



Co-operation can triple farmers' incomes



SERBIA
ŠABAC



BRIEF DESCRIPTION

Agro Iris was founded in 2016 by the Initiative for Development and Cooperation (IDC), an NGO, with financial support from the Austrian Development Agency and the City of Šabac. The town lies on the Sava river 80 kilometres west of Belgrade.

Agro Iris aims to raise the incomes of fruit farmers in Western Serbia by making available four mobile dryers and professionalising the processing and marketing of fruit. This allows the 20 co-operating farmers to capture a much higher share of the added value of their production by comparison with selling the fruit straight off the tree.

The farmers provide the high-quality raw material, while the enterprise provide mobile dryers, controls the production process, and processes and markets the final product. The fruit is sold under the Zadruga ('Co-operative') brand, and comprises dried plums in 200g packages, dried pears in 150g packages and apple chips in 40g packets. The product is marketed as 'home-made' and no artificial sweeteners, flavourings or additives are used.



GOVERNANCE MODEL

Agro Iris functions as an agricultural marketing co-operative. The key stakeholders are agricultural households, which are selected through public calls organised by the Directorate of Agriculture of the City of Šabac along with Agro Iris representatives. These 'cooperators' have to fulfil certain conditions.

However 100% of the company's capital is held by the Initiative for Development and Cooperation, and so the general meeting only has a single member, IDC. This appoints a supervisory board consisting of three members, which in turn appoints, and may dismiss, the director.

Each year, farmers sign a contract with Agro Iris which specifies the prices that will be paid, quantities to be delivered, roles and responsibilities. Both parties share the responsibility for quality, sales and turnover. This motivates the farmers to involve themselves in the decision-making process.

Customers are very satisfied and so far none has stopped buying from Agro Iris.

Agro Iris sells to 40 supermarkets and health food shops in ten cities in Serbia, as well as on the web. In 2018 it signed a contract with the country's largest supermarket chain, Delhaize Serbia, which should expand distribution to a further 400 sites. It will also diversify the product range to include vegetables such as beetroots, squashes, peppers, tomatoes and green beans.



Each year Agro Iris returns 70% of its profit to its suppliers. The farmers are thus sub-contractors to the enterprise, but are not formally members of it.

The enterprise was founded by a five-strong team that had been working since 2002 on welfare, employment and social enterprise issues. It comprises an executive director, a food technologist, a marketing expert and two business consultants. In addition it has a wide network of associates and partners. The product is packaged by a work integration social enterprise, Novitas Consult Šabac, which employs 19 people with various disabilities.

Stakeholders are involved through various conferences, workshops, social media, print media and television.

The enterprise collects, but does not publish, data on its social impact, and is working to improve this.



START DATE:
2016



LEGAL FORM:
Limited company (LLC)



N° EMPLOYEES:
5 (+19 in packaging sub-contractor)



SOCIAL IMPACT

The farmers who market their produce through Agro Iris achieve higher prices – often up to three times what they would receive selling individually. This increases rural incomes, promotes local development, and reduces rural depopulation. Agro Iris co-operates with 20 farmers, which represents a beneficiary group of 100 people including their families.

Agro Iris also provides packaging work for 19 disabled people working for the work integration social enterprise Novitas Consult Šabac.



STRENGTHS

- Increased incomes for farmer members, and better standard of living for rural population
- Growth potential
- A business model which is easily transferable to other fruit and vegetable-growing regions. This could benefit 500,000 farmer in Serbia.



WEAKNESSES

- Small scale of production

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