

## **Role of Agriculture Cooperatives as a Farmer-Based Organization in Sri Lanka: A Case Study in Morawak Korale Tea Producers' Cooperative Society**

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Agriculture cooperatives are considered as one of the most successful cooperatives in the world. They are also considered as Farmer Based Organizations (FBO). Successful FBOs are engaged in crop production and processing, value addition, and marketing activities. Such entities provide a vast array of services to the members such as capacity building, supply of inputs, credits, resources and extension services, processing, value addition, marketing, welfare, disbursement of profits etc. Morawak Korale Tea Producers Cooperative Society (MKTPCS) is the only cooperative belonging to a tea-growing community in Sri Lanka. Studies have revealed that many FBOs do not produce expected results. This study attempted to examine the role of MKTPCS as a Farmer Based Organization. Data were gathered from key stakeholders comprising of cooperative officials and its members through qualitative interviews. They were analysed using standard qualitative methods (Coding and Thematic analysis). Results revealed that MTPCS provides marketing facilities for the products of the members'. It earns profits and transferred to the members in the form of bonuses and various forms of welfare facilities. The production support system, such as the supplying of inputs and credit operate very effectively. However, the extension service is not in a satisfactory level in certain clusters. Due to the structural issues and lack of legitimate power, zonal committees are unable to perform a significant role in this system. The management is unable to link the ordinary members to the cooperative through the zonal committees. Certain conditions in the Cooperative Societies act No. 5 of 1972 (as amended) suppress the self-reliance state of the MKTPCS as an FBO. The members are the shareholders of the cooperative, and all the members have equal voting rights in decision making. MTPCS processes the members' primary products as a producers' organization, and the members strongly believed that the cooperative activities have positively affected on their lives. It is recommended that the present structure should be changed into the two-tiered federated structure with the decentralization of power into Zonal Committees.

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