years 2008-2012. The plan is prepared by the union staff. The focus areas are: expanding the out-marketing activity, starting agro process activity, establishing animal feed and wheat factory, buying pulse cleaning machine, expanding industrial good supply, expanding the access to finance-Internal capitalization, purchasing 2 cars- 1 for office and 1 for transportation, opening additional branch office and strengthening the union HR. Agriterra will conduct a detail assessment before taking a new client in its portfolio. It has its own criteria to do so. These are clear vision, mission, business ambitions, good and transparent governance, good internal administration system, good internal operation system, strong reputation, attitude and energy of the staff (for progress). Hence, with the advisory service the union will be assessed whether it could become Agriterra client or not and final decision will be made.

## **Mission details**

General:

- 1 Agripooler accompanied by 2 local Agriterra business advisor (Habtamu M. Awoke and Mahlet Mekonnen)
- Agriterra will arrange and cater for flight, hotel, transport, program etc.
- The time frame of the mission will be approximately 9 days (incl. travel) in the period of 15-19 January 2017.

Profile of the Agripooler:

- Business oriented and entrepreneurial
- Business economics/marketing/procurement background
- Familiar with cooperative business entity
- Experience and skills on conducting cooperative assessment
- Speaks and writes well in English
- Flexible and adventurous

### Expected results

One mission report containing the following information:

- Completed company assessment report about Tabour
- Advice whether to start up partnership between Agriterra and Tabour.
- If the cooperative assessment shows possible partnership opportunities between Tabour and Agriterra, elaboration of an action plan for one year.

### Program

Day	Date	Activity	Satying the Night at
	13 Jan, 2018 - Sat	Arival at Addis Ababa	Addis Ababa, Mosaic Hotel
	14 Jan, 2018 - Sunday	Travelling to Dessie City and preparation	Dessie City, Golden Get Hotel
Day 1	15 Jan, 2018 - Monday	Morning: Introduction of the team and explanation of the week Section 1 Company profile Afternoon: Section 4 Business Case	Dessie City, Golden Get Hotel
Day 2	16 Jan, 2018 - Tuesday	Morning: Section 2 (finance) Afternoon: - Completion Business Case - Start section 3 (management and governance)	Dessie City, Golden Get Hotel
Day 3	17 Jan, 2018 - Wednesday	Morning: Start section 5 Visiting members (2 PCs) – scoping PC Afternoon: - Meeting bank - Meeting buyer - Meeting CPA	Dessie City, Golden Get Hotel
Day 4	18 Jan, 2018 - Thursday	Finalizing sections 1-3 - Work on section 4 (business case) and start developing action plan	Dessie City, Golden Get Hotel
Day 5	19 Jan, 2018 - Firyday	Finalize action plan, present results and finalize report Travel back to Addis Ababa	Dessie City, Golden Get Hotel
	20 Jan, 2018 - Saterdag	Travelling to Addis, debriefing at Agriterra Ethiopia office, if possible	

# Outline cooperative assessment for farmers-led enterprises

---

## **1. Company profile (=scopings document)**

- a. Basic information
- b. Services
- c. Membership base
- d. Governance structure
- e. Ownership structure
- f. General procedures
- g. Human resource management
- h. ICT
- i. Business track record

## **2. Finance**

- a. Financial indicators
- b. Financial health check
- c. Loan/grant history
- d. Cooperative capitalization models
- e. Summary of financial indicators and recommendations for follow up

## **3. Management and Governance**

- a. Management capacity
- b. Human Resource Management
- c. Targeting, Planning, Monitoring and Evaluations

## **4. The Business**

- a. Product / Service
- b. Context and value chain analysis
- c. Production & supply
- d. Processing & Value addition
- e. Marketing & Sales
- f. Finance requirements
- g. Risk analysis and conclusions
- h. External support required

## **5. Reputation**

- a. Members
- b. Financial institutions
- c. Buyers
- d. Suppliers
- e. Mapping of other stakeholders

## **6. Conclusions**

- a. Organisation
- b. Business case