Table S3 – An overview of advantages and disadvantages of cooperative membership1

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| **Benefits / Opportunities** | **Constrains / Risks** |
| *Financial resources and processing infrastructure* |  |
| Cooperatives can:provide pre-financing to cover production and harvest costsprovide access to collectively-owned processing infrastructurepool resources to improve collective processing infrastructure and equipmentprovide assistance in applying for collective and individual public subsidiesprovide financial security nets (loans in times of crisis, insurance) | Producers bear substantial responsibility, including:collective financing of running, maintenance and upgrading costscollective liability in case of non-fulfillment of contractual arrangementsThis can imply that:private investment capacity may be substantially reducedproducers may have to mortgage their individual assets to raise sufficient capital |
| *Agricultural extension* |  |
| Cooperatives can foster improvement in coffee quality and quantity by:providing information, technical assistance or support in kindseeking Fair Trade and organic certificationfacilitating organic conversion | In conventional / organic systems:lack of resources prevent access to agricultural extension methodsIn organic systems: conversion is primarily funded by producers themselvesmeeting high organic quality standards is more labor intensiveproducers incur penalties if they do not meet these quality standards |
| *Market integration* |  |
| Cooperative can facilitate better commercialization conditions by:negotiating with buyers better prices by pooling members' coffee harvestnetworking with other cooperatives to pool coffee harvest and seek larger contractual arrangementsseeking connections with Fair Trade, organic and advocacy networks | Difficulties in establishing collective contractual arrangements imply delays in the payment of pre-financing and harvest.The fulfillment of sale contracts may force cooperatives to compete with other buyers for local coffee at higher prices than those negotiated within the cooperative.The integration in the export (conventional / Fair Trade / organic) market requires substantial resources, which are co-funded by all producers.If, despite certification, the cooperative does not manage to sell its coffee in Fair Trade / organic markets, producers receive only marginal gains against investments |
| *Management and decision making* |  |
| Cooperative members can:receive information on cooperative management issues (e.g. budget, production status, international prices)take part in strategic cooperative management decisions (e.g. level of pre-financing, price at which the coffee is bought internally, decisions on investments)become part of the management team (which rotates among members) | Cooperative management:restrict individual strategies (e.g. commitment to sell coffee harvest to the cooperative can prevent producers to sell at higher prices to private intermediaries)require attendance to assemblies and meetings (which demand resources and time)can lead to dependence on technical advisersPoor management can result in:lack of transparency in cooperative decisionstop-down decisions (e.g. through malfunctioning participation mechanisms)misuse of cooperative resourcesdistrust and disloyalty |
| 1: Table S3 is based on the analysis of the coded interview transcripts. It synthesizes the information on benefits and opportunities of cooperative membership, as well as constrains and risk, as perceived by cooperative members, representatives and advisers of the cooperative mentioned in the text, but also from independent producers, who either wish to enter cooperative or on the contrary left. | |