

ARE CO-OPERATIVES A WAY TO INTEGRATE SMALL FARMERS IN SUPPLY CHAIN NETWORKS? PRELIMINARY THOUGHTS ON HUNGARY

by

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Abstract

Vertical coordination in agri-food chains is a significant and increasing phenomenon in Central and Eastern European Countries (CEEC). It has been observed that this development prefers large scale production. However, the agricultural sector is still a mixture of small scale and large scale farming in these countries. Hence, for small scale farmers, horizontal collaboration can be assumed to be a prerequisite for remaining in the market. Therefore, the goal of this paper is to investigate whether co-ops are appropriate means for integrating small farmers into modern supply systems. Further, we want to analyze how cooperatives can cope with the quality demands they face in modern distribution channels.

Key words: supply chain network, cooperative, CEEC.