Three examples of cooperatives adding value to farmers' production.

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cooperativas agro-alimentarias
>somos futuro

1st example: CLUN Cooperativas Lácteas Unidas Main figures(2016)

- Number of members : 3,561
- Number of milk producers : 700 (6% of the total in Galicia, main milk producing region in Spain, Galicia represents 40% Spanish production)
- Total Turnover : € 200 m
- Milk sector Turnover (2016) : € 80 (44% of the Coop)
- Milk production: 355 million liters (15% total Galician region)
- Volume processed : 180 million liters
- Volume for feed: 230,000 tons.
- Workers : 406

1st EXAMPLE CLUN Cooperativas Lácteas Unidas :Farmers production concentration & to keep the milk add value to farmers:

FEIRACO — Alimentando un Xeito de Ser

AMES (Coruña)

Milk Industry: 150 M litters/year

5 Packaging lines.

Feed industry : 100.000 Ton/year

Workers: 201

CLESA

CALDAS DE REIS

Milk Industry: 43.5 M litters/year

7 Packaging lines

Yogurt : 48.000/hour

Cheese Industry : 100.000 l/h

Milk Powder : 125.000 l/h

Workers: 72

Strategy: high quality and product differentiation

UNICLA is made controlling all the production steps. The result is a milk with many benefits for health (cardiovascular system, immune system, etc . High content unsaturated fatty acids, Omega 3.

One litter of UNICLA decreases 200gr of CO_2 emissions (20% in the farm)

<u>Results</u>: reduction costs, strengthen farmers position in the market, keep add value for farmers (better prices), promote jobs in rural areas

2nd example COVAP ..Structure:

- A Cooperative with 320 milk farmers (45% total Andalucia region, this region represents 5% total production)
- Milk sector turnover 2016 : € 210 m (52% total of COVAP)
- Volume processed : 314 Million liters (65 % of Andalucia milk production)
- Commercialization of milk production (%)
    - 2% bulk
    - 25 % COVAP Brand
    - 73% Retailers Own Brand

2nd example COVAP

Strategy: COVAP[45]
Program to improve farmers efficiency in a suitable milk production

Results: A cooperative (owned by hundreds of small farmers in a economic deprived area) became unique milk supplier of the Nº1 Spanish retailer (MERCADONA) giving local economical sustainability.

3rd example Strategy

- Number of milk farmers (OWERS): 1.314
- Turnover 2015 : € 690 m.
- Milk delivering : 394 m litters.
- Transformation : 900 m litters
- Milk sales leader in Spain.

To go futher than “natural” concept

***“Clean” Labels**

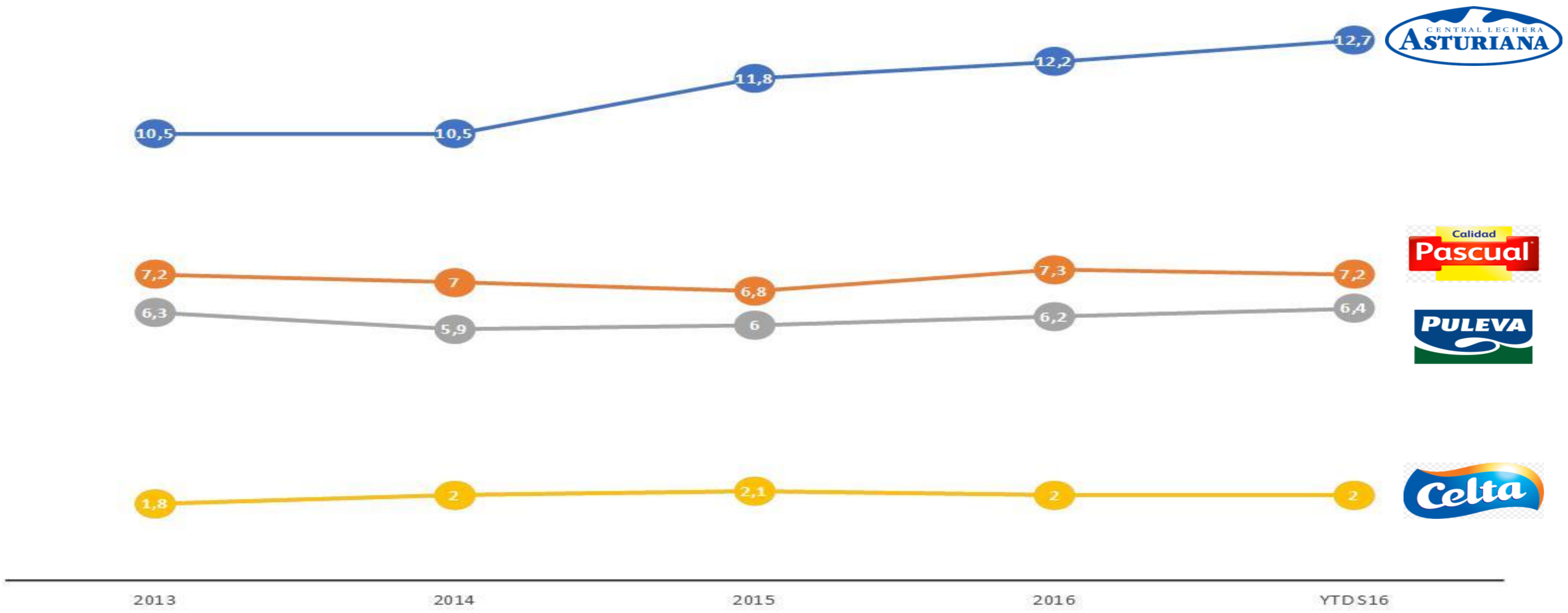
“Clear Labels, Not only regulations,

Local products

MILK INDUSTRIES OWNED BY

OUTCOMES

SPANISH MARKET LEADER LIQUID MILK



***Milk Industry which pay better prices to farmers (their owners)**

***Thanks to this Coop farmers can implement quality, innovation projects**

***Famers keep all the add value to their products eliminating intermediaries**

BUSINESS WITH THE BEST REPUTATION IN SPAIN 2017 (Reptrak España 2017)

FUENTE: Nielsen RSM y HomeScan

CONCLUSIONS

- We have showed three initiatives of cooperatives who are strong in the market, leaders implementing measures reducing the environmental impact of milk production and sustainable agriculture.
- Cooperatives are businesses owned by farmers, they grant social economy in agricultural production in rural areas (coops cannot relocate).
- Coops are considered resilience tools in Spain. After milk quotas farmers in coops can better face market volatility and in Spain they get better prices from the market keeping the added value of their products.
- In the regions where Coops are stronger, milk prices are higher for all farmers (in or out of Coops.), Spanish Ministry Figures.

THANK YOU VERY MUCH FOR YOUR ATTENTION