

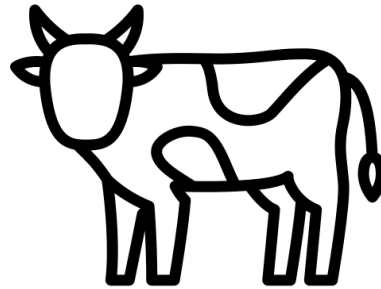
# STRONGER TOGETHER, BUT HOW?

## LESSONS FROM THE WALLOON DAIRY HISTORY ON THE STRATEGIC RELEVANCE OF COOPERATIVE MODELS

Véronique De Herde



# Challenges of sustainability in agri-food value chains

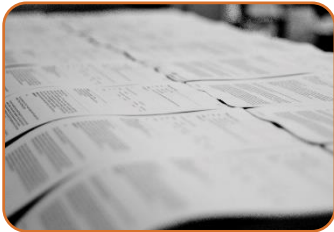


Support to differentiated farm practices?



Value chain organisation and practices

# Agri-food cooperatives can act upon these sustainability challenges



## Institutional support

- Coordination – communication on agro-environmental schemes
- Administrative support to participants



## Differentiated payment for particular practices

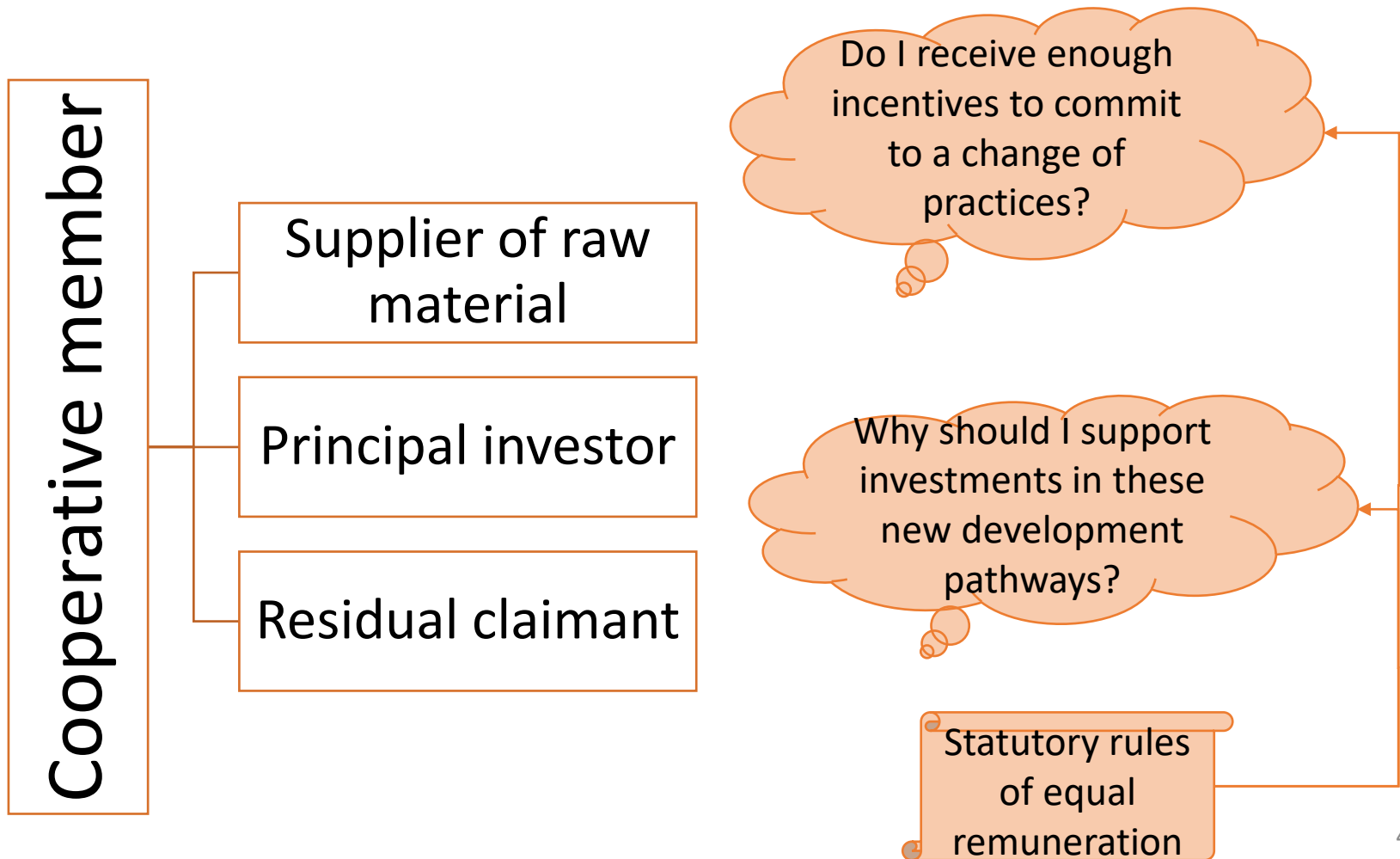
- Collective and inter-organisational agreements
- Premiums on top of standard prices



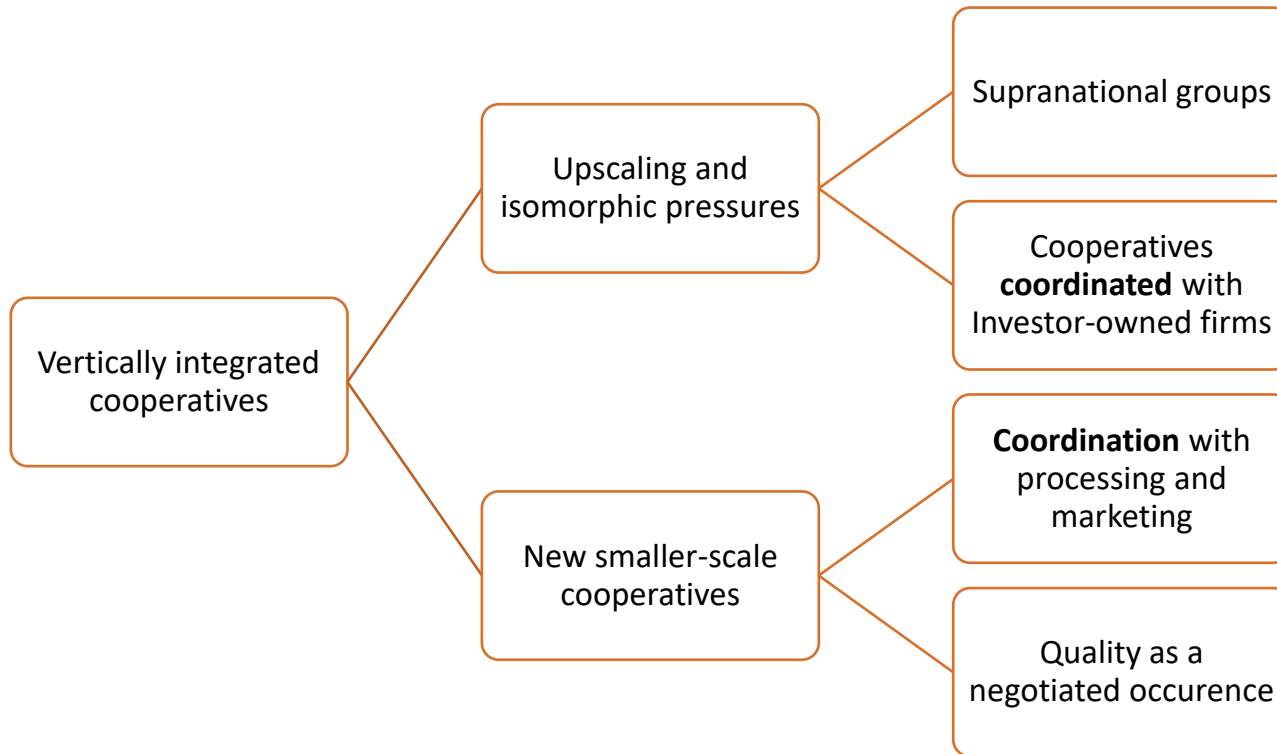
## Exploration of higher added value market pathways

- Differentiated quality
- Product identity

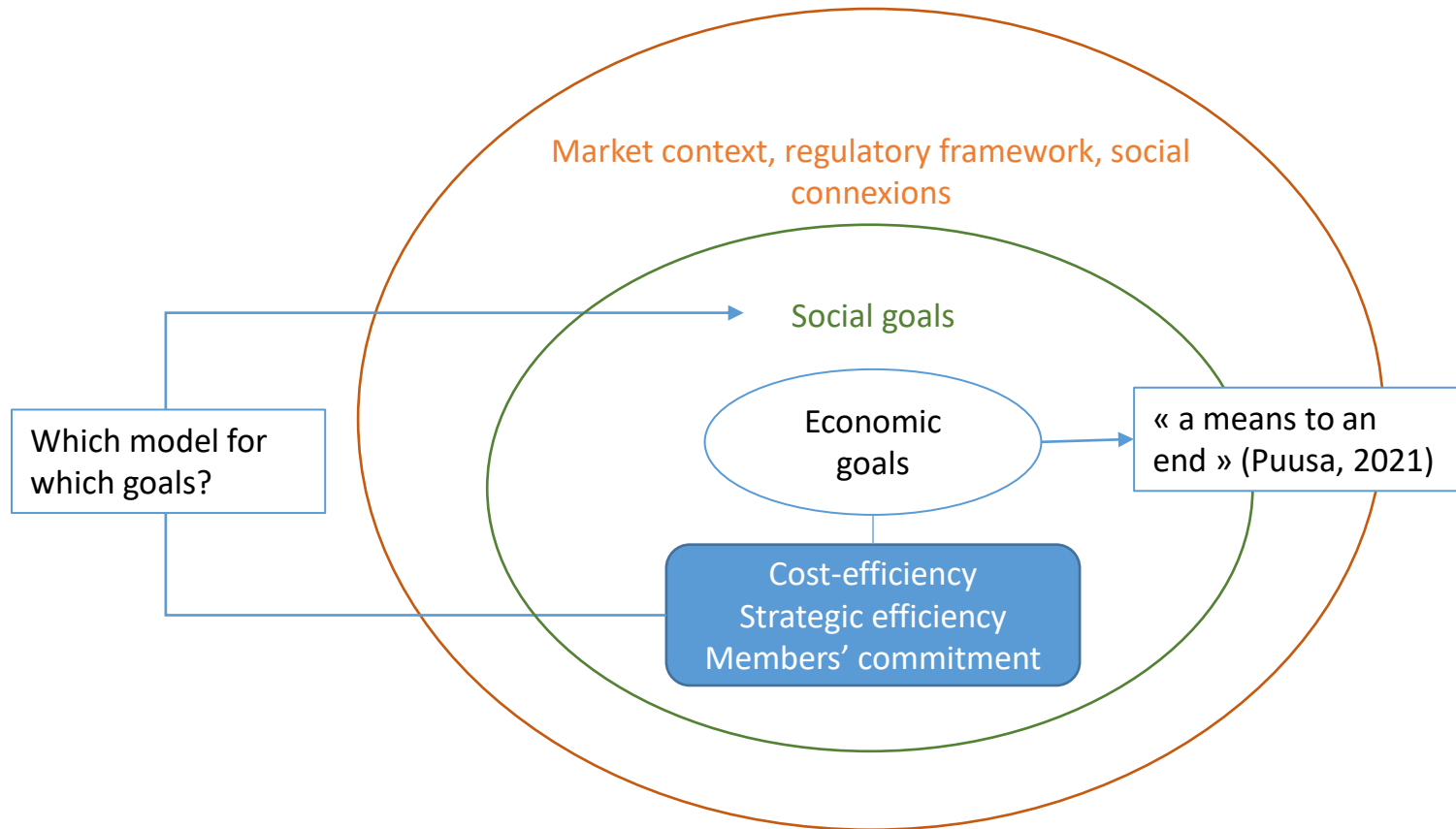
# Challenges of governance in the exploration of sustainability pathways



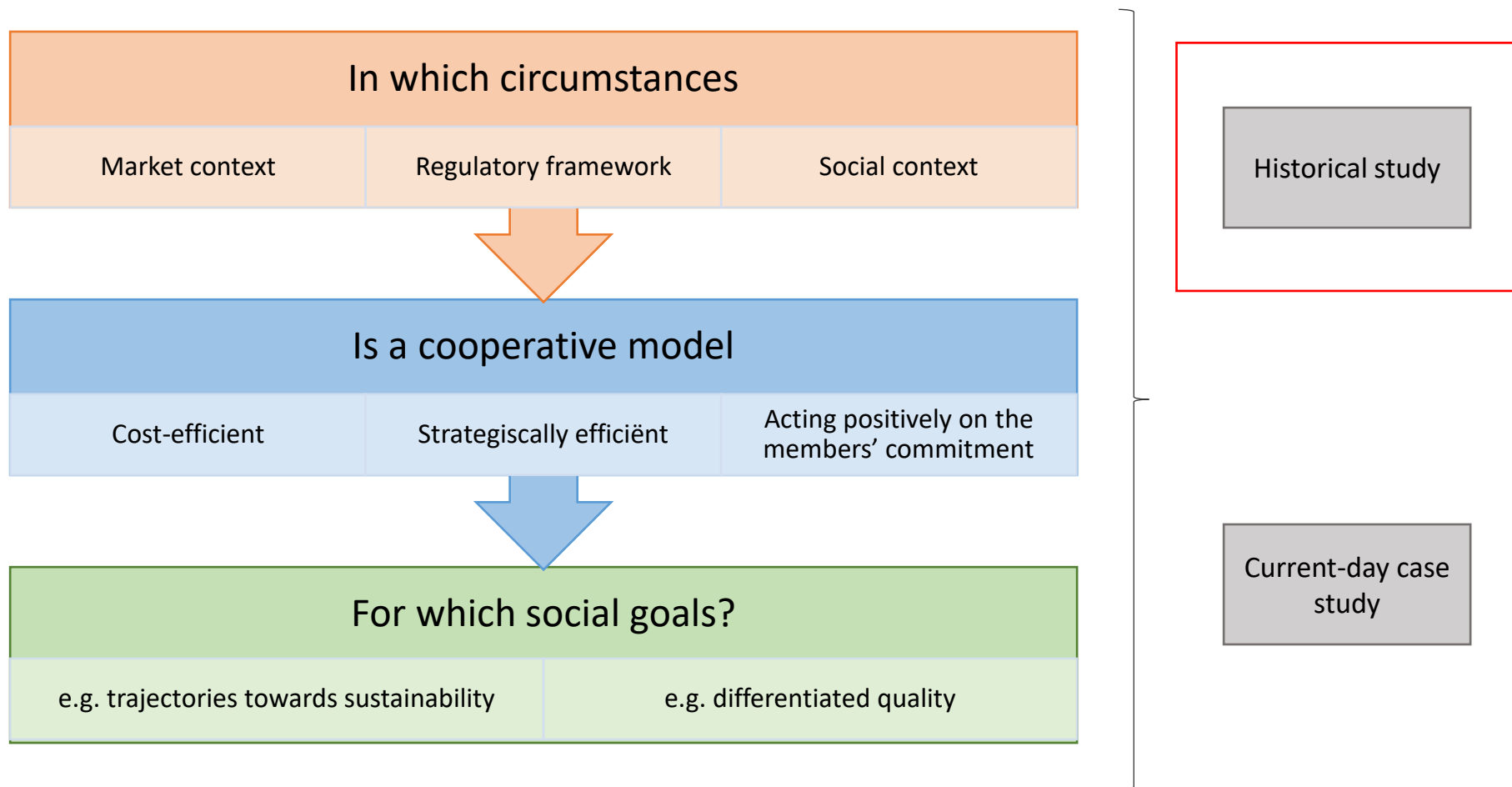
# From vertically integrated cooperatives to a variety of models



# Is the relevance of cooperative model dependent upon context?



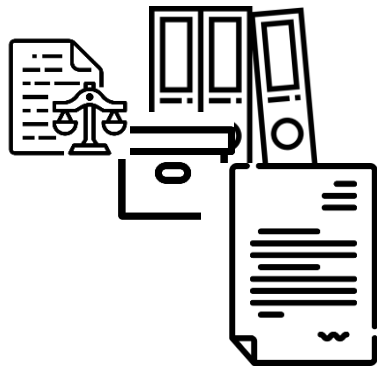
# Is the relevance of cooperative model dependent upon context?



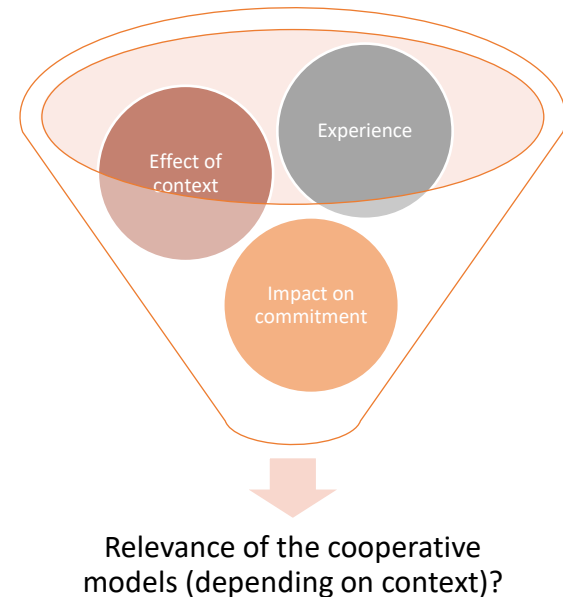
# A historical study of cooperative models

Walloon dairy cooperatives – evolution from the 1960s to the 1990s

Written sources



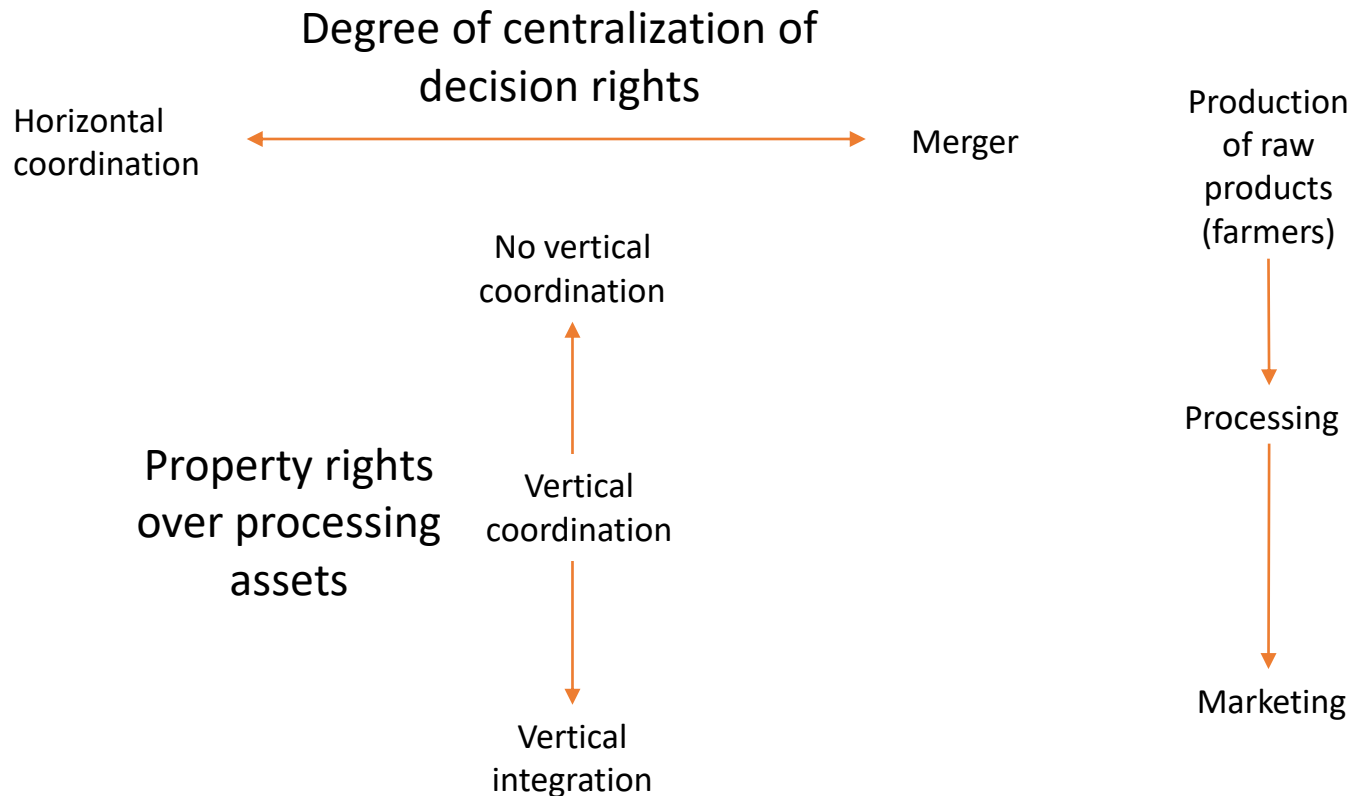
Oral sources





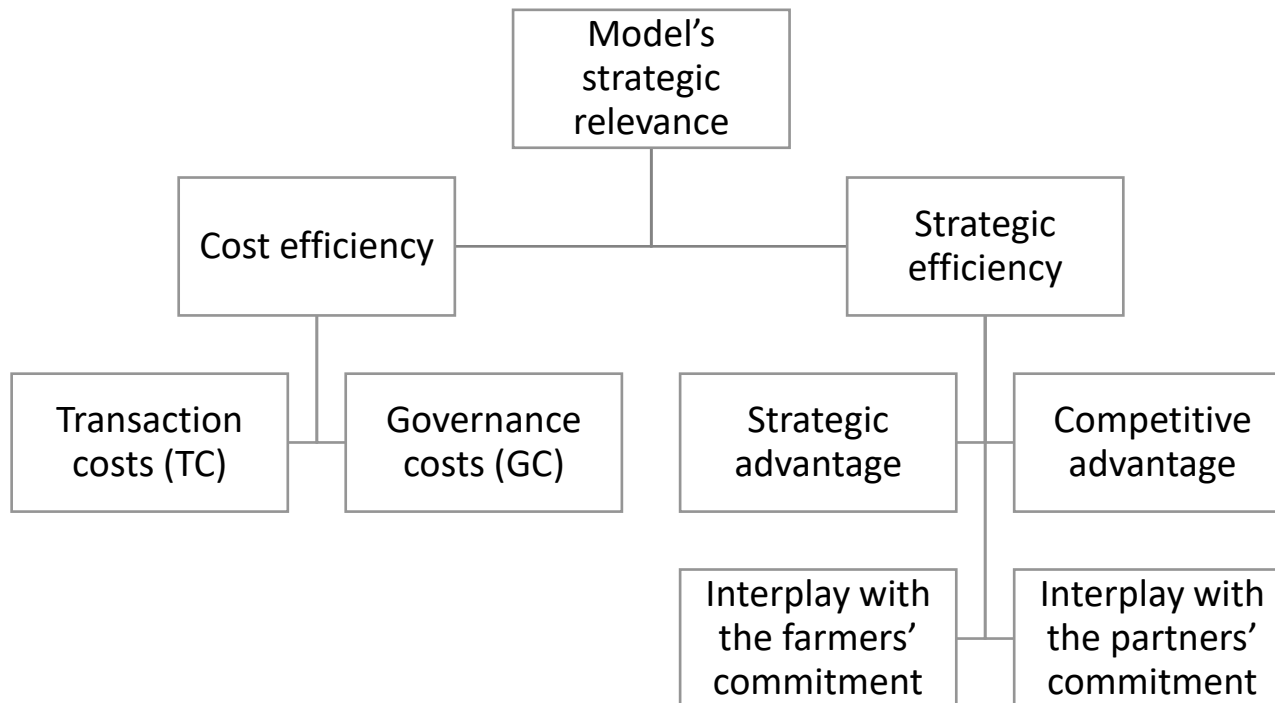
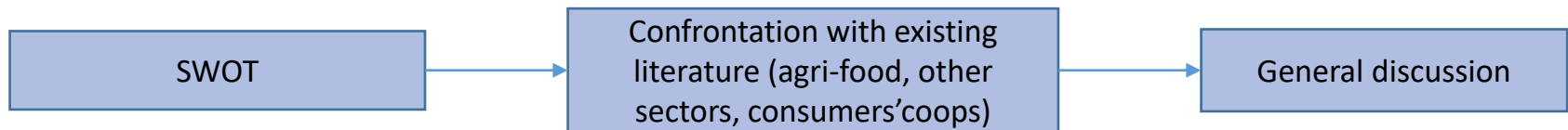
# A study in two steps

## 1. Classification of the models enacted

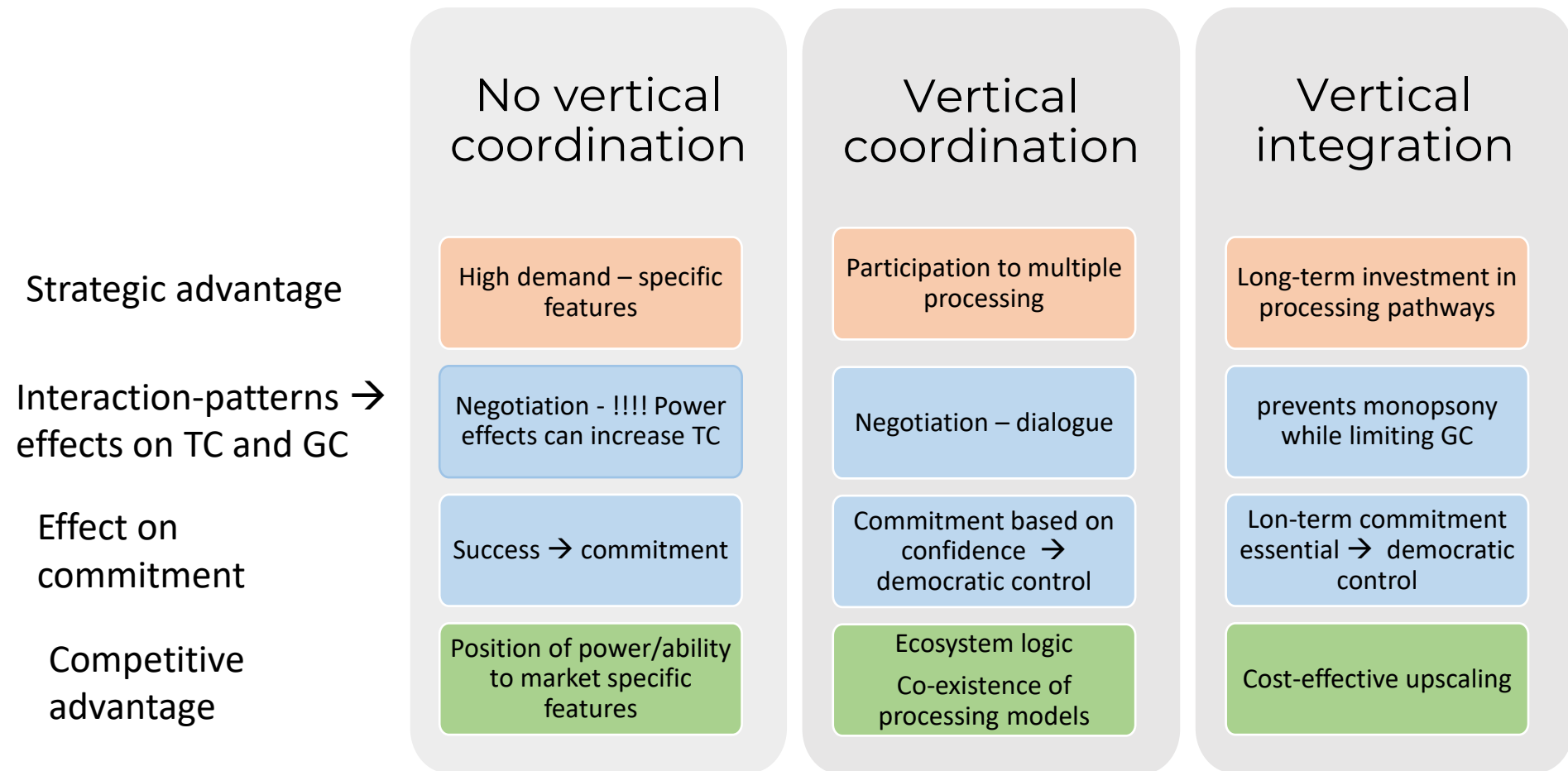


# A study in two steps

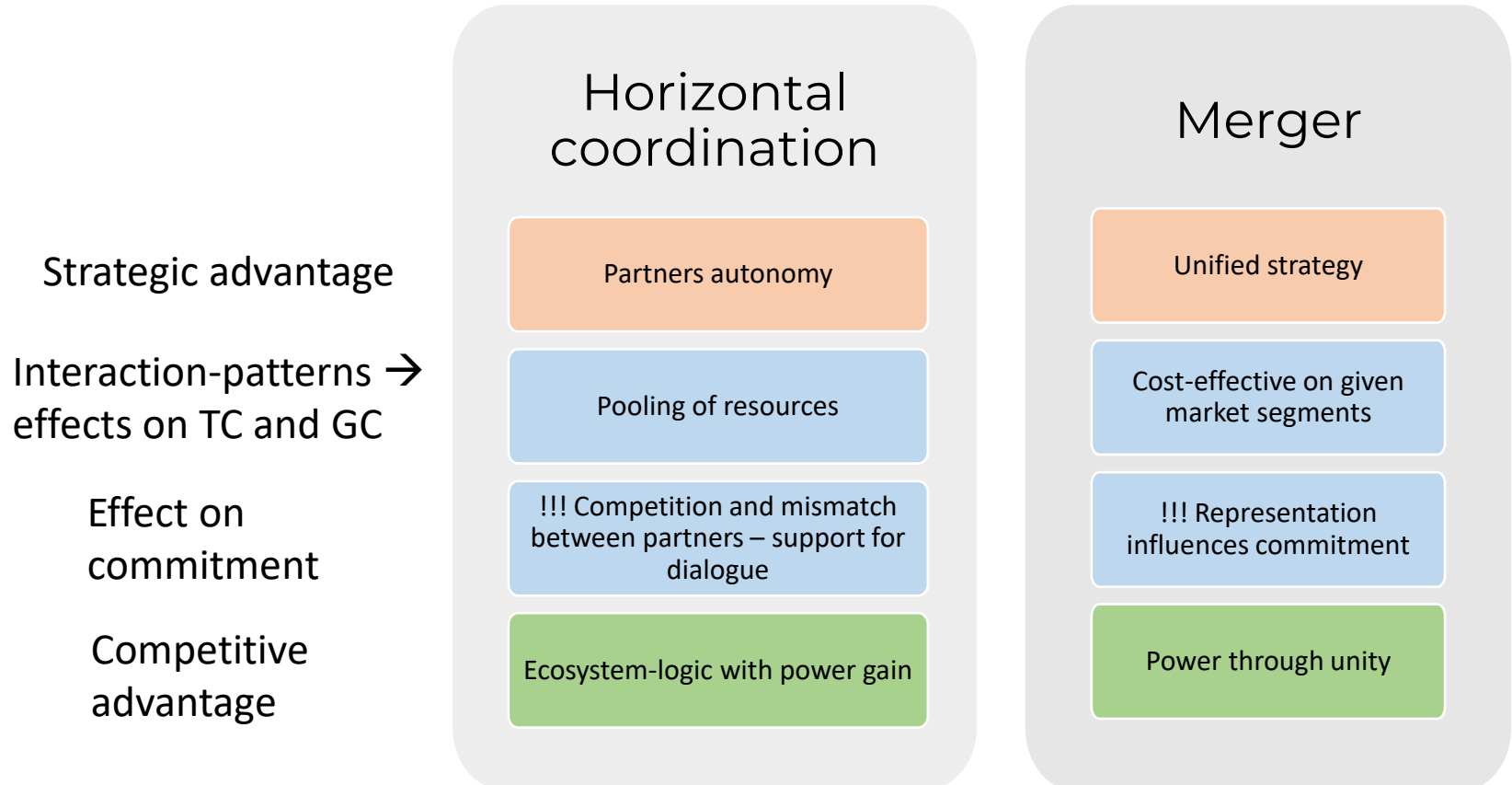
## 2. Analysis of the models' features



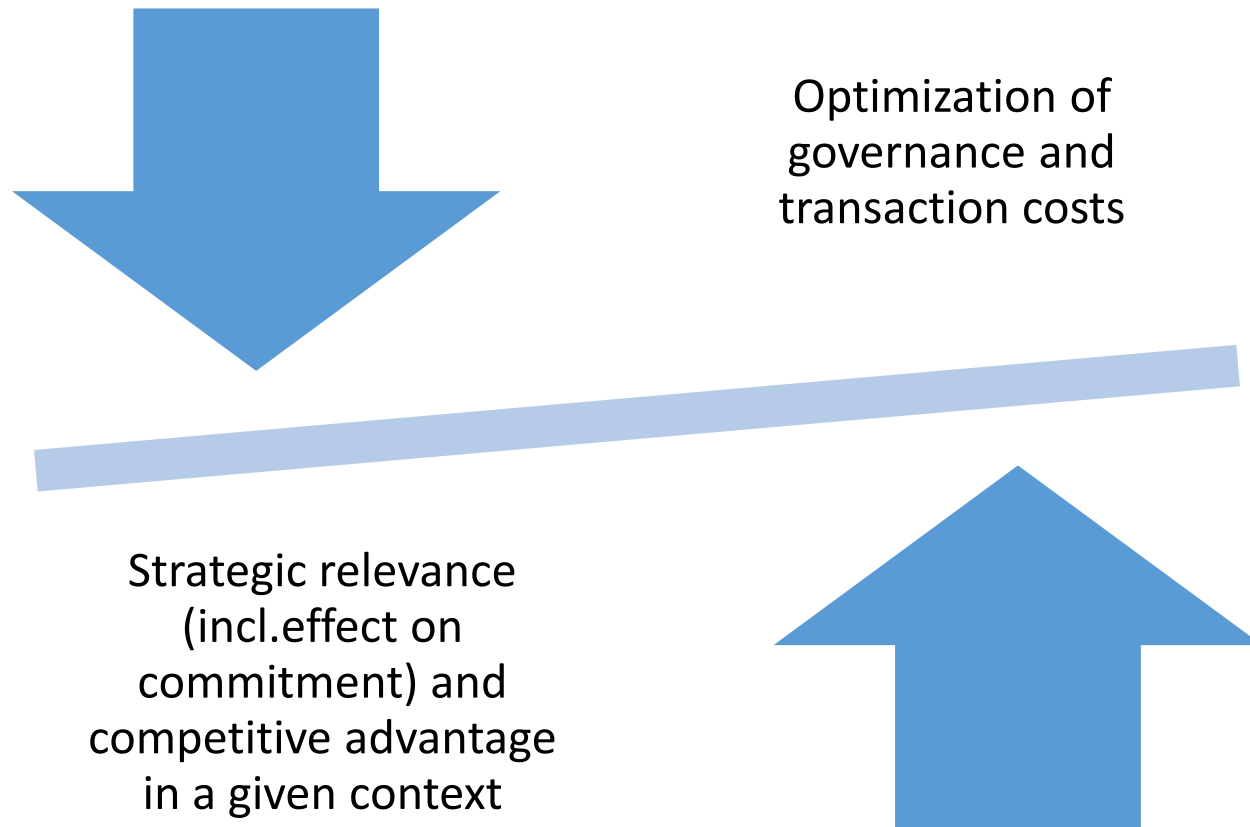
# Main results – vertical organisation



# Main results – horizontal organisation



# From cost-optimization to strategic relevance



# Cost-efficiency and strategic efficiency as relative concepts



V.De Herde, 2023. Stronger together, but how? Lessons from the Walloon dairy history on the strategic relevance of cooperative models, *Journal of co-operative organization and Management*. <https://doi.org/10.1016/j.jcom.2023.100198>

# A practical example of value chain coordination for differentiated quality

- New cooperative models coordinated
  - with incumbent vertically integrated dairy cooperatives
  - with cooperative or non-cooperative processors in the value chain
- Facilitation of services for differentiated quality :
  - Separate milk collection of specific farmers
  - Separate payment of these farmers
  - Exploration of niche pathways of differentiated quality
  - Case-by-case negotiation on the definition of quality

# Main conclusions of the study

- There is no absolute “best choice” of cooperative model
- A model that is unadapted to a given context may see:
  - ↑ costs (transaction and/or governance)
  - ↓ commitment
- Dialogue and democratic control as key features of strategic relevance accross models
- Positive feedback effects may emerge from adequate coordination