

# THE TERRITORIAL COOPERATIVE SYSTEM OF THE TRENTO PROVINCE

Out of a population of 500,000 inhabitants, the Province of Trento (Italy) has about 270 thousand people associated in over 540 cooperatives of the territory. In addition to generating increased income arising from production activities and broad access to quality services, the Trento cooperative system ensures stable employment to about 20,000 people.

The cooperatives of Trento territory, thanks to their roots throughout the province and to their action in almost all economic and social sectors, have built up an organic and complex system, which allows to respond effectively to local needs and access to national and international opportunities.

This cooperative system has been built over time, showing its ability to evolve towards ever more ambitious goals. The late nineteenth century, in 1893, the first consumer, credit and agricultural cooperatives were born in response to the difficult socio-economic situation of this mountainous territory: agricultural crisis due to the fragmentation of lands and the backwardness of the ways of cultivation, industry meltdown and emigration of the population to the cities. In 1895 it was founded the first Federation of Cooperatives that combined the first 50 cooperatives of the territory.

In 2000 this Federation, from catholic origin, merged with the Trentino League, socialist-inspired, creating a single organization, the [Federazione Trentina della Cooperazione](#) which links most of the cooperatives and is the only entity legally recognized and representative of the local cooperative movement. This merger has significantly enhanced the impact of the cooperative system in the territory.

Another important aspect of the system is represented by Consortia of cooperatives, the second-level structures that collect on a provincial scale companies within the same sector. The Consortia allow cooperatives to overcome the limitations imposed by the small size and tackle in a competitive market, acquiring the necessary common services. Even small farmers can participate in the creation of products and high quality brands.

The third structural feature of this system is its ability to act in a wide range of strategic sectors for local development. In particular, [cooperatives operate in the following sectors.](#)

## Credit unions

The sector involves 125,000 members, 43 rural banks operating through 372 branches and 2,300 employees. They are the banks of the local community, close to the saver. The high number of branches of rural banks (active in six out of ten municipalities) helps





ensure a widespread service throughout the province. The credit of Rural Banks can be accessed not only by individual savers and families, but also by small and medium-sized enterprises, individual enterprises, self-employed persons, associations and non-profit entities, which form the economic fabric of the territory. The cooperative credit system, in fact, directs a large share of household savings towards supporting the local economy. The Rural Banks also participate in the growth of local communities by supporting associations and organizations operating in the cultural, sporting, recreational and social field.

### Consumer cooperatives

The sector involves 108,000 members, 76 companies with 364 stores and 1,800 employees. In 204 towns, the cooperative sale point is the only shop selling food products at low costs. Where private operators, looking for cost-effectiveness, often have closed their stores, consumer cooperatives, due to economies of scale and to their social function, provide this service to consumers. A [second level Consortium of cooperatives](#) deals with the distribution of products and the management of selling services.

### The fruit and vegetable sector

With its 30 million fruit trees and 10,000 hectares, the area produces apples, strawberries, raspberries, blackberries, blueberries, currants, cherries and plums. The 32 fruit cooperatives produce 458 million kilos of apples and 6 million kilos of other products, including fruits and vegetables. Members are more than 7000, employees are 1,500 and the turnover stands at 473 million euro. To best meet the changing needs of the market, the fruit cooperatives have created Consortia of second level, who manage large facilities for fruit storage, with refrigerated cells and equipment for quality workmanship. The Consortia are in turn grouped in the [Association of Fruit and Vegetable Producers from Trentino](#), third-level cooperative structure that coordinates the entire fruit and vegetable sector.

### The wine cooperatives

The wine cooperative sector includes 7,300 members, 17 wineries and 500 employees, 1.05 million tons of grapes and 10,033 hectares of vines, with a turnover of 404 million Euros. More than 90% of the produced grapes is given to cooperative wineries, which have a capacity of cellaring that exceeds one million hectoliters. The cellars withdraw and transform grapes by shareholders, commercialize wine and remunerate the producers based on the realized price, net of processing and management costs. The cooperative wineries have determined the qualitative improvement of viticulture, encouraging members to focus on precious varieties, selected on the base of characteristics of the soil, taking into account the weather conditions and gradually replacing the varieties of poorer quality.

### The livestock cooperatives

The [Provincial Federation on Breeders](#) constituted as an agricultural cooperative, represents the selection and improvement center of local cattle. The Federation is divided into 11 Valley Unions, bringing together almost 1,200 members. It offers assistance to its members in all technical and genetic choices about cattle, organizes auctions, exhibitions of products, and other commercial services.

### The dairies cooperatives

The sector counts 18 cooperatives, 900 members and over 300 employees. The cooperative dairy farms manage the processing of most of the milk produced by dairy herds, more than 114 million liters of milk per year and uses a payment system that rewards the quality



of the milk conferred. Part of this milk is transformed by the cooperative structures in different types of traditional cheeses. Another part is used for the production of yogurt and fresh drinking milk, pasteurized and long-life. The sector turnover is 106 million euro.

### **Work, social services and housing cooperatives**

This complex sector includes 300 cooperatives, more than 25,000 members and provides employment to more than 11,000 people. It includes the production-worker cooperatives, service cooperatives, social cooperatives and housing cooperatives.

The Trentino Federation of Cooperation operates through periodic *System Pacts*, planned and approved by the shareholders, to ensure the coordination of the various sectors and to cope with changes of reality. Today this cooperative district represents a relevant innovation in Italy and also internationally. Every year, delegations from different countries visit the cooperative of Trentino Federation, to learn the secrets of success and to establish collaborations for the future.

### **To know more**

[Federation official website](#)

[Cooperazione Trentina in Facebook](#)

[Stories.coop – International Cooperative Alliance ICA website](#)

[Stories.coop Video](#)

[Il movimento cooperativo trentino negli ultimi 10 anni.pdf](#)

[Article in Austratemuco.cl](#)

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