



## TART-TÓ 2000 Cooperative

*Started with the 7 young members, TAR-TÓ cooperative currently has 48 members and contributes to the stable, predictable operation of the members' farms and economies*

### Identification details:

Name: TAR-TÓ 2000 Értékesítő, Beszerző és Feldolgozó Szövetkezet / TAR-TÓ 2000 Sales, Purchasing and Processing Cooperative

Location: Csongrád-Csanád county, Bács-Kiskun county, Békés county, with its headquarters at 6762 Sándorfalva, outskirts 0119/14

Size: 48 members

Year of foundation: 1999

Main activities: wholesale of live animals, meat processing, preservation, wholesale of meat and meat products

Web / Facebook / Twitter: <https://www.tarto2000.hu/index.php?page=kapcsolat>

The cooperative was established as a producer organization on December 20, 1999 with 15 members. The main reason for the formation and the creation of the cooperative was the improvement of the market situation of the producers (improvement of unfavourable sales opportunities and increase of low market prices). Initially (when it was formed), the main objective of the cooperative was to sell its members' pigs on safer and more favourable terms. Later, the range of objectives and the operation of the cooperative also expanded. In addition to the joint sale of pigs, the joint procurement of feed and piglets for fattening, the establishment of a joint veterinary service, consultancy for members, slaughtering and meat processing, the sale of slaughtered pigs and cuts of pork, and on-line sales also appeared.

The development of the cooperative is well illustrated by the fact that in 2002 the sales volume was 1000 pigs per year, which has now increased 35 times, so that the cooperative currently sells about 35 thousand pigs a year. As of 31 December 2020, the registered capital of the cooperative was HUF 101,760,000 (EUR 278,795) and its net sales were HUF 3,315,443,970 (EUR 9,080,174). Last number of employees (02/06/2021): 23 people, number of managers 3 people.

The cooperative currently has 48 members who sell between 100 and 2,000 pigs through the cooperative each year. Legal forms of producers: primary producer (licensed traditional small-scale producer), individual producer (individual entrepreneur / sole proprietor), Limited Liability Company (Ltd.). In previous years, there were also 7 young farmers among the members. The geographical location of the members is the Southern Great Plain region, typically Csongrád-Csanád county, but it also has members from Bács-Kiskun and Békés counties.

Viability of small farms managed by young farmers under new  
"farm-to-fork" strategy (2020-1-CZ01-KA203-078495)

The activities of the cooperative include:

- joint selling of slaughter pigs
- joint procurement of feed and premixes
- joint procurement of piglets for fattening
- organization of a joint veterinary and animal health service for the members
- consultancy for members
- slaughtering
- meat processing
- sale of meat and meat products

The cooperative is present in the market with the following products:

- livestock sales (about 20% of the volume produced)
- sales of half-pigs and cuts (approximately 80% of the volume produced)

Main partners:

There are small shops, butchers, restaurants, meat processors and canneries in the Southern Great Plain region. In addition, they also operate a web store (<https://www.tarto2000.hu/index.php?page=teremeink>). In 2019, webshop sales were introduced, which are mainly used by individuals and households. The turnover is not significant yet, typically 6-12 orders per week.

Quality plays an important role in the life of the cooperative, so great care is taken to procure high-quality piglets for fattening (typically working with DanBred hybrids), procure high-quality feed and premixes, feed production based on constantly revised recipes, feed mixing, promote information and knowledge sharing, to ensure excellent animal health status (common veterinary service for members) and to comply with animal welfare requirements.

Benefits provided by the cooperative to producers (members):

- joint procurement (feed, premix, piglet) - cheaper input price
- common veterinary service - lower purchase cost
- administrative assistance
- joint sales - realization of a higher product price
- expert advice - transfer of experience, learning about good practices, commenting on production results, setting up production experiments, suggestions for improvements, improving processes (the final decision is always up to the producer)

The president of the cooperative said that membership has a noticeable economic impact on members in all circumstances, but the benefits stand out markedly in unfavourable market conditions. In this way, it can be said that the cooperative makes a significant contribution to reducing the negative effects and puts the members in a position, i.e. they can get inputs at a lower price and the members can sell at a higher price through the cooperative. In addition, there are other impacts, easier and simpler administration (reduction of administrative burdens), more efficient information and knowledge sharing, process improvement and innovation (consultancy, management evaluation), etc.

Overall, it can be said that the cooperative greatly contributes to the stable, predictable operation of the members' farms and economies, which makes their economic and management activities more promising.

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According to the members, the cooperative contributes the most to easier sales, easier access to information and knowledge, higher market prices and lower purchase prices.

It is important to mention that the cooperative not only provides financial benefits to its members but also embodies belonging to a community and as such plays an important role in increasing trust, cooperation skills and social capital.

The cooperative is open to recruiting new members, however, it can be said that there have been no examples of new entrants in recent years. They believe that whoever wanted to join them has done so far, they do not expect any more entrants in the future.

Members must sell a minimum of 100 pigs through the cooperative, stand-alone sales are not prohibited, and the exclusive sale of animals through the cooperative is not mandatory.

The financing of the cooperative is linked to the sale, i.e., the sale made by the members through the cooperative. 1 + 2 percent of the sales revenue remains at the cooperative. 1 percent goes to capital reserves and 2 percent is used to finance operations. Price compensation takes place on a quarterly basis, i.e., in case of overpayment, the cooperative reimburses the surplus to the members, in case of deficit, the members have a payment obligation.

The management consists of 3 people, the president of the cooperative and two board members. In addition, the cooperative has 20 employees who perform their duties in the following areas: slaughterhouse, administrative unit, warehousing, feed mixing.

During the operation of the cooperative, two significant investments were made. One was in 2012 and 2013, when the cooperative bought the site on the outskirts of Sándorfalva. Since then, this property has been the headquarters of the cooperative, where the administrative unit is located, and where the facilities for receiving, storing, grinding and mixing grain crops have been located, which have been technologically renewed after the purchase. The other major investment took place in 2020, when the cooperative bought a slaughterhouse in Makó, where 80% of the slaughter pigs produced by its members have since been slaughtered.

The operation and operating model of the cooperative is unique in the country, there is no other producer cooperation that would provide similar benefits to pig producers. In this respect, the existence and operation of the cooperative is unique in the pig sector.

The operation of the cooperative is imbued with innovation. Throughout its history, product, process, organization and marketing (sales) innovations have taken place, which have contributed to the success of the operation, the expansion of the membership, the production volume, and the scope of activities.

- product innovation: live animals versus processed meat
- process innovation: operational improvement and development (consultancy, group cohesion, etc.)
- organizational innovation: the creation of a cooperative is in itself an organizational innovation
- marketing / sales innovation: changing sales channels (e.g. webshop)

Plans for the future:

- increase in livestock output from 35,000 to 50,000
- slaughter of live animals / 100% own slaughter

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- processing and further processing of cut products (production of semi-finished and finished products) – adding value to the product
- piglet production -> ensuring the supply of piglets for fattening -> secure supply of piglets for fattening
- setting up of own butcher's shop

**Photos:**

