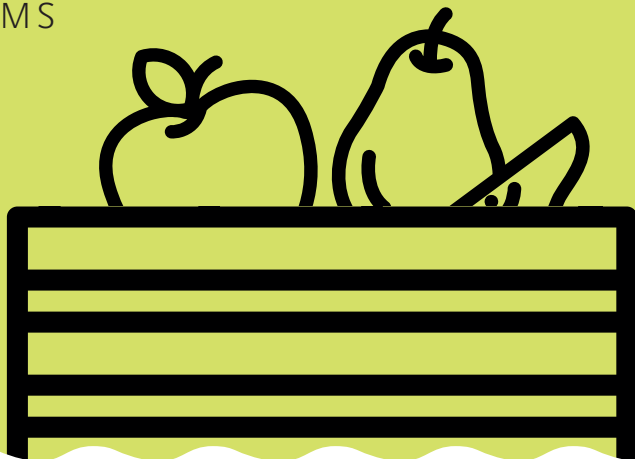


AGRICULTURAL SERVICES
COOPERATIVE SOCIETY

LPKS FRUIT HOUSE

LAUKSAIMNIECĪBAS PAKALPOJUMU
KOOPERATĪVĀ SABIEDRĪBA

LPKS AUGĻU NAMS



ADDRESS/COUNTRY

Zemenu street 22, Pure parish Tukums
region, LV-3124 - LATVIA

LEGAL ORGANISATIONAL FORM

Cooperative

WEBSITE LINK

www.auglunams.lv

CONTACTS

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YEAR OF CREATION

2012

DESCRIPTION/MAIN ACTIVITIES

The cooperative was established in 2012, when 10 orchard owners came together to form a group of fruit and vegetable producers, with the aim of building a warehouse for maintaining and marketing quality crops.

The main activity of the cooperative is storage of fruit (90% apples, about 10% pears, as well as in small quantities - plums, raspberries, cherries and strawberries) and trade.

At the same time, the members of the cooperative are representatives of the fruit and vegetable producer group (now the organization), which helps to attract additional funding both initially for the construction of the warehouse and for the provision of various activities, such as market development.

MAIN STAKEHOLDERS

member, clients, producers

The number of members has increased slightly since its foundation - there are currently 13 active members. The members are mainly located in Zemgale and Kurzeme, which is related to the location of warehouses and more convenient deliveries.

Before admitting new members, they have to work as clients for several years, and if the values match, at that point they are admitted as members.

GEOGRAPHIC COVERAGE

1-service/goods production; 2-markets/consumers/beneficiaries

The cooperative serves members only in Kurzeme and Zemgale regions.

It owns a warehouse where apples and pears can be stored.

The fruit is sold only in the local market in Latvia - in some stores and delivered to schools within the framework of the EU program "School Fruit".

25% of the production volume can be traded by members of the cooperative in direct trade without using the services of the cooperative.

REVENUE

Turnover 250,000 -300,000 euros.

There is no surplus, because they try to match the sales prices with the purchase prices by invoicing the members separately for the services provided.

STRUCTURE/ OWNERSHIP

OWNERSHIP STRUCTURE

who/how many: shareholders/owners/members/worker members/ donors, ...

Although the cooperative is open, the membership requires certain conditions:

- » use of a fruit warehouse
- » production of a harvest of a certain quality.

As there are relatively few new orchards in Latvia, the number of members may increase only slightly in the next future.

VOTING PROCESS

One vote for each member. However, the number of shares is different - it depends on how much money the member initially invested in co-financing the warehouse.

BENEFITS OF BEING MEMBERS

The main benefit of the members is the possibility to store the fruit qualitatively. As for trade, the key is stability, because as volumes grow, so does the price. The most expensive products can be sold individually in direct sales. Also beneficial are joint activities - experience exchange trips and joint educational projects. cooperative's specialists about cost and cost savings.

GOVERNANCE AND MEMBERS PARTICIPATION

STRUCTURE/ORGANISATION CHART

The main decision-maker is the general meeting, which meets twice a year.

ASSEMBLIES

how many, how, other assemblies than the General one

The cooperative has such a small number of members that no council has been established.

**COOPERATIVE
PRINCIPLES
BEST PRACTICES**

*Principles for which
the coop represents
a good practice*

PRINCIPLE 1. VOLUNTARY & OPEN MEMBERSHIP

“Fruit House” is an open society, but each member is thoroughly tested before admission, whether close cooperation is possible and whether the potential member understands the meaning of cooperation. Great importance is attached to mutual trust and cooperation between members.

PRINCIPLE 2. DEMOCRATIC MEMBER CONTROL

Democratic control of the members is carried out – i.e. the members are ready to receive a delegation of the board and other members, which evaluates the performance of the farm and evaluates the strengths and weaknesses of the farm. Members of the public are very interested in such informal inspections, as they help to better structure economic activity.

PRINCIPLE 3. MEMBERS' ECONOMIC PARTICIPATION

The economic involvement of the members is linked to the initial investment that had to be made, namely the construction of a warehouse to store the fruit. In parallel with EU funding through producer groups, co-financing by members had to be provided. Farms made investments of different sizes, depending on their turnover, in return for shares, which in turn guaranteed a certain amount of storage capacity. However, such a joint investment was a basic condition for the success of the cooperative.

PRINCIPLE 5. EDUCATION, TRAINING AND INFORMATION

“Fruit House” organizes regular experience exchange trips to nearby countries in order to broaden the horizons, as well as to discuss topics important for the cooperative during the trips. Such joint trips always make a huge contribution to the better development of the cooperative, because the members are forced to communicate on complex topics. The second positive aspect - the cooperative closely cooperates with the professional association “Fruit Growing Association”, which will provide members with the latest professional information on current issues in professional fruit growing. Third - the cooperative is involved in several RDP Cooperation projects, the topics of which are very important for every fruit grower, including the members of the cooperative.