

Agri-Food Cooperation in Emilia-Romagna: a success story, a future of challenges









### Publication sponsored by the Department of Agriculture, Hunting and Fishing of the Region of Emilia-Romagna

### **Project Coordination**

Giancarlo Cargioli, Luciana Finessi, Francesca Ponti, Paolo Pirani

### **Editorial supervision**

Silvia Galli

#### **Contributors:**

Antonio Ferraguti e Davide Pieri, Confcooperative Emilia-Romagna Cristian Maretti e Roberta Trovarelli, Legacoop Emilia-Romagna Ersilia Di Tullio, Nomisma

#### Photo credits

Apofruit Archive; Archive of the Municipality of Gualtieri, Reggio Emilia; Modena Confcooperative Archive; Photo Archive Clai, Photo archive of Christian Workers Movement of Bologna, Photo Archive of the Federation of Cooperatives in the Province of Ravenna; Archivio Granarolo Spa; Historical Archive of the Chamber of Deputies; Historical Archive of the Municipality of Granarolo dell'Emilia; Historical Archive of the Cooperative, Trade Union and Socialist Movement of Molinella; Manfrediana Municipal Library of Faenza; Malatesta Library of Cesena; Bim, Municipal Library of Imola; Italian Documentation Center on Cooperation and Social Economy of Bologna; Ethnographic Research Center of the Museums, Carpi (Modena); Diateca Agriculture, Region of Emilia-Romagna; Photographic Collection Ersa, Ibc Photo Library; Photo Library of the Panizzi Library in Reggio Emilia; Villa Smeraldi Institution, Museum of Rural Civilization, City of Bologna; Istoreco, Reggio Emilia; Civic Museum of the Risorgimento, Institution Bologna Museums; Natural History Museum of Ferrara - Eredi Cavalieri.

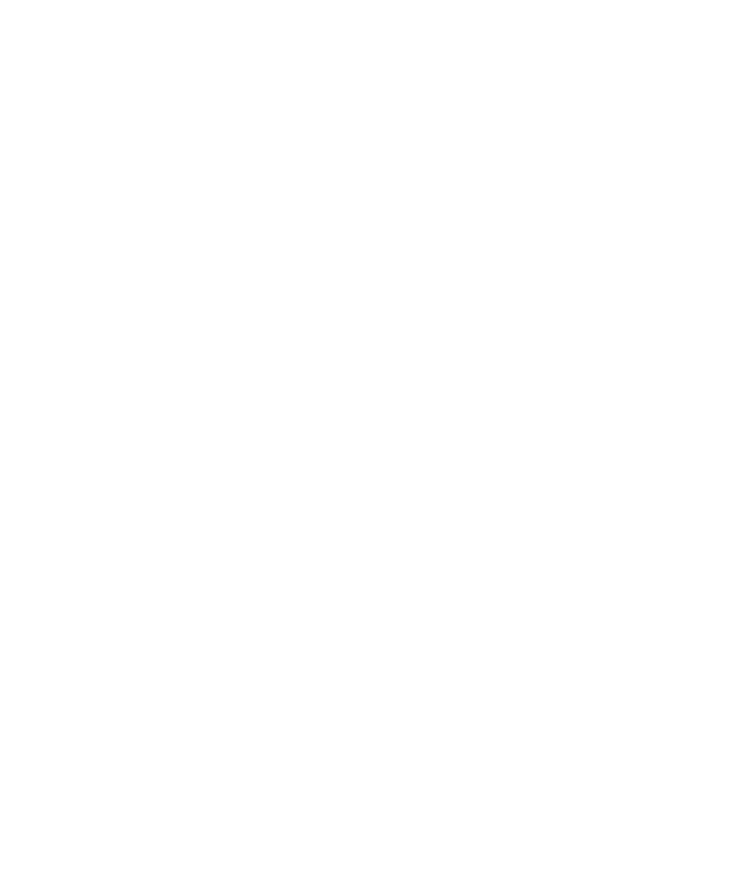
We are grateful to the archives, libraries and museums for their cooperation with the iconographic research and for their permission to use the images contained in this publication..

# Index

Intro	duzioni	9
PAR	ті	
En	nilia-Romagna land of cooperation (1854-1945)	
1.		14
2.	Cultural roots of cooperative representation	16
3.	Agricultural cooperation between labourers and farmers in the Emilia-Romagna region	24
4.	Agrarian crisis and new production equilibria	42
5.	Modernization and territorial vocations	50
6.	Fascism and Agriculture	56
7.	Specialisation of Agricultural Cooperation	62
8.	The Italian agri-food sector in the European context, a slow start	74
PAR <sup>*</sup>	T II	
Th	e cooperative agri-food sector after World War II	
1.	Revival of the cooperative in the post-war period	78
2.	Agrarian reform and Catholic cooperation	86
3.	The Left between old and new	92
4.	Getting to the agri-food sector	98
5.	The Italian countryside after World War II	104
6.	Agricultural landscape changes	110
7.	Territorial Consortia	118
8.	The great transformation	126
9.	New development paradigms	132
PAR	T III	
Th	e agri-food cooperation sectors	
1.	The territorial rooting	138
2.	Cooperation in the milling sector: services, land management and "mixed" cooperation	142
3.	Cooperation in the sugar production	150
4.	Cooperation in the dairy sector	154
5.	Cooperation in wine production	160
6.	Cooperation in the fruit and vegetable sector	166
7.	Cooperation in the meat sector	174

# **PART IV**

Fro	om the past to the future: giving voice to the cooperative members	
1.	Cooperation among cooperatives	180
2.	Intergenerational dimension: room for young people	186
3.	Economies of scale and scope	189
4.	Defense of the territory	193
5.	Innovation to be competitive	195
6.	Internationalization	197
7.	Communicating the Italian brand	200
8.	Addressing the market united	202
BIBLIC	OGRAPHY	205



he history of agri-food cooperation in the Emilia-Romagna region goes back a long time and speaks of a journey of emancipation. This journey was made by generations of farmers, breeders and fishermen who, through hard labour and the accumulation of indivisible assets, have built a model which is the cornerstone of the success of this sector and of the critical role it plays in the regional economy.

The first mutual associations and consortiums of this region were set up as early as the late 19<sup>th</sup> century. Though of various forms, they were expressions of the inclination "to work together," which has over the years become one of the characteristic features of this territory.

At that time, the Emilia-Romagna region was very different from what it is today: its rural areas were extremely poor and backward. The choice to set up cooperatives turned out to be decisive and over the years became a major tool for the emancipation of the rural area and for the overall growth social and economic - of the region.

Nowadays, Emilia-Romagna is one of the most advanced regions in Europe, with a modern agrifood sector, of which cooperatives are an important part, investing in research, innovation, and internationalization.

This primacy is not only economic. What I have in mind is the concept of the public good, good governance, civil commitment, solidarity which has played a very important role in the history of this land and is still today one of its distinctive features.

By publishing Agri-Food Cooperation in Emilia-Romagna: a Success Story, a future of challenges, the Emilia-Romagna Regional Authority has chosen to retrace this journey and - by no coincidence - it has chosen to do so in the year of Expo 2015.

Our goal is to preserve the memory of our past and our identity and, on this basis, to operate in the new global context to continue growth in terms of efficiency, quality and competitiveness, whilst preserving the concept of equity, which is essential to democracy and social justice.

In a world where growing inequality has led to a serious economic crisis from which we are only now emerging, much can be learned from the experience of cooperatives (which is widespread on a global scale, especially in the agricultural sector), which still represents a model for the growth and sustainable development of agriculture and rural communities, as attested by the UN on the occasion of the International Year of Cooperation celebrated in 2012.

Therefore, this publication should be read with the broadest possible outlook, also taking into consideration developing countries, and the many social and environmental challenges that we have to face to feed the world in a sustainable way. We also need to consider how past experiences can drive us forward today including the organizational models of work and economic activity clearly focused on people's needs rather than on profit, with an accumulation of assets that were transmitted from one generation to another.

#### Simona Caselli

Regional Councilor for Agriculture, Hunting and Fishing

he Emilia-Romagna region has always been the embodiment of the heart of agricultural Italy, of cooperative and agri-food tradition and is the expression of knowledge, history, traditions and political culture. The dedication and professionalism of so many people has created such a strong synergy that local territorial development is among the first in Europe. In the Emilia-Romagna region, the agri-food sector is characterized by a widespread and deep-rooted presence of cooperation in all stages of production, processing and marketing, and by controlled and certified supply chains whose aim is to enhance farmers' and breeders' "from craddle to table" products, which are strongly linked to tradition and the local territory whilst looking towards foreign markets.

As from the post-war period to the present day, the democratically owned business model of the cooperative has interpreted the spirit of agricultural producers based on solidarity and ideals.

cooperative has interpreted the spirit of agricultural producers based on solidarity and ideals. By forming cooperatives, farmers have joined forces and made an intergenerational pact to exploit the fruits of their work, with the protection of the rural landscape and respect for the environment being the strong points of development.

It is a human experience that rewards the efforts and indispensable sacrifices of those who have taken on the responsibility of managing the company, and have thus shared the opportunities for professional and entrepreneurial growth, providing answers that go beyond the field of economy. Today the agri-food cooperation is a production system which is widespread and deep-rooted.

The percentage of products controlled by cooperatives is important; in all the main sectors it exceeds 50% of the region's total production.

This is Emilia-Romagna, a region in which the particular layout of the territory, characterized by the alternation of plains, hills and mountains, favours the diversity of products. Thus the region holds the national primacy with 41 products marked with Protected Designation of Origin and Protected Geographical Indication.

Therefore, we invite the readers to immerse themselves in the pages of this publication which will take them on an exciting journey of discovery of our history, culture and traditions, and encourage them to visit our region, stopping at its many excellent cooperatives.

Giorgio Mercuri President ACI agroalimentare **Giovanni Luppi** Vice President ACI agroalimentare **Gianpaolo Buonfiglio** Vice President ACI agroalimentare

-	-

owadays cooperation in the agri-food sector plays a leading role both in the economy of the territories in which it operates, contributing to the food security of the communities, and in coping with the challenges of globalization, such as the fight against poverty and the generation of development in the Third World. The history contained in these pages unfolds around one question: which is the origin of Emilia Romagna's primacy in cooperation? How did it evolve in a sector that in nowadays culture of sustainable development is so strategic? The first of the four parts which make up this volume records the roots of farm cooperation in the Emilia-Romagna region, stimulated by the abundance of manpower and the lack of work, which led 19 <sup>th</sup> century ideologies to promote, through labour cooperation, practical solutions to this need. At the same time, the introduction of new crops and intensified relations with industry gave rise to the need to associate also among farmers, in the fields of processing and marketing; initially, it mainly involved the association of landowners.
Part II focuses on the surge in cooperation after World War II, mainly characterized by ordinary people in a context marked by great democratic participation, as a response to dictatorship. Parallely, the State promoted small farming property, which became the prevalent model in rural areas of the region. In this context, cooperation was classed in a different category from company ownership, which remained the property of a single manufacturer, who associated himself to others in order to manage certain phases of production and subsequent processing and marketing. This kind of aggregation allowed smaller manufacturers to gain a competitiveness in markets which they could not reach as individuals, by offering them the opportunity to continue an activity which they would otherwise have to abandon. The persistent link with political ideologies promoted cooperation as an example of economic democracy. It is labour that manages the company and not the other way around. This consolidates the success of the model in this region, fostering solidarity between producers (in rural areas) and consumers (in towns), which is the fundamental reason for territorial rooting.  Part III retraces, with concrete examples, the characteristics of suppliers and the path of development, which reveal the link with the land that has allowed the enhancement of local production and, consequently, ensured traceability and food safety. Equally, some problematic current issues are
highlighted, such as the long-standing dualism between the growth in size versus democratic participation in governance

of development, production and, urrent issues are ersus democratic participation in governance.

Finally, in Part IV, threads of the historical narrative are interwoven with reflections of cooperators, who identify challenges of the future, in a context consisting of seemingly opposite variables: local rooting and internationalization, care for partners and recognition of leadership, tradition

and innovation, sustainability and business, protection of consumers and producers, quality and convenience, ethical values and economic culture, social and entrepreneurial dimensions.

The text is structured on three mutually coordinated and parallel levels: the historical development on the left side of the publication; boxes with additional information on the right side; extensive photographic material, allowing to better grasp characteristics of the development of this important economic sector. This choice reflects the desire to promote personalized reading which stimulates a diverse audience to investigate those aspects of greater personal interest.

### Giuliana Bertagnoni

Historian specialized in cooperation, University of Bologna

# **PART I**

Emilia-Romagna, land of cooperation

### Emilia-Romagna land of cooperation (1854-1945)

1. An innovative response to economic transformations

n its slow but unstoppable advance from Northern Europe, the Industrial Revolution crossed the Alpine barrier in the second half of the 19<sup>th</sup> century, bringing to northern Italy the contradictions that the lack of employment protection legislation had already set off in other European countries. Italy actively participated in the international debate on various forms of enterprise, designed to promote industrial development in the new economic environment. Among the various models developed to identify an alternative to the single-owner company, which had proven too fragile to sustain growth in the long run, the cooperative model was the most innovative and avant-garde. In fact, this model proposed to overcome the division between entrepreneurs and workers, by giving the employee (or manufacturer, consumer, service user, etc.) the opportunity to join forces and create, and collectively and fairly manage, a company designed to provide its members with jobs (or goods or services) on more favourable terms than those that they would have obtained if they acted individually. Therefore, at the core of this type of business, there was the principle of equality among members, of their free association - the so-called "open door" - and of mutual cooperation for the fulfilment of a common need, which is jargon for the mutual purpose of a company.

Cooperative companies pursued their partners' interest in three directions: 1) prices, which meant keeping higher wages in the production sector, lower prices in the field of consumption, restricted interest rates in the banking and insurance sectors, etc.; 2) welfare services for injury, sickness and old age; 3) the improvement of human capital, which meant, in all cooperatives, setting up vocational training courses, establishing libraries to educate the illiterate, setting up recreational clubs as an alternative to inns against the scourge of alcoholism, etc.

Despite their substantial cultural differences, all the founding fathers believed that an activity built on the needs of people and not on economic profit, was - especially for the working classes - a chance for redemption, even at a social level, after centuries of poverty, exploitation and deprivation, in a context in which the improvement of material conditions went hand in hand with moral improvement. In this way, the paternalistic principle of charity was overcome and all working people started to be seen as holders of inalienable rights, especially of the right to health and education. As a consequence, the concept of social mobility was developed, for which the recognition of the above rights was a prerequisite, thus leading to class differences being mixed in a democratic way.

To sum up, the cooperative form of enterprise was the only one which associated monetary remuneration with the cultural and social growth of workers, consumers and partners in general and provided a modern, avant-garde response to the contradictions and problems generated by the Industrial Revolution, both economically and socially. This innovative nature of cooperative was at the bases of its initial rooting.







A photo displayed in the MET - Museum of Customs and Traditions of the People of Romagna
Santarcangelo di Romagna, Province of Rimini
Agriculture Archives, Emilia-Romagna Region

# **Emancipation and rights**

At the time of the unification of Italy (1861), Emilia-Romagna's rural areas were generally underdeveloped. Only 56% of the land was cultivated, and everything else was covered with rocks and stones, forests, pastures, meadows, fallow land, marshes and swamps.

About three quarters of the population were located in the countryside where many lived on farms run on the basis of the sharecropping system, while the lowest step of the social ladder was occupied by labourers.

The 1881 agricultural survey revealed that labourers in the city of Imola lived in "filthy" and "unhygienic" houses, that the health of those from Modena was "worse than that of animals", that food in the province of Bologna was limited to water and polenta and that, more generally, pellagra, scurvy and typhoid were widespread in the region. Against this background, life expectancy was 34.2 years in the Province of Bologna and 32.5 in Ravenna.

The endurance of such precarious conditions often induced people to despair and alcoholism; but more generally, the sense of human dignity prevailed and led labourers to organize, under the guidance of the National Federation of Farm Workers (Federterra, founded in

1901), and to demand certain inalienable rights, above all, the right to work and to a fair remuneration. Furthermore, there were no regulations regarding working hours, minimum wage, hygiene and health conditions, not to mention protection in the event of sickness, disability, maternity and so forth.

During its emancipation, the movement of rural workers yielded many other forms of self-help association aimed at promoting literacy, vocational training, assistance, etc., which reported to the Chambers of labour and Case del popolo (House of People).

This process of emancipation in both employment and daily life, thanks to a greater cultural autonomy, went hand in hand with the conquest of political representation. In fact, the progressive extension of suffrage, brought to central, and especially to local governments, different socialist exponents, even from the lower classes.

In this way, the slow path of inclusion of the lower classes in the decision-making ranks of political and economic power began, interrupted by Fascism and then finally subdued after World War II.

17

### 2. Cultural roots of cooperative representation

n 1854 the General Workers' Association opened the first consumer cooperative in Turin. In 1856, some glass-makers of Altare (Salerno) founded the first production and work cooperative and in 1864 the first Banca Popolare was set up in Lodi. In the following decades, the setting-up of cooperatives was so successful that in 1886, some members of the urban cultural elite from northern regions (Lombardy, Piedmont, Liguria, Emilia) decided to create a national association, not only to act as representatives before the State, but also to clarify the legal nature of a business model that was still new and needed to consolidate its growth strategies. Thus the National Federation of Cooperatives was created, later called the National League of Italian Cooperatives (1893), the present-day Legacoop.

The Italian thinking on the subject of cooperatives was very fertile, also thanks to the cultural richness embodied by the founding fathers, mostly intellectuals, who had been educated in the European tradition and operated within three currents of thought: liberal, socialist and catholic. The different cultural souls of the early days created several organizations representing cooperatives and various company strategies, each with its own historical reason. The Italian framework was thus articulated and stimulating yet complex and dependent on non-economic factors.

The League of Cooperatives represented the secular thought. The more enlightened component of the liberal bourgeoisie and the early embryos of socialism collaborated by sharing the experience of mutual benefit societies, organized on the basis of profession and aimed at the defence and support of their members.

These associations, which gathered members from different classes, were the first associations at the national level which also accepted the working class.

While Liberals welcomed cooperation as an instrument for overcoming social struggle, the founding of the Italian labour Party (1882) then Italian Socialist Party (1892), together with the economic crisis of 1889-1890 that resulted in high unemployment rates, radicalized the Italian political framework. Profession-based Leghe di miglioramento o di resistenza (Leagues for improvement or resistance), and Chambers of labour, supposedly unitary class organs which in reality addressed employers, were then set up. These leagues and chambers, which eventually merged at the end of the 19th century and were transformed into modern trade unions, promoted cooperation as an instrument for the economic emancipation of the working classes, together with protests and trade-union actions, as opposed to social peace advocated by the Liberals. At the beginning of the 20th century, when the clash became more violent and the importance of worker and peasant cooperatives involved in the sectors of consumption, production and work increased, the Socialist leaders prevailed within the League. In 1905, 1,297 cooperatives were associates of this organisation, and in 1920 this number rose to 8,000, of which 3,600 were consumer cooperatives, 700 agricultural cooperatives, 2,700 production and work cooperatives, and 1,000 more were active in other fields (Menzani, 2009).

The Catholic cooperation, which spread throughout the region as the result of unions of agricultural cooperatives, gave birth in 1898 to The Federation of Catholic Unions of Agricultural Cooperatives, which had purely coordination functions; it was not until 1919 that a true central body with representative functions was created: the Italian Cooperative Confederation. Catholic cooperation also experienced a significant growth: in 1904-1905, there were about 1,538 cooperatives (including credit cooperatives); in 1920, the number had risen to 7,448 production units, of which 3,200 consumption cooperatives, 2,000 credit cooperatives, 600 agricultural cooperatives, 1,148 production and work cooperatives, and 500 in other sectors.

### The founding fathers of cooperation

Cooperation theorists of a liberal and secular stripe, belonging to a cosmopolitan, educated elite included Francesco Viganò, Ugo Rabbeno, Luigi Luzzatti and Leone Wollemborg. Cooperatives drew inspiration from their work, especially in the field of credit and distribution, and grounded their social foundations mostly in the middle classes. The role of social harmony and moral elevation attributed to these cooperation thinkers clearly emerges from the writings of Wollemborg and Rabbeno.

Catholic theorists included Giuseppe Toniolo, Ercole Chiri, Luigi Sturzo, Lorenzo Guetti, Ambrogio Portaluppi and Nicolò Rezzara, who were particularly active in promoting the spread of rural banks in the countryside.

Their writings clearly show the role cooperation could play in overcoming the difference between employees and capital in favour of the enlargement of the middle class.

Founding fathers of Socialist inspiration include names such as Andrea Costa, Nullo Baldini, Antonio Vergnanini and Camillo Prampolini, according to whom cooperation was the first step in a complete transformation of the economy and society.

"[Cooperation contributes] to the awakening of the moral sentiment and people's self-confidence, when they know that everyone, provided that one is honest and capable of useful work, can certainly aspire to entry into the association and access to credit. In order to substantiate this assertion, the following facts can be affirmed. Twenty-eight of the current association Members learned to write at least their name to to be able to sign the Register of members. Several made a solemn promise to change their depraved behaviour and kept their commitment. Finally, those who were rejected, as they were included in the list of subsidizable persons by the local Charity Congregation, resubmitted their application after having submitted a request to the religious institution to be removed from its registers, "as they had no need for charity", and they were accepted' (Wollemborg, 1884)

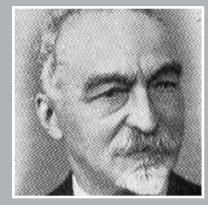
"A production cooperative [...] aims at eliminating the antagonism that currently exists in production, modifying the form of the company so as to no longer have the division between employers and employees, in order to remove from work that unfortunate title of "goods", which is now its feature, and give back to it its economic independence, at the same time guaranteeing fair wages, and restoring the balance in production, which was missing" (Rabbeno, 1889)

"Through cooperation we may raise the agricultural and industrial proletariat to the level of capitalist, support small companies against larger ones. [...] This solution is aimed not so much at raising farmers' or city workers' wages by a small amount, but limiting the overall number of employees as much as is possible, establishing a strong and growing core of small and medium-sized companies in which capital would be concentrated in the hands of the worker himself. And therefore, the great task of cooperation, in the future, becomes that of the organic reconstruction of a new social class" (Toniolo, 1900)

"Cooperation, versus pure resistance, represents the transition from one unilateral phase of opposition to a positive phase of reconstruction. Several of our cooperatives were set up precisely when labour unrest through resistance proved to be powerless or insufficient, and when the workers had to fight not against the employers' resistance, but against a more terrible and hidden enemy: the lack of jobs.

[...] By cooperating in work, production and consumption, the working classes [...] attack capitalism in its own trenches [...] creating new centres of commercial and industrial life [...]. Work that is organised on the basis of cooperation fights private speculation, not only in order to achieve improvements in its condition of dependence, but to start, through practical and direct action, to conquer the economic monopoly of society"

(Vergnanini, 1907)



### **Gregorio Agnini** Modena 1856 - Roma 1945

Trade in Genoa. He organised day labourers in the rural province of Modena, and in 1886 founded the Association of Finale labourers, working to spread cooperation as a workers' tool that could provide an alternative to capitalist society.

A Member of Parliament from 1890 to 1926, Secretary of the Socialist parliamentary

# Nullo Baldini Ravenna 1862 - Ravenna 1945





## Alberto Basevi Modena 1882 - Rome 1956

### Giovanni Braschi Forlì 1891 - Ravenna 1959

Born in Mercato Saraceno, a law graduate, he was among the founders of the Italian Popular Party, characterizing its actions in promoting the cooperative and trade union movement in Romagna. A Member of Parliament from 1921, he was a reference point for Catholic anti-fascism, participating in the



the

П

region



# Alberto Calda

Independence. He later graduated in law and joined the Socialist Party. A Member of Parliament from 1909, in 1914 he was also a member of the city and provincial

# **Enea Cavalieri** Ferrara 1848 - Roma 1929

He was born into a liberal family and graduated in law. In 1875 his name was





### **Andrea Costa** Bologna 1851 - Bologna 1910

Born in Imola, he was a pioneer of the Italian workers' movement, in his

# Romeo Galli

came into contact with local intellectuals and he developed an original





### Giuseppe Massarenti Bologna 1867 - Bologna 1950

Resistance, the Company's consumer Cooperative (1896), he was elected to the City Council, and was later Mayor (1906), giving the municipal administration a strong character of institutional support to the workers' movement and making Molinella the leading light of reformist socialism. He was persecuted under Fascism.

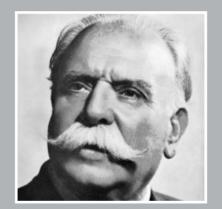
## Antonio Medri Ravenna 1876 - Ravenna 1959



the

П

region



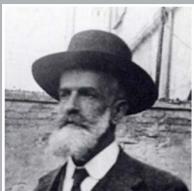
### Giuseppe Micheli Parma 1874 - Roma 1948

From a wealthy family, he graduated in law and participated in the creation of the Italian Catholic University Federation (FUCI), along with Romolo Murri. On meeting Giuseppe Toniolo, he founded the youth section of the Opera dei congressi in Parma (1892), becoming a recognised leader in many Catholic circles and rural banks. From 1902 until 1926 he was a Member of Parliament (he lost

## Gioacchino Napoleone Pepoli Bologna 1825 - Bologna 1881

A Marquis and the nephew of Joachim Murat, he married the cousin of the king of Prussia. Despite this, he was an advocate of liberal ideas, which he affirmed by participating in the Italian Risorgimento, holding several political positions before the Unification of Italy, as a Member of Parliament and Senator of the Italian Kingdom. He was Minister of Agriculture in Rattazzi's cabinet (1862). Back to Bologna, where he died prematurely, he was paid does consiliate the devolution of the devoluti between capital and work".





## Camillo Prampolini

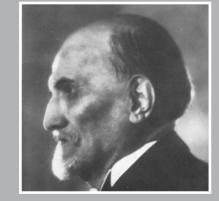
movement in his city. He was a tireless political activist, and in 1886 he founded the periodical "La Giustizia. Difesa degli sfruttati", which he edited until its closing (1925). He was elected to the Italian Parliament in 1890, and was one of the

# Ugo Rabbeno

Reggio Emilia 1863 - Reggio Emilia 1897

evolution of Labor) (1883); La cooperazione in Inghilterra (Cooperation in England) (1885); La cooperazione in Italia (Cooperation in Italy) (1886)





# Giovanni Raineri

Parma 1858 - Parma 1944

Commerce (1910 and 1916-1917) and Minister of the Liberated Lands (1920-

## **Aurelio Saffi** Forlì 1819 - Forlì 1890

He was born in Forlì. As a lawyer, having liberal ideas, he greeted with enthusiasm endorsement of the popular and patriotic circles in Romagna, in 1848. Leading figure in the Italian Risorgimento, he was a Member of Parliament for short periods in the early 1860s. From 1867, although, he continued to be politically engaged, he devoted himself to historical studies and launched the manifesto of the Social Cooperation





# Pietro Tesauri

foundation of the Italian Socialist Party in Reggio, in 1920 he became Director of Labour United and was appointed parish priest of Correggio. As his views came into conflict with Fascism, he was appointed Bishop of Isernia and Venafro, which

# Alberto Trebbi



the

m

magna region



# **Antonio Vergnanini**

He was born into a wealthy family and attended the School of Fine Art of devoting himself to organising and promoting the cooperative movement in Reggio and developing the idea, shared with Prampolini, of the so-called "full cooperation". In 1912 he was elected Secretary-General of the League of Cooperatives (a position he held until its dissolution, in 1926) and Director of

### 3. Agricultural cooperation between labourers and farmers in the Emilia-Romagna region

owards the end of the 19th century, the Emilia-Romagna region had gained a reputation as the land of cooperation par excellence and by the beginning of the 20th century it had become the region with the greatest number of cooperatives in relation to the number of inhabitants and to the number of municipalities. In 1914, the Emilia-Romagna region overtook Lombardy as the driving force of the cooperative movement even in absolute terms, with 1,575 cooperatives. In general, the number of cooperatives, whose purpose was to protect the working classes in one of the regions most affected by the transformations brought about by capitalism, had multiplied in every sector. The Consumer Cooperative constituted the engine which drove the spread of this network across the region. More than any other form of enterprise, the Consumer Cooperative acted in defence of the working classes in both urban and rural areas, by regulating members' consumption costs through a rebate of expenses mechanism. One of the first Consumer Cooperatives in the region was Molinella, founded in 1896 by Giuseppe Massarenti. As it was set in one of the areas most affected by the spread of paddy fields, this Consumer Cooperative was a source of crucial economic support for the rural workers who went on strike.

In the last decades of the century, due to the pressures of the agrarian crisis, cooperation increased among labourers who ran the tendering of public works, transported materials, reinforced riverbanks, resurfaced roads, worked in stone-cutting, dug channels, etc. This cooperation was characterized by a mainly socialist matrix. Cooperation between labourers was also supported by initiatives of the philanthropic bourgeoisie, who found cooperatives useful in easing social conflicts. One example is the Associazione fra gli operai braccianti del mandamento di Budrio (Association of farm labourers of the district of Budrio), in the Province of Bologna. It was created in 1885 and by 1894 had 1,366 members.

The first and most significant Worker Cooperative was the Associazione generale dei braccianti agricoli (General Association of Farm Labourers) of Ravenna, created in 1883 by Armando Armuzzi and Nullo Baldini. The cooperative included workers only and won projects outside the region, too, such as a contract for important reclamation works in Rome. In 1894 it reached a key milestone of 2,240 members. When the Association started managing a large estate, the first Italian Farming Cooperative was also set up in 1884. Cooperation among labourers, therefore, developed around two axes: territorial improvement, in particular land reclamation, and agricultural management. In due course, the practice of collective land leasing appeared in agricultural management at the turn of the century, reaching a peak during the so-called "Red Biennium", the 1919-1920 period, characterized by widespread social conflict. Ideological differences thus began to have a significant impact on the business culture of the time: on the one hand, collective leasing was the only form of agricultural management practised by cooperatives, while on the other Catholic cooperation encouraged another type of agricultural lease: joint management renting, intended for large estates which were divided among members and managed separately. This matched well with the wishes of both the social base and the leadership of the Catholic movement, which was keen to develop small holding as a way of turning labourers and sharecroppers into (land-owning) farmers.

### The case of Molinella

Between the 19<sup>th</sup> and 20<sup>th</sup> century, Molinella, in the Province of Bologna, was the theatre of a brutal riot that united laborers and sharecroppers. Army intervention was repeatedly required to put the town under siege in order to resolve the conflict. Giuseppe Massarenti, one of the founders of the National Socialist Party, was a charismatic figure in this movement and he immediately opened a chapter in Molinella in 1892. He was a promoter of the Resistance League and helped to create the Consumer cooperative in 1896, one of the first at a regional level, and to relaunch the Farming Cooperative, founded in 1905.

In 1906 he was elected Mayor of Molinella and in 1908 as a provincial councillor. Re-elected Mayor in 1920, he was subsequently expelled by the Fascist squads.

The union and the cooperative movement, however, remained deeply rooted in the collective consciousness. Indeed, Molinella bravely resisted Fascism, and in 1926 the regime was forced to deport about 300 families of "diehard opposers", transferring them to other Italian regions.

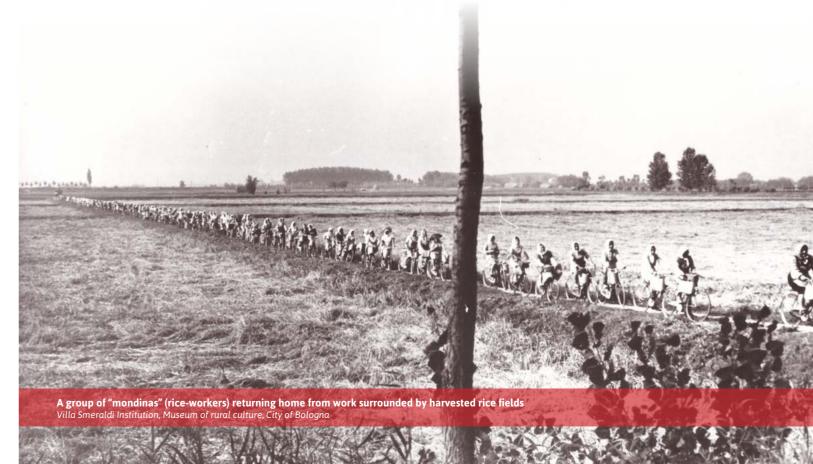
Elsewhere in the Emilia-Romagna region, just as in Molinella, worker cooperation spread in close liaison with the union's resistance movement, as it made it possible to distribute the

available workdays amongst a given number of workers who collectively cultivated the land. Certain ideological imperatives made it difficult to find a balance between time and economic business needs, in particular the habit of renting rather than purchasing fields, in the belief that the farmers would take over and eventually collectivize the land. There was also the need to assign work to a high number of members, often greater than the number of workers required.

The focal point was for workers to become independent from the wealthier social classes. The provisions relating to procurement law instituted by Giolitti's Government gave cooperative companies the chance to broaden their range of activities through the development of public works and land reclamation.

The network of relationships between the Union League, cooperatives, welfare, cultural and recreational associations and socialist municipalities drove the emergence of a new morality, based on collective pride, despite the difficulties, contradictions and unattainable hopes.

It provided a new form of stability, a "countertendency", which for many people became an alternative to the rural exodus, as masses fled the miserable conditions of the countryside.



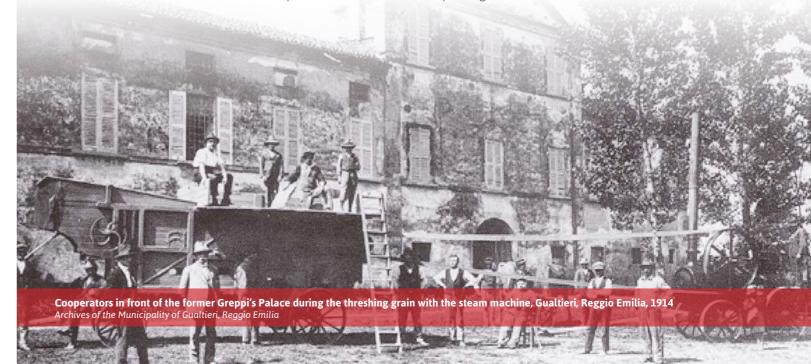
The collectively-run farm cooperation emerged from the trade union strategy that had been created to meet labourers' needs. The major problem in Emilia and in Romagna was the surplus of labour force compared with the quantity of land, making it difficult to force employers to grant better working conditions and an adequate remuneration. The struggle in rural areas was very harsh and unrelenting. The left-wing labourers' unions, organised within Federterra (National Federation of Land workers), sought to ensure universal subsistence through equal distribution of agricultural work. This is why the labour movement wanted to manage the placement of manpower and impose a minimum threshold for employment, especially in winter, when it was possible to carry out improvements to the land. In addition to ensuring additional workdays, this also had the effect of increasing productivity and thus future employment opportunities too.

On the one hand, Federterra's attempt to gain a monopoly over labour undermined the power of the landowners, who were resolutely opposed to any concessions liable to change the customary production relations. At the same time, however, it also made it difficult to make contact with the sharecroppers. As tenants interested in productivity, and, simultaneously, subject to the will of the owner, who could evict them at any time by withdrawing from the contract, they were constantly under threat of being relegated to the condition of landless labourers. The union action of Federterra aimed to bring together the interests of these various farm workers, all seeking to pierce the employer's front through determined action and by creating collective renting cooperatives at the same time. In addition to the experience of Rayenna and Molinella, other worker cooperatives were established in the Province of Bologna in the early 20th century, such as the ones in Santa Vittoria and Fabbrico, in the Province of Reggio. In 1901 a group of around thirty labourers (although tenants and sharecroppers were also admitted), founded a limited liability Company Cooperative for improvement among farm workers in Fabbrico. It leased an estate to alleviate problems linked to labourers' working conditions, as well as to resist the pressure from land owners who were attempting to set tariffs for agricultural jobs. This was achieved through an experiment in what was known as "full cooperation".

## "Full cooperation"

The most significant cooperative experience in the Province of any wage differences between the leadership and the executors. Reggio was that of Santa Vittoria, a village of poor labourers, "Full cooperation" might be used to describe the first stage of where land was held primarily by the nobility headed by the the Farming Cooperative, which provided the incentive for such Greppi Counts of Milan, in particular. It was here that, in 1890, a a bold operation, namely the purchase of a large estate, as well labour cooperative, whose aim had been to win contracts, was as undertaking start-up costs, introducing technical innovations. established. This cooperative turned into a Farming Cooperative buying machinery without any initial provision of capital. Merging for collective leasing, between 1900 and 1902. The outcomes were with the Provincial Federation of Farming Cooperatives and with not only positive, but highly innovative. In 1908-1909 the Catholic other local cooperatives allowed the rural area to become selfcooperation failed its attempt to establish joint management sufficient and guaranteed access to markets. The cooperative had renting in the former Greppi estate. This occurred during a difficult also established by statute a collective fund "for any accidents in period marked by a lack of support from the municipality, where the the countryside" and a mutual assistance fund for "inability to work" Socialists had lost their majority. In 1911 the cooperative achieved due to sickness or old age." a qualitative shift and founded a farming cooperative to buy the In 1913 there were 490 members, cultivating 552 hectares; in 1915 Greppi estate of about 346 hectares, including the lord's manor, there were 602 members and 451 labourers. All members of the The aim was to create a structure inspired by the full cooperation worker group were also members of the Farming Cooperatives model advocated by Antonio Vergnanini, who was the founder of and the leaders of the two cooperatives were also enrolled in the Chamber of labour in Reggio. Members were remunerated the consumer cooperative. The cooperative form combined for part of their work in kind (rather than financial remuneration) with a democratic approach, a common ideology, opposition to or by means of vouchers that could be redeemed at the local adversaries and the will to prove that it was possible to manage Consumer Cooperative, of which all the heads of households a company without a lord, provided the cohesion that would be were members. The cooperative approach also extended to the needed to overcome years of great sacrifice and budget shortfalls. mill, the slaughterhouse and the cheese factory, all located in the All of this strengthened the cooperative, equipping it to survive Greppi manor and integrated in order to make the village self- over one hundred years of history. hours worked and a debtor for the consumption incurred, without complete agri-food business.

sufficient in the production and availability of staple foods. The Under a different name, adopted in 1979 from the unification of varying forms of cooperatives almost represented a single "social" the Farming Cooperatives of Santa Vittoria and Novellara, the Cila cooperative", in which each worker was both a creditor for the (inter-municipal Cooperative of land workers) has today become a



The reasons behind the extraordinary evolution of the cooperative movement in the Emilia-Romagna region are closely linked to a "collective mentality", in which values such as solidarity, a spirit of collaboration and civic-mindedness were central. This enabled the development of the Catholic reformism on the one hand, which relied on the parish networks, and facilitated the grounding and spread of socialism on the other. From the outset, left-wing parties, which had played a long-term political and administrative role throughout the century, with the exception of the Fascist period, established close synergies with cooperation.

Municipality/Trade Union/Cooperation became elements of a widespread system in which development of the cooperative and empowerment of farmers went hand in hand. Cooperation, in fact, favored the autonomy of the working class by providing an effective response to material and intangible needs, in order to chip away the centuries-old bonds of subordination to the land-owning classes and symbolic figures of social hierarchy (the pastor, the doctor, the pharmacist or the teacher, etc.), which the lower classes were forced to consult in order to satisfy all kinds of needs.

### Subordination and paternalism

The lack of autonomy made the condition of sharecroppers very humiliating, as they were forced to submit requests to the master in order to satisfy each and every need. The response from the master came as though it were a benevolent concession, rather than in compliance with the set Agreement. The institution of "gratuities", established by contract, under which the tenant was obliged to give a considerable amount of gifts of various kinds (chickens, eggs, etc.) to the owner, was particularly onerous. The following testimony describes the impact of this relationship of subordination. The woman, who was a child at the time, recalls the years around World War II. When she became an adult she chose to work in the cooperative framework as a response to her need for emancipation.

"I remember my father - and this made me rebel as a child - who used to ask the master at Christmas time: "Master, I need to borrow some money". Nevertheless he was not asking for a loan, but claiming the salary that was due him. He had to justify his reasons for requesting this money - because he had to buy shoes for me or my cousin or his wife - he had to document what the money was for. I remember very clearly thinking of these things as an injustice. Gratuities could also mean giving gifts to the master. In addition,

once a month, my mum used to wash the Master's laundry, at the manor, and she would do that for free, of course. Yet they were happy because they could see wonderful things they had never seen before, villas with antique furniture. I remember Mrs. Maria. I remember her as a lovely person. Dressed in white, this kind woman used to bring us sweets. She saw us with no clothes or shoes to wear, how she must have pitied us! We were barefoot and she was always dressed in white, with her big, white, wide-brimmed hat. She was the most elegant person I ever had the chance to see, as I had never left the estate. That is how I later ended up working in cooperation. I think it was so that I could do something for myself and for people like me, who had problems, but who need to grow and develop and stop believing "I have to go to work and then I can ask my employer for a loan" and instead understand "if I work, they have to give me my reward and then I must have the right to strike".

For this reason, to me, working in cooperation meant working in a place where I could express myself. I could say things that would certainly have been forbidden in factories or in the different type of jobs at that time"

(Orianna Rinaldi, from Modena, cited in Nava, 1992).



As we have seen, while the cooperative ideals seemed progressive in terms of social relationships by promoting a process of empowerment and improvement of the lower classes, in the early 20th century this same innovative path struggled to develop in the area of gender relations. The approval of the Code of Commerce 1882, which represented the first legal framework to also be applied to the cooperatives, endorsed a discriminatory attitude based on the established practice of granting membership status to heads of households only. This was supported by the Civil Code of 1865, which stated that neither women nor minors nor persons with disabilities could negotiate; and that "a woman cannot transfer properties, inherit real estate, take out a mortgage or a loan, sell or collect funds, set up companies [...] without the permission of her husband". The Commercial Code also established that "without special permission from her husband or from the Court" women could not get into commercial companies and that such authorization could be revoked "at any time".

For fifty years, as a result of this legislation, women were forbidden from participating in the cooperative movement (and other areas of civic life), until new legislation was approved in 1919. which established new rules about women's legal capacity and abolished those articles in the Civil Code and the Code of Commerce.

Despite the statements of principle made by the League in response to this change, and even though the International Cooperative Alliance carried out a statistical study to find out whether countries had any specific organization for female members of cooperatives, by 1921 they had received no response from Italy. The "Directory of cooperators" of 1922 stated that compared to what had been achieved abroad, "in Italy very little had been done to promote the creation of cooperatives for women".

### Women in the countryside

Women were an essential part of the farm's workforce: they not more strenuous activities such as threshing corn and transporting only carried out most of the agricultural activities alongside straw thus contributing significantly to their family's income. men (tilling, sowing, reaping), but they also took charge of Working in the paddy fields, in particular, gave women usually the household chores, bore and raised children. Female in charge of the weeding a social identity. They would work for sharecroppers worked with men, often doing the same activities, several hours a day soaked in mud and dirty water, with their with the exception of digging and ploughing, considered to be too backs bent. This activity required a large number of workers for a strenuous. Typical women's jobs included fruit picking, weaving short period of the year. From the end of the 19th century onward, flax, making hemp and breeding silkworms. Nevertheless, from a the flow of migrants from the paddy fields in the Emilia area to young age, women proved useful in many other ways, including other regions increased considerably. In 1905, 37% of women replacing beasts of burden for the transport of heavy loads, such working in paddy fields came from the Emilia area, especially as water or wood. The only female figure not to perform any from Piacenza, Reggio, Modena. Their lodgings in the rice fields agricultural tasks was the governess, who had the task of running were unsanitary and malaria was rife. the household and taking care of the children and the elderly. In a context where women were in the foreground, female She would also carry out small scale production activities, such labourers and rice pickers from Emilia-Romagna were the most as breeding yard animals and tending the vegetable garden. The active in the agrarian strikes at the turn of the century until the proceeds derived from the sale of these products were used for tradition of struggle was abruptly interrupted by the attacks of the family's needs.

20th century, especially in some areas of the provinces of Bologna, labour, so that women in the countryside were often forced to Ferrara and Ravenna.

compared to men for equal work. Women also worked in the only suitable for women.

Fascist squads. In the 1930's the so-called Serpieri coefficient Female labour increased considerably at the beginning of the set the remuneration for female labour as 60% less than male supplement the work they did in the fields with other activities This was partly due to the lower salary received by women as they carried out in the home. Working at home was considered





Members of 150 families of cooperators descended from land-reclaimers coming from Ravenna of Ostia during the national Congress of the Cooperative di produzione e lavoro and Cooperative agricole e coltivate, 12<sup>th</sup> of November 1928

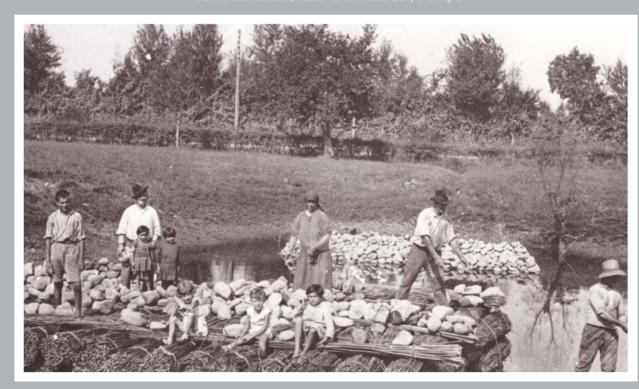
Photographic Archives - Federation of the Cooperatives in the Province of Ravenna



The laborers - Threshing on the farmyard of Budrione di Carpi, farming at the beginning of the twentyth century
Photo Pietro Foresti, Ethnographic Collection Research Centre of the Museums, Carpi, Modena



Porters transporting sheaves of rice Villa Smeraldi Institution, Museum of rural culture, City of Bologna



Preparation and sinking through rocks of rafts formed from bundles of hemp for the maceration, Bentivoglio, Province of Bologna
Villa Smeraldi Institution, Museum of rural culture, City of Bologna



37

As mentioned earlier, in addition to cooperation in the management of land, worker cooperation in the renovation of the territory also grew. This kind of cooperation was strengthened in the first decade of the 20<sup>th</sup> century, thanks to the Giolitti Government concessions that led to legislation that was favourable to another type of cooperative organisation in Emilia-Romagna, one that would play a decisive role in the course of the century: the Cooperative consortia. The law established rules for the participation of the cooperatives in public tenders, in order to encourage the creation of second order cooperative structures, i.e. associations of cooperative companies. This enabled the consolidation of the cooperative movement, which could now take on vast projects, such as the digging of the canal on the right bank of the River Reno by the Federation of Cooperatives in Ravenna, founded by Nullo Baldini. This in turn was made possible thanks to a contract obtained in the first decade of the 20<sup>th</sup> century. Under the technical supervision of the department of Civil engineering, the Federation divided the work to be carried out and entrusted its execution to affiliated cooperatives. Some excavations were carried out by the Worker Cooperative of Ravenna, while other works along the river Senio were carried out by the Cooperative which brought together labourers, masons, carters and affiliates of Faenza.

Access to public tenders was later extended to the consortia of farming cooperatives, such as collective leasing, the agricultural consortia, the cooperative barns and any other cooperative company working in the agricultural production which could gather for public works, land improvement and initiatives in agriculture.

While the League of cooperatives focused on this kind of project, the Catholic movement produced other entities such as the Divided Rental Cooperatives, in which peasant families ran a farm as if it were their own; or Service Cooperatives, in which the producers grouped together to collectively purchase equipment and machines. Often these two types of Cooperatives (of labourers and peasants) coexisted in very small areas and came into conflict with one another very easily, as in the case of Conselice in the Province of Rayenna.

### Labourers and farmers in Conselice

Conselice, in the Province of Ravenna, was the Socialist stronghold of the lower area of Romagna. It was an area of rice fields and reclaimed land where labourers were both numerous and combative and led by Nullo Baldini, who founded the first labourers Cooperative and later, the Federation of Cooperatives of Ravenna.

Nevertheless, in addition to the labourers' cooperation, the cooperation demonstrated flexibility even in areas characterised by acute social and political conflict. On 2<sup>nd</sup> August 1908, about thirty settlers founded the Limited Agricultural Cooperative Company of Conselice, to "gradually enhance the economic and moral condition of farmers" and to jointly manage some threshing machines which represented the greatest shift towards the mechanisation of agriculture. In 1911 the company owned two Garett threshers, two corn-breaking machines and a machine for threshing rice. This placed the Cooperative at the forefront of the agricultural scene at that time. A primary school teacher handled the accounts.

This cooperative joined the Autonomous Federation, which was a small-scale Republican Central Cooperative which opposed the Baldini Federation of Cooperatives. After the Risorgimento and the role played by the papacy in the process of the Italian unification, people from Romagna had a long Republican tradition, with conflicting relations with the Church. The farmers of the Limited Company of Conselice, however, were mostly linked to the parish churches.

In opposition to this Limited Company, the Socialists from Conselice set up the Settlers Cooperative, made up of small holders and small tenants from the municipality of Conselice. It was headed by Paolo Fabbri, who was a member of the Federation, which handled the collective sale of agricultural materials.

The headquarters of the Republican Cooperative became a focal point in the town. Similarly, the Casa del Popolo (House of the People) was the focal point of the Socialist Cooperative. The conflict between these two cooperatives came to a head in 1914 during what came to be known as the Red Week. Tensions eased with the rise of the totalitarian regime and after the Cooperative turned to Fascism, it was dissolved in 1944.

In 1962 it was reconstituted under the name of Small-Holder Cooperative of Conselice (Cooperativa coltivatori diretti), becoming Cesac (Centro economico servizi agricoli) in 2008. Today this cooperative is active in the sectors of cereal farming, vegetable farming, wine-making, hardware, animal feed, agro-supplies and plant engineering for agriculture.



Farmers preparing lunch, 1910-1920 approx.
Lelli Mami Fund,
Malatesta Library, Cesena

Emilia-Romagna, land of cooperation

39

The Catholic world had also expressed its traditional opposition to associationism and solidarity movements in the promotion of rural banks: the first was set up in the region of Veneto in 1883. It should be pointed out that the first steps of cooperation in Italy developed in the context of the Risorgimento (National Unity was achieved in 1861), a very complex political moment, not only due to the first attempts at government by the Liberals and the creation of the Socialist Party, but also because of the withdrawal of the Church from the Italian Kingdom's socio-political life following the conquest of Rome (1870), enshrined in its motto "Non expedit". Catholic circles would have to wait until 1891 for Rerum novarum, the encyclical that shaped the Church's social doctrine, to take social solidarity initiatives into the economic field. The encyclical reiterated an aversion to socialism and to the inherent character of private property, encouraged mutual agreement between workers and employers in the name of Christian solidarity, condemned excessive disparities in wealth as unjust, supported state intervention to protect workers (Sunday rest, suitable limits on working hours, etc.) and recognised the legitimacy of worker organizations. Written at a time when the Socialist and Trade Unions movements were gaining strength in Europe, the encyclical was accepted as a fundamental program by all "Catholic" political views and constituted the common element that underpinned Catholic leadership in this field.

The rural banks, basically of a bourgeois mould, played a key role in supporting sharecroppers, tenants and smallholders, who were the most affected by the changes caused by the capitalist economy. The capital paid into these banks individually was purely symbolic, while the social capital which generated the credit was constituted by the limited assets owned by individual members. For this reason these banks emerged slowly, but they made a fundamental contribution by channelling loans to areas and sectors that would never have been able to obtain other kinds of bank loans.

### Bank loan

The first form of Credit Union in Italy was the Banca Popolare, inspired by the model of German banker Hermann Schulze Delitzsch.

It was centered on the idea of facilitating access to credit for urban middle and lower classes in order to foster economic growth and reduce usury. Thanks to the cooperative form, they accumulated the social capital necessary to start lending activities reserved for members.

At the end of the year members received partial dividends of the profits. The 'popular' banks found immediate success amongst craftsmen, traders, businessmen and farmers, but participation among the popular classes was low.

The role played by rural banks was very different, as they were inspired by the ideas of Raiffeinsen, a Protestant pastor originally from Rhenish Prussia, who devised a banking model that allowed associated farmers to access credit, so that they could make small purchases of animals and working tools, which they guaranteed with their own goods. This basic idea required other conditions: a high level of trust and shared knowledge between members; sharing a similar geographical setting; and sharing of cultural and often religious ideals. The social aims of rural banks made them economically fragile, as they were dependent on interbank lending.

This made them difficult to set up, often with direct intervention of church groups from small communities. It may be said that initially rural banks were more a source of confidence than real credit (Battilani, 2005), because the loans came from other banking institutions. The deep need for trust underpinned the economic justification for selecting the members on a religious basis. In this type of cooperative, this was a common practice.





Labour vouchers for the Consumption Cooperative of Santa Vittoria Archives of the Municipality of Gualtieri, Reggio Emilia

Along with the credit which supported members' agricultural activities, increasing importance was then given to cooperation in management of land, wineries and dairies within the Catholic movement. During the 20th century the dairy sector was involved in the expansion of cooperatives. Livestock breeding created the conditions for entrepreneurship which was fragmented but widespread and which found its natural evolution in the cooperative experiment. In fact, livestock capital had to be balanced against the possibilities of farm nutrition and the labour needed to cultivate the land, on the basis of which farmers (including small holders, tenants or sharecroppers) had the security that their family would survive - (and the loss of this capital reduced farmers to the status of day labourers). Staple products, by contrast, were almost exclusively dispatched to the market and in this sector, whose survival was not in doubt, the farmer was able to take risks and experiment in order to achieve higher returns. Social dairies were emerging, and producers shared not only milk-processing, but also the commercialization of derivatives, making it possible to invest in modern installations and in skilled labour that could further enhance their bargaining power on the market. This experience, which saw members directly involved in the growth of the business, was the first of its kind (also due to the high perishability of the products, which required intense investigation into early techniques for milk conservation, such as the pasteurisation). Farmers thus gained an understanding of how associations could help grow the companies operating in both the agricultural and industrial sectors. This then created a model for other agricultural business sectors under development, including wine, fruit and vegetables (in particular beetroot and tomato).

### The dairy sector

In the second half of the 19th century fraternal dairy organisations, which had developed out of the ancient practice of "milk lending" in the Alpine valleys, spread throughout the Po Valley and gave way to social dairies, which were more suitable to being developed into a more industrial process thanks to their organization. In fraternal dairy organisations, members only pooled milk, which was processed by everyone in daily shifts, sharing the costs of materials and processing time, while the costs relating to the by participation in a system with commercialization of derivatives were the responsibility of individual members.

sales were mutualised, making it possible to use modern equipment and skilled labour, and giving members greater bargaining power on the market overall. For this reason the milkprocessing cooperative is considered firmly established in several Italian a major innovation in lowland agriculture, perhaps even more significant than the shared purchasing and production of fertilizers, machines and manufacturing equipment, as it was the expression of the intention to defend farmers' incomes more structured and developed agricultural business relations. In this cooperatives also became very large, business model farmers played an In the social diaries, however, even the active role. As members, they were riunite, in Reggio Emilia (later Giglio), activities of processing and product directly involved in the company and, founded in 1934.

accordingly, they were encouraged to closely follow its progress, taking on its social functions as well as supervising the cheese makers and members. From 1900, the cooperative form was regions, including Emilia, showing the long term viability of a system based on a large number of small businesses which today make up the most important Italian districts, namely, Parmigiano Reggiano and, although to a lesser degree, the Grana Padano district. In addition to this widespread cooperative entrepreneurship, some such as the Latterie cooperative



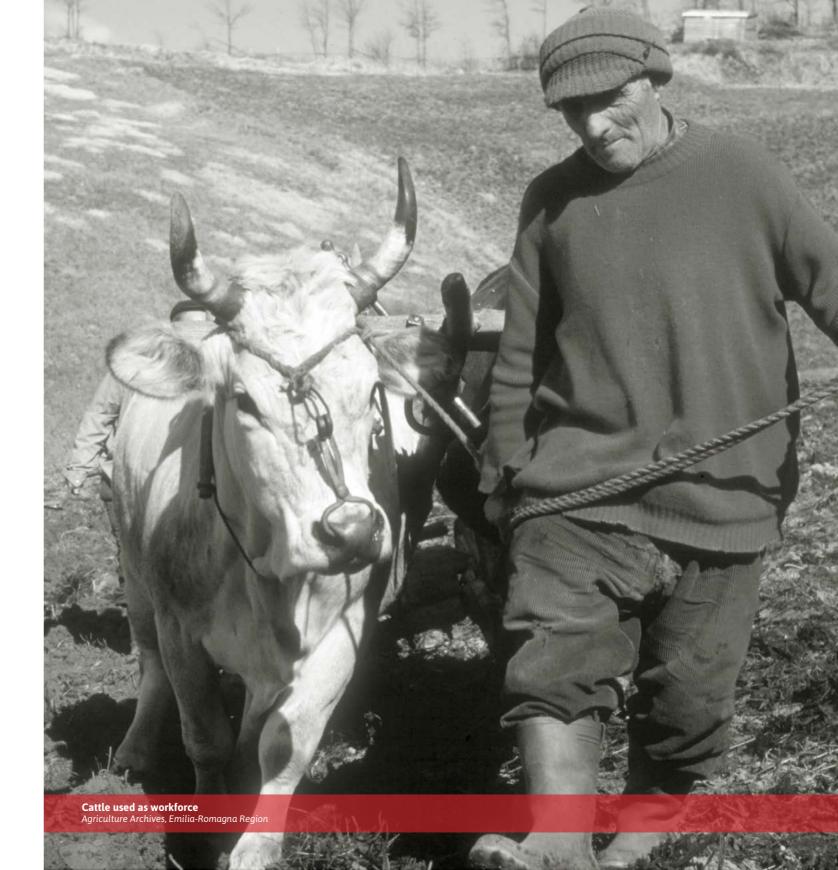
### 4. Agrarian crisis and new production equilibria

t the turn of the 20<sup>th</sup> centuries, the combination of agricultural and manpower labour, typical of labourers' cooperation in Emilia-Romagna, was due to the importance of manual labour in preparing the land for cultivation.

The Emilia-Romagna region is a triangular territory that extends from the Po Valley to the Apennines and southwards, extending as far as the sea to the east and including a network of tributaries of the Po river, which separates northern Emilia from another major river, the Rhine. After the unification of Italy, the North-Eastern area in particular was characterised by the abundant but uncontrolled presence of water, which characterised the territory to the extent that paddies accounted for almost 25,000 hectares (Cazzola, 1997). Little by little, swamps and marshes were drained to make the land available for agriculture and reorganised with skilfully laid canals to make better use of water and increase the productivity of the fields. As noted above, the cooperative played an important role in this process, introducing technical innovations, such as the mechanical draining of water in reclamation work, marking the beginning of a new period of agrarian reforms.

In the mountain area, which covers about a quarter of the territory, agriculture developed in tandem with arable land, forest and breeding, but demographic pressure and the spread of arable crops threatened the environmental balance and did not allow for economic stability of agricultural businesses, providing populations with products meant for direct consumption: primarily, wheat, corn, and potatoes, but also beans, chickpeas and other legumes.

In the larger part of the region, the agricultural landscape was traditionally dominated by cereal and hemp farms, typical of the plains of the provinces of Bologna, Ferrara and Cesena, which were alternately planted with corn. This was the result of mundane adaptation to the constraints imposed by the environment, available energy resources and the need to simultaneously provide power to farming families and pay rent to the landowner. Outside of this area, wheat still dominated and continued to increase with the extension of cultivations from Western provinces towards the sea, while the traditional production of mulberry leaves for breeding silkworms continued in some hilly areas, especially in Romagna, even though it had lost the importance it had previously held for centuries.



At the end of the 19<sup>th</sup> century, wine production was already very high almost everywhere, but especially in the plains, in the form of intercropping mixed cultivation. The wine, of poor quality and not very marketable, was intended for self-consumption. In the area of Sorbara, in the Province of Modena, in the hills of the Province of Bologna and especially in the hills of the Provinces of Forlì and Piacenza, wine began to be a product that was no longer intended for local consumption. In more recent times the selection of vine varieties and the presence of more suitable lands for the cultivation of the vines have promoted the development of a wine sector, which maintains a high production volume of grapes and wines with characteristics suitable for the domestic and international market.

The agricultural system allowed the feeding of livestock, which was the most important driving force of the time, with a minimum area of land devoted to forage production. Additional biomass to feed cattle came from the dense trees of elm and maple planted to separate the fields and linked together by vines which were held high. When necessary, external support from the marshlands of the lower plains was used. The priority given to labour limited the development of dairy cattle farming. nevertheless in the second half of the 18th century some areas were beginning to exploit cattle resources. In the provinces of Parma and Reggio the number of milk processing plants increased. Meanwhile, in Modena, the pig farming developed in relation to the cheese and cured meats sectors. The crisis in the late 19th century, however, also had positive effects on the modernization of farmland, accelerating some agricultural changes and stimulating the search for new equilibrium. One of the most important transformations involved the idea of self-sufficient production within the agricultural estate, that farmers from Emilia Romagna were forced to abandon both on the production and sales sides. The close relationship between agriculture and industry, which became a characteristic agricultural cooperation as a whole after World War II, started at this time and by the beginning of the 19th century became one of the dominant features of the region, due to the voracious use of products such as chemical fertilizers and machines, pumps and centrifuges for milk-processing, simple choppers and corn hand-huskers, complex and expensive threshers, funicular ploughs moved by steam including the modern tractor.

The Itinerant Professorial Chairs of Agriculture, linked to the Faculty of Agriculture, were intended to promote these changes and to train farmers to enable them to deal with new scenarios.

### **Itinerant Agricultural Chairs**

The Itinerant Chairs were institutions for the promotion of farming techniques in the rural regions and were founded because of the need to bring science closer to rural agricultural production, bringing education directly into the countryside.

The first attempts at Itinerant Chairs were made by associated farmers supported by the provincial authorities of Ascoli Piceno (in 1863) and Rovigo (in 1870). In the last decade of the 18<sup>th</sup> century, the idea of the Itinerant Chairs in Agriculture reached maturity and spread throughout Italy (the first Chairs in Emilia-Romagna were established in Bologna in 1893 and in Rimini in 1896). This movement was achieved thanks to private initiatives supported by contributions from local authorities. The aim of these Itinerant Chairs was "to spread technical education among farmers, in order to promote progress in every branch of Agriculture". This education had a dual purpose: to inform landowners, many of whom were open to progress in the heat of National Unification of the Nation and, secondly, to educate the illiterate peasant masses, made up of tenant farmers, sharecroppers, day-labourers and small-holders. It was the first time that a public or quasi-public organization had approached them directly on-site to teach them new farming techniques.

The initiative raised high expectations and also gave concrete results. The success of the Itinerant Chairs was especially due to the competence and motivation of itinerant teachers, to the organisational system, which was decentralized for a long time, and to the direct contact with the rural world. All productive sectors, especially the cultivation of cereals and animal husbandry, benefited from this movement through direct bilateral contact between research and farming. Under Fascism, the didactic function of the Chairs gradually faded and became a public service. Parallelly, the administrative tasks related to reclamation of land, colonization, policies of stockpiling and so on, increased, until they became part of the Ministry of Agriculture and Forestry.





Production and work Cooperative of hemp workers, San Giorgio di Piano, Province of Bologna, [1939]

Italian Center for Documentation on Cooperation and Social Economy in Bologna



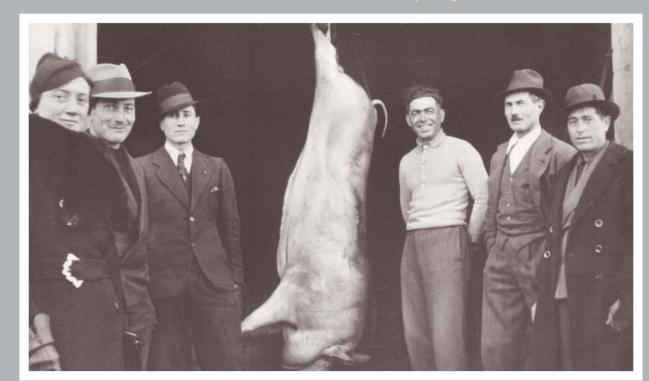
**Hand harvest of rice** Villa Smeraldi Institution, Museum of rural culture, City of Bologna



Emilia-Romagna,

land of cooperation

**Distribution of rice seedlings for transplantation**Villa Smeraldi Institution, Museum of rural culture, City of Bologna



A group surrounding a slaughtered pig ready for butchering and processing
Villa Smeraldi Institution, Museum of rural culture, City of Bologna



### 5. Modernization and territorial vocations

ith the new century the appearance of cultivated fields visibly changed. From being small plots, forage meadows began to extend, a sign of entry into the agricultural revolution in the countryside in the area of Emilia. The conversion of lands to forage was probably favoured by the conflict in the countryside which led landowners to choose crops that needed less manpower, which in turn boosted specialisation in livestock production, especially in the Province of Reggio, where opposition was countered by using specialised milk-producing breeds. In the province of Ravenna, because of the crisis of the rice fields and the fall in cereal prices, farmers focused on the conversion of land to forage, for the benefit of the local cattle breed, the Romagnola cow.

At the beginning of the new century sugar beet appeared, especially in the areas of Ferrara, Bologna and Ravenna, which, because of its soil-rejuvenating properties and nutritional content for livestock, replaced the usual hemp/wheat and wheat/corn pairs in crop rotation. As the sugar industry was the only market outlet for the sugar beet, the rootedness of this product stimulated the integration of agriculture with industry that soon spread to the whole region, also thanks to the initiatives carried out by the Itinerant Agricultural Chairs. At the beginning of the new century three other crops appeared: tomato, tobacco, and specialised cultivations of fruit. The tomato for preserves and sauces spread very quickly in the Province of Parma. The production of tomato concentrate not only boosted activities related to the production of tin packaging, thus providing further stimulus to the integration of agriculture and industry, but also began to spread to other areas of the region, thanks to the abundance of seasonal workforce that brilliantly overcame the agrarian crisis of the 30's.

The big innovation of the 20th century was the specialised cultivation of fruit, which increasingly characterized the physiognomy of the region. The local market considered fruit as a luxury good, influenced by produce from home gardens and fields of mixed cultivation in the countryside. Other factors also slowed the development of this kind of production: storage, transportation, long terms before investment produced profit. The first production unit was established in Massa Lombarda in 1902 and became a pioneer of intensive fruit cultivation. In the Province of Cesena, which later became one of the main pillars, cherry trees and later pear trees began to replace elms. Keeping a mixed character, the cherry would become the first product whose marketing was entrusted to a fruit cooperative, which later became the Società Anonima Cooperativa for the export of the agricultural products of Cesena in 1908. From Romagna, the cultivation of fruit spread in the following decades also to the provinces of Ferrara and Bologna, with significant outcrops in the Province of Modena, where the cherry tree became the primary and typical produce in Vignola.

On the eve of World War I, the most important stages of the modernization process were almost complete in the agricultural production system of the region. Farm "vocations" were clear and ready to boost the growth of domestic and foreign markets, thanks also to the increased productivity index generated by mechanization and chemification of agriculture. New production relationships especially sharecropping, which was beginning to overturn the concept of the self-sufficient farm, together with processing cooperatives and purchasing consortia among owners, production and labour consortia and collective leasing consortia among labourers played an important role in this process, too.

### Massa Lombarda: Capital of Fruit Cultivation

From the end of the 19<sup>th</sup> century up to the middle of the last century Massa Lombarda was the home of fruit, as regards both production and processing, firstly thanks to sharecropping companies, later thanks to producer cooperatives.

This process contributed to the modernization of the local community, which also contributed to employment for women, who were employed in quality control. For this business, which also had a thriving market abroad, very sophisticated and original promotional materials in the day were used (such as the one shown here), both in terms of graphics and colours; these were made by skilled advertisers.



Photo displayed in the Museum of Fruit Cultivation "A. Bonvicini " Massa Lombarda, Province of Ravenna

Agriculture Archives, Emilia-Romagna Region



Fruit in Bartoletti Farm. San Mauro di Cesena 1920-1930 approx. Dellamore Fund, Malatesta Library, Cesena



Cesena, fruit warehouse, peach processing, 1930s approx. Manuzzi Fund, Malatesta Library, Cesena



Farm work in Bartoletti Farm. San Mauro di Cesena 1920-1930 approx. Dellamore Fund, Malatesta Library, Cesena



Photo on display in the Prosciutto di Langhirano (Pr) Museum Agriculture Archives, Emilia-Romagna Region



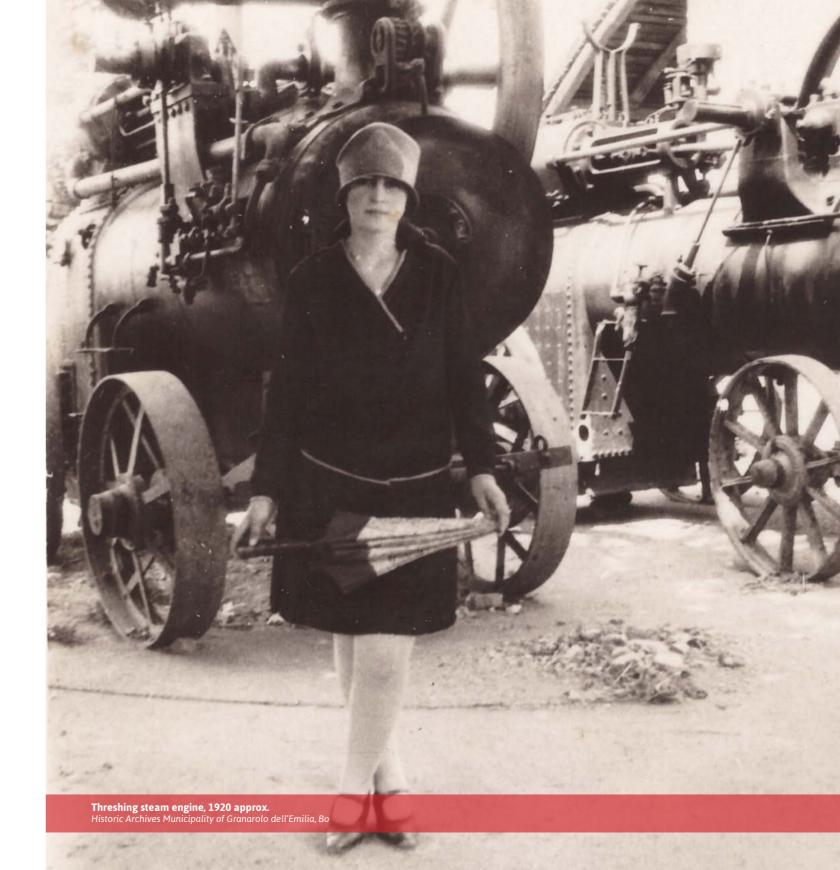
### 6. Fascism and Agriculture

he twenty years of Fascism seemed to mark a suspension of the importance of farming in Italian economic life. The autocratic policies of the regime, launched with the "Battle for Grain", satisfied the Conservatives who had invested in traditional crops, but worried those who had invested in the most valuable and promising agricultural production chains. However, the change that began with the territorial specialization in some crops and agricultural products would prove to be unstoppable.

In the provinces of Modena and Reggio Emilia the income from livestock farming, milk, fodder production and viticulture had reached such high levels that a return to the cultivation of cereals and grain was impossible. In Reggio Emilia, in 1934, as a result of the fall in milk prices on the local market, farmers formed a consortium, while 19 cheese factories in the province set up the Latteria Cooperative Riunite (United Cooperative Dairy). In 1937, the province of Modena became the first milk producer in Emilia-Romagna and this had not only boosted the farming of cattle, but also of pigs. Specialisation in fruit cultivation slowed down and mixed crops and woody secondary crops continued to dominate the landscape, with the exception of Cesena, Bologna and Ferrara. The peach and plum trees stood out among other fruits, but the spread of apple and pear trees was to be slower: the latter was not common until the second half of the 20<sup>th</sup> century.

In 1936, more than half of the population belonged to households headed by a farmer. Regional production accounted for 12% of Italy's agricultural production; industrial crops (beet, hemp, tobacco, etc.) accounted for 45% of national gross production and this was a clear sign of the progressive consolidation of the changes taking place.

During this period of uncertainty, agricultural cooperation underwent a profound transformation, definitively consolidating the sectors of the processing and marketing of agricultural products and taking root in social strata less in need of protection and looking more towards entrepreneurship.





Sant'Alberto. Festival of the rice. Welcome to the federal Luciano Rambelli, 18th of September, 1938 Alvaro Casadio, Ravenna, Photographic Archive - Federation of the Cooperatives in the Province of Ravenna



Break time during the test of Cassani tractors Villa Smeraldi Institution, Museum of rural culture, City of Bologna



Alvaro Casadio, Funicular railway or Fowler plough: two-drives engines, Ravenna, 1940 Photographic Archive - Federation of the Cooperatives in the Province of Ravenna



Threshing in a courtyard (the threshing machine is driven by the electric current), 1940
Ravenna, Photographic Archive - Federation of the Cooperatives in the Province of Ravenna



Emilia-Romagna, land of cooperation

### 7. Specialisation of Agricultural Cooperation

etween the two World Wars, European agriculture experienced a deep transformation following the transition from a totally local context to a broader and more structured circulation. It was indeed the agricultural sector which was most influenced by Italian cooperation in this 20-year period.

In fact, once the Fascist regime had dissolved the League and the Confederation, it carried out a "purge" of the anti-Fascist elements in cooperation. As a result, production and work cooperatives, which especially in Emilia-Romagna were more linked to the socialist movement, lost their leading position. This led to the weakening of consortia of cooperatives, which had been one of the innovative factors in the first years of the 19th century. Furthermore, the growth of consumer cooperatives, which were focused in the North of Italy, also stopped, as well as cooperation in the credit sector, due to the crisis of the Banche Popolari and Casse rurali. The only growing sector was agriculture. whose centre of gravity however shifted. In fact, the system based on collective leaseholds had seen intense growth between 1918 and 1921 (with 400 socialist land management cooperatives and approximately 50,000 hectares of land; 310 Catholic cooperatives and 50,000 hectares of land; 10 Republican cooperatives and 10,000 hectares of land). The organic link with the farming liberation movement became a mutually beneficial relationship established between the cooperative (which, together with associations more generally, empowered the working classes from their dependence on their employers), the leagues of unionised resistance (which helped achieve more decent working conditions) and the Municipal authorities (which promoted education and public health, acted on the local Tax issues, and so on).

In Modena, for example, 8 out of 11 cooperatives with collective leaseholds registered in 1925, had been set up in 1919, evidently driven by the social unrest of that period.

With the consolidation of the Fascist regime, which silenced the claims of labourers and sharecroppers, even the cooperative model of collective leaseholds was greatly undermined.

### **Collective Leaseholds**

	1925								
	Number	Members	Properties (sup. in ha)	Rent (sup. in ha)					
Bologna	16	6.817		1.079					
Ferrara	6	1.372	73	845					
Modena	11	596	341	1.011					
Piacenza	3	218		405					
Parma	8	1.144		1.665					
Reggio Emilia	5	1.541	599	1.193					
Ravenna	26	8.809	4.514	5.138					
Emilia-Romagna Region	75	20.497	5.527	11.336					
Italy	126	25.078	5.986	19.144					

Source: De Carolis, 1927, also quoted in Menzani, 2009.

#### Cantine sociali

	1924				1937		1940				
	Number	Members	Average production of wine (hectolitres)	Number	Members	Annual Processing of raw material ql/l	Number	Members	Total amount of processed grapes ql/l		
Bologna				1	66	5.300	1	62	6.447		
Forlì				2	210	24.280	2	352	50.380		
Modena	17	1.740	182.000	17	2.475	450.000	16	2.653	463.082		
Reggio Emilia	3	380	35.000	26	1.654	250.000	34	2.020*	317.127*		
Ravenna				1	44	42.000	1	84	25.000		
Emilia- Romagna Region		2.120	217.000	47	4.449	771.580	54	5.171*	862.036*		
Italy			476.000	164	19.902	1.591.319	144	20.320*	1.814.730*		

\* The figures of 12 companies in Reggio Emilia are unknown

Source: De Carolis, 1927; Fascist National Body of Cooperation, 1937, 1940. Collated by the author.

In contrast, cooperation in the field of the processing and marketing of agricultural products grew rather significantly thanks to the increase of the petite bourgeoisie. These lower middle classes constituted the social base of this type of cooperative and Fascism looked to them to consolidate consensus. Like employees, in areas marked by intense social unrest, they were the main protagonists of the cooperative phenomenon in the region, but now the centre of gravity was moving to business organisations with a predominantly farming cast. Fascism tried to take possession of them and relaunch them as stabilising forces in the countryside.

Cooperatives of farmers had started to spread after the First World War, but they were not particularly significant in relation to the actual number of farms. In 1927 their number had increased to 8,490 units, including rural banks (5,973 in Northern Italy, 1,025 in the Centre, 750 in the South and in the islands). About half were agro-industrial cooperatives, specifically dairies, wineries, livestock centres, or mills. There were then 1,325 partnerships for collective purchases, 331 cooperatives of "rural manpower" and 1,141 other companies, mainly in services, (but they also included rural mutual aid societies). At the end of the 1930s, growth was primarily qualitative, passing from the conventional processes to the use of machinery and industrial processes, which resulted in a much larger production involving a greater social base (Menzani, 2009).

In 1939, 3,514 processing cooperatives were recorded (3,225 dairies and cheese factories, 176 wineries, 26 oil mills, 21 mills, 66 silkworm cocoon dryers).

#### Cheese factories and dairies

	1926		1937							
	Number	Number	Members	Annual processing of raw material ql/l						
Bologna	3	15	355	34.500						
Ferrara		22	557	32.288						
Modena	181	255	7.229	568.000						
Piacenza	2	16	350	56.761						
Parma	24	4 67 1		200.000						
Reggio Emilia	154 252 7.500		7.500	1.200.000						
Emilia-Romagna Region	364	627	17.480	2.091.549						
Italy	2.077	3.288	191.369	8.018.944						

Source: De Carolis, 1927; Fascist National Body of Cooperation, 1937. Collated by the author.

### Regional cooperatives registered to the National Fascist cooperation body organization (1937)

	Distilleries		Agricultural machinery retailers		Tobacco driers			Canned vegetables			Coop. between/ among farmers for collective sales and purchases			
	No.	Members	ql./year of processed raw material	No.	Members	ql./year of processed raw material	No.	Members	ql./year of processed raw material	No.	Members	ql./year of processed raw material	No.	Members
Bologna				8	1.088	218.995								
Ferrara							1	56	676					
Forlì							3	62	2.256					
Modena	1	32	128.000							4	717	140.000		
Ravenna				50	4.000	400.000				1	18	21.103		
Emilia- Romagna Region													23	34.205
Italy			228.572	154	11.394	1.140.953	49	4.914	64.375	8	986	165.488	391	270.776

Source: Fascist National Body of Cooperation, 1937. Collated by the author.

Emilia-Romagna, land of cooperation

The changes mentioned above particularly concerned the region of Emilia-Romagna. In 1937, among the regional cooperatives registered by the National Fascist Organisation, there were also 7 agricultural cooperatives in the areas of Bologna, Ferrara, Rayenna and Reggio; a distillery in

7 agricultural cooperatives in the areas of Bologna, Ferrara, Ravenna and Reggio; a distillery in Modena; 8 agricultural machinery retailers in Bologna and 50 in Ravenna; 1 tobacco drier in Ferrara		Number	Members	Annual processing of raw material ql/l
and 3 in Forlì; 4 canning plants in Modena and one in Ravenna.	Bologna	1	31	7.300
<u>F</u>	Ferrara	2	300	28.000
R	Reggio Emilia	1	15	7.500
R	Ravenna	3	255	64.066
	Emilia-Romagna Region	7	601	106.866
66				

Source: Fascist National Body of Cooperation, 1937. Collated by the author.

Fruit-Vegetable Sector

1937

The agri-food industries that emerge from the figures were of a so-called "Master" nature.

Cooperative organisations involved only partially and marginally the lower class from the countryside, namely sharecroppers or the small and very small landowners. Conversely, they were characterised by the presence of farmers, who supported Fascism and were divided by the idea of collecting an annuity or pursuing an entrepreneurial approach. The registered cooperatives of the Fascist Organisation also included farmer cooperatives. In 1892 they were incorporated in the Federation of farmer cooperatives (better known as Federconsorzi), which played an important role in Italian agriculture, and developed into a different body, whose views were far from their cooperative origin. The Agrarian Consortia had a clear master feature from the very beginning, enabling landowners to jointly buy products and equipment; later they moved to sale, agricultural credit, the setting up of general stores, the promotion of vocational education and other activities in support of agriculture. Fascism made Federconsorzi the pivot of the corporate policy in the countryside, also in the context of consumption rationing that was established as part of the war economy.

When compared to the European context, Italian cooperation in marketing - which included the Agrarian Consortia - had acquired some importance on the eve of World War II, with the highest average of members in Europe.

### **Agrarian Consortia**

Cooperation in Italy, and in Emilia-Romagna in particular, took the feature of a flexible form of company, able to adapt to different economic situations, ranging from rich landowners to poor agrarian labourers. Even the landowners understood the importance of associations and created employers' associations in order to provide assistance and agricultural services, and to take collective action in response to farmers' claims.

With the introduction of chemical fertilisers, the success of beet and fodder seeds and later the appearance of machinery. the liberal bourgeoisie set up the Agrarian Consortium, a cooperative joint-stock company with unlimited capital. whose predominant purpose was to represent a "commercial cooperative of productive consumption". In 1892, in Piacenza, the Federation of Italian farmer cooperatives was set up. It was chaired by Enea Cavalieri and later by Giovanni Raineri, and its aim was to promote and protect its affiliated companies. It made purchases on its own behalf or that of third parties and Members, sold products on behalf of Members, and rented machinery and tools. It claimed payment in cash and returned net profits to its Members, which was an important action in controlling prices. The Agrarian Consortia represented, at a social level, a meeting point with the most dynamic and advanced capitalist forces in the countryside, while at an economic level they introduced entrepreneurial and modernising factors.

The aim was the constant search for collaboration with the processing industry and export opportunities, as well as the dissemination of an appropriate agronomic culture. In particular, the presence of Federconsorzi in Piacenza had a clear influence over the evolution of the Emilian countryside, which had long been underestimated.



Family photo, n.c. Villa Smeraldi Institution, Museum of rural culture. City of Bologna

Emilia-Romagna, land of cooperation



**Group of country girls, 1930-1935 approx.** Lelli Mami Fund, Malatesta Library, Cesena



Working group of girls led by the "substitute foreman", the boy holding a stick, Altedo di Minerbio, Province of Bologna, n.d.
Villa Smeraldi Institution, Museum of rural culture, City of Bologna



Cesena, fruit warehouse, processing of cherries, 1930s approx. Manuzzi Fund, Malatesta Library, Cesena



Cesena, fruit warehouse, arrival of the peach baskets collected by farmers, 1930s approx.

Manuzzi Fund, Malatesta Library, Cesena



## 8. The Italian agri-food sector in the European context, a slow start

he story that we are telling was not separate from the European context, from which, as we said, it originally developed. The cooperative principles, by which worldwide cooperation still nowadays is inspired, were conceived by the Principled Pioneers from Rochdale (a suburb of Manchester, England), who set up the first consumer cooperative in 1844. These principles were endorsed by the International Cooperative Alliance, set up in London in 1895, which to this day represents the entire cooperative movement.

In other European countries, agricultural cooperation initially had an irregular evolution. This applies in particular to the French cooperative movement (which mainly focused on the sale of agricultural products, collective purchases and sales, providing services and the shared management of land), and to the Belgian and Dutch movements because, as was the case for the Italian movement, they were historically characterised by the coexistence of strong political and ideological elements. The German movement, in which agricultural cooperatives were strongly supported by credit unions (which were the real strength of the movement), entered the Nazi orbit with the advent of Hitler.

Among the Nordic countries, the Danish case was particularly significant, because agricultural and agri-food cooperation represented a starting point for cooperative entrepreneurship even in the field of manufacturing and distribution, thus promoting the adoption of new technologies and conquering foreign markets. In the Finnish case, agricultural and agri-food cooperation thrived and was characterised by collective purchases and sales, farm credit and the processing and marketing of milk. The Swedish case was different from other main European models in that most consumer cooperatives had a very close relationship with farming cooperation, which was organised to sell their products directly to consumers. The latter was the example that Italy strove to achieve, as we will see further on.

In this context, on the eve of World War II, Emilia-Romagna region was taking on the new challenge of the entire reorganisation of the consumption sector, which was made necessary by the war economy and led to the start of a modernisation process in the agricultural production system. In fact, we have seen how the crisis at the end of the 19th century had undermined the viability of the farm and led the farmer to enter the market through production decisions aimed at specialisation. In this process the bond between agriculture and industry acquired an important role, both in terms of production (the fertiliser industry, the mechanisation of agriculture), and in terms of food processing (through beet and tomato crops). Farmers had experienced the effectiveness of the cooperative model in the dairy industry, which made them more competitive on the market, thanks to the sharing of certain phases of production and marketing, for which single farmers would have required burdensome investments. Through cooperation farmers protected their income by participating in the system of agri-food relations, rather than just producing and selling to the private industry.

This path, undertaken by agriculture and cooperation, which developed parallel to traditional agriculture and the collective management of lands, underwent a setback in the Fascist period, as the choices of the regime favoured traditional crops. Nevertheless this path was consolidated because the bond with agribusiness within the cooperative movement continued to take root whilst waiting to regain momentum, an event that occurred after World War II.

Agricultural Cooperatives for product marketing in Europe								
Country	Year of data collection	No. coop	Average Members					
Austria	1937	143	n.d.					
Belgium	1937	2.533	50					
Denmark	1941	3.080	52					
Finland	1937	471	626					
France	1937	20.673	85					
Germany	1941	3.623	120					
Great Britain	1941	151	503					
Italy	1935	701	1.070					
Norway	1941	2.000	34					
Netherlands	1937	500	130					
Spain	n.d.	n.d.	n.d.					
Sweden	1941	770	77					

**75** 

Emilia-Romagna, land of cooperation

Source: International Labour Office, Cooperative Organisations and Post-War Relief, mentioned in Menzani 2009, p. 174



# **PART II**

# The cooperative agri-food sector after World War II

1. Revival of the cooperative in the post-war period

ollowing a long and controversial debate, the Italian Constitution officially recognised the values and social purposes of cooperation under Article 45. This was originally a declaration of intent that ordinary legislation tried to put into practice later on, by establishing mechanisms of supervision, support and promotion.

The value that the Constitution gave to cooperatives originated from the recognition of the principles of this form of company: an association of natural persons or legal entities who join forces to meet common needs, in a context of cooperation, reciprocity and solidarity. The cornerstone of the cooperative system were the members, united to generate economic benefits as a critical operating condition to ensure their social and economic growth. At the basis of the cooperative was its members' desire to protect their interests as manufacturers, workers, consumers, or other, where shared management of the company was a way to avoid subordination to those holding a strong position on the market.

The Italian State was re-founded on unitary bases, as the main national parties had shared the responsibilities of the provisional government during the Resistance and in the first two years of post-war Reconstruction. The trade union also maintained a unified structure until 1948. However, the cooperative movement, despite some initial solicitations, was re-founded separately, highlighting the re-emergence of divergences related to identity and affiliations.

The National League of Cooperatives and Mutual Aid Societies was reconstituted and tried to include all political forces (failing however to aggregate the Catholic component that instead opted for the creation of an independent body). In the first two years it was ruled by the Socialist and Republican Reformists. From 1947 on, its leadership was permanently held by the Communist Party. The League of Cooperatives was articulated at a regional level in cooperative federations (Federcoop).

The Italian Cooperative Confederation, which at a regional level was structured in cooperative unions, was set up in the context of the Christian Democracy. It was inspired by the principles of the "Christian social school", it could count on a long-term tradition related to the Church and to the network of parishes, and advocated the promotion of collaboration between social classes that aimed at aggregating a wide variety of social groups. With the handover of the management of the League from the Reformists to the Social-Communists, in 1952 a part of the Republican component and a part of the Social Democrats abandoned the League in order to set up a third cooperative, the General Association of Italian Cooperatives (Agci), which was legally recognised only in 1961, after having reached the minimum number of 1,000 members required by law.

# The founding principles of cooperation in Republican Italy

Throughout its ultra-centenary development, the reinvested for the development of the same cooperative. Cooperation stated some General Principles, which **Open door.** The cooperative has an open structure. Anyone nowadays constitute the distinctive feature of this type who shares its mutual principles can apply to be part of it of company, which is common to all forms of cooperation and the cooperative can accept the request provided that and recognised by the International Cooperative Alliance this person is able to satisfy the need for employment or (ICA).

form that does not allow company ownership to be in the unchanged over time for future generations, fuelling hands of a few. The value of a cooperative member's vote a virtuous cycle of investments and innovation and the always counts as one, regardless of the amount of capital transfer of skills and abilities among senior and younger held.

cooperative: the board must be composed for the most same principles, forms of solidarity are implemented part of cooperative members.

members, namely providing goods and/or services and/ expressing values such as efficiency and solidarity. otherwise available on the market.

allows for facilitated tax on profits, provided that they are model of cooperation.

services.

Intergenerational solidarity. As a result of its non-One man, one vote. The cooperative is the only business speculative nature, the cooperative tends to stay members.

Participation. The members are the ones who run the Inter-cooperative solidarity. Through the sharing of the among cooperatives, both in the development and Mutualistic nature. The purpose of a cooperative is not consolidation of the market. This allows any company individual profit, but to provide mutual exchanges among to become an integral part of a movement aimed at

or more advantageous job opportunities than those Mutuality to the outside. Cooperatives, among their missions, have to favour, with direct or indirect Non-speculative nature. In the event of dissolution, contributions, the creation of new cooperatives. To this members can not share the cooperative's assets, nor can end, all cooperatives allocate 3% of their profits to a they sell the company as a whole. Nowadays the law mutual fund aimed at promoting and developing the



Collaboration among the political forces that had defeated Fascism in Italy was short lived. The two major anti-Fascist parties, the Christian Democrats (DC) and the Italian Communist Party (PCI), broke their agreement in 1947, while Europe plunged into the Cold War. These events caused a sharp break with the central government of the country, which remained firmly in the hands of the Christian Democrats, but in many peripheries the municipalities were run by the Communist and Socialist Administrations. The Regions, as provided by the Constitution, were established only in 1970, but the local elections of 1946 clearly showed that in some areas, such as Emilia-Romagna, the left-wing parties had a strong presence, as they took territorial leadership.

This policy framework had profound repercussions on associations that were culturally divided between the Catholic centre and the Socialist-Communist left-wing, which resulted in a strong conflict between the cooperatives of the two sides, triggering strong competition also related to non-economic elements until the 70's.

The different affiliations and identities fuelled differences concerning the local presence and the relationship with politics, which were stronger at the state level for Confcooperative and at a local level for the League. Finally, organisational changes also gave rise to different business models.

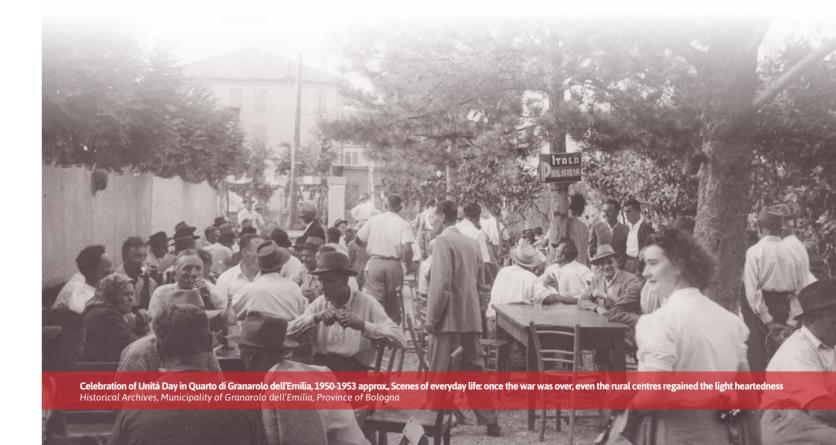
#### **Politics and associations**

At its creation in 1946, the Italian Republic was a new system to Italians. After 20 years of dictatorship, the population had been encouraged by the Nazi-Fascists' occupation and the Resistance to participate in public life and in social solidarity. After the war, this ferment found vent and was organised into a complex network of associations, which became the protagonist in the consolidation of national democracy.

Of the two leading political parties, the Christian Democrats (DC) was the governing party. It was backed by the Catholic Church and was a reference point for the middle class, entrepreneurs and the majority of the agricultural world; the Italian Communist Party (PCI) on the other hand targeted the workers and some segments of the middle class. DC and PCI built their own identity as mass parties on the model of "participatory democracy" (focused on guarantees and social protection), rather than on the model of "Representative democracy" (focused on the individual/citizen as a cornerstone of rights). This identity constituted a reference point as regarded ideologies and values also for the associations in a Europe where ideologies had a strong influence. Catholic and worker movements pursued a variety of objectives ranging from the desire to train and politically educate the population to providing protection and assistance, or responding to the demand for literacy and culture.

Encouraging participation in the democratic life of the community and educating men and women emerging from decades of dictatorship to active citizenship remained the ultimate goal.

The cooperatives shared cultural views and ethical principles with the social and political movements of the time and went on to become one of the issues of the social networks of that particular historical period.





Farmers demonstration, Granarolo dell'Emilia, 1960 approx. Photo Pasquali, Historical Archives, City of Granarolo Emilia, Province of Bologna



Women in Carpi, 1948. Scenes of everyday life: population getting back to normal after the war Photo Gasparini, Ethnographic Collection Research Center of the Museums, Carpi, Province of Modena



Demonstration of farmers and beet growers, Bologna, 1969
Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Procession of the cooperative Bosco della Saliceta, Modena, 1959 Confcooperative Archives of Modena



## 2. Agrarian reform and Catholic cooperation

fter the end of the war, cooperation underwent a period of enthusiastic growth; all cities and towns in Emilia-Romagna, big or small, had created a cooperative network, starting from the farm cooperative, linked to a consumer cooperative, which played a strategic role in the reorganisation of post-war consumption.

In 1950 the government passed the Land Reform, to hit large estates and income. In particular, the so-called expropriation law concerned northern Italy in the area of the Po Delta, affecting 23 municipalities in the provinces of Venice, Rovigo, Ferrara and Ravenna, where the Organisation for the colonisation of the Po Delta started operating. The "Land Reform" strengthened small farm owners and encouraged the development of cooperation, by urging the beneficiaries of the expropriated land to manage purchases, services and placement of products in an associated form. Furthermore, it provided them with a scheme aimed at providing services, technical and financial assistance through the Fund for small farm owners. The Fund had already been established in 1948 with a mandate to finance the purchase of farm units and to grant long-term loans through subsidised financing.

Catholic cooperation, thanks to an extended network of relationships in the public bodies and in the Ministry of Agriculture, and consolidated connections with banks and rural banks, seized the opportunity to use the Land Reform as a support instrument to penetrate the market of cooperative farms. In Emilia-Romagna, the political and trade union actions of the Catholics targeted the weaker classes. with a cross-class approach that addressed all farming categories.

Confcooperative proposed overcoming the status of labourer and put forward the idea of a transition to the status of farmer and small farm owner in the context of a model of cooperation whereby the land was not cultivated by the farmer together or in rotation, but was assigned to the families, in order to divide the land into small estates and to build the farmhouse. Modena and Faenza were the original core of this model, which then spread to Reggio Emilia, Bologna and Ferrara.

The system revolved around the need to operate in a closed-membership cooperative regime, as opposed to the open-model advocated by the League. It had a more entrepreneurial character, aimed at encouraging families to purchase land thanks to legislative concessions. In the Confcooperative scheme, the new farm owners would then have to set up service cooperatives, merging some functions in order to better manage operations and save on unit costs. The problem was the weakness of the associative culture on which this model was based. Some people did not prove to be meant for managing companies and abandoned the journey, whereas others purchased the shares that became available, when this was allowed, and guit the association form once the process of division of the land into small estates was over. It is a fact that both categories abandoned the cooperative movement, but did not complement the system with any other forms of association. In other words, labourers often became farmers, but hardly ever did they become cooperators.

# Values and organisation of Confcooperative

the Social Doctrine of the Church, which was based on promoted by various trade unions, depending on their the key principles of Christianity. The Catholic initiative presence in different areas. Actually, the bond with was driven by the concept of commitment and civic the Association of Catholic Workers (Acli) was strong. passion, which considered cooperation as a tool for It was set up as a network of workers' circles, which

freedom, redemption, growth and conquest of leadership by all the agricultural classes, according to these directions: the defence of small individual connected cooperative solidarity forms, in order to promote the spread of progress in this direction; respect for small and medium companies to ensure effective mutual understanding among members; a strong appeal to create a liveable local society for everyone: therecognition of the centrality of the human person, with the objective of economic, but also moral, civil and political improvement; respect for the democratic method and the centrality of participation.

Giovanni Bersani, as one of the protagonists of Catholic cooperation, liked saying: false cooperatives, but you will never hear of good or

cooperatives that does not exist in companies limited by shares".

Catholic cooperation developed within the context of On the practical level, Catholic cooperation was

after the war enjoyed a great momentum. This bond was also strong with the Italian Trade Union Confederation (Cisl), founded in 1950, following the union split in 1948; and with Coldiretti, which was an association set up to represent and protect the interests of farm owners. Coldiretti. in particular, was closely linked to Federconsorzi, which was set up in 1892 to include different farm Consortia.

cooperative

agri-food sector after World War II

The latter played a key role in the management of corporate rural policy under Fascism, and in the post-war period continued to serve the needs of the associated farmers. Formally under the supervision of the Ministry of Agriculture, Federconsorzi controlled the purchase and sale of wheat. agricultural stockpiles, the allocation of many plants and services (tools, machinery,



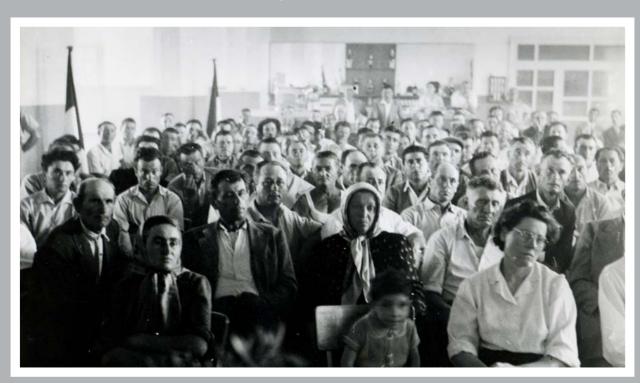
The Hon. Luigi Gui in Ravenna visiting the reclamation works "There will often be good or carried out by the Organisation of the Po Delta, 10th of May 1953 redistribution of loans, the Ersa Photographic Fund photo, Photo Library Ibc

bad corporations, because there is a moral logic in fertilisers), through an unusual collaboration between public and private sectors that took it far away from its cooperative origins.



Course held by the Ministry of Agriculture for cooperative leaders at the Hotel Pineta, Pieve Pelago, 1965

Confcooperative Archives of Modena



Allocation of lands in Argenta, Province of Ferrara, carried out by the Organisation of the Po Delta, 5<sup>th</sup> of July 1953

Ersa Photographic Fund photo, Photo Library Ibc



Course for farmers held by the school of the Organisation of the Po Delta in Jolanda di Savoia, Province of Ferrara, 1953-1954

Ersa Photographic Fund photo, Photo Library Ibc



**Farmers** Agriculture Archives, Emilia-Romagna Region (woman); Photo Pasquali, Historical Archives, Municipality of Granarolo dell'Emilia, Province of Bologna (man)



#### 3. The Left between old and new

t a national level, the League did not immediately take advantage of the opportunities created by the Land Reform, but adopted a defensive position and retreated in relative isolation. It accused the government of promoting a cooperation model which, in order to encourage the growth of small farm owners, renounced some basic original principles such as that of the "open door", and adopted a nature that was deemed incompatible with the rules and purposes of cooperation. Catholics and Left-wing parties explicitly voiced their differences of identity as regarded land management. From the beginning of the 20<sup>th</sup> century, these differences gave birth to substantially different models. The worker cooperatives belonging to the League founded their economic strategy on a dual activity: agricultural labour on a plot of land cultivated in common and unskilled labour, extraneous to the countryside, consisting of maintenance, earthworks, and so on. In much the same way as had happened at the beginning of the 20<sup>th</sup> century, the aim of these organisations was to respond to the employment needs of their members by ensuring an adequate salary and a fair distribution of labour.

In this perspective, which appeared to be more oriented towards the trade unions than towards business, the cooperative principle of the "open door" pushed up the number of members, whose expectations of jobs and earnings were not always realistic. For this reason, additional resources were used, or unprofitable contracts were accepted. Other problems also arose such as the chronic shortage of capital, the organisational disorder determined by the promiscuous character of the company, the lack of preparation of technical managers, the influence of ideologies on certain strategic choices (i.e. opting for sharecropping contracts, partitanza arrangements, whereby a percentage of crops were given to the landowner in lieu of cash payment, and leasing, which were characterised by dynamics of conflict with property, rather than purchasing land, in the belief that the labourers would eventually conquer the land by fighting.

At the end of the 50's, all these elements led to the crisis of the farm labourer model, with the bankruptcy of many businesses. Nevertheless, a broader political strategy had already been launched within the League of Emilia-Romagna to liberate the intermediate rural classes (sharecroppers, small-hold farmers, small tenants) from the hegemony of the large landowners and from the interests of industrial companies. This promoted the creation of land management cooperatives and agricultural product processing companies. This orientation was in line with the policy of the Communist Party that in those years, after having abandoned the revolutionary strategy, was developing the idea of a "new party" aimed at gaining consensus among the middle classes and fighting the so-called private "big monopoly". All this put the cooperation of the Emilia-Romagna region in a leading position compared to the rest of the country. Cooperation in the field of land management changed significantly as from the end of the 50's. The most dynamic worker cooperatives developed in the sector of construction and civil works. These activities are still thriving today, although they no longer apply to the agricultural sector. Other cooperatives, specialised in the field of agriculture, grew through mergers that allowed them to develop and achieve remarkable and long-term results.

Nowadays, these cooperatives are still active on the market, operating in mixed sectors, such as agriculture, livestock breeding and the supply of external services. In the regional agri-food context however, from then to the present day, this kind of associational model has not proved to be the turning point for regional agricultural innovation that it seemed to be in the first decade of the post-war period.

## The values of the League

Social justice, workers' participation in the company, class and mutual solidarity, reciprocity and egalitarianism among members, fight against monopolies: these were the values that associated the cooperative companies to the movements in which they recognised themselves. The link with political parties and trade unions of the Left was not utilitarian: in the local communities in which social mobility had been historically blocked by rigid class barriers, there was hope that cooperation would truly enable the emancipation of workers and farmers thanks to inclusion of the lower classes in the decision-making, political and economic process. This set of values and ideals gradually influenced the parameters within which the culture of cooperative business was based: the idea of social justice was reflected in fair remuneration for labourers and managers. On the other hand, the objective of fighting "private monopolies" brought about strategic solutions aimed at the creation of big or at least medium-sized companies; member participation strongly influenced the relationship between manager and workers towards business and local communities.

Within the cooperative, participation was guaranteed through an annual shareholders' meeting, as stipulated by all statutes, but also through the creation of several committees that provided for the circulation of information, proposals and ideas. Very often the members spent some of their free time together. The link between cooperatives and territory was also strong. For example, it was common for the cooperatives belonging to Legacoop to take food to the workers on strike during trade union disputes and to provide support in situations of need in operations such as expressing solidarity to populations affected by natural disasters and to workers from other sectors with job problems.

This function is well explained in this document, kept in the Italian Communist Party Archives:

It must be understood that the profits of the cooperatives are the sum of sacrifices and contributions of their members, customers, employees, activists. For this reason it is fair that they are returned partly transformed in the form of various mutualistic and social activities [...] they may consist in summer camps at the sea and up in the mountains for children, after-school learning activities, in the distribution of notebooks, gift packs on the occasion of the Epiphany, in nurseries, in cutting courses, in tutoring in the junior high schools, in family and consumer science, in libraries, recreational and sports clubs, in tourist excursions, lotteries, picnics, professional courses, scholarships, etc. There is no doubt that this entails [...] the creation in members and workers of the consciousness and awareness that the cooperative is an instrument of solidarity and social education.





Mothers during rest hours entertaining themselves with their children in the nursery of the labours cooperative, n.d., Castelfranco Emilia, Province of Modena
Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Epiphany graciously organised by the cooperative, Bologna, 1954 Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Epiphany graciously organised by the cooperative for children in the in the Apennines of Bologna, 1960
Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Sports activities in the Bologna cooperation, 1958 Italian Centre for Documentation on Cooperation and Social Economy in Bologna



The cooperative agri-food sector after World War II

### 4. Getting to the agri-food sector

he gradual downsizing of farm cooperatives strengthened farmers and small tenants, who needed a strategy based on business. They needed supplies, sales of agricultural products, machine rentals.

The agri-food sector was the turning point and the key to success of farm cooperation. In light of their historically different paths, the Catholics and the Social-Communists had always considered the cooperative model as a response to the need for emancipation of the poorer rural classes, while the processing cooperative was set up as a continuation of the farm, in order to provide complementary services. A long debate was later entertained and enriched by the experience of some consumer cooperatives which directly managed small production business. It pinpointed the future of cooperatives as the possibility of integration between production and consumption, a sort of cooperation among workers, which would foster agri-food cooperation and revive consumption cooperation. Starting from the full cooperation of the first years of the 20th century, this challenge became topical again after the war, also because consumption cooperation had resulted in the creation of production companies and presented itself as a great integrated model with food and agri-food companies in Europe.

Italy, though, created a different and original supply chain model "from farm to table", perfectly integrated in the economic system which was developing in the North-East. The district model, which found in the Emilia-Romagna region one of its driving forces, combined the agricultural tradition with the machinery sector, which was the other strength of the region.

Agricultural cooperation came up with a roadmap for development which allowed for the process of industrial change to be carried out by production companies, in line with the local model that integrated small and medium-sized companies specialised in interlinked stages of processing. The new small business farmer class, made up of owners and tenants, set up processing and industrial processing cooperatives for fruit and vegetables, wine, as well as dairies and mills, which transferred products. At the same time, this class had the opportunity to benefit from the services provided by the provincial consortia of the cooperatives. Individual producers started operating in the network of agri-food and commercial activities, which was established by the traditional farm cooperatives, and became the main actors of this network. This step represented a turning point and led to the economic transformation of the rural world. Agriculture aimed at business purposes dominated, completely replacing subsistence agriculture.

The drive of small producers, supported by trade union organisations and cooperatives of reference, joined the driving force of the market. This was the cornerstone of modernisation in the Agricultural Cooperation in Emilia-Romagna and determined its current success, thanks to leading companies at a European and national level.

On the other hand, cooperation has given a substantial contribution to establishing the character and the identity of the current agri-food industry in the Emilia-Romagna region.

### The values of the cooperative "brand"

During the years of the Cold War the economic competition the symbolic content and value of the product. between Confcoop and the League followed the pattern In this way, ideal values became economic values. They of the existing political rivalry.

group or the other implied taking sides and granting following a very innovative path, which was later identified political fidelity. It also shaped ideological identities. as an early version of modern marketing. The channels In the case of the Confcooperative, this meant giving used to disseminate this message included means such as

response to the needs of its members.

Confcooperative promoted its cooperatives in the parishes and through the networks of solidarity. In the case of the League, the social and trade union clashes of the 50's played a crucial role: in the cities workers fought to defend their jobs and to get better conditions: in the countryside the clash focused on agricultural agreements that regulated the sharecropping and on other union demands.

The farmer was the best symbol of the conflict embodied by the cooperatives: that is, the struggle of small producer versus the "big monopoly", labour versus capital. This made it possible to create solidarity around the cooperative project. It brought the city and the countryside significantly closer and brought the working class and the farmers together with the middle class, also involving the consumer. In some cases.

First Granarolo's testimonials

Photo Pasquali, Granarolo Spa Archives

encourage the producers/farmers, but also to highlight 20th century.

were embodied by some brands that were beginning to Consuming and selling (to shops) the products of one establish themselves with the first forms of promotion,

specialist journals, flyers, word of mouth, political meetings, parties and public events. visits to the plants, support to 99 workers on strike, and so on. In other words, the channel of product promotion became the large network of the cultural, social associations, of trade unions and of the parties that recognised themselves in the values of the Italian Left of those years. These values followed the same pattern as modern social networks. An intense loyalty work was carried out on potential customers. Between the late 60's and the early 70's, a company like Granarolo began to penetrate the market of neighbouring seaside towns. Its purpose was to follow its customers also in the tourist destinations, presenting itself as the brand that would never leave them alone, not even on holiday. This journey allowed them to conquer a very competitive market in the years of the Cold War.

the initial success of the company was given by its It combined the logics of assistance and labour protection ability to convey this political and social message about with the development strategy in the market, in order to the emancipation of workers and farmers through the promote the social mobility of farmers and to complete product. That also happened thanks to the explanation the inclusion process of the working class in the economic of the concept of "quality". The aim was not only to decision-making centres launched at the beginning of the



A publicity caravan. The habit of circulating the Company's vehicles in promotion "marches" was widespread in the Left cooperatives

Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Free distribution of milk to the workers on strike by the cooperative Granarolo, Bologna, 1964

Photo Pasquali, Granarolo Spa Archives



Consumer cooperative of the people of Massa Fiscaglia, Ferrara, n.d.
Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Consumer cooperative of the people. La Bolognese. Exhibition of wines, Bologna, n.d.
Italian Centre for Documentation on Cooperation and Social Economy in Bologna



fter World War II the agricultural world of the Emilia Romagna region underwent profound changes. The territory had been ravaged by the war. It had been split in two by the front for many months. It had suffered the most virulent Nazi-Fascist occupation. In particular, the retreating German Army had tried to leave behind scorched earth, causing extensive damage to the agricultural heritage and livestock.

Agriculture played a major role in the economic recovery of the region. At the beginning of the 50's the primary sector accounted for 55% of total employment in the region, but soon the conditions were mature for a major change. At the end of the 80's this percentage had dropped to 12%. The climax of the change were the 60's, the years of the Italian "economic miracle". At this stage, cities and countryside multiplied their mutual ties, thanks to a network of small and very small companies, which represented the features of the industrial clusters that were being created in the centre and north-east of Italy. Sharecropping disappeared, as did the multiple families which were typical of this type of land management. In some cases they left the countryside, in others they bought small plots which were cultivated by the older members of the family. The young provided manpower for the industrial sector and agricultural workforce only on a part-time basis. Yet in other cases, they modernised and created flourishing and competitive companies in the food market.

The shift in employment from agriculture to other sectors peaked in the 60's, while it was more gradual in the following decades. It mainly targeted self-employed workers (farmers and unpaid family workers), specifically in relation to the disappearance of sharecropping. Low income and poor living conditions of farm households in the countryside were important factors in promoting the exit from the sector of these workers. As a consequence, over these years, the owner structure of the land in the region radically changed. Emilia-Romagna became one of the areas with the highest percentage of land surface that changed owner. This process was significant also for the activity of the Organisation for the colonisation of the Po Delta, which had been set up in 1951 to expropriate and divide thousands of hectares of land in the Province of Rayenna and Ferrara.

Small and medium farmers established themselves through owned or leased lands and more rarely sharecroppers, with a low number of employees and a working commitment that did not involve the entire household. It was in this context that the cooperatives redefined their objectives and adapted to the socio-economic context, by coming up with original solutions and involving agricultural employers in several experiences that were unrelated to land management (which had been the backbone of pre-Fascist cooperation) and cutting out a leading role in the region.

### **Common Agricultural Policy**

The Common Agricultural Policy (CAP) was one of the factors that brought about major changes in the countryside. The CAP was set up after World War II to counter the backwardness of agriculture and to address food security challenges. As from 1948, integration projects led to the creation of a wide common agricultural market in an increasing number of countries. This process contributed to changing the global scenario. Until the 90's, the CAP committed itself to supporting agricultural prices. The 1992 Reform devoted resources to support farmers' incomes. Italy failed to adopt a structural policy of modernisation for companies and processing enterprises of agricultural products and did not take advantage of the policy that was meant to support prices and markets. This policy was more focused on products from continental agriculture (cereals and arables, milk, beef and pork). Even nowadays Mediterranean crops, accounting for about 25% of the EU agricultural production, benefit from only 12% of total expenditure (Fanfani, 2012). The pricing policy and technological progress determined an increase in agricultural production that peaked in the 80's. This coincided with a strong reduction in food consumption, giving rise to the phenomenon of surplus: firstly of wheat, barley, sugar and butter,

then of cereals, milk, meat, fruit and vegetables. The CAP later introduced restrictive price control measures, created the system of production quotas, drew up specific programs for cow slaughtering, for the uprooting of vines, and, more recently, for the withdrawal of arables from production. (Set-aside).

All these measures, which were accompanied by incentives for the reconversion or the closure of underperforming companies, favored the abandonment of the Agricultural Funds by smaller producers and by companies that had started the process of modernisation. These companies began to be more and more burdened because of production costs, the lack of generational replacement and the constant commitment required by agricultural labour.

In 1984, for example, over 60,000 cows were slaughtered in the Emilia-Romagna region as a consequence of a diversification premium for dairy cattle breeds, for which breeders who gave up milk production were compensated. This scheme also affected farms with a production that met the European average, which in those years amounted to 35 units per farm versus 9 units in Italy.



Fruit producers associated to the fruit and vegetable cooperative in San Pietro in Campiano, in the Province of Ravenna, protesting against the State Company about agricultural market interventions (AIMA), as fruit was not collected, Ravenna, 1971



Farmers' demonstration for the crisis in the fruit and vegetable sector, Lugo, Province of Ravenna, 1963
Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Laborers' agricultural cooperative in Bagnocavallo, irrigation of farmland [1947-1950]
Photo Zauli, Bagnocavallo, Province of Ravenna. Photo Archives, Federation of the Cooperatives in the Province of Ravenna



Rearing of geese by assignee families of the Organisation of the Po Delta, Jolanda di Savoia, Province of Ferrara, 1956 approx.

Ersa Photographic Fund , Photo Library Ibc



Fruit cooperative in Massa Lombarda: workers loading apples on a chariot [1960-1961]
Pasquali and Zeppiroli, Medicina, Province of Bologna, Photographic Archives, Federation of the Cooperatives in the Province of Ravenna



#### 6. Agricultural landscape changes

110

The cooperative agri-food sector after World War II

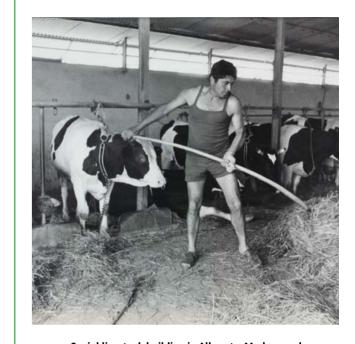
n the 50's and 60's the disappearance of sharecropping immediately followed the strong increase in agricultural production due to the use of chemicals, (fertilisers and pesticides) the development of mechanisation, the improvement of sanitary conditions in livestock holdings, the gradual separation of the animal nutrition sector from the production of dried fodder and the introduction of industrial feed. Production intensification peaked in the 50's, later declined in the 60's and gradually decreased over the following decades.

Consequently, over the same period, the trend towards specialisation expanded to the sectors of tree production, which marked an annual increase in vineyards of over 8.5% and 4% in fruit production in the 50's and 60's. Breeding farms had a steadier average growth rate at around 3.5%. This trend was more noticeable in the 50's and 60's also for this sector (Fanfani, 1992).

In the long run, grass crops became less dynamic in the region, with a development of 2%, despite ups and downs related to vegetable crops and to surplus situations taking place in the European market. In the '80s specialisation in the region led to the concentration of some specific agricultural productions in the region - for instance, 50% of sugar beet, about 60% of pears and 40% of peaches and plums, while the production of meat and milk accounted for a quarter and a fifth of the national production respectively. Linking up with the agricultural processing industry, which had spread throughout the area and was often of a cooperative nature, created some areas in which the agricultural-industrial system took on similar characteristics to those of the "industrial districts".

### Rural depopulation

Rural depopulation resulted from the neglect and lack of generational replacement: in the 70's the young preferred working in factories or offices rather than working in the fields. At the time, agricultural labour was still a very challenging activity, requiring complete subservience of the household and left no room for a private life. Rino Ricci, a farmer from Bologna, says: "I see that there are no more many young people in agriculture, there are very few of them. That's because on Friday night they come home and are alreadyfree, and then they go back to work on Monday morning. They work their eight hours, then in the evening when they get home they are free. On the contrary, working in stables implies getting up every morning at five, never having an evening off, never being able to say 'tonight I'll finish by eight". In some areas though, the situation has started to reverse over time. Walter and Ivano Francia are two brothers, both breeders, from Loiano, in the Province of Bologna. "One thing is certain. Rural depopulation certainly had downsides but there were also positive outcomes, because it left space for those who remained. There was a time, in the late 80's, early' 90's, when small and non-viable companies had to close. People retired and faced serious problems...I would say that a significant turning point occurred around '92 -'93. Healthy companies, which were very few, found themselves at a crossroads: "Shall we close or shall we stay in the market"? Then the first new phenomenon of young people who remained in the countryside came about. There were even people who started from nothing, but a significant shift took place. Something else also happened: up to ten years ago farmers rarely got married. It may seem trivial, but in the 60's and 70's that was a serious problem! A woman who had to choose whether or not to marry a farmer, knowing how hard that kind of life would be, would say: "No way!" Now it's different, because there is plenty of work to do, but there are women who own companies and who do the same work as men. I'm not exclusively referring to management. For instance, animal feeding is done by machines, the cleaning of livestock buildings is automatic, one just has to push a button, anyone can do it. In the past, a farmer had to be a big man and if he wasn't 1.90 m tall and if he didn't have strong arms, he couldn't do the job. Today things are different. Back then one had to make bread, cheese, manage the animals, etc. Nowadays, though, I can take bread home, buy cheese at the supermarket and go shopping in the city once every other week" they explained.



Social livestock building in Albareto, Modena, n.d.
Italian Centre for Documentation on Cooperation
and Social Economy in Bologna

The agri-food industry tended to concentrate in lowland areas, marginalising the hills and mountains. It brought about such deep land and business transformations that the agricultural landscape completely changed. Sharecropping farms covered nearly half of the region's agricultural area in the early 50's and this fell to only 35% in the census of 1961, before dropping to 12% in 1970 and 4% in 1982. These farms were replaced by companies run by employees and cooperatives and in 1982 covered 23% of the regional area (5% of the total regional area were cooperatives).

Family farms were predominant, with a percentage increasing from just over 40% of the region's agricultural area in the early 50's, to 45% in 1960, to 61% in 1970, to 72% in 1982. These farms were characterised by a modest size (less than 5.5 hectares) and by a marked internal diversity. They can be divided into three groups: companies increasingly less entrepreneurial, run by older people, which accounted for 15-16% of all small-sized regional individual holdings, located mainly in the hills and mountains; companies where no member of the family worked more than 150 days a year, as they were mostly busy with other activities, which especially developed in the second half of the 70's; and small and very small companies, that in the 80's accounted for 57% of the total of individual regional holdings, even though they occupied only 37% of the land surface; finally, larger-than-average professional companies, run by young people, with satisfactory income and employment levels. These companies, which had increased since the 60's, represented 30% of all regional individual

holdings in the 80's, covering 50% of the surface, mainly in the plains.

### Social function of cooperation

During the crisis, which was characterised by an exodus from the countryside and the closure of agricultural activities, the cooperatives also played an important role in reducing social chaos, by helping farmers in difficulty, supporting them with corporate restructuring, providing them with assistance for technological innovation within the companies and sometimes even with the equipment needed for production. Whenever the conditions for recovery were not present, the farmer could count on support following the cessation of the activity. The product was collected even when there was no economic convenience, thanks to the solidarity expressed by the social base as a whole. This helped to make the transition to other activities as smooth as possible.

Silvano Zannini, head of the Catholic Cooperative Felsinea latte, stated: "We also had a strong development and played a social role because we collected the milk in the mountains where no one wanted to go. Otherwise, farmers would have had to cease their activity ten years earlier, even if it was a small one, because nobody wanted to go and collect the milk in San Benedetto Val di Sambro and in Camugnano. It was not economically viable, but this operation served a social function. At that time the collection cost was twenty-five Lire per litre on average, but in some places it went up to forty-five! However, I must say that the social basis accepted it willingly, because I remember that when we considered differentiating payment for milk, there was a councillor from Castel Nuovo who collected 3,000 kg./30 q. of milk per day, and used to say: "Actually, the cooperative came to collect the milk when we needed it. The cooperative has to provide the same service to those who produce 100 kg./1 q. and for those like me, who produce 3,000 kg./30 q. Milk has to be paid the same way". These were, so to speak, people who understood".

In this way, the social base of the cooperative agreed to redistribute among all its members the costs for collection that were higher for some members than others, especially for those who had peripheral and unproductive activities.

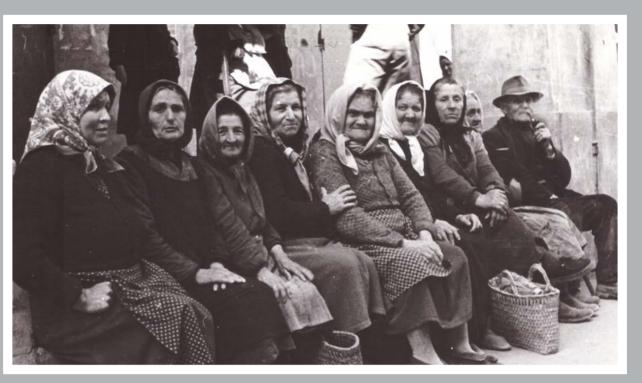




Ravenna. Raspona company (owned by the Federation of Cooperatives), load of grafts, [1947-1950]
Umberto Trapani, Ravenna, Photographic Archives - Federation of the Cooperatives in the Province of Ravenna



**Excavations, n.d.**Ethnographic Collection Research Centre of the Museums, Carpi, Province of Modena



**Group of elderly, n.d.** Villa Smeraldi Institution, Museum of rural culture, City of Bologna



Housing estate Santa Brigida, Granarolo dell'Emilia, Bologna, 1950's Photo Pasquali, Historical Archives, City of Granarolo dell'Emilia, Province of Bologna



#### 7. Territorial Consortia

118

cooperative agri-food sector after World War II

he provincial Territorial Consortia of agricultural cooperatives, which during Fascism had been directed by landowners, returned under the influence of the League after the war. It was the first central cooperative to be rebuilt through the democratic vote of the social base. These Consortia aimed to carry out the procurement and collective sales of their associated organisations, by assisting them and promoting a more effective organisation. They focused on agricultural engineering, mechanisation and knowledge. These consortia aimed to develop and strengthen agricultural cooperatives, by supporting the weaker companies, rectifying financial failure and providing a common approach to members. The consolidation of these consortia was based on the enlargement of their commercial function. Apart from the purchase of seed, machine rentals and the sale of products by their associated enterprises, new types of activities began to be introduced, such as the management of fuel, feed material and rice. This development brought about a shift in the function of the consortia (Menzani, 2007). From this point of view, they replaced the old consortia. APCA - Alleanza provinciale delle cooperative agricole (Provincial Alliance of agricultural cooperatives) - in Modena and Bologna and CPCS - Consorzio provinciale delle cooperative agricole (Provincial Consortium of agricultural cooperatives) - in Reggio Emilia played an important role in the sector's growth. AGCI set up the Farmers Consortium in Ravenna in 1953, later known as CCPA - Consorzio cooperative produttori dell'agricoltura (Agricultural Producers' cooperative consortium) - and developed within the boundaries of Romagna. The natural evolution of agri-food cooperation led to the creation of agri-food delivery cooperatives which took the role of promoting and supporting. This had previously been the role of the provincial consortia of agricultural cooperatives, but once again their function changed. The Consortia of Ravenna and Modena operated as a trailblazer and formed a regional model. The Provincial Federation of Cooperatives in Ravenna, which in 1945 fulfilled traditional tasks carried out by consortia, was completely renewed in the 60's and developed an activity aimed at granting loans and guaranteeing access to credit. The Provincial Federation of Cooperatives became the financial mainstay of the cooperative movement in the Province of Ravenna also thanks to its means, as the Federation had traditionally preferred to buy land under cultivation, rather than rent it. APCA in Modena launched a merging process with three other consortia in the mid-60's. Later, it incorporated the main affiliated agricultural cooperatives and was directly responsible for agricultural management, some related services and some separate management work such as the mill in Ganaceto, the production of feed in Sorbara, the selection of seeds in Carpi, several poultry slaughterhouses, bull and pig farms, the machinery technical office, fertilisers and pesticides. In 1971 APCA also incorporated the Fruit Growers' Cooperative in Modena and the pig reproduction and breeding Consortium. This operation, which led to economies of scale and fruitful synergies such as the combination of feed production and veterinary care, transformed APCA from a consortium of agricultural cooperatives into a farm consortium dealing in agri-food. APCA became directly involved in management, which also required the acquisition of managerial skills which had earlier been unnecessary. This successful experimentation was a model for other consortia, such as CPCA in Reggio Emilia, which incorporated cooperative mills and other smaller companies. The fact that the consortia were directly incorporated and went from being service facilities for affiliated members to institutions serving individual farmers was an innovative element. This expression of rural entrepreneurship of a popular origin was a great evolution of the old landowner model.



Mill and pasta factory. Ganaceto, Modena, n.d.
Italian centre for documentation on cooperation
and social economy of Bologna

120

Confcooperative and AGCI also organised their affiliated companies around farming consortia. In 1949, the Catholic cooperatives in Savigno, Sala Bolognese, Molinella, Sant'Agata Bolognese, Vergato and the Dairy Cooperative Industry and associated services in Crevalcore set up the Interprovincial Consortium of Agricultural Cooperatives (CICA) as a service and support structure. It played an important role in managing machinery on behalf of affiliated companies and in gaining access to land ownership for associated cooperative workers in the 50's, thanks to the opportunities offered by the Fund for small farm owners. CICA became the pivot of all regional agricultural cooperation of Catholic inspiration when the attempt to attract the Associazione Quadri nell'Unione in Modena failed (it was a structure originating from Fascist corporatism and linked to the Farmers' Association, which was particularly active in agricultural services, with a large social base).

CICA became the centre of gravity for major business initiatives, such as the first cooperative sugar factory in Minerbio, in the Province of Bologna, in 1960.

### Giovanni Bersani and cooperative promotion in agriculture

The regional capital represented a pilot-case of cooperative promotion in the field of agriculture for Catholic cooperatives, with implications on organisational and promotional models, thanks to the presence of a leader such as Giovanni Bersani. As a former partisan, he was among the organisers of the Catholic movement after the war. He was connected to the ACLIs and a Democrat deputy for six legislatures. He was also known for having founded CEFA (European Committee for Education and Agriculture) in the 70's, an NGO Organisation for international development. CEFA has recently developed the Africa Milk Project, supported by the Granarolo Group through financial contributions, training and technical courses and on-site technical support. A micro milk chain was created around Njombe Milk Factory - a dairy situated in one of the poorest districts of Tanzania - capable of producing milk and distributing it to households and schools, ensuring food, employment and economic activities. In the postwar period, the ACLIs functioned as a processing lab for Catholic cooperation, which launched the integration experience in the agricultural sector through the consortia. CICA represents the first experience in the field of consortia carried out by Confcooperative, which later developed second and third level strategies (i.e. consortia among cooperatives and consortia among consortia) to modernise

the countryside. In this way CICA aimed at preserving the cooperation bond with the territory providing production prospects and income to associated companies in a better way than through mergers, which was instead the instrument chosen by the League.

The Consortia, both of the League and Confcooperative, undertook a training action for the benefit of members active in the technical field, updating them in the field of innovation and following them in the processes of business growth; all this in the wake of a tradition that had started with the Itinerant Chairs of agriculture in the 19th century. Within Catholic cooperation this action was carried out 121 in a particularly articulate way in the Province of Modena for its "social capital", made by networks of trust and solidarity, one of the distinctive and competitive features in local communities.

The program of the Modena Association in the early '60s focused on four directions: awareness-raising campaigns and training, which took place in the evening, in taverns and parishes, to meet potential partners, through a constant action of penetration; technical self-managed support, which was crucial to change the mind-set that would lead to experience strongly innovative cooperative experiences; consortia for the restoration of livestock heritage; and study trips to learn about more advanced cooperatives.





Conference held in the farmyard of the agricultural cooperative Giuseppe Massarenti in Molinella, Guido Fanti as President of the Regional Council of Emilia-Romagna speaks, Bologna, 1972 Italian Centre for Documentation on Cooperation and Social Economy in Bologna



Assembly of potatoes producers from Castel D'Aiano, Bologna, 1964
Italian Centre for Documentation on Cooperation and Social Economy in Bologna



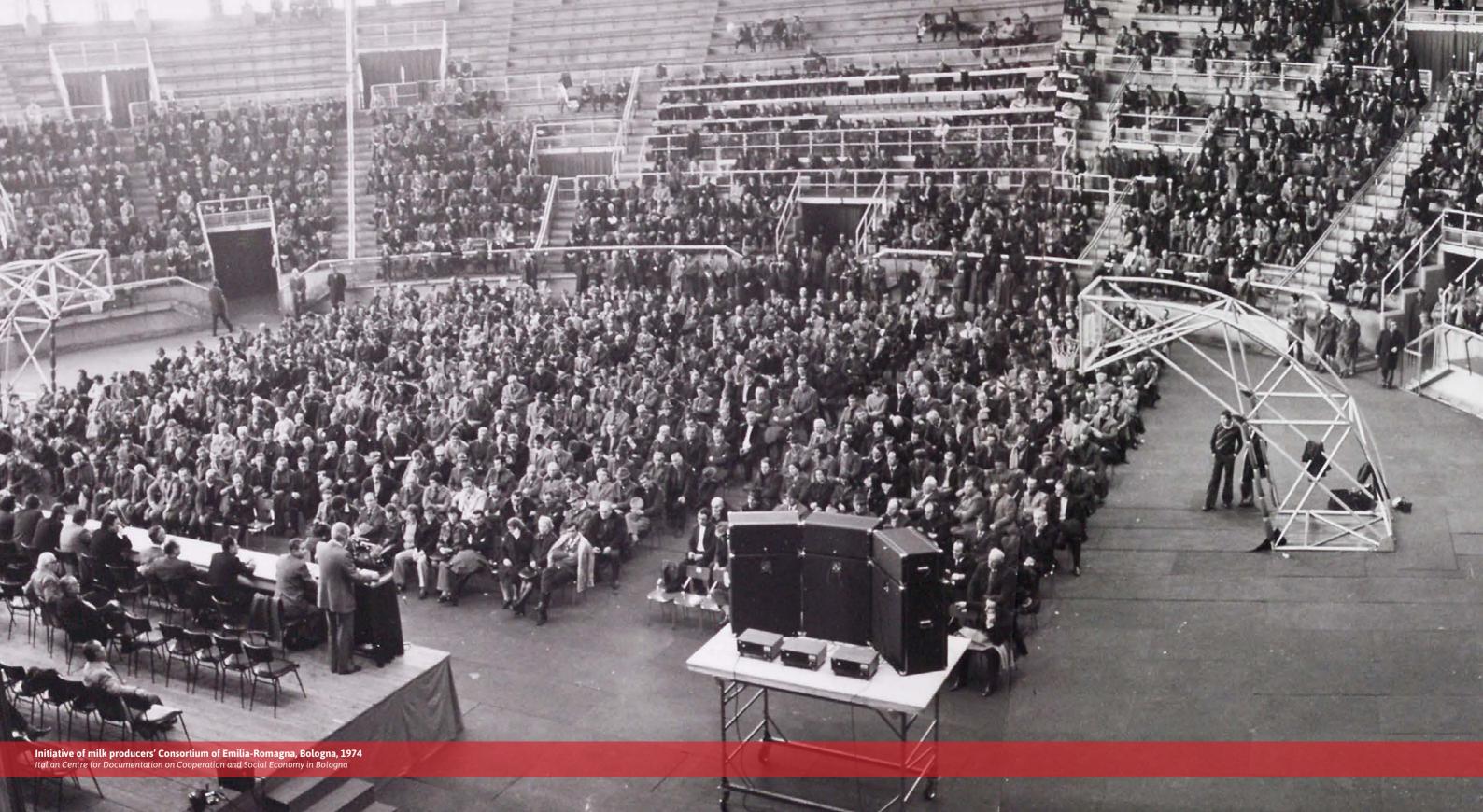
Inauguration of Saloc (today Agrintesa) in the presence of the Minister Franco Restivo, Castelfranco Emilia, Province of Modena, 16th of October, 1967

Confcooperative Archives of Modena



Inauguration of Copar (today Conserve Italia), in the presence of Giovanni Marcora, Ravarino, Province of Modena, 15<sup>th</sup> of November, 1975

Confcooperative Archives of Modena



## 8. The great transformation

126

The cooperative agri-food sector after World War II

rom the second half of the 80's, cooperation started to feel the turmoil caused by the prospect of the liberalisation of capital due to happen in 1992 in the European Union. Italian companies were put under a lot of pressure to increase in dimensions in order to face foreign competition that could enter the market in a massive way.

The cooperative structure in Emilia-Romagna in the agri-food sector was made up of producers that carried out collection, handling, storage and sale. Good results were achieved in the microeconomic field; however, it was a very fragmented reality, because market prices and policies were still determined by other operators. The new situation forced companies to carry out restructuring, rationalisation and internal integration plans in order to become more competitive and better equipped businesses.

Regional cooperative companies were organised according to a system where, by still keeping a deep-rooted attachment to the territorial area, companies needed to go beyond local borders in order to reach the economic, productive, and organisational dimensions necessary to compete at the same level as multinational companies, by investing in research and planning, technological and market innovation, communication and brand policies and the standardisation of quality according to the required levels.

Moreover, certain key products such as wine, fruit and Parmesan cheese needed to gain available market segments, particularly abroad.

The action thta were taken were in part initiatives coming from the cooperative movement (this line was followed in particular by Confcooperative), with the foundation of second degree consortia (to integrate the cooperatives occupied in the processing of products), and third degree consortia (national consortia for commercialisation). To facilitate this process, unitary associations between agricultural producers were also created in order to increase negotiating power and planning capacity. Interprovincial associations of producers in the dairy, wine and bovine and pork meat sectors were set up in Emilia in 1981.

The Conecor association was concerned instead with the fruit and vegetable sector. On the other hand, the more organised realities created more complex corporate structures, under Group logic (this line was followed in particular by Lega), where the majority shareholding cooperative had control over limited companies that could carry out business functions on the market with fewer constraints. It was not an easy change to make. In the 60's and 70's mergers and corporate aggregations were facilitated by the sharing of common values and views about cooperation and this allowed for the creation of more stable businesses. In the 80's and 90's the capacity of cooperative ideals to gain economic value reached a crisis point: the need to acquire a managerial view, to structure companies into Groups with different business functions, made the governance problem very real in medium-large businesses, with the risk of the latter to be detached from the network of the movement.

It was the beginning of a long-running debate on the redefinition of members' functions within cooperative businesses, underlining the necessity to create supervisory instruments to check managers' work, in order to overcome the confidence crisis caused also by the failure of some well-established realities such as Giglio milk or Parmasole.

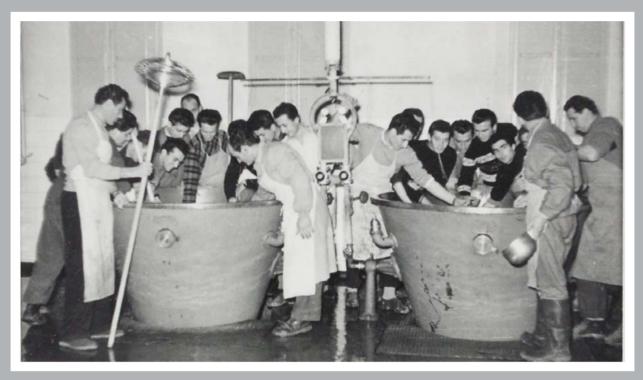
# From self-taught...

The first executives of cooperation came from low social classes, with a low education level and absolutely no knowledge of business communication. They grew up in the totalitarian Fascist regime and were highly illiterate. Some fought for the partisan movement in the Resistance and, after the war, studied in schools founded by political parties or churches to educate and teach their activists to foster democracy by supporting political and trade union movements or the world of associations. From this experience they learned propaganda languages (instruments, symbols, relations with the territory, the topics of the conflict generated by the Cold War) that were also used on certain occasions in the promotion of cooperative products in a series of overlapping plans. In the Lega cooperatives the office for public relations, researches and planning was called for many years "Servizio acquisti, stampa e propaganda" (Purchasing press and propaganda department), an expression typically used by the "Organizzazione stampa e propaganda" (Press and Propaganda Organisation) of the communist party.

Within businesses, all cooperative workers, even non-members, contributed to the accumulation of capital by working many hours on a voluntary basis, in the belief they were part of a social change or that they were acting for the achievement of Christian values. Although wages were not hierarchical (executives, as well as party or union officials, earned as much money as a skilled worker,) the enticement of the money earned privately in the early years did not stop top executives wanting to work for cooperatives and speaking only in terms of money was often considered as a belittlement of the "militating" nature of their professional work. The work carried out in the cooperative was described by the Communist witnesses as a "credo", and their colleagues as an "ever available large collective".



8<sup>th</sup> March of the Modena's female co-operators in the 50's. Italian Documentation Center on Cooperation and Social Economy of Bologna



Course in cooperative dairy factory, Bologna, 1954-1955 Italian Documentation Center on Cooperation and Social Economy of Bologna



Typing course organised by Comitato di coordinamento cooperative di Baricella (Committee for the Coordination of the Cooperatives of Baricella), Bo, 1953

Italian Documentation Center on Cooperation and Social Economy of Bologna



Initiative of the female co-operators in the 50's Italian Documentation Center on Cooperation and Social Economy of Bologna



Provincial school for co-operators, Codigoro, Fe, s.d. Italian Documentation Center on Cooperation and Social Economy of Bologna



The cooperative agri-food sector after World War II

133

#### 9. New development paradigms

oncepts that nowadays are part of our daily lives, such as product traceability and products from a controlled supply chain, started to be elaborated in the 90's with the increasing complexity of the agri-food market and the entry of international groups. Cooperation was a company of producers that joined forces to improve their living and working conditions, in a context that valorised solidarity.

The concept of product 'quality' was used to gain consumers' trust and also contributed to creating the image of some important agri-food cooperatives. Now, in an economic context bound to a new consumer culture, this idea could help these companies to set an efficient brand policy based on quality, the key element of international competition. Obviously, it had to be accompanied by an innovative action, which however encountered some obstacles in the cooperative company and required the overcoming of some taboos.

The first was the difficulty in rationalising the workforce during phases of crisis. For obvious reasons the firing of redundant workers represented a sort of taboo: the fight against unemployment and poverty had been one of the key elements of the cooperative world. The necessity to reduce the workforce was going against this fundamental ethical value. In many cases, the process of restructuring was constantly delayed until the business risked going bankrupt. However, in the case of dismissal, they tried to reduce social damage by adopting early retirement plans or a wage guarantee fund and by looking for an agreement with the trade unions.

The second obstacle to overcome was capitalisation; cooperation was born as an alternative to private speculation and to guarantee a fair price to agricultural producers. However, the aim to pay contributing shareholders had negative effects on the capitalisation of companies. The persistence of a costs and revenues management prevented the accumulation of capital. In the 80's, to restore the financial balance, it was necessary to use extraordinary capitalisation plans, often reluctantly accepted by members.

The last weakness to overcome was to remove the barriers and ideological fences that not only still survived but also still influenced fundamental strategic choices.

Although some attempts were made, such as the merger of Granarolo-Felsinea in the fresh milk sector, the divisions between the world of Confcooperative and Lega still persisted. It was not possible, therefore, to carry out projects of strategic unification due to the lack of trust between the various cultural components.

To conclude, and before reviewing the various sectors, after the Second World War agricultural cooperation in Emilia-Romagna, despite the enthusiasm for the cooperation of day labourers and land management, continued with the development of a service cooperation and most importantly of a cooperation for the processing of products. It had started at the beginning of the 19th century and, although forced to stop by Fascism, continued to become deeply rooted. In the 80's and 90's the affirmation of this reality was completed, and radical restructuring was necessary to sustain competition with the international market. We will see, by reviewing the different sectors, how the creation of industrial districts and the expansion of reference markets represented the incentive, but also the necessity, to elaborate new strategies to defend the producers' income.

#### ...to managers

In the 80's and 90's the involvement of values was less intense, also due to the fact that the process of democratisation and modernisation of the country was over. Cooperation had succeeded in including ordinary people in the process of general decision-making and favouring social classes that had before been at the margins of civic culture. The cooperative, once led by self-taught fathers, was now in the hands of educated sons, still coming mainly from the working class but protagonists of the much-desired social climbing.

The new generation of managers, who were more competent and educated, addressed their attention to the market and focused on dimensional growth and the acquisition of specific skills (efficiency, rationalisation, diversification, management control, financial management, IT, specialized frameworks, etc.). They aimed for a new model that would value any member as an entrepreneur, rather than a subordinate worker that needed support (the weakness of the social loan and capitalisation was considered by cooperative businesses as a sign of the inadequate involvement of the member as an entrepreneur). The economic culture of this new management that had just entered cooperation was in conflict with some identity values. In particular, it was necessary to mediate the equality principle in order to introduce a merit-based system for the division of work and compensation, and overcome the working class view in order to give more power to the company's managers and technicians.

Although this cultural step was quite difficult to make, it was less traumatic for the Catholic cooperation, which had a different business culture that was more willing to communicate with market logics and less involved with the class struggle. Moreover, Confcooperative, in its growth strategy through second and third degree consortia, promoted the selection of management from within the companies, rather than real managers, considering this strategy as a key element for easy governance of the cooperative.



The Minister of Agriculture Giovanni Marcora lays the first stone of the Orogel plant, Cesena, 2<sup>nd</sup> June 1975

Orogel Archives



Paf Social Cellar , the President Giuseppe Albonetti and the Minister Mario Ferrari Aggradi visit the plant, Faenza, Ra, 1960's
Photo published in Banzola, 2004, p. 119



Course for co-operators' directors organised by Federcoop of Bologna, Castel Maggiore, Bo, 1955

Italian Documentation Centre on Cooperation and Social Economy of Bologna



Course for sellers, sales representatives and retailers of Consorzio Interprovinciale vini, Civ, Vidiciatico, Bo, 1971

Italian Documentation Centre on Cooperation and Social Economy of Bologna



# **PART III**

# The agri-food cooperation sectors

1. The territorial rooting

hy did cooperation take root in the Emilia-Romagna region in the 19th century and why does it still retain its place nowadays? Studies show that when cooperation was born there was a direct relation between the diffusion of solidarity companies and the high 'social expenditure' of this area. This term identified all the benefits and other interventions financed by local authorities, mutual benefit societies, and good deeds that helped citizens in case of illness, unemployment, old age (Battilani, 2005). All these interventions would create a collective mentality and facilitate the rooting of cooperative collaboration values. Historically, then, the policies of the regional public authority, in particular in Emilia-Romagna, were always linked to cooperation, creating above all a solidarity culture by answering to local needs and creating trusted networks.

Forestry cooperation is a suitable example of this path. It was born in 1970, when the Emilia-Romagna Region introduced various measures to help mountain communities and decided to carry out its intervention policy starting with the afforestation and hydro-geological and crop redevelopment of the environment, also in relation to the water defence of the plain. Many cooperative companies were born with the aim to manage the forest heritage and the workforce, whose control was handed over from the State to the Region. They were made up of a few thousand seasonal forest workers displaced in the mountain area of Forli, Bologna and Modena. At the end of the 70's there were 18 working forestry cooperatives with an average of 3,350 members. Today, forestry cooperation is not only taking care of the territory with key interventions for the plains, but it is also a source of great value for the economy of the mountainous areas. The attention to the environment, stimulated also by European and regional legislation, has contributed to the creation of new activities also in the cooperatives of the plains. These activities were aimed at restoring wetlands, artificial reservoirs and large and small woods, according to a trend that recognised the importance of biodiversity as part of sustainability policies. Cooperation has developed several dynamic, advanced business models in order to help people in difficult situations, however, this is only one side of the coin. Cooperation, as we will see here later, is today something else. We have seen in the previous chapter how the evolution of agricultural property in the region preferred the formation of small and medium farms, and how some productions such as those related to livestock and fruit and vegetables, found it difficult to become a specialisation line and a main source of income for farmers. Since they required significant investments both in terms of money and time, farmers preferred to keep some livestock items and some fruit trees besides classic productions instead of specialising in one of these sectors. Specialisation started slowly, and developed also thanks to the cooperative formula. Only the associations allowed producers to sell small productions that, put together, became competitive quantities on the market, to use innovative technologies that the single individual could not afford, to get advice and training from highly skilled technical personnel, who were able to address the farmers towards more lucrative and useful choices, to have the flexibility of a system based on the democratic

# The Emilia-Romagna Region and cooperation

The Emilia-Romagna Regional Authority has always recognised the benefits of the cooperative institution, controlling interventions for the promotion, development and qualification of the cooperative business.

In the mid-80's, probably with the encouragement of the Marcora law (DR 49/85), that had established the Fondo per la cooperazione (Fund for the cooperation), a draft law, proposed by the council members Emilio Alfonso Severi, Radames Costa and Giorgio Ceredi, tried to put order in the fragmented regional measures (the law in force at the time was law 17 of 1980) by providing among other things, the creation of a Register. The initiative was welcomed by the cooperatives; however it did not have a follow-up until 1990, when law 22 promoted the creation of an informative system on regional cooperation, with the creation of a regional cooperative credit consortium to facilitate access to credit. Law 6 reformed in 2006 the function of the Regional Authority that now has to manage the Observatory, coordinate the Council, and participate in the Foundation of a cooperation for Emilia-Romagna, with the aim to carry out studies and researches. Given this orientation, the regional provisions in the agricultural sector always kept cooperation in account. We talked about the attention towards the promotion of cooperatives in the environmental policies for the mountain area. Economic incentives were provided by different laws supporting agricultural businesses and cooperatives (LR 20/73), the development of direct ownership, individual or cooperative (LR 26/74) and extraordinary interventions in the agricultural cooperation sector (LR 2/91). Other provisions that looked positively at cooperative business provided sectorial extraordinary interventions, sustaining livestock or special crops, such as sugar beet.

The Ersa, Ente Regionale di Sviluppo Agricolo, the Regional Body responsible for agricultural development in Emilia Romagna, was established in 1977. It was the operational instrument of

the Region in the farming sector that also managed anything concerning cooperation. Its function decreased with the institution of structural funds, the first of which lasted five years between 1988 and 1992. Parallelly to European political integration, the Emilia-Romagna Regional Authority developed the promotion of services for the development of the agri-food system (LR 28/98) to improve the quality of products, the safety of production processes, the defence of the environment and health, as well as interventions for the development of agri-food systems (LR 39/99) destined to agri-food businesses. The cooperatives were among the recipients of these provisions. These interventions were proceeding together with the European legislation, that with the CAP reform of 1999 139 implemented the changes made in 1992 and identified the safety of food products, the defence of the environment and the promotion of sustainable farming as priority objectives.

This led to two provisions that have determined a deep change in the farming world and in the world of agri-food cooperation. The first was the regional law 24 of the year 2000, which preceded similar national laws (DL 228/01 and DL 102/05) and anticipated current communitarian legislation, establishing ways to reinforce organisational instruments and instruments for the concentration of agricultural supply. This was possible with the development of the Organizzazione Produttori (OP), Organisations of Producers, to increase the negotiating power of producers and facilitate all processes of management improvement, product qualification and innovation. These principles, that form the current CAP reform, go so well with the association movement principles, that the OP had a successful development in Emilia-Romagna, in particular starting from the cooperative context. The second relevant provision was the formulation of concepts such as traceability and supply chain with regional law 33 of 2002, a milestone in the agri-food sector in a cultural context that was still far from this language, but that became the interpreter of this great revolution.



agri-food cooperation sectors

This process not only helped many small producers to build, together, a critical mass able to detain negotiating power on the market, but also brought many farmers to become the protagonists of the industrial phase of product processing, of the commercial phase and of the retail sale, that is more and more identified with large retailers.

The cooperation formula, on the other hand, has allowed agri-food production to remain the leading sector of business in the Emilia-Romagna region, reaching first a national dimension and now an international dimension. A system based on integration, both in the form of unifications and networks, was created through interaction with the market. Integration was possible at a geographical, 'political', and sectorial level. The mergers or/and the formation of consortia and groups had a wide geographical dimension, that today comprises the whole national territory. Nowadays, we have connected different origins and identities, overcoming historical cultural differences. We have followed a supply chain logic, with economies of scale originating from synergies in different but complementary and coordinated business activities.

The outcome was a system able to compete with the world because of its flexibility and dynamism at different cooperative levels and at multiple consortia degrees (between business, cooperative, basic association movement, processing cooperative and the production and trade company on one side, and the food industry, the commercial sector and large retailers on the other).

In this way cooperation experimented with different integration paths: Confcooperative followed more decisively the path based on the creation of consortia, Legacoop also realised complex corporate structures, trying to grow through mergers and unifications of cooperatives, and carrying out private acquisitions in more recent years.

This is a very complex context, therefore we will introduce you briefly to this reality to give you an idea of what is behind the numbers of the 15 most important regional cooperatives. All the cooperatives have followed their own line according to a business system where property and governance continue to be in the hands of members, also where the decision-making chain is more streamlined and quicker. A model that nowadays translates the ethical virtue of cooperation - as stated by those studying economic models (Zamagni 2009) - into the capacity to face problems by solving the conflict between individual and collective interests, seeking their own interests as well as those of others and coordinating the efforts of those involved, with a mutual responsibility and support, resulting in the impossibility to distinguish single individual contributions.

Associated Italian agri-food cooperation in Emilia-Romagna: economic dimensions per sector (2013)

Sector	Businesses		Turnover		Average dimensions	
Sector	number	% of total	million €	% of total	(million € / businesses)	
Meat livestock	42	6%	4.199	32%	100,0	
Fruit, flora and vegetables	103	15%	3.432	26%	33,3	
Dairy	261	37%	2.167	16%	8,3	
Services	168	24%	1.413	11%	8,4	
Wine	43	6%	1.381	11%	32,1	
Other sectors	14	2%	407	3%	29,1	
Land Management and forestry	70	10%	144	1%	2,1	
Emilia-Romagna	701	100%	13.143	100%	18,7	

Source: Agci-Agrital , Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

# The 15 most important cooperatives in terms of turnover

	Company name	Turnover 2013 (Million €)	Sector	Province
1	CONSORZIO GESCO (1)	1.499,1	Poultry meat	FC
2	GRANLATTE - GRANAROLO	1.007,6	Dairy (mainly milk and fresh products)	ВО
3	CONSERVE ITALIA	962,9	962,9 Processed fruit and vegetable	
4	GRANDI SALUMIFICI ITALIANI SPA (2)	656,1	Pork meat	МО
5	CANTINE RIUNITE & CIV SOCIETA	534,9	Wine	RE
6	UNIPEG	475,3	Bovine meat	RE
7	PROGEO	335,2	Services (animal feed, grains, etc.)	RE
8	COPROB	334,8	Sugar	ВО
9	CAVIRO	320,6	Wine	RA
10	OROGEL	281,7	Processed fruit and vegetable	FC
11	CONSORZIO GRANTERRE - PARMAREGGIO	276,4	Dairy (mainly aged products)	МО
12	AGRINTESA	249,3	Fresh fruit and vegetable	RA
13	APO CONERPO	227,1	Fresh fruit and vegetable	ВО
14	APOFRUIT ITALIA	226,2	Fresh fruit and vegetable	FC
15	CLAI	215,7	Pork meat	ВО

<sup>(1)</sup> The cooperative falls within the Amadori Group.

Source: Agci-Agrital , Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

<sup>(2)</sup> Grandi Salumifici Italiani spa has been inserted as a joint-venture with an equal private-cooperation relationship.

The agri-food cooperation sectors

143

## 2. Cooperation in the milling sector: services, land management and "mixed" cooperation

ne of the first sectors to be concerned with the processing cooperation was the grain milling sector for the production of food flours. The farmers working in this important sector used to take wheat and barley to one of the hundred mills displaced all over the region, in order to produce the flours needed for personal use, animal feeding or the market. After being collected, the price of wheat used to drop, as most of it would be sent directly to the market by producers that had to cover cultivation costs. Only those that could afford to delay the moment of putting it on the market could earn more money.

At the end of the Second World War, the complexity of a food market based on a rationed consumption system contributed to the speculative character of the milling industry which, with its monopoly, took advantage of the situation through unfair or even fraudulent practices. In 1945 the citizens of the Masone district, in the Reggio-Emilia area, rented a plant and built the first milling cooperative of the region. It was the beginning of an innovative development of cooperation based on collection centres. The phenomenon spread rapidly and mainly in the Reggio-Emilia plain, but also interested the plains in the area of Modena and Bologna. The farmer, who was typically a small owner, a sharecropper or a lessee, used to give his product to the mill, that would immediately pay 50% of its value, and full payment only after all stock had been sold and once all costs and revenues of processing and sale had been calculated. The possibility of delaying the commercialisation of the flours allowed for a gradual increase in price, and producers would gain a stronger position on the market. The main problem was obtaining credit and supportive left- wing movements in Reggio-Emilia initially helped out with personal or bank loans.

In the 60's, cooperative mills experienced an extraordinary growth; the unification of the Fabbrico and Masone mills under the Cpca was agreed at the end of an in-depth debate and great indecision. The Cpca changed from being a service consortium on a cooperative basis, to becoming a structure that associated thousands of producers. With the unification of other mills and the enlargement of the social base to the farmers of Piacenza, Parma, Mantova and Cremona, the Masone plant was one of the largest and most advanced structures of all the Italian agri-industry in the early 70's. Over time, it became even more successful thanks to a two-way development: one was the industrial production of animal feed together with the milling and commercialisation of flours, the other was the merger of several mills to obtain economies of scale. In 1992, the unification of Italy's three main service cooperatives for agriculture (the Cpca of Reggio Emilia, the Apca of Modena and the Apca of Bologna), led to the creation of Progeo, a cooperative which nowadays links individual farmers and different types of corporations working in the farming and livestock production. On behalf of its members, it collects grains, oleaginous crops and protein crops and increases their value by processing them at their industrial premises or by selling them on the market. The business mission statement is oriented towards the promotion and valorisation of the supply chains needed to obtain quality Italian productions. This is possible thanks to members and a trade network of controlled companies that also provide for technical assistance.

Another example is Cerac, Consorzio economico rurale acquisti collettivi (Economic rural consortium for collective purchases) established in 1970, a third-degree national consortium, which unfortunately did not survive the circumstances of the 90's. It was replaced by Agriteam, by means of territorial consortia for collective purchases. Nowadays, it supplies services and plays an interface role in the provision of pesticides, fertilizers and seeds.

The first 10 cooperatives of the Service sector

	Company name	Turnover 2013 (Million €)	Main sector	Province
1	PROGEO	335,2	Technical Means	RE
2	CONSORZIO AGRARIO ADRIATICO	178,6	Farmer's Consortia	FC
3	COOPERATIVA TERREMERSE	164,3	Technical Means	RA
4	CONSORZIO AGRARIO DI RAVENNA	109,2	Farmer's Consortia	RA
5	CONSORZIO AGRARIO DI FERRARA	76,1	Farmer's Consortia	FE
6	CONSORZIO AGRARIO DI PARMA	64,5	Farmer's Consortia	PR
7	CPR SYSTEM	43,8	Logistics	ВО
8	CENTRO ECONOMICO SERVIZI AGRICOLI	40,8	Technical Means	RA
9	COPERATIVA AGRICOLA CESENATE - C.A.C.	28,6	Seeds	FC
10	COOPERATIVA MAISCOLTORI BASSO FERRARESE SOC. COOP. AGRICOLA	19,5	Grains and Protein and Oleaginous	FE

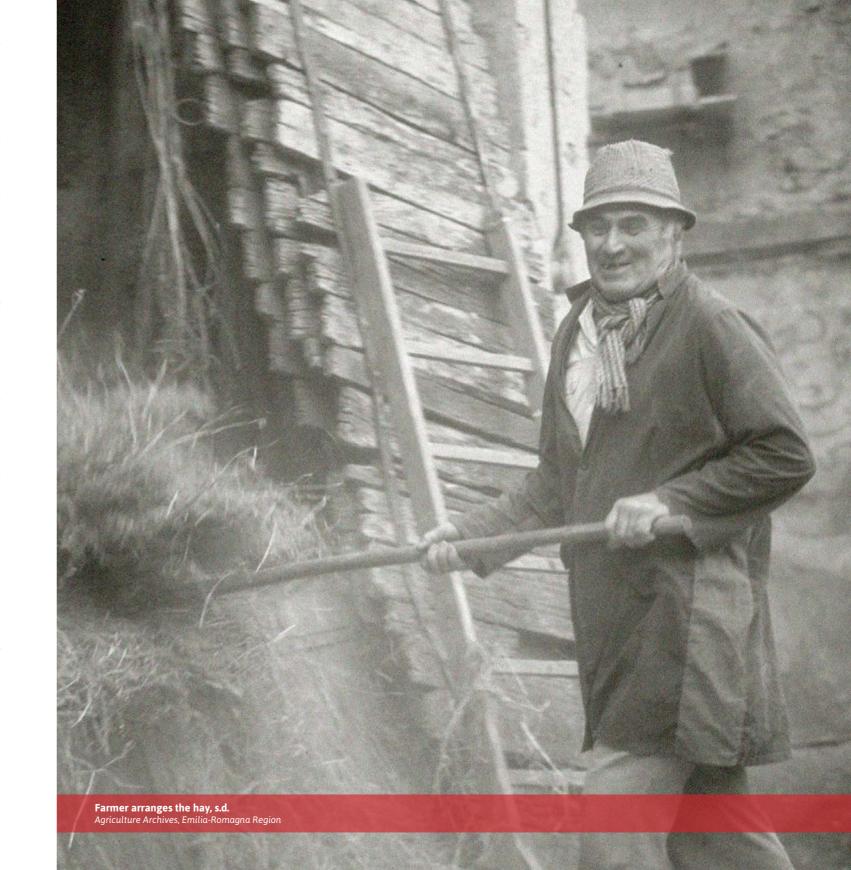
Source: Agci-Agrital , Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

The historic land management cooperatives evolved during the years in the same way as the milling cooperation: some cooperatives with mixed roles were born, while the whole cooperation was undertaking the processes of merging and unification during its long growth journey. The roles comprised for instance, the management of land, of collective or divided property and of trade or service activities, therefore, the same cooperative used to cultivate the land and/or manage the machine fleet and/or the wholesale purchasing of fertilizers and fungicides and/or the placing on the market of the farming products, etc. Over time these cooperatives specialised in a main sector of interest, although they still had many. Let's look at some examples.

The Cooperativa coltivatori diretti di Conselice (Cooperative for the direct farmers of Conselice), falling within Coldiretti and Federconsorzi, was created in 1962 from the remains of the Società anonima Cooperativa agricola di Conselice (Anonymous society Farmers' Cooperative of Conselice), founded by a group of colonists in 1908 and dissolved in 1944, as already seen in part I. The idea of going into the fruit and vegetable sector was rejected, because other realities already worked in this sector. The cooperators of Conselice decided then, to start with the wine sector. In 1976, they created Cesac, Centro economico servizi agricoli (Economic centre for farming services), to buy the machinery required for the cultivation of beet and agro-supplies. Cesac took over the Consorzio bolognese acquisti collettivi, Conbac, (Consortium of Bologna for collective purchases) in 1993 and centred its core business in the production of grains (wheat, corn, sorghum, soy, barley), also saving the historic cooperative Tre Spighe. In 2008 Conselice, after losing many members that benefited from the subsidies given to cut down vineyards, was merged in Cesac, taking the name of Cesac e cantina s.c.a. Today Cesac is a farming cooperative operating in many sectors including the vegetable sector, large retailers and 4th range products (such as all those fruit and vegetable products ready to eat), the grain sector and the wine sector. It also supplies crop protection products, fertilizers and seeds; it owns a hardware shop, has a specialisation in drip irrigation, owns a feed factory and provides for technical assistance. Its turnover is over 50 million euro, with 1,200 contributing shareholders over 8 plants located in three different provinces of Emilia-Romagna: Bologna, Ravenna, Ferrara.

The Libertà e Lavoro cooperative was created in 1950 by a group of sharecroppers and day labourers of Castiglione di Ravenna, in line with Christian solidarity values. The first steps of the cooperative were made in a difficult context, due to the social conflict animated by the social-communist farmers' movement. In the first few years the cooperative built a cattle farm, a centre for drying and storing rice, a dairy factory for the production of Grana Padano cheese, a piggery, a farm machinery and equipment shed, a church, a water supply system, an electric power line and an irrigation system. Sixteen farmhouses, which with the help of the Cassa per la formazione della piccola proprietà contadina (Bank for the formation of small farmer property) were first rented and later bought by cooperative members, were built on 140 hectares of land. After overcoming a serious crisis, the cooperative has kept and still keeps a steady trend. Today Libertà e Lavoro manages about 650 hectares of owned farming land, a livestock centre with over 1,000 cattle producing 50,000 quintals of high-quality milk per year, a sewage biogas system and a photovoltaic system.

Another example of a Catholic land management cooperative is the Foscherini of San Martino in Spino, a hamlet of Mirandola, near Modena. It was created in 1948 with the help of a particularly active priest, that helped the new born union structure of Libera Confederazione del lavoro italiana-LCisl- (Free Italian confederation of work) to organise the farm workforce. Nevertheless, Foscherini, whose founders were



all day labourers, did not do well in terms of turnover in the early years, due also to the difficulty of its members to identify with the cooperative mood. It was only later, with the purchase of the first estate (600 of state-owned hectares) and some land investments that the business started to grow. Contrary to contemporary cooperatives, like the Bosco di Camposanto estate, which closed after the land was divided among the day labourers, who had become owners, this business survived thanks to the non-division of land property and assets.

Today, the cooperative has recreated the original environment of wetlands such as woods, ponds and small lakes. It continues the cultivation of wheat, corn, sugar beet, tomatoes, soy, sorghum and onions, melons and water melons. Furthermore, it has also become an agritourism business.

Cila, Cooperativa intercomunale lavoratori agricoli (Inter-communal cooperative for farming workers) was created in 1979 by the historic farming cooperatives of Santa Vittoria and Novellara, born in the Reggio-Emilia area at the very beginning of the 19th century. Belonging to Legacoop, Cila is one of the land management cooperatives that not only survived, while other cooperatives born with the same statutory purposes failed, but also showed great adaptation skills, diversifying its activity and carving out a developing niche. Today Cila expands over a surface of 1,200 hectares of land cultivated with grains and fodder plants, which become animal feed after being milled on the company's premises. Animal breeding is the main activity of the cooperative, with 2,600 cattle for the production of Parmigiano Reggiano cheese and 10,000 pigs for the production of Parma ham. The business is a complete agri-food supply chain, from land management to the finished product: i.e. milk, meat, cured meats. The market value of its production was about 14 million euros in 2013.

Alongside these cooperatives, there are many others of different dimensions, which have started processes of technical and production innovation.

The farming cooperative business Il Raccolto was born from the merger of two large historic cooperatives of the Bologna area, the Onorato Malaguti of San Pietro in Casale and the Luciano Romagnoli in Baricella, themselves the result of various mergers that took place among the day-laborer cooperatives during the immediate post-war period. Nowadays, the cooperative cultivates a surface of about 2,000 hectares (of which 1,374 owned), producing wheat, barley, corn, sorghum, soy, sunflower, alfalfa and cultivations for agri-energy productions. These types of cooperatives have developed auxiliary innovative activities in the new millennium. Il Raccolto, for instance, by adopting various communitarian regulations and regional directives, has allocated vast farming areas for the restoration of wetlands, maquis and glade, small woods and permanent woods, thus consolidating local biodiversity. It is also an agritourism business.

In the Ravenna area the Cabs, Cooperative agricole braccianti (Day labourers farming cooperatives), had a widespread rooting, that has remained the same despite mergers and unifications. Over the years, the Cab of Campiano, for instance, born in 1907, has aggregated the Cabs of Ghibullo, Carraia and San Pietro in Vincoli, San Bartolo, San Zaccaria and Santo Stefano. The Cab of the Cervia district, 17 kilometres away, was created in 1992 from the merger of four realities: the Cab of Cervia, Castiglione di Cervia, Castiglione di Ravenna and Savio.

The cooperative business Agrisfera, born after a long process of aggregation of farming cooperatives of day labourers, the first of which was created in 1907, is today one of the biggest farming cooperatives in Ravenna, with about 280 members (of which 129 active), 4,000 hectares of owned land in the provinces of Ravenna and Ferrara, with a total revenue of about 12 million euros. Farmland is partly cultivated with herbaceous crops (grains, corn, alfalfa, beets, sunflower, etc.), with an integrated pest management method,



and partly cultivated with fruit trees and grapevines, with an advanced integrated pest management method. Agrisfera, has also restored 342 hectares of land as bushes, woods, reservoirs and wetlands to preserve the biodiversity of the territory.

The business has also a cattle breeding farm, an agri-tourism in the Po Delta park and a renewable energy plant (Biogas).

The Terremerse Cooperative was created in 1991 as the result of the merger of various cooperatives under the common aegis of Coras, born in 1981 from Caspc, whose own roots lie in the Cooperativa Servizi a Coloni, Piccoli proprietari e affittuari (Service Cooperative for Colonists, Small owners and lessees) of Massa Lombarda, founded in 1911. Coras, which had been the protagonist of the 80's fight against the use of pesticides, managed the grain stockpile, the animal feed and livestock compartment. Over the years many cooperatives in different sectors, mainly Legacoop, but also Agci and Confcooperative, in the province of Ravenna, Ferrara and Imola, directed their resources and experiences towards Terremerse, as did the Cooperativa frutticoltori (Cooperative for fruit growers) of Massa Lombarda, born in 1922, the Cooperativa ortofrutticoltori (Cooperative for fruit and vegetable growers) of Mezzano (Com, 1956), the fruit and vegetable cooperative of Lavezzola in the Ravenna area (Cor, 1961), of Savio (Cos, 1962), and the Cora, then Cor, Consorzio ortofrutticolo ravennate (Fruit and vegetable consortium of Ravenna), born in 1961 for distribution abroad. Finally, also Pempa, Cooperativa fra piccoli e medi produttori agricoli, (Cooperative of small and medium farmers) born in 1953 in Imola, one of the main fruit and vegetable cooperatives of the region, which also provided its associates with assistance, entered after a history of documented success in a deep crisis. It was merged into Terremerse in 2002, which is nowadays a well-established reality in the agri-food sector, in the grain-protein market areas, in the fruit and vegetable sector, in agri-supplies, in agricultural machinery and equipment, in irrigation, plant engineering and drainage and meats.

The story of these businesses is an example of the flexible formula of the cooperative that has allowed the coexistence, under a single system, of large, medium and small businesses inside a tight network of cooperatives, which allocates productions for the market to other cooperatives.

In the milling sector the cooperative dimension guarantees the opportunity to stockpile productions and to sell constantly, thereby preventing any speculation.

The service sector of agri-food is not really concerned with the pressure of large retailers. In the value chain, this sector works at the top, being in charge of the quality of productions, checking that the regulations on fertilizers, plant protection products and so on, are respected in order to control the local and organic production that from a niche product has become wide consumption food.

The fact that this position is covered by a business of associated producers, that would be those mostly affected by unfair practices, is a further guarantee for the consumer.

In this context the service cooperative contributed to the creation of a culture that is concerned with the quality of food and takes an interest in consumers' health, by working with the farmers towards modernisation and addressing them towards integrated, organic pest control, such as the experience of Bioplanet, a business in Cesena that breeds insects which are useful to agriculture, for organic control.



## 3. Cooperation in the sugar production

eet was a delicate, easily perishable and strongly seasonal product, but also potentially profitable.

After the Second World War the sugar sector was controlled by the major industrial groups of

After the Second World War the sugar sector was controlled by the major industrial groups of the North with large concentrations of capitals that left little freedom to producers. While in Europe (Germany, France, the Netherlands, and Belgium), cooperation had re-established a balance in power between agriculture and the sugar industry, in Italy this seemed an impossible challenge as the market was extremely competitive and required substantial initial investments. However, in the historic nucleus of producers in the Bologna area, which was one of the most suited areas for the cultivation of sugar beet, but also one of the areas most oriented towards the association movement, the opportunity to protect income by means of cooperation gained a symbolic value.

With the support of the Ente di colonizzazione del Delta Padano (an organisation for the colonisation of the Delta Padano), the Cooperativa produttori bieticoli (Cooperative for sugar beet producers) Coprob, was established in 1962 to manage the sugar factory in Minerbio created by the Cica Consortium in 1960. Communitarian legislations caused the crisis of the sector and a reduction in the concentration of businesses, which dropped from 79 to 51 between 1965 and 1975; this led to the oligopoly of larger groups, which later also got into difficulty. Nevertheless, despite the problems, production in the cooperative grew, going from a daily processing capacity of 20,000 quintals of beet, to 40,000 in 1969 and 60,000 in 1976. Sugar production increased as well from the initial 100,000 quintals to 210,000 in 1969 and 300,000 in 1977.

In the 80's Coprob benefited from State relaunch interventions for the sector mainly aimed at corporate restructuring through the acquisition of flexible organisations and the reaching of dimensions suitable for the new markets, influenced by national and international factors. Moreover, Ribs, Risanamento industriale bieticolo saccarifero, (Sugar beet industry redevelopment), a holding company to support corporate restructuring of the sector was born, and remained in the social base of Coprob for about twenty years.

The real problem of the 90's was the need to continuously renegotiate the fixed quotas in a fixed and regulated market, where the only possibility for dimensional growth was to buy already existing plants. This growth process through acquisitions happened for the first time in the cooperative context in 1990, with the acquisition of Coproa, the other cooperative sugar factory that was in crisis, and then, with the acquisition in 1999 of sugar quotas on the market (from the plants of San Pietro in Casale, that went from Eridania to Sfir, and of San Giovanni in Persiceto). The production levels of local farmers were protected, thus increasing their stability and eventually achieve the amount of 1.2 million quintals of producible sugar, which had been the pre-set objective for a long time. In a national context where the number of sugar factories had drastically reduced, going from 25 in 1992, to 19 in 2006 (7 owned by Coprob, 7 by Eridania Sadam, 4 by Sfir and 1 by Zuccherificio del Molise), the plants of Minerbio and Pontelungo became greatly indebted between 2007 and 2009 due to modernisation. Meanwhile, corporate restructuring was carried out and Italia Zuccheri was merged. During this new process Coprob diversified its production with the use of renewable energies, becoming the only cooperative sugar producer in Italy and leader of the beet-sugar sector, with a supply chain that has been certified as producing "100% Italian" sugar.



In the sugar field, that absorbed all the local production of beet, the cooperative formula was the best one to protect the income of producers, because it broke the historic division between two roles: industry, that traditionally had the ownership of the business and economic control, and the farming associations, that supplied the raw materials. However, the competition with these structured industrial groups, imposed a very careful management, focusing on technology innovation and management control, giving up the costs and revenues formula to create financial resources required for capitalisation, and studying strategies to boost the social loan.

The success of the business was therefore determined by the committed support of its members, who invested so much in their own business to make it become a reality that today produces 284,000 tons of sugar (up to 56% of the national quota), with 36,000 hectares of beet reservoir between Emilia-Romagna and Veneto and 5,700 associated businesses in 2013.



agri-food cooperation sectors

155

## 4. Cooperation in the dairy sector

he social milk factories in the Emilia-Romagna region, which today represent most of the sector compared to the private dairy factories, form a jagged tissue of small businesses that have shown great vitality, thanks to their relations with the local farming production, creating one of the most important Italian agri-food products, Parmigiano Reggiano cheese, a product that has always been appreciated in the past and which started to be exported in large amounts as from the 19th century. More in general, the production of Parmigiano Reggiano involves the areas of Emilia on the left side of the River Reno, i.e. the province of Reggio Emilia, Modena, Parma and in part the area of Bologna, where only the typical product is produced. On the other hand, the production of Grana Padano cheese involved the whole Romagna region, part of the Bologna area and the province of Piacenza. Here other varieties of cheese, such as provolone, gorgonzola or crescenze were also packaged. In the 60's, Catholic cooperation had created zonal consortia among dairy factories, like the Consorzio zona tipica per la stagionatura del formaggio Parmigiano Reggiano, (Typical zone Consortium for the aging of Parmesan cheese) starting with the mountain districts in 1967. The most important result was the constitution of Uprofor, Unione produttori formaggi (Cheese producers' union), a provincial consortium for the aging and selling of Parmigiano Reggiano, which would become a reference economic structure of regional and national dairy cooperation. In the first years of the 80's, Consorzio lattiero caseario italiano, Clci, (Italian milk and dairy consortium), was born from Uprofor which, with the Antica Formaggeria brand, used to manage the aging and selling of the products of the social dairy factories. These structures did not survive the critical circumstances of the 90's, which stimulated the concentration of businesses with both Confcooperative and Lega. In 1991 the former represented 438 regional cooperatives (10 Bologna, 1 Ferrara, 4 Forlì, 138 Modena, 29 Piacenza, 148 Parma, 0 Ravenna, 108 Reggio Emilia), while the latter joined 139 regional cooperatives (1 Bologna, 0 Ferrara, 2 Forlì, 0 Modena, 3 Piacenza, 17 Parma, 0 Ravenna, 116 Reggio Emilia). Nevertheless, the strength of Catholic cooperation in this sector lasted. In the mountain area, particularly affected by the migration flow towards the city or the plains, the social dairy factory still today has an important role, as it is the focal point of the economy of small towns. The Terre di montagna consortium was born in 2008 to highlight this important role. It associates productive businesses that have been active for more than half a century and are located in the mountain area between Modena and Bologna. The process of business concentration concerned mainly the cooperatives belonging to Legacoop, which created articulated corporate structures. An example is the Gruppo Granterre, created at the end of the 90's from the Consorzio dei caseifici sociali, Ccs, (Consortium of the social dairy factories), which was born in the Modena area in 1959 for the processing of butter and cheese and became part of the Granarolo latte group in 1982. Unigrana Spa was created by Ccs and Granarolo at the beginning of the 90's. It fell under the control of Ccs, that had become Consorzio Granterre, at the end of the 90's, and in 2004 it acquired the majority shareholding of Parmigiano. Today Consorzio Granterre is a cooperative that associates 60 single producers and 36 dairy factories representing about 1,000 farming businesses. The acquisition of Parmigiano has marked a change in commercial strategies and in image (a project aimed at creating a brand in the undifferentiated world of Parmigiano Reggiano kicked off in 2006) with the launch also of a new range of products (products with small weight range, such as cubes, shavings, etc.). The creation of Unigrana, as said before, happened through the spin-off of the business branch relating to the acquisition and marketing of the Grana cheese on behalf of Granarolo.

The first 10 cooperatives of the dairy sector

	Company name	Turnover 2013 (Million €)	Main sector	Province
1	GRANLATTE - GRANAROLO	1.007,6	Drinking milk and Milk products	ВО
2	CONSORZIO GRANTERRE - PARMAREGGIO	276,4	Milk products	МО
3	CASEIFICIO SOCIALE 4 MADONNE	19,5	Milk products	МО
4	COOPERATIVA CASEARIA CASTELNOVESE	19,3	Milk products	МО
5	CASEIFICIO RAZIONALE NOVESE	18,0	Milk products	МО
6	SANTA VITTORIA	17,7	Milk products	PC
7	CASEIFICIO SOCIALE DI NEVIANO DEGLI ARDUINI	17,0	Milk products	PR
8	ALBALAT SOCIETÀ COOPERATIVA AGRICOLA	14,4	Milk products	МО
9	LATTERIA SOCIALE DEL FORNACIONE SOCIETÀ COOPERATIVA AGRICOLA	13,3	Milk concentrations	RE
10	LATTERIA SOCIALE SAN GIOVANNI DELLA FOSSA	13,2	Milk products	RE

Source: Agci-Agrital , Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

The Consorzio bolognese produttori latte, Cbpl, (Consortium of milk producers of Bologna), better known as the Granarolo brand, was born in 1957 from the collecting cooperatives organised by the producers on the right side of the Reno river, that joined forces in order to obtain better prices for the milk sold in stables to individuals (Ala-Zignago and Polenghi-Lombardo). The cooperative had a strong political character, if only for the fight undertaken by landowners, who seized the milk trucks to stop the milk from being delivered to the cooperative, in the certainty that the agrarian pacts recognised the owner as the milk producer and the sharecropper as a simple person who milks cows. The initiative was so successful, also thanks to the ability of the executives, that they were now put in charge of milk processing: from the collecting to the industrial processing and bottling, to the commercialisation. As from the very first years, the consortium registered unexpected results and, at the end of the 60's, Polenghi-Lombardo was forced to guit the market of Bologna.

Felsina Latte Cooperative appeared between 1969 and 1970 with the aim to process the milk previously collected by Polenghi-Lombardo, supported by Confcooperative and Coldiretti, and also by the Ente Delta Padano. The initial competition between Granarolo and Felsinea, fuelled by extra-economic elements, such as different ideological and political affiliation, was overcome by the executives with an aggregation process to guarantee, with a more competitive dimension, an income for all producers of the Emilia-Romagna region. In 1972 the Consorzio Emiliano Romagnolo Produttori Latte, Cerpl, (Consortium of the milk producers of Emilia-Romagna), was born. It had the Granarolo-Felsinea brand, which connected regional cooperatives associated with Lega and Confcooperative, representing a unique, strong example for the whole cooperative movement (Domenico Campeggi, breeder of the Felsinea latte, remembers: "With the unification everyone used to say 'You sold us to the Communists!'"). Those were the years when political opposition between the centre party and left-wing parties was still on and the merging of Granarolo and Felsinea was very complex. Nevertheless, the executives obtained the blessing of Cardinal Giacomo Lercaro of Bologna, while the President of the Republic, Sandro Pertini, during a visit to the plant said: "Here, you have achieved national unity".



In the 80's, the whole dairy sector was the most involved in agri-food restructuring, in an attempt to build a strong dimension needed to face an even more competitive market. The need for mergers and unifications continued, preferably through the cooperative system, as in the Granarolo-Felsinea case. In the whole cooperative movement, cooperative structures (Giglio, Granarolo and Ccs) replaced the old consortia and provincial federations and became a permanent reference point for associations, also in terms of assistance and coordination. The crisis of the sector in the 90's, that brought Giglio to bankruptcy, represented a critical moment also for Granarolo (the historic Latterie Unite, born in 1934, leader of the long-life milk market, and also a producer of Parmigiano Reggiano and butter, after an attempt at merging with Granarolo, were bought by a large private company called Parmalat). Granarolo focused its cooperative soul on Granlatte (1998), whose associated producers are still today those who control the group through the majority shareholding of Granarolo Spa, which represents its industrial and commercial soul. Today, the Granarolo Group has undertaken processes of diversification and internationalisation, strengthening productive sectors that have given new prospects to the districts, and promoting Italian agri-food production in the world.

We have widely discussed, in part I, how the social milk factories, where the producer used to share not only the processing, but also the commercialisation of milk, are a model that contributed to the transformation of the producer from farmer to entrepreneur. The creation of cooperatives for the collection of milk, and the creation of a processing and commercialisation business, greatly extended the role of producers. They could now protect their income boosted by the modernisation of the business, thanks to livestock assistance carried out constantly by cooperative technicians and daily training aimed at improving the quality of milk, thus creating a culture that identifies animal productions as food.



The agri-food cooperation sectors

161

## 5. Cooperation in wine production

fter the war, wine production was characterised by an association movement with a moderate or conservative orientation that was born at the beginning of the 20<sup>th</sup> century, and had been favored by Fascism. In the statutes of these structures, sharecroppers and small growers were excluded from the management of wineries, which were ruled by a few big agricultural entrepreneurs. In the 60's many social wineries still did not accept sharecroppers as members, although they could have their quota of the product according to the law. Cooperative businesses played an important role also in this sector, by helping the producers of social wineries to acquire more negotiating power on the market. In few years, the organised cooperatives of Reggio-Emilia and Modena, and Ravenna and Forlì, which worked on a costs and revenues basis, achieved more competitive prices compared to those of the main wine cooperatives, and went from being a few dozen to hundreds of members processing thousands of quintals of grapes. Thanks to this effort, the network of small wine businesses in Emilia-Romagna created a productive district that today accounts for about three quarters of regional production.

In 1959, Cantina sociale of Castelfranco Emilia was the first, thanks to the Lega, to experiment with bottling in addition to wine-making, thus coming into direct contact with the retail market. This model, which allowed a more consistent turnover by reducing the commercial operators involved, was later adopted by Consorzio Cantine Cooperative Riunite (Consortium of the reunited cooperative wineries) in the province of Reggio-Emilia that was born in 1950, on the model of the Latterie Cooperative Riunite. Farmers delivered the grapes to the social wineries which, after making the wine, took the product to the consortium in charge of packaging and sales on the market. After a few years from its constitution, this business, which in the 50 years would become one of the most important world companies in this sector, produced 10,000 quintals of wine and was an example that could be followed also in other contexts. Consorzio Interprovinciale Vini, Civ, (Inter-provincial Wine Consortium), was founded in 1962 in Castelfranco Emilia. It was best known by the name it took on in 1984, CIV & CIV, and its aim was to manage the packaging and marketing of the wine collected from member wineries, between Modena and Bologna, but also to work the by-products of wine-making. The first social winery to join Agci was born in 1962, in San Bartolo di Ravenna.

Meanwhile, the Centro Vinicolo Cooperativo, Cevico, (Wine Cooperative Centre) was created in the 60's, in Lugo di Ravenna, by a corporate structure amongst whose members were five cooperatives of day labourers. In order to succeed in the brokerage process they proposed putting the product directly on the consumer market by means of a single centre in charge of packaging and marketing. Romagna's pole of Cevico today associates over 5,000 wine producers, manages 23 brands, with various market sections (from quality wines, to organic productions and Sancrispino's wine in brik cartons) and bottles over 650,000 hectolitres of wine a year. Member social wineries (among which Cantina dei Colli Romagnoli and Le Romagnole, where the wine production plants are located) obtain the grapes from associated producers for wine-making.

In the growth process undertaken by the collecting and bottling cooperatives, relations between wineries and producers have strengthened, thanks to a consultancy activity aimed at technological modernisation and productive innovation, with the introduction of technicians in the organisational chart of the company. The business culture also made some steps forward: the tendency to bottle all

The first 10 cooperatives of the wine sector

	Company name	Turnover 2013 (Million €)	Main sector	Province
1	CANTINE RIUNITE & CIV	534,9	Wine	RE
2	CAVIRO	320,6	Wine	RA
3	GRUPPO CEVICO	117,0	Wine	RA
4	LAVORAZIONE SOCIALE VINACCE DI MODENA	68,9	Wine	RA
5	CANTINA FORLI PREDAPPIO	37,1	Wine	FC
6	LE ROMAGNOLE	32,1	Wine	RA
7	CONSORZIO LE ROMAGNOLE DUE	31,3	Wine	RA
8	CANTINA DI CARPI E SORBARA	25,0	Wine	МО
9	WINEX	23,9	Wine	RA
10	CANTINA DEI COLLI ROMAGNOLI	23,5	Wine	ВО

Source: Agci-Agrital, Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

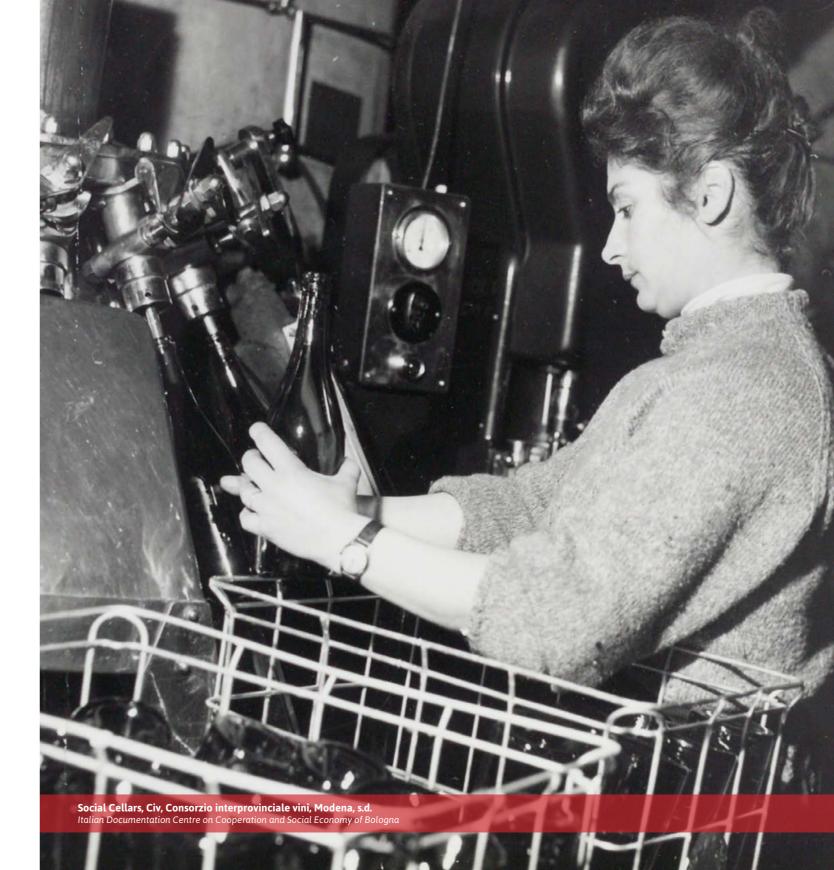
the wine delivered, even if at unprofitable prices, was overcome, and the idea of exporting to foreign markets for a mass public was now being taken into consideration. The recovery of Cantine Riunite, that suffered a deep crisis in 1965, was possible thanks to German and American consumers. The chief executive of the time is remembered by Reggio-Emilia cooperators as the one that made the Americans drink a billion bottles of Lambrusco as if it were an Italian Coke (Menzani, 2007).

The Catholic wine cooperatives were connected to the Acli circuit or to the Cisl trade union, and could rely on the new-born farming cooperatives, such as Cantina sociale of Sasso Morelli, founded in 1951 in Imola. Otherwise, more rarely, they were created by 'separated managements' of cooperatives connected to Unioni provinciali (Provincial Unions), and became stronger thanks to the joining of producers, such as the social wineries of S. Carlo and Cate-Vincooper, created by Cooperativa agricola of Castelguelfo and Cooperativa produttori agricoli (Copra) of Bagnacavallo respectively.

In 1966, nine cooperatives of Romagna, associated to Confcooperative, founded the national company Cooperativa agricola vitifrutticoltori italiani riuniti organizzati, Caviro, (Agricultural cooperative of organised reunited Italian fruit and wine growers), with its registered office in Faenza; until 1973 it did not carry out bottling, but only the distillation of the product waste to produce low range liquors. It was a no risk production, due to the support policies for distilleries in force in those years. In 1985, with the merger of Caviro with Corovin, which was a regional consortium for wine bottling located in Forli, the cooperative completely changed its core business. Today, thanks to that merger, its key product, Tavernello, has made Caviro one of the main Italian wine consortia. Corovin had bravely undertaken an innovative path, such as experimenting with wine containers other than glass. To give up traditional packaging for Tetrapak seemed something crazy but the experiment, coordinated by the University of Bologna, was a sudden success, although it did not save Corovin from crisis. Caviro, which had a safe product and a niche market, had to overcome considerable internal opposition against the merger with Corovin, also due to local rivalries between Forlì and Ravenna; the saving operation however strengthened the success of the business.

From the 70's, cooperative companies started to think about the idea of incorporating the social wineries into the consortia. They started to aim at quality productions and look more carefully at international markets. In this logic, in the more general economic framework based on the necessity to concentrate agri-food business, the process of unification and the expansion of bottling and marketing consortia continued, also through innovative experiments.

In 1970 the Catholic cooperation created the Consorzio emiliano-romagnolo viticoltori associati, Conervit, (Consortium of associated wine growers of Emilia-Romagna) promoted by the main second-degree wine organisations of the region. In 1978, Confcooperative created Consorzio cantine sociali emiliane, Ccse, (Consortium of social wineries of the Emilia region) for the producers of the province of Reggio and Modena, commercialising good quality productions also abroad (mainly the United Kingdom, the US and Canada). In 1989, Ccse joined together 10 social wineries for a total of 4,500 members, and even exported to Australia and the Far East. Finally, Unione cantine sociali, Ucs, was also born. However, in the 90's, development followed other routes, concentrating other wineries and creating structures for bottling and marketing. Ccse merged into Cantine riunite becoming unitary, while Ucs was liquidated.



Confcooperative had strongly focused on second and third-degree consortia, which were considered more suitable structures to preserve relations with the territory and keep democracy in the process of cooperative governance. In the mid-90's, talk started about group policy, the concentration of businesses for the realisation of agri-food poles, vertical and horizontal business alliances and network strategies between cooperative businesses, thus confirming the central role of the business and the necessity to overcome the classic model based on sectorial national consortia (La Rosa, 1994).

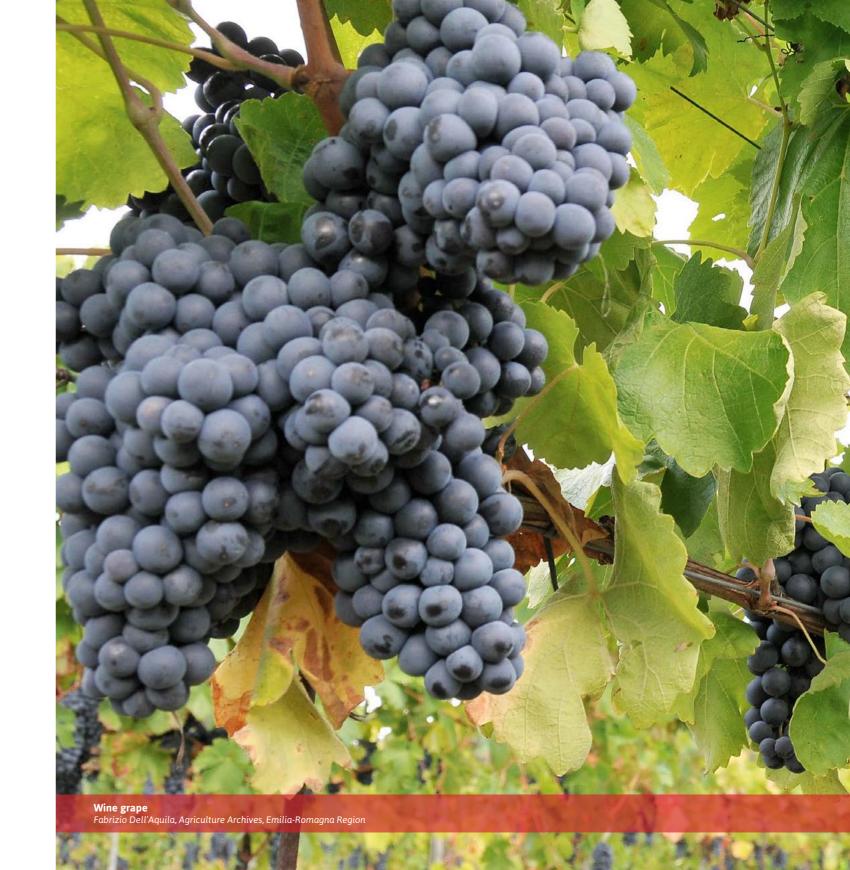
Civ, which fell within Lega, took over the wineries of Carpi, Ganaceto, Sorbara, Castelvetro and Castelfranco in 1969, with a total of 3,879 members (only Pempa in Imola, that had opened a winery in the mid-60's, continued to be a contributing member). There were even more advantages to this rationalisation than expected, and with different times and strategies, this model was also followed by Cantine Riunite, which today counts 1,500 members and is one the main wine exporters in the world. In the mid-90's Legacoop launched a concentration project based on two poles: on one side Coltiva, a management consortium managed by CIV & CIV and Cevico, on the other side Cantine Riunite, trying to involve Cantine Ronco of Forlì in the project (Cattabiani, 1995). In this way they wanted to strengthen the structure and grow in dimension to compete on the Italian and foreign market, thus ensuring producers to keeping their role in the activities and in the strategic and operational decision-making of the sector.

Not all the projects proposed in those years lasted for a long time. Nevertheless, the sector continued with the concentration system: in 2008, Cantine Riunite and CIV & CIV merged into a single consortium, with over 2,000 members from the province of Modena and Reggio Emilia.

On a base level, especially in the last decade, social wineries have merged, even undertaking unitary paths, and aim at quality productions. The turning point was reached in 1986, when a batch of wine produced in a private winery of Cuneo was adulterated with methanol (a substance used to increase the alcohol level, although not normally harmful if taken in small doses) and caused very serious permanent damages and, in certain cases, death. After the tendency to keep a winery in each district disappeared, these unifications led to higher-quality productions. One of the most recent examples is Cantina dei Colli Romagnoli, born in 2008 from the merger of several wineries in Romagna, not only belonging to Legacoop, but also to Confcooperative, on the Via Emilia route; other examples are the Cantina di Carpi e Sorbara winery, born in 2012 from the Sorbara winery founded in 1923, which expanded by taking over local social businesses, and the winery in Carpi, founded in 1903, which is the oldest social winery still in business that has taken over the wineries of Pioppa, Rovereto di Carpi, Concordia, etc.

The constitution of Emilia Wine is also very recent (2014). It is the new wine pole of the Reggio area that links together the three historic social wineries of Reggio Emilia: i.e. Arceto, La Nuova di Coreggio (Confcooperative) and Prato (Legacoop), and links over 700 producers, concentrating 30% of wine production in Reggio Emilia, up to 350,000 quintals of processed grapes.

To conclude, each single economic operator has found its own path, carving out a segment in a sector which is particularly sensitive to the fluctuations of international markets and offering a product with a high technological innovation content. In this context, cooperation has allowed the single small or medium producers of the Emilia-Romagna region, to continue to be the protagonists of this sector.



The agri-food cooperation sectors

167

## 6. Cooperation in the fruit and vegetable sector

he fruit and vegetable sector flourished later than that of mills, dairy products, and wine. Perhaps, that is why the two main cooperative associations followed the same development timing. In the fruit and vegetable sector, several cooperatives were founded, some associated with the League, others with Confcooperative or with Agci while others with none of them. These are generally aimed at the marketing of fresh or frozen fruit and vegetables as well as the processing of juices, tinned food and other canned products for factories.

Cooperation in this field dates back to the first half of the 20<sup>th</sup> century and mainly involved family-run businesses based in the eastern part of Romagna and in the Cesena-Imola-Massa Lombarda triangle, where fruit and vegetable crops were most widespread: fruit-growing was developing above all in Romagna and in the provinces of Bologna and Ferrara; vegetable-growing, and more precisely tomato, potato and asparagus varieties, was present in most parts of the region and provinces.

The first cooperative companies were set up in the trade sector rather than in the field of processing: the product was provided to the companies for storage, and then it was sold wholesale or for a production. The necessary investment for the company was the "frigor" (fridge), as it was called at that time. The aim was to eliminate the chain of intermediaries between production and retail, so as to reduce the transaction costs for the benefit of the consumer and the producer. The cooperative enterprises that were already assisting their members and used to provide them with services bought a refrigerator and started managing the sale of products.

At the end of the 50's, when the refrigerator became a common technology, more and more fruit and vegetable cooperatives were set up and they had to face a few management difficulties due to the lack of managerial skills in the cooperative organisation of that time as well as economic problems owing to difficult access to credit. Nevertheless, some leading companies came into being, such as the Cooperativa Ortolani (Gardeners' cooperative) of Imola, which was founded in 1893 and became part of the Cofri in 1996.

In 1947, it was exporting large strawberries to central Europe and had specialised in selling other fruit varieties abroad. The cooperative, which in its 19<sup>th</sup>-century by-laws had already intended to make "the exclusive sale and export of products that the members obtain from the rented or sharecropped vegetable gardens", mainly focused on tomato and strawberry growing. In 1946, it was selling both in Italy and in Europe, above all in Switzerland, Germany and England. In the 50's, exports covered 70% of the production.

Cooperation in this field also responded to the evolution of the markets with growing processes of integration. As pointed out earlier, second- and third-level consortia were initially set up, whereas later the strategy of networks and/or vertically- or horizontally-integrated groups of companies was fostered.

The first 10 cooperatives in the fruit and vegetable sector

	Company name	Turnover 2013 (M €)	Core Business	Province
1	CONSERVE ITALIA	962,9	Processed fruit and vegetables	ВО
2	OROGEL	281,7	Fresh and processed fruit and vegetables	FC
3	AGRINTESA	249,3	Fresh fruit and vegetables	RA
4	APO CONERPO	227,1	Fresh fruit and vegetables	ВО
5	APOFRUIT ITALIA	226,2	Fresh fruit and vegetables	FC
6	OROGEL FRESCO	156,2	Fresh fruit and vegetables	FC
7	CONSORZIO AGRIBOLOGNA	135,1	Fresh fruit and vegetables	ВО
8	FRUTTAGEL	128,5	Processed fruit and vegetables	RA
9	NATURITALIA	91,7	Fresh fruit and vegetables	ВО
10	ALEGRA	84,0	Fresh fruit and vegetables	RA

Source: Agci-Agrital , Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

Today, Ortolani Cofri is part of the corporate structure of Apo Conerpo (Association of fruit and vegetable producers of the Emilia-Romagna Consortium of fruit and vegetable producers), a fruit and vegetable group of European importance, derived from the evolution of Conecor. The Emilian Consortium of fruit and vegetable cooperatives, Conecor, was founded in 1967 within Confcooperative, and in the mid-70's it consisted of 38 cooperatives. It was one of the main Italian consortia in its field and had the function of marketing fresh fruit and vegetable products as well as coordinating the activities of associated cooperatives. Today, after becoming Conerpo, and then Apo Conerpo, it associates 6,700 producers and 44 cooperatives.

At present, the corporate structure of Apo Conerpo is also the result of another concentration process, which consists in the integration of historic cooperatives: Agrintesa, which was founded at the beginning of 2007 as a result of the merger of Intesa, a well-established cooperative company in Faenza, Agrifrut Romagna, a leading cooperative company in the fruit and vegetable sector in the Cesena area, and the Emilia Frutta cooperative of Castelfranco Emilia, the feather in the cap of the Emilian fruit and vegetable sector, being the result of several unification processes in which, from 1990 on, 20 basic cooperatives have been involved. Agrintesa, which provides more than 400 million kilos of fruit and vegetable products as well as grapes, is one of the largest Italian first-level cooperatives.

While in the Ferrara area the Catholic cooperation was based on the cooperatives of the former Delta Padano (the Deltafrutta group, the interprovincial consortium for fruit and vegetables Delta, Ciod, which are today part of the Patfrut cooperative), in the Romagna area it revolved around the Farm cooperative of fruit and vegetable producers in Cesena, the Cooperative of agricultural producers in Faenza, Paf, and the Cooperative of agricultural producers, Copra, in Bagnacavallo. In 1966, Paf, Copra and Solar di Godo, Fe founded Calpo, Associated cooperatives for the processing of fruit and vegetable products, a second-level body that associated the Romagna fruit and vegetable businesses and dealt with product processing. In 1972, Calpo acquired the plants of the Valfrutta company, in order to directly process fruits, and kept on selling with this brand, which would become one of the best-known in the field of food cooperation. In so doing, an important vertical integration took place: from the farm to the market of the end products, using the products that could not be included in the fresh sector.

In 1976, Calpo and other companies set up the Conserve Italia consortium of cooperatives, which included Covalpa, working in Modena in the field of industrial vegetable and fruit processing, Copar, active in Modena in the field of tomato processing, and then in the frozen food and juice sector, Copador from Parma, which associated some cooperatives of tomato producers in the provinces of Piacenza, Parma and Reggio. Conserve Italia acquired the Valfrutta and Monjardin brands, as well as more recent brands such as Derby, Yoga, Jolly, Colombani and the historic Cirio brand, so that today it is one of the main agri-food companies in Europe. Conserve Italia was founded with the mission of adding value, on the markets, to the products of the member businesses, by bringing together the best quality products of each one and overcoming the existing competitive situation. Close attention was paid to the large-scale retail sector, brands and marketing strategies, and the main focus was always market orientation, with a view to improving the income of the agricultural producers, who had not played any important role in product marketing until then. The achievements of the first years strengthened the project, so that the consortium was also entrusted with the joint planning of the production plants in order to homogenise the standards of the end products, with the adoption and



the deployment of common quality management and assurance systems, and finally the management of bank lending for the members. At the same time, a process of internationalisation started with the establishment in London, in 1983, of the Mediterranean Growers Ltd company for product marketing in Great Britain and Ireland.

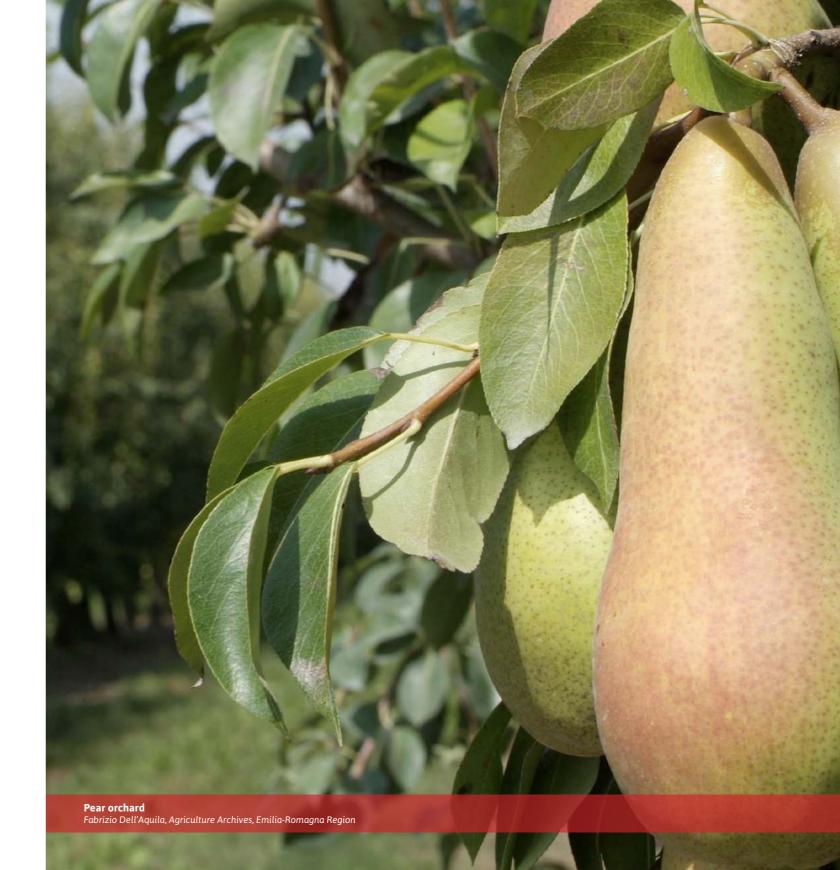
Integration with the member cooperatives also developed over time. The turning point came in the 90's: Conserve Italia, which was a third-level consortium (that is a consortium of company consortia) marketing end products provided by the associated processing cooperatives, started managing the plants directly and turned into a second-level consortium (that is a company consortium), which was entrusted with both the industrial and commercial activity. Today, the consortium members are the 49 first-level cooperatives that provide the raw materials intended for industrial processing. The turnover is growing, following a smooth, steady progression.

As regards the technologies applied in the fruit and vegetable sector, the cooperation in the field of frozen food also plays a vital role. In 1969, in Cesena, the second-level consortium Fruttadoro di Romagna was established within Confcooperative. It consisted of the Copa, Capor, Apora and Apa cooperatives and, in the mid-70's, it extended its activity to new agri-food sectors, especially those which had recently come onto the market place, such as freezing and freeze-drying. In 1978, the gradual but constant development of the Fruttadoro consortium made it appropriate to set up Orogel as a company for the production, sale and distribution of frozen products obtained from the plant in Cesena. In 1995, thanks to the further development of the activity and the establishment of other operating companies, the Fruttadoro consortium took on the role of group holding company. Today, Orogel is the first Italian company in the frozen vegetable sector and the second brand name company on the frozen food market, preceded only by a multinational corporation. In the field of vegetables and aromatic herbs, Orogel is a leading company on the national market.

In the 50's, Agci fathered Grovura, Gruppo ortofrutticolo Ville Unite di Ravenna (which later became part of the Apofruit Group), and Grolara, Gruppo ortofrutticolo Lamone di Ravenna.

At first, the Romagna movement that recognised itself in the League developed with three cooperatives based in the Ravenna area: Com, Cooperativa ortofrutticoltori di Mezzano, set up in 1956, Cor, Cooperativa ortofrutticoltori ravennati di Lavezzola, and Cos, Cooperativa ortofrutticoltori di Savio. In the early 70's, together with the historic Cooperativa frutticoltori di Massa di Lombarda, which was established in 1922, these cooperatives brought together more than 2,000 farmers in Romagna, while today, together with the Pempa members, they have joined Terremerse.

Not so far from there, in the Cesena area, Cof, a cooperative of fruit and vegetable growers between sharecroppers and small independent farmers, was set up in 1960, with a view to working and selling members' products on the market. Its developments gave birth to Apofruit in 1991. In 1986, Cof, Cofa (set up in 1962 in Forlì) and Cobar (set up in 1964 in Gambettola, FC) founded Agrosole, a processing cooperative that their members joined directly, and in 1988 they launched the Almaverde brand, which was for years a distinctive feature of the integrated production of the Apo Group. Cof, Cobar, Cofa and Agrosole merged in 1991, thus giving birth to Apofruit, which in 1995 took over the well-established Poa, a local republican cooperative grown in close competition with Cof. Later, it further developed at a regional level, thus bringing together some companies from the Ravenna and Modena area, and gaining ground at a national level. Today, the Apofruit production structure consists of 12 plants across the entire country and 6 facilities for the storage of products.



From the post-war era on, the growth strategy in this sector did not always follow linear paths. The League tried to connect agricultural cooperatives to consumption cooperatives, in line with the logic of supply chain integration and enhancement of producers and consumers. In the name of this attempt, which the League used to repeat periodically (following the example of Europe, similar attempts had been made in other sectors, too), they carried out some trials that had a difficult start and did not give the expected results, such as Cora, Consorzio ortofrutticolo ravennate, which had commercial, organisational and assistance functions, and Conor, Consorzio ortofrutticolo bolognese, which associated farm and consumption cooperatives. From the 70's on, the way was paved for strengthening the provincial consortia, which contributed to the technological innovation in this sector as well as the development of unified commercial strategies.

In addition to Conor in Bologna and Cora in Ravenna, the Agra marketing cooperative, which was active between Modena and Reggio, was set up, and Aiproco, the interprovincial association of watermelon producers and fruit and vegetable growers, was also included in the movement. Conor, which was established in 1964 due to the need to centralise the purchase of fruit and vegetables without turning to fruit and vegetable markets, facilitated the creation of the first cooperative of farmers from the Fruit and Vegetable Market in Bologna. Between 1973 and 1986, six cooperatives were set up based on this model: Cobo, Quadrifoglio, Copa, Primavera, Cona and Progresso. In 1989, these cooperatives founded the Agribologna consortium, which initially had only a representation function and in 1998 took on an organisational role in planning and marketing the products provided by the members. In 2006, cooperatives started being established through incorporation into the consortium, which became a first-level cooperative. Today, Agribologna associates 135 medium- to large-sized farms, which make 2,750 hectares (about 20 hectares on average) available in the provinces of Bologna, Ravenna, Rimini, Modena and outside the region (Veneto, Latium, Apulia), and ensure a high level of professional skills. In the frozen food sector, Fruttagel is a company that was set up in 1994 by several farm cooperatives and is mainly active in the Ravenna area. It has been working with Legacoop in order to take over the processing establishment of Alfonsine because of the serious difficulties faced by the Parmasole cooperative, which had in turn replaced AlaFrutta in 1983. In 1996, the corporate structure was completed and strengthened thanks to the inclusion of Coind, an industrial cooperative based in the Bologna area and active in the distribution sector. This was an individual case of integration between production and distribution. Coind is in charge of the governance of the Group.

Those listed above are the main examples of the vitality of this sector among a multitude of associations and consortia that grew and took on a key role, thus making Emilia-Romagna one of the most dynamic European regions in this sector.

The propensity for product and process innovation, under the pressure of the transformations in the distribution system, was the initial factor that led agricultural businesses, which had a traditional mindset but grew around modern models, to shape farmers and businessmen, and make them able to manage an important share of the chain of the value generated by their work, thus reducing the number of commercial transactions. The activism of cooperative members also found expression in their participation in the decision-making processes of their businesses through governance tools to which cooperation has always paid close attention.



## 7. Cooperation in the meat sector

174

The agri-food cooperation sectors

ooperation in the meat sector, which had definitively taken shape in the late 70's, developed a unified strategy based on the cooperation of the two main cooperative associations, above all in response to the crisis, at first economic and then structural, affecting the sector. In Emilia-Romagna, cattle were traditionally used for field work as well as for traditional self-consumption (mainly pork and poultry meat). With mechanisation, the openness of farms to the market and the transformation of self-sufficient small farms into agricultural holdings, cattle started to be used in other forms. Therefore, production was initially very fragmented and, in most cases, it contributed only partially to the formation of the farmer's income, who had no contractual power, since the quantities managed were not large. Hence the need to ally in a cooperative providing animals or livestock products (eggs or milk) for industrial processing and marketing, so as to eliminate intermediation and improve farmers' profitability.

In the 70's, the so-called social stalls also appeared. In these businesses, work was carried out by salaried employees, while mutual exchange took place between producer members, who cultivated and provided products for animal feeding. This form of enterprise, in which the cooperative associations, first and foremost the League, strongly believed, never gave the expected results and plunged into a no return crisis in the 80's. One of the main problems of these businesses was the fact that the fodder provided by the members covered a small share of the overall need and gave rise to management difficulties. Furthermore, according to the managers at the time, "the social stalls that were set up in the 70's failed because they did not reach the intended production levels, since farm management solely in the hands of the operating facilities does not work. Despite all the measures taken by the public body, all the social stalls and pigsties closed, as did those set up by Coldiretti and the League. This demonstrated that live material wants to live with somebody who takes care of it in perfect symbiosis. Otherwise, if one thinks they are working for their salary and the other believes he has a good conscience because he has given the other the right advice, the business does not work (Onorio Zotti, specialist of the Institute for agricultural development).

This problem did not arise in the stalls located within land management cooperatives, which became an alternative to social stalls and established themselves permanently when they invested in the building of the stall. The best example is the Cooperative of agricultural workers from Imola (Clai), which was set up in Imola in 1962 within the framework of the Catholic Action and the Christian Associations of Italian Workers Acli (of which the acronym Clai is an anagram). Young people, who were the true promoters of this initiative, had understood that the agricultural world was changing and looked for a business model in which they could be key players instead of being dominated by the transformation in progress. At the beginning, the activities took place in the field of auxiliary and additional services for land management and traditional livestock farming, in favour of associated farmers. The rearing of laying hens was fostered and direct pig breeding was experimented, which changed the business nature, but also the mutual relationship between members, who were directly involved in the business activity. In the 70's, the cooperative was mainly geared toward the slaughter sector and meat processing. For this purpose, it created a livestock centre which, in the 80's, would be extended in the cured pork meat factory. Meanwhile, more and more outlets were strategically being set up.

The first 10 cooperatives in the meat sector

	Сотрапу пате	Turnover 2013 (M €)	Core business	Province
1	GESCO CONSORZIO COOPERATIVO <sup>(1)</sup>	1499,1	Poultry and rabbit meat	FC
2	GRANDI SALUMIFICI ITALIANI SPA <sup>(2)</sup>	656,1	Pork	МО
3	UNIPEG	475,3	Beef	RE
4	CLAI - COOPERATIVA LAVORATORI AGRICOLI IMOLESI	215,7	Pork	ВО
5	MA.GE.MA.	156,1	Meat	RA
6	POLLO DEL CAMPO	132,1	Poultry and rabbit meat	FC
7	C.A.F.A.R.	90,4	Poultry and rabbit meat	FC
8	RIPROCOOP	82,7	Poultry and rabbit breeding	FC
9	COOPERATIVA PRODUTTORI ROMAGNOLI AVICOLI - COPRA	66,2	Poultry and rabbit meat	FC
10	ASSER - ORGANIZZAZIONE DEI SUINICOLTORI DELL'EMILIA-ROMAGNA	19,2	Consortia for protection	RE

<sup>(1)</sup> The cooperative revolves around the Amadori Group.

Source: Agci-Agrital , Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

<sup>(2)</sup> Grandi Salumifici Italiani Spa was included as a joint venture with an equal relationship between the private sector and the cooperative one.

In 2007, together with the 3C cooperative, Clai took part in the management of the fresh meat department in Conselice. In 2012, it diversified with biogas production. Today, the cooperative is active both in the sector of cured meats, with a special focus on the salami segment, and in the field of fresh beef and pork. The cooperative consists of 283 members, made up both of breeders who provide cattle (as regards pork, members must belong to the PDO-circuit - Protection Designation of Origin - of the Parma and San Daniele ham), and working members who carry out their activity in several business sectors. 440 workers are employed; the turnover exceeded 220 million euros in 2014. The company's products are to be found in the sales channels of all Italian regions and abroad, above all in the sector of cured meats.

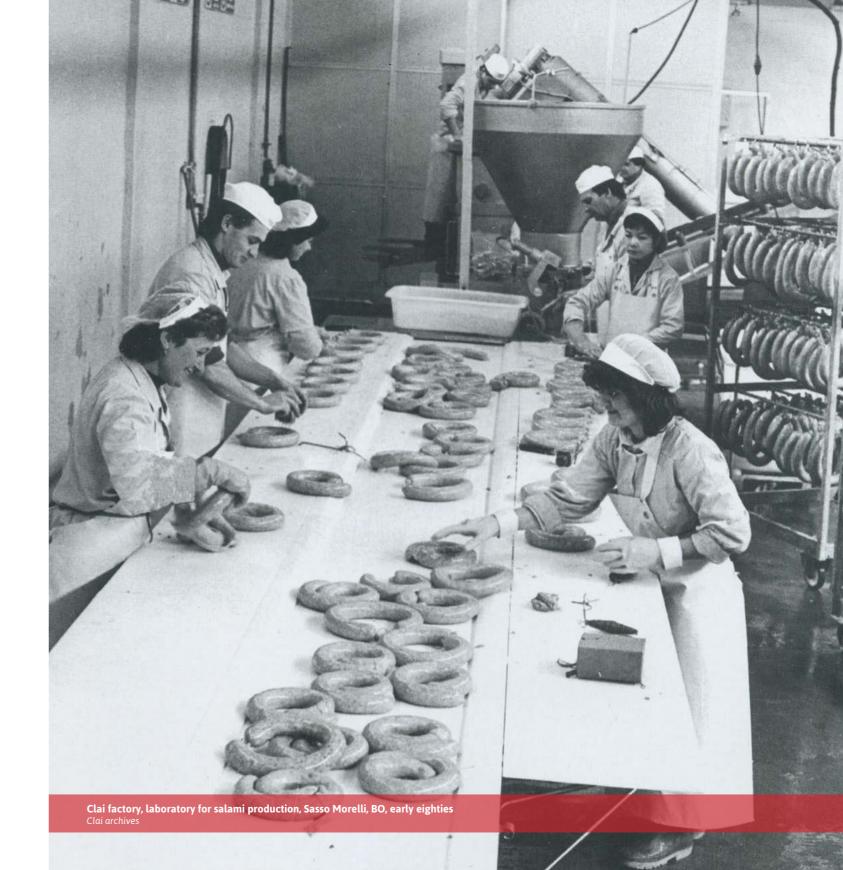
Parallelly to this evolution, some projects for the integration of dairy activities and pig breeding gained a foothold in cooperative cheese factories, and gave rise to consortium sow farms that established themselves above all in the mountains and not throughout the region, also due to environmental problems related to this kind of businesses and a restrictive legislation.

In the 60's, it was necessary to refurbish the plants used in the slaughter sector and on the meat market, in order to ensure efficient businesses from a technical, economic, hygienic and sanitary point of view. In Emilia-Romagna, Confcooperative and the League worked and created the first forms of collaboration, so as to integrate individual cooperatives at a regional level, while searching for an agreement with the local authorities for setting up modern public slaughterhouses, which could be managed by the producer' cooperatives. In the middle of the decade, this led to an agreement with the municipality of Modena concerning the slaughter and the direct sale of meat managed by the producers, and the Consorzio carni di Modena (Ccm, Meat Consortium of Modena) was set up under joint control of Confcooperative and Legacoop. Furthermore, in the Modena area, the poultry sector also gained from the creation of the Provincial Poultry Cooperative Consortium (Coprav), which managed, on behalf of the national poultry consortium, a centre for the collection, selection, qualification and marketing of the eggs provided by the members.

In 1948, within Legacoop, the Interprovincial Food Cooperative Modena (Ciam) was established with the aim of providing high-quality products at a price that was also affordable to the economically weaker sections of the population; later, it turned into a farm cooperative. The Slaughter Cooperative Company (Acm), better known by its brand name Asso, was set up in 1946 in Reggio Emilia in order to associate breeders: at first it only focused on beef, then it also extended to pork.

Confcooperative consisted of three consortia: the Italian Slaughterhouse Consortium, Cimaco, founded in 1968 to coordinate the slaughterhouses at a national level and offer services for its members' farming activities; the Poultry and Rabbit Consortium, Conav, which was founded in Forlì in 1981 and associated slaughterhouses and cooperatives of egg producers in order to coordinate sales; the Regional Livestock Consortium, Corezoo, which was set up in 1981 and was active in the technical and experimental field of animal feeding, by working as a feed mill.

In the 80's, the crisis in the livestock sector (both milk and meat) became structural, and the areas involved in milk production, rather than meat, were more affected by the policy of European incentives for the slaughter of animals, but also the land management cooperatives, the social stalls and cooperative slaughterhouses had to face some difficulties.



At this point, the search for solutions to the crisis was carried out together with the cooperative associations and the agricultural professional associations. The network of the slaughterhouses was reorganised and those that did not fulfil market requirements were closed, since such requirements had become more complex. Slaughtering was no longer the only focus, since portioning was added. The crisis had far-reaching effects on the milk and meat cattle-breeding sector, which would not manage to recover, leading to a dramatic epilogue for the destiny of the cooperatives concerned (also due to the aging of the corporate base and the termination of the activities). This path would result in the concentration of the sector in few uniform structures, above all in Emilia, and cooperation was thus limited to the processing and marketing stages. The aim of an overall reorganisation of the Emilian farming sector was to integrate the slaughterhouses and the beef and pork processing facilities, in order to make them more powerful in terms of marketing. This would be done, at a supra-provincial level, with a uniform logic by Confcooperative and Lega in the 90's, through the establishment of a cooperative pole based on the creation of two interprovincial consortia for beef slaughtering, Italcarni, and pork slaughtering, Unicarni, and the Uniform Consortium Ccm would later integrated into this pole.

While Italcarni is no longer active today, Unicarni merged with the Pegognana cooperative, thus giving rise to Unipeg in 2014, which has today become the first cooperative company in the beef sector in Italy, with more than 1,000 members, more than 600 employees and a turnover of more than 400 million euros. In 2011, Unipeg took over the Castel Carnic company, which turned into AssoFood in January 2013 and developed the sector of meat portions and preparations. In parallel, in 1991 the two cooperatives Acm e Ciam merged, thus giving rise to Unibon, also known by its brand name Casa Modena, a large cooperative group working in the fields of slaughtering, processing and marketing of pork, beef and cured meats. During the 90's, Unibon specialised more and more in its core business, that is "cured meats", and also started the production of the Parma, Modena and San Daniele ham. Two consortia that constituted the corporate base of the cooperative were entrusted with the management of slaughtering. In 2000, the joint venture with the Senfter Group enabled the establishment of Grandi Salumifici Italiani, which has a strong international vocation.

The Amadori Group is also worth mentioning, since the regional consortia Gesco, Avicoop and Consorzio produttori bionature, which associate the cooperatives that are part of Confcooperative and are dedicated to poultry and rabbit production, revolve around this group.

The meat sector, which concludes this brief overview, is a different example of the capacity of the cooperative model of adapting to heterogeneous situations by means of original and specific paths in a particular context, territory and corporate structure. The common denominator consists, still today, of ensuring an income that is suitable for the corporate base, thus making it a key player in the business, in a democratic context enhancing sustainability.



# From the past to the future: giving voice to the cooperative members

180

## **PART IV**

## From the past to the future: giving voice to the cooperative members

1. Cooperation among cooperatives

lobalisation in the new millenium has radically impacted not only markets but also the chain of distribution and the customs and habits of consumers. This has led to a series of new challenges for the agri-food industry which has reaped the rewards of a joint strategic move adopted by the three main cooperative movements in a bid for growth and partly triggered by the economic crisis.

Following a process of gradual integration, which tackled the historic issues of cooperative movements, the Alliance of Italian Cooperatives was created in 2011 and saw the unification of Legacoop, Confocooperative and Agci as a new subject, as recalls Giovanni Poletti, the then National Chairman. The aim of this Alliance was to "interpret the best interests of citizens by allowing them to lead their own lives and placing the great history of cooperatives at the service both of the nation and its development".

Upon national guidelines, the Constituent Assembly of the Alliance of Italian Cooperatives of the Emilia-Romagna region (7<sup>th</sup> June 2013) based itself on certain criteria such as "governance models, internal democracy and participation, organisational culture, the relationship with members and its enhancement, the relationship with finance and politics, the primacy of mutuality, size of company, level of openness of the cooperatives (the so-called 'open door' principle), etc".

The context in which agri-food cooperation operates, that is to say the large retail sector, is today characterised by the power to obtain products from suppliers worldwide thanks to the widening of the European Union and to the free market for all commodities, especially in the agricultural field. Production is undergoing an unprecedented price pressure. On one hand it is becoming increasingly important and difficult both to promote local produce to support farmers and to help consumers who would otherwise no longer have traceability.

A 2011 Legacoop study highlights how cooperatives' sensitiveness to environmental and energy issues is put into practice thanks to excellent company policies but also how there is no corresponding "systemic awareness" and, above all, an inadequate communication strategy.

As a consequence, in a context where all kinds of companies treat environmental issues as a cornerstone of their policies, it is agricultural companies that surprisingly do not exploit these issues to make themselves fully known to consumers. It is a paradox that large scale distribution guarantees the protection of the environment and health while suppliers would have to do so. All this is evidently due to the difficulty cooperatives have in clearly defining a distinct identity and the set of values they uphold. This gap in communication stems from the naturalness of cooperatives' policy development, based on a seemingly obvious genetic heritage that does not need to be presented or underlined. On the contrary it would be important to be aware of these clearly distinctive features.

On the other hand, market pressure leads producers to exasperated competitiveness and consequently to dimensional growth, which clearly causes governance difficulties in cooperatives.

This is a long-standing problem to which Confcooperative and Legacoop have given various solutions throughout the years, as discussed previously.

How is this reflected in the current structure of cooperatives in the Emilia-Romagna region? Table 1 clearly shows that the Emilia-Romagna region holds the record as regards the number of companies and turnover as from the beginning of the 20<sup>th</sup> century.

Tab. 1 – Associated Italian agri-food cooperation: regional distribution of cooperatives and turnover 2013

Danie	Con	npanies	Turnover		
Region	number	% of total	mln €	% su totale	
Emilia-Romagna	701	14%	13.143	36%	
Veneto	317	6%	6.753	19%	
Trentino Alto Adige	211	4%	3.735	10%	
Lombardy	273	5%	3.563	10%	
Piedmont	297	6%	1.057	3%	
Sicily	764	15%	921	3%	
Marche	130	3%	874	2%	
Puglia	430	9%	852	2%	
Friuli-Venezia Giulia	188	4%	774	2%	
Abruzzo	143	3%	660	2%	
Tuscany	232	5%	648	2%	
Campania	191	4%	605	2%	
Valle D'aosta	177	4%	598	2%	
Lazio	258	5%	532	1%	
Sardinia	250	5%	482	1%	
Umbria	77	2%	282	1%	
Calabria	160	3%	221	1%	
Basilicata	104	2%	220	1%	
Molise	52	1%	149	0%	
Liguria	69	1%	79	0%	
Italy	5.024	100%	36.147	100%	

Source: Agci-Agrital , Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

Cooperatives are on average larger than in other regions (Tab. 2) and are distributed differently than in other provinces (Tab. 3). They are made up of several small-scale businesses, with less turnover, and few larger-scale companies with high revenues. 50% of companies have a turnover of less than 2 million Euros (accounting for 2%) and 7% of companies produce 82% of turnover.(Tab. 4).

Tab. 2 - Associated Italian agri-food cooperation distribution of cooperatives and turnover by geographical area: the role of the Emilia-Romagna region (2013)

	Companies		Turn	over	Average size
	num.	%	mln €	%	(mln € / company)
North	2.233	44%	29.702	82%	13,3
of which Emilia-Romagna	701	14%	13.143	36%	18,7
Centre	697	14%	2.335	6%	3,4
South and Islands	2.094	42%	4.109	11%	2,0
Italy	5.024	100%	36.147	100%	7,2

Source: Agci-Agrital, Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

Tab. 3 – Economic indicators per province (2013)

Provinces of	ВО	FE	FC	МО	PR	PC	RA	RE	RN	Emilia-Romagna
Companies (n.)	73	47	83	118	121	31	74	135	19	701
Turnover (mln €)	3.279	402	3.598	1.613	481	175	1.785	1.767	43	13.143

Source: Agci-Agrital, Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

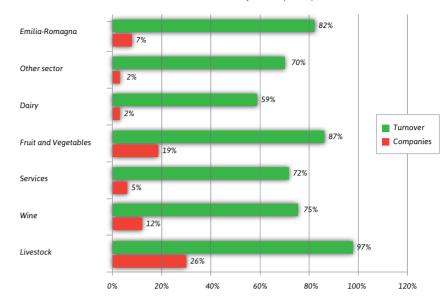
Tab. 4 – Associated Italian agri-food cooperation in the Emilia-Romagna region: distribution of companies and revenues according to turnover size class (%, 2013)

			Companies		Turnover
Overall Turnover size class 2013	<2 millions	349	50%	218	2%
	2-7 millions	200	29%	790	6%
	7-40 millions	101	14%	1.339	10%
	>40 millions	51	7%	10.796	82%
Group total		701	100%	13.143	100%

Source: Agci-Agrital, Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaborated by the Observatory of Italian Agricultural Cooperation

Upon observation of the cooperatives operating in the food supply chain, it emerges that there are several highly-partitioned sectors such as the dairy sector and services (Tab. 5).

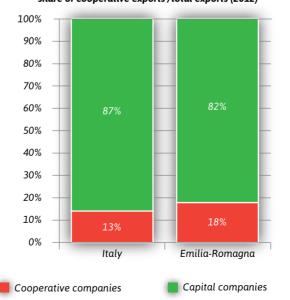
Tab. 5 - Associated Italian agri-food cooperation in the Emilia-Romagna region performance of companies exceeding 40 million Euros and turnover share per sector (%, 2013)



Source: Agci-Agrital, Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data elaborated by the Observatory of Italian Agricultural Cooperation

Cooperation in Emilia-Romagna accounts for 18% of the region's total agri-food exports in Italy whereas 23% of the region's cooperative production is exported abroad. (Tab. 6 e 7).

Tab. 6 – Associated Italian agri-food cooperation in Emilia-Romagna share of cooperative exports /total exports (2012)

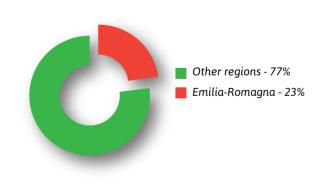


Tab. 7 - Associated Italian agri-food cooperation performance of Emilia-Romagna in Italian cooperative exports (2012)

183

to the future: giving voice

to the cooperative members



Source: Agci-Agrital, Fedagri-Confcooperative, Legacoop Agroalimentare and Unicoop data, elaboratedby the Observatory of Italian Agricultural Cooperation



As shown in previous chapters, the cooperative movement did not undergo any particularly radical change that upset its balance. The linear growth of the movement and the markets in which it operates allow for easy reflections. A series of variables and crucial challenges relative to this sector in the near future shall be examined.

The following is the result of a common reflection with cooperative members, leading entrepreneurs and spokespeople for representative organisations. On the basis of the elements that emerged, we have tried to elaborate an overall approach in the light of the history of the movement so far described.

Participants: Vincenzo Alberti (Fruttagel), Stefano Andraghetti (Cesac), Alessandro Bezzi (Confcooperative Reggio Emilia, Dairy Sector), Marina Cabassi (Unipeg), Antonio Ferraguti (Confcooperative agroalimentare Emilia-Romagna), Giovanni Giambi (Agrisfera), Cristian Maretti (Legacoop Agroalimentare Emilia-Romagna), Paolo Mariani (Agribologna), Eros Gualandi (Coop Il Raccolto), Carlo Piccinini (Cantina Sociale di Carpi e Sorbara), Davide Pieri (Confcooperative agroalimentare Emilia-Romagna), Marco Pirani (Progeo), Ruenza Santandrea (Cevico), Roberta Trovarelli (Legacoop Emilia-Romagna), Davide Vernocchi (Apoconerpo), Mirco Zanotti (Apofruit Italia).

## 2. Intergenerational dimension: room for young people

he death of companies is often linked to generational factors. In Italian capitalism, where family businesses are extremely common, hand-downs from father to children and from children to grandchildren have often led to more or less evident failure. Great dynasties such as the Falcks, Feltrinellis or Bredas are examples of this but microhistory of artisanal business or industrial districts has also provided several cases.

A cooperative is not family-run, except for a few cases in Southern Italy; nevertheless there is still a problem of an intergenerational nature. Moreover, this problem does not only regard senior figures of a business but also all its members who will sooner or later retire and be replaced.

This is the reason why companies offer training courses, job-shadowing and a series of other measures to make this staff turnover less traumatic.

Finding young members who not only have the necessary technical skills to replace retiring staff but who also have the set of values embodied in the true nature of cooperatives and are willing to accept the rules of how cooperatives function is another problem.

Cooperatives currently employ approximately one million people which means that thousands of young people will be hired in the next few years to replace staff retiring from work or staff stopping work for any other reason. The majority of these cooperatives might sooner or later ask newly-employed staff to become members, and therefore co-owners of a social structure.

The agri-food sector falls into this category and finds itself having to deal with a generational turnover which is problematic not only as regards a purely technical fulfillment of skills but also as regards a change in the characteristics of the cooperative. Other difficulties are due to the fact that agricultural work is often not considered to be profitable and rather stigmatised by society. Up until 30 years ago, agricultural technicians or graduates often did other jobs and farmers found it difficult to find a partner as "working the land" was not very desirable, hence the abandonment of farms.

In recent years, there has been a significant trend reversal and this job is becoming much more appreciated. The current economic climate and growing unemployment have led young people to turn to agriculture and maybe take over their father or grandfather's farm or livestock farm. Rural work has regained consideration and authority.

Cooperatives have an intergenerational dimension and contribute to the preservation of a deep-rooted local economy and of skills and values which help the community to thrive. People become stakeholders in cooperatives and as time goes by they retire or die but cooperatives remain alive thanks to the turnover of new generations that adhere to association agreements.

187

cooperative members

Speculation is not a characteristic of cooperatives as profits are reinvested for business renewal in order to guarantee continuity for future generations. This "transgenerational mission" continues to be very important for cooperatives whose aim is to bequeath a better company not only in terms of the quantity of assets but above all as regards **Quality**, especially in terms of land fertility. "we never think short-term, we are for medium and long-term thinking, with a hopefully infinite expiry date". A significant effort is made as regards **training** of young people, following tailor-made procedures for each specific sector. Some wine-making cooperatives have invested in innovative projects with the public and private sector, entailing the restructuring of obsolete cellars in agricultural schools so as to exploit existing buildings and produce wine by providing the young with an otherwise unaffordable avant-garde laboratory (the winery).

If we were to ask who cooperative owners are, the most obvious answer would be its members. However. saving that the owners are today's members as well as those of tomorrow would be a more thorough answer. There is no fixed share capital in this type of business, nor is it subject to a market; it is unlimited and anybody can become a member and increase share capital by contributing the amount set out in the cooperative statute. The fundamental difference is that there is no buyer or seller but iust an associate.

All cooperative members complain about the lack of generational turnover at the top of cooperatives where there are mainly old managers. Although they have helped to consolidate businesses and maintain social trust, the young struggle to find their own space. These associationist cooperatives have always provided training so as to increase awareness of the fact that becoming a stakeholder is not only economically convenient. The biggest challenge in the next few years will be to find effective ways of conveying the true united spirit of cooperatives to younger generations so as to favor job handovers at any level of company structure.

## handover



association

3. Economies of scale and scope

cooperative form.

s from the beginning of the Nineties, the quest was to find a managerial structure that would preserve the essential spirit of cooperatives, even after all the trials and tribulations of the past. The "Visentini-bis" law (n°72 of 19th March 1983) decreed for the first time that cooperatives could start up or be stakeholders in share companies and this paved the way to "hybridization", with cooperatives that controlled and held stakes in corporate purpose companies with a non-

Indeed agri-food cooperatives adopted this hybridization model to form other original and innovative models.

For example, Granlatte Granarolo is a producer cooperative that controls a processing and marketing share company; it supports the three main cooperatives (Legacoop, Confcooperative e Agci) and is considered to be an effective model, with proven success.

Some companies have taken other routes; for example Fruttagel, a rather unusual company among cooperatives as some of its members are farmers but it is managed by Coind, which operates in the distribution sector. The link with this sector is obviously strategic as distribution tends to transfer its need for economies and turnover to suppliers.

Conserve Italia, born as a trade consortium for finished products, has taken industrial and commercial management into its own hands and thus become a second-level consortium. The aim of this was to underline the fundamental role of cooperative members in **QOVERNANCE** and safeguard the deep-rooted link with the local territory even when achieving international recognition.

Wine-making cooperatives stress the importance of being large companies in this sector as current technology is highly sophisticated and substantial investment is needed. Moreover, given that foreign buyers require not only large quantities but also continuity, which small companies are not always able to guarantee, the export market is rather complicated.

The cooperative model is therefore a winning solution in this sector as the average vineyard in the Emilia-Romagna region is very small (2 hectares, although in the last few years there has been a tendency towards concentration and specialisation) and wine-making would not be feasible without the large-sized consortiums or cooperatives in charge of processing and marketing. Cantine Riunite, Caviro, Cevico - to name but a few - are in a position to sustain technology investment, guarantee large quantities and provide members with proper assistance. It is no coincidence that the leading Italian wine-making companies are cooperatives and that approximately 80% of wine in the Emilia-Romagna region is also produced by cooperatives.

In recent years, the model of wine-making consortiums and cooperatives has undergone major changes. In some cases there have been mergers between consortiums and cooperatives whereas in others the main structure has been retained, with a change in duties of the various links in the chain. However, in general, there has been a change in pace and the type of prevailing **model**, which once revolved around the consortium in charge of the bottling process, has also undergone some change. Now, wine-making cooperatives of a certain size are also involved in decisions regarding the bottling process, provided they guarantee producers a certain income.



192

Generally speaking, there is more than one model but cooperatives operate totally autonomously and adopt what is deemed to be most suitable. However, economies of scale and scope are the minimum common denominator as they are obviously crucial for the agri-food sector. The critical mass of the cooperative system as a whole, which influences certain choices and steers production based on market demand is equally important. Achieving the right balance between keeping abreast of the situation and looking to the future, which is a characteristic skill of cooperative management, is essential in guaranteeing **competitiveness** both on a national and international level and is the new challenge of the future.

> structure cooperative spirit technology investment

## 4. Defense of the territory

n added value of agri-food cooperatives is that of having given thousands and thousands of small producers the opportunity to speak with one voice on the market. This is thanks to the fact that cooperatives have often adopted an inclusive approach, unlike rival business companies that use the exclusive approach. The cooperative movement has basically played a social equalisation role by accepting members in hard-to-reach areas such as the marshlands of the Lower Po Valley or the remote slopes of the Apennine valleys, thus including farmers and stockbreeders who would otherwise be destined to remain stand-byers of traditional agrifood trade chains.

This led the cooperative movement to be considered as the upholder of the defense of the territory, underlining the importance both of historical settlements and a deep-rooted attachment to local territory in giving prospectives to entire production sectors (fruit and vegetables, wine, dairy) by contrasting the abandonment of remote farms. A perfect example is the link that has been established over time with the livestock companies of the central-western Apennines in the Emilia-Romagna region; these companies are now essential in the production chain of Parmesan cheese.

This is not as banalas it may seem since uninhabited areas often spiral into degradation. **Community group cooperative**s are particularly interesting and are to be found in small villages which risk dying out. The aim of this type of cooperative is to create new job opportunities, especially for the **YOUNG**, by developing numerous sectors such as tourism, trade and agriculture, social services, environmental protection and public services.

This "conservation" of local territory symbolizes the necessity to combat depopulation and provides opportunities for high school-leavers or graduates, who can contribute with new ideas and dynamism in a context with an extremely high potential for development. To achieve this, public institutions will play a fundamental role.

In the wine-making sector for example, cooperation has allowed for some autochthonous vines to be preserved, thus conserving territorial embeddedness. In the 80's, there was a demand for mainly international wines such as Chardonnay or Petit Verdot and so the tendency was to produce just these. As a result of cooperative movement policy for the conservation of typical local production, many wines that had become niche products such as Trebbiano, Sangiovese, Albana and Lambrusco were saved (and are experiencing a comeback).

On the other hand, a consortium for the protection of Pignoletto was created as there started to be imitations of this wine. Nowadays cooperative agronomists oversee stakeholders' vineyards; based on the type of land and market, they advise which crops should be planted and, based on quality, choose the products which are suitable for PDO, PGI and table use.

As already said, an added value of agri-food cooperation in the Emilia-Romagna region is that of focusing on **certified** quality products (PDO, PGI) so as to fill a market sector that satisfies consumers and guarantee income for the single producers.

This combination of safeguarding the specific characteristics of the territory and assuring certified quality products, which is possible also thanks to the efficiency of the chain and a good link with the retail sector, has enabled the cooperative agri-food system to take root in the hub of the regional economy. Continuing with the progress already achieved whilst implementing the link and exchange with any kind of territorial cooperative (community, forestry, social) will be the challenge of the future.

community cooperatives tourism preserve inclusive approach specific characteristics landscape

## 5. Innovation to be competitive

which have reduced the use of non-renewable energy sources. Innovation is currently an important feature of the agri-food industry but it can generally be said that it has characterised the whole 20th century history of this sector. The introduction of **new** crop production techniques, plant protection practices, storage methods and farming technologies illustrates how our campaigns have successfully interpreted and responded to the need for a major evolution in terms of modernisation. All this has often been the result of information and advice provided by cooperative organisations which have managed to persuade even the most obstinate farmers that their businesses needed updating. The agri-food cooperative movement is still essential in this modernization process and in sectors such as land management, milling and agricultural services for example, it plays an almost hidden yet crucial role; it helps to understand and decide that a certain cereal can be used for the production of pasta or bread, or that a certain grape variety vine is suitable for wine-making, or that a specific type of hay is ideal for the production of Parmesan cheese. Since the entire cooperative chain is part of an upstream and downstream supply system, the various links of this chain are concerned with keeping production standards high.

s already mentioned, sustainability is strictly connected to **innovation**. Perhaps the most

classic example is the diffusion of technologies for the exploitation of wind and solar power

195

If the company is large enough to make substantial technology investments, a 3-way innovation process takes place by: improving product quality, reducing costs or improving yield and adopting sustainability criteria.

As regards the meat sector, there is a storage problem so if the product is not frozen, technologies which prolong preservation are necessary. Meat has an expiry of 7-12 days in a protected environment which can be extended to up to 20 days, and 40 days in certain cases, thanks to vacuum packing.

The cooperative movement has been dealing with the progressive **mechanization** of various sectors and processes for several decades but there are still several production stages that will potentially become automated in the future. Once again, the role of cooperatives is crucial as it allows its members to gain easy access to machinery and equipment which no farmer would be able to afford by himself. Agri-food technology will probably be increasingly combined with traditional food safety checks, thus assuring the quality of final products.

As regards milk production, mechanized cowsheds allows for cattle, and their health, to be monitored directly in real time; in the wine sector, increasingly sophisticated machinery for the picking and selection of grapes and for testing grape ripeness is used, thus accelerating harvest time and avoiding uncontrollable fermentation, guaranteeing a cool temperature, efficient filtration, etc. In short, mechanizaton will further reduce labour costs and considerably improve quality. Given that labour costs and energy are more expensive in Italy than abroad, a joint effort for more highly-automated production is desirable.

The introduction of **new crops**, which is already in progress in the Emilia-Romagna region as well as in the rest of Italy in general, is another form of innovation. At the beginning of the 20th century, hemp and rice (which are unseen today) were typical crops. Similarly, if a sharecropper or farm labourer had been shown a kiwi in the 50's, they would probably have said it was something they had never seen

before whereas Emilia-Romagna has approximately 3,000 hectares of kiwi trees and now produces 60,000 tons of kiwis per year. This means that our territory could likely host crops that are currently common only abroad, or that varieties that are largely unknown to consumers could be planted.

The agri-food sector has progressively developed **niche products** targeted at specific consumers such as celiacs due to the considerable spread of this disease throughout the country. It is estimated that more than 100,000 people are affected and a gluten-free diet is the only possible remedy for the moment. Clai (a farm laborer cooperative in, Imola), which operates in the sector of cold meats (especially salami) and fresh beef and pork, was the first company in Italy to modify its salami recipes and methods of production so as to totally eliminate gluten for celiacs, thus allowing them to continue enjoying good food.

In conclusion, cooperatives report that whenever innovative products are proposed to consumers, good results are achieved and this means that the challenge of the future is definitely innovation, with increasing focus on consumers and stakeholders.

# mechanization technologies storage methods

## 6. Internationalization

oreign markets are the greatest **challenge** of the future for cooperatives and there is currently much discussion which highlights that a **united** approach within the Alliance of Italian cooperatives will undoubtedly be the keystone to success.

A major step to limit rival products on the Italian market has been taken by underlining the deep-rooted local tradition and **distinctiveness** of the final product, which is checked during all stages of the chain, thus offering consumers **food safety** and quality at a fair price.

Following the opportunities created by market integration, cooperatives had two options; the first was to **export** products from the Emilia-Romagna region to foreign markets in order to increase turnover whereas the second was to **extend** its corporate structure to members in foreign countries so as to find ways of establishing local roots abroad. These two plans should not be confused and so here is a more detailed explanation of each one.

As regards the first, some agri-food cooperatives had already successfully started exporting in the 60's and 70's, and some even before. However, the presence of Italian cooperatives on foreign markets is still relatively rare. The same is true of French, German, American and other foreign cooperatives. Indeed cooperatives are characterised by a strong local dimension and actions for penetrating new markets, as well as strategic partnerships with foreign companies, are perceived as being too out-of-the-ordinary or too risky.

There are of course some exceptions. The wine sector has an extremely high export rate, with peaks of 60% of turnover in Cantine Riunite CIV & CIV.

It has been reported that export requires large **investments** and a great majority of companies resort to wholesalers, retail chains, business agreements or SPVs that are often not cooperatives. Substantial financial resources are required to sustain activity abroad and the risks are extremely high so great caution is necessary. Countries like China, which is so far away and culturally different, present many obstacles that can only be overcome with the right counterparts.. Preparing foreign markets for export takes time and the whole approach requires the support of the political world. The "Country" needs to believe in certain challenges which arise from company needs, with the support of its State institutions. Accessing the market of a country with millions of inhabitants is important but is a step by step process.

Furthermore, some countries are unreliable. As regards the wine sector for example, there are countries which initially seem sensitive to policies for penetrating the multinational market of beer and alcohol but which subsequently block Italian wine thanks to national government measures.

Political support is extremely important in these cases but unlike in France, where great aid is given in boosting the export of French wine abroad, there is still a long way to go in Italy.

Together with the authorities that undertake to promote Italian companies abroad, efforts should be made to coordinate and optimize the tools at small and large cooperatives' disposal, to boost the circulation of information regarding laws and opportunities and to identify human and financial resources.

For other sectors, such as the cereal sector, it is basically impossible for countries like Italy to compete internationally because of comparable low production yields and prices that are influenced by external factors that have little to do with local production: the amount produced in Russia, the weather in the United States and so forth.

The internationalization of service cooperatives takes place through chain activities as members are given guidance, for example concerning the use of fertilizers and plant protection products, based on specifications and classification of typical Emilia-Romagna products. Development occurs through the promotion of local companies and local production, with particular importance to niche products such as Parmesan cheese and Parma ham. It is important to confirm the need to exploit economies of scale and to be competitive on foreign markets as well as to increase the weighted average of Italian companies (8 hectares in Italy compared with 24 in Spain, 50-60 in France and so on) which also penalizes large companies that are integrated into the system. Aggregate action is the only way for these companies to internationalize and achieve a critical mass so as to acquire professionalism. Bureaucratic efficiency is equally important so as to avoid having containers blocked in China or the United States just because of a missing stamp on a document. This is something that can happen because it is very difficult to manage a situation in far-away countries. In this scenario, the need for cooperation and unity extends towards Europe. Cooperatives indeed state that, in order to fully exploit their potential, common pathways with European colleagues must be found to pursue trade unionstyle lobbying activities against "a European Commission that shows no solidarity with companies" and which is only interested in what is happening in the political rather than economic world.

In addition to exports, another possibility as regards the internationalization of companies is to extend their corporate structure to producers in foreign countries, that is to say create a sort of "multinational" cooperative. For export, companies use an intermediary (the importer) who holds slices of the market whereas an internationalized company holds direct market shares, either personally or through its own affiliates or subsidiaries. This is the case of Conserve Italia, which has a long international experience thanks to subsidiaries in France, Germany, Spain and England. However, for the majority of cooperatives, the perspective of achieving the fundamental international dimension of big corporations seems to be particularly complex, especially as regards the previously mentioned territorial vocation. For some time now, the Italian cooperative movement has been working with other EU countries on the development of a European Cooperative Society (ESC) that will operate as a single legal entity with common legislation in the European Union so as to facilitate the creation of new cooperatives of natural or legal persons in Europe. However, due to a series of problems that indicates the time is not yet right, a seemingly convincing basic legislation does not provide for hypothetically potential broad-scale pro-active action.

In conclusion, the process of internationalization is also problematic as regards **competition** on foreign markets and the real international dimension of companies. As previously described on the subject of consortia, networks and so on, the cooperative movement definitely has the right experience in terms of developing organizational models that can be adapted to numerous contexts and satisfy various needs, even those of producers who, in the future, may not only be Italian but will uphold the principles of territorial embeddedness and **participativeness**.

widening = challenge distinctiveness safety

## 7. Communicating the Italian brand

n the agri-food sector, **Italian brands** abroad are synonymous with qualtiy and excellence but the challenge of the future for cooperatives is to change their communication strategy, which is currently focused on specific territorial characteristics that are rather incomprehensible to non-EU markets.

Italian brands need to find a way of recounting their century-old **food and wine history**, linked to the country's **art**, **culture and territory**, each of which has complex local, social and human diversities in a unicum that conjures up misty plains, the sunny South, rolling green hills and snowy mountains as well as the faces of the many men and women who lovingly, obstinately and skilfully continued to carry out the hard work of cultivating the land and breeding animals.

One of the problems to be overcome is the spraying of crops, which affects the accuracy of information provided.

Trebbiano is an extremely old grape variety (dating back to the Roman period), which survived natural selection thanks to its resistance. It is a long-living plant with a very high yield. As it is very easy to find, it has always been treated as rather insignificant but could in fact be more appreciated and occupy a big market as its properties are excellent for making sparkling wine.

Table wine is very expensive in Italy because Italian production costs are the highest in Europe. As price competitiveness is not feasible, a distinctive feature such as a protected designation of origin. In the Emilia region, this has been done for Lambrusco wine, although there is a small number of individual company trademarks. Advertising promotes table wines but presenting products whose **identity** highlights the quality of products achieved by wine-making cooperatives takes more courage.

Some of these factors also concern other sectors. For example, livestock farming cooperatives have to comply with complicated quality and health regulations which range from the well-being of animals to the environmental setting and this is so as to meet the ethical requirements of consumers at large who are increasingly sensitive to this subject.

However, all these special precautions risk being ignored due to the difficulty in achieving acknowledgment of the previously mentioned specific characteristics, including those related to **territorial embeddedness and supply chain sustainability**. Meat is a particular food product and the future of this sector depends on an effective communication policy. This has been demonstrated by Almaverde bio, which has become a leading organic brand thanks to a consortium making large investments in TV advertising; this is an example of a business project cooperation whereby each company acts autonomously from a managerial point of view but acts collectively for the enhancement of organic products.

However, in addition to specific sectorial difficulties, cooperatives complain that their brands are still not sufficiently appreciated. As stated throughout this report, the owners of a farming cooperative are not interested in maximizing profits but in **revenue valuation** within a system that upholds quality products and the safeguarding of the territory and its inhabitants. In the future, in a context where consumers are increasingly more careful and aware, price will no longer be the only parameter to be considered; quality and principles of fair trade proving certified sustainability, which indicates certain values, will also be important.

All this is linked to trust in those who produce, respect the environment, define work contracts and so on.

Basically speaking, **ethics** and quality will become major **business** factors. Another of the numerous future challenges facing cooperatives will be to discard the fear of highlighting their distinguishing features and re-think their communication strategies. Moreover, they will need to exploit their ethical characteristics not only as proof of their **identity** but as a marketing mechanism to convey the **value** of cooperative agri-food products and their importance in providing consumers with a **quarantee** of quality.



200

From the past to the future: giving voice to the cooperative members

he a alw Uni and

he ability to face all the difficulties encountered from the 19<sup>th</sup> century to the present day have always been a strong point of the cooperative world.

Unity was the founding principle of this movement and, like then, cooperative members know

Unity was the founding principle of this movement and, like then, cooperative members kno and constantly experience how any problem can best be solved by being together.

The major challenges on the horizon are:

- · to develop new strategies with all stakeholders;
- look to the future whilst being realistic;
- · be confident that internationalization will be achieved whilst retaining a particular identity;
- undertake more decisive unitary action;
- · know-how to communicate more effectively;
- · make investments regarding organization and production;
- invest in human resources by means of special training programmes so as to have skilled professional people for future management.

In order to win these challenges, it will be essential to understand the links between apparently contrasting factors such as territorial embeddedness vs. internationalization, special attention to members vs. acknowledgment of leadership, defense of producers vs. defense of consumers, quality vs. fair price, ethics vs. economic culture, social dimension vs. business dimension.

landscape dim **Emilia-Romagna** intergenerational Legacoop scale chain cooperation innovation **PGI** nazio Unitary action Business **Ethics** multifunctionality**Confcooperative** 

203

202

## **BIBLIOGRAPHY**

## Aerca

- 1990 Assemblea regionale delle cooperative agro-alimentari, Bologna, 3 maggio.
- 1992 Assemblea congressuale, Bologna, 11 novembre.
- 1995 Assemblea congressuale Aerca-Lega. Vita democratica e democrazia economica, cooperative agroalimentari a congresso, Bologna, 18 dicembre.
- 1996 Profilo della cooperazione agroalimentare, Bologna, Aerca.
- 2000 Analisi del sistema associativo della cooperazione agroalimentare aderente ad Anca Emilia-Romagna. Atti del convegno, Bologna, 1 giugno.

J, BOLOGIIA, I glugilo.

205

## Alleanza delle cooperative italiane Emilia-Romagna

- 2013a Assemblea costitutiva Alleanza cooperative italiane Emilia-Romagna, Bologna, 7 giugno.
- 2013b Documento istitutivo dell'Alleanza delle cooperative italiane dell'Emilia-Romagna, 7 giugno.

## **Apofruit**

2010 - Le immagini di cinquant'anni di storia, s.l., Arti grafiche Ramberti.

## L. Arbizzani, L. Casali, B. Dalla Casa, P.P. D'Attorre, P. Furlan, M. Mezzetti, N.S. Onofri, A. Preti, F. Tarozzi

1988 - Il sindacato nel bolognese. Le camere del lavoro a Bologna dal 1893 al 1960, Bologna, Ediesse.

## L. Arbizzani, N.S. Onofri, G. Ricci Garotti

1990 - L'unione dai mille strumenti. Storia della cooperazione bolognese dal 1943 al 1956, Bologna, Editrice Emilia Romagna.

## S. Banzola

2014 - Giuseppe Albonetti, un protagonista della cooperazione bianca (Faenza 1914-1974), Faenza, Tipografia Faentina.

## P. Barberini, F. Farinelli

2009 - Cab Campiano: cent'anni di cooperazione bracciantile a sud di Ravenna, Reggio Emilia, Diabasis.

## A. Basevi

1953 - Ugo Rabbeno, Estratto da "La rivista della cooperazione", Roma.

## P. Battilani

2005 - I mille volti della cooperazione italiana: obiettivi e risultati di una nuova forma di impresa dalle origini alla seconda guerra mondiale, in E. Mazzoli, S. Zamagni (a cura di), Verso una nuova teoria economica della cooperazione, Bologna, Il Mulino.

## P. Battilani, G. Bertagnoni

2015 - The use of social networks in marketing: the Italian cooperative experience, in «Journal of Historical Research in marketing», vol. 7, n. 1.

## P. Battilani, G. Bigatti (a cura di)

2002 - Oro bianco. Il settore lattiero-caseario in Val Padana tra Ottocento e Novecento, Lodi, Giona.

## P. Battilani, H.G. Schröter (a cura di)

2013 - Un'impresa speciale. Il movimento cooperativo dal secondo dopoguerra a oggi, Bologna, Il Mulino (ed. or. The cooperative Business Movement, 1950 to the Present, New York, Cambridge University Press, 2012).

## G. Bertagnoni

2004 - (a cura di) Una storia di qualità. Il Gruppo Granarolo fra valori etici e logiche di mercato, Bologna, Il Mulino.

2005 - Uomini donne valori alle radici di Camst, Bologna, Il Mulino.

2007 - Lavoro e valori: i cooperatori del nuovo millennio, in P. Battilani e G. Bertagnoni (a cura di), Competizione e valorizzazione del lavoro. La rete cooperativa del Consorzio nazionale servizi, Bologna, Il Mulino (2° ed. 2008).

2011 - L'industrializzazione del latte alimentare in Italia: criticità e ritardi visti attraverso un case study locale, in «Storia e Futuro», n. 27, 2011 (www.storiaefuturo.eu).

## C. Bonini, L. Paganelli

2002 - Un paese una cooperativa un uomo, Modena, Mucchi e SIAS.

## Camera dei Deputati

1977 - Discorsi parlamentari di Giuseppe Micheli, Roma, Graf. Ed. Romana.

## G. Canali, W. Williams

2008 - Nuove opportunità commerciali per le imprese cooperative agroalimentari, Milano, Franco Angeli.

## M. Canella, R. Garruccio (a cura di)

2008 - Dove va a finire la fatica: storie di vita e di lavoro in CMB, Cooperativa muratori e braccianti di Carpi, Milano, Mondadori.

## Q. Casadio

1996 - Uomini insieme. Storia della cooperazione imolese, I volume, Imola, La Mandragora.

## P. Cattabiani

1995 - Socio imprenditore, agricoltura professionale, impresa efficiente: la cooperazione strumento essenziale nella filiera agroalimentare, Bologna, Aerca.

## V. Cavallaro

1965 - Artefici del primo movimento cooperativo. Giovanni Raineri, Estratto da "La rivista della cooperazione", Roma, Istituto poligrafico dello Stato.

## F. Cazzola

1997 - La ricchezza della terra. L'agricoltura emiliana fra tradizione e innovazione, in R. Finzi (a cura di), Storia d'Italia. Le regioni dall'Unità a oggi. L'Emilia-Romagna, Torino, Einaudi.

## G. Cesarini

s.d. - Nascita dell'assistenza tecnica agricola in Italia: evoluzione storica e riflessioni concettuali, in http://www1.inea.it/ssa/index.html.

## E. Checcoli

2002 - Filo della memoria, Editrice Consumatori.

2005 - Un lungo viaggio nella cooperazione ferrarese, Imola, Grafiche Galeati.

## A. Colli, G. Stupazzoni

1980 - Il caseificio cooperativo, Bologna, Edagricole.

## Confcooperative

1991 - La cooperazione piacentina tra storia e futuro, Bologna, Graficolor.

2005 - Identità e progetto nella storia della Confcooperative in Emilia-Romagna, Bologna, Confcooperative Emilia-Romagna.

1984; 1985; 1986; 1988; 1989; 1992; 2004; 2008; 2012 - Guida delle cooperative.

1994; 1995 - Monitoraggio delle imprese cooperative, 1994; 1995, Bologna, Graficolor.

2009 - Immagini di cooperazione, obiettivo su persone, valori, attività, 1949-2009, Ravenna.

## Cooperativa agricola Libertà e lavoro

2000 - 50° anniversario di costituzione, Ravenna.

2010 - 60° anniversario 1950-2010. Even comunicazione.

## L. Cottignoli (a cura di)

2002 - Scatti di memoria dall'archivio della Federazione delle Cooperative della Provincia di Ravenna, Ravenna, Longo.

## G. Dall'Olio, L. Tormena

2013 - 50 anni della Cantina dei Colli Romagnoli. Dalla CO.P.A. ai nostri giorni, s.l., Sunset.

## C. De Carolis

1927 - La cooperazione agraria in Italia, Roma.

## M. Degl'Innocenti, G. Bonfante, Z. Ciuffoletti

1981 - Il movimento cooperativo in Italia: storia e problemi, a cura di Giulio Sapelli, Torino, Einaudi.

## Ente nazionale fascista della cooperazione

1937 - Cooperative agricole iscritte al 31 dicembre.

1940 - Le cooperative inquadrate nell'Ente nazionale fascista della cooperazione. Riepilogo statistico generale.

## F. Fabbri

1986 - Ruolo e presenza delle donne nella storia del movimento cooperativo italiano (1886-1925), in Aa.Vv., L'audacia insolente. La cooperazione femminile 1886-1986, Venezia, Marsilio.

2011 - L'Italia cooperativa. Centocinquant'anni di storia e di memoria. 1861-2011, Roma, Ediesse.

## R. Faben

2012 - Zucchero italiano. Una storia nobile, una sfida nuova, Roma, Donzelli.

2013 - Il Consorzio Agrario dell'Emilia. Tra storia e futuro (1901-2013), Rastignano (Bo), Litosei.

## R. Fanfani

1992 - Il rapporto agricoltura-industria tra passato e presente, in P.P. D'Attorre, V. Zamagni (a cura di), Distretti imprese classe operaia. L'industrializzazione dell'Emilia-Romagna, Milano, Franco Angeli.

2004 - L'agricoltura in Italia, Bologna, Il Mulino.

2012 - La politica agraria comunitaria. Lezioni di Politica ed economia agroalimentare, Università degli Studi di Bologna, a.a. 2012/2013, www2.stat.unibo.it/fanfani/

207

## R. Fanfani, R. Pieri (a cura di)

2014 - Il sistema agro-alimentare dell'Emilia-Romagna. Rapporto 2013, Santarcangelo di Romagna, Maggioli.

2015 - Il sistema agro-alimentare dell'Emilia-Romagna, Rapporto 2014, Santarcangelo di Romagna, Maggioli.

## R. Fanfani, E. Ricci Maccarini (edited by)

2009 - The role of cooperatives in the european agri-food system, Bologna, Bononia University Press.

## P. Ferrari

s.d. [1970 c.a] - L'industria del latte in Italia, Piacenza, Camera di commercio, industria e agricoltura di Piacenza.

## E. Fileni

1927 - Sviluppo delle cattedre ambulanti di agricoltura in Italia. Comunicazione al XIII Congresso internazionale di agricoltura, Roma.

## M. Fornasari, V. Zamagni

1997 - Il movimento cooperativo in Italia. Un profilo storico-economico (1854-1992), Firenze, Vallecchi.

## M. Garuti

2007 - La terra e l'acqua. Storie di pianura e di montagna fra il Reno e il Panaro, Bologna, Minerva.

## P. Ginsborg

1989 - Storia d'Italia dal dopoguerra a oggi. Società e politica 1943-1988, Torino, Einaudi.

1998 - L'Italia del tempo presente. Famiglia, società civile, Stato. 1980-1996, Torino, Einaudi.

## G. Giovagnoni

2013 - Da contadino a imprenditore. Memorie di una vita, a cura di Anna Maria Martinuzzi, s.l.

## **Granarolo Spa**

2000 - 40 anni di latte Granarolo, Bologna, Homina.

## R. Guarnieri, L. Levrini, D. Leoni

2008 - 100 anni di Cila: una storia che guarda avanti, Correggio, Centro culturale L.L.Radice.

## E. Guerra

2004 - Molte voci una storia. La cooperazione ravennate negli anni '50-'70, Ravenna, Longo.

## F. Landi

1998 - Storia di una cooperativa. Braccianti imprenditori del comprensorio di Cervia. 1904-1970, Ravenna, Longo.

## M. La Rosa

1994 - Monitoraggio delle imprese cooperative, Bologna, Confcooperative.

## **Legacoop Agroalimentare**

2011- Rapporto sociale 2011.

## M. Maggiorani

2003 - Storia di uomini e foreste. Economia e società nell'Appennino forlivese dal fascismo all'istituzione del Parco Nazionale, Bologna, Clueb.

## T. Menzani

2007 - La cooperazione in Emilia-Romagna. Dalla Resistenza alla svolta degli anni settanta, Bologna, Il Mulino.

2009 - Il movimento cooperativo fra le due guerre. Il caso italiano nel contesto europeo, Roma, Carocci.

2011 - Cent'anni di trasformazioni. Le radici di Terremerse nella storia della cooperazione agroalimentare ravennate, ferrarese e imolese (1911-2011), Ravenna, Grafiche Morandi.

## G. Micheli

1977 - Discorsi parlamentari di Giuseppe Micheli pubblicati per deliberazione della Camera dei Deputati, Roma, Camera dei Deputati/Graf. Ed. Romana.

## M. Montanari, G. Mantovani, S. Fronzoni (a cura di)

2002 - Fra tutti i gusti il più soave... Per una storia dello zucchero e del miele in Italia, Bologna, Clueb.

## D. Morsia

2000 - Cinquant'anni di cooperazione piacentina. Uomini, idee, progetti, per un secolo di associazionismo cattolico, Piacenza, Confcooperative, Eurograf.

## G.B. Morsiani

1959 - Commemorazione del senatore Giovanni Braschi, Imola.

## P. Nava

1992 - Vivere in cooperativa. Le cooperative agricole modenesi aderenti alla Lega Provinciale di Modena dal dopoguerra ad oggi, Carpi, Nuova grafica.

## N.S. Onofri

1965- I socialisti bolognesi nella Resistenza, Bologna, Steb, Edizioni la Squilla.

## Ortolani Cofri Società Cooperativa Agricola

s.d. - Informazione storiche, http://www.unioncamere.gov.it/

## Osservatorio della cooperazione agricola italiana

2015 - Rapporto 2014, Roma, Agri Rete Service.

## L. Paganelli (a cura di)

1999 - L'Unione cooperative di Modena nella storia della cooperazione di ispirazione cristiana (1860-1950) e nella celebrazione del cinquantesimo della fondazione (1948-1998), Modena, Mucchi e Sias editori.

## L. Paganelli, M. Rodolfi

1992 - Le origini della cooperazione cattolica e la «Rerum Novarum» a Modena 1875-1900, Modena, Mucchi e Sias editori.

## E. Pezzi (a cura di)

2014 - Futuro presente. Storie di lavoro ricreato, Bologna, Confcooperative.

## F. Pirazzini

2010 - I cinquantaquattro anni delle cantina sociale di Russi: 1944-1998, Russi, Proloco.

## U. Rabbeno

1889 - Le società cooperative di produzione, Milano, Tipografia F.lli Dumolard.

209

## F. Renzi

2014 - Il vino, il grano e la tavola. Cinquant'anni di cooperazione fra i coltivatori diretti a Conselice: la cantina sociale, la Cooperativa Consumatori 3C e il Centro Economico Servizi Agricoli (Cesac) (1962-2012), Ravenna, PubliStampa edizioni.

2013 - Le mani nella terra. La Cab Massari nella storia della cooperazione conselicese (1890-2004), Imola, Bacchilega.

## R. Ropa, C. Venturoli

2010 - Donne e lavoro un'identità difficile 1860/1960 lavoratrici in Emilia-Romagna, Bologna, editrice compositori.

## A. Rubattu

210

2001- Le cooperative degli agricoltori europei. Un viaggio nella cooperazione agricola dell'Unione Europea, Ancona, Clua.

## P. Scheuermeier

2013 - La Romagna dei contadini. 1923-1931, Imola, La Mandragora.

## Speed (a cura di)

2015 - Dossier Agroalimentare. Dalla frutta alla stalla, dai campi ai trattori: le storie, le aziende e i numeri di Emilia-Romagna e Marche, supplemento a «Il Resto del Carlino», 30 giugno.

## G. Toniolo

1900 - L'avvenire della cooperazione cristiana, discorso di chiusura del Congresso internazionale delle casse rurali e operaie, Parigi.

## M. Tozzi Fontana, M. Montanari (a cura di)

2000 - Il latte. Storia, lessici, fonti, Bologna, Tipografia Moderna.

## Unci

1994 - La cooperazione nel sistema agroalimentare: analisi ed indagini strutturali delle imprese cooperative dell'Unci, a cura di G. di Genova, Roma.

## A. Varni (a cura di)

1990 - Emilia-Romagna terra di cooperazione, Bologna, Eta edizioni.

## A. Vergnanini

1907 - Cooperazione integrale, Relazione al VII Congresso internazionale dell'Alleanza cooperativa internazionale (Cremona, 23-24-25 settembre), Reggio Emilia, Cooperativa lavoratori tipografi.

## Viaggio nei distretti industriali/65

1992 - Reggio Emilia, parmigiano superdoc, in «Il Sole-24 ore», 11 aprile.

## S. Williams

2012 - Il caso Tavernello. Un successo del mondo imprenditoriale cooperativo, Homeless Book.

## W. Williams

2009 - La cooperazione di ispirazione cristiana a Modena nel secondo dopoguerra (1950-1989), Modena, Mucchi editore.

2012 - Clai cinquant'anni di vita. Una singolare esperienza cooperativa, Imola, La Mandragora.

2013 - Coprob. Cinquant'anni di zucchero cooperativo italiano, Bologna, Minerva.

## L. Wollemborg

1984 - L'ordinamento delle Casse dei Prestiti, Conferenza tenuta il 24 novembre 1884 all'Associazione agraria friulana, in R. Marconato, La figura e l'opera di Leone Wollemborg, Treviso, La vita del popolo.

## V. Zamagni, E. Felice

2006 - Oltre il secolo. Le trasformazioni del sistema cooperativo Legacoop alla fine del secondo millennio, Bologna, Il Mulino.

## R. Zangheri, G. Galasso, V. Castronovo

1987 - Storia del movimento cooperativo in Italia. La Lega nazionale delle cooperative e mutue 1886-1986, Torino, Einaudi.

## L. Zannoni

2000 - Il centro lattiero caseario. Mezzo secolo di storia, Reggio Emilia.

## P. Zucco, S. Pezzoli, I. Fabbri (a cura di)

2011 - Terre nuove. Immagini dell'archivio fotografico dell'Ente Delta Padano, Bologna, Compositori.

## Graphics and Lay-out

Simmetrie and Partners S.r.l.

Published in August 2015

© Copyright Regione Emilia-Romagna All rights reserved



