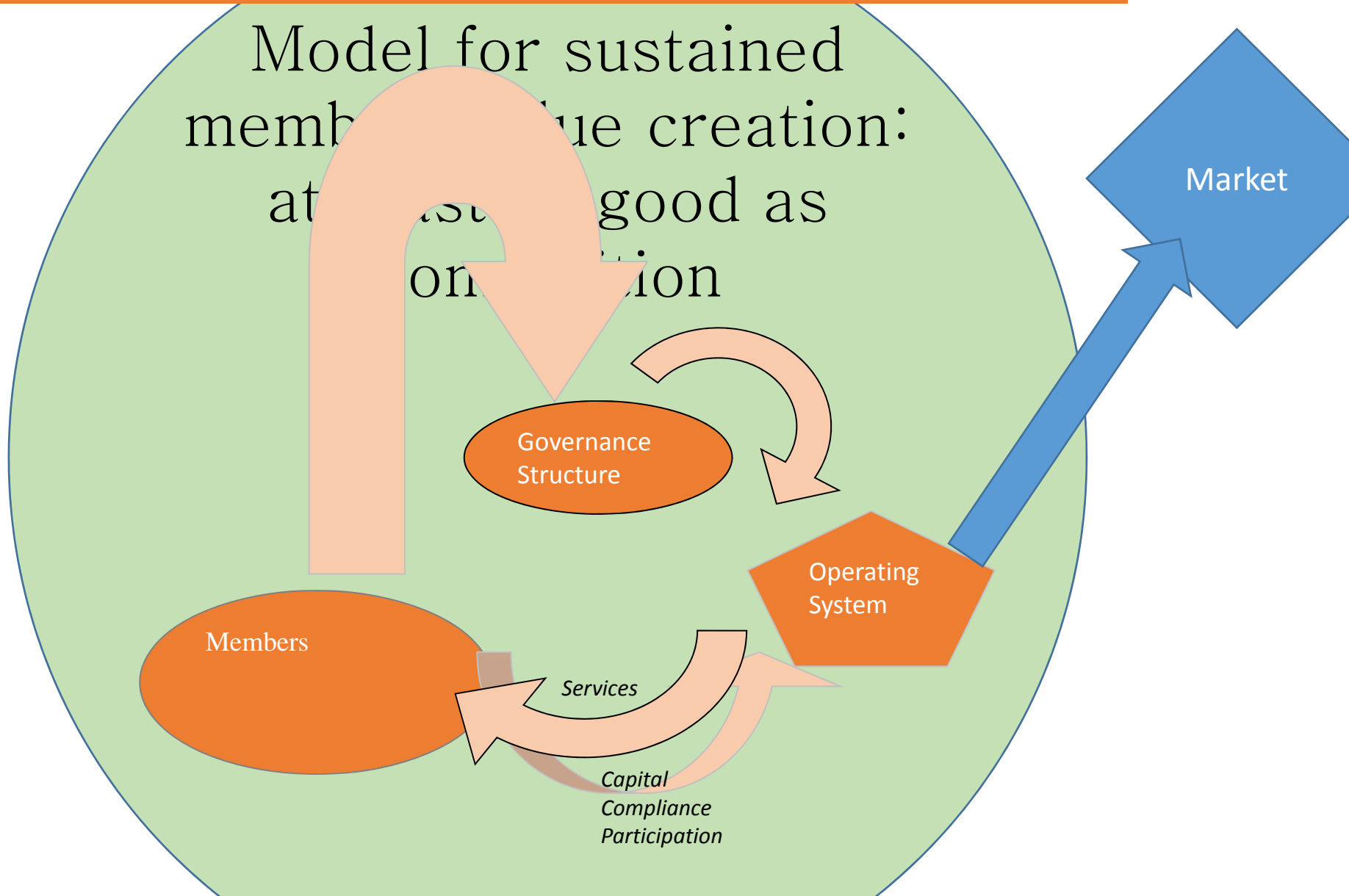


Building, Growing and Sustaining a Vibrant Producer Organization



Design Principles

Principles	Dairy coops: Gujarat	Sugar coops: Guj and Maha	Failed coops and producer organizations
1. Business model is at least as good as competition	Stronger than competition	Stronger than competition	Cotton coops; most new producer coops
2. Producers organization controls the apparatus of value addition	GCMMF	Coops own processing plants	Milk supply unions; cane supply unions
3. Patronage cohesive governance: intense minority is inclusive to passive majority	Weak; patronage-linked votes	Strong; acre-based votes	None; one member one vote; user-member union violated
4. Operating system accountable to board	yes	yes	Bureaucrat appointed by govt
5. Senior member rights respected	no	Yes; informal share market	
6. Control of member-opportunism	some	strong	Oilseed coops; fishermen coops
7. Member, patronage and domain	Stronger	strong	Most producer