INVESTIGATION OF SEA BUCKTHORN PRODUCER COOPERATIVITY POSSIBILITIES: CASE OF LITHUANIA, LATVIA AND POLAND

Abstract

Strong farmers’ individualism limits their competitiveness. Smaller commercial agricultural producers find themselves at particular disadvantage. The sustainable agricultural paradigm requires farmers to receive adequate and regular income (which is independent of the crisis factors), and to preserve an environment and a biodiversity. However, Lithuanian farmers rarely take common actions in the market. The aim of article is to create an organizational system that allows different sizes of sea buckthorn growers’ farms to work together merging into cooperatives and producers’ organizations. There is suggested a merging system for different size buckthorn growers’ farms which allows unionize local, zonal and country cooperatives.

Key words: buckthorn, cooperatives, producer organizations

So far Lithuanian and Polish farmers have not been very interested in the common market activities or the opportunities to use the support of structural funds for the development of marketing activity. Competitive capacity of these farmers was highly limited by their individualism. Smaller agricultural producers are in an especially unfavourable situation. Pursuant to the paradigm for sustainable agriculture, farmers shall be provided with a stable income (not depending on crisis factors), shall comply with the environmental protection requirements and ensure biodiversity conservation.

Cooperation of farmers gives a possibility to ensure stable income, improve farmers’ status in the market, get larger share of the added value created in the production circulation chain, and more effectively apply the measures provided within the framework of the European Common Agricultural Policy. In the EU Programming period 2014–2020 it is anticipated to promote the establishment of organisations producing various agricultural and livestock farming products, initiate their institutional recognition, and allocate support funds to strengthen administration and marketing activity. Thus, farmers acting in cooperation are provided with a possibility to receive additional support from structural funds.
Today farmers are quite slow in joining a cooperative activity. During this period it is important to promote and accelerate the establishment of agricultural production cooperatives and producer groups. This might become a significant factor facilitating a breakthrough in increasing the effectiveness of farmers’ activity. Usually the main initiators of producer groups and cooperatives are the leaders, i.e. the initiators of changes. Best practice examples play one of the main roles in rural areas.

Although the demand for sea buckthorn has increased in the European market, small sea buckthorn farms still prevail in Lithuania. Farmers have difficulties in ensuring timely harvesting of the sea buckthorn, as well as its processing and preparation for the market. Besides, the sales of the sea buckthorn could be a profitable activity only in case of huge volumes of production which is properly processed and introduced to the market. This is possible only if producers are able to establish cooperatives employing intensive/advanced sea buckthorn growing/storage/marketing technologies in organising the operations in national and international markets.

The success achieved by the current agricultural producer groups is a very important psychological element increasing the interest in the common activity. From the psychological point of view mergers of agricultural farmers is a process, not one-time phenomenon. This process requires time to change the attitude of farmers. From the economic point of view these changes are too slow.

Establishment of economically viable and effectively operating producer organisations is one of the main conditions for the increase of competitiveness of Lithuanian agriculture facilitating the resolution of multiple problems: reducing production/realisation costs and increasing producers’ income. Besides, the established structure and system would allow to follow technological and structural innovations of sea buckthorn producers of other countries, review their progressive experience and ensure timely provision of relevant information to farmers. This information is especially important for farmers developing organic farming in Lithuania since they encounter specific and yet under-investigated problems related to the selection, planting, care, prevention (from diseases and pests), harvesting, storage and realisation of sea buckthorn production.

156 farmers grow sea buckthorns in Lithuania, the total covered area is 1900 hectares. The majority of sea buckthorn producers are small farmers. Size of the fields varies from 5 to 10 hectares. Only 30 of them is processing more than 30 hectares. Sea buckthorn farms in Latvia are even smaller than in Lithuania. 16 sea buckthorn producers cultivate totally 240 hectares. The different situation is in Poland. Here are only several sea buckthorn plantations, which are distributed all over the country. Every sea buckthorn plantation counts more than 50 hectares. It allows to create needed infrastructure on it’s own account.

Cooperation in berry sector of the Baltic states is analyzed in a fragmentary [Gulbė, 2003; Motuzienė, 1996; Ramanauskienė, 2007; Pareigienė, 2008]. These studies, in most cases, are limited to the situation review and finding of the desired changes. Foreign authors also do not analyze sea buckthorn sector very wide, because of the novelty of this kind of activity [Lee, 2003; Sinkh, 2008].