



Production of the organic cocoa in the amazon: a case study of the amazon organic products cooperative - COPOAM

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Abstract

This article aims to show the results and discussions of the exploratory descriptive research carried out by the Cooperative of Organic Products of the Amazon (COPOAM), which is composed of cocoa producers part of agricultural families cooperative located in the Transamazon Highway region, state of Pará. The main purpose of this research is to illustrate the producer's strategies towards production and marketing of organic products. This work also demonstrates the cooperative's market expansion based on its formalized contracts and sustainable development practices, which can stimulate initiatives that promote the good use of natural resources in the Amazon, as well as participatory management of the territory. Such actions contribute to local development in a needy and anthropized region.

Keywords: Amazon. Cooperativism. Cocoa. Organic Production.

Introduction

The Law No. 5,764 / 71, defines Cooperatives as societies of persons, established to provide services to members, who reciprocally undertake to contribute with goods or services for the exercise of economic activity for common purpose without profit intentions. This way it fulfills its role in the economic and solidarity development for both the partner producer and the community, once it is required at least 20 (twenty) cooperatives to create a unique cooperative.

Cooperativism is considered a philosophy of life and socioeconomic model capable of uniting economic development and social welfare. The fundamental references of cooperativism are: democratic participation, solidarity, independence and autonomy. The system is based on gathering people and not the capital. It looks after the needs of the group and not the profit. It seeks collective prosperity rather than individual prosperity. These differences make cooperativism the socioeconomic alternative that leads to success with balance and fairness among the participants (OCB, 2016). According to Souza (2009), the increase in unemployment and the increase in social exclusion, establishes cooperativism as an alternative to employment, income and social inclusion.

After several attempts in southern Brazil in 1891, the first cooperative was registered in the country, the Association of the Telephone Company Cooperative, in Limeira, São Paulo. However, this process was only consolidated with the arrival of the German, Italian and Japanese immigrants who established themselves in the south and south-east of the country. Later on, in December 19, 1932, the Decree No. 22,239, established the First Organic Law of Brazilian Cooperativism (REISDORFER, 2014).

By the end of the 19th century, several branches appeared; Such as credit, production, service, agriculture, and health cooperatives, among many these ones stood out. In 1907 in the state of Minas Gerais, the first Brazilian agricultural cooperatives were registered with the intention of having their production marketed directly without mediation of middlemen (OCB, 2016). Agricultural cooperatives were emerging in southern Brazil as well, especially in communities of German and Italian descent whom were aware of the European co-operative norms. (GONÇALVES, 2005).

The agricultural cooperatives are already present in all regions of Brazil. They have gained recognition for being responsible for most of the exports of food products as well as its capacity of supplying the internal market. This type of cooperativism in its majority is of mixed cooperatives, which can be classified as purchases and consumption at the same time. Therefore, it can offer great options of services such as: technical assistance, storage, industrialization and commercialization of the products, social and educational assistance to the members, leading to the strongest cooperativism branch in Brazil today. (GONÇALVES, 2005).

In the Amazon region, specifically in the State of Pará, cooperativism began in 1912 with educational cooperatives. In 1914 with the decline of the rubber production, the Anonymous Responsibility cooperative Ltda. was founded. "The rubber tree of Pará" was the first agricultural vegetal exploration cooperative of the state. Nowadays the state has more than 500 cooperatives from the most varied sectors (OCB / PA, 2016).

Cooperativism provides rural producers with a perspective of a better quality of life. Based on self-management and transparency, members choose a direction to be represented, and can participate in administrative decisions based on equal conditions to all, thereby practicing direct democracy.

Methodology

A case study methodology was adopted for this research due to the derived patterns of the qualitative research with an exploratory descriptive character (BEUREN,

2006) in order to present the management strategy of a cooperative from its foundation to the present time.

The natural environment was used as the main tool of the qualitative research as source of elements for the projection of the study. This included visits, interviews, participation in meetings and exchange of knowledge with the selected sample. It was conducted from December 2015 to March 2016.

Results and discussion

COPOAM is part of the Xingu Transamazon Organic Production Program, also known as the Organic Cocoa Program, implemented by Fundação Viver, Produzir e Preservar (FVPP) (Live, Produce & Preserve Foundation). This program began in 2005 with the aim of developing integrated methods to establish sustainability bases for family agriculture in the region. In 2007 the FVPP, the Executive Committee of the Cocoa Farming Plan (CEPLAC) and the German Technical and Social Cooperation Service Deutsche Entwicklungsdienst (DED) joined the program. The main principles of the program are: organic certification and fair trade, promotion of quality, development of cooperativism, family farming, collective and direct sales, differentiated price formation and supply, long-term partnerships with buyers and encouragement of production and local products marketing (FVPP, 2011).

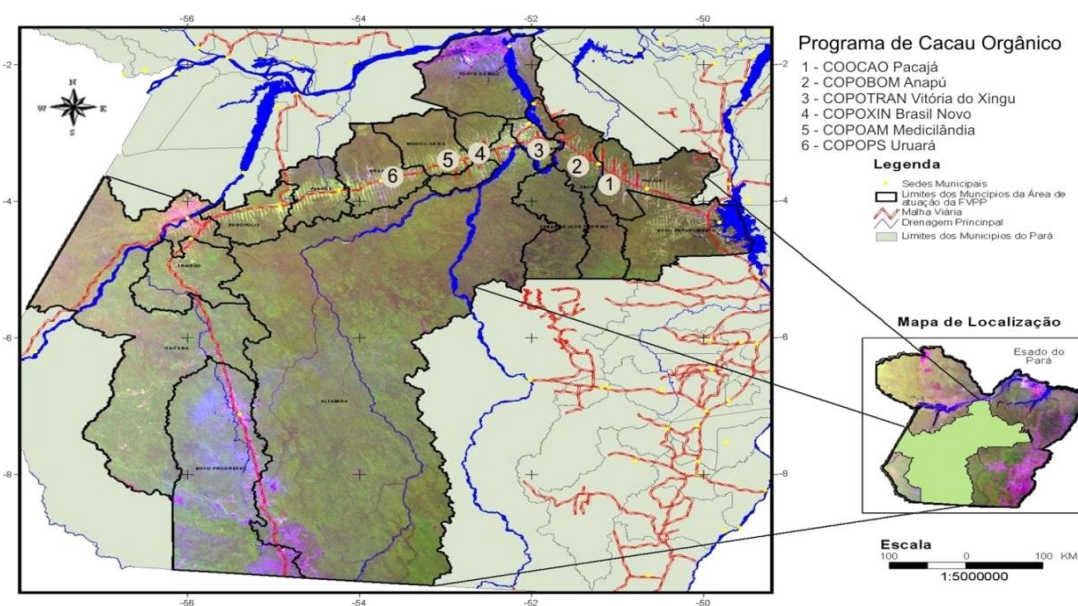


Figure 1 – Location of the organic production program

Source: Search Data, 2016.

Nowadays six cooperatives are part of the Organic Production Program distributed in 400 (four hundred) kilometers in the axis of the Transamazon highway, encompassing the municipalities of Pacajá, Anapú, Vitória do Xingu, Brasil Novo, Medicilândia and Uruará. As described in figure 1.

The president of the Cooperative, in an interview, said that the beginning of the discussions for the foundation of the Cooperative in Medicilândia took place in the mid of 2005 with some producers from these counties and an agronomist, consultant in agroecological systems of the German Service of Technical and Social Cooperation (Detacher Entwicklungsdienst, DED), introducing the topic of the organic production program in the region. One of these discussions is illustrated in Figure 2. This is also a record of the first debates for the foundation of COPOAM.



Figure 2 – Presentation of the Organic Production Program in Medicilândia - km 100 north Agrovila Miguel Gustavo in December 2005

Source: Organic Production Program, 2016.

COPOAM is one of the cooperatives of rural producers of the program, founded on March 2nd, 2006 with headquarters in the Transamazon Highway Km 100 North - 10 kilometers from Medicilândia, in the Southeast Region of the State of Pará.

With an initial membership of 20 partners and 17 properties, an area of 701.4 hectares of cocoa plantation, it currently has 26 partners and 18 properties, with an area of 436.1 hectares of certified cocoa. Each COPOAM member has a code for identification, as shown in figure 3.

COPOAM is the cooperative that has the largest area in the Transamazon and Xingu organic production program. Counting 1313.1 hectares certified as organic and fair market, which production is 317.62 tons of cocoa. In relation to the planted area, the properties are quite heterogeneous, 4 producers with large areas plant between 60 to 100 hectares, 3 medium producers about 20 to 59, and 10 small farms less than 20 hectares.

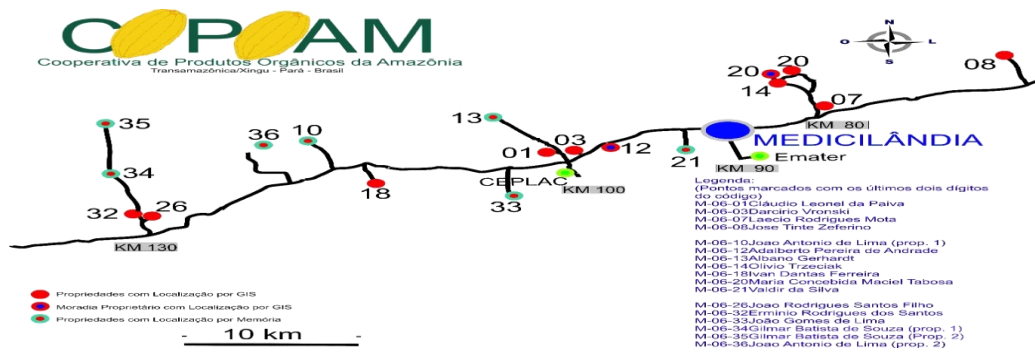


Figure 3 – Location of properties along the Transamazon Highway that belongs to COPOAM

Source: Organic Production Program, 2016.

The properties are dispersed along the Transamazon Highway and in some communities in Medicilândia, counting 25 years of land occupation, since these farmers moved to the region when the Highway was opened.

COPOAM focuses on the commercialization and production of organic cocoa, aiming at stimulating the socio-environmental, socio-cultural and resource potential of the region. Its actions are based on the solidification of the organic production model in line with the precepts of social, economic and environmental sustainability, producing continuous effects and reducing socioeconomic inequalities, through the aggregation of the value allowed by this certified organic production model, guaranteeing inclusive practices and the sustainable use of natural resources, since it is rightly in balance with the environment and protection the Amazonian biome.

The first actions of the cooperative were conduct from two (02) seminars on production system, certification and marketing of certified organic products, in addition to training workshops for cooperatives in the area of work safety and cooperative management.

According to chapters V art.27 and art.28 of the current statute, the organizational structure of COPOAM is divided into;

- Administrative Council with four members,
- Fiscal Council with six members- three effective and three alternates.

The fiscal council meets every three months in a forum where they are debated to provide account, allocation of net leftovers or losses, as well as daily matters. Cooperatives, however, meet whenever necessary, and the discussions involve accountability, social issues, organic certification, fair market, collective marketing or any other topic the assembly may find it relevant.

This is how the guidelines, strategies, projects and activities of COPOAM are defined. The meeting time and records are registered digitally by the director of the cooperative, printed and filed together with meetings and assemblies attendance book. However, the cooperative does not have a head office; therefore the meetings are held in the rural family houses in Medicilândia or in the house of the president of the cooperative.

In the cooperative norms it is stated that 30% of the governing bodies must be women. Thereby, they have overcome the barrier of individualism (which weakens small producers) and male chauvinist because women participate in the decision-making process, and they have a vote in the assemblies of the cooperatives and have often allied the traditional knowledge of production to the new forms productive technology and management.

Women compose great part of the labor force employed in agriculture, among many, cooperativism, a rural development strategy, is an ally in the inclusion of women in the decision-making and power environments, once it sets principles of mutual support, responsibility, democracy, equality, fairness and solidarity. (LEAL; COTRIM, 2013).

Along with the management process, the COPOAM cooperatives carry out direct democratic participation and promote a new form of sociability, as well as producing a pedagogical praxis that contributes to the training of adults and young people.

The average youth people participation is still relatively low, only about 12 young people are part of the cooperative, they are partners' children, children of agricultural partners or from the community. Figure 4 presents a training meeting for cooperatives, agricultural partners and young people learning about the production of cocoa.



Figure 4 – Workshop for sustainable cocoa production and cooperative partnership for COPOAM's agricultural partners and young partners

Source: Organic Production Program, 2016.

The cooperative also counts on the support of the technical team responsible for certification and the internal control system that carries out the follow-up and dissemination of the internal inspections in the cooperatives.

The certification is collective, aggregating other five cooperatives involved in the organic production program. Monitoring occurs during inspections where a technician accompanies the certifier's inspectors. After the internal and external inspections are concluded, there is a meeting to discuss the results of the inspections in the cooperative.

The Organic Certificate is issued by IMO-Control (Institute of Ecological Market) which is a company that has been active since the beginning of September 2001 in

Brazil with its headquarters located in São Paulo. This company is dedicated exclusively to the inspection services and certification of environmental and social quality control systems, with emphasis on organic agriculture (PLANETA ORGÂNICO, 2016). Until 2014, the IMO issued the fair markets certificate, however in 2015 changes were made as the international market was requiring FAIR TRADE certification issued by the fair market certifier FLO. The certification process is slow and it is still in progress. Currently the Cooperative holds the organic certificate for the Brazilian, European and American Market.

The cooperative acts with several methodological tools of internal control, which are; Inspection report, production traceability process, annual planning, CLGI (Local Internal Management Committee), CCGI (Central Internal Management Committee) and the Internal Control System (SCI) that contributes to the consolidation of the cooperative movement. SCI is an important tool for both the cooperative and the producer, since the system details everything the producer has to observe in his production unit. In addition to respecting the rules of organic production and fair market, there is an ICS manual to be followed, and this is a relevant requirement to satisfactorily develop fair and organic certification within the cooperative, as well as helping to organize the work of producers enrolled in the certification program. The manual contains cooperative data, tables of responsibilities of members and board of directors, data of internal inspectors, norms for inclusion and exclusion of members in the cooperative, risk analysis, sanctions, general principles, organic production standards, records and documents of the among others. The manual is updated annually.

The Cooperative follows principles that encompass the respect and appreciation of cooperative principles: a) race discrimination; B) gender; C) religion; D) naturalness or political position in the selection and hiring of workers are the main ones. The cooperative does not accept children under 14 years old working in agricultural activities. Only 14 to 18 years old age group are allowed in activities not considered painful by the official entities, and that does not harm the school learning because programs of learning and professional formation are prioritized by the cooperative. The cooperative only hires workers with a work permit or a harvest contract, paying workers not less than the minimum wage required. At the same time, the workers are trained and provide equipment for the proper and safe management of machines and equipment involved in productive activities.

Generally, COPOAM's members commit to respect the Brazilian Environmental Legislation and the rules of organic agriculture, together with fair market principles, and the environmental legislation in the statute, which is still available in the cooperative's ICS manual.

Many co-workers explained the difficulty of adding new members. The understanding permeates not only the fact of the individualism inherent to human rationalism, but the lack of profile of the producer for organic production, since most traditional producers have the culture to use chemicals in their plantations.

Organic production adds value to the production and to the improvement of the quality of life of the producer, as this will be unaware of the risks of using chemical pesticides, and will be a defender of nature and maintainer of sustainability for future generations.

It had been perceived in the speech of many cooperatives the perspective and the valorization of the collective, beyond new forms of sociability. A rich experience in the full Amazon agricultural frontier region.

Despite this experience, until the date of the present research, it was verified that all the existing structure of the cooperative belonged to the Program of Organic Production that today is the reference center of this production. This provided until then the necessary conditions for the processing and standardization of cocoa beans for commercialization.

COPOAM commercializes most of the program's production, offering to renowned national companies (NATURA; BARRY-CALLEBAUT; HARALD), and international, mainly the European market and Austria.

The research reveals that the first partnership was held with Barry-Callebaut. This company prepared a contract that dealt with the purchase of the cocoa production in the conversion of the cooperative in 2006 and 2007.

In 2007, COPOAM participated in a meeting in Belém / PA, where a representative of the cosmetic company Natura Cosmo Benevides-PA was also present. This led to the first contact that induced a contract to buy organic cocoa from the cooperatives. Later on in 2008, Natura launched the first cocoa soap made with the cooperatives product.

Also in 2007 Helmut Weis consultant on agro ecological systems of the Deutsche Entwicklungsdienst (Deutsche Entwicklungsdienst (DED) made the first negotiations with the ZOTTER Chocolates factory in Austria, so that the following year the first exports to the European factory were made. Such export only occurred in partnership with Amazon Fruits, as it did not have all the legal documentation to carry out the export. However in 2009 the cooperative managed to overcome these barriers and exported directly to them. In the same year, the factory launches Labooko Brasilien chocolates 35% (Figure 5).

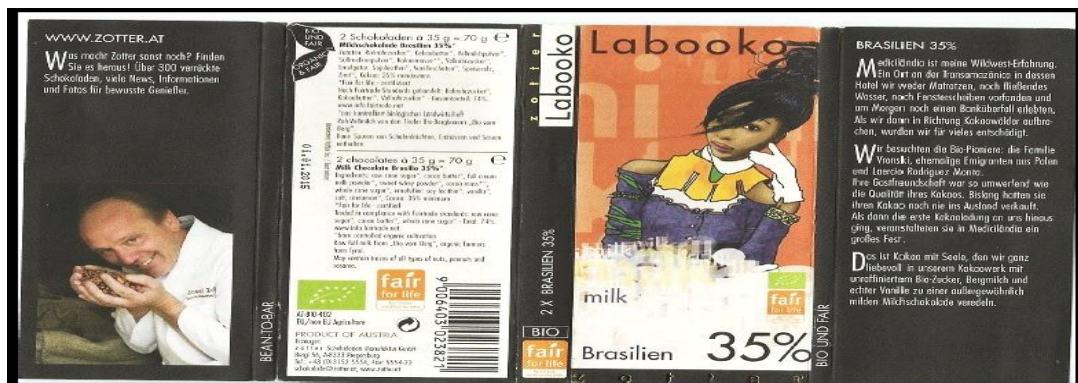


Figure 5 – ZOTTER Chocolates factory packing, made with cocoa from COPOAM cooperatives

Source: Organic Production Program, 2016.

Another important partner is the Harald Company, becoming the cooperative partner's in 2011 from an on-site visit of Mr. Ernesto Harald, owner of various cooperative properties. The first cocoa purchase was launched in 2013 and in 2014 the first

chocolate of Amazon origin was launched, together with the other six cooperatives of the Organic Production Program.

During ten years of existence, the cooperative participated in fairs and events with BIOFACH Latin America- in São Paulo, BIOFACH World- in Germany (figure 6), CHOCOLATE FESTIVAL- in Paris in France, Chocolate Festival in Belém and many other regional and local fairs of cocoa production.



Figure 6 – Participation of COPOAM in the World BIOFACH in Germany

Source: Organic Production Program, 2016.

Conclusion

In the merger of this cooperative system, the commitment and participation of the majority of the cooperative members was notable. The integration of efforts becomes paramount for the consolidation of any project developed in the most different sectors of the economy, whether related to agriculture, industrialization, commercialization, credit or service rendering. In a cooperative society, it is important to share common goals and results.

COPOAM's experience in its ten years of market activity evidences a promising example of management in cooperativism in the Amazon region. The experience of establishing a cooperative with a foundation in strengthening social relations among members of the cooperative, valuing equality and transparency, together with cocoa organic production in the region, based on family farming, represents a success story

Nevertheless, many more things can be improved, especially in the strategies of self-management, related to the cooperative education of the members themselves. The model is promising, since it provides indirect and direct gains to the small rural producers, inserting them in the market, offering a new philosophy of life as the organic production presents itself as an expanding world market and the potential model of local economic development.

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