



Irish Co-operative Organisation Society Limited



105th Annual Report 1999

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.**

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Corporate Profile of ICOS

Registered Office

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Telephone: (01) 67647683
Fax: (01) 6624502
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Executives

John R Tyrrell, B.Agr.Sc.
Director General

Seamus O'Donohoe, M.Agr.Sc. M.B.A.
Secretary

EC Information Office

23/25 Rue de la Science,
1040 Brussels,
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Telephone: 0032 22310685
Fax: 0032 22310698
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Auditors

Thomas J. McCarthy,
Public Auditor
Price Waterhouse Coopers

Regional Offices

Cork Farm Centre
Wilton, Cork.
Telephone: (021) 545004
Fax: (021) 545774
Email: margaret.murphy@icos.ie

Finisklin House
Finisklin Road, Sligo.
Telephone: (071) 61458
Fax: (071) 61938

Bankers

Bank of Ireland
Allied Irish Banks Ltd

Solicitors

Arthur Cox & Company



*John R. Tyrrell,
Director General.*



*Seamus O'Donohoe
Secretary.*



*Dessie Boylan
President.*

Foreword

The agreement achieved by EU leaders in Berlin on the 26th of March 1999, on the terms of the Agenda 2000 agreement has provided one important element of the framework within which policy decisions concerning agriculture and the agri-business sector will be determined for the next seven years. The Ministerial meeting of Trade Ministers held in Seattle in late November to initiate the next round of WTO discussions will in due course provide a further important element in that framework. The Agri-Food 2010 Committee established by the Minister for Agriculture Food and Rural Development in June of 1999 has published its report. This report points to the most far-reaching structural and operational changes within all levels of the industry over the coming decade.

Arising from these and other market place developments, ICOS and its member co-operatives in 1999 initiated a review of two of our main co-operative sectors, the dairy sector and the livestock mart sector. Most of the work and consultation with industry on these reviews took place in 1999 with discussion documents being published in the current year. Both documents recognise that in a period of such rapid anticipated change, that ICOS can not afford to sit back and see how things turn out. It must be seen to give leadership to our member co-operatives in planning for changes that are going to have a significant impact on key sectors of agriculture and industry.

In the dairy sector the indications are clear. The policy environment is expected to bring about a reduction in the EU prices for commodity products with downward pressure on production and processing margins. The impact of the current Millennium Round of WTO negotiations is likely to be more damaging than the Uruguay round. Add to this the forthcoming interim review of quota's in 2003, the enlargement proposals for the EU and the impact of current Irish inflation rates and a picture is emerging of further pressure on industry margins in the absence of strategic actions and restructuring by the dairy industry.

In particular ICOS would highlight two aspects of the current environment for dairy co-operatives where policy changes are required and which were the subject of considerable ICOS work in 1999.

The dairy sector in Ireland has a significant dependence on low growth and lower value added products which have a higher exposure to downward price pressure arising from policy change, free trade policies and competition forces. Overall, Irish milk processing scale is falling behind that of its main competitors and that of its customers in the retail and food services sector. ICOS has pointed out that there is significant scope for increased efficiency and value-added strategies to be implemented within the dairy sector.

Progress in the development of a strategic review for the marts sector is reported on elsewhere in the report. The arguments for a rationalisation of the livestock mart sector are every bit as compelling as those for the dairy sector. Some marts are simply surviving by drawing on their savings, as their cash flow generated is not sufficient to cover their costs. Unless urgent remedial action is taken such marts will be faced with a crisis situation very soon.

The second area of ICOS focus in 1999 was the issue of co-operative ownership and control. During 1999 a revised share policy document was drafted and approved by the Board of ICOS. Encouraging developments have been taking place in regard to share policy in a number of co-operatives over the last few years and it is hoped that the revision of the ICOS policy on shares will give added impetus to this momentum. Allied to these developments is the very necessary goal of ensuring that farmer board members have the competencies and skills required to manage increasingly complex and large scale businesses. In this regard ICOS has organised an increasing number of specialised Director Development programmes for members and during 1999 initiated discussions with a number of bodies in regard to the development of specialised third level programmes tailored to co-operative directors needs.

In the current year, I would urge all co-operative boards to commit themselves in equal measure to reviewing and making necessary changes to their future competitive strategy and to ensuring that the structure and control process in their co-operatives can deliver that competitive strategy in the best interests of farmers.

Dessie Boylan, *President*

Annual Report 1999

Agenda 2000

The work started by ICOS in 1998 on developing a policy position in regard to the Agenda 2000 agreement progressed to a detailed examination of the legal texts and of the technical issues arising from the agreement after it was signed in March 1999.

A considerable amount of the time of the ICOS staff, Board and Council was taken up with deciding on policy positions on issues arising from the Agenda 2000 agreement such as;

- quota management rules
- allocation of the additional 32 million gallons of milk quota
- Beef National envelopes
- Dairy refunds
- Beef Slaughter premiums
- Dairy Health Certificates

In addition to Board and Council time, extensive consultative procedures were engaged in with our co-operatives through Board sub-committees and other consultative structures. The ICOS position on these issues is dealt with in more detail in other sections of the report.

Marts Strategy Review

The deliberations of the ICOS Council and Board on a revision of Mart Strategy resulted in the development of a revised Mart's Strategy in early this year. A preliminary assessment of the 1999 figures shows that while a marginal improvement in turnover value and trading surplus is anticipated the trading environment for marts continues to disimprove. This issue is of major concern to the ICOS Board and has been the subject of detailed discussions involving ICOS staff and individual or groups of marts throughout 1999.

Dairy Strategy Review

While the review was published in the current year, the ICOS staff and Board did most of the preliminary research and deliberation in the year under review.

The review was undertaken because Ireland's competitors and customers in other countries such as New Zealand, the USA and in Europe are scaling up their activities and there have been



Speakers at the ICOS Agenda 2000 conference, John Tyrrell, Director General ICOS, Preben Mikkelsen, Executive Director Danish Dairy Board and Martin Varley, Director of Policy, ICOS.

significant structural developments in the international sector as a whole over the last year.

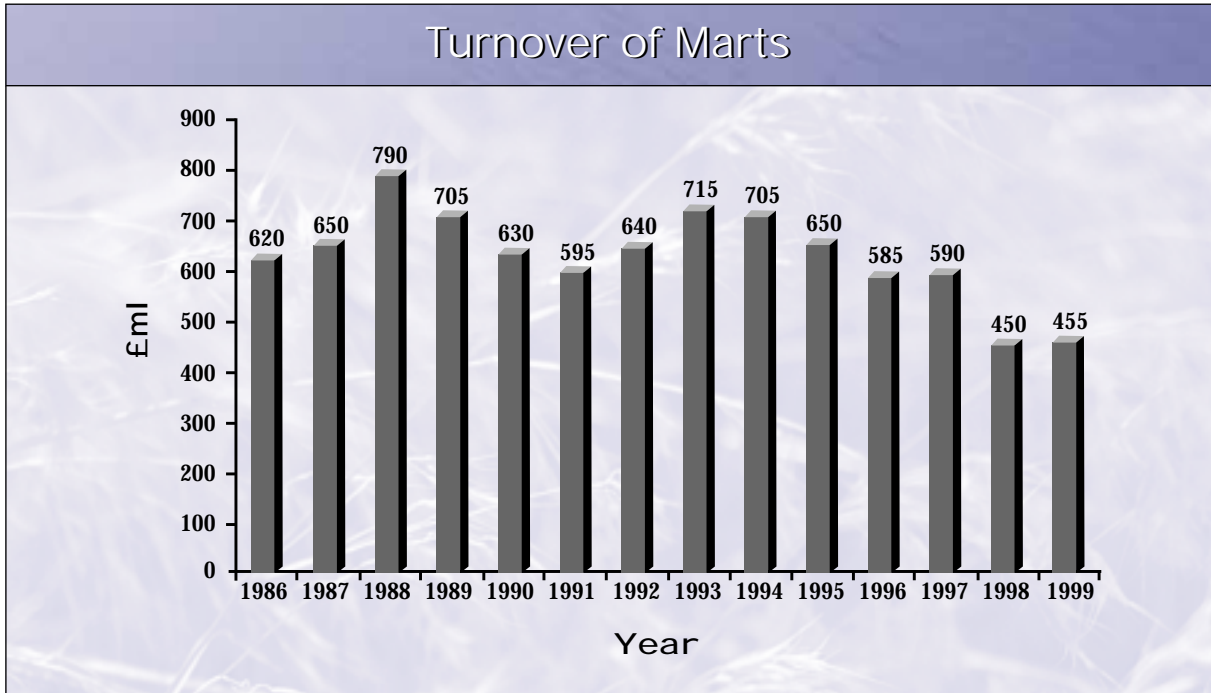
The review provides a detailed analysis of the environment and market situation, industry structure, and competitor and buyer strategies. It identifies the issues and problems facing the Irish Dairy Sector and explores possible future strategic and structural options before concluding with findings and recommendations. A copy of the document has been made available to all member societies, ICOS staff members will be making presentations on the document at meetings of individual co-operatives.

Co-operative Sector Activity

The summary table of the Irish Co-operative sector in 1998 shows a sectoral turnover of £8.68 billion pounds. This compares with a turnover of £7.00 billion pounds shown in the annual report for 1997. Total sales from the Dairies sector has increased from £5.7 billion in 1997 to £7.4 billion in 1998. Confirming some of the comments made earlier, Mart turnover in the period under review fell significantly from a figure of £600 million in 1997 to a figure of £414 million in 1998.

Industrial & Provident Society Legislation

In 1999 the government had changes to the Industrial & Provident Society Legislation under active review. ICOS had made a number of submissions in regard to the contents of the proposed Bill. In particular ICOS has made representations in regard to a lowering of the



voting majority required to give effect to an amalgamation of livestock mart societies. It was expected that a Bill proposing changes to the Act would be available last autumn. It is a matter of disappointment to ICOS that the proposed Bill has not as yet been made available.

Co-operative Shares Policy

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 eight new societies were admitted to membership of ICOS. These were: Cnriotáil Co-operative Society Ltd, Valencia Island Resource and Childcare Centre Ltd, Slieve Bloom Rural Development Society Ltd., Kilnaleck and District Community Co-operative Society Ltd., Milltown North East Group Water Scheme, Irish Angus Cattle Society Ltd., Shannon Region Organic Meat Co-operative Ltd., and the Montbeliarde Cattle Society of Ireland.

Council, Board, President And Vice-President

During 1999 the Council of ICOS met on five occasions and the Board met on seven occasions. As a result of elections held and

Summary of the Irish Co-operative Sector 1998				
Sector	Number of Co-ops	Number of Members	Number of Employees	Turnover IR£
Dairy	34	86837	33707	7557360
Livestock	33	45584	1098	486927
Wholesale	3	162	1078	741982
Fishing	10	744	338	53319
Rural Development	9	1497	76	1245
Others	33	51174	827	54772
Totals	122	186098	37124	8895605

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



Taken at the ICOS Agenda 2000 conference, John Tyrrell, Director General ICOS, Vincent Gilhewley, Chief Executive Town of Monaghan and Preben Mikkelsen, Executive Director Danish Dairy Board.

direct nominations received the following were appointed to the Council of ICOS:

- Creameries North: Lexie Tinney (Glenveagh)
 Martin Caulfield (Kiltoghert)
 Hugo Maguire (Town of Monaghan)*
- Creameries South: John Sexton (Barryroe)*
- Marts: Michael O'Dwyer (Templemore)
 Michael Coughlan (Cork Marts)
 Padraic Gibbons (NCF)*
- A.I. Societies Con Hallahan (South Western)*
- Miscellaneous: JJ O'Brien (Roughly Valley)*

The following were directly nominated to the Council of ICOS:

- Terence O'Donnell (Dairygold)
 James Brosnan (Kerry)
 Nicholas Mc Eniry (IAWS)*

In subsequent elections to the Board Paddy O'Brien was appointed to represent Creameries South. In the Marts category, T Hunt and L Carroll were re-elected to the Board. In the miscellaneous category Mr D Cashman was re-elected. Subsequently, two casual vacancies arose on the Board following the deaths of Mr H Browne and P Kenny (RIP), and Messrs M Caulfield and P Gibbons respectively were appointed to fill the unexpired portion of their terms.

Following the completion of the elections to the Board, an election was held to fill the posts of President and two Vice Presidents. The outgoing President was not eligible to stand again and as a result an election took place, at which Mr Dessie Boylan was elected President. Mr Paddy O'Brien was elected Southern Vice President. Mr Martin Caulfield was elected Northern Vice

President to fill the vacancy created by the death of Mr Harry Browne

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 twice during the year.

The Board also appointed the Rules and Structures Committee. This was comprised of the President, the two Vice-Presidents, John Duggan, Padraic Gibbons and William Nagle.

The Board also appointed the Chairman of the Expert Committees. These were:

- Dairy Committee: Michael O'Brien*
- Marts Committee: Lar Carroll*
- Rural Development : Michael O'Dwyer Committee*

New Societies, Alteration Of Rules And Amalgamations

During the year 58 new co-operatives were assisted in their registration by ICOS. Again in 1999 the incorporation of group water schemes as co-operatives was the most common category of new society. There was also a significant incorporation of horticultural societies all of which used the new set of model rules approved for horticultural co-operatives by the Registry in 1999.

In addition to new incorporations, six existing co-operatives were involved in a complete amendment of the society's rules. A further 13 societies were involved in partial amendment to their rules.

There were two amalgamations during the year. The first of these concerned the amalgamation of the Muskerry Farm Relief Services Limited and the West Cork Farm Relief Services Limited to form the Mid and West Cork Farm Relief Services Society Limited. The second amalgamation also concerned two farm relief service co-operatives. It involved the amalgamation of Shinrone and District Farm Relief Services and Tullamore and District Farm Relief Services Limited to form the South West Midlands Farm Relief Services Limited.

Representatives Of ICOS In Other Bodies

The involvement of ICOS in other organisations is an important part of its work. It enables ICOS



Delegates at the ICOS Agenda 2000 Conference.

to influence policy development in such bodies so that it is beneficial to the interests of the member co-operatives. During 1999 the level of such representation continued at a high level.

Mr 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:

<i>Teagasc:</i>	<i>Michael O'Dwyer</i>
<i>NDC:</i>	<i>William Nagle</i>
<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,</i>	<i>Seamus O'Donohoe</i>
<i>Rural Development:</i>	

Department of Agriculture Advisory Committees on CAP Reform:

<i>(i) Dairying:</i>	<i>John Tyrrell</i>
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<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.

County Development Boards

In 1999, the Department of the Environment began the process of constituting 29 County Development Boards (CDB's) in each of the 29 county council areas. The primary function of the CDB's is to draw up a comprehensive Strategy for Economic, Social and Cultural development within each county. The CDB's are expected to co-ordinate and streamline the work of all the bodies and agencies working at local level. ICOS sees considerable potential for interaction with CDB's in the identification and start up of new co-operative ventures in rural areas.

The Farming Pillar of the social partners on which ICOS is represented were asked to select one representative to the CDB in each county. At the time of writing this process has been completed and CDB's have begun their task.

Obituary

In early 1999 two Board members of ICOS died.

Paddy Kenny who represented North Connaught Farmers Co-operative Society was a member of the Council and Board of long standing . Paddy was a highly motivated chairman of the ICOS Rural Development Committee and also served as a committee member on the ICOS National Marts Committee.

Harry Brown was a Board member of Town of Monaghan Co-operative and represented the Northern Creameries on the Board and Council of ICOS. Harry was the Northern Vice-President at the time of his death and was also a committee member on the Rural Development and Dairy Committees of ICOS.

Ar ráth Dé go raibh a n-anam.

ICOS Board 1999

President Dessie Boylan Vice Presidents Paddy O'Brien & Martin Caulfield

Nominated Members

Mr. John Duggan
Mr. William Nagle
Mr. Pat McKenna
Mr. Nicholas McEniry
Mr. Michael Drea
Mr. James Brosnan
Mr. Tom Corcoran

Address

Ballynennon, Mullinahone, Co. Tipperary
Bregoge, Buttevant, Co. Cork/
Clonregan, Ballingarry, Co. Limerick.
Mortalstown, Cahir, Co. Tipperary
Kilcarrig, Bagenalstown, Co. Carlow
Fahavane, Kliflynn, Tralee, Co. Kerry
Bohadoo, Dungarvan, Co. Waterford

Nominated by

Avonmore Creameries Ltd
Dairygold Co-operative Society Ltd
Golden Vale Food Products Ltd
IAWS Ltd
Irish Dairy Board Co-op Society Ltd
Kerry Co-operative Creamery Ltd
Waterford Co-operative Ltd

Elected Members

Mr. Lexie Tinney
Mr. Dessie Boylan
Mr. Martin Caulfield
Mr. Michael O'Brien
Mr. Patrick O'Brien
Mr. Laurence Carroll
Mr. Timothy Hunt
Mr. Padraic Gibbons
Mr. Michael O'Dwyer
Mr. Donal Cashman

Address

Drumcairn, Manorcunningham, Co. Donegal
Latnadronagh, Crosserlough, Co. Cavan
Ballyhague, Williamstown, Co. Galway
Phillipstown, Cappawhite, Co. Tipperary
Drishanebeg, Skibbereen, Co. Cork
Seskin South, Ballyragget, Co. Kilkenny
Coole West, Athea, Co. Limerick
Bullaun, Mayneen, Sheeane, Westport, Co. Mayo
Bridge View, Ardmayle, Cashel, Co. Tipperary
Coole, Whitecross, Co. Cork

Elected by (electoral group)

Creameries North
Creameries North
Creameries North
Creameries South
Creameries South
Mart Societies
Mart Societies
Mart Societies
Mart Societies
Miscellaneous Societies

ICOS National Council 1999

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

Nominated Members

Mr. Terence O'Donnell

Address

Scart, Kildorrery, Co. Cork

Nominated by

Dairygold Co-operative Society Ltd

Elected Members

Mr. Con Halahan
Mr. Sean Sweeny
Mr. Hugo Maguire
Mr. John Sexton
Mr. Tom O'Brien
Mr. Michael Coughlan
Ms. Mary Coleman
Mr. Jim Maguire
Mr. John Joe O'Brien

Address

Toames, Macroon, Co. Cork
Knocknaderry, Killala, Co. Mayo
Beechford Farms, Clones, Co. Monaghan
Sunview, Courtmacsharry, Bandon, Co. Cork
Bayly Farm, Ballinaclough, Nenagh, Co. Tipperary
Ballyellis, Buttevant, Co. Cork
30 Ulverton Road, Dalkey, Co. Dublin
Beglieve, Bailieboro, Co. Cavan
Gerah, Banane, Kenmare, Co. Kerry

Elected by (electoral group)

A. I. Societies
Creameries North
Creameries North
Creameries South
Creameries South
Mart Societies
Miscellaneous Societies
Miscellaneous Societies
Miscellaneous Societies

Co-opted Members

Mr. Frank Allen
Mr. Tom Parlon
Mr. T.J. Maher

Ballinamona, Galbally, Co. Limerick
Ballinlough, Roscrea, Co. Tipperary
Monslatt, Killenaule, Thurles, Co. Tipperary

Co-opted Member
Co-opted Member
Co-opted Member



Board of ICOS 1999.

New Societies

and societies which have had amendments to rules

NEW SOCIETIES

Ardkeenagh Tulsk Group Water Scheme Society Limited	Roscommon
Aughnashalvey Group Water Supply Society Limited	Cavan
Ballybroder/Ballycallaghan Group Water Scheme	Offally
Ballyduff Co-operative Development Society Limited	Kery
Ballymoney Group Water Scheme Society Limited	Wexford
Bandon Onion Producers Co-operative Society Limited	Cork
Barrowhouse Group Water Scheme Society Limited	Kildare
Bofeenau Water & Agricultural Co-operative Society Limited	Mayo
Boheroe/Corbally Group Water Scheme Society Limited	Leitrim
Burrishoole Group Water Scheme Co-operative Society Limited	Mayo
Carane Group Water Scheme Society Limited	Mayo
Cashel Partnership Co-operative Society Limited	Tipperary
Clashmore Community Enterprise Co-operative Society Limited	Waterford
Cloghaun/Castlebay Group Water Scheme Society Limited	Galway
Clogherhead Fishermen's Co-operative Society Limited	Louth
Cloonluane Group Water Scheme Society Limited	Galway
Cloonmore Cloonlavish Group Water Scheme Soc Limited	Mayo
Cniotáil Co-operative Society Limited	Cork
Comhar Chuigeal (Leitir Meallain) Teoranta	Galway
Comharchumann Fas na Noileain Teoranta	Cork
Comharchumann Uain Sleibhe Chonamara Teoranta	Galway
Commercial Mushroom Producers Co-op Soc Limited	Cavan
Cuffes Grange Water Co-operative Society Limited	Kilkenny
Derryvohey Group Water Scheme Society Limited	Mayo
Donamon Group Water Scheme Society Limited	Roscommon
Doohamlet Group Water Supply Supply Scheme Soc Limited	Monaghan
Drumgoon Community Centre Co-operative Society Limited	Cavan
East Coast Producer Organisation Society Limited	Dublin
Feich East/West Group Water Scheme Society Limited	Galway
Forestry Development Association Co-op Soc Limited	Dublin
Freshpick Mushroom Co-operative Society Limited	Kildare
FRS People Placements Society Limited	Tipperary
Geashill Association for Rural Development Society Limited	Offally
Glennagalt Group Water Co-operative Society Limited	Kerry
Hollymount and Kilrush Water Scheme Society Limited	Mayo
Irish Cab Drivers Limited	Dublin
Irish Pedigree Cattle Breeders' Society Limited	Dublin
Kilanerin Group Water Society Limited	Wexford
Kilbannon Co-operative Society Limited	Galway
Killoman Group Water Society Limited	Cavan
Kilsherdany Group Water Society Limited	Cavan
Knockainey Sportsfield Co-operative Society Limited	Limerick
Lacken Rathmoyle Water Society Limited	Laois
Lilywhite Growers Co-operative Society Limited	Kildare
Logboy Agricultural Co-operative Society Limited	Mayo
Loggawannia Group Water Scheme Society Limited	Galway
Lough Ree Area Development Co-operative Society Limited	Longford
Lougha Group Water Scheme Society Limited	Mayo
Midland Mushroom Co-operative Society Limited	West- Meath
Monaghan Lamb Producers Co-operative Society Limited	Monaghan
Mullacuttera and District Group Water Scheme Society Limited	Galway
North Connemara Shellfish Producer's Group Society Limited	Galway
Shammer Water Scheme Co-operative Society Limited	Mayo
South East Mushroom Growers Society Limited	Wexford
Tipperary Mushroom Producer Organisation Society Limited	Monaghan
Toberroe Group Water Scheme Society Limited	Galway
Uisce Barnagh Lurgacloy Leam Agus Barrack Society Limited	Mayo
Wicklow IT Co-operative Society Limited	Wicklow

Rule Amendments and Amalgamations

COMPLETE AMENDMENTS

Name of Society	County
Nairn Portnoo Rosbeg Community Co-op Society	Donegal
North Kerry Arts Cultural and Heritage Society Limited	Donegal
The Irish Angus Cattle Society Limited	Cavan
ICOS	Dublin
Dublin Meath Growers Society Limited	Dublin
Inishowen Co-operative Society Limited	Donegal

PARTIAL AMENDMENTS

Name of Society	County
Valentia Island Resource and Childcare Centre	Kerry
Bandon Co-operative Agricultural and Dairy Society Limited	Cork
Avonmore Waterford Co-operative Society Limited (also change of name)	Kilkenny
Buncrana Community Leisure Centre Co-operative Society Limited	Donegal
Kilkenny Community Communications Co-operative Society Limited	Kilkenny
Centenary Co-operative Creamery Society Limited	Tipperary
Drinagh Co-operative Limited	Cork
Glanbia Co-operative Society Limited	Kilkenny
Comhar Chumann Thorai Teoranta	Donegal
Glanbia Ingredients Society Limited	Kilkenny
Glanbia Foods Society Limited	Kilkenny
Irish Horse Board Co-operative Society Limited	Dublin
South East Shellfish Co-operative Society Limited	Cork

AMALGAMATION OF SOCIETIES

Mid & West Cork Farm Relief Services Society Limited (amalgamation of Muskerry Farm Relief Services Limited and West Cork Farm Relief Services Limited)	Cork
South West Midlands Farm Relief Services (amalgamation of Shinrone & District Farm Relief Services Limited and Tullamore & District Farm Relief Services Limited)	Offaly

MODEL RULES APPROVED BY THE REGISTRY

Horticultural Co-operative Model Rules

Policy Development Division

Introduction

The major policy decision of 1999 was the March agreement on the Agenda 2000 CAP Reform. In addition, the introduction of the Euro on January 1st 1999 represented a milestone in the EU trading environment. The operation of the market support mechanisms was varied to reflect the market situation. Finally, the attempt to launch the Millennium WTO Round refocused attention on issues relating to liberalisation of trade for agricultural and food products.

The Cap Reform Agreement

ICOS continued to oppose the negative aspects of the Commission's March 1998 CAP Reform proposals. During the early months of 1999, ICOS held a series of meetings with Commissioner Fischler, Minister Joe Walsh and their respective officials to identify areas where change in the proposals would be possible. The consultations and negotiations concluded with the Council of Agriculture Ministers meeting on March 11th, 1999, and with the Heads of States and Governments meeting in Berlin on March 26th. The outcome of the two meetings led to the Berlin Agreement.

ICOS welcomes a number of the changes in the final agreement, as they ensure that the agreement is more balanced from an Irish agri-food sector perspective. In particular, the agreement recognised that Ireland's milk quota

should be increased by more than the basic increase granted to eleven other member states. This will result in Ireland's quota being increased by 2.86% over the years 2000 and 2001 compared with the basic increase of 1.5% which, will be granted to eleven member states between 2005 and 2007. While this special increase for Ireland is welcome, it is disappointing that Italy, Spain and Greece were granted quota increases greater than Ireland. ICOS also welcomes the decision to extend the milk quota regime to 2008, with a mid-term review of the quota regime in 2003. The Berlin Agreement also delays the 15% butter and SMP intervention price reductions until 2005 to 2007.

ICOS strongly opposed the original proposals to cut beef and cereal intervention prices by 30% and 20% respectively, on the basis that the reductions were excessive and they would damage farm incomes. The final agreement limited the reductions to 20% for beef and 15% for cereals. These changes together with the changes in the terms for compensation reduce the negative effects of final agreement on these sectors.

Before and after the Berlin Agreement, the ICOS Policy Division provided regular updates to co-operatives. In particular, ICOS completed a summary and evaluation of the Berlin Agreement which was presented to co-operatives at a conference held on March 26th. This summary and evaluation was distributed to all co-operatives, and reproduced in the ICOS Dairy Newsletter. ICOS personnel participated in a large number of information and other meetings organised by its member co-operatives. These meetings include public meetings for farmer suppliers and members, workshops, seminars and briefings for co-operative boards and committees.



Brian McClave, Town of Monaghan and Hugo Maguire, Town of Monaghan Board Members at ICOS National Conference 1999.

Market Supports And WTO Constraints

The Policy Development Division provided a regular service to co-operatives in assessing the operation of the EU market supports and monitoring the implementation of a further year of the Uruguay WTO Agreement. In particular, the staff of the Division monitored the level of

SMP intervention purchases, the level of export refunds and the operation of other market supports. ICOS was successful in lobbying for increases in the level of casein aid and export refunds to offset the weaker market situation which applied in the early part of 1999. However, as markets strengthened later in the year, the Commission reduced SMP and WMP refunds. The Policy Division also monitored the level of prefixations of licences for the subsidised exportation of EU produce onto world markets.

Information on market supports and WTO licences was provided to co-operatives through the ICOS Dairy Newsletter and the reports on the relevant Management Committee meetings. In addition, the Division provided assistance to co-operatives in assessing the current and future prospects for a wide range of EU supports. This information was provided on an individual basis to member co-operatives as part of management workshops and as inputs into the development of individual co-operative strategies.

Dairy And Marts Strategies

The Policy Division commenced the preparation of strategies for the development of co-operatives in the dairy and mart sectors to respond to the future challenges. The objective of the strategic review of the dairy sector is to reposition the sector to strengthen it in the increasingly competitive environment in which it operates. The review of the livestock mart sector



John Tyrrell Director General with Tony Wilding speaker at the ICOS National Conference 1999.



(L to R) Finbar O'Neill, Bank of Ireland, Liam Woulfe, Golden Vale, Jim Maguire, NCFRS and Henry Corbally, Glanbia at the ICOS National Conference 1999.

will prepare a strategy to guide the sector's development into the future. It is intended to publish both strategies in the year 2000.

Central And Eastern European Consultancy

In July, ICOS's subsidiary consultancy services formed a consortium with COPA, COGECA and SwedeAgri to implement a Commission funded project in the ten Central European countries, which have applied for EU membership. The project is providing advice on organisational strengthening and the provision of information services. As a result, ICOS has an increased level of contact with the farmer, co-operative and young farmer organisations in a number of the applicant countries concerning their preparation for EU membership

Dairy Committee

Milk Quota

Milk Quota became an area of unprecedented attention during the past year as the usual discussion on the national supply position and butterfats were supplemented by the outcome of the CAP negotiations, the additional quota for Ireland together with the New Milk Quota Management Rules.

(i) National Position

The tradition of the Quota Regime has been that in any year of an under quota supply there is invariably a backlash the following year. This is so with the quota year 99/2000 where a substantial butterfat adjusted over quota position pertains.

An over quota position of 6 million gallons (approximately) is now likely for the year 99/2000. This will reflect a superlevy charge on the dairy industry of almost £8 million. In the course of the milk quota regime this will bring the Irish superlevy total charge to almost £65 million, half of which was contributed in the period 94-98. (Table 1). With the rising levels of butterfat and excessive cow numbers an annual superlevy situation is now virtually inevitable.

Year	Gallons (Mls)	£ MI
1994/1995	2.976	4.073
1995/1996	10.406	14.397
1996/1997	6.541	7.348
1997/1998	8.004	10.653

Quota Schemes

The ICOS supports the thrust of the Department's policy in regard to the price paid for restructuring and temporary leasing quota. Mr. Walsh continues the statements of his predecessor Mr. Yates pointing out "that maintaining a downward pressure on production costs was essential in the context of a more competitive market situation". The price for restructured quota in the quota year 2000/2001 has been confirmed at £1.36, (maximum) which reflects a 32% decline from the price of £2.00 per gallon (maximum) in the quota year 96/97. It is expected that over the next two quota years

similar reductions will be put in place arriving at £1 per gallon (approximately). In regard to temporary leasing the maximum price ruling in 96/97 was 30p per gallon and the price for the year 2000/2001 is 18p per gallon (maximum). This reflects a 40% reduction.

The Rules for the New Quota Regime will in particular focus on dormant quota and give greater priority access to additional permanent quota for small and medium scale producers. It is also intended to retain as many dairying enterprises as possible.

From Table 2 (below) it is estimated that approximately half of the temporary leasing pool is permanently temporary leased for 3 years or more. This quota must be restructured from the first of April 2000. The restructuring pool will therefore accommodate the dormant quota, the ongoing restructuring pool (average 15 million gallons) and, perhaps an acceleration of quota from "short term" temporary leasing (less than 3 years) into restructuring owing to the reduction in price together with other major factors like the Health and Hygiene Regulations and the ongoing ageing of the dairy producer profile. In summary a restructuring pool of close on 50 million gallons is anticipated in the quota year 2000/2001.

Unit:	Restructuring M.GL's	Temporary Leasing M.GL's
1996/97	9.6	59.2
1997/98	18.3	58.6
1998/99	13.3	69.5
1999/00	14.0	62.5

Additional Quota For Ireland

The CAP Agreement, confirmed in May of 1999, gave additional quota to Ireland of 2.86% or 32 million gallons approximately. Twenty and a half million gallons will be available from the 1st April 2000 and the remainder from the 1st April 2001. All 15 members shared in a total quota increase of 1.5% by the year 2007. In total the E.U. Quota increase represents 605 million gallons, which is 55% of the Irish quota and the Irish share of this additional quota is 5.25%. The ICOS policy was to support Ireland seeking



(L to R) Tony Wilding Director New Zealand Dairy Group, Dessie Boylan President ICOS, Mary Harney T.D., Tainaiste and Paul Christensen C.B.E. Chairman Milk Marque speakers at ICOS 1999 National Conference.

a raising of the butterfat threshold, which would have benefited all producers, and in the long-term a comparatively modest accommodation of butterfat would have generated more volume equivalent than the 32 million gallons received under the CAP agreement. This is borne out by the fact that the average E.U. butterfat is 4.05% and the Irish base figure is 3.582%. The granting of the E.U. average to Ireland would represent a quota increase of 90 million gallons. The limitations of the 99 CAP agreement are now clearly exposed and the ICOS continues to alert dairy farmers that from a national viewpoint the first tranch of the extra quota (20.5 million gallons) available from the 1st April can be said to have been utilised through the increased levels of butterfat. Except dairy farmers take the necessary corrective action there is a great danger that the extra quota will give rise to a false sense of security and major superlevy charges will be the direct answer over the coming years.

In regard to the additional quota the ICOS favoured an allocation which would reflect the co-operative's pro rata share of the national quota but for larger scale producers a ceiling at a particular level would give a maximum allocation and thereby support the smaller scale producers. In addition, the ICOS favoured that the allocation to individual producers must be based on a track record over the past 3 years and it was suggested that they would have supplied a minimum of 70% of their own permanent quota in each year.

The allocation detail confined the granting of quota to active producers under 55,000 gallons for

the 15 million gallons allocation and to under 35,000 gallons permanent quota for the young farmers allocation. Co-operative personnel and the ICOS met the Department of Agriculture and Food staff on a number of occasions in regard to the criteria and major difficulties with the two schemes were finalised. Our dairy co-operatives staff also devoted much time and resources to answering individual milk producers questions in regard to their particular situation and the additional quota allocation. The allocation of the 15 million gallons will result in each successful applicant receiving 700 gallons, while the young farmers allocation is expected to be in the region of 1500 gallons. The young farmer is also entitled to the allocation from the 15 million gallon allocation.

New Milk Quota Management Rules

By statutory instrument the Minister for Agriculture has introduced new Quota Rules to apply from the 1st April 2000. The following are the more relevant parameters. -

- Quota currently temporary leased cannot be land leased from 1st April. Where quota has been temporary leased for more than three years the quota holder must
 - (a) resume milk production
 - (b) sell the quota into the restructuring scheme
- A land/quota lease expiring may be temporary leased for one year. Other options for the lessor are to: -
 - (a) resume milk production
 - (b) sell the quota to the restructuring scheme
 - (c) renew the lease with the lessee and
 - (d) sell the quota without the land to the lessee
 - (e) Transfer to a blood relative with land
- A producer ceasing milk production after 1st April may temporary lease for one year. This is not fully defined and there is a possibility the temporary leasing period may be extended to three years.
- Part restructuring will be permitted but with strict limitations.
- It may be possible for a land lease to be terminated prior to its expiry date and the quota purchased by the lessee.
- The Departments recommendation is to retain the existing quota bands for the Quota year 2000 - 2001 so that no imbalances are created.

- Restructured quota must carry the average butterfat of the purchasers restructured pool.
- The sale of a dairy farm is permitted provided the seller had been an active milk producer for the previous three quota years and within six months prior to the sale.
- All aspects of the priority categories will be examined.
- The Department favour partnerships in the dairying sector. Likely criteria will demand both to be in milk production for five years, size of the two quotas must be in balance, a mileage limit will apply. There may be a central agency, and both partners must remain in dairying.

From the foregoing it is evident that the main quota allocation scheme will be the restructuring scheme through the co-operatives. Many producers who availed of temporary leasing would not qualify for a priority allocation under the existing restructuring scheme and consequently this factor is of major importance in drawing up the detail for the priority categories. It is important to point out that a temporary leasing scheme will continue but on a far more limited scale accommodating unused quota from active producers and producers who have ceased milk production may temporary lease for one year. Major decisions also rest with producers engaged in land quota leasing. On the expiry of the lease and with the agreement with the lessor the lease may be extended or the lessee may purchase the quota from the lessor. In addition, the lessor may opt to sell the quota to the restructuring scheme. Again the major issues are: -

- (a) The price.
- (b) The prospect of a producer with a comparatively large scale lease which is terminated and his accommodation within the allocation of the restructuring or temporary leasing schemes.

The ICOS supports the main thrust of the allocation criteria which will ensure that the committed producer is accommodated on a going forward basis .

THE HEALTH CERTIFICATE

The Health Certificate is the last piece in the full implementation of Council Directive 92/46 (S.I no.9 of 96). The final draft of the certificate was completed last June and circulated to the co-



(L to R) Tony Wilding Director New Zealand Dairy Group, Dessie Boylan President ICOS and Mary Harney T.D., Tainaiste at ICOS 1999 National Conference.

operatives for distribution to individual dairy farmers. The overriding view of the ICOS has been that a certificate that complies to the legislation but no more than this, is required. Excessive detail leads to wide interpretations and invariably to an unnecessary burden on the dairy farmer. Regretfully a check list circulated by the veterinary profession, created additional confusion as it was not part of the Health Certificate, and, is not required by the milk purchaser.

An immediate priority for all dairy farmers is the completion and return to the co-operative of the dairy Health Certificate. The Department has advised milk purchasers that where the certificate is not in place by the end of June this year the purchaser will not be permitted to collect milk from the producer. The health certificate is a requirement of the individual farmer and its completion is a function of the relationship between that farmer and his individual veterinarian. However, the dairy farmer needs to realise that he must give the issue immediate priority as at the 1st March approximately 8% of certificates had been returned to the purchaser and time is slipping by extremely fast.

REGISTRATION

At the end of 1999 approximately 15,000 holdings had been inspected by the Dairy Produce Inspectorate for approval under the dairy hygiene regulations. The number approved was 13,750 which reflects an increase of 4,000 from the figure of 9,800 at the end of December 1998. A lack of inspection staff in some regions of the country and an over diligent interpretation of the standards has no doubt influenced the level of registrations.

National Co-operative Marts Committee

Mart Trading Performance

Total Turnover in the Co-op Marts sector for '99, despite some improvement in prices in the second half of the year after a disastrous '98, has proved disappointing. Overall, there appears to have been a marginal increase in Co-op Mart turnover, which stood at £455 million in '98. However, in the absence of overall figures for the sector as we go to print we cannot arrive at any firm conclusions in relation to '99.

Stock Numbers

With record levels of cattle disposals in '99, cattle numbers sold in Marts were well up on '98. However, the principal increases took place in the weanling and calf sectors. This latter phenomenon is clearly driven by export outlets on mainland Europe.

The following figures based on ICOS Survey findings are indicative of the overall situation: -

ADULT CATTLE	+ 5.1 %
WEANLINGS	+ 23.7 %
CALVES	+ 15.8 %
SHEEP	- 4.0 %

Stock Prices

Figures released by the Irish Farmers' Journal and Bord Bia show an improvement in prices for all categories of cattle in the second half of '99 with the exception of beef, and heifers particularly.

Sheep prices, on the other hand, hit rock bottom. Farmer confidence in sheep was severely tested.

Mart Profitability

All the indications point towards a slightly improved situation in '99, with trading income up marginally, and operating costs at or below '98 levels.

Work of the Committee

The Marts Committee met on three occasions with the Administration Committee meeting on five occasions, complemented by regular meetings of Managers held both in Portlaoise and in Dublin. Messrs Lar Carroll and Tom Doyle were elected Chairman and Vice-Chairman of the Committee on June 15th. The retiring members of the Committee, Messrs Tom Doyle, Tadg

O'Brien, Michael Sweeney and Matt Malone, were re-elected. In addition, Mr. Padraic Gibbons (NCF) replaced the late Paddy Kenny on the Board of ICOS and also the Marts Committee.

Mart Rationalisation

In the early months of '99 a vigorous effort was made to promote mergers of Co-op Marts. Regional Meetings of Marts were held in Kilkenny, Ballinasloe and Mallow, with a strong attendance of members at all meetings. Further meetings at two locations for bi-lateral discussions followed this up. To date, no definite progress can be reported.

On the legislation front, ICOS was informed that the necessary amendments to the Industrial and Provident Societies Acts were proceeding, with a draft Bill available before the end of '99.

National Car Testing

Meetings with the Managers concerned were held in January. Messrs Ciaran Bolger and Robert Bolton, Arthur Cox & Company were engaged to advise on the Lease Agreements with National Car Testing Ltd.

The final advice from Cox & Co was available in March, and individual Agreements with National Car Testing were put in place as the year progressed. Car Testing got underway throughout the country on 4th January 2000.

Sheepmeat Forum

The Sheepmeat Forum set up by the Minister for Agriculture in March '98 reported in September. Subsequently the Minister set up a Monitoring Committee to progress the implementation of the Forum recommendations.

National Beef Assurance and CMMS

CMMS was introduced in the remaining Marts, and negotiations proceeded with the Department of Agriculture on Performance payments covering the period 30th September '98/1st October '99. A total fund of £200,000 was approved by the Minister for Agriculture in October, which provided for a basic payment of 23p per transaction subject to a maximum payment of £9,000 for Mart. The payments were made to Marts prior to Christmas.

The National Beef Assurance Bill in the Dail currently, contains new licensing provisions for Marts under the Livestock Marts Act (1967).

Study Trip to Spain

A group of fourteen from a total of eight Co-op Marts, with John Shirley, Irish Farmers' Journal, went to Spain on 5th to 9th September.

The group visited a number of cattle feedlot units in the Aragon and Toledo Regions, and also Livestock Marts sales in Talavera de la Reina, west of Madrid, and Rabastens in the South of France. The group also visited a Lamb Co-operative, Carne de Aragon, north of Zaragoza.

A Report was prepared on the outcome of the Trip, and circulated to all the participants.

Work of AEMB in Brussels

The General Assembly of the European Association of Livestock Markets (AEMB) was held near Ciney, in the Ardennes, Belgium on 6th/8th May.

The Secretary of the Committee was elected Hon. Secretary of the European Association at the Ciney Convention.

AEMB, through its close association with UECBV (The European Association of the Livestock and Meat Trade), continues to provide a very valuable forum for Livestock Markets in Europe.

In '99, the work of the AEMB Secretariat was particularly useful in relation to two particular issues:

- Agenda 2000 and Slaughter Premium Scheme.
- Export Certification requirements from Brussels.

The Committee will be hosting the 2001 General Assembly of European Livestock Markets. In the meantime, the 2000 Assembly will be held in Edinburgh on May 18th/20th.

Valuation of Premises and Rates

Rates have become a major cost item for Marts with declining profitability in the sector. Individual Marts have achieved significant reductions with valuations in recent years, through Appeals to the Commissioner of Valuations. Mr. Patrick Hennigan, Valuation and Rating Consultant, addressed the Managers Event in Wexford in June on this particular topic.

In the meantime, Inishowen Co-op Mart has taken a case to the Valuation Tribunal. The case was heard in the Courthouse Letterkenny on



(L to R) Lar Carroll Chairman National Marts Committee, Michael O'Dwyer Past President of ICOS and Michael Morley Secretary NCF at the "Successful Co-operative Strategies Conference".

November 12th '99. The Judgement of the Tribunal was issued on February 16th 2000.

A number of individual Co-operative Marts supported the Inishowen case.

Agenda 2000 and Slaughter Premium Scheme

The Agenda 2000 Package agreed in Brussels in March was fully discussed at the AGM held in Portlaoise on March 31st '99. There was general agreement on the major problems posed by the Slaughter Premium Scheme for Co-op Marts business due to the proposed Retention period. In the months that followed ICOS ran a concerted campaign both in Dublin and in Brussels to overcome the worst effects of the Retention period, as proposed by Brussels. By the end of June it became clear that Ireland was facing a two-month Retention period. In the months that followed the effort was concentrated on devising a system for operating the Scheme in Marts.

This effort, which continued up to the Christmas break, had the full support of the farming organisations, and the Department of Agriculture and Food. The Scheme got underway in individual Marts in the first week of January 2000, on the basis of a Premium exclusive bidding system. In the early months of 2000 the main focus had been on streamlining the Scheme in Marts under the headings of:

- Confirmation of Disposal through CMMS.
- Conditions of Sale.
- Organisation of Sales and Selection of Stock.
- North of Ireland situation.

This work will continue in the months ahead.

Export Certification

At the Animal Health Forum meeting on June 21st '99 it emerged that new Export Certification requirements would be introduced on July 1st under amended E.U. Directive 64/432. A number of the provisions would present serious problems for the exports of weanlings (e.g. 30 days herd of origin, and 6 days to export following certification). Numerous meetings were held, and the matter was put on "hold" indefinitely.

Animal Health Forum

At a meeting of the Department of Agriculture Forum chaired by Minister Joe Walsh on 21st December '99, the Department's Disease Programme for 2000/2003 discussed included the introduction of pre-movement testing for TB. This item, which has been discussed further in the early months of 2000, has been opposed outright by the farming bodies on the basis of cost and value for money. The pre-Movement Testing issue has been included in the National Agreement as follows:

Additional measures relating to movement controls will be considered in the framework of the Animal Health Forum.

This issue will be examined further in the months ahead.

At the same time Pre-Movement Testing in the Brucellosis sector remains unchanged for the duration of the Programme.

Conditions of Sale

This item has been on and off the Agenda for the best part of 20 years. In that period no real progress was achieved with the Department of Agriculture Veterinary Division. In the meantime, the position of Conditions of Sale in Marts was ambiguous and effectively left in a "limbo" situation. We can now, for the very first time, report real progress. The Department of Agriculture has decided, in principle, to deregulate Conditions of Sale from the provisions of the Livestock Mart Regulations (1968). We await further developments.

FEOGA Grant Aid

The decision has been taken to include Livestock Marts in the new FEOGA Programme. Work is now proceeding on establishing the main priorities for the Marts Sector in the new Programme.

AGM/Seminar

The 29th Annual General Meeting of Co-op Marts was held in the Killeshin Hotel, Portlaoise, on Wednesday 31st March. The main speakers were Professor Seamus Sheehy UCD, Jean-Luc Meriaux, UECEBV, and Ms. Rosalind Mullaney and Marina Carr, Department of Agriculture and Food.

The Annual Seminar/Get-Together for Mart Managers and spouses was held in the Ferrycarrig Hotel, Wexford on June 10th/11th. A total of 15 Managers took part. The main speakers were Mal Evan, J.J Morris, Auctioneers, Wales; Robin O'Sullivan, O'Sullivan Public Relations Ltd; Pat Hennigan, Hennigan & Company Valuers; and Liam Griffin, Managing Director, Griffin Hotel Group.

Sheep Identification

The Department of Agriculture circulated proposals for Sheep Identification and Tagging at Meeting of the Sheepmeat Forum held on 25th March '99. A technical group was set up in the Autumn period. However, the target date for introduction in the Spring of 2000 was not met.

COPA/COGECA in Brussels

The Secretary participated in the Beef Working Group Meetings in Brussels, and also in the E.U. Commission Consultative Groups.

Mart Features

Mart features appeared on the Farming Independent and the Farmers' Journal on April 13th and 11th September respectively.

A New Strategy

Work was carried out on a new Strategy/Direction for the Sector. This was unveiled at the A.G.M.

Joint TEAGASC Programmes

Work has got underway in streamlining the joint Teagasc programmes. We expect to bring this matter to a successful conclusion in the months ahead.

Deceased members

Staunch Committee members, Paddy Kenny and Charlie Deacon, died during the year, and within weeks of each other. Charlie Deacon had retired from the Committee in '95, and Paddy Kenny was Chairman in the period 1983-92. May they rest in Peace.

ICOS BRUSSELS

Reform of the Common Agricultural Policy dominated the first part of 1999, as it had done since the proposals were first tabled in July 1997. Agreement was finally reached in March at a Heads of State and government meeting in Berlin.

In the final negotiations many proposals on the financing of the CAP - degressivity and co-financing - were tabled which, if adopted, would have had serious implications for Irish co-operatives. These proposals were successfully resisted and the final outcome of Agenda 2000 proved to be a significant improvement for Ireland on the original July 1997 proposals.

Attention then turned to the WTO and the new round of negotiations that were due to begin in November in Seattle. In July the European Commission agreed its own position for Seattle, which was to defend the blue box, extend the peace clause, and to review the safeguard measures. Negotiations in Seattle broke down after disagreement over whether the negotiations should cover the elimination of export refunds or just their reduction.

Through the Brussels office ICOS plays an important role in influencing the development of European agricultural policy through direct contact with key decision-makers at European level. Throughout 1999 ICOS Brussels organised numerous meetings for co-operatives 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 issues ICOS Brussels worked on during 1999 were:

- CAP reform
- The new round of structural funds
- The School Milk Scheme
- 1999-2000 price package
- White paper on food safety
- New WTO round of negotiations
- Export promotion
- Support levels for milk powders and casein
- Enlargement of the EU
- Export refunds for cheese and non-annex 1 products
- R&D programmes

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 its 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.

COGECA, together with the EU farm organisation, organised a huge demonstration in Brussels in February against CAP reform. Thirty thousand people from all Member States including Ireland successfully applied enormous pressure on the agriculture ministers to modify the reform proposals. As the Vice-President of COGECA John Tyrrell met with Commissioner Fischler and the Presidents of the Farm Council during 1999 to lobby on CAP reform and other co-operative issues.

ICOS representatives participated in the following advisory committees and working parties in Brussels during 1999.

COGECA Praesidium	Dessie Boylan & John Tyrrell
Common Agricultural Policy	John Tyrrell
Milk & Dairy Products	Martin Varley & George Kearns
Sheepmeat	Maurice Colbert
Beef	Maurice Colbert
Social Economy	John Tyrrell
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 Development

Director Development

The annual director development programme "Introduction to Good Board Practice" was organised for two separate groups in 1999. For the first time a special programme dedicated to Marts was inaugurated and was a considerable success with 22 Directors from ten livestock marts participating. The programme for Dairy Directors was run over four days in February/March and was followed by a four day study tour to Denmark. This programme attracted thirty directors from thirteen different co-operatives. In addition to these programmes ICOS continued its practice of offering a variety of customised one and two day Director programmes to six co-operatives in 1999.

Leadership Training

The ICOS Leadership Training programmes are targeted at younger farmers with leadership potential and are planned and delivered on a joint basis between ICOS staff and the staff of the particular co-operative involved. Demand for this programme continues to expand among co-operatives with eight separate programmes ranging from four to six days been run. Again in 1999, the Division organised a special workshop for young co-operative farm leaders as part of the ICOS National conference. The workshop was a considerable success with twenty-five co-operatives nominating delegates to attend.

General Co-operative Training

The Member Development Division in 1999, continued to organise and deliver a co-operative training input into university undergraduate, post-graduate, extra mural courses and new co-operative start-ups. In 1999 the Divisions, staff would have participated in four such programmes.

Rural Development And Agriculture Structures

ICOS Rural Development Committee

The rural development committee met on five occasions during the year. Two of the meetings were outside Dublin including a field trip to West Cork to explore rural development initiatives being in that area. The main work in 1999 was in assisting rural groups, projects and activities with co-operative start-ups

Local Development

During 1999 the Division offered consultancy services to a number of LEADER groups and start up co-operatives mainly through the provision of training and development programmes. New co-operative initiatives in wind energy, forestry and horticultural were supported by the division.

ICOS also continued its association with Area Partnership Companies [APC's] and County Enterprise Boards [CEB's] and Area Development Management.

In 1999 the Minister for the Environment, Noel Dempsey T. D. brought forward ambitious plans in regard to local government reform and local development structures. Legislation was introduced that provided for the establishment of County Development Boards (CDB's). The progress being made in the establishment of CDB's is commented on in an earlier part of the annual report.

Operational Programme for Agriculture Rural Development and Forestry [OPARDF]

The monitoring committee for the OPARDF completed its work in 1999 with the effective conclusion of this operational programme. Most measures within the programme were seen to operate successfully and efficiently. Regrettably some measures had to be suspended as funding for some of the measures of most benefit to producers ran out towards the end of the programme. The participation of ICOS in the monitoring committee proved worthwhile in that it provided the ICOS Rural Development Committee with a first hand insight as to how the various schemes were operating

EU Advisory Committee on Rural Development

The EU Advisory Committee on Rural Development met on two occasions in 1999. The main focus of the committee's work was developments in relation to Agenda 2000. The Committee acted in a consultative capacity commenting on the changes being proposed in rural development measures and schemes. The enlarged size of the committee the broad range of issues covered in the rural development agenda and the low frequency of meetings in

1999 limited the capacity of members to make effective interventions. Mr Seamus O'Donohoe represented ICOS on this committee.

MEMBER RELATIONS

The work of the Division in regard to member relations involves attendance at general meetings of the membership or the committee of management, the preparation of full and partial rule amendments, assisting in restructuring, dispute resolution and assisting co-operatives in their general communication with members. Much of this work is done in collaboration with the ICOS Secretary and is reported on elsewhere.

One area where the Division was particularly active this year was in the drafting of a set of model rules for Horticultural co-operatives. The Registrar approved these for use in August 1999 and to date they have been used by eight Societies.

Plunkett Award

The 1999 winner of the Plunkett award for Co-operative Endeavour was Mr Nicholas Mc Eniry Board ICOS Council member and former Vice Chairman of Dairygold Co-operative Society Ltd. The award was presented to Nicholas in recognition of a lifelong commitment to his co-operative and community in Outragh, Mitchelstown and Dairygold.

1999 National Conference

The theme of the 1999 National Co-operative Conference was "Successful Co-operative Strategies for the next Decade". MS Mary Harney T.D. Tanaiste, Minister for Enterprise Trade & Employment, delivered the opening address. Mr Tony Wilding, Director, New Zealand Dairy Group and Mr Poul Christensen, CBE, Chairman, Milk Marque both addressed the conference. The 1999 conference attracted 205 delegates with over 275 attending the gala dinner with Dr Tom O'Dwyer, Chairman Teagasc as the Guest of Honour.

National Pig Producers Society Ltd

The Division continues to provide Secretarial services to this society. The work of the Society is mainly the dissemination of information among its members. In the past twelve months there were five meetings held with presentations being made by Board Bia, EPA and the Food Safety Authority to members of the N.C.P.P.S.

Irish Milk Quality Co-operative Society Ltd. [IMQCS]

The activities of IMQCS are organised by the Member Development Division as part of the secretarial and management service it provides to IMQCS. 1999 was another active year for the Society with the provision of training programmes in milking machine installation and testing to milking machine technicians, co-operative and Teagasc personnel. A revised edition of the National Register of Certified Milking Machine Technicians was produced in 1999. During 1999 considerable work was done by the Society in drafting a new version of the Teagasc, Moorepark Guidelines to Milking Machine Installation. The intention is to finalise this work in the current year.

Forestry

The Division provides a full secretarial and management service to the Irish Timber Growers Association. This includes the production of Newsletters, a Yearbook /Directory and the organisation of field days seminars and workshops. In the current year, the Forestry Development Association which is the ITGA joint venture with Glanbia incorporated a forestry co-operative which it is hoped will become the vehicle for the provision of forestry services to Glanbia members over the next number of years.



Mr Tom Corcoran Vice Chairman, Glanbia, Mr John Duggan Chairman, Glanbia, Mr Charles Colthurst Chairman, I.T.G.A. and Mr Hugh Byrne TD Minister of State Department Marine & Natural Resources at the launch of the Forestry Development Association in Dungarvan.



Attendance at an Irish Timber Growers Association Field Day.

Co-operative Forestry

Western Forestry Co-operative Society working through its twenty Farmer Forestry co-operatives and in close liaison with the UAOS had another successful year. Membership of these twenty co-operatives (covering an area north of Limerick - Drogheda line) now exceeds twenty thousand and the cumulative amount of land planted by the farmer members amounts to over fourteen thousand hectares.

The Society continues to work in co-operation with its parent co-operatives, the Forest Service, Teagasc and the Farming Organisations. At ground level its involvement with local leadership, community and development groups as well as individual farmers helps to maximise the social and environmental impact of farmer woodland in addition to quality timber production.

Each of the twenty co-operatives is serviced by a professional forester who is always available for advice/information (through weekly clinic or by phone). In the case of small woodland owners, the forester carries out an annual detailed inspection of the plantation accompanied by the owner to ensure that silvicultural standards are maintained. The forester also provides an approved list of contractors and forest consultants who can efficiently carry out specialist work, which is outside the scope for the farmer member.

In the coming year the forestry co-operative will continue to encourage farmers to afforest the marginal areas of their farms. It is acceptable that in future areas available on individual western farms will be smaller than heretofore, so the co-operatives role in grouping the areas on adjacent farms into viable well laid out blocks assumes even greater importance. Critical to the future planning of the Western Forestry Co-operative and its affiliates will be its involvement with members in areas of sustainable forest management and carbon cycling/sequestration. Already some members are looking ahead to pruning and first thinning, and these farmers are now planning inspection passages through their woodland as a precursor to this new phase in farm woodland development.

The following co-operatives make up the membership of Western Forestry Co-operative Society limited; NCF, Kiltoghert Creamery, Lakeland, Donegal, Town of Monaghan, Clare Marts and Golden Vale Creameries.

Human Resources

The main focus during 1999 was the claim by SIPTU for an improved pension scheme. The union had referred the matter to the Labour Relations Commission during 1998 and a Conciliation Conference, held in December 1998 had been adjourned. The Conference resumed on 11th February. However, it quickly became clear that the union was seeking improvements far in excess of the terms of the Partnership 2000 Agreement. No agreement was reached and the claim was referred to the Labour Court for recommendation.

A Labour Court Investigation was held on 15 April and Recommendation Number 16190 issued on 10 June 1999. The Court recommended the implementation of the offer made by the management side. This was rejected by SIPTU. The union is seeking to improve the pension scheme by the inclusion of plus payments, over and above basic pay, in the calculation of pensionable pay. This is not normal. The offer made by the societies would have provided benefits in line with or slightly above the norm in good employments throughout the country. Negotiations continued throughout the remainder of the year.

Partnership 2000

The Partnership 2000 Agreement begins to run out for early starters during 2000. Negotiations on a replacement agreement commenced in October and continued into the New Year. However, there are indications that unions and their members are seeking improvements in pay and conditions outside the terms of the existing Agreement. The number of claims being made on societies is increasing.

Industrial Relations Advisory Committee

The Industrial Relations Advisory Committee was mostly engaged during the year on the SIPTU pension claim. The committee met on 5 occasions and a very successful workshop was held in Dungarvan in the autumn.

Agricultural Safety

ICOS was represented on the Health and Safety Authority's Agricultural Safety Task Force. The function of the Task Force is to make farming safer. The co-operation of the co-operative societies through out the country in bringing the safety message to farmers is very much appreciated. Societies can assist through publicising safety in the monthly newsletter and highlighting safety ware in stores, particularly, during the annual Safety at Work Week and by including safety as a topic during farm walks. Farming, regrettably, is one of the most dangerous occupations in the country and there is a major need to keep farmers aware of that fact. ICOS will continue its efforts in the coming year to make farming safer.

Local Negotiations

ICOS continues to represent societies at local level in negotiations with trade unions. This involved 26 meetings with management, 22 meetings with unions, 6 Conciliation Conferences under the auspices of the Labour Relations Commission and 2 full Labour Court hearings. Many matters were also dealt with through telephone calls and correspondence.

Member Control

The encouragement by ICOS of the principle of ownership and control of Co-operatives by user members, continued during the year. More and more co-operatives have adopted policies on:

- distribution of bonus shares related to trade
- encashment of shares held by non-active members
- more explicit policies on membership criteria.

However because of the continuing decline of active farmers and trading shareholders generally, many co-op boards with ICOS assistance are investigating other ways of ensuring control of their business remains in farmer hands. This work is detailed and requires in many cases imaginative amendments to the rules of the co-operatives concerned.

Fishing Co-operative

I.C.O.S. continues to provide services relating to the establishment of new co-operatives with a substantial growth in interest by those involved in fishing and aquaculture in the co-operative form of doing business. Arising out of this work ICOS is currently providing Secretarial services to the Irish Lobster Fishermen's Association Society Ltd, which is a central co-op organisation. representing almost twenty local lobster co-ops around the coast.

A.I. sector

During the year ICOS undertook a study of the Co-operative AI sector and has formulated proposals for closer integration of the co-op AI sector.

Irish Foundation for Co-operative Development

The work of the Irish Foundation for Co-operative Development (IFCD) continued during the year to be concentrated in Uganda and Tanzania, with some involvement also in the Gambia and Mozambique. Thanks to the continued support of our dairy co-operatives, IFCD has been able to plan long-term involvement in these countries assisting to build viable self-help structures for the local farmers. The funding provided by our own coops makes it possible to access other financial support from Irish Government sources including APSO, from the EU co-financing schemes for NGO's as well as from the Food Security Programme of the USAID agency working in Uganda.

IFCD Work In Uganda

IFCD's first project at Rakai District in Uganda, ran from October 1995 until September 1998 and was called the Co-operative and Rural Enterprise Programme (CoREP). A total of 22 existing local coffee co-operatives and 16 women's groups were targeted. Various training inputs were made including assistance with the development of a realistic plan of action for the future of each group. This included our matching of small capital savings, by the group members. The results were quite good and were enhanced by gaining support from the Food Security Project of USAID, which provided bean seeds for planting and market opportunity for surplus produce.



Kiteesa Growers' Coop Committee at their new store and commercial unit in the Kyotera township, built with assistance from the IFCD project in Uganda.

IFCD was encouraged to continue and expand the work at Rakai and extend it into Masaka District and this second project - CoREP II - is running from July 1998 until December 2000 i.e. a total of two and a half years. Under an expatriate Project Manager, a team of over fifty locals is employed directly or indirectly by the project, which includes our continued involvement with the Food Security Project of USAID. A total of 32 "Potential Commercial" Farmer Groups, each representing about 100 families in their own sub-county area, are being reached to encourage them to plant better quality bean and maize seed and to market their surplus produce as a group.



Jason Mbonye and family have their lives through involvement in the IFCD project in Uganda. They now produce 1500 Kgs of beans from 2 acres and make an income of £315 instead of the £58 made previously from one acre.

At the same time 12 vulnerable households, mainly single-parent or orphan families in each of 96 locations in the two Districts are being reached indirectly by IFCD through local NGOs and CBOs. The objective here is the securing of a food supply and encouraging increased production of beans and maize for which a market is being sought through the commercial farmer groups in the same area. A parallel programme for the multiplication and distribution of casava plants, which can make a major contribution to food security even in the driest seasons, is also being promoted through these latter groups.

It is interesting to give an example of the results of this work. Jackson Mbonye is a typical family



Sorting beans to market standard at the Kabagu Growers' Coop in Masaka District, part of the IFCD project in Uganda.

farmer in his Ugandan village. Prior to IFCD's intervention he would have harvested 400KG of beans from 1 acre of land. Now he has increased cultivation to 2 acres and is harvesting 1,500KG. The farm gate price for beans is 260/= per KG (about 141/2p). Through collective marketing he will realise 380/= per KG (21p - some 46% more). The total value of his harvest is therefore approximately £315 - prior to IFCD's intervention it would have been £58. While the value of the harvest may still seem low by European standards it should be remembered that GNP per capita in Uganda is only \$200.

As in all IFCD projects, a local management team is being encouraged to prepare to take over the work after the present project is completed. The team will form itself into a locally recognised NGO, which will be able to develop its own plans and seek funding for them from IFCD and other agencies.

The Work In Tanzania

IFCD has been involved for many years in providing assistance to development in the Iringa Region of Tanzania, invited to do so by the Government of Tanzania. However, it was difficult to work with the existing village co-operatives created under the Ujamaa system, because they were more social than economic in character and lacked any real market freedom. IFCD did promote small self-help local projects in dairying, horticulture,

sunflower processing, forestry, water conservation and community development, all in the District of Iringa itself.

More recently, with the freeing up of the markets in Tanzania, IFCD has promoted the idea of Producer Marketing Groups (PMGs) in three of the five Districts of Iringa Region. The present three-year project - October 1997 to September 2000 - is aimed at establishing a total of ten PMGs in maize and coffee and fourteen Savings and Credit Societies.

Until 1994 we had been represented in Tanzania by a series of expatriate Project Managers, but since then we have been working with a local team of three, who in turn organise District and Regional Officials in various disciplines - agricultural extension, crop specialists, co-operative organisers and credit specialists, as required. Our local team has registered as a local NGO in which they have invited other local agencies and groups to take membership. It is intended that this NGO will continue the work of IFCD after the end of our present project.

The Gambia

The Government of the Gambia continue to want us involved in the planned re-vitalisation of their rural co-operatives which provide input and market support for the groundnut industry. With support from APSO, the Director of IFCD spent some time in November in the Gambia, helping with a training course for local co-op managers as well as a National Workshop on the future of the co-operative movement. IFCD funded some of the costs involved in running these activities as a support to the newly established National Federation of Rural Co-operatives.

Mozambique

A further grant was provided last year to assist Fr Eamon Aylward in his efforts to stimulate sunflower production and marketing in his parish at Inhaminga in one of the poorest areas in Mozambique. The grant is being used to purchase seeds and fertiliser and towards the running costs of a sunflower mill. Reports from this project in its first year are very encouraging, production of sunflower has increased dramatically and the local people are already looking to supply markets outside their own immediate area.

Financial Services Sector

ICOS Finances

The year 1999 resulted in a surplus after taxation of £29,159, as compared to a surplus of £15,130, in the prior year. In 1999 income increased by 5.4%, and expenditure reduced by 7.6%. The increase in affiliation fees of £29,091.00 was offset by a comparable decrease in seminar, training and education income of £23,638.00. The increase in affiliation fees has compensated for the decrease 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 an increase in consultancy costs and public relations costs incurred. Public relation costs includes the costs of holding seminars during the year.

Statistical Analysis

ICOS undertakes statistical analysis of both the dairy and mart sectors. During 1999 ICOS analysed mart performance since the last strategy document. The result of this analysis has been incorporated into an updated strategy. ICOS also continues to analyse information and performance of dairy co-operatives. Extensive analysis has been undertaken for this year's annual report.

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. ICOS has prepared a Code of Practice for the changeover from Irish pounds to Euros by co-operatives in the dairy sector. The code of practice was developed by the Financial Services Division in conjunction with a working group of co-operative representatives. The code of practice involves providing information and education about the Euro, monitoring progress of the conversion to the Euro and co-ordinating the practical elements of phasing in the process.

The Financial Services and Policy Division provided detailed information to its co-operative members on the impact of the Euro's introduction on market and other support mechanisms. Overall, the change over to the

single currency has been effective. The sector's experience to date has been that the introduction of the Euro has been beneficial through reduced exchange risk and lower interest rates. The Euro workgroup established by ICOS last year,

Pensions

ICOS continues the administration of two industry wide pension schemes

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

The returns from both schemes in 1999 were positive with both schemes putting in strong investment performances. The two schemes are managed by Bank of Ireland Asset Management.

Corporation Tax

The Budget makes provision for further reductions in the rate of Corporation Tax from 28% to 24% by January 1st followed by:

- 2001 - 20%
- 2002 - 16%
- 2003 - 12.5%

Value Added Taxation

The VAT flat rate, which increased from 3.6% to 4.0% in March '99, has been increased further to 4.2% on 1st March 2000.

Capital Taxation

A Pre-Budget Submission was prepared making the case for total exemption from Capital Gains Tax on the basis of relocation and reinvestment in new Mart facilities.

The Budget announced on 1st December makes provision for a rate of 20% to apply to the disposal of assets previously liable to the 40% rate.

Other Issues

The division prepared a submission for the 1999 budget and made a submission on behalf of co-operatives to the National Development Plan. During 1999, work was ongoing in relation to a number of FEOGA grant applications for marts. The division continues to provide services to the other sectors within ICOS and provide information as requested to co-operatives and other interested parties.

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.

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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: Dessie Boylan

Director General: J. R. Tyrrell

Secretary: Seamus O'Donohoe

15 March 2000

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.

Respective responsibilities of the Board and auditor

The Board is responsible, as described on page 2, for preparing the financial statements in accordance with Accounting Standards generally accepted in Ireland. My responsibilities, as independent auditor, are established in Ireland by statute, the Auditing Practices Board and my profession's ethical guidance.

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with Irish statute comprising the Industrial and Provident Societies Acts, 1893 to 1978. I state whether I carried out such procedures and have obtained such information as I consider necessary for the purposes of my audit. I also report to you whether 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.

Basis of audit opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices 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 our opinion the financial statements give a true and fair view of the state of affairs of the Society at 31 December 1999 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 Society's Acts, 1893 to 1978.

Thomas J McCarthy
Public Auditor

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

15 March 2000

Accounting Policies

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

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Industrial and Provident Societies Acts, 1893 to 1978. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

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 1999	1999 IR£	1998 IR£
Income		
Societies' contributions received	1,097,490	1,068,399
Seminars, training and education	46,515	70,153
Other income (including registration services)	19,699	18,837
	<u>1,163,704</u>	<u>1,157,389</u>
Expenditure		
Payroll		
Salaries and state insurance, less recoveries	545,220	554,161
Pension scheme premiums and superannuation	84,143	115,601
	<u>629,363</u>	<u>669,762</u>
Travel and services		
Travelling expenses	150,528	167,120
Public relations, education and training	66,810	58,439
Postage and telephone	49,605	49,116
Printing and stationery	33,898	29,646
Consultancy fees	15,744	3,062
	<u>316,585</u>	<u>307,383</u>
Overheads		
Rent, rates, light, insurance and household expenses	85,848	66,696
Subscriptions	41,647	41,663
Depreciation of fixed assets	23,726	25,301
Maintenance and repairs	20,022	22,325
Professional fees	16,360	10,144
Interest and bank charges	1,347	558
Miscellaneous expenses	2,965	3,197
	<u>191,915</u>	<u>169,614</u>
	<u>1,137,863</u>	<u>1,146,759</u>
Surplus for year before state grant and taxation	<u>25,841</u>	<u>10,630</u>

On behalf of the Board:

President: Dessie Boylan

Director General: J. R. Tyrrell

Secretary: Seamus O'Donohoe

General Revenue Account

Year ended 31 December 1999	Note	1999 IR£	1998 IR£
Surplus for year before state grant and taxation		25,841	10,630
State grant		11,000	11,000
Surplus for year before taxation		<u>36,841</u>	<u>21,630</u>
Taxation	1	(7,682)	(6,500)
Surplus for year after taxation		<u>29,159</u>	<u>15,130</u>
Accumulated deficit at beginning of year		(238,912)	(254,042)
Accumulated deficit at end of year		<u>(209,753)</u>	<u>(238,912)</u>

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: Dessie Boylan

Director General: J. R. Tyrrell

Secretary: Seamus O'Donohoe

Bal ance Sheet

31 December 1999	Notes	1999 1998	IR£ IR£
Current assets			
Bank balances and cash		48,046	5,402
Debtors and prepayments	2	74,252	161,832
		<u>122,298</u>	<u>167,234</u>
Fixed assets			
	3	48,067	67,010
		<u>170,365</u>	<u>283,244</u>
Representing capital employed:			
Share capital	4	70	70
General revenue account - deficit		(209,753)	(238,912)
Shareholders' deficit	5	(209,683)	(238,842)
Current liabilities			
Bank overdrafts		-	19,070
Creditors and accruals	6	162,048	231,016
		<u>162,048</u>	<u>250,086</u>
Loan from the Golden Jubilee Trust Fund	7	215,000	220,000
Deferred taxation	8	3,000	3,000
		<u>170,365</u>	<u>234,244</u>

On behalf of the Board:
President: Dessie Boylan

Director General: J. R. Tyrrell

Secretary: Seamus O'Donohoe

Notes to the Financial Statements

1	Taxation	1999 IR£	1998 IR£
	Based on the surplus for the year:		
	Corporation tax at 25% (1998: 25%)	9,200	6,500
	Overprovision in earlier years	(1,518)	-
		7,682	6,500

2	Debtors and prepayments	1999 IR£	1998 IR£
	Debtors and prepayments	60,770	59,038
	Amount owed by Irish Agri Food Development Limited	13,482	102,795
		74,252	161,833

3	Fixed assets fittings and equipment IR£	Furniture, equipment IR£	Computer vehicles IR£	Motor IR£	Total
	Cost				
	At 31 December 1998	163,039	91,328	76,365	330,732
	Additions	759	4,024	-	4,783
		163,798	95,352	76,365	335,515
	Accumulated depreciation				
	At 31 December 1998	132,728	67,075	63,919	263,722
	Charge for year	8,386	9,246	6,094	23,726
		141,114	76,321	70,013	287,448
	Net book amounts				
	At 31 December 1999	22,684	19,031	6,352	48,067
	At 31 December 1998	30,311	24,253	12,446	67,010

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:

	1999 IR£	1998 IR£
Net book amount at 31 December	-	125
Depreciation	3	122

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

	1999	1998
	IR£	IR£
At 31 December 1999 and 1998 - shares of 50p each	70	70

5 Reconciliation of movements on shareholders' deficit

	1999	1998
	IR£	IR£
Surplus for year after taxation	29,159	15,130
Opening shareholders' deficit	(238,842)	(253,972)
Closing shareholders' deficit	(209,683)	(238,842)

6 Creditors and accruals

	1999	1998
	IR£	IR£
Creditors and accruals	116,765	119,525
Amount due to Golden Jubilee Trust Fund	18,000	64,919
Amount due to ICOS Services Co-Operative Society Limited	18,083	33,698
Corporation tax payable	9,200	7,873
	162,048	231,015

7 Loan from the Golden Jubilee Trust Fund

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

8 Deferred taxation

	1999	1998
	IR£	IR£
On accelerated capital allowances at 25% (1998: 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 1997 the market value of the scheme's assets was IR£2,017,803. 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£318,100. The level of funding was 84% 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£84,143 (1998: IR£115,601).

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£36,000 (1998: IR£36,000).

The minimum operating lease payments of IR£36,000 to which the Society is committed for 2000 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£243,129 (1998: IR£131,140) 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 15 March 2000.

Schedule of Affiliation Fees

*Assessed and Paid for 1999
as at 19/04/2000*

Affiliation Fees assessed and paid 1999			
	1999 ASSESSED	TOTAL PAID	PAID AS % OF ASSESSMENT
DAIRY	789,731	789,580	100
MART	147,621	135,613	92
A. I. STATIONS	39,158	32,659	83
WHOLESALE	59,394	59,394	100
FISHING	6,930	6,520	94
STORES	3,160	3,160	100
RURAL DEV. \ TOURISM	2,455	1,840	75
OTHER	23,491	19,237	82
TOTAL	1,075,794	1,018,104	95

Dairy Societies			
DAIRY SOCIETIES	1999 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT
BANDON	19,468	19,468	100
BARRYROE	22,691	22,730	100
BOHERBUE	6,035	6,035	100
CALLAN	5,191	5,191	100
CENTENARY	19,146	19,146	100
CORCAGHAN	1,978	1,978	100
DAIRYGOLD	91,045	91,045	100
DOAPEY	2,459	2,459	100
DRINAGH	25,519	25,519	100
DROMBANE	3,417	3,416	100
FEALEBRIDGE	5,239	5,239	100
GLANBIA	110,000	110,000	100
GLENVEAGH	12,444	12,444	100
GOLDEN VALE	68,463	68,463	100
IRISH DAIRY BOARD	53,767	53,767	100
KERRY	52,000	52,000	100
KILASNETT	772	772	100
KILTOGHERT	13,275	13,275	100
LAKELAND	36,564	36,564	100
LEE STRAND	10,239	10,239	100
LISAVAIRD	21,021	21,021	100
MAUDABAWN	1,689	1,500	89
MID-WEST	22,553	22,553	100
MULLINAHONE	6,508	6,508	100
NEWTOWNSANDES	6,003	6,003	100
N CONN.FARMERS	42,680	42,680	100
NENAGH	27,988	27,988	100
NEWMARKET	14,162	14,162	100
NORTH CORK	12,054	12,054	100
SHANNONSIDE	7,638	7,638	100
T OF MONAGHAN	27,332	27,332	100
THURLES	10,440	10,440	100
TIPPERARY	24,642	24,642	100
WEXFORD	5,309	5,309	100
TOTAL	789,731	789,580	100

Mart Societies			
MARTS SOCIETIES	1999 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT
ATHENRY	5,766	5,766	100
BALLINASLOE	4,917	4,917	100
BALLYJAMESDUFF	3,491	3,491	100
BIRR	3,693	3,693	100
CASTLEREA	4,384	4,384	100
CLARE	10,521	10,521	100
CORK MARTS	19,771	19,771	100
C-ISLAND	7,437	7,437	100
DINGLE	1,469	1,469	100
EAST DONEGAL	2,307	1,154	50
GOLDEN VALE	18,994	18,994	100
GORT	2,465	1,000	41
HEADFORD	1,833	916	50
IVERAGH	1,169	1,169	100
KENMARE	1,500	0	-
KILFENORA	1,500	600	40
KILKENNY	7,293	7,292	100
KINGDOM	2,228	2,228	100
LEINSTER	5,031	0	-
MAYO/SLIGO	5,522	5,522	100
MID-KERRY	3,203	3,203	100
MID-TIPPERARY	3,995	3,995	100
MILFORD	2,054	1,027	50
NENAGH	4,370	4,370	100
ROSCOMMON	4,614	4,614	100
TEMPLEMORE	1,564	1,550	99
TUAM	5,075	5,075	100
WATERFORD/ROSS	2,275	2,275	100
WEXFORD FARMERS	9,180	9,180	100
TOTAL	147,621	135,613	92

Schedule of Affiliation Fees

*Assessed and Paid for 1999
as at 19/04/2000*

A.I. Societies			
	1999 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT
MUNSTER C.B.S.	567	567	100
SOUTH WESTERN	10,846	10,846	100
NORTH EASTERN	2,500	2,500	100
SOUTH EASTERN	9,105	9,106	100
NORTH WESTERN	4,640	4,640	100
PROGRESSIVE GENETICS	11,500	5,000	43
TOTAL	39,158	32,659	83

Fishing Societies			
	1999 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT.
FISHING SOCIETIES			
BURTONPORT	830	830	100
CASTLETOWNBERE	830	830	100
DONEGAL	830	830	100
DUNMORE EAST	640	640	100
FOYLE FISHERMANS	640	640	100
GALWAY & ARAN	830	830	100
GREENCASTLE	640	640	100
MEITH. MARA NA RINNE	640	640	100
KENMARE BAY AQUACULTURE	205	0	-
SOUTH AND EAST COAST	640	640	100
SOUTH WEXFORD LOBSTER	205	0	-
TOTAL	6,930	6,520	94

Rural Dev./ Tourism Societies			
	1999 ASSESSED	1999 PAID	PAID AS % OF ASSMNT.
RURAL DEVELOPMENT/ TOURISM SOCIETIES			
C. CONNRADH NA BOIRNE	205	205	100
C.C.C. NA OILEAIN	205	205	100
CAV/MON.RURAL DEV.	205	205	100
CROI NA LAOI RURAL	205	205	100
KILRUSH DEVELOPMENT	205	0	-
KILNALECK & DISTRIBUTION	200	200	100
MIZEN TOURISM	205	205	100
NAIRN, PORTNOO, ROSBEG	205	205	100
NORTH KERRY ARTS CULTURAL AND HERITAGE SOCIETY	205	0	-
SLIEVE BLOOM	205	205	100
SHANNONVALE	205	205	100
WEST CLARE	205	0	-
TOTAL	2,455	1,840	75

Wholesale Societies			
	1999	TOTAL	PAID AS %
COOP ANIMAL HEALTH	14,000	14,000	100
IRISH CO-OP SOCIETY.	10,394	10,394	100
I.A.W.S.	35,000	35,000	100
TOTAL	59,394	59,394	100

Other Societies			
	1999 ASSESSED	TOTAL PAID	PAID AS % OF ASSMNT
MISCELLANEOUS SOCIETIES			
BALLYMACHUGH	205	205	100
COOP TRAVEL	4,000	4,000	100
COUNTRY MARKETS	205	205	100
CO. CLARE AGRIC. SHOW	205	205	100
CUFFES GRANGE GROUP	200	200	100
IFCD	-	0	-
IMQCS	4,000	2,000	50
IR. DAIRY RECORDS	600	600	100
IR.FARM A/CS	1,120	1,120	100
IR. FARM CENTRE	528	528	100
IRISH HORSE BOARD	1,170	1,170	100
IVERAGH TURF	205	205	100
KNOCKMORE	205	0	-
MILTOWN NORTH EAST GP WATER	205	205	100
NATIONAL CO-OP FARM RELIEF	1,037	1,037	100
SHANNON REGION ORGANIC MEAT CO	205	205	100
TASTE OF KERRY	205	0	-
VALENTIA ISL ERLY LEARNING	205	205	100
	14,500	12,090	83
PEDIGREE			
IRISH ANGUS CATTLE SOCIETY	306	306	100
IR. CHAROLAIS CATTLE	306	306	100
IR. LIMOUSINE	306	306	100
IR. SIMMENTAL	306	0	-
IR CHAROLLAIS SHEEP	205	205	100
IR. PEDIGREE PIG BREEDERS	205	205	100
MONTBELIARDE CATTLE SOC.	306	306	100
	1,940	1,634	84
RADIO			
NORTH CORK COM. RADIO	520	0	-
KILKENNY COMM RADIO	520	520	100
	1,040	520	50
HORTICULTURE			
CORK NEW POTS. <small>ceased to trade 1999</small>	205	0	-
NORTH EASTERN PRODUCERS	205	0	-
	205	-	-
PIG SOCS.			
GLEN OF AHERLOW	2,083	2,083	100
MAINE VALLEY	908	300	33
ROUGHTY VALLEY	405	405	100
N. C. P. P.	2,000	2,000	100
	5,396	4,788	89
GAELTACHTAI			
C.C.CHLEIRE	205	205	100
CC.L.THROUGH	205	0	-
	410	205	50
TOTAL	23,491	19,237	82

Store Societies			
	1999	TOTAL	PAID AS %
CLONLEIGH	545	545	100
INISHOWEN	2,615	2,615	100
TOTAL	3,160	3,160	100

Minutes of the Annual General Meeting

The 104th Annual General Meeting of the Irish Co-operative Organisation Society Ltd was held at the Berkeley Court Hotel, Dublin on Wednesday 12 May 1999 at 10:30 a.m.

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. Mr M O'Dwyer presided.

Commencement Of The Meeting

The President called the meeting to order and welcomed all the delegates as well Messrs Martin Sisk and Paul Harrington from the Registry of Friendly Societies. Ian Murray and Seamus Crossie from the UAOS and Mr Brian Wickham from ICBF.

Vote Of Symphathy

The President drew the attention of the meeting to the deaths of two Board Members, which had occurred during the past year. These are Messrs Harry Browne and Paddy Kenny. He also drew the attention of the meeting to the fact that former Director General Mr Paddy Kelly had also died since the last meeting. At the request of the President, the delegates stood in prayerful silence in memory of their deceased colleagues.

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 Mr Michael Coughlan, seconded by Mr Tom O'Brien, it was resolved that the Board be appointed 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 D Boylan, seconded by Mr J Lavin that the minutes be approved and they were accordingly signed by the President.

El ections 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 Martin Caulfield: Creameries North
Mr John Sexton: Creameries South

Mr Michael O'Dwyer:

Mr Michael Coughlan:

Mr P Gibbons:

Mr JJ O'Brien

Mart Societies

filling the Casual Vacancy caused by the death of

Mr P Kenny

Miscellaneous

The meeting was also advised that Mr Nicholas McEniry had been nominated by the IAWS to fill the vacancy caused by the resignation of Mr Anthony Leddy.

The Secretary also informed the meeting that a casual vacancy existed in the Creameries North East Category arising from the death of Mr Harry Browne. The election procedure has not yet been completed but it would be completed within a matters of weeks.

Annual Accounts And Auditor's Report

The Annual Accounts for the year ended 31 December 1998 were presented by the Financial Controller, Ms Mary Kennedy. Following her presentation, the Auditor Mr Tom McCarthy presented his report and read his certificate. It was proposed by Ms Mary Coleman and seconded by Mr John Lavin and resolved that the Accounts for 1998 as presented be adopted.

Appointment Of Auditor

On the proposition of Mr W Nagle, seconded by Mr C McAuliffe it was resolved that Mr Tom McCarthy of Craig Gardiner and Company be appointed Auditor for the year 1999.

Financial Resolution

On the proposition of Mr D Cashman, seconded by Mr T Gallihue it was resolved "that the scale of contributions to ICOS by Societies involved in Dairy and Wholesale activities be on the following basis for the year 2000, calculated on the 1998 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 complimented the Dairy Co-operative for their trading performance in 1998 and particularly for their support of their members through difficult times. He said that co-operatives have been always been beneficial to farmers but really this is only appreciated during difficult times. They have been successful in providing a secure outlet for farm produce, in giving producers access to a greater share of the value chain, in giving access to better value in raw materials and farm inputs and in providing an opportunity to producers to develop and improve their income and quality of life.

The President called on the Dairy Co-operatives to work together to reduce the cost of milk processing. He said that they had an obligation to invest for competitiveness and by so doing maximise the returns to milk producers. He said he would ask the Boards of Co-operatives to support any initiative that drives co-operation forward to meet the challenges of the future.

Mr O'Dwyer said that there was great benefit from farmers working together through the co-operatives, but it was equally important that farmers are made aware of the basis for co-operative principles and their implementation. The President said it was important that co-operatives play an active role in educating members about how co-operation works and it was equally important that co-operatives contain good communication with their membership.

Turning to the Beef Sector the President said that the Beef Task Force was coming close to finalising its report. The issue of funding, the restructuring and rationalisation of the Beef Industry has been a difficult one to resolve. But the President reminded delegates that it was only one aspect of that report. He said it was his view that if the Beef Industry was to develop and gain a greater market share of their real market that a consistent supply of good quality beef was essential. He felt that it was essential that producers be giving the proper signals from the market and as a result that they are rewarded for quality.

The President pointed out that under Agenda 2000 there will be no permanent intervention and therefore returns to the producers are going to depend on obtaining a share of higher value markets. In that regard he said it was necessary to ensure that adequate funding was provided for An Bord Bia so that that organisation can continue to carry on its important promotional function. On the question of the slaughter premium he noted that

ICOS welcomed the improvements which had been achieved during the final negotiations on Agenda 2000. He said that however ICOS was concerned that the slaughter premium should be introduced in a way which would not disrupt competition in the Beef Sector. It was necessary that the conditions attaching to the premium would not create unfair competition between the different segments of the cattle and beef trade. The President informed the meeting that ICOS had had a number of meetings with the Department of Agriculture about this matter and a number of options to address the problems are being examined. Mr O'Dwyer said that it was an important issue for livestock marts but particularly for producers who want to have a number of choices in regard to outlets for selling their finished stock.

On the question of the Livestock Mart Sector, the President said it had been a most difficult year for the Livestock Mart Societies in that they had suffered a huge drop in turnover. He pointed out the closing of the Russian Market for Irish Beef in August had dramatically worsened the situation and as well as that tighter disease regulations introduced in February 1998 had effectively stopped the heifer trade through the Marts Societies .

Mr O'Dwyer advised the delegates that an analysis of the trends in the Marts Business for the period 1990-1997 had been presented at 3 Regional Meetings of Livestock Marts. This analysis showed a decline in Marts Turnover from the 1993 peak and that overhead costs in Marts had risen by 23% in the same 8 year period. He stressed that in some cases Co-operative Marts were selling investments in order to maintain their position. Marts were effectively losing market share.

The President informed the meeting that data in respect of 13 marts societies was available for 1998 and this already showed that turnover was down by over 25% with many Marts showing a trading loss. As a result of this ICOS was urging Marts to take decisive action to address this new situation. In particular Livestock Marts Societies were being urged to work closely with their neighbouring co-operative in order to see what advantages or savings could come from closer business relationship with one another. In that regard ICOS was advised Societies not to shy away from talking about mergers if that seemed the appropriate thing to do. The President stressed that Marts Committees have a responsibility to take proper steps to safeguard their business.

Turning to the Milk Sector the President pointed out that under Agenda 2000 Ireland had been allocated an extra quota of 32 million gallons. The first 20.5 million would be available from the 1st April in the year 2000. He informed delegates that ICOS would be consulting with co-operatives for their views as to how this should be distributed. The President gave

us his own personal view that the first priority in regard to quota distribution should be active producers who will be in milk production in the foreseeable future. Such a strategy should ensure that the production base at farm level is prepared for the policy changes which will arise from the next World Trade Organisation Agreement and the possible facing out quotas towards the year 2008.

The President also spoke about the work of the Irish Foundation for Co-operative Development in Uganda and Tanzania. He said that ICOS and the co-operatives could be proud of the work of IFCD in Africa. In their work in Uganda IFCD employs a total of 50 local staff supervised by 2 Irish workers. The people in 2 of the large districts of Uganda are being helped to increase their farming output and to find worthwhile market outlets for their surplus. He stressed that the work of IFCD was being supported by the relevant people in the Department of Agriculture and Food.

Presentation Of The Plunkett Award

Before the conclusion of the Annual General Meeting the President informed the delegates that it was his pleasant duty to make the presentation of the Plunkett Award for Co-operative Endeavour. He said he was pleased to announce that Mr Nicolas McEniry currently Vice-Chairman of Dairygold Co-operative was the choice of the judges. He said that Mr McEniry had played an outstanding role in the co-operative movement for more than 40 years. He had been active in community and co-operative affairs at a very young age, and at the age of 25 was elected a member of the Committee of Management of the Outrath Co-operative. Following the merger of Outrath and Mitchelstown he was elected to the Committee of Management of the merged Society.

The President said that Mr McEniry was also involved as a representative of the Mitchelstown Society in the Board of Co-operative and Animal Health Limited and continues to remain a member of that Board as a representative of the Dairygold Society.

In 1986 having been elected Chairman of the Mitchelstown Society he was nominated to the Council of the ICOS. In his capacity as Chairman of

the Mitchelstown Society he led the negotiators from the Mitchelstown Society in the talks with Ballyclough Society which eventually led to the formation of the Dairygold Co-operative Society. Aside from his role in the Dairygold Society the President indicated that Mr McEniry was elected to the Board of IAWS Limited and also to the Board of the Group plc. He is currently chairman of IAWS Limited.

In responding to the presentation by the President Mr McEniry said he was honoured and delighted to receive the award. He indicated that he had been attending Annual General Meetings of ICOS down through the years and he was conscious of the calibre of previous recipients of the award. He wished to thank ICOS for sponsoring the award and the Dairygold Co-operative for nominating him as well as the judges for selecting him.

Mr McEniry referred to the many ladies throughout the length and breadth of Ireland who find time to attend to farms and other businesses while their spouses are engaged in co-operative activities. In that regard he included his wife Kitty amongst those dedicated and unrewarded people to whom a great debt of gratitude was owed.

Mr McEniry said that since its formation 104 years ago ICOS had served the co-operatives well. He said that for some time now the larger co-operatives had adopted an element of affluence and independence but he felt that the independence could have a very high price tag if corrective action isn't taken in the near future. He pointed out that in many counties corrective action was being taken to combat the problem of reduced margins. Many mergers had taken place and he felt that it was necessary for Ireland to ask itself whether Ireland was now in a position to compete with these huge competitors. He wondered whether a country the size of Ireland could afford the luxury of 34 Dairy Co-operatives and 29 Co-operative Livestock Marts Societies.

Mr McEniry concluded by once again thanking the ICOS for sponsoring the award and the judges for selecting him.

This concluded the business of the meeting.

Minutes of the Special General Meeting At ICOS

HELD at the Berkeley Court Hotel , Dublin
Wednesday 12 May 1999
Immediately on the conclusion of the AGM

PRESENT: As per delegates attending the AGM.

Presiding: Mr. Michael O'Dwyer (President)

The purpose of the meeting was to consider and if thought fit, adopt a complete amendment of the rules of the Society.

The Secretary read the notice convening the meeting. The Secretary outlined briefly where the major changes were occurring.

In the debate which followed much of discussion centred around the question of the representation form Mart Societies on the Board of ICOS. It was proposed by Mr Brendan Danaher that Mart representation on the Board of ICOS should be 4 and 3 as was proposed. Mr P J Buckley seconded that resolution. Mr John Duggan formerly proposed the adoption of the proposed new rules as circulated to the Member Societies. Mr Tom Cleary seconded that proposal. The Registrar of Friendly Societies, Mr Martin Sisk who was present and his deputy Mr Paul Harrington were asked to act as tellers in the vote which followed. The result of the vote was that there were 53 for the resolution to adopt the proposed new rules and 16 against. As 53 exceeded the two-thirds majority required, the Registrar indicated to the President that the resolution was carried.

This concluded the business of the meeting.

Delegates at the Annual General Meeting

ATHENRY MART

Joe Healy
Tomas Lally

BANDON CO-OP

Michael Coffey
John A. McCarthy
Sean Murphy
Daniel A. O'Brien

BARRYROE CO-OP

Michael Ahern
William Barry
Peter Dineen

BELGIAN BLUE SOCIETY

Anthony O'Connor
Cyril Martin
John Vaughan

BOHERBUE CO-OP

John P Breen
Joe O'Connor

CALLAN CO-OP

J. Clutterbuck
J. Croke

CASTLEREA CO-OP MART

Michael Sweeney
Michael Giblin

CENTENARY CO-OP

Philip Blake
Michael Ryan

CLARE MARTS LTD

Tom Brooks

CO-OP ANIMAL HEALTH

Patrick Delaney

CORK MARTS

Michael Coughlan
John O'Keefe

COUNTRY MARKETS

Mary Coleman

DAIRYGOLD CO-OP

Denis Cronin
Thomas Gallahue
Cornelius Hallahan
William Hickey
Patrick Kelleher
Michael McCormack
William R. Nagle
Terence O'Donnell
David O'Keefe
John Walsh

DRINAGH

Denis Collins
John J Daly
Noel O'Sullivan

FEALEBRIDGE

James Hickey
Charles Keane
Pat Lyons

GLANBIA CO-OP

Henry Corbally
Tom Corcoran
John Duggan
Sean Grace
Christopher Hill
Edward Holland
Diarmuid Horgan
James Kavanagh
Martin Keane
Tom Kelly
Michael Walsh

GLEN OF AHERLOW

Aodh Kennedy
Tommy O'Connor
Pat Walsh

GLENVEAGH

John Keon
Lexie Tinney

GOLDEN VALE FOODS

M Harvey
J Hickey
Eamon Jones
Joe McCutcheon
Pat McKenna
Pat O'Connor
Thomas Rogers
Michael Sexton

GOLDEN VALE MART

P. J. Buckley
Brendan G. Danaher
Michael Dunne
Michael Foley
Tom Galvin
Ted Hunt
Clement McAuliffe
Pat Monaghan
T. D. O'Connor

IAWS

Nicholas McEniry

IDRC

Donal Kenny

IFAC

Donal Cashman

INISHOWEN CO-OP

Paddy Gallen
James Anthony McClean

ICBF

Brian Wyckham

IDB

Frank Allen
Tom Cleary
Michael Drea
Paidrag Walshe

KCCCS

Ann Gibbons

KENMARE BAY

Angela Breen

KERRY CO-OP CREAMERY

James Brosnan
Denis Buckley
Eugene McSweeney
Diarmuid O'Connell

KILKENNY CO-OP MART

Larry Cantwell
Laurence Carroll
Michael Harty

KILTOGHERT

Martin Caulfield
Stephen Connaughton
Paddy Kelly
John Lavin
M J Mahon
Patrick McGarry
Sean O'Hanrahan
John AF Thompson

LAKELAND DAIRIES

P Bannigan
Dessie Boylan
T Connolly
D Creedon
E Farrelly
M McGovern
J Mollahan
J Sharkey
P Young

LISAVAIRD CO-OP

Pat Dineen
Frank Harte

MID-TIPP

John Kelly
Tim O'Dwyer

MID-WEST FARMERS

Martin Cormican
Michael Flaherty
Brendan Lynskey
Eamonn O'Connor
Joseph Rabbitte

NCFRS

Jim Maguire

NENAGH CO-OP CREAMERY

James Murphy
Tom O'Brien
Francis Ryan
Seamus Ryan
Richard Tobin

NENAGH CO-OP MART

Andrew Harty
John Moylan
John O'Brien

NCF

Michael Farrell
Stephen Finn
Padraic Gibbons
Dan Gilmartin
Gerard Mullaney
Sean Sweeney

NCPP

Margaret Murphy

NORTH CORK CO-OP

MJ Howard
Sean McAuliff
James Neenan
Seamus Walsh

ROUGHTY VALLEY

John Joe O'Brien

SECBS

Dermot Kearney

SWS CO-OP

Kevin B O'Regan

TIPPERARY CREAMERY

Edmond Bourke
Noel Horgan
Sean Murray
Larry O'Brien

TOWN OF MONAGHAN

Matt Caulfield
Hugo Maguire
George McMeel

WEXFORD FARMERS

Jack Doyle
Thomas Doyle
William Doyle
Paul Fortune
John Murphy
Thomas Shannon

WEXFORD MILK PRODUCERS

Paddy Breen
Patrick Butler
Harry Doran
John Murphy
Michael Vaughan
John Watson

ICOS COUNCIL

Patrick O'Brien
Michael O'Dwyer
John Sexton

GUESTS

John Malone
McEniry Family
Martin Sisk
Paul Harrington
Jan Murray

**ICOS Council members in italics*



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