

The Examination of the Manager Profile of Dairy Agricultural Development Cooperatives: The Case of Canakkale Province

Sibel Tan and Bengul Everest
Department of Agricultural Economics, Faculty of Agriculture,
Canakkale Onsekiz Mart University, 17100, Canakkale, Turkey

Abstract: This study was conducted to examine manager profiles in agricultural cooperatives. The surveys conducted with 191 dairy cooperative managers, determined by full counting method, constitute the material of this study. According to the results of the study, cooperatives have an important share (69%) in the milk production of Canakkale. In addition, the tendencies of cooperatives' managers on education, participation in agricultural activities and contact with experts were found to be higher. According to the findings of the study, management experience and partner numbers, the management experience and the status of training provision to partners, participation in agricultural activities and the status of training provision to partners, the status of the frequency of contact with experts and participation in agricultural activities were found to be statistically significant.

Key words: Agricultural organization, agricultural cooperatives, professional management, important share, milk production, management experience

INTRODUCTION

The negation process of Turkey for the membership to the European Union (EU) has continued rapidly. In this harmonization process, agriculture sector, the most controversial issue, takes the first place among others. The organization of farmers and the harmonization of the existing agricultural organizations with the EU are among the priority targets in agricultural sector. Given the agricultural organization model in Turkey, various professional and economic organizational types such as agriculture chambers, associations, trade unions, agricultural cooperatives, various producer associations and growers associations are encountered (Yercan, 2007). When agricultural organizations are examined numerically, there are 11 064 agricultural cooperatives, 1800 agricultural credit cooperatives, 332 agricultural sales cooperatives, 599 agricultural producer unions, 231 breeder associations and 727 agriculture chambers (www.tedgem.gov.tr.05.04.2010). As understood from these figures, there are a wide range of patterns in terms of agricultural organization design and agricultural organization. This situation leads to a concept confusion in the existing organizations and decreases their effectiveness.

The most common agricultural organization model in Turkey is agricultural cooperative. These organizations

operating based on participation and volunteerism can be considered as useful organizations in terms of efficient resource use and the overall economy. In addition, cooperatives are the best alternatives to fulfill the function of establishment of rural industry because cooperatives have an appropriate structure about performing economic activity. The cooperative system is one of the best combining tools of disorganized and irregular opportunities in rural areas (Dilmen, 1993).

However, it is difficult for cooperatives to achieve a success in practical life due to some problems pertaining to them. Financial deficits, upper organization, legislative problems and lack of professional management are the main problems of cooperatives. Lack of professional management is the most important problem among them because entering into a joint work by rural people, establishing small industrial facilities by combining their powers and managing these facilities are not easy as thought (Rehber *et al.*, 1999).

Given the structural situation of agricultural cooperatives in Turkey, it is observed that cooperative partners are passive and often do not participate in cooperative activities. To eliminate this problem, the managers of cooperatives are required to strengthen the relationship between partners and cooperatives. The elimination of passive interests of partners against

cooperatives and making a profitable partnership are difficult tasks for cooperative managers. If a good manager organize his/her cooperative by taking into account cooperative's own unique characteristics, partners will become more satisfied, partners will feel more dependence to their cooperatives and cooperative's activities will become more successful (Ringle, 1999).

Therefore, managers should be individuals who have a vision and team spirit are participatory and above all give a big importance to education and training for the competition and success of these organizations in a globalizing world.

In the harmonization process of Turkey's with the European Union, this issue has been discussed in detail in the agricultural policy changes after 2000s. Strengthening farmer organizations is the main objective in the development plans and the Agricultural Reform Implementation Project (ARIP) implemented with support from the World Bank. The Institutional Strengthening of Farmer Organizations (IRFO), a sub project was conducted within the scope of this project. Strengthening the organizational structures and service capacities, developing the legal and administrative structures and developing the management and control systems of cooperatives were identified as the primary objectives of the IRFO. To reach this goal, many educational programs were organized with the participation of 3024 cooperative managers, 420 professional staff and 37,500 cooperative partners in Turkey.

Many studies on agricultural cooperatives in Turkey have done since 1970s. Some of them are Mulayim (1970), Demirci *et al.* (1994), Cikin and Kizildag (1999), Caglar (1999), Turan (1999), Inan and Basaran (2004), Dernek *et al.* (2004), Bayaner (2005), Artukoglu and Olgun (2008), Yilmaz (2008), Cetin (2009) and Ozkurnaz *et al.* (2009). It is emphasized in all of these studies that agricultural cooperatives play a key role in the marketing of agricultural products in rural areas. The studies focus on the basic problems of cooperatives.

In addition, various suggestions are presented on many subjects in particular related to the training of managers and cooperative partners. In addition, the studies emphasize the requirement of passing some reforms for the adaptation of the agricultural organization process in Turkey to the producer organizations in the EU to form a democratic agricultural organization and agricultural policy in the harmonization process with the EU. Therefore, the examination of farmer organizations within the scope of world policies in general and Turkish agricultural policies in particular and the institutional and

administrative structures of these organizations and the requirement of finding solutions to the existing problems reveal the importance of this subject. This study aims at determining the characteristics of dairy cooperative managers and evaluating the effects of these characteristics on the success of cooperatives and the services provided to partners.

MATERIALS AND METHODS

Dairy agricultural development cooperatives determined with full census constitute the population of this study. The surveys conducted with face to face interviews with 191 cooperative managers from the some towns of Canakkale province, Ayvacik (1), Bayramic (6), Biga (70), Can (24), Gelibolu (16), Lapseki (18), Merkez (6) and Yenice (50) constitute the main material and the primary data of this study. The secondary data of this study consist of the publications of many relevant institutions and agencies and official statistics.

Averages and percentages were calculated by transferring the surveys conducted with the cooperative managers to a package program, SPSS 15.00. In addition, chi-square test was used to identify the relationship between the qualities of cooperative managers and the services provided to cooperative partners and cross tables were created as well.

The χ^2 -test is used to investigate the hypothesis whether two categorical variables from a single population differ from each other or they are independent of each other as to the two classification criteria.

There is one single population in independence tests. This single population is classified according to two criteria. If a distribution according to the one criterion is not connected in any way with the distribution as to another criterion, these two classification criteria are thought to be independent of each other (Miran, 2003).

RESULTS AND DISCUSSION

Total milk production and the share of cooperatives: As of 2009 figures, total milk production in Turkey was 12,542,185 tons and 92% of the total milk production is made up of cow milk and 8% of the total milk production is made up of sheep and goat milk (www.tuik.gov.tr). Total milk production in the province of Canakkale is 427 434 tons, 3.4% of the Turkey's total milk production. Approximately 90% of the total milk production in

Canakkale is made up of cow milk and 10% is made up of sheep and goat milk. Milk production in the province of Canakkale has an important place in terms of agricultural production value. About 21% of the total value of agricultural production and 72% of the animal production value are obtained from milk. About 69% of the total milk production in Canakkale is manufactured by the partners of dairy agricultural development cooperatives. All of these cooperatives are involved in dairy cattle. In addition, Canakkale has a significant potential in terms of agricultural organization. About 191 agricultural development cooperatives out of 361 agricultural development cooperatives are engaged in dairy activity (Table 1).

Management experience and number of partners: As mentioned in the introduction part of this study, lack of professional management understanding is one of the most important problems of agricultural cooperatives in Turkey. Therefore, the choice of cooperative managers should depend on managerial ability and experience rather than personal relationship. A good and experienced cooperative manager is expected to have technical and economic enhancements related to the operation of cooperative, answer the needs of cooperative partners, reach local and foreign financial resources and produce projects. In addition, good cooperative managers should have many partners depending on the principle of volunteerism and opening to everyone and partners should be persons adopting and his/her cooperative.

Table 1: Total cow milk production by towns in canakkale and the share of cooperatives, 2009

Towns	Total cow milk production (tons)	Cow milk production of cooperatives (tons)	Share of cooperatives (%)
Merkez	15.858	7.860	50
Ayvaciik	11.709	7.321	63
Bayramiç	21.900	10.965	50
Biga	147.701	127.321	86
Bozcaada	0.000	0.000	0
Can	69.900	35.360	51
Eceabat	1.937	620.000	32
Ezine	15.309	6.321	41
Gelibolu	24.531	16.456	67
Gökçeada	1.456	458.000	31
Lapseki	16.304	12.000	74
Yenice	60.599	41.412	68
Total	387.204	266.094	69

Canakkale Provincial Directorate of Agriculture, Canakkale

When the relationship between the managerial experience of cooperative managers and the number of cooperative partners was examined in the surveys conducted within the scope of this study, the differences between the variables were found to be statistically significant ($p < 0.05$) in terms of characteristic emphasized on. It was seen that as managerial experience in cooperatives increased, the number of partners increased as well. While 29.2% of managers in cooperatives with partners under 50 have managerial experience > 5 years, 58.8% of managers in cooperatives with partners over 200 have managerial experience > 5 years (Table 2).

Managerial experience and the status of educational training provision to partners: Agricultural cooperatives are required to put greater emphasis on the human resources management within their own bodies and to perpetuate educational activities on the development of human resources in order to compete in the light of developments in the world, achieve their goals and develop (Turan, 1999).

In this context, cooperative managers are expected to make plans to gain competitive advantage, organize, guide, monitor and coordinate their partners. This discipline can be made possible with the training programs embodied in cooperatives. When the relationship between the managerial experience of cooperative managers and the status of educational training provision to cooperative partners was examined, the differences between the variables were found to be statistically significant ($p < 0.05$) in terms of characteristic emphasized on. While 68.2% of managers expressing education is not given to partners have experience varying around 1 and 5 years, 31.8% of them have the managerial experience > 5 years (Table 3).

Participation in agricultural activities and the status of educational training provision to partners: Another characteristic that agricultural cooperative managers are expected to have is the use of information and technology at the right time and right place. Therefore, an experienced cooperative manager should be able to perceive, understand and evaluate things around his/her

Table 2: Relation between managerial experience and number of partners

Managerial experience (year)	Number of partners (Person)									
	<50		51-100		101-150		151-200		>200	
	Number	%	Number	%	Number	%	Number	%	Number	%
1-5	34	70.8	56	72.7	16	51.6	7	38.9	7	41.2
>5	14	29.2	21	27.3	15	48.4	11	61.1	10	58.8
Total	48	100.0	77	100.0	31	100.0	18	100.0	17	100.0

$\chi^2 = 14.047$; p value = 0.007

Table 3: Relationship between managerial experience and the status of educational training provision to cooperative partners

Executive experience (year)	Status of educational training provision to partners			
	Given		Not given	
	Number	%	Number	%
1-5	30	50.8	90	68.2
>5	29	49.2	42	31.8
Total	59	100.0	132	100.0

$\chi^2 = 5.246$; p-value = 0.022

Table 4: The relationship between participation in agricultural activities and the status of educational training provision to partners

Status of participation in agricultural activities	Status of educational training provision to partners			
	Given		Not given	
	Number	%	Number	%
Participated	43	72.9	76	57.6
Not participated	16	27.1	56	42.4
Total	59	100.0	132	100.0

$\chi^2 = 4.067$; p-value = 0.044

environment accurately. They should be able to communicate with agencies that produce knowledge and technology and should be able to tell them their demands. They should participate to every kind agricultural activity organized by different institutions and agencies and should be able to transfer acquired knowledge and experience to their partners).

When the relationship between cooperative managers' participation in agricultural activities and the situation of their service provision to partners was examined in the surveys conducted within the scope of this study, the differences between the variables were found to be statistically significant ($p < 0.05$) in terms of characteristic emphasized on.

While 72.9% of cooperatives whose partners receiving agricultural education stated that they participated in agricultural activities, 27.1% of them expressed that they did not participate in agricultural activities (Table 4).

Frequency of contact with experts and participation in agricultural activities:

When the relationship between the frequency of contact of cooperative managers with experts and participation in agricultural activities was examined, the differences between the variables were found to be statistically significant ($p < 0.05$) in terms of characteristic emphasized on.

While 88.2% of managers participating in agricultural activities stated that they had contact with experts once a month, the rest stated that they had contact with experts infrequently (Table 5). Agricultural cooperatives in Turkey are the most common model of producer organizations. Although, these cooperatives play a key role in rural development, some problems that they have

Table 5: The relationship between the frequency of contact with experts and participation in agricultural activities

Frequency of contact with experts	Status of participation in agricultural activities			
	Participated		Not participated	
	Number	%	Number	%
Managers contacting with experts for every month	105	88.2	53	73.6
Managers contacting with experts infrequently	14	11.8	19	26.4
Toplam	119	100.0	72	100.0

$\chi^2 = 6.713$; p-value = 0.010

a negative impact on the success of the cooperatives. The lack of professional management approach is the most important one among these problems. In this study, face to face surveys were made with all of the dairy agricultural cooperatives in Canakkale in order to examine manager profile. According to the results of a survey with 191 cooperative managers, 76.4% of cooperative managers are primary school graduates, 19.4% of managers are high school graduates and 4.2% of them are university graduates. About 70.2% of managers are under the age of 50, 29.8% of them are over the age of 50. In terms of the number of partners, 25.1% of cooperatives have partners <50 persons, 40.3% of them have partners between 51-100, 16.2% of them have partners between 101-150 and 9.4% of them have partners between 151-200. In the surveys, 79.6% of managers stated that they had contact with experts once a month, 11.5% of them stated that they had contact with experts once every three months, 4.7% stated that they had contact with experts once every six months and 4.2% of them stated that they had contact with experts once a year. While 69.1% of cooperative managers stated that training was given to their partners, 30.9% of them stated that training was not given to their partners. In addition, while 62.3% of cooperative managers expressed that they participated in training sessions and agricultural activities, 37.7% of them expressed that they did not participate in training sessions and agricultural activities.

CONCLUSION

According to the results of the chi-square tests, managerial experience and the number of partners ($p = 0.007$), managerial experience and the status of providing training to partners ($p = 0.022$), participating in agricultural activities and the status of providing training to partners ($p = 0.044$) and the frequency of contact with experts and status of the participation in agricultural activities ($p = 0.010$) were found to be statistically significant. According to the results of the study, even though the majority of the managers of dairy cooperatives in Canakkale are primary school graduates, their

tendencies on participation in educational activities and agricultural activities and contact with experts were found to be high. Therefore concentrating on cooperative courses and training professional cooperative managers (director, accountant, marketer, etc.) at various vocational schools and faculties are very important for the success of these cooperatives. In addition, the continuation of training activities of cooperative managers and partners and implementation of project outcomes within the context of Strengthening of Farmer Organizations (IRFO) supported by the World Bank in the EU integration process will increase the efficiency of agricultural cooperatives.

REFERENCES

- Artukoglu, M.M. and A. Olgun, 2008. Cooperation tendencies and alternative milk marketing channels of dairy producers in Turkey. *Agric. Econ.*, 54: 32-37.
- Bayaner, A., 2005. Institutional Structure of Agriculture in Turkey. The Ministry of Agriculture and Rural Affairs Strategy Development Presidency Publication, Ankara, Turkey.
- Cikin, A. and N.N. Kizildag, 1999. The European Union and Agricultural Cooperative Movements in Turkey. Turkish National Cooperatives Union Publications, Ankara, Turkey.
- Caglar, I., 1999. Can cooperative system approach be developed as a model in terms of the management of future? Proceedings of the 16th International Turkish Cooperative Congress, Nov. 3-6, Ankara, Turkey, pp: 28-36.
- Cetin, H., 2009. A general evaluation on social, economic and democratic effects of cooperatives in the development process. *J. Entrepreneurship Dev.*, 435: 35-49.
- Demirci, R., A. Ozcelik and A. Turan, 1994. Growth strategies in cooperative enterprises. Proceedings of the 1st Agricultural Economics Congress of Turkey, Sept. 8-9, Izmir, Turkey, pp: 244-258.
- Dernek, Z., N.C. Esen and A.R. Aktas, 2004. An evaluation and some proposals for remedy on the problems of agricultural cooperatives. Proceedings of the 6th Agricultural Economics Congress of Turkey, Sept. 16-18, Tokat, Turkey, pp: 426-434.
- Dilmen, O., 1993. The role of agricultural cooperatives in the development of rural industry. Proceedings of the Rural Industry Symposium, April 6-8, SPO Publications, Ankara, Turkey.
- Eraktan, G., 2004. Producer organizations and farmer unions in the European Union (Oral Presentation). Proceedings of 4th National Agriculture Congress, Dec. 20-21, Turkish Farmers Association, Ankara, Turkey, pp: 1-13.
- Inan, I.H. and B. Basaran, 2004. Evaluation of agricultural cooperatives and other producer organizations in turkey within the entrance process to the EU. Proceedings of the 6th Agricultural Economics Congress of Turkey, Sept. 16-18, Tokat, Turkey, pp: 395-402.
- Miran, B., 2003. Basic Statistics. Printing House of Egean University, Bornova, Izmir, pp: 297.
- Mulayim, Z.G., 1970. A Research on the Federative Organization of Agricultural Cooperatives in Turkey and their Fundamental Problems. Faculty of Agriculture of Ankara University, Ankara, Turkey.
- Ozkumaz, M., B. Everest and O.G. Ozer, 2009. Organization and social entrepreneurship in agriculture. Proceedings of the Case of the Canakkale Village Cooperative (KOY-KOOP), VI. International NGOs Conference, Oct. 23-25, Canakkale, Turkey pp: 123-129.
- Rehber, E., Z. Galor and S. Duman, 1999. Cooperative support systems for rural industrialization. Proceedings of the 16th International Turkish Cooperative Congress, Nov. 3-6, Ankara, Turkey, pp: 68-81.
- Ringle, G., 1999. The strategies of cooperatives in the increasing competition. Proceedings of the 16th International Turkish Cooperative Congress, Nov. 3-6, Ankara, Turkey, pp: 22-27.
- Turan, A., 1999. Human resource management and the cooperative system. Proceedings of the 16th International Turkish Cooperative Congress, Nov. 3-6, Ankara, Turkey, pp: 82-96.
- Yilmaz, H., 2008. Producer organizations as pressure groups in the process of democratization of agricultural polices and making of alternative agricultural polices in Turkey. Proceedings of the 2nd National Economics Congress, Feb. 20-22, Izmir, Turkey.
- Yercan, M., 2007. Cooperation pattern of Turkish and European Union agriculture and agricultural cooperatives. *Turk. J. Agric. Econ.*, 13: 19-29.