



Irish Co-operative Organisation Society Limited



www.icos.ie



109th Annual Report 2003



ICOS Mission Statement

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

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Foreword

After almost 12 months of debate, proposals, assessment and counter proposals, the Council of Agriculture Ministers agreed the Mid-Term Review of the Common Agricultural Policy in Luxembourg in June 2003. The reform which was agreed is the most significant review of the CAP since Ireland joined the Common Market 30 years ago.

The decisions taken by the Council of Ministers will have a significant impact on farmers, the processing sector and on the administration of the CAP. The impact will be felt in each of the main agricultural activities in Ireland i.e. milk, beef and cereals.

The main elements of the Reform include the decoupling of direct payments to farmers from production of specific quantities of produce. However, in future the payment of such direct payments will be conditional on farmers meeting the cross compliance criteria which have been set down by the Council.

As the details of what was agreed in Luxembourg last June were clarified, and since the implementing regulations were adopted over the 9 months since June 2003, farmers and the processing, farm supply and marketing sectors have been assessing what the consequences will be.

It is already clear that substantial change will occur and that many producers will change their pattern of production to meet the new circumstances.

The dairy sector faces greater change, because the support prices for butter and S.M.P. will be reduced by 19% (or 21% in milk equivalent terms) over the 4-year period from 1 July 2004. The partial compensation for this price cut (58%) and the fact that the compensation is not index linked, will mean that dairy farmers face a reduction in their income and the ongoing further erosion of their incomes as a result of inflation.

These are among the reasons that ICOS opposed the E.U. Commission proposals for the Reform. In addition, the introduction of limits on the annual quantities of butter into intervention further weakens the support structure for the dairy sector. Therefore by 2008, the quantity of butter, that can be purchased into intervention at the intervention price, will be 30,000t. The Commission may make further purchases by tender after this.

The EU policy switch from market support measures to a mix of lower support combined with direct pay-

ments will result in a significant number of producers ceasing milk production due to pressure on their net margins. It is expected that over the next 2-3 years an increased amount of milk quota will transfer to those producers who want to expand.

During 2004 there will be a focus on ensuring that the major restructuring that is due to take place is efficient, cost effective and recognises the importance of milk production to the rural economy.

The challenge for co-operatives is to provide the advice and planning support for producers who are planning to expand, and also to ensure that the producers have a secure, reliable market for their milk.

Co-ops now have a new support framework, which they will have to work within. They also face the additional competition in a new E.U. market of 25 Member States. There is also a new focus by Irish and European co-ops on optimising their production, processing and marketing cost efficiency.

The Prospectus Report which was published in March 2003 suggested that the Irish Dairy industry should pursue a strategy to; (a) improve the competitiveness, scale and cost efficiency of the producer and processing sectors; (b) increase the proportion of product going to higher value products; (c) pursue actions to underpin the highest standards of quality and safety in Irish products.

These strategies are very similar to those outlined in the ICOS Strategic Review of the Irish Dairy Sector, published in April 2000.

The economic pressures facing farmers and their co-operative businesses demand that strategies are pursued that will keep business competitive into the future. It will also be important that members continue to benefit from their membership of their co-op.

ICOS has worked with co-ops in the development of strategies and business plans and will provide support for co-ops in this regard in the future.

I am very conscious that the changing structure of the dairy industry will have an impact on the shareholding profile in co-ops. The rules and constitutions of our co-ops should be kept under review in order to ensure that the rules take account of the changing circumstances and that the focus is on meeting the objectives of the co-op. This is an area where ICOS staff has vast expe-

rience and knowledge and it will be a very relevant service for the future.

The livestock sector has come through a buoyant period in terms of numbers of livestock sold through marts.

Nevertheless, the livestock marts face the impact of inflation in their costs, the cost of operating the CMMS, and the potential negative impact on their business of proposals on Animal Transport which will affect Irish exports of live cattle.

ICOS believes that the proposals from the Commission to ban the use of staging posts for livestock is wrong. Instead, staging posts do provide humane treatment of animals with the aim of ensuring that they reach their destination in good condition. The live export trade is very important for the Irish livestock sector and provides a vital outlet for calves from the dairy herd, and for young stock from suckler herds.

The training and development of co-operative leaders is vital for the future of farmer owned co-ops into the future. In this regard, I am delighted that the Second Diploma in Corporate Direction programme was completed in 2003. Nineteen directors completed this programme.

I would like to extend my thanks and good wishes to all those members of the Council and the Board who retired during the year. These included Mr Dessie Boylan (Lakeland) former President of ICOS and Mr John Sexton (Barryroe)"

In the year under review the co-operative movement lost some great and committed leaders who gave long



Donal Cashman, ICOS President

years of support to the co-operative movement at local, regional and national level. In this regard particular mention must be made of Mr Nicholas Mc Eniry, a former long serving board member of ICOS, a past chairman of IAWS co-operative and vice chairman of Dairygold co-operative. I would also like to extend my sympathy to the family of Maurice Henry news of whose death I have just learnt of as we go to press. Maurice who was an authority on AE (George Russell) also served as editor of Co-op Ireland for a number of years .

Ar dheis Dé go raibh a n-anama go léir.

ICOS Board 2003

Members

Mr. Patsy Kelleher
 Mr. Michael Walsh
 Mr. Tom Corcoran
 Mr. Noel O'Sullivan
 Mr. Noel Horgan
 Mr. James Brosnan,
 Mr. Dan Joe O'Donovan
 Mr. Sean Sweeney
 Mr. Eamon Farrelly*
 Mr. Lexie Tinney
 Mr. Tom O'Brien
 Mr. Donal Cashman,
 Mr. Tom Doyle
 Mr. Padraic Gibbons
 Mr. Michael O'Dwyer
 Mr. Sean Murray*

Address

Coolmountain, Clondrohid, Macroom, Co. Cork
 Coolroe, Graiguenamanagh, Co. Kilkenny
 Bohadon, Dungarvan, Co. Wexford
 Kealkil, Bantry, Co. Cork
 Staion Road, Co. Tipperary
 Kilflynn, Tralee, Co. Kerry
 Drinagh, Co. Cork
 Killala, Co. Mayo
 Carrickmacross, Co. Monaghan
 Manorcunningham, Letterkenny, Co. Donegal
 Ballinaclough, Nenagh, Co. Tipperary
 Coole, Whitecross, Co. Cork
 Ballyoughter, Gorey, Co. Wexford
 Bullaun, Westport, Co. Mayo
 Ardmayle, Cashel, Co. Mayo
 Faleeney, Templederry, Nenagh, Co. Tipperary

Appointed By

Dairygold Co-op
 Glanbia Co-op
 Glanbia Co-op
 IAWS
 Irish Dairy Board
 Kerry Co-op
 Creameries South
 Creameries South
 Creameries North
 Creameries North
 Creameries South
 Miscellaneous Societies
 Mart Societies
 Mart Societies
 Mart Societies
 Creameries North

* Mr Murray replaced Mr John Sexton who retired during the year, as a Creameries South representative.
 Mr Farrelly replaced Mr Dessie Boylan who retired during the year, as the Lakeland appointee .



Front Row left to right; Tom O'Brien, Seamus O'Donohoe (Secretary), Lexie Tinney (Northern Vice President), Donie Cashman (President), Tom Corcoran (Southern Vice President), John Tyrrell (Director General), Patsy Kelleher, Eamon Farrelly
Back Row; Left to Right; Sean Murray, Sean Sweeney, DJ O'Donovan, James Brosnan, Michael O'Dwyer, Noel O'Sullivan, Michael Walsh, Tom Doyle, Padraic Gibbons. [Mr Paddy O'Brien is missing from the picture]

ICOS Council 2003

The National Council Consists of all Board Members as listed on the previous page and the following people:

| Members | Address | Appointed By |
|----------------------|---|-------------------------|
| Mr. Tom Brooks | Drumcaurin, Ennis, Co. Clare | Marts Societies |
| Mr. James Gallagher | Cornagee, Kinlough, Co. Leitrim | Creameries North |
| Mr. Con Halahan | Toames, Macroom, Co. Cork | AI Societies |
| Mr. Tom Leahy | Ballyharrahan, Dungarvan, Co. Waterford | Mart Societies |
| Mr. John O'Donovan | Castlefreke, Clonakilty, Co. Cork | Creameries South |
| Mr. Jim Russell | Ballyduag, Thurles, Co. Tipperary | Creameries South |
| Mr. Una Smith | Riverside House, Cootehill, Co. Cavan | Miscellaneous Societies |
| Mr. Hugo Maguire | Beechford Farms, Clones, Co. Monaghan | Creameries North |
| Mr. Jim Maguire | Beglieve, Bailieboro, Co. Cavan | Miscellaneous Societies |
| Mr. John Joe O'Brien | Gerah, Banane, Kenmare, Co. Kerry | Miscellaneous Societies |
| Mr. John Dillon | Irish Farm Centre, Bluebell, Dublin 12 | Co-opted Member |
| Mr. Thomas Honner | Danesfort, Kiltegan, Co. Wicklow | Co-opted Member |
| Mr. Pat O'Rourke | Hillbrook, Moatefarrell, Co. Longford | Co-opted Member |
| Ms. Anne Murray | Merrion Road, Dublin 4 | Co-opted Member |
| Mr Terence O'Donnell | Scart, Kildorrery, Co. Cork | Appointed Member |



Front Row; Left to right. Seamus O'Donohoe (Secretary), Lexie Tinney (Northern Vice President), Donal Cashman (President), Tom Corcoran (Southern Vice President), John Tyrrell (Director General). Una Smith, Hugo Maguire

Middle Row; Left to right; Jim Russell, John Joe O'Brien, Sean Sweeney, Dan Joe O'Donovan, Padraic Gibbons, Tom Doyle, Michael Walsh, Eamon Farrelly, John O'Donovan.

Back Row; Left to right; Patsy Kelleher, Noel O'Sullivan, Jim Maguire, Tom Brooks, James Gallagher, Sean Murray, Michael O'Dwyer, Tom O'Brien, Tom Leahy, Thomas Honner

Absent from the photo; Ms Anne Murray, Con Hallahan, John Dillon, James Brosnan, Pat O'Rourke, Terence O'Donnell, Noel Horgan

Operations Review 2003

EU DEVELOPMENTS

Mid Term Review

Agreement on the substantive issues relating to the Mid Term Review was finalised in the autumn. The Luxembourg Agreement as it became known pointed to the sector facing a significant challenge by virtue of the significant price reductions anticipated. The next few years are likely to be volatile and difficult for co-operatives and farmers to manage. Detailed advanced preparation will be essential. It will be necessary to optimise opportunities at production processing and marketing levels and optimisation of policy decisions on decoupling, direct payments, quota restructuring and EU market supports will also be important. In the debate on the mid term reforms, particular attention was focused by the Board on the consequence of the reform for the restructuring of milk quota and a number of key restructuring scheme draft objectives were identified. These included the belief that quota should be transferred from seller to expanding active producer at a fair price. This would ensure that active producers real income levels are increased and there is an adequate return on the investment. It would also be necessary to ensure that sufficient volumes of quota are transferred equitably within a co-operative, especially as supply of restructured quota increases after decoupling in 2005. Every effort must be made to ensure optimum economic use of milk processing capacity

WTO

The negotiations on a new World Trade Round in 2003 reached no final conclusion. No agreement has been reached to date on the cuts in tariffs, export supports and domestic supports. The ICOS view is that proposed tariff cuts of between 45% and 60% would severely undermine the EU milk and beef regimes. In addition proposals to remove 50% of the EU export refunds in 5 years and the balance in 9 years will severely restrict the EU's ability to export. This issue is of crucial importance to our milk and beef sectors, because lower tariffs will undermine our domestic EU market. ICOS is working through the consultative structures in Ireland and Brussels to convey our concerns about the consequences of the WTO scenarios.

NATIONAL DEVELOPMENTS

Partnership Discussions

Discussions on the new partnership programme, Sustaining Progress were very protracted and difficult for the agricultural pillar, with no final agreement with

regard to participation in the programme being reached until May 2003. Agreement to participate in the partnership was reached despite considerable misgivings on the part of ICOS as to the measures on offer to our co-operative and the agricultural sector in general. Some measures firming up in the Governments commitments to continue to provide support for a range of measures including capital investment for research, technology and innovation, marketing and promotion were welcomed. However, the Board's main reason for committing to the partnership was reluctance on their part to remain outside the partnership at this stage, particularly with Mid Term Review and WTO talks in process.

Prospectus Report

The Prospectus Report was launched in March 2003. This Strategic Review of the Irish Dairy Sector, which was carried out by Prospectus consultants, challenges our industry to improve its competitive position and develop in a way that responds to the market in order to develop and thrive in the future. The Report recommends a number of strategies for our industry to address the challenges and the potential benefits of pursuing these. In many respects, it is similar to the ICOS Strategy for the Irish Dairy Sector, which was published in April 2000. The Prospectus Report provides a template for the industry to work together to develop a medium to long-term strategy. ICOS continues to consult with co-operatives in the sector and is assisting them in the preparation of strategies to meet the challenges outlined in Prospectus.

Future of the Registry of Friendly Societies

In the Autumn of 2003 the Minister for Enterprise, Trade and Employment circulated a discussion paper in regard to the future of the office of the Registrar of Friendly Societies. The thrust of the discussion paper was to suggest that significant economies could be achieved by merging the functions of the Registrar of Friendly Societies with that of the Registrar of Companies. The Board of ICOS is opposed to such a development and the President met with Minister Michael Ahern, Minister for State in the Department of Enterprise, Trade and Employment to give expression to that opposition. Any rationale for achieving cost savings in the administration of the office of the Registrar of Friendly Societies are far outweighed by the consequence for the co-operative identity and the maintenance of the unique character of co-operative businesses, if this office were to be absorbed into that of the Registrar of Companies.

Animal Remedies

During the year, the Board made a number of representations to the Department of Agriculture and Food and the Department of Health on the issue of animal remedies. The Board had a concern that the distribution channel for prescription only products and intra-mammary products would move from licensed stores to vets and pharmacies. Distribution channels for anthelmintics are also under review. ICOS have emphasised the case to the Department of Agriculture and Food that co-ops should continue to be entitled to distribute such products and given the vital role of co-ops in Mastitis Control Programmes. We believe that we have made a very strong case. Co-ops have acted responsibly in the distribution of intra-mammary products in the past and in the future can continue to satisfy consumer requirements and cost effectiveness for farmers.

Group Water Schemes

There are over 700 group water schemes in existence supplying approximately 25% of the water supply to rural areas. In the last four years many of these schemes have chosen to incorporate as co-operatives. In that time, ICOS estimates that over two hundred new group water scheme co-operatives have been registered in addition to the existing groups that were established as co-operatives from the outset. The new Water Services Bill and the existing demands of EU environmental legislation will require that a lot of the smaller group schemes will have to group themselves into 'bundles' to permit them to cost effectively make the investment in new treatment plant and storage capacity that legislation now requires. The group water scheme sector is showing a lot of dynamism and renewal, aided by significant financial support from the Government. It represents an example of co-operative rural development at its best. ICOS is working closely with the National Federation of Group Water Schemes to facilitate this process.

RULE CHANGES

A number of changes to the rules of ICOS as they relate to the election of Board and Council members were adopted at a Special General Meeting following the Annual General Meeting of ICOS in 2003.

A change was made to the rules in relation to the election of the Northern and Southern Vice Presidents, such that in the case of three named societies (IAWS, IFAC and the IDB) that it would be the home address of the Board member elected or appointed by those societies that would determine that person's eligibility to contest either the Northern or Southern Vice Presidency. This change was made to overcome a situation in the rules whereby an individual living in West Cork for example, would, if he were a represen-

tative on the Board of any of the three named co-operatives, only be eligible for the Northern Vice Presidency. This arose because the location of a co-operative's registered offices above or below the 530 parallel was the determining factor in where its representative could stand for Vice President.

The members in the Special General Meeting also agreed to adopt a rule change that permitted the exchange of two of the Council and Board seats currently deemed to be "seats by election" to "seats by direct appointment" in the "Creameries North" electoral area. These seats were allocated to Lakeland and Connacht Gold respectively. It was also agreed to allocate the old "Golden Vale Foods" seat on the Council to "Creameries South" and allocate the Board seat on an alternating basis to "Creameries North" for one term and to "Creameries South" for two terms.

ICOS FUNDING & FEE STRUCTURE

Members were advised at the 2003 AGM that the affiliation fee payable to ICOS in 2003 was less in real terms than that paid by members in 1991. Despite considerable cost cutting by the organisation, continued consolidation of co-operatives through amalgamation, declining turn-over in the marts sector and increase costs and wages were all impacting adversely on the ICOS budget. These were the reasons that the Board sought and were approved an adjustment of 5% in the affiliation fees contributable at the 2003 AGM.

CO-OPERATIVE SECTOR ACTIVITY

The summary table of the Irish Co-operative sector in 2002 shows a sectoral turnover of €12.3 billion. This compares with a turnover of €11.7 billion shown in the annual report for 2001. Total sales from the Dairies sector have increased from €9.9 billion in 2001 to €10.5 billion in 2002. Mart turnover in the period under review went from a figure of €459 million in 2001 to a figure of €483 million in 2002.

ICOS Membership

During the year thirteen new societies were admitted to membership of ICOS. These were:

Killybegs Fishermen's Co-op Society Ltd
Parke Group Water Scheme Co-op Society Ltd
Peterswell Group Water Scheme Co-op Society Ltd
Clooneygrasson Group Water Scheme Society Ltd
National Federation of Group Water Scheme Co-op Society Ltd
Bekan & District Group Water Scheme Society Ltd
Caherline/Newtown Group Water Scheme Society Limited
Gowlan Group Water Scheme Co-op Society Ltd

*Kilally Group Water Scheme Co-op Society Ltd
 Gurteen / Carrowkeel Group Water Scheme
 Co-op Society Ltd
 Kilmovee / Urlaur Group Water Scheme Co-operative
 Society Limited
 Glencar Group Water Scheme Society Limited
 Kylemore-Abbey Group Water Scheme Co-operative Soci-
 ety Limited*

COUNCIL, BOARD, PRESIDENT AND VICE-PRESIDENT

During 2003, the Council of ICOS met on five occasions and the Board met on eight occasions. As a result of elections held and direct nominations received the following were appointed to the Council of ICOS:

Creameries North:

Lexie Tinney (Glenveagh) and James Gallagher (Connacht Gold)

Creameries South: John O'Donovan (Lisavaired) and Jim Russell, (Centenary)

Marts: Michael O'Dwyer (Templemore) and Tom Leahy (Cork Marts)

Miscellaneous: John Joe O'Brien (Roughly Valley Pig Co-op)
 Ms. Una Smith (Cavan/Monaghan leader Co-op)

The following current Presidents in office, John Dillon, Irish Farmer's Association, Pat O'Rourke, Irish Creamery Milk Suppliers Association, Tom Honner, Macra Na Feirme, and Anne Murray, Irish Country Women's Association were co-opted on to the Council.

In subsequent elections to the Board, Lexie Tinney (Glenveagh) was returned as Board member for Creameries North and Sean Murray (Tipperary) as Board member for Creameries South. In the Marts category, Tom Doyle (Wexford Farmers Mart) and Michael O'Dwyer (Templemore Mart) were returned as Board members and Donal Cashman (IFAC) was re-elected as Board member in the miscellaneous category.

Eamon Farrelly (Lakeland) replaced Dessie Boylan (Lakeland) on the Board and Council when he retired in October 2003. Mr. Farrelly becomes the first Board member to be directly appointed by Lakeland arising from the changes to the ICOS rules at the 2003 AGM.

At their meeting on the 25th July, the Board elected Donal Cashman as President for a two year term and elected Tom Corcoran (Glanbia) as Southern Vice President.

SUB-COMMITTEES AND CHAIRMEN OF EXPERT COMMITTEES

The Board appointed the President, the two Vice-Presidents, together with M O'Dwyer, P Gibbons and P Kelleher to the **Finance Sub-Committee**. The finance sub-committee met on two occasions during the year.

The Board also appointed the Rules and Structures Committee comprising of the President, the two Vice-Presidents, N O'Sullivan, M Walsh, P Kelleher, P Gibbons, and T Doyle. The committee met twice during the year.

Members appointed to the **Board of Co-op Travel** were as follows; J Brosnan, L Tinney, M O'Dwyer, M Walsh, M O'Dwyer, S O'Donohoe, P Gibbons and J Tyrrell.

The following were appointed to the **Board of ICOS Services Limited**; The President and two Vice-Presidents, Secretary and Director General, for the time being.

The Board appointed P Kelleher, D Cashman, M O'Dwyer, T Corcoran, J Tyrrell, J Brosnan and D Boylan as Board Members of the **Irish Foundation for Co-operative Development Ltd.**

The Board of **Irish Agri-Food Development** was appointed as follows; The President along with the two Vice-Presidents. J Tyrrell and M Varley were reappointed.

P Kelleher, A Brown and J Mc Cutchen were appointed to the Board of the **Irish Milk Quality Co-operative Society**.

The Board also appointed or confirmed the following Chairmen of the Expert Committees.

| | |
|---------------------------|-----------|
| Dairy: | J Brosnan |
| Marts: | T Doyle |
| Rural Development: | P Gibbons |

New Societies, Alteration of Rules and Amalgamations

During the year, 71 new co-operatives were assisted in their registration by ICOS. The incorporation of group water schemes as co-operatives was the most common category of new society. In addition to new incorporations, 12 existing co-operatives were involved in a complete amendment of the society's rules. A further 20 societies were involved in partial amendment to their rules. There was one amalgamation during the year; Glenboy and Glenfarne Group Water Schemes amalgamated to form Glenboy/Glenfarne Group Water Scheme Ltd. Detailed listings of complete and partial amendments are included in the tables following:

Representatives of ICOS On Other Bodies

P O'Brien represents ICOS on the Board of the Irish Dairy Board Co-operative Society Limited and D Cashman represents ICOS on the Board of IFAC Limited.

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

| | |
|--------------------------|-------------|
| Teagasc: | M O'Dwyer |
| NDC: | P Kelleher |
| NESC: | S O'Donohoe |
| Milk Quota | |
| Appeals Tribunal: | J Tyrrell |

| | |
|----------------------|--------------------|
| Review Group: | G Kearns |
| PPF: | D Boylan/J Tyrrell |

Monitoring Committees for the Structural Funds Operational Programmes on:

| | |
|----------------------------------|-------------|
| Enterprise: | M Varley |
| CSF: | J Tyrrell |
| Peace and Reconciliation: | D Boylan |
| Agricultural Statistics: | S O'Donohoe |

In addition to the above nominations, ICOS, as a member of the Farming Pillar shares nominations with the other Farm Organisations on County Enterprise Boards and County Development Boards throughout the country.

Newly Registered Societies

Name of Society

County

| | |
|--|---------------|
| Anbally & District GWS Co-op Society Ltd | Co. Galway |
| Ardaun & Dooroy Group Water Scheme | Co. Galway |
| Asdee Group Water Supply Scheme Ltd | Co. Kerry |
| Aughnasheelin Group Water Scheme Co-op Society Ltd | Co. Leitrim |
| Ballinglera GWS Co-op Society Ltd | Co. Leitrim |
| Ballintorman GWS Co-op Society Ltd | Co. Kerry |
| Ballybrophy GWS Co-op Society Ltd | Co. Laois |
| Ballyglass Fiddane Co-op Society Ltd | Co. Mayo |
| Ballyorgan GWS Co-op Society Ltd | Co. Limerick |
| Ballypickas GWS Co-op Society Ltd | Co. Laois |
| Baltyboys GWS Co-op Society Ltd | Co. Wicklow |
| Beltra GWS Co-op Society Ltd | Co. Sligo |
| Bere Island Wind Energy Co-op Society Ltd | Co. Cork |
| Brusna Group Water Scheme Co-op Society Ltd | Co. Roscommon |
| Bulgaden Group Water Scheme Co-op Society Ltd | Co. Limerick |
| Bullaun GWS Co-op Society Ltd | Co. Galway |
| Bullaun Sportsfield Co-op Society Ltd | Co. Galway |
| Carra GWS Co-op Society Ltd | Co. Mayo |
| Celtic Free Range Egg Producers Co-op Society Ltd | Co. Cavan |
| Clonpriest/Ballymadog GWS Co-op Society Ltd | Co. Cork |
| Cloonkeen / Toomard GWS Co-op Society Ltd | Co. Galway |
| Collacon GWS Co-op Society Ltd | Co. Mayo |
| Comharchumann Naionra Beal an Atha Teo | Co. Mayo |
| Comharchumann Gael Cholaiste Oirghailla Teo | Co. Monaghan |
| Corlough GWS Co-op Society Ltd | Co. Cavan |
| Cree Clonina GWS Co-op Society Ltd | Co. Clare |
| Derrydonnell GWS Co-op Society Ltd | Co. Galway |
| Donaghmore GWS Co-op Society Ltd | Co. Laois |
| Drum East GWS Co-op Society Ltd | Co. Sligo |

Newly Registered Societies *Cont.*

| Name of Society | County |
|---|---------------|
| Dublin Wide Area Network Society Ltd | Co. Dublin |
| Dundalk Bay Shellfish Co-op Society Ltd | Co. Louth |
| Emlybeg-Ardmore GWS Co-op Society Ltd | Co. Mayo |
| Farran GWS Co-op Society Ltd | Co. Cork |
| Fostra Group Water Scheme Co-op Society Ltd | Co. Longford |
| FRS Training Services Society Ltd | Co. Tipperary |
| FRS Fencing Systems Society Ltd | Co. Tipperary |
| Ganty GWS Co-op Society Ltd | Co. Galway |
| Glencorrib GWS Co-op Society Ltd | Co. Mayo |
| Glenhest Community Council Society Ltd | Co. Mayo |
| Gortnaragh Drumgowla GWS Co-op Society Ltd | Co. Leitrim |
| Grange GWS Co-op Society Ltd | Co. Galway |
| H. L. & M. Industrial & Provident Society Ltd | Co. Dublin |
| Heir Inis Ui Drisceoil Society Ltd | Co. Cork |
| Irish Brown Swiss Society Ltd | Co. Tipperary |
| Irish Joinery Industrial & Provident Society Ltd | Co. Cork |
| K.F GWS Co-op Society Ltd | Co. Mayo |
| Kielduff Community Co-op Society Ltd | Co. Kerry |
| Kilcloon GWS Co-op Society Ltd | Co. Meath |
| Kilgalligan GWS Co-op Society Ltd | Co. Mayo |
| Kilrush GWS Co-op Society Ltd | Co. Clare |
| Leckaun Group Water Scheme Co-op Society Ltd | Co. Leitrim |
| Lowville GWS Co-op Society Ltd | Co. Galway |
| Meelick Group Water Scheme | Co. Mayo |
| Oldcourt GWS Co-op Society Ltd | Co. Wicklow |
| Oxford / Kiltimagh GWS Co-op Society Ltd | Co. Mayo |
| Raheen GWS Co-op Society Ltd | Co. Limerick |
| Rathkell Group Water Scheme Co-op Society Ltd | Co. Mayo |
| Rathnacreeva Group Water Scheme Co-op Society Ltd | Co. Mayo |
| Rinn / Killeeneen GWS Co-op Society Ltd | Co. Galway |
| Roy Bingham GWS Co-op Society Ltd | Co. Mayo |
| Sixmile Bridge & District Community Complex Society Ltd | Co. Clare |
| Tarten Scurmore Lisphilip GWS Co-op Society Ltd | Co. Roscommon |
| Tawney Feale GWS Co-op Society Ltd | Co. Leitrim |
| The Irish Rotbunt Society Ltd | Co. Tipperary |
| The Rock GWS Co-op Society Ltd | Co. Laois |
| The Sligo Community Environmental Co-op Society Ltd | Co. Sligo |
| Tiernar Hall Society Ltd | Co. Mayo |
| Trankeel Treenlaur GWS Co-op Society Ltd | Co. Mayo |
| Walterstown GWS Co-op Society Ltd | Co. Cork |
| West Limerick Co-op Poultry Producers Society Ltd | Co. Limerick |
| Woodfield Ballure GWS Co-op Society Ltd | Co. Mayo |

Rule Amendments & Amalgamations

Complete Amendments

Name of Society

Glenbrohane Co-op Water Scheme Society Ltd
 Kilsherdany Group Water Society Ltd
 Gowlan Group Water Co-op Society Ltd
 Clifferena Agric. Co-op Societ Ltd
 Lee Strand Co-op Society Ltd
 Belgian Blue Cattle Breeding Society of Ireland Ltd
 South Tipperary Co-op Farm Relief Services Ltd
 Bandon Co-op Agric. & Dairy Society Ltd
 Mullinahone Co-op Dairy Society Ltd
 Compsey Creamery Society Ltd
 Eurotags Co-op Society Ltd
 Irish Cattle Breeding Federation Society Ltd

Co.

Co. Limerick
 Co. Cavan
 Co. Cavan
 Co. Cavan
 Co. Kerry
 Co. Laois
 Co. Tipperary
 Co. Cork
 Co. Tipperary
 Co. Tipperary
 Co. Tipperary
 Co. Cork

Partial Amendments

Name of Society

Bandon Onion Producers Co-op Society Ltd
 Donegal Co-op Fisheries Ltd
 Donegal Co-operative Processing Ltd
 Kanturk Co-op Mart Ltd
 The Irish Angus Cattle Society Ltd
 Narin, Portnoo, Rosbeg Community Co-op Society Ltd
 Irish Co-operative Organisation Society Ltd
 Lakeland Dairies Co-op Society Ltd
 Irish Agricultural Museum
 Clona Dairy Products Society Ltd
 Killaturley Water Co-op Society Ltd
 Dairygold Co-op Society Ltd
 Comharchumann Forbatha Iascairi Lathar Mhuigheo Teo
 Cavan, Monaghan Rural Development Co-op Society Ltd
 Centenary Co-op Creamery Society Ltd
 Iveragh Co-op Farmers Mart Society Ltd
 Dublin Meath Growers Society Ltd
 Thurles Co-operative Creamery Ltd
 Muff Community Development Society Ltd
 Marglann on Daingin Teo

Co.

Co. Cork
 Co. Donegal
 Co. Donegal
 Co. Cork
 Co. Leitrim
 Co. Donegal
 Co. Dublin
 Co. Cavan
 Co. Wexford
 Co. Cork
 Co. Mayo
 Co. Cork
 Co. Mayo
 Co. Cavan
 Co. Tipperary
 Co. Kerry
 Co. Dublin
 Co. Tipperary
 Co. Donegal
 Co. Kerry

Amalgamations

Name of Society

Glenboy GWS & Glenfarne GWS
 New Name - Glenboy / Glenfarne GWS Co-op Society Ltd

Co.

Co. Leitrim

Policy Development Division

INTRODUCTION

The Policy Development Division was actively involved in assessing the Mid-Term Review proposals and representing co-operative and ICOS positions in advance of the Luxembourg CAP Reform Agreement in June 2003. In addition, the WTO negotiations progressed with the EU offer under modalities in January and the Cancun Summit discussions in September, which broke down without reaching agreement.

2003, also proved to be a difficult market year for the milk sector and ICOS successfully presented the case for improved market supports to offset the weak market conditions, currency and other factors. In the milk sector, ongoing issues relating to the national quota, temporary leasing and the restructuring scheme were also addressed. This involved a review of the most appropriate restructuring scheme for the 2004/05 quota year, taking account of the Luxembourg Agreement's impact on the milk sector.



Mr Ed Prendergast, Chief Executive Lakeland, Mr Mike Mc Gann, Vice Chairman and Mr Martin Varley, Director of Policy ICOS.

In the livestock sector, key policy issues included representation relating to the Commission's proposals for a new regulation on animal transport, ongoing CMMS issues, live exports, mart trade, and veterinary medicine issues.

Luxembourg CAP Reform Agreement

The Commission agreed its Mid Term Review Proposal in January, which led to the Luxembourg CAP Reform Agreement in June. Of particular concern to co-operatives and their members were the more damaging milk sector proposals.

The January proposals included a 25% intervention price cut on average instead of the 15% agreed in the Agenda 2000 Agreement. The proposals also included more severe restrictions on butter intervention, modulation cuts in direct payments and compulsory audit



Mr Joe Walsh, Minister for Agriculture, Food and Forestry and Mr Donal Cashman, President ICOS.

and advisory requirements to satisfy cross compliance issues for large-scale farmers.

Representation by ICOS, the EU milk sector, farm organisations, and Ministers achieved important improvements in the final agreement. These included a less severe intervention price reduction of about 19% on average, compared with the 25% proposed, improvements in the compensation provided, less restrictive annual limits on butter intervention in 2004 to 2007, lower modulation cuts and the removal of the audit and advisory requirements.

Despite these important improvements in relation to milk, the potential negative impact of the Luxembourg Agreement on the Irish milk sector could be significant. The key issues facing the sector are how to optimise production, processing and marketing activities in the new post-reform environment and, in particular, what strategies should be implemented to reduce the negative exposures arising from CAP Reform.

The impact of the Luxembourg Agreement on the crop and the meat sectors is less damaging in terms of intervention prices, as the proposed 5% cereal intervention price cut was not agreed.

Otherwise, for all sectors the Luxembourg Agreement provides a menu of options from partial to full decoupling of CAP direct payments. Based on consultations in Ireland, it has been decided that full decoupling of all direct payments will be effected in 2005. This will provide flexibility for producers to optimise their production systems and land use, taking account of relevant market developments. Despite Ireland's decision to implement full decoupling in 2005, there is a concern that certain types of production systems, which will have low levels of decoupled entitlements, could be disadvantaged by the decoupling decision in

2005. In this respect, ICOS has proposed that the use of modulated funds should be structured in a manner to take account of these concerns.

WTO Negotiations

Negotiations on the Doha Development Round of the WTO negotiations were advanced during the year. The EU submitted its modalities offer in January 2003. In general, the offer is based on the Agenda 2000 CAP Reform Agreement. The Commission aims in the negotiations are stated as to negotiate further liberalisation of trade on a fair and equitable basis, while maintaining a model of agriculture taking account of environmental protection, rural development, food safety and consumer concerns. In the Council discussions, which agreed the EU offer, it was noted that butter and beef were sensitive products in this context in the EU.

During Spring and Summer 2003, negotiations made slow progress, with negotiators outlining their respective positions. An EU-US Joint Position was agreed in August in advance of the Cancun Summit in early September. Despite efforts by the EU, the US and other developed countries to facilitate an agreement, the Cancun negotiations broke down due to a lack of progress on what are referred to as the Singapore Issues and not on agriculture. Following the Cancun breakdown, no real progress was achieved in the negotiations before the end of 2003.

Market Supports

In addition to the Mid Term Review proposals and the related Luxembourg Reform Agreement, 2003 proved to be a relatively difficult year for the milk sector. Overall, the market for products was weak in the first half of the year due to supply/demand factors, international uncertainty due to the war in Iraq and the decline in the value of the US\$ against the Euro.

In January, ICOS and a co-op delegation met with Commission officials to review the key market issues. Following the meeting, ICOS made several submissions to the Commission, as market conditions did not improve. In addition, ICOS and co-op chairman and management met with Minister Walsh. In view of the poor market conditions, the Commission and the Milk Management Committee adjusted the EU market supports on a number of occasions during the first half of 2003. Export refunds were increased in February for SMP and in May for SMP and WMP. In addition, the manufacturing aid for casein was increased in May.

Despite these improved supports, the amount of SMP intervened exceed the 109,000 tonne limit in August. Later in the year, the Commission reduced cheese export refunds, and casein aid on the basis that market conditions and production levels had improved.

Throughout 2003, ICOS also represented the views of its co-ops to the Commission on the management of the market support mechanisms for beef, pigmeat, and crop products and on live export issues. Significant progress was achieved on issues relating to the proposed new live transport regulation in ensuring that scientific assessment was taken into account in the revised proposal.

Strategic Development of the Co-op Dairy and Mart Sectors

The Policy Division was especially active in assisting its dairy members in assessing the likely impact of the Luxembourg Agreement on sector strategies. This information was provided through the services referred to below and in particular through board and management meetings in the dairy sector.

In the mart sector, ICOS continued to work with live-stock mart co-operatives in developing strategies to deliver stronger and more sustainable services to their members in the years ahead. These development services built on the ICOS strategic reviews published in 2000 for both the dairy and mart sectors.

Information Services

Throughout 2003, the Policy Division supplied up to date information to its members on developing policies in the milk, meat and crop sectors. Due to the January publication of the Mid Term Review proposals, there was a high level of demand for information in the first half of 2003 up to the June Luxembourg Agreement.

As the detailed rules were being advanced in the autumn, there continued to be a high demand for the more detailed information and related analysis. This information was provided through the two divisional newsletters, namely on milk and livestock issues. Furthermore, detailed circulars and specialist updates were provided on a timely basis covering the full range of issues including CAP Reform, WTO, Management Committee results, milk quota, health and hygiene and livestock market issues. The Division also provide information at co-op organised board, management, public supplier and annual general meetings.

ICOS DAIRY COMMITTEE

Introduction

The past year has once again seen a high level of activity for the ICOS Dairy Committee. Major changes in the area of the on farm hygiene regulations, ongoing issues in regard to milk quota management and of course the tracking of the Luxembourg Agreement were the major items on the agenda.

Hygiene Regulations

In July, by Statutory Instrument No. 290/2003, the Minister of Agriculture and Food, Mr. Joe Walsh put in place significant changes to the health and hygiene regulations (S.I No. 9 of 1996).

The following are the main points of the new regulations:

- The Regulations require the milk purchaser to carry out regular checks on all holdings. Some inspections will still be carried out by Dairy Produce Inspectors.
- Following a check on a milk producer's holding, the milk purchaser is obliged to notify the Dairy Produce Inspector where the milk purchaser is of the opinion that the on-farm standards do not meet those of the regulations.
- A Dairy Produce Inspector will visit the farm in question and, if not satisfied that the standards are being met, will issue a written notice to the milk producer outlining the deficiencies and give the milk producer a specific period of time to bring the standards up to the acceptable level.
- The milk purchaser is obliged to maintain documentary evidence showing that the regular checks are being carried out.
- The new wording of these regulations require that milk is produced, transported and stored on a registered holding in accordance with the hygiene requirements set out in Chapters 2 and 3 of Annex A in the main directive. Chapter 2 refers to the hygiene of the holding and the dairy facilities in general, while Chapter 3 refers to the milking standards.

Milk purchasers have put in place, under their own letter heading, the printing of inspection report sheets on the same outline as the Department DH1 form. Producers whose facilities meet the standards of 92/46 but have not been inspected by dairy produce inspectors will now have the inspection carried out to a completion by the milk purchaser. On a going forward basis all producers whose facilities meet the standard of 92/46 will have ongoing inspections carried out by the milk purchasers and an inspection report issued on that inspection.

Dairy Herd Health Certificate

ICOS and its member cooperatives welcome the decision of Veterinary Ireland to participate in the Dairy Herd Health Certification for the calendar year 2004.

- A revised certificate has been printed by the Department and has been forwarded directly to each individual dairy farmer. The major changes on the certificate are:
- A revised and clearer wording in the veterinarian's declaration.
- A separate declaration form to be completed by the

herd owner. This includes the specific declaration with regard to animals treated with substances dangerous or likely to be dangerous to human health.

It is also clearly stated that a farmer must produce all his dairy cows currently yielding or intending to yield milk. The listing of tag numbers remains. Health Certificates issued by veterinarians in the calendar year 2003 will also be valid to the end of the calendar year 2004. A certificate must be presented by each individual farmer, to the milk purchaser before the 31 December 2004.

ICOS has highlighted to the Department that procedures are not specified with regard to the supply of milk to co-operatives/dairies in the calendar year 2005, where no certificate is in place by 31 December 2004. The ICOS dairy committee has also requested that these procedures are published by way of a department circular.

Milk Quota

In some parts of the country there is a demand for change to the milk quota restructuring regulations. There is a recognition that the quotas needed in future for full-time dairy farmers with good skills will be significantly higher than the current average. Some estimates have put the future viability level at 80-90 cows in order to achieve the average national industrial wage.

The ICOS Board has set out a number of objectives for Milk Quota Restructuring.

- Quota is transferred from sellers to expanding active producers at a fair price which ensures that active producers real income level are increased and there is an adequate return on the investment.
- Ensures that sufficient volumes of quota are transferred especially as supply of restructured quota increases after decoupling in 2005.
- Ensures optimum economic use of milk processing capacity.
- Provides for the importance of milk as a natural resource in the rural economy.

Restructuring

It is the view of the ICOS Dairy Committee and Board that the milk quota transfer price in future should take account of the expected reductions in milk margins, which will occur due to the Luxembourg milk reform and decoupling in 2005 and the effects of inflation.

The Board and the Dairy Committee also requested that, for 2004, the milk quota restructuring scheme should continue on similar lines to the 2003 scheme with a slight reduction in price to reflect likely reduc-

tions in milk margins in future years. ICOS also proposed that there should be an increase of 50,000 litres in the priority category quota bands thereby accommodating a higher percentage of dairy farmers in the priority categories.

In announcing the 2004 Restructuring Scheme, Minister Walsh set the maximum price, 31 cents per litre (€1.41 per gallon), at the same level as for the previous year. He also indicated that the quota bands would be increased by 50,000 litres to 250,000 and 350,000 litres for category 1 and 2 respectively. Referring to the decoupling of dairy premium from 31st March 2005, Minister Walsh said that this new payment (decoupled dairy premium) would have a significant impact on the price of quota under restructuring schemes from 2005 onwards and that a major downward adjustment of the price would be justified to reflect the value of the premium.

Partnerships

In April 2003, Minister Walsh, by Statutory Instrument No.123 of 2003, enacted further changes to milk production partnerships. The main change saw the introduction of a new entrant in partnership with a parent milk producer and the allocation of quota to the new entrant under the restructuring scheme. 177 such partnerships were approved. While the age of the parent was increased from 56 to 60 years, the age limit remained a stumbling block in the execution of additional partnerships. Other adjustments to the main partnership legislation were an increase of the income threshold to 22,000 euro and the ratio of quota held by parties to partnership changed to 4:1.

In the past year much work was carried out by the milk production partnership-working group on the establishment of a master partnership agreement. The cost of putting the agreement together will be co funded by the Agriculture Credit Corporation and dairy co-operatives.

Quota Regulations

Arising from the Luxembourg Agreement the Commission have put in place a new council regulation (1788/2003), which governs milk quota regulations for 11 years commencing on 1st April 2004 to 31st March 2015.

The three major changes in the new regulation are:

- The sale of land and quota will be less restrictive.
- Temporary leasing of an entire quota is not allowed except in exceptional circumstances.
- The decision by the commission to reduce the intervention milk price equivalent is also matched by a reduction of 21.876 % in the rate of super levy as per the following table.

| Year | Cent/lt | €/gl |
|------------------------|---------|--------|
| 03-04 | 36.69 | 1.6677 |
| 04-05 | 34.26 | 1.5575 |
| 05-06 | 31.83 | 1.4470 |
| 06-07 | 29.39 | 1.3361 |
| 07-08 (and thereafter) | 28.66 | 1.3029 |

National Position

The milk quota year 2003 - 2004 commenced with virtually no milk carried forward from the previous year. However, exceptional dairying conditions in the latter half of the summer and right into the winter months saw a gradual erosion of an under quota position that pertained in the early half of the year. An under quota position of 0.8% in September was transformed to a 1.0% over quota at the end of February. Despite a large holdover, the good weather in February and March is expected to give an over quota position of approximately 5 million gallons at the year-end.

Producer Profile

Quota profile at 1st April 2003

| Category | No. Of Producers | % | Quota Per M. Litres | % Category |
|---|------------------|----|---------------------|------------|
| Category 1 < 200,000 litres | 14,560 | 58 | 1,735 | 34 |
| Category 2 200,000 - 300,000 litres | 6,527 | 26 | 1,633 | 32 |
| Category 3 over 300,000 litres | 4,016 | 16 | 1,735 | 34 |
| Total | 25,103 | | | |
| Average Quota 201,494 litres (44,322 gls) | | | | |

As already stated in the quota year 2004/05, each priority category will be increased by 50,000 litres, which will give category 1 an upper limit of 250,000 litres (55,000 gallons) and category 2 350,000 litres (77,000 gallons). This will mean that almost 90% of dairy farmers are covered in the two priority categories and quota from the restructuring scheme will be allocated in the ratio 4:3:1 over the three quota bands.

NATIONAL CO-OPERATIVE MARTS COMMITTEE

Introduction

2003 was a largely positive year for the Mart Sector, with a steady increase in stock numbers, strong prices, and a healthy live export trade boosting confidence. It was also a busy year for the National Co-op Marts Committee, with four meetings of the full and Administration Committees, throughout the year. There were also two regional Spring Meetings, held in Mallow, Co. Cork, and Ballinasloe, Co. Galway, in March.

Trade Levels

ICOS survey data indicates that there was a c. 6% increase in total cattle numbers sold through co-op marts in 2003. This would indicate that, nationally, mart cattle sales grew from 1.38 million in 2002 to about 1.45 million. This shows a solid growth from the poor figures on 2001 (c.1.1 million) but it is still down 14% on the high numbers achieved in 2000 (1.7 million).

Sheep numbers also grew, this time by slightly over 6%, and this added to a modest improvement in the financial performance of most marts.

Cattle Movement Monitoring System (CMMS)

During 2003, the National Co-op Marts Committee instigated a series of seasonal meetings between co-op marts and the National Beef Assurance Division of the Department of Agriculture and Food, to monitor



A cow in the Forges-Les-eaux markets in Normandy, one of the markets visited by the Irish delegation during their visit to France in May for the European Association of Livestock Marts AGM.

and discuss the operation of the Cattle Movement Monitoring System (CMMS). It is the view of co-op marts, that this system places an unreasonable financial and administrative burden on Marts, for no financial reward, and ICOS have pressed for improvements in the system, which will make it more efficient and easier to operate, while reducing unnecessary costs on marts, and herd record difficulties for farmers.

The Department of Agriculture and Food has recently proposed that in future marts should be required to obtain pre-clearance on the CMMS system, before stock can be sold in the sales ring, or "Live CMMS". ICOS is firmly of the view that there is no necessity to obtain pre-clearance before marts sales, as unlike in slaughterhouses or lives export premises, the stock will not be entering the food chain after sale through a mart. If an issue arises with an animal on the CMMS system, it usually results in an administrative or computer error, and is corrected by the mart subsequent to the sale. What is being proposed under Live CMMS is that the small percentage of stock not correctly listed in the CMMS system will be sent home from the mart without being able to be sold, and the mart will not be able to make the necessary amendments to the system to facilitate the customer. Effectively, the mart will have lost a sale, the farmer will not be able to sell the animal, and the system error will still not be corrected.



The Kerry Marts Group, who visited the Loire Valley in France in November. The group consisted of Castlerea Co-op, Dingle Co-op, Mid-Kerry Co-op, Iveragh Co-op and Kenmare Co-op.

ICOS mart representatives are continuing discussions with the Department officials concerned, and are pressing for a more practical system of animal movement reporting.

Live Shipping to Continental Europe

In July 2003, after much deliberation, the Commission published their proposals in relation to Animal Welfare in Transport. The document contained a number of proposals, which threatened to severely disadvantage the live export trade from Ireland to the Continent, if not to completely undermine it.

It was suggested that stocking densities for cattle to be carried in trucks, via RO-RO ferries to the continent, should be reduced by an average of 16%, with a reduction of about 10% for weanlings and, critically, 32% for calves. It also proposed that journey times be reduced, with alternate sequences of travel and rest times, which would have meant that cattle would need to spend considerably more time on board the transporter.

Of serious concern to the Livestock sector in Ireland is the suggestion that the use of staging posts, to feed, water, rest, and inspect cattle, should be discontinued. It is felt by the Commission that staging posts should be banned for disease and welfare reasons. ICOS strongly believes that the use of staging posts must be defended, giving as they do, the opportunity for cattle to be rested, re-bedded, and inspected, to ensure that they reach their ultimate destination in good condition.

The continuation of the live export trade to Continental Europe is of great importance to the livestock mart sector, and to farmers in general. In 2003, over 217,000 cattle were exported live from Ireland, with over 141,000 being exported to the Continent. Of this number 45% were calves, mostly exported for veal production in Northern Europe, with 55% being exported as weanlings, to the southern European states of Spain and Italy. This trade provides a valuable outlet for calves from the dairy herd, as well as establishing a strong price support for young stock, especially heifers from the suckler herd.

Throughout the year, ICOS representatives met with Department of Agriculture and Food and European Commission Officials, to lobby for a workable compromise to the Commission Proposals.

Luxembourg CAP Reform - Effects of De-coupling

The National Co-op Marts Committee worked closely with the ICOS Policy Division and the Board in assessing the potential impact of the Mid Term Review proposals during the negotiations, which led to the Luxembourg Agreement. In addition, the Committee and mart members assessed the range of decoupling options, leading to the conclusion of the ICOS Board position to support full decoupling on condition that targeted funding would be put in place to provide support for producers weanlings and calves with low levels of decoupled rights, using either the beef national envelope or modulated funds.

Marts will be particularly exposed to changes in the sector, and they expect to see significant changes in the farming practices of their customer base.

The suckler herd, from whose expansion marts have benefited considerably, may reduce in size, thereby reducing the number of weanlings available for sale. On the other hand, the disappearance of the Slaughter Premium, and the retention requirements associated with Special Beef Premia, as well as the Stocking Density requirements of Extensification payments, may free up the production capacity of farmers, and increase the proportion of the national herd which are sold through marts.



The Irish delegation who travelled to France in May to attend the Annual General Meeting of the European Association of Livestock Marts.

2004 will be a challenging year for marts, as inbuilt premium values drop off individual animals, and downward pressure is applied to prices. Co-op marts are working to support beef producers to enable them to maximise the value of their stock.

European Association of Livestock Marts

2003 was a very busy year for the European Association of Livestock Markets. Tom Doyle, Vice Chairman of the EALM (and Chairman of the National Co-op Marts Committee), worked to raise, at European level, the difficulties, which affected the Irish livestock trade, particularly in relation to animal transport.

The 2003 AGM was held in Forges-Les-Eaux, in Normandy in May, and was attended by a large delegation from Irish Marts. The various national federations all reported modest improvements in trade levels, particularly in France and the U.K., however there was a degree of concern for the future of the industry, particularly due to the commission's proposals on Transport and Welfare.

The Association has taken a lead role in lobbying the Commission for sensible regulations on animal transport.

Animal Remedies Committee

During 2003, proposals from the European Commission, that all veterinary medicines for food producing

animals be made "Prescription Only", were discussed by both the European Parliament, and the European Council.

The proposal was assessed by the European Parliament Environment Committee, who proposed a number of changes, at the request of mainly Irish and U.K MEP's. It was hoped to create an exemption from the "Prescription Only" rule for member states that operate tightly controlled Licensed Merchant Regimes, such as operate in Ireland. While such an amendment was initially adopted by the Parliament, it ultimately failed, both in the Parliament, and the Council, and it now appears that the Commission will ultimately be successful in bringing in a prescription requirement for all veterinary medicines for food producing animals.

ICOS has been working hard, for some time, to try to bring about a situation that would minimise the worst effects of the expected European Directive. The Animal Remedies Committee has worked to devise proposals for a new type of Veterinary Medicines distribution regime, which would ensure that despite any new prescription requirements, farmers would not have to bear additional, unnecessary and excessive costs, and that the availability of medicines would not be reduced, so as to maintain competition, and minimise medicine costs.

This work also had to bear in mind the 1999 Irish Medicines Board recommendation that Intramammary Antibiotics be brought under Prescription Control. Proposals to bring into effect the IMB recommendations were published in early 2004, and discussions are ongoing as to their implementation.

ICOS BRUSSELS REPRESENTATION

All elements of EU policy of relevance to ICOS and its member co-operatives are monitored by the responsible ICOS officials in conjunction with the ICOS office in Brussels.

The ICOS Brussels office exists to act as a link between the European Institutions and the Irish co-operative movement. The office provides information on aspects of EU policy as well as details on likely future developments and facilitates ICOS staff and co-operatives in meeting decision-makers in the European Commission and Parliament. ICOS maintains regular contact with the European institution and EU based organisations to ensure that relevant policy issues are actively monitored and to ensure that ICOS and member co-operatives positions are clearly represented to key decision makers.

ICOS plays an important role in influencing the development of European agricultural policy through direct contact with key decision makers at European level.

As in 2002, the dominant issues in 2003 were reform of the CAP and the world Trade Negotiations.

In January, the European Commission published its reform proposals, which were eventually agreed in June after a number of lengthy negotiating sessions in Luxembourg. This reform introduced, inter alia, the new concepts of decoupling, modulation and financial discipline and the remainder of 2003 saw Member States grapple with the difficulty of actually developing a plan to implement the reform. The WTO negotiations promised much with the publication in February of a first draft modalities plan but ended in failure when the Cancun Ministerial meeting in September failed to agree the framework for advancing the negotiations.

In particular, the ICOS Brussels office worked closely with the responsible ICOS executives in Dublin who are responsible for assessing the detailed needs of ICOS members in relation to all relevant EU and WTO policy issues, in consultation with ICOS members, committees, Board and Council. In this way, ICOS positions have been developed in Ireland on a range of issues, included those outlined below, and these positions have been represented directly and indirectly to the Commission by the responsible ICOS representatives in Ireland, in conjunction with the Brussels's office.

The range of issues included the following:

- Market supports for the milk, meat and crop sectors
- The Mid Term Review of the CAP
- The WTO Doha Negotiations
- EU Enlargement
- Review of Veterinary Medicines legislation
- Statute for a European Co-operative Society
- CAP Budget
- Sixth Framework Research Programme
- Animal transport & Welfare
- Rural development
- Food safety
- European Convention
- Environment issues

ICOS representatives represent ICOS and Irish Co-operatives on a range of EU Commission Standing Committees and related COPA/COGECA working committees. These fora present a direct opportunity for ICOS to present its policy views on the ongoing operation of EU regimes and policy as well as large-scale reforms arising from the Mid Term Review, WTO negotiations and EU Enlargement. The EU Commission Standing Committees meet approximately three times per year and ICOS representatives input into the for-

mulation of an EU COPA/COGECA position at the relevant preparatory meetings held in advance of the Standing Committee meetings.

COGECA

ICOS is a member of COGECA the umbrella body for co-operatives in the EU and has maintained an office 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.

In February, ICOS Vice-President, Tom Corcoran gave a presentation to the Praesidium of COGECA on the likely impact of the mid-term review. In June, ICOS President, Dessie Boylan, led an ICOS delegation to Luxembourg for talks with Minister Joe Walsh as part of the negotiations on the CAP reform and in July Mr. John

Tyrrell and newly elected ICOS President, Donal Cashman, met with the EU Commissioner for Trade, Pascal Lamy, to discuss the WTO negotiations at the COGECA Praesidium. The 31st North American – European Union conference on Agriculture after the Cancun Ministerial took place in Spain in October and was attended by Donal Cashman who took the opportunity to meet several farm & co-op leaders from the EU, Canada, North America and Mexico. COGECA also organised a conference on co-operatives and competition policy in November, which was attended by John Tyrrell.

Mr. Marcus Borgström, a farmer and co-op director from Finland was President of COGECA in 2003. In December Mr. Eduardo Baamonde, Director-General of the Spanish co-operatives organisation, was elected President for the term 2004-2005. Donal Cashman was elected Vice-President for the same term as well as the prestigious post of Treasurer for COPA & COGECA.

ICOS REPRESENTATIVES ON BRUSSELS BASED COMMITTEES

| Representation Topic | COGECA | EU Standing Committee |
|---|---|-----------------------|
| COGECA Praesidium | Dessie Boylan/Donal Cashman John Tyrrell | |
| CAP | John Tyrrell | |
| Milk and Dairy Products | Martin Varley | Martin Varley |
| Beef | TJ Flanagan | TJ Flanagan |
| European Association Of Livestock Marts | Tom Doyle/TJ Flanagan | |
| Renewable Energies | Kieran Calnan (SWS) | Kieran Calnan |
| Seeds | Gerry Griffith (IAWS) | Gerry Griffith |
| Agricultural Structures | Mary T Johnston | Mary T Johnston |
| Environment | Michael Quigley | |
| Oilseeds | John Rice(Glanbia) | John Rice |
| Veterinary Matters | TJ Flanagan | |
| Legal Questions | Seamus O'Donohoe | |
| Training | TJ Flanagan | |
| Fisheries | Mark Lochrin (IFPO) | |
| Agritourism | Seamus O'Donohoe | |
| Quality & Health | George Kearns | George Kearns |

Member Development Division

EDUCATION & DEVELOPMENT

Director Development Training

The second Diploma in Corporate Direction delivered in conjunction with the Faculty of Commerce and Food Science and Technology in University College Cork was completed during the year and the third programme started. This innovative programme is specifically tailored to the needs of farmer directors of dairy co-operatives and is funded by the participant's co-ops and Enterprise Ireland.

The highlights of the year for the second group were; the study trip to the University of Wisconsin, Madison and the 2003 World Dairy Expo, and the formal presentation of their researched reports at UCC before the academic and co-ordination team and their peers.

During the programme the participants were exposed to comprehensive modules and to a range of expert speakers from industry, finance, business and academia giving them an unrivaled perspective of the Irish Dairy Industry on the world stage. The course aims to equip these farmer directors with the skills needed to proactively deal with the strategic and operational challenges facing their businesses. The director's experiences are enhanced, allowing them to be more effective, influential and useful on their boards.



Participants on the 2003 ICOS/ UCC Diploma in Corporate Direction visited the Centre for Co-operative Studies in the University of Wisconsin, Madison USA in November as part of an overseas workshop studying various aspects of the international dairy market.

The third course, which commenced in late 2003, has sixteen directors from nine co-operatives participating. The 2003/4 programmes consist of eight modules covering areas such as Strategic Analysis, Communication, Corporate Governance, Financial Analysis and Leadership. This group will also participate in a weeklong study tour with sessions in Wisconsin.



The ICOS/ UCC Diploma in Corporate Direction 2003/2004 was launched by Mike Feeney of Enterprise Ireland in November. Left to right: Pat Enright (UCC), Terence O'Donnell (Dairygold) and Mike Feeney (Enterprise Ireland).

Part of UCC's certification requirement is the completion by participants of a dissertation on a topic of relevance to the operations of their own co-operative. In preparation for a formal presentation of these projects, participants will be provided with ongoing mentoring and access to the relevant sources of research.

National Federation of Group Water Schemes

ICOS maintained ongoing operational links with the National Federation of Group Water Schemes Society limited during the year under review. A comprehensive training manual was prepared and edited by ICOS staff aimed at the provision of business and co-operative training to the directors of individual group water schemes. In addition to designing and writing the programme, a series of pilot training initiatives were undertaken by ICOS staff to test the programme in the field. The training manual and the pilot training initiatives were very well received by the co-operative boards that partook in them. The final part of this collaborative exercise with the National Federation was the production and publication of a detailed handbook for Directors to accompany the training programme materials. This was finalised and handed over to the Federation in 2003.

General Co-operative Training

In addition to its work on the Diploma in Corporate Direction, ICOS continued during the year to collaborate with a number of co-operatives in the delivery of customised Director Development and co-operative

business training programmes for individual co-operatives. Programmes were organised in conjunction with Lisavaird, Barryroe, Inishowen and Wexford Farmers co-operatives respectively in the year under review.

MEMBER RELATIONS

Plunkett Award 2003

The 2003 winner of the Plunkett Award for Co-operative Endeavour was Mr. Tom Cleary, from Ballycapple, Cloughjordan, Co. Tipperary.



Speakers at the 30th ICOS National Conference, that took place in the Citywest Hotel, Dublin in November. Left to Right: Donal Cashman, ICOS President, John Maloney (Group Managing Director, Glanbia PLC) and Dr. Noel Cawley (Managing Director, Irish Dairy Board).

The judges said that Mr. Cleary had made an outstanding contribution to development in rural Ireland, not only through his own farm, but also through the co-operative movement and through agri-business in general.

2003 ICOS National Conference

"Co-ops Managing Change" was the theme speakers addressed at the 30th ICOS National Co-operative Conference that was held in the Citywest Hotel, Dublin in November.

The conference was addressed John Tyrrell, ICOS Director General, Noel Cawley, Managing Director, Irish Dairy Board, Michael Duffy, Chief Executive, Bord Bia, John Maloney, Group Managing Director, Glanbia plc and Professor Gerry Boyle, Department of Economics, NUI Maynooth. The After Dinner Speaker was Mr. Charlie Bird, Chief News Correspondent, RTE.

The second day of the conference was taken up with a series of workshops.

RURAL DEVELOPMENT

ICOS Rural Development Committee:

The ICOS Rural Development Committee, under the Chairmanship of Mr. Pdraig Gibbons of Connacht Gold Co-op, continued with their strategic focus to keep farmers and co-operatives central in Rural Development initiatives.

The committee took a fact finding field trip during the year, hosted by Mr. Donal Lehane and his staff and visited the Dunhill Community in Co Waterford, where they were shown working examples of what a vibrant community group can achieve. Some projects visited included industrial, farm and domestic reed beds cleaning factory waste, waste sewage and farm effluent, an environmental /educational wetlands project, an affordable housing project and children's organized summer camps.



The 2003 Plunkett Award for Co-operative Endeavour was presented to Mr. Tom Cleary, from Ballycapple, Cloughjordan, Co. Tipperary, at the ICOS AGM in Dublin in May.

The committee was heavily involved this year in research for applications for funding for the renewable energy projects under Interegg, and also preparation of a Leader+ submission. Decision on all these are still in abeyance and the outcome will focus the committee's direction during 2004.

The Division continues its association with LEADER+ and National, County Enterprise Boards, Area Partnership Companies and the Area Development Management process and promotes the co-operative model for groups within the sector.

CAP Rural Development

The chairman and secretary attended the national CAP Rural Development monitoring committees during the year where issues such as REPS, Early Retirement, Forestry and Farm Investment Schemes were examined.

NDP Rural Development

The Chairman, Mr. Pdraig Gibbons, represented ICOS at the European Commission's Conference on Rural Development in Salzburg in November, where it was agreed that Rural Development could not just focus entirely on agriculture but must also concern itself with all who want a vibrant countryside.

EU Advisory Committee on Rural Development

The COPA COGECA ad-hoc Working Group, Agricultural Development and Agricultural Structures, continued with their committee work in 2003. Meetings took place in advance of meetings of the European Commission Advisory Committee on Rural Development, or that Committee's Working Group. The committees focused on imminent changes in CAP and how these changes will impinge on rural development issues. As always with COGECA meetings, the main aim is to develop policies that are acceptable to each of the member organizations.

Irish Milk Quality Co-operative Society

This Society represents the interested parties in the field in Certified Milking Machine Installation and Servicing, which is an integral part of the production of a high quality milk product. The society is made up of practicing technicians, co-operatives, milking machine manufacturers, and Teagasc.

The chairman, Patrick Kelleher, Dairygold, is nominated by ICOS with Mary Johnston ICOS.

IMQCS devised a strategic focus, in 2003, which involved a new corporate image and the complete updating of the guidelines and recommendations book which contemporizes them with the latest in international standards and ISO. The new corporate logo allows registered technicians to use the image on printed safety vests and on van stickers. Health and safety issues were focused on and the national Safe Pass Certificate promoted.

The group also ran an annual refresher-training programme for over one hundred technicians. This allowed them to be re-certified and registered as Milking Machine Technicians and Installers. The seminar gave delegates exposure to sessions on the varied operational challenges facing the industry from increasing somatic cell counts and a shrinking pool of dairy farmers. The new register of trained members is currently being published.

The committee continues to review its strategic aims to link the organisation's training and standards with the dairy industry and certifiable, quality, clean food.

Cork Office

During the year the Cork Office continued to service the general needs of co-operatives in the area and also attended Annual General Meetings, Committee and Board meetings at the request of Societies. Work was also completed on a number of partial and complete amendments of rules. The Cork office provides secretarial services to the National Pig Producers Society and provides services to a number of co-operatives in the trading area.

Forestry Development Association

This co-operative, started as an innovative joint venture between Glanbia and the Irish Timber Growers Association, is now a stand-alone entity. It has in excess of 300 active members, who benefit from the services of qualified foresters to inspect and advise them in the establishment of their plantations.



Nicolas Sweetman, FDA Member, Enniscorthy and Pip Ryan, Wexford Repres. FDA Committee. On an FDA feild day at Ballycorsey, Enniscorthy.

The FDA received funding and support from the Forest Services who support its aim to provide technical expertise and a degree of coordination to small-scale farm forest owners in the South East and Midlands. The foresters provide farm visits and discussion groups required to co-ordinate the harvesting and sale of the timber helping farmers with good husbandry practices in the establishment of their timber resource. As these plantations mature and approach first thinning stage, the co-op will provide the marketing and logistical expertise to maximise their income generating potential.

During 2003, the FDA, like many other organisations involved with forestry, had to refocus its energies and rationalize its services while still promoting farm forestry as a viable option for land usage. The FDA welcomes the move of the Forestry portfolio to the Department of Agriculture and Food.

HUMAN RESOURCES

The Social Partners concluded a further National Agreement in 2003. The Agreement, entitled 'Sustaining Progress', commenced at the beginning of the year. It will run for three years but the pay terms agreed will only apply for the first 18 months.

The agreed terms are as follows:

- 3% of basic pay for the first 9 months of the Agreement;
- 2% of basic pay for the next 6 months and
- 2% of basic pay for the next 3 months of the Agreement.

The Social Partners will meet in early 2004 to discuss pay terms for the remaining 18 months of the Agreement.

While the general terms of the pay agreement are similar to previous agreements, Sustaining Progress goes somewhat further than before. Where an employer claims inability to pay, the Agreement provides that the employer must provide full information to the union. If the matter is referred to the Labour Relations Commission, assessors may be appointed to examine the economic, commercial and employment circumstances of the employment involved. The assistance of IBEC and ICTU may also be sought, where appropriate. If the matter is subsequently referred to the Labour Court, the report of the assessors will be given serious weight by the Court. The Court will issue findings only in relation to whether or not the employer can pay the terms of

the agreement. Both sides to the dispute are required by the Agreement to comply with the Court's findings.

Similarly, where a dispute arises as to what constitutes a breach of the Agreement and the matter is referred to the Labour Court, both sides agree to accept the Court's findings.

Should an employer claim partial inability to pay the terms of the Agreement or require some offsetting cost saving measures and the matter is subject to a Labour Court recommendation, the Court's recommendation will issue under Section 26 (1) of the Industrial Relations Act, 1990. This does not involve a prior commitment to acceptance of the recommendation. However, if the recommendation is not accepted, a three-week cooling off period will apply during which every effort shall be made by the parties to resolve the matter. No form of industrial action will be threatened, sanctioned or taken during the cooling off period. The National Implementation Body, comprising Government, Employer and Union representatives, will meet monthly or otherwise to ensure delivery of stability during the course of the Agreement.

Generally speaking, the industry experienced a comparatively peaceful year in industrial relations matters. This was most welcome having regard to the uncertainty felt by many awaiting the Fischler proposals in agriculture. ICOS was involved in ten meetings with trade unions, two Conciliation Conferences, under the auspices of the Labour Relations Commission and two Rights Commissioner Investigations.

The full IRAC held two meetings during the year. However, a sub-committee met on a further two occasions. This group are looking at the consequences and difficulties presented by the revised Regulations governing goods vehicle loads introduced in February. A meeting with the Department of Transport is planned for early 2004.

Irish Foundation for Co-operative Development

IFCD Board & Co-operative Support

The 2003 Board of IFCD included Billy Nagle, Chairman, Dessie Boylan, James Brosnan, Donal Cashman, Tom Corcoran, Michael O'Dwyer and John Tyrrell. Billy Nagle was replaced on the board by Patrick Kelliher in July and Mr Cashman was elected Chairman. Martin Varley carried out the Executive Director duties and Mr Prunty was the Secretary.

During 2003, IFCD requested its dairy co-operatives to continue to provide funding to permit IFCD to increase its co-op and producer marketing group development work in Uganda and Tanzania and pursue new developments in other African countries such as Kenya. The Board of IFCD would like to formally thank its member co-operatives for the funding they provided in 2003. IFCD's successful work has been built on throughout 2003 in Uganda and Tanzania, and further project proposal work has been advanced for Kenya. The achievements in both Uganda and Tanzania are outlined below.

Uganda

The Community Enterprises Development Organisation Ltd (CEDO) is an IFCD funded indigenous NGO in Uganda, focused on co-op/producer marketing groups and related income generation groups. The solid foundation laid by IFCD has enabled CEDO to strongly contribute to the rural farmers' development in the Rakai and Masaka Districts.

CEDO overshadows other NGOs involved in the same activities because of a well-developed marketing system for the products, which it promotes. This has attracted other members of the donor community to take interest in CEDO activities.

At the end of 2003, the Food Security Committee approved a new CEDO project that is now funded by USAID Program. This is a three-year project aimed at building capacity among the HIV/AIDS affected communities in Rakai and Masaka Districts. In this project, CEDO plans to enable food aid beneficiaries to become food secure and less dependent on food aid. It will also increase incomes through the sale of surplus produce and improve nutritional standards of families through vegetable and fruit growing and marketing.

The increased interest in CEDO's capabilities by other organisations and donors is attributed to IFCD funding

and ongoing advice. The USAID programme ensures that every Euro of funding provided by Irish co-operatives through IFCD to CEDO is matched by a multiple by funding from the USAID project. The IFCD approach is to encourage CEDO to seek out matching funds itself to increase its medium to long-term sustainability.

CEDO supported co-operative/producer marketing groups continue to be active in the production and marketing of beans, groundnuts, cassava, maize, coffee and livestock products. Some farmers are using the realised incomes to improve their standards of living by constructing better houses and buying basic household items. This is also evident among women's micro projects and savings and credit groups.

Co-operatives/Producer Marketing and Other Groups Created in Uganda

| Type of Group | To 2001 | In 2002 | In 2003 | Total |
|----------------------------------|---------|---------|---------|-------|
| Co-ops/Producer Marketing Groups | 20 | 31 | 5 | 56 |
| Women Groups | 21 | 9 | 0 | 30 |
| Micro Project Groups | 17 | 16 | 2 | 35 |
| Savings & Credit Groups | 5 | 2 | 0 | 7 |
| HIV/AIDS Affected Groups | 0 | 0 | 21 | 21 |

CEDO activity in assisting the development of new groups is reinforced through in-depth training, advice and monitoring of the group's activities, as laid out in

Training/Advice During 2003

| Quarter | No. of Training Sessions | Attendees | | Total |
|------------------------|--------------------------|-----------|---------|-------|
| | | Male | Females | |
| 1st (January - March) | 70 | 1648 | 1552 | 3200 |
| 2nd (April - June) | 62 | 1343 | 820 | 2163 |
| 3rd (July - September) | 69 | 1214 | 545 | 1759 |
| 4th (Oct. - December) | 64 | 977 | 536 | 1513 |
| • HIV/AIDS Affected | 152 | 139 | 501 | 640 |
| Total | 417 | 5321 | 3954 | 9275 |

the table below. As the number of groups grows and as their business activity develops, the importance of providing good advice and training also increases.

Tanzania

In Tanzania, the IFCD funded co-op and PMG organization the Community Grassroots Initiatives Association (COAS), continued to develop its existing co-ops and PMGS. The main focus was on coffee, sunflower, pyrethrum, cereals/maize and tea producing and marketing Co-ops/PMGS as summarized below:

| Co-ops/PMGS and other Groups created in Tanzania | | | | |
|--|---------|---------|---------|----------|
| Type of Group | To 2001 | In 2002 | In 2003 | In Total |
| Co-ops/PMGS | 20 | 5 | 2 | 27 |
| Savings and Credit | 15 | 2 | 0 | 17 |
| Womens Income Groups | 0 | 2 | 4 | 6 |
| Women Savings and Credit | 0 | 0 | 2 | 2 |

Co-op/PMG development is now well established in coffee and pyrethrum marketing followed by sunflower maize and cereals. More recently there has been an expansion in sunflower production and mar-

keting PMGs. A total of two new sunflower PMGs were developed in 2003. In addition, six new women groups were created during the year, four in income generating and two in savings and credit schemes.

Throughout 2003, COAS held a total of eight training courses and twenty two on site workshops/seminars for a total of 2,031 co-op/PMG participants on a variety of subjects including planning, record/book-keeping, quality control measures (including seed selection, planting and spacing). During the year, ten demo plots on sunflower production and nurturing were developed in ten sunflower growing villages, which benefited 505 PMG farmers (among the 2031).

Also, one training course was held for the two women savings and credit schemes on management skills and attended by a total of 20 participants. In addition, in the last quarter of 2003, two business development skills training courses were conducted (start your business and improve your business) and it were attended by 29 women from the operating six women's income groups. Also one training course on batik cloth making and cake baking was held and eight women benefited from the training course. It is estimated that these training courses and onsite seminars would have benefited a total of 18,279 farm families directly and indirectly.

Dairy Co-operative Societies 2002

| Name of Co-op | Members | Employees | Trading Performance (€000's) | | | Balance Sheet (€000's) | | | | | | |
|-------------------|--------------|--------------|------------------------------|--------------------|--------------------|------------------------|----------------------|----------------------|----------------------|----------------------|---------------|------------|
| | | | Turnover | Net Income | Net Profit % Sales | Assets Employed | | Members | Financed By | | % Debt/Equity | |
| | | | | | | Fixed | Total | | Banks | Other | | |
| Arrabawn | 8979 | 248 | €119,772.22 | €2,141.80 | -1.79% | €17,737.55 | €34,234.92 | €23,323.60 | €- | €10,889.84 | 21.49 | 34,213.43 |
| Bandon | 715 | 49 | €39,919.34 | €1,561.17 | 3.91% | €28,945.05 | €40,271.98 | €34,348.98 | €105.29 | €5,817.71 | 0.00 | 40,271.98 |
| Barryroe | 736 | 97 | €46,630.38 | €1,607.24 | 3.45% | €27,870.98 | €44,255.33 | €37,232.04 | €1,049.96 | €5,973.33 | 0.03 | 44,255.33 |
| Boherbue | 180 | 25 | €11,179.46 | €320.84 | 2.87% | €4,814.36 | €6,641.12 | €6,641.12 | €- | €- | 0.00 | 6,641.12 |
| Callan | 161 | 16 | €8,616.96 | €279.81 | 3.25% | €1,013.13 | €4,831.04 | €4,011.57 | €- | €- | 0.00 | 4,011.57 |
| Centenary | 1260 | 63 | €43,395.70 | €978.57 | 2.26% | €7,513.11 | €21,388.52 | €19,194.58 | €- | €2,193.94 | 0.00 | 21,388.52 |
| Connacht Gold | 19306 | 619 | €250,879.00 | €713.00 | 0.28% | €45,034.00 | €92,399.00 | €43,117.00 | €16,854.00 | €32,428.00 | 0.39 | 92,399.00 |
| Corcaghan | 288 | 4 | €2,442.00 | €55.00 | 2.25% | €769.00 | €1,592.00 | €1,592.00 | €- | €- | 0.00 | 1,592.00 |
| Dairygold | 10916 | 3180 | €989,186.00 | €2,363.00 | 0.24% | €298,849.00 | €570,645.00 | €296,629.00 | €132,393.00 | €141,623.00 | 0.45 | 570,645.00 |
| Doapey | 100 | 3 | €3,012.15 | €-69.70 | -2.31% | €289.83 | €1,273.48 | €1,118.42 | €- | €155.06 | 0.00 | 1,273.48 |
| Donegal | 1653 | 335 | €135,337.00 | €3,557.00 | 2.63% | €33,574.00 | €36,978.00 | €26,565.00 | €10,413.00 | €- | 0.39 | 36,978.00 |
| Drinagh | 2671 | 183 | €70,907.00 | €2,077.00 | 2.93% | €42,423.00 | €58,659.00 | €51,888.00 | €508.00 | €6,263.00 | 0.01 | 58,659.00 |
| Drombane | 195 | 9 | €4,857.18 | €60.76 | 1.25% | €235.59 | €1,751.92 | €1,459.91 | €- | €292.01 | 0.00 | 1,751.92 |
| Fealebridge | 399 | 8 | €7,559.00 | €157.45 | 2.08% | €241.25 | €5,809.05 | €5,809.05 | €- | €- | 0.00 | 5,809.05 |
| Glanbia | 18663 | 6963 | €2,316,738.00 | €-16,364.00 | -0.71% | €457,700.00 | €955,513.00 | €181,297.00 | €276,524.00 | €497,692.00 | 1.53 | 955,513.00 |
| Irish Dairy Board | 70 | 2466 | €1,894,019.00 | €27,792.00 | 1.47% | €129,130.00 | €288,563.00 | €158,166.00 | €130,397.00 | €- | 0.82 | 288,563.00 |
| Kerry Group | 9700 | 15003 | €3,754,808.00 | €103,903.00 | 2.77% | €1,635,790.00 | €2,546,525.00 | €804,528.00 | €810,388.00 | €931,609.00 | 1.01 | |
| Kilsannett | 281 | 10 | €3,882.00 | €57.00 | 1.47% | €64.00 | €928.00 | €928.00 | €- | €- | 0.00 | 928.00 |
| Lakeland Dairies | 4675 | 319 | €336,882.00 | €23,722.00 | 7.04% | €79,749.00 | €162,024.00 | €71,297.00 | €30,500.00 | €60,227.00 | 0.43 | 162,024.00 |
| Lee Strand | 361 | 42 | €14,428.00 | €1,489.90 | 10.33% | €14,833.94 | €19,895.70 | €11,497.45 | €3,530.00 | €4,868.24 | 0.31 | 19,895.70 |
| Lisavaird | 1150 | 73 | €36,175.43 | €3,491.02 | 9.65% | €24,693.27 | €38,352.00 | €33,662.43 | €324.84 | €4,364.74 | 0.01 | 38,352.00 |
| Maudabawn | 221 | 6 | €4,760.74 | €-26.38 | -0.55% | €135.21 | €1,279.81 | €1,010.29 | €13.88 | €255.64 | 0.01 | 1,279.81 |
| Mullinahone | 82 | 86 | €18,118.74 | €270.76 | 1.49% | €3,157.34 | €6,718.62 | €2,707.88 | €585.36 | €3,425.37 | 0.22 | 6,718.62 |
| Newmarket | 720 | 58 | €56,472.00 | €488.00 | 0.86% | €7,765.00 | €20,528.00 | €13,242.00 | €1,445.00 | €5,841.00 | 0.11 | 20,528.00 |
| Newtownsandes | 261 | 11 | €8,852.00 | €-21.00 | -0.24% | €188.00 | €6,197.00 | €5,728.00 | €- | €469.00 | 0.00 | 6,197.00 |
| North Cork | 540 | 50 | €20,051.00 | €109.00 | 0.54% | €2,780.00 | €10,269.00 | €8,045.00 | €- | €2,224.00 | 0.00 | 10,269.00 |
| Oldcastle | 0 | 0 | €6,446.78 | €132.95 | 2.06% | €551.43 | €2,127.48 | €1,239.30 | €122.88 | €765.30 | 0.10 | 2,127.48 |
| Thurles | 221 | 59 | €12,252.80 | €42.57 | 0.35% | €1,949.20 | €5,688.67 | €3,558.50 | €355.92 | €1,774.26 | 0.10 | 5,688.67 |
| Tipperary | 1961 | 137 | €105,393.00 | €787.00 | 0.75% | €14,053.00 | €38,131.00 | €22,991.00 | €747.00 | €14,393.00 | 0.03 | 38,131.00 |
| Town of Monaghan | 1500 | 120 | €135,325.00 | €928.00 | 0.69% | €17,084.00 | €61,212.00 | €32,824.00 | €12,287.00 | €16,101.00 | 0.37 | 61,212.00 |
| Wexford | 681 | 2 | €28,153.95 | €16.15 | 0.06% | €824.53 | €5,128.79 | €2,103.70 | €- | €3,025.08 | 0.00 | 5,128.79 |
| Total | 88646 | 30244 | €10,486,451.81 | €158,337.32 | 1.51% | €2,899,757.77 | €5,089,811.41 | €1,907,755.81 | €1,428,544.12 | €1,752,670.52 | 0.75 | |

Note 1: Thurles Co-op accounts for 2001

Mart Co-operative Societies 2002

| Society | Members | Employees (Incl. Part-time) | Trading Performance (€000's) | | | | | Balance Sheet (€000's) | | | | | % Debt/Equity |
|-----------------------|---------------|-----------------------------------|------------------------------|-------------------------|------------------|------------------------------------|-----------------------------|------------------------|-------------------|-------------------|------------------|------------------|------------------|
| | | | Livestock Sales | Comm & Entry Fees | Net Profit | Comm & Entry Fees as % Sales | Net Profit as % Sales | Assets Employed | | | Financed By | | |
| | | | | | | | | Fixed | Total | Members | Banks | Other | |
| 1 Athenry | 1,100 | 33 | €16,480.08 | €525.13 | €23.41 | 3.2% | 4.5% | €934.06 | €1,432.73 | €549.96 | €609.12 | €273.65 | 1.11 |
| 2 Ballinasloe | 850 | 36 | €16,245.81 | €436.18 | -€13.95 | 2.7% | -3.2% | €1,176.47 | €1,495.55 | €1,130.99 | €265.90 | €98.66 | 0.24 |
| 3 Ballyjamesduff | 400 | 31 | €12,839.82 | €258.18 | €62.89 | 2.0% | 24.4% | €760.37 | €2,956.41 | €2,413.84 | €- | €542.57 | 0.00 |
| 4 Birr | 500 | 18 | €6,855.14 | €206.79 | -€38.50 | 3.0% | -18.6% | €230.34 | €365.18 | €365.18 | €- | €- | 0.00 |
| 5 Castleisland | 313 | 23 | €27,680.08 | €925.41 | €118.39 | 3.3% | 12.8% | €1,007.58 | €3,138.73 | €1,878.24 | €1,114.25 | €146.24 | 0.59 |
| 6 Castlerea | 952 | 23 | €14,821.46 | €476.89 | €3.62 | 3.2% | 0.8% | €804.76 | €1,119.71 | €646.52 | €269.27 | €203.93 | 0.42 |
| 7 Clare | 2,615 | 41 | €42,269.36 | €1,403.00 | €153.69 | 3.3% | 11.0% | €5,895.03 | €5,057.82 | €5,057.82 | €- | €- | 0.00 |
| 8 Connacht gold | 0 | 0 | €44,086.94 | €1,403.65 | €153.69 | 3.2% | 10.9% | €5,895.03 | €6,121.28 | €5,057.82 | €- | €1,063.46 | 0.00 |
| 9 Cork Marts | 15,100 | 152 | €69,104.00 | €2,869.00 | -€317.00 | 4.2% | -11.0% | €9,125.00 | €11,456.00 | €9,346.00 | €- | €2,110.00 | 0.00 |
| 10 Dingle | 270 | 15 | €3,225.00 | €156.09 | -€39.33 | 4.8% | -25.2% | €679.08 | €921.91 | €206.77 | €508.04 | €207.10 | 2.46 |
| 11 East Donegal# | 283 | 21 | €6,939.00 | €174.65 | €7.27 | 2.5% | 4.2% | €325.48 | €603.92 | €532.03 | €83.44 | €71.89 | 0.16 |
| 12 Gort | 1,200 | 17 | €8,711.23 | €317.16 | -€55.58 | 3.6% | -17.5% | €1,902.90 | €1,991.83 | €525.94 | €772.69 | €693.20 | 1.47 |
| 13 Headford # | 550 | 17 | €3,951.05 | €178.90 | €- | 4.5% | 0.0% | €176.67 | €216.63 | €216.63 | €- | €- | 0.00 |
| 14 Inishowen | 0 | 0 | €14,003.00 | €224.17 | €419.01 | 1.6% | 186.9% | €1,689.91 | €3,847.39 | €3,847.39 | €- | €- | 0.00 |
| 15 Iveragh## | 450 | 15 | €4,900.32 | €122.51 | €18.29 | 2.5% | 14.9% | €267.16 | €185.97 | €185.97 | €- | €- | 0.00 |
| 16 Kanturk## | 240 | 10 | €8,445.68 | €211.14 | €0.50 | 2.5% | 0.2% | €1,153.38 | €1,201.00 | €1,119.37 | €73.82 | €7.81 | 0.07 |
| 17 Kenmare# | 600 | 13 | €2,539.00 | €114.00 | €- | 4.5% | 0.0% | €463.00 | €522.00 | €212.00 | €130.00 | €37.00 | 0.61 |
| 18 Killynora ## | | | €2,138.43 | €85.54 | €54.72 | 4.0% | 64.0% | €96.11 | €92.33 | €92.33 | €- | €- | 0.00 |
| 19 Kilkenny## | 1,112 | 47 | €25,070.80 | €626.77 | -€29.13 | 2.5% | -4.6% | €5,018.55 | | | | | #DIV/0! |
| 20 Kingdom ## | 710 | 16 | €5,696.48 | €142.41 | €6.47 | 2.5% | 4.5% | €1,920.64 | €2,180.29 | €1,158.45 | €386.00 | €635.84 | 0.33 |
| 21 Leinster ## | 1,026 | 17 | €13,646.28 | €341.16 | -€32.96 | 2.5% | -9.7% | €2,162.12 | €2,414.20 | €2,132.52 | €225.89 | €55.80 | 0.11 |
| 22 Mayo Sligo | 980 | 18 | €12,500.00 | €590.84 | €162.70 | 4.7% | 27.5% | €1,236.49 | €3,876.59 | €3,047.82 | €718.80 | €109.97 | 0.24 |
| 23 Mid-Kerry | 446 | 18 | €11,291.76 | €282.29 | €39.69 | 2.5% | 14.1% | €779.70 | €799.03 | €678.71 | €34.49 | €85.83 | 0.05 |
| 24 Mid-Tipperary | 962 | 17 | €20,425.00 | €490.21 | €89.23 | 2.4% | 18.2% | €441.90 | €1,150.04 | €1,097.37 | €- | €52.67 | 0.00 |
| 25 Milford# | 434 | 25 | €5,347.00 | €146.00 | €20.00 | 2.7% | 13.7% | €166.00 | €668.00 | €668.00 | €- | €- | 0.00 |
| 26 Nenagh ## | 687 | 23 | €14,314.44 | €357.86 | €41.22 | 2.5% | 11.5% | €1,255.99 | €2,951.58 | €2,589.06 | €241.13 | €121.39 | 0.09 |
| 27 Roscommon# | 37 | 487 | €11,427.64 | €311.65 | €- | 2.7% | 0.0% | €455.21 | €1,100.42 | €1,046.97 | €- | €53.45 | 0.00 |
| 28 Templemore | 950 | 12 | €4,976.20 | €115.80 | -€3.03 | 2.3% | -2.6% | €266.37 | €450.20 | €434.19 | €- | €16.01 | 0.00 |
| 29 Tuam # | 1,300 | 20 | €12,312.00 | €885.62 | €9.90 | 7.2% | 1.1% | €908.81 | €456.01 | €395.02 | €674.05 | €60.99 | 1.71 |
| 30 Waterford/Ross ## | 1,164 | 9 | €6,384.36 | €159.61 | €40.47 | 2.5% | 25.4% | €520.78 | €676.70 | €374.48 | €170.34 | €131.88 | 0.45 |
| 31 Wexford Farmers ## | 4,205 | 166 | €53,905.13 | €1,347.63 | €318.00 | 2.5% | 23.6% | €9,662.42 | €10,183.42 | €10,183.42 | €- | €- | 0.00 |
| TOTAL | 39,436 | 1,340 | €486,052.40 | €15,361.09 | €1,190.26 | 3.2% | 0.2% | €56,443.23 | €68,200.14 | €56,640.84 | €5,668.10 | €6,505.70 | 0.10 |

Notes:

Note 1: # =2001 accounts

Note 2:## = estimated commission and entry fee 2.5%

Note 3: % Debt/Equity Ratio Calculated as follows : Long Term and Short Term Borrowings/Total Members Funds

Note4 : Cork Marts Commission and Entry Fee Figure Includes Deposit Interest and Other Income.

Fishing Co-operative Societies 2002

| Society | Members | Employees (Incl. Part-time) | Trading Performance (€000's) | | | Balance Sheet (€000's) | | | | | % Debt Equity |
|------------------------------|------------|--------------------------------|------------------------------|----------------|-----------------------|------------------------|----------------|----------------|------------------|------------------|------------------|
| | | | Total Sales | Net Profit | Net Profit % Sales | Assets Employed | | Financed By | | | |
| | | | | | | Fixed | Total | Members | Banks | Other | |
| 1 Burtonport# | 352 | 114 | €8,645.65 | -€313.63 | -3.6% | €2,285.53 | €5,269.41 | €2,200.46 | €200.62 | €832.95 | 0.09 |
| 2 Castletownbere# | 59 | 130 | €21,410.32 | €398.70 | 1.9% | €1,504.64 | €3,790.17 | €1,940.16 | €892.63 | €317.43 | 0.46 |
| 3 Donegal# | 82 | 3 | €675.50 | €17.78 | 2.6% | €45.71 | €121.89 | €8.89 | €- | €90.15 | 0.00 |
| 4 Dunmore East# | 32 | 12 | €4,332.35 | €50.79 | 1.2% | €591.70 | €935.80 | €217.13 | €120.63 | €176.49 | 0.56 |
| 5 Foyle# | 18 | 8 | €788.51 | €26.23 | 3.3% | €189.72 | €595.91 | €564.39 | €16.64 | €14.88 | 0.03 |
| 6 Galway & Aran # | 61 | 26 | €10,522.74 | €6.83 | 0.1% | €955.19 | €851.37 | €851.37 | €- | €- | 0.00 |
| 7 Greencastle # | 13 | 3 | €1,583.70 | -€34.92 | -2.2% | €69.87 | -€36.82 | -€36.82 | €- | €- | 0.00 |
| 8 Meitheal Na Mara Rinne Teo | 91 | 3 | N/A | N/A | N/A | N/A | N/A | N/A | €- | €- | N/A |
| 9 South & East Coast # | 95 | 2 | €1,040.09 | €28.39 | 2.7% | €252.07 | €463.97 | €410.13 | €- | €53.84 | 0.00 |
| 10 South Wexford Lobsters# | 24 | 1 | €100.31 | €11.43 | 11.4% | €17.78 | €45.71 | €29.20 | €7.00 | €7.62 | 0.24 |
| TOTAL | 827 | 302 | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | €1,237.51 | €1,493.36 | #DIV/0! |

Note : The symbol # indicates that 2000 figures have been used where 2001 and 2002 figures are unavailable.

Wholesale Co-operative Societies 2002

| Society | Members | Employees (Incl. Part-time) | Trading Performance (€000's) | | | Balance Sheet (€000's) | | | | | % Debt Equity |
|------------------------|------------|--------------------------------|------------------------------|-------------------|-----------------------|------------------------|--------------------|-------------------|--------------------|-----------|------------------|
| | | | Total Sales | Net Profit | Net Profit % Sales | Assets Employed | | Financed By | | | |
| | | | | | | Fixed | Total | Members | Banks | Other | |
| 1 Co-op Animal Health# | 2 | 66 | €16,015.92 | €302.69 | 1.9% | €3,508.47 | €4,630.25 | €4,630.25 | €- | €- | 0.00 |
| 2 Irish Co-op Society | 29 | 120 | €16,393.09 | €336.24 | 2.1% | €10,607.62 | €8,674.78 | €8,674.19 | €- | €- | 0.00 |
| 3 I.A.W.S | 103 | 2514 | €1,214,878.00 | €86,926.00 | 7.2% | €466,709.00 | €219,381.00 | €28,258.00 | €191,123.00 | €- | 6.76 |
| TOTAL | 134 | 2700 | €1,247,287.01 | €87,564.93 | 7.0% | €480,825.09 | €232,686.03 | €41,562.44 | €191,123.00 | €- | 4.60 |

Note : % Debt/Equity Ratio Calculated as follows : Long Term and Short Term Borrowings/Total Members Funds

Other Co-operative Societies 2002

| Society | Members | Trading Performance (€000's) | | | | Balance Sheet (€000's) | | | | | % Debt/ Equity |
|--------------------------------------|--------------|--------------------------------|----------------|---------------|-----------------------|------------------------|---------------|---------------|------------|------------|-------------------|
| | | Employees (Incl. Part-time) | Total Sales | Net Profit | Net Profit % Sales | Assets Employed | | Financed By | | | |
| | | | | | | Fixed | Total | Members | Banks | Other | |
| CATTLE BREEDING SOCIETIES | | | | | | | | | | | |
| 1 Munster CBS# | 50 | 4 | 1,026 | 19 | 1.86% | 4 | 1,036 | 0 | 0 | 0 | 0.00 |
| 2 SECBS | 10 | 42 | 2,772 | -272 | -9.82% | 1,439 | 2,704 | 2,482 | 222 | 0 | 0.09 |
| 3 South Western Services | 5 | 230 | 15,422 | 1,522 | 9.87% | 6,644 | 11,662 | 11,657 | 5 | 0 | 0.00 |
| STORE SOCIETIES | | | | | | | | | | | |
| 4 Clonleigh# | 650 | 21 | 9,495 | 207 | 2.18% | 691 | 1,845 | 1,845 | 0 | 0 | 0.00 |
| 5 Inishowen (Note 1)# | 1900 | 59 | 1,139 | 42 | 3.68% | 1,413 | 3,123 | 3,123 | 20 | 0 | 0.01 |
| PIG SOCIETIES | | | | | | | | | | | |
| 6 Glen of Aherlow | 173 | 18 | 5,045 | -25 | -0.50% | 2,829 | 5,737 | 5,622 | 115 | 0 | 0.02 |
| 7 Roughty Valley# | 20 | 9 | 1,393 | -90 | -6.47% | 1,641 | 1,997 | 326 | 396 | 157 | 1.21 |
| 8 National Co-op Pig Producers# | 7 | 0 | 8 | -12 | -150.00% | 1 | 5 | 5 | 0 | 0 | 0.00 |
| SPECIALIST BREEDING SOCIETIES | | | | | | | | | | | |
| 9 Irish Charolais Cattle# | 2671 | 5 | 973 | 194 | 19.95% | 108 | 1,290 | 1,290 | 0 | 0 | 0.00 |
| 10 Irish Limousin# | 1100 | 3 | 324 | 69 | 21.18% | 311 | 373 | 373 | 0 | 0 | 0.00 |
| 11 Irish Pedigree Pigs (reg)# | 8 | 1 | 9 | 1 | 14.29% | 1 | 13 | 6 | 0 | 6 | 0.00 |
| 12 Irish Simmental# | 800 | 2 | 215 | -23 | -10.65% | 14 | 173 | 173 | 0 | 0 | 0.00 |
| RADIO SOCIETIES | | | | | | | | | | | |
| 13 Kilkenny Com. Radio# | 3200 | 23 | 728 | 22 | 2.97% | 143 | 291 | 291 | 6 | 0 | 0.02 |
| MISCELLANEOUS SOCIETIES | | | | | | | | | | | |
| 14 Co-op Travel | 1 | 13 | 5,021 | -75 | -1.50% | 74 | 325 | 214 | 111 | 0 | 0.52 |
| 15 Country Markets# | 13331 | 2 | 2,292 | 6 | 0.28% | 9 | 166 | 166 | 0 | 0 | 0.00 |
| 16 IFAC | 14434 | 110 | 7,769 | -1 | -0.01% | 1,673 | 5,958 | 5,958 | 0 | 0 | 0.00 |
| 17 Irish Farm Centre | | | | | N/A | | | | | | N/A |
| 18 Irish Horse Board | 9800 | 12 | 1,939 | 3 | 0.13% | 80 | 602 | 603 | 0 | 0 | 0.00 |
| 19 Nat Co-op Farm Relief# | 20000 | 117 | 436 | 11 | 2.62% | 170 | 479 | 479 | 0 | 0 | 0.00 |
| TOTAL | 68160 | 671 | 56,003 | 1,598 | 2.85% | 17,246 | 37,779 | 34,613 | 876 | 164 | 0.03 |

N/A = Not Available

Note 1 : Turnover figure for Inishowen Co-op Society does not include a figure for turnover of livestock in mart.

Note 2: % Debt/Equity Ratio Calculated as follows : Long Term and Short Term Borrowings/Total Members Funds

Rural Tourism Co-operative Societies 2002

| Society | Members | Trading Performance (€000's) | | | | Balance Sheet (€000's) | | | | | |
|-------------------------------------|------------|--------------------------------|------------------|----------------|-----------------------|------------------------|------------------|----------------|----------------|----------------|-------------------|
| | | Employees (Incl. Part-time) | Total Sales | Net Profit | Net Profit % Sales | Assets Employed | | Financed By | | | % Debt/ Equity |
| | | | | | | Fixed | Total | Members | Banks | Other | |
| 1 Cavan/Monaghan# | 21 | 9 | €304.74 | €19.05 | 6.25% | €17.78 | €167.61 | €92.69 | €- | €74.91 | 0.00 |
| 2 C C Chleire Teo# | 627 | 6 | €140.23 | -€46.75 | -33.34% | €156.49 | €241.71 | €241.71 | €- | €- | 0.00 |
| 3 CC Comhdhail Oileain na hEireann# | 33 | 5 | €987.86 | €- | 0.00% | €8.89 | €111.74 | €110.47 | €1.27 | €- | 0.01 |
| 4 Kilrush Development# | 10 | 17 | €2,322.35 | €12.70 | 0.55% | €1,246.88 | €1,274.82 | €464.72 | €206.97 | €600.59 | 0.45 |
| Total | 691 | 37 | €3,755.17 | -€15.01 | -0.40% | €1,430.03 | €1,795.87 | €909.59 | €208.24 | €675.50 | 0.23 |

N/A = Not Available

Note 1: % Debt/Equity Ratio Calculated as follows : Long Term and Short Term Borrowings/Total Members Funds

Note 2: The symbol # indicates that 2001 figures have been used where 2002 figures are unavailable.

Summary of Statistics 2002

| | Total | Dairies | Marts | Wholesale | Fishing | Rural tourism | Others |
|-------------------------------|----------------|----------------|-------------|---------------|------------|---------------|------------|
| Number of Societies | 99 | 30 | 33 | 3 | 10 | 4 | 19 |
| Members | 197,894 | 88,646 | 39,436 | 134 | 827 | 691 | 68,160 |
| Employees | 35,294 | 30,244 | 1,340 | 2,700 | 302 | 37 | 671 |
| Trading Performance (€'000's) | | | | | | | |
| Total Sales | €12,328,648.87 | €10,486,451.81 | €486,052.40 | €1,247,287.01 | €49,099.17 | €3,755.17 | €56,003.31 |
| Net Income | €248,227.70 | €158,337.32 | €1,190.26 | €86,926.00 | €191.60 | -€15.01 | €1,597.53 |
| Net Income as % of Sales | 2.01% | 1.51% | 0.24% | 6.97% | 0.39% | -0.40% | 2.85% |
| Balance Sheet (€'000's) | | | | | | | |
| Fixed Assets | €3,461,614.17 | €2,899,757.77 | €56,443.23 | €480,825.09 | €5,912.20 | €1,430.03 | €17,245.85 |
| Total Assets | €5,442,309.73 | €5,089,811.41 | €68,200.14 | €232,686.03 | €12,037.42 | €1,795.87 | €37,778.86 |
| Members Funds | €2,047,666.94 | €1,907,755.81 | €56,640.84 | €41,562.44 | €6,184.91 | €909.59 | €34,613.34 |
| Bank Borrowings | €1,627,657.25 | €1,428,544.12 | €5,668.10 | €191,123.00 | €1,237.51 | €208.24 | €876.29 |
| Other | €1,761,508.88 | €1,752,670.52 | €6,505.70 | €- | €1,493.36 | €675.50 | €163.80 |
| % Debt/Equity | 79.49% | 74.88% | 10.01% | 459.85% | 20.01% | 22.89% | 2.53% |

Note : % Debt/Equity Ratio Calculated as follows : Long Term and Short Term Borrowings/Total Members Funds

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

Financial Services Division

ICOS FINANCES

The year 2003 resulted in a loss after taxation of €124,507 as compared to a loss of €304,010 in the prior year. In 2003 total income decreased by 1%. There was a decrease in affiliation fees, which were mainly due to a decline in livestock mart affiliation fees due to the enforced closures for three months during the foot and mouth outbreak in 2001.

The overall expenditure for the year has decreased by 11% for the year 2003. The main movement in costs has been a decrease in professional fees due to the cessation of the eastern European consultancy contracts.

There was a decrease in expenditure in Public relations, which was due to the employment of a communications officer in ICOS and the cessation of a PR contract with external consultants. Printing and stationery expenditure decreased by 20% due to the increased use of electronic communication.

Statistical Analysis

ICOS undertakes the statistical analysis of the Dairy, Mart and other sectors. The analysis is included in this report. The division prepared a detailed Budget submission for the Budget 2004 in conjunction with the co-operatives.

Pensions

ICOS continues to administer the two industry wide pension schemes:

Dairy Executives Pension Scheme
Irish Co-operatives Societies Pension Scheme

The returns from both were better than the average despite the negative trading conditions that prevailed during the year. Bank of Ireland Asset Management manages the two schemes' assets.

Grant Aid

The European Commission launched the Framework Six Programme for research and development. ICOS disseminated information about the programme and collated details for submission. ICOS also carried out information meetings with interested co-operatives throughout the country in conjunction with the Department of Agriculture and Food.

Other Issues

During the year the Division arranged seminars for the financial controllers of co-operatives. There was also a study tour organised in conjunction with the ICOS Belgian office to Brussels, which was a great success.

During the year the division also assisted in the preparation of training in financial matters for the various training programmes, which were organised by ICOS.

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

ICOS Services:

ICOS is divided into three main divisions: General Directorate/ Administration Division; Policy Development Division; and Member Development Division, all of which provide a range of services to its member co-operatives, including:

- Analysis and provision of information and advice on the national, EU and international legislative, economic and support developments in the agri-food sector.
- Development of policy and position papers on these developments.
- Representation of co-operative views at national, EU and international levels on proposed changes and developments.
- Participation, on a consultative basis, in the EU Standing Committees.
- Participation in COGECA.
- Development of overseas contacts for co-operatives, including Central and Eastern European consultancy and market intelligence.
- Preparation of rules and assistance to groups in the process of incorporation.
- Preparation of grant applications and negotiation of financial packages.
- Advice on sourcing of funds and other financial services.
- Advice on corporate issues.
- Director and co-operative leadership training programmes.
- Developing new co-operative services and enterprises.
- Organising national and regional conferences on co-operative subjects.
- Advice on industrial relations.
- Rural development initiatives.



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