



PHOTO: LAND O'LAKES VENTURE37

# IMPACT OF COVID-19 ON AGRICULTURAL COOPERATIVES

Four [Cooperative Development Program \(CDP\)](#) implementing partners - [Equal Exchange](#), [Global Communities](#), [NCBA CLUSA](#) and [Land O'Lakes Venture37](#) - studied the impact of the COVID-19 pandemic on 89 agricultural cooperatives across 8 countries. Data for this study was collected over three rounds (May, June and July 2020) to assess how cooperative operations adapted over time due to COVID-19. Below is a summary of their findings.

COUNTRIES STUDIED	
	KENYA
	MADAGASCAR
	MALAWI
	MEXICO
	PARAGUAY
	PERU
	RWANDA
	TANZANIA

**83%** OF COOPERATIVES PROVIDED THEIR MEMBERS WITH **COVID-19 HEALTH AND SAFETY INFORMATION**

HALF OF THE COOPERATIVES IDENTIFIED **ACCESS TO FINANCE** TO COVER REVENUE LOSSES AS THEIR MOST SIGNIFICANT NEED

**31** OUT OF **89** COOPERATIVES REPORTED **LOWER INCOME**

THE WORST IMPACT FOR **47.6%** OF COOPERATIVES WAS REDUCED OPERATIONS

## FINDINGS BY CATEGORY

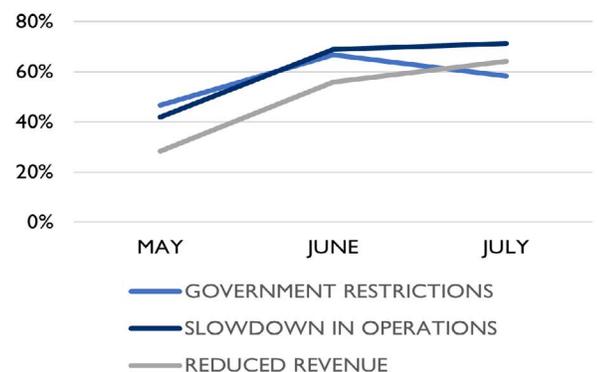


### PRODUCTION, MARKETING AND SALES OF AGRICULTURAL COMMODITIES

The same three impacts have been cited by the majority of cooperatives across all three survey rounds: government restrictions on activities, slowdown in operations due to mobility restrictions and reduced cooperative revenue. Both slowdown in operations due to mobility restrictions and reduced cooperative revenue continued to increase as the pandemic progressed.

Additionally, all of the horticulture cooperatives surveyed reported reduced revenues. Coffee cooperatives, especially in Peru, remain the most impacted by government restrictions and slowdowns in operations.

IMPACT OF COVID-19 ON COOPERATIVE OPERATIONS





## HOUSEHOLD ECONOMICS

The three most severe impacts of COVID-19 on individual members and their families were:

1. Lower household income
2. Delayed payments from the cooperative to members for products and services
3. Difficulty acquiring necessary personal protective equipment (PPE)



## SUPPORT TO COOPERATIVE MEMBERS

Only cooperatives in the coffee value chain experienced increased illnesses or deaths of cooperative members over the course of the study. In the third round of data collection, a major impact for maize cooperatives was reduced contact with the cooperative and cooperative members.

All but one of the 89 cooperatives surveyed provided COVID-19 related services to their members. These services included:

- Disseminating important health and safety information (66.3%)
- Providing PPE (40%)
- Identifying sources of additional support, such as grants and loans (28%)
- Developing new operating procedures to maintain safety of staff and members (38%)



## COMMUNICATION AND ACCESS TO QUALITY INFORMATION

As trusted sources of information, most cooperatives reported receiving and communicating critical COVID-19 guidance to their members.

- Received information from the government on maintaining social distancing (93%)
- Shared information on personal safety measures their cooperative members in Round 3 (83.1%)
- Provided this information through phone/SMS (74.2%)

## RECOMMENDATIONS

The most urgently needed support for cooperatives in response to COVID-19 include: access to finance to cover revenue losses (50%); coaching to shift business strategies and operations (36%); and access to technology to maintain business operations (33%). To support cooperative businesses moving forward, donors and non-governmental organizations should:

- Facilitate access to financial assistance, such as low interest loans, or performance-based grants.
- Create linkages with microfinance institutions to increase sustainable project financing.
- Work with market intermediaries to recover pre-pandemic market linkages and formalize market channels that were established in response to COVID-19.



**VIEW THE FULL STUDY FROM [LAND O'LAKES VENTURE 37](#).**

QUESTIONS? CONTACT USAID'S COOPERATIVE DEVELOPMENT PROGRAM AT [LOCALSUSTAINABILITY@USAID.GOV](mailto:LOCALSUSTAINABILITY@USAID.GOV).