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STRATEGIES DEVELOPED BY LEADING EU AGRI-FOOD COOPERATIVES IN
THEIR GROWTH MODEL

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ABSTRACT

The rationale for this paper is the problem relating to the growth of agricultural cooperatives in Spain in recent years in comparison to increasingly concentrated food distribution, which captures most of the value added.

This paper analyses the evolution and status of other countries within Europe where the need for business consolidation has been successfully addressed. For this purpose, there have been identified 7 cases to be studied: Kerry group, Irish Dairy Board, Arla Foods, The Greenery BV, Danish Crown, Agrifirm and DLG. The specific results of interviews with the senior management of these cooperatives were analyzed and organized into four blocks in which the issues raised are grouped (legal and institutional framework, strategic vision, business growth models and market standing). A number of specific aims are also pursued:

- Identify the main barriers and problems faced by this type of cooperatives.
- Show the strategies developed by leading cooperatives in their sector within the current comparative context.
- Become familiar with the different growth models these cooperatives use to achieve and maintain their market standing.

1. INTRODUCTION AND AIMS

The rationale for this paper is the problem relating to the growth of agricultural cooperatives in Spain in recent years in comparison to increasingly concentrated food distribution, which captures most of the value added. Given the crisis of the traditional cooperative model in Spain, new development possibilities are being sought within the current economic climate.

The ultimate aim of this study is to draft a paper for reflection by Spanish agricultural cooperatives, which analyses the evolution and status of other countries within Europe where the need for business consolidation has been successfully addressed.

For this purpose, the specific results of interviews with the senior management of the cooperatives selected were analyzed and organized into four blocks in which the issues raised are grouped (legal and institutional framework, strategic vision, business growth models and market standing). A number of specific aims are also pursued:

- Identify the main barriers and problems faced by this type of cooperatives.
- Show the strategies developed by leading cooperatives in their sector within the current comparative context.
- Become familiar with the different growth models these cooperatives use to achieve and maintain their market standing.

2. METHODOLOGY APPLIED

In the context of this study, the methodological problem lies in the huge number of variables and interactions involved, the non-neutral choice of a specific model, in addition to the requirements arising from the need to have enough data on the variables considered, which tend to be biased or incomplete at best.

Therefore, choosing qualitative research for the performance of this study is justified, being supported by many authors (Ruiz-Olabuénaga, 1996; Valles, 1997; Shaw, 2003; Corbetta, 2007, among others).

Following is a description of the method used, through its different phases: approach to research, data collection, analysis and results.

Unlike qualitative research, the research undertaken in this study aims to initially stray from an assumption based on theoretical frameworks, in order to build these

assumptions as the study develops, the main objective of the study being to perform an analysis of European agricultural cooperatives based on an analysis of its leading cooperatives.

Following a thorough analysis of the information of a secondary nature gathered, and being aware of its limitations, the need clearly arose to conduct research with data of a primary nature. For this purpose, the case study technique was used, and a number of companies illustrative of the research under study were described in detail, to present characteristics and practices worthy of an in-depth analysis.

After identifying the cases to be studied, the next step was to contact these entities through the embassies of their countries in Spain, where the rationale and purpose of the study were previously presented. Through these embassies, access to the cooperatives was expedited and facilitated. Additionally, it was possible to verify that the inclusion of the cases chosen was perfectly in line with the objectives of the study and could contribute to its enrichment. Therefore, the sample of entities finally analyzed was formed by a total of seven companies, distributed by sector and geographically as shown in the following table.

Dairy sector	Kerry Group	Ireland
	Irish Dairy Board	Ireland
	Arla Foods	Denmark-Sweden
Horticulture sector	The Greenery BV	Holland
Meat sector	Danish Crown	Denmark
Supply sector	Agrifirm	Holland
	DLG	Denmark

The study is based primarily on the most specific information gathered in the visits made to these organizations in the field phase of the study. An attempt was made once again to delve more deeply into the description of the most representative features and characteristics, in order to facilitate an understanding of the results of the work. The technique used for this purpose was the collection of data through in-depth interviews of company executives at the central offices of each of the entities selected, which enabled the following information to be gathered:

- -Description of the companies' features.
- -Analysis of the decisions, strategies and trends of the companies in a future context.
- -Characterization of the strengths and weaknesses of the companies and their competitors.

3. ANALYSIS OF RESULTS

Based on the in-depth interviews conducted for the study, the different blocks in which the questionnaire used for this purpose was divided were jointly analyzed: Legal and institutional framework, strategic vision, business growth models and market standing.

Legal and institutional framework

As regards the existence of its own legislation, Danish cooperatives in Denmark emphatically stated that there is no law specifically applicable to agricultural cooperatives, which are governed by the same laws as all other companies, i.e. the common system of commercial and civil law. This country is considered to enjoy a practical legal framework strengthened by its long application over time. Denmark has a common law system which encourages self-regulation and the cooperative nature of the entity is made to depend on the freedom of will, without specific laws for cooperatives, which are considered to be unnecessary.

Danish cooperatives have a very favourable opinion of their legal system despite the fact that no tax or institutional incentives are offered to them, since it poses no barrier to their operation. In short, Danish cooperatives consider their legal framework to be practical, and although they lack special legislation, tax incentives and institutional support, their opinion is that they do not need them.

Dutch cooperatives are not aware of any special legislation for cooperatives, and in fact, cooperatives are regulated by common law, and specifically the civil code. In practice, the few substantive civil laws pose no major differences with respect to the regulation of other legal forms of companies. However, one of the cooperatives pointed out that unlike in the case of corporations, on certain occasions, members of cooperatives are held liable for losses.

Legislative barriers to Dutch cooperatives do not stem from the substantive minimal regime, as they acknowledge, but rather from general legislation. In this regard, the companies interviewed stated that the greatest barrier to legislative development has arisen from competition and anti-trust laws.

Like the other companies, agricultural cooperatives receive subsidies under the EU's agricultural policy and lack specific institutional support. Advisory services and their federated organization are financed by the cooperatives themselves.

Irish cooperatives recognize that they operate in accordance with the Industrial and Provident Societies Act (1893-1978), the law on democratically governed and limited liability companies created to meet the economic, social and cultural needs of their members. This is a minimal law focused mainly on financial aspects, which is unable to take specific legislation on cooperatives into consideration. Moreover, Irish cooperatives do not have specific tax advantages.

In summary, according to the opinions of the cooperatives analyzed, the legal framework of these three countries does not provide for a specific and differentiated treatment of cooperative companies. Furthermore, these cooperatives do not have specific institutional support or a system of tax benefits.

Strategic vision

All entities cite size as a key competitive factor, which has allowed them to implement lines of action leading to their progress and significantly improving their bargaining power, product development and overall competitiveness

According to the cooperatives studied, size has made the following possible:

- Achieve greater efficiency in the transformation process, which is considered to be the cornerstone of the agri-food companies. All the organizations studied highlight the benefits of economies of scale.
- Open new markets and internationalize cooperatives. All the cooperatives, including both production and marketing companies, have been able to strongly position their products in foreign markets, mainly through the establishment of subsidiaries outside of their borders. This is the case of IDB, which has 20 subsidiaries in different countries and exports its products to over 60 countries; or the Kerry Group, whose business acquisition policy has allowed it to set up a network of subsidiaries in various European countries and in the USA, and to place their products in markets around the globe. It is also the case of Arla Foods, which has embarked on internationalization and has aimed all its growth strategies at seeking partners in international markets. This company has come to set up a network of subsidiaries and associates worldwide and has become one of the leading companies in the global dairy sector. On the other hand, Danish Crown has seven subsidiaries,

which generate a large part of the company's turnover, and it exports its products to over 130 countries; and DLG has over 40 subsidiaries in five European countries.

- A clear commitment to R&D+i, which is key in the food sector, and is considered to be a priority in the entities of the three countries analyzed. In many cases the cooperatives have their own research centres or they carry out their research through contracts with universities and specialized companies. Such research has resulted in new products and new ways of presenting or preparing food, all of which have been well accepted in the market. This is the case of the new horticultural varieties of the Dutch cooperatives, functional foods in the Irish and Danish dairy cooperatives, and many of the most commonly used food ingredients in the food industry as well as new forms of ready-made food in all of the cooperatives analyzed, etc. The amount allocated to R&D+i varies by entity: 1% of the turnover of Danish Crown, 2% of Arla Foods, 3% of the Kerry, Group, etc. However, it is recognized that in some cases this budget item is not well accepted by the company's members since it has no impact on short-term profit.

Another common element in the strategy of the cooperatives studied was a commitment to diversification, but only within the agrifood sector in which they operate. This strategy has enabled them to reduce the risks intrinsic to dependence on a single product, while gaining market share and customers through an increase in the portfolio of the products offered. This is the case of the Kerry Group, which began as a dairy cooperative, but currently sells other foodstuff (meats, pastries, cakes, etc.) in addition to food ingredients, which are currently the group's main source of income. Others such as Danish Crown or Arla Foods, continue to be focused on their own sectors, i.e. meat and Dairy, respectively. However, they have both expanded the range of products they offer depending on the target market. Examples include the over 200 new products launched each year by Arla Foods, or the fact that Danish Crown is the leading organic pork supplier cooperative in Europe, this product accounting for 1% of its turnover. The fourth range of products accounts for 25-30% of the turnover of The Greenery, and its aim is to reach 50%.

Another strategic element of all the organizations studied, which highly related to R&D+i and to diversification, is a strong commitment to production with high value added, and the tendency to stray away from commodities given their low profit margin. On this path towards diversification, all of the cooperatives have chosen to prioritise sectors which open up new opportunities within the food industry such as functional foods, the fourth range, ready-made foods, etc. As an example, one of the future commitments of Arla Foods is to double the budget amount allocated to the development of new products, prioritizing research on the use of natural ingredients, health, flavour and organic foods.

It should also be pointed out that these strategies are strongly backed by governments, and in many cases government aid is conditional upon investment in projects where new products are developed. For example, the government's interest in having Irish Dairy cooperatives change the product mix in the direction of more value-added products is evident if the aid granted in 2007 is analyzed. Two-thirds of this aid was allocated to projects pursuing this aim and the remaining third was allocated to projects increasing the efficiency of production (Dobson, 2007).

Restructuring within the group aimed at increasing efficiency in order to optimise the use of assets and reduce costs was also noted by many of the entities such

as the Kerry Group, Danish Crown and Agrifirm. This led less efficient manufacturing plants or facilities to be closed and production to be redirected to other larger sized facilities which either already exist or have been newly created.

The professionalization of relations with member farmers is another of the elements highlighted by entities such as The Greenery and Arla Foods. This allows for better organization of production based on customer needs, and for the incorporation of quality programs which highly increase hygiene conditions on the farms. In fact, despite the growth of certain of the entities, and the fact that in certain cases such as in the case of the Kerry Group, the results of the organization depend increasingly less on the production of its members, there is still a very close relationship to them.

Pursuing qualified management is also essential for these organizations, which ranges from recruiting university graduates, as stated by Agrifirm and Kerry, or the continued investment in training and retraining of employees, as pointed out by DLG. However, it is also true that in certain cases, the cooperatives admit that their managers do not have a high level of training, experience being prioritized.

Other key strategies for companies such as Arla Foods include corporate social responsibility policies in relation to environmental protection and job safety, among others.

Business growth models

All the cooperatives studied have reached their current size by means of integration processes involving mergers and acquisitions. In summary:

- The Greenery was created through the merger of nine fruit and vegetable cooperatives, followed by new mergers as well as multiple business acquisitions. It is now one of the top ten fruit and vegetable companies in the world.
- Since the IDB is a second-degree cooperative, it was not created by means of a merger. However, there have been many such processes in relation to the company's member base as a result of the production rationalization plan promoted in the Irish dairy sector. Its growth is the result of business acquisitions leading to a network of 19 subsidiaries spread throughout Ireland, the United Kingdom, France, Belgium, Germany and the United States.
- Kerry was first established with a federated or second-degree structure, grouping together 10 dairy cooperatives. Subsequently, the Kerry cooperative was created from the merger from most of these cooperatives and the acquisition of the assets of the state-owned Dairy Disposal Corporation. Subsequently, its growth has mainly been based on the performance of business acquisitions. It currently has manufacturing facilities in 20 different countries as well as international sales offices in another twenty countries. Also, it has managed to become one of the largest and most technologically advanced manufacturers of ingredients and flavours in the world.
- The consolidation process of DLG is based mainly on the acquisition of new companies both in Denmark and abroad (United Kingdom, Germany and Sweden).
- Agrifirm was formed from a number of mergers of small cooperatives from the north of Holland which came together to improve their competitiveness. Its growth has mainly been the result of mergers. It is now among the ten largest supplier cooperatives in the EU and has six subsidiaries, four slaughterhouses, five factories, 30 of its own farms and 45 animal feed shops which can be accessed by end users.

- Danish Crown was formed by the merger of most of the Danish livestock cooperatives, which becomes obvious when it is taken into consideration that of the pork production marketed by cooperatives in Denmark, over 90% is owned by Danish Crown. The company's growth is mainly a result of mergers, although it has made strategic acquisitions which have led it to have seven subsidiaries as well as production facilities and branches in several countries.
- Arla Foods is a paradigmatic case resulting from a cross-border merger of the Danish cooperative MD Foods and the Sweden cooperative Arla. At the same time, its two member cooperatives were consolidated through merger processes.
- Arla Foods's growth continues to be a result of mergers and acquisitions of dairy companies worldwide, which has led it to have production facilities in 12 countries and sales offices in an additional 25.

As shown, mergers and acquisitions are the common denominator in the growth of the entities analyzed. However, not all of the entities have based their expansionary policies on the same form of company. Three structures have been used to facilitate this development:

- Cooperative group, in which the parent continues to be a first-degree cooperative: DLG, Danish Crown, Arla Foods y The Greenery.
- Second-degree cooperative: IDB.
- Corporation in which the cooperative has an ownership interest, where the corporation manages the group's activities. In turn, there are two formulas, based on the cooperative's percentage of ownership in the corporation:
 - o Where the cooperative holds 100% of the share capital: Agrifirm
 - o Where the cooperative holds only a portion of the share capital: Kerry Group, in which the cooperative has decreased its ownership interest to the current 28% share it now holds.

There are substantial differences between the three models, the arguments made by those taking the path of incorporation being as follows:

- o Financing needs: supporting the continued growth of the company through mergers and acquisitions requires a large amount of financial resources. Converting the entity into a corporation and flotation are ways of attracting additional external financing.
- o The existence of many inactive members: They take part in the cooperative's decisions and may compromise certain decisions which are necessary for the cooperative and may involve risks or an outlay of capital.
- o Access by the cooperative members to a portion of the entity's value and the contribution of cash: In the case of Kerry, the creation of the corporation and its flotation, with preferential and economically advantageous subscription conditions for cooperative members, have made it possible for them to access returns of the highest value attained by the company. Under a cooperative, members who leave the company are entitled to a reimbursement of their capital contribution at face value, whereas the listing of the corporation on the stock exchange allows shareholders to recover their contribution by means of the sale of the shares at a value which is more in line with the company's current market price. In fact, whereas the share capital of Kerry amounted to one million pounds in 1972, in 2000 the value of the cooperative's shares amounted to 1,035 million pounds (Kennelly, 2001).

- As opposed to the non-existence of the distribution of profits in many cooperatives, the payment of dividends by public limited companies appears to be quite attractive. This fact, in addition to the above, draws a distinction between members and non-member suppliers (third parties), a grievance historically voiced by some members considering that the conditions and prices obtained for the production contributed were the same. It should be taken into consideration that if there are no differences between both, third parties would find no reason to become a member. Furthermore the shares of retired or deceased members are not deregistered or transferred.

However, despite the fact that the creation of corporations is a model that was especially well received in the case of the Irish, and although there are several examples of the model's success despite the fact that its use is not common (Glanbia plc., Golden Vale plc., etc.), it is not without difficulties and risks. In this case, noteworthy are the following:

- Possible conflicts of interest between producer and investor members, which increases to the extent that the ownership interest of the latter in the company's share capital increases. This fear led the Kerry Group to offer the cooperative of the group's agrifood sector a purchase option so that the farmers could (if necessary) maintain control over the section and the assets directly relating to their activity. This purchase option was able to be exercised over a given period of time.
- Loss of control by the cooperative or its members, in the event that capital requirements lead the company to issue new blocks of shares on the market. The above can prevent measures from being adopted which will improve the real interests of the producer members where the company's profitability is not fully evidenced or there are alternatives which are more likely to generate profits. This might be a reality, above all, if the entity's activity has crossed the limits of the agrifood sector.

Formulas based on cooperation such as the case of second-degree structures also have a place in the scenario analyzed, but only from the standpoint of marketing. IDB, the second-level cooperative being studied, which was created for the purpose of pooling all Irish dairy products exported, has managed to own the most prestigious Irish food brand internationally, "Kerrygold", and to be the leading Irish food cooperative in terms of turnover¹. However, it has some weaknesses. In fact, considering that one of its objectives is to obtain better prices and sale conditions through joint marketing under a strong brand, if the company's products are forced to compete against the products of certain of its cooperatives, its bargaining power is weakened. Not surprisingly, there are several who point out that in the future, IDB will be forced to sell the products made by its small-scale cooperatives, since they are unable to do so on their own, it being foreseen that the large companies will be operated independently.

It should also be noted that a large portion of the cooperatives analyzed use formulas based on cooperation (alliances, *joint-ventures*) in their growth strategy although to a much lesser extent than in mergers and acquisitions.

Finally, it should be pointed out that in most of the cases studied, the entities preferred to continue operating as cooperatives, which has not hindered them from achieving the highest food rankings in Europe. Decision-making is structured

¹ The Kerry Group has a higher turnover, but it already has a corporate form, even though it began as a cooperative. Its shares are owned by the cooperative Kerry and its members, in addition to other investors.

democratically (1 member, 1 vote), and given the large number of members who act jointly, different types of organic structures are used which allow for this possibility: Electorate districts (by product and region), general meetings and/or local or district governing boards, boards of representatives, regional committees, etc.

Among the main problems pointed out by these entities is the reduced number of members. In this connection, Danish Crown dropped from 20,000 members in the 2002/2003 campaign, to under 14,000 in the 2006/2007 campaign; at Arla Foods, both in Sweden and in Denmark, there was a gradual decline, with a 6% decrease in 2008 alone. It is not surprising that these companies express their interest in recruiting new members abroad, as in the case of The Greenery. Despite the declining number of farms, others such as Arla Foods, encourage and foster the expansion and improvement of facilities to maintain milk production levels.

Another problem mentioned in certain of the cooperatives analyzed are silent members, which may pose a serious problem in the event of an increase in number, with the risk that the decisions made by the General Meeting do not represent the needs and interests of active members, the cooperative's true support. In the case of Ireland, certain cooperatives have solved this problem by approving the restructuring of their company member base and establishing two types of shares, which is permitted under law: A (ordinary) and B (without the right to vote), the latter being assigned to inactive and retired members and exchanged for their ordinary shares when the members are classified as such (Briscoe and Ward, 2005).

Market standing.

All the cooperatives express the need for good relations with the major food distribution companies, allowing them to have greater access to consumers and to witness the changing needs in each market first hand.

Either one way or another, they attempt to reach cooperation agreements, although for this purpose they are aware that they are required to constantly grow and to make investments, in order to be able to meet their needs as swiftly as possible in a backdrop which is increasingly more demanding.

Access to the main multinational companies in the food sector also depends on size as in the case of Kerry with Nestlé and Pepsi, etc.

The reason for aiming to differentiate and transforming the product, as in the case of Danish Crown, with the manufacturing of ready-made meat dishes, or The Greenery, with the production of fourth range fruits and vegetables, seems clear. It is essential to provide the greatest value added in response to consumer's needs, which also knows how to value and reward, so that both the company responsible for production and the company responsible for marketing receive benefits.

Additionally, it is necessary to find new market niches that gradually expand, such as ecological products.

Another priority of these entities is a strong commitment to brands which achieve a market standing in order to compete against large retailers. In certain cases, such as IDB, the Kerrygold brand has managed to account for the majority of exported Irish dairy products and is widely known internationally, being the company's main value according to the cooperative. Danish Crown has different brands for different markets, and in other cases, such as Arla, differentiation is undertaken by product (cheese, butter and other dairy products). However, in all of these companies, the effort is being made to consolidated these brands globally in order to make the most of marketing campaigns.

There are some exceptions, such as The Greenery, where given the features of the marketing of fruit and vegetable products, establishing brands is very costly,

although they are used in alternative channels such as in the case of electronic commerce. DLG also uses this type of communication channel to strengthen its trade relationship with its members and suppliers.

A special case is the supply cooperatives such as DLG in Denmark and Agrifirm in Holland, where size continues to be a competitive factor enabling the entities to offer members a wide range of products and services, and to be able to facilitate cooperation with agrifood multinational companies, such as the brewing industry for the production of barley and malt.

However, as a common denominator, all cooperatives are committed to permanent leadership in their markets and continual expansion beyond their borders.

With regard to differentiation of cooperative's products in the market, in general they are skeptical, mainly because consumers do not appear to identify them with large companies, and do not add value to the brand as opposed to quality or innovation. Additionally, their business model does not allow for or facilitate the marketing of their products in major retail chains. In certain cases such as DLG or Danish Crown, specific advertising campaigns have been launched for this purpose but without much success.

However, other cooperatives such as Arla Foods point out that although they do not directly advertise the fact that they offer cooperative products, they do rely on the image of their members, stressing the close relationship they have with the producer, which is highly appreciated by consumers.

4. CONCLUSIONS

Following an analysis of the situation and development of European agri-food cooperatives, large differences were found with respect to the cooperatives' degree of business development in different countries. The most notable experiences are encountered in Denmark, Holland and Ireland.

After a general analysis of cooperatives in these countries, which focused on Danish meat, Dutch horticulture and Irish dairy cooperatives, several of the most representative organizations of each sector were identified and studied, and one common denominator was found: all these companies have made growth part of their strategy.

However, there is no single strategic model, each of the cooperatives having its own. Certain of these strategies are articulated through the creation of corporations to improve entities' financial capacity, and thus develop their business and increase turnover. Others use the acquisition of different types of companies within and outside their borders, or rely on diversification both within their own sector and in others which are more or less related to the agri-food sector, as well as the increasing internationalization of their business.

Generally, they have not relied on specific aid given their cooperative ownership or origin, but rather have benefited from general lines of support relating to integration strategies, which above all attempt to promote the creation of value.

Another common element of all cooperatives studied in these countries was the permanent adaption of their business plans to the markets, characterized by a response to demand, such as convenience products (easy to make) or those with added nutritional value (biofunctional). Noteworthy in this regard is that most of the aid granted in these countries, such as in the case of Ireland, has focused on supporting the development of industrial processes which give rise to increased valued added.

Also noteworthy in the three areas under study is that there is no specific legislation applicable to cooperatives, since only in the case of Holland is there a minimal law within the Framework of the general legislation on legal persons providing

articles relating to cooperative companies. In the case of Danish and Irish cooperatives, there are no such laws.

In all three cases, there is no substantive tax shelter scheme, since the sole tax benefits arise from measures relating to the companies' business activity. Furthermore, such benefits are of a general nature, with no distinction based on type of company.

The identification of the cooperative nature is found in relation to voluntary development within the framework of statutory self-regulation where compliance with so-called cooperative principles is incorporated to a greater or lesser extent. In this connection, it should be noted that there are stricter requirements on such organizations, such as: social commitment; the specific regulation of the members activities, with penalties for the failure to contribute statutory minimums; and the automatic deregistration of inactive members, etc. On the other hand, the economic behavior of these entities is more flexible. They behave like true corporations while maintaining their cooperative identity. However, they have no restrictions with respect to ownership interests in other companies or undertaking mergers which tend to be more efficient and quicker under the public limited company system.

The cases under study are organizations which have become consolidated leaders within the agrifood sector in which they operate, and companies who maintain their cooperative origins, either by maintaining their original form or by forming other companies, whose shares are owned by the original cooperative company.

As already mentioned, commonalities were observed in relation to the business strategy of these entities, noteworthy being the following:

- The need for a larger size for purposes of competitiveness, which is based primarily on mergers and acquisitions of companies. Although they are cooperatives, these companies have not chosen to set up strategic alliances or cooperative agreements. Furthermore, no particular preference for mergers and acquisitions by cooperative organizations has been shown, but when considered appropriate, and despite the difficulties intrinsic to these processes, cross-border mergers have been undertaken (Arla Foods).
- Diversification as a strategic factor in the market. In certain cases within the same range of products and in others, in business activities which are more or less related within the agri-food sector, always targeting products of higher value added.
- In certain cases, the most significant differentiator was the commitment to the development of a brand to improve market penetration and especially, internationalization. Noteworthy is the case of the Irish IDB whose brand is Kerrygold and the Swedish-Danish Arla Foods whose brand is Arla. The former is a generic Irish brand encompassing the entire range of dairy products, which for many years, was the only brand of Irish dairy products exported. In the case of the Arla brand, it allowed for the company's major internationalization, the distinguishing factor being the strong link between the products supplied and the producer (farmer). However, in no case is the brand linked directly to its cooperative origin.
- All of the cases studied are characterised by a strong commitment to R&D+i as a key to competitiveness in the food industry and an attempt to respond to new market demand, and which in some cases amounts to up to 3% of turnover. R&D+I is recognised as being linked to their business growth.
- All cooperatives have made a great effort to readjust their production supply to the trends and changes in demand, straying from the traditional cooperative model which solely attempted to act as an outlet for its

members' products. It must be noted that in certain cases, the development of these policies has given rise to a major cost to the companies given that the policies are not always understood by the member base.

- All the organizations analyzed have promoted strong internationalisation of their agrifood business by means of strategic acquisitions in other countries in which their main target markets are located, and have created large multinational groups through these subsidiaries.

The financing needs arising from the growth of these organizations have been addressed using different formulas or options:

- Self-financing through new capital contributions made by members and the use of reserves.
- Creation of corporations to be able to access the capital market and incorporate new investors for self-financing purposes, a measure which in some cases has also led to a dispute with the member base which saw its role in the company's decision-making and control processes threatened. In some cases ownership interest was exclusive while in others (Kerry) it was reduced to 28 %. In any case, one of the reasons for creating a corporation was the existence of inactive members, who were reluctant to make new capital contributions but did not wish to leave the company, since their investment would only be reimbursed at face value, an amount straying from the true value of the company's equity. Creating a corporation not only allows new investors to be attracted, but also leads to the improved realization of the capital gains accumulated over the years.

As for market standing, these companies position themselves in the same manner as competitors and seek all possible marketing channels to attempt to strengthen their ties to food distribution, while adding new channels which allow for the best defense of their brands. In this regard, they have important alliances with major multinational agrifood industry firms (Nestlé, Calsberg, Pepsi,...)

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