

Description of the social enterprise – information sheet

Dobrogea Sud Agricultural Cooperative



| A. Identification data | |
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| 1. Name of the enterprise | Dobrogea Sud Agricultural Cooperative |
| 2. Location/Address of the enterprise | Vasile Alecsandri Street, no. 1, Techirghiol, Constanta |
| 3. Website of the enterprise | www.dobrogeasud.ro |
| 4. Legal organisational form | Agricultural cooperative |
| B. Good practice of the social enterprise | |
| Aspects that recommend the social enterprise as a good practice in the particular sector. | The Dobrogea Sud Agricultural Cooperative is one of the good practices in its field due to: the fidelity of its members and their level of satisfaction; an yearly turnover of over 50.000 tons of cereals; the management, supply and delivery services for the members' farms that cumulate approx. 20.000 ha. |
| C. Context: | |
| 1. Year of Founding | 2009 |
| 2. Context of start-up – problem that the enterprise was set up to solve, economic social rationale | The Dobrogea Sud Agricultural Cooperative was founded in February 2009 at the initiative of 12 farmers (founding members) which aimed to develop and raise the farms' profitability. The future prospects of the cooperative were also understood and accepted by other farmers in the area and so, in 3 years, the number of members grew from 12 to 48. |
| 3. What are the Main Activities of the entity? | The aim of the cooperative is promote the interests of its members in conformity with the European cooperative principles. The cooperative supports the farmers by offering viable solutions for their development, aiming to acquire a visible economic differentiation between them and other farmers. The cooperative offers the following services: <ul style="list-style-type: none"> - Supplying the farms with: cereal seeds, technical plants, crops, fodder, pesticides, oil, fertilizers; - Purchasing and selling the production of the coop members; - Specialised technical consultancy |
| 4. Who are the Main stakeholders (i.e. members, clients, producers, etc.)? | The Dobrogea Sud Agricultural Cooperative's main stakeholders are its members and its providers and clients. |
| 5. Geographic coverage with respect to: <ul style="list-style-type: none"> i) to production of services and/or goods and ii) market/consumers or beneficiaries, clients, etc. | Regarding the clients and members, the Dobrogea Sud Agricultural Cooperative is address exclusively to Dobrogea region. In regard to providers and suppliers, the cooperative has partnerships and acquisitions in the whole country and even abroad. |

| D. Ownership Structure | |
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| 1. What is the ownership structure of the entity: i.e., does the entity have shareholders, owners/members, donors, trustees, investors, etc.? | The cooperative is owned by its members. |
| 2. If membership, is membership open or closed? Is exclusivity required? | The membership is open to farmers from Dobrogea region that work on at least 150 ha of land. According to the national legislation for cooperatives, a member can't be part of more than one cooperative that has the same activity area. |
| 3. Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised? | Each new member has to contribute with 1000 LEI, approximately 220€. |
| 4. Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.). | The voting distribution is one member – one vote, disregarding the size of the land registered in the cooperative. |
| 5. Describe in a few words the main benefits for members or owners. | <ul style="list-style-type: none"> - Providing the necessary inputs for crop establishment in favourable conditions for the agricultural producers; - Obtaining agricultural goods of plant origin in accordance to the market standards; - Assuring the coop members' requirements in supplying the means needed for their agricultural production; - Creating the conditions for processing the agricultural products of plant origin at the quality required by the market and consumer standards; - The valorisation of the production achieved; - Economic and social development of the rural area. |
| 6. Indicate any <u>main changes</u> in ownership over the lifetime of the entity. | Not the case. |
| E. Governance | |
| 1. 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 governance structure of the cooperative is formed of an Administration Board of 3 members that appoints an Executive Director who has as main responsibility the activity of the cooperative. The Administration Board is elected by the General Assembly of members every 4 years. |

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| 2. Is there an entity or process for oversight of the board? | The Administration Board is supervised by the censors. The General Assembly elects, every 4 years, one to three assigned censors and one to three substitute censors. The censors are not usually members of the cooperative. Also, the employees of the cooperative, their wives and close relatives until the third degree are not allowed cannot be elected as censors, and if they do, they have to resign from one of the positions. In case of vacancies, the substitute censors replace the assigned ones in order of age. If the substitute censors cannot cover the vacancies, the remaining censors can choose one of the coop members until new elections are organised in the General Assembly. |
| 3. Are there external independent board members? | No. |
| 4. Are there term limits for board members? | 4 years |
| 5. What is the gender composition of the board? | 100% men |
| 6. Describe management and board salary/ compensation policies . | The Administration Board is unremunerated. |
| F. Profit/ benefits/ surplus distribution policies | |
| 1. Describe briefly the distribution policies and procedures for profits / benefits / surplus | For the moment the profit is not distributed and is constituted in working capital. |
| 2. Are members/owners liable for losses of entity? Describe how liability is shared. | The Executive Director has the responsibility of the cooperative's day to day activity. Loses are accounted by the Administration Board, who remains accountable even after the approval of the annual financial balance and the annual discharge given by the General Assembly. |
| G. Strategy: highlight approaches adopted to address the identified challenges | |
| 1. Describe briefly the business strategy looking at aspects like: main products/services, market niche, market share, quality and pricing/costs and <u>main changes</u> occurred in time. | The cooperative's principal aim is to sell cereals, and thus to identify the best price for its members production. In regard to supplying inputs to the farms, acting as a market buyer of bigger quantities helps the cooperative to obtain better prices for each kind of supply. |
| 2. Describe briefly the relation between the business strategy and the social mission of the enterprise. | The development of the members' farms leads to improved social and economic conditions for the members and their employees. |
| 3. Please describe briefly the strategic partners or alliances that the enterprise has. | The cooperative doesn't have a favourite or strategic partner, but rather acts as a negotiator that chooses the best quality/price ratio. |
| 4. Please describe briefly the methods and practices | The cooperative informs its members and collaborators about its activity by phone, email, fax, |

| of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.) | working visits, general assemblies, symposiums, informal meetings. | | | | | | | | | | | | | | | | | | | | |
|--|---|------------|------------|------|------|----------------------|--------|---------|--------|-----------------------|-----------|-----------|-----------|-----------------|------------|------------|------------|-------------|---------|---------|---------|
| 5. Innovation and key performance factors | Transparency, fairness and seriousness. | | | | | | | | | | | | | | | | | | | | |
| 6. Human resources - personnel | | | | | | | | | | | | | | | | | | | | | |
| - No. of employees | 5 employees | | | | | | | | | | | | | | | | | | | | |
| - No. of volunteers | 0 volunteers | | | | | | | | | | | | | | | | | | | | |
| - No. of members | 43 members | | | | | | | | | | | | | | | | | | | | |
| H. Outcomes: results achieved and lessons learned | | | | | | | | | | | | | | | | | | | | | |
| - Yearly social and economic results – every 5 years since start-up, and/or the last 3 years | | | | | | | | | | | | | | | | | | | | | |
| - Assets (raw numbers); Capital (raw numbers); Production; Turnover /sales; Profit/loss | | | | | | | | | | | | | | | | | | | | | |
| - Social benefits - describe the benefit to members (membership), indicators used to evaluate the enterprise. | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>INDICATORS</th> <th>2012</th> <th>2013</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Assets (raw numbers)</td> <td>89.272</td> <td>105.478</td> <td>65.745</td> </tr> <tr> <td>Capital (raw numbers)</td> <td>1.102.866</td> <td>1.312.124</td> <td>1.831.984</td> </tr> <tr> <td>Turnover /sales</td> <td>45.532.794</td> <td>45.944.604</td> <td>61.845.014</td> </tr> <tr> <td>Profit/loss</td> <td>315.046</td> <td>214.258</td> <td>519.860</td> </tr> </tbody> </table> | INDICATORS | 2012 | 2013 | 2014 | Assets (raw numbers) | 89.272 | 105.478 | 65.745 | Capital (raw numbers) | 1.102.866 | 1.312.124 | 1.831.984 | Turnover /sales | 45.532.794 | 45.944.604 | 61.845.014 | Profit/loss | 315.046 | 214.258 | 519.860 |
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| I. Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years. | We can clearly observe the difference between the coop members and other farmers in the area, in terms of the modernisation of their farms through their rapid capitalisation. The cooperative offers a trusted, steady and on time income source, provides on time, at advantageous rates and of a high quality the necessary raw materials for the production, and also ensures on time payment of its financial obligations. Through all these actions, the cooperative has a great contribution in raising the producers' influence on establishing the prices in the relation with the buyers. | | | | | | | | | | | | | | | | | | | | |
| J. Discussion Points: questions readers may want to consider and to discuss about it | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> The establishment of agricultural producers in associative entities leads to new opportunities for the economic development, by attracting local or regional advantages and by using the collective power to increase the prosperity of individuals, their families and their local communities. | | | | | | | | | | | | | | | | | | | | | |
| Contact info | | | | | | | | | | | | | | | | | | | | | |
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| Webpage | www.dobrogeasud.ro | | | | | | | | | | | | | | | | | | | | |
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