

THE NEW ZEALAND DAIRY COOPERATIVES' ADAPTATION TO CHANGING MARKET CONDITIONS

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Journal of Rural Cooperation, 35(1), 2007:43-70

Abstract

This article examines the market conditions, the strategies, and the organizational structures of agricultural cooperatives. Based on the growing literature on cooperative organizational models, it is expected that the new organizational patterns in the New Zealand dairy cooperatives in the early 2000s are a consequence of market changes. Case studies of the three cooperatives are conducted, focusing on the organizational structures in terms of collective versus individualized attributes. The dissolution of the New Zealand Dairy Board created new market opportunities for the cooperatives. Hence, the co-operatives had reason to develop new market strategies, and in order to pursue these well, they changed their organizational structures. The observations indicate that more liberalized and open markets require cooperative organizational models with more individualized traits.

Key words: Cooperative, Dairy, New Zealand, Fonterra, Market strategy, Organizational model.