

Transport

A Self Study Guide for Members and Staff of Agricultural Cooperatives

LESSON ONE: Managing your transport system



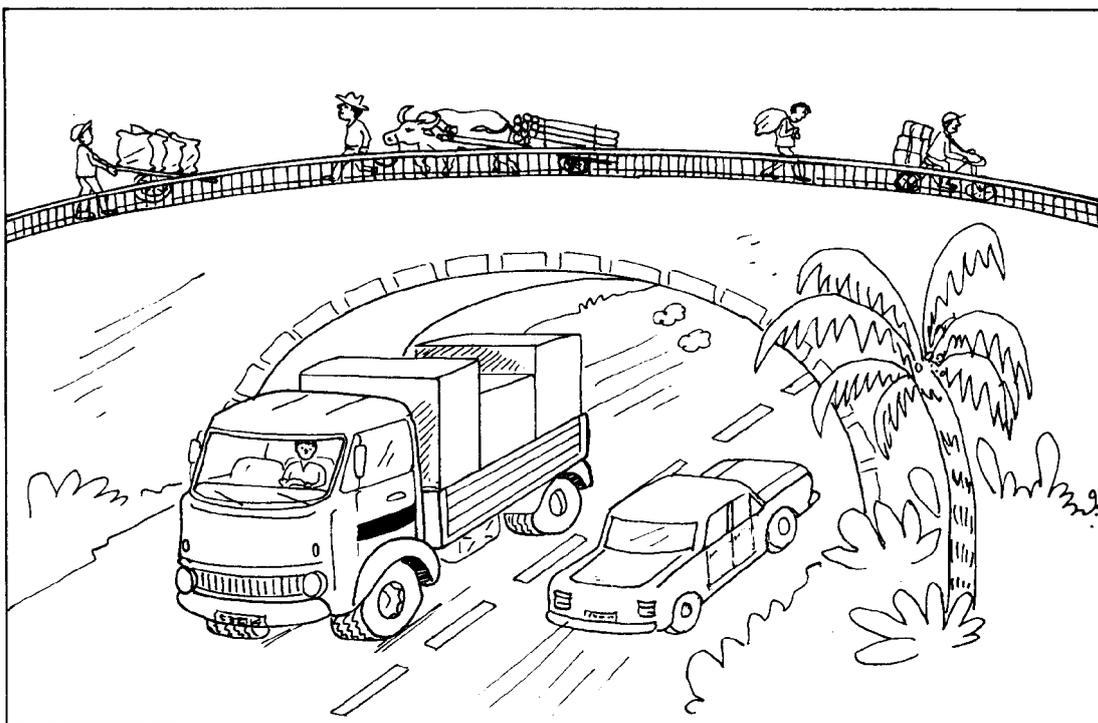
Objective: To introduce the issues and alternatives that agricultural cooperatives face in relation to transport decisions.

For most agricultural co-operatives, providing transport is a very important service; for many it is also a problem.

Consider the tasks involved:

- transporting crops from member farms to the co-operative;
- transporting produce from the co-operative to its customers;
- transporting seeds, fertiliser and farm equipment from suppliers to the society's store;
- transporting these supplies from the society's premises to the farms of members;
- transporting staff.

Some co-operatives carry out all these services; others provide none. Some societies purchase large, up-to-date motor vehicles for transport; others hire vehicles as needed; still others rely on the more traditional means of transport, utilising hand, bullock or horse-drawn carts.



To most co-operatives today, "transport" means motor vehicles. This can be readily justified by the management:

"In our society there is so much to be transported that we definitely need to use trucks. Our members would complain if they had to use carts or carry heavy burdens. That is old-fashioned and very slow. No, less labour and more machinery is our solution to transport problems! If our members had to arrange for transport themselves, we would have to add the cost of delivery to the price we pay them for their crops. By using our own trucks, we save money on that, as well as on collection and distribution of farm supplies. Our members certainly benefit from our transport services and so does our staff, in terms of time, cost, and convenience."

On the other hand, good arguments still exist for the "old fashioned" approach. A co-operative without trucks might argue:

"We leave it to our members and to our suppliers to make their own arrangements for deliveries to us. Members bring in their crops and collect their farm supplies at our warehouse. Moreover, our staff do not mind using bicycles or public buses for travel. We do not want to tie up a lot of money in expensive vehicles; we believe it can be better used. We also think the management of modern transport is very difficult - some societies have bought big trucks and have nothing now but problems. They can't find spare parts or they don't have the money to pay for repairs, petrol or drivers' wages. So what's the point in owning a truck if it only causes problems and expense? We believe in our old-fashioned system. It is cheaper, more flexible and doesn't take any special skills to keep going."

The success of a co-operative depends on the efficiency of its services, its economy and the well-being of its members. Transport is probably the worst-managed service of any cooperative. It is also the service most easily improved if the society can select the right transport and manage it properly.

This study guide will help you improve your transport management. Before you read further you should review carefully the tasks of transport your co-operative now provides.

Answer the questions on the next page. They will remind you that on-going evaluation is part of a manager's job. What an organisation does today is not necessarily what it should do tomorrow.



1. Who provides transport in your co-operative for:
 - a. crops from members' farms to the co-operative
 - b. produce from the co-operative to the buyers
 - c. farm inputs from the suppliers to the co-operative
 - d. farm inputs from the co-operative to the members
 - e. staff travel?
2. Could any of the above transport tasks be performed better, less expensively and more effectively than at present?
3. Your co-operative may now be responsible for some of the above services. What would happen if the society were to stop providing these? Who would take over the transport? What would the consequences be?
4. What is the approximate cost for transporting 1 ton of produce 1 km:
 - a. if you hire transport?
 - b. if you use the co-operative's own vehicle?
5. Explain the consequences if some goods your society now transports by truck were transported by animal drawn carts instead.
6. Suggest ways you and your staff could reduce your own travel costs when visiting members, suppliers, banks, customers, etc.
7. What do you understand by "misuse" of transport? Give some examples of misuse of co-operative transport facilities which you have observed.