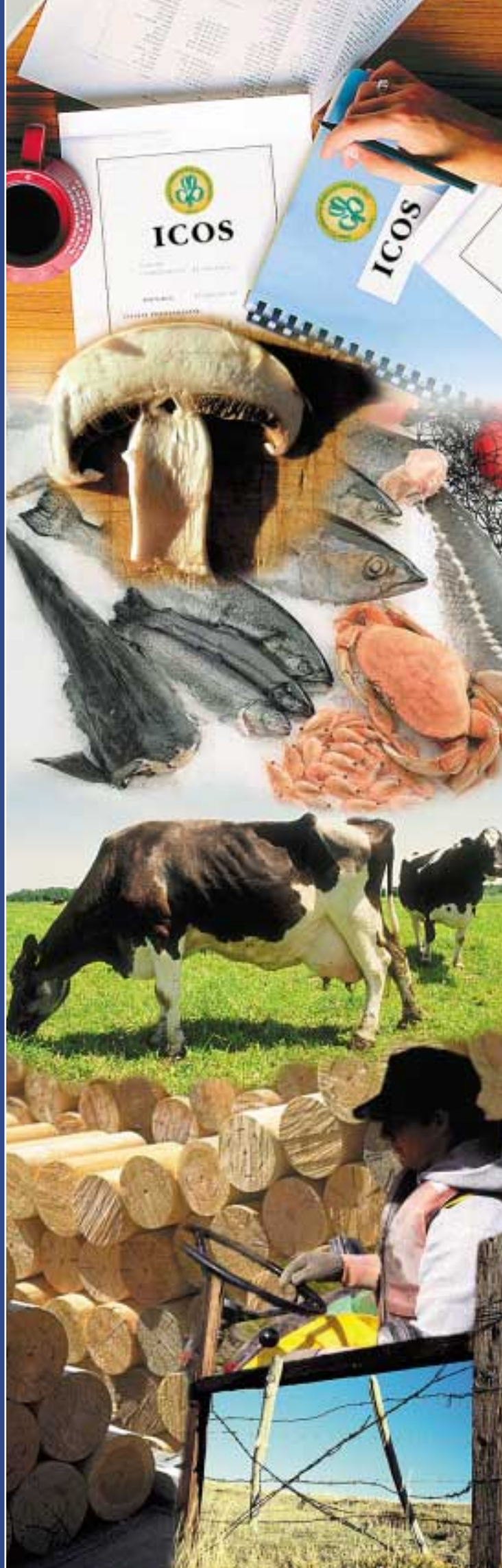




IRISH
CO-OPERATIVE
ORGANISATION
SOCIETY
LIMITED

104TH Annual Report 1998



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Corporate Profile of ICOS

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Bank of Ireland
Allied Irish Banks Ltd.

Solicitors

Arthur Cox & Company



*John R. Tyrrell,
Director General.*



*Gregory C. Tierney
Secretary.*



*Michael O'Dwyer
President.*

Foreword

During 1998 it is clear that from the point of view of the members of co-operatives, the most serious issue concerned the crisis in farm incomes and the proposals to amend the Common Agricultural Policy. While these issues are also of major concern to ICOS and its member co-operatives, there is an obligation on co-operatives to have a longer-term strategy while still trying to help to alleviate the problems of the present. Quite a number of the agricultural co-operatives in Ireland or the component parts of the co-operatives formed through mergers have existed for a century. If over that past 100 years co-operatives had only concentrated on current issues without having a longer term strategy as well, they would most likely not be in existence at all now.

Two issues, which are now coming into focus, demonstrate the need for longer-term thinking. In the first instance it is now clear that the livestock mart sector is being forced, by external circumstances, to change. Although the dairy co-operatives started thinking in strategic terms in the late 1960's, no such thinking was possible for co-operative marts at that time because most were only being established. The urgency for change created amongst dairy co-operatives prior to Ireland joining the EEC did not, therefore, arise in the mart sector.

Although no serious rationalisation of livestock marketing services has yet taken place, there has been an ICOS strategy document in existence since 1992. Little attention was paid to that document by the mart societies. A new analysis of the sector was presented to mart co-operatives early in the current year and in many cases caused great surprise to delegates from co-operatives who attended the ICOS seminars where the information was revealed. Although there has been some response so far, it is necessary for each livestock marketing co-operative to examine seriously the analysis of the sector carried out by ICOS staff and establish the implications for themselves.

The second issue on which co-operatives must have a long-term vision concerns the ownership of co-operatives. ICOS has always held that the internationally accepted view, that a co-operative should be owned and controlled by those who use its services, is as valid today as it was in the past. In 1989 the Board of ICOS adopted a policy

document on membership and shares issues entitled "Co-operative Shares - A new approach". As was said in the document itself the fundamental objective behind the policy proposals was "to ensure that the user-member controls a competitive and effective co-operative".

Many Co-operatives acted on the proposals of 1989 and quite a number adopted completely new rules or significant amendments since then. These changes of rules would have been designed to implement the policy proposals of 1989. There were two basic ideas in the 1989 proposals. They were that the active user-member would own and control the co-operative and that they would benefit in proportion to their use of the co-operative.

The Board and Council of ICOS has reconfirmed the policy proposals of 1989 in a new document. That document was adopted by the Council early this year and it presents to member co-operatives some options as to how the policy proposals may be put into practice.

The first and most important decision which any co-operative has to make in this regard is whether or not it is the wish of that co-operative that it should be owned and controlled by its user members. If the answer to that question is that it is their wish, then the rest is clear. The implementation of the policy from there on is only a question of detail. The Board/Committee of a co-operative should ask themselves how their response to any particular membership question fits in with the user-ownership and sharing in proportion to use concept.

A copy of the ICOS Policy Document on Shares and Membership in Co-operatives has been circulated to all member co-operatives. On behalf of the Board, I urge all co-operative board members to study the document carefully and have its contents discussed not only at the level of the Board/Committee but also at the Annual General meeting of the co-operative. The staff of ICOS are at the disposal of all member co-operatives in this regards.

Michael O'Dwyer
President

Annual Report 1998

DEVELOPMENTS IN THE EUROPEAN UNION

Perhaps the biggest single issue to face the Council and the Board of ICOS during the year 1998 was the proposal to reform the common agricultural policy in the context of a European Community paper entitled: Agenda 2000. This issue was discussed at both the Board and Council levels on many occasions throughout the year. It absorbed a significant amount of staff time in analysing the various proposals put forward by the EU Commission and assessing the likely impact on co-operatives and their farmer members. Furthermore, as will be seen from elsewhere in this report, ICOS hosted a number of conferences and seminars during the period when these proposals were under review.

As a result of the work of ICOS staff, it was clear that the impact on the agricultural sector would have been very significant if the initial proposals of the EU Commission had been accepted. It is the belief of the Board of ICOS that the presentation of these facts enabled the

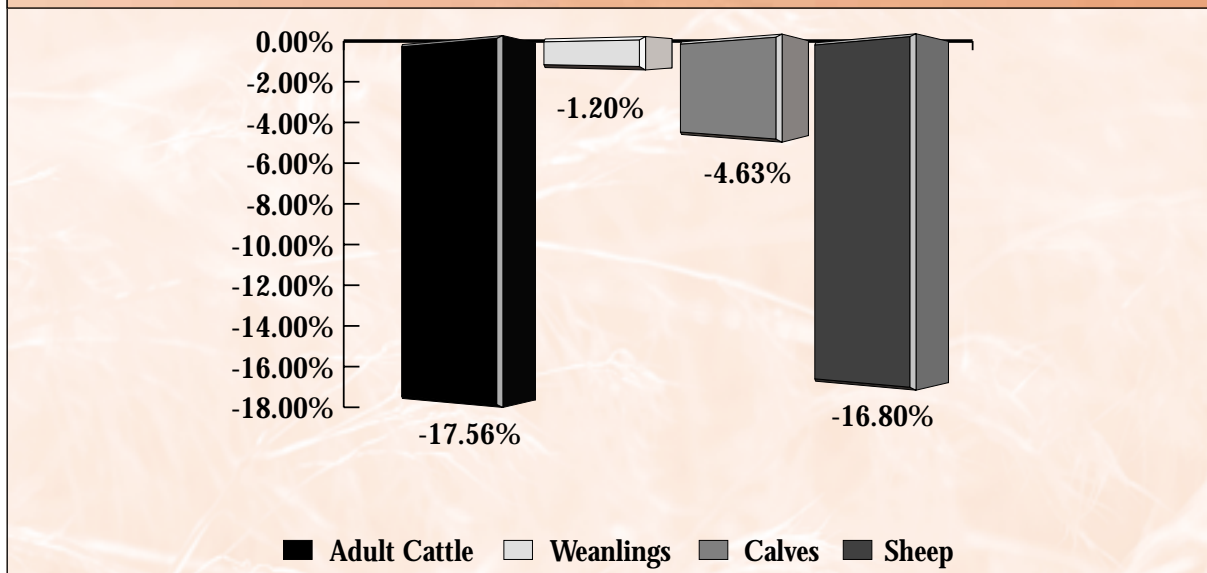


Speakers at the ICOS conference in Cork, Mr. Jim O'Grady, IAWS; Mr. Michael O'Dwyer, President, ICOS; Mr. John Cunningham, Dairygold Co-op.

Livestock numbers in Co-operative Marts

	All Co-operative Livestock Marts	
	Numbers Sold	Percentage of total cattle sold
Adult Cattle 1998	695426	67.44%
Adult Cattle 1997	843520	70.98%
Percentage Increase	-17.56%	-3.54%
Weanlings 1998	197853	19.19%
Weanlings 1997	200246	16.85%
Percentage Increase	-1.20%	-2.34%
Calves 1998	137921	13.37%
Calves 1997	144614	12.17%
Percentage Increase	-4.63%	-1.21%
Sheep 1998	1249355	-
Sheep 1997	1501618	-
Percentage Increase	-17.56%	-3.54%

Percentage changes in Livestock Sales in all Co-operative Marts from 1997 to 1998



Minister to approach the negotiations in a strong and forceful way. As is now known, the final outcome of the negotiations is much more satisfactory than the original proposals. This does not ignore the fact that the impact on agriculture of the final agreement is still significant but it will not be felt all at once and in some cases will be delayed for some years.

Perhaps the second most significant issue to confront the Board and Council of ICOS during the year was the question of the problems in the livestock sector and their implications for the livestock mart societies. The accompanying tables and diagrams show what has happened during 1998, as compared to 1997. It seems likely that the trend will have continued into 1999 as well. In this context the Board and

Council considered on a number of occasions during the year an analysis of the data that was emerging and a proposed new strategy for the mart sector. That strategy would envisage a smaller number of mart societies brought about through the grouping of existing societies. It could also involve the rationalisation of the actual number of mart premises in order to achieve savings. A decision on that kind of detail would be a matter for each of the groupings. ICOS has taken this proposal to a number of regional meetings of livestock marts and indeed discussed the matter with individual societies as well. There have also been some discussions with two or more societies regarding the possibility of merger, but no firm proposals have emerged in that regard so far.

Summary of the Irish Co-operative Sector 1998

Sector	Number of Co-ops	Number of Members	Number of Employees	Turnover IR£
Dairy	34	86837	34209	5666626
Livestock	29	45584	1098	599804
Wholesale	3	162	1078	634076
Fishing	13	781	341	50400
Rural Development	9	584	55	580
Others	35	50489	830	54670
Totals	123	184437	37611	7006156

Note : In the case of Marts, the number of co-ops figure excludes other societies with Mart operations to avoid double counting.

CO-OPERATIVE SECTOR ACTIVITY

The summary table of the Irish Co-operative sector in 1998 shows a turnover of £7.0 billion pounds. This compares with a turnover of £8.2 billion pounds shown in the annual report of 1997. The reduction in turnover arises entirely from a new treatment of the accounts of the Kerry Co-operative Group. Prior to 1998, the plc was a subsidiary of the co-operative and the accounts therefore were consolidated. Since the change of rules in 1997, which enabled the percentage stake held by the co-operative in the plc to decline below the 50% level, consolidation of accounts no longer takes place. As a result the turnover of the Kerry Group as such is now excluded from the accounts and merely the co-op figures are included.

A second point to be made about the data is that the total number of employees of 37,600, includes a significant number of employees who are working outside of the Republic of Ireland. The precise number has not been calculated at this stage but it could amount to as much as one third of the total.

An analysis of the development of the co-operative sector between 1989 and 1997 is shown in the accompanying table. While the number of co-operatives has not changed significantly over the years, the scale of operations has increased dramatically, even allowing for the change between 1996 and 1997. Furthermore there has been a significant increase in the number of people employed by co-operatives and even allowing for the fact that many very of these work outside of the state, it shows that the co-operative sector is a significant employer in the Irish economy. The number of members has increased during the period between 1989 and 1995 but has tended to stay static or decline since then. This brings into focus the other major issue, which was being discussed at both the Board and Council during the year.

CO-OPERATIVE SHARES POLICY

In 1989 the Board of ICOS published a set of proposals in regard to membership and shareholding issues in co-operatives. That document had remained unchanged since that date. During 1998 the Board and the Council



Left to right: V. Gilhawley, Town of Monaghan Co-op, P. Mikkelsen, Executive Director Danish Dairy Board and J. Tyrell, ICOS.

considered the kind of issues that were currently arising in regard to questions of membership and shareholding in co-operatives. A draft policy position on this issue was prepared and subsequently adopted by the Council of ICOS at their meeting early in 1999. That document presents a number of options to co-operatives in regard to their approach to issues relating to membership and shareholding. A copy of the document has been made available to all member societies and ICOS staff members have so far discussed the matter at many meetings of individual co-operatives.

ICOS MEMBERSHIP

During the year four new societies were admitted to membership of ICOS. These were: Knockmore Agricultural Co-operative Society in Co. Mayo, Kilfenora Co-operative Livestock Mart Society Limited in Co. Clare, Tipperary Mid-West Radio Co-operative Society Limited in Tipperary, and the Belgian Blue Cattle Breeding Society of Ireland which operates the herd book for that breed. The extra four in membership was offset by other societies whose membership terminated either through merging or through ceasing to trade.

COUNCIL, BOARD, PRESIDENT AND VICE-PRESIDENT

During 1998 the Council of ICOS met on six occasions, including one special meeting to consider the Common Agriculture Policy Reform document and the Board met on eight occasions. As a result of elections held and direct nominations received the following were appointed to the Council of ICOS:

Creameries North: Sean Sweeney (NCF)
Creameries South: Thomas O'Brien (Nenagh)
Marts: Ted Hunt (Golden Vale)
Miscellaneous: Jim Maguire (NCFRS)
AI Societies: Kevin B O'Regan (SWS).

Rural Development Committee: Paddy Kenny

The following were directly nominated to the Council of ICOS:

Pat McKenna (Golden Vale)
J Duggan & T Corcoran (Avonmore-Waterford)
N McEniry and W Nagle (Dairygold)
Stephen Kelliher (Kerry)
Anthony Leddy (IAWS)
Michael Drea (Irish Dairy Board)

In subsequent elections to the Board D Boylan and L Tinney were appointed to the Board to represent Creameries North, and M O'Brien was appointed to represent Creameries South. In the Marts category, P Kenny and M O'Dwyer were appointed to the Board. Subsequently a casual vacancy arose on the Board following the retirement of T J Harty, and L Carroll was elected in his place.

Following the completion of the elections to the Board, an election was held to fill the post of Vice President. The outgoing Vice President was not eligible to stand again and as a result an election took place, at which Mr Harry Brown was appointed Northern Vice President.

SUB-COMMITTEES AND CHAIRMEN OF EXPERT COMMITTEES

The Board appointed the President, the two Vice-Presidents, together with John Duggan and Michael O'Brien to be the Finance Sub-Committee. The committee met just once during the year.

The Board also appointed the Rules and Structures Committee. This was comprised of the President, the two Vice-Presidents, John Duggan, Paddy Kenny and William Nagle. This Committee also had just one meeting during the year.

The Board also appointed the Chairman of the Expert Committees.

These were:

Dairy Committee: Michael O'Brien
Marts Committee: Ted Hunt

NEW SOCIETIES, ALTERATION OF RULES AND AMALGAMATIONS

During the year 47 new co-operatives were assisted in their registration by ICOS. The range of these co-operatives was once again considerable, but the noticeable development is that a very big number of group water schemes were now incorporating as co-operatives. At least 23 of the 47 co-operatives established during the past year were involved in group water schemes.

As well as the 47 new societies, four existing co-operatives were involved in a complete amendment of the society's rules. A further 19 societies were involved in partial amendment to their rules.

There were two amalgamations during the year. The first of these concerned the Montbeliarde breed of cattle, and two societies which existed up to 1998 merged to form the single Montbeliarde Cattle Society of Ireland Ltd. The second amalgamation concerned two subsidiaries of the Avonmore and Waterford Co-operatives and these were amalgamated following the merger of the parent companies. The new society formed is known as Avonmore-Waterford Foods (Ireland) Society Ltd.

REPRESENTATIVES OF ICOS IN OTHER BODIES

The involvement of ICOS in other organisations is an important part of its work. It enables ICOS to influence policy development in such bodies so that it is beneficial to the interests of the member co-operatives. During 1998 the level of such representation continued at a high level. Within the member co-operative sector Donal Cashman continued to represent ICOS on the Board of IFAC Limited, and Tom Cleary represents ICOS on the Board of the Irish Dairy Board Co-operative Society Limited. In both cases the ICOS nominee was appointed Chairman.

Aside from being represented in other co-operatives, ICOS is also entitled to appointed representatives on various other organisations. Amongst those are the following:

Teagasc: Michael O'Dwyer
NDC: William Nagle

<i>NESC:</i>	<i>Gregory Tierney</i>
<i>NESF:</i>	<i>Mary Coleman</i>
<i>Enterprise Trust:</i>	<i>Michael O'Dwyer</i>
<i>Milk Quota Appeals Tribunal:</i>	<i>John Tyrrell</i>
<i>Milk Quota Review Group:</i>	<i>George Kearns</i>
<i>CDC (FAS):</i>	<i>Gregory Tierney</i>
<i>Partnership 2000</i>	<i>Michael O'Dwyer,</i>
<i>Review Group:</i>	<i>John Tyrrell &</i>
	<i>Gregory Tierney</i>

Monitoring Committees for the Operational Programmes on:

<i>(i) Food Industry:</i>	<i>Martin Varley</i>
<i>(ii) Agriculture, Forestry, Rural Development:</i>	<i>Seamus O'Donohoe</i>

Department of Agriculture Advisory Committees on CAP Reform:

<i>(i) Dairying:</i>	<i>John Tyrrell</i>
<i>(ii) Beef:</i>	<i>Martin Varley</i>
<i>(iii) Cereals:</i>	<i>Martin Varley</i>
<i>(iv) Rural Development:</i>	<i>Seamus O'Donohoe</i>

Agricultural Statistics: Gregory Tierney
Review Group (CSO)

Aside from these, ICOS, in conjunction with the other rural organisations, is represented on County Enterprise Boards throughout the country.

FARM INCOME PROBLEMS

During 1998 the position of farm income became acute for a wide variety of reasons including fodder problems. Farmers became very concerned at the lack of activity on the part of the State to help alleviate their difficulties. Two demonstrations of farmers took place in Dublin, and co-operatives and the ICOS participated significantly in the second such demonstration.



Although serious efforts were made by a number of co-operatives (particularly marts) to alleviate the fodder problems, a cash injection was necessary for the most seriously affected farm families. The Government did in the end provide both fodder grants and a scheme similar to the Family Income Supplement payable in urban areas. Nevertheless farm incomes in 1998 were seriously depressed and this will no doubt have implications for co-operative farm supply businesses.

ICBF

The Board of ICOS continued to monitor the developments in regard to the Irish Cattle Breeding Federation Society Limited. Towards the end of the year the Board expressed the wish that the potential members of the co-operative would reach agreement on the structure and funding of the new organisation. By year-end it was noted that an agreed basis for participation was slowly emerging. The ICOS board encourages its member co-operatives involved to work hard to conclude an agreement.

OBITUARY

Since the commencement of the preparation of this report, two members of the Board of ICOS have died.

Paddy Kenny who represented North Connaught Farmers Co-operative Society Limited died early this year after a brief illness. He had been not only an extremely active representative of his Society, in the mart sector but also participated in all the work of both the ICOS Board and Council. He was especially interested in rural development and as a result had been Chairman of the ICOS Rural Development Committee for a number of years.

Harry Browne from Town of Monaghan Cooperative Society Limited who represented dairy co-operatives in the North East died suddenly on returning from a visit to Brussels. He had represented societies in that area for many years and was a member of the ICOS Dairy Committee. In 1998 he was elected as the Northern Vice President of ICOS and had also been a member of the ICOS Rural Development Committee.

To the widows and families of both of our former colleagues, the Board and Council of ICOS extend their sincere sympathy.

ICOS Board 1998

President Michael O'Dwyer **Vice-Presidents** Donal Cashman and Dessie Boylan

Nominated Members	Address	Nominated by
Mr John Duggan	Ballynennon, Mullinahone, Co Tipperary.	Avonmore Creameries Ltd
Mr William Nagle	Bregoge, Buttevant, Co Cork.	Dairygold Co-operative Society Ltd
Mr Pat McKenna	Clonregan, Ballingarry, Co Limerick.	Golden Vale Food Products Ltd
Mr Anthony Leddy	Kilnacranagh, Milltown, Co Cavan.	IAWS Ltd
Mr Michea Drea	Kilcarrig, Bagenalstown, Co. Carlow.	Irish Dairy Board Co-op Society Ltd
Mr Stephen Kelliher	Coolcleave, Firies, Killarney, Co Kerry.	Kerry Co-operative Creamery Ltd
Mr Tom Corcoran	Bohadoon, Dungarvan, Co Waterford.	Waterford Co-operative Ltd
Elected Members	Address	Elected by (electoral group)
Mr Lexie Tinney	Drumcairn, Manorcunningham, Co Donegal.	Creameries North
Mr Dessie Boylan	Latnadroneagh, Crosserlough, Co Cavan.	Creameries North East
Mr Harry Brown	Leagh, Monaghan.	Creameries North East
Mr Michael O'Brien	Phillipstown, Cappawhite, Co Tipperary.	Creameries South
Mr Patrick O'Brien	Drishanebeg, Skibbereen, Co Cork.	Creameries South
Mr TJ Harty	Gort Nadiha, Ring, Co Waterford.	Mart Societies
Mr Timothy Hunt	Coole West, Athea, Co Limerick.	Mart Societies
Mr Patrick Kenny	Ardagh House, Riverstown, Co Sligo.	Mart Societies
Mr Michael O'Dwyer	Bridge View, Ardmayle, Cashel, Co Tipperary.	Mart Societies
Mr Donal Cashman	Coole, Whitecross, Co Cork.	Miscellaneous Societies

ICOS National Council 1998

The Council consists of all Board Members and the following people:

Nominated Members	Address	Nominated by
Mr Nicholas McEniry	Mortalstown, Cahir, Co Tipperary.	Dairygold Co-operative Society Ltd
Elected Members	Address	Elected by (electoral group)
Mr Frank O'Reilly	Kilconney, Belturbet, Co Cavan.	A.I. Societies
Mr Sean Sweeny	Knocknaderry, Killala, Mayo.	Creameries Connaught
Mr John Lavin	Ardgallagher, Kilmore, Carrick-on-Shannon, Co Leitrim.	Creameries Connaught
Mr John Sexton	"Sunview", Courtmacsharry, Bandon, Co Cork.	Creameries South
Mr Richard Tobin	Bawn, Nenagh, Co Tipperary.	Creameries South
Mr Michael Coughlan	Ballyellis, Buttevant, Co. Cork.	Mart Societies
Ms Mary Coleman	30 Ulverton Road, Dalkey, Co Dublin.	Miscellaneous Societies
Mr Jim Maguire	Beglieve, Bailieboro, Co Cavan.	Miscellaneous Societies
Mr John Joe O'Brien	Gerah, Banane, Kenmare, Co Kerry.	Miscellaneous Societies
Co-opted Members		
Mr Frank Allen	Ballinamona, Galbally, Co Limerick.	Co-opted Member
Mr John Parlon	Ballinlough, Roscrea, Co Tipperary.	Co-opted Member
Mr Tommy McGuire	Drummillard Big, Castleblayne, Co Monaghan.	Co-opted Member

Note:

Tom Cleary represented Irish Dairy Board Co-op Ltd on the Board/Council until June 1998

T.J. Harty represented the Mart Co-operatives on the Board/Council until April 1998

Development of the Irish Co-operative Sector between 1989 and 1997			
	1989	1995	1997
Number of co-ops	129	133	123
Number of members	173920	186097	184437
Number of employees	15207	31994	37611
Turnover (IR£ million)	4269	7555	7006

New Societies

and societies which have had amendments to rules

NEW SOCIETIES

Ahey Holdings Industrial and Provident Society Limited	Monaghan
Annaghdown Water Co-operative Society Limited	Galway
Annaghmore/Corrastira Society Limited	Roscommon
Ardour Ratesh Group Water Scheme Society Limited	Galway
Ballinabranna Water Co-operative Society Limited	Carlow
Bawnmore Group Water Scheme Limited	Kilkenny
Belmont Group Water Society Limited	Galway
Bonane Group Water Scheme Co-operative Society Limited	Kerry
Caherdine/Caherdevane Group Water Scheme Co-operative Society Limited	Galway
Caherleske, Coolagh Group Water Society Limited	Kilkenny
Comharchomann TurasÚireachta na Rosa Gaoth Dobhair agus Cloich Cheann Faola Teoranta	Donegal
Comhlachas na gComharchumann Gaeltachta Teoranta	Galway
Commercial Cattle Exhibitors Society Limited	Louth
Connaught Mushroom Producer Co-operative Limited	Mayo
Clovers Group Water Scheme Society Limited	Limerick
Croagh Patrick Forestry Co-operative Society Limited	Mayo
Donaghmore Famine Workhouse and Agricultural Museum Co-operative Society Limited	Laois
Dunmanus Sea Urchin Growers Society Limited	Cork
Fallduff Group Water Scheme Co-operative Society Limited	Mayo
Glenhest Group Water Scheme Society Limited	Mayo
Gortbeg, Ballinastack, Doonbeg Group Water Scheme Society Limited	Galway
Greencastle Shellfish Co-operative Society Limited	Donegal
Inishowen Community Organic Farm Society Limited	Donegal
Irish Vendem Sheep Society Limited	Meath
Killaturley Water Co-operative Society Limited	Mayo
Lahinch Community Council Co-operative Society Limited	Clare
Leitrim Organic Farmers Co-operative Society Limited	Leitrim
Leitrim/Shyan/Clonreddan Group Water Co-operative Society Limited	Clare
Lisheenavalla and District Group Water Scheme Society Limited	Galway
Martinstown Water Co-operative Society Limited	Limerick
Milltown Group Water Society Limited	Galway
Milltown North East Group Water Scheme Society Limited	Galway
Mistbay Industrial and Provident Society Limited	Kerry
Mountcollins Feile Cheoil and Community Heritage Society Limited	Limerick
North Kerry Rural Community Development Co-operative Society Limited	Kerry
O'Moore Co-operative Society Limited	Laois
Park Producer Co-operative Society Limited	Mayo
Robeen Group Water Scheme Limited	Mayo
Small Enterprise Development Alliance (Ireland) Co-operative Society Limited	Dublin
Sneem Fisherman's Co-operative Society Limited	Kerry
Swillow Industrial and Provident Society Limited	Cork
Swilly Mulroy Community Development Project Society Limited	Donegal
The Irish Aubrac Cattle Breeding Society Limited	Kildare
The National Federation of Group Water Schemes Society Limited	Galway
Tonegurranel/Dungriffin Group Water Scheme Society Limited	Galway
Tullyallen Group Water Scheme Co-operative Society Limited	Louth
Valentia Island Resource and Childcare Centre Society Limited	Kerry

Rule Amendments and Amalgamations

COMPLETE AMENDMENTS

Golden Vale Co-operative Mart Limited	Limerick
Mayo-Sligo Co-operative Livestock Mart Limited	Mayo
Midwest Farmers Co-operative Limited	Galway
Nenagh Co-operative Livestock Sales Mart Limited	Tipperary

PARTIAL AMENDMENTS

Avonmore Waterford Co-operative Society Limited	Kilkenny
Cavan Monaghan Rural Development Co-operative Society Limited	Cavan
Dairygold Co-operative Society Limited	Cork
Eastquay Society Limited	Cork
Golden Vale Cattle Breeding Society Limited	Cork
Golden Vale Clare Limited	Cork
Golden Vale Co-operative Society (North Midlands) Limited	Cork
Golden Vale Farms Limited	Cork
Golden Vale Food Products Limited	Cork
Golden Vale Limerick Limited	Cork
Irish Simmental Cattle Society Limited	Wicklow
Kiltoghert Co-operative and Agricultural Dairy Society Limited	Leitrim
Lee Strand Co-operative Creamery Limited	Kerry
South Teffia Co-operative Society Limited	Westmeath
Thurles Co-operative Creamery Limited	Tipperary
Tipperary Co-operative Creamery Limited	Tipperary
Westmeath Co-operative Agricultural & Dairy Society Limited	Cork
Wexford Community Development Association Society Limited	Wexford
Wexford Milk Producers Society Limited	Wexford

CHANGE OF REGISTERED OFFICE

Mayo Sligo Co-operative Livestock Mart Ltd	Mayo
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AMALGAMATIONS

<i>Irish Montbeliarde Cattle Breeding Society Limited and Comhaltas Montbeliarde Teoranta</i>	Amalgamated to form:	Montbeliarde Cattle Society of Ireland Limited	Dublin
<i>Avonmore Co-operative Society Limited and Waterford Co-operative Dairy & Trading Society Limited</i>	Amalgamated to form:	Avonmore Waterford Foods (Ireland) Society Limited	Kilkenny

Policy Development Division

Introduction

Agenda 2000 and the CAP reform proposals together with Ireland's participation in the launch of the EMU (single currency) were the major policy issues which influenced the co-operative agri-food sector in 1998. Variations in the value of the Irish pound affected market returns and the value of EU market support mechanisms. Detailed support and management issues such as the level of export refunds and WTO volume constraints were also relevant during the year.

Agenda 2000 and CAP Reform

The Commission of the European Union agreed its CAP reform proposals on March 18th, 1998, which were then discussed in the Council of Ministers meetings. It proposed steep reductions in intervention prices for milk (-15%), beef (-30%) and cereal (-20%). In addition, it proposed the continuation of milk quotas to 2006 and unequal increases in quotas, averaging 2% in the EU as a whole. ICOS's analysis of the proposals confirmed that they were more severe than the outline proposals which had been presented in 1997. In particular, the analysis confirmed that milk sector incomes would be reduced by an estimated £80 million per year if the proposals were implemented unchanged. Furthermore, the proposals discriminated against Ireland through the unfair and unequal allocation of the proposed milk quota increase and the unfair competition which the continuation of the maize silage premium would create. The analysis also confirmed that incomes in the beef

sector would be reduced by an estimated £150 million per year if the proposals were implemented and cereal sector incomes would also decline substantially.

ICOS actively lobbied against the excessiveness of the proposed price cuts, the inadequacy of the compensation and, in particular, the discriminatory and unfair nature of some of the proposals. It held a series of meetings with Commissioner Fischler, Agricultural Ministers, and Commission and Department of Agriculture and Food officials. In addition, it hosted a number of informative and successful conferences, seminars and workshops on the issue. ICOS personnel also actively participated with its member co-operatives in dedicated strategic planning workshops, seminars, board and committee briefings and public meetings. The information and other meetings assisted the sector to prepare and implement action plans to lobby for changes in the proposals and also to prepare co-operative and farm businesses for the likely changes which would arise from the CAP reform agreement.

Preparation for Irish Membership of the EMU (Single Currency)

Throughout 1998, the value of the Irish Pound's exchange rate against the ECU was of long-term significant. ICOS strongly represented the interests of the sector to ensure that the entry rate on joining the EURO would ensure that the sector's competitiveness would be maintained and not damaged. In the early months of the year, the sector benefited from two small devaluations, however the Government's decision in March to revalue the Irish Pound's central exchange rate by 3% against the ECU reduced the competitiveness of the sector. It effectively led to the Irish Pound joining the EURO at a rate 3% stronger than would otherwise have been necessary.

Throughout the year, ICOS held a series of briefing seminars and workshops for co-operatives to prepare for the conversion to the EURO. Regular information was disseminated to its members in the lead up to January 1st, 1999 on the detailed implications of the change.



At the ICOS agenda 2000 Conference in Longford (left to right) Laurance Carroll, Killkenny Mart; John Lavin, Kiltoghert Co-op; Harry Brown, ICOS Vice President.

Market Supports and WTO Constraints

The market for dairy, beef, pigmeat and other export products weakened during the year largely driven by the economic crises in Asia early in the year and by the Russian financial crisis in August 1998. ICOS analysed these developments together with its member co-operatives and made representations to the Department of Agriculture and Food and the European Commission for adjustments in the support mechanisms to offset these negative developments. The Commission responded by increasing export refunds for dairy, beef and pigmeat products and the intervention system for beef was modified.

In addition, ICOS continuously assessed the progression of export volumes against the WTO volume limits and informed its members of these developments. The limits proved a constraint for whole milk powder exports, whereas the volume limits were under used for butter, skimmed milk powder and cheese.

Divisional Information Services

The Policy Development Division provides indepth information and analysis to its members on the changing external policy and market environment. This was provided to co-operatives through the monthly ICOS Dairy Newsletter, regular fax updates, including pre and post EU Council reports, dairy management committee results and other specialist briefing documents and analyses.

The division also provided detailed and tailored analysis to specific co-operative members on a dedicated basis to satisfy their strategic planning needs. This was supplemented by the staff of the division attending co-operative workshops, seminars, board and committee meetings and other briefing sessions. In addition, the staff participated in member information meetings and training programmes concerning policy and market issues relating to milk, beef, pigmeat, cereals, currency, EMU, animal health and animal remedies issues.



At Cork Regional Agenda 2000 Conference (left to right) Nicholas Simms, Irish Dairy Board; Jim O'Grady, IAWS; Michael O'Dwyer, ICOS President; Donal Cashman, ICOS Vice-President; Joel Van Damme, EU Commission.



At the ICOS Agenda 2000 Conference in Longford (left to right) John Tyrrell, Director General ICOS; Dessie Boylan, Chairman Lakeland Dairies; John McDonnell, General Manager Beef Division, Irish Country Meats.

Dairy Committee

With milk prices showing a slight increase on 1997 the dairy sector is perhaps the only success story from farming. However 1998 was disappointing in that it was an additional year for the country suffering a superlevy penalty and also no progress was achieved on the finalisation of the Health Certificate required under the Health and Hygiene Regulations. Furthermore progress in the registration of dairy farms was disappointing.

Milk Quota

As reported last year the 1997/98 quota year was significant from an Irish viewpoint in that it was the first year that the quota was based on a butter fat adjusted figure arising from the fact that the country had exceeded the national butter fat reference. The butter fat factor no doubt resulted in contributing to the 8.004 million gallons over quota and also meant that many small scale producers were drawn into the superlevy net. At £10.653 million the charge was the second highest for the country in the history of the superlevy regime and also was the fourth consecutive year of a superlevy payment. In the course of the Milk Quota Regime Ireland has paid a superlevy bill of £56.147 million, 65% or £36.475 million of which was paid over those four years.

Good news for the industry is that our best estimates show the country will be under quota in 1998-99 by approximately 500,000 gallons. Again the country exceeded the butter fat reference figure representing 20 million gallons in gallon terms. The fall in milk supplies brings home to us the adverse farming conditions of 1998. Another factor was the lateness in calving.

It was obvious that the quota would be finely balanced and on the 31st March the ICOS conducted a national survey based on 95% of the milk pool. All results were conveyed to our co-operatives who brought individual producers up to date on both the national and the co-operatives position. This ensured that the national quota was maximised and super levy avoided.

During the year the ICOS welcomed the decision of the Minister to decrease the price of

restructuring and temporary leasing quota. The prices in the quota year 1998/99 were £1.60 for restructuring and 25p for temporary leasing. The relative prices for 1999/2000 are £1.55p and 25p per gallon.

In announcing both schemes the Minister for Agriculture, Mr. Walsh repeated statements



Joel Van Damme, Senior Milk Policy Official, EU Commission who was the principal guest speaker at the ICOS Regional Conferences on Agenda 2000.

by his predecessor Mr. Yates that the reduction in the price was part of the primary objective of tilting the balance in favour of the active milk producers. The Minister also continued by pointing out that maintaining a downward pressure on production costs was essential in the context of a more competitive market situation. With 31 million gallons offered to the restructuring scheme over the quota years 1997/98 and 1998/99 the total saving to dairy farmers investing in restructural quota is just over £10 million. Figures produced for the Department of Agriculture and Food indicate that on 1st April 1997 there were 35,027 milk producers currently in milk production with an average quota of 30,689 gallons each.

Proposals for New Quota Regime

During the past year the ICOS Quota Advisory Group and the ICOS Dairy Committee discussed in detail the proposals for the new Quota Regime under the Santer proposals and made a submission of their views to the Department of Agriculture and Food in July 1998.

The following are a summary of the main points of the submission:

- ICOS sought the introduction of more flexibility within the quota regime, but recognised at the same time that the retention of milk quota within a co-op purchaser's area is critical and quota distribution is best done through the milk purchaser.
- ICOS proposed that from the 1st April 2000, new land and quota leases should be abolished.
- The recommendation of the ICOS Dairy Committee is that where a milk purchaser ceases milk production after 1st April 2000, the quota is surrendered to the milk purchaser for distribution through the restructuring scheme.
- In regard to temporary leasing, the view of the ICOS is that a three year temporary leasing is not realistic. The ICOS supports two phases.
- The priority categories recommended by ICOS for the 1st April 2000 are:
 - Under 180,000 litres (39,6000 gallons)
 - Between a 180,000 and 280,000 litres (61.600 gallons)
 - Over 280,000 litres.

It was also proposed that within temporary leasing the allocation should be on the basis of 85% of the purchaser's milk pool, being for the under 180,000 litre category with 15% of the purchaser's milk pool for the category 180,000 to 280,000 litres.

The final CAP Agreement puts a clear focus by the Commission on Quota Management and the options member states may adopt. On the publication of the detailed rules the ICOS will be working closely with the co-operatives and the Department in adopting a new Quota Regime in Ireland.

Mil k Qual ity

Entrenched positions by the Farm Organisations and the Veterinary Union regarding the Health Certificate required under Council Directive 92/46 resulted in the

Department having little option but to postpone the implementation of the Certificate for one year. Indeed the postponement of the Health Certificate was inevitable and was one of the requests made by the ICOS at its meeting with Department Officials on 20th February 1998. The ICOS had previously, on 9th October 1997 at a meeting with the Minister highlighted the impracticality and the non-user friendly aspect of the Certificate circulated by the Department.



The Health Certificate is the last piece in the full implementation of Council Directive 92/46 (SI No 9 of 96), and must not be taken out of proportion. The inspection of dairy farms is progressing slowly at farm level but the dairy co-operatives through their advisory services have brought a much larger number of dairy farmers to the point of registration. The Certificate drawn up by the Department of Agriculture and Food was not practical in its design or workable as it had excessive detail. In addition the ICOS requested the Department to examine the Certificate and see how it could be accommodated on the same return as the Annual Herd Test. From the veterinary viewpoint the major stumbling block has been the requirement on the veterinary surgeon to certify the declaration by the dairy farmer regarding the health status of his herd. By inserting this detail the Department requires the veterinary surgeon to follow a standard

certification process similar to other certifications and the certification by its nature entails that the veterinary surgeon must check the points declared by the farmer which could entail a complete physical examination.

The overriding view of the ICOS is that a Certificate should comply with the legislation and no more than this is required as excessive detail leads to wider interpretations and invariably to an unnecessary burden on the dairy farmer.

The redesigned Certificate by the Department of Agriculture and Food was circulated to the industry in January 1999 and to the dairy farmers in April.

At the end of 1998 9,500 dairy farmers from a total of 32,000 were formally registered under the Dairy Hygiene Scheme and a further 2,000 are in the system about to be finalised by the Department. A further 5,000 have received a first visit. However the percentage of dairy farms registered within a particular area varies considerably throughout the country with some co-operatives reporting more than 50% of their producers registered while other co-operatives will have less than 25% registered by 1st January 2,000.

Dairy Hygiene Grants

Since the suspension of the Dairy Hygiene Grant Scheme in October 1996 the ICOS has availed of every opportunity to seek the reintroduction of Grant Aid for dairy farmers to assist their investment for Dairy Hygiene Registration. In particular the ICOS requested the Minister of Agriculture and Food to

- support the view of the consultants report on the previous scheme that the largest proportion of the grant should be toward the upgrading of existing facilities and not for new buildings.



- to set aside a specific sum for the Dairy Hygiene Scheme.
- to give consideration to milk producers who undertook upgrading their facilities to registration standards since the suspension of the EU scheme in October 1996.
- to review the total process of assessment and inspection by the FDS division and to determine if grants based on receipts for necessity work carried out on existing facilities to meet the 92/46 requirements should be entertained.
- to establish an upper limit e.g. £5,000 per farmer on the grant allocation.
- to include new milk cooling tanks and upgrading of milk machines.
- to apply grants in the following quota bands, 0 to 25,000 gallons and 25,000 to 50,000 gallons.

The ICOS has welcomed the decision by the Minister to allocate £25 million pounds from the National Exchequer for the Dairy Hygiene Grant Scheme.

National Co-operative Marts Committee

Mart Trading Performance

Total throughput in the marts Sector for 1998 is expected to show a substantial downturn on 1997 figures.

Turnover is likely to be down by more than £120m on the 1997 figure of £585m or approximately 20%.

Stock numbers handled were down under all headings, with the biggest reductions in adult cattle and sheep numbers.

The following figures are based on ICOS Survey findings.

Adult Cattle	- 16.9 %
Weanlings	+ 0.35%
Calves	- 4.2 %
Sheep	- 16.7 %

Prices, in 1998, for all categories and qualities of both cattle and sheep were well down on those of the previous year. In the case of cattle, the reduction was in the region of 20% and the case of sheep, it was 17.5% approximately.

Mart profitability suffered badly due to a combination of reduced Commission earnings, reduced cash flows and deposit rates, with increased Mart overheads.

The figures confirm that when the trade for livestock is bad with prices in decline, the Mart is not always the preferred outlet for stock. This happened previously in 1974 and 1980.

Factors which contributed to the problems of marts in 1998:

- (i) New Brucellosis measures
- (ii) Political and Economic Crises in Russia
- (iii) The very wet Summer and Autumn periods.

Work of the Committee

During the year, the full Marts Committee met on three occasions, with the Administration Committee meeting on five occasions. There were also regular meetings of Managers in Portlaoise and Dublin.

Messrs Ted Hunt (GVM) and Lar Carroll (Kilkenny) continued as Chairman and Vice-chairman respectively. In addition, Mr. Donal Buckley (Dairygold) was re-elected to the Committee, and Messrs MI Coughlan (Cork Marts), MI Sweeney (Castlereagh), Tom Brooks (Clare), and Charlie Doherty (Inishowen), replaced retiring members, Messrs Tommy Joe Harty, Owen Morgan, MI Armstrong and Gerald Monagle. Furthermore, Messrs James Donnellan (Tuam) and Martin McNamara (Athenry) were co-opted to the Committee.

During the year the Committee represented the interests of its members on a wide variety of issues relating to the marts Sector, both in Dublin and in Brussels, including:

National Car Testing

In the Autumn a consortium comprising ICOS and Societe Generale de Surveillance (SGS) was successful in tendering for the introduction of a national car testing programme. The programme was launched by Minister Noel Dempsey TD on December 15. ICOS was involved in the consortium on behalf of 11 livestock mart co-operatives who are making available 15 locations at which car testing will be undertaken. The mart societies will earn an income from this activity and the scheme will commence on 4 January 2000.

Brucellosis

The new 30 Day Programme for Brucellosis eradication was introduced nationally on February 23rd. This new package of measures, which is in place for a minimum of two years, incorporates a One-Sale test requirement for animals over 18 months of age, with the dropping of the Special Sales provision.

The impact on mart throughput of female stock was immediate and continued for the remainder of the year.

National Beef Assurance Scheme and CMMS

The pilot schemes on CMMS which got underway in Birr and Roscommon Marts at the end of 1997 were successfully completed by February 1998. At a subsequent meeting in Agriculture House, agreement was reached on a timetable for the full

introduction of CMMS in marts, which was followed by a submission to the Department of Agriculture on the issue of Cost Recovery. Donal Corcoran & Associates were commissioned to prepare the marts case for submission to the Department of Agriculture on funding for the matching of herd numbers. The payment of 40p per client matched was agreed and the CMMS start-up date of September 28th was subsequently confirmed by the Department of Agriculture. In the meantime, the Department of Agriculture approved a once-off Grant at the rate of 70% for livestock marts investing in computer facilities, subject to a maximum Grant of £9,000 per Mart site.

At the time of writing, CMMS is fully operational in livestock marts, with Meat Factories and Live Exporters underway.

Sheepmeat Forum

The Sheepmeat Forum was set up by the Minister for Agriculture in March. Subsequently, following ICOS representation, the Department of Agriculture agreed to provide for an ICOS representative on the Forum.

Quota Work

Meetings with the Department of Agriculture Quota personnel were held in Castlebar and in Plunkett House for the purpose of streamlining the procedures for the Transfer/Lease of Suckler Cow and Ewe Premium Quotas.

The meetings proceeded on a very positive note with full agreement reached on all the major issues.

Live Exports to the Continent

The Committee took an active role in the efforts to achieve enhanced shipping arrangements for the export of weanlings to the Continent. This work had very beneficial effects with exports to Continental destinations up by 496%.

COPA/COGECA

The Secretary of the ICOS Marts Committee participated in the various Beef and Sheepmeat Working Group meetings in Brussels and also in the Commission Consultative Committees.

Participation in AEMB

The General Assembly of the European Association of Livestock Markets (AEMB) was held in Zwolle, Netherlands on April 23rd/24th. Mr Maurice Colbert presented a paper with the title "Traceability in Livestock and New Technology - The Irish Experience". AEMB, through its close association with UECBV (The European Association of the Livestock, and Meat Trade) continues to provide a very valuable vehicle for Livestock Markets to lobby European Union institutions.

Conferences and Seminars

The 28th Annual General Meeting and Conference of Co-op marts was held in the Montague Hotel, Portlaoise, on Tuesday April 7th, with Minister for State Mr. Ned O'Keefe TD as guest speaker.

Other speakers were Messrs Pat O'Mahony, Manager, Veterinary Public Health, Food Safety Authority of Ireland, and Martin Varley Director of Policy ICOS.

In addition, the Annual Seminar / Get-Together for Mart Managers and spouses was held in Hotel Westport on June 4th/5th. A total of 22 Managers took part in the two-day event.



Maurice Colbert, Livestock and Animal Health, ICOS, Lar Carroll, Kilkenny Mart, Sean Hughes, Infoscience, Michael O'Dwyer, President ICOS and Harrison Boyd, from Northern Ireland, attending the ICOS Mart Managers Seminar in Mayo on Friday, June 5th.

ICOS Brussels

1998 was another busy year in Brussels. The European Commission presented an updated set of proposals for reforming the Common Agricultural Policy in March and this effectively dominated the year. Discussions took place every month at the level of the Farm Council and it was also discussed at the Heads of State and Government meetings throughout the year.

The European Commission tabled a number of reports throughout 1998 in order to drive the reform process forward. The first report indicated that without a reform of the CAP there would be a massive increase in the intervention stocks of cereals and beef and to a lesser extent skimmed milk powder. A second report on the financing of the EU budget suggested that 25% of CAP direct payments should be financed from national budgets. This would have a disastrous impact for Ireland. A final report said that if the CAP were reformed there would be significant benefits through higher agricultural income and lower levels of inflation.

Through the Brussels office, ICOS played an important role in influencing the development of European agriculture policy through direct contact with key decision makers at European level. During 1998 ICOS Brussels also organised numerous meetings for co-operative representatives to meet with the decision-makers in Brussels. ICOS maintains daily contact with the European Commission and the European Parliament to ensure that all policy issues are actively monitored and to ensure that ICOS has the most up to date information available. Among the many issues ICOS Brussels lobbied on during 1998 were:

- Agenda 2000 and CAP reform
- Export promotion
- The management of the GATT quotas
- New Zealand butter imports
- Agrimony proposals for the introduction of the euro
- The reorganisation of the Commission's Advisory Committee structure
- Changes in support levels for cheese
- The increased support needed for SMP
- The European Parliament's temporary committee of inquiry into BSE
- The Fifth Framework Programme for research and development

ICOS is a member of COGECA the umbrella body for European co-operatives and has maintained an office in Brussels since 1973. COGECA provides ICOS with a forum to meet it's counterparts from the other member states of the European Union to develop common positions and to lobby collectively in Brussels for co-operatives in Europe. Representing over 30,000 co-operatives COGECA is an influential voice in Brussels. As Vice-President of COGECA, John Tyrrell met with Commissioner Fischler and the Presidents of the Farm Council during 1998 to lobby on CAP reform and other co-operative issues. John Tyrrell also presided over a successful COGECA seminar on EC Competition policy in September in Brussels attended by 45 of the most senior co-operative leaders from the EU.

The advisory committee structure was reorganised during 1998 and ICOS continues to participate in these committees and the various COGECA working groups. Our representatives during 1998 were:

COGECA Presidium	Michael O'Dwyer & John Tyrrell
Common Agricultural Policy	John Tyrrell
Milk & Dairy Products	Martin Varley & George Kearns
Sheepmeat	Maurice Colbert
Beef	Maurice Colbert
European Association of Livestock Marts	Michael O'Dwyer & Maurice Colbert
Eggs & Poultry	Patrick Mulvehill
Feedstuffs	Eamonn Walshe
Foodstuffs	Michael Hickey
Seeds	Gerry Griffith
Agricultural Structures	Seamus O'Donohoe
Oilseeds	John Rice
Animal Breeding	Bernard Eivers
Veterinary Matters	Sean Crowley
Legal Questions	Greg Tierney
ECORD	Martin Varley
CEPFAR/Training	Seamus O'Donohoe
Committee on Commerce & Distribution	Greg Tierney
Animal Breeding	Bernard Eivers
Fisheries	Mark Lochrin
Agritourism	Seamus O'Donohoe
Quality & health	George Kearns
Permanent Representative in Brussels	Michael Quigley

Member Development Division

Education and Training

Director Development

The ICOS Director Development Programme, "Introduction to Good Board Practice", was run over four days in January and February and was followed by a four-day study tour to Belgium. This programme attracted twenty-nine directors from twelve different co-operatives. In addition, ICOS offered a variety of customised one and two-day Director Development programmes to seven co-operatives in 1998.

Leadership Training

The past year was a busy one in terms of Leadership Training with seven separate programmes, ranging from four to six days, being run. A feature of the work was the development of special programmes for a number of Co-op Advisory Committees in addition to training younger co-operative members with leadership potential. These programmes were planned and delivered on a joint basis between ICOS staff and the staff of the particular co-operative involved, with some programmes having a second year module.

As with the previous year, a special workshop for young co-operative leaders was organised at the National Conference. This attracted fifty young farmer delegates from twenty-three co-operatives.

General Co-operative Training

The Member Development Division in 1998, continued to organise and deliver a co-operative training input into Teagasc "Green Certificate" programmes, university undergraduate, post-graduate and extra-mural courses, as well as new co-operative start-ups. In 1998, the Division's staff would have participated in six such programmes.

RURAL DEVELOPMENT AND AGRICULTURAL STRUCTURES

ICOS Rural Development Committee

The Rural Development Committee met on six occasions during the year. Two of the meetings were outside Dublin, including a field trip to West Cork to explore rural development initiatives being undertaken in that area. The

main work in 1998 was in assisting rural groups, projects and activities with co-operative start-ups.

Local Development

ICOS is involved in a number of local development initiatives through Area Partnership Companies (APC's) and County Enterprise Boards (CEB's). It is also represented on the ADM Rural Development Committee, which co-ordinates local development policy as it applies to APC's. In the case of County Enterprise Boards, the four farm organisations have one joint nominee on each such Board.

The Division continued to supply services to a number of LEADER groups on a consultancy basis.



Visit by ICOS Rural Development Committee to South Western Services, November '98.

Operational Programme for Agriculture Rural Development & Forestry (OPARDF)

ICOS is represented on the Monitoring Committee for the OPARDF, which met on two occasions in 1998. These meetings hear progress reports on the implementation of schemes and evaluate the effectiveness and impact of these schemes. Most schemes under this operational programme were suspended in 1997 as applications exceeded the budgetary provisions for the schemes.

EU Advisory Committee on Agricultural Structures.

In common with a number of other EU Advisory Committees, this Committee

underwent a significant restructuring in terms of its size and composition in 1998. The expanded Committee now has a much wider representation of differing rural interests with somewhat reduced farmer and co-operative representation. ICOS still retains a seat on this Committee. The restructured EU Advisory Committee on Agricultural Structures met on one occasion in 1998. Much of the focus of the Committee's work was on the importance now being attached to environmental structural measures and the implications such measures have for farming and co-operatives. The Committee also debated, at some length, the proposals in regard to agricultural structural measures under Agenda 2000.

Member Relations

The Member Development Division is available to all co-operatives for attendance at general meetings of the membership or the committee of management. The division actively participates in the preparation of rules, advising on complete and partial amendment of rules, helping to resolve difficulties between members and the co-operative, assisting in restructuring and assisting co-operatives in their general communication with members.

The Division continues to assist societies in the review and development of policies on co-operative membership, updating of share registers, bonus share issues and redemption of shares.

Plunkett Award

The 1998 winner of the Plunkett Award for Co-operative Endeavour was Mr. Donal



President Michael O'Dwyer presents the Plunkett Award for Co-operative Endeavour to Donal Noone Inishowen Co-op.

Noone, Board Member and former General Manager of Inisowen Co-operative Society Limited. The Award was presented to Donal in recognition of a lifelong commitment to his co-operative and community in the Inishowen area.

1998 National Conference

The theme of the 1998 National Co-operative Conference was "Co-operatives in the Post - 2000 Environment". The keynote address, "Integrating Agenda 2000 into the next WTO Round", was delivered by Ms. Mary Minch, Director of Livestock Products, DGVI, European Commission. The conference attracted 210 delegates with over 275 attending the gala dinner with Mr Joe Walsh TD Minister for Agriculture & Food as the Guest of Honour.

National Pig Producers Society Limited

The Division continues to provide secretarial services to this Society. The work of the Society is mainly the dissemination of information among its members.

Irish Milk Quality Co-operative Society Limited (IMQCS)

During 1998, this Society continued its role in training milking machine technicians and ran a training programme on a joint basis with Teagasc. A revised edition of the National Register of Certified Milking Machine Technicians was produced and widely circulated in 1998.

The Irish Milk Quality Co-operative Society organised a seminar in December 1998 for the dairy industry. The seminar topic was "Efficient and Safe Production of Quality Milk". Mr. Billy Nagle, Chairman IMQCS; Mr. Tom Ryan, Teagasc; Ms. Ann Browne, Farm Quality Assurance Officer, AWG; Mr. Donnie Cashman, Vice President ICOS; Dr. Eddie O'Callaghan, Senior Research Officer, Teagasc; Mr. David Gleeson, Teagasc Research Officer; Mr. Tommy O Sullivan, Inspector, Health & Safety Authority and Dr. Gerry O'Shea, AHC Limited, all contributed to the proceedings.

The Member Development Division provides secretarial and management service to IMQCS.

Irish Timber Growers Association (ITGA)

The work of the division with ITGA

continued to grow in 1998. A new joint venture project with Glanbia, entitled the Forestry Development Association, which commenced in 1997, became fully operational in 1998 with three staff employed on the project. The objective of the joint venture is to provide farmers in the southeast with a comprehensive advice on all aspects of forestry. It is hoped that this year will see the establishment of a forestry co-operative that will look after and service the interests of growers in that region.



Co-Operative Farm Forestry

The aim of the Western Forestry Co-operative Society is to ensure that every farm woodland owner is a member of his local forestry co-operative. In 1998 membership of local forestry co-operatives and the level of services to members expanded. For example, East Mayo Forestry Co-operative has now almost 300 members with a cumulative area of farm woodland in excess of 1600 ha. The 20 local farmer forestry co-operatives are serviced by 13 development officers, 8 full-time and 5 part-time (in addition to the assistance provided by the farm services divisions of the parent dairy co-operatives). Nine of these officers are professional foresters. Overall their role is to promote planned farm afforestation and to co-ordinate the activities of all relevant statutory and voluntary development agencies within each co-operative area.

The Western Forestry Co-operative Society has an overall co-ordinating and programming role in the operation of local farm forestry co-operatives in western and north western counties. The programme is funded by the E.U., the Forestry Service (Department of Marine and Natural Resources) and the 7 agricultural co-operatives who form the membership of the Western Forestry Co-operative.

In western counties most suitable blocks of marginal land (>20 ha) are either already planted, or for other reasons, are ineligible for afforestation. Accordingly the major organisational challenge for the co-operatives, is to promote the release of the areas of marginal land, present on almost every farm, into forestry and to group the areas available on adjacent farms into viable well laid out blocks. Promoting group forestry involves a close liaison with communities, farming organisations and the statutory rural development bodies. This is to ensure that the afforestation programme is a positive element of overall community development programming, which should complement rather than replace existing farming enterprises.

Human Resources

1998 proved to be a comparatively quiet year in terms of the number of issues arising. The terms of the Partnership 2000 Agreement were applied in societies, including the additional 2% pay increase through local negotiations provided in Clause 2 (iii) of the Agreement. Generally, societies were in a position to concede this increase without seeking productivity improvements in return. In many cases, the increase was paid out prior to a claim being submitted by the Trade Union.

No major problems seem to have arisen as a result of the implementation of the working time legislation. However, some societies reported a reluctance by individual employees to sign collective agreements designed to enable them to average the working hours over a full year. This occurred, despite the fact that without the agreement, employees stood to lose earnings. In a few other cases, employees were seeking compensation for

loss of earnings arising from reduced overtime as a result of the implementation of the legislation. Discussions are continuing in efforts to seek solutions.

Early in the year, SIPTU submitted a claim for improvements in the Irish Co-operative Societies Pension Scheme (ICSPS). There are twenty-six societies in membership of the schemes. However, no centralised negotiating body existed and it was necessary to call a meeting of the twenty-six societies, which are members of the ICSPS, to decide on how the claim could be dealt with. It was agreed that the Industrial Relations Advisory Committee (IRAC) should handle the matter. A meeting was arranged with the Union, at which it was indicated that the claim could only be processed in accordance with the terms of the Partnership 2000 Agreement. The Union was not happy with developments and immediately referred the case to the Labour Relations Commission. A Conciliation Conference was held in December. This was adjourned without agreement being reached. The Conference will be resumed early in 1999.

The claim is a very substantial one and will require full and careful consideration. It would appear that the Union is seeking to break new ground in that they are trying to have certain extra payments included in the calculation of pensionable pay. The view of

ICOS is that regard must be had to the terms of the National Agreement. No decisions will be made or agreements entered into without the prior approval of the societies, which are members of the Scheme.

ICOS continued to provide a service to member societies at local level. There were thirty-four meetings with managements and eighteen meetings with unions. However, none of the cases required to be dealt with at Labour Relations Commission level and only one was referred to a Rights Commissioner. These statistics would indicate that the Partnership 2000 National Agreement was being adhered to generally throughout the Industry.

A Management training course was run in conjunction with UAOS. This involved five modules, which were held at venues on both sides of the Border. The managers came from societies north and south of the border. The course was very successful and, hopefully, will be followed by similar exercises in the future.

The Industrial Relations Advisory Committee (IRAC) met on eight occasions in full or sub-committee session. While the main topic through the year was the claim on the Pension Scheme, the Committee also discussed issues such as, Minimum Wages; Working Hours Legislation and the Labour Relations Commission's Advisory Service.

Irish Foundation for Co-operative Development

During the past year the work of the Foundation continued to be concentrated in two priority countries, Tanzania and Uganda. The continued support of Irish co-operatives particularly the Dairy Sector, has made it possible, in turn, to access funding from the Agency for Personal Service Overseas (APSO) the Irish Bilateral Aid Programme, and the Co-financing Scheme of the European Union. As a result the work being undertaken in Uganda in particular has expanded considerably and is providing help to a much greater number of people in two Districts all of whom appreciate this valuable help from the Irish Co-operative Movement.

Tanzania

IFCD has been assisting co-op development in the Iringa region for many years now. Because of previous government policy normal co-op development was not possible. Markets for the main crops were strictly controlled and the co-op unions were very political and corrupt. There were, and still are, thousands of village co-ops. But they are really too small to be economically viable and the villagers see them as having been imposed from above.

The new IFCD project, started in mid-1997, has sought to promote Producer Marketing Groups (PMGs) among maize and coffee farmers in three Districts of the region. The IFCD team of local experts has plans to organise a total of ten PMGs over a three-year period. Already in the first year of this project, the first four groups have achieved a lot in improving the returns to farmers for both coffee and maize. By contrast with the previous formal village co-ops, the PMGs cover a wider area and are based on practical commercial activity in assembling and selling the farmers produce. Any costs in running them, including the building up of reserve funding for the financing of crop purchase in the future, are all taken out of the price gained in the market. Even after such deductions, the farmers are receiving much better prices for maize and coffee. In addition, the existence of these new groups has also affected the prices paid by private buyers.



Malachy Prunty Director IFCD visiting a local farmers bean crop in Uganda with IFCD local extension staff.

Alongside this work in marketing, the IFCD project is promoting a total of 14 savings and credit groups in the same Districts. These groups have begun to lend out money to members and the pay back, so far, has been very encouraging. Money borrowed is being used for many different productive purposes, e.g. buying and selling clothes and other consumer goods, setting up small businesses and services, improvement of houses, payment of school fees etc. etc. A major benefit of working in groups is the exchange of ideas and the mutual working together in local communities.

Uganda

IFCD's first Projects Officer Eamonn Henry has completed his three-year contract working for IFCD in Uganda and has returned home. Because of the good success achieved in building viable economic groups, both formal

and informal, i.e. formally registered coffee co-operatives, as well as local branches of the National Farmers' Association and women's groups, the work in Rakai District is being continued for a further two and a half years. At the same time, the same type of institution-building work is being extended to the neighbouring Masaka District.

Essentially, our project identifies various groups of farmers, villagers and women who are invited to undergo training and motivation with the emphasis on developing practical plans for economic projects for each group. As an extension of this concept, the groups are invited to become involved in the special bean/maize production and marketing project, which is administered by IFCD on behalf of an American donor agency, Agri-Business Development Centre, which is funded by USAID.

Jim Gilsean from Dublin and Elizabeth Bolger from Kilkenny have taken up duty as IFCD's new Project Officers in Uganda. They will supervise and co-ordinate the work of over fifty local people employed by IFCD in the seed production and marketing project, as well as their own counterpart staff in the two Districts. The work in Uganda has been very practical and much appreciated by the people involved, as well as by other agencies and the Ministry of Agriculture. The local groupings and co-ops being set up and trained are seen as ideal channels through which to provide various developmental services in the rural areas.

The Gambia

IFCD personnel made a further visit to the Gambia in June at the request of their Government. The main purpose of the visit was to assist with the running of a national workshop on the future of the Co-operative movement in the country and to advise on the drawing up of a Policy Framework Document

to guide the Government in its intended support of co-ops in the rural areas.

A major policy decision had already been taken in the liquidation of the Gambia Co-op Union (GCU), which had accumulated major debts and was seen as an obstacle to the development of a voluntary and economically viable co-op movement. A major study undertaken by the European Development Fund (EDF) had also shown that the groundnut sub-section is in serious decline due to mismanagement and neglect over many years. Groundnut production is the most important subsector in agriculture in the Gambia. The EDF report has set down a five-year programme to revive it by the introduction of better seed, more extensive advice and better quality production.

The plan for the revitalisation of this industry includes a major emphasis on rebuilding local co-op structures through which extension/credit/advisory services can be provided. The national workshop at which IFCD played a major advisory role, called for the creation of a new independent agency outside Government to promote and service a new voluntary co-op movement controlled by the farmers themselves. Following on this a policy reaction from the Gambian Government is expected and it is anticipated that a request for IFCD to provide further advice and support over the next few years will be received.

Mozambique

Mozambique, a former Portuguese colony on the southeastern coast of Africa, is one of the poorest countries in the world. Annual per capita income for its 16 million inhabitants is less than \$80 US. 90% live in poverty and 60% are just at subsistence level. IFCD has responded to an appeal by an Irish missionary priest working in a very remote parish in the north of the country to co-finance a seed and fertiliser programme over the next two years.

Financial Services Sector

Icos Finances

The year 1998 resulted in a surplus after taxation of £15,130, as compared to a deficit of £13,143 in prior year. While income has decreased by 0.7%, there has been a reduction in expenditure of 4%. The fall in affiliation fees of 6% has been compensated to some extent by the increase in income from seminars held. The main movements in costs have been a reduction in payroll and travel expenses due to reduction in staff numbers and also there was a reduction in consultancy costs since in 1997 revenue audit costs were incurred. Public relation costs saw an increase and this includes the cost of holding seminars during the year.

The internal financing of ICOS was again given a high priority in 1998 and the cost structure is kept constantly under review. The objective is to provide services to members as cost effectively as possible. Projections are for a decrease in ICOS affiliation fees as they are currently structured as the sector rationalises and more mergers take place. Against this background ICOS continues to explore other avenues of revenue generation.

During 1998 ICOS was successful in securing EC grants for the organisation of certain seminars with a European theme. During 1999 such opportunities continue to be explored.

Statistical Analysis

ICOS undertakes statistical analysis of both the dairy and mart sectors. During 1998 ICOS analysed mart performance since the last strategy document in 1992. The result of this analysis has been incorporated into an updated strategy.

ICOS also continues to analyse information and performance of dairy co-operatives.

Euro Preparation

The division continues to work with Financial Controllers in providing information on the euro and changeover. A euro workgroup has been established with the aim of co-ordinating a standard approach to euro changeover. Staff also participate in Forfas Business Awareness Forum in relation to EMU

Pensions

ICOS continues the administration of two industry wide pension schemes

- Dairy Executives Pension Scheme
- Irish Co-operatives Societies Pension Scheme

1998 was once again another year of strong performance by pension schemes with both schemes showing good returns. The two schemes are now managed by Bank of Ireland Asset Management.

Other Issues

The division continues to provide services to the other sectors within ICOS and provide information as requested to co-operatives and other interested parties.

During 1998 there was a complete upgrade of the computer system with all staff members being provided with a computer and an e-mail address.

Once again there was a staff change within the finance department with Elaine McGuirk replacing Ruth Fletcher as Finance Executive.

Co-op Principles of the international Co-operative Alliance

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st Principle: Open and Voluntary Membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to and democratically control the capital of their co-operative. At least part of that capital is

usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public (particularly young people and opinion leaders) about the nature of co-operation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the Co-operative Movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

ICOS Mission Statement

*To provide leadership
for the co-operative movement,
and to promote,
develop,
co-ordinate,
and represent
agri and rural related co-operatives
in the interests of their members.*

ICOS Services

With the objective of implementing its Mission Statement ICOS, which itself is a co-operative, provides a range of services to member co-operatives and groups wishing to form co-operatives.

These include the following:

- **Policy formulation on issues affecting co-operatives.**
- **Preparation of rules and assistance to groups in the process of incorporation.**
- **Advice on sourcing of funds and other financial services.**
- **Representation at European Union level.**
- **Analysis and interpretation of European Union Legislation.**
- **Consultation through the E.U. Advisory Committee Structure.**
- **Lobbying at National and E.U. level on issues of relevance to Co-ops.**
- **Provision of Director Training Programmes.**
- **Provision of Co-operative Leadership Programmes.**
- **Advice on Industrial Relations matters.**
- **Advice on Corporate Structures.**
- **Analysis of Co-op financial data.**
- **Analysis and interpretation of Irish legislative issues.**

Statement of the Society's and the Board's Responsibilities

The Industrial and Provident Societies Acts require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Society is responsible for keeping proper books of account such as are necessary to give a true and fair view of the state of affairs of the Society and to explain its transactions. The Board is responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:

President: M. O'Dwyer

Director General: J. R. Tyrrell

Secretary: G. C. Tierney

24 March 1999

Report of the Auditor

To the members of Irish Co-Operative Organisation Society Limited

I have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 3.

Respective responsibilities of the Board and auditor

As described on page 2, the Society's Board is responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Standards Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with

sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view of the state of financial affairs of the Society as at 31 December 1998 and of its surplus for the year then ended. I have carried out such procedures and obtained such information as I considered necessary.

I found the Society's books, deeds, documents, accounts and vouchers relating thereto, to be correct, duly vouched and in accordance with the Industrial and Provident Societies Acts, 1893 to 1978.

Thomas J. McCarthy
Public Auditor

Pricewaterhouse Coopers
Chartered Accountants and Registered Auditors
Dublin

24 March 1999

Accounting Policies

The significant accounting policies adopted by the Society are as follows:

Basis of accounting

The financial statements are prepared under the historical cost convention.

Societies' contributions

Contributions from societies are taken to credit of the income and expenditure account for the year in which such contributions are received and arrears are not included at the year end.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of the fixed assets over their estimated useful lives by equal annual instalments.

Leased assets

Where fixed assets are financed by leasing agreements which give rights approximating to ownership ("finance leases"), they are treated as if they had been purchased outright at the present values of the minimum lease payments; the corresponding obligations are shown in the balance sheet as finance leases.

The present value of the minimum payments under a lease is derived by discounting those payments at the interest rate implicit in the lease, and is normally the price at which the asset could be exchanged in an arm's length transaction.

Depreciation is calculated in order to write off the amounts capitalised over the estimated useful lives of the assets by equal annual instalments.

The difference between the total rentals under a lease over the amount capitalised is treated as interest, which is amortised to the income and expenditure account over the period of the lease.

Leases other than finance leases are "operating leases" and the rentals thereunder are charged to the income and expenditure account on a straight line basis over the periods of the leases.

Pensions

The pension entitlements of employees are secured by contributions to a separately administered pension fund and these contributions are charged to the income and expenditure account on an accruals basis. Annual contributions are based on regular actuarial valuations.

Deferred Taxation

Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future and any amount not provided is disclosed as a contingent liability.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Foreign Currencies

Current assets and current liabilities denominated in foreign currencies are translated into Irish pounds at the rates of exchange ruling at the balance sheet date.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the income and expenditure account.



Income and Expenditure Account

Year ended 31 December 1998	1998 IR£	1997 IR£
Income		
Societies' contributions received	1,068,399	1,137,472
Seminars, training and education	70,153	14,925
Other income (including registration services)	18,837	13,292
	1,157,389	1,165,689
Expenditure		
Payroll		
Salaries and state insurance, less recoveries	554,161	551,437
Pension scheme premiums and superannuation	115,601	123,469
	669,762	674,906
Travel and services		
Travelling expenses	167,120	177,121
Public relations, education and training	58,439	43,336
Postage and telephone	49,116	51,452
Printing and stationery	29,646	27,917
Consultancy fees	3,062	12,038
	307,283	311,864
Overheads		
Rent, rates, light, insurance and household expenses	66,696	86,221
Subscriptions	41,663	44,289
Depreciation of fixed assets	25,031	28,750
Maintenance and repairs	22,325	16,929
Professional fees	10,144	12,713
Interest and bank charges	558	1,345
Miscellaneous expenses	3,197	7,315
	169,614	197,562
	1,146,759	1,184,332
Surplus/(deficit) for year before state grant and taxation	10,630	(18,643)
<i>On behalf of the Board:</i>		
President: M. O'Dwyer	Director General: J. R. Tyrrell	Secretary: G. C. Tierney

General Revenue Account

Year ended 31 December 1998	Note	1998 IR£	1997 IR£
Surplus/(deficit) for year before state grant and taxation		10,630	(18,643)
State grant		11,000	11,000
Surplus/(deficit) for year before taxation		21,630	(7,643)
Taxation	1	(6,500)	(5,500)
Surplus/(deficit) for year after taxation		15,130	(13,143)
Accumulated deficit at beginning of year		(254,042)	(240,899)
Accumulated deficit at end of year		(238,912)	(254,042)

All income and expenditure arises solely from continuing operations. There were no recognised gains or losses other than those dealt with in the Income and Expenditure Account and the General Revenue Account.

On behalf of the Board:
President: M. O'Dwyer

Director General: J. R. Tyrrell

Secretary: G. C. Tierney

Balance Sheet

31 December 1998	Notes	1998 IR£	1997 IR£
Current assets			
Bank balances and cash		5,402	565
Debtors and prepayments	2	161,832	127,454
		<u>167,234</u>	<u>128,019</u>
Fixed assets	3	67,010	71,851
		<u>234,244</u>	<u>199,870</u>
Representing capital employed:			
Share capital	4	70	70
General revenue account - deficit		(238,912)	(254,042)
Shareholders' deficit	5	(238,842)	(253,972)
Current liabilities			
Bank overdrafts		19,070	52,283
Creditors and accruals	6	231,016	178,559
		<u>250,086</u>	<u>230,842</u>
Loan from the Golden Jubilee Trust Fund	7	220,000	220,000
Deferred taxation	8	3,000	3,000
		<u>234,244</u>	<u>199,870</u>

On behalf of the Board:
President: M. O'Dwyer

Director General: J. R. Tyrrell

Secretary: G. C. Tierney

Notes to the Financial Statements

1	Taxation	1998	1997
		IR£	IR£
	Based on the (deficit)/surplus for the year:		
	Corporation tax charge at 25% (1996: 36.5%)	6,500	5,500
		<u> </u>	<u> </u>

2	Debtors and prepayments	1998	1997
		IR£	IR£
	Debtors and prepayments	59,038	39,876
	Amount owed by ICOS Services Co-operative Society Limited	-	37,013
	Amount owed by Irish Agri Food Development Limited	102,795	50,565
		<u> </u>	<u> </u>
		<u>161,833</u>	<u>127,454</u>

3	Fixed assets	Furniture, fittings and equipment	Computer equipment	Motor vehicles	Total
		IR£	IR£	IR£	IR£
	Cost				
	At 31 December 1997	162,722	71,456	76,365	310,543
	Additions	317	19,872	-	20,189
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 1998	163,039	91,328	76,365	330,732
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Accumulated depreciation				
	At 31 December 1997	124,283	56,583	57,825	238,691
	Charge for year	8,445	10,492	6,094	25,031
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 1998	132,728	67,075	63,919	263,722
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net book amounts				
	At 31 December 1998	30,311	24,253	12,446	67,010
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 1997	38,439	14,873	18,540	71,852
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included above are the following amounts in respect of assets which are financed by finance leases and which remain in the legal ownership of the lessors:

	1998	1997
	IR£	IR£
Net book amount at 31st December	125	247
	<u> </u>	<u> </u>
Depreciation	122	122
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued

3 Fixed assets - continued

The estimated useful lives of fixed assets by reference to which depreciation is calculated are as follows:

Furniture, fittings and equipment	10 years
Computer equipment	5 years
Motor vehicles	5 years

4 Share capital

	1998	1997
	IR£	IR£
At 31 December 1998 and 1997 - shares of 50p each	70	70

5 Reconciliation of movements on shareholders' deficit

	1998	1997
	IR£	IR£
Surplus/(deficit) for year after taxation	15,130	(13,143)
Opening shareholders' deficit	(253,972)	(240,829)
Closing shareholders' deficit	(238,842)	(253,972)

6 Creditors and accruals

	1998	1997
	IR£	IR£
Creditors and accruals	119,525	139,140
Amount due to Golden Jubilee Trust Fund	69,919	33,919
Amount due to ICOS Services Co-operative Society Limited	33,698	-
Corporation tax payable	7,873	5,500
	231,015	178,559

7 Loan from the Golden Jubilee Trust Fund

This loan is interest free and carries no fixed repayment terms.

8 Deferred taxation

	1998	1997
	IR£	IR£
On accelerated capital allowances at 30% (1997: 30%)	3,000	3,000

Notes to the Financial Statements - continued

9 Pensions

The Society operates a defined benefit pension scheme covering its employees. These benefits are funded through an external pension scheme which is vested in independent trustees for the sole benefit of employees or their dependants. The Society's contributions to the scheme, charged to the income and expenditure account, are calculated with independent professional actuarial advice. An actuarial valuation of the scheme is made every three years.

On the basis of the most recent actuarial valuation as at 22 December 1994 the market value of the scheme's assets was IR£1,000,000. Benefits that had accrued to the members based on service to, and pensionable pay at, the valuation date exceeded the market value of the scheme's assets by IR£242,000. The level of funding was 81% after allowing for expected future pay increases. Contributions to the pension scheme will continue at the actuary's recommended rate, and the variation from regular cost will be charged over the average expected remaining service lives of employees as a fixed percentage of expected future pay. The principal actuarial assumption adopted in the valuation was that, over the long term, the annual rate of return on investments would be 1% higher than the annual increase in pensionable remuneration. The pension cost charged to the income and expenditure account in respect of the scheme was IR£115,601 (1997: IR£123,469).

Actuarial reports are available for inspection by scheme members but are not available for public inspection.

10 Operating leases

Payments under operating leases charged to the income and expenditure account for the year amounted to IR£30,000 (1997: IR£33,333).

The minimum operating lease payments of IR£30,000 to which the Society is committed for 1999 arise in respect of a lease for which no fixed termination period has been specified.

11 Related parties

The Society, ICOS Services Co-Operative Society Limited, Golden Jubilee Trust Fund, Irish Foundation for Co-Operative Development Limited and Irish Agri Food Development Limited are related parties under Financial Reporting Standard No. 8 "Related party disclosures". Costs of IR£131,140 (1997: IR£105,000) were funded by the Society on behalf of these entities. This funding is repayable to the Society.

12 Approval of financial statements

The Board approved the financial statements on 24 March 1999.

Schedule of Affiliation Fees

*Assessed and Paid for 1998
as at 16/04/99*

Affiliation Fees assessed and paid 1998			
	1998 ASSESSED	TOTAL PAID	PAID AS % OF ASSESSMENT
DAIRY	800,853	791,216	99
MART	144,826	138,553	96
A. I. STATIONS	38,980	31,920	82
WHOLESALE	59,550	59,550	100
FISHING	6,977	5,964	85
STORES	3,410	3,095	91
RURAL DEV. \ TOURISM	3,00	2,195	73
OTHER	23,140	19,322	84
TOTAL	1,080,735	1,051,814	97

Dairy Societies			
DAIRY SOCIETIES	1998 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT
AVG	110,000	110,000	100
BANDON	21,612	21,612	100
BARRYROE	22,843	22,843	100
BOHERBUE	6,365	6,365	100
CALLAN	5,661	5,661	100
CENTENARY	7,672	7,672	100
CORCAGHAN	3,648	0	0
DAIRYGOLD	91,045	91,045	100
DOAPEY	2,560	2,560	100
DRINAGH	26,080	26,080	100
DROMBANE	3,945	3,944	100
FEALEBRIDGE	5,718	5,718	100
GLENVEAGH	12,188	12,188	100
GOLDEN VALE	68,463	68,463	100
IRISH DAIRY BOARD	53,585	53,585	100
KERRY	52,000	52,000	100
KILASNETT	753	753	100
KILTOGHERT	13,994	13,994	100
LAKELAND	37,146	37,146	100
LEE STRAND	10,577	10,578	100
LISAVAIRD	22,052	22,026	100
MAUDABAWN	1,662	1,500	90
MID-WEST	22,816	22,816	100
MULLINAHONE	8,297	8,297	100
NEWTOWNSANDES	6,446	6,446	100
N CONN.FARMERS	42,787	42,787	100
NENAGH	29,026	29,026	100
NEWMARKET	13,871	13,871	100
NORTH CORK	13,346	13,346	100
SHANNONSIDE	7,638	7,638	100
TOWN OF MONAGHAN	27,646	27,646	100
THURLES	10,303	10,303	100
TIPPERARY	28,108	28,108	100
VIRGINIA	5,800	0	0
WEXFORD	5,200	5,200	100
TOTAL	800,853	791,216	99

Mart Societies			
MARTS SOCIETIES	1998 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT
ATHENRY	6,040	6,040	100
BALLINASLOE	4,917	4,917	100
BALLYJAMESDUFF	3,434	3,434	100
BIRR	3,606	3,606	100
CASTLEREA	3,650	3,650	100
CLARE	10,202	10,202	100
CORK MARTS	19,453	19,453	100
C-ISLAND	7,610	7,610	100
DINGLE	1,454	1,454	100
EAST DONEGAL	2,244	1,133	50
GOLDEN VALE	17,653	17,653	100
GORT	2,196	2,000	91
HEADFORD	1,653	1,644	100
IVERAGH	1,090	1,090	100
KENMARE	1,500	1,500	100
KILFENORA	1,500	1,500	100
KILKENNY	8,474	8,473	100
KINGDOM	2,260	2,260	109
LEINSTER	5,147	0	-
MAYO/SLIGO	4,7019	4,700	100
MID-KERRY	3,049	3,049	100
MID-TIPPERARY	3,736	3,736	100
MILFORD	1,596	1,596	100
NENAGH	4,557	4,556	100
ROSCOMMON	4,859	4,859	100
TEMPLEMORE	1,605	1,600	99
TUAM	4,643	4,643	100
WATERFORD/ROSS	2,022	2,022	100
WEXFORD FARMERS	9,986	9,986	100
TOTAL	144,826	138,553	96

Schedule of Affiliation Fees

*Assessed and Paid for 1998
as at 16/04/99*

A.I. Societies				Other Societies			
	1998 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT.		1998 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT.
MUNSTER C.B.S.	555	555	100	MISCELLANEOUS SOCIETIES			
SOUTH WESTERN	10,756	10,756	100	BALLYMACHUGH	200	200	100
NORTH EASTERN	7,061	0	-	COOP TRAVEL	4,000	4000	100
SOUTH EASTERN	8,385	8,385	100	COUNTRY MARKETS	200	200	100
NORTH WESTERN	4,473	4,473	100	CO. CLARE AGR. SHOW	200	200	100
PROGRESSIVE GENETICS	7,750	7,750	100	IFCD	200	200	100
TOTAL	38,980	31,920	82	IMQCS	4,000	2,000	50
				IR. DAIRY RECORDS	590	590	100
				IR.FARM A/CS	1,095	1095	100
				IR. FARM CENTRE	515	515	100
				IRISH HORSE BOARD	1,146	1146	100
				IVERAGH TURF	200	200	100
				KNOCKMORE	200	200	100
				NATIONAL CO-OP FAR	1,016	1,016	100
				TASTE OF KERRY	200	200	100
					13,762	11,762	85
				PEDIGREE			
				IR. CHAROLAIS CATTLE	300	300	100
				IR. LIMOUSINE	300	300	100
				IR. SIMMENTAL	300	300	100
				IR CHAROLLAIS SHEEP	200	0	100
				IR. PEDIGREE PIGS	200	200	100
				MONTBELIARDE CATT	300	300	100
					1,600	1,400	88
				RADIO			
				N. CORK COM. RADIO	510	0	
				KILKENNY COMM RADIO	510	510	100
					1,020	510	50
				HORTICULTURE			
				CILLCROHAIN	200	0	-
				CORK NEW POTS.	200	200	100
				NORTH EASTERN PRODUCERS	200	200	100
					600	400	67
				PIG SOCS.			
				GLEN OF AHERLOW	2,040	2,040	100
				MAINE V.	908	0	-
				ROUGHTY V.	810	810	100
				N. C. P. P.	2,000	2,000	100
					5,758	4,850	84
				GAELTACHTAI			
				C.C.CHLEIRE	200	200	100
				CC.L.THROUGH	200	200	100
					400	400	100
				TOTAL	23,140	19,322	84
Wholesale Societies				Store Societies			
	1998 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT.		1998 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT.
WHOLESALE SOCIETIES				WHOLESALE SOCIETIES			
COOP ANIMAL HEALTH	13,550	13,550	100	CLONLEIGH	535	535	100
IRISH COOP SOC.	11,000	11,000	100	INISHOWEN	2,560	2560	100
I.A.W.S.	35,000	35000	100	TEMPLECRONE	315	0	-
TOTAL	59,550	59,550	100	TOTAL	3,410	3,095	91

Minutes of the Annual General Meeting

The 103rd Annual General Meeting of the Irish Co-operative Organisation Society Ltd was held at the Berkeley Court Hotel, Dublin on Wednesday 13th May 1998 at 10:30am.

Attendance

A full list of delegates, staff and visitors present at the meeting can be found at the end of these minutes.

Mr Tom McCarthy, Auditor of Craig Gardner & Company, together with Mr Maurice Barrett, the Audit Manager, were present, as were the Director General and Secretary of ICOS. The President, Mr Michael O'Dwyer presided.

Commencement of the Meeting

The President called the meeting to order and welcomed all the delegates as well as the visitors to the meeting.

Notice of Meeting

At the request of the President, the Secretary read the notice convening the meeting and also confirmed that a quorum was present.

Standing Orders Committee

On the proposal of John Sexton, seconded by Michael O'Brien, the Board was appointed to be the Standing Orders Committee.

Minutes

The minutes, having been circulated with the Annual Report, were taken as read and it was resolved on the proposition of Mr Brendan Danaher, seconded by Mr Clement McAuliffe, that the minutes be approved and they were accordingly signed by the President.

Elections to the Council

At the request of the President, the Secretary informed the meeting of the results of the elections to the ICOS Council. The following were declared elected:

Mr Sean Sweeney:	Creameries North
Mr Thomas O'Brien:	Creameries South
Mr Ted Hunt:	Mart Societies
Mr Jim Maguire:	Miscellaneous Societies
Mr Kevin B O'Regan:	AI Societies

The Secretary also informed the meeting that the following direct nominations had been received:

Messrs J Duggan and T Corcoran:	Avonmore Waterford
Messrs N McEniry and W Nagle:	Dairygold Society
Mr Pat McKenna:	Golden Vale
Mr Stephen Kelliher:	Kerry Creameries
Mr Anthony Leddy:	IAWS

The Secretary also advised the meeting that he was still awaiting a nomination from the Irish Dairy Board Co-operative Society Limited, but had been advised that it would be received in the immediate future.

Annual Accounts and Auditor's Report

The Annual Accounts for the year 1997 were presented by the Financial Controller, Ms Mary Kennedy. Following her presentation, the Auditor, Mr Tom McCarthy presented his report and read his certificate. In the discussion which followed, Mr Liam Foley asked how there could be a tax liability in a loss making situation and it was explained by the Auditor that certain expenses are not acceptable for tax purposes. It was proposed by Mary Coleman, seconded by Jim Moloney and resolved that the accounts for 1998 as presented, be adopted.

Appointment of Auditor

On the proposition of Mr Jim Moloney, seconded by Mr Ted Hunt, it was resolved that Mr Tom McCarthy of Craig Gardner & Company be appointed Auditor for the year 1998.

Financial Resolution

On the proposition of Mr Anthony Leddy, seconded by Mr Denis Buckley, it was resolved "that the scale of contributions to ICOS by societies involved in dairying and wholesale activities be on the following basis for the year 1999 calculated on the 1997 trading turnover.

Turnover £	Rate (pence per £)
1st 10m	0.100
Next 10m	0.075
Next 10m	0.050
Balance	0.015

That in the case of all other societies, the scale of contributions shall be determined by the Board after consultation with the appropriate national committees. Deciding on the scale of contributions, the Board shall be obliged to ensure that there is a reasonable relationship between the amounts paid by each class of society.

The Board shall have power to fix the contributions of special types of society. In applying the foregoing scale to societies, the Board shall have power to vary a society's contribution in special circumstances."

Adoption of the Annual Report

In proposing the adoption of the Annual Report, the President pointed out to the members that 1997 was the second of two difficult years in succession for

farming. In that year, the value of agricultural output had fallen by almost 6%. Of equal importance, Mr O'Dwyer said, was the fact that direct payments now accounted for a very substantial part of the income of producers. He indicated that in the beef sector, they accounted for 50%, in the sheep sector it was 52%, whereas in the cereal sector direct payments accounted for a huge 83%. The President drew the attention of delegates to the fact that the Santer proposals for agriculture would increase those percentages further.

Mr O'Dwyer reminded delegates that, in the summer of 1997, the Avonmore and Waterford Co-operatives had merged and had created the largest food business in Ireland. He pointed out that especially in the east and south-east of Ireland, the new co-operative and its subsidiary companies would represent a very large part of the agricultural sector. He wished the new organisation success for the future and indicated that the hopes and expectations of the members will depend on the new co-operative serving their needs and ensuring that development in the future will satisfy their expectations.

The President also referred to the agreement which had been negotiated between political parties and Governments in Belfast on April 10th. He reminded delegates that the agreement specifies that included in the areas for north-south co-operation and implementation, there were many areas related to agriculture. In particular, he pointed out that animal and plant health, environment, tourism, Interreg and Leader II as well as aquaculture and marine matters were all included in that aspect of the agreement. The President welcomed the agreement and hoped that it would receive the support needed to ensure a prosperous and peaceful future for all of the people on the island of Ireland.

Turning to European matters, Mr O'Dwyer said that the introduction on January 1st 1999 of the Euro currency would be a most important event for Ireland and indeed for Irish farmers. It would present opportunities and challenges to the agri-food industry. In particular, the question of exchange rate stability will be a huge benefit and interest rates should also be lower. Nevertheless, there were risks and included in these was the risk arising from the fact that the Central Bank will no longer have a role in fixing interest rate and exchange rate policy. Mr O'Dwyer said there was also a risk that Irish exporters would be exposed to movements in sterling. Nevertheless, the greater transparency in pricing and the freedom of movement in goods and services, although it will increase competition, will present opportunities for our co-operatives. It will however be necessary to develop skills in selling and marketing quality products into a wealthy and quality conscious market. These opportunities should encourage a culture in Ireland which is focused on improving quality.

The President also referred to the Referendum on the Amsterdam Treaty, due to be held on May 22nd. He encouraged all members of co-operatives to vote "Yes" in the Referendum. He pointed out to delegates that it was a Treaty aimed at providing new powers for the European Union in a range of areas to protect the citizens of Europe. Although there was nothing specifically relating to agriculture in the Treaty, it was important from the point of view of the development of the European Community. He pointed out that it will adapt the institutions of the European Union in such a way as to prepare for enlargement and to give the European Union a stronger role on the world stage. He also pointed out that the Parliament would be given additional powers. In general, Mr O'Dwyer said that the intention of the Treaty was to make the European Union more user-friendly and as a consequence, he strongly recommended its approval.

The President referred to the rules of ICOS and he pointed out that the Board of ICOS had been considering some changes to those rules. One of the changes considered concerned the number of Board members and the final proposal would be to reduce the size of the Board by one. The detailed new rules would be submitted to the members of ICOS for approval later on, so that they can be operational after the Annual General Meeting in the year 2000.

The President also reminded delegates that work was in progress in relation to the introduction of a national beef assurance scheme. He said that he was disappointed at the failure to meet the various deadlines which had been set for full implementation. In particular, he was anxious that the concerns of co-operative marts would be taken on board by the Department of Agriculture, particularly in relation to the costs of setting up and running the computerised movement monitoring system.

Turning to the question of animal disease, Mr O'Dwyer said he was very disturbed at the way in which Brucellosis had increased over the past year. He acknowledged that severe measures had to be introduced in order to protect the trade in livestock and livestock products. Although the measures which had been introduced in February were much more severe and in some cases were creating hardship, the President indicated that it was necessary to take whatever measures were required to protect the industry as a whole.

In regard to the beef sector generally, Mr O'Dwyer said that the beef industry continued to be affected by the decline in consumption resulting from the 1996 BSE crisis. He noted that consumption was now beginning to improve again, but the market was still facing severe difficulties and it seemed some changes were

arising in the buying patterns of consumers. Equally, there were aggressive promotions of domestically produced beef in countries such as the UK, Germany and France. The President indicated that although every effort would be made to regain the Irish position on continental and UK markets, it was necessary to recognise that third country markets will continue to be an important outlet for Irish beef. In this regard also, he spoke about the continuing problem of access for live animals from Ireland to European destinations.

The President drew attention to the fact that marts were operating in a changing environment and that, as a consequence, it was necessary for marts to develop a strategy to meet their members' livestock trading needs. He felt that the traditional services provided by marts will have to evolve to meet the changing needs. Furthermore, Mr O'Dwyer said that marts will have to work much more closely together in order to achieve cost saving and to develop any new opportunities that might arise. He informed delegates that ICOS was currently updating its mart strategy to take account of the new circumstances facing the marts in areas such as changes in the common agricultural policy, the consequences of the BSE crisis, changes in animal health regulations and other competitive pressures.

Before concluding his address to the delegates, the President referred to the work of the ICOS Rural Development Committee and of the Irish Foundation for Co-operative Development. In particular, he emphasised the important work being carried out by IFCD in Uganda and Tanzania. He said that the project in Uganda, in particular, had developed very successfully. He thanked the co-operatives for their continuing support for this effort in the third world and stressed that this work would not have been possible without their financial assistance.

The proposal to adopt the Annual Report was seconded by Mr Harry Browne. Before opening the resolution to debate by the members, the President invited the Director General to speak to the delegates.

Address by the Director General

Mr John Tyrrell referred, in particular, to the proposals for the reform of the Common Agricultural Policy under Agenda 2000. He noted that the areas where ICOS had major difficulty with the Commission proposals were in relation to milk quota allocation; the retention of the maize silage premium; the question of compensation for the reduction in the milk support price; the fact that the price cut for beef was going to cost the sector about £140m net per annum; the removal of intervention for beef; and various other details of the Commission's scheme. The Director General said that in order to offset

some of the effects in less favoured regions, a transport subsidy of 3p per gallon should be provided. This would overcome the low production density in those areas. He also noted that ICOS favoured the continuation of the milk quota system, at least until the year 2006. He furthermore believed that some increase in the milk quota would not damage the market and this would be helpful in dealing with some of the current problems being experienced under the present quota system and the WTO export volume limits for cheese and other products.

Turning to the next round of the World Trade Organisation negotiations, Mr Tyrrell indicated that he would like to make two points. He felt that the European Union's negotiating position should be to ensure that any changes in tariffs or export support is minimised and secondly, that the pressure from American negotiators for the ending of the payments linked to production limiting schemes should be resisted as strongly as possible.

Arising from the proposals under Agenda 2000 for the dairy and beef sector, the Director General said that there were many issues which these industries will have to face at this stage. He noted that in other countries, the dairy industry was making preparations to deal with the changing scene and he felt it was essential that, in Ireland, the industry should also be making preparations.

Turning from common agricultural policy issues, the Director General referred to the question of shareholding in co-operatives. He said it was important that this issue should not be neglected, because there are dangers for co-operatives if the balance of power in co-operatives moves away from active membership. He pointed out that many co-operatives have significant unallocated reserves in their balance sheets. If they do not deal with the issue of the non-trading member, then the co-operative may become vulnerable to outside interests, which might not be in the best interest of the trading member. He stressed the need for member societies to look at this problem and give it their full attention and he promised that ICOS staff would be available to any societies who wanted to deal with this matter.

Mr Tyrrell also referred to Industrial & Provident Societies legislation and pointed out that since 1993, ICOS had been seeking a change to facilitate the amalgamation of certain types of societies. In particular, he referred to the mart co-operatives, where the requirement of a vote of 75% for an amalgamation seems to be a possible deterrent. He noted that the Partnership 2000 Agreement had contained a commitment for ICOS that the Government would amend the legislation, but he pointed out to members that he was disappointed at the delay which had occurred in

delivering on this matter and he pointed out that ICOS will be pressing the Minister and the Department to publish a Bill on the issue as soon as possible.

Mr Tyrrell also outlined, for delegates, some of the more important issues that ICOS was currently involved in that would be of consequence to them. In particular, he referred to the work in regard to the introduction of the Euro and the computer problems associated with the year 2000.

Finally, on the question of staff, Mr Tyrrell informed delegates that Ms Mary Kennedy had joined ICOS as Financial Controller in succession to Mr John Burke. He also noted that Mr Malachy Prunty had taken early retirement, having spent thirty-three years working with the organisation, but he stressed that he would be continuing to look after the affairs of IFCD. Finally, he noted that Mr David Berkeley will retire from ICOS in the coming week, having provided an engineering service to co-operatives for nearly twenty-eight years.

Discussion

In the discussion which followed, Mr John Sexton of Barryroe, speaking about the Santer proposals, said there was a need to keep in mind the wishes of Plunkett that the maximum number of viable family farms should be kept in operation. He also referred to the desirability of having the pollution-control grants re-instated. Mr Paddy Kenny said that it is now clear that 50% of farm income comes from direct payments and this was a serious situation. He said the risk to live shipments of cattle could affect the other 50% which is obtained from the market and there was a need to ensure that shipping facilities remain. Mr Danny Gilmartin of North Connacht Farmers said that in order to make a shipping service viable, additional cargo would be required and that was where the biggest problem arose. Brendan Danaher from Golden Vale Marts took up this theme and asked whether or not co-operatives could play a role in providing other cargo for such a vessel. He proposed that ICOS ask for an immediate meeting between the marts and the Minister in order to try to resolve this issue. That proposal was seconded by Mr Peter Honeyman and agreed.

The question of the quota clawback on land transfers was also referred to by a number of speakers who considered it to be unfair and unjust. The Director General pointed out that ICOS favours a 20% clawback on leased quotas, but is opposed to any quota clawback on land sales.

Mr Donal Creedon spoke about the problem with Brucellosis. He said there was a time when the disease had been eliminated and that at that time, test results were returned in five to six days. There was a great working together of all concerned at that time and a core of veterinary people, with greater expertise, existed then. He said there was a need to re-create the same environment again.

The resolution to adopt the Annual Report was approved.

Presentation of The Plunkett Award

As is customary at the Annual General Meeting, the President informed the meeting that the Plunkett Award for Co-operative Endeavour had been won by Mr Donal Noone of the Inishowen Co-operative Society. In introducing the winner, the President referred to the great work of Donal Noone in the Inishowen peninsula as far back as the late 1950's and early 60's. He noted that the first opportunity which Donal Noone had seen for increasing farmers' confidence and controlling the sale of their own produce, was in regard to livestock and the mart was established at that time. In the early 1960's however, the idea of supplying farmers with farm inputs at reasonable prices began to be an important feature of the thinking of Mr Noone at that time and he founded the Inishowen Farmers Co-operative in 1963. Subsequently, both the mart and the farm supply co-operative were merged into the society that now exists. He congratulated Mr Noone on the work he had done and said that he was a worthy winner of the Award. In responding, Donal Noone referred to the development of the Inishowen Farmers Co-operative and in particular, the very first importation of basic slag through the port of Moville with the help of the IAWS.

This concluded the business of the meeting.

Delegates at the Annual General Meeting

ATHENRY MART

Mattie Cormican
Martin McNamara
Padraig Rafferty

AVONMORE WATERFORD

Henry Corbally
Tom Corcoran
John Duggan
Diarmuid Horgan
M. Keane
T. Kelly
Anthony O'Connor
MJ Walsh
Brendan Whelan

BANDON CO-OP

T. J. Hourihan
Gus O'Brien
Richard O'Flynn
Diarmuid O'Sullivan

BARRYROE CO-OP

Peter Dinneen
Pat Hayes
Michael Sexton

BOHERBUE CO-OP

John Breen
Joe O'Connor

CENTENARY CO-OP

William Kennedy
Michael Ryan

CORK MARTS

Michael Coughlan
Tom Hanley
John O'Keefe

COUNCIL MEMBERS

Mary Coleman
Patrick Kenny
Tommy McGuire
John Sexton

DAIRYGOLD CO-OP

Denis Cronin
Thomas Gallahue
Cornelius Hallahan
William Hickey
Patrick Kelliher
Nicholas McEniry
David O'Keefe

DRINAGH CO-OP

Denis Collins
John Hayes
Timothy McCarthy

FEALEBRIDGE & HEADLEY'S BRIDGE

James Hickey
Tim Moynihan
James O'Connor

GLEN OF AHERLOW

Aodh Kennedy
Tom O'Connor
Pat Walsh

GLENVEAGH CO-OP

Lexie Tinney

GOLDEN VALE FOODS

Michael Doody
John Gleeson
Denis Hayes
Jim Hickey
John McInerney
Pat McKenna
Michael Sexton

GOLDEN VALE MARTS

Brendan Danaher
Michael Dunne
Tom Galvin
Peter Honeyman
Ted Hunt
Clement McAuliffe
Timothy O'Connor

GUESTS

Elizabeth Bolger
Seamus Crossey
Paul Harrington
Geraldine Kearney
Tom McCarthy
Ian Murray
Donal Noone
Martin Sisk
Prof. Louis Smith

IAWS

James Moloney

IFAC

Donal Cashman
William Gleeson

IRISH DAIRY BOARD

Thomas Cleary
Michael Drea
Liam Foley

KERRY CO-OP

Denis Buckley
Michael Hanrahan
Stephen Kelliher
JJ O'Brien

KILKENNY MART

Laurence Cantwell
Laurence Carroll
Michael Harty
Raymond Brophy

KILTOGHERT CO-OP

John Lavin
Michael Mahon
Patrick McGarry
Sean O'Hanrahan

LAKELAND DAIRIES

John Beglan
Dessie Boylan
Tim Connolly
Donal Creedon
Tim Hegarty
Donal McDaid
Michael McGovern
Padraig Young

LISAVAIRD CO-OP

Pat Dineen
Frank Harte

MIDWEST FARMERS CO-OP

Roger Fahey
Eamonn O'Connor
Joseph Rabbitte

NATIONAL CO-OP FRs

Jim Kavanagh
Jim Maguire

NCF

Martin Waldron

NENAGH CO-OP CREAMERY

Gerard Kennedy
Michael Kennedy
James Murphy
Tom O'Brien
Richard Tobin

NENAGH MART

David Howard
John O'Brien

NEWMARKET CO-OP

Batt Casey
Michael Cronin

NORTH CORK

MJ Howard
Sean McAuliffe
Seamus Walsh

PROGRESSIVE GENETICS

Denis Guilfoyle
Noel McDonnell
Brendan Scanlon

SECBS

Dermot Kearney
Thomas Kennedy

STAFF

David Berkeley
Maurice Colbert
Maura Coyle
George Kearns
Mary Kennedy
Roisin Lyons
Malachy McGlynn
Margaret Murphy
Sean Myers
Seamus O'Donohoe
Malachy Prunty
Michael Quigley
Michelle Rogers
Greg Tierney
John Tyrrell
Martin Varley

TIPPERARY CO-OP

Patrick Fahey
Michael O'Brien
Matthew Quinlan

TOWN OF MONAGHAN

Harry Browne
Joe Larmer
Hugo Maguire
Eoin Sharry

WEXFORD FARMERS CO-OP

William Doyle
Paul Fortune
John Murphy

WEXFORD MILK PRODUCERS

Patrick Butler
Michael Vaughan

**Italics denotes ICOS Council Members*

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