



150,000 farmers benefit from being members of co-ops

The number of farmers who are members of agricultural co-operatives has increased to over 150,000 according to the UK co-operative economy 2017 report, which attributes the rise to people wanting to have more control over their economy and to have their voices heard.

The rise in farmer members mirrors a trend in the wider co-operative sector - covering everything from dairy farmers to digital start-ups - which has seen 700,000 members join in the last year.

“Underlying the political surprises over the last year appears to be a desire from many parts of the population for an economy over which they have more of a say and from which they get a fair share,” says Ed Mayo, Secretary General of Co-operatives UK, the trade body for the sector.

“Agricultural co-ops are an effective way for farmers to get leverage and cut costs in competitive global markets, and as we move into Brexit, negotiations will become even more important for the industry.”

Despite the increase in membership, agricultural co-ops have seen a 5% downturn in turnover due to one of the most challenging years British agriculture has faced, though it totalled £7.4 billion last year and remains a large part of the UK co-operative sector.

The report also highlights agricultural co-ops that are bucking the trend. OMSCO, (Organic Milk Suppliers Cooperative), is a dairy co-operative that is thriving in the current environment having seen membership increase far beyond the sector average of 2%.

Because of successful innovation, the development of international markets, and strong performance of its core domestic business, there has been a requirement for more organic milk and as a result OMSCO’s membership has increased by 26% over the last two years.

“Being an innovative and flexible co-operative has allowed us to take advantage of global market opportunities,” says OMSCO’s managing director, Richard Hampton. “The development of export markets has helped us to balance any fluctuations in UK organic milk consumption, which has enabled members to receive a stable and sustainable milk price.”

Last financial year, OMSCO’s exports grew by 58% to 20% of their total revenue. “Our members are critical to the success of our co-operative, they all share a vision and aren’t afraid to try something to



develop markets and take advantage of opportunities,” says Mr Hampton. “We have a flat structure, so everyone has a say, and the senior management team pride themselves on being accessible.”

Globally, organic dairy is in a period of strong growth and is one of the largest sectors within the organic food and drink market, worth \$9.5bn in a market valued at \$82bn.

“Global organic dairy market growth is currently outstripping that of the UK and our market diversification strategy has led us to spread risk and take advantage of this by developing premium, specialist organic dairy ingredients for sale worldwide.”

The UK co-operative economy 2017 report is available at www.uk.coop/economy2017.