



ÉLŐFÖLD COOPERATIVE

Nonprofit cooperative connecting consumers and producers via box-selling schemes.

Identification details:

Name: Élőföld Cooperative

Location: Csongrád-Csanád county, Bordány, Hungary

Farm size: 1 – 5 ha / member

Year established: 1995

Main activities: vegetable and fruit production, small-scale processed goods, meat

Web / Facebook / Twitter:

Élőföld Cooperative was formed by a split in 1995. Its legal predecessor was the Agóra MG. Cooperative, which was active in the towns Bordány and Üllés, and supplied mainly the Szeged Canning Factory. In the early days, about 1500 producers of various products (tomato, cucumber, drupes) were integrated. Export activities could receive a 30% export subsidy. The Bokros package, and later the not cooperative friendly economic policy, and also the shutdown of the Szeged Canning Factory caused the cooperative to be shut down, its investments (a 30-truck parking lot, cold storage plant, machinery) had depreciated in value and part of them were sold. The main motivation for establishing the cooperation was that while in 1995 the region's agriculture was well integrated with a good market access, processing sector and exportable quantities of goods, these integration chains were broken both on the organisation and the production level, which resulted in a constraint for local farmers. Reestablishment of the disrupted integration is not possible in the current situation, mainly due to the lack of capital.

The organisation remained with a reduced membership, however its activities had been transformed. The current number of members is 7, they are mainly individual producers, and small-scale producers, who cooperate in the local markets using the previous network of contacts with low-processed, homemade foods and herbs. The size of the area covered by the activity varies from member to member, ranging from 1 to 5 hectares. The activity of the cooperative is to basically cover the commercial activities and supplies of the members and assigns the demand to it. Customer service is based on the collection of pre-orders taking into account seasonality. The cooperative is constantly developing the product range according to the needs. The cooperative is open to accommodate new members, but an essential requirement is the ability to maintain the activity, the production of small-scale local products and the promotion of product trade through direct marketing tools. The main challenge for the cooperation proved to be the problems related to its foundation and the establishment of the initial structure, negotiations, conciliation of interests.

The activity of the cooperative is to basically cover the commercial activities and supplies of the members and assigns the demand to it, which is realised through a box-order system. Customers are local individuals and families, and on an ad hoc basis throughout the country, and in Budapest. The number of families (customers) served is currently approximately 200. It is absolutely advantageous for the farmers that the sale takes place without in intermediary, typically only the transport cost is charged to the price of the product as an expense. There is no formal integration activity, but consumer needs can be well mapped using direct marketing tools.

The products produced include vegetables, fruits, dried herbs, home-style processed foods (jams, occasionally animal products: meat, eggs, poultry). The activity is essentially non-profit, and informal. The

organisation is managed by current members, there is no full-time manager or any employees. The cooperative operates with a minimal number of members due to its non-profit nature, new members are admitted only if an old member leaves.

The cooperation is distinguished from other similar collaborations by its non-profit nature, good personal relationships between the producers, favouritism in trade, and specific operating / management schemes, such as the use of circulars and the management of consumer groups. No significant investment has been made since the establishment of the cooperative, the most important long-term goal is to maintain the current activity in the long run.

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