



Tropentag, September 9-11, 2020, virtual conference

“Food and nutrition security and its resilience
to global crises”

Typology of Farmer Groups in Ukraine on the Example of Agrarian Cooperatives

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Abstract

Cooperation of small farmers is one of the possible ways for agriculture sustainable development. In the paper propose a new typology for agrarian cooperatives that could be used to characterise cooperative movement in Eastern European countries. The paper examined 79 questionnaires of 29 agricultural cooperatives from 8 regions of Ukraine.

Ukrainian legislation separates agrarian cooperatives in two groups: service (or not for profit) cooperatives and production cooperatives. Also, agrarian cooperatives could be divided by a type of activity (milk production, fruits production etc). In Ukraine one more could be, because in this country some cooperatives registered as cooperatives and functioning as farm with one owner. On the other hand, there are agrarian cooperatives that are not registered but farmers informal communities are functioning cooperatives. However, members of such communities different reasons do not want to formalize their business relationships.

Most of cooperatives surveyed (83%) officially registered and functioned as real cooperatives. 10% of agrarian cooperatives were registered as cooperative, but as farmer without any common production or interaction. Farmers gathered colleagues together to get government or donors support, provided only for cooperatives, or farmers who choose such form of registration to get some taxes preferences, etc.

Among cooperatives surveyed, 7% were not registered but really functioned as cooperatives. The most popular reason why farmers do not want to register their communities as cooperatives was long and difficult bureaucratic procedure of registration.

Keywords: Agro-cooperatives typology, cooperation, farmers