From farm cooperation to territory building: a French case study

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Abstract

Agricultural cooperation in France seems to be standing at a crossroads between to change the classical cooperative pattern for surviving in a more competitive global market, or maintain the same pattern surrendering to lower performance pathways. What is changing matters as the current rural development policy widely understands and supports cooperation to achieve multiple interlinked purposes. How the classical agricultural cooperation pattern is changing and how it can meet the new challenges are the questions this paper deals with by analysing a French case study. It has developed an original pathway in which social responsibility and the multiannual commitment for community empowerment play a main role, also providing good economic performance. The case shows a new way as it has adapted the classical cooperative pattern to meet many aims currently pursued by the rural development policy. That happened, however, without changing neither the cooperative method, neither the fundamental cooperative values.

Keywords

agricultural cooperation pattern; organizational innovation; corporate social responsibility; local and sustainable development; rural network.

Introduction

This paper refers to an early part of a widest ongoing research, which deals with organizational innovation in Italian agriculture and in rural governance tools. It focuses also on other European countries, on French Cooperation especially. For the European policies to 2020, innovation is a horizontal purpose pursued by all the policies to achieve a smart, sustainable and inclusive growth, so it is a cross topic in many different fields.

The European Rural Development Policy (RDP, Reg. (EU) 1305/2013) rules a part of the organization in agriculture (Frascarelli 2014). It considers cooperation among farms and business as a wide multi-purpose concept, which plays a key role for enhancing competitiveness of businesses and rural areas. The concept of cooperation (art. 35) among farms is taken in the widest understand to favour innovation process. The measure is according equal support to initiatives whose aims concern environment, competitiveness,
empowerment of rural communities. Quite whatever arrangement and size of partnership can rely on the support. In that wide range, there are also business networks, clusters, and public and private partnership to put in place local development strategies\textsuperscript{2}. More than in the past, the new orientation calls for a systemic approach thinking the patterns complementary and functionally linked rather than alternative (Pacciani et al. 2015).

Although RDP is addressing such a wide concept of cooperation, the classical pattern of agricultural cooperative is also changing rapidly, seeking new arrangements to face the multiple challenges of rural development. Thus, the questions are how the agricultural cooperation pattern is changing and how it can meet the aims pursued by the RDP.

Therefore, to explore how the cooperation among farms and other players in rural milieu is changing, this paper examines the concrete example of the cooperative Fermes de Figeac, in the south-west France.

The case is worthy of attention because it concerns a cooperative that uses cooperative method in a very extensive way. Moreover, it concerns a cooperative animated by the willingness to solve the local problem of scarcity of workforce and reduction of agricultural exploitations. To face the manifold aims, it has been following an original pathway whose relevant points are: 1) the diversification of economic activities; 2) the network creation in rural area; 3) the growing of own social responsibility according to which the whole road has developed; 4) the behaviour as a driving force of the development of the region. The last is the unexpected fact, since other phenomena are usually considerable in that role. In this case, instead, there is just a cooperative, neither an agglomeration of firms, such as agricultural districts (Toccaceli 2015), nor an implementation of an European policy measure such as Integrated Rural Project (Nazzaro 2006) or inner areas (Dipartimento per lo sviluppo e la coesione economica 2014).

The case is also interesting because it is quite different from the main trend for two reasons. The first is the basic choice to be a cooperative deeply linked to the local area - cooperative du territoire – and the ensuing pathway. Contrariwise, the prevalent tendency is to aggregate the smaller into bigger structures, organised as Cooperative Business Groups, to reach a more competitive performance in a global scenario. The second is that, for thirty years, the cooperative has persisted in its commitment for local sustainable development. That has allowed differentiating its own economic activity, resulting in good economic performance, like it is observable in other farms engaged in corporate social responsibility (Marotta, Nazzaro 2012).

Hence, the analysis focuses on what type of cooperative Fermes de Figeac is in the French scenario, and how the multiannual commitment for the local community sustainable development takes sense. Moreover, it attempts to explicate the mechanisms by which cooperative initiatives succeeded.

\textsuperscript{2} In addition to LEADER and Community-led Local Development.
Methodology

The desk research for what reported in the short paper issues from the collection and analysis of the French literature on agricultural cooperation, its links with corporate social responsibility, the *bilan sociétal* and rural governance.

Three study visits were for preparing the selection of the case and the field phase. A study visit was to take part to the annual congress of the International Cooperative Alliance (ICA), for deepening the main issues concerning cooperation method and cooperatives in a global scenario. Another visit was for interviewing representatives of *Coop de France* and deepening the main issues on French agricultural cooperation. The third visit was for interviewing representatives of the *Association Sol et Civilisation*, charged by the French rural network and the Minister of Labour to deep the tool *Gestion territorial des emplois et des compétences (GTEC)*, that has been implemented by the *Pays de Figeac* for the territorial forward planning of skills and employment in rural milieu. The case of Fermes de Figeac has resulted one of the few having implemented both the *bilan sociétal* and the *GTEC* process.

The field phase to bring together the elements concerning the case study was realised through a study visit at Figeac with two aims. Interviewing several key-players of the cooperative Fermes de Figeac and of the social, institutional and economic life in the territory was the first. Participating to the final workshop of the GTEC process was the second and provided the keys to interpret the results. The collected elements formed the base to analyse the case highlighting the innovative features of the solutions introduced as in economic organization as in rural governance.

Results

*How to place Fermes de Figeac in the recent dynamics of French agricultural cooperation*

The members own and run by the cooperative firm according to the values of self-help, self-responsibility, democracy, equality, equity and solidarity. They also adhere to the traditional ethical values of honesty, openness, social responsibility and caring for others (International Co-operative Alliance 2005). These values and principles affect the cooperative governance, the financial accumulation capability and the governance mechanisms that are different from the other firms, with some national specificities.

In an agricultural cooperative, adherent members are farms that play a double role of partner and “client” or “supplier”. The typical purpose of the cooperative is to provide the requested services to the members and not to remunerate the capital. In spite of the simple components to define the cooperative, for two century it has been becoming something of

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3 It is a mark registered – so it is not translated - by the Centre des Jeunes Dirigeantes et Acteurs de l’Economie Sociale (CJDES) that has re-elaborated the social account to better measure the societal responsibility of the social enterprises. CJDES has made available the methodology to adapt to all other kind of firms (Bodet & Picard 2006).

4 The workshop « Préparer les métiers et les compétences pour un territoire vivant en 2030 » was held in Combes on 3rd December 2014.
more complex regarding its field of application, functioning, and governance (Malassis 1964; Mac Bride 1986; Nicolas 1988; Pacciani 1979; Pacciani, Petriccione 1993; Toucas 2008; Frey 2013; Chomel 2013). Such an adaptive dynamic justify that agricultural cooperation is still widely diffused at global level.

In France, cooperation has given a connective structure to agricultural organizational system, so that nowadays three farmers on four are represented by a cooperative (Frey 2013) and the World Cooperative Forum lists six French cooperatives among the first twenty-five in the world, that have a highest level of turnover (INEA 2014).

From the Sixties, French Agricultural Cooperation have benefitted from a new legal tool (Chomel 2013; Filippi et al. 2013) to adapt both to the global change and to the progressive revision of the European Common Agricultural Policy, by creating Business Groups of cooperative (BCGs). BCGs have a cooperative statute and can concentrate together cooperatives and other kind of firms to achieve larger dimension and conditions that are more competitive. BCGs are also present in the territory by their agencies that are not cooperatives. Developing several different patterns, they often lead to very complex structures of interlinked societies - cooperative and not, often comprehending a financial holding - that make possible the process of concentration, vertical integration, internationalisation, and raising of financial capital and partners (Koulytchizky et al. 2003). As the new pattern was succeeding, it became clear that the classical cooperative were changing in a more hybrid structure, method and values as well (Filippi et al. 2013; Filippi et al. 2008).

A French rule that has conditioned cooperative evolution is the ancrage territorial (AT) that is regional or “territorial” – let me use the jargon term herein and in the follow-anchorage. Stated by the Code Rural, it is the juridical obligation to freely choice a bounded area where the cooperative can operate. AT contributes to limit competition among cooperatives in the same field and area, for reinforcing them. It allows also supporting competitiveness of cooperatives in other various way, and preserving the root in the local dimension (Chomel 2013; Filippi 2013).

From a juridical point of view, the link between territory and cooperatives emerges also in the features and concrete implementation of a more recent cooperative statute, the Society of Collective Agricultural Interest (SCAI). It is a cooperative oriented to manage plant of transformation and offer services for farms and rural population, which have to associate farmers and at least twenty per cent of non-farmers, as far as we may deem it a “cooperative of the territory”. It is suitable for the multifunctional agriculture.

In the same direction, in 2001 was established another new pattern, the Cooperative Society for Collective Interest (SCIC). Even if it is not specific for the agriculture, it has resulted to be innovative and suitable for developing innovative solutions in rural milieu, dealing with multiple challenges, through projects having social, cultural or environmental aims (Thomas 2009; Draperi et al. 2015; Cariou et al. 2006).

Over the last decades, both tendencies - the one towards global and the other towards local dimension - have been working together such as divergent tensions according to which, in variable degree, many different types of cooperatives developed. However, BCGs have shown a so growing dynamic, especially after the French Laws of 1991 and 1992 (Filippi
2013), that seeking a new cooperative paradigm turned out to be necessary (Côté 2000; Côté 2005; Côté 2007).

Côté (2000) have represented the evolution of the cooperative pattern according to the intensity of cooperative principle, and the intensity of market values expressed by the cooperatives. Complementary, Koultychizky and Mauget (2003) have deepened the question developing an ideal space in which all types of cooperative are placeable, taking into account the cooperative adherence to values of solidarity and position in the market. In a so defined space, they consider as limits the path of utopia (exclusively adherence to solidarity values) and the path of banalisation (exclusively adherence to market values). Between the two, they place the virtuous area where the observable cooperatives are representable, as the small biological local, as the mega-cooperative nearer to a multinational company than to a classical cooperative in a rural region.

The banalisation problem represent the risk of cooperative-identity loss, due to the hybrid nature of the BCGs that put together cooperatives, industrial firms, financial partners, banks (Filippi 2013). Nonetheless, facing that risk and trying to answer the question whether the running evolution is so deep as to undermine the basic cooperative principle is worth. In fact, BCGs meet the need of adaptation to global and more competitive markets, while protective measures have no longer put in place by European agricultural policy. Therefore, it seems to be several strategic reasons for continuing to create BCGs and consequent holding structures (Filippi et al. 2013), mostly considering that the financial, juridical and of management improvements are closely linked to the typical points of weakness of the agricultural cooperative pattern.

Contrariwise, in such a changing scenario, the case in point shows an alternative way to face those points of weakness. It shows also that agricultural cooperation can fulfil new needs of rural areas with new arrangements.

The case history

What nowadays is known as Fermes de Figeac "Un coopérative au service des hommes et du territoire" was set up as CASELI in 1985 having the form of a simple agricultural cooperative of the Ségala-Limargue area, in north-east of the Department of Lot, Midi-Pyrénées Region. It has identified its own AT in the cantons of Figeac, Lacapelle-Marival, Latronquière, Souscyrac, a rural region at the foot of the Massif Central. It comes from an history of marginality (Cariou 2013) where agriculture has been the main activity for many time, and the most relevant agricultural activity is still the animal breeding, ovine and bovine especially.

While the region is still keeping the rural features, there is also a well-known industrial cluster of aero industry, stemmed from the helicopter’s inventor at the early twentieth century, thanks to the wide woods too. Moreover, in the last decades, tourist activity has been also emerging, because several cities and historical places are in the “Road of Saint James of Compostela”, one of the major Christian pilgrimage route.

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5 It refers to the administrative system in force before the reform applied in 2014.
Such a particular development pattern has entailed a deep change in the workforce market (Pham et al. 2014; Pham et al. 2013a) so that employment has been rising in industry and tertiary sectors, and decreasing in agriculture. The demographic dynamic (INSEE 2009) does not contrast the aging of the people, so the unemployment rate is keeping slower than the region. That created the major problems for agriculture and handcraft activities. Especially, agriculture has been having the need for a generational turnover, as it was confirmed from a survey by Sol et Civilisation when it has been attending the GTEC implementation process (Pham et al. 2014).

Stemming from a radical interpretation and implementation of the cooperative principles and values, CASELI took a peculiar path in which to recognize three phases. In the first, the leading idea was the commitment to improve technical services offered to the adherent members, as well as for the community rural development. In the second, that idea has been evolving in that of social responsibility for the community and for facing the challenge of sustainability development. It focused also on seeking the answer to the previously mentioned problem of reduction of agricultural activities and workforce availability. That was arising a new way – the GTEC process - since that effort was possible just by working together with other players of the territory. Relying on such an enhanced system of territorial relationships, in the third period, the leading idea evolved in that of becoming an “innovative territory” able to project and collectively act for renewing futures perspectives.

The following brief chronicle highlights the most relevant paces of the Fermes de Figeac pathway.

In the first period, from 1985 to 2002, CASELI aimed to rise the typologies of services offered to the members, mostly by improving technical services and the access to new technologies at the less cost. In 1989, for example, it took an action for improving the acid soil in Ségala region. Anyway, from the beginning CASELI was deeming itself a “cooperative of the territory” and feeling the need to enhance the services both for the cooperative members and for all others in the region. As far as, in 1991, it adopted the new statute of SCAI - taking the name SICASELI. Consequently, the opening to the territory became possible and major actions were undertaken (Cariou et al. 2006). In 1994, it started up a point of sale of regional products in the ”Gamm vert de Figeac”. In 1995, a new plant for transforming the agricultural products of the territory became operative. The awareness of the sustainability of development was raising, so that in 2002 SICASELI promoted the setup of the cooperative of services CUMA\(^6\) Lot Environment. This new body was also able to provide technological innovative tools and services for everyone in the region.

The second period runs from 2003 to 2010. In 2003, SICASELI adopted the *bilan societal* as the specific instrument to manage its own engagement for the community sustainable development. The process to adopt it (Cariou 2003) has represented a jump into a new path, coherent with the previous but more consciously oriented to the assumption of social responsibility and assisted by specific tools.

\(^6\) CUMA, acronym of Coopérative d’Utilisation des Matériels Agricoles that is a kind of cooperative for commonly using agricultural material.
Later, the pathway has taken multiple directions integrated and coordinated by the cooperative.

The one for pursuing a higher agricultural value-added. So that, in 2003, SICACASELI gained also the certification ISO 9001 for the quality of services management and opened the first butcher shops of the local ovine breeding. The purpose was to add new value to the local short-chain, grounding in an enhanced value of the territory (Mollard et al. 2007; Perrier-Cornet et al. 2000) and of the social value of the producers (Marotta et al. 2012). The other one for environmental sustainability, so that it promoted the project of a photovoltaic park, realised in 2010 and able to provide renewable energy for the need of the entire region. In 2009, it gained the certification ISO 14000. Another one for supporting rural population, so it arranged an agreement with the municipality of Felzin for keeping in that area the store and the mail service.

The cooperative representatives have affirmed that they have realised in that period “the utopia of a territorial republic” re-elaborating in a territorial key the Draperi’s concept of “cooperative-republic” (Draperi 2012; Draperi et al. 2015) where, instead, the sole cooperative is central (Cariou 2013).

In 2008, was elaborated the new cooperative project, in which the concept of agricultural activity enlarged to comprehend every aspect of the rural life - *agriculture gestionnaire du vivant*. It happened in parallel with a collective initiative to develop the first community reflexion for the expected future promoted by the *Pays de Figeac* (Pham et al. 2014; Pham et al. 2013a). That was the push for the jump into the more recent period.

The third period started in 2011, when SICASELI changed in *Fermes de Figeac* with the shared purpose of keeping agricultural activity in the territory and face the loss of skilled workers (Thomas 2009). The new statute of Cooperative Society of Collective Interest (SCIC) allowed admitting in the cooperative also local socio-economic bodies and other stakeholders, such as local banks. The for long time intertwined relationships with the stakeholders resulted, hence, embedded in the new form of cooperative, which benefitted also from a new adding of financial capital. The last evolution points out the cooperative's convincement to be on the right way, as far as it decided to present the candidature for ISO 26000 certification for the social responsibility. In 2012-2014 the *Pays de Figeac* with the *Club of Entreprises* has promoted the implementation of the GTEC device, looking to 2030 (Sol et Civilisation 2010; Pham et al. 2013b). In this new deal, *Fermes de Figeac* is only a subject beside the others, although all the local players interviewed consider the cooperative as the actual driving force of a long time process of community empowerment.

In the thirty-year time, the cooperative has been steadily engaging in rising the added-value production in the interest of adherent members. As far as it has gained good performance, by adding more and more new activities to the initial one of material and technical services provision. The cooperative has established many new stores and affiliated societies or cooperatives related to the several kind of activities exploited over the time. Now they state to have 650 adherent members, 120 employees, and a turnover of seventeen millions of euro, only 55% of which comes from agricultural provision to the members, the rest from the other activities undertaken over the time.

The facts previously presented in chronological order are worked out again following the functional links resulted from the direct survey (Table 1). The motivation to act, the actions
undertaken and the following results have put the root in the adherence to the traditional cooperative principles. Therefore, we can observe a strong coherence among strategy, actions and results and each single fact strictly links to the others.

**Conclusions**

The findings permit to briefly argue the answer to the three foci of the analysis. About what type of cooperative Fermes de Figeac is, we have observed that, remaining in its own perimeter, it has widely differentiated the economic activities by adding as affiliated more and more new cooperatives or participating to others of interest. The difference respect to BCGs is that the main aim has been remaining to add value to the cooperative-mother – instead that to the group - hence to the adherent members. The aforementioned coherence is relying on this fact, as better explicated by the following.

How the multiannual commitment for local community and sustainability does make sense was the second focal point. The motivation of the cooperative stemmed from the orthodox interpretation of the classical cooperative principles, which encompass social responsibility since the beginning. We can recognize a functional hierarchy in those values, because if the social responsibility was the inspiration that moved the paces, nonetheless the coherent commitment in the interest of the members made possible that pathway developed. The former made possible the latter and _vice versa_.

Two of the basic mechanisms granting the success of the cooperative – the third focal point – are also relying upon the previous observation. The one concerns the nature of the diversified activities, in that commitment for environmental sustainability has produced good results in quality of life and in enhancing cooperative income. Hence, that has earned the respect and of the community for the gratuity of the action, as well as of that of the adherent members because new undertakings had become possible.

The keys to interpret others of those mechanisms come from what emerged during the final workshop of the GTEC process. Firstly, there was a shared awareness that “a territory is a process, which is due to a voluntary and participated construction” (Pecqueur7). Hence, according to their preference for a proximity approach (Pecqueur et al. 2005; Torre et al. 2005; Bertrand et al. 2004; Colletis et al. 2005; Torre 2007; Berriet-Sollic et al. 2013) we can recognize that another mechanism for cooperative succeeding relies upon the continuous intertwining of relationships with the other players of the territory. That has entailed a rural network creation (Murdoch 2000) able to stimulate the empowerment of rural community.

Secondly, they shared a systemic approach to the region’s development in order to draw future scenarios and think over the more desirable perspectives (Lugan 2013). Also for the cooperative, this approach can justify the whole coherence of the cooperative pathway and it is peculiar the effective way to express it: “if we eat our meet, we build our landscape”.

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7 During the GTEC workshop the keynote by prof. Bernard Pecqueur was “Comment les territoires ruraux innovent et s’organisent pour répondre aux défis des mutations économiques?”.
Finally, agricultural cooperation in France seems to be standing at a crossroads between to change the classical cooperative pattern for surviving in a more competitive global market, or maintain the same pattern surrendering to lower performance pathways. In face of that, the findings show a new way. The case has adapted the “classical” cooperative pattern to the new challenges that European agriculture and rural development have to face. That happened, however, without changing neither the cooperative “method”, neither the fundamental cooperative values. Besides, the cooperative Fermes de Figeac has demonstrated to be able to meet the aims pursued by the RDP in the current programming period.
Anyway, my findings are not generally applicable, but they takes sense in the general effort to collect, analyse and place in some order the array of new pathways that are emerging, as the scholars attempt to do (Côté 2000; Koulychizky et al. 2003; Côté 2007). This effort seems to be worthy of deepening and the research needs to be enriched by more case studies and in other European Countries, as well.
Table 3 Synthesis of the results coming from the direct survey on the Fermes de Figeac cooperative

<table>
<thead>
<tr>
<th>Cooperative Ethical Values</th>
<th>Motivations</th>
<th>Problems/aims</th>
<th>Actions</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental sustainability</strong></td>
<td>Renewable energies, Reprocess dung from animal husbandry</td>
<td>Bilan societel as the main tool of self-management</td>
<td>Large size of projects able to involve large numbers; Enhanced income and financial management ISO 14000</td>
<td></td>
</tr>
<tr>
<td><strong>Social sustainability</strong></td>
<td>in rural milieu enhance quality of life and make it more attractive; Internal cohesion.</td>
<td>Common actions to seek solutions together More services available for rural population</td>
<td>Community empowerment Enhanced reputation in the community ISO 26000</td>
<td></td>
</tr>
<tr>
<td><strong>Mutualism</strong></td>
<td>Make the cooperative better known to the local players</td>
<td>Act in favour of the community Act along with the community players Changing in cooperative statute (SCAI and SCIC) to encompass new “non-agricultural” members, as stakeholders and local banks</td>
<td>Enhanced reputation in the community Enforcement of networking action New financial source</td>
<td></td>
</tr>
<tr>
<td><strong>Serve adherent members</strong></td>
<td>The original core business Provisions, technical services and investments More value to local production, label and local short-chain.</td>
<td>More income for adherent members and services of high quality. Higher reputation perceived in consumers opinion ISO 9001</td>
<td></td>
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</tr>
<tr>
<td><strong>Internal governance</strong></td>
<td>Fight reduction of agricultural exploitations Fight reduction of workforce</td>
<td>Participation to GTEC and the related actions of network creation, Club des entreprises, and relations with Pays de Figeac</td>
<td>Creation of networks with stakeholders Increased number of skilled workers Increased trust in the community capacity to improve our own condition of work and life</td>
<td></td>
</tr>
<tr>
<td><strong>Enforce financial management</strong></td>
<td>Work for the community has deserved more reputation and increased members’ income and services offered</td>
<td>Financial availability Enhanced trustworthiness respect to the adherent members</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: own elaboration*
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