

Terms of Reference

Title:	Cooperative Assessment of Guang'an Federation, Sichuan
Project number:	18at-7350
Mission number:	To be filled in
Period:	End of September, Beginning of October
Business advisor:	Horson Long/Chen Lei

Introduction

A scoping visit of Guang'an Federation has been executed by Agriterra with the outcome to perform a cooperative assessment. Executing this assessment is the next step in the potential collaboration between Guang'an Federation and Agriterra. The assessment will be carried out by a proposed assessment team composed by one Dutch Agripooler and one National Business Advisor. The Principal Business Advisor for this assignment is Mr Horson Long. Any changes concerning this assignment shall be consulted with Horson Long. Chen Lei is the back-up Business Advisor and he will be assisting the Assessment Team in preparations when needed. During a 4-day visit to the cooperative, the Agriterra Cooperative Assessment Tool for farmer-led organisations will be employed.

Objective Cooperative Assessment

To identify and screen the federation with business and development potential and to assess opportunities for a partnership in business development with Agriterra. At the end of the assignment the assessment team will evaluate the results, offer recommendations and strive (depending on the outcome) to develop an action plan how and with what services Agriterra can support Guang'an Federation to realise their BHAG¹ (Big Hairy Audacious Goal).

Specific objectives:

- To get to know the board, staff, members and the organisation of Guang'an Federation.
- To achieve an in-depth understanding of the practices and performances of Guang'an Federation.
- To jointly develop an action plan/strategy for the possible support from Agriterra to Guang'an Federation.
- Clear milestones in the action plan for all parties involved which address expectations, commitments and the level of involvement of Agriterra and Guang'an Federation.

¹ A Big Hairy Audacious Goal (BHAG) is a strategic business statement similar to a vision statement which is created to focus an organisation on a single medium-long term organisation-wide goal which is audacious, likely to be externally questionable, but not internally regarded as impossible.

A BHAG encourages companies to define visionary goals which are more strategic and emotionally compelling. Many businesses set goals which describe what they hope to accomplish over the coming days, months or years. These goals help align employees of the business to work together more effectively. Often these goals are very tactical, such as "achieve 10% revenue growth in the next 3 months." In contrast, Collins and Porras define a BHAG (pronounced BEE-hag) as "...an audacious 10-to-30-year goal to progress towards an envisioned future." The authors claim that a company may have more than one BHAG; there may be one over-reaching BHAG and other shorter term BHAGs.

"A true BHAG is clear and compelling, serves as a unifying focal point of effort, and acts as a clear catalyst for team spirit. It has a clear finish line, so the organisation will know when it has achieved the goal; people like to shoot for finishing lines."

To be able to meet these objectives the assessment team will have interviews with Board, management, staff, members and stakeholders during the week. Prior to those activities, desk research on financial KPIs will be conducted as preparation. The team will also review formal documents (constitution, minutes of last held AGM, financial statements, audit reports, etc.).

Introduction Guang'an Federation

Guang'an Federation was established on March 2015. With its 13 primary cooperatives as member, it provides multiple services to the members, covering technical extension on paddy growing, vegetable as well as marketing and sales of agri products. With a history of three years, Guang'an Federation is on its pioneer phase. There is quite something to do before we can all it a professional and strong farmer organization. As the board stated, the federation is in great demand for better service provisions to its members, sound financial management system and extending market channels (both offline and online) for the agri products delivered by its members.

Mission details

- Composition of the assessment team:
 - Agriterra business advisor: Horson Long/ Chen Lei
 - Agripooler: The vacancy will be drafted and shared with Agripool colleagues.
- Duration of the mission: The assignment is expected to last 4 days (excluding international travel) in the period of September/October 2018.
- Logistics Support: Agriterra China team will arrange lodging, domestic transport and communication with the cooperative in question, as well as facilitate the visa application of the Agripooler where necessary.

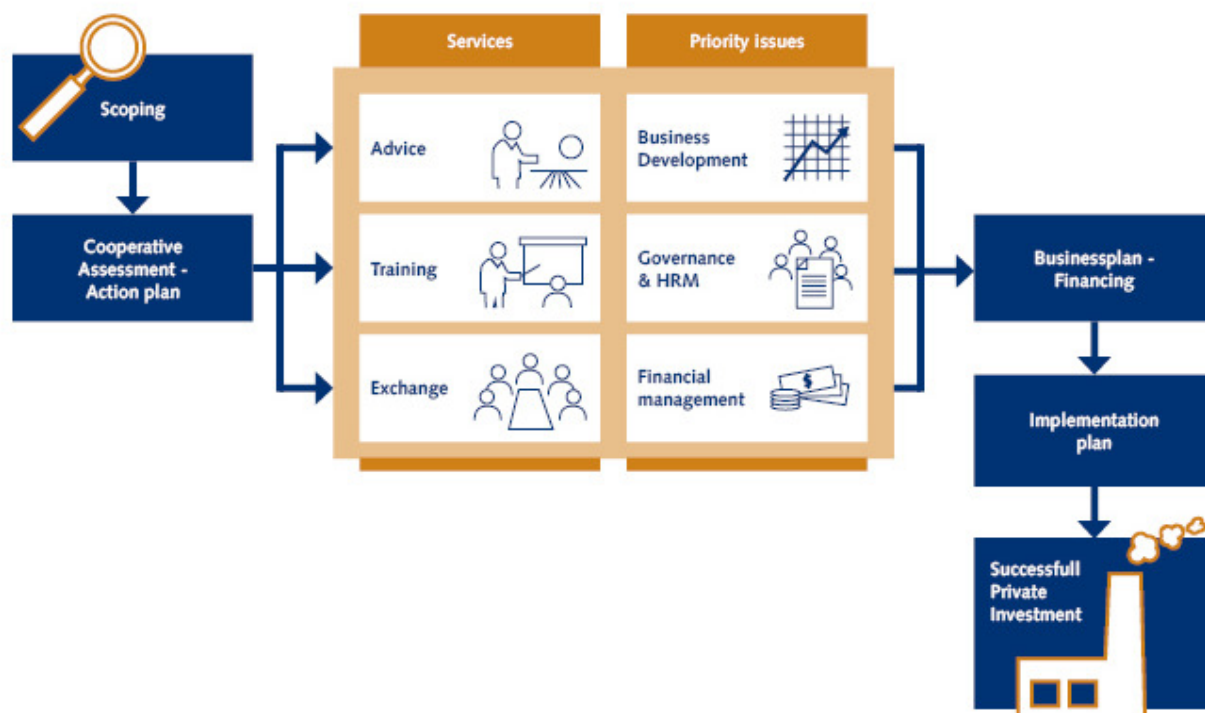
Expected results

1. The main deliverable will be a completed cooperative assessment report based on the Agriterra cooperative assessment tool for agricultural cooperatives/federations.
2. The decision on whether to start up partnership between Agriterra and the assessed federation.
3. The definition of the collaboration between the federation and Agriterra with main topics and a brief action plan in case that the cooperative assessment foresees a likely partnership between Agriterra and the assessed federation.
4. Advice on improving governance and financial management will be given to the federation

Tentative programme:

Day	Program	Available
Day 1	Flight to Chengdu Travelling to Guang'an by Train Meet chairperson and other board members	Board, management
Day 2	<u>Morning:</u> 1) Introduction Agriterra 2) General Info about the federation 3) Discussion on federation's BHAG and strategy. <u>Afternoon:</u> 1) Meeting stakeholders like government, bank, farmers, etc. 2) Member assessments on federation reputation	Board, Supervisory Board, Management/staff Government officials, bank, farmers, other relevant stakeholders
Day 3	<u>Morning:</u> 1) Discussion on business cases and service provisions of the federation 2) Value Chain analysis <u>Afternoon:</u> 1) Visit to fields, warehouse, factory etc. 2) Discussion on Financial Health and KPIs.	Board, manager, accountant, cashier
Day 4	<u>Morning:</u> 1) Discussion on cooperative's governance structure, competences and behaviour 2) Visit to the federation's client <u>Afternoon:</u> 1) Team evaluation on the readiness for cooperation and willingness for changes 2) Preparation for the presentation	Board, Supervisory Board, member representative
Day 5	<u>Morning:</u> Final presentation: conclusions and recommendations, and possibly a brief action plan <u>Afternoon:</u> 1) Travel back to Chengdu	Board, Supervisory Board, Management/staff

About Agriterra



Agriterra is a network organisation of Dutch agri-employers’ organisations and Companies. Its vision is that farmers’ associations and cooperatives can have a positive influence on development through speeding up the process and ensuring a more equal distribution of income and an enhancement of democratic decision-making and relations. This vision has become almost undisputed, the mechanisms are understood, and the mission derived from it - the strengthening of farmers’ organisations - is the only logical one.

Agriterra mobilises hands-on experience from the Dutch agricultural sector via the so-called Agripool. Experience-based knowledge is increasingly important to fulfil the demands of private enterprise wishing to connect with smallholders, so we are developing a new business strategy to reflect the changing business environment.

The aim of Agriterra is to make cooperatives bankable. By focusing on few clients within a limited number of countries, Agriterra is able to target those cooperatives or other farmer owned enterprises, who are ambitious, have good management, have been economically active, have more than 1,000 members and who have plans to invest in order to expand their business. Agriterra’s support is especially based on technical support from experts from the Dutch agricultural and cooperative sector combined with limited project funding. The advisory services can be applied to all aspects of the business planning process, access to finance trajectory or the implementation phase.

Annex 1 Scoping report of Guang’an Federation

To be attached