

Description of the social enterprise – information sheet

Caprina de Almería SCA



A. Identification data

Location/Address of the enterprise: C/Era de los Cuarterones s/n. 04692 Taberno (Almería)

Website of the enterprise: www.lapastoradetaberno.com

This website serves 2 cooperatives: Caprina de Almería and its partner Los Filabres)

Legal organisational form: Second degree/tier cooperative formed by La Pastora de Taberno SCA and Los Filabres SCA).
SCA= Andalusian Society Cooperative

B. Good practice of the social enterprise

Aspects that recommend the social enterprise as a good practice in the particular sector:

-The principle activity of Caprina de Almería is the marketing of goat milk. The **necessity to join forces was based on the existence of a disorganized goat milk sector** of very small enterprise dimensions but geographically close, along with the almost non-existent capacity to market the product or invest in increasing quality. The similar structure of the enterprises and the common vision of how to improve the local economy in a sustainable fashion led the members to believe that a cooperative was the best instrument to carry forward their economic activity.

-it has gone through a series of cooperative concentrations and integrations **and now is part of a cooperative that is part of a very large multisectoral group, while still maintaining its objectives and commitment to its territory.**

-it has **invested in innovation in order to create new products and new markets.**

C. Context:

Year of Founding: 1983

Context of start-up – problem that the enterprise was set up to solve, economic social rationale:

Andalucía is the autonomous community/region of Spain with the highest production of goat milk. It represents almost 50% of the Spanish total (252 M liters). The growth of production in Andalucía in the last few years has been stable, and has not experienced relevant fluctuations. However, the strong pressure from the milk industry (the principle clients of the goat milk sector) resulted in falling prices, which lead 10 goat farmers of the province of Almería (inside the region of Andalucía) to market their milk together. They created a collection and refrigeration center for raw goat milk in El Puntal de Sorbas (Almería) and in 1983 they began to sell milk directly to the industry. In this way they increased the value added by avoiding intermediaries and increased their negotiation power with their clients. From these beginnings this Andalusian cooperative became the most important goat milk cooperative in Spain. Later in 2006, it increased its membership with the absorption of 3 cooperatives from Granada (Iznalloz, Guadix y Baza).

What are the Main Activities of the entity?

Caprina's main activity is the joint marketing of the goat milk of its members.

Other Activities involve:

- Sale of feed products for goats.
- Sale of veterinary products.
- Installation and maintenance of milking equipment.

- Sale of goat cheeses.

Who are the Main stakeholders (i.e. members, clients, producers, etc.)?

Caprina de Almería has 1700 members (50% women) located in the provinces of Almería and Granada. S.C.A. “Caprina de Almería” has the following clients: García Baquero Lactalis Iberia, Central quesera Montesinos, Forlactaria, Lácteos Segarra, Palancares Alimentación, Formageries Granja Rinya, Lácteos Montbru, Lácteos Romero Gozálvez, Lácteos Cobreros, Kerr France, Lácteos Caprinos, Indulac-Industrias Lácteas.

Geographic coverage with respect to: to production of services and/or goods and market/consumers or beneficiaries, clients, etc.

The cooperative sells its production principally to clients in Spain (80%) and France (20%).

D. Ownership Structure

What is the ownership structure of the entity: i.e., does the entity have shareholders, owners/members, donors, trustees, investors, etc.?

The property of the cooperative belongs exclusively to the members, there is not outside investment.

If membership, is membership open or closed? Is exclusivity required?

Caprina is a cooperative open to new members. The bylaws state that it will exclusively sell milk obtained from its members.

Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised?

The General Assembly fixes the quantity of the obligatory contributions of the new members and the conditions of their returns, harmonising the economic necessities of the cooperative and the entrance of new members. The obligatory capital is unallocated.

Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.).

Caprina has an ownership structure typical of a second degree cooperative. Each of the cooperatives (La Pastora de Taberno SCA and Los Filabres SCA) have a vote based on the activity of the cooperator, that is, the sale of milk. Concretely, the cooperative Las Filabres has more decisionmaking capacity although all decisions are taken by consensus. In each of the cooperatives the cooperative principle of „one member-one vote” is put in practice.

Describe in a few words the main benefits for members or owners.

Independently of the economic benefits that the members can obtain, such as higher prices or the increase of joint sales, the cooperative also provides a series of free services:

- Maintenance and installation of cold tanks in the member farms
- Weekly control of milking equipment, verifying and adjusting proper functioning.
- Technical advice by veterinaries regarding farm improvements, sanitary conditions, nutrition for animals, etc.
- Ecography service for pregnant animals.
- Taking of samples in case of sickness and disease for analysis by the cooperative, or if necessary in another lab.
- Sale of fuel for industrial use at below market prices.

Indicate any main changes in ownership over the lifetime of the entity.

No main changes have taken place in ownership over the life of the entity, other than a consistent increase in membership.

E. Governance

Describe the governance structure of the entity (board, management, committees, etc.), number of members and method of selection (appointed or elected and by whom).

The board of directors is made up of 5 people (max. is 7). The board members are chosen in the general assembly by a simple majority. The positions are the president, vice president and secretary. The general manager is the general manager of La Pastora, always supervised by the President of the Carprina cooperative.

Is there an entity or process for oversight of the board?

The General Assembly oversees the board, but there is no additional oversight.

Are there external independent board members?

No. However, occasionally in certain cases expert advice will be sought and they will be asked to solve/advise on a problem (without a vote).

Are there term limits for board members?

No. They can be re-elected.

What is the gender composition of the board?

20% women (1 out of 5 of the board members.)

Describe management and board salary/ compensation policies and how they are decided/determined?

The board members do not receive a salary, although they get their expenses paid for carrying out their board work.

F. Profit/ benefits/ surplus distribution policies

**Describe briefly the distribution policies and procedures for profits / benefits / surplus
Are members/owners liable for losses of entity? Describe how liability is shared.**

The distribution of cooperative benefits is in keeping with the Andalucian cooperative law. First, deductions are made for losses from prior years, 20% is destined to the Obligatory Reserve Fund (up to 50% of the capital) and 5% to the Cooperative Education and Sustainability Fund. The rest of the benefits are divided in function of the activities of the members. The losses are claimed against reserves (voluntary and obligatory) and the rest is covered by the members in function to their cooperative activity.

G. Strategy: highlight approaches adopted to address the identified challenges

Describe briefly the business strategy looking at aspects like: main products/services, market niche, market share, quality and pricing/costs and main changes occurred in time.

Amongst the strengths and opportunities of the cooperative:

- Quality of milk. There are notable differences with respect to the competition.
- The cooperative company structure is financially solid.
- The cooperative is characterized by an initiative of innovation. For example, in the previous years they have attempted to create a bifidus culture based on goats' milk.

Amongst the weaknesses and threats of the cooperative:

- There is increasing pressure from the industry to buy directly from the producer farmer. This implies that the cooperative has to implement measures and add value to maintain its members.
- Even though it is large within its sector, it still lacks dimension (in liters of milk) to be able to increase its negotiating power against the industry.

In this context, the principle strategies of the cooperative in the last few years have been to:

- Establish possible formulas of withdrawal that serves to control the decrease in prices.
- Give value to "Origin from Spain" to promote the national consumption of goat milks so as to depend less on imports from France.
- Improve internal services to maintain the membership base.
- Establish a system of programmed collection and industry sales and optimise processes and supply chain issues.
- To un-obstruct the sale of milk: develop the processing industry. For example, to develop the production of their own cheese or to process liquid milk into powdered milk.
- Continue increasing concentration with the sector.

Describe briefly the relation between the business strategy and the social mission of the enterprise. Please describe briefly the strategic partners or alliances that the enterprise has.

Caprina tries to improve the commercial performance of the cooperative to improve the income of its farmer members. As mentioned, there is a need to grow. In the last few years there have been processes of integration in other cooperative groups. In 2010 in Andalucía various agricultural groups, including Caprina, have concentrated the marketing of their product and have improved their position and competitiveness in the market. The result was the constitution of a cooperative

Productores de Caprino del Sur (Producers of Goat of the South—"Procasur"). The new entity is constituted by the following cooperatives: Agamma, de Colmenar (Málaga); Agasur(Málaga); Corsevilla, de Cazalla de la Sierra (Sevilla); Caprina de Almería, de Taberno (Almería); Nuestra Señora de los Remedios, de Olvera (Cádiz) and Ovipor, (Huelva). This new second level or federated cooperative has a turnover of 35 M € and the capacity to market 60 M liters of milk and a turnover of 20 M €. It also has more than 2,500 members and its head office is in Antequera (Málaga).

In 2014, the cooperative **DCoop**, which has a turnover of 570 M € thanks to different agricultural sectors (olive oil, 424 M €; table olives, 86 M €; supplies, 23 M €; and livestock, 31.7 M€) announced the incorporation of the first marketing

cooperative of goat milk in Spain—the second level cooperative **Procasur**. With this last concentration, a new stage has opened up for Caprina de Almería in the heart of a large multisectorial company. However, it hope to maintain a strong voice in the livestock section of this greater entity.

Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.)

The communicatin with the members is continuous and carried out by the cooperatives workers and the board of directors, as well as the general manager. They are required to collect complaints and ideas of the members. On the other hand, Caprina is an active company in its participation in sector associations. For example, it is a member of Agroalimentary Cooperatives of Andalucía. This forum allows it to maintain contact with the rest of the Andalucian and national sectors.

Innovation and key performance factors

In the last few years, it has pushed to create a parallel industry that can create employment based on the production of cheese and the processing of liquid milk into powdered mil,. These activities have created an additional 20 qualified jobs. This amount may seem small, but for an areas where there is barely young people anymore, it is significant.

Human resources - personnel

No. of employees: 37 employees (16 permanent in la Pastora and 21 in Los Filabres)

No. of volunteers: No

For Work Integration social enterprise - vulnerable employees if the case (i.e.), work integration plan/programmed used and management structure.

In this moment such programs do not exist—one could say that the cooperative itself functions as an integration enterprise because it gives work to goat farmers that most likely would not have other work.

H. Outcomes: results achieved and lessons learned

Yearly social and economic results – every 5 years since start-up, and/or the last 3 years

[Other data not available yet]

Assets (raw numbers): 4,5 M € (2013)

Capital (raw numbers): 1,2 M € (2013)

Production: 30 M liters of milk in 2013 (50% of the total of goat milk was marketed in Andalusia).

Turnover/sales: 14 M €

Profit/loss Social benefits - describe the benefit to members (membership), indicators used to evaluate the enterprise.

Basically the only indicator uses to measure the satisfaction of the member is whether they are sastisfied and the benefits obtained by the member is the average weekly selling price of the milk. This is compared with other areas of Spain, for example, Castilla la Mancha.

Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.

The cooperative Caprina has always tried to develop the economic fabric of its territory, which is basically marginalised from the traditional agricultural sector and rural tourism. There s no other relevant economic activity in the area.

I. Discussion Points: questions readers may want to consider and to discuss about it

To analyse the case it is important to be able to answer these questions:

Para analizar el caso es conveniente poder responder a estas preguntas:

- Has Caprina followed an appropriate growth strategy?
- Has being a cooperative influenced its growth?

Contact info

Address:

Email: andres@lapastoradetaberno.com

Webpage: www.lapastoradetaberno.com

Contact person: Pedro Meca Ruiz (Presidente); Andrés Aragenga Navarrete (General Manager-Gerente)

The European Commission support for the production of this publication does not constitute endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.