

AGRICULTURAL SERVICES
COOPERATIVE SOCIETY LPKS

LATRAPS

LAUKSAIMNIECĪBAS PAKALPOJUMU
KOOPERATĪVĀ SABIEDRĪBA LPKS

LATRAPS



ADDRESS/COUNTRY

Lietuvas street 16 A Eleja, Eleja parish
Jelgavas region, LV-3023 - LATVIA

LEGAL ORGANISATIONAL FORM

Cooperative

WEBSITE LINK

www.LATRAPS.lv

CONTACTS

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VIDEO, PPT, OTHER

interactive materials to present the coop

[https://www.youtube.com/
watch?v=jTkN1rf6oJQ](https://www.youtube.com/watch?v=jTkN1rf6oJQ) (Latvian language)

YEAR OF CREATION

2000

DESCRIPTION/MAIN ACTIVITIES

Cooperative LATRAPs was established during the spring of 2000, when 12 farmers came together and built a fundament for what today is known as the largest, most efficient and most progressive farming grain cooperative in Baltic states. The main idea behind creating this cooperative was to establish a competitive enterprise, which would put the grain market in order, because at that period, a cartel-like structure was existent among grain processers in Latvia, therefore the price of grain was artificially kept as low as possible. The second idea behind creation of LATRAPs was to introduce new crops in Latvia: oilseed rape is a vivid example of that. After the creation, it was possible to buy the seeds as well as other materials in bulk, therefore reducing the price. When it comes to selling, it was also possible to sell the yield directly in global market, without other businesses in the middle.

The cooperative is open to every member, which is loyal to it, meaning – the member sells the production to cooperative and buys the materials (seed, fertilizer, plant protection products, etc.). In 20 years, LATRAPs has developed 10 grain collection and storage points, which have resulted in a rapid growth of cooperative members. In addition to grain trading, cooperative has also developed some side services – crop insurance, machinery trading, logistic services, oilseed rape processing, malt production and diesel fuel trading. The main goal of LATRAPs is to strengthen the competitiveness of its members.

MAIN STAKEHOLDERS*member, clients, producers*

The number of members is constantly growing. In 2020, there were 1067 members from all of Latvia. The majority of members are located in the southern part of Latvia, which has historically been the bread basket of the state, but during the last 5 years, there is a growing number of members in eastern and western parts of Latvia as a result of new collection points built by LATRAPs. The smallest number of members comes from northern part of Latvia, due to reason that other grain cooperatives such as "VAKS" and "Durbes grauds" are operating there.

LATRAPs is also working with farmers that are not members of cooperative – there are around 1000 farmers of this kind. But it is important to emphasize that prices are much better for members.

GEOGRAPHIC COVERAGE

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

LATRAPS buys grain, rape, beans and peas from its members throughout whole country-Latvia. Plant protection products, fertilizers and seeds are sold to its members. The purchase of grain averages 150 million euros, while plant protection products and mineral fertilizers 50 million euros per year.

The grown products are sold on the local market (millers, fodder producers) - about 10% of the total amount, the rest - for export. Works with global traders.

REVENUE

The turnover for LATRAPs is around 200 million EUR a year, with profit of around 1 million EUR

STRUCTURE/ OWNERSHIP

OWNERSHIP STRUCTURE

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

Cooperative is owned by its members. Everyone, who is growing, or is planning to grow cereals, can become a member of LATRAPs. All members have to follow their rights and obligations, which are defined in statutes.

VOTING PROCESS

Every member has one vote, but in order to promote more efficient local departments of cooperative, members can buy additional shares of storage tanks etc. in local trading points.

BENEFITS OF BEING MEMBERS

Members benefit from the possibility of selling their grain in export markets, which guarantees competitive prices for all types of cereals. The profit is split among members of cooperative, but if members approve, it is also possible to invest the profit into long-term investments and modernization of cooperative.

STRUCTURE/ORGANISATION CHART

The main decision-making body in cooperative LATRAPs is the general meeting of members.

General meeting decides on the most important governance questions – election of board, election of council, approval of annual report, distribution of profit and investments in new business lines.

General meeting consists of all LATRAPs members. Every member, regardless of the farm size, has one vote. This provides an opportunity for all members to express their views equally.

ASSEMBLIES

how many, how, other assemblies than the General one

General meeting takes place twice a year – one during winter season and one during summer season.

Council consists of 9 members elected from members for 3-year period. Council has a wide range of powers – it can approve the board, aims and strategies of cooperative.

BOARD COMPOSITION AND ORGANISATION

Board consists of 3 to 5 persons from management of LATRAPs, or outside experts. It is approved by Council. The main obligation of board is to organize everyday job at LATRAPs. The board also chooses and approves the directors of departments of LATRAPs.

**COOPERATIVE
PRINCIPLES
BEST PRACTICES**

*Principles for which
the coop represents
a good practice*

PRINCIPLE 1. VOLUNTARY & OPEN MEMBERSHIP

LATRAPS is a completely open cooperative, which refrains from any kind of discrimination. The only criteria for membership which is strongly evaluated is the financial situation in the farm. This is extremely important to avoid reduction of financial stability within the cooperative. From the other hand – if there are some financial difficulties for a farm, which is already a member, LATRAPs mobilizes all of its potential in order to help the member to overcome financial difficulties.

PRINCIPLE 2. DEMOCRATIC MEMBER CONTROL

Audits and overviews of cooperative are available for every member, if confidentiality for third parties is met. Member surveys are done on regular basis, in order to evaluate the overall member's attitude toward cooperative. There are regular seminars in different local branches of LATRAPs. Democracy within the cooperative is also maintained by Council, which is elected directly from members.

PRINCIPLE 5. EDUCATION, TRAINING AND INFORMATION

LATRAPS organizes regular educational seminars, both related to changes in legislation, as well practical innovations, especially emphasizing the need for transition to sustainable and environmentally friendly practices. These trainings are organized both on individual level as well as in groups. Cooperative is also actively working in many EIP projects under the rural development program of Latvia.

PRINCIPLE 6. COOPERATION AMONG COOPERATIVES

LATRAPS has very tight good relationship with other grain cooperatives – VAKS, Barkavas arodi and Durbes grauds. This includes the knowledge transfer, common purchase of materials as well as cooperation in selling process of grain. Currently, there is an ongoing discussion about second level cooperation, but it is developing very slowly due to fears of losing the identity of smaller cooperatives.

PRINCIPLE 7. CONCERN FOR COMMUNITY

LATRAPS has its own communication department, which is responsible for keeping a close tie between cooperative and farmers, members and society, by explaining the farming practices and aims of cooperative via social media. The task is to create a positive picture about farming, by emphasizing the economic significance of farming sector.

LATRAPS also takes part in charity, but not with resources of cooperative itself. LATRAPs usually invites its members to donate for a particular activity. LATRAPs members are proud with their cooperative and are open to demonstrate it on social media, therefore the cooperative is perceived as a win-win business form.