

IMPACT OF A MARKETING COOPERATIVE ON COCOA PRODUCERS AND INTERMEDIARIES: THE CASE OF THE ACOPAGRO COOPERATIVE IN PERU

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Abstract

Membership in an agricultural cooperative can improve the efficiency of production. Cooperatives often transfer agricultural technology to their members by employing specialized extension agents. This study analyzes the effect of cooperative membership on cocoa production and identifies factors that influence the willingness of non-member farmers to join a cooperative in the future. A survey of 243 farmers was carried out between December 2009 and January 2010 in Juanjui, San Martín, which is the main cocoa production area in Peru and the home of the Acopagro cooperative. Econometric results show that non-member farmers usually harvest larger volumes of cocoa beans, but the quality of the beans is lower compared with the Acopagro cooperative members. Analysis of a subsample of Acopagro cooperative members confirms that the length of cooperative membership has a positive effect on cocoa production volume. Moreover, unassociated farmers who wish to continue selling independently in the market have different socio-economic characteristics compared with farmers who are willing to join the cooperative in the future. The cooperative should engage in adequate training of the cooperative extension agents, thus motivating them to provide knowledge to the farmers and improve the farmers' competitive posture in the market.

Keywords: cooperative, intermediaries, OLS regression, binomial logistic model, marketing channel, Acopagro