

From the roots of InVivo in 1945 to the present day

The singular history
of a major cooperative player
in French agriculture

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**“ The future belongs to those
with the longest memory. ”**

FOREWORD



These words from the philosopher Friedrich Nietzsche (1844-1900) are particularly apposite with regard to the paradox of our contemporary world.

A world dominated by the short term, where individualism is held up as a model and where our opaque vision of the future is deconstructing our economy and stirring panic in the heart of a population that has lost numerous points of reference.

But also an effervescent, multicultural and interconnected world, one in which people are looking for meaning, turning to their identity and exploring their roots, a world drawing on the richness of its civilisations.

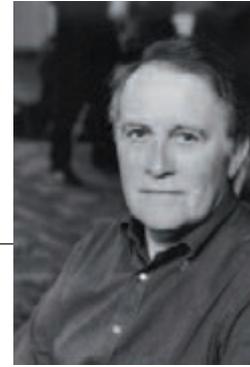
The same would seem to apply to our cooperative movement, built on shared paradigms many of which we have lost from view.

And therein lies the strength of this book, which tells the story of the men who have organised and developed French agricultural cooperation since 1945. They joined in unity to eventually give rise to InVivo. They led key battles for the future of farming in France and internationally. They showed all of their abilities as builders and entrepreneurs. And they succeeded in sharing their collective ambition and bringing people together around common values, overcoming personality clashes, structural problems and antagonistic regional and economic interests.

Forging bonds between generations of cooperative players is one of the tasks of our companies. Because looking in the rearview mirror is not simply about nostalgia or historical curiosity. It is about putting the present into perspective and taking the time to think things over before taking a decision, the aim being to lend more meaning to our actions and cultivate a spirit of endeavour.

Philippe Mangin
Chairman of InVivo

PREFACE



“ And so the past controls the present. If we seek to explain the physiognomy of modern rural France, we shall find that the antecedents of nearly every feature recede into the mists of time. ”

Marc Bloch – “Les caractères originaux de l'histoire rurale française”.

I hope that this book by Sylvie Gousset and Arnaud Berthonnet will be read widely in the agricultural world and, above all, beyond that world, because what they tell us about what men can do applies to all human endeavour. From their significant and lavishly illustrated work on the eventful and – for novices at least – complex history of the large farming unions, I would like to look at a few key findings that could serve us well today.

First among these is the effectiveness of loyalty. As this book so ably shows, since Fourier and Owen the founding principles have not changed. A cooperative in essence is about farmers organising themselves and submitting willingly to the most demanding democratic rule. This form of organisation has been used to preserve family-production structures and to foster a highly original form of “governance” in which the producers themselves are elected as directors. Most of these latter have been wise and clear-sighted, as seen in the portraits of the best-known chairmen, assisted by extremely capable colleagues attracted to these original and humanist enterprises.

The respect for individuals and collective debate did not keep cooperatives from playing an active role in the modernisation of French agriculture after the Second World War. They disseminated technical advice and provided farmers with the seeds, fertilizers and machinery that underpinned the great leap forward in our farming sector. In so doing they took full advantage of their unique model, with the producers themselves, through their cooperative bodies, deciding on their own modernisation and working collectively to that end.

And the results were impressive. In less than 30 years, France went from being an importer of agricultural products to a consistent and powerful exporter. The authors clearly show how the move towards the market and international business was a constant priority for the heads of the large unions, which invested in the equipment needed to make this new and adventurous step in the presence of French producers on the world market. Through to the birth of InVivo, which was the culmination of the alliances and mergers made by the unions in their drive to create a globally sized group, the ground they covered is extraordinary.

This impressive progress was accompanied and backed by the public authorities, from the major farming laws of the end of the 19th century to the present, regardless of the political party in power. This is because all the political parties believed deep down that farming cooperatives, whether descendants of the Mac Mahon or La Fayette groups, are part of the “original features” of French agriculture and that they deserve the attention they have received because they have played a decisive role in safeguarding and protecting the health of our agriculture, which is and long will be one of our greatest national interests.

Times change, of course, and today we are faced with new limits and new demands stemming from changes in society, as part of globalisation, global warming, and the attention the population now pays to the environment. But the large unions are already taking these aspects on board in their objectives and their relationships with producers, leading them on to new practices and techniques and new forms of support and organisation. This flexibility, borne out in the numerous personal accounts related in the book, is also specific to the cooperative model. This is because it is more in touch with changes in society than purely capitalist structures, with their single-minded focus on the siren calls of the stock market and investment funds.

Remaining true to one’s origins and convictions is not about protecting them unchanged through the ages. It is about continuously adapting them to the changing world so that they continue to inspire people to action. This seems to me to be the essential lesson of this impressive and eminently useful book, which I hope will achieve the success it deserves.

Henri Nallet
Former Minister of Agriculture

The war destroyed countless agricultural holdings, giving rise to widespread supply problems. Quite simply, French agriculture had to be rebuilt. To that end, Agriculture Minister François Tanguy-Prigent wanted cooperatives to play a key role in the country's farming policy. More specifically, he wanted to set up a single union at national level organised by branch of activity. The national union of agricultural supply cooperatives, UNCAA, was founded on 25 May 1945, followed on 8 August by the national union of agricultural grain cooperatives, UNCAC. The men running this entity, dubbed the “Mac Mahon Group”, came from a range of political backgrounds, those with the highest profiles from the “radical” and secular left.

The Ramadier Act of 30 August 1947 on the status of cooperatives once again made it possible to create farming unions in activity branches. Cooperatives with more conservative and religious leanings grouped together to create the general union of agricultural supply cooperatives, UGCAA, in 1947 and the general union of agricultural grain cooperatives, UGCAC, in 1948. These unions were referred to as the “La Fayette Group”.

The union of agricultural cattle feed cooperatives, UCAAB, was founded in Champagne in 1951. UCAAB's shareholders included the aforementioned rival unions. These five unions form the historical roots of the InVivo group.

The Mac Mahon and La Fayette cooperative groups (whose names were based on their respective Parisian addresses) contributed in parallel and sometimes in unison to the extensive modernisation of French agriculture in the 1950s and 1960s fuelled by the Marshall Plan, signed in 1948. The grain unions invested in the purchase and modernisation of large-capacity silos, UNCAC in La Grande Paroisse in 1955 and UGCAC in Gennevilliers in 1958. These acquisitions reflected their confidence in the growth of France's production and export capacity.

A time

of founders

(1945-1961)

Part one



Chapter I

Cooperation and cooperatives

The emergence and development of a universal model

Well before the utopian socialists Owen and Fourier dreamed up their “phalanstery” communities, a group of peasants from the Auvergne, known as the Quittard-Pinon, came together as part of a farming community near Thiers... back in the ninth century. The community included up to 60 members and would last until 1835. It was only in the nineteenth century that a lasting cooperative spirit would develop in Europe, paving the way for the first major unions and agricultural cooperatives, formed before the war and after the liberation of France.

Charles Fourier and Robert Owen establish the fundamental principles of the cooperative

THE COOPERATIVE MOVEMENT is the result of centuries of thinking and ideology. Its roots go all the way back to Antiquity and draw on utopian ideas. From Plato down to Thomas More, Henri de Saint-Simon and Pierre-Joseph Proudhon, thinkers had thought long and hard about what constituted an “ideal” fraternal society. In 1825, the Welshman Robert Owen (1771-1858) founded a cooperative community in the United States, in New Harmony, Indiana. The community proved a dismal failure and came to a swift end in 1829, when Owen, now destitute, left the New World to return to Great Britain. Meanwhile, in France, Frenchman Charles Fourier (1772-1837) invented the phalanstery community in 1829. His idea would inspire others, including Victor Considérant, who founded his own phalanstery in Texas in 1855, and Jean-Baptiste Godin, who did the same in 1859 in the town of Guise in France. Owen and Fourier, the founding fathers of European socialism, set forth the fundamental principles of the cooperative, based on the ideas of association, voluntary service, democracy and non-profit.



The first “proto-cooperative” experiences were those of the socialist utopians Charles Fourier and Robert Owen.

But according to historical tradition the story of the cooperative really began with the founding of the Rochdale Society of Equitable Pioneers in northwest England in 1844. On 21 December of that year, 28 weavers from the town of Rochdale established **six rules** for reconciling the cooperative ideal with healthy management. The appearance of the first modern cooperatives in England in the mid-nineteenth century was linked to a specific economic and social context. Their emergence owed as much to a defensive reaction as to an attempt to take back the means of production and control market access. Also crucial was that most of the cooperatives at the time were founded by weavers, i.e. people who worked at home and were the first to be impacted by the economic changes resulting from the Industrial Revolution.

After Rochdale, socialist ideals spread through Europe, where the cooperative movement somewhat unexpectedly picked up steam in Germany. Compelled by his experience of the dramatic food shortages of 1847 and 1848, Friedrich Wilhelm Raiffeisen (1818-1888) set up cooperative bakeries to bring down the price of bread. He also launched the first rural credit cooperative in 1864. The new movement, fully in line with the Rochdale Principles and encompassing purchase, sales, production consumption and credit cooperatives, took hold in Germany before stepping over the border into Belgium and France.



■ **England, 1844.**
The Rochdale Society of Equitable Pioneers set forth the fundamental principles of the cooperative.

The model was based on six main rules:

- Open membership
- Democratic control (one person, one voice)
- Distribution of surplus in proportion to trade
- Payment of limited interest on capital
- Cash trading (no credit extended)
- Promotion of education.



The overwhelmingly secular history of the farming cooperative – free membership, acapitalistic and democratically governed – draws on the widespread cooperative movement of the second half of the 19th century.



fairness

Une des valeurs fondamentales de l'esprit coopératif.

IN FRANCE, COOPERATIVES HATCHED *EN MASSE* UNDER THE THIRD REPUBLIC. Production cooperatives were outnumbered by consumption cooperatives, which counted 800,000 members before 1914. In 1884, 29 women production worker associations created the advisory chamber of women production worker associations, which in 1937 became the general confederation of women production worker cooperative societies, or SCOP. For the first time, the cooperative movement in France was organised with the support of moderate socialists and republicans. The International Cooperative Alliance was formed in 1895 and went on to become the flagship of the cooperative movement.

vidual farms were too small for the task they formed a cooperative system whereby the cheese wheels were distributed in proportion to the amount of milk contributed. It was only at the dawn of the nineteenth century that other cheese producers finally copied this model, in Savoy.

It was at this time that community systems started to break up, owing to the Le Chapelier Act of 14 June 1791 outlawing corporations and also to France's Code Civil (1804), which gave legal form to the concept of individual property. With the focus now on individual freedom, farmers would spend the next 100 years in almost complete self-sufficiency.

Charles Gide, spiritual son of utopian socialists and community-minded thinker

Charles Gide was born in Uzès in the south of France in 1847 to a magistrate father. He defended his thesis on "The right of association in religion" at the Faculty of Law in Paris in 1872. As a professor of social economic in Bordeaux, he taught a course on the law of organisations and the freedom of assembly. He joined the cooperative movement and infused it with the thinking that would lead to the creation of the École de Nîmes, baptised as such in opposition to the liberal Manchester School. He gave a course on farming cooperative associations at Collège de France in Paris in 1924-1925.

It was at this time that **Charles Gide** (1847-1932), long-standing leader of the cooperative movement in France and social economy theorist, set about trying to create a third way between economic liberalism and an all-powerful State. For Gide, solidarity was the principle and cooperation and association the means.

After the First World War, cooperatives spread far and wide. Four main types of cooperative can be identified among the many founded during this period:

- consumption cooperatives;
- housing cooperatives;
- women production worker cooperatives;
- cooperatives in farming, credit, supply, distribution and other services.

Trade unions and farming cooperatives started developing in France in 1880 against a backdrop of economic depression

Apart from the Quittard-Pinon community, one of the first examples of a large-scale farming cooperation was the "Fruitières" (or "Cheese-makers") group in Comté in the thirteenth century. Living in the Jura and Franche-Comté in eastern France, these farmers pooled their milk to make gruyère wheels. As mountain-dwelling livestock breeders, they needed a cheese that would keep a long time and so they started producing large wheels, each one requiring up to 500 litres of milk. Because their indi-

Jules Tanviray's idea of a pooled purchasing union to fight against fraud and bypass intermediaries

In 1883 farmers had neither the skills nor the means to fight against the escalating fraud in the fertilizer trade. But by grouping their orders, they could negotiate better prices and submit for a modest sum samples to independent laboratories for analysis, and so choose the best fertilizers. While the purchasing union remained an intermediary that in no way took the place of the farmer, it did serve to control the quality of products.

Six months after creation, the Loir-et-Cher farmers union counted 315 members in 80 communes. It would later give rise to the La Franciade cooperative, a founding member of the UNCAA and UNCAC and one of the components of the present-day cooperative group Axéreal, an InVivo member cooperative.



International Labour Organization statistics from **1937** show that **810,000** cooperatives were in place in **103** countries, comprising **143** million members. Of the total, **83%** were farming cooperatives, the majority in India and the USSR.

FARMING COOPERATIVES MADE THEIR RETURN IN FRANCE IN THE 1880s. Their comeback was spurred on by technical, economic and social circumstances. First, the Waldeck-Rousseau Act introduced in 21 March 1884 authorised trade unions. A year earlier, on 7 July 1883, the first farming union was set up by Jules Tanviray, an agriculture professor in the Loir-et-Cher *département* (central France). It was the first “pooled purchasing union” for certain inputs and a forerunner of the supply cooperative that would develop 40 years later. Other pooled purchasing unions followed in the wake of Tanviray’s. In 1890 some 648 agriculture unions were up and running in France, with 234,000 members. By 1900 those numbers had increased to 2,069 unions and 512,000 members.

During this period, Jules Méline (1838-1925) introduced a protectionist policy to safeguard the country against international competition. The Act of 11 January 1892 devised by this staunch defender of the farming cause, who would go on to become president of the Chamber of Deputies and minister of agriculture in his own government (1896-1898), was to keep French farming dependent and “State-assisted” for a long time. This protectionist stance, upheld by all the governments of the Third Republic, delayed the modernisation of French agriculture. Méline also advocated going “back to the land”, the title of one of his books (*Le retour à la terre*), published in 1905.

The first wave of globalised trade that broke at the turn of the century brought with it significant social and economic changes. Farmers as a block constituted a sort of “clientele”,

whose fate was in the hands of public notables, themselves under the sway of political parties. Two major political movements, a Christian-informed right (“white”) and a radical socialist left (“red”), battled to win the votes and the influence of people living off the land, the largest demographic in the country and the one with the most traditional way of life. The bipolar political, social and religious landscape of this period would make a strong mark on the history of trade unions and farming cooperatives.



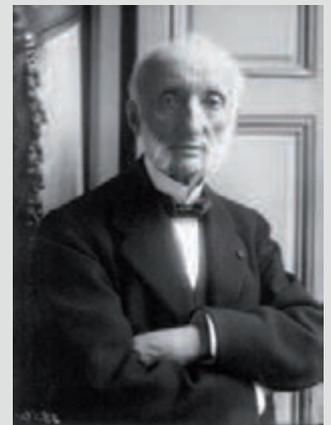
Cooperatives have often been created in response to serious farming crises and to enable farmers to switch professional activities, as in Charente (western France) following the phylloxera outbreak in 1890.

1892,

Jules Méline opts for customs protection

The Act of 11 January 1892, generally referred to as the “Méline Tariffs”, was introduced to protect France from international competition, particularly imports of lower-priced North American grain. The Méline Act made foreign products subject to a maximum general tariff in the absence of a specific agreement and to a minimum tariff reserved for countries having signed an agreement. The Act served to over-protect French agriculture, making it reliant on State aid and less dynamic. Germany took the same tack, while the British maintained their free-trade policy and the Danish and Dutch adapted to the situation by modernising their agriculture.

A republican from the moderate right, he introduced the Order of Agriculture Merit in 1883.



French agricultural representation organises at the end of the 19th century

In 1867 Édouard Lecouteux (1819-1893), a farmer, professor at the National Agronomy Institute and chief editor for the *Agriculture Pratique* journal, founded the French farmers' society, SAF, at 8, Rue d'Athènes in Paris. The SAF, a conservative and even anti-republican institute at the start, grouped representatives from the nobility and upper-class land-owning population, Christian in belief and recruited through co-optation. By 1878, the "Society of Dukes and Marquis", as it was dubbed by opponents, counted 3,500 major land-owner members. In 1886 it created the central syndicate of farmer unions in France, UCSAF, a forerunner in farming mutualism and trade unionism.

Seeking to remain entirely independent of the State and public authorities, UCSAF stressed the pre-eminence of trade unions. The bodies created by UCSAF – cooperatives, mutual societies and credit unions – remained completely subordinate to it. In 1934 UCSAF became the national union of farming syndicates, UNSA, and moved to 18, Rue des Pyramides in Paris, the headquarters of the general association of wheat producers, AGPB, set up in 1924.

THE REPUBLICAN CAMP RESPONDED IN 1880, countering SAF and later UCSAF with the creation of the national society for the promotion of agriculture, SNEA, on an initiative from the

republican Léon Gambetta (1838-1882). SNEA was headquartered at 5, Avenue de l'Opéra in Paris. Secular, republican and with close ties to the public authorities and Agriculture Ministry – created on 14 November 1881 by Gambetta himself and separating farming from trade – SNEA grouped senators and MPs from the French republican government and relied on the central and regional agriculture services, particularly agriculture professors in *départements*. It also brought together graduates from secondary and even further education, some of them agronomy and agriculture engineers, backing the cause of modern agronomy. SNEA was marked by the spirit of the "physiocrats", i.e. the heirs of the encyclopaedists and Enlightenment thinking.

■ 8, Rue d'Athènes (Paris, 9th arrondissement)

This legendary address in French farming trade unionism since 1867 still houses the headquarters of SAF in 2013. The building was rebuilt in 1967.



blocks

In the years after the First World War, one in two farmers was concerned by the activity of one of the competing farming organisations.

The French farmers' society, SAF, conservative and close to rural religion

The initial members of SAF, notably from the nobility and the magistrature, sought to spread their doctrine on liberal social action throughout French society. In the inter-war period, UCSAF brought together union heads from the right, independents/farmers, liberals, monarchists and representatives from the Church in strongly Catholic regions.

Leaders of the movement since 1930 include:

- **Henri d'Halluin** (1897-1985), known as Henry Dorgères, was a man of letters, a talented speaker, a charismatic leader of farmers' causes and a monarchist. He served as an MP for the Ille-et-Vilaine *département* (western France) from 1956 to 1958.
- **René Blondelle** (1907-1971), a farmer from the Aisne *département* (East of France). Despite a stint at the "Corporation Paysanne" farmers' organisation during the Vichy period, he was elected secretary of the national federation of agricultural holdings unions, FNSEA, in 1946 and then its chairman in 1949. He was subsequently elected to the permanent assembly of agriculture chambers, APCA.
- **Robert Mangeard** (1900-1996) and **Jacques de Bohan** (1934-2005) were successive chairman of the "La Providence Agricole" farming cooperative in Reims (East of France), which has since become Champagne Céréales.



■ 129, Boulevard Saint-Germain (Paris, 6th arrondissement)

Over 100 years with the same location and trade-union philosophy, FNMCA, which has owned and occupied the address since 1910, has changed its name and evolved but has never moved! It became the national federation of agricultural mutualism, cooperation and credit, FNMCCA, in 1953 and then, in 1955, the national confederation of mutualism, cooperation and farming credit, CNMCCA, which was still headquartered at 129, Boulevard Saint-Germain in 2013.



In 1908 SNEA gave rise to the national federation of farming cooperatives in production and sales and to the federation of regional banks of credit unions, followed in 1909 by the federation of farming unions. In 1910 these groups united as the national federation of agricultural mutualism and cooperation, FNMCA, which set up shop at 129, Boulevard Saint-Germain in Paris, where it bought the building. This address would go on to make history.

FROM THAT POINT ON, THE TWO REPRESENTATIVE BODIES OF FRENCH AGRICULTURE – the right-wing SAF and the left-wing SNEA – would be referred to by their respective Parisian addresses. Albert Viger (1843-1926) was the first chairman of FNMCA, from 1910 to 1926. Viger, a physician, was a prominent figure in the radical socialist left, former minister of agriculture and senator for the Loiret *département* (central France). The

choice of Boulevard Saint-Germain was no accident. The building was located between the Senate and the Chamber of Deputies, this latter the seat of representatives from the rural *départements*, some of whom loyally backed the activities of “Boulevard Saint Germain”.

From inception, the farming cooperatives set up to help farmers adapt to changes in economic and technical conditions banded together either at Rue d'Athènes or Boulevard Saint-Germain (playing into the eternal Parisian battle between Rive Droite and Rive Gauche!). The two entities would long be locked in combat both in people's minds and on the ground.

FNMCA, a republican and radical socialist group with a range of political sensibilities

The heads of FNMCA generally came out of the “republican” movement of the 1890s and consisted of secular – and even anti-clerical – individuals as well as radicals, radical socialists, socialists and communists.

FNMCA leaders since 1930 have included:

- **Jacques Benoist** (1881-1967), a farmer, radical socialist senator for the Eure-et-Loir *département* and initiator of the national interprofessional office for wheat in 1936;
- **Henri Queuille** (1884-1970), a radical socialist, who held several ministerial positions between 1920 and 1952 and three-time Board chairman. From 1935 to the introduction of the Vichy regime, and then again from 1945 to 1960, he was chairman of FNMCA, which in 1953 became the national federation of mutualism, cooperation and farming credit and in 1955 CNMCCA;
- **Marquis Gaston Le Vaillant du Douet de Graville**, nicknamed the “Marquis Rouge”, a farmer in Normandy and mayor of the town of Bernières from 1929 to 1970. A descendant of Admiral Louis de Graville (1438-1516) and son of a right-wing deputy of the Third Republic (1876-1881), he served as secretary general (1953-1960) then chairman (1960-1968) of FNMCCA. He was a member of the Economic and Social Council and a signatory of the Treaty of Rome in 1957.



Henry Queuille was appointed agriculture minister 11 times under the Third Republic.



A leading player in French farming, the “Marquis Rouge” played a vital role in the post-war period at 129 Boulevard Saint-Germain.

Towards the cooperative financing of agriculture

Jules Méline (1838-1925) and **Albert Viger** (1843-1926) made a significant mark on agriculture during their ministerial terms.

On 5 November 1894, the “Méline Act” authorised the formation of **Crédit Agricole Regional Banks**, tasked with facilitating loans for financing farming production.

On 31 March 1899, the “Viger Act” encouraged local banks to group together as **Crédit Agricole Regional Banks**.

ON THE EVE OF THE FIRST WORLD WAR, THE FARMING WORLD IN FRANCE WAS SPLIT INTO TWO POLITICAL AND UNIONIST BLOCKS. One, Rue d'Athènes, with its traditional religious attitude, conservative politics, independence from the public authorities, and decentralised organisation structure, saw farming unions as the main players in professional organisation. The other, Boulevard Saint-Germain, with its secular, republican and Jacobin approach, considered cooperatives as a means to economic emancipation, independent from any trade union supervision. However, other, specialised national cooperative federations emerged at the time – including for dairy farmers (1930) and wine producers (1932) – with no links to the two approaches mentioned above.

The staccato rise of the French farming cooperative movement can be put down to a series of farming crises and economic problems. The severe outbreak of phylloxera that destroyed a number of French vineyards between 1863 and 1900 led to the appearance of the first wine-producing cooperatives. Over-production of grain in 1932-1933 hastened the formation of grain storage cooperatives. The First World War and the crises of the 1930s called traditional liberalism into question and resulted in more State intervention, especially in farm management.

And so the organisation of the wheat market occurred in fits and starts. An initial move came in 1933 in the shape of a law setting a minimum price for wheat. But with no coordinating body, the law failed to produce the desired effects. It did however stimulate the creation of a number of storage cooperatives. France had been importing wheat since the reign of Louis XIV, with the USA becoming the main supplier in the 1870s. Domestic wheat productivity was low and yields increased very slowly, from eight quintals a hectare in 1830 to 13 in 1913.

“Cooperatives are the only good organism in the entire capitalist regime. We must maintain them at all costs. , ,

Lenin, after the Bolsheviks took power.

1918,

Decimated farming population

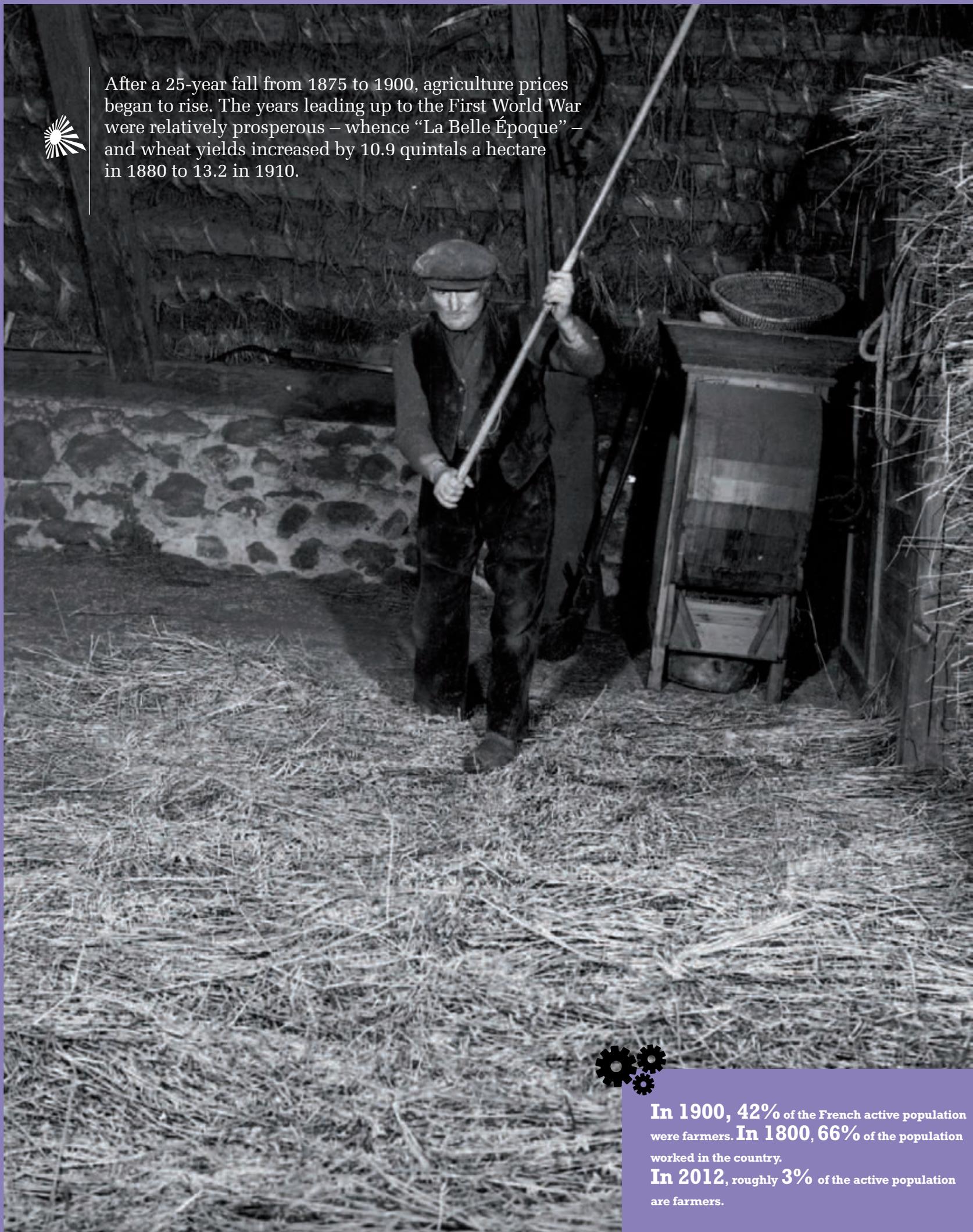
Of the 3.7 million French farmers mobilised during the First World War, 673,000 were killed and 500,000 disabled for life. The farming population lost over 1.2 million active workers. Countless farmers changed jobs and the rural exodus reached unheard-of levels over four years.

The French farming population was weakened and shaken by the First World War.





After a 25-year fall from 1875 to 1900, agriculture prices began to rise. The years leading up to the First World War were relatively prosperous – whence “La Belle Époque” – and wheat yields increased by 10.9 quintals a hectare in 1880 to 13.2 in 1910.



In 1900, 42% of the French active population were farmers. **In 1800, 66%** of the population worked in the country.
In 2012, roughly 3% of the active population are farmers.

Everything changed in 1936 with the creation of the national interprofessional wheat office, ONIB, which fuelled the rise of the grain cooperatives. The new body comprehensively changed the way the market was regulated. In late 1936 there were “just” 800 grain cooperatives in France. By 1939 the total number of farming cooperatives had soared to 6,000 and 7,000, more than 1,200 of which were grain cooperatives. The first multi-business regional groups were beginning to take shape, but political, ideological and economic matters co-existed purely at micro-economic level, based overwhelmingly on local concerns.

FARMING COOPERATIVES BECAME MORE STRUCTURED IN THE INTER WAR PERIOD. By 1939 France had two national unions grouping the country’s supply and grain cooperatives, namely the national union of agricultural groups and the national union of wheat sales and processing cooperatives. Both were dissolved during the war.

organi sation



ONIB: the oldest intervention agency in the farming sector

The national interprofessional wheat office, ONIB, created by the Act of 15 August 1936, initially held a monopoly on exports and imports and the inspection of intervention assignments through the intermediary of authorised collectors. ONIB was financed by taxes. The set-up, which gave a stronger role to grain cooperatives, allowed the grain sector to catch up with others such as wine and milk. ONIB’s first chairman, from 1936 to 1940, was Henri Patizel (1871-1960), chairman of the agricultural cooperative for storage and milling in Vitry-le-François (eastern France). In 1939 ONIB had 1,238 member cooperatives with a storage capacity of 22 million quintals.

Having extended its scope of activity, ONIB changed its name to the national interprofessional grain office, ONIC, on 17 November 1940.

From the “Charte Paysanne” to the birth of the first large farming cooperative unions (1940-1945)

FOLLOWING DEFEAT BY GERMANY, THE FRENCH SIGNED AN ARMISTICE ON 22 JUNE 1940 that brought Philippe Pétain to power. The hero of Verdun embodied the French political right. Steeped in agrarianism, Pétain advocated the return “back to the land” and the renaissance of the country-dwelling population. One of the Vichy government’s first decisions was to dissolve all unions through the Act of 2 December 1940. The legislation, called “Charte Paysanne”, set up the national farmers’ corporation, which served as an outlet for the ideas of the national syndicate of farming unions, UNSA, formerly UCSAF.

This policy was implemented by young men such as Jacques Le Roy Ladurie (1902-1988) and Louis Salleron (1905-1989), the man who inspired the model. The corporative federation of grain cooperatives was created in 1941 through the forced merger of the union of wheat cooperatives, UCB – set up on 27 January 1929 by Rue d’Athènes – and the national federation of storage cooperatives, a Boulevard Saint-Germain initiative. This all-encompassing federation, chaired by Jean Viaux-Cambuzat, was disbanded after the liberation of France. Other corporative federations of cooperatives were set up in supply, milk, fruits and vegetables, and the shared purchase and use of farming equipment.

The Act of 4 September 1943 set forth a clear definition of the farming cooperative. While it was rescinded after the liberation of France, as was all corporative-inspired legislation, the Vichy law introduced new systems that would be included in the laws of 1945 and 1947 on the status of farming cooperatives. The corporative system of the Vichy government would later be seen as the driving force behind the first

major systematic effort to organise agriculture, stimulating an unprecedented movement of associations, which confided representative powers to some 30,000 farmers. The professional organisation system of this movement prefigured that of the national federation of agricultural cooperatives, FNCA, set up in 1945.

■ Agrarianism

Agrarianism is both a political philosophy and a corporatist social movement. In France, under the Third Republic, it defended the economic and social interests of farmers and the rural population. The term in French (“agrarisme”) first appeared in historiographical terms in Pierre Barral’s 1968 work, *Les agrariens français de Méline à Pisani* (“French agrarians from Méline to Pisani”).



The Second World War was a pivotal period in the organisation of French agriculture.

At the end of 1943, the future general confederation of agriculture, CGA, formed in secret. In January 1944 it published its clandestine journal, *Résistance Paysanne*. After the liberation, CGA set up shop in Paris at 11 bis, Rue Scribe, the former building of the permanent assembly of chamber of agriculture chairmen. On 4 September 1944 General de Gaulle appointed François Tanguy-Prigent as Minister of Agriculture. Tanguy-Prigent (1909-1970), nicknamed “Jacques Le Ru” during the Resistance (“ru” meaning “red” in Breton), was a 35-year-old resistance fighter and one of the founders of the “*Résistance Paysanne*” movement and the clandestine CGA.



Tanguy-Prigent, a socialist trade unionist with communist sympathies, headed the ministry for three years against a backdrop of rationing, shortages, reconstruction and inflation. One of the first things the post-liberation government did was to rescind the Act of 2 December 1940 through the Order of 12 October 1944, aimed not just at pushing both Rue des Pyramides and Boulevard Saint-Germain aside but above all at giving a voice to small-scale farmers.

The agriculture minister introduced a transitional body, the national committee of farming action, CNAA, tasked with reorganising and getting farming back on track. CNAA was split into *département*-based committees. Chaired by Sylvain Blanchet (1892-1947), a cooperative militant and former socialist deputy from the Creuse *département* (central France), CNAA aimed to facilitate the way forward for the CGA, which inherited the assets of Corporation Paysanne by devolution. The country had been hit hard by the war. Apart from numerous shortages and a dramatic lack of raw materials, some 32,000 agricultural holdings had been destroyed.

In the aftermath of war and occupation, François Tanguy-Prigent had to take urgent measures to stimulate and modernise French agriculture, which was in a sorry state. Promoted by the socialist-leaning general confederation of farmers, CGP, CGA

nevertheless had to negotiate with Action Paysanne committees inspired by the Communist Party, which was a tall order. Tanguy-Prigent appointed as director general of CGA a close acquaintance, the agronomic engineer Henri Canonge (1914-1981), son of a vicar from the Cévennes and a militant for the national confederation of farmers since 1936. The two men set up a team comprising real-life militants including Philippe Lamour, Anthelme Lyonnet, Robert Robin and Édouard Klepping. Klepping was a graduate engineer of *Arts et Métiers* who had devoted his entire life to the cooperative movement. The director general surrounded himself with practitioners such as Jack Lequertier and Sylvain Blanchet. Klepping and Lequertier, who would go on to play a crucial role in the creation of future agricultural cooperative unions, had both been active resistance fighters in the Ain *département* in eastern France.

CORPORATIST POLICIES MAY WELL HAVE BEEN REFUTED, BUT THE NEW POLITICAL AND PROFESSIONAL chiefs were convinced that the organisational unity of agriculture had to be safeguarded. They wanted knowledge, technology, credit and the control of economic tools to be in the hands of all professionals. To that end, they advocated replacing the corporation – inspired by authoritarian, top-down regimes – by the “cooperation”, with a bottom-up organisation structure based on the initiative and work of each individual.





Legal and economic “cleansing” after the liberation was relatively contained in rural areas, keeping lingering hatreds and rancour down to a minimum.

But the cleansing process was much tougher for farm workers and small-scale farmers than it was for industrial workers and managers.



Chapter 2

Strength in unity

As French agriculture was rebuilt from 1945 to 1961, cooperative unions emerged, grew and extended their legitimacy

At the inception of UNCAA and UNCAC in 1945, the political divergences between the leaders of the two groups were glaring. The UNCAC chiefs hailed from the secular left and the French resistance, and were referred to by detractors as the “men with the machine guns”. UNCAA was led by individuals from the Christian right, representing a diverse breadth of cultures spanning radical clericals, protestants and radical socialists.

At local level, cooperatives post-war were home to a hive of ideas and political sensibilities, and competition among them was more than purely economic.

Cooperatives as vectors of economic reconstruction and agricultural renewal

MORE THAN ANYTHING, THE FRENCH MINISTER FRANÇOIS TANGUY-PRIGENT wanted to make cooperatives the instrument



of his farming policy. He notably encouraged the creation of supply cooperatives and farming equipment use cooperatives, or CUMAs, organised so as to promote French agriculture while making it an integral part of industrial society and the economic world in reconstruction.

CGA was the key component in the new professional organisation system for agriculture. It set up **several national federations** in 1945 and 1946. On 15 March 1945, the day before its inaugural convention at Paris Town Hall, held from 16 to 18 March, CGA founded the national federation of agricultural cooperatives, FNCA. In a return to roots, the FNCA was headquartered at 129, Boulevard Saint-Germain. It was chaired by Pierre Martin, a Bordeaux wine producer who also led the national confederation of winegrowing cooperatives, CNCV. Martin was a liberal figure who had backed CGA from the start.

■ CGA keyword: unity

In 1945, all farming organisations – union, cooperative, loan, mutualist – were grouped under the single umbrella of CGA as national unions, including:

- **UNCAA**, national union of agricultural supply cooperatives;
- **UNCAC**, national union of agricultural grain cooperatives;
- **UNCAMTC**, national union of agricultural milling and grain processing cooperatives;
- **UNCL**, national union of agricultural dairy cooperatives;
- **UNCBV**, national union of cattle and meat cooperatives;
- **UNCFL**, national union of fruit and vegetable cooperatives.

CUMA cooperatives help to reorganise the economy and modernise the country

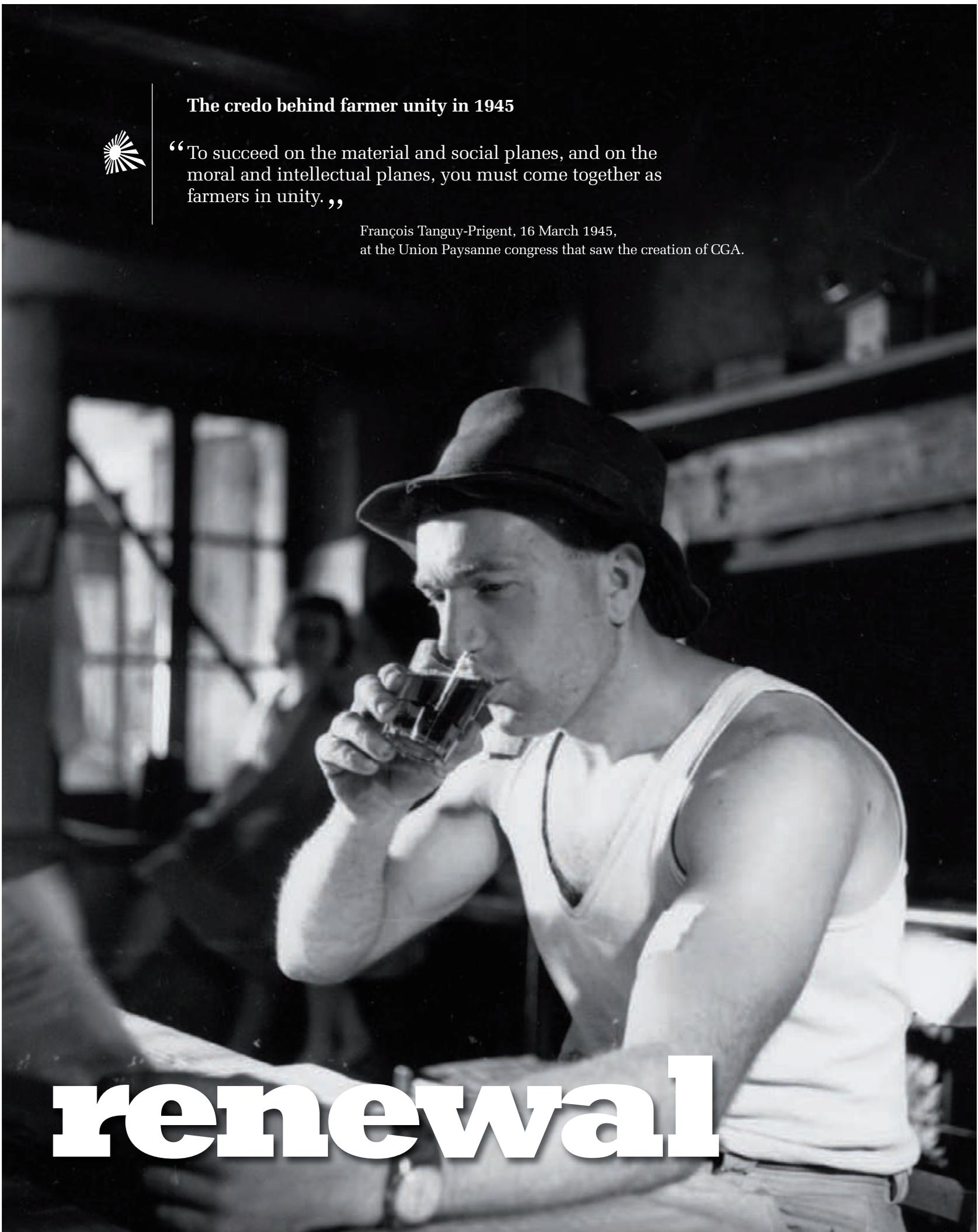
Set up by the Act of 12 October 1945, the farming equipment use cooperatives, or CUMAs, developed fast thanks to Marshall Plan aid. They were created to pool the purchase and use of new and costly farming equipment such as tractors and combine harvesters. In 1949 some 8,000 CUMAs were up and running in threshing and services. Promoted country-wide through campaigns by Action Agricole committees and the general confederation of agriculture, CGA, the CUMAs accelerated the rise of technology and in particular helped to generalise the use of tractors and then combine harvesters on farms across the country. Some 13,400 CUMAs exist today (2009 figures).

The credo behind farmer unity in 1945



“To succeed on the material and social planes, and on the moral and intellectual planes, you must come together as farmers in unity.”

François Tanguy-Prigent, 16 March 1945,
at the Union Paysanne congress that saw the creation of CGA.



renewal

FNCA VICE-CHAIRMEN:

- **Guy Benoist**, farmer from Eure-et-Loir;
- **Maurice Gibert**, farmer from the Brie region;
- **Albert Barré**, farmer from the Marne.

**Albert Barré (1894-1959),
a founding father
of UNCAC**

Albert Barré, descendant of a farming family, republican and secular-minded unionist, chaired the "Les Producteurs réunis" farming cooperative in Châlons-sur-Marne. As ONIC chairman from 1949 to 1959, he had a number of professional responsibilities, both at *département* (Marne) and national level, in particular for the national federation of beetroot cooperatives. He served as secretary of the UNCAC board of directors from 1945 to 1959.



THESE MEN WENT ON TO BECOME THE LEADERS OF THE UNIONS they were soon to create. Favouring a consensus, they held to the beliefs of Boulevard Saint-Germain and understood that an effective cooperative structure had to be built on the foundation of robust national unions.

And so were founded:

- **UNCAA**, the national union of agricultural supply cooperatives, on 25 May 1945;
- **UNCAC**, the national union of agricultural grain cooperatives, on 8 August 1945.

Despite the initial momentum, CGA heads soon came to lack support in their efforts to safeguard and ensure the unity of the profession. From December 1945 to February 1946, professional elections pushed aside the overly-political candidates in farming union structures.

A French act restoring the freedom of association was passed on 12 March 1946 (Article 6). On the very same day, FNSEA, part of the CGA, held its first congress. FNSEA would over the years continue to seek its independence, leading to an eight-year

period of in-fighting with CGA. In early 1954 an increasingly marginalised CGA lost its representative role to FNSEA.

The Act of 30 August 1947, abolishing the idea of trade union groupings at national level by activity branch, put an end to the unity-based project. Cooperative action would return to the professional and union division, rekindling the long-standing opposition between Boulevard Saint-Germain and Rue d'Athènes.

**Georges Pagnier,
first UNCAA general manager**

George Pagnier headed UNCAA from founding on 30 September 1947. His initial two-fold remit was to set up a solid economic organisation at national level representing agricultural supply cooperatives and to support the growth of this technical movement.

UNCAA and UNCAC as "daughters" of the CGA and sister unions

THE NATIONAL UNION OF AGRICULTURAL SUPPLY COOPERATIVES, UNCAA, was the first to be founded, on 25 May 1945. Its aim from the start was to coordinate cooperative action nation-wide in the agricultural supply sector. UNCAA served two purposes, representing member cooperatives and working at economic level in all markets concerning technical resources in farming production.

The inaugural UNCAA head was Guy Benoist, who would chair the organisation for nearly 30 years until March 1974. Head of operations from creation to 30 September 1947 was Georges Pagnier, followed by Édouard Klepping, from 1 October 1947 until his death in 16 November 1953, and Marcel Gerbaud, from 1 October 1954 to 31 January 1967. UNCAA was initially headquartered at 17, Rue d'Anjou, before moving in 1947 to 6, Rue Halévy and in 1961 to 29, Avenue Mac-Mahon.

UNCAA was set up before UNCAC to respond to urgent supply needs in the context of a raw materials shortage. Supply was a universal concern at the time and essential for stimulating activity. A union such as UNCAA was easier to set up because it responded to a crucial need of farmers in France.

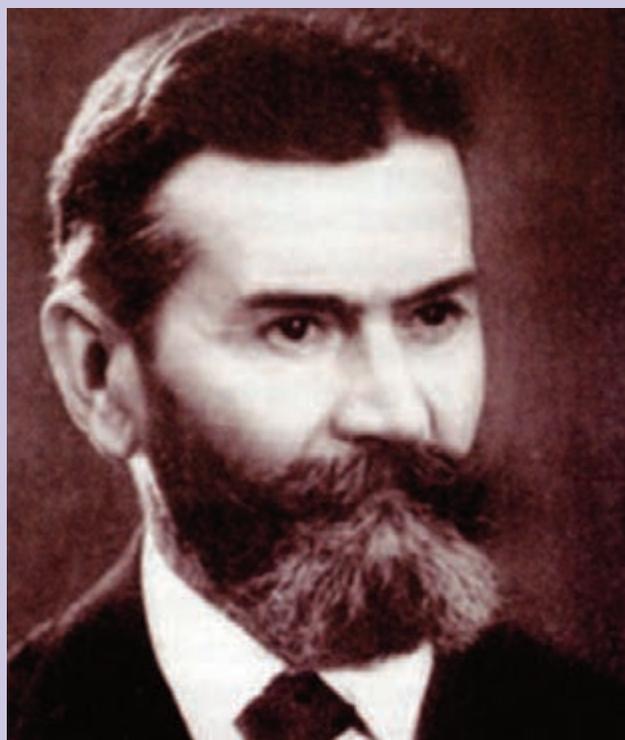


Guy Benoist, UNCAA chairman, speaking at the General Assembly of 1 February 1960.

The Benoist family: passing down the cooperative spirit

Jacques Benoist (30 November 1881 to 25 September 1967) was born in Boutigny in the Eure-et-Loir (central France) on his father's farm. After graduating from Lycée Hoche in Versailles he attended École Nationale d'Agriculture in Grignon, which he left in 1903 with an agricultural engineer diploma in hand. All his life he was a staunch defender of the farming cause and the rural world as a whole.

He acted as chairman of the purchasing and sales cooperatives of the Eure-et-Loir agricultural union, and also chaired the Eure-et-Loir grain committee, the Eure-et-Loir federation of sales cooperatives and the Eure-et-Loir union of grain cooperatives. He was councillor general and mayor of Boutigny and vice-chairman of the La Beauce and Le Perche regional bank of Crédit Agricole Mutuel, as well as vice-chairman and founder of the general association of grain producers, AGPB, and a member of the central council of ONIC. Radical-socialist senator for Eure-et-Loir from 1933 to 1938, he played an active part in the creation of FNMCA, for which he served as vice-chairman. He passed down his deep faith in agricultural cooperatives to his son, Guy.



Guy Benoist (22 December 1906 to 17 January 1977) like his father attended Lycée Hoche and École Nationale d'Agriculture in Grignon. He held the positions of vice-chairman of the national federation of agricultural cooperation from its founding in March 1945, chairman of UNCAA from founding in 1945 to March 1974, and chairman of the union of agricultural cattle feed cooperatives, UCAAB, from 1967 to January 1977.

An advisor on economics and labour and a representative of farming bodies, he was a member of the board of the national industrial office of nitrogen, ONIA, and the higher committee of agricultural cooperation. In addition, he served as mayor of Maulette in the Yvelines *département* and worked as a farmer. His daughter, Micheline, married a young agronomy engineer called Claude Besnault, who went on to become director general of UNCAA from 1981 to 1992.

Exposed from an early age to the cooperative world and following in the footsteps of his father (left), Guy Benoist (right) chaired UNCAA for 30 years, from founding in 1945 until March 1974. He also played a central role in the development and organisation of UCAAB.



The Constitutive Assembly of the national union of agricultural grain cooperatives, **UNCAC**, was held on 8 May 1945 at 11 bis, Rue Scribe in the Olivier-de-Serres room, convened by the chairman of the general confederation of agriculture, **CGA**. **UNCAC** was founded as part of a wide-scale movement to unify farming organisations created after the liberation of France and grouped as part of **CGA**, whose remit was to represent all farming concerns. Shortly after the war, the initiators of the project – namely Maurice Gibert, Francis Bouchard and Jack Lequertier – had considerable ambitions for their professional organisation and economic enterprise.



Maurice Gibert, Francis Bouchard and Jack Lequertier (left to right) at the 1954 UNCAC General Assembly.

While the trio of progressive thinkers had a clear idea of what they wanted **UNCAC** to do, they could not have imagined, in the context of social and economic reconstruction at the time, that they were laying the foundations of an enterprise that would go on to become one of the most powerful cooperative groups in Europe, particularly for grain producers and the rural environment. For Gibert, Bouchard and Lequertier, **UNCAC** was created to respond to three main issues:

- federal: to defend and protect the interests of cooperatives;
- technical: to foster advances in production techniques;
- economic: to play an influential role in national, export and import markets.

The three “founding fathers” had different educational and career backgrounds but had similar political and religious convictions. They all aspired to the same ideal, that of enabling all farmers to partake of economic power and technical progress. The French economy was in disarray after the war, devastated by five years of occupation that had led to a chronic supply shortage for all agricultural produce and raw materials. They knew that everything had to be rebuilt and modernised and that their only means for getting French agriculture back on its feet again in 1945 were militant action and national union. Theirs was a great ambition. From the start, the Union placed the emphasis on creating economic power and organising the markets.

The first **UNCAC** chairman was Maurice Gibert, farmer and chairman of the La Brie farming cooperative in Melun. In March 1948 he personally designated his successor, Francis Bouchard, a farmer from the town of Tremblay-le-Vicomte in the Eure-et-Loire *département*, central France. The chairman of the management committee was Lucien Chaserant, an agronomy engineer and director general of the Sarthe cooperative. Édouard Klepping, an Arts et Métiers engineer and firm believer in cooperatives, served as secretary general.

In 1947 Jack Lequertier succeeded Édouard Klepping, who took the helm at **UNCAA**. Lequertier, a 29-year-old agricultural engineer, had previously been a professor of agriculture at the Ain agricultural services department (1941 to 1943). He headed the Ain cooperative in Bourg-en-Bresse and was a member of the management committee office of **UNCAC**. He would quickly rise in the ranks. The Bouchard/Lequertier duo would lead **UNCAC** throughout the 30-year period of post-war growth known in France as the “Trente Glorieuses”, until 1974 for Bouchard and 1980 for Lequertier.



Édouard Klepping, from **UNCAC** to **UNCAA**

Édouard Klepping, an Arts et Métiers engineer, headed **UNCAC** for nearly seven years at a time of great economic difficulty. He was close to Jack Lequertier, with whom he had fought in the French resistance, and had previously been director of the Château-Landon grain cooperative in the Seine-et-Marne *département*. He began as secretary general of **UNCAC** on its founding and then became **UNCAA** director in 1947. He positioned **UNCAA** in the supply to cooperatives of selected potato plants, either through import purchases or transactions with French suppliers of the selected plants. He also developed the distribution of farming hardware, sheet metal and wire products, and, most importantly, binder twine. He died suddenly on 16 November 1953.



In February 1948 UNCAA counted 416 member cooperatives: 94 commune structures, 190 canton structures, 49 arrondissement structures and 83 covering broader territories.





Francis Bouchard, a firm believer in federation

Francis Bouchard, a farmer, born on 21 March 1904 in Tremblay-le-Vicomte in the Eure-et-Loir department, was elected chairman of UNCAC in March 1948. He would remain so until 1974, as would Guy Benoist at UNCAA. Bouchard was also chairman then honorary chairman of the general confederation of agriculture, CGA, a member of the high council of farming cooperation and the central council of the national interprofessional grain office, and board member of the state-owned potassium mines in Alsace. In the 1960s he represented farming bodies at the Economic and Social Council, of which he was a member from 1951.

On being named to the chairmanship, Bouchard, a firm believer in federation, had great ambitions for the professional organisation and the enterprise he would govern for 27 years. His objective was to make UNCAC a major vector of the economic development of grain producers. With his predecessor Maurice Gibert he lay down the bases of future technical action, recommending a policy of high-quality seed production for member cooperatives.



1950 UNCAC General Assembly. From left to right: chairman Francis Bouchard and director general Jack Lequertier, along with two key figures in the history of farming cooperatives, Jacques Benoist and P. Gontier, the latter the founding vice-chairman of UNCAC.



Francis Bouchard speaking at National Maize Day in Senlis on 25 October 1951.

Initial UNCAA work, on nitrogen fertilizers and binder twine

ON LAUNCH, UNCAA HAD TO COPE WITH THE AFTERMATH OF THE OCCUPATION, which had impacted all areas of agricultural supply. It had to rapidly bring members the means to succeed in their businesses, at a time when French farmers had enormous needs in terms of fertilizers, pesticides, seeds and plants, mechanical equipment and cattle feed. The national supply union worked as a priority on imports of nitrogen fertilizers, receiving and distributing the initial imports of high-concentration ammonium nitrate from the USA and Canada. The supply of French-produced

fertilizers got off to a shaky start. It was only slowly and in successive phases that UNCAA would go on in the 1960s to become the leading European buyer of this input.

“Our National Union addresses economic and commercial issues, not politics. , ,

Guy Benoist, speaking at the UNCAA General Assembly of 6 October 1946.

In another key sector, binder twine, UNCAA began by importing products from Mexico before signing agreements with European manufacturers, in the Netherlands and Belgium, and quickly going on to take the number-one ranking in the sector by the 1950s. In parallel, UNCAA became the largest buyer of wire products, sheet metal and plastic film for direct agricultural use. It also took part in the distribution of Marshall Plan aid from 1948, notably in farm machinery.

But the going was tough for UNCAA at the start, during a period (1945-1953) in which France was in the throes of deep economic and social change and in the midst of a general crisis. Agricultural prices and global prices slowed between 1947 and 1949. They were then driven dramatically upwards by the war in Korea from 1950 to 1953, before crashing worldwide once the armistice was signed. The price downturn was felt until 1959. Édouard Klepping at the head of UNCAA turned out to be more of an organiser than a manager. After his death on 16 November 1953, UNCAA barely escaped bankruptcy and a change in director general was crucial to its survival.

It was against this background that Marcel Gerbaud took the helm at UNCAA. The new director general worked to rebuild the economic performance of UNCAA while setting up and training a new team and restoring the trust of all players from cooperative chiefs to suppliers. With patience and perseverance, Gerbaud, firmly committed to the cooperative cause and manager and visionary in equal parts, restored UNCAA's financial situation, which was still delicate in 1954. In 1955 he introduced an internal federal department to represent member cooperatives.



Binder twine: an essential product for farmers, but also a symbol

Most of the binder twine used in France after 1945 was made with the fibres of the agava plant. Agava, originating in Mexico and whose Greek name "agavos" means magnificent, is more commonly known as sisal. During the German occupation of France, sisal was replaced by a fragile braided paper alternative that broke very easily. The consumption of binder twine, essential for grain harvests, has evolved in line with the use made of modern combine harvesters.

1948,

From the Marshall Plan to the Organisation for European Economic Cooperation: the first steps in agricultural trade liberalisation

Contrary to expectations, the French government approved the conditions of the Marshall Plan, which was signed on 3 April 1948. The Plan, a "European reconstruction programme", was developed by General George C. Marshall, secretary of state in the Truman administration and former military advisor to Franklin D. Roosevelt. The aim was to foster economic recovery in Europe so that it would not once again fall to prey to dictators. In four years, the European countries having accepting aid received USD 13 billion in economic and financial assistance, the equivalent of more than USD 100 billion today. As part of the Organisation for European Economic Cooperation – ancestor of the OECD set up on 16 April 1948 to share out the loans provided through the Marshall Plan among Western European nations – France consented for the first time to promote agricultural cooperation with other European states to reduce customs barriers. Melinism had decidedly become a thing of the past.



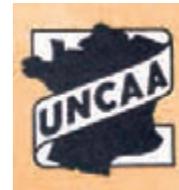
In 1957 Gerbaud created the national union of research, reassessment and popularisation of agricultural cooperatives, SYNERVA. The main goal was to help supply cooperatives help to popularise agricultural progress among farmers. The secondary purpose of SYNERVA was to carry out economic research on the essential issues of a fast-evolving profession, with a view to informing the supply sector of any key trends so that it could react to them in kind. SYNERVA changed name to the national syndicated federation of agricultural supply cooperatives on 26 January 1965.

Also in 1957, UNCAA registered the national brand "Coopaliment", which brought cattle-feed producing cooperatives a single cooperative label. It also served to rationalise production and coordinate technical resources, thereby increasing outlets through an understanding with distribution cooperatives. In 1958 UNCAA create the calf suckling brand Univor (reconstituted milk). The aim was to make it the leading domestic brand in the field and export products to Italy, Greece, Spain and Turkey, among others. Back on a robust business base, UNCAA began in the early 1950s to extend its activity, a trend that would continue until its merger in 2001 with Sigma, and the creation of InVivo.

UNCAA reported revenue of 104 million new French francs in 1960-1961, and increased the total to 141 million the year after. Supply increased swiftly during this period, in step with the explosive growth in French agriculture.

unions

These unions brought cooperatives a federal service as well as economic services.



Marcel Gerbaud

“The man who forged the spirit of UNCAA*,”

Marcel Gerbaud was born in Niort in western France on 27 January 1906. He studied at *École Régionale d'Agriculture*. He joined the Deux-Sèvres farming union at the age of 18 and moved up the agricultural cooperation ranks in his *département*. Assistant director in 1929 then deputy director in 1939, he was appointed director of the fruit and vegetable farming cooperatives of Deux-Sèvres in 1942. He founded the family gardens and livestock cooperatives of Deux-Sèvres in 1946 and chaired the organisation. In the largely religious part of France, he was a dedicated advocate of the Boulevard Saint-Germain spirit.

Radical-socialist Marcel Gerbaud was named director general of UNCAA on 1 October 1954, a position he would hold until 31 January 1967. Close to his colleagues, this short-statured man, as dedicated to his tasks as manager to his remit as entrepreneur, formed a team of young agronomists, among whom Bernard Moulinet and Claude Besnault (hired in 1961 and 1963 respectively), who would lead UNCAA until the 1990s. He forged the famous “UNCAA spirit” and gave a soul to the freshly created union. A member of numerous national and international agricultural bodies, he notably chaired the “Fertilizers and pesticides” group of the European Economic Community. He died on 10 April 1978.

* Claude Besnault, director general of UNCAA from 1981 to 1992.

UNCAC from 1945 to 1948: the importance of federal, economic and technical action

UNCAC, FOUNDED IN AUGUST 1945, WAS QUICK TO LAY DOWN THE BASES OF ITS FEDERAL AND TECHNICAL ACTION – bases that it would stick to from then on. It recommended a policy of high-quality seed production by the cooperatives themselves. The union introduced a quality label in 1948 that transformed the sale of grain seeds in France. At the same time, UNCAC heads were convinced that their work would quickly reach its limits if UNCAC failed to fully take part in international economic activity by promoting and defending the interests of member cooperatives in overseas markets.

Membership numbers increased at breakneck pace, with the 280 cooperatives making up UNCAC quickly joined by a large number of French grain cooperatives. The total reached 617 in spring 1946. Most of these cooperatives were set up between 1930 and 1937 to fight against the speculation to which grain producers had then fallen prey. The rise of grain cooperatives was reinforced by the formation on 15 August 1936 of the national inter-professional wheat office, **ONIB**.

ONIB (1936), which became ONIC in 1940, was a decisive instrument in the development of grain cooperatives, gradually building up the base of grain market organisation in France.



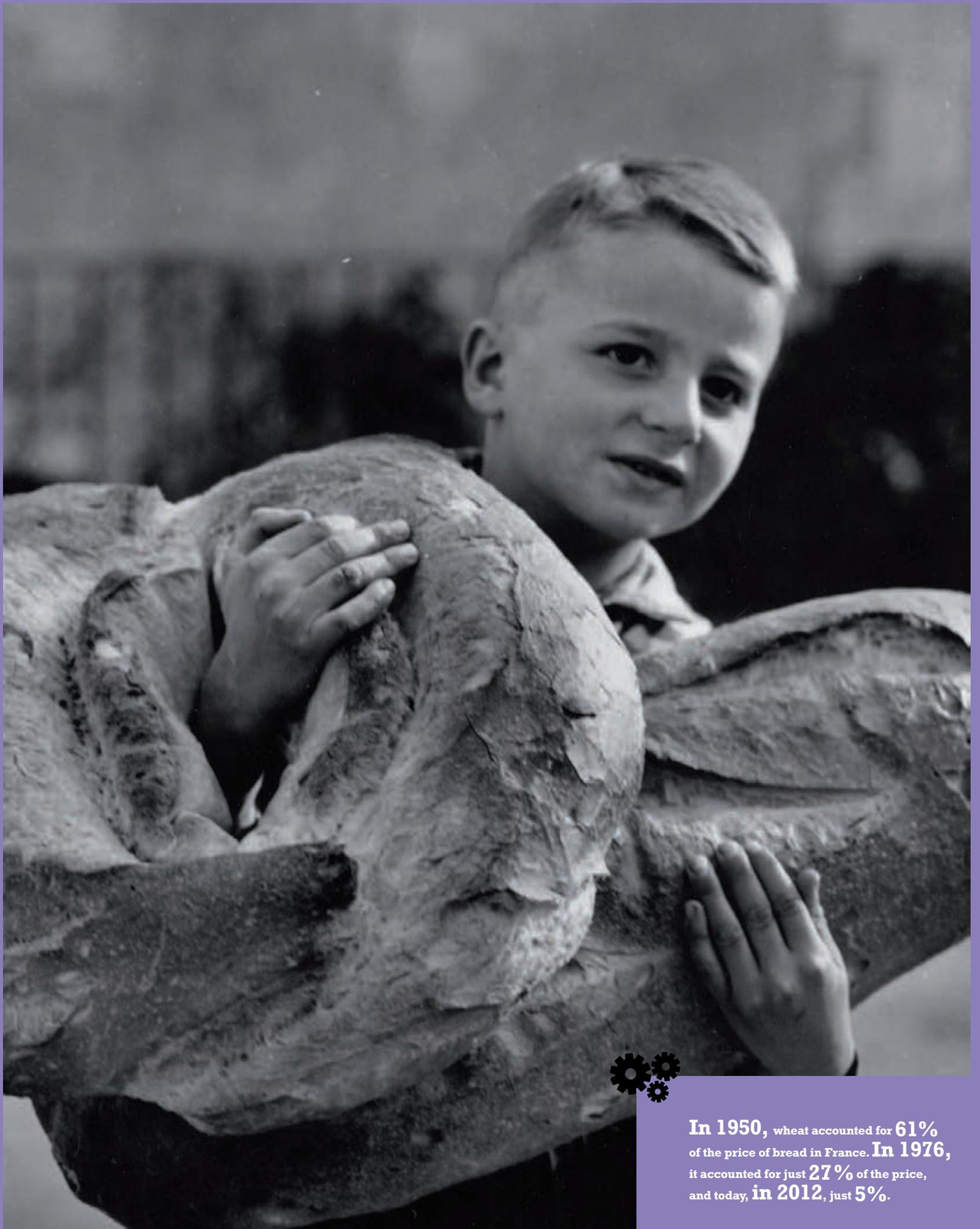
Shortly afterwards, the heads of UNCAC asked the government to set up large equipment suppliers to manage carry-over stocks for member cooperatives. The race to amass storage volume was a central focus for UNCAC from the start, even though the real-life results came later, from 1951 to 1960. The first state silo was rented out in 1949, in Mignéres in the Loiret with an 80,000-quintal capacity.

And so, immediately after the war, the two sister unions, UNCAA and UNCAC, successfully laid down the bases of an economic structure that would go on to become a powerful tool for farming cooperation. But the key principles championed by the founders of the unions – above all, unified activity branches within FNCA – did not enjoy a long lifespan. The laws of 1946 and 1947 snuffed out the idea of uniting cooperative unions by activity at national level, putting an end to the unity-based project. Their immediate effect was to rekindle the duality that the heads of CGA had worked so hard to avoid after the liberation of France.

FEDE RAIL

Initially, federal action played a driving role in the construction of unity, laying down the bases for the development of economic and technical work.





In 1950, wheat accounted for **61%** of the price of bread in France. **In 1976**, it accounted for just **27%** of the price, and today, **in 2012**, just **5%**.

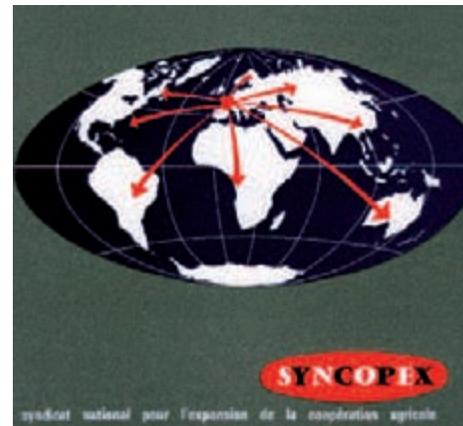
UNCAA and UNCAC establish three joint subsidiaries between 1952 and 1960

THE TWO SISTER UNIONS SHARED THE SAME HEAD OFFICE at number 6, Rue Halévy in Paris and soon established joint subsidiaries. The first in 1952 was the national centre for agricultural cooperatives in pest control, CNCATA, followed by the national syndicate for the expansion of agricultural cooperatives, SYNCOPEX, in 1957 and the union of agricultural fodder seed cooperatives, UCASEF, in 1960. Together these entities came to be known as the Rue Halévy group.

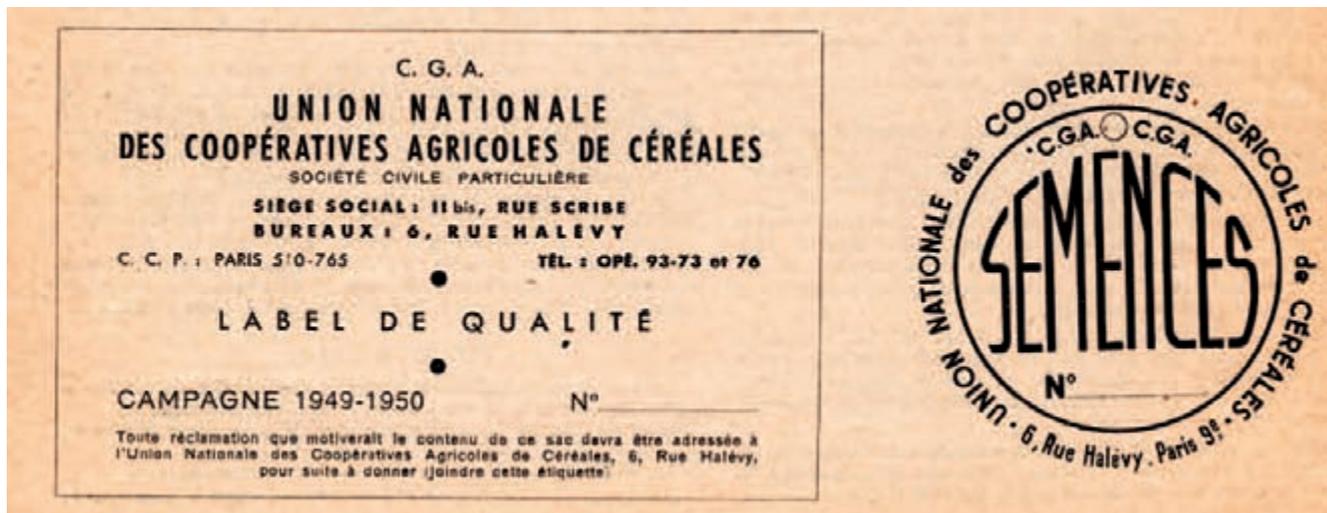
On 30 July 1952, UNCAA and UNCAA took over CNCATA, which first specialised in rodent control by providing agricultural cooperatives with efficient products and rational control methods. The subsidiary then succeeded in making mass-market processes available for dealing with the parasites that were destroying crops in the ground as well as in storage after harvesting. CNCATA was a pioneer in rat extermination methods, necessary not only for limiting damage to crops but because those rodents are the most dangerous transmitters of infectious diseases to man and domestic animals alike. CNCATA's actions were not therefore strictly restricted to agriculture and ultimately CNCATA merged with UNCAA.

SYNCOPEX, however, which grouped together companies and federations of cooperative in various sectors (including grains, dairy, meat, fruit and vegetables) started prospecting for new export outlets for its member agricultural cooperatives' produce. This union was established on 4 June 1957 and opened its first office in Germany in November 1957, followed by Switzerland on 1 December 1959. In 1958 SYNCOPEX helped to set up three companies in Great Britain: French Grain Farmers, French Dairy Farmers and French F. & V. Farmers, and

then went on to set up two more companies on its own, Wine French Farmers in September 1960 and Union-Export in December 1961. SYNCOPEX was a founding member of SOPEXA, which it merged with Coop de France. A pioneer in promoting agricultural exports, it became an important player in representing agricultural interests in Brussels, where it set up an office in 1965, only closing it in 2003 shortly after Coop de France opened its own offices there.



UCASEF was a national union established in 1960 by UNCAC, UNCAA and various fodder seed producing cooperatives notably in fodder from selected grasses. From the outset it had a modern workshop for transforming fodder seeds that was fully compliant with the standards required by the national inter-professional seed group. It rapidly encompassed 36 seed-producing cooperatives, and organised common services for the purchase, production, selection, propagation and distribution of fodder seeds.



UCASEF established Semences Vertes, now part of Semences de France, the InVivo Group's seed marketing division.



The French Government classified agriculture as one of the six priority sectors in the first seven-year plan (1946-1953) in the Modernisation and Equipment Plan for the French Economy drawn up by the Planning Commissioner Jean Monnet (1888-1979).



An example of post-war large scale grain farming in the USA. A model for French agriculture.

Chapter 3

Return to a bipolar model

A spate of pro-Catholic cooperative unions spring up in the wake of the 1946-1961 laws on agricultural cooperatives

Two years after the creation of CGA, which favoured a unity-based approach, the post-war political and social divisions gained the upper hand. Two other national unions, UGCAA and UGCAC, were created in 1947 and 1948, extensions of the union of wheat cooperatives set up in 1929. The liberal Catholics rapidly came to be known as the La Fayette group, in opposition to the non-denominational Mac Mahon group (both named after the streets in which their headquarters were located in Paris). Like the Mac Mahon group, the La Fayette group rapidly moved from having a purely trade union and federating activity, to a technical and economic one with two priority objectives: promoting technological progress and acquiring extra negotiating clout in the grain and supply markets, upstream and downstream alike.

A return to an historic bipolar stance

THE UNITY ISSUE WAS RAISED at the CGA conference of 12 March 1946, which challenged the 12 October 1945 law on the status of agricultural cooperatives. The law stipulated two fundamental points: first, ministerial authorisation was required to set up agricultural cooperatives and unions, and second, the unity-based approach permitted only a single national association per branch of business. Those two points, which ensured the cohesion of professional unions, were subsequently removed by the laws of 14 May 1946 and 30 August 1947 respectively, paving the way to professional and union divisions and perpetuating the traditional opposition between the Boulevard Saint-Germain and Rue d'Athènes groups.

In fact the UCB-leaning grain cooperatives (Rue d'Athènes/Rue des Pyramides) not only refused to unite with UNCAC or UNCAA, but on 13 March 1946, in anticipation of forthcoming law, set up a national organisation called the national federation of grain cooperatives, FNCC, chaired by Alain du Fou. Du Fou was a monarchist aristocrat and the brains behind the former peasant corporation, favourable to the Rue d'Athènes agricultural unions. In the 1930s he occupied positions at national level such as the vice-presidency of the AGPB. A man of faith and duty, Du Fou was a major personality in agriculture at the time.

HOWEVER, THE UNCAC LEADERS, who supported federal unity, did not give up and seized the initiative to set up a UNCAC-FNCC coordinating committee to decide on how to set up a single, powerful federation of all grain cooperatives. This committee was presided by another agricultural personality, Omer Capelle (1891-1966), the senator for the Somme *département* (northern France) and former chairman of the union of Somme grain and supply cooperatives. Negotiations between the three chairmen, Pierre Martin of the national federation of agricultural cooperatives, FNCA, Maurice Gibert of UNCAC and Alain du Fou of FNCC, failed to produce results. The vain search for unity so desired by the FNCA and its financial arm, UNCAC, also failed because of new legislation challenging the October 1945 law.

The Ramadier Act, which led to the second stage in this break-up, paved the way for the bipolar stance that characterised the agricultural sector during the Third Republic. Thus at the end of 1947 the general union of agricultural supply cooperatives, UGCAA, was formed, following on from the trade union of agricultural organisations established by a number of supply cooperatives and unions in 1931.

Unity broken up by the Act of 30 August 1947

The so-called Ramadier Act of 30 August 1947 on the status of cooperatives, served as a framework for all them all. Many agricultural cooperatives were formed between 1947 and 1950 after the law was passed but at the same time consumers' cooperatives were on the wane as the first major retailing groups were formed.



43 years of disunity

Unity was a key discussion topic during this period. And became a reality, at trade union level at least, on 3 February 1966 when FNCA and CGCA jointly set up the French confederation of agricultural cooperatives, CFCA, forerunner of Coop de France (2003). Nevertheless, professional opposition persisted until 1990, when UNCAC and UGCAF merged to give rise to Sigma, which created InVivo in 2001.



Chapter 3 - Return to a bipolar model

UGCAA initially specialised in distributing foodstuffs before setting up cooperative brands and its own technical services. On 17 March 1948 the general union of agricultural grain cooperatives, UGCAC, was formed as the direct successor to UCB and the national union of wheat sales and processing cooperatives, which had been a first attempt at creating a union in 1929. Less than three years after UNCAA and UNCAC were created, the two Boulevard Saint-Germain organisations were lined up against two symmetrical Rue d'Athènes organisations, UGCAA and UGCAC.

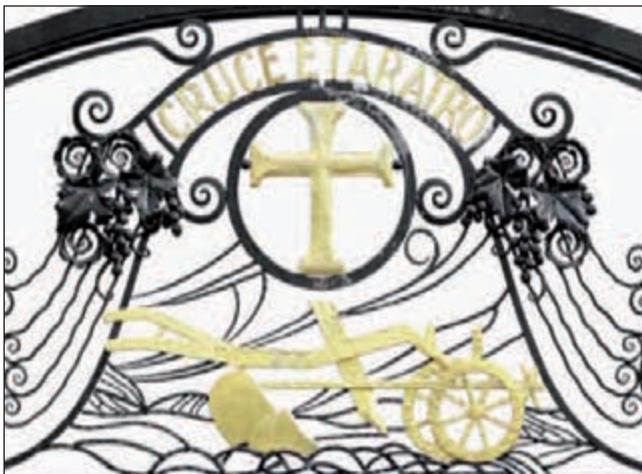
The founding encyclical

Rerum Novarum, the encyclical issued by Pope Léon XIII (1810-1903) on 15 May 1891, became the founding text for the Catholic Church's social doctrine. Amongst other things, it urged believers to group together in professional organisations.

THESE TWO ORGANISATIONS HAD THEIR HEAD OFFICE 20 BIS, RUE LA FAYETTE IN PARIS. Most of their representatives came from the Catholic right. Some of the cooperatives were from "parishes", such as *Providence Rurale* (rural providence) and *Avenir Rural* (rural future) in Arras or from social Catholicism such as *La Providence* (providence) in Reims. The latter's motto was *Cruce et aratro* (by the Cross and the plough) and its guideline was "Let us handle our business ourselves and not be administered by others." Their actions

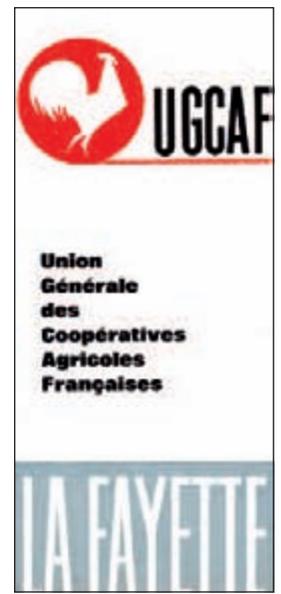
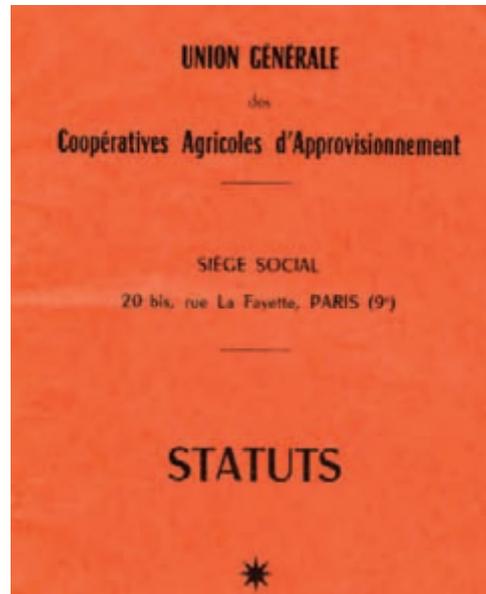
corresponded with social Catholicism as represented by Viscount Alain du Fou, founder of the La Fayette group.

Alain du Fou, born in 1891, was a landowner from Anjou (western France). From the 1920s he was a key director of the Anjou agricultural union as well as of the Syndicated Mutual Agricultural Bank of Anjou, co-founded by his father Georges in 1902. In January 1929 Alain du Fou and Pierre Hallé set up and chaired the union of wheat cooperatives, UCB, which grouped together some 150 organisations. UCB's goal was to



"By the Cross and the plough", the historical motto of Agricultural Providence (today Vivescia), clearly denotes the group's identity and origins.

derive maximum benefit from the excellent harvest of 1929-1930 (difficult to store at the time) and sell it abroad if possible. Du Fou also held other important posts, such as chairman of the national union of wheat sales and processing cooperatives and vice-chairman of AGPB. In 1936 Alain du Fou helped to set up ONIB and became a member of its central committee. During the occupation, this ardent defender of peasant corporations and specialist in financing held important responsibilities at the head of ONIC'S central committee. He was appointed chairman of the National Bank for Agricultural Credit (CNCA) on 18 December 1940.



In 1945 du Fou revived AGPB from its ashes and became its chairman for the first few years. All the pre-war managers were reinstated, including those from the national peasant corporation. Du Fou opposed the principle of unified branches within the FNCA and founded the national federation of grain cooperatives, FNCC, in March 1946. FNCC's head office was registered at the same address as the powerful AGPB, at 18 Rue des Pyramides in Paris. After reforming the Rue des Pyramides group, "spiritual heir" to the Rue d'Athènes group, he now became the architect of the La Fayette group.

After 1945 Alain du Fou held many responsibilities at national level. He was the co-founder of the French Agricultural Bank and the Crédit Mutuel, of which he was a director until his death, as well as one of its vice-chairmen. For a time he was also vice-chairman of the central federation of mutual agricultural credit, and in 1959 the most senior member of the chamber of agriculture. He died on 15 October 1968.

Arras, Reims and Landerneau, bastions of Catholic cooperatives



The first grain cooperative in **Arras**, the “Grand’Place”, located opposite the Grain Market, was founded in 1903. This was followed by Capsem (seeds) in 1910 and Capcra, headed by Gabriel Ducroquet, in 1933. These cooperatives were a product of agricultural trade unions. In the late 1950s, Capcra has twelve storage centres with a total grain capacity of 200,000 quintals.

The counter-offensive to these republican cooperatives came from the “parishes”, led by **Abbot Arthur Leroy** (1884-1957), who founded Rural Providence (supply) on 12 June 1920 and Agricultural Future (grains) on 21 July 1928. Backed by the Crédit Mutuel bank from 1945, Agricultural Future collected more than 130,000 quintals in 1960, exceeding Rural Providence. The two Catholic cooperatives merged to form Rural Future on 1 July 1966.

In Champagne, Gustave de Bohan (1849-1928), a farmer from Fresne-lès-Reims, founded the Champagne Agricultural Union in 1894, which adhered to the social Catholicism movement. It mainly supplied its members with seeds and tools, and was not authorised to carry out marketing activities. As a result Gustave de Bohan decided to set up Agricultural Providence in Reims in 1927, which was transformed into a cooperative in 1934, adding to its statutes the possibility of collecting, storing, selling and transforming its members’ grains. After 1945, spurred on by its chairmen, Robert Mangeard (from 1947 to 1975) who also chaired UGCAF from 1968 to 1970, and then Jacques de Bohan (from 1974 to 2004), an agronomist and the great-grandson of the founder, this Marne *département* cooperative grew to become the leading European malt producer. In 1991 Jacques de Bohan set up Champagne



Céréales by merging nine cooperatives, which soon rose to become the leading European grain cooperative and today forms one of the pillars of InVivo.

In Brittany, the oldest cooperative, Coopagri, was founded in 1911 by Augustin de Boisanger (1874-1914), whose commitment to the farmers’ cause was informed by Social Catholicism. He created the central bureau of agricultural mutual work of Finistère, OC, which was based in Landerneau and unified grain, vegetable and potato supply and collection cooperatives in Brittany. In 1960 each activity of the OC became independent, with credit giving rise to Crédit Mutuel de Bretagne, insurance to Groupama Bretagne and economic activities to Coopagri, which merged all OC cooperatives in 1963.

This was the start of expansion. Coopagri Bretagne set up agri-food subsidiaries and opened its first plants, for frozen products in 1962 and dairy products in 1965 in Landerneau. It bought a meat processing plant from Socopa in 1968. Animal production (pigs, cows, eggs) and milk collection took off in spectacular fashion with the cattle feed plants in Brest and Rennes operating at full capacity.

In 1972 Coopagri Bretagne opened the first self-service store for farmers and the general public in Châteaulin. When the Gamm vert chain was created in 1975, it already counted 65 outlets. The Union reinforced its structures. The 1980s were a time of diversification and restructuring. In 1989 Coopagri and its 40 subsidiaries posted revenue of 7 billion francs. The group pursued its strategy and strengthened its positions across Brittany. Today Coopagri, renamed Triskalia in 2010, is one of the leading cooperatives groups in the French agri-food sector.



Augustin de Boisanger

■ **Gustave de Bohan: a trail blazer**

This fervent Catholic, a descendent of the Counts of Bohan, nobles from the Ardennes whose family origins dated back to 1187, wore a hair shirt and wrote for the Catholic national paper, *La Croix*. He was close to the social Catholics and devoted his actions to Christian ideals, mutualized the sale of wool from the sheep of the Champagne Pouilleuse region, set up rural credit banks, mutual insurance and the first regional cooperative, Champagne Agricultural Providence.

THE SPLIT BETWEEN Rue d'Athènes and Rue des Pyramides continued among their spiritual heirs when, on 16 May 1950, the general confederation of agricultural cooperatives, CGCA, was established through the grouping of the FNCC, the national federation of agricultural supply organisations, FNGAA, UGCAA, UGCAC and several other large cooperatives. Chaired by Michel Dalle, an agricultural leader from Pas-de-Calais (northern France), the confederation's offices were at 20 bis, Rue La Fayette. In the bipolar "cold war" situation of the time, some federations joined both CGCA and FNCA, including the federations for flax, beetroot, and artificial insemination, and the Algerian Federation. The CGCA tried but failed to get the important national federation of dairy cooperatives to join, its chairman Raymond de Laulanié (1890-1960) remaining faithful to FNCA.



Many cooperatives were against this split and argued in favour of unity by adhering to both rival unions. A fairly aggressive climate of competition sprang up again at local level in many French *départements*.

the split



A century of union and economic filiation (1867-1966)

<p style="text-align: center;">The “White” Right-wing bloc the La Fayette group</p>	<p style="text-align: center;">The “Red” Left-wing bloc the Halévy group, later the Mac Mahon group</p>
<ul style="list-style-type: none"> ■ French farmers' society (SAF) at 8, rue d'Athènes, Paris - 1867 	<ul style="list-style-type: none"> ■ National society for the advancement of agriculture, Avenue de l'Opéra later transferred to 129, boulevard Saint-Germain in Paris - 1880
<ul style="list-style-type: none"> ■ Central association of French farmers' unions (UCSAF) - 1886 Which became the national association of agricultural unions (UNSA) in 1934 - 18, rue des Pyramides 	<ul style="list-style-type: none"> ■ National federation of agricultural mutualism and cooperation (FNMCA) - 129, boulevard Saint-Germain - 1910
<ul style="list-style-type: none"> ■ General association of wheat producers (AGPB) - 1924 	
<ul style="list-style-type: none"> ■ Union of wheat cooperatives (UCB) - 1929 	<ul style="list-style-type: none"> ■ National inter-professional wheat office (ONIB) - 1936 later the national inter-professional grains office (ONIC) in 1940
<ul style="list-style-type: none"> ■ National federation of grain cooperatives (FNCC) - 1946 18, rue des Pyramides 	<ul style="list-style-type: none"> ■ National federation of agricultural cooperatives (FNCA) - 1945 - 129, boulevard Saint-Germain
<ul style="list-style-type: none"> ■ General union of agricultural supply cooperatives (UGCAA) - 1947 20 bis, rue La Fayette 	<ul style="list-style-type: none"> ■ National union of agricultural supply cooperatives (UNCAA) - 1945 - 11 bis, rue Scribe then 6, rue Halévy, followed by 29, avenue Mac-Mahon
<ul style="list-style-type: none"> ■ General union of agricultural grain cooperatives (UGCAC) - 1948 - 20 bis Rue La Fayette 	<ul style="list-style-type: none"> ■ National union of agricultural grain cooperatives (UNCAC) - 1945 - 11 bis, rue Scribe, then 6, rue Halévy, followed by 29, avenue Mac-Mahon
<ul style="list-style-type: none"> ■ General confederation of agricultural cooperatives (CGCA) - 1950 – which grouped together FNCC and the national federation of agricultural supply organisations (FNGAA) 	<ul style="list-style-type: none"> ■ National union of agricultural milling and grain processing cooperatives (UNCAMTC) - 1945 - 11 bis, rue Scribe, then 6, rue Halévy, followed by 29, avenue Mac-Mahon
<ul style="list-style-type: none"> ■ In 1962, a mixed union was formed bringing together UGCAC and UGCAA: the general union of French agricultural cooperatives (UGCAF). 	<ul style="list-style-type: none"> ■ FNMCCA became the national confederation of agricultural mutualism, cooperation and credit (CNMCCA) - 1955
<ul style="list-style-type: none"> ■ On 3 February 1966, the specialised national federations set up the French confederation of agricultural cooperatives, CFCF. This unitary organisation chaired by Jean Raffarin, replaced FNCA and CGCA, the forerunners of Coop de France (2003). ■ On 23 March 1966, UGCAC and UNCAC set up the French federation of grain growers' agricultural cooperatives FFCAC, which consolidated the confederate unity achieved within the French confederation of agricultural cooperatives, CFCF. Its first chairman was Gabriel Ducroquet, the chairman of CAPCRA, a cooperative in Arras, and director of UNCAC. FNCC subsequently became dormant. 	

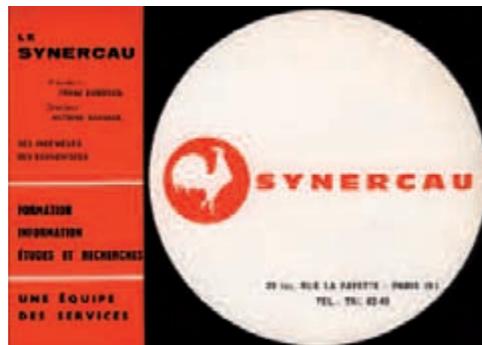
The La Fayette group organises and develops rapidly

THE GROUP COMPOSED OF CGCA, THE TWO FEDERATIONS FNCC AND FNGAA, and the grain and supply unions, gave rise to the La Fayette group. Once again, the address provided the name!

This split into two major rival grain and supply unions did not prevent the agricultural cooperative movement from continuing to recover from its war-time disintegration. The organisations rapidly developed from having a purely trade union activity, which continued under the umbrella of its federating activity, to include more technical and economic ones.

Under the chairman, Jean Viaux-Cambuzat, and the director general, Marcel Chabeuf, the first years of UGCAA and UGCAC were difficult in the post-war economic and social context. It was not until the early 1950s that the two unions got up to speed in an agricultural market that was now clearly recovering. In 1953 and 1954 UGCAC organised several harvesting/threshing days that were decisive factors in the development of this activity in France and in grain harvesting productivity. In 1956 the La Fayette group

Established in 1956 as a training centre for heads of agricultural cooperatives, SYNERCAU grew between 1968 and 1975 under the chairmanship of Jean-Claude Sabin.



set up the national research and study syndicate for agricultural cooperatives and their unions, SYNERCAU, which developed very successfully. One year later, UNCAA founded a similar organisation called SYNERVA.

IN 1957 UGCAC DECIDED TO RENT A SILO IN GENNEVILLIERS, which it then bought in 1960 and proceeded to modernize and extend it from having an initial storage capacity of 290,000 quintals to 475,000 quintals and then 770,000 quintals in 1961, and a total of 1.2 million in 1965 when the work was completed. In addition to the services rendered to its members, UGCAC rivalled UNCAC, which inaugurated its own silo at La Grande Paroisse in the Seine-et-Marne *département* (see below) in 1958. This project was led by Louis de Rochebouët, the secretary general of UGCAC. This executive, trained at HEC business school, had been hired by Jean Viaux-Cambuzat, and proved to be a bold entrepreneur with ambitions to develop these unions as “industrial sectors”. He was director general of UGCAF from 1960 to April 1972.

The Gennevilliers silo was located in a harbour in the port of Paris and therefore well supplied by road, rail and waterways in the very heart of a grain growing region. Furthermore it could be accessed by the small inshore seagoing vessels that plied the Seine. Its location and easy access made it highly strategic for supplying the capital as well as for exporting grains to Britain, the Nordic countries and Africa. It became an export hub and in 1960 the quantity transiting through there was already estimated at one million quintals. This purchase marked the departure point for a rapid rise in exports and storage for the UGCAC cooperatives with an eye on the opening up of a common market for agriculture.



The building at number 20, rue La Fayette in Paris, the historic headquarters of the eponymous group, which later moved to 21, boulevard Malesherbes until 1973, when it returned to 61, rue La Fayette until Sigma was established in 1990.

Jean Viaux-Cambuzat: 20 years as chairman of UGCAC

Jean Viaux-Cambuzat was born in Cherbourg (Normandy) on 27 April 1897, the son of a sea captain. He became an agricultural engineer, graduating from the Grignon École Nationale d’Agriculture, and decided to become a farmer. A member of the Yonne chamber of agriculture and former secretary of the AGPB between the two wars, he was close to Alain du Fou who considered him to be his spiritual son. In his time, Viaux-Cambuzat chaired the departmental federation of Yonne grain cooperatives, the grain committee and the Yonne chamber of agriculture, as well as the national federation of grain cooperatives, FNCC.



Viaux-Cambuzat was also a member of the cooperative regulatory committee, the grain office’s central supervisory body and the French agricultural academy. He chaired the general union of grain cooperatives, UGCAC, from its inception in 1968, and it was thanks to him that UGCAC and later UGCAF expanded in silos and abroad. He was an Officer of the Legion of Honour and an Officer of Agricultural Merit and was awarded the Military Cross (1914-1918). He was a liberal man and a great advocate of new technology, who represented agricultural organisations for many years at the Economic and Social Council.

AT THE SAME TIME UGCAC BEGAN BUILDING A LARGE CAPACITY SILO (300,000 quintals) in Givet in the Ardennes (northern France). It was located at one end of the Belgian canal system for 1,500 tonnes barges. The silo was supplied by rail and 280 tonne barges from the Marne, Aisne, and Ardennes cooperatives, and provided a strategic access to the ports of Antwerp, Rotterdam and Duisburg. Up to two million quintals transited through this silo per year. UGCAC's third silo opened in Le Havre in 1962 and together with UNCAC, it also became active in ports, acquiring holdings in the Saint-Malo and Bayonne agricultural collective interest companies (SICAs).

In 1960, to assist its policy of investment and development in storage, the Group's management established the La Fayette research and marketing company (SECLAF), which served as the linchpin for the acquisition and modernisation of the Gennevilliers silo. SECLAF established the Northeastern SICA with 21 cooperatives from the Marne, Aisne and Ardennes *départements* and set up the Givet Port Company. This complex of modern silos and ad hoc companies was the departure point for rapid growth in the storage business and in exports for the cooperatives in the La Fayette block. In 1961 UGCAC founded the syndicated laboratory for quality improvement, SYNAQ.

In 1962, a joint union was formed by UGCAC and UGCAA called the general union of French agricultural cooperatives, UGCAF. The management of both unions wanted to move away from a per-branch structure to a multi-purpose one that would be coherent and powerful, ready to meet the challenges raised

by the modernisation of agriculture and the creation of a common agricultural Europe. They also needed to prepare for the increase in production by coordinating the actions of the cooperatives and adapting them to the requirements of the consumer markets. For the La Fayette group this was the beginning of a rich decade of uninterrupted growth in France and on the export markets.

In 1961-1962 the La Fayette and Mac Mahon groups were neck-to-neck on the grain markets both in France and in exports, but nevertheless far behind the major international trading groups they hoped to compete with such as Continental, Cargill, André, Louis Dreyfus, Bunge & Born, and Toepfer. However, the leaders of both opposing groups knew each other well and found common ground in the cooperatives, where they held similar viewpoints, and at the head of their unions, where they dealt with similar problems. They shared their superior economic interests and met to promote the cooperative movement to the government and obtain access to the major international markets. Consequently, after 1951 UNCAA and UGCAA formed a joint subsidiary, the union of agricultural cattle feed cooperatives, UCAAB. In those early years discussions were held with a view to bringing the two rival unions together, but the implementation of the Common Agricultural Policy, the rapid rise of French agriculture and rivalries between individuals nipped these first attempts in the bud.

■ **Complementary status**

The law of 5 August 1920 authorised agricultural collective interest companies (SICA), which were originally intended to complement agricultural cooperatives by carrying out projects with non-agricultural partners.

1951,

UCAAB, the first cattle feed union

The union for agricultural cattle feed cooperatives, UCAAB, was established in 1951 in Chierry, near Château-Thierry in the Aisne *département*. It had two activities from the outset:

- preparing the mineral, nitrogen and vitamin supplements for adding to both simple and complete cattle feeds;
- providing cooperatives that produced complete feeds with useful technical advice on setting up workshops to make the feed and its composition.

The primary goal was to cover the requirements of cattle breeders in the Aisne and neighbouring *départements*. UCAAB was founded by four national cooperative organisations: UNCAA and its rival UGCAA, Unilait and the cattle breeders' cooperative laboratory. In 2002 UCAAB became Inzo° following the creation of InVivo, and formed a founding pillar of InVivo NSA after the acquisition of Evalis in October 2007.



UGCAC's first large capacity silo in Gennevilliers outside Paris

Set on 80,000 m² of land, this silo went into operation in 1957. It could supply the Paris region with wheat for one month and its capacity made it the largest in France, ahead of the La Grande Paroisse silo, owned by UNCAC (see Chapter 4). It was expanded and modernized in the space of a few years to achieve a storage capacity of 1.2 million quintals, becoming one of the largest silos in Europe. With a flow rate of 1,200 quintals per hour, it had a ventilation mechanism, mechanical handling for filling and a semi-pneumatic and mechanical system for emptying.

After the merger in 1990, Sigma sold the silo to Grands Moulins de Paris, a flour-milling group with a long history, in 1996. Since then it has become the flagship site for the NutriXo group established in 2001, a European leader in flour milling and baking, in which the cooperatives and producers held a major stake.



Storage capacity: the race to investment... and communications

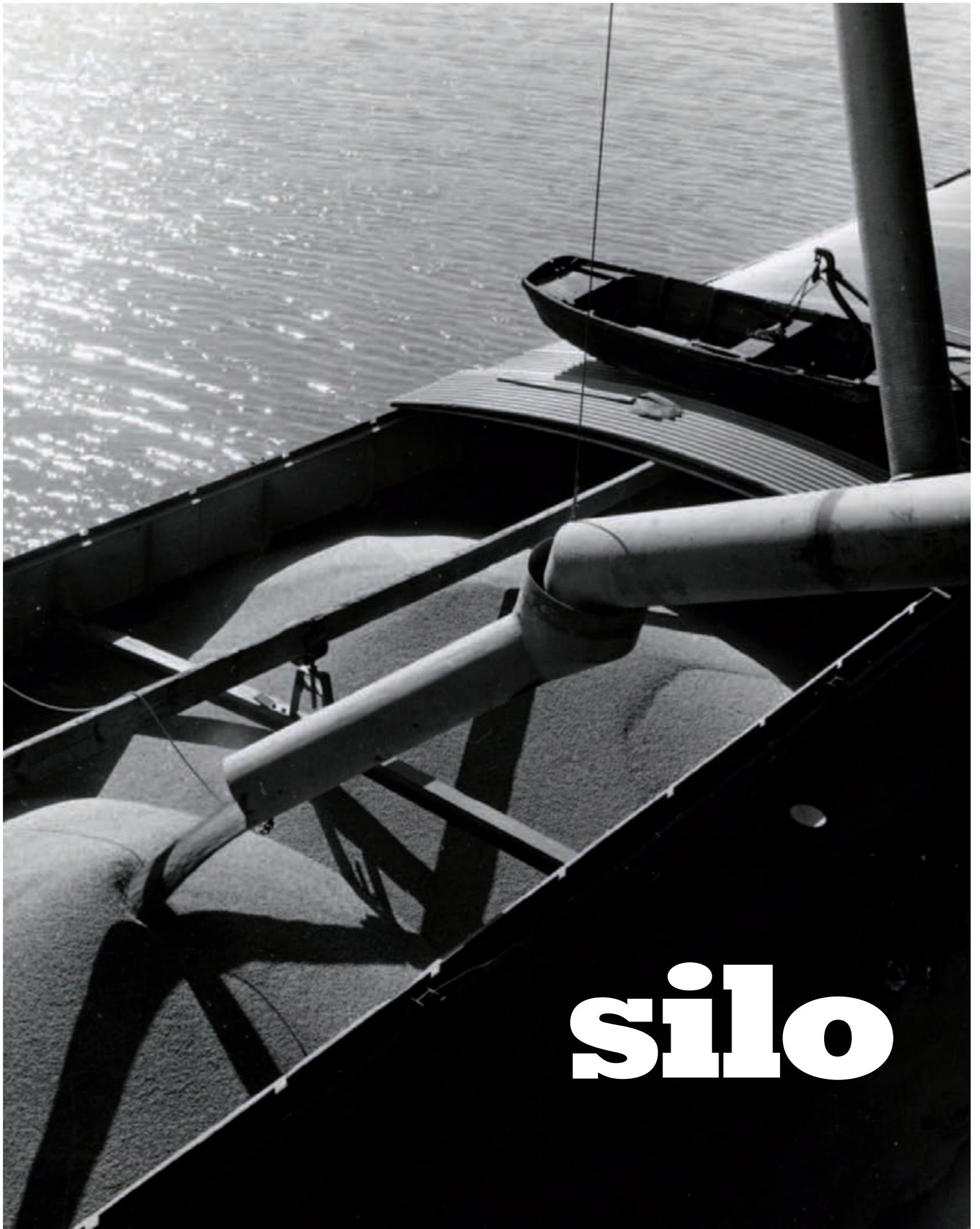
Between 1957 and 1965, the two rival unions UNCAC and UGCAC expanded their silos in the Île-de-France region and rivalled in their communications about their respective storage capacity. In fact the two were neck-and-neck with each other, but in their marketing, each claimed to be the largest!

UNCAC's La Grande Paroisse silo

- 1955 acquired for transformation
- 1958 700,000 quintals
- 1961 800,000 quintals
- 1965 1,250,000 quintals

UGCAC's Gennevilliers silo

- 1957 290,000 quintals (rented)
- 1958 475,000 quintals
- 1961 770,000 quintals
- 1965 1,200,000 quintals



silo

Chapter 4

UNCAC's rise to power

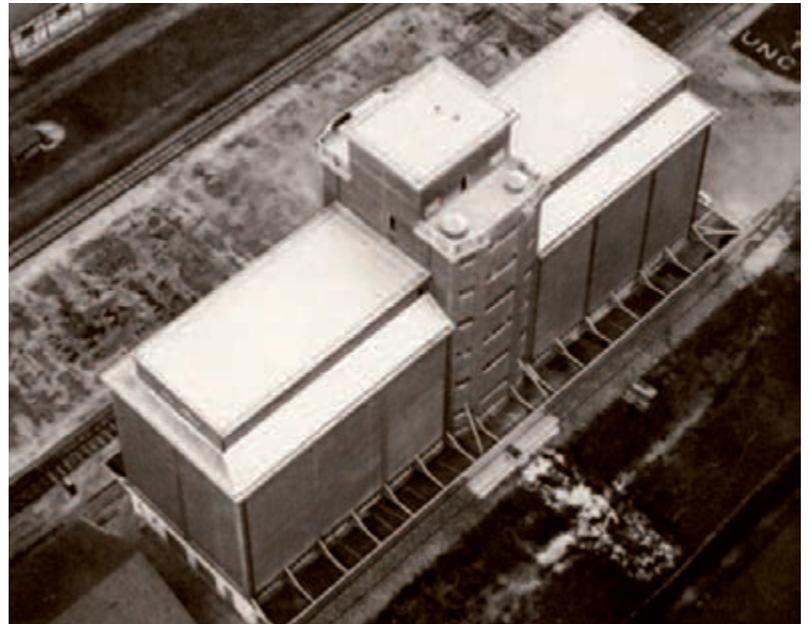
The grain union reaches company size and lays down the foundations for becoming a major European operator (1949-1961)

At UNCAC's 1947 general meeting, its leaders decided to build a socio-economic structure that would “express the volition of the greatest number at the service of the general interest and not short-term whims”. It was decided unanimously that the share capital would be composed of funds raised by the member cooperatives and not based on the volume of business carried out with the union as was the rule. With this fundamental and symbolic decision, a veritable act of faith, UNCAC gave itself the means for its economic ambitions. This was a founding action for its future policy, and enabled UNCAC to develop and become the French – and probably the European – leader in grain storage in the 1960s.

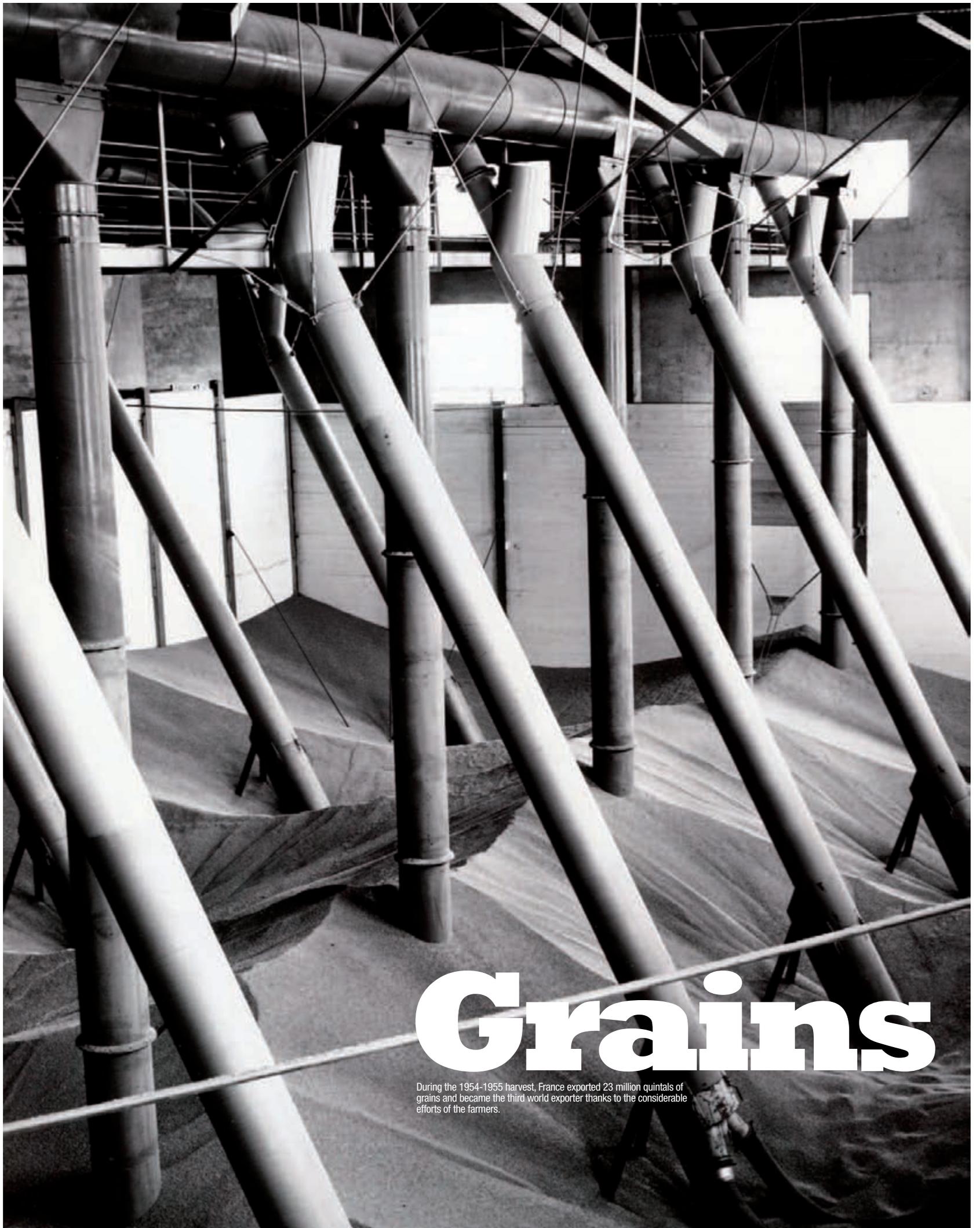
The major principles behind UNCAC's economic and technical decisions (1949-1955)

FROM 1949 TO 1954, AGAINST AN INCREASINGLY COMPETITIVE NATIONAL, and then international, backdrop, especially in Europe, UNCAC laid down the foundations of its future growth. In a 1950 report, UNCAC stipulated its policy of establishing “heavy” storage units to rapidly ensure carry-over storage and the deployment of sea and river port transit installations. At the time, a 200,000 quintals silo was still considered to be a concrete monster!

UNCAC was supported in this move by Pierre Pflimlin (1907-2000), the minister for agriculture from November 1947 to August 1951 in eight successive governments under the Fourth Republic. UNCAC persuaded the ministry to set up a National Equipment Commission, which produced several reports highlighting the need to create “heavy storage equipment” in order to have standard levels of stocks for security and carry-over, both for the domestic market and for exports. This was vital for the organisation and regulation of the grain market.



By renting the Mignères silo (Loiret *département*) in 1949 with a capacity for 80,000 quintals, UNCAC took a first step in the carry-over storage sector on behalf of the cooperatives.



Grains

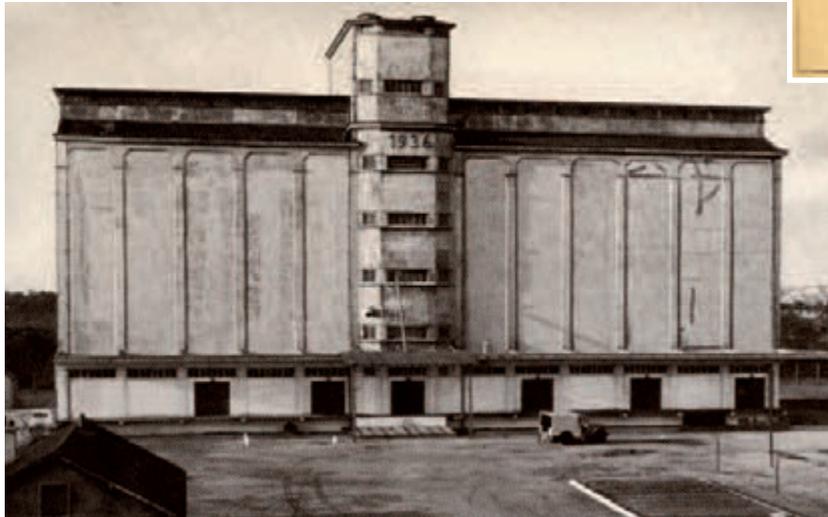
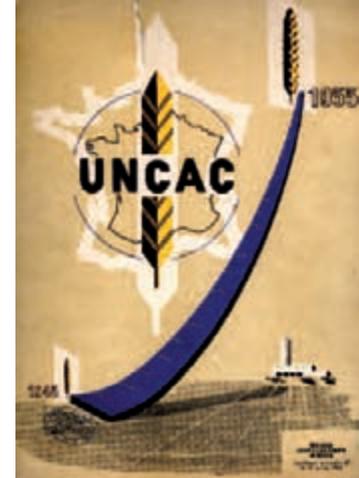
During the 1954-1955 harvest, France exported 23 million quintals of grains and became the third world exporter thanks to the considerable efforts of the farmers.

UNCAC's first initiative in this area was the rental on behalf of its cooperatives of three state silos: Mignéres in the Loiret *département* in 1949 (80,000 quintals), Mantes in the Seine-et-Oise *département* in 1951 (100,000 quintals) and Le Mans in 1952 (90,000 quintals).

During this time UNCAC started its first economic services, providing member cooperatives with the means for marketing their goods in France and abroad. The union invested in the seed sector but volumes in post-war France were still very low. In December 1949, UNCAC and the general association of maize producers, AGPM, organised the second International Maize Conference in the town of Pau (southern France), the first one dating back to 1930 before the war. The aim of the conference

was to introduce hybrid maize. Following the event, which had wide-scale repercussions, UNCAC became the leading importer of maize seed for a time, reducing the market speculation that had arisen when the market was solely controlled by business.

Report by the CEO, Jack Lequertier (1955).



The Le Mans silo (Sarthe *département*) built in 1936, with a capacity of 90,000 quintals.



The Mantes silo in Seine-et-Oise (the Yvelines *département* today) with a capacity of 100,000 quintals.

Development of UNCAC's own resources and share capital from 1955 to 1966 (in Francs)

	1955-1956	1958-1959	1959-1960	1960-1961	1961-1962	1962-1963	1965-1966
Own resources	1,950,000	4,000,000	5,000,000	5,600,000	7,000,000	18,000,000	29,800,000*
Share capital	310,000	500,000	1,300,000	1,700,000	2,800,000	11,400,000	13,500,000**

*Equivalent to €4,542,981. ** Equivalent to €2,058,062.

UNCAC's policy provided it with considerable resources of its own, opening up numerous possibilities for credit for export development as well as for its investment programme, notably in storage silos. One illustration of this policy was capital increase voted in 1962, which increased UNCAC's share capital from FF 2.8 million to FF 13.5 million in 1966.

The 1949 Maize Congress: a turning point in the history of modern French agriculture

The second International Maize Congress was held in Pau in December 1949, and chaired by Louis Bidau, director and future vice-chairman of UNCAC. This event, which triggered the rapid rise of a modern maize farming industry in France, stressed the possibilities of planting hybrid varieties of maize, which were almost unknown in France at the time. A book about the work of the congress was distributed on the occasion.

In his opening speech, Francis Bouchard, the chairman of UNCAC, stated that, “the urgent needs of the national economy require maize producers to make a considerable effort to cater sufficiently to the requirements of the domestic market.” He pointed out the crucial role that grain production would play in the French trade balance. In 1950, Jack Lequertier followed suit by declaring at UNCAC’s general assembly that, “French agriculture has proved that it can and must make an important contribution to the country’s balance of payments through massive and permanent exports.”

Following the second Maize Congress, which had considerable repercussions and contributed to the rapid rise in modern maize farming in France, UNCAC organised several study and practice sessions, such as the Maize Day held in Senlis on 25 October 1951, which dealt with American hybrid maize.



IN FEBRUARY 1954, THE RUE HALÉVY GROUP published the first issue of *Union Agriculture* with a provocative editorial entitled “The CGA and its ghost” deploring the end of the federal unity created after the war, and adding, “CGA is merely the shadow of its former self. Some will remember nostalgically the disappointed hopes following the Unity Congress.” However, this did little to prevent UNCAC from pursuing its path and aiming ever higher in both economic and geographic terms.

found ation



It was during these years that cooperatives as a whole became increasingly aware of the role that UNCAC could and should play in the economic and technical sectors. In addition to its intense technical activities in seeds (labelling, organising technical information days, negotiating licensing rights, etc.), its main activity remained a federating one. It was led by **Jean Gautard**, an agricultural engineer (graduate of the Grignon École Nationale d'Agriculture) and director of the federal division until 1965, and then deputy secretary general of UNCAC until his death in 1971 at the age of 60.

In the mid-1950s, two other issues occupied UNCAC's leadership, leading to intense discussions with the government:

- the battle for the remuneration of the storage organisations, to obtain better margins. This was marked by a real success since it benefited all the cooperatives;
- demands for greater representation for cooperatives, notably for the directors of cooperatives in ONIC'S central committee, and a demand that the grain bureau's prerogatives be returned to their 1936 levels, particularly in price setting. UNCAC failed to obtain satisfaction because of differences of opinions among the agricultural organisations.

The La Grande Paroisse silo as a flagship investment on a European scale

ON 10 FEBRUARY 1955 UNCAC ACQUIRED A DISUSED LIME AND CEMENT FACTORY that formally belonged to Poliet and Chausson. The logistical advantages were clear, since the plant stood on the right bank of the Seine just 75 km upstream from Paris and 75 km downstream from Montereau, at the confluence of the Seine and Yonne rivers; in an intense grain growing area (the total grain harvest exceeded 45 million quintals at the time). Furthermore, the plant was connected to the SNCF rail network by a special branch on the Paris-Lyon-Mediterranean line, and to the river by a fairly deep and large private port connected to the Seine.



The disused Poliet et Chausson cement plant at La Grande Paroisse in 1954 before it was acquired by UNCAC.

This was clearly an exceptional geographic situation for installing warehouses or silos either for storing grain destined for the mills, for back-up or for exports (via Rouen), under what were the most economical transportation conditions at the time.



The first major modernisation and extension works on the La Grande Paroisse silo, 29 April 1956.

At the time it was acquired by UNCAC, the lime and cement factory had ceased operations for several decades and the nearby quarry was abandoned. The place had already served for storage but the buildings were in very poor condition and considerable work was required to transform them into a modern silo. The first part of the renovations was carried out between 1956 and 1958 and transformed the cement factory into a real modern silo.

This acquisition and modernisation operation could not have been carried out under such favourable conditions without Jean Sourbet (1900-1962), then minister of agriculture who approved and encouraged the project. He was on friendly terms with Jack Lequertier, the strongman and director general of UNCAC, and frequently supported him. Thanks to Sourbet, UNCAC was able to obtain long-term loans and financing operations to carry out the first stage of the work. When on 6 July 1958 La Grande Paroisse was opened by Émile Roche (1893-1990), chairman of the Economic Council (*Conseil économique*), the new silo had a storage capacity of 700,000 quintals (silo 1). It reached 800,000 quintals in 1961 and 1,250,000 in 1965.



This highly important investment for the future and development of UNCAC's economic activities in grain logistics was the first milestone for the future European leader in grain storage. The head of operations at La Grande Paroisse was Georges Pradel, close to Jack Lequertier, who promoted the investment policy.



Aerial view of the La Grande Paroisse site (1958).

The La Grande Paroisse silo is named after Jean Sourbet

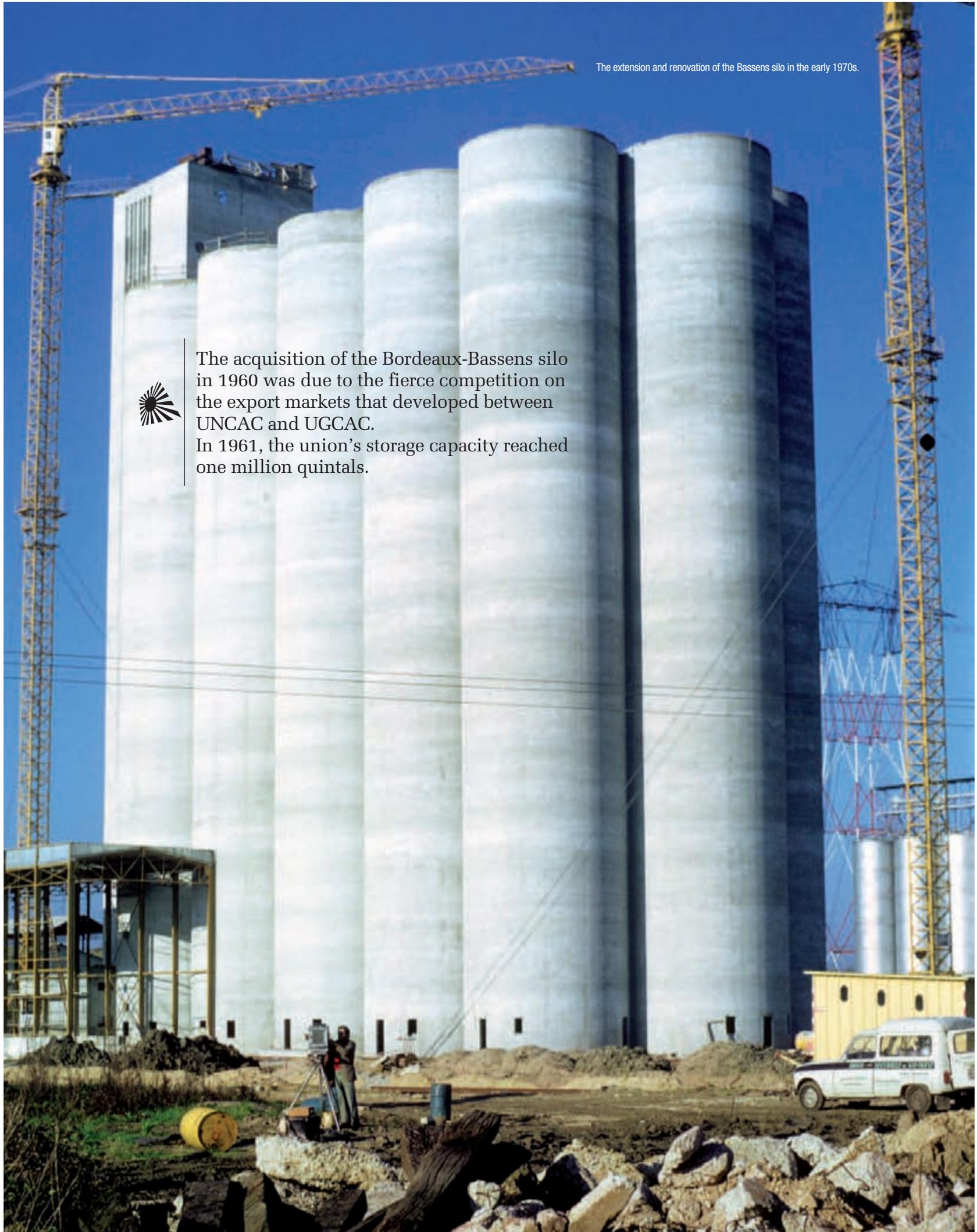
On 26 July 1963 the La Grande Paroisse silo was renamed after Jean Sourbet, who died of a stroke on 21 December 1962 at the age of 62. Sourbet, a politician from the Gironde, was the former chairman of the Réolais en Gironde cooperative, the departmental councillor for La Réole (1945-1962), and the deputy of the Gironde *département* (1946-1962). Sourbet was also secretary of state for agriculture from 5 December 1951 to 8 March 1952 and minister of agriculture from 23 February 1955 to 24 January 1956. He was the director of UNCAC from 27 November 1958 to 21 December 1962.

Sourbet had been loyal to the national centre for independent farmers, CNIP, since 1951 and took an active part in the National Assembly debates on agriculture, becoming known as a specialist in the subject. His eldest son, Yvon Sourbet, followed in his father's footsteps as mayor of Morizès and was one of the people who later developed UNCAC's venture into silos.

**Commemorative plaque
at La Grande Paroisse.
UNCAC's homage to
Jean Sourbet**

“The largest silo in Europe was built thanks to his devotion to French agriculture, his belief in agricultural cooperatives, and his total faith in UNCAC. ,,

Francis Bouchard, Chairman of UNCAC, 23 December 1962.



The extension and renovation of the Bassens silo in the early 1970s.



The acquisition of the Bordeaux-Bassens silo in 1960 was due to the fierce competition on the export markets that developed between UNCAC and UGCAC.

In 1961, the union's storage capacity reached one million quintals.

Wheat storage for ONIC at La Grande Paroisse in 1956.

Storage

The development of storage units was a central focus at UNCAC in the 1950s, the aim being to build up resources for harmonised safety and carryover stocks.

UNCAC SET UP A NATIONAL TESTING LABORATORY CALLED LABORAGRO AT THE LA GRANDE PAROISSE SITE. Laboragro was officially approved by the Ministry of Agriculture on 14 November 1958, and its tests were a contractual reference value for grains, oilseeds and fodder. The laboratory took part in studies at national level together with the National Institute for Agronomic Research, INRA, established in 1946. The larger cooperatives began to set up their own small laboratories for their day-to-day testing.



The inauguration of Laboragro at La Grande Paroisse on 6 July 1958 by Émile Roche, Chairman of the Economic Council (6th from the left). On his right, Lucien Chaserant (from behind), and on his left, Francis Bouchard and Jack Lequertier.

Laboragro working closely with INRA

When Laboragro was established, its team worked closely with the National Institute of Agronomic Research, INRA, and other technical and higher education establishments in agronomy to solve specific problems relating to the



At the time, INRA played a vital role in maize and rape genetics.

preservation, protection and control of grain. INRA was founded in May 1946 in response to a social imperative: "Feed France". Its researchers perfected a high-yield wheat variety called *Étoile de Choisy*, which was registered in the official French catalogue in 1950. This wheat was widely distributed, especially in the south, and when crossed with other new and efficient varieties contributed to the revival of French agriculture.

Following this first founding investment at La Grande Paroisse, UNCAC carried out a new acquisition in 1960: the Bassens warehouse and silos near Bordeaux. By 1961 its storage capacity exceeded one million quintals. This was the departure point for a new investment policy and UNCAC launched into a programme of regional construction of both carry-over and port silos, by acquisition, long-term rental, availability by agreement and holdings in various SICA-type companies.

Development at national and international level (1956-1961)

THE END OF THE 1950s WAS CRUCIAL FOR UNCAC, NOW IN FULL "ECONOMIC TAKE-OFF". While continuing its federating activity, it had also acquired the stature of an enterprise. After 1955 and the acquisition of La Grande Paroisse, 1956 was an equally important year in the history of UNCAC. The exceptionally cold month of February 1956 froze the majority of the winter sowing of grains. UNCAC put in a strong performance as the main project manager for grain imports and seed distribution. It was helped in these efforts by the Crédit Agricole Ile-de-France Regional Bank, which provided an important contribution of FF 3.5 million (old francs) in 1956 to import spring seeds. At the same time UNCAC continued to develop cooperative seed production and encouraged producers to go for quality. From 1946 to 1965, grain seed production from French cooperatives rose from 10% to an average 55% for all grains together, and UNCAC was the main motor behind this remarkable progress.



Bordeaux-Bassens, a sea and river transit silo dedicated to grain exports

In 1969 UNCAC bought the storage and warehouse facilities belonging to the Bordeaux Bassens commercial union, UCBB, and modernised them. Storage capacity was gradually increased from 100,000 to 500,000 quintals.

The following year an ad hoc marketing structure was created in the form of a SICA for the Bordeaux Bassens harbour silo. Jean Sourbet, then minister, was the founding chairman.



Laboragro placed modern and continually upgraded equipment at its members' disposal. In 2012 it would be integrated into InVivo Labs.

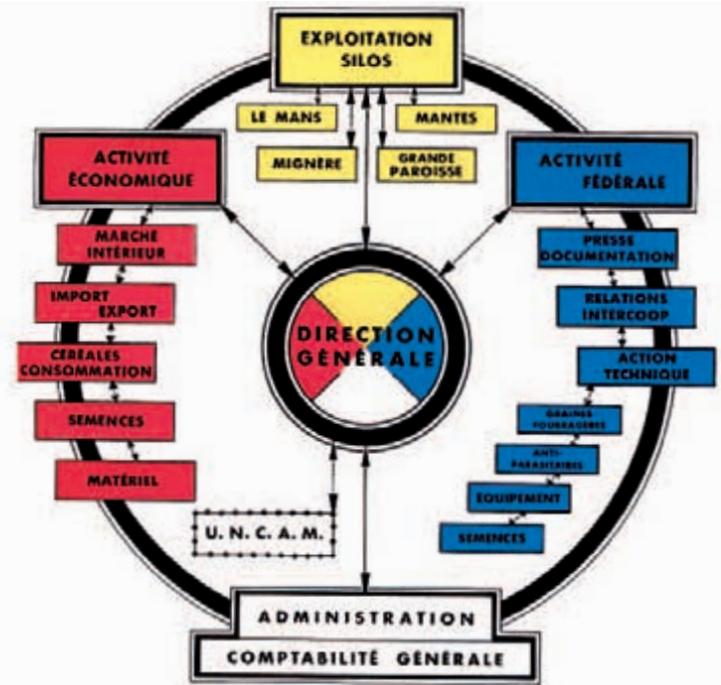
“(…) In 1961 agricultural exports will have to offset our imports of energy and raw materials, failing which we will be obliged to reduce them. Agricultural cooperatives must play a far more important role than in the past in exporting our agricultural products (…). , ,

Étienne Hirsch, General Planning Commissioner, on 17 January 1957, at a conference on “Agriculture in the French economy during the 3rd National Plan (1958-1961)”.

On 1 January 1958 UNCAC, which up to then had only acted as an intermediary in exports, set up its own import-export service. With producers seeking greater negotiating power, the cooperatives needed a permanent export market presence and this could only be achieved by a national organisation. Having felt its way in international trade since 1950, UNCAC decided to set up a team to develop this highly promising activity. Since it was not yet ready to do battle, UNCAC first learnt the rudiments of the market before gradually gaining ground and playing a significant role in French exports by the 1960s. One of the major issues for the unions during this period was to be recognised as important players on the export markets without losing their independence. UNCAC was the only cooperative union together with Harvest States in the United States to achieve this dual objective at the time.

In 1960 UNCAC was the 85th French exporter in the *International Trade Monitor*. Within two years it had already reached 39th place, whereas a well-known and powerful international shipping group Louis Dreyfus & Co ranked 30th. Quite a performance!

UNCAC organisation chart in July 1956



Still in 1960, UNCAC set up a network of regional delegations that ensured a permanent liaison between the member cooperatives and UNCAC's services both at federal and economic level, and represented the Union at regional level to the government and professional organisations. UNCAC then completed its range of services to cooperatives by setting up an accounting organisation service.

1956,

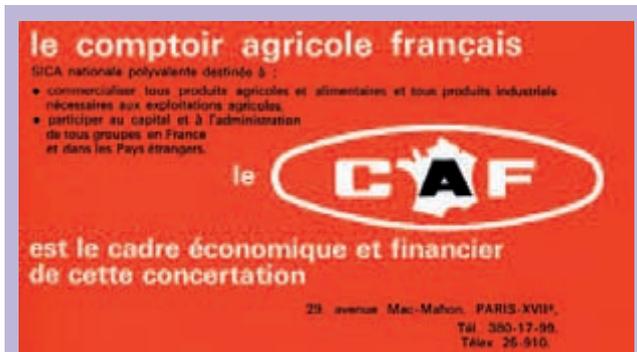
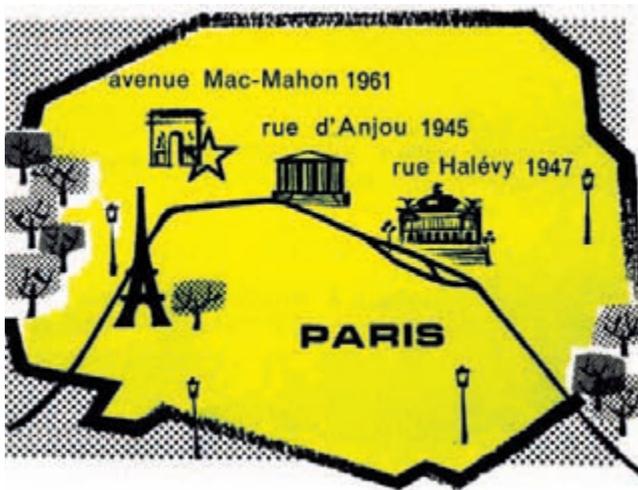
A record cold winter

In February 1956 the whole of France was hit by an exceptional cold spell and the previous autumn's sowing was destroyed. That rare freak winter also decimated the olive trees throughout the south of France, as well as many orchards and vineyards.



At the end of the 1950s, UNCAC truly changed scale. In 1959 it acquired 60.4% of a building with UNCAA (39.6%) at 29, avenue Mac-Mahon in the 16th arrondissement of Paris, near the Arc de Triomphe. It moved in shortly afterwards with its leading subsidiaries. As a result the former Rue Halévy group was referred to as the Mac Mahon group.

ON 15 MARCH 1961 THE MAC MAHON GROUP SET UP THE FRENCH AGRICULTURAL SYNDICATE, CAF, with the Normandy milk union and the Doumeng group, via a company called Interagra. By setting up this limited liability company the group extended its business beyond the cooperative sector to all dairy products, fruit and vegetables and wine. This diversification brought fairly modest results but enabled the Mac Mahon group to carry out operations in the Soviet Union and in other Eastern bloc countries, in collaboration with the "red billionaire".



**A desire to diversify:
from the formation of the CAF (1961)
to the construction of the Rungis
warehouse (1969)**

When the French agricultural syndicate, CAF, was formed, its policy was based on three pillars: versatility, so that it could integrate all agricultural products and by-products; a systematic search for all cooperative grouping possibilities; post-production intervention with a presence in various marketing circuits and a search for agreements with transformers and distributors of agricultural products. CAF's chairman was Francis Bouchard, while the vice-chairman was Gustave Grandin, chairman of the Normandy dairy union, ULN, here with Guy Benoist, chairman of UNCAA, Jean Baptiste Doumeng, chairman of UCASO, J. Dulin, chairman of the Charentes-Poitou association and G. Leclercq chairman of UB&V. In 1969 CAF inaugurated the fruit and vegetable section of the Rungis wholesale market, a modern, 5,000 m² warehouse planned and built by SÉQUIPAG, a Mac Mahon group company/subsidiary.

1960,



**New headquarters and new name:
UNCAC moves to Avenue Mac-Mahon**

In 1959 UNCAC acquired a new head office at 29 Avenue Mac-Mahon in Paris and moved there in 1960 with UNCAA and the other companies that now formed the Rue Halévy group, now renamed the Mac Mahon group.

The building was designed and built by the architect Georges Massa in 1903 for Doctor Henriquez de Zubiria. It is in an eclectic style with a few decorative art nouveau-influenced aspects. It has a very original façade that was quite unusual in Paris at the time, inspired by the Italian Renaissance style with its rusticated façade.

The “red billionaire”

Jean-Baptiste Doumeng (1919-1987), the so-called “red billionaire”, founded the Doumeng group. He was the son of a tenant farmer-turned-landowner in the Haute-Garonne. He joined the French Communist Party at the age of 16 and was an anti-fascist resistent during the war. A self-taught man he went into international trade after 1945 and became a major figure in the international agrifood business through his company Interagra, founded in 1949. His fortune came from trade with the Communist countries during the cold war. From 1973 to 1977, he was on the board of directors of the national confederation of mutual benefit societies, agricultural cooperatives and agricultural credit.

- His first creation: peasant supply cooperatives.
- His first exchange: French potatoes for Czech tractors.
- His network: the apparatchik Mikhail Gorbachev, the policies of the minister Michel Poniatowski, the Irish tractor manufacturer Harry Ferguson, and last but not least, Baron Guy de Rothschild.



Jean-Baptiste Doumeng: peasant and self-made man, Communist, resistent, promoter of cooperatives, entrepreneur, friend of the USSR and a major personality in French agriculture.

UNCAC CONTINUED WITH NEW VENTURES OF VARYING SIZE. In 1957 it created an auxiliary company for supplying model printed forms to storage companies, SAFIMOS, to investigate and supply documents adapted to the accounting rules that applied to their new trade. In 1960 UNCAC and UNCAA established the union of agricultural fodder seed cooperatives (UCASEF, see Chapter 2). UNCAC devoted more and more time to the organisation of the European grains market in anticipation of the Common Market, and to this end, set up the specialised committee of agricultural cooperatives in the EEC countries.

At the end of the 1950s, the political and economic order was undergoing far-reaching changes. The Fourth Republic had ended and General de Gaulle had returned to power. The “productivist” post-war agricultural policy had produced its first results. The consolidation of cultivatable land had started and intensified during the 1960s, and with the 1960 Orientation Laws on agriculture, led to higher yields and greater production.

After the Treaty of Rome was signed in 1957 and the Common Agricultural Policy (CAP) was gradually implemented from 1962, some flexibility in the operation of the storage organisations favoured the rise of cooperatives and their unions. During the 1957-1958 and the 1961-1962 harvests, the quantity of grains that passed through UNCAC rose from 1.4 million to 6.5 million quintals and exports rose from 0.25 million to 4.2 million quintals.

In 1961, UNCAC had a storage capacity of more than one million quintals and comprised 700 member cooperatives. Its teams, united under the charismatic authority of their director general, Jack Lequertier, were ready to face the European grain market.

“ At the end of the 1950s, France was buying wine, milk and wheat (one out of five tonnes of wheat consumed in the domestic market was purchased abroad). ,,

UNCAC's revenues (1945-1962)

	Revenue (in Francs at the current rate*)		Revenue (in Francs at the current rate*)
1945-1946		1954-1955	17,123,210
1946-1947		1955-1956	57,710,000
1947-1948	6,592,422	1956-1957	37,015,578
1948-1949	4,062,832	1957-1958	56,637,975
1949-1950	10,195,478	1958-1959	85,415,592
1950-1951	12,297,513	1959-1960	138,493,671
1951-1952	11,917,447	1960-1961	257,409,406
1952-1953	19,908,172	1961-1962	346,415,556
1953-1954	19,247,666		

Sources: UNCAC's general meetings.
* New francs (1958)

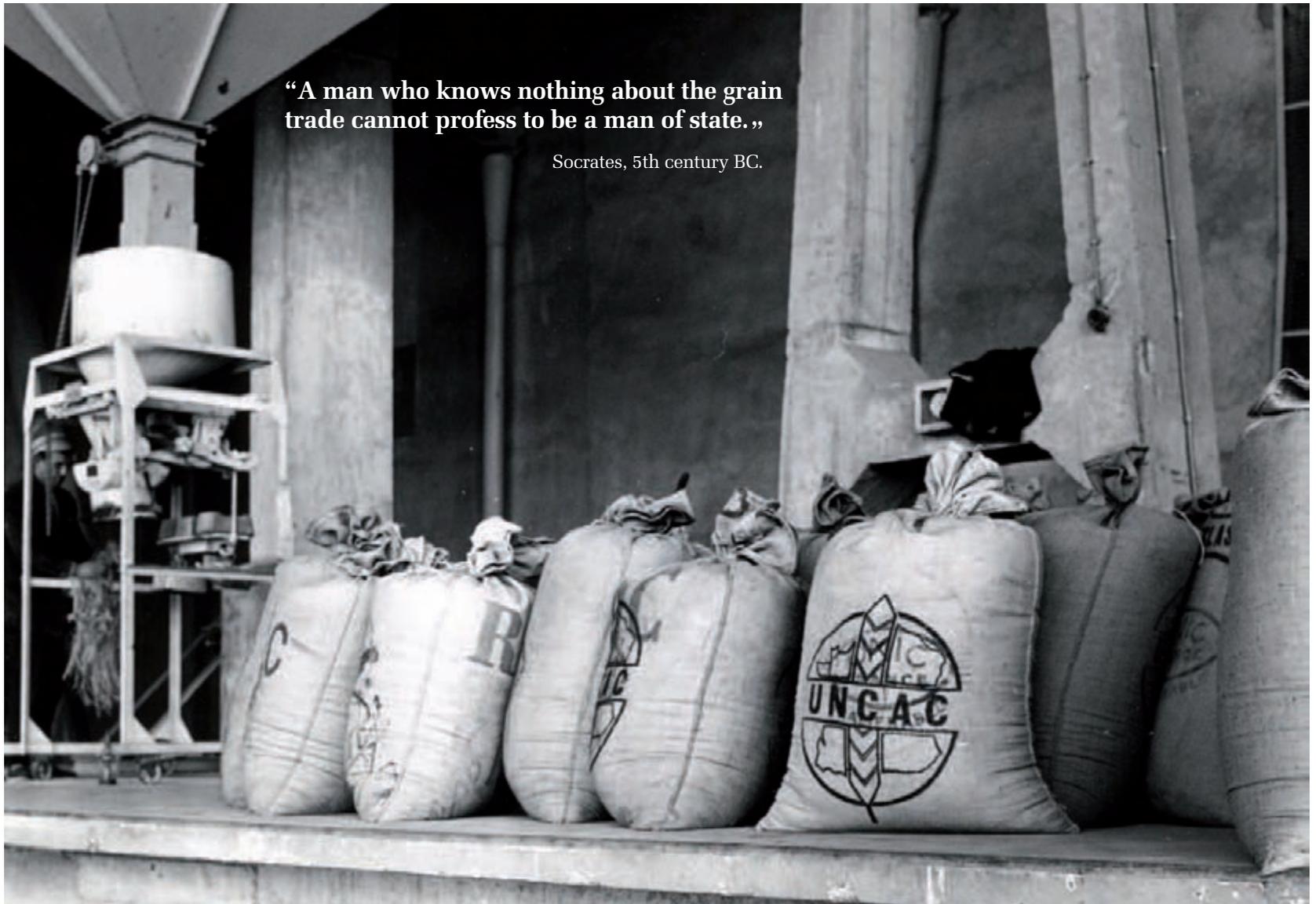
After acquiring the La Grande Paroisse silo, UNCAC grew to become a real enterprise and its revenues increased six-fold between 1957 and 1962.

UNCAA's revenues (1945-1962)

	Revenue (in Francs at the current rate*)		Revenue (in Francs at the current rate*)
1945-1946	2,185,555	1954-1955	36,708,080
1946-1947	6,845,370	1955-1956	43,520,480
1947-1948	27,389,860	1956-1957	49,496,910
1948-1949	45,755,780	1957-1958	66,391,180
1949-1950	31,221,600	1958-1959	79,344,680
1950-1951	44,529,510	1959-1960	89,283,360
1951-1952	44,722,810	1960-1961	104,027,590
1952-1953	33,285,770	1961-1962	141,343,240
1953-1954	32,457,760		

Sources: UNCAA's general meetings.
* New francs (1958)

UNCAA grew at a regular pace from its inception, despite the severe crisis in 1952 and 1955, which could have been fatal.



“A man who knows nothing about the grain trade cannot profess to be a man of state..”

Socrates, 5th century BC.

UNCAC, a player in the CAP and the European grains market

FROM 3 TO 12 JULY 1958, little more than a year after the signature of the Treaty of Rome on 25 March 1957 (which came into force on 1 January the following year), delegations from the six member states of the European Community met in Stresa, northern Italy, to discuss the implementation of a Common Agricultural Policy (CAP) in compliance with Article 39 of the Treaty. The participants noted the need for a “policy of structures”, the aim of which was to improve the productivity of family farms. In this first draft, the delegates set three principles for building an agricultural Europe: a single market, community preference and financial solidarity. At the time Europe was still not self-sufficient in food. From 1958 to January 1962, the six-member community drew up the main principles of the CAP.

UNCAC sets up its first European lobbying group

The group was established immediately after the Treaty of Rome, on a proposal by Jack Lequertier, director general of UNCAC. His idea was that countries needed to know each other better before entering into a common economic venture. This was one of the first professional organisations of this type and UGCAC also took part in it.



Jack Lequertier, a committed European, during a meeting of the organisation in 1964.

During this period, UNCAC and its leaders were key players, having already been pioneers in developing the European concept since 1950. In 1958 UNCAC established the EEC organisation of agricultural grains cooperatives at national level for the six member states. The aim was to ensure the representation and defence of the interests of the member states' national grain cooperatives within the Common Market and with third party countries. The organisation carried out various studies and also liaised with similar organisations within the same professional framework as well as in other economic and social sectors.

This nine-member organisation was chaired by a Dutchman, Van Moerbeke, who was succeeded in 1963 by Jack Lequertier. Lequertier's priority was to ensure that the European Commission understood the importance of the role played by the grains cooperatives in the market equilibrium. He

studied the impact of the EEC regulations on this specific market and in June 1962, UNCAC brought out a basic document for the Organisation's member cooperatives, called, “The basic organisational principles of the French grains market”.

In 1963, the Organisation drew up another basic document on the principles for organising a common market. It exposed the reasons for an organic set of regulations for the EEC grains market, which was adopted by the EEC on 19 December. It stressed that the grain cooperatives wanted to contribute to the elaboration and implementation of the measures for organising the market. UNCAC, with the Organisation as an intermediary, played a determining role in the negotiations. Jean-Claude Piel, an agricultural engineer and UNCAC management delegate as well as a titular member of the EEC grains consultative committee established in the autumn of 1962, was in charge of this matter with Jack Lequertier.

Jean-Claude Piel, the man behind the CAP and international relations

Born in Paris on 16 May 1934, this agronomist (Rennes 1954-1957) carried out his entire career at UNCAC and then at Sigma from 1 March 1960 to 30 April 1994. Jack Lequertier had hired him when he was at the Rennes branch of Agro through his friend Louis Malassis, a rural economics professor. Jean-Claude Piel was involved in the group's relations with the EEC when the CAP was implemented during the 1960s. While representing UNCAC at the grain consultative committee in Brussels and in international organisations, he also headed the group's seeds (1978-1983) and then storage divisions (1978-1991). With Jack Lequertier he created Expanssem, the national brand for seed cooperatives (1968), which merged with Semences de France in 1991. He was also head of communications and foreign relations from 1983 to 1994, before retiring on 5 May 1994.

“Piel was a European from the start.,,”

Bruno Catton, on the occasion of Jean-Claude Piel's retirement, 5 May 1994.



Jean-Claude Piel (third from the left) and Jack Lequertier in 1964 during a meeting of the EEC organisation of agricultural grain cooperatives.

In 1959, with intra-community duties having been reduced by 10% for the first time, the Commission in Brussels published the Mansholt report, containing the first proposals for a common agricultural policy. The basic principle was to provide producers with efficient guarantees on sales and prices. On 30 June 1960 the first Mansholt plan suggested reducing the transition period (originally from 1958 to 1970) to 30 June 1967. A European agricultural guidance and guarantee fund was set up with contributions from member states. On 14 January 1962 and 23 December 1963, the six member states laid down the foundations for a collective organisation of agricultural markets for 85% of production by establishing common rules and mechanisms. Common prices came into force on 1 July 1967.

Sicco Mansholt (1908-1995), architect of the CAP

A Dutchman, born to a family of socialist farmers, Sicco Mansholt was a resistent during the German occupation. After Liberation he was appointed minister of agriculture in his country, and remained in that post for 13 years. He became the EEC's first Commissioner for Agriculture in 1958. An agronomist by training, he had a pioneering European spirit and was considered to be the architect of the CAP. The fact that he was both commissioner and vice-president of the Commission was proof of the importance the six-member Common Market attached to the CAP.



When it came to the opening up of national markets, the six countries reached a stumbling block when dealing with grains, considered a "test sector". Although the first proposals for bringing national grain prices in line with each other were discussed as early as November 1959, the member countries decided to wait until 1967 before fully unifying the market. Nevertheless, the second Mansholt plan of 5 November 1963 suggested establishing the single grain market from 1 July 1964. However, the Germans did not agree.

On 15 December 1964, after two marathon negotiating sessions lasting 19 and 22 hours each, the unification of grain prices was adopted, setting common prices to be applied from 1 July 1967. The CAP was gradually put in place, as UNCAC had wanted back in 1957, and finally agreements were reached on adopting a rule from the Kennedy Round, the 6th session of the General Agreement on Tariffs and Trade (GATT), held in Geneva between 1964 and 1967. Trade in agricultural products was concerned for the first time.

The CAP initially was a compromise between France and Germany, whereby France agreed to open up its markets to German industrial products if the German market opened up to French agricultural products.

The Kennedy Round (1964-1967) for new customs rules

Two of the four main objectives of the Kennedy Round of the GATT were to reduce customs duties by half, with a minimum number of exceptions, and withdraw restrictions on agricultural trade.

- 66 nations representing 80% of international trade took part in this round of multilateral tariff negotiations.
- Negotiating with the USA, the six member states worked to draw up common agricultural strategies and proposals.

CAP

Financial contributions by EEC member states to the European agricultural market in 1970 (%)

Germany	31.7
France	28
Italy	21.5
Netherlands	10.35
Belgium	8.25
Luxembourg	0.20

UNCAC was in favour of a broad European grain market but advocated an organised one, and fought an over-rapid upheaval in trade. It feared that extreme liberalisation could provide fertile ground for speculation again. There was no question of returning the pre-1936 manoeuvres, which had led to the creation of ONIB, the oldest intervention bureau in the agricultural sector. Against certain private interests, UNCAC had from the early stages of the negotiations ardently defended three major principles, which it saw as fundamental to a sustainably balanced French grains market. First, UNCAC considered it important that the profession work with the public authorities; second, the storage organisation plays a key role in ensuring basic guarantees in sales; and third, supply should be controlled by transiting grain through storage organisations.

The first battle fought by UNCAC and the EEC organisation of agricultural grain cooperatives was to extend intra-community trade to third countries, even though the six-member self-sufficiency was rejected. Indeed, the first real common market grain harvest in 1962 revealed the weakness of French grain exports to Common Market countries. As a pioneer of the European grain market, UNCAC developed a range of economic policies with its European partners, together with the European Commission in Brussels, which was keen to involve the profession in drawing up a common grains policy. As proof of its desire to open up, UNCAC agreed that French grain regulations must gradually give way to European ones. The grain sector was in

the process of being brought into line by the harmonisation of national economic policies. In the space of a few years, UNCAC had become a leading international negotiator.

A European union of grain cooperatives?

UNCAC launched the idea in 1962, at a meeting of the EEC organisation of agricultural grain cooperatives, and suggested setting one up in the near future. Like the European Bureau so desired by UNCAC in 1950, this supra-national grain union never saw the light of day. Nevertheless, the European grain market was on the right track.

The CAP, which came into force in January 1962 after the final price negotiations, was one of the cornerstones of European construction accounting for three-quarters of its budget. France was for many years the main beneficiary, notably becoming one of Europe's granaries. The increase in agricultural productivity was remarkable in the 1960s but by the 1970s had led to considerable excesses and imbalances. It was against this European backdrop that the UNCAC, UGCAC and UNCAA unions rapidly developed their activities.



UNCAC General Assembly on 31 January 1961.

French farming

came out of the war battered and bruised. In addition to various shortages and a chronic scarcity of raw materials, 32,000 farms had been destroyed

■ **The Ramadier Act (1947)**
on the status of cooperatives.

■ **The Marshall (1948) Plan was launched**
and modern agriculture took its first steps

The second international Maize Congress was held in Pau in December



1944



1947-1948



1949

1945

1947-1948

1951



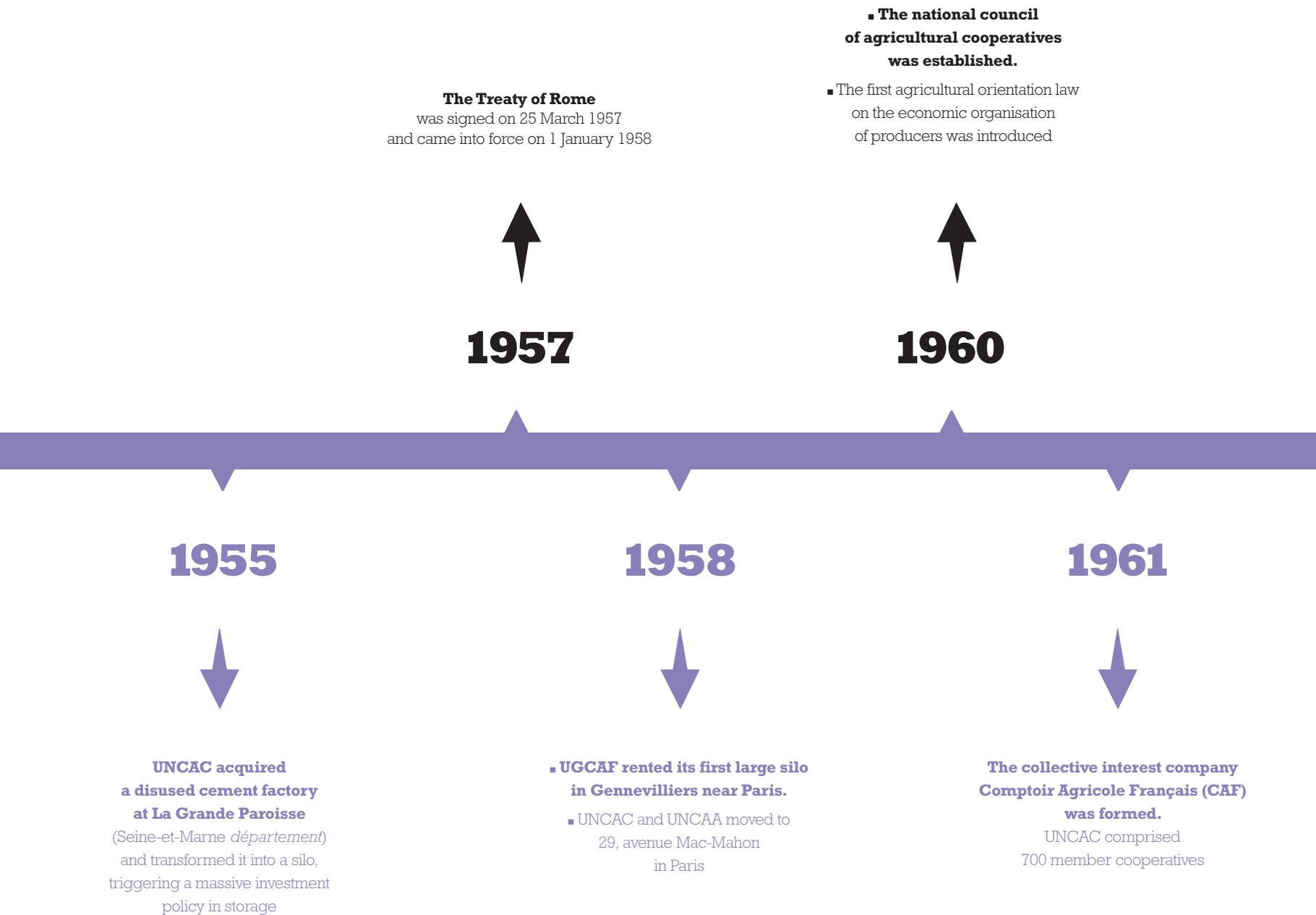
UNCAA and UNCAC
The first two cooperative unions were set up at the behest of the socialist government: the national union of agricultural supply cooperatives (on 25 May) and the national union of agricultural grain cooperatives (on 8 August)



UGCAA and UGCAC
The conservative Christian cooperatives joined together in the general union of agricultural supply cooperatives (30 August 1947) and the general union of French agricultural cooperatives (17 March 1948)



The union of agricultural cattle feed cooperatives, UCAAB, was established in Chierry, near Château-Thierry in Champagne. UNCAA joined immediately



1962 was a pivotal year in the history of French agriculture. It saw the arrival of the Common Agricultural Policy (CAP), the introduction of a new framework bill on agriculture favouring family units, and the acceleration of mechanisation. Yields rose sharply across the board, in grain, milk, meat, vegetables and fruit. French agriculture became an exporter, and business boomed for mass retail, agri-supplies and all agriculture-related sectors. In this dynamic environment, farming cooperative unions worked to structure their business and service offers.

France became self-sufficient in food in 1970. For the first time, wheat, milk and butter surpluses became a much-debated issue. To tackle the issues of “milk lakes” and “butter mountains”, European dairy quotas capping and stabilising production were introduced in 1984, much to the displeasure of French farmers. Against a backdrop of two oil crises and galloping inflation, cooperatives made an initial move towards concentration in the 1970s, and would continue that effort in the 1980s. Regional cooperative hubs emerged, while national cooperative unions branched out and extended their influence in the French and world markets.

UNCAA and UNCAC jointly created the GAMM brand in 1976. UNCAA launched the Gamm vert retail brand the year after. Meanwhile, UGCAF moved into seeds and UNCAC into the international grain business. Rapid changes in structures and markets called for more unity, but the efforts of UNCAC and UGCAF to move closer together were in vain. While antagonisms endured, federal unity was confirmed as early as 1966.

The boom years

(1962-1990)

Part two 

Chapter 5

UNCAC changes dimension

Across-the-board development from 1962 to 1974 in storage, export, research, seeds, transport and equipment

In 1962 the UNCAC General Assembly decided to increase the share capital base to give the national union the financial strength necessary for growth. The main goals were to invest in silos and build presence in export markets. The success of the capital increase with member cooperatives demonstrated the cooperatives' confidence in the union's objectives and efficiency. Initiative after initiative, managing director Jack Lequertier built a harmonious group with strong potential, able to take part in the construction of a "United States of Europe" and play a role on the global economic stage.

UNCAC affirms export ambitions, develops storage and becomes an equipment supplier

UNCAC HAD 619 MEMBER COOPERATIVES IN 1962.

The union was looking to show that France could become the number-one grain producer and exporter in Europe. It would do so by establishing presence on international markets, participating in the work of European institutions and enhancing its performance and that of member cooperatives.

The theme of UNCAC's General Assembly of 15 February 1962, "France, granary of Europe", was as much a confession of faith as a development project. The meeting included a screening of a UNCAC-produced film, also called "France, granary of Europe", showing the qualitative and quantitative importance of French grain production and stressing the opportunities for developing exports. An official screening was organised on 15 May at the Marbeuf cinema in Paris, with Agriculture Minister Edgard Pisani in attendance. The film was then distributed internationally in English and German versions. The bold communication campaign was designed to make an impact – on policy decision-makers and Western Europeans as a whole – and bolster UNCAC's European lobbying efforts. The aim was also to convince France's agriculture minister that French storage facilities had to be developed at all levels, as this was a vital condition for the growth of grain exports in the European Economic Community then under construction. As 1962 began, France was mainly exporting grain to the EEC, Poland, Scandinavia, the UK, Sub-Saharan Africa, North Africa and China.

Two years later, in 1964, the guests of honour at the UNCAC General Assembly were Émile Roche (1893-1990), president of France's Economic and Social Council from 1954 to 1974, and Robert Marjolin (1911-1986), European commissioner and vice-president of the EEC in charge of economic and financial affairs from 1958 to 1967. Their presence at the assembly showed that UNCAC was now in full European mode and keenly focused on grain exports. French wheat harvests were considered "outstanding" at this time, with 68 million quintals in 1961-1962 and nearly 100 million in 1962-1963. The total in 2012 was 356 million quintals!

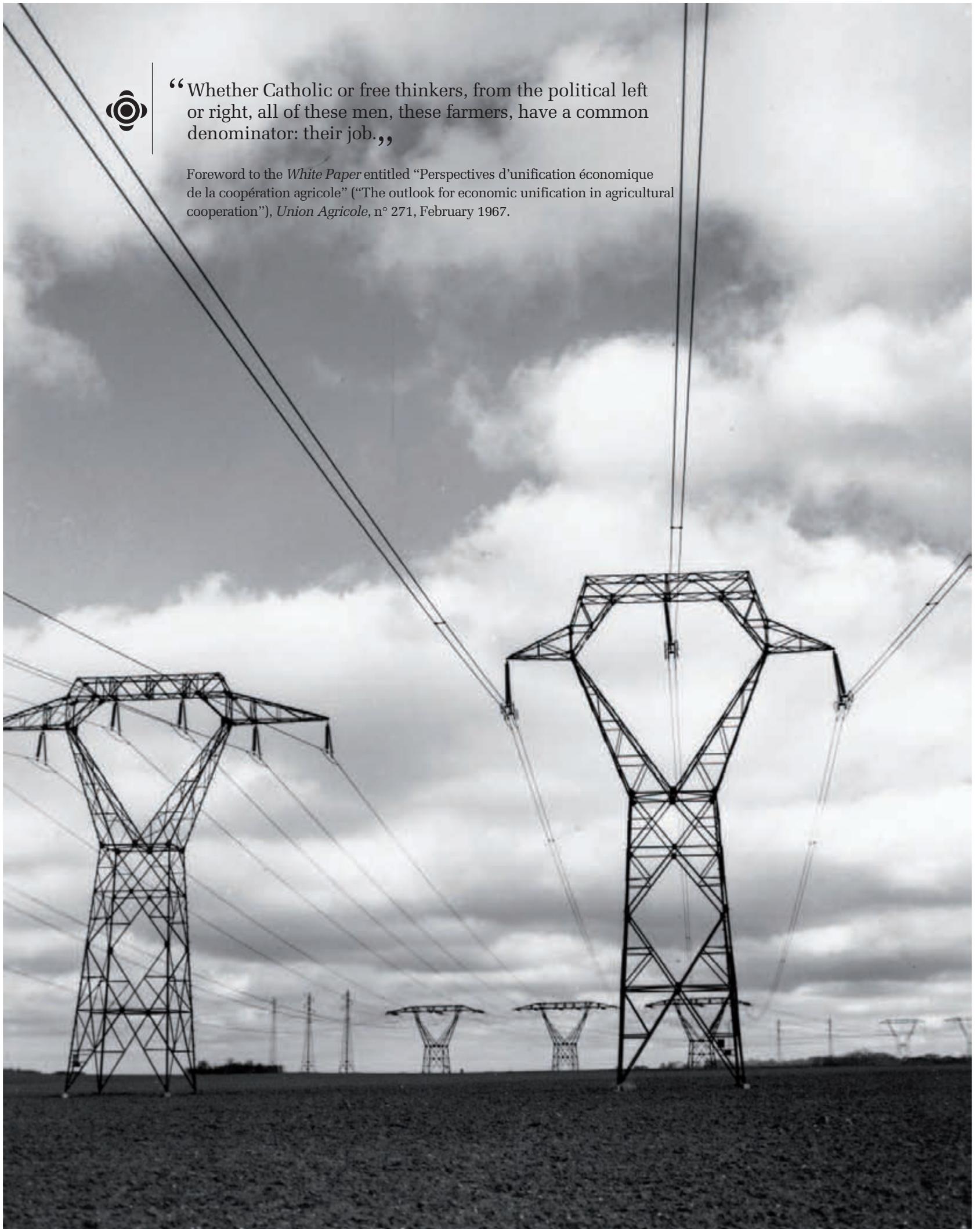


UNCAC invited leading political and business figures to conferences organised at its general assemblies. This picture, taken in 1964, shows (from left to right) Robert Marjolin, European commissioner and vice-president of the EEC in charge of the economy and finance, Émile Roche, president of the Economic and Social Council, and François Bouchard, chairman of UNCAC.



“Whether Catholic or free thinkers, from the political left or right, all of these men, these farmers, have a common denominator: their job.,,”

Foreword to the *White Paper* entitled “Perspectives d’unification économique de la coopération agricole” (“The outlook for economic unification in agricultural cooperation”), *Union Agricole*, n° 271, February 1967.



EXPORT

THE TREATY OF ROME, SIGNED ON 25 MARCH 1957, SET OUT THE GUIDING PRINCIPLES UNDERPINNING THE CAP. Farmers and farming cooperatives were quick to see how much the policy would impact their activity. Mindful of the importance of taking part in decision making, agricultural trade unions took the initiative and on 6 September 1958 in Brussels founded the first representative European body, the committee of agricultural professional organisations, COPA. A year later, on 24 September 1959, the agricultural cooperatives of the European Community created the general committee for agricultural cooperation in the European Union, COGECA. The secretariats of the two bodies merged on 1 December 1962 to form today's COPA-COGECA.

COGECA represents and defends the interest of farming cooperatives in Brussels

The general committee for agricultural cooperation in the European Union, COGECA, brought together in Brussels some 1,000 cooperative representatives from the six EEC countries on 16 and 17 February 1968. The event was the first time in the history of the European Union that an entity had brought together that many agriculture leaders.

In 2012 COGECA became the general confederation of agricultural cooperatives in the European Union. After six enlargements, it now counts 35 full members, 4 affiliated members and 36 partner members.

The confederation represents the general and specific interests of some 40,000 farming cooperatives employing around 660,000 people and posting annual revenue in excess of €300 billion across the European Union.

Working hand in hand with professional bodies such as **COGECA**, the French confederation of agricultural cooperatives, CFCFA, and the French federation of agricultural grain cooperatives, FFCAC – both formed in 1966 (see chapter 8) – and with numerous French and international technical, trade union, public and inter-professional bodies in which it was well represented, UNCAC grew in strength and made its opinion count in major policy directions concerning farming, cooperatives and grain.

As part of COGECA in the years from 1960 to 1975, UNCAC contributed to establishing a storage policy for the EEC and strongly backed the project to create a legal status for European cooperative societies.



Farming federations and unions demonstrate in Brussels in 1987, organised by COPA-COGECA.



The sustained growth in the early 1960s was highly beneficial to UNCAC, which developed its business on international markets. It obtained its first "exporter card" in 1960. At the time, it was ranked 82nd. But progress was swift, and by 1965, for the first time, UNCAC was the number-one French grain exporter (according to the official monitor of international trade, MOCI) with ten million quintals exported, up from five million in 1962. It was now one of the big French players in the agricultural economy and had entered the circle of France's leading exporters.

UNCAC's "Export" department, created in 1957, grew from 1962 through 1975 under the impetus of Jean Dauvergne and Gilbert Dupont. The two men worked in an environment quite unlike the one we know today, marked by taxed prices, ONIC-established export lists, the hesitant beginnings of the Common Market, and stable exchange rates. Operations were rolled out on a case-by-case basis with no real overarching strategy. UNCAC carried out special campaigns and won tenders from international bodies for food aid, to countries including Ethiopia, Chad and Bangladesh.

Export pioneers Jean Dauvergne and Gilbert Dupont

Jean Dauvergne was born on 23 December 1929 in the Parisian suburb of Boulogne-Billancourt. He graduated from École d'Agriculture de Rennes in 1953 and joined UNCAC in March 1955. He learnt the basics at La Grande Paroisse before being thrust into the position of "Export Department" head by Jack Lequertier in July 1957 – an entity that at the time consisted of "a desk, a telephone and a chair"*.

He was joined that same year by Gilbert Dupont, a Franco-Danish salesman who Lequertier had met in Denmark. They formed a duo for five years and would remain colleagues for over 30 years. Jean Dauvergne headed a considerable number of export deals before leaving the company in 1995.

* Interview with Jean Dauvergne, 18 November 2011.



Jack Lequertier decorates Jean Dauvergne in 1969.



Gilbert Dupont in December 1982.

AFTER THE “STRATEGIC” CAPITAL INCREASE IN 1962, WHICH OPENED UP NEW EXPANSION HORIZONS, UNCAC initiated a policy on investing in new storage capacity, by acquiring or building silos. Investment in new storage capacity – in addition to that of storage specialists – had been a big issue at UNCAC since 1945. And extra capacity was indeed vital to developing grain exports and supplying the domestic market (French millers and fodder grain users). These investments were a vital response not just to the inevitable increase in grain production in France but also to the opening of the common grain market (from 1967) and the characteristics of the international markets.



The silos at Ottmarsheim (above) and Châlons-sur-Marne (below). From 1962 to 1966 UNCAC forged ahead with its policy of buying and building silos across France.



After acquiring the La Grande Paroisse and Bordeaux silos, UNCAC shifted up a gear. Between 1962 and 1966, it bought the Ottmarsheim silo in eastern France and another in Lyon that it modernised. It also built silos in Saint-Jean-de-Losne in Burgundy, Châlons-sur-Marne in the Champagne area and Saint-Malo in Brittany, and constructed a processing centre for certified fodder grain at the La Grande Paroisse site in 1963.

In 1966 UNCAC was in charge of a storage capacity of four million quintals. Part of this capacity belonged to its subsidiary MAGEFI (general warehouses for French and international waterways). MAGEFI, an agricultural collective interest company (or SICA) enabled UNCAC to work with third parties on plots granted with a public service obligation. MAGEFI acquired its own tanker wagons, which came into service in 1965. The scale of the investments led UNCAC in 1963 to set up its own engineering department, called SÉQUIPAG (short for agricultural equipment and agri-feed research company), which was also available for the cooperatives.

Diversifying in engineering and equipment with SÉQUIPAG

Right after UNCAC launched its silo construction programme, it decided to set up an integrated technical department, SÉQUIPAG, staffed with technicians who designed and monitored the building sites. The scale of the work to be carried out soon made it the number-one French design office in grain facilities. The subsidiary worked in France on the construction of storage units, a malthouse, cattle feed plants and seed stations.

A new policy emerged in 1972, as SÉQUIPAG moved into the export business through its subsidiary Sésame (short for export company in silos, facilities and mechanical and electrical equipment), set up in 1971. The workforce rose from 22 people in 1972 to 50 in 1975. After carrying out studies in Sub-Saharan Africa, the subsidiary built several silos in Algeria. SÉQUIPAG became a major-league equipment supplier with the takeovers of Cominor, Lorin and Schneider Jacquet in the fields of handling, drying and milling, before the adventure came to a sudden end in the 1980s (see chapter 8).



FROM 5 MARCH TO 4 MAY 1965, UNCAC ORGANISED A LARGE-SCALE "TOUR DE FRANCE" FOR ITS 20TH ANNIVERSARY. UNCAC leaders met with people from the cooperatives and the farming world in 15 French cities to address technical issues and the latest news in the sector. The regional meetings, led by Francis Bouchard and Jack Lequertier, included morning sessions of questions from the heads of member cooperatives

and larger afternoon sessions involving representatives from the local government and agricultural administration, the directors of major departmental and regional agricultural organisations, and directors from ONIC and AGPB. UNCAA chiefs were also encouraged to take part. The initiative as a whole was a great success.

Edgard Pisani: a reform-minded agriculture minister and pro-European

Edgard Pisani was born on 9 October 1918 in Tunis. A Bachelor of Arts and graduate of Centre de Hautes Études Administratives and Institut des Hautes Études de la Défense Nationale, he took part in the resistance during the war. He was France's youngest sub-prefect after the liberation, cabinet director for the Prefecture of Police and, in 1946, cabinet director for the Home Secretary André Le Troquer, his father-in-law. Also in 1946, he was appointed prefect – once again the youngest in France – of the Haute-Loire *département* (southern France). After several months as cabinet director for National Defence, he became prefect of the Haute-Loire *département* in 1947 and served as senator for the same *département* from 1954 to 1961. He joined the *Rassemblement des Gauches Républicaines et de la Gauche Démocratique* group, which took the name of *Gauche Démocratique* in 1956. Strongly pro-European, he was a member of several governments, serving as agriculture minister for the governments of Michel Debré (1961-1962) and Georges Pompidou (1962-1966).



Edgar Pisani, minister of agriculture under President De Gaulle, on the UNCAC stand at the 1963 Agriculture Show. With him are Francis Bouchard (left) and Jack Lequertier (right).

As agriculture minister, he introduced the 1962 framework law on agriculture* that modernised the profession and introduced a form of joint agricultural management involving the government, farming unions and professional organisations. As a close contact of General de Gaulle and Sicco Mansholt – and a left-leaning Gaulliste who would later become a partisan of Michel Rocard – he played a key role in the development and implementation of the Common Agricultural Policy (1962). He was minister of infrastructure in the third Pompidou government from 1966 to 1967 and worked briefly in the ministry of infrastructure and housing in the fourth Pompidou government before leaving the government in 1967. He was mayor of Montreuil-Bellay from 1965 to 1975, MP for the Maine-et-Loire *département* (western France) in 1967, and socialist senator for the Haute-Marne *département* (eastern France) from 1974 to 1981. He served as High Commissioner for New Caledonia in 1984 and 1985, special advisor to French President François Mitterrand from 1986 to 1992. He chaired the *Institut du Monde Arabe* from 1988 to 1995 and joined France's Economic and Social Council in 1992.

On 22 June 1965 the Mac Mahon group celebrated the 20th anniversary of the UNCAA and UNCAC unions under the chairmanship of Edgard Pisani, Minister of Agriculture.

* This law proved crucial as it fostered the enlargement of agricultural holdings and the creation of producer groups. While cooperatives could be authorised as groups, as a whole they were hostile to this initiative, which effectively bypassed them.

UNCAC ORGANISED AN INTERNATIONAL EVENT ON “IMPROVING CROPS TO FIGHT WORLD HUNGER” in the UNESCO auditorium in Paris on 17 and 18 May 1966. The high-profile UNESCO forum demonstrated UNCAC’s ambition and Jack Lequertier’s ability to rally around forward-looking economic issues that the union believed in. The event was chaired by Josué de Castro (1908-1973), a Brazilian expert in nutrition, a writer and politician, who was the former chairman of the executive board of the Food and Agriculture Organization of the United Nations and the author of a prophetic book entitled *The Geopolitics of Hunger*, published in 1951. For Castro, hunger resulted from politics. “Few phenomena have had as great an impact on political behaviour as food and the tragic necessity to eat,” he wrote.



UNCAC invited the biggest international specialists in applied genetics in wheat, maize, barley, rice, and so on, to come together and review the current knowledge in and outlook for the sector. The union’s aim was to highlight the contribution that needed to be made by science and technical cooperation between large, traditional grain-producing countries and developing countries where production remain insufficient. UNCAC was strongly committed to this goal, as reflected in its 1965 initiative to create a “European Technical Pool” tasked with fostering exchanges of genetic material.

World food statistics in 1966

(Source: FAO)

- An estimated 20% of the population of developing countries suffered from chronic undernourishment and 60% from malnourishment owing to an excess proportion of food lacking in certain amino acids and vitamins.
- 30% of the human population held 80% of global revenue and consumed 60% of harvested foodstuffs.
- Undernourishment concerned 26% of the world population in 1969-1971 (878 million people) and 13% in 2006-2008 (850 million people). The human population doubled between those two dates, from 3 billion to 6 billion.

At the close of the international UNESCO forum, Jack Lequertier put forward a plan for organising the global grain market and food aid, drawn up by a recently hired young engineer called Bruno Catton. The idea was to set up an international body with considerable funds for buying surpluses and redistributing them, in the shape not of donations but of long-term payments. The plan recommended the creation of a global intervention and stock regulation bureau and an international grain committee. The bold proposal clashed with nascent globalisation, applied for the first time to agriculture at the Kennedy Round held from 1964 to 1967 as part of the General Agreement on Tariffs and Trade, or GATT (which on 1 January 1995 became the World Trade Organisation, or WTO). The creation of a global grain bureau – never achieved but still topical – was discussed once again at the G20 Summit in Cannes in November 2011.

In 1953 UNCAC began organising “national technical days”, an annual event for member cooperatives. The 1966 event stood out through its theme – the role played by fundamental research in the improvement of the main grain species and its indirect role in the fight against hunger – and through its international openness. It was a great success and mobilised a considerable number of French and international bodies.



In a 1967 article, *Le Monde* looked at the central role that cooperatives need to play in the implementation of a global food aid plan for “third world” countries – a term coined by French economist and demographer Alfred Sauvy in 1952.



In 1966, 20 years before the creation of MATIF in France, the UNCAC magazine *Union Agriculture* asked the question, “**Can a futures market in grain exist in Europe?**”



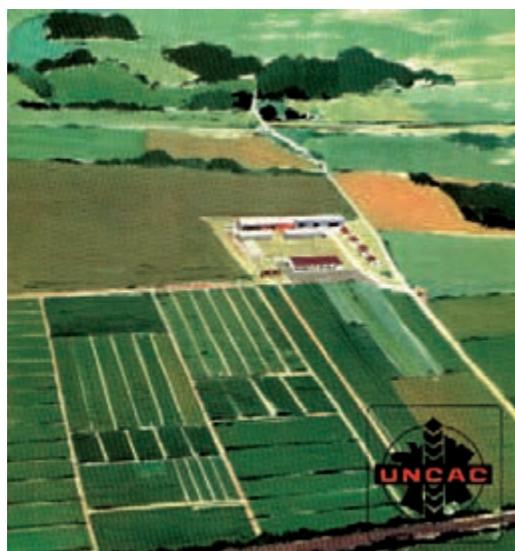
**POUR UN PLAN
D'ORGANISATION MONDIALE
DU MARCHÉ DES CÉRÉALES
ET DE L'AIDE ALIMENTAIRE**

DURING THIS PIVOTAL PERIOD, WHICH SAW THE INTRODUCTION OF THE COMMON AGRICULTURAL POLICY, grain cooperatives were focused as a priority on all things European. The Common Market turned ten, multinationals were on the rise and the first major industrial mergers were taking place. Jack Lequertier, a firm believer in Europe, saw that Europe's national cooperative head offices had to work together to put in place competitive and robust international structures. UNCAC took the initiative by creating a liaison office in Brussels in 1965 (as part of Syncopex) and Société Inter-Coopérative Eurograin on 16 March 1967.

Eurograin, headquartered in Hamburg, was a GmbH company under German law. It had capital of 500,000 deutschmarks (750,000 French francs at the time) distributed among 19 shareholders – large national grain unions from European countries (including UGCAF). Chaired by founder Jack Lequertier, Eurograin opened offices in Rotterdam, London and then Milan. The company's brokerage business was soon worth three million tonnes a year, with a major focus on grain. Eurograin was focused on grain trading within Europe but also helped to establish initial contact with the cooperative movements in the USA, Canada and Brazil.



France in 1970 was self-sufficient in food in 1970 overall. Before the entry of the United Kingdom, Ireland and Denmark in 1973, the EEC had through the CAP met its objective of ranking as the world's number-two exporter of agri-food products behind the United States.



The Agronomy Centre at La Brosse-Montceaux and its test fields, as shown in a UNCAC brochure.

Storage and export ambitions, research strategy

UNCAC'S MANY INITIATIVES DURING THIS PERIOD – DEVELOPING SILOS, GROWING INTERNATIONAL PRESENCE, creating the SÉQUIPAC, Sésame and Eurograin subsidiaries, and organising forums and technical days – served the union's strategic development plan in the medium- and long-term. Cooperative research, the improvement of the technical framework and the promotion of quality increasingly became central objectives in the early 1960s. The financial means were available, and ideas took shape.

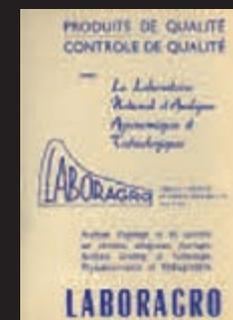
In 1964 and 1965 UNCAC created the Agronomy Centre on a 100-hectare plot in **La Brosse-Montceaux** in the Seine-et-Marne département, just a few kilometres from La Grande Paroisse. The union had begun experiments back in 1948 on the farm of its chairman Francis Bouchard and subsequently rented land from a farmer in Varennes-sur-Seine to step up its work. With a forward-looking cooperative technical and test network, UNCAC took on a new dimension in research, especially in crop improvement and varietal selection.

These initiatives prefigured one of the major visions of Jack Lequertier, the Technical Pool, which established a real connection between cooperatives and research institutes. The indefatigable managing director of UNCAC was also the instigator a year later of the protection of the rights of plant breeders, enshrined in the "Lequertier" agreements.

THE AGRONOMY CENTRE AT LA BROSSE-MONTCEAUX WORKED IN SEVERAL AREAS: creating and maintaining plant varieties (grain, maize and fodder); plant, crop and plant-care product experiments in greenhouses and fields; inspection of the varieties and production of associated seed cooperatives; promoting the quality of seeds and agricultural produce in the cooperative sector; technical information and training for cooperative agents; and popularisation with member farmers through the dissemination of documents and on-site demonstrations. The centre's research team worked closely with Laboragro (see chapter 4) as well as with INRA specialists (fundamental research), technical institutes (applied research) and agronomy schools. It also worked on research and experiments to obtain new alfalfa varieties with UCASEF, a joint subsidiary of UNCAC and UNCAA headed by Joël Devaud.

Why did UNCAC open an agronomy research centre in Ile-de-France?

Located nearby the large UNCAC silo at La Grande Paroisse, at the heart of a grain-growing region, the Agronomy Centre at La Brosse-Montceaux is a one-hour drive from Paris on the motorway. The Centre's relatively northern location and the favourable microclimate mean that it can conduct research on a broad range of plant species. And the proximity of Laboragro, UNCAC's national laboratory, is ideal for harmonising technical work in each phase of research.



In the 1960s, the Agronomy Centre at La Brosse-Montceaux was tasked with conducting experiments to develop a new product, distributing that product, inspecting and providing professional assessments, before advising farmers on techniques or varieties.

The “Lequertier” agreements (1966)

The so-called Lequertier agreements enabled cooperatives to gain “grain selector” status (production of basic seeds) and develop their business in “certified seed” production and sales, in exchange for the voluntary payment of royalties to plant breeders. The agreements were signed four years before the Act of 11 June 1970 that set out the national legal framework on the protection of intellectual property in plant varieties.

In France, seeds can only be sold if the variety is listed in the country’s official catalogue of species and varieties, first published in 1932. This catalogue serves as an instrument in the regulation of varietal creation and is a precious source of information for farmers.

A new law on plant breeder certification, passed on 10 December 2011, sets out rules on the use of seeds of protected varieties and the practice of “seed saving”.



Although the initial results of this research – notably in the creation of new varieties – took some time to transpire, UNCAC had at the very least clearly demonstrated its position. It was convinced that the cooperative sector, which controlled nearly two-thirds of all grain seed sales at the time, had to be involved in the strategic stage of varietal innovation, previously the

almost exclusive domain of private plant breeders. The plant-breeding sector had entered a period of significant change, in Europe and worldwide. UNCAC had to take strong positions to defend the interests of its cooperative members and help them access genetic advances.

1970,

The La Brosse-Montceaux Agronomy Centre was officially opened on 12 June

The memorable day saw the UNCAC celebrate its 25th anniversary. Jack Lequertier was also awarded the National Order of Agricultural Merit. Agriculture Minister Jacques Duhamel gave a speech with an unequivocal message: “We are in a phase of technical development, one in which new discoveries are applied to production increasingly rapidly. This extends beyond the agricultural sector into industry. If we are unable to renew our knowledge and apply our discoveries then we will lose all our capacity for independence and competition



Left to right, first row: Léon Heller, head of the agronomic research department; Jack Lequertier; and Minister Alain Peyrefitte (in background).
On the stand: Francis Bouchard and Jacques Duhamel, Agriculture Minister under Georges Pompidou (right).

Jacques Duhamel, a convinced humanist

“Of all forms of economic organisation, I am convinced that the cooperative system stands as a modern form of freedom and provides an ambitious framework for responsibility.,,

Jacques Duhamel, speaking at the closing banquet of the UNCAC and UNCAA General Assemblies in January 1970.

Jacques Duhamel was born on 24 September 1924 in Paris. He was a graduate of Sciences Po and held a degree in law. He began his career as master of requests at the Conseil d'État (Council of State). He enjoyed a close working relationship with Edgar Faure (serving as cabinet director for Faure during his term as president of the Conseil d'État) and supported Georges Pompidou. He favoured reform and backed the “new society” championed by Jacques Chaban-Delmas, in whose government he served as minister of agriculture from 22 June 1969 to 7 January 1971, during which he worked on administration reform, a renewal plan for the cow and pig sectors, and market organisation. Close in spirit to the leaders of UNCAC, he defended and respected cooperative ideas and kept a close eye on the status of farming cooperatives. As minister of cultural affairs from 7 January 1971 to 28 March 1973 in the governments of Chaban-Delmas and Messmer, he led a policy aimed at making culture a part of everyday life. Duhamel – a social democrat, popular leader and MP for the Jura from 1962 – was bound for a bright political future on the national stage, but died on 8 July 1977 in Paris of multiple sclerosis.



IN A COMPLEMENTARY FIELD, UNCAC CREATED AN ANIMAL PRODUCTION AGRONOMY CENTRE, CAPA, IN 1967, for which it bought a 58-hectare farm in Nérigean in the Gironde (southern France). Its research remit was to contribute to the improved use of grain in animal feed. The new centre was located close to the recently constructed Coopalmiments Bordeaux-Bassens cattle feed plant (see chapter 7). Initial ambitions were strong, but the centre was closed just ten years later.

In 1968 UNCAC created a national brand of cooperative seeds, EXPANSEM, which grouped 42 producer cooperatives. EXPANSEM scheduled production and marketed the certified seeds produced by the cooperatives. It quickly became the top seller of straw cereal seeds in France. Two years later, UNCAC, new to the plant selection sector, also became a plant breeder with “Asso”, its first variety of autumn wheat, and “951J”, a variety of maize.

1970 like 1962 was a pivotal year that saw a range of important developments. UNCAC took over Ringot, at the time the only plant breeder in France – along with INRA – of rapeseed varieties. The transaction, UNCAC's first external growth deal, was masterfully managed by Jack Lequertier. The aim of the strategic acquisition was to “provide additional research and distribution resources for new products and services”. Ringot was also a major player in the French market of variety creation and grain seed production, as well as the exclusive representative in France for one of Europe's biggest beet-seed breeders, Hilleleshög in Sweden.

SEE DS

MARQUE NATIONALE
EXPANSEM

SEMENCES ELITES
U.N.C.A.C.
CARTE PRODUCTEUR GRAINIER
N° 514

In 1970, of the 523 member cooperatives of UNCAC, 120 were working in seed production and distribution and 23 had “plant selector” status.



Établissements Ringot site in La Chapelle-d'Armentières (around 1968). In 1970 UNCAC took over Ringot, at the time the only French breeder of rapeseed. It was the first company to be acquired by UNCAC for strategic purposes.

Établissements Ringot (1920-1970)

Plant breeder based in La Chapelle-d'Armentières and French number-one in rapeseed

Remit: the rapid distribution of best-variety seeds

Back in 1920, Kléber Ringot, born on 3 November 1893, succeeded his father Jules Ringot at the head of the family business of straw, fodder and feed production for horses, based in La Gorgue, near La Chapelle-d'Armentières (northern France). He moved to La Chapelle-d'Armentières in 1921. He sold the business after five years and set up a seed distribution office in Lille, before returning to La Chapelle-d'Armentières to create one of the first French sorting centres for selected seeds on Rue Léon Beauchamps.

From 1935 to 1939, Ringot was the exclusive dealer in France for the Svalöf Institute, a Swedish creator of well-known varieties of spring oats, wheat and barley, and the German company Von Kameke Streckentin, a creator of plants and the famous "Parmassia" potato cultivated for starch producers. With these high-profile products, growth was speedy. This was a time when the seed profession was experiencing its first major boom, with the development of selection establishments in northeastern France and the Paris region in particular. Business was also booming for private plant breeders.

During the war, Kléber Ringot, who was decorated with the Croix de Guerre 1914-1918, was involved in Organisation Civile et Militaire, one of the biggest resistance movements in domestic France. A member of the clandestine "Voix du Nord" committee, he was arrested on 9 September 1943 and deported in January 1944 to the German camp of Leeegebruch. He died at the Oranienburg camp on 15 April 1945 at the age of 52. He was awarded the Médaille de la Résistance posthumously. As he and his wife Marthe Demonchaux (married on 15 September 1923) had no children, his brother-in-law, André Demonchaux, took the helm of the company.

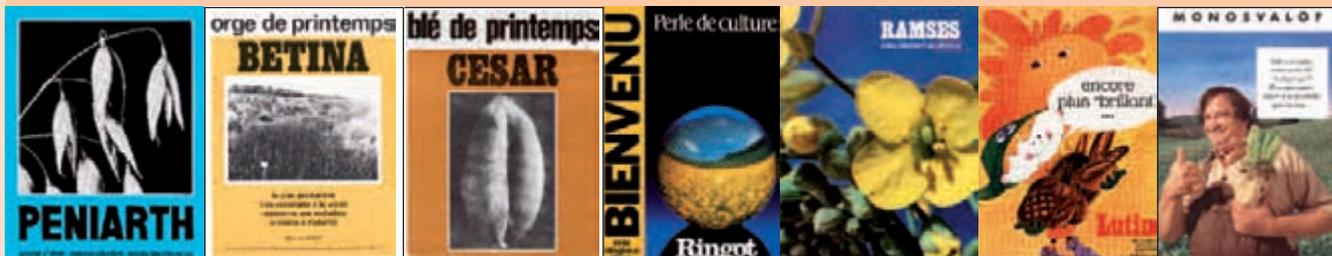
In 1945, Ringot owned five varieties of seeds in lines and 800 hectares in multiplication. That year it sold 9,000 quintals of grain and 230 quintals of rapeseed. It became an "SARL" company (private limited liability) on 1 July 1947. Agronomic research in France was reorganised after the war with the creation of INRA. Ringot became the sole plant breeder in France with INRA for rapeseed varieties and

considerably stepped up its work on grain and beet seeds. In oilseeds, the company benefitted from the technical collaboration with its partner Svalöf and contributions from INRA, particularly in fundamental research. This enabled it to bring producers significantly improved varieties – with stronger resistance to disease, lodging, dehydration, cold and drought – while optimising yields and earliness.

In 1962, Ringot varieties were listed in France's official catalogue. Over 50 varieties (creation, co-breeding, exclusive delegation) obtained official approval between 1962 and 1972, notably thanks to the work of Georges Darrozès. Ringot became a *société anonyme* (limited company) in 1965. With the US firm Asgrow it created the Asgrow-Ringot company with a view to selling vegetables, sorghum and maize seeds. These combined efforts resulted in the creation of the extremely vigorous Asgrow 66 hybrid maize, which was resistant to lodging and drought.

From 1966 on, Ringot continued to develop and upgrade its selection programme, notably winter oil rape. Ringot set up a test farm in Prêmesques near Lille in 1970 to create new varieties of barley and rape. A greenhouse was built in collaboration with Lesieur to step up research work on improving rapeseed oil quality.

In 1970, the year it was taken over by UNCAC, Ringot had achieved undeniable international recognition in the selection of cruciferous plants (oil, spring and fodder rape). At the time, the entire French spring rapeseed market was based on Ringot-bred varieties. The company had since 1965 been working with the International Breeding Association, IBA – a European organisation of top-level plant selectors – as well as the National Seed Development Organisation (NSDO), Schweizer (its exclusive representative in Switzerland), Svalöf (in Sweden) and INRA. It was a member of the centre of technical research for grain improvement, CETAC, which encouraged competing companies to conduct joint experiments. It was also a member of the association of fodder variety creators, ACVF, the aim being to intensify its research on improving fodder plants, especially co-bred varieties.



Kléber Ringot (centre) with his Swedish partners at the Svalöf Institute (around 1937).



The Ringot stand at the French agriculture fair (1953).



The logo in 1936.



IN 1970 RINGOT HAD A 56-STRONG WORKFORCE. It had 14 people and 102 hectares devoted to variety creation, 10 test centres for trialling the new varieties and 180 “team agents”, who worked both as advisors and salespeople, promoting the new varieties with producers. The company also worked with seed multipliers across France. In 1972 Ringot’s selection activity was transferred to Serasem, the plant research and selection institute set up by UNCAC (75%) and Ringot (25%) retroactively on 1 July 1970. The new entity, a civil law company, respected the agreements signed by Ringot and the members of the IBA on reciprocal representation and the exchange of genetic material. Serasem was later transformed into an economic interest group and in 1984, on an initiative from Bruno Catton, became the sole research structure of the UNCAC group.

With the backing of its new shareholder and with **Jacques Dejardin** and Georges Darrozès at the helm of the research department, Ringot went from success to success. Revenue more than tripled from FF 10 million in 1970 to FF 32 million in 1973 (in current francs). In 1973 it sold 95,000 quintals of grain and 18,000 quintals of rapeseed.

In 1972, 90% of rape-crop land in France was cultivated with Serasem or INRA-Serasem varieties sold by Ringot. Four Ringot grain seed varieties topped the official rankings: “Peniarth” winter oats, “Betina” spring barley, “Borrus” spring oats and “César” spring wheat. Business was extremely brisk. In 1972 Ringot set up Forestar, a subsidiary working in forest plants, as part of a 50/50 joint venture with Hilleleshög, the company’s beet seed partner.

In 1973 Ringot and Serasem bought a seed station and test land in Montbartier in southwest France. And in 1974, “Lutin”, a soft winter wheat that proved a great success, was listed in the official catalogue, as were “Fidel” and “Trémie”, and a large number of barleys, winter barleys and peas. All of which positioned Serasem as one of Europe’s top plant breeders. With its Belgian partner and shareholder Clovis Matton, Ringot set up its first overseas subsidiary in 1976, Marisa, in Madrid.

In 1974 UNCAC, with Serasem, had five research centres: the Agronomy centre in La Brosse-Montceaux in the Ile-de-France, the Nérigean farm in southwest France, La Chapelle-d’Armentières in northern France on the Belgian border, the Montbartier test centre in southwest France and the test farm in Prémèsques in northern France.

UNCAC was also rapidly developing its economic resources in storage. Existing silos were enlarged and new silos bought or built, including Naintré in the Vienne *département* in 1967, Le Pouzin in the Ardèche in 1970, Metz in the Moselle and Santes in the Nord in 1972, Sallanches in Haute-Savoie and La Grande Paroisse in 1975. UNCAC built a 15,000-tonne silo (named no.8) at this last site to store poppy seed for the pharma company Sanofi. At the time, UNCAC and its subsidiary MAGEFI owned a storage capacity of over 700,000 tonnes, of which 140,000 at La Grande Paroisse alone.

The Union continued to broaden its range of services for cooperatives. A “Transport” department was set up in 1973 at MAGEFI, while SÉQUIPAG, directed by Raymond Barge, continued its work in France and sought out new customers internationally in grain equipment. In association with Les Grands Moulins de Paris and Rank Hovis McDougall, UNCAC founded Tenstar-Aquitaine, which built France’s first gluten and wheat starch production plant, in Bordeaux.

As the years marched on, leaders came and went. In 1969 Lucien Chaserant, management board chairman since the creation of UNCAC, made way for Jacques Berthonneau, succeeded in turn by Jacques Dejardin in 1972.

Jacques Dejardin was born in 1910 in Tréport.

An agronomy engineer graduate of Rennes, he was a key player in the development of the Haute-Normandie agricultural cooperative, CAHN, which he led from 1942. A firm believer in the cooperative and mutualist movement, he chaired the two management boards of UNCAA and UNCAC, was vice-chairman of Syncopac and a board member of UCAAB, FFCAA and CFCA. He died on 4 February 1977



The Santes silo in 1990. In the 1969/1970 financial year, UNCAC exported grain to 35 countries, of which 56% in the EEC.

Michel Sordel, chairman of the Châtillon-sur-Seine cooperative and UNCAC Treasurer, was named chairman of UNCAC. Francis Bouchard, founder of UNCAC in 1945 and chairman since 1948, declined his renewal and passed on the baton. He was named honorary chairman. Jack Lequertier, the real “boss” of UNCAC, remained at the helm with all of his energetic authority. Jean Reneteau was deputy managing

director in charge of finance. In May 1975, UNCAC and UNCAA moved to a new address, on Avenue de la Grande-Armée in Paris, and the Mac Mahon group was renamed GAMM. The new acronym stood for two things: Groupe Agricole Mac Mahon and Grande Armée Maillot Malakoff, the avenues that ran alongside the new headquarters.

UNCAC key figures, 1962-1974, in current francs

	Revenue	Share capital	Equity (capital included)	Fixed assets	Cash flow
1962-1963	506,985,146	11,375,159	18,016,553	19,394,805	3,205,107
1963-1964	458,606,588	13,162,229	20,364,394	24,560,888	3,467,122
1964-1965	617,568,049	13,484,983	24,503,484	32,468,469	4,084,035
1965-1966	696,277,994	13,489,816	29,801,612	46,311,997	4,424,690
1966-1967	695,382,962	13,501,798	32,392,734	57,967,577	3,949,713
1967-1968	683,050,765	13,502,058	36,014,694	65,909,867	4,948,910
1968-1969	870,524,742	16,183,271	39,412,220	70,676,903	6,155,967
1969-1970	971,017,893	19,853,099	43,823,761	80,904,014	8,032,360
1970-1971	917,613,836	20,297,477	56,125,524	92,853,803	9,390,685
1971-1972	1,373,765,524	20,428,272	58,529,584	103,757,248	9,794,844
1972-1973	1,612,107,258	22,849,242	64,619,345	141,966,892	13,196,765
1973-1974	1,965,248,129	24,829,301	81,667,159	148,383,724	14,301,058

Source: UNCAC General Assemblies, 1963-1975.

Lucien Chaserant : initiator of the farming cooperative movement in the Sarthe *département* and chairman of the UNCAC management board

Lucien Chaserant was born on 19 March 1905 in Mesnay in the Jura (eastern France). An agricultural engineer, he joined the agricultural organisations of La Sarthe in 1926 and went on to become director from 1938 to 1968. He united the cooperatives in his *département* to create the agricultural cooperative of the La Sarthe *département* (western France), CADS, which built its first silo in La Guierche in 1932. He was passionate about farming and worked in a number of sectors, including artificial insemination, grain and abattoirs. To train future generations of farmers, he founded the La Futaie agricultural and social promotion centre in Rouillon. The former resistance fighter was called on to chair the UNCAC management board, a position he held until 1969. He was also vice-chairman of CNMCAA from 1979 to 1999. He died in Le Mans in January 2001.

Jack Lequertier (1918-1989), bold businessman, staunch European and visionary cooperative player

JACK LEQUERTIER'S LIFE DESERVES AN ENTIRE BOOK GIVEN HIS CONTRIBUTION to the history of French farming and contemporary European agriculture. The cursory biography that follows is based on interviews with people who knew him at UNCAC and speeches made by Michel Sordel and Bruno Catton at his funeral service on 7 November 1989 at the La Grande Paroisse silo.

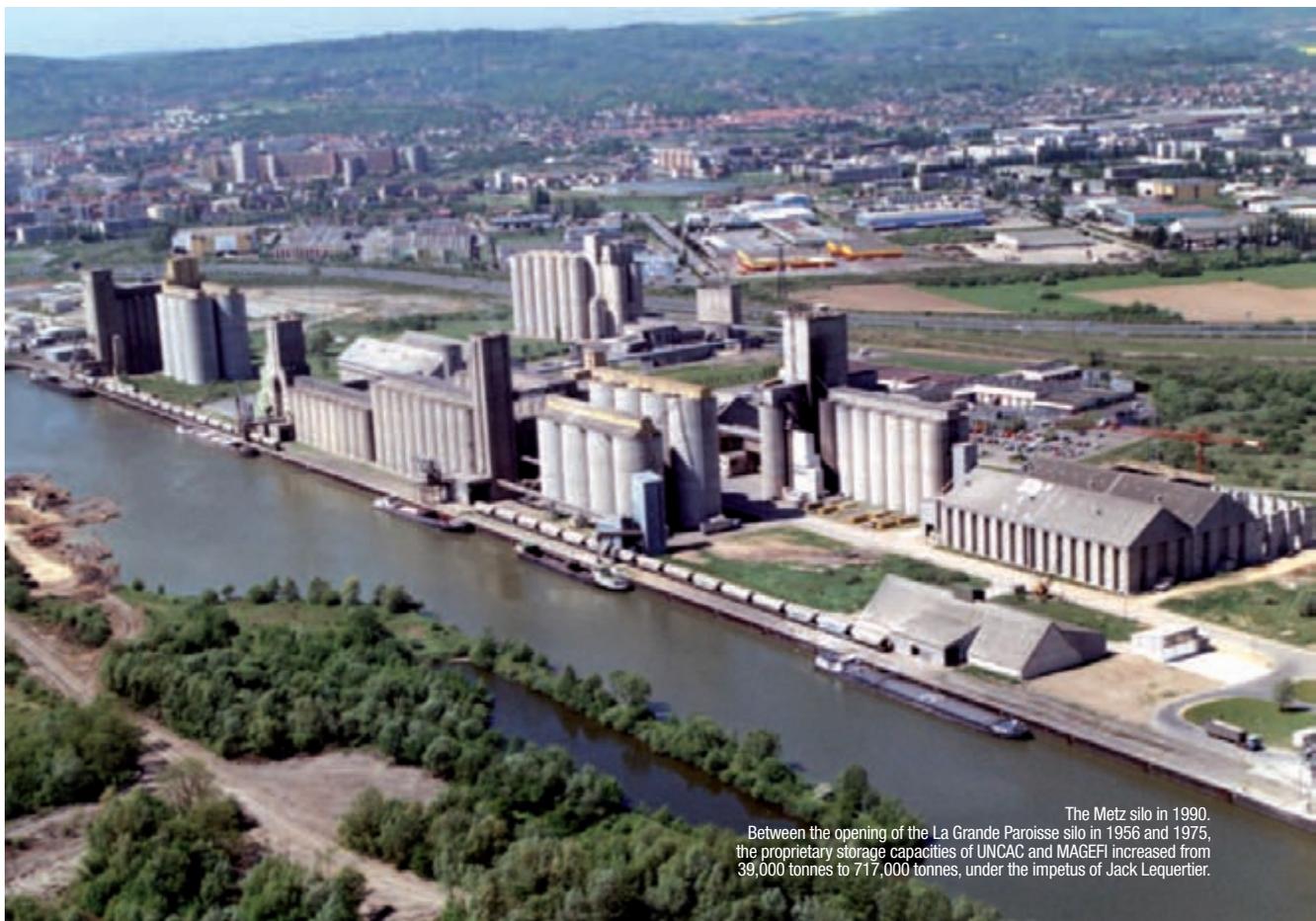
“The duality of your personality was even evident in your physical appearance. Your forehead, jaw, intense gaze and powerful chest denoted a go-getter, a fighter, a sense of irrepressible strength and determination, while your fine hands, which penned clean and elegant prose in green ink, were those of an intellectual, who believed thought and reflection should precede action, even when this last may appear violent and intuitive.”

Bruno Catton speaking at the funeral service of Jack Lequertier on 7 November 1989 at the La Grande Paroisse silo.

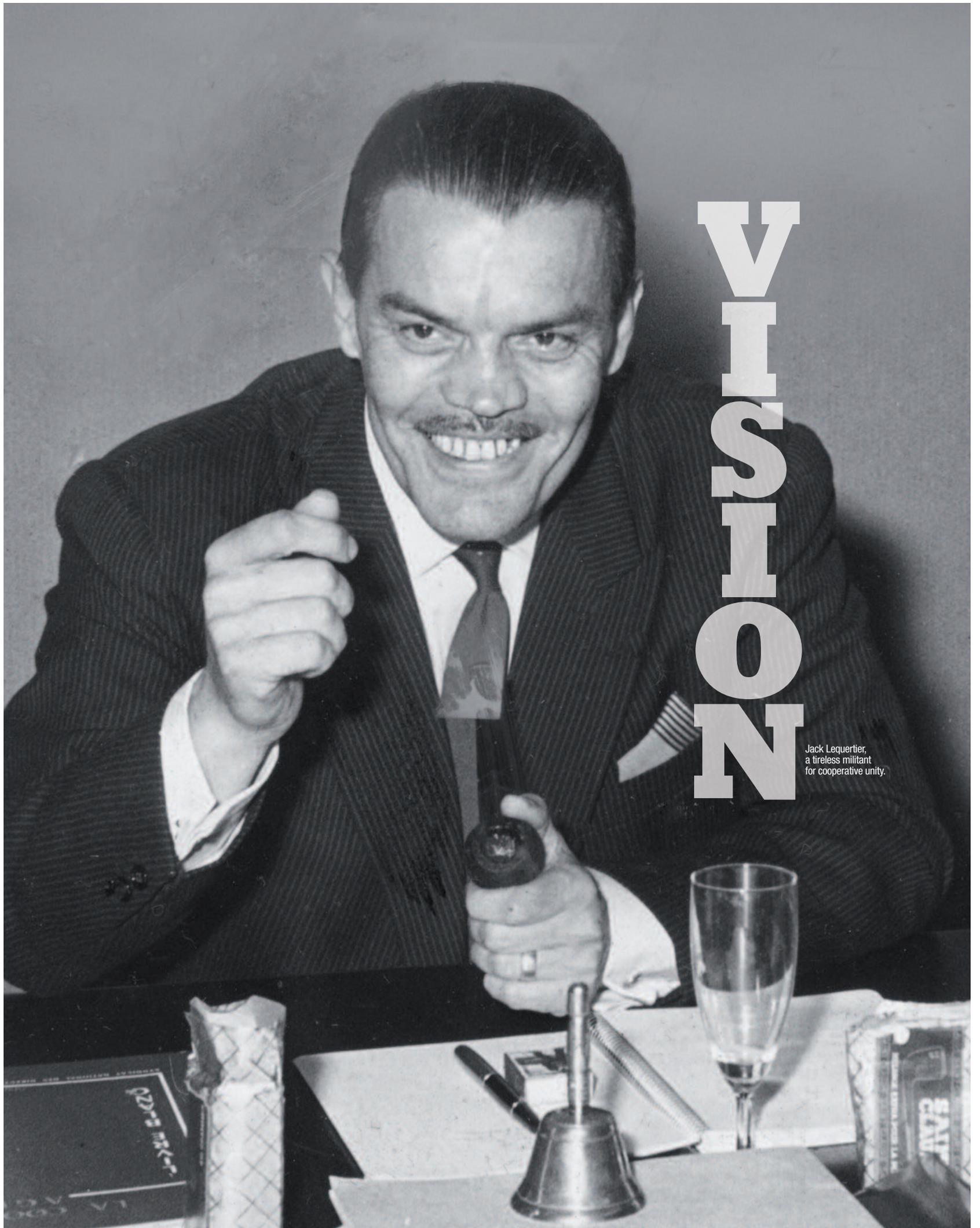
Jack Lequertier was born on 17 April 1918 in Neufchâtel-en-Bray in Normandy. Following his middle school studies at the *Jean-Baptiste Say collège* in Paris, he followed in the footsteps of his father, Victor Lequertier, an agronomy engineer, who before 1918 set up a consumer cooperative in Neufchâtel-en-Bray that worked to bring down the cost of living. Following his father's example, the young man chose *École National d'Agriculture* in Rennes to acquire his engineer training. It was in Rennes that he found out all about the cooperative movement, since the students themselves managed their university residence as part of a cooperative. He graduated as an agricultural engineer in 1938, along with his friend Louis Malassis (1918-2007), an agronomy engineer and professor of rural economics. Lequertier then did his military service and fought in the war in Europe. He returned to civilian life in 1941 and, once peace had been restored, was awarded the *Croix de Guerre* 1939-1945.

“ A man who was convinced all his life that anything was possible, unless you managed to utterly convince him of the opposite. ,,

Michel Sordel speaking at the funeral service of Jack Lequertier on 7 November 1989 in La Grande Paroisse.



The Metz silo in 1990. Between the opening of the La Grande Paroisse silo in 1956 and 1975, the proprietary storage capacities of UNCAC and MAGEFI increased from 39,000 tonnes to 717,000 tonnes, under the impetus of Jack Lequertier.



Vision NOISE N

Jack Lequertier,
a tireless militant
for cooperative unity.

JACK LEQUERTIER BEGAN HIS CAREER AS PROFESSOR OF AGRICULTURE AT THE AGRICULTURAL SERVICES DEPARTMENT OF THE AIN DÉPARTEMENT, EASTERN FRANCE (1941 TO 1943). His educational and leadership qualities were noticed by the directors of the Ain cooperative, who asked him to take the head of their cooperative in 1943. At the same time he was fully involved in the resistance and the local maquis. He would remain faithful to the Ain *département*, serving as managing director from 1943 to 1973 and then as honorary managing director for the Ain cooperative in Bourg-en-Bresse. He also returned to the area when he retired. He had three children, Hervé, Evelyne and Jack.

After the war, Lequertier – left-leaning, internationalist and free-thinking, whom Jean Pinchon in his *Mémoires d'un Paysan* (2010) referred to as a convinced Marxist (a qualification his colleagues unhesitatingly rejected) – joined the general confederation of agriculture, CGA, as advisor to chairman François Tanguy-Prigent.

He was appointed vice-chairman of CGA in 1947, succeeding his maquis friend Édouard Klepping as managing director of UNCAC and at the same time working as head of the Ain cooperative. With the chairman, Bouchard, he guided the young grain union through the three decades of post-war growth known in France as the “Trente Glorieuses”. From this point on he would remain steadfastly devoted to the farming cooperative cause.

He campaigned firmly and fervently in favour of a single union for the French agricultural profession. While he received little support in this belief – and was dismayed by the rapid end to professional unity in 1947 – his abnegation and economic vision drove him to develop UNCAC as a commercial business focused on Europe and worldwide export that helped farmers to access progress. Professional unity was a lifelong quest for Lequertier and he put all his energy into that cause right until the end. He died one year before the merger of the Mac Mahon and La Fayette groups, but had seen the beginnings of this development in the creation of CAF-Grains International in 1988. He was never involved in politics and was always careful to keep his personal convictions entirely separate from his professional positions. Neither theoretician nor doctrinarian, he dedicated his life to the cooperative movement, which he defended at all levels, from local to European.

His achievements at UNCAC were vast and he had an uncanny ability to see into the future. A hard worker, tough fighter and able tactician, his global vision of development covered all areas, from unions and technology to manufacturing and international issues. After the first few years, during which UNCAC's role was purely federal, he built up the technical and economic activities of the Union from scratch, with support from the chairman, Bouchard. Lequertier was one of the biggest cham-

pions of French agriculture and its international development. In 1950, with French farming struggling to recover from the war, he said: “French agriculture has shown that it can and must make a major contribution to balancing our current account through massive and constant exports. Western Europe vitally needs to get the maximum out of the production possibilities of its farming sector, either to reduce the dollar deficit of some countries – stemming largely from imports of agricultural produce – or to offset the volume deficit of their agricultural produce, which is difficult to cover with imports. In addressing this situation, we believe French agriculture can and must play a key role.”

In 1961 Lequertier signed a report that had a considerable impact on the contribution of agriculture to the balance of payments. The report reasserted the essential role played by agriculture and the need to develop the international market share of cooperatives competing against big multinationals. Lequertier defended the cooperative structure ceaselessly with France's Economic Council and then Economic and Social Council, of which he was a member from 1948 to 1972 and then an honorary member from 1978.



UNCAC celebrates 25th anniversary at the La Grande Paroisse silo on the 12 June 1970. Left to right: Mrs Lequertier and her husband, with Francis Bouchard, Jacques Duhamel and Alain Peyrefitte (second from left). On this day, Jack Lequertier was named Commander of the Order of Agricultural Merit.

Lequertier was a familiar face at the agriculture ministry on Rue de Varenne in Paris, where he successfully convinced agriculture ministers Jean Sourbet, Edgard Pisani, Edgar Faure and Jacques Duhamel of the key role to be played by unions and cooperatives in the economic development of the nation. In the 1950s he campaigned for the construction of heavy storage units. His voice was heard, and his work on building and linking up a network of modern silos in France from 1960 to 1975 put

UNCAC into a position to become one of Europe's leading forces in international grain storage and trading. His first bold move was to buy the La Grande Paroisse silo in 1955 with the backing of Jean Sourbet and the green light from UNCAC chairman Francis Bouchard. The two leaders worked hand in hand for 30 years to build the future of farming cooperation, each

sticking strictly to his given role. In addition, Lequertier could count on his colleague and friend Georges Pradel, who was responsible for the policy on silo investment. He also used his powers of persuasion to bring directors and cooperative heads on board and lead them onward to new horizons.



Paris Agricultural Show, 1970 (March).
Jack Lequertier welcomes Prime Minister Georges Pompidou and Agriculture Minister Jacques Duhamel to the UNCAC stand.

Two of Jack Lequertier's long-time friends

Jean-Pierre Boyer, the interpreter

Jean-Pierre Boyer was born on 2 March 1935 in Montauban in southwest France. With a Bachelor of Arts degree in hand, he joined UNCAC in 1957, sharing the same office as Jean Dauvergne, on the sixth floor on Rue Halévy. He started out in the legal department then became head of liaisons between UNCAC's directorate general and departments. He was also Jack Lequertier's official interpreter abroad, before being named Group human resources director. He retired in 1996



Georges Pradel, the silo man

Georges Pradel was born on 13 June 1914. He met Jack Lequertier in the French resistance. He joined UNCAC in 1956, working as operational head at the La Grande

Paroisse silo and then as director of silos for UNCAC's northern and southeast divisions in France (the silos in the southwest were directed by Gilbert Bocher). He spent 36 years working for agriculture and the farming cooperative cause. Fond of presenting himself as a "self-taught man", he received the Agricultural Merit award in 1982.

JACK LEQUERTIER WAS BEHIND THE CREATION OF ALL UNCAC SUBSIDIARIES, including the general warehouses for French and international waterways, MAGEFI, the agricultural and agri-food research and equipment company, SEQUIPAG, the collective interest company, Comptoir Agricole Français, or CAF, the national centre for agricultural cooperatives in pest control, CNCATA, and the union of agricultural fodder seed cooperatives, UCASEF – these last three with Marcel Gerbaud – together with the national syndicate for the expansion of agricultural cooperatives, SYNCOPEX. Setting up the Technical Pool from 1965 and the EXPANSEM brand in 1968, he sought to transform UNCAC into something more than a union, namely a real company focused on the future and acting as a link between cooperatives and research institutes. As early as 1948 he created the Semences UNCAC label, which would remain the only one of its kind until after his death. With the Ringot buy-out in 1970 – UNCAC's first external growth transaction – he sealed the Group's position in the seed sector.

He also promoted major technical and economic events, such as the maize congress in December 1949 in Pau with AGPM to introduce hybrid varieties and the UNESCO conference in Paris in 1966 on improving plants to fight world hunger. Convinced that progress hinged on the development of genetics, in 1966 he initiated the "Lequertier" agreements that enabled cooperatives to obtain plant-selector certification in exchange for paying royalty fees to plant breeders, five years before the founding law of June 1970.

LEQUERTIER WAS A FIRM BELIEVER IN EUROPEAN UNITY AND MADE THE COMMON AGRICULTURAL POLICY A CENTRAL FOCUS. Quick to see that UNCAC needed to play a structuring role in the launch of CAP, he worked to promote and defend Europe with cooperatives and farmers. He was convinced that UNCAC had to lead the way in the development of a pro-European approach. That being the aim, he implemented or worked with a number of bodies at a number of levels: in 1958, the division of cooperative activities of the European confederation of agriculture and the group of agricultural grain cooperatives of the EEC; in 1959, the general committee for agricultural cooperation in the European Union, COGECA; and in 1965, the first professional representation agency in Brussels, SYNCOPEX. He also made the big ideas of European inter-cooperative policy a reality at grassroots level.

He set up the Eurograin Inter-Cooperative company in Hamburg – Europe's first inter-cooperative enterprise – in 1967. But his ambitions went far beyond the borders of Europe. Following the relative failure of Eurograin, he took part in the takeover of Toepfer International in 1980 through the Intrade holding company set up with UNCAC's European and American partners.

The takeover, led by Lequertier's successor Bruno Catton, was a decisive move for UNCAC. It was the visionary businessman's last major contribution to the union, one that placed the cooperatives in orbit around a group that rivalled with the world's biggest players.

With his imposing physique and expressive face, Lequertier was a natural leader renowned for three main qualities: steadfast human convictions, quick and bold decision making, and an ability to convert his ideas and strategies into technical and economic realities. He was "the boss", and his natural authority was never undermined. And though undoubtedly autocratic and uncompromising in business, he put a great deal of trust in young recruits to whom he knew he could delegate certain powers and a broad range of responsibilities. His close colleagues all talked about the "Lequertier method", which led them to give the best of themselves. He encountered only a few failures in his career, of which the ill-fated "industrial group" diversification (see chapter 8).

“He knows how to communicate his faith, his trust and his desire for results. He knows how to share an incomparable sense of enthusiasm. And he has demonstrated these qualities at national and international level.,,

Jacques Duhamel, Minister of Agriculture, speaking at the ceremony on 12 June 1970 at which Jack Lequertier received the rank of Commander of Agricultural Merit.

A number of people at UNCAC followed Lequertier's example by working by his side. On 30 June 1981 he passed on the flame to Bruno Catton, who had joined the union in 1965. One of Lequertier's finest triumphs was at the age of 63 to prepare his succession with clarity and determination. He took his official retirement in May 1983 but remained honorary managing director. He died after a long illness on 2 November 1989. His funeral service was held in La Grande Paroisse itself – a place that was dear to him and where he lived with his family for a number of years before building a house there. He was buried on 7 November 1989 at the La Grande Paroisse cemetery.

It is impossible to sum up all of Jack Lequertier's rich and diverse work and his internationally focused agricultural policy. Despite the extent of his accomplishments, this key figure in the history of French agriculture has yet to find his place in the pantheon of major economic decision makers.

Jack Lequertier speaking at Eurograin's General Assembly on 12 June 1973. A convinced European and fervent advocate of the CAP, Lequertier promoted the cause of a number of European farming bodies and cooperatives.



UNCAC chairman Francis Bouchard awards the Legion of Honour to his managing director on 18 October 1974.



On 30 June 1981 Jack Lequertier passes the UNCAC flame on to his spiritual son, Bruno Catton (left), who he hired 17 years earlier. In the centre is Michel Sordel, UNCAC chairman from 1974 to 1990.



The La Fayette group: from growth to crisis

Energetic and rapid growth stalls, casting doubts on the leadership and strategy (1962-1974)

In a sharply divided context, where political and religious cleavages still ran deep, the two unions were true commercial rivals. Competing neck and neck during the mid-1960s in French and international grain markets, the Mac Mahon and La Fayette groups saw their destinies diverge as the new decade opened. Undermined by risky investments and a serious financial crisis, UGCAF entered a difficult period in 1969 and barely escaped bankruptcy in 1972. Yes, growth had faltered, but there was also a crisis of confidence. This episode left a lasting mark on the thinking of the cooperatives' senior managers and called into question the La Fayette group's strategy.

Rapid commercial growth fostered by a unified and diverse cooperative structure (1962-1968)

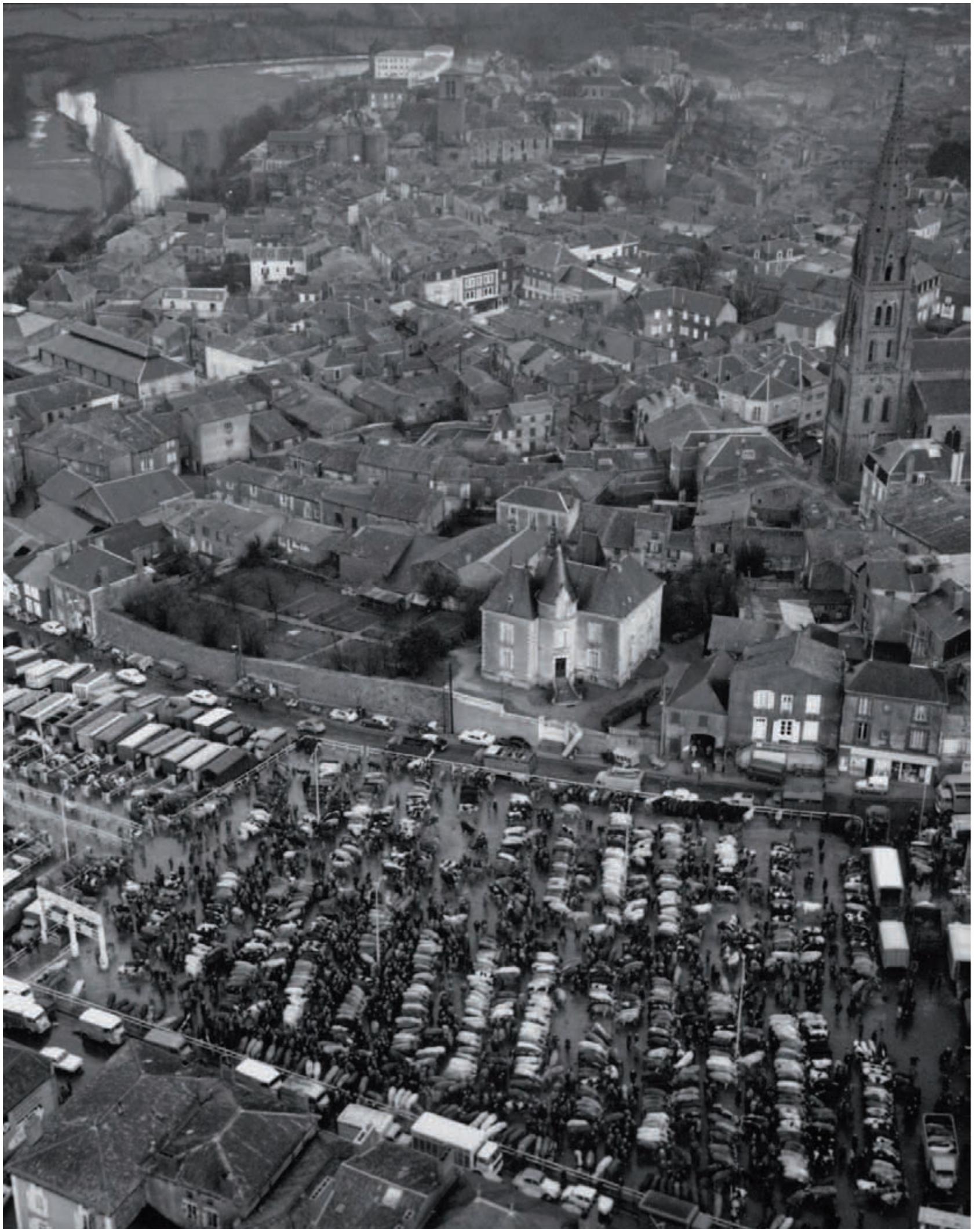
THE LA FAYETTE GROUP CONSISTED OF TWO UNIONS OF COOPERATIVES, the UGCAA (agricultural supplies) and UGCAC (grain), and had the support of a confederation, CGCA (see the table in Chapter 3). Since its creation in the wake of the Second World War, it had developed along the same lines as its rival, the Mac Mahon group. It focused mainly on grain trading, selling farm supplies, and developing economic structures that would benefit its member cooperatives.

Not surprisingly, dividing up agricultural supplies was a big problem during UGCAA's early years. It subsequently developed the means, both technical and economic, to help member cooperatives manage their market dealings more effectively. UGCAC had two strategic goals during this period: to reduce grain buyers' leverage by developing storage capacities so as to control when the grain was marketed; and to get better prices for this grain by trading in national and international markets, which called for building port silos and essential commercial structures.

For the organisations in the La Fayette group, 1962 was a pivotal year that set the stage of a new economic approach. Drawing on the experience gained in exporting agricultural

produce to countries inside and outside the Common Market, the Group's management made an assessment of its activities over the preceding fifteen years to use in formulating their future policies. Their analysis led them to the following conclusions: up to then, the activities of French agricultural cooperatives had essentially been vertically structured and focused on purchasing and selling a single type of product; UGCAC dealt only in grain, UGCAA only in farm supplies.

Henceforth, it would be strategically important to create a nationwide union combined the two that would allow a transition from an organisation divided by branches of activity to a multi-activity structure. They believed that a vertically structured organisation split into branches would no longer work in a European and international context. The huge task of carrying through this crucial transition, which was to modify the Group's scope and lead to a new business strategy, was placed on the shoulders of its managing director, Louis de Rochebouët, who had been recruited by chairman Jean Viaux-Cambuzat.



Louis de Rochebouët, from expansion to failure

Born in Paris on 9 June 1926, Louis de Rochebouët attended the elite French business school HEC. Recruited by Jean Viaux-Cambuzat to develop UGCAF, he created the La Fayette research and marketing company (SECLAF) to capitalise on investment opportunities such as the acquisition of the Gennevilliers silo in 1960. After this noteworthy accomplishment, Mr Viaux-Cambuzat praised “his cautious and sensible efforts”. Mr de Rochebouët was seen in these years as an active and enterprising businessman, a believer in forceful messaging who was ready to say in 1965 that “French agriculture should be run like any other industrial sector”. But were the large cooperatives that made up UGCAF listening?

He had plenty of imagination, and he did deals – in the meat industry, or in fertilizers with Gardinier, for example – with the hope that success would lead the cooperatives to rally behind his actions. In doing so, however, he left himself, and the entire La Fayette group, very vulnerable. His imprudence prompted his deputy, Jean-Ludovic Serre, to resign and stirred unease among UGCAF’s managers, who brought their concerns to its chairman, Robert Mangeart. In 1970 Mr de Rochebouët was, in addition to his five roles in the La Fayette group, a member of the National Price Committee, the National Joint Commission, and the Agricultural Commission. He was also a Chevalier de l’ordre national du Mérite. He continued to enjoy the support of Mr Mangeart. Somewhat isolated in his job and distracted by family and health concerns, he was not clear-sighted enough to pull back in time. The UGCAF’s troubles mounted, and when the board members realised the magnitude of the problem, it was already too late. Mr de Rochebouët was dismissed on 7 April 1972.



Louis de Rochebouët, flanked by Jean Viaux-Cambuzat, the Union’s honorary chairman and founder, and UGCAF chairman Robert Mangeart, at the UGCAF general meeting on 27 June 1968.

THE NEW “UMBRELLA” UNION TOOK OVER THE ACRONYM UGCAF, which continued to stand for the general union of French agricultural cooperatives. This union was made up of both multi-activity and specialised cooperatives and of the rue La Fayette cooperative unions– UGCAA (supply), UGCAC (grain), and UGCAF (agricultural produce other than grain). It is very hard to judge how far this organisation’s reach extended from its description on paper to the countryside. The objective was to form a diverse but unified and influential organisation that could address the issues raised by agricultural modernisation and production growth. A further aim was to adapt the way cooperatives functioned to the needs of consumer markets. This multi-activity union grew quite rapidly, gaining members among cooperatives for dairy products in Brittany and Normandy, processed sugar in northern France, and dehydrated alfalfa; a foray into the meat sector, however, proved unsuccessful.

Initially, three unions of the La Fayette group worked in diverse areas and added regional offices to their structures to serve as liaisons between the cooperatives and the national organisation. Meanwhile, delegates set about expanding the commercial networks abroad, and an office was opened at Brussels to provide a link to EEC bodies. Like the Mac Mahon

MULTI-ACTIVITY

The watchword of the new UGCAF and its cooperatives as of 1968.

group, the La Fayette group looked toward Europe and international markets for growth. The series of chairmen that led the Group – Jean Viaux-Cambuzat until 1968, then Robert Mangeart (1968-1970), Aldéric Picard (1970-1976), and Élie de Ganay (1976-1989) – shared a deeply European vision. Christian-Democrats for the most part, they played a very active role in the development of the European agricultural sector and the implementation of the Community Agricultural Policy (CAP).

The results of this policy were soon visible. In 1963-1964 the La Fayette group had sales of 60 million francs, with 45 million coming from exports to 23 countries. After the opening

in 1963 of a grain silo at Arleux (a joint endeavour), near Douai, at the intersection of the North and Sensée canals, the La Fayette group expanded the installations at Gennevilliers with the construction of a 430,000-quintal flat-bottom silo, thereby increasing the storage capacity of the site to 1,200,000 quintals. In its advertising, UGCAF described the Gennevilliers silo as the largest grain storage facility in Europe, boasting a flow rate of 1,000 quintals an hour. At that time, UGCAF comprised 500 grain and supply cooperatives.



After the Gennevilliers silo (1957), UGCAF constructed the Givet silo (above) in the Ardennes in 1960, then the one at Arleux, near Douai, in 1963.

UGCAF flourished during the 1962–1968 period, with new subsidiaries and offices opened every year. In 1964, it was the auxiliary company of the general union of French agricultural cooperatives (Ugégrain); in 1965, the animal production cooperative group (CCPA), which promoted economic animal production and ran a publishing company; and in 1966, a handling company (SAMAC) and the national anti-parasite centre (CNLA). The Group also opened offices in Madrid and Hong Kong and added eight more to the network in France.

Created as part of the UGCAF, the CCPA set up offices at the Port of Gennevilliers. Its first member cooperatives were UDCA (Bourg-en-Bresse), CANA (Ancenis) and Coopagri-Bretagne (Landernau). After becoming independent in 1967, CCPA opened premix plants at Bourg-en-Bresse and Rennes and located its headquarters at Osny, near Cergy-Pontoise, in 1971. A period of steady development followed throughout the 1970s, with new production and research facilities opening and more cooperatives joining. They were nineteen in number by 1981, when they manufactured 1.7 million tonnes of feeds. Diversification in the 1980s and important changes in the 1990s were followed by a move into international markets in the 2000s. CCPA's growth reflects the tremendous development of the animal feed industry in France. In 2012 CCPA was one of the leaders in the cattle feed market, with annual production of 6 million tonnes.

In 1968 UGCAF and its subsidiary the La Fayette research and marketing company (SECLAF) joined with several cooperatives and SICA to create the SICA Warehouses at Rungis. With a surface area of 2,500 square metres, this facility was used for marketing all kinds of agricultural products. SECLAF had also served as the linchpin for the purchase and modernisation of Gennevilliers. The march forward continued apace. Also in 1968, to ensure that producers would continue to be able to obtain generic plant protection products, UGCAF created Sipcam-Phyteurop. Its capital was split among cooperatives that for the most part belonged to UGCAF. This subsidiary was taken over by UGCAF member cooperatives in the 1980s, and in 1993, UNCAA took a shareholding in it.

Chairman Robert Mangeart (chairman of the former UGCAF and of La Providence Agricole at Reims), who had recently replaced the chairman and founder Jean Viaux-Cambuzat, told the general meeting in February 1969: "UGCAF is a kind of laboratory in which in vivo tests are conducted on ways to introduce cooperative structures into the hard-to-penetrate milieus of international trade, industry, and the processing and distribution of agricultural and food products." He did express some doubts in his speech about UGCAF's having multiple roles, though he acknowledged that their complementarity was "productive", even if the Group did "pay a price" for these experiments in terms of its development.



Télé-Lafayette, the internal publication of the La Fayette Group, reported on the general meeting of 26 and 27 June 1968, at which UGCAF was founded as a multi-activity union.

On 4 June 1968 the La Fayette group moved into offices at 21, Boulevard Maiesherbes, in Paris. The three unions merged into a single, multi-activity group of cooperatives referred to as the "new UGCAF", though it kept the name the La Fayette group. Among the objectives of this merger were "gaining greater flexibility of action through rational use of services" and "reducing overhead expenses". The *Marchés agricoles* of 27 June 1968 carried the front-page headline: "The La Fayette group holds its 'May Revolution' in June." On 2 July, the same journal asked: "Won't these new structures further complicate the unification of the Mac Mahon and the La Fayette groups?" That was not a big concern of the UGCAF leadership, however. In fact, the Group's sales were growing at an unprecedented pace, doubling in four years to 122 million francs in 1966–1967 and to 180 million francs in 1967–1968. UGCAF stocked 13.8 million quintals of grain over the course of the latter year and exported more than 18 million quintals. Revenues of the La Fayette group had gone up an impressive fivefold since 1960.

Breakdown of La Fayette group's 1967/1968 revenue (millions of francs)

Grain	82.2
Supplies	30.6
SECLAF	47
Ugégrain	13.8
SAMAC	0.2
Diverse	6.2
Total	180

Source: *Dépêche Commerciale*, 8 June 1969. General meeting of the La Fayette group.

In 1969 the new UGCAF was organised in five operational departments, whose chairmen were the vice chairmen of the Union

- Grains: Jean Viaux-Cambuzat (Auxerre)
- Supply: Joseph Schatz (Union Agricole de l'Est - Strasbourg)
- Dairy products: Marc Boulangé (La Prospérité Fermière - Arras)
- Animal production: Jean-Claude Sabin (Coopérative Agricole Occitane - Lavaur)
- Fruits and vegetables: René de Foucaud (Coopérative des Agriculteurs de Bretagne - Landerneau)



A brochure touting the power of the UGCAF and SECLAF. The emblem of the rooster appeared everywhere in the La Fayette Group's documentation (1968).

More than a growth crisis, a challenge to the development model (1969-1975)

AFTER THE IMPRESSIVE YEARS OF GROWTH AND DIVERSIFICATION, a crisis that proved very deep-rooted and structural in nature engulfed the multi-activity union despite support from banks and a few of its largest member cooperatives. The first danger signal came in the 1968-1969 financial year, when UGCAF recorded a loss for the first time since its founding. The La Fayette group's growth model was not initially called into question, and managing director Louis de Rochebouët continued to enjoy the confidence of the main cooperatives. In the spring of 1970, the Group even went on the offensive, issuing press releases and granting interviews in which the situation was reassuringly described as "a bump in the road". Talks were briefly held with the Mac Mahon group (1969-1970) concerning a possible merger, but nothing came of them.

Urgent measures were nevertheless taken to put the Group's finances back on solid footing. The focus of its activities was redefined; its internal organisation was revamped; and efforts were made to strengthen the contractual ties to member cooperatives. The management also looked at how the services provided to members could be more clearly defined. With Louis de Rochebouët ill, chairman Robert Mangeart decided to appoint Mr Delorme, chairman of the agricultural cooperative CASVAL at Orléans, as his deputy.

There was friction in the top echelons owing to differences in opinion about the right strategy for the Group. Deputy managing director Jean-Ludovic Serre was soon to resign following a disagreement with Louis de Rochebouët over commercial dealings, particularly in the meat sector, that he felt were not worth pursuing. It was decided to keep a closer eye on Mr de Rochebouët.

There were two reasons for these serious economic difficulties. First, the Union's activities, while complementing those of the cooperatives, often consisted of large, one-off operations it was obliged to undertake in close cooperation with the government. These involved significant risks and large expenditures, but failed to generate sufficient margins to build up the reserves that were essential to the Union's development. The large-scale, politically related and often unique operations carried out in the late 1960s did not offer the possibility to establish steady trade flows or to work out a long-term strategy.

Second, the Union did not naturally have the means to meet its cooperatives' objectives. To be sure, it took initiatives and supported theirs in many areas, building silos, setting up sale structures in France and abroad, making investments in industrial and commercial firms, and so on. But these essential development activities required financial resources far beyond those available to the La Fayette group. To support this policy, it had to appeal to its cooperatives, but they did not always answer the call. Many of them had internal and external development plans of their own that did not take into account UGCAF's, and they struggled to contribute or did so grudgingly. In addition, mergers between local cooperatives were becoming increasingly common and absorbing their attention. It is understandable that they did not necessarily appreciate the value of the Union's strategy, hence the efforts at clarification by the management in 1968.

This difficult period lasted seven years, from 1968 to 1975.

UGCAF SILOS

Here lay the main difference between the economic policies of the La Fayette group and the Mac Mahon group. Decision-making power in the La Fayette group was in the hands of ten or so large regional cooperatives: the cooperative of Landerneau, in Brittany, La Providence Agricole at Reims, Coop Caen at Caen, Le Dunois at Châteaudun, La Prospérité Fermière and Avenir Rural at Arras, the Coopérative agricole Occitane at Lavaur, Union France-Lait at Lyon, and Essor Agricole at Lille. The Union's operational management had very little clout when dealing with these heavyweights in the cooperative world, especially given its lack of financial resources. It was their "pennant", according to a witness from the period, and their representative on the national and international stage. The Mac Mahon group, on the other hand, seemed to be a union in the true sense of the word, performing perfectly its role as a unifier of cooperatives of all sizes. Many of them were not very large, and as a result saw the unity provided by a nationwide union as means to progress and develop.

Two unions, two business philosophies

The two rival unions had diametrically opposed views:

- **Mac Mahon** bought from its cooperatives or had them put at its disposal a maximum quantity of grain so it could be sold at the best price.
La Fayette believed this was not its job and that the international shippers could do it much better for the cooperatives.
- **Mac Mahon** owned its silos.
La Fayette set up a regional organisation, and most of the silos belonged to cooperatives.
- **Mac Mahon** invested in agronomical research.
La Fayette believed that the INRA and private institutes were there for that purpose – everybody had their own job to do.

On 3 June 1970 Aldéric Picard, chairman of the Coop Caen at Caen and of the UCANOR, succeeded Robert Mangear as chairman of UGCAF. He called on Michel Debatisse, already a Union board member for several years, to back him up as vice chairman. Picard took the opportunity offered by this passing of the baton to bring in some younger managers and broaden the Union's executive ranks. The same year, UGCAF opened a new silo at Châteauroux (central France). Picard was an ardent defender of the Union's multi-activity strategy, and his six-year chairmanship was a continual battle to get the Group back on the road to growth and innovation.

Aldéric Picard: a chairman for the crisis



Aldéric Picard was born in 1910 at Sainte-Marie-Laumont, in the Calvados region of Normandy. A farmer at Amfreville, he was mayor of this township from 1946 to 1989. He was chairman of Coop Caen, a pilot cooperative in Normandy whose sales grew by 25% in the late 1960s. This multi-activity cooperative was particularly involved in the animal production and cattle feed sectors. In January 1973 he was named chairman of the Union of agricultural cooperatives of Normandy (UCANOR), founded in 1967 at Argentan, in which Coop Caen was one of the main shareholders. This Union, made up of cooperatives in Lower Normandy in the sectors of cattle feed, cattle breeding and agricultural supplies, merged on 1 January 1999 with UCAAB. Aldéric Picard was chairman of UGCAF from 1970 to 1976. He was the one who managed the crisis, and when he left, the Union's finances were back on an even keel. He was also chairman of the Calvados *département* Committee and a member of the AGPB board of directors.

BETWEEN 1970 AND 1972 UGCAF SANK DEEPER INTO CRISIS.

The Group's operating loss was put at 12 million francs, with revenue for all subsidiaries combined (UGCAF + SECLAF + Ugégrain + SAMAC + CNLA) totalling 1.8 billion francs at the end of the 1968-1969 financial year. The largest loss came from a badly managed contract for the supply of grain to China. It was signed in 1969, at a time when silos were full to the brim, but UGCAF did not immediately buy the wheat from its cooperatives, expecting that prices would decline as usual in September. Instead, prices began rising and stocks dwindled due partly to speculation by German buyers taking advantage of the franc's weakening ahead of the devaluation and partly to a smaller-than-forecast harvest. The La Fayette group's share of the 800,000-tonne China contract was just 250,000 tonnes. The second-largest loss was related to SECLAF's sale of meat at low prices inside the Common Market. According to trade press reports, some customers failed to pay their bills because the guarantees demanded of them were too small. The third loss involved a sale by Ugégrain of maize to Spain.

Michel Debatisse's arrival brought some relief. He was quickly able to win the agreement of finance minister Valéry Giscard d'Estaing (like him, a parliamentary district head in the Puy-de-Dôme *département*) to a 20-million-franc loan at 4.5% interest to bail out the Group. This exceptional interest rate for the period was extended by the Treasury, as the Crédit Agricole refused to go against banking rules.

Michel Debatisse (1929-1997): a major figure in agrarian syndicalism

Chairman of the Riches Monts cooperative at Clermont-Ferrand and of CEOVAB in the Bourbonnais, Michel Debatisse is considered one of the central figures of Christian and agrarian syndicalism. Elected vice chairman of UGCAF in 1970, he served only one year in this capacity, but succeeded in saving the organisation from bankruptcy. A farmer and head of the Christian agrarian youth group (JAC) in 1956, he was general secretary of CNJA from 1958 to 1963. He played a key role in the preparation of the 1962 orientation laws. He was then general secretary of FNSEA from 1966 to 1970. After a brief stint at the La Fayette group, he devoted all his efforts to FNSEA, of which he was chairman from 1971 to 1978. He was appointed secretary of state for the agricultural and food industries in the third government of Raymond Barre, serving from 22 October 1979 to 13 May 1981.

■ JAC: a training school for the agricultural elite as well as a Christian association

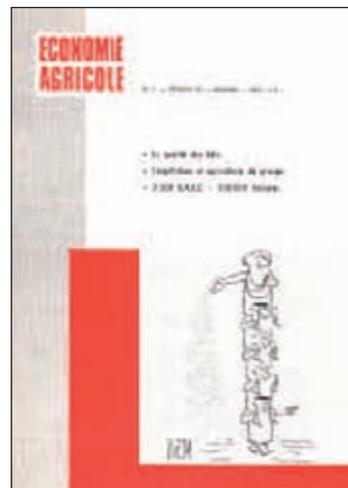
Founded on 12 February 1886, the French catholic youth association (ACFJ) experienced a revival after 1918. In 1929, the Christian agricultural youth group (JAC) was created within the association and proved a big success. Its role was to bring religion to rural areas and to improve the living conditions of young farmers. After 1945, JAC joined in the reconstruction effort and worked to improve farm production and organise the farming community. In the 1960s it contributed to the modernisation and reorganisation of farmlands. In 1965, its name was changed to the Rural Christian youth movement (MRJC). Prominent figures in the profession like Michel Debatisse and Lucien Douroux established their credentials in MRJC.

There were more bad deals to come, however, and the growth crisis turned into a general business crisis. In 1971 the Group ran up losses of 17 million francs, much more than in 1970, on the export to Italy of dairy products coming mainly from cooperatives in Normandy and Brittany. This affair is remembered under the curious name of the "beurre du Vatican" (Vatican butter) because the products were shipped through the Holy See, where no duties were levied on exports. In late August 1971 the La Fayette group signed a sales agreement for butter with the Continental Grain Company, a Chicago-based American firm founded in 1813.

The agreement with the American multinational, which the La Fayette group had dealt with before, consisted of three separate contracts, signed in August, September and December, for the purchase of 5,000 tonnes of butter. The first two were settled cash on the nail. The third, however, went totally unpaid, leaving a debt of about 15 million francs. The UGCAF claimed it could "deal with the situation", but the losses ate up all the Union's capital. The banks extended credit, including a 20-million-franc loan granted reluctantly by the Crédit Agricole, that enabled the UGCAF to continue functioning.

These bad export transactions failed to put a damper on the La Fayette group's bold plans for expansion. In June 1971 UGCAF and the shipping company Louis Dreyfus created the French grain union (UFC), which moved into offices at 87, avenue de la Grande-Armée in May 1976. At the beginning, they were

joined by a third partner, La Grainière (Gardinier Group), but it withdrew from the Union in July 1972. UGCAF and Gardinier would nevertheless go on working together in the agricultural supplies activity. Louis Dreyfus & C^{ie} was represented on the UFC supervisory board by Jean Pinchon, an influential and well-connected businessman who was a prominent figure in French agriculture. He asked UNCAC to participate in the UFC, but Jack Lequertier declined the invitation because Dreyfus was refusing a true pooling of resources. The partnership between UGCAF and the shipping company was to be short-lived.



Jean Pinchon (1925-2009): a man of influence and promoter of French agriculture



Born on 13 September 1925 at Beuzeville, in Normandy, Jean Pinchon was an agronomist who began his career working for the chairman of the newly created FNSEA, René Blondelle, between 1949 and 1953. He then became secretary of the influential Coordinating committee for specialised agricultural associations (1954-1959). Solidly right wing in politics, he served in the cabinet of finance minister Wilfrid Baumgartner in 1960, then with Valéry Giscard d'Estaing (1961-1966), before heading the cabinet of Edgar Faure at the Ministry of Agriculture (1966-1968).

A strong believer in Europe, he ran Sopexa, a company that promoted French agricultural and food products abroad, between 1968 and 1970, where he gave a huge boost to French agricultural exports. He then moved to the private sector, joining Louis Dreyfus et C^{ie}, where as director from 1970 to 1991 and a board member from 1973 to 2002, he frequently crossed paths with the unions of the Mac Mahon group, a next-door neighbour of Dreyfus on avenue de la Grande-Armée from 1976. This servant of French agriculture did everything in his power to promote his country's products in world markets throughout his entire life. He was also chairman of the French institute responsible for guaranteeing product origins, the Institut national des appellations d'origine (1983-1998), which later became the Institut national de l'origine et de la qualité.

ON 7 APRIL 1972 LOUIS DE ROCHEBOUËT, THE MANAGING DIRECTOR OF UGCAF, WAS DISMISSED. Nicolas Geli, the director of Agricher, at Bourges (central France), was given an interim appointment to replace him for a few months. Aldéric Picard then decided to play it safe and recruit someone with solid management experience. His pick was Jacques Goisbault, an executive from outside the agricultural establishment. At Picard's request, the board of directors also appointed two vice chairmen: Élie de Ganay, chairman of Agricher, and Pierre Ciret, chairman of the cooperative at Charleville. This grave crisis and the financial difficulties plaguing the La Fayette group raised two fundamental questions: What should be the strategy for agricultural cooperation and what role should the unions have?

It had now become clear that the La Fayette group was the victim of the commercial policies of its member cooperatives, which were generally unwilling to go along with their Union and take risks when it came to exporting. Making matters worse, the merger trend had transformed certain cooperatives into regional groups sufficiently powerful to get along without the national unions' services. The La Fayette group's future thus depended on two factors: the solidarity of the member cooperatives and support from the banks and in particular Crédit Agricole. Under the leadership of its managing director, André Cramois, Crédit Agricole had become in the 1950s the primary partner of the agricultural unions and the large cooperatives, sometimes taking shareholdings in them through investment companies.

Crédit Agricole, adapting a banking tool to the agricultural revolution

In 1962, at the behest of Prime Minister Georges Pompidou, Caisse nationale du Crédit Agricole (CNCA) – a bank created by the law of 5 November 1894 – carried out its first “velvet revolution”. In his inaugural speech, the prime minister declared that to modernise agriculture, the banking system had to be renovated. Thus did a 39-year-old graduate of ENA (France's elite school of public administration) and Treasury auditor, Jacques Mayoux, find himself catapulted to the top of CNCA in 1963. He replaced André Cramois, a major figure in the development of Crédit Agricole and mutualist banking who had spent his entire career at CNCA. At that period, the bank's biggest clients were twenty-odd grain and supply cooperatives and their national unions.

■ André Cramois (1900-1978)

held engineering degrees from École des Arts et Métiers and École Supérieure d'Électricité, and was also a graduate of École des Sciences Politiques. He began his career at Crédit Agricole in 1921. He was appointed general auditor in 1939 and managing director in 1944, a position he held for twenty years, until 1963, when this champion of mutualism was named chairman of the Île-de-France Regional Bank.

The arrival at the head of this “rural” bank of a high-level civil servant from outside the banking establishment brought big changes, as Jacques Mayoux modernised this banking institution in fundamental ways. An advocate of expanding the bank's activities, he was nevertheless unable to engineer the creation of a large mutualist bank combining Crédit Agricole and Crédit Mutuel, as Prime Minister Jacques Chaban-Delmas and his agriculture minister, Jacques Duhamel, wanted. It was under Mayoux' leadership (1963-1975) that CNCA was transformed into a “universal” bank.



The new logo of the Crédit Agricole in 1970.



ON 20 APRIL 1972 THE MANAGING DIRECTOR OF THE CAISSE NATIONALE DU CRÉDIT AGRICOLE, Jacques Mayoux, told *Association des journalistes agricoles* (association of farm journalists) that “Crédit Agricole intervened in 1970 at the behest of the government, but with certain conditions imposed on the Union and the member cooperatives. Since these conditions were not met, the bank did not grant any new loans, but it still provided the group with operating capital”. Added Mayoux, a French Treasury auditor and the bank’s managing director since 1963: “The current problem is that Crédit Agricole is being asked to have confidence in an organisation that its member cooperatives no longer have confidence in... A ship that had already lost part of its rigging has been tossed by heavy seas. That in no way means the end of the national unions, but it does point to the conditions under which they can function.” These remarks were meant as a warning, and were not aimed at the La Fayette group alone.

The analysis was harsh but on the mark. Mayoux wound up his comments thus: “Owing to the lack of a defining doctrine and the gulf of indifference separating the cooperatives from their Union, the latter has carried out a host of diverse and disjointed operations, most of the time with a totally disorganised use of human, financial and physical resources and with a total jumble of structures.” Crédit Agricole laid down its terms and conditions for the plan to enable the La Fayette group to continue

its activities: a focus on the areas of grain and agricultural supplies; liquidation of all subsidiary companies, starting with SECLAF, SAMAC and CNLA. The publishing house sold its title *Économie Agricole* to a partner group. Magepag (the Gennevilliers silo), Phyteurop (crop protection) and Ugégrain (grain brokerage and storage) were kept, as was Synercau, a company run by Jean-Claude Sabin that was showing good results. At the head office, the administrative staff and the supply division were trimmed down to 40 people.

This severe crisis meant leaving aside the milk and meat branches, the latter of which was just getting started. The La Fayette group had to refocus on its grain and supply activities. The only way out for UGCAF was to become “a small, low-risk affair”, in the words of Gilles Neymarck, the loyal deputy of Jacques Goisbault.

In 1973, UGCAF and the Gardinier Group created a joint investment holding company, Société de participation industrie agriculture (SOPIA), to operate in the fertilizer sector. In 1975, the Frouard silo was opened near Nancy. With growth returning and finances back in order, Aldéric Picard handed over the chairmanship to Élie de Ganay, chairman of the Agricher cooperative at Bourges. A graduate of the elite business school HEC, this levelheaded manager would steer the revival and realistic development of UGCAF.

Jean-Claude Sabin (right), a UGCAF director and chairman of Synercau, receives the National Order of Merit in the highest class (Chevalier) from Michel Debatisse, chairman of FNSEA.

Jean-Claude Sabin: farmer, cooperative leader and entrepreneur

Born on 24 February 1934 at Aussac, in southwestern France, this farmer was chairman of the CDJA of the Tarn. A strong believer in cooperatives, he was the founding chairman of the Occitane cooperative at Lavaur (1966-1993), then becoming its vice chairman (1993-2008). He was also vice chairman of the Regional federation of agricultural cooperatives of Midi-Pyrénées, chairman of the French federation of oil and protein plant producers (1991-1999). A board member and officer of the National federation of French agricultural cooperatives, he was chairman of the Regional chamber of agriculture of Midi-Pyrénées (1985-2001) and of the chamber of agriculture of the Tarn (1990-2001). A board member at UGCAF, he was also chairman of SYNERCAU (1968-1975).

He was then the founding chairman of Sofiprotéol (1983-1999), a group valued at nearly 7 billion euros, which controls, through Soprol (in which InVivo is a 5% shareholder), Lesieur, Diester Industries (the leading French biodiesel producer) and Oléon, in the oleochemicals industry. Sofiprotéol has direct control of Glon Sanders, an important player in animal nutrition and health. Xavier Beulin has been the group’s chairman since 2000 as well as the chairman of FNSEA since 16 December 2010.





The Frouard silo, near Nancy, began operating in 1975.
It was a cornerstone of the UGCAF's comeback.



Chapter 7

UNCAA plots its course

Structural changes, progress in all activities, a foothold in animal feeds (1962-1974)

UNCAA had two objectives from the start: to represent member cooperatives to the government, agricultural industry organisations and agricultural suppliers; and to unite the economic and technical forces of cooperatives in all agricultural supply markets. What was still a modest-size organisation when compared with the powerful UNCAC – the ratio of revenue in 1962 was 1-to-3.5 – grew larger and exerted increasing leverage in numerous markets, including fertilizers, plant protection products, farm equipment and machinery, and cattle feed. Under the leadership of managing directors Marcel Gerbaud and René Maloux, the UNCAA's sales rose tenfold between 1962 and 1974.

UNCAA pursues its traditional role and becomes more aggressive

AFTER 1945, UNCAA OWED ITS GROWTH IN PART TO SUPPLYING BINDING CORD, WIRE, SHEET METAL AND PLASTIC FILM – that is, farm hardware, or what is known today as farm equipment – and in part to fertilizers and plant protection products. Besides these basic articles, UNCAA occasionally dealt in farm machinery, implements and fuel. Since UNCAC had left it completely free to market seeds other than grains, it developed its position in select potato plants and seeds of forage grass and legumes, purchased either from foreign suppliers or from French vendors of selected plants, as well as seeds for garden produce. To this original line of agricultural supplies it then added cattle feeds based on industrial oilcake or grain from storage cooperatives. It was thus able to play its full role by trading in agricultural supply markets at the national level on a scale that benefited all its member cooperatives.

“The future belongs to those who have the ability to adapt at every instant to new technical and economic conditions.,,

Guy Benoist, speaking at the UNCAA general assembly in 1966.

UNCAA pursued a second mission as well: to guide and inform farmers in the selection and proper use of inputs and to encourage respect of safety rules to prevent accidental contamination or poisoning. Its more general aim was to provide crop and livestock growers the technical means to increase the quantity and quality of their production.



While farm hardware was UNCAA's main business, the supply union also dealt in heavy farm equipment until the 1960s.

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agriculture

N° 253

AOÛT 1965

In the early 1960s UNCAA grew more ambitious. It diversified into sectors like cattle feed and began offering more services to cooperatives. It did more in the way of supplying information and training, too, all while adapting to the new demands of the Common Market. In 1962 UNCAA was behind the creation of a specialised committee of agricultural cooperatives in EEC countries to deal with fertilizers and pesticides. This committee headed by Marcel Gerbaud and made up of representatives from cooperative organisations in the six Member States served as a bridgehead in Brussels.

In 1965 UNCAA became the largest fertilizer buyer in Europe with the purchase of 2.2 million tonnes. It distributed this fertilizer under the "Ferticoop" brand. At the time, it had 500 member cooperatives. The Union relied on Synerva to popularise and spread the use of crop and livestock production techniques. It brought out a specialised weekly publication, the *Union Agriculture Appro*, as a supplement to the monthly *Union Agriculture*, the magazine of the Mac Mahon group.

Multi-services and decentralisation: UNCAA fine-tunes its positioning

UNCAA'S SERVICES WERE DECENTRALISED THROUGH SEVEN REGIONAL DELEGATIONS, which could initiate and complete operations at the level of their territory in the framework of a general policy laid down by the general management. Starting in 1965, UNCAA's senior management spoke for the first time of "multi-services" as a trend for satisfying all the needs of farmers. The idea was to have cooperative organisations set up multi-service centres that members could turn to for a complete range of services. This constituted a significant and strategic evolution, indeed revolution, in thinking.

Through Comptoir agricole français (CAF), a collective interest company, the UNCAA provided member cooperatives with new services for fruits and vegetables, poultry farming, and wine making. In 1966 the Union amended its by-laws in order to expand its activities and make investments in companies that marketed agricultural products.

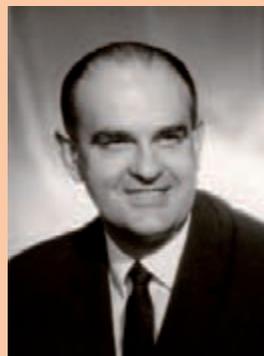
On 1 February 1967 René Maloux, an agricultural establishment figure and seed and potato-plant specialist, replaced Marcel Gerbaud at the head of the Union. His immediate team consisted of Claude Besnault as deputy managing director and Robert Collin as general secretary and administrative director. The new managing director also looked for support to a group of young and well-qualified agronomists, who added technical expertise to the Union's financial clout.

These agronomists were Bernard Moulinet, a graduate of Paris-Grignon, who had been in charge of the fertilizer and then the plant-protection departments since 1962, and Mr Trébuchet, an engineer from École d'Horticulture de Versailles and recognised expert in wine growing, tree cultivation and market gardening.

René Maloux : the man who built UNCAA and UCAAB

“UNCAA is an upside-down pyramid standing on its point. ,”

René Maloux*



Born on 28 April 1917 at Étampes, René Maloux was successively a department head at the potato-growers association Groupement interprofessionnel de la pomme de terre (1942) and director of the potato section of the seed producers association Groupement national interprofessionnel des semences (1943). He joined UNCAA on 15 August 1946 as the head of the seeds and plants

department and would continue working for the Union until his retirement on 30 June 1981.

He rose through the ranks, receiving appointments as assistant economic director on 1 January 1950, deputy director on 1 October 1957, deputy managing director on 1 January 1966, and finally managing director on 1 February 1967.

During René Maloux's fourteen years at the helm, UNCAA's revenue increased tenfold in current francs and fivefold in constant francs, going from under 400 million francs in 1966-1967 to over 4 billion francs in 1979-1980. When he stepped down as head of UNCAA on 30 June 1981, he was replaced by his right-hand man, Claude Besnault. René Maloux was also chairman of UCAAB from January 1977 to 1992 and contributed greatly to its development. He died on 8 January 2004.

* Interview with Jean Myotte, 8 November 2011.

Between 1965 and 1969 UNCAA made gains in every activity except farm machinery. The reform of the profession's legal status by edict in September 1967, which created the category of trading ("commercial") cooperatives alongside non-trading ("civile") ones and made cooperative organisations subject to VAT, greatly altered accounting procedures at cooperatives and increased their management costs. This reform, which bore a hint of revolution, hit UNCAA just at the time national and international competition in nitrogen-based and composite fertilizers was heating up. Despite the gloomy context, the Union signed general agreements with French producers and continued to successfully promote and supply fertilizer under its Ferticoop brand.

In March 1969 UNCAA set up a research and applications office alongside the Synerva to assist and guide the cooperatives to popularise new techniques. It had three sections:

- Phytoservice (plant protection);
- Fertiservice (fertilisation);
- Coopaliment-service (cattle feed).

In April 1974 Albert Duchalais, a farmer from the Loir-et-Cher, a *département* in north-central France, succeeded Guy Benoist as chairman of UNCAA. This is a pivotal date in the Union's history, as the incumbent chairman was passing the baton to someone fully engaged in the cooperative and mutualist milieu. UNCAA's revenue had recently risen above 1.5 billion francs, with three-quarters coming from fertilizers and plant protection products. The new chairman took the helm at a supply union in good financial health and with the future looking bright. He had hardly arrived, however, when he found himself embroiled in a hostile takeover bid from Gardinier for UNCAA's fertilizer business.

An attempted takeover of UNCAA's fertilizer business

UNCAA'S STRONG POSITION IN THE FERTILIZER MARKET HAD PERSUADED FOUR OF THE FIVE LARGEST FRENCH PRODUCERS to ally fully with it. At the end of 1975, only one, SOPAG, remained outside the fold. This flourishing company had been created by the Gardiniers, a family from a region just north of Paris with close ties to the agricultural world. Lucien Gardinier founded SOPAG between the two world wars and, with the help of his two sons, Xavier and François, built up a dominant position after 1945 in the Parisian basin, the Artois and Picardy regions and the *départements* of the Aisne and Marne. Gardinier even became the sole supplier of UGCAA, UGCAF's agricultural supplies branch.



FERTILIZER

Since 1953, UNCAC has organised national "technical days" each year for its member cooperatives. The one in 1966 was made exceptional by its theme: the role of fundamental research in improving the principal grain species.

Recalls **Claude Besnault**: "That's when the Gardiniers proposed bringing UNCAA into a deal it was cooking up with UGCAF. The agreement would have given UNCAA a minority stake, though a significant one, in SOPAG, integrated UNCAA's fertilizer department into SOPAG, and made SOPAG the exclusive supplier of French-made chemical fertilizers. The offer was never followed up".

Albert Duchalais: a chairman of unity and consensus

“If I had gone to agronomy school, I would maybe be a cooperative director instead of chairman. But I prefer the latter role. There’s more to it.,,

Albert Duchalais

Interview in *Le Monde*, 13 December 1978.

Son of René Duchalais, a farmer, and Solange Cadet de Vaux, a descendant of the chemist Antoine Cadet de Vaux (1743-1828), Albert Duchalais was born on 23 November 1923 at Montils, in north-central France. He operated a 110-hectare farm there and was mayor of the town from 1959 until 1983. The war caught him by surprise doing “elementary math” at the lycée in Orléans, where he was looking ahead to studying agronomy. He enlisted and was demobilised in 1946 with the rank of a non-commissioned officer. He then headed to the United States for six months along with 40 young farmers in a programme sponsored by the Ministry of Agriculture, where he met a certain Michel Sordel. On his return, the “American” took up farming at Montils and began participating in associative, cooperative and mutualist activities. Founding chairman of the CDJA of the Loir-et-Cher in 1947 and a board member of the local and regional savings banks of Crédit Agricole (1968), he was a tireless defender of agricultural and cooperative interests at the national level, at UNCAA, at the Economic and Social Council, and at CFCA. Chairman of the agricultural cooperative of the Loir-et-Cher in 1973, then a director and vice chairman of Franciade, he went on to serve as chairman of UNCAA from 1974 to 1993. He followed in the footsteps of Jules Berthonneau, his mentor, who was director of the Farmers Syndicate of the Loir-et-Cher for fifty years as well as a founding member of UNCAC in 1945 and a pioneer of the Franciade cooperative, which he also headed, as he did the *mutuelles agricoles* (farmers supplementary health plan) of the Loir-et-Cher.

It was Albert Duchalais who developed UNCAA’s positioning in new markets like self-service distribution (Gamm vert), but he was also the chairman who oversaw the expansion of the agronomic network, the growth of UCAAB, and the arrival of younger staff. As chairman of UNCAA and of the French confederation of agricultural cooperatives, CFCA, from 1978 to 1989, he worked tirelessly to improve farmers’ skills and to provide them with more tools and resources,

while at the same time maintaining the cooperatives’ solid structures. Rigorous, persuasive and affable, this social democrat was a consensus-builder who worked in a spirit of unity. He held other important offices as well: chairman of the cooperation group of the Economic and Social Council from 1979 to 1989; vice chairman of the national confederation of agricultural mutualism, cooperation and credit, CNMCCA, vice chairman of the French federation of agricultural supply cooperatives, FFCAA, and member of the general committee for agricultural cooperation in the European Union, COGECA. Albert Duchalais died on 7 August 2000.

His son Jérôme, born on 28 January 1955, who attended ENSA Montpellier and Institut de Finance, went to work at UNCAA in 1984. He was successively management assistant (1984-1992), deputy finance director (1992-1995) and administrative and finance director (1995-2001). Appointed administrative and finance director of InVivo at its founding in December 2001, he was subsequently named deputy managing director in 2006.



The second chairman of UNCAA after Guy Benoist, Albert Duchalais, with his successive managing directors, René Maloux and Claude Besnault, was the architect and promoter of the development of UNCAA, which went from being a bulk-buying group to a central purchasing and services office and eventually became an industrial-scale organisation.



UCAAB: the storage area at the Chierry plant, near Château-Thierry (1965).



UCAAB: the analysis laboratory at Chierry (1965).

“In 1975 SOPAG went back on the offensive, hoping to take advantage of the change in leadership at UNCAA and the illness of its managing director, René Maloux. SOPAG knew that Guy Benoist and UNCAA’s management were opposed to the idea of an exclusive relationship and even more averse to giving up any active role in purchasing negotiations. One of the conditions of the agreement was indeed the integration of UNCAA’s fertilizer team into the sales department at SOPAG. SOPAG set about directly lobbying all the Union’s board members as well as the cooperatives it supplied. René Maloux was put in charge of resuming the negotiations, which would deal with the pricing of SOPAG shares (which the Gardinier family had overvalued), the issue of giving exclusivity of supply to SOPAG, and the desire to end direct relations between UNCAA and its member cooperatives in the realm of fertilizers”.

“Three major suppliers of chemical fertilizers to UNCAA – COFAZ, Rhône-Poulenc and CDF-Chimie (the Charbonnages de France group) – joined by a smaller firm, Société chimique de la Grande Paroisse (Air Liquide group), came up with a somewhat vague and unexciting counteroffer. Negotiations continued, and pressure from SOPAG executives mounted. In May 1976 a solution was found thanks to the longstanding relationship between UNCAA and Air Liquide. It involved a molecule that Air Liquide had developed in its medical research, an anticoagulant that had fallen into the public domain and been replaced by medications more suitable for treating heart illnesses, but that proved to be a very deadly rat poison. It enabled a joint venture with UNCAC, CNCATA, to become number-one in the rat extermination market in rural areas”.

“The general secretary of Air Liquide, Jean Delacarte, who was also the CEO of Société chimique de la Grande Paroisse, proposed an agreement in place of the one negotiated with COFAZ, Rhône-Poulenc and CDF-Chimie, and got these three companies to sign on to it. The agreement merely called for giving the Air Liquide subsidiary a shareholding and indicated the tonnages to be negotiated each year. There was no question of exclusivity, and negotiations were left in the hands of UNCAA and its member cooperatives. Chairman Duchalais won the support of all the board members for the agreement, including those who had been strongly in favour of the deal with SOPAG. He had hardly arrived, and he had already forged a reputation as a shrewd and hard-headed negotiator”.

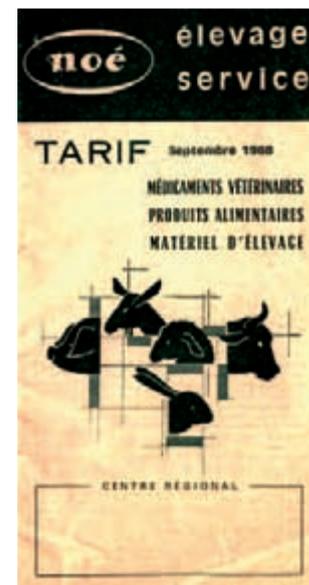
UCAAB, a real subsidiary and new growth driver in cattle feed

IN 1970 UNCAA HAD 521 MEMBER COOPERATIVES, AND THEY WERE BENEFITING MORE AND MORE FROM ITS ECONOMIC LEVERAGE. It was gearing up for the future by carrying out well-managed decentralisation and recruiting smart young engineers. To keep the Union growing, René Maloux knew that he had to

have bigger market shares in France and develop into sizable player in the cattle feed industry. He therefore decided to get more directly involved in the management of the Union for agricultural cattle feed cooperatives (UCAAB). In an industry where there were still many small manufacturers (even if the structuring of the sector was well under way), this Union had considerable growth potential. In 1968-1969, the accounts of UCAAB were consolidated with those of UNCAA for the first time, and it was made a full subsidiary. UCAAB had been struggling for a while, and UNCAA management decided to take direct measures “to restore to UCAAB the vitality and efficiency that it had partially lost between 1966 and 1968”.

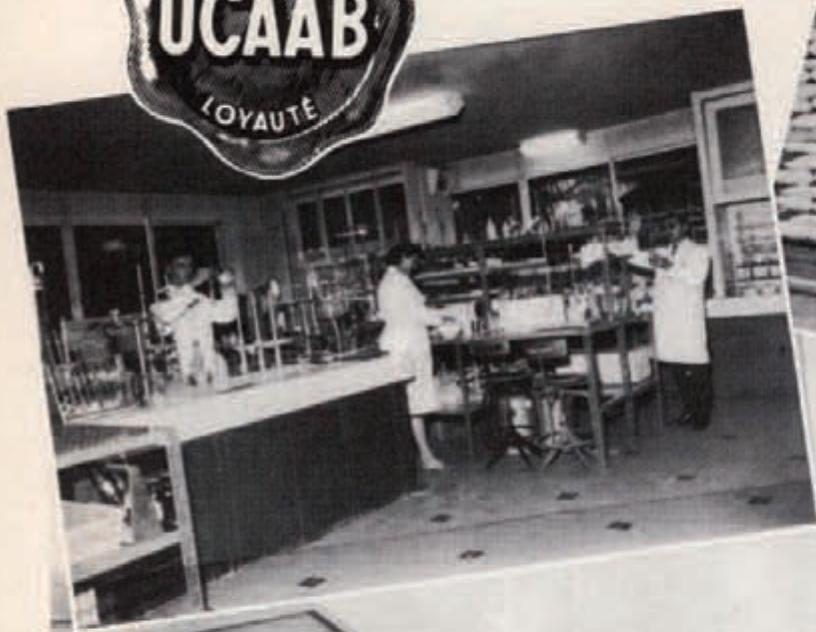
UCAAB was created in 1951 at the request of the Agricultural and viticultural cooperative (CAV) of Château-Thierry by the cooperatives in the northeastern Aisne to satisfy the needs of their cattle breeders. CAV’s director, who was also on the UNCAA board, then asked UNCAA to join in the creation of this new union, which it agreed to do because the objectives of the new union were in line with the UNCAA’s plans for UCAAB. UCAAB initially had four shareholders: UNCAA, its rival, UGCAA, the national union of dairy cooperatives, UNCL, and the national cattle breeders cooperative laboratory (the future NOÉ) at Rambouillet.

In 1964 UCAAB split into two parts: “complete feeds”, which was taken over by a new entity, the union of agricultural cattle feed cooperatives of eastern Paris, UCABEP, made up of cooperatives around Château-Thierry and in regions east of Paris; and “mineral composites”, which kept the name UCAAB nationally. The latter got a new board of directors, however, consisting of representatives of three entities: UNCAA, UNCL and the NOÉ veterinary laboratory.



At the end of the 1960s, NOÉ described itself as “one of the most important and most dynamic veterinary laboratories in France (...)”

UNCAA took over of the animal breeding laboratory SICA NOÉ Élevage Service, and the plant at Chierry began manufacturing medicated premixes for NOÉ Élevage Service (Part 3).



A partir de ces nouvelles installations :

- Services d'Etudes : Alimentation du Bétail
 - Services Vétérinaires et Techniques
 - Laboratoires de Chimie et de Pathologie
 - Ingénieurs délégués pour relations avec les Eleveurs
 - Informations, documentations, conférences
 - Instruction et formation de Conseillers Agricoles
 - Ateliers de préparation de composés minéraux
- sont mis à la disposition de toutes les coopératives par l'

UNION COOPERATIVE AGRICOLE D'ALIMENTATION DU BETAIL

A CHIERRY, PAR CHATEAU-THIERRY (AISNE) — TÉL. : 865 & 866

THE MANAGEMENT TEAM OF THE “NEW” UCAAB DECIDED TO GIVE A FRESH THRUST TO THE WORK BEING undertaken and set an objective of providing partner cooperatives with technical assistance matched to their expectations and future needs in the production of composite feeds. It laid down the foundations of a policy for investing in human and material resources: veterinary doctors, veterinarians, engineers, and travelling technicians; equipment, biochemical, biological and analytical laboratories, etc. A solid development project for the long term was thus set in motion and managed.

The rapid growth of the French cattle feed industry (1950-1980)

Virtually non-existent in 1945, the cattle feed industry grew at an exceptional pace between 1950 and 1980. By the end of the 1970s, it ranked second among agricultural and food industries, trailing only milk processing. Few activities can claim an annual growth rate in excess of 10% over a quarter century. French production of composite feeds soared from 600,000 tonnes in 1950 to over 13 million tonnes in 1978.

Started by flour mills looking for ways to use their by-products, this industry underwent rapid consolidation so that by the 1970s it was dominated by a few large agrifood groups, some of which had foreign shareholders. Most of the small and medium-size manufacturers were closely tied to service companies that supplied them with the mineral concentrate and technologies they needed.

Operations were located in relation to the markets where the feeds were consumed. Brittany alone produced one-third of all composite feeds. The rapid growth after 1945 was driven first by the revolution in poultry raising and then by expanding pig production. At the end of the 1970s, this industry consumed about 15% of the grain harvested in France, though the major part of the protein, and in particular that from soya beans, had to be imported, mainly from the United States.

In 1965 UCAAB created its biological and pathological laboratory and its formulation department. At its original site at Chierry, it had a manufacturing plant and complete scientific, formulation and documentation departments along with a chemistry laboratory and a veterinary laboratory.

The mixtures of minerals, vitamins and trace elements, called “premixes”, are combined in small proportions with various raw materials to make complete feeds for cattle.

mine RAILS

It worked regionally through the Agricultural Union of Vienne at Poitiers, the SICA **Coopaliment at Bassens** (1965-1966) and the Federation of agricultural cooperatives of the Bouches-du Rhône at Marseille. On the death of André Duchesne in 1967, Guy Benoist became chairman of UCAAB. He was also the chairman of UNCAA. His holding both offices resulted in ever-closer relations between UCAAB and UNCAA departments.

■ **The Coopaliment plant at Bordeaux-Bassens** was built by UCAAB on the same site as UNCAA's silo to manufacture and sell cattle feeds. UNCAA registered the Coopaliment trademark in France in 1957.



In 1968 René Langevin turned over his post to a new director, Claude Jouandet, who introduced an organisational structure better suited to expanding UCAAB's research activities and that would enable it to play a nationwide role. A research centre and a scientific department with a specialist for each animal species were created. Regional offices were set up all across France to stay continually attuned to the cooperatives' needs.

UCAAB's aims were both clear-cut and ambitious:

- to meet all the needs of agricultural cooperatives that were manufacturing complete cattle feeds by providing technical, veterinary and economic services, research and experimental laboratories, and, of course, vitamin-enriched mineral components;
- to give technicians basic and advanced training in cattle feed through seminars and study days;
- to structure and carry out fundamental and applied research.

■ **The CRZA enables animal husbandry and veterinary specialists** to design, conduct and monitor research and experimental programmes on all major animal species with an emphasis on practical applications, quality, and profitability.



In 1970-1971 UCAAB opened the centre for applied zoo-technical research, **CRZA**, at Montfaucon, in northern France to do work on most of the animal species found in France (cattle, sheep, pigs, poultry). A pig selection programme was set up. UCAAB also had an animal husbandry testing and application station at Montendre, in western France, which had an applied veterinary research department, a veterinary department with veterinarian, and an agronomy department staffed with research engineers.

UCAAB continued to expand with the addition of new offices and several workshops at the Chierry plant, including an extrusion workshop in 1973. At the request of Albert Duchalais, chairman of UNCAA since 1974, René Maloux agreed to step in as chairman of UCAAB after the sudden death of Guy Benoist on 17 January 1977. He stayed on in this role until 1992. In 1978, one of the three production lines at Chierry, which had been destroyed by fire, was rebuilt. In 1979 UCAAB constructed a premix production facility. These premixes containing minerals, vitamins, and trace elements were incorporated in the cattle feeds in proportions ranging at that time from 1% to 3%

In 1980 UCAAB's senior management stated its goal: to become the principal French agricultural **services firm** and, through its manufacturer partners, the number-one supplier of animal feeds in the French market. To meet the economic and technical challenges this goal represented, it possessed three key assets: know-how, the capacity for innovation, and great technical and human potential.

The analysis and test laboratory at Chierry was an important contributor to UCAAB's development. Each year it handled several tens of thousands of samples, making it one of the leading French laboratories in this field. Its engineers, biologists and technicians monitored quantities in the entire animal nutrition chain and came up with quick answers to the cooperatives' requests. Organised in specialised units, it played a fundamental role in structuring operations and promoting quality at UNCAA. Spurred on by its manager, **Jean-Marc Régnier**, who was recognised for his professional expertise, the UCAAB laboratory broadened the field of its activities by concluding agreements with agro-industrial firms like sugar refineries, starch manufacturers and flour mills.

UNCAA further expanded in the animal feed sector by acquiring Europagro, a Brittany-based company specialised in the transformation of animals for slaughter, in 1974. In August 1975 the Union founded CAF Appro at Loudéac (also in Brittany), a cattle feed plant and manufacturer of premixes that originated with the West region delegation. It was UCAAB's third regional plant after Chasseneuil-du-Poitou and Bassens. Headed by Claude Lodié, it did well initially, but then reported a large loss in 1983-1984 after taking very risky positions in global soybean markets. After restructuring, this subsidiary began growing again. A producer of feeds for farm animals and pets, it also dealt in animal feed additives. As an arm of UCAAB, CAF Appro contributed to the development of the partners throughout western France.



■ **Design and manufacture premixes and additives**

Service companies do not mix the raw materials. They supply a concentrate of trace elements and vitamins to cattle feed manufacturers and cattle breeders, develop formulas, and offer advice on request. They are in the forefront of animal nutrition research and drive progress in the industry by proposing effective nutritional solutions.



UCAAB – key figures

Revenue:

■ **1968-1969:**

16.72 million francs from production of 11,018 tonnes

■ **1973-1974:**

34.93 million francs from production of 12,422 tonnes (a recessionary year)

Activity

In 1974, cattle feed accounted for about 12.5% of UNCAA's revenue of 1.5 billion francs.

Position in the domestic market

1975 :

No. 4 French supplier of cattle feed

1977 :

No. 3, behind privately owned Sanders-France and the Union of composite feed manufacturers and ahead of the Brittany-based firm Guyomarc'h



On 2 September 2002 CAF Appro
Appro was merged with **UCANOR** and **UCAAB**
to form **Inzo**.

OVER A TEN-YEAR PERIOD (1970-1980), UCAAB GREW VERY RAPIDLY, VIRTUALLY DOUBLING its market share in a stable market and against steadily increasing competition. It had a staff of 185 people, including 50 engineers and veterinarians, and in 1980 ranked number two in France in animal nutrition. While the animal feed market in France was expanding by 126%, UCAAB's business grew by 402%.

EXPANSION

The differences between the Mac Mahon and La Fayette groups were visible in their approaches to the cattle feed business. With the Mac Mahon Group and UCAAB, small and medium-size companies predominated; with the La Fayette group, which formed the animal production cooperative group in 1965, fewer cooperatives participated, but they tended to produce much more. Notable among them were the regional farmers union of Brittany, at Landerneau, the regional agricultural cooperatives union at Morlaix, the agricultural cooperatives union of Normandy, UCANOR, founded in 1966, and the La Noëlle agricultural cooperative at Ancenis (western France).

Together, UCAAB and CCPA supplied the mineral components for 23% of the composite feeds produced in France in 1977. In that year, there were still some cooperatives affiliated with private service companies, but their number was steadily declining.

Brittany's share of industrially produced composite animal feeds in France (%)		
Feed	1965	1977
Poultry	25	35
Pigs	12	45
Cattle	6	19
Total	15%	32%

Source: Jean-Paul Diry, "L'industrie française de l'alimentation du bétail" ("The French cattle feed industry"), *Annales de Géographie*, 1979, volume 88, no. 490, pp. 671-704.

UCAAB continued to grow in the early 1980s. A team of young, well-educated technicians quickly rose to high-level positions in the management. At the end of 1981, René Maloux dismissed Claude Jouandet. After an interim period of several months with the three-man team of Claude Cainjo (sales), Claude Marcot (finance) and Pierre Barré (technical and scientific) in command, Maloux appointed 38-year-old Jean Myotte as managing director of UCAAB. Myotte, who had degrees in economics and financial control, had begun working at UNCAA in 1971. Among other jobs, he had been the manager of the fertilizer department (he would also become the managing director of InVivo in 2002). Joining the subsidiary were young engineers like Patrice Gollier, named head of the poultry department on 1 April 1981, when he was 31, and who would get his turn as managing director of InVivo 26 years later, in 2007.

All this new blood gave fresh vitality and spirit to a company that had gone through many upheavals since 1965. Jean Myotte and his team – he kept Claude Cainjo, Claude Marcot and Pierre Barré at his side – set the company on a new course where the aims were to improve cattle breeding performance, provide better advice to cattle breeders, reduce production costs, and work more closely with CAF Appro at Loudéac, in Brittany, where half of the potential customers were located. The tenacity and high professional standards exhibited by Jean Myotte in overhauling UCAAB between 1983 and 1992 would be crucial to the subsidiary's subsequent history.

By endowing UCAAB with modern and efficient technical capabilities in research, laboratory facilities and production tools, he enabled it to become the number-one agricultural services firm in France. Deputy managing director Patrice Gollier took over from Jean Myotte at the head of the subsidiary in 1992 and continued his predecessor's work in that capacity and then as director of UNCAA's animal production division from 1996 to 2003.

Albert Duchalais, with his successive managing directors, René Maloux and Claude Besnault, was the architect and driving force behind the development of UNCAA, which went from being a bulk-buying group to a central purchasing and services office and finally to an industrial-scale organisation. On his arrival, he had also had to cope with the impact of the first oil crisis in 1973.

However, the teams and intellectual resources had been consolidated, activities diversified, and a large share of the ingredients for future expansion had been put in place... These were the favourable circumstances, in terms of economic conditions and manpower, under which UNCAA and its sister union UNCAC moved into their brand new headquarters at the Porte Maillot in May 1975, taking the new name "Groupe Agricole Maillot-Malakoff", generally shortened to GAMM (an acronym that had previously stood for "Groupe Agricole Mac Mahon").

A PAGE IS TURNED... Organisations began to unite, and managers with diverse backgrounds progressively arrived: the early chairmen, Francis Bouchard (UNCAC) and Guy Benoist (UNCAA), stepped down and were replaced, respectively, by Michel Sordel and Albert Duchalais in 1974, while Jack Lequertier (UNCAC) passed the baton to Bruno Catton in 1980, and René Maloux (UNCAA) did the same with Claude Besnault in 1981.



SELECTION 74

GAMM builds its headquarters at porte Maillot in Paris

In May 1975 UNCAC and UNCAA, now united as GAMM, moved into their brand new headquarters on Avenue de la Grande-Armée in western Paris. A few hundred metres away stood the Palais des Congrès, the new convention hall completed barely a year earlier, and the nearby ring road had been inaugurated just two years before. This area of Paris was changing, and there were property development opportunities there that the unions had been quick to spot.





Workshops on the land between Avenue de la Grande-Armée and Avenue Malakoff before the construction of the GAMM Group's headquarters.

On 4 January 1962 the French agricultural cooperation centre (MCAF) began looking over a project called "Porte Maillot". The Centre had been set up in 1961 to come up with a plan to bring French agricultural cooperatives together in a single building. At that period, 42.51% of its capital was in the hands of UNCAC, and UNCAA was also a shareholder. Final approval was given to the "Porte Maillot" project on 16 April 1963.

The land, which lay between Avenue de la Grande-Armée and Avenue Malakoff, was purchased by two property development firms, FIMM and FIGA. Another property company (SCI) was set up in spring 1971 specifically to carry out the project (acquisition of the land and adjoining buildings, demolition and construction). One-third of the land went to the association of cooperative organisations (UNCAC + UNCAA + Alimenta + CAF + MCAF) and the remaining two-thirds, located at the point of the tract, to Louis Dreyfus & C^{ie}.

To construct their new group's headquarters, the senior executives of UNCAC and UNCAA took no chances, choosing as their architect **Jean de Mailly** (1911-1975), with numerous office towers to his credit, he was the co-designer of the CNIT, the industry and technology convention centre in the La Défense business district, a major development scheme west of Paris in which he was one of the principal architects. In the Porte Maillot project, one of his last, he teamed up with the architects D. Barthe, P. Barthe and R. Robin. The general contractors for the building's construction were Oger and Entreprise Industrielle (EI). The façade of the sober and elegant eight-storey building is articulated by optical squares that set off the openings with a facet-like relief effect.

The vast lobby, totally visible from the exterior, was designed to be monumental and expressive. It is decorated with a wall sculpture titled Germination, done by **Pierre Sabatier** (1925-2003), an artist well known at the period for his creations in metal. Sheets of brass and steel worked with pure tin and lead cover the entire surface of the lobby walls, including the mezzanine, the lift blocks and doors – a total area of about 350 m². The artist worked with the ENFI Design agency and called on Ballimur for the installation. This remarkably spacious lobby, typical of corporate headquarters in the 1970s, has come down to us intact.

From one headquarters to another ...

Exactly thirty years separate the installation of temporary offices in an apartment on Rue Scribe and the creation of a modern headquarters at the western edge of Paris.

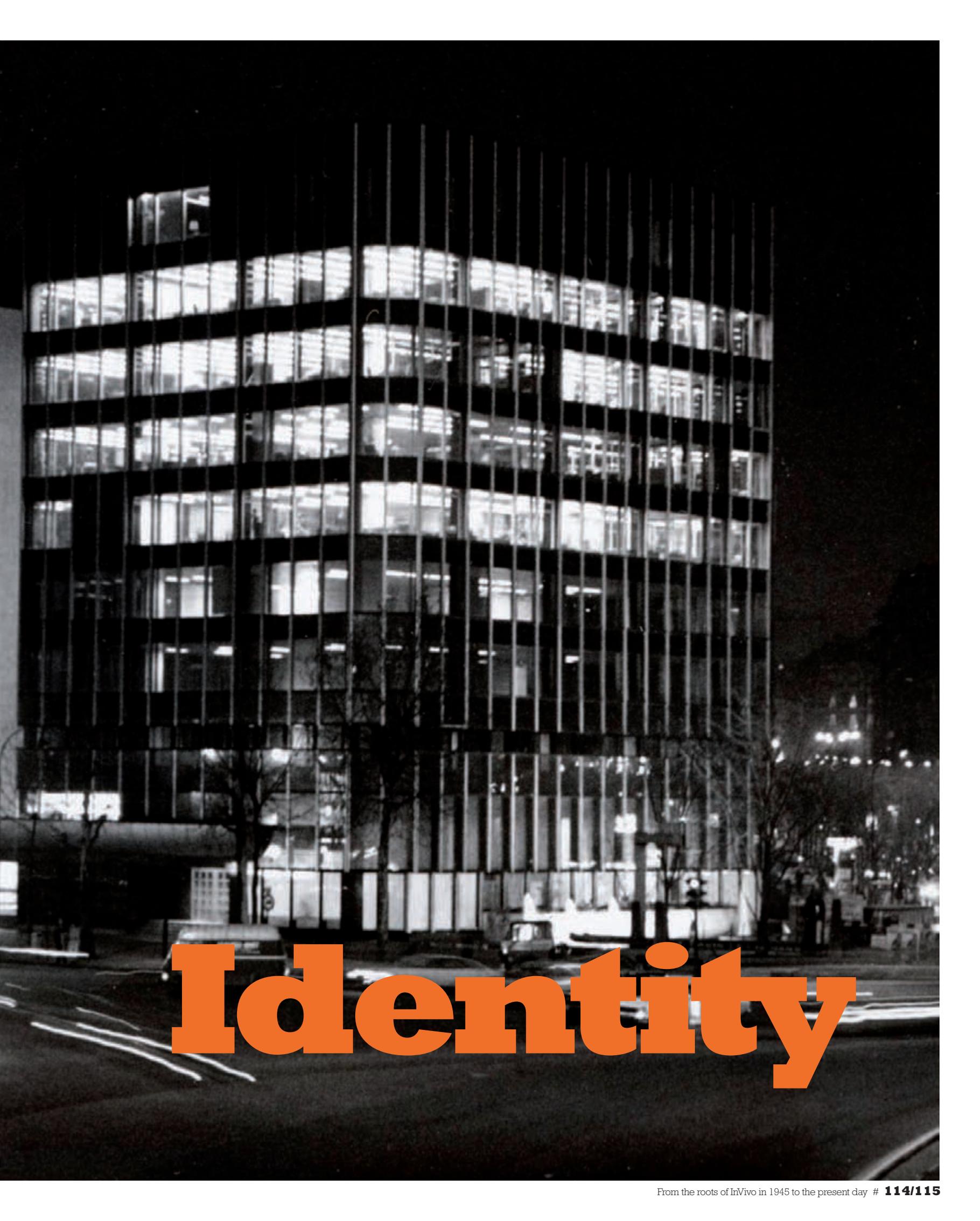
1945 - 1946 - 11 bis, rue Scribe, Paris 2.

1947 - 1959 - 6, rue Halévy, Paris 2.

1960 - 1974 - 29, avenue Mac-Mahon, Paris 17.

1975 - - 83-85, avenue de la Grande-Armée, Paris 16.





Identity

The advent of the GAMM group

Despite continuing disagreements between the rival Mac Mahon and La Fayette unions (1966-1967), UNCAC and UNCAA join forces under a common brand (1975-1990)

Since the creation of UGCAF in 1947, UNCAC's management tried by every means possible to bring the two rival unions together, but without success. When federal unity was finally achieved in 1966, UNCAC seized the opportunity to make another attempt, but that was also rejected. The UGCAF leaders were simply not interested. In addition to long-standing political and religious differences there were deep-seated disagreements about economic strategy. Each side continued on its own way, with its ups and down in the case of the La Fayette group, but with a meteoric rise in the case of the Mac Mahon group unions, which succeeded in developing and organising their core businesses. Non- (or poor) profit-making activities were discontinued and diversification became their strength, including in cattle feed and mass retailing for UNCAA. When they grouped together (but without merging), under the GAMM brand name in 1975 the two sister unions demonstrated their wish to complement each other's skills and strong points to prepare for the future.

UGCAF uninterested in the merger suggested by UNCAC (1967)

THE TIMING JUST WAS NOT RIGHT. Let us go back a few years to review the earlier attempt at a merger in 1966-1967, twenty years after the return to the bipolar UGCAF/UNCAC model of 1947.

In 1966 UNCAC's board of directors published a 25-page white paper entitled "Perspectives d'unification économique de la coopération agricole" ("The outlook for economic unification in agricultural cooperation"). This was submitted to a general assembly of UNCAC and UNCAA's cooperative stockholders for ratification on 30 January 1967. The preamble summarised one of UNCAC's founding principles:

"Are there still left-wing, right-wing, denominational or other cooperatives? The answer is yes!

But where are the greatest number of cooperatives, the ones that want to improve farmers' situations, whatever their tendencies?

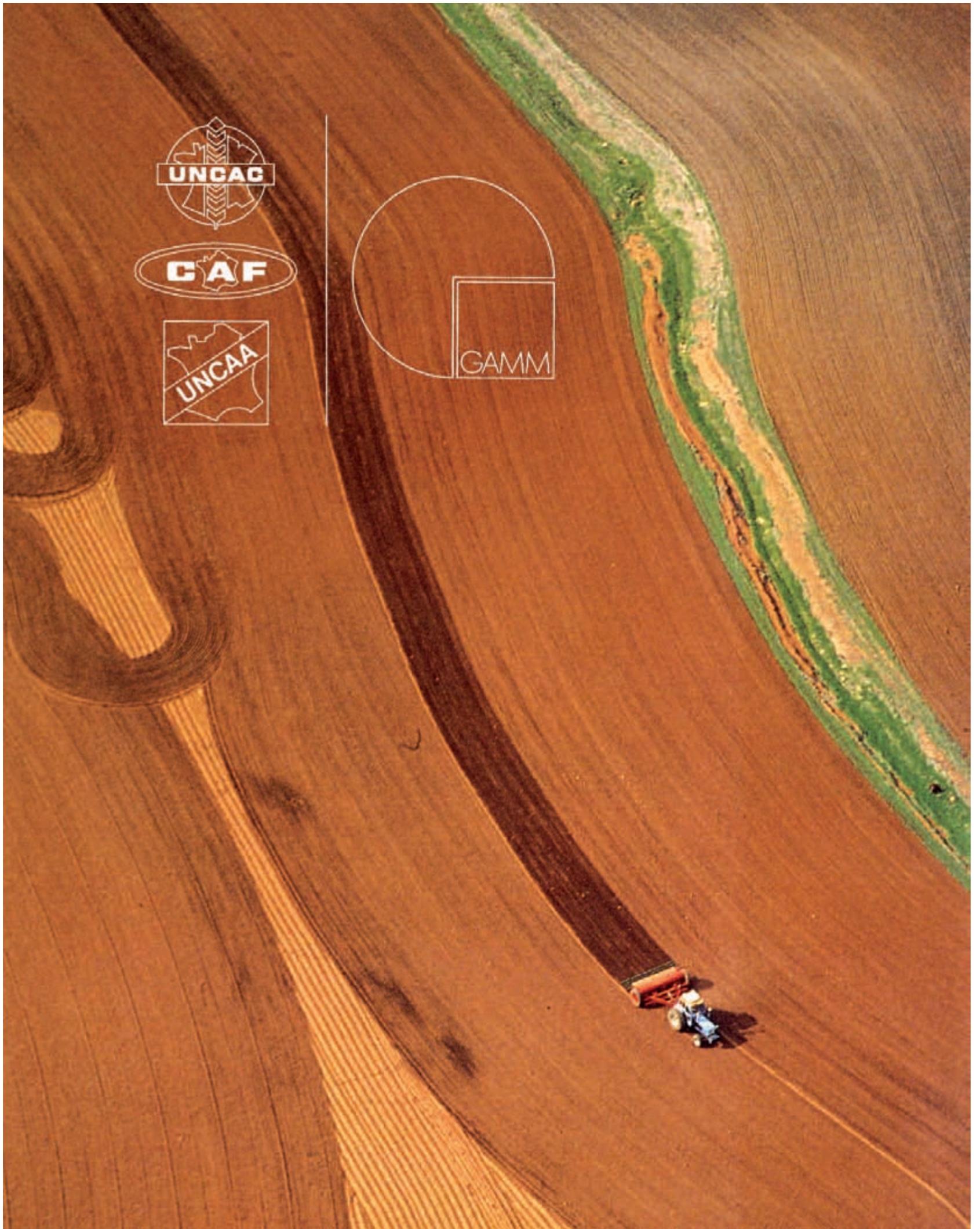
Whether Catholic or free thinkers, from the political left or right, all of these men, these farmers, have a common denominator: their job.

And for that very reason and that alone, the cooperative movement must bring them all together.

That was not understood in 1945-1946-1947. It must be understood in 1966-1967."

"The fundamental objective is to facilitate by every possible means the creation of common economic action on a national scale, which will lead to greater efficiency. , ,

White paper, "Perspectives d'unification économique de la coopération agricole", Union Agricole, No. 271, February 1967.



The white paper listed all the advantages of unifying the economic activities of agricultural cooperatives and suggested a gradual process for doing so. It reminded readers that “economic unity is the prerequisite condition for achieving optimal efficiency in agricultural cooperatives”. The paper was written by Bruno Catton, who was Jack Lequertier’s executive

secretary at the time, and ends with a dry observation that the choice lay either in “duality or concentration at the highest level”. UNCAC’s General Assembly unanimously approved the resolution that favoured a **unified federation**, and asked that, “every effort to be made to achieve economic unity as quickly as possible, and preferably within the next two years”.

The first reason given for the proposal to merge was the economic context. In all sectors worldwide, dynamic companies were entering the race to growth and the EEC was now a reality. The second reason given by UNCAC was the concept of a “concentration of versatility” which did not go against the goal of “specialised concentration”. The

White Paper stated that in several Western European countries, and notably EEC ones, as well as in Scandinavia and the United Kingdom, the rule was to have a versatile range of activities”.

The main criticism of this ambitious merger project was that it would lead to “a monopoly and bureaucracy that would hinder competitive emulation in the profession”. Now the ball was in UGCAC’s camp. During its annual meeting of 22 February 1966, UGCAC acknowledged UNCAC’s offer and mandated several of its representatives to hold discussions with a view to economic union. While contacts were made between the two sides in 1966, they did not bring a merger any closer. UNCAC’s demand was still-born. The reply finally came during UGCAF’s general meeting in February 1967, a year after the offer was made and a few days after UNCAC’s general meeting approved the white paper. It was negative. UGCAF justified its decision by saying that the two unions’ business concepts were entirely different. The same three reasons were given as before (see box in Chapter 6). The answer was a severe blow to UNCAC’s leaders and stakeholders, who had played an important part in the attempt at unification. Nevertheless, in a press conference at the end of July 1968, Louis de Rochebouët mentioned the “friendly and extremely loyal” nature of the discussions held between the two chairmen Viaux-Cambuzat and Bouchard and his “comrade” Lequertier. The feeling was shared by UNCAC members, who spoke of a “very courteous atmosphere”.

Several joint actions in the field

- The rival unions soon worked together in joint entities such as the nitrate product import company, SIPA, in 1947, and the national agricultural syndicate, SYNAGRI, in 1959.
- In 1960 UGCAA joined UCAAB.
- In the early 1960s UNCAC and UGCAF joined their forces temporarily for the purpose of exporting grain.

The preamble to the *white paper*: merging businesses puts things in a new light

The white paper was based on a December 1966 report presented by Mr Lagandre to the Economic and Social Council on “The problems posed by business mergers”, and warned that the implementation of the Common Market would speed up mergers between companies and cooperatives.

- In 1965 the revenue of the USA’s two leading companies, General Motors and Ford, was slightly higher than the total revenue of France’s 500 biggest companies.

- The 500 largest industrial companies in the world:

United States	306
EEC	74 (of which 25 French ones)
United Kingdom	53
Japan	38

- From 1900 to 1945 there were **794 mergers** of large companies worldwide, and **1,802 such mergers** from 1945 to 1964.

- In the mid-1960s, 90% of workers in France were employed in companies with less than 10 employees, compared with 89% in Italy, 81% in Germany, 75% in Belgium and 73.5% in the Netherlands.



UNCAC and UGCAC in 1966/1967

Figures in Francs

UNCAC	UGCAC
Revenue: 695,383,000	Revenue: 306,235,770
Net profit: 1,864,440	Net profit: 638,800
Operating costs: 11,716,575 (all departments)	Operating costs: 4,323,700 (excluding FNCC and Synercau)

Figures in quintal

	UNCAC	UGCAC
Storage capacity	3,315,000 full ownership	1 500 000 holdings*

* Gennevilliers + Givet, excluding rentals and silos being built.
Source: UNCAC’s extraordinary general meeting of 29 June 1967.

BUT WHILE AN ECONOMIC MERGER WAS INDEFINITELY POSTPONED, federal unity was sealed in 1966! The FNCA (Saint-Germain group) and the CGCA (La Fayette group) decided to merge into a single organisation: the French confederation of agricultural Cooperatives, CFCA, the forerunner of the Coop de France (2003). At the same time, UNCAC and UGCAF established the French federation of agricultural grain cooperatives, FFCAC, and transferred most of their central activities to it. FNCC became dormant. Gabriel Ducroquet was appointed chairman of FFCAC, as a man both sides approved of since he was a “friend” to UGCAF and the vice-president of UNCAC. It was a first step, even though UNCAC, still determined to revive a policy of unity in the spirit of 1945, would have preferred a single national union taking on both the economic and federal functions.

Several joint actions were carried out by the Mac Mahon and La Fayette groups between 1966 and 1968, doubtless as a result of discussions held during the 1966-1967 negotiations. These included regular meetings between marketing departments, coordination agreements between both unions for setting up port silos, laying down common rules for storage, and the creation of Eurograin in 1967. From 1 June 1967, a grain coordinating committee comprising marketing staff from both groups met every Monday under Louis de Rochebouët and Jack Lequertier in one or the other of their offices.

During this time, agricultural cooperatives were facing a frontal attack in the form of the “Marcel report”, leading to government edict no. 67-813 dated 26 September 1967, which altered the status of agricultural cooperatives and divided

them into two types according to their size and business, i.e. trading (the new ones) or non-trading (in French law, “commerciale” or “civile”). Cooperatives were now liable for local business tax. UNCAC quickly forgot its disillusionment about the merger and its national committee devoted all its energy to the battle to repeal the edict, which challenged several aspects of the pre-1967 agricultural cooperative status, including its legal form, its territoriality, the expansion of its membership, the weighting of votes in the general meetings, and the exclusivity rule.

UNCAC led the fight against the 1967 edict, backed by CFCA's board of directors who unanimously voted against it. It took five years of struggle, debate and intervention at all levels from the French president down to the grass roots cooperative members, before this point of view was heard and the French parliament granted the French agricultural cooperatives a legal status that matched their role and aspirations. Finally, on **27 June 1972**, three months before the end of the five-year transition period, the French parliament voted the new status of agricultural cooperatives, which proved to be quite similar to the previous one but with a few necessary technical alterations. The agricultural sector could breathe again!

The law of 27 June 1972 on the status of agricultural cooperatives

This new law gave agricultural cooperatives an independent status. It distinguished agricultural cooperative companies and their unions from trading (“commerciale”) and non-trading (“civile”) companies. Agricultural cooperatives were variable capital companies, partnerships or companies with a specific legal definition with an independent unitary status, together with options. The 1972 law allowed cooperative companies to adapt to changes in the economic environment while preserving their purpose and specific nature. Activities with non-cooperative third parties were restricted to 20% of revenue. Holdings in non-cooperative entities had to be reported and directly or indirectly related to the purpose of the cooperative.

1966,

CFCA well before Coop de France

- 3 February 1966** The two unions supported the creation of the French confederation of agricultural cooperatives, CFCA, formed by specialised national federations. This single body replaced the FNCA (Saint Germain group) and the CGCA (La Fayette group).
- 23 March 1966** UGCAC and UNCAC abandoned their federating activities and established the French federation of agricultural grain cooperatives, FFCAC, which consolidated the unity achieved by the CFCA.

UNCAA develops a culture of diversity

FROM 1976, WITH THE 1973 OIL CRISIS FORGOTTEN, fertilizer sales recovered, purchases of cattle feed rose and there was a real boom in crop protection products. With mechanisation, higher yields and the consolidation of small plots of land into larger ones, French agriculture was rapidly modernizing, reflected in higher sales for UNCAA, which benefitted from the favourable situation. 1976-1977 was the best year since UNCAA's inception, surpassing the record of 1973-1974. In just seven years revenue practically tripled in volume and rose 50% in value terms. The 1979-1980 year was equally outstanding.

The rise in UNCAA's original businesses continued, notably in fertilizers (51.2% of revenue in 1979-1980) and crop protection products (28.9% of revenue in 1979-1980). It structured its diversifications by offering a range of services, optimising its cattle feed segment, assisting the new chain of agricultural self-service stores (Gamm vert), manufacturing cattle feed and pet food in Loudéac (CAF Appro), and selling animal produce through its subsidiary Europagro (later Olympig).

The cooperatives and their union had a two-fold strategic objective, which was to control the animal production chain from beginning to end, and to develop the distribution sector in products and equipment for agricultural and rural use in all non-urban areas. That was when UNCAA positioned itself on the plasticulture market. There was an increasing need for communication, and both Albert Duchalais and René Maloux decided to start up regional meetings again to discuss actions taken and obtain feedback.

The end of the 30-year post World War II boom period and a new economic order

A new economic and social order developed after 1974:

- the rise in inflation due to the four-fold increase in oil prices (1973 oil crisis), followed by a three-fold increase (1979 oil crisis);
- a break in the rhythm of economic growth and deteriorating exchange rates;
- a rise in the world food deficit;
- the acceleration of company mergers and international groups.

While focusing on its distribution methods, UNCAA was constantly seeking to improve its relationship with its suppliers. These included the heavy chemical industry, which controlled the fertilizer sector, and the organic chemistry industry, which controlled crop protection products. The aim was not to try to control those very powerful sectors, but rather to acquire large stakes in them and negotiate long-term agreements. The 1976-1992 growth period was the result of UNCAA implementing a clear strategy for each major sector.



In less than 15 years, UNCAA became a vital player and a pioneer in agronomic performance.

UNCAA developed better-targeted services for its cooperatives and created ad hoc companies including:

- FertiService, a technical division specialised in storage solutions, handling and retailing fertilizers;
- LSA Service for retail distribution, which became a Gamm vert S.A. franchise in 1986;
- SEPCO, a research and consultancy company, for communications and marketing purposes.
- In the technical field, UNCAA created and promoted analytical and decision-making tools to optimise plant and animal production. Both plant and animal divisions played a key role in this development. Later, in the same spirit, UNCAC launched a global quality approach.

Fertilizers and crop protection products boost UNCAA's rise and success

In 1955 UNCAA had just three products on the French crop protection market: sulphur and copper sulphate (two key products for protecting vines and grapes), and iron sulphate, an efficient but non-selective herbicide.

By 1977 UNCAA was handling more than 1.5 million tonnes of fertilizers and was the largest distributor and seller in France by far, and on its way to becoming the European number one.

At the end of the 1980s UNCAA was the leading European buyer of fertilizer and manure and had become the second largest distributor of crop protection products worldwide after the Japanese cooperatives' central purchasing office.

The rise in fertilizers and crop protection products was one of UNCAA's greatest economic successes and owed in part to its bold move in hiring Jean-Claude André, who took over the crop protection division from the engineer Trébuchet. Born on 11 March 1935, Jean-Claude André was a sales executive who had enjoyed an excellent career at the Swiss chemicals group Ciba-Geigy. An outstanding negotiator, he entirely overhauled UNCAA's central purchasing system and then sold the union's know-how in that domain. He delegated the agronomist Bernard Raynaud to set up UNCAA's agronomy division (see Chapter 11).

In France, UNCAA represented nearly 50% of the agricultural cooperatives' purchasing power in fertilizers and crop protection products, while UCAAB represented nearly 20% of cattle feed manufacturing for cooperatives.



UNCAA STEPPED UP ITS EFFORTS ON DEVELOPING AND DISSEMINATING ADVANCES IN AGRONOMY AND ZOOTECHNICS for farmers and cattle breeders to assist its member cooperatives. Phytoservice, a division created in 1969, became an independent entity in 1976. It formed the basis for the Technical Pool that was to become the agronomy division. Formed in a year of drought when yields were very low, Phytoservice, headed by Philippe Cassedanne, an engineer from the *École d'horticulture de Versailles* (Versailles school of horticulture), carried out scientific studies, implementing a truly experimental approach using in-depth research. Working with the cooperatives it defined its own methodology for enriching the common database.

The Technical Pool was structured between 1976 and 1980. Then in 1980, warning bells came with the so-called Hénin report on nitrate pollution in water, leading to the first awareness of the fragile nature of water resources. Agronomic surveys proliferated but the results were hard to analyse — for instance, it was not easy to establish a clear relationship between inputs and yields. In the 1980s UNCAA realised that

technical advice to coop members was key to a responsible agriculture that would make more efficient use of energy and lead to the application of the correct amounts of fertilizer and other inputs. That implied a better use of products and coherent crop itineraries. Claude Besnault, appointed managing director in 1981, spurred UNCAA in that direction. The groundwork by the crop advisors was transformed and resulted in the ecological and economic optimisation of the 1980s, as well as the original concept of agronomic performance in 1985.





The Gamm vert concept: a successful national rural franchise

In 1971, following extensive market research studies, UNCAA decided to set up a new service out of its hardware and equipment division. This was an agricultural self-service store called LSA Appromag, more commonly known in France as LISA, targeting both farmers and the general public. This was an entirely new business for the union.

In 1972, plans for the first LISA store were completed. Many further stores were opened, selling gardening tools, small-scale equipment, hardware and outdoor clothing and shoes. However, nothing really distinguished these stores from the regular cooperative supply stores, apart from the cash till which used the same codes as the major general retailers. A similar concept was launched in Brittany in 1972 by the Landerneau agricultural cooperative (UGCAF), which called all its self-service stores "Magasin Vert" (green stores), in 1975*.

In 1976, the first market research study was carried out prior to opening a new LISA and the following year the national Gamm vert brand was used for the first time by a LISA store in Jarny (Meurthe-et-Moselle *département*, eastern France) when a volunteer cooperative agreed to test the concept. While that was a first step, little really changed. The cooperatives' desire for autonomy was an obstacle to the creation of a real structured network with an aggressive stance on a market that was beginning to be coveted particularly by the large retailing specialists. Proof of that reluctance could be seen in Albert Duchalais' June 1978 report on UNCAA's activities in *Union Agriculture*, where he failed to mention Gamm vert in the flow chart or in the union's strategic goals.

Nevertheless, a concerted and centralised advertising campaign was launched to inform rural customers about these stores and their original features and Gamm vert provided support to cooperatives wishing to train the staff in their stores.

In 1980, after 45 stores had opened, a few cooperatives began to perceive that this general public business could

become a profitable source of diversification. In 1984, after the 100th Gamm vert store was inaugurated in Charlieu, in the Loire *département*, a strategy committee was formed within UNCAA's management committee, which concluded that these retail outlets should become a subsidiary. On 1 July 1986, a specialised subsidiary was established called Gamm Vert S.A. that was to promote the brand as a franchise. The contractual groundwork was laid down and 105 of the 120 stores in 37 *départements* became part of a franchise system. At the outset the brand's image was mainly promoted to the general public through advertising campaigns to build up its reputation. Four annual promotion campaigns were organised with two typical profiles defined for the stores: Gamm vert and Gamm vert Junior.

Now all the ingredients for success were met. Under its chairman, Bernard Moulinet (see part 3), the Gamm vert brand took root in the countryside. A peak of 200 stores was reached in 1988 followed by 300 in 1991 and 400 in 1996! The typical Gamm vert store had revenue of FF 5.5 million in 1986 and around FF 7.4 million in 1996. To celebrate its tenth anniversary, the first Gamm vert congress was organised at the Normandy Hotel in Deauville in 1987, after which Gamm vert held congresses in France or abroad every two years. Franchise seminars were also organised.

With Gamm vert, UNCAA was now fully launched in the general public retailing sector, which conferred a very different cooperative dimension on the union. Gamm vert was positioned as a multi-specialist in rural leisure activities in the countryside, a concept that brought together gardening, decoration, home improvements, nature-related activities and leisure activities such as hunting, fishing and riding. In 2012, InVivo was the French leader in rural retailing and leisure.

* During this time, the Landerneau agricultural cooperative (Triskalia in 2010) also continued to grow. In 1985 it joined up with several national cooperatives to set up a central purchasing and franchise office. In 2012, the Magasin Vert / Point Vert / Point Vert Le Jardin brands together had a total of 430 agricultural self-service stores throughout France, 60 of which in Brittany. It is the leading multi-specialist retail network in western France.



One of Gamm vert's first agricultural self-service stores.



The first Gamm vert convention in Deauville in 1987. The franchise was established in 1986. It took root, was structured and grew rapidly.



Gamm vert Junior, a new type of store targeting the general public.

The cooperatives obtained additional support in animal feed with the development of analytical laboratories and the applied zootechnical research centre known as CRZA. In 1989 a partnership was formed with Cooperative Research Farms, CRF, a North American research network specialised in animal feed. UCAAB was the only European partner in this research programme, the only one of its kind in the world, and soon acquired a leading position on the French market. This resulted in a sharp rise in the tonnage generated by cooperatives using UCAAB techniques, from 1.8 million tonnes in 1982 to more than 3.2 million tonnes ten years later.



UCAAB was the only European representative in the Cooperative Research Farms (CRF), a North American animal feed research network, unique in the field.

UNCAA took numerous initiatives in the animal production sector, adapting, building or taking over industrial plants, and CAF Appro expanded its premix plant in Loudéac.

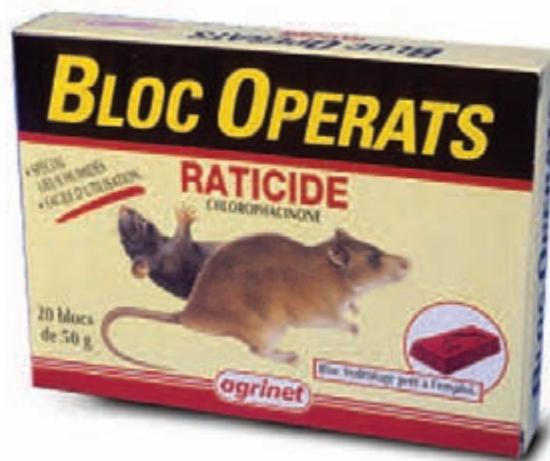
In 1982 UNCAA took over an agricultural collective interest company (SICA) called NOÉ, a French animal health specialist. The company was restructured and turned around, back to its original dynamic state. Despite the more difficult economic situation, UNCAA also took over and developed Europagro's slaughterhouse business in Josselin (Brittany) and set up one of the leading pig abattoirs in Europe. While UNCAA's leaders were satisfied with UCAAB's position as a service company and CAF Appro's success in manufacturing mineral compounds, they found the results of the Europagro subsidiary somewhat erratic. Despite that, the strategy of assisting cooperatives at all stages of the production chain was a coherent one.

However, margins were falling in a highly competitive market (in price/volume terms) in which the Danes, Dutch and Germans were producing more cheaply. Despite transferring businesses to subsidiaries in 1987-1988, the name change to Olympig (1988), the construction of a new ultra-modern laboratory in 1989 (also in Josselin), and the alliance in the early

1990s with UNICOPA's plant in Saint-Jean-Brevelay, the break-even point was never reached. In 1995, most of the capital in Olympig, which in 1991 was the leading pig slaughterer in France and one of the leaders in Europe, was acquired by the Breton central agricultural cooperative, CECAB, a partner in the venture from the beginning.

CNCATA, a long-standing subsidiary, remained faithful to its original vocation and continued to develop in its niche markets of rodent protection (the Agrinet network) and fighting parasites in stored grain ("Vobomatic" treatment equipment). In 1980 it expanded its offering to insecticides and the disinfection of cattle breeding sheds. Thanks to Permethrin, a recently discovered molecule, CNCATA rapidly acquired a dominant position in treating stables with insecticides as well as general cattle breeding hygiene.

UNCAA strengthened its relationship with the cooperatives by increasing the number of regional delegates from two in the early days to seven regional divisions by the end of the 1980s. These were versatile teams in regular contact with the cooperatives and farmers. The long-established regional meetings now become a forum for UNCAA to meet and discuss with the heads of the member cooperatives.



The union's oldest subsidiary, CNCATA, "always taking care of your grain", launched a rat poison product in the Agrinet brand range.

Greater attention was consequently paid to preparing these meetings, with preparatory work by the board members prior to board meetings and seminars held by the board members to discuss and decide on the union's future strategy.

NOÉ, one of the major French specialists in animal health, joins UNCAA in 1982

On 4 February 1950, to halt the advance of diseases such as pasteurellosis, mange, anthrax, and fluke that were decimating sheep herds, the national sheep federation, FNO, and the Inter-professional wool committee established the national cooperative laboratory for sheep breeders. The laboratory was located at FNO's headquarters at 36, Rue Fontaine in Paris, and was named NOÉ as a symbol of animal protection (as in Noah's Ark) as well as its acronym (*Nouvelle Organisation de l'Élevage*, or new breeding organisation). NOÉ was set up by breeders for breeders and carried out diagnoses of collective diseases in herds (mainly sheep) prescribed the curative and preventive measures to be carried out, and supplied the various products and materials required to apply them.

Marcel Neeser was born in France in 1916 to Swiss parents.

He set up a 530-hectare farm with his elder brother in 1942, 50 hectares of which in Champagne-Pouilleuse. He then went into cattle breeding, his great passion, on his own. He owned 600 ewes in Ile-de-France at a time when sheep herds were facing numerous health problems, such as pasteurellosis. On 4 February 1950 he set up NOÉ with Pierre Moraillon, a veterinary surgeon who headed an analytical laboratory in Montmorillon (Vienne département). While NOÉ was his great work, this "servant of agriculture" also devoted a great deal of energy to the common good and was a member of numerous professional and sheep-breeding organisations.



NOÉ developed fast, spurred on by its founders, **Marcel Neeser**, himself a breeder, and a vet, and Pierre Moraillon (1925-1974), whose great innovation was to perfect and manufacture autovaccines, leading to the eradication of pasteurellosis*. The founders met Jacques Poly**, a researcher at INRA, who agreed to develop important research on breeding, mineral supplements and diseases.

That meeting launched the company. On 1 September 1960 the laboratory obtained its own premises on Rue Béziel in Rambouillet outside Paris, which became known as "Rambouillet I". The choice of location was due to its proximity to the Rambouillet national sheep farm.

NOÉ was managed by breeders, including the chairman, Marcel Neeser, through their professional organisations, which included FNO, the technical institute for sheep and goat breeding, the national union of cooperatives in breeding and artificial insemination, UNCEIA, the national cattle federation, FNB, the national federation of dairy cooperatives, FNCL, and the Comptoir Agricole Français or CAF, a collective interest company.

NOÉ became well-known thanks to its flagship products such as Némapan, an anti-parasite drug for sheep, and a pump dispenser that became very popular with breeders. Armed with its know-how, NOÉ extended the application of its products to other animal species including goats (1962), cows (1963), pigs (1965), poultry (1967), rabbits (1968) and domestic animals (1969).



NOÉ's head office was in Rambouillet, the "sheep town", known for the national sheep farm established there by Louis XVI in 1786.

With the expansion of its business came an increase in both human and material resources. By 1965, its work surface and equipment had doubled to become "Rambouillet II". At the same time, NOÉ opened its membership to other agricultural cooperative partners, notably UNCAA, which acquired a stake in NOÉ in 1963. It then acquired SICA company status and the national cooperative laboratory for breeders became NOÉ breeding services (*SICA NOÉ élevage service*).

* Pasteurellosis is an infectious disease that affects animals' respiratory systems. It was wreaking havoc at the time and vets, veterinary schools and the major laboratories were unable to find effective solutions for eradicating the disease.

** The founder of INRA's animal genetics division, Jacques Poly (1927-1997) was a French scientist, an agronomist by training and a geneticist who later became the chairman of INRA. He advised two French ministers of agriculture, Edgar Faure and Jacques Duhamel, and was responsible for the 28 December 1966 law on cattle breeding, known as the "Poly law", which helped to develop and organise genetic improvement in French livestock.



AGRO NOMY

Claude Besnault was committed to a modern, scientific, productive and clean agriculture.

The group's diverse strategy was concerted and coordinated, and included industrial investment, research, product innovation, the dissemination of agronomic and zootechnic advances, improved communications and marketing, closer relations with the cooperatives, decentralisation and the reinforcement of the seven regional delegations. This was supplemented by investment advice to the cooperatives and a financial policy that improved its share capital and reinforced its shareholder's equity. In these last two areas, UNCAA (see table below) was on a par with its sister union UNCAC, with shareholder's equity of FF 106 million in 1989-1990 and share capital of FF 459 million. In ten years UNCAA had acquired a solid financial base and robust balance sheet.

Changes to UNCAA's shareholder's equity and share capital (1980-1992), in millions of francs

	Share capital	Shareholder's equity
1980	27	101
1988	102	250
1992	187	442

Sources: UNCAA annual reports.

On 1 July 1981 René Maloux handed over to his right-hand man, the agronomist, Claude Besnault, who had joined UNCAA on 15 February 1963 as an executive assistant. After five good years of uninterrupted growth, UNCAA needed to reinforce its business in a market in recession. Claude Besnault was the director who drew up the first corporate project that conferred its own identity on UNCAA and asserted its vocation as a federating group for its subsidiaries and various services.

A man of science and progress who firmly believed in the importance of cooperatives providing advice to farmers, Besnault launched Opticoop in 1983 as well as Optisol, the foundation for Opticoop Systèmes. These provided cooperatives and their members with advanced research and efficient services, bringing them better control over their inputs. Claude Besnault was an ardent defender of a more economical and well thought-out agriculture, and an advocate of ecological science. He was committed to a modern, scientific, productive and clean agriculture and was the father of the agro-performance concept. He also restructured the meat sector.

Equally concerned about his staff, Besnault developed staff training and established a profit-sharing agreement. He encouraged managers and employees to participate in group decisions via an organisation called ADECAPAS, established in 1984, which had a representative on the board of directors. However, his mandate was not without mishaps. The 1982-1984 economic crisis weighed heavily on results, and, more importantly, Besnault was obliged to restructure UCAAB and CAF Appro. CAF Appro had reported considerable losses in 1983-1984 after taking high-risk positions on the global commodities markets, having developed a trading and import business in raw materials for cattle feed (mainly soy cake).

To supply its growing cattle feed plants, the union needed to import increasingly large amounts of soybean cakes (protein), a market controlled by the major international trading groups at the time. To that end CAF Appro decided to become a player on **the soy market**, listed on the Chicago stock exchange. With no prior experience in the business, and without hedging risk on the Chicago Board of Trade futures market (hedging in futures did not exist in France at the time and the MATIF futures exchange and clearing market was only established in February 1986 - see table next page), the traders took poor positions and the venture resulted in heavy losses of some FF 80 million!

■ Soy becomes one of the most important agricultural raw materials

As a source of both animal fodder and human food in the form of grain and oil, soy became the object of contracts on the American futures markets. In 1973 the American embargo on soy exports revealed the European Common Market's dependency on the product. Europe reacted and attempted to put in place a policy to reduce its dependency on protein imports.



Soybean cake delivery at Montoir-de-Bretagne.

Claude Besnault a high-productivity agronomist, man of learning and a communicator



Born on 16 March 1932 in Jouy-le-Châtel (Seine-et-Marne *département*) to a veterinary surgeon father, Claude Besnault graduated from the National Institute of Agronomy in Paris (1952-1954) and the School of Tropical Agriculture (1954-1955). He started out as a civil servant working as a student engineer under contract to the ministry for French overseas territories at the School of Applied Tropical Agriculture (1954-1955). After his three-year military service where he obtained the rank of reserve lieutenant, he joined the government plant protection department in French West Africa (AOF) where he worked as an engineer from 1958 to 1960. He then became head of the air group

fighting to control locusts for the Joint Anti-Locust Organisation (OCLA) from 1960 to 1962. OCLA was a regional body that depended on the French Ministry for Cooperation and the Food and Agriculture Organisation (FAO), and worked with all the West African countries to control migrating locusts and crickets.

Claude Besnault resigned from civil service and on 15 February 1963 joined his father-in-law at UNCAA where he remained for the rest of his career. From executive assistant in 1963, he rose to become assistant director in 1965, deputy director in 1967 and director in 1975. He was appointed deputy managing director on 1 July 1978, and then managing director on 1 July 1981. He passed the baton to his close colleague Bernard Moulinet on 1 July 1992.

As the chief representative on the board of directors from 1992 to 2002 (UNCAA, then InVivo), Claude Besnault was in charge of environmental protection. He chaired the board of CNCATA from 1981 to 1992 as well as the boards of NOÉ Elevage Service, which later became NOÉ-Socopharm (1991-2002), SA Europagro (1991-1993), and SA Olympig (1991-1993). He was also the vice-chairman (1992-1993) and then chairman and managing director (1993-1998) of the board of CAF.

Passionate about agricultural research and a student of René Dumont (1904-2001) while approving the works of René Dubos (1901-1982) – both founders of modern ecology** – Claude Besnault was first and foremost the man who developed UNCAA in crop protection products. Under his leadership, UNCAA became far more committed to environmentally-friendly actions.

The group carried out a great deal of research in this area and made numerous products and tools available to farmers for eliminating or reducing pollution while improving productivity (Opticoop Systèmes). A man with good interpersonal skills who was close to his colleagues, Besnault was also lively and optimistic. He was an ardent defender of agricultural science, and succeeded in placing UNCAA on an equal footing with UNCAC.

His family history was inextricably linked to UNCAA over three generations. His father-in-law, Guy Benoist, was UNCAA's first chairman, and gave him no peace until he joined the union. He had three children from his marriage with Micheline Benoist on 1 October 1955, and his eldest daughter married Jérôme Duchalais, the son of Albert Duchalais, UNCAA's second chairman.

“One cannot commit all the mistakes in the same year, but we are entitled to one failure per year.” Claude Besnault*



* Quoted by Bernard Raynaud, head of sustainable agriculture and development, in a speech on 3 November 1992 on receiving the Legion of Honour.

** The two engineers graduated from the Paris Institute of Agronomy and the Colonial School of Agronomy. René Dumont, a left-wing agnostic, was the founder of French ecology and agricultural geopolitics, while René Dubois, who was a rather conservative Catholic, discovered antibiotics, taught in the United States, won the Pulitzer prize in 1972 and prepared the United Nation's first international conference on the human environment in Stockholm in 1972. He was the first environmentalist.

Albert Duchalais and Claude Besnault, respectively chairman and managing director of UNCAA.

Despite the considerable volume of business, that was the first loss-making year for UNCAA since the difficult period 1953-1955. UNCAA was supported during this serious crisis by its bank, the Crédit Agricole Ile-de-France Regional Bank, and its managing director Lucien Douroux. A slowdown in feed-cake imports in 1985-1986 was followed by a rapid increase and UNCAA with its subsidiary CAF Appro processed 950,000 tonnes during the 1986-1987 harvest. The group benefitted from the value added of UCAAB's premix. By the end of the 1980s UCAAB was the leading French company in animal nutrition, with medicinal premixes made and supplied by NOÉ.



The NOÉ Socopharm packaging plant at Château-Thierry. NOÉ helped UCAAB's rapid development by manufacturing the first medical premixes.

European markets offering futures contracts and options in agricultural products

Market	Location	Established	Products exchanged
Amsterdam Agricultural Futures Market	Amsterdam	1958	Potatoes
London International Financial Futures Exchange (LIFFE)	London	1982	Coffee, Cocoa, Sugar, Wheat
Marché à terme international de France (MATIF)	Paris	1986	Maize, Rape (seeds and oil), Wheat, Wine
Budapest Commodity Exchange (BCE)	Budapest	1989	Maize, Soy, Wheat
Futuros de Citricos y mercaderias de Valencia	Valencia	1995	Oranges
Wareterminborse Hannover AG (WTB)	Hanover	1998	Pork, Potatoes, Wheat and Rape

Source: Economic Research Service, USDA.

Lucien Douroux, a “green” banker and supporter of agricultural cooperative unions

Lucien Douroux, a farmer's son, was born on 16 August 1933 in Saint-Rémy-sur-Durolle (Puy-de-Dôme *département*, central France). He studied at the national centre for young farmers (CNJA) from 1960 to 1969. He was appointed deputy-director of the national federation of farmers' unions in 1969, and then became head of external affairs (1970), and director (1971-1975) of the Fédération Nationale du Crédit Agricole (FNCA). Chief executive officer of the Crédit Agricole Mutuel de Paris and Ile-de-France Regional Banks from 1976 to 1996, he was a loyal supporter of agricultural cooperative unions. In the mid-1980s he closely monitored UNCAA and UNCAC's accounts, which occasionally strayed into the red. Lucien Douroux, who was also a director of UNCAC, fully played his role as a banker, providing the support required at the right moment. He became the managing director of the Caisse Nationale de Crédit Agricole (CNCA) from 1993 to 1999 and chaired the supervisory board of Crédit Agricole Indosuez from 1999 to 2001.

By July 1989 the costly mishap was forgotten and UNCAA decided to make a new start by taking a 40% stake in Soulès, an importer and distributor of raw materials for animal feed, mainly specialised in oilseed cakes (including soy), cassava and maize by-products. The new company, Soulès-CAF would become one of the three major soy importers in France together with Bunge and Cargill.



Much later, in 2006, InVivo and Toepfer set up a joint venture called Soulès-Caf SAS.

“GAMM 1987” and “GAMM 1990”: far-reaching communications events

On the initiative of Claude Besnault and Bruno Catton, UNCAA and UNCAC organised joint events that brought together 4,000 persons at the Palais des Congrès in Paris in January 1987 and 10,000 (5,000 of whom farmers) at CNIT La Défense outside Paris in January 1990. These events provided a marvellous showcase for the agronomic and economic developments of the time. They demonstrated the two national unions' capacity for mobilising people and showed just how powerful their networks were. These were media-friendly events before their time, and were hosted by well-known journalists William Leymergie and Jean-Claude Bourret. Thanks to events such as these, the unions formed teams specialised in communications and marketing and the SEPCO subsidiary demonstrated its ability to organise large-scale media events, which enabled it to position itself as a communications specialist for cooperative enterprises.

At the same time as he launched the “Gamm 90” days, Claude Besnault initiated the Belle Nature (beautiful nature) approach. This pioneering programme promoted environmental protection by reducing the harmful effects and pollution through the way animals were fed and bred, the physico-chemical treatment of liquid manure, recommendations for spreading manure, etc. The programme was coordinated by UCAAB, together with UNCAA's other departments.

These few figures show just how UNCAA had advanced and evolved under Albert Duchalais, René Maloux and later Claude Besnault. They speak for themselves! In 1975-1976 UNCAA's revenue stood at FF 1,537 million; by 1991-1992, it stood at FF 10,490 million. At the time, three-quarters of the Group's revenue was generated by fertilizers, whose sales were flat, and crop protection products, sales of which had increased three-fold between 1980 and 1990. The remaining quarter came from cattle feed (17%) and hardware/machinery (8%).

In 1992, when French agriculture was facing the new challenge of the CAP, UNCAA was the European leader in agro-supplies such as fertilizers, crop protection products and animal nutrition as well as the largest French buyer of those products. It also had a dominant market share in three major business lines, with the following breakdown in revenue: FF 6.2 billion in crop production (fertilizers and agro-pharmaceuticals, 59%), FF 2.92 billion in animal products (27%) and FF 1.37 billion in equipment and diversification (14%). In 1992 UNCAA opened its 300th Gamm vert store in Carcassonne (southwestern France), sold more than 24,000 tonnes of pet food and held nearly half of the French plasticulture market.

Although UNCAA had specialised in supplies since its inception, in less than 15 years it was transformed into a thoroughly diversified industrial and services group, working both in animal and crop products. On 1 July 1992 Bernard Moulinet succeeded Claude Besnault and the following year Albert Duchalais handed over the chairmanship to Albert Baudrin.

UNCAC sets out to conquer international markets (1975-1990)

IN 1975 UNCAC HAD TEN SUBSIDIARIES DEVELOPING THEIR BUSINESS IN THREE MAJOR SECTORS: storage, exports and seeds. UNCAC's silos and those of its subsidiary MAGEFI, added to those of the cooperatives, had increased storage capacity five-fold since 1962, from 136,500 tonnes to 717,000 tonnes. Between them they had 15 silos. In exports, UNCAC was ranked among the leading French grain exporters.

Last, thanks to Serasem's research potential and its national brand Expanssem, UNCAC and its member cooperatives were very well placed on the straw cereals seed market. UNCAC's activities were rounded out and diversified by those of its subsidiaries and the companies in which it had major stake via its holding company, CAF-Grains. This limited company also enabled UNCAC to carry out all its third party purchasing, since it did not wish to break the exclusivity rule. The three leading subsidiaries were Ringot, the European rapeseed leader, SÉQUIPAG (grain engineering and equipment) and MAGEFI (storage, transiting, and forwarding agent).

On 1 July 1974 Francis Bouchard resigned from his position as chairman of UNCAC. His successor, Michel Sordel, came from a very different background. He was a farmer and an independent politician, with right-wing leanings. After five years as treasurer of UNCAC, his arrival at the head of the union was confirmation that the Mac Mahon group wanted to open up. From 1980 this highly professional man worked in partnership with Bruno Catton, the CEO, for the greater benefit of UNCAC. Together with his successor, Jean Gonnard, he would be one of the great architects of the merger with UGCAF. His personal network in the national grain bodies certainly played a role in the merger with UNCAC's historic rival.

November 1988: UNCAA came 14th among French companies in the agrifood business, according to the rankings of the *Le Nouvel Économiste* newspaper.

UNCAA attempted to take over Truffaut but failed (1989-1990).

In July 1991 UNCAA and UCAAB carried out their logical merger in order to harmonise their markets and businesses.



Michel Sordel, farmer and right-wing senator, chairs UNCAC

Michel Sordel was born on 11 November 1920 at Aubepierre-sur-Aube (Haute-Marne *département*) to farmer parents. He graduated from the *École nationale supérieure agronomique de Rennes* (Rennes national school of agronomy) and worked as an engineer in government agricultural departments from 1943 to 1948, and became a farmer in Châtillon-sur-Seine after 1948. The mayor of his *commune* from 1966 to 1989, he worked to revive agriculture in the Côte-d'Or region and held important responsibilities in professional agricultural organisations at departmental, regional and national levels. He was the chairman of the Côte-d'Or *département* chamber of agriculture (1964-1974) and vice-president of the permanent assembly of chambers of agriculture (1970-1974). From 1970 to 1971, he sat on the French Economic and Social Council (*Conseil Économique et Social*).

Michel Sordel was a member of the Côte-d'Or *département* committee for cereals, the ONIC central committee, and AGPB's bureau. He was also the director of the French federation of agricultural supply cooperatives (FFCAA), the French federation of agricultural grain cooperatives (FFCAC), and the Crédit Agricole Côte-d'Or Regional Bank. He was chairman of the *SICA Grandes Minoteries Dijonnaises* (Dijon flour mills) and the union of grain cooperatives in the Côte-d'Or and neighbouring *départements*. After being a director of one of the La Fayette group's entities, he joined UNCAC's national committee at the request of his former schoolmate Jack Lequertier where he represented the Châtillon-sur-Seine warehouses and silos cooperative, which he also chaired. A member of UNCAC's board since 1967, its treasurer in 1969 and vice-chairman in March 1974, Michel Sordel was appointed chairman of UNCAC in July 1974 and remained in that position until 1990, when he was succeeded by Jean Gonnard. He was also a member of the French Academy of Agriculture from 1973.



Michel Sordel and his managing director, Bruno Catton. This "servant to agriculture" chaired UNCAC for 17 years.

Elected senator for Côte-d'Or in October 1971 and re-elected in September 1980, this independent republican joined a senate group called the Union of Republicans and Independents. He devoted most of his parliamentary energies to highly specialised agricultural studies. He intervened, either on his own account or as a rapporteur during debates prior to voting agricultural budgets for various projects in the finance law. On several occasions Sordel drew the government's attention to the difficulties of dairy farmers, particularly after the 1976 drought. He also pointed out the problems they suffered as a result of European quotas, and in the senate he exposed the grain producers' hardships and the need to support them to prevent a significant fall in their incomes. He was fairly critical about the CAP, and concerned about the regional repercussions of the EEC's enlargement policy. He decided to leave his political career in 1989. He died on 23 February 1994 in Châtillon-sur-Seine.

IN 1975 UNCAC SUFFERED ITS FIRST SLOWDOWN IN GROWTH that was to last nearly ten years (1976-1984). Poor harvests in 1976-1978, owing in part to the 1976 drought, seriously jeopardized UNCAC's potential. The storage and export silos were empty and no longer fulfilled their primary objective of being regulating granaries.

It was during these years, when the economy started to overheat and inflation peaked, that Jacques Chirac, prime minister at the time, implemented a plan to cool down the economy and reduce inflation. This had the effect of speeding up mergers between grain cooperatives.

The new face of agricultural cooperatives in France

In 1945, 280 cooperatives had joined UNCAC.

In 1962, there were 619, but numbers fell to 369 in 1990.

The movement to restructure and merge agricultural grain cooperatives began in the 1960s and accelerated in the 1980s and 1990s.

1949: 1,011 cooperatives pooled their grain harvests for 2,362 wholesalers.

1966: 820 grain cooperatives; the mergers were already underway.

1970: 684 grain cooperatives.

1976: the drought accelerated the merger process.

1981: 550 grain cooperatives.



The Santes silo.

In 1975-1976 UNCAC's export department was seriously weakened. After the northern French grain and oilseeds broker, Établissements Mentré, went bankrupt, UNCAC set up a company (SEM) in Dunkirk to manage Mentré and protect the interests of the local cooperatives. This company grew rapidly, sometimes to the detriment of UNCAC's Parisian divisions. However, several poor speculative ventures resulted in significant losses and obliged the company close down. The export department was restructured and had to start all over again, almost from scratch.

Coinciding with this internal crisis, far-reaching changes were affecting exports. Methods that had been used successfully until now were gradually becoming dated. After the first oil crisis, as the Common Market got up to speed, the world markets

changed. Floating exchange rates became standard against a volatile US dollar in March 1973, followed by the Jamaica Accords of 7 and 8 January 1976. Foreign exchange fluctuations in third countries grew increasingly erratic due to the lack of regulated stocks and the concentration of international trade. In 1975, the three leading shippers controlled nearly 60% of the world market. UNCAC's management was obliged to confront the real weighting of their group in the global cereal market and decide whether or not to cross the Rubicon by giving the union new means for selling its cooperatives' cereals on the international markets and position itself as a competitor to the major specialists. While it was imperative for UNCAC to acquire international arbitrage capacity to ensure its future, there was considerable risk involved and the union needed to ensure that the cooperatives would guarantee supplies.

1976,

The great drought hits farmers and marks the collective memory in France

Arriving as it did during the fight against inflation and the repercussions of the 1974 oil crisis, the 1976 drought occurred at the worst possible time for the French economy. On 25 August Jacques Chirac's government announced subsidies of FF 2.2 billion to farmers, to be covered in part by an epoch-making "drought tax", which was the subject of much debate. It was the first and only such tax ever levied in France. The heat wave also left 5,000 dead. After this very unfavourable period for French agricultural production, 1977 saw average harvests and mediocre climatic conditions.

UNCAC decided to take the initiative. It wanted to improve its standing as an exporter by asking for its members for help through a voluntary policy of committing harvests. Jack Lequertier charged Bruno Catton with drawing up a commitment contract to that effect (originally to be 15% of the cooperatives' harvest) and implementing and managing the scheme, including the instalments, calculation of the final cost for each delivery point, annual meetings of the contributing cooperatives, an investment committee elected by the cooperatives in question, an obligation on the part of the directors of these cooperatives to be committed to the scheme, etc. The first investment campaign was held in 1975-1976 and more than 100 cooperatives participated that first year. In 2012, in a modernised form, the scheme was still in place.

This bold innovation, which has continued to be the subject of passionate debate among stakeholders, helped UNCAC, and later Sigma and InVivo, to assert its position among the leading export operators over time. A young and versatile team led by Louis Behaghel and Richard Pédrón, joined the original Dauvergne-Dupont team. The export business opened regional offices to establish a more solid presence in the field. In addition to the Parisian unit, satellite companies were set up and developed in Lyon, Lille and even in London, where Ceretrade Ltd. was launched in June 1984 to strengthen positions on the intra-EEC market. An oilseed and protein crops division was added to the department of economic affairs in 1984, following the closure of CNTA. In 1985, harvest commitments by cooperatives reached one million tonnes. The managing director, Bruno Catton, closely monitored this project, symbolic of the relations between the cooperatives and the union. On 1 July of the same year, Louis Behaghel was appointed director of the economic affairs department. The leaders changed, the business developed, the markets were transformed and now UNCAC needed to expand beyond the borders of France.



"Merchants of Grain" was a book by the American journalist Dan Morgan published in 1979 and which described the oligopolistic organisation of this trade, which observed that depending on the year, between 75% and 90% of the world's grain was handled by just four groups identified by the letters ABCD: Archer Daniels Midland (ADM), Bunge, Cargill and Louis Dreyfus.

HOLDING COMPANY

In 1990, CAF-Grains acquired 11% of the Soprol holding company, which in turn owned 65% of Saipol, which owned four crushing plants. The entity was managed by Sofiprotéol, the group established by oilseed producers in 1983, chaired by Jean-Claude Sabin and managed by Philippe Tillous-Borde.



From 1985, 90% of sales by UNCAC and its subsidiaries were for export. Of the 2.7 million tonnes sold, 50% went to EEC countries and 40% to other countries. Italy and Germany accounted for two-thirds of sales within the EEC.

In the race to international market share that now began – and was to last – UNCAC held an excellent card in the shape of a company called Toepfer. The origins of UNCAC's stake in this company date back to the Lequertier years at the end of the 1970s, when the economic affairs division of the Confederation of European Farmers' Unions was in fact a small club which brought together all the managing directors of European cooperative unions twice a year. Jack Lequertier, then chairman of Eurograin, asked the club to consider setting up a joint venture that could participate in the international grain trade. George van den Berg, the managing director of CEBECO (Netherlands), then chairman of the club, developed a great interest for this and brought in the American cooperatives. Bruno Catton was put in charge of following this for UNCAC, and an American consulting firm (Booz Hallen) was asked to make a study. This concluded it was near impossible to create a company out of nothing, given the dominant positions of the international agricultural trading groups, such as Continental Grain, Ferruzzi, Tradimer, and André, which have all since disappeared. The same consultancy advised on buying or acquiring a significant stake in an existing group instead, and suggested three names: the Swiss giant André, established in 1877, the Hamburg-based German group, Toepfer, and closer to home, the well-known French shipper, Louis Dreyfus. George van den Berg and Bill Gaston, managing director of Gold Kist in Atlanta, established contacts leading to a positive outcome with Toepfer.

At the end of 1979, UNCAC and its partners formed a holding company called Intrade, with a complicated capital structure. UNCAC's assets were in a fragile state at the time and it was unable to finance the acquisition alone. It therefore set up a company called Intergrain, in which it held a 56% stake, and brought in other shareholders, namely Unigrains (34%) and Crédit Agricole via Sofipar (10%). The Intrade holding company comprised Intergrain (12.5%), DRWZ (Germany, 12.5%), DSV (Germany, 12.5%), CEBECO (Netherlands, 12.5%) and the American cooperatives, Gold Kist, Indiana, Agway, Landmark, Land O'Lakes, Citrus World (50%). Intrade acquired 50% of Toepfer International, the remaining 50% belonging to the Alfred Toepfer Foundation. In addition, Intrade obtained more than 51% of the voting rights and the chairmanship of the supervisory board. At UNCAC's initiative, Bill Gaston of Gold Kist became the first chairman. Bruno Catton joined the supervisory board and was later chairman from 1990 to 2010, followed by Patrice Gollier.

The final agreement was negotiated in the Avenue de la Grande-Armée offices. This opportune acquisition gave UNCAC a new impetus. At the time, Toepfer International ranked among the top ten world trading companies and was soon to be among the top five with Cargill, Glencore, Dreyfus and Bunge. The holding company provided its associates with access to a network and resulted in the closure of Eurograin's Hamburg offices in 1983.

In 1981, soon after this spectacular operation, UNCAC ran into considerable difficulties, just when its long-standing CEO, Jack Lequertier was passing on the reins to Bruno Catton

(see the portrait of him in Part 3). The union was obliged to eat humble pie after a bold industrial diversification that went badly wrong. Following a study by the research consultancy SÉQUIPAG, and encouraged by its managing director Raymond Barge, UNCAC acquired three specialised industrial companies to form what was then called "the industrial group". These were Cominor in 1978 (a drying-shed manufacturer from Dijon) then in voluntary liquidation, followed by Lorin, a family firm from the Eure *département* specialised in the handling and cleaning of grain, and lastly in 1980, Schneider Jaquet in Angers, a mill manufacturer for the flour industry, established in 1868. UNCAC was seeking to diversify at a time when the storage and export markets were slowing down. It seized the opportunity to take over vulnerable family-run firms, since the 1976 drought had also dried up investment programmes for a time.

Very quickly, by means of vertical integration, SÉQUIPAG became a lead contractor. Raymond Barge, an engineering graduate from the Arts et Métiers school, aimed to sell its expertise internationally, targeting the Mediterranean basin in particular. SÉQUIPAG's Avenue Mac-Mahon offices soon became too small, and the company moved to new headquarters outside Paris at Saint-Quentin-en-Yvelines. In the early 1980s, at the peak of its development, SÉQUIPAG and its three subsidiaries employed more than 700 people, with 80 in the research consultancy division alone. That was more than half of UNCAC's staff, which then totalled 1,150. In 1977, 1978 and 1979, the profits generated by SÉQUIPAG offset UNCAC's losses in other sectors.

Alfred Toepfer (1894-1993) in 1953.



Toepfer, a major player in international trade

The young Alfred Toepfer set up his eponymous company in Hamburg in 1919 for the purpose of trading in agricultural produce. The company launched into the international markets in 1929 with the opening of a first office in New York. In the 1930s this German trading company published a number of pertinent economic reports on the international markets and global agricultural policies. In the 1950s, Alfred Toepfer was involved in drawing up European agricultural policy and opened offices in the six Treaty of Rome signatory countries. In the 1970s the group developed its networks in Asia and Latin America.

The company's capital was held by the Alfred Toepfer Foundation. In 1979 it changed its name to Alfred C. Toepfer International (ACTI) when Intrade acquired a 50% stake. The European and American cooperatives held an equal share in Intrade while UNCAC/Intergrain held 12.5% of Intrade at the time. Shortly afterwards, in 1983, the powerful American agribusiness corporation, Archer Daniels Midland (ADM), acquired the remaining 50% share still owned by the foundation. Then in 1999 and 2001 it acquired 60% of Intrade.

At the end of 2010, Toepfer International had only two shareholders ADM (80%) and InVivo (20%), the latter chairing the supervisory committee. Toepfer International has a presence on the five continents with offices in 43 countries. It has a powerful Asian network in countries such as China, India and Indonesia, and acquired large storage and export installations in Ukraine, on the Danube, the Black Sea and in Argentina, which completed its historic networks in Europe and North America. Toepfer International transports an average of 40 million tonnes per year, 80% by sea. It is now one of the major international trading companies alongside groups such as Cargill, Bunge, Glencore and Louis Dreyfus.



From 1974 to 1991, wheat prices fluctuated between USD 100 and USD 180 per tonne with two peaks in 1974-1975 and in 1981-1982. The lowest price was reached in 1985-1986. Before that, from 1955 to 1973, the price had stabilised at around USD 60 dollars per tonne with a range of 10% to 15%.

Unfortunately, with the exception of Algeria, no major export contract was signed and some customers proved to be bad payers. After an initial deficit in 1982, the group posted losses of FF 72 million at 30 June 1983 and FF 61 million at 30 June 1984. Urgent measures were taken, which included redundancy plans, attempts to manufacture new products, and the formation of a company called Satig from the ruins of Cominor. This unfortunate episode was Jack Lequertier's only failure in his 35 years at the head of UNCAC.

UNCAC's major industrial diversification certainly strayed too far from its core business and led to heavy financial losses, which were not helped by the poor economic and social situation in the early 1980s. One of the first acts of the newly appointed managing director, Bruno Catton, was to put an end to this diversification, and between 1984 and 1987 all the companies were sold or liquidated. Only Gamm Ingénierie, a small project management office, was spared with its 20 employees. The financial drain resulting from the diversification was more than offset by the improved results in the group's core business and in exports, making it easier for UNCAC to recover in stages.

The record harvest of 1984 also helped UNCAC get over the crisis. Wheat yields beat a record with a national average of 63 quintals per hectare, the previous record being 52 quintals in 1980. Yields had risen in linear fashion since 1945, with a sharp increase in the last two decades. Wheat yields were up from 11 quintals/hectare in 1945-1946 to 63 quintals/hectare in 1984-1985 (see upper table) with an average annual increase of 1.7 quintals/hectare in the decade 1975-1984 (see lower table). During those years, productivity rose faster than consumption.

Wheat harvests in France 1945-1985 (reference years)

Years	Sowed surface in hectares	Average yield in quintals per hectare	Harvest sold in quintals
1945-1946	3,783,003	11	25,780,197
1954-1955	4,491,320	23	77,786,710
1959-1960	4,425,750	26	74,306,306
1964-1965	4,353,500	32	97,945,709
1969-1970	3,908,200	41	110,392,317
1975-1976	3,585,700	40	117,969,002
1980-1981	4,466,000	52	202,747,000
1984-1985	4,929,000	63	270,000,000

Source: UNCAC, National Committee meeting of 30 August 1984.

Rise in wheat yields (1944-1984)

Years	Average increase in quintals per hectare per year
1944-1954	0.7
1955-1964	0.8
1965-1974	1.6
1975-1984	1.7

Source: UNCAC, National Committee meeting of 30 August 1984.



The 2010-2011 soft wheat harvest totalled **356 million** quintals, representing an average yield of **72 quintals** per hectare.

The group's research business was gradually reorganised after 1983, when **Georges Darrozès**, head of research at Ringot, saw his remit extended to develop research structures at group level. In 1984, Serasem, now transformed into an economic interest group (GIE), became the only research and selection

Georges Darrozès (born 1939), a former colleague of Jacques Morice at INRA, was hired by Ringot in 1966 to head the rapeseed programme before becoming the director of the research division. In 1984, this brilliant technician, especially well-known for his work with INRA on Menès rapeseed selection, was appointed head of research at UNCAC and managing director of SERASEM. In addition to working on rape varieties, Georges Darrozès and the teams he led with great authority, created numerous varieties of wheat, barley and peas, which were very successful both in France and in Europe.



entity for the entire UNCAC group, adding Ringot's potential to its own expertise, together with that of UNCAC and the technical pool member cooperatives. Serasem took over a portion of the research staff from Prémésques, La Brosse-Montceaux and Montbartier. It became a vital component of the group's seed business, and its capital was divided between CAF-Grains (80%), Ringot (10%) and the Technical Pool member cooperatives with UCASEF (10%). From now on its varieties were registered in its own name.

In this highly competitive area, it was vital to remain on top of technological and agronomic developments. Serasem therefore needed to be close to fundamental research and have access to reliable genetic material. Numerous agreements were signed with a range of partners, the first (and the one to produce the most brilliant results) being with INRA and for rape. For cereals, the agreements with INRA went through the

"club of five" (see below) while for genetic material, the historic grain partner was the International Breeding Association (IBA), which brought together ten European selection companies (see the history of Ringot in Chapter 5) and the German cooperative NPZ-Lembke, also for rape. Numerous other one-off or short-term agreements were negotiated, for instance with Rohm and Haas (United States) for wheat hybrids and with Gand University in Belgium and Sigco Research in the United States. At the time Serasem was the European leader in creating rape varieties and one of the leaders in grain selection. The royalties obtained from the sale of certified seeds from its own varieties produced excellent financial results, which were especially welcome in the 1980s when UNCAC was going through a difficult period following the losses sustained by SÉQUIPAG and its industrial ventures.

The production and sale of certified seeds was carried out by three independent entities: UNCAC's seeds division for straw cereal seeds, Ringot also for cereals but especially for rape and Hilleshög beet seeds, and UCASEF for fodder and protein seeds. At the end of the 1980s, the Expanssem (43 cooperatives) and Cerepi brands managed by UNCAC accounted for approximately one third of the national market. Already diversified in sunflower seeds, the seeds department launched into soy in 1989 and maize in 1990. Ringot then had

a near-monopoly on the rape market and was a leader in beets. Its subsidiary, Les Touquets-Plants, was in a niche potato seedling market (the ratte du Touquet variety). A far bolder diversification was attempted in tree seedlings with the creation of Forestar, a 60/50 joint venture with Hilleshög. A large greenhouse production unit was installed in Saint-Julien-sur-Cher (central France) but was not successful. Hilleshög withdrew from the venture in 1980 and the production unit was sold a few years later. UNCAC's agronomic research division led by Léon Heller's successor, Hervé Haslé, remained in charge of relations with professionals and the "club of five" established in 1980 by the five leading straw cereal seed growers, Benoît, Desprez, Vilmorin, Rustica and Serasem, to manage a common network for comparative testing of the catalogue varieties in collaboration with INRA.

In 1986, with the fall in prices and newly accumulated stocks, the agricultural markets entered a period of profound and lasting transformation. The order was changing. As the chamber of agriculture observed, "The time of price guarantees for unlimited quantities is over. Today the market must lead discussions on agricultural policy in economic terms." The year 1986 was a turning point, reflected in the grain and oilseed sectors, with a collapse in world prices and a new economic war between the EEC and the United States in the agricultural markets.

A dual economic and political issue arose about the long-term competitiveness of the French and European grain sector and Brussels' strategy with regard to the United States. Discussions about a UNCAC/ UNCAA merger with UGCAF, which had always failed since 1947, achieved a first concrete result in exports to third countries. At the instigation of Michel Sordel, the two rival unions re-opened discussions (see the following chapter), fully aware that their mutual antagonism could only hinder the development of their international business. A joint mission was confided to the CEOs of the three unions. While a merger was still not on the cards, they were asked to discuss and examine the possibility of carrying out joint actions.

They agreed to set up a national company for exports to third countries (outside the EEC) together with Unigrains. That led to the formation of CAF-Grains International in 1988, 51% owned by UNCAC, with Unigrains, AGPB and FFCAT taking part. This was the first joint venture between the two rival unions before they finally merged in 1990-1991. Its business was only symbolic, but it did serve to form the ties that later led to the merger.

ON 30 JUNE 1990, UNCAC COMPRISED 369 MEMBER COOPERATIVES. THEIR HARVESTS ACCOUNTED FOR 55% OF THE TOTAL FRENCH HARVEST. UNCAC'S NON-COOPERATIVE ASSOCIATES INCLUDED THE CRÉDIT AGRICOLE, UNIGRAINS AND SOFIPROTÉOL. THE GROUP'S COMPANIES EMPLOYED A TOTAL OF 507 PERSONS. WITH REVENUE OF ABOUT FF 10 BILLION, THREE-QUARTERS OF WHICH GENERATED BY EXPORTS, THE GROUP WAS THE FRENCH LEADER IN STORAGE, WITH A TOTAL CAPACITY OF 896,000 TONNES SPREAD OVER NINE SITES. IT WAS ALSO THE FRENCH LEADER IN NON-HYBRID SEEDS FOR ALL THE MAJOR CROPS AS WELL AS IN THE STRAW CEREAL SEEDS, RAPE AND BEET. AT THE END OF THE 1980S, UNCAC'S ECONOMIC AFFAIRS DIVISION HAD ENJOYED SEVERAL GOOD YEARS OF GROWTH, WHICH CONSOLIDATED ITS POSITION AMONG THE LEADING EUROPEAN GRAIN EXPORTERS.

IN 1989-1990, THE GAMB GROUP (UNCAC AND UNCAA) GENERATED CUMULATED REVENUE OF FF 19 BILLION FOR INCOME OF FF 100 MILLION. THE CUMULATED SHAREHOLDER'S CAPITAL TOTALLED FF 890 MILLION.



The world



The cooperative silo at the port of Rouen.

Chapter 9

The La Fayette group, on the merger trail

A new start, stability, progress, questioning and new operating losses (1975-1990)

After stagnating in 1972-1973, the La Fayette group had become lastingly weakened. The management changed but the underlying problems remained. Élie de Ganay, from the Agricher cooperative in Bourges, became the chairman after his predecessor had improved the financial situation. De Ganay tried to mobilise the major cooperatives around him, create new services to promote their loyalty, and sought to turn the group around by taking significant and profitable positions in seeds. But all the players had been affected and his actions failed to mobilise the cooperatives sufficiently. Following a short-lived upturn, results returned to the red in 1989. It became vital to get out of this situation and old quarrels between rivals were increasingly perceived as anachronistic obstacles. Having exhausted all the restructuring scenarios, the management of the La Fayette group were ready to look at any solution, even a merger with its historic competitor from the GAMM group.

The years of recovery and economic turnaround (1976-1985)

UGCAF GOT A NEW START IN THE PERIOD 1976-1985.

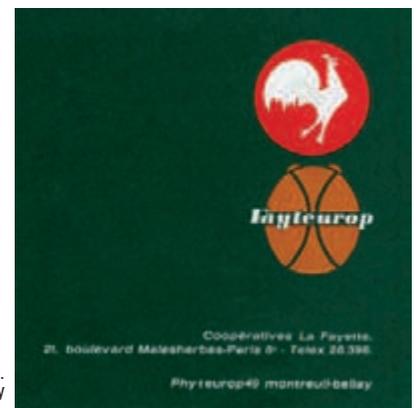
Some of its more recent activities proved to be profitable, such as the Magasin Vert stores set up in Landerneau by Coopagri Brittany in 1971-1972. UGCAF also launched into certified seed production. It needed to develop the supply sector to provide the cooperatives with all the products their farmers required.

In 1975, the La Fayette group comprised 386 cooperatives (UGCAF) of which 227 in grain. It had five brokerage offices (but not trading ones, to limit the risk) in Nancy, Paris, Poitiers, Toulouse, and Saint-Quentin, a trading subsidiary with Louis Dreyfus (UFC) and a private brokerage firm, Ugégrain.

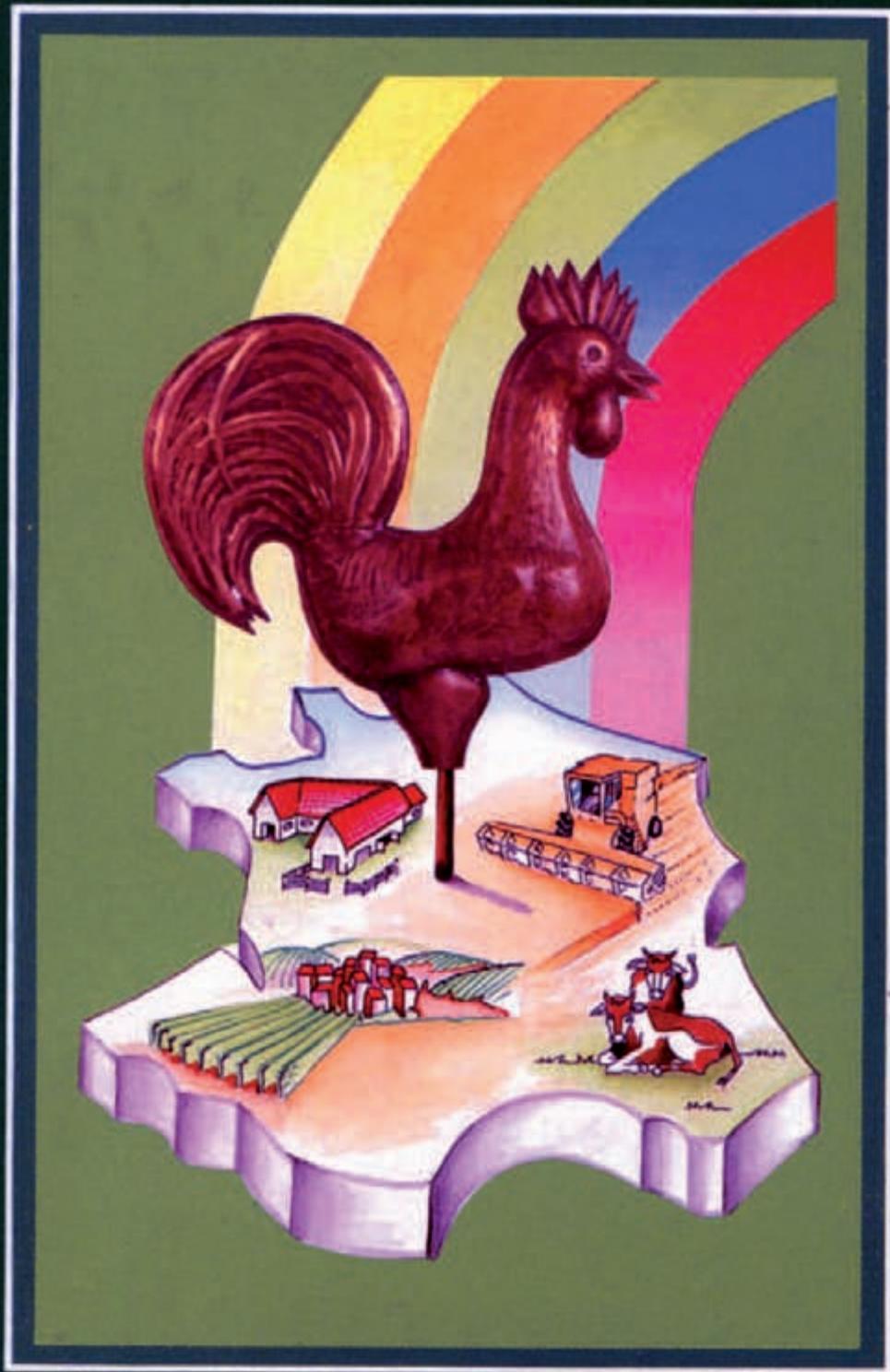
UGCAF's creation of Sipcam-Phyteurop (30% share) in 1968 with the Italian family Gagliardini and later Cima, as the majority shareholder, and its financial investment in the Gardinier group (a Sopia holding company) also enabled it to obtain a greater market share in the phytosanitary and fertilizer markets.

Nevertheless, up until 1978 the supply division had only developed a very small business. The management decided to restructure it in four separate divisions:

- cattle feed with five production units;
- manufactured goods (string, plastic film, fencing, covers, lubricants and anti-freeze for tractors);
- agricultural self-service stores (15 cooperatives had joined GIE Magasin Vert in early 1981, and a central purchasing unit was formed);
- the new certified seeds department.



A Phyteurop advertising brochure from 1975. The creation and development of this subsidiary was one of UGCAF's greatest successes.



UGCAF

GROUPE LA FAYETTE

UNDER GILLES NEYMARCK AND JEAN-PIERRE BROSSILLON, RESPECTIVELY UGCAF'S CORPORATE SECRETARY and head of the seed division, a group that had originally been a seed broker was transformed in less than five years into one of the largest French seed operators. For the chairman, Élie de Ganay, it was a case of "not leaving that market solely in the hand of the multinationals". During the first stage in 1980, UGCAF set up GIE

Unisigma, a research and grain selection company (and plant breeder), whose principal research station was in Froissy (*Oise département*). The union had five other units in the cooperatives. To reinforce this priority sector, UGCAF signed agreements with several private seed growers. The following year Unisigma registered four certified winter wheat seed varieties in the official French seed catalogue.



Experiments with seed varieties were carried out in the Unisemences network of 12 cooperatives. Production was shared between these cooperatives and seven other independent ones, not part of Unisemences, as well as a seed broker, or a total of 20 production centres. While the cooperatives sold most of their production directly to their clients, a portion was sold by UGCAF.

In the last stage of this more offensive policy, UGCAF established a company with the brand name Sem Diffusion in 1983. Headed by Jean-Pierre Brossillon, this limited liability marketing company had exclusive French rights for the Unisigma seed varieties and carried out the marketing of all the group's seed business. SEM Diffusion based its expansion on 22 cooperatives with the aim of making the products as cost-effective as possible by using all its sales partners. Thanks to the technical and sales networks of the La Fayette group's seven regional divisions, it could now claim to be the leading French seed seller in the EEC. The import and export business was handled by UGCAF-Ugégrain, chaired by Philippe Neeser. This was a fairly spectacular take-off.

In the early 1980s, the restructured La Fayette group forged ahead once again and returned to profit. It appeared to receive better support from its member cooperatives, and especially from La Providence Agricole, which remained its cornerstone. Its chairman, Jacques de Bohan, closely monitored discussions on UGCAF's future and wrote regularly to its chairman to assure him of his support. Nevertheless, his own cooperative always came first, as witnessed in a letter from Élie de Ganay to Jacques de Bohan dated June 1982:

"The seeds affair has separated us and your agreement with Claeys was taken before anyone from UGCAF could explain to you what we hope to develop in the future. That has repercussions today in Nancy... Once again, the weight of La Providence Agricole clearly played a role and that is precisely what I need. Please do not take this letter as a list of grievances or reproaches, but rather as an indication of what, with a joint approach to problems, chairman Mangear's successor can bring to UGCAF, whose destiny he once controlled himself."

Clearly the Marne *département* cooperative's guideline "let us handle our business ourselves" was still relevant. It was during these years when the cooperatives were in a major restructuring phase that the strategist and entrepreneur Jacques de Bohan transformed La Providence Agricole into a major, versatile cooperative group, renamed Champagne Céréales in 1991. At the time it was the largest European cereals group.

Gilles Neymarck

was born in Paris on 10 June 1934. After spending ten years at the Opéra group, a large consultancy firm, this specialist in work organisation was hired by Jacques Goisbault in 1975 to be UGCAF's corporate secretary. He was "agriculturally" and politically neutral, which was important after the difficult period the union had just passed. "We were a bit of a joke, we were city people"*, he remarked somewhat mischievously about his working partnership with Jacques Goisbault. He was key to re-launching UGCAF, supported successive CEOs, and became deputy managing director himself after the departure of Jean-Claude Leroy, who was not replaced. He was also one of the key figures in the merger with UNCAC, and once that was achieved, closed down UGCAF. He ended his career as director of silos for the Sigma group (1991-1994), where he successfully implemented the ISO quality policy.

* Interview with Gilles Neymarck on 11 October 2011.

Recovery

In the early 1980s, UGCAF got back on its feet and began to innovate, notably in seeds.

Jacques de Bohan: empire-builder

“To achieve great things one must not be above men but with them.,,
Jacques de Bohan.

Jacques de Bohan was the eldest of Félix de Bohan's eight children and the great-grand son of Gustave de Bohan, the founder of La Providence Agricole. He was born on 13 January 1934 at Courcy (Marne *département*). After graduating from the *École nationale d'agriculture de Grignon* (Grignon national engineering school) he took over the family farm and followed in his grandfather's footsteps. Departmental secretary of CDJA in 1958, he went on to become its managing director (1967-1972) and then in 1972, director of the federation of the Marne *département* farmers' unions, FDSEA. In 1966, he set up the Champagne young cattle breeders' cooperative, and in 1970, at the age of 36, he took over the Vitry slaughterhouses and founded Champagne Viandes with three other cooperatives. In 1987, following further mergers, he launched Arcadie, which became the second largest French meat group. Part of it was sold off in 1991.

In the meantime he chaired La Providence Agricole from 1974 to 2001. Present on every front, Jacques de Bohan brought nine cooperatives together which merged in 1991 to become Champagne Céréales, one of the leading grain cooperatives in Europe. At the same time he transformed Malteurop to become the leading European malt preparer and the third largest worldwide. Malteurop supplied brewers in Germany, Spain, Portugal, Ukraine, Argentina and even China.

De Bohan was also behind the growth of the sugar business and the development of research. In 1984, Champagne Céréales and Sucre Union formed Agro-industrie Recherches et Développements (ARD), a reference centre for innovation and plant transformation. The two companies formed Chamtor in 1991, active in transforming chicory into fructose and wheat into glucose.

In 2001, the year he retired, he set up NutriXo, and agrifood group that comprised Champagne Céréales, Nouricia and Grands Moulins de Paris, which he had taken over that same year. NutriXo was a European leader in flour milling and industrial baking.

Jacques de Bohan's achievements were numerous. He developed his business in almost every segment of the agrifood market. On a national level, he devoted all his powers of conviction to the necessary merger of the national unions UNCAC and UGCAF, which gave rise to Sigma in 1991. Chairman of CFCA's Promocoop College in 1990, he was also one of the pillars of the reconstruction of Coop de France (2003), of which he became vice-chairman. He was responsible for modernising the status of cooperatives, and advocated that their industrial activities be transferred to subsidiaries when the 1991 modernisation law was passed.

He was also chairman of Club Déméter (2002-2005)*, a think-tank devoted to the future of agriculture. Jacques de Bohan died on 30 April 2005. A visionary entrepreneur, he also had a marvellous capacity for listening to people and was faithful to his peasant values throughout his life.



Jacques de Bohan in a 1977 meeting with Pierre Méhaignerie, Minister of Agriculture under President Valéry Giscard d'Estaing (March 1977 to May 1981).

* Club Déméter, named after the Greek goddess of fertility, is a think-tank that has brought agricultural leaders together for the past 20 years. It continues to publish forecasts and synopses of agricultural news.

SOLUTION

IN 1982 JEAN-CLAUDE LEROY, MANAGING DIRECTOR OF COOP CAEN TOOK OVER FROM JACQUES GOISBAULT at the head of La Fayette group's management. While Goisbault had turned the group around financially, the new leader wanted to boost it commercially. That same year a new fertilizer subsidiary called Fertrade was formed, but the venture was short-lived. In September, UGCAF launched a survey entitled "Your cooperative in the 1980-1990 decade". In October that year the board members discussed UGCAF's future and laid down a five-year plan after including the cooperatives in the steering groups. Although the directors discussed many strategic issues, not a word was said about a future merger with UNCAC.

In 1984 UGCAF and 26 cooperatives established a fund called Ugéfertil to assist member cooperatives with their investments in logistics and fertilizer supplies by means of low-interest loans. From 1980 to 1984, the union's revenue rose by 11%, whereas Ugégrain's rose by 127%. UGCAF's difficulties in transforming itself and sharing its projects with its member cooperatives was manifest, and this weighed heavily on forthcoming events.



"Does UGCAF still serve any purpose?" (1986-1990)

LA FAYETTE GROUP EXECUTIVES ATTEMPTED TO ANSWER THIS HIGHLY PERTINENT QUESTION on 10 October 1984 during a seminar held in Royauumont. The issue was to determine whether or not "the union, through the actions of its regional offices and its federating function in Paris, still has a role to play as a link



The creation of SEM Diffusion, the seed marketing specialist, in 1983, and its development helped to redress the La Fayette group's accounts.

between the various regions and the ten major agricultural cooperatives that will form the French cooperative movement of the future".

Between 1985 and 1986, one report followed another, and observation followed on from observation. Nevertheless, UGCAF set up its USSO silo in Toulouse, with a capacity of 45,000 tonnes. At the end of December 1986, an internal memo from Jean-Claude Leroy entitled "Reflections on the organisation of French grain cooperatives" included an inventory of the possible scenarios for the group. It observed that "the current split prevents many cooperatives from merging", and that "the young farmers of tomorrow will not understand these conflicts between powerful cooperative groups". The memo laid the way for what was probably the first major bipartite meeting between the heads of UNCAC and UGCAF on 11 January 1987. UNCAC and UNCAA were present on one side in the form of their respective chairmen and CEOs, Messrs Sordel, Duchalais, Catton and Besnault. On the other side was the management of UGCAF, Messrs de Ganay, Leroy, and Neymarck, with the chairmen of the major cooperatives, Messrs de Bohan, Birot, Marie, Mille, Picard, Sabin, and Tanguide. Another, smaller inter-union meeting was held on 27 February the following year at the Crédit Agricole Île-de-France Regional Bank, and included Philippe Neeser, the chairman of Unigrains. A further meeting was scheduled for 11 May.

Progress was being made. The following July, an initial UGCAF/UNCAA/UNCAC agreement was reached on fertilizers, cereals and oilseeds. This followed on from a proposal by UNCAL in April 1987 at which the unions exchanged situation notes.

These meetings did not prevent UGCAF from pursuing deliberations about its own organisation. In December 1987, a communications agency called Soprano, where a former director of Synercau, Gil Kressmann, worked, presented a report prepared for the April 1988 board meeting. This was a preparatory report for the UGCAF-La Fayette corporate project and presented UGCAF's three businesses:

- Grain sales, with a 256,000 tonne own storage capacity and the management of 400,000 tonnes on behalf of its member cooperatives;
- Seeds with 23 cooperatives grouped together in Unisemences, marketing by Sem Diffusion and a volume corresponding to 25% of total French wheat;
- Fertilizer supplies, thanks to a partnership with Norsk Hydro and support from the investment bank Ugéfertile.

In the six years of Jean-Claude Leroy's mandate from 1982 to 1988, UGCAF recovered and took an active position in seeds and fertilizers as well as in the grain trade with third countries. Élie de Ganay believed that Dominique Dutartre of La Providence Agricole was the man to succeed Jean-Claude Leroy, who had now reached retirement age, seeing Leroy as the man who could successfully carry UGCAF forward. In March he called a meeting of the chairmen's committees to discuss UGCAF's future.

The committee considered holding a meeting with UNCAA to discuss developments in the fertilizer business. By now Élie de Ganay appeared to have tired of his mandate at the head of UGCAF. He asked Jacques de Bohan to be a candidate to succeed him but de Bohan refused while recognizing that "the plan for the future drawn up by the chairmen's committee was very close to what I myself have been suggesting for a number of years". In September 1987, Élie de Ganay asked Jacques de Bohan to be more present and active in the UGCAF project and said that he hoped that "the matter of his succession would be discussed with La Providence Agricole and receive its support".

That was when UGCAF's brokerage firm in Nancy broke away. It was one of the last four regional offices with Paris, Saint-Quentin and Toulouse, the Poitiers office having just closed down. The director of the Nancy firm, Jean-Marie Schlickling and his colleagues decided to leave UGCAF and set up their own brokerage company to work with the cooperative stake-

holders of the Frouard silo. That was a blow for UGCAF. Élie de Ganay did his best to prevent this breakaway, the first warning sign of a headlong fall, but failed since the Nancy team wanted to be independent. The other union members barely reacted to the event.

In March, Élie de Ganay decided to set up a management committee, which was an innovation for a cooperative union. It was chaired by Dominique Dutartre and included Guy Crapez, managing director of Dunois in Châteaudun, Gilles Neymarck, and Jean-Louis Pépin, managing director of Réveil Agricole in Picardy. This committee discussed the positioning of the union's businesses, the overall strategy to adopt and considered what its future business plan should be. Development plans in fertilizers with UNCAA were discussed to create "Fertrade II". As we have seen, that same year the two unions got together to set up CAF-Grains International.



Arleux (northern France): one of UGCAF's original silos.



The cooperative silo in Frouard was at the heart of a bitter war waged between UGCAF and its cooperatives in the Nancy region (eastern France), which left the union shaken. The time for a merger was drawing close.

Dominique Dutartre: committed to the collective interest and to innovation



Born on 6 February 1949 in Burgundy, a region to which he would always remain very attached, Dominique Dutartre graduated top of his class as an agronomic engineer from the *Institut Polytechnique LaSalle Beauvais* in 1973. He immediately joined La Providence Agricole and remained there throughout his career. He worked closely with Jacques de Bohan, with whom he

shared a devotion to the collective interest, and became one of the main instigators of the transformation of La Providence Agricole into Champagne Céréales, the leading European grain cooperative. With his talent for consensus and dialogue, Dominique Dutartre played a key role in the UGCAF/UNCAC merger and the creation of Sigma.

In December 2011, this thoughtful and far-sighted man was elected chairman of Industries & Agro-Ressources (IAR) a competitive cluster with a global vocation. The following year, Dutartre became deputy managing director of Vivescia (the result of the 2012 merger of Champagnes Céréales and Nouricia), in charge of research and innovation. He chaired the joint private research body Agro-industrie Recherches et Développements (ARD), established in 1989, and Procéthol 2G which developed Futurol, the national second generation bioethanol project. Co-manager of Sicalé, a regional agro-industrial group that transforms plant raw materials (set up in 2005), Dominique Dutartre was also the director of INRA where he represented agricultural-related industries. He also chaired Phyteurop. Dutartre was well known, highly qualified, and his opinions were valued. He was a member of the management board and bureau of InVivo and sat on the board of the alliance of agricultural cooperatives, ACOOA, set up by Coop de France and InVivo in June 2011.

FINALLY, IN A LETTER DATED 27 APRIL 1989, ÉLIE DE GANAY ANNOUNCED THAT HE WISHED TO RESIGN FROM HIS POST AS CHAIRMAN. In June that year he was replaced by Michel Marie, chairman of the Dunois cooperative. With the group's financial situation deteriorating again, the new chairman took immediate action to improve profitability. He restructured the group by subsidiary, and examined each business to assess its position on present and future markets, as well as its critical size and earnings potential.

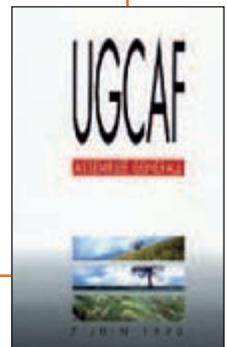
The board meeting of 14 November 1989 reported operating losses of more than FF 7 million, after profits of FF 522,150 the previous year. There were many reasons for that, including supplies, storage, and the results of the regional offices. The union was on a downwards spiral again. Dominique Dutartre led a restructuring plan that would merge the remaining three offices, relaunch the Gennevilliers storage plant and reduce overheads by laying off staff.

The management committee agreed to the rescue plan just as a vast merger trend of both suppliers and customers led several of UGCAF' cooperatives to merge as well. For instance in Picardy, Réveil Agricole and the union of Picardy agricultural cooperatives merged, in Champagne nine cooperatives considered a merger with La Providence Agricole (which took place in 1991), while in Normandy there were mergers with Coop Caen, in Brittany with Landerneau, and in the greater Paris area with Dunois, as well as others in Lorraine and southwest France. The aim was to achieve real economies of scale and improve liquidity for investment purposes by means of mergers, takeovers, acquisitions, and so on.

It was against this economic backdrop, which saw the formation of real, more competitive regional groupings, driven by events and the year's poor results, that UGCAF's management broached the strategic issue of a merger with its rival of more than 40 years. Discussions were opened again in 1990. Michel Marie, Dominique Dutartre and Gilles Neymarck were appointed to participate in the newly-formed merger committee.

The La Fayette group and UGCAF on the eve of the merger (1990)

- UGCAF comprised 313 cooperatives, 175 of which in grain and 112 members of both UNCAC and UGCAF.
- The group's consolidated revenue at 31 December 1989 stood at FF 683 million, of which FF 201 million generated by UGCAF, FR 200 million by seeds and FF 282 million by Ugégrain. It employed 146 people.
- Its main assets were the Gennevilliers silo with a capacity of 169,000 tonnes, a warehouse with a capacity of 20,000 tonnes in Châteauroux and shares in various silos and unions (such as Frouard, Arleux, Givet, USSO and UCASPOR).
- The seeds business was handled by Sem Diffusion in which UGCAF had a 66% stake, with poor results in 1989 and 1990. It sold 350,000 quintals of straw cereal seeds on the long circuit and also held 20% of Unisigma, a plant breeding company, as well as in various holdings in the supply sector.



IT IS IN THIS ECONOMIC ENVIRONMENT, WHICH SAW THE EMERGENCE OF MORE COMPETITIVE REGIONAL HUBS, THAT THE HEADS OF UGCAF, DRIVEN BY THE EVENTS AND POOR RESULTS OF THE PRECEDING YEAR, ADDRESSED THE STRATEGIC QUESTION OF THE MERGER BETWEEN RIVALS OF OVER 40 YEARS. DISCUSSIONS RESUMED IN 1990. MICHEL MARIE, DOMINIQUE DUTARTRE AND GILLES NEYMARCK WERE DESIGNATED TO TAKE PART IN THE MERGER COMMITTEE.



future

Launch of the Common Agricultural Policy (CAP)



1962

On 3 February,
the formation of the French confederation of agricultural cooperatives (CFCA)



1966

Implementation of the CAP



1967

On 27 June
the French parliament passes a law on the new status of agricultural cooperatives. Members of the profession unanimously approved



1972

1962



L'UGCAC and l'UGCAA of the **La Fayette Groupe** form a mixed union, the General union of French agricultural cooperatives, or **UGCAF**, to implement the transition from a per business branch structure to a single versatile company

1963



L'UNCAC sets up SÉQUIPAG, an engineering division that became a leading French research centre for agricultural equipment

1970



UNCAC takes over Ringot the only breeder of rapeseed varieties in France at the time, with INRA

1971



UCAAB opens the centre for applied zootechnical research (**CRZA**), in Montfaucon (*Aisne département*)

The drought accelerated
the move to regroup
agricultural cooperatives
in France



1976

**European milk
quotas are put
in place.**
Resistance in
the profession



1984

**Start of the BSE
epidemic**
in Great Britain



1988

France bans imports
of British meat and
bone meal
as cattle feed



1989

1975



**UNCAC
and UNCAAC**
set up their head office
at **Avenue de la
Grande-Armée**
in Paris

1977



UNCAA
launches the national
retail store
Gamm vert

1980



L'UGCAF
sets up **Unisigma**,
a company for grain
research and selection

1981



UNCAC
acquires a stake in the
German company
**Toepfer
International**

1988



**CAF Grains
International**
is set up by **UNCAC**
and **UGCAF**, the first
step in the merger between
the two unions

The world of agricultural cooperative unions was marked in the 1990s by a series of large-scale mergers. The strategic alliance between UNCAC and UGCAF in 1990, giving rise to Sigma, as well as those between UCAAB and UNCAA in 1992 and UCANOR and UNCAA in 1999, paved the way for the “major” merger of 2001 and the birth of InVivo. The Sigma and UNCAA unions made headway by developing their main activities and considerably growing international business. They tackled new issues, such as quality, environmental protection, manufacturing certification, marketing and communication.

Coinciding with the rise in power of these cooperatives, the French and European farming world went through reforms that led to crises and structural transformation. The Act of 3 January 1991 set out guidelines for French cooperatives on the creation of subsidiaries, the opening of the membership base, and capital increases. The 1992 CAP reform was a turning point for European and French agriculture, significantly lowering the prices of agricultural production while providing farmers with direct support and leading to increased production control (land freeze).

The population at large was deeply unsettled by the mad cow crisis (from 1996 to 2000), the dioxin chicken affair, and the issues of meat and bone meal and GMOs. Against this singular backdrop of crises and transformations, farmers became increasingly aware of how vital quality is to their business.

A time of mergers

(1991-2000)

Part three ©

Chapter 10

The birth and rise of Sigma

Uniting the strengths of grain cooperatives to move into international markets (1991-2000)

The merger was voted unanimously at the Extraordinary General Assembly of UNCAC on 24 January 1991, effective retroactively from 30 September 1990. “Expectations were certainly there,” said Jean Gonnard, Sigma’s first chairman. The first name suggested before the definitive adoption of Sigma (Σ being the Greek symbol for “sum”) was Euria, quickly dropped because it was already used by a dairy cooperative group. There was now just one union in the fields of grain and seeds, though the agricultural supplies business of UGCAF was not concerned by the merger and the only cooperatives to join UNCAA were those from Rue La Fayette who so desired. The Group came into existence at the same time as the European Union comprehensively reformed the CAP.

Sigma works to find the highest common denominator

THE ONSET OF THE MERGER DATED BACK TO 1966, with the creation of the French confederation of agricultural cooperatives, CFCA, and the French federation of agricultural grain cooperatives, FFCAC. A new, less antagonistic kind of relationship was established between the two rival grain unions. A further step forward came in 1988 when, on a bold strategic initiative, UNCAC and UGCAF set up CAF-Grains International, a joint venture to export grain to third countries (in Central and Eastern Europe, the Mediterranean Basin and the Middle East), run by UNCAC’s export department. The joint-venture subsidiary sold an impressive 1.5 million tonnes of grain in its first year of business. At the same time, UNCAA and UGCAF both took part in the European project, Fertrade, a fertilizer company.

The heads of the two national unions met frequently as part of the liaison committee set up to create CAF-Grains International. In 1990 UGCAF was in a delicate financial situation and took the initiative to approach UNCAC. Michel Marie, chairman of UGCAF, and Dominique Dutartre, chairman of the executive committee, arranged a lunch meeting with Bruno Catton. As a test, Michel Marie slipped the possibility of an alliance into the conversation. Bruno Catton immediately said he was for the idea, Jean Gonnard approved, and a merger committee was set up in secret. The alliance was firmly on track.

A full 82% of the member cooperatives’ representatives attended UNCAC’s General Assembly on 24 January 1991, voting the alliance unanimously by secret ballot. The vote showed how much the members wanted a strong base. Most of the cooperatives had got to know each other better since the first wave of alliances in the 1980s. Some of them had long been members of two rival unions.

“All power is weak unless united. ,,
Jean de la Fontaine.

**TO
GETHER**



“In 1990 France was the world’s number-two grain exporter, with a grain surplus worth 153 Airbus planes! ,,”

Bruno Catton in *Moniteur du commerce international (MOCI)*,
20-27 August 1990.



A farmer was feeding an average **40 people in 1990** compared with **just 4 at the start of the century.**



At UNCAC the main people behind the merger were Jean Gonnard, who had recently succeeded Michel Sordel as chairman, and managing director Bruno Catton. The two worked hand in hand to make the historical merger a success. At UGCAF the process was

led by Michel Marie, later appointed vice-chairman of Sigma, Dominique Dutartre and Gilles Neymarck, with the support of board members Jacques de Bohan, Louis Ringô and Jean-Claude Sabin.



The cooperatives in attendance at the UNCAC General Assembly on 24 January 1991 voted unanimously for the merger with UGCAF, giving rise to the Sigma cooperative union. Upper left, Sigma managing director, Bruno Catton, a key player in the merger.

Jean Gonnard, a chairman of mergers

“Jean was proud to be a farmer and dedicated his life to helping others. He was a man not of words or appearance but of deeds – a selfless person who would not stop before he had achieved his goal. ,,

Michel Fosseprez, first chairman of InVivo



Jean Gonnard, born on 8 July 1938 in Bourg-en-Bresse, was a militant for the cooperative cause from his youth. A farmer in Savigneux in the *Ain département*, he was appointed to the board of UNCAC in 1975. He played a central role in the changes that led to the creation of Sigma, then, ten years later, of Union InVivo, of which he was a founding father. Discreet, determined and a charismatic leader, he chaired Sigma from January 1990 to 2001. He died shortly after, in early 2002.

He became a member of the ONIC standing committee in 1975. In 1977 he became a member of the bureau at AGPB and the federation of oil and protein seed producers, FOP. He made a proactive contribution to technical institutes including the ITCF institute of grain and fodder crops (as vice-chairman from 1982 to 2002), and the CETIOM oilseed centre (board member from 1983 to 1993). He represented UNCAC then Sigma then InVivo on the boards of FFCAT (from 1977), CFCA (from 1988) and CNMCCA (from 1998). He was named a member of France’s Economic and Social Council (Agriculture group) in the field of cooperatives in 1998. He was an Officer of Agricultural Merit and Chevalier of the Legion of Honour.

At regional and *départments* level, he was chairman of Cérégrain from 1971 to 2001, vice-chairman of the Rhône-Alpes regional federation of agricultural cooperatives, and vice-chairman of the Ain Chamber of Agriculture.

THE MERGER OF UNCAC AND UGCAF WAS A MOMENTOUS OCCASION IN THE HISTORY OF FRENCH AGRICULTURE COOPERATIVES. The antagonism that had hung over the cooperative movement since its birth at the end of the 19th century finally came to an end through the formation of a single national union. In 1992 the rival federations grouped to set up the French

federation of agricultural collection, supply and processing cooperatives, FFCAT, within CFCA and chaired by **Joseph Ballé**. The goal of the merger was to make the cooperative system more efficient and prepare for the future without delay.

The objectives of the players involved in the merger were diverse – and some of them highly ambitious. The new entity was to serve as a national resource for extending and linking up the basic activities of member cooperatives. It had to be competitive and focused on Europe and third countries. Sigma was created not just to be the highest common denominator, economically speaking, for its cooperatives; it was also meant to be a strategic discussion forum. The new Union also had to build more consensus, create momentum, suggest new directions and use all its weight as a lobby group.

The merger came at a time when cooperatives were going through a rash of restructuring, with the farming sector in the throes of major economic change. Concentration was on the march, accompanied by the first steps of large-scale structural reinforcement. Cooperative groups already ranked among the leaders in French agri-business, especially in dairy and meat production. A good ten of the top 30 French agri-food companies in the early 1990s were cooperative groups. Sodial ranked in the top-three French dairy producers alongside non-cooperatives Gervais-Danone and Besnier, just ahead of Union Laitière Normande, ULN. The Socopa cooperative was the number one in meat, while three multi-sector cooperatives, Coopagri, Unicopa and Cana, were posting annual revenue of over 7 billion francs.

Concentration came later to the grain sector, which was still lagging behind the general trend. Nevertheless, the Champagne Céréales cooperative group, created in 1991 through the grouping of nine cooperatives, was already collecting and selling over six million quintals and reporting revenue of FF 4.6 billion, ranking it as the number-one European grain outfit. The grain sector stood apart through its specialisation and through the considerable market share of its cooperatives, which accounted for 71% of collection and handled 50% of exports. In comparison, the dairy and fresh produce sector, a cooperative benchmark in the area, accounted for 50% of collection and 32% of exports. The network of French cooperatives and their unions continued to be structured at a rapid pace in the 1990s. The dynamic growth of French farming cooperatives was the exception to the European – and global – rule at the time.

A farmer from the Mayenne, born on 1 January 1940 in the town of Renazé, Joseph Ballé chaired CANA from 1979 to 1995 and CFCA from 1989 to 2000. He was a key contributor to the 1991 law on the creation of agricultural cooperative subsidiaries and one of the instigators behind the founding of Coop de France (formerly CFCA) in 2003. He died on 31 July 2012.



1991,

SIGMA

A FF 10.4 billion revenue (1.59 billion euros), of which 75% export; 500 employees, 320 cooperatives.

- Leading grain exporter in Europe and among the leaders in intra-community trade in and exports of European grain, oilseed and protein crops.
- Number-one in grain storage in France by volume.
- A leader in varietal creation in Europe and the top grain seed sales force in France.

UNCAA

A FF 10.2 billion revenue (1.55 billion euros), 915 employees, 500 cooperatives.

- Leading European purchasing and services centre in the agricultural supply sectors.
- French market leader in animal nutrition and health.
- No. 1 French network in green distribution with Gamm vert.

Bruno Catton, a sound strategist and ambitious manager for the Group



Bruno Catton was born on 10 January 1939 in Lyon and graduated from *École Nationale Supérieure Agronomique de Grignon* (Grignon national engineering school). As a young agronomy engineer, he gravitated immediately to farming cooperation, joining UNCAC in 1965 after meeting Jack Lequertier. He would spend his entire career in the cooperative world, through to his retirement 37 years later in June 2002. He started out as executive secretary and right-hand man to Lequertier, then moved on to head the research, external relations and general administration department in 1975. He was named deputy managing director in 1978 and managing director on 1 July 1980, chosen by his mentor Lequertier as his successor. UNCAC was struggling at the time. Catton, an extremely able manager, immediately restructured SÉQUIPAG, refocused activity on the basic business lines and successfully pursued the Group's international development. Initially he picked up from where his predecessor had left off. But he quickly established himself as a leader with a sharp sense of strategy, able to take an overarching view of his environment.

Working closely with the chairmen, Michel Sordel then Jean Gonnard, he continued to invest in port storage sites and strengthened UNCAC's position in seeds.

Catton was a respected leader, known for his strong work ethic. He was a key player in two major mergers: with UGCAC in 1990, putting an end to decades of cooperative division with the creation of Sigma, and with UNCAA in 2001, giving rise to InVivo, where he served as the first chief executive officer. For the man who penned the *White Paper on Economic Unification in Agriculture Cooperation* in 1966 on a request from Jack Lequertier, this last merger was the result of years of work, coinciding with the end of his career and the close of an economic cycle that had begun in 1945-1947. He headed InVivo for six months, ensuring a successful transition and making an active contribution to bringing the new union quickly up to speed. He handed over the reins to the new InVivo group to Jean Myotte on 30 June 2002.

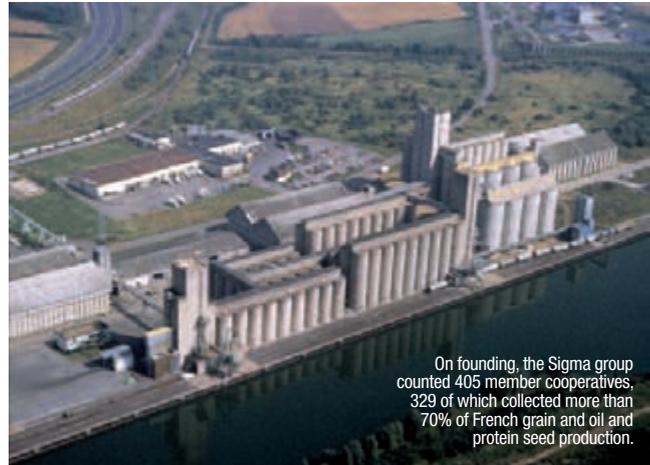


THE NEW UNION CAME INTO BEING AT A TIME OF RADICAL CHANGE IN THE FARMING WORLD AND ECONOMIC GLOBALISATION. Major shake-ups were shortly to come, with the reform of CAP in 1992, the launch of the Single European Market on 1 January 1993, and the development of the GATT **Uruguay Round** negotiations from 1986 to 1994, followed by the introduction of the World Trade Organization, replacing GATT on 1 January 1995. With the world in constant flux, companies were duty bound to craft precise structure-based strategies encompassing a broader field of intervention, both economically and geopolitically.

Agricultural trade liberalised by the Uruguay Round

The *Uruguay Round* was the eighth negotiation cycle of GATT (General Agreement on Tariffs and Trade). Launched in 1986 in Punta del Este in Uruguay, the negotiations came to a close in 1993. The final agreement, signed in April 1994 in Marrakesh, departed somewhat from previous agreements by including economic sectors until then excluded from GATT, such as agriculture, services, textiles and clothing.

Sigma focused its strategy on three main sectors: storage (Ugégrain/MAGEFI merger), export and seeds. The Group had 11 storage units (silos) for a proprietary capacity of 800,000 quintals (683,600 tonnes and 10 sites at 30 June 2001), seven regional offices – Bordeaux, Châlons-en-Champagne (closed in 1996), Lille, Lyon, Paris, Rennes and Toulouse (closed in 1994) – plus liaison offices in Algiers, Brussels and Istanbul (opened in 1992). The 1990s was a decisive decade for Sigma. It had to adjust its business lines to global trends in farming and the new expectations of member cooperatives. The Group had the manpower and the finances to take on the challenge, but it now had to adapt its structures and costs continuously to keep in step with market liberalisation.



On founding, the Sigma group counted 405 member cooperatives, 329 of which collected more than 70% of French grain and oil and protein seed production.

Structuring and developing the seed business

The impact of the UGCAF/UNCAC merger was without a doubt most keenly felt in the straw cereal, oilseed and protein business. On creation, Sigma was France's number-two seed group, behind Limagrain, and among the leaders in Europe. Straw cereals, rape and peas accounted for 95% of the seed activity of the new entity, which was worth roughly one billion francs, or 10% of total Group activity (including the addition of Serasem and Unisigma).

1992,

La France juge « inacceptable » le compromis agricole de Washington

The front page of *Le Monde* on 22-23 November 1992 carried a story on the agreement on agricultural production signed in Washington on 19 November between the USA and the EU. French Prime Minister Pierre Bérégovoy considered the project "unacceptable" while the trade unions rallied the farming world against the project.

CAP reform

The 1992 reform of the Common Agricultural Policy, CAP, was a turning point. It considerably reduced aid for farming produce tariffs, provided direct support to farmers, and introduced a land freeze. It was the start of the "de-link" process between aid and product. The reform led to a fall in the price of grain and significant restructures in the cooperative sector. The European Commission forged ahead with the policy, launching a new process of CAP reform in 1999 (*Agenda 2000*) and 2003.



quality

In the 1990s industry players in France became aware of how important quality was to their business.
In 1994 La Grande Paroisse was the first silo in Europe to obtain ISO 9001 certification.

In selection, Serasem (ex UNCAC), a 90% owned subsidiary of Sigma, was the European leader in rape at the beginning of the decade. In 1990-1991 the company's "00" rape variety accounted for more than 90% of French crop planting. The amount of land cultivated with Serasem straw cereal and pea varieties placed it among the leading French plant breeders.

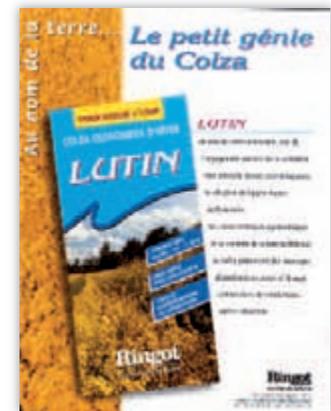
Sigma also had a 20% stake in Unisigma (ex UGCAF), a leading plant breeder in the wheat and barley sectors. In certified seeds, Sigma's two high-profile brands, Expanssem (ex UNCAC) and SEM-Diffusion (UGCAF), sold 3.4 million quintals of certified seeds in 1990-1991, accounting for half of the domestic market. Last, through its Ringot subsidiary (ex UNCAC), Sigma sold Hillesög seed varieties, accounting for nearly a quarter of sugar beet seeds in France.

These leading entities were grouped together not just to limit risks when choosing which seeds to produce for the following year, but also to cope with the difficult times ahead, as heralded by the CAP-reform land freeze, which led to a near 10% fall in grain seed sales in France as early as 1990-1991. The merger did however call for a certain number of structural changes, mainly regarding the new seeds business.

The Semences de France company was founded on 1 May 1991. It grouped the production and sales activities of the two former unions, including their brands Expanssem and Ucasef (UNCAC) and SEM-Diffusion (UGCAF).



Through its subsidiary Serasem, Sigma was the European leader in rape seedlings.



Thanks to the determination of Bruno Catton – who recognised the full importance of the structuring process – companies that had previously been rivals banded quickly together under the same seed brand. Catton received support from dedicated cooperative chairmen, directors and administrators, chief among them Pierre Mille from the Noriap cooperative, former vice-chairman of UGCAF and chairman of SEM-Diffusion.

Semences de France initially grouped 64 cooperatives. Jean-Pierre Denis, former head of Expanssem, served as CEO and Bruno Catton as chairman. In 1992 the company bought out a seed company in Turkey and acquired a share in Belloy Semences.

Semences de France soon had to deal with the new CAP, which, by introducing requirements on fallow land, reduced the straw cereal seed market by 23% and the protein seed market by 33% in the space of four years. The impact was quick to be felt. In March 1995 a number of measures were adopted to adjust the structure of the subsidiary to the contraction in the market. Regional “grain” offices were reduced in number from seven to four. The fodder station at La Grande Paroisse was closed down. Semences Vertes, a company headed by Philippe Hamelin, was set up 50/50 with Etablissements Laboulet. In 1998 the administrative head office of Semences de France was moved to the La Chapelle-d’Armentières site (northern France) with the Ringot and Serasem companies, which became wholly-owned Group subsidiaries.

After the signature in 1992 of the “maize” agreement with the German seed company KWS, the range of measures taken in 1995 allowed the company to sustain and then strengthen the Semences de France business. In 1996 the company acquired UK plant selector CWB Twyford (grain and rape) in partnership with KWS.

Jean Baudon succeeded Jean-Pierre Denis at the head of Semences de France in 1998. That same year saw the creation of Bioplante, a 50/50 joint venture between Serasem, responsible for research and selection at the Sigma group, and Desprez. The remit of the new structure was to pool work and projects ahead of the selection process and facilitate access to the best biotechnologies. Shortly afterwards, the two partners set up the Florisem company to represent their plant breeder interests in Italy. The scientific and technical resources of Serasem in Prémescques, La Brosse-Montceaux and Montbartier were strengthened. In 1999 and 2000 Ringot refocused its activities, while the Forestar (tree seedlings) subsidiary suspended operations and Touquets-Plants was sold, along with the sugar beet distribution business. The 2000s were a decade of economic and technical consolidation of the seeds activity.

Sigma also acquired shareholdings in the processing industry, notably in oilseed crushing and maltohouses. The Group followed the capital increases of the Soprol holding (crushing), controlled by the oilseed sector, becoming the third-biggest shareholder, with 11%. Sigma did the same thing with Europe’s number-one maltohouse, Malteurop International, acquiring a 5% share. These transactions were financed mainly with equity.

COO PER ATTIVES

In 1995 the UN introduced the International Day of Cooperatives, celebrated every year on the first Saturday in July. It had been proclaimed by the International Cooperative Alliance, ICA, in 1923. The UN made 2012 the International Year of Cooperatives.

The Vitry-le-François maltohouse belonging to Malteurop International, in which Sigma took a 5% stake.



Grain exports spearhead Sigma's activity

The reform of the CAP had important ramifications not only for seeds, but also for grain storage and marketing. EU grain production declined by 10% in the first half of the 1990s.

Sigma managed to hold its own, however, by emphasising Europe more in its activities. To increase its trading capacity, the Group made investments in several companies in the EU. After taking stakes in the UK trading company Gleadell-Banks (25%) and the Dutch firm Cebeco Granen (25%) in 1991-1992, it acquired 11% of Agrimeta, a company controlled by Italian cooperatives and based in Emilia-Romagna, in 1995.

Meanwhile, in September 1994 management decided to increase Sigma's shareholding in Intrade from 18.75% to 34.8%, thereby taking a bigger stake in a company with a 50% interest in the international grain trader Toepfer, one of the largest operators in grains, oilseeds, oilcake and other ingredients in animal feeds. With offices in 34 countries, Toepfer was marketing nearly 40 million tonnes of products in the late 1990s. Sigma was thus successfully pursuing its goal of international expansion during this period of globalisation.

The commercial activities of the Paris team were relayed in EU countries by Ceretrade in the UK, Sigma Nord Communauté in the Benelux and Germany, Sigma Rhône-Alpes and Coopagrani (Milan) in Italy, Sigma Ibérie (Bordeaux) and Ibergrano

(Barcelona) for Spain, and by a number of others. There were also permanent offices in Brussels, Algiers and Istanbul. In this globalised and evolving market, exports sometimes accounted for nearly 90% of Sigma's annual sales. Wheat was the predominant commodity, representing between 40% and 50% of the volume marketed by Sigma, depending on the year. Grains were four-fifths of the Group's business, with oilseed and protein crops making up the remaining one-fifth.

Despite the significant rise in export volumes (except in 1997/1998 and 2000/2001), business stagnated and profits were sometimes lacklustre during the decade of the 1990s. However, after two bad harvests (1994-1995 and 1995-1996), the grain cooperatives reported a record crop of 62 million tonnes in 1996-1997, which put their finances back on firmer footing. Sigma subsequently registered a nearly 5% increase in marketed grain, with a total volume of 6.56 million tonnes. Out of this total, 84% of the sales were exports, with two-thirds purchased in the European Union. Italy was Sigma's biggest customer that year, buying one million tonnes, followed by Germany and the Netherlands. Things were improving for Sigma between 1998 and 2000, but profits were sluggish.

Sales activity (1991-2001), in thousands of tonnes

	Total sales (o/w of French origin)	Export sales (o/w to the EEC)	Brokering	Tender wheat sales
1991-1992	6,542 (5,837)	5,397 (4,359)	3,272	2,706
1992-1993	7,229 (6,629)	5,877 (4,246)	3,199	3,057
1993-1994	7,831 (6,972)	6,632 (5,123)	3,038	3,929
1994-1995	6,035 (5,155)	5,727 (4,194)	2,429	2,705
1995-1996	6,270 (5,080)	5,980 (4,954)	2,460	3,183
1996-1997	6,560 (5,694)	6,129 (4,756)	2,483	3,388
1997-1998	5,553 (4,856)	5,222 (3,691)	2,219	2,242
1998-1999	7,856 (7,004)	7,324 (6,230)	2,665	3,736
1999-2000	8,888 (7,743)	8,273 (7,040)	2,523	4,401
2000-2001	8,200 (7,636)	7,334 (5,900)	2,395	3,894

Source: Sigma annual reports, 1990-2001.

1998-1999,

France represented 21.6% of agriculture, 21.3% of the agrifood industry and 30% of the agricultural cooperatives in the European Union.

In 2000,

916,000 people, or 3.5% of the French economically active population, were working on 664,000 farms.



A time for choices and vigilance

WHEN IT CAME TO LOGISTICS, THE SALES AND MARKETING DEPARTMENT RELIED ON MAGEFI TRANSPORTS for chartered rail and road transport and on the Group's silos for transit storage. In 1996 Sigma sold the historic 169,000-tonne Gennevilliers silo (formerly owned by UGCAF) to Grands Moulins de Paris (today called Nutrixo). Shareholdings were also sold in Union des silos de Frouard, near Nancy, and USSO, near Toulouse. In 1995 Sigma took a 5% stake in Compagnie de transports de céréales (CTC), which owned wagons and managed the Transcéréales railcar pool. The wagons belonging to Sigma (470 sixty-tonne tank wagons in 2000) were henceforth part of this pool.

In 1996 Sigma decided to get out of the operations management business and sold its engineering subsidiary Gamm. In July 1997 MAGEFI Transports obtained ISO 9002 certification. In 1999 Sigma leased the silo of the Société aquitaine de Bassens-Bordeaux. This silo, built in 1968, added 80,000 tonnes of capacity to the 70,200 tonnes of the original site. The ten sites owned by Sigma as of 30 June 2001 had a combined capacity of 683,600 tonnes.



In late 1994 Sigma created Sigma Terme. As a licenced trader in the commodity futures market, its role was to operate in the new rape futures market set up by the MATIF on 28 October 1994. In 1997 it became a clearing company for the MATIF.

Assets and capacity managed by Sigma/InVivo as of 30 June 2001

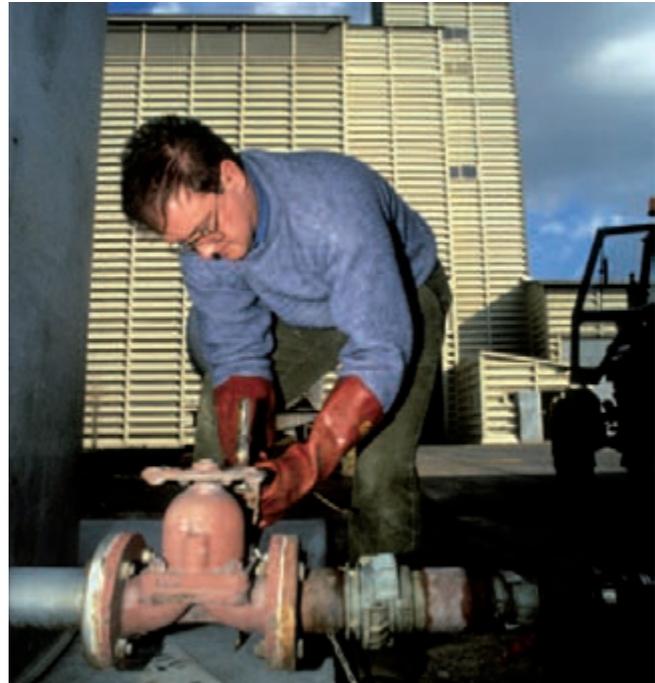
Tonnes of capacity (wheat equivalent)	Owned capacity	Leased capacity	Property of cooperatives	Total managed by the Group
Bordeaux	70,200	80,000	85,300	235,500
Châlons-en-Champagne	90,000			90,000
La Grande-Paroisse	172,300			172,300
Metz	87,900		190,800	278,700
Illange			42,600	42,600
Ottmarsheim	84,700	5,000	34,850	124,550
Port-la-Nouvelle	32,000			32,000
Le Pouzin	21,200		39,000	60,200
Saint-Usage	45,300		20,000	65,300
Santes	50,000		24,500	74,500
Strasbourg	30,000	41,000		71,000
Total	683,600	126,000	437,050	1,246,650

Source: Sigma annual reports, 1990-2000.

Substantial investments totalling about FF 50 million were also made in the late 1990s to bring facilities into compliance with the stricter regulations on grain storage that had been introduced in France.

MEANWHILE, ALLIANCES AND MERGERS PROCEEDED AT AN EVER-FASTER PACE between 1996 and 2001. The number of collection cooperatives shrank from 329 in 1990 to just 202 in 2000, while the sales reported by agricultural cooperatives continued to gradually rise.

They had gone up by 1.7 billion euros since 1997, including nearly 1 billion euros in 2000 alone, when they reached 64.8 billion euros. According to figures from COGECA, there were 120,000 salaried employees working in 3,700 cooperatives in France at this time. CFCA estimated that farmers “controlled half of the industries that processed their production”.



The storms in late 1999 caused serious damage at several silos. The one co-owned by Sigma and Sogema at Strasbourg had to be partially rebuilt.

trading

Some examples of mergers (1996-2001)

Laws passed in 1991-1992 had a significant impact by triggering a trend in spin-offs and the transformation of many cooperatives into groups of companies.

1996	Coopérative agricole Vienne-Anjou-Loire (CAVAL) merged with Coopérative agricole de la Région Choletaise (CARC), western France.
1997	Le Dunois de Châteaudun and Union de Blois cooperatives, already united in Val Beauce, joined with Blois-based La Franciade to form Agralys, which in turn merged with Épis-Centre in 2008 to create Axéreal group, centre France.
1999-2000	Coopérative La Noëlle d’Ancenis (CANA) and CAVAL formed a union that had 15 billion francs in sales in 1998-1999, western France.
2000	Agrial was formed through the merger of Agralco, Coop Caen and Orcal.
2001	Coopérative agricole départementale de la Sarthe (CADS) and Coopérative agricole tourangelle (CAT) created Union Set, which merged in 2009 with Agrial.

In 2000/2001, the last year before the merger with UNCAA, Sigma's results were disappointing. It reported a loss of 11.2 million francs (1.7 million euros), owing partly to a mediocre harvest and partly to a foreign country's backing out of a deal. The merger was intended to solidify finances, create synergies, and build up fresh momentum to confront the economic uncertainty that lay ahead owing to the application of *Agenda 2000*, the new round of WTO negotiations (Doha, in 2001), and the impending admission of countries in Central and Eastern Europe to the European Union.

At this pivotal moment at the turn of the century, Sigma was hoping to get a second wind from its strengths. These included good relations with member companies, as

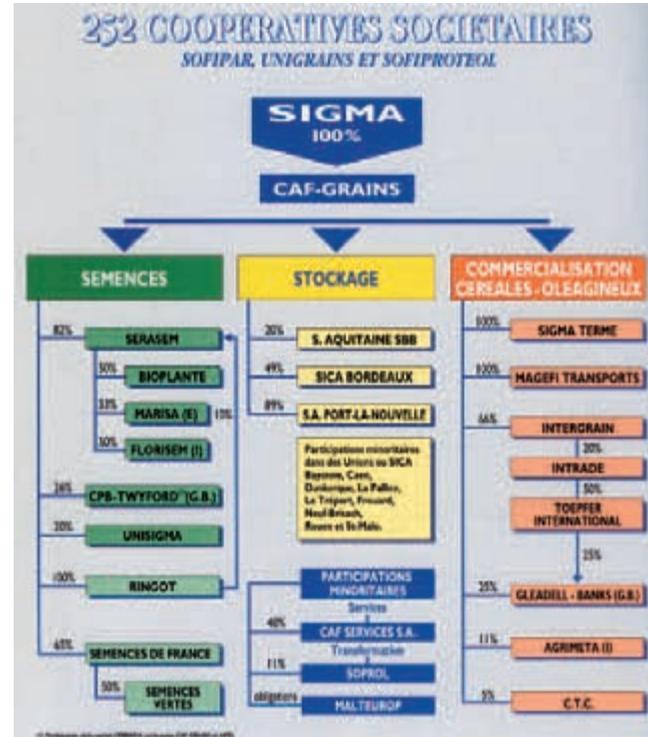
evidenced by their contribution commitments; sound finances, enabling it to envisage substantial investments; good export positioning, bolstered by its big stake in a global leader, Toepfer International; extensive storage and handling facilities, notably at seaports and on waterways; and strong positions in seed markets.

Moreover, Sigma had owned a stake in Soprol, a holding company controlled by the oilseed subsidiary Sofiprotéol,

since Soprol's founding, and was at this time the second-largest shareholder, with an 11% interest.

Agenda 2000 gives birth to a more liberal CAP

The EU heads of state or government ratified Agenda 2000 at the Berlin summit on 25 and 26 March 1999. This regulatory framework for agricultural and regional policy for the period 2000-2006 was intended to make EU agricultural prices more competitive by applying reductions in market support prices of 15% for grains, 15% for milk and dairy products, and 20% for beef.



Key figures for Sigma (1990-2001)

Years	Consolidated revenues (millions of francs)	Export revenues (millions of francs)	Net income (millions of francs)	Consolidated shareholders' equity and like elements (millions of francs)	Number of employees	Number of stakeholders, including collection cooperatives as of 30 June
1990-1991	10,358	8,357 (81%)	40	687	592	405 (329)
1991-1992	10,031	7,895	50	747	584	343 (291)
1992-1993	9,417	7,923	55	774	584	319 (266)
1993-1994	8,446	7,233	49	801	573	290 (241)
1994-1995	7,154	5,535	24	849	533	271 (234)
1995-1996	7,448	5,575	21	828	490	254 (224)
1996-1997	7,532	5,625	13	834	460	250 (218)
1997-1998	6,510	4,509	23	829	455	250 (211)
1998-1999	7,393	5,213	33	825	457	250 (206)
1999-2000	8,344	6,269	27	846	484	234 (202)
2000-2001	8,200 1.25 billion euros	6,642 (81%) 1.01 billion euros	- 11,2 -1.71 million euros	837 128 million euros	481	

Source: Sigma annual reports, 1990-2000.



**The Sigma management committee
on the eve of the merger**

Bruno Catton: managing director

Louis Behaghel: deputy managing director and economic affairs director

Richard Pédrón: grain export

Yannick Collet: storage

Philippe Hamelin: Serasem

Jean Baudon: Semences de France (seeds)

Philippe Sirjacques: administration and finance

Michel Armand: legal and tax

Jean-François Plandé: human resources

Jean-Christophe Barnoud: studies and external relations

MERGER

Chapter II

UNCAA, Europe's largest bulk purchasing and services centre for agricultural supplies

A pause, a revamped strategy, and unstoppable growth (1992-2000)

Between 1986 and 1991 UNCAA increased its shareholder's equity to 432 million francs and undertook actions to benefit the environment with the promotion of true agronomic science. The "GAMM 87" and "GAMM 90" events highlighted the Group's strategic repositioning. It was the pioneering "La Belle Nature" programme begun by Claude Besnault that signalled recognition that environmental protection was an essential factor of future agricultural production. The managing director's aim when he took over at the head of UNCAA in 1982 was to increase share capital to 500 million francs. His goal had nearly been attained by the time he retired in 1992, and it was indeed reached in 1995. However, UNCAA failed in its 1990 bid to take over Établissements Truffaut, a chain of garden centres for amateurs and professionals. The 1990s were divided into two distinct periods: the first (1992-1995) still looked back to the 1980s, while the second (1996-2000) laid the foundations for the 21st century and InVivo's expansion.

Seeking a second wind in a singular economic context (1992-1995)

ALTHOUGH ECONOMIC SIGNALS WERE POSITIVE AT THE END OF THE 1980s, some basic issues, both strategic and market-related, were confronting the managers of UNCAA, their cooperatives, and their stakeholders. After forty years of steadily increasing use of intermediate products in crop production, the post-war boom in this so-called intensive agriculture came to an end in the early 1990s. The conclusion arrived at by the Group's management was inescapable: "in the medium and long term, member cooperatives and UNCAA will have no choice but to adapt to the contraction of their fertilizer and plant protection markets" (1990/1991 Annual Report).

Consumption of straight ammonium nitrate fertilizers in France stagnated during the 1990s, while the tonnages of fertilizers sold by the UNCAA held steady (see table on the following page). This was the result of an aggressive marketing policy for high-quality products designed for optimal crop management – a policy that was already focusing more on the environment. Sales of crop protection products, which had tripled in the 1980s, rose from 4.18 billion francs in 1989-1990 to 5.78 billion in 1999-2000,

a 40% increase in ten years. This performance in a stagnating market confirmed UNCAA's position as the leading vendor of these products and the appeal of its innovation policy to farmers.



Claude Besnault presents the "La Belle Nature" concept.

“belle nature”

More than an ecological initiative, it was a road on the way to making environmental protection an integral part of agriculture.





Consumption of straight ammonium nitrate fertilizers in France (1991-1999) - In thousands of tonnes

1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999
6,026	6,294	5,142	5,362	5,682	5,918	6,280	5,787	6,230

Source : Rapports annuels UNCAA (1990-2001).

UNCAA tonnages of fertilizing products* (1991-2001) - In thousands of tonnes

1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001
2,002	1,898	1,558	1,795	1,813	1,966	2,337	2,445	2,337	2,335	2,011

Source: UNCAA annual reports (1990-2001).
*Nitrate, compound and phosphate.



Consumption of fertilizers and fertilizing products remained stable in the 1990s despite a widespread policy in the agricultural sector of cutting back on their use.

IN JANUARY 1992 UNCAA DECIDED TO FULLY INTEGRATE UCAAB, until then its largest subsidiary. UCAAB continued to use its name and logo, as this identity was key to its strong performance. The merger was expected to streamline operations and reduce management costs. Management's aim was to promote the necessary synergies among the Group's diverse operations in the animal production field by bringing together in the new Animal Production Division all existing scientific, technical and commercial capabilities, in particular those of UCAAB and CAF Appro Rennes, whose plant was at Loudéac.

UCAAB had nearly 200 employees at the time and was working with 80 production plants and 150 distribution cooperatives. The volume of complete feeds manufactured with the UCAAB technique was over 3.3 million tonnes. The quantities increased by 75% in five years – a period during which the French market grew by just 30% – and by more than 100% over ten years.

UNCAA's largest subsidiary continued to expand. In 1989 it became the only European representative of Cooperative Research Farms (CRF) and in the following year joined Intercoop Europe, a European research network made up of thirteen cooperatives in northern and central Europe. This organisation was a unique forum for sharing knowledge in animal nutrition.

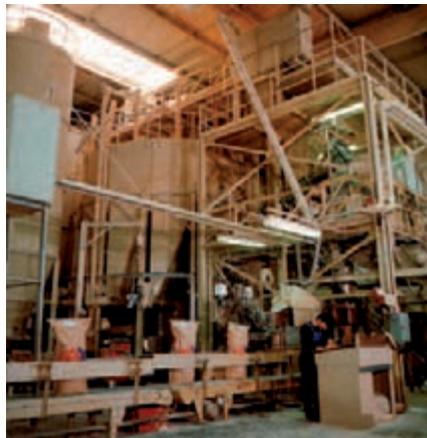
In 1991, shortly after the Berlin Wall came down, UCAAB decided to take a 25% stake in the Hungarian company Vitafort by setting up a 50/50 joint venture with Rhône-Poulenc (which would sell its interest to UCAAB in 1997). This former state-run cooperative was a service company whose cattle feed sales exceeded one million tonnes, equivalent to about 20% of the Hungarian market. UNCAA's first external growth venture outside France, it was more a reflection of the Union's desire to have an observation post in Eastern Europe than of a true international growth strategy.

Despite several restructuring plans, it would take ten years for this company to become profitable. That same year, UCAAB took a majority shareholding in Comptoir central des minéraux d'Anjou (CCMA). Located at Andard, near Angers, this minerals manufacturing operation was owned in partnership with regional cooperatives (CADS, CAVAC and CAVAL).

In 1991 UNCAA/UCAAB made its first move to expand internationally by taking a stake in the Hungarian service company Vitafort.



In 1992 Patrice Gollier was named director of UCAAB (1992-2004), replacing Jean Myotte, who became deputy managing director of UNCAA (1992-1995). UCAAB demonstrated its dynamism with strong growth in the poultry and pig production sectors. While the market suffered in 1993 from overproduction and the uncertainty fuelled by the new CAP, and then again in 1995 from cattle breeders' fears of exceeding their milk quota, the volumes produced with the UCAAB technique continued to increase steadily in the second half of the 1990s (see table below).



In the mid-1990s France reinforced its leadership position in the European animal feed industry, far outpacing Germany and the Netherlands.

In 1991 UNCAA's revenues topped 10 billion francs for the third year in a row. It employed 900 people and occupied a predominant place in the plant protection (37%), fertilizer (20%), animal feed (20%) and plasticulture (50%) markets in France. UNCAA had three operational divisions: crop production, animal production, and equipment/diversification. Among recent successes were Opticoop Systèmes (it took this name in 1992), a research and advisory structure that provided cooperatives with tools to increase the output of their land and control inputs; UCAAB, which was on the way to becoming the number-one cattle feed supplier in France; Soulès CAF, the leading French importer of raw materials for animal feed; and **Gamm vert, one of the top five** franchises in France, with some 300 stores.

Gamm vert hailed in the press

In 1992, *Franchise Magazine* ranked Gamm vert number five among the Top 50 retail franchises, behind Alain Afflelou, Comod, Shopi and "8 à 8". Observed the magazine: "Gamm vert, an unknown name a few years ago, has made a great breakthrough in a rather stodgy market! It is remarkable that to do that, the agricultural cooperative sector chose the franchise approach. And it worked out beautifully".



Optimising and planning fertilization while respecting the environment: Opticoop Systèmes is an advisory tool for cooperatives and their farmers.

Here an *Opticoop Systèmes* advisor talks with a farmer.



Tonnages of feeds using the UCAAB technique, excluding breeders' minerals - In thousands of tonnes

1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001
3,055	3,279	3,284	3,577	3,520	3,513	3,680	3,930	4,103	4,290	4,725

Source: UNCAA annual reports (1990-2001).



UNCAA's scope in 1991-1992

Among the cooperative group's largest subsidiaries and principal shareholdings were eleven companies:

- UCAAB: cattle feed production (merger in 1992);
- CAF Appro: feeds for farm animals and pets;
- Gamm vert SA (franchise): multi-speciality stores in rural areas; Ami Jardin (1992);
- Sepco: consulting and projects in marketing and communication;
- Biotop (created in 1991): production and marketing of bio-insecticides;
- CNCATA: raticides, slug protection, foodstuff protection
- NOÉ: veterinary laboratory;
- Europagro and Olympig (sold in 1995 to the partner CECAB): slaughterhouses;
- Soulès CAF (40%): international trade in raw materials for cattle feeds.



ENVIRONMENT

ON 1 JULY 1992 DEPUTY MANAGING DIRECTOR BERNARD MOULINET, A FAMILIAR FACE AT UNCAA, WHERE HE HAD BEGUN WORKING IN 1961, succeeded Claude Besnault as managing director. Moulinet was already chairman of Gamm vert, CNCATA, and Biotop, a company he had recently founded. When Claude Besnault passed the baton to his loyal associate, who was three years his junior, UNCAA was the leading agricultural supplier in Europe, with 470 member cooperatives. It had also developed a strong commitment to policies to protect the environment. Claude Besnault was appointed general delegate to the board of directors and stayed on as chairman of the supervisory boards of Europagro, Olympig and NOÉ.

As implementation of the new CAP got under way, UNCAA continued to restructure its pig activity in Brittany, which was centred on Olympig. UGCAF's supply business was also combined with UNCAA's in 1992. Personnel were transferred with no major problems, and some cooperatives that previously were UGCAF members began to deal with UNCAA in January 1991, shortly after Sigma was set up to work in the grain sector.

The board of directors was chosen with an eye to continuity and stability at a time when trends more structural than business-related were reshaping the economy. Bernard Moulinet and deputy managing director Jean Myotte worked together to adapt and redeploy the Group. They revamped the internal organisation, placing greater emphasis on responsiveness and the capacity for adaptation. A human resources department was created. Claude Cainjo came over from UCAAB and served as its manager until his retirement in 1995. He and Pierre Pinault, director of the marketing and communication subsidiary Sepco-Agora, also coordinated the UNCAA newsletter, launched in December 1993.

Along with a new managing director came a new chairman. On 18 February 1993 Albert Baudrin succeeded Albert Duchalais, who was retiring. The chairman of Terres du Sud used his extensive background in agricultural cooperation and a resolute personality toughened by experience in the field to revitalise UNCAA and adapt it to the structural changes taking place. A believer in consensus, in touch with the cooperatives and sensitive to their needs, he would be one of the key players in the merger between UNCAA and Sigma in 2001.

Bernard Moulinet: company man and champion of Gamm vert

“... I fell in love with UNCAA a long time ago, and I still love it today. ,,

Bernard Moulinet, speaking at a meeting of the personnel on 14 September 1992.



Born on 25 April 1935 at Saint-Léger-sur-Sarthe, Bernard Moulinet was the son of a cattle farmer. In 1955 he began studying at École Nationale Supérieure d'Agriculture in Rennes and received a degree in agronomic engineering in 1958, with a major in animal production. Following a long and difficult tour of duty in Algeria as an officer in attack units, he joined UNCAA in April 1961, at the age of 26, as a trainee engineer. In January 1962 he was put in charge of the fertilizer business, a position he held for eight years. In January 1970 René Maloux appointed him an assistant director. He became a deputy director in July 1975, then director in 1978, director of economic affairs in July 1981, and deputy managing director in July 1985.

A close colleague of chairman Duchalais, he dealt with crop production (as the fertilizer specialist) and the diversification policy. In 1992, out of a desire to maintain continuity in the senior management, he was chosen to replace Claude Besnault as managing director. Beneath his rough exterior he was a perfectionist and an efficient manager who fostered an attitude of team spirit, as René Maloux and Claude Besnault had done before him, in an organisation where he spent his entire career. Confident in the future and in people, he led and motivated the staff during a period of transition. He was the manager who oversaw the rapid development of the Gamm vert business, which grew from 120 franchisees in 1986 to over 400 in 1998. He was chairman of Gamm vert until 1998, and remained a member of the board of directors after that. In 1995, Bernard Moulinet passed the helm at UNCAA to Jean Myotte, whom he had hired thirty years earlier.

Albert Baudrin: a consensus-builder in touch with the cooperatives



Born on 17 September 1937 at Gouy-en-Artois, in northern France, Albert Baudrin was the son of a farmer. He was very familiar with the cooperative milieu around Arras and went on to run a car dealership. In 1960 he began farming at Marmande, in southwestern France, on 95 hectares of land. He was the union official at the Young Farmers centre and member of the Chamber of agriculture of the Lot-et-Garonne, and a board member (1979) and then chairman (1981) of the Copalma agricultural cooperative, renamed Terres du Sud in 1992. A board member (from 1980), officer (1985-1987), and then vice chairman (1987-1993) of UNCAA, he was named the Union's chairman on 18 February 1993, replacing Albert Duchalais. Chairman of CAF Appro and vice chairman of NOÉ élevage service and of Soules-CAF, he was also chairman of the SICA of the port silo at Bordeaux and of Sepco.

Albert Baudrin sat on the boards of CFCA (1990), FFCAT, the National association for agricultural development (ANDA), the Water committee (1991) and CNMCCA (1994), while also occupying other professional functions. Chairman at the time of the merger with Sigma on 4 December 2001, he then chose his successor, Michel Fosseppez. Since then, he has devoted his time to setting up ADIVALOR, a French phytopharmaceutical waste management organisation whose founding members include InVivo and Coop de France.

From right to left, Albert Baudrin and his successors as managing director, Bernard Moulinet and Jean Myotte.





Chapter II - UNCAA, Europe's largest bulk purchasing and services centre for agricultural supplies

The change in leadership came during a troubled period, when the future was fraught with doubts, fears and uncertainties. The new tandem Baudrin-Moulinet had to contend with a downturn triggered by the implementation of the new CAP and the globalisation of trade, which was increasingly hard to control. In 1992 and 1993, UNCAA's revenues fell slightly and profits stagnated. The pair did their best to get the Group growing again and to spur innovation. They restored a sense of unity and combativeness to their teams during one of the most complex periods in UNCAA's history. The economic climate was casting a shadow over the future of agricultural cooperatives. Even the Crédit Agricole d'Ile-de-France bank was sceptical of agriculture's potential and was asking cooperative unions to put up larger guarantees.

For the first time, UNCAA was obliged to trim its workforce, with nearly eighty employees leaving the Group. Bernard Moulinet may not have experienced the crisis in the years 1953 to 1955 directly, but he knew all about it, and he had also been director of economic affairs during the 1983-1984 oil shock. He was a seasoned executive who knew that the crisis would pass, since its causes were less structural than related to the business climate. He fired up his troops and rallied them behind the two watchwords for the Union in the future: performance and adaptability.



The Biotop site at Valbonne at the time of its founding. A wonderful story in biological plant protection begins...



A Biotop greenhouse (2004).

PLANT

The Trichogramma is a minuscule wasp less than 1 mm long. By depositing its eggs in those of the European corn borer, it destroys the eggs of this pest while ensuring its own reproduction. Biotop's leading product, *Trichogramma* are employed each year on several tens of thousands of hectares of crops in Europe, and their use is steadily increasing. In 2001, ten years after use of this technique began, 70,000 hectares of maize were protected against corn borers thanks to the *Trichogramma* produced by Biotop.



The famous *Trichogramma*, a minuscule parasitoid insect whose eggs are weapons in the fight against European corn borers.

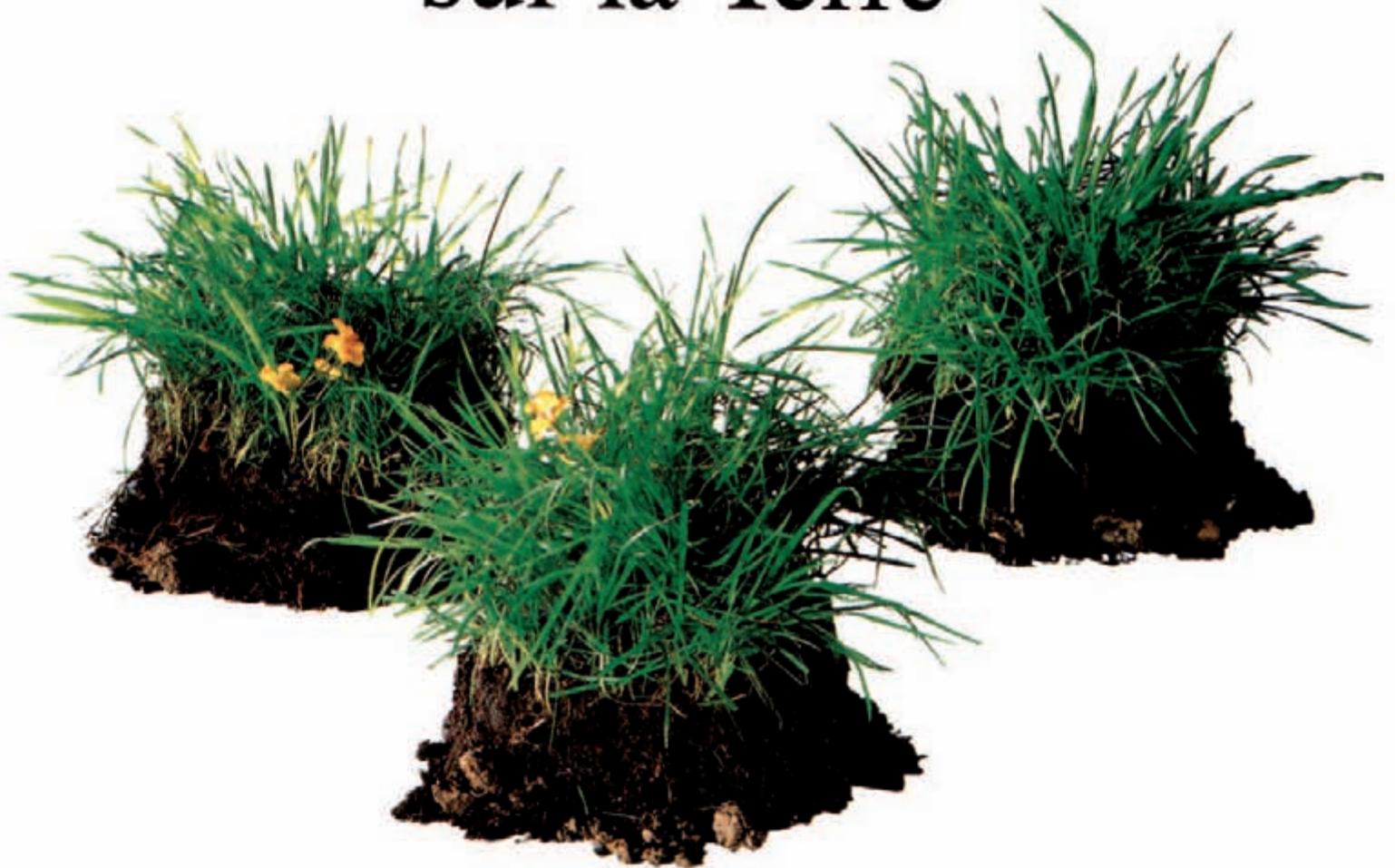
UNCAA continued its march forward. Its strength lay in its capacity to innovate. In 1991-1992 came the launch of Biotop, whose mission was to develop and market new biological plant protection solutions. The new venture extended the joint efforts begun in 1975 with the French National Institute for Agricultural Research (INRA) to come up with a biological method of fighting European corn borers using *Trichogramma*. This was the first innovative technique developed and marketed by Biotop. After the success with **Trichogramma**, its lead product, the young company entered a new market, integrated biological protection for greenhouse crops (glasshouses, multispan plastic greenhouses, tunnels, etc.), offering a series of innovative and strategic products: *Trichogramma* against tomato leaf miners, pollinating bees, and a complete range of auxiliaries for crop protection. As the years went by, it became less a technological pioneer than a major player in the field of biological protection for all types of gardening.

In 1993 UNCAA acquired a 10% interest in Sipcam Phyteurop. Though fairly small, this investment was important strategically and politically at a time when formerly rival unions were forming business alliances. The company, specialising in generic plant protection products, was founded in 1968 by cooperatives, most of which were members of UGCAF, grouped in the holding company Sofagri and allied with an industrialist of Italian origin, Albino Cima, who was its chairman. Phyteurop's development was driven notably by Champagne Céréales and its chairman, Jacques de Bohan. Also in 1993, Sipcam Phyteurop moved into the field of fundamental research and new molecules by taking stakes in Isagro and Isagro Ricerca. It then expanded its presence in the French market in 1997 by acquiring a majority shareholding in Tradi-Agri.



In 2012 Phyteurop, chaired by Dominique Dutartre, was the leading independent French firm engaged in the manufacture, formulation and distribution of phytopharmaceutical products. It has a strong presence in Germany and Switzerland. The minority shareholder is still Sofagri, and the holding company of the cooperatives is InVivo.

Rien n'est plus important sur la Terre



que la terre.

LEADER-FORCE - ESPRIT-UNION



Nourricière, généreuse, mais menacée, la Terre a besoin d'être protégée contre tous les excès. Depuis 10 ans, l'UNCAA avec l'appui de ses 500 coopératives sociétaires, partenaires et conseils des agriculteurs, relève le défi de l'environnement. Leader européen de l'agrofourniture (fertilisants, protection des plantes, nutrition animale) l'UNCAA connaît l'importance planétaire de l'enjeu. Pas d'accroissement des performances, sans défense des sols et des espèces. Analyses des sols, Etude scientifique des besoins des plantes, Bilans réguliers, Information objective fondée sur l'observation et la recherche, permettent de recommander les meilleurs "itinéraires culturaux". Pour l'UNCAA, le meilleur engrais, c'est le conseil. Pour que la terre, mieux défendue, donne le meilleur d'elle-même.

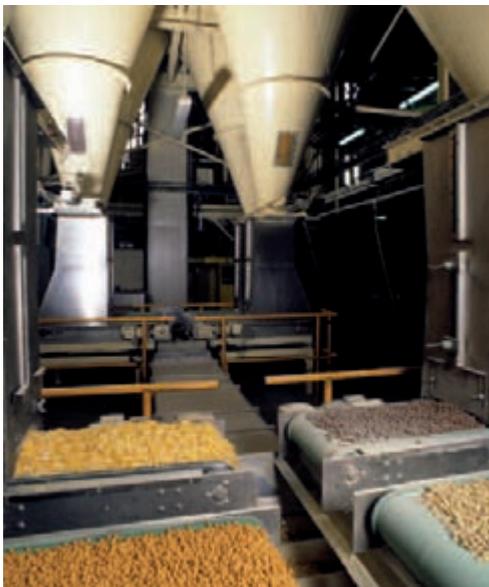
 GROUPE
UNCAA
L'AGRO PERFORMANCE



The Group's efforts made the quality certification of its animal nutrition and health activities a priority in September 1994 the Loudéac site inaugurated its new premix manufacturing plant and in April 1996 obtained ISO 9002 certification for all its industrial activities including premixes, medicinal premixes and special products. In August 1994 UCAAB became the first French service company to obtain ISO certification, for its Château-Thierry site. This background work proved to be perfectly in line with the new traceability requirements emerging in the animal products sector.

While carrying out the certification process, UNCAA was also investing to improve the productivity and quality of its pet-food products at the Sens and La Braconne plants. In early 1995, NOÉ Socopharm, specialised in animal health, opened a new warehouse in Chierry for storing, packaging and dispatching its veterinary products. This logistical platform was managed by dedicated software with logistical requirements aligned to those of a human pharmacy. Patrice Gollier, director of the animal products division (1996-2003), continued and improved this investment in total quality and certification, just as the so-called mad cow epizootic hit and the debate was launched about the use of GMO in plant raw materials.

After excessive blame was placed on cattle feed manufacturers following the BSE crisis, UCAAB built up a remarkable quality control approach, thanks to its experience in the domain since the late 1980s. Baptised "Diamond", the quality approach resulted in a real progress contract, which formalised UCAAB's entire expertise in manufacturing technology, product formulation and quality control.



A recurrent theme at UCAAB: quality control throughout the production process.

1996, 1999 and 2000: the shock of the health crises

“If cows ate (...) meat (...), they would ‘go mad’.”

Rudolf Steiner (1861-1925), philosopher and scientist, at a 1923 conference.

The mad cow crisis of 1996 in Britain (bovine spongiform encephalopathy, or BSE) and the dioxin-contaminated chicken scare of 1999, sowed doubts in consumers' minds and quality became a major issue for professionals. Farmers were asked to produce differently and in full transparency, with traceability. Meat and bone meal was banned. Faced with new regulations, the professionals needed to provide strong agronomic responses. Genetically modified organisms (GMOs) also became a central issue in discussions and consultations with all the players in the agricultural sector.

- In 1997 UNCAA's new review, *Agro-Performances*, published 10,000 copies of a special edition on GMOs, which was snatched up by its readers. It became a reference in the profession.
- In 2000-2001 two new serious health-related crises hit Europe: the second wave of deep concern about BSE in the autumn of 2000, which led to the banning of meat and bone meal, and the foot and mouth epizootic, which hit Great Britain, and, to a lesser extent, the rest of Europe.

On 30 June 1995 Bernard Moulinet retired, sticking to the unwritten rule laid down by his predecessors Gerbaud, Maloux and Besnault to retire at the age of 60. Nevertheless he remained in his position as chairman of Gamm vert and on 16 November 1995 launched the third brand of stores, Gamm vert Village. Jean Myotte, his right-hand man in the Group's senior management, took over from him. Myotte was seconded by Alain Gobert, CEO of Gamm vert from 1998 to September 2007. He continued the work started by his predecessor and turned the brand into one of the leading players in French rural retailing. Gamm vert was no longer a developing subsidiary; it had become an engine of growth.

Alain Gobert

Born on 20 November 1945 in Jeumont (Nord-Pas-de-Calais département), Alain Gobert joined UNCAA in 1975 as head of the accounts department. A chartered accountant by training, he rose through the ranks to become assistant manager of the finance department (1980), deputy finance director (1985), and then finance director in 1989, taking over from Jean Pannoux. On 1 July 1995 he was appointed deputy chief executive officer of UNCAA and later InVivo, which he helped to organise until his retirement on 30 June 2006. A true “cooperative man”, Alain Gobert was a key figure in the restructuring of UNCAA.

Back on track to growth, UNCAA modernises its businesses and structure (1996-2001)

BY HANDING OVER FROM ONE GENERATION TO THE NEXT, UNCAA ENTERED A PHASE OF RENEWAL AND ADVANCEMENT.

The financial year ending 30 June 1995 was one of the best the union had had since its inception. UNCAA's shareholder's equity totalled FF 180 million and it breached the FF 500 million threshold in share capital! That was an excellent trump card for preparing its development and Jean Myotte took over with excellent financial visibility. The crisis had been short-lived, but

when all was said and done, favoured the new start. The priority for the new managing director was to work with Albert Baudrin to improve the Group's efficiency for the benefit of its cooperatives and farmers.

Jean Myotte took the immediate decision to leave the meat sector, which had become a "real millstone" (sic). Olympig was sold to the cooperative group CECAB at the end of 1995. After that UNCAA disposed of its abattoirs in Rungis, Argenteuil and Mantes-la-Jolie in the Paris region, as well as Europagro in Valencia.

Jean Myotte: a reliable man for tough assignments



Jean Myotte was born on 14 September 1945. His father was from Franche Comté and his mother was Gascon. He studied in Paris where he obtained a postgraduate degree in economics and a diploma from Institut de Contrôle de Gestion (institute of chartered accountants). He worked briefly as an administrative assistant in the Paris municipality public housing division before joining UNCAA where he remained for the rest of his career. His recruiters Claude Besnault and Bernard Moulinet had apparently passed on the UNCAA virus! He was successively executive assistant (1971-1974), head of the fertilizer division (1974-1977), assistant manager (1977-1979), deputy director (1979-1982) and director (1982-1992). In 1982, he was appointed managing director of the union of agricultural cattle feed cooperatives, UCAAB, based in Château-Thierry.

He had hardly taken up his post, when he turned around NOÉ Elevage Service. The company was a recent acquisition and chaired by Marcel Neeser. This episode gave Myotte an opportunity to demonstrate his managerial and marketing skills. He gave UCAAB back its soul and its energy after a very difficult period for the union, and set it on the road to success by combining technology with marketing.

In 1992, Jean Myotte was appointed deputy managing director and worked alongside Bernard Moulinet to adapt and redeploy the Group during a difficult period for European agriculture. On 1 July 1995, he succeeded his mentor in the post of managing director. After the merger he was appointed deputy managing director to Bruno Catton (2001-2002) and then CEO of InVivo (2002-2007). He was chairman of Gamm vert from 2007 to 2012.



From left to right: Michel Fosseprez, Jean Gonnard, Jean Myotte and Albert Braudin, at UNCAA's January 1999 general assembly.

The other men who played an important role in UNCAA's revival were Bernard Raynaud, director of the plant products division, and Patrice Gollier (see part 4), director of the animal products division at UCAAB from 1996 to 2003. The two divisions were the cornerstones of UNCAA's economic and technical development. In 1996, when the technical pool celebrated its 20 years of existence, "agro-performance" was more than ever living up to its name with its search for excellence in satisfying the expectation of its member cooperatives.



Bernard Raynaud, one of the two founders of UNCAA's agronomy division, presenting Opticoop Systèmes, a forecasting tool he perfected himself.

Bernard Raynaud

Born on 13 November 1951 in Carmaux (Tarn département), Bernard Raynaud was hired by Bernard Moulinet in 1974 as a phytosanitary engineer. He became head of the agronomy division (1981), and then assistant manager (1988) and manager (1992 à 1997) of the plant production division. He was head of agro-supplies from 1997 to 2007, and then became director of sustainable agriculture and development at InVivo. Philippe Cassedanne and Bernard Raynaud were the founders of the agronomy division. Raynaud was a man of imagination, who combined enthusiasm with energy. He was also a man of conviction and together with his teams, created a unique network in applied agronomics, recognised in the phytochemical and fertilizer market throughout Europe.



Chapter II - UNCAA, Europe's largest bulk purchasing and services centre for agricultural supplies

IN 1995 GAMM VERT LAUNCHED THE "GAMM VERT VILLAGE" concept to complement the existing "Gamm vert" and "Gamm vert Junior" stores. These new local stores offered a more limited assortment of goods for farmers and the rural population as a whole. In the same year the fifth Gamm vert congress called "Camargo 95" was held for 550 people in the Camargue nature reserve (southeastern France). Gamm vert's first, historic congress had been held in Deauville in 1987, followed by Tunisia (1989), Oppio (1991) and Sardinia (1993). In 1996, the Gamm vert franchise celebrated its tenth anniversary. Its 435 stores, 50 of which opened in 1996, were spread over 84 French départements with one store in Luxembourg. The 400th store was inaugurated in 1996 in Marquise (Pas-de-Calais département) and the 500th in Lorient (Morbihan département), on 30 April 1998. Meanwhile, a second store was opened in Luxembourg in 1997.

This was the year Gamm vert S.A. passed the billion franc revenue mark for the first time, up 20% on the previous year, and in line with the average increase in franchises over the 1990s. The network continued to develop rapidly both in the number of new stores and revenue (see table below).

The record number of new stores in a single financial year occurred in 1997/1998 with 67 stores opened. The leading French rural leisure store network continued to grow on the eve of the millennium, with a store in Martinique in September 1999 and a 600th store in Carhaix (Finistère département) on 26 October 2000. At the end of 2000, the Gamm vert brand was the leader in agricultural self-service stores a market share of nearly 60%.

RECOMMENDATION

UNCAA's method: accurate and personalised decision-making tools.



Gamm vert revenue (in FF billion) and number of stores (1990-2001)											
	1990-1991	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001
Revenue	589	660	736	815	877	964	1 058	1 160	1 200	1 356	1 476*
Stores	291	300	325	364	378	423	460	527	559	599	640

Source: UNCAA annual reports (1990-2001). * 225 million euros.

At the same time, UNCAA launched actions to promote environmental protection. Now a social and economic necessity, the environment had become a central issue that had to be taken on board in all cultivation practices. Claude Besnault was the first to become aware of this but both Bernard Moulinet and later Jean Myotte pursued environmental actions skilfully and with conviction. The new law of 1 January 1996 on the distribution and application of crop protection products, the 4 March 1996 decree on protecting water from nitrate pollution stemming from agriculture, and the mad cow crisis, certainly sent out strong signals. Consumer concerns about food safety grew and impacted consumption patterns as well as consumer perceptions about agriculture.

With this in mind, engineers, vets and technicians worked persistently and efficiently to transform those ambitions into practical reality. They developed new cattle breeding and fertilization techniques that took into account agriculture's dual objectives of being productive while respecting the environment. A reminder of this stance was given during the 50-year celebration of the two unions, who brought their employees together for the first time on 26 June 1996. This may or may not have been a symbolic initiative and a harbinger of the merger; certainly the time had come to assert mutual convictions.

Studies carried out by UNCAA's agronomy division showed that farmers saw themselves as running businesses, and being both managers and technicians. Consequently they expected a great deal more from their cooperatives, including real expertise to assist them in decision-making with regard to their present and future operations at a time when environmental data and food safety had to be taken into account. That was why UNCAA developed the Opticoop Systèmes approach, which implemented formalised and personalised services.

This pioneering approach was conceived in the mid-1970s and perfected between 1995 and 2000. It provided farmers with decision-making software, such as **Ramsès**, which helped to reduce the use of nitrogen fertilizers according to the real needs of the plant, while Ferti Conseil adjusted the farmers' fertilizer budgets, allowing them to keep a history of fertilizer use in their plots. Other tools such as Optisol and Gammsol provided personalised advice to farmers in response to a strong demand on their part, since this had become vital to improving performance. The farmers were won over. They perceived Opticoop Systèmes as a brand that provided a range of high-tech services, enabling them to save on inputs, reduce overheads and provide them with clear individual recommendations.

■ Ramsès, sustainable performance

Launched in 1991-1992, *Ramsès* was a way of managing nitrogen manure. Using dedicated software *Ramsès* enabled farmers to apply the correct amount of nitrogen at the right moment when the plant most needed it. The aim was to reconcile performance with respect for the environment. In 1996-1997, 40 cooperatives and some 800 technical sales staff monitored 7,400 plots using *Ramsès*.

26 june 1996,

Sigma and UNCAA celebrate their 50th anniversaries together

The two unions jointly developed three key ideas.

First idea: it was vital to bear in mind that behind the member cooperatives were the farmers themselves, and to understand the technical and commercial challenges they faced on their farms — those very challenges on which the union works in synergy with the cooperatives.

Second idea: the unions' function complements that of the cooperatives. They must not do their job in their place, but must have a constant concern for, and desire to cater to, their expectations. That entails being able to forecast market and company trends.

Third idea: unions are partnerships whose fate is inextricably tied to that of their members. That is the iron law of cooperatives and means that while respecting the general rules of good management and marketing efficiency, the unions also have to face more opportunistic competitors, and respect the constraints of a general policy, which expresses the management board's decisions based on long-term strategic trends in agriculture.





Chapter II - UNCAA, Europe's largest bulk purchasing and services centre for agricultural supplies

After serving the major crops, the Opticoop Systèmes turned its diagnoses to vineyards, tree cultivation and market gardening. This meant a real shift in the Group's culture, with advisors having to assist stakeholders in their day-to-day practice and helping them to understand and integrate this new agricultural order, in which environmental and quality aspects were key. On the eve of the 21st century the vast majority of French people agreed that farmers had a major role to play in protecting the environment. Since marketing was playing an increasingly important role in this change, the UNCAA group decided in 1998 to set up a "marketing pool" comprising 90 individuals and 44 cooperatives. The pool was part of the plant production division and was a response to stakeholders' demands as they sought to implement the most efficient solutions in both products and services. Brand management became a business in itself.

UCAAB's marketing and communications policy was launched at the end of the 1980s. Since the 1970s, UCAAB had become a veritable training school for all the technicians, engineers and managers who worked there. Marketing was necessary to improve the perception of UCAAB's performance to its stakeholders and its professional environment and enhance its image. Pierre Pinault, an ISA engineer from Beauvais who had joined UCAAB in 1980, promoted this policy as assistant engineer in the marketing, advertising and public relations division. In 1992 he took over as head of the marketing and communications division at Sepco and brought together a team of specialists in research, communications, training and information, whose task was to meet the many demands of the Group's cooperatives and entities.

On 22 January 1999 UNCAA took over the Normandy union UCANOR and merged it with UCAAB. At the time of the merger, which occurred during the new dynamics in animal feed regarding research, production and quality of services, UCANOR was in a difficult situation. This major takeover, the result of discussions about UNCAA and UCAAB' future, consolidated the Group's leading position in animal feed in France with a market share of more than 20%. The merger also helped to establish new synergies between NOÉ and Sanicoopa, the subsidiaries specialised in the manufacture and sale of veterinary products. The first year provided an opportunity to improve the Dyna and Tanor brand (cattle breeding) by complementing their resources.



In 1997 UCAAB took over Lactina in Strasbourg, which strengthened its industrial resources in minerals and special nutritional supplements for livestock breeders.



UNCAA providing training in Epiclès manure planning software to the CAVAL cooperative in 1997.



Crop advisors from UNCAA cooperatives in the field with farmers to help them understand the new decision-making tools.



animals

“The agronomy division and now UCAAB’s animal products division are the cornerstone of the Group’s development in plant and animal products respectively.”

Albert Duchalais in his speech at the end of his chairmanship (1993).



UCANOR (1967-2000), From a regional Normandy union to a service company

FAR MORE THAN A REGIONAL NORMANDY UNION, UCANOR WAS A COMPANY WITH BROAD TECHNICAL EXPERTISE, WHICH HAD DESIGNED PROCEDURES AND PRODUCTS THAT WERE HIGHLY VALUED IN THE ANIMAL FEED SECTOR.

A union of cooperatives affiliated to UGCAF

In June 1967 the union of Normandy agricultural cooperatives (UCANOR) was established in Caen by a large majority of UGCAF member cooperatives. Amongst these were CASAM, Coop Caen and UACC, which rented their plants at Coutances, Carpiquet (near Caen) and Crulai to the new entity. In June 1968 they were joined by the Eure Agricultural Cooperative, which added its Gravigny plant (1 January 1970). At the time UCANOR was hit by the crisis in the cattle feed markets, but in July 1968 UGCAF provided support by asking all its members to subscribe 2% of their revenue to UCANOR's capital.

In January 1969 UCANOR established its offices in Carpiquet, and took over the recently-built Argentan factory and biological laboratory (April 1969). At the end of 1969, two other cooperatives, Montfort-sur-Risle and Le Dunois, joined the union. In June 1971 UCANOR bought the Neubourg plant, with a 60,000 tonne capacity, from Lesieur-Sodeva and the Carpiquet and Gravigny plants were closed.

Aldéric Picard, chairman of UCANOR and of Coop Caen in Caen, took over from Robert Mangeard as chairman of UGCAF on 3 June 1970.

The successful 1970s

The launch of *Lactoplan*, a technical and economic management tool for dairy farmers was a great success and gave UCANOR the idea to develop more agricultural software. At the time, *Lactoplan* data were processed in Great Britain by ICI, but in 1982 the data processing was repatriated to Caen. In 1984 *Lactoplan* prepared a new version of its software in time to greet the EU milk quotas, and developed it further in 1989 to include heifer-rearing and calculations of net margins for dairy farms. Then, in 1976, UCANOR perfected and developed on an industrial scale a process to enhanced protein solubility patented by INRA. This was carried out in the Neubourg and Fougères plants and the technique increased the protein content of milk ten-fold. Revenue in 1979-1980 reached 328 million francs.

Diversified businesses and flagship brands

In 1980 UCANOR had four business segments:

- **Cattle feed and mineral and vitamin supplements** were manufactured at Coutances, Le Neubourg, and Fougères. The super-concentrates used in the cattle feed were manufactured at Argentan. The flagship brands were *Coopa* (founded in 1967 by Dr. Lefebvre), *Protane / Milgrain* (poultry feed) / *Cracos* (cat and dog food).
- **Raising hybrid sows and boars**
Two rearing stations operated in Chambord (Eure département) and La Hoguette (Calvados département). (Both closed in 2000.)

■ Buildings and cattle rearing equipment

The research centre was at the Caen headquarters and production was sub-contracted. This business closed down in 1985-1986.

■ Veterinary products

Through Agrappro SARL, UCANOR manufactured nutritional specialties under the brand name Sanicoopa and played a wholesaler / distributor role in the *département* for other products. In 2012 Sanicoopa was still the distributor for the Qalian health branch of InVivo Animal Nutrition and Health.

UCANOR becomes a service company and continues to innovate

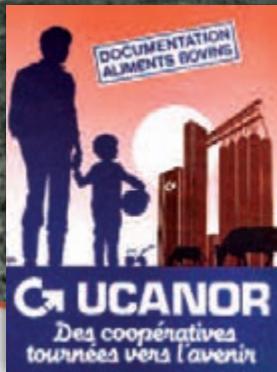
After signing an agreement with UCAAB in 1985 on soluble-protein cattle cake, UCANOR became a service company in 1989. Its production plants were sold to the cooperatives, with the exception of the one in Argentan and the pig-rearing stations. Following the success of the economic simulation software, PAC Plan, which received an "Inel d'Or" award at the 1990 "Space" fair, UCANOR launched Méthiosyl and Méthiomin in 1992, which integrated Rhône-Poulenc's new Smartamine, and in 1996, Tanor, "a brand that revolutionised cattle rearing", in partnership with the Agralco, Orcal, Noragro and Ucasen cooperatives.

Merging for a rebound: the merger with UNCAA

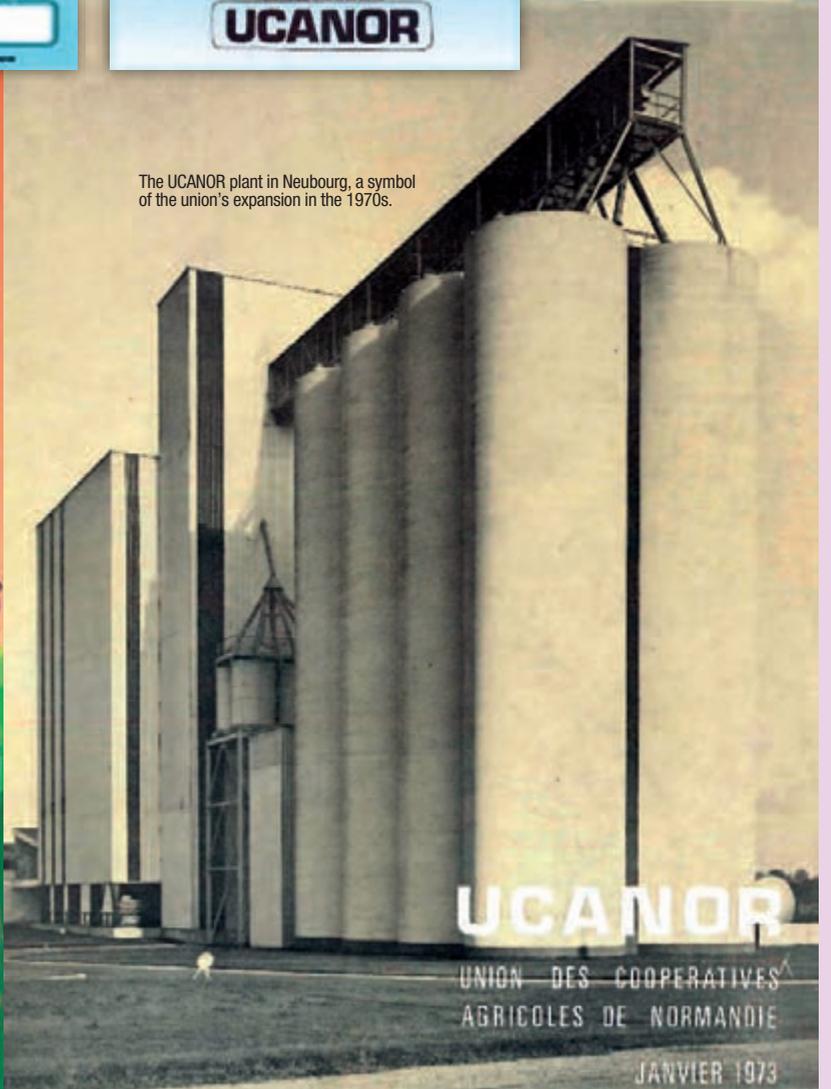
UCANOR moved headquarters from Caen to Argentan in June 1996, where new offices had been built and which remain its premises today. Despite undeniable successes, the financial year 1995-1996 was loss-making. A restructuring plan was implemented in 1997. The union, which employed 110 people on the site, was stagnating and revenue fell. In the financial year 1997-1998, revenue stood at FF 135 million. In 1998, on the eve of the merger, UNCAA announced that it would turn the Argentan site into a "showcase plant" focused on special feeds (for calves, piglets, etc.) and a major three-year investment programme was drawn up. In 1999 UCANOR merged with UNCAA. Development was pursued within Inzo°, InVivo's animal nutrition entity, and Lactoplan was extended nationwide, becoming a leader in that specialty. Inzo° and INRA developed a "digestible phosphorous" product for ruminants, which gave rise to the *Tanor Pep'S* range in 2002.



UCANOR's first plant in Argentan. The plant and the factory were inaugurated in April 1969.



The UCANOR plant in Neubourg, a symbol of the union's expansion in the 1970s.



Chapter II - UNCAA, Europe's largest bulk purchasing and services centre for agricultural supplies

Changes were also occurring in animal health. In 1998 the NOÉ product range was placed under an umbrella brand with the more evocative name of Elvagri, replacing the former Agrivet. A leader in animal health and hygiene, NOÉ had two distribution networks, NOÉ Socopharm, for veterinary and nutrition product (Château-Thierry) and NOÉ Elvagri, for hygiene and small equipment for cattle breeders and vets (Rambouillet).



In 1998 UNCAA launched the "Vert Cité" retail concept, specialised in parks and gardens for local authorities.

On the way to internationalisation and the inevitable merger

UNCAA'S POLICY IN ANIMAL NUTRITION AND HEALTH WAS NOT ONLY DYNAMIC IN FRANCE, it was also asserting itself internationally. After testing with Vitafort in Hungary (1991), UCAAB acquired a 40% in Setna Nutrición in 2000, the third largest service company in Spain with 12% of the Spanish market, and set up Nutranim, a company for marketing premixes and services, in Poland. While Hungary was an opportunity and a first step, the Spanish investment was the result of a real strategic plan by the board of directors. In 1999 the Group's management had ordered a prospective study that concluded that there would be a consolidation phase in the French cattle feed and premix markets and possible a decline — which events went on to prove. Given that UCAAB business accounted for a quarter of the French market, the union decided to develop its growth abroad to finance its research and expertise resources to benefit its member cooperatives over the long term.

The choice of Setna was not a random one. The Spanish market had been selected for its considerable growth potential and certainly this investment proved to be profitable immediately. Furthermore, a shareholders' pact was signed, allowing UCAAB to fully acquire the subsidiary. This international decision was a strategic boost and in 2007 led to the takeover of Evalis, a French group with international standing and the number two in compound feeds in France.

In early 1999 UNCAA acquired a new corporate identity that reflected the sustained rise of its businesses and its new scope. The new logo conveyed a more modern and dynamic image. At the same time the UNCAA acronym was changed to become the union of agricultural cooperatives in agro-supplies. Some divisions and departments were also renamed: UNCAA animal produce was renamed animal nutrition and health (NSA), UNCAA diversification was renamed UNCAA distribution; the agronomy division was renamed the agronomy department, while the equipment division became agro-supplies. However, this new corporate identity was short-lived! **A major event was to change everything: the merger with Sigma, launched in the first half of 2001, was finalised in December 2001. The merger gave rise to a major leader in its field as well as the largest French cooperative entity.**



UNCAA opened its first website in November 2000: www.uncaa.com. That was followed by UCAAB's website, www.ucaab.com.

Key figures for UNCAA (1991-2001)

Years	Revenue (in FF thousands)	Capital (in FF thousands)	Share capital (in FF thousands)	Net profit (in FF thousands)	Permanent workforce (in FF thousands)
1990-1991	10,230	170,900 (470 members)	432,400	41,000	915
1991-1992	9,966	187,500 (456 members)	442,000	56,000	956
1992-1993	8,664	189,400 (475 members)	448,000	38,000	883
1993-1994	8,807	193,000	497,000	37,000	842
1994-1995	9,353	200,000	547,000	39,000	841
1995-1996	9,916	210,000	615,000	46,900	756
1996-1997	10,367	227,000	668,700	55,556	795
1997-1998	11,110	245,032	741,200	68,223	803
1998-1999	11,186	264,203	826,217	71,050	912
1999-2000	11,152	276,689	900,631	94,146	1,030
2000-2001	11,578 (1,765,000 euros)	289,487 (44,131,000 euros)	974,096 (148,800,000 euros)	90,469 (13,791,000 euros)	1,050

Source: UNCAA annual reports (1990-2001).

At the end of the 1990s, despite the difficult market context, UCAAB stepped up its commitment to quality and greater food safety, while increasing its number of partners in France and abroad.





**UNCAA's board of directors
on the eve of the merger (2000)**

Jean Myotte: managing director

Alain Gobert: deputy managing director

Franck Martin: corporate secretary

Jérôme Duchalais: administration, finance and human resources

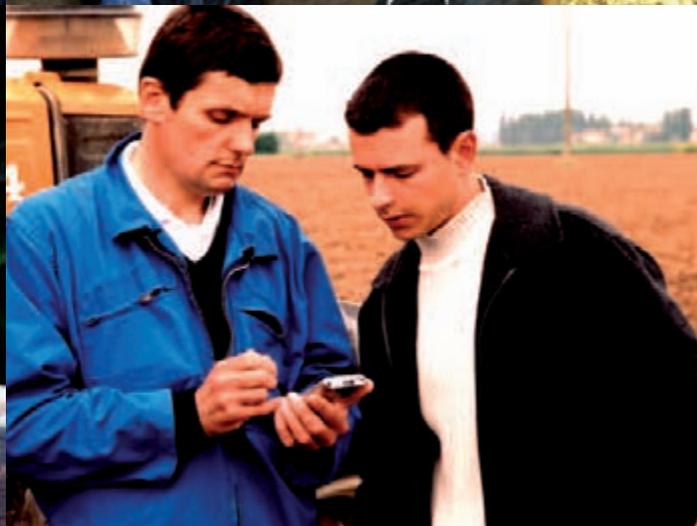
Armand Newland: regional delegations, relations with cooperatives

Patrice Collier: animal nutrition and health

Bernard Raynaud: plant productions

Christian Roux: distribution







The agricultural laws of 1991 and 1992

on strengthening the equity capital of agricultural cooperative companies and the transfer of businesses to subsidiaries allowed the cooperatives to form sufficiently large groups for French agriculture to develop internationally

■ **The 1992 agricultural reforms** were a major turning point for the CAP, with a sharp drop in price subsidies for agricultural products, combined with direct support to farmers and greater control over production and fallow ("set-aside") land. The development marked the shift from product support to producer support

■ **The national federation of agricultural cooperatives** grouped together by sector to form the French federation of agricultural supply and transformation cooperatives, FFCAT, under the aegis of the CFCA



1991-1992

1992

1990

1991

1992

1993



■ **Creation of Sigma from the UNCAC/UGCAF merger**

■ UCAAB joins Intercoop Europe, a European research network consisting of 13 cooperatives from northern and central Europe

■ The "GAMM 87" and "GAMM 90" days reposition UNCAA in environmental issues leading to the La Belle Nature (beautiful nature) approach

■ Serasem, 90% owned by Sigma, becomes the European leader in rapeseed

■ **UNCAA** sets up Biotop, which perfected new forms of biological protection for plants

■ **UCAAB** acquires a 25% stake in Vitafort in Hungary (joint-venture)

■ **UCAAB** becomes UNCAA's animal products division

■ The launch of *Ramsès*, a method for managing nitrogen fertilizer

UNCAA acquires 10% of Sipcarn Phyteurop

In April, after eight years of negotiations,

the final agreement of the *GATT Uruguay Round* was signed in Marrakesh.

It covered sectors of the economy that had been excluded until then, including agriculture, services and textiles



1994

The UN launches the International Day of Cooperatives,

celebrated each year on the first Saturday of July. It was started in 1923 by the International Cooperative Alliance (ICA) founded in London in 1895



1995

Mad cow disease (1996) and dioxin contaminated chicken (1999)

led to consumer concerns and made quality a major issue for professionals. Farmers were asked to produce differently, with transparency and traceability



1996 - 1999

There were 664,000 farms in France employing 916,000 people, or 3.5% of the active population



2000

1995

After acquiring a stake in the British firm, **Gleadell-Banks** (25%), and the Dutch **Cebeco Granen** (25%), in 1991-1992, **Sigma** acquires 11% of **Agrimeta**, owned by the Italian cooperatives and based in Emilia-Romagna

1996

■ **Sigma** sells its historic **Genneville silo** to Grands Moulins de Paris

■ The **Gamm vert franchise** develops fast. It celebrates its ten years and inaugurates its 400th store

1997

By acquiring **Lactina** in Strasbourg, **UCAAB** acquired the industrial capability for its dynamic policy in minerals, which also served to reinforce its **Physio** range

1999

■ **UCANOR** merges with **UCAAB**, and strengthens its leading position

■ **Sigma** takes over the **SAS Bassens-Bordeaux** silo built in 1968 in Bassens

2000

UCAAB acquires a 40% holding in **Setna Nutrición**, the third-largest service company in Spain

More than 50 years of developments in French cooperatives in the key grain and agro-supply sectors came together in the first decade of the 21st century when Sigma and UNCAA finally merged to form InVivo. Nevertheless, what appeared as an end was in fact just the beginning of a profound transformation. Synergies were established, entities rationalised, and the union changed its position in relation to its members leading to the creation of new ties. That was when the third CAP reform came into force, against a backdrop of trade liberalisation, the control of health risks, and the rise of environmental issues. Europe now comprised 25 member countries.

From now on, everything accelerated. In 2007, for the first time in the history of contemporary agriculture, wheat stocks were insufficient to feed the world's population. In 2008, the international markets soared and attracted speculators. In France, the Grenelle environmental forum laid down the foundations for sustainable development in agriculture and set clear targets. And InVivo grew by becoming the majority shareholder in Evialis, a heavy-weight in animal nutrition with presence in more than 50 countries. That merger had even greater consequences than the one between UGCAF and UNCAC! InVivo was advancing on all fronts, increasing its offering, strengthening its structures, and pursuing the on-going process of professionalising its methods.

A major, diversified international group was forming. It joined forces with Coop de France on 30 June 2011 to create ACOOA, the agricultural cooperative alliance, thus acquiring even greater scope for action. Now, having combined economic expertise with political action, agricultural cooperatives could speak with a strong voice.

The birth and rise of **Trivivo**

(2001-2012)

Part four 

The arrival of InVivo: the alliance of the animal and plant sectors

Focused on life (2001-2006)

On the cusp of the millennium, UNCAA and Sigma were financially robust and had no financial necessity to merge in the short term. But their management was aware that given the high degree of concentration in the sector, they would need to restructure to prepare for future crises and continue to weigh on the European stage. The two unions were of a similar size with comparable revenue. The time had come to put an end to 56 years of cohabitation and tie the knot to prepare for the future together. The 340 member cooperatives, two-thirds of which were members of both unions, unanimously approved this marriage of convenience at the general assembly of 4 December 2001. The leading French group in agricultural purchasing, marketing and services was formed from an accumulation of skills in a calm and determined manner. Following a brief period of observation and reflection, the new entity was reorganised, defined its project and developed its entities.

UNCAA and Sigma together give rise to a giant: InVivo

AFTER SO MANY YEARS OF INDIVIDUAL GROWTH AND SMALL MERGERS, the road to the ultimate merger might have been a long one, but that was not the case. Ten years after Sigma was founded, the time was ripe. Yet while there were no real differences of opinion between UNCAA and Sigma, the two remained very distinct. They shared the same headquarters, but worked on different floors and were entirely separate. Their corporate culture was different as were their businesses and professional practices. Also, their leaders' personalities and management styles differed. The initiative for the merger had come from the two chairmen, Jean Gonnard for Sigma and Albert Baudrin for UNCAA. Both were reaching the end of their mandates and felt that the time had come. They agreed that Michel Fosseprez should be the man to succeed them. They knew that their managing directors were demanding a merger of this kind and that in the short term, a natural transition between Bruno Catton, the managing director of Sigma who was reaching the end of his career, and UNCAA chief Jean Myotte was feasible. Once the impetus had been given, the merger was prepared and explained in detail to the employees and stakeholders.

On 4 December 2001 UNCAA and Sigma merged into a single structure called InVivo. "We do not want to be bigger, but more efficient," explained Bruno Catton, who became the chief executive officer of InVivo, in a preamble to the press conference announcing the merger.



From left to right: Jean Gonnard, UNCAA's last chairman, Michel Fosseprez, InVivo's first chairman, and Albert Baudrin, the last chairman of UNCAA.

The primary goal behind the merger of the two national unions was to create a stronger enterprise, which, with the combined network of cooperative stakeholders, could contribute lastingly to defending farmers' economic interests and the growth of agriculture.

in vivo



In 2001, 85% of InVivo's grain, oilseed and protein crop purchases were sourced in France, whereas 90% of its sales were outside France.

**Une entreprise au cœur
de la production
et des marchés agricoles.**

**Une entreprise au cœur
du réseau des coopératives
et de leur territoire.**

**Des hommes unis
pour nourrir les hommes.**

Three key messages in InVivo's first institutional statement (2001 brochure).

Chapter 12 - The arrival of InVivo: the alliance of the animal and plant sectors

Among the triggers for the merger were the rising number of environmental issues and food safety demands. As Bruno Catton said, "We found that we needed to develop an integrated approach within the same company. We will start to implement internal synergies to develop cross-functionality in our businesses, and also offer more efficient services to our member cooperatives." When asked about InVivo's future investments, Jean Myotte, deputy CEO of the new company, confirmed that, "We intend to use part of our resources for operations that will help improve our business segment organisation." Jean Gonnard, Sigma's outgoing chairman, was very pleased that, "Everything took place as planned because we are all pursuing the same objectives." And Albert Baudrin, UNCAA's outgoing chairman concluded: "We did what we had to do, and I'm very confident about the future."

“ In the past we were able to channel our driving force and obtain the outcome that satisfied the majority. That is the method we should apply again.,,

Jean Gonnard and Bruno Catton, editorial in Sigma's last annual report (2000-2001).

The conditions for a successful joint project

While a solid financial foundation was necessary, it was not enough to succeed. During the merger process, Jean Gonnard and Bruno Catton, respectively chairman and chief executive officer of Sigma, defined the prerequisites for success with great lucidity. "The dynamics inherent in each of the two unions' businesses today will need to be boosted by synergies resulting from the merger of our businesses. We must improve the coherence of the new entity created by the InVivo union and the member cooperatives with regard to our technical, economic, and political environment, and overhaul our image. That is an ambitious project. It must be broached with determination, but also in the knowledge that it will take time to succeed fully."

Why "InVivo" ?

The Ground agency that worked with the union to find a new name justified the choice of InVivo because it matched the new cooperative group's personality and project:

- the living animal and plant world as a whole, i.e. the business;
- the men and women who have always maintained life and agriculture in the countryside, i.e. the farmers;
- a reference to the scientific experiments in the field;
- the dynamics of being "at the heart of the matter";
- the realism of the contemporary world in both the environment and civic life;
- the underlying enthusiasm: VIVO! VIVA!

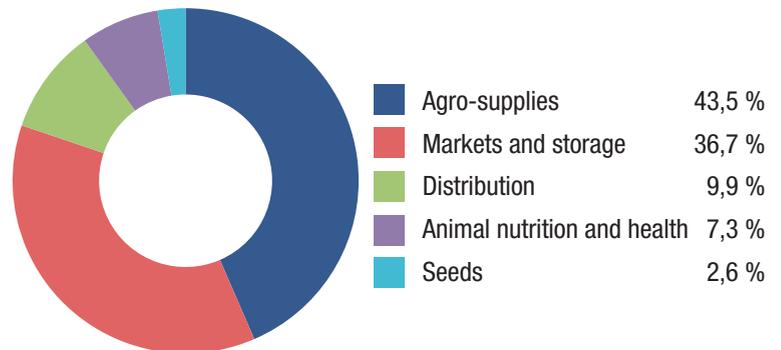
Lastly, in InVivo there is immutable, deep-rooted life.

The *Oxford Dictionary* defines *in vivo* as "taking place in a living organism... the opposite of *in vitro*."



CONSENSUS

Breakdown of InVivo revenue at 30 June 2002 (2.8 billion euros)



Source : annual report (2001-2002).

EFFECTIVE RETROACTIVELY FROM 1 JULY 2001, THE MERGER GAVE RISE TO A GROUP with estimated revenue of 3 billion euros, a head count of 1,500 and 275 million euros in shareholder's equity. InVivo joined the top three European supply cooperatives, alongside the German Baywa (3.5 billion euros in revenue for the main company and 5.3 billion euros consolidated) and the Dutch Cebeco (2.2 billion euros consolidated). In France, the new union now had greater weight than the flagship national cooperatives: Sodiaal (in milk), Terrena (multi-business) and Socopa (meat).

InVivo's seven businesses in 2001

- Varietal creation
- Marketing seeds
- Agro-supplies
- Storage and handling
- Markets
- Animal nutrition and health
- Distribution

By covering the entire food chain from plant to animal in a structured way, InVivo was now able to monitor it from varietal selection to animal feed via agro-supplies, representing a coherent and promising business range.

More than a merger, this was the voluntary combining of entities operating in different businesses. In practice, it occurred smoothly without any fundamental structural changes and considerable continuity of teams and governance. The business line managers remained in place, and the boards of directors were juxtaposed. Bruno Catton and Jean Myotte were backed by two deputy CEOs, **Louis Behaghel**, the mainstay of the grain market at Sigma, and Alain Gobert, previously the deputy managing director of UNCAA and a man whose opinions were valued. The new group was divided into seven operational divisions.



Louis Behaghel devoted all his professional life to the grain markets, first at UNCAC and later at Sigma and InVivo. Born on 28 February 1948, the young agronomist trained at Grignon before joining UNCAC as a sales representative on 1 August in 1972. He became an associate manager, and was appointed deputy head of the economic department and then director of the economic affairs department in 1985. He became the deputy managing director of Sigma in 1995, and remained in that position in the new InVivo entity until he retired in March 2008.

Michel Fosseprez, chairman and man of brevity



Michel Fosseprez was born on 8 August 1950 in Tonnerre (*Yonne département*). He obtained an agricultural baccalaureate and worked on the family farm in Laignes (*Côte d'Or département*), which farmed 230 hectares of cereals, oil seed crops and maize at the time. At the age of 26 he became the director of the Châtillon-sur-Seine cooperative of warehouses and silos, and after Michel Sordel, became its chairman from 1980 until the merger of 11 cooperatives to create "110 Bourgogne" in 1990. He was elected chairman of the new grain and supply cooperative entity in 1993. As a young cooperative manager he was able to meet and talk to personalities in the sector such as Philippe Neeser, Michel Sordel, Jean-Claude Sabin, and Elie de Ganay. He rapidly rose to federal functions. Jean Gonnard asked him to take over the chairmanship of the federation of oil and protein crop cooperatives, FCOP, in 1986. He remained in that function until 1992 when he was elected the first deputy-chairman (later becoming chairman from December 1999 to January 2002) of the French federation of agricultural transformation cooperatives, FFCAT, a new entity that he helped create. Very involved in the oilseed sector as coope-rative representative (Diester, Sofiprotéol, FOP), he established the FIDICOOP holding company. He also held positions of responsibility in Coop de France, CNMCCA, ONIC, AGPB, and Arvalis (the plant institute).

At the same time, this man of action and a fervent supporter of farmers' economic organisations, started to get involved in the unions' activities. Fosseprez became a director of UCAAB in 1984, UNCAA in 1988 and Sigma in 1990, after which he joined both unions. Elected member of both Sigma and UNCAA's bureau in February 1993, Michel Fosseprez became the Sigma bureau secretary in 2000, deputy chairman of UNCAA in 1998, and deputy chairman of Sigma in 2001. He actively supported the merger, and being a man of consensus, he was logically co-opted chairman of InVivo, a post he held from 4 December 2001 to 30 June 2011. Here he began by devoting himself to the new union project with Jean Myotte, whom he had known for 20 years, and continued with Patrice Gollier in 2007. The two men shared the same goal, which was for the cooperatives to appropriate their union while strengthening the cooperative movement in a global economy. Fosseprez was also responsible for initiating the InVivo and Coop de France's merger with ACOOA in 2011.

Michel Fosseprez became a *chevalier de l'Ordre national du Mérite* (knight of the national order of merit) on 22 January 2008. He was a member of the Economic and Social Council for five years (external relations section dealing with cooperatives and delegates to the European Union). He helped to establish the Momagri think-tank in 2005 for a global organisation of agriculture, and became its deputy chairman.

Chapter I2 - The arrival of InVivo: the alliance of the animal and plant sectors

Immediate synergies were awaited in numerous key functions such as trade and commodities brokerage (grain, cattle cake, etc.), storage, as well as handling and logistics through optimum site management and by globalising relations with service providers. There were further synergies in seeds and inputs, in the international market and finally in the combined expertise of UCAAB's laboratory in Chierry with Laboragro in La Grande Paroisse, which between them had an unparalleled analytical and control capacity that could cover the entire food chain in France. A few months before the merger, in September 2001, the Chierry laboratory had expanded and moved to a new 3,000-m² building.

New companies were founded and developed, such as Néodis in 2001, to improve the specialised distribution segment, especially in gardening, pets and breeding, which led to logistics reorganisation and centralisation (warehouses in Pithiviers and Rambouillet). Similarly, the animal feed additives business, previously handled by CAF Appro, was split in two in November 2001, with one part to be handled within InVivo for union members, and the remainder to be handled by a newly created company, Yliad, for third-party customers. In 2001-2002 Ringot was hit by the sharp fall in the French rapeseed market (- 40%), leading to restructuring and staff cuts, with repercussions at Semences de France. Gamm vert pursued its development with a first store in Poland, which failed to achieve the hoped-for success, a new logistics platform in Angers, and the opening of a 6,000-m² store in Blois, showing its ambition to develop more spacious points of sale.

Project



Overview of Inzo^o premises at Château-Thierry (2003).
The new analytical and control laboratory at Chierry was inaugurated on 7 September 2001.
The total surface area more than doubled and comprised five specialised units with a total staff of 75.

The first years of InVivo were largely devoted to organising the new group. The teams were brought together, the financial and IT systems standardised, both of which were in need of renewal. The group's communications were organised with the launch in April 2002 of *InVivo Actualités*, an eight-page in-house newsletter, in which Jean Myotte's editorials explained the Group's direction and strategy. It was a time for thinking and doing the groundwork for the synergies, so long awaited by the employees and the member cooperatives. Jean-Pierre Tillon, UCAAB's scientific director, asked during an internal convention, "What should the bridge be between animal and plant products? How do we envisage a win-win partnership?" and went on to discuss practical examples of collaboration between the two subsidiaries within InVivo. An example: in November 2002 InVivo took over a 110,000-tonne fertilizer storage unit in Gouaix outside Paris, which required the skills of the agro-supplies teams for the marketing side, and those of the storage teams for operations.



Gamm vert opens its first store in Poland in 2002.
At 30 June 2005 there were 731 points of sale in the Gamm vert network with a total retail area of 657,000 m².

2000... the Internet years

Gamm vert was a pioneer in this area and the first entity in the Group to acquire an extranet as early as 1998 (revamped in 2006). The new **invivo-group.com** website was launched in July 2002, serving as a portal to the Group's specialised sites (**ucaab.com**, **destrier.com**, **gammvert.fr**, and **vertcite.com**). Biotop launched its own website, **biotop.fr** at the same time. The new Inzo^o site, **inzo-net.com** went on line in 2002 and in 2003 the member cooperatives' extranet was operational, while Sepco, which described itself as the "creative" consultancy, set up its own website, **sepco.fr**. From 2003 a weekly digital press review was made available for the management and heads of cooperatives – and of course this list is far from exhaustive!

The service-company business, grouped together in France under the Inzo° brand, pursues European expansion

ON 2 SEPTEMBER 2002 PATRICE GOLLIER, DIRECTOR OF THE ANIMAL PRODUCTS division at the time, announced the new name of the Group's animal nutrition entity during the annual UCAAB convention. It was to be Inzo°, as in "Innovation in Nutrition and Zootechnics", and a reflection of InVivo. This stimulating name with its lively logo designated InVivo's three service-companies: CAF APPRO in Loudéac, UCANOR in Argentan and UCAAB in Château-Thierry, now united in a single operational and legal entity. Thus less than one year after InVivo was created, the convergence plan was implemented to enhance their common features and rally them around a single project and image.



The red dot punctuates the Inzo° name, rather as a degree indicator. It is a reminder of the circle above UCAAB's logo, similar to the one above UNCAA's logo. The dot stressed the continuity of businesses and staff, over and above company structures.

Despite the serious and lasting crises in animal products, Inzo° confirmed its position as a French leader, producing 4.85 million tonnes of animal feed using its technology, a 4% increase in a flat national animal feed market (in volume terms). However, the sector was not stable and in 2003, Inzo° saw a 4% drop in the French market, impacted by a pig crisis and a structural crisis in poultry. Five years earlier, the animal feed market was approaching structural maturity; now that maturity was confirmed and even amplified until it reached a recession.

Inzo° fell by 2%, and then rose again by 5.6% the following year, passing the 5 million tonne mark in the production of animal feed in France using its technology in mid-2004. Having long faced pressure from the competition as well as demands from its customers, the animal feed manufacturers, the Inzo° teams ardently defended their market share, encouraged by Jean Myotte and later supported by Patrice Gollier. Their job was to be flexible and creative to adapt and therefore resist the situation and advance.

Early on, that realism and ability to adapt led the management of the animal nutrition and health division to look for new areas of growth in Europe to finance the all-important research and acquire the means to develop. The 1991 test in Hungary and the successful stake in the Spanish group Setna Nutrición confirmed this approach. That operation was profitable and the service-company was acknowledged as the technical leader on the Spanish market, of which it had a 16% share. InVivo pursued its growth in Spain. In 2003-2004, Setna Nutrición became a subsidiary of InVivo, which owned 51% of the company. With the **threat of bird flu**

The H5N1 virus alert

From 2004, a devastating epidemic of avian flu from the highly infectious H5N1 virus was affecting many poultry farms in Asia, the Middle East, Europe and Africa. More than 100 persons who had direct contact with the infected birds died. Until then the avian flu virus had very rarely been transmitted to humans. In Europe this health crisis was gaining ground and accelerated the fall in the poultry feed market.

on the horizon, further impacting a fragile market, Inzo° and Setna Nutrición implemented a service strategy in nutrition and modelling in animal breeding. A joint company was formed between the InVivo-Setna group and the Catalan group Indukern, specialised in animal feed additives, veterinary pharmaceuticals and generic products for human medication. Their objective was to prepare themselves to broach the Brazilian market. In 2005 InVivo reinforced its cooperation agreements in mineral feed and nutritional specialties for ruminants with the Portuguese company Vetagri Alimentar, acquiring a 40% stake in it in April 2006.

THE SERVICE-COMPANY PROJECT

In 2003, one year after it was established, Inzo° devoted its "Sustainable Commitment" project to cattle breeders and their cooperatives, which explained its modern view of agriculture and animal husbandry. Inzo° undertook to provide them with profitable products that were ecologically responsible with measurable performance.

The weight of InVivo's animal nutrition subsidiaries in 2006

	Inzo° France	Setna Spain	Filozoo Italy	Vitafort Hungary	Vetagri Portugal
Reconstituted feed (in million tonnes)	4.7	3.2	3	0.5	22% of the mineral market
National ruminants market (in million tonnes)	21	20	18	4	

Source: InVivo Actualités, n° 11, April 2006.

Chapter I2 - The arrival of InVivo: the alliance of the animal and plant sectors

In January 2006 InVivo took root in Italy by buying the service-company Filozoo from the Adisseo group, the third largest company on its market at the time, with 34 million euros in revenue and producing 3 million tonnes of reconstituted feed a year. The new subsidiary's premises were in Carpi, in the province of Modena. Filozoo produces premixes and medical premixes, rather like NOÉ in France, and is also active in additives and vitamins.

This acquisition marked a first turning point in the international approach of the animal nutrition and health division (DNSA). From now it started working as a network, country by country, connecting subsidiaries, which remained independent and cultivated their own networks themselves. Philippe Ruelle, director of DNSA and the CEO of Inzo°, was at the helm, seconded by Manuel Maire, in charge of Inzo° international development since 2001.

With offices in five European countries (France, Spain, Italy, Hungary and Portugal) InVivo was now in a strong position as one of the leading European operators in animal nutrition, with annual production of 11.5 million tonnes of reconstituted feed. Its broader base was an advantage for keeping up its expertise and capacity for high-level R&D.

The new InVivo group defines and implements its strategic position (2002-2006)

DURING THE FIRST FIVE YEARS OF INVIVO'S EXISTENCE, the board of directors under Jean Myotte prepared the changes that would speed up the Group's development and partnerships with the member cooperatives. The Group defined its project at the first board meeting on 18 April 2002, after consulting InVivo's bureau. The impetus was there and discussions continued throughout the year.

The project, which can be resumed in four points, consisted of:

- reinforcing a durable economic powerbase with innovative technical expertise for the cooperative enterprises and their stakeholders;
- unifying and simplifying the sustainable agriculture approach, and making it economically viable;
- developing continuity and interactivity between the plant and animal sectors;
- associating a high degree of technology in animal and plant production while respecting consumer health and environmental quality.

It was on this basis that InVivo's new strategic goals were presented to all the Group's employees and stakeholders in 2003 and were well received.

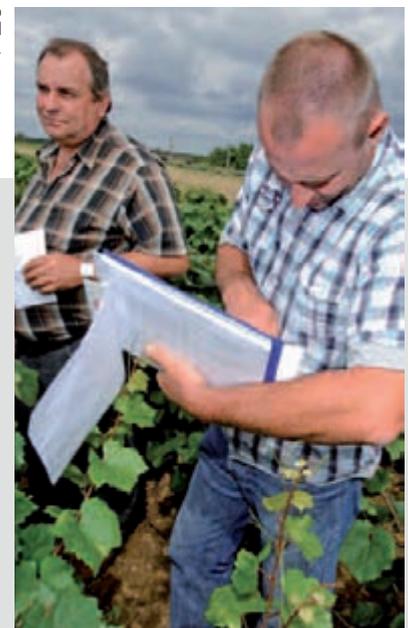
2003,

CAP: the third reform

On 26 June 2003 the European ministers of agriculture adopted new CAP reforms in Luxembourg. Their first objective was to improve the competitiveness of European agriculture and help it face the opening up of trade as agreed in multilateral negotiations.

The fundamentals remained the same but among the new or reinforced measures were the partial "decoupling" of subsidies from products (defended by the French minister, Hervé Gaymard), a specific payment system to farmers, dependant on certain environmental, food safety, animal health and well-being criteria, crisis management mechanisms, environmental qualifications for farms, and the maintenance of milk quotas until 2014-2015.

In 2003 the 15 EU countries accounted for approximately 42% of international trade in agrifood products. The EU agricultural budget totalled 45 billion euros (44 billion euros in 2012).



ONE YEAR LATER IN NOVEMBER 2004, THE RESULT WAS ALREADY CONCLUSIVE WITH REGARD TO THE ACTIONS TAKEN.

The Group sought opportunities for enlarging its scope for creating and distributing new seed varieties and in July 2005 this led to the purchase of barley from RAGT created from a PBI selection programme (17% market share in Europe). Serasem and its historic partner in rapeseed, NPZ Lembke, then jointly founded LS Plant Breeding. In this way Serasem, which celebrated its 20th anniversary in Prêmesques in June 2004, expanded its seed selection, experimentation, and marketing networks to northern Europe via Great Britain.

In agro-supplies, central distribution and purchasing offices were set up. The Opticoop Systèmes brand, a symbol of 25 years of sharing experience and know-how in plant production, became Réseau *Opticoop* to emphasise the strength of its network of expertise. Under the slogan "Better together", Opticoop united all the technical and marketing business in agro-supplies previously carried out by InVivo and its partner cooperatives. Its service certification approach in plant production, "Conseil & Services Opticoop" (Opticoop advice and services), which guaranteed the quality of advice delivered by the cooperative to the farmer, gave a new impetus to the agronomy division. Meanwhile, the animal nutrition division accelerated its international expansion.

Operators from the markets division succeeded in opening up more opportunities in third countries, notably in Africa, while consolidating positions in all the traditional export markets for French produce. In 2004 a sales office was opened in Budapest to help business develop in that zone with the imminent enlargement of the EU to 25 countries, as well as to understand the flows better and diversify supply sources. InVivo acquired a 49% share of a silo outside Constanta in Romania, on the Black Sea (April 2002). With 1.3 million tonnes of capacity generated, under Yannick Collet's management, InVivo was more than ever the operator of reference in grain and oilseed storage.



Silos played an important role in preserving and distributing harvests. The matter of stocks, especially of cereals, is highly sensitive in the debate on global and regional food security.

ALL THE GROUP'S SILOS RECEIVED ISO 9001 CERTIFICATION (the 2000 version) and engaged in a Hazard Analysis Critical Control Point (HACCP) approach with its new feed safety charter. In an increasingly demanding regulatory context, the logistics function was identified in 2002-2003 as being vital to the efficiency and competitiveness of the Group's business, and consequently highly strategic. That led the Group to increase its investment and involvement in grain, fertilizers, crop protection products, large livestock breeding equipment and Gamm vert distribution platforms. At Gamm vert, where markets were reaching maturity, the time had come to reconsider strategy in the face of more aggressive competition and increasingly demanding consumers. The new development committee worked to improve the clarity of the store concept and brand coherence, which went hand in hand with a reinforcement of the Group's policy of commitment to the cooperatives.

The pet food business grows with Canicaf

In 2003 the historic Canicaf brand was entirely repositioned and re-launched. Both the formulae and the packaging in the range were overhauled. Mass-communications were given a boost with the launch of the canicaf.com website.



Shortly before that, the Néodis pet food plant in La Braconne near Angoulême received ISO 9001 certification (2000 version). It was enlarged in 2004 with a new 5,500-m² warehouse. That same year, the "regional brand" asked the famous photographer Yann Arthus-Bertrand to illustrate an advertising campaign for its high-end range.

On 1 July 2004 a third deputy chief executive officer was appointed, Patrice Gollier, who previously headed the animal nutrition and health division. His task was to lead and supervise all the Group's inputs business, as well as to oversee thinking on the global InVivo offering, develop synergies between its various businesses and manage cross-functionalities. In the back office, the OSIRIS programme (organisation and IT systems to successfully integrate the SAP system) entered its operational phase in 2004. The successful deployment of the Group's new IT system was vital to achieving its objectives!

Chapter 12 - The arrival of InVivo: the alliance of the animal and plant sectors



Coop de France (2003) carries the agricultural cooperatives into the 21st century

In 1966, at the initiative of two unions (Saint-Germain / Mac Mahon and La Fayette), federal unity was sealed with the creation of the French confederation of agricultural cooperatives, CFCA. In December 2003 the name of this entity changed to Coop de France, a more meaningful name to the public. As a professional organisation, Coop de France was the political voice of the agricultural cooperative enterprises to the French and European authorities, the media and civil society. It had considerable economic and social clout.

In 2007 Coop de France ratified the mergers of FFCAT (grain), FNCBV (the animal unit), SYNCOPAC (animal nutrition) and SNDF (dehydration). In 2012 Coop de France comprised 2,900 cooperative enterprises, unions and agricultural collective interest companies, or SICA, in the agricultural, agrifood and agro-industrial sectors, 12,400 farm machinery cooperatives, or CUMA, more than 160,000 employees, revenue of 83.7 billion euros, and 40% of the French agrifood market. From 1 July 2011, its chairman, Philippe Mangin was also the chairman of InVivo and ACOOA.

THE 2004-2005 HARVEST, THE FIRST IN A 25 COUNTRY-STRONG EUROPE, WAS UNEVEN. Grain and fodder production rose sharply throughout Europe, but the wine sector faced a real structural crisis, while poultry was undermined by the spectre of the bird flu crisis. By being present on all the major markets, InVivo resisted better than most, with net profit up 1.4%, and the Group made a capital increase to push forward certain projects. The advantage of diversity, complementarity and strengthening its businesses was proven!

InVivo was certainly not short of projects. In 2005-2006, 45 million euros were invested to boost all its business sectors. In seeds, Serasem acquired a seed selection company, GAE, in April 2006, enabling it to optimise its seed variety selection units in Seine-et-Marne. In agro-supplies, the structuring and development of regional platforms continued, while in grain, InVivo and Toepfer International set up a joint venture called Soulès-Caf SAS, which took over the business previously handled by Soulès-Caf. With presence at the ports of Brest, Lorient, Montoir, Bordeaux and Sète, the new company was importing 2.5 million tonnes of raw materials a year.

In storage and handling, InVivo continued its strategy to increase its presence in sea ports in partnerships with member cooperatives. The acquisition with Sea Invest of a 50% share in Sodistock, a grain storage and handling company, from Toepfer in April 2006, was part of that trend, as was the acquisition of 34% of Atlantique Stockage. The La Grande Paroisse silo doubled its loading capacity on the Seine, and in June 2006 a river loading dock for large, 1,500-tonne capacity barges became operational. In mass retailing, an investment fund called *Gamm vert Développement* was founded in January 2006 to back projects in the Gamm vert franchise and help develop the network. However, the major project of the time was the new purchasing policy in the plant health sector, drawn up together with the cooperatives.

The aim was to adapt the networks' negotiating capacity to the increasingly concentrated supplier market, and provide services adapted to a rapidly changing situation both in terms

of logistical efficiency and in advice to farmers (e.g. analyses of crop protection practices). This new strategy was presented to the cooperatives during a nation-wide tour by the senior management, reverting to a practice favoured by Jack Lequertier. This fundamental project led by Patrice Gollier and developed over several years, was nothing less than a reinvention of the union's relationship with the cooperatives, which has suffered from practices inherited from the past, when transparency left something to be desired.

The quality of the relationship between InVivo and "its" cooperatives was at the centre of the Group's long-term strategy, with the objective of reinforcing network cohesion. That entailed having clear operating rules, mutual trust and reciprocal commitments, leading to plant health by means of partner contracts, which the cooperatives and cooperative groups were asked to sign.

At the same time as this important reform, so vital to the union's future, InVivo turned to sustainable development. The mass retail division was the pilot division in the area with its "sustainable development commitment charters" for Gamm vert (March 2006) and Vert Cité (May 2006). Triggered by the French biofuel project initiated by the Raffarin government in 2004 and stepped up by the Villepin government in early 2006, InVivo got into marching order alongside its member cooperatives.

The biofuel issue was at the core of numerous discussions and study trips, such as the one organised in Poland by Serasem and Semences de France at the end of 2005 for 120 representatives from the rapeseed sector. The union already had a 15-year presence in biofuel as a significant shareholder in Soprol (Sofiprotéol's oilseed development unit), the most structured bio-diesel producer in France, as well as the most representative one, and its subsidiary Diester Industrie.

COMMUNICATIONS

A new dimension for Sepco

On 1 July 2004, SYNERVA, established in 1957 by Marcel Gerbaud, was merged with Sepco's training division to form a new entity called *Sepco Conseil et Formation*. The new entity consisted of two complementary departments, one for agricultural professionals, and the other for mass retailing. The new configuration simplified relations with the cooperatives as well as administrative procedures. The revenue of InVivo's research, training and communications entity, which was already growing fast at the end of the UNCAA years, now advanced regularly to approach the 3 million euro mark at 30 June 2006.

Chapter 13

The world is changing, InVivo too

Nothing will ever be the same... (2007)

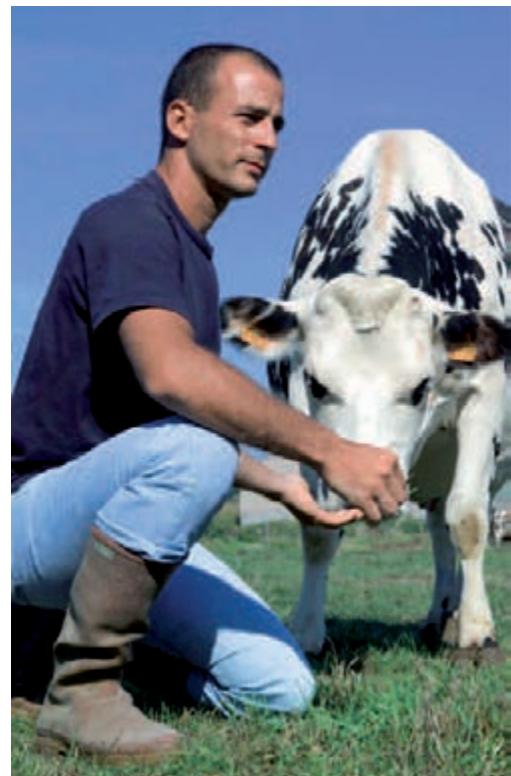
The year 2007 was a real turning point in InVivo's recent history. The time had come for change on all fronts. On the grain markets, demand outstripped supply – a new factor in modern agriculture. Prices soared leading to food riots and leaving the players feeling helpless. While agriculture's primary objective is to feed the world, now it was also required to preserve the planet. In France the Grenelle environmental forum opened in July 2007, just as Patrice Gollier took over from Jean Myotte as CEO of InVivo.

New men were arriving in key posts. The Group pursued its international development strategy and acquired Evalis. Overnight, InVivo had joined the world's top 10 companies in animal nutrition and its scope had increased nearly three-fold. The new InVivo group structured itself, modernised and redefined its goals. It decided to assert itself on the mass market and speed up the professionalization of the Gamm vert franchise.

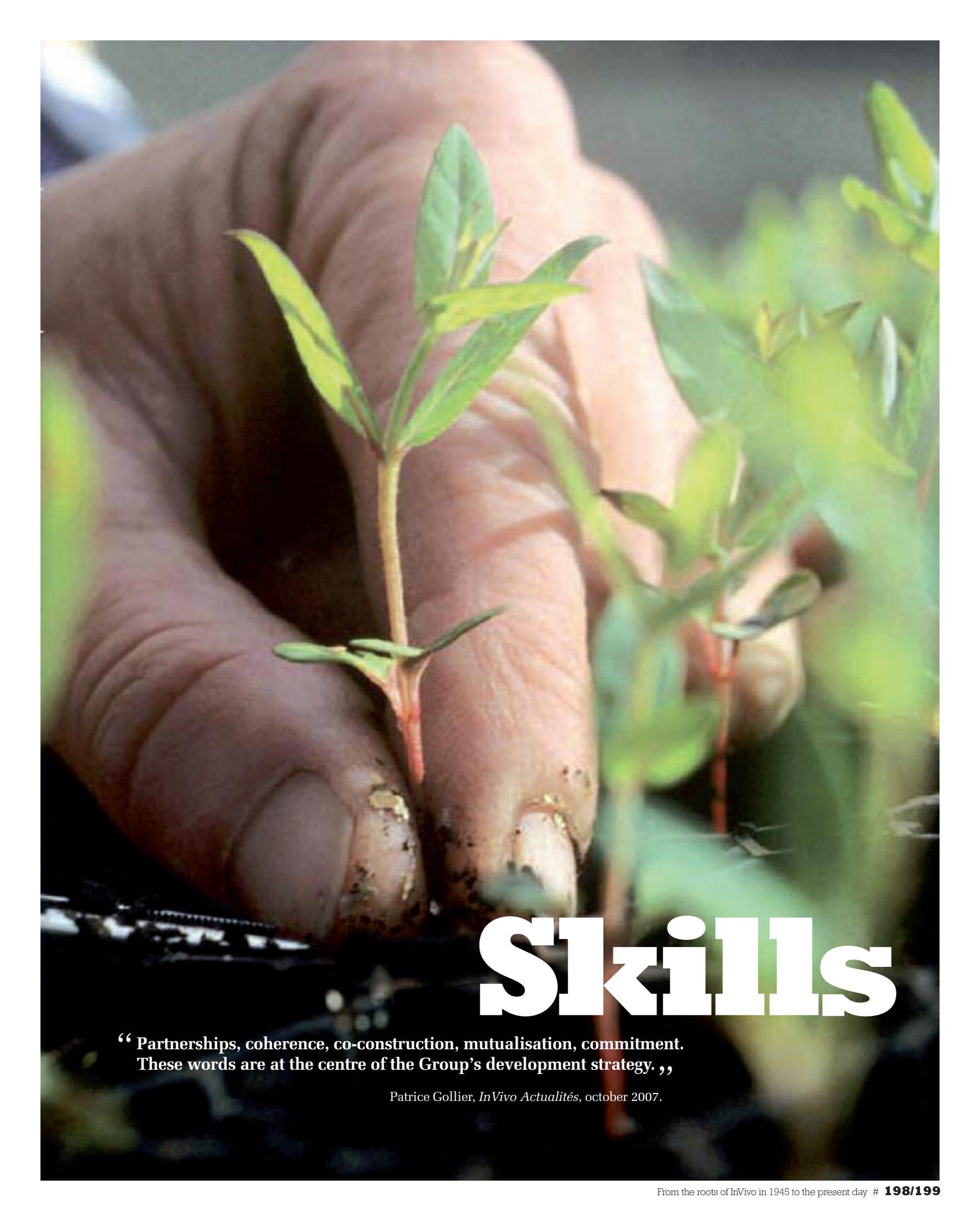
The acquisition of Evalis: a bold international growth strategy

THE ACQUISITION STRATEGY WHICH TOOK THE ANIMAL NUTRITION AND HEALTH DIVISION to Spain (Setna) in 1999, and then to Italy (Filozoo), Portugal (Vetagri) and Brazil (Vitagri), bore its fruit but was still not enough to confer the capacity for innovation and expertise that InVivo needed in the business. It was necessary to continue and Jean Myotte and Patrice Gollier worked actively to that end. On learning that BNP Paribas was disposing of Evalis, they acquired the bank's share in the company in April 2007 and in August of the same year, launched a friendly and successful takeover bid for it.

The transaction was finalised in October 2007, giving InVivo 80% of a well-known international company, listed on the Euronext Paris Second Market. The cooperative union had radically changed dimension by betting on acquisitions, unprecedented in its history.



After the acquisition of Evalis, the InVivo group had a total headcount of 6,457 at 30 June 2008, compared with 1,766 at 30 June 2007. France now accounted for just 47% of the total.



Skills

“ Partnerships, coherence, co-construction, mutualisation, commitment.
These words are at the centre of the Group’s development strategy. ”

Patrice Gollier, *InVivo Actualités*, october 2007.

Chapter 13 - The world is changing, InVivo too

EVALIS WAS AN ANIMAL FEED MANUFACTURER AND A SUPPLIER OF PREMIXES, nutritional specialities, health, dietary and hygiene products, with a presence in more than 50 countries. Formed from a powerful Breton agrifood company, Guyomarc'h, Evalis had launched into an intensive acquisition strategy that was poorly managed. The company grew less profitable and its listing on the stock exchange only served to make it more fragile rather than help it grow. Despite that, the compound feed and other animal feed manufactured using the Evalis technique represented some 6 million tonnes in 2006, of which 3.4 in France. Unlike Inzo°, Evalis owned 30 cattle feed plants across France and manufactured compound feeds. By acquiring the company, InVivo found itself in competition with its own cooperatives! To solve that thorny issue, the union's management began the long and complex task, of implementing industrial synergies factory by factory, wherever there was a common interest for the cooperative groups and the regional industrial units belonging to Evalis, by creating local or regional companies. For InVivo that provided the opportunity to structure its cattle feed production at national level.

Fortunately for InVivo, such clashes of interests did not occur elsewhere in the world, where InVivo and Evalis were complementary and could develop together. Evalis continued

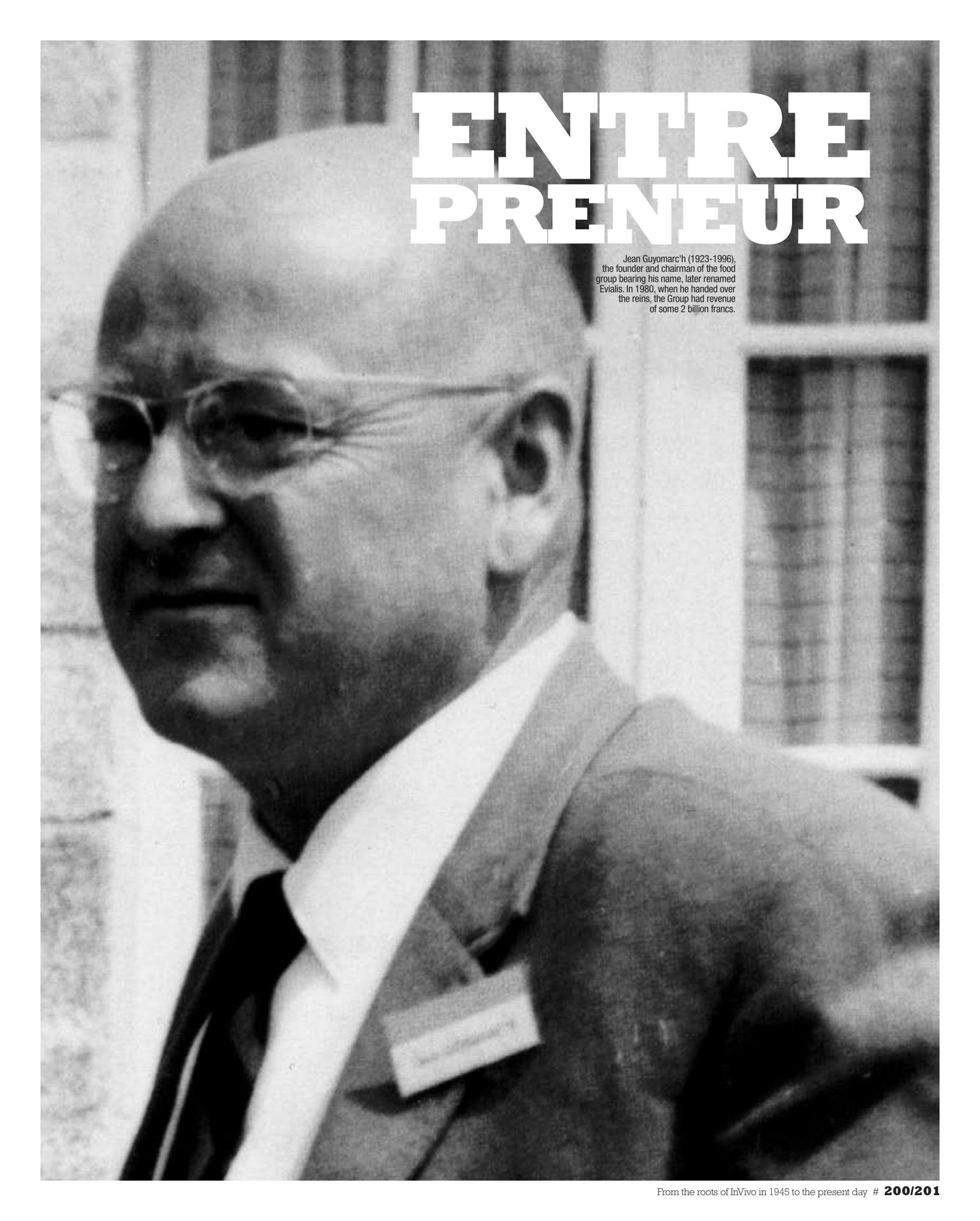
to grow where it was appropriate, for instance by acquiring the Brazilian company Zoofort in October 2007 and then, the following month, the Belgian company Bernaqua. Evalis inaugurated a new premix manufacturing plant in Qingdao, China, in January 2008, and an aquaculture research station in Vietnam, in February 2008. In December 2007 the Spanish subsidiary, Setna, acquired the mineral and nutritional products division from its partner Indukern. Armed with its new stature, the union prepared to launch a very offensive international policy in both animal nutrition and health in 2008. The priority was to succeed in absorbing Evalis and turning the company around. At the end of 2009, InVivo and Evalis's animal nutrition and health activities were finally brought together in a single company.

The strategy behind the acquisition of Evalis was based on three clear projects that could now be deployed:

- rationalising cattle food production in France by forming alliances between each Evalis plant and the regional cooperatives concerned wherever possible;
- increasing international development;
- implementing a powerful innovation strategy thanks to the combined R&D resources of InVivo and Evalis.



Evalis pursues international expansion in China and Vietnam. Here, the aquaculture research station opened in Vietnam in February 2008.

A black and white portrait of Jean Guyomarc'h, an older man with glasses, wearing a suit and tie. He is looking slightly to the left. The background is a blurred window with a grid pattern.

ENTRE PRENEUR

Jean Guyomarc'h (1923-1996), the founder and chairman of the food group bearing his name, later renamed Eviatis. In 1980, when he handed over the reins, the Group had revenue of some 2 billion francs.

From Guyomarc'h to Evialis, a Breton period

Jean Guyomarc'h, the entrepreneur miller

Son of a miller from Vannes (Morbihan *département*, in Brittany), Jean Guyomarc'h was born in 1923. He studied at the Ecole française de la Meunerie (French milling school) in Paris where one of his teachers encouraged him to go into cattle feed, a sector that was just beginning to develop. In 1952 Guyomarc'h set up a company specialised in animal feed. In 1954 the young entrepreneur published the first guide for livestock breeders and opened his first factory in Vannes in 1955, in which five employees manufactured his first mixtures for poultry. The rapid growth of the poultry industry in Brittany benefitted Guyomarc'h. In 1954 his limited liability company became a public limited company and soon had factories all over France: Montargis (1957), Brest (1962), Bourg-en-Bresse (1965), Plouagat (1971), etc. In 1961, Jean Guyomarc'h acquired the Talhouët farm in Saint-Nolff (Morbihan *département*) where he installed the research centre, and in 1970 the company's headquarters. The sales teams were the vanguard of the company, together with the applied research division and the marketing division. Animal feed, once delivered in sacks, gradually came to be delivered in bulk, directly to the farmer's silo.



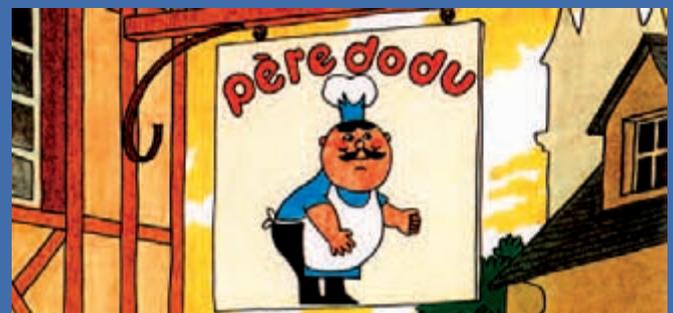
The first plant in Vannes (Morbihan *département*), founded in 1955.



The 1950s sales staff pose for posterity.

Successful diversification

On a trip to the United States, Jean Guyomarc'h had observed that turkey was widely eaten outside of Thanksgiving and became convinced that turkey could take off in a similar fashion to chicken. In 1962 he founded the famous *Père Dodu* brand, and roast turkey production rose from 300,000 items in 1965 to 14 million in 1967! A few years later, Guyomarc'h innovated with an offering of fresh pre-cut packaged chicken under the *Galina* brand. The company set up a plant in Spain in 1968 followed by Brazil in 1974, Ivory Coast in 1976, and Indonesia in 1981. In March 1972 Guyomarc'h acquired *Royal Canin*, a dog food company founded by a vet, Jean Cathary. With *Royal Canin* and the distinctive strategy led by the chairman, René Gillain, the Guyomarc'h group successfully conquered the French market, followed by the European one, and even the American one.



Guyomarc'h in Brazil (1974). Guyomarc'h, now Evialis, in Vietnam in the early 2000s.

INTERNATIONAL



The Talhouët manor farm at Saint-Nolff (Morbihan *département*), the headquarters and research laboratory.

The Louis Dreyfus period of expansion

In 1979/1980 Jean Guyomarc'h sold his group to the Louis Dreyfus company. The CEO, Jean Pinchon (see part 2 for a biography), changed nothing and appointed Michel Vermersch as chairman to ensure continuity. The change of shareholder was beneficial because in the space of ten years from 1980 to 1990, revenue was multiplied by four from 2.1 billion francs to nearly 9 billion francs. The animal nutrition branch became the market leader and the Questembert factory (Morbihan *département*), which opened in 1980, was the largest in Europe. On 17 December 1983 Guyomarc'h became the leading Breton agrifood group to be listed on the Paris stock market (second market). Exports continued to rise and at the end of 1989, while concentrated premixes and special animal feed were sold in some 50 countries, mainly in Africa and the Middle East. After chicken and turkey, the Group entered the rabbit market in 1984 by taking over the Rozanig abattoir in Baud (Morbihan *département*).

The Paribas period: reorganisation

On 30 January 1990 a new turning point in the company's history occurred when Louis Dreyfus sold Guyomarc'h to Banque Paribas, which wanted to create a third major French agrifood outfit, of which Guyomarc'h would be the backbone, along with BSN – soon to become Danone – and the Saint-Louis group. The bank immediately implemented synergies in the poultry business by merging it with *Père Dodu* owned by the Breton group Doux. As a result Guyomarc'h lost 2,600 employees and 2.2 billion francs in revenue. In animal nutrition, the 1990s was to be a decade of acquisitions, including COFNA, Deltazur, Rouergue Aliments, Novaliment, Mesny, Cavaignac and SN2A. This rapid spate of acquisitions on the eve of a global restructuring of the animal feed market in France, made the Group more fragile rather than strengthen it.

In 1994 the Group was reorganised into two major segments:

- animal nutrition, which required more independence and adaptability to pursue its growth in France and abroad (4 billion francs in revenue and 2,000 employees);
- the limited liability company Guyomarc'h Alimentaire (SAGAL), which grouped together Royal Canin, Diana and SOPRAT *Père Dodu* (2.8 billion francs in revenue and 1,800 employees).

The Group opened branches in Eastern Europe from 1993, China in 1995, Vietnam (Hanoi), India in 1998, and Portugal in 2000. Meanwhile (in 1992), René Gillain took over from Michel Vermersch at the head of the Group.

Evalis: refocusing on animal nutrition

On 15 May 2001 Guyomarc'h animal nutrition took the corporate name of Evalis. There followed a year of intensive acquisitions in France with the purchase of Agribands Europe France (AEF, the Purina brand), *Prévital Nord* and *Prévital Normandie*. Prisma was created the same year from the merger of the premix and nutritional specialties business in France. International development continued in Spain (Galicia) and in Vietnam (Ho Chi Minh City). The Group also opened branches in Italy and South Africa. Purina became DP Nutrition in 2002. In 2002 Paribas sold Royal Canin to the American group Mars Incorporated. The bank also disposed of Diana, the additives division, and SOPRAT *Père Dodu*. Paribas made a substantial profit from each of those transactions. In 2003 there remained only the historic animal nutrition branch, which was less strategic for Paribas and therefore sold off in 2007. Evalis, with Alain Decrop as its chairman, refocused the animal nutrition business, and pursued acquisitions in France, Poland, China and South Africa. In 2005 a technological partnership was signed with the Japanese group Nosan Corporation, while in France, *Nutréa* was founded with Unicopa, the Breton leader in animal nutrition. Pierre Lefebvre became the CEO of Evalis in March 2005.

InVivo acquires Evalis

At the outset, Union InVivo held 55% of *Financière Evalis*, while Unigrains and Sofipar owned 25% and 20% respectively. After InVivo's August 2007 takeover bid, *Financière Evalis* owned 81.80% of the capital and the voting rights of Evalis, which was listed on the stock exchange until June 2009.

In 2006, on the eve of the acquisition, Evalis had:

- ... Revenue of 637 million euros of which 25% generated internationally,
- ... 3,074 employees, 51% of whom in France, 26% in Asia, and 10% in Brazil,
- ... Evalis was also the second largest compound feed manufacturer in France after Glon-Sanders,
- ... the French leader of medicinal premixes,
- ... and owned a laboratory, Laréal, which employed 55 people in Vannes, carried out 400,000 analyses a year and posted annual revenue of 5 million euros.

Chapter 13 - The world is changing, InVivo too

Urgent change: Michel Fosseprez and Patrice Gollier build a modern enterprise

CHANGE AND A BREAK WITH THE PAST, OR “A GREAT UP-HEAVAL” AS INVIVO’S ANNUAL REPORT BOLDLY LABELLED IT IN ITS TITLE, occurred during the 2006-2007 harvest, which saw a spectacular reversal of trends. Supplies of agricultural raw materials were, for most products, insufficient to meet global demand, while stocks were historically low. There followed a sharp and immediate rise in the price of cereals and oil and protein crops, sending shockwaves among the operators who were unprepared to manage such price volatility. Until then, agriculture in the EU had been a matter of productivity, managing excess production and regulatory systems in a context of relative price stability. In the light of these events, the “feeding the world” credo acquired its true meaning but came with a proviso, “while protecting the environment”. Neither of these objectives was new, but they had become crucial and were now propelled to the core of debate and government policy.

Certainly agriculture had never faced so many challenges. It had to satisfy a growing demand for food, provide a portion of energy requirements (green chemistry), protect the environment (water, soil, climate, biodiversity), help depollute the planet and participate in rural planning. Michel Fosseprez and Patrice Gollier’s shared vision was expressed as follows: “Today the InVivo group is fully devoted to taking up the great challenges of the future: the implementation of a productive, competitive and sustainable European agriculture. Cohesion between the network of cooperative stakeholders and their union is key for enabling the InVivo group to contribute fully to the success of this new challenge.” (*Annual report*, June 2007).

The agriculture section of the Grenelle environmental round table

The Grenelle environmental round table opened in May 2007 and its decisions became operational in July of the same year. Government and civil society representatives got together to define a road map for promoting ecology and sustainable planning and development. It set the objective of devoting 20% of the total cultivated



area in France to organic agriculture by 2020. The *Ecophyto 2018* plan defined an objective of reducing the consumption of pesticides by half, if possible. A voluntary environmental certification for farmers, HVE (for “high environmental value”) was introduced in 2008 (the decree implementing the Grenelle environmental II law was passed in June 2011), with the aim of half the farms being certified in 2012.

It was in this very special context that Patrice Gollier was appointed CEO of InVivo at the age of 57 on 1 July 2007. Designated by Jean Myotte to be his successor, Gollier immediately gave the Group a new impetus. In mid September he presented his project to the Group’s employees and cooperatives at several regional meetings. The underlying theme of the five-year strategic plan prepared with Michel Fosseprez, was clear: to develop InVivo’s activities in a profitable way by focusing efforts on the satisfaction of the cooperatives. He believed that each of the Group’s businesses should be geared to providing the cooperatives with an economic benefit, in addition to a high level of expertise and innovation. He intended to redeploy some businesses, notably those whose profitability was solely generated by international business, such as seeds, animal health and nutrition. That was already largely underway with the acquisition of Evalis. His approach was that of a corporate business manager intending to structure a group with a new dimension in a new world.

To implement his strategy, the new CEO first looked at the company structure. InVivo’s four businesses clearly stood out, prefiguring its future organisation in 2009: seeds and plant agro-supplies for farming; animal nutrition and health; storage and grain markets; distribution and services. A new cross-



Michel Fosseprez and Patrice Gollier profoundly restructured the InVivo group and gave it a new dynamic.

functional division, sustainable agriculture and development, was added to the seven operational ones, and headed by Bernard Raynaud. New men, hired from outside the union, were selected for their specific skills: Jeremy Macklin, director of agro-supplies for farming, was hired in 2007, and Jean-Pierre Dassieu, director of Gamm vert. A general services division was set up and headed by Christian Roux to monitor the cost-cutting plan for procurement launched in April 2006. The Group established its crisis management procedures in the autumn of 2007.

The human resources division, which Jean Myotte had attached to the general management in 2006, was kept busy with a near four-fold increase in staff (from 1,766 employees at 30 June 2007 to 6,457 at 30 June 2008!). Human Resources implemented the jobs and skills management plan launched at the end of 2006-early 2007 and turned its attention to training

managers and integrating new arrivals, since Patrice Gollier believed that “the success of our strategy also means developing a feeling of belonging to a group”. The communications department, established in 2006 became an independent division in April 2008, headed by Pierre Pinault.

Michel Fosseprez and Patrice Gollier sought tighter, more coherent governance; chairman Fosseprez took the initiative. The 41-member board meeting, a result of the UNCAA/Sigma merger, was reduced to 21 elected members, in addition to 8 qualified personalities. The director’s position was redefined for greater clarity. Strategic orientation committees were set up by business line (agro-supplies, animal nutrition and health, and markets), based on UCAAB’s earlier model. The committee members participated in board meeting consultations and decision-making. An executive committee was created in 2008 consisting of the chief executive officer and his deputy CEOs.



Patrice Gollier, a lucid and human manager

While not from a farming background, Patrice Gollier grew up in the countryside. He was born on 29 December 1950 in Beaumont-du-Gâtinais, a village in the Seine-et-Marne *département*, where his father was a shopkeeper. Of a literary frame of mind and having passed a science baccalaureate, the young man decided to take a second baccalaureate, this time in mathematics, in

order to enter Esitpa, the higher education establishment for agricultural engineers and technicians. He graduated in 1974 and started his professional career in 1975 as a nutrition engineer at Thoreau, a cattle feed manufacturer in the Gâtinais region, where he soon became technical director.

He then joined UCAAB in Château-Thierry in 1981 where he headed the poultry department. Jean Myotte, who took over the reins of UCAAB in 1982, appointed him deputy manager in 1989, deputy director in 1991, and director after he left in 1992. Gollier became the director of UNCAA’s animal products division in 1996 and remained in that post after the creation of InVivo. He headed the reorganisation that led to the creation of Inzo° in 2002 and contributed greatly to developing the animal nutrition and health division, which was acquiring greater weight and representation within UNCAA and later in InVivo.

Patrice Gollier was first appointed deputy CEO of InVivo in 2004, taking over from Jean Myotte for the second time when he became chief executive officer of InVivo on 1 July 2007. He had the heavy responsibility of ensuring the successful integration of Evalis and giving a new impetus to InVivo’s development project, putting the finishing managerial touches to the organisation of a modern enterprise. Sharing value added between the cooperatives and InVivo, in respect of commitments taken by both parties, lay at the heart of his action.

On 17 January 2012 he was appointed CEO of Coop de France and CEO of ACOOA under the chairmanship of Philippe Mangin, with whom he continued to manage InVivo. He was a man of conviction, both demanding and very open. Those who knew him well described him as being very curious, a committed leader, lucid and profoundly human.

Patrice Gollier was also a graduate of ICG management control institute, and INSEAD business school.

Chapter 13 - The world is changing, InVivo too

THIS RAPID IMPLEMENTATION OF HIGHLY STRATEGIC DECISIONS about InVivo's future, was carried out in a difficult market situation. The Union reported mixed results at 30 June 2007, with revenue up sharply from 2.837 billion euros the previous year to 3.636 billion euros, as a result of the considerable increase in volumes in the markets department and the rise in cereal prices. But at the same time, margins fell in seeds, agro-supplies, and animal feed, and net profit fell sharply to 3.7 million euros (vs. 15.2 million euros in 2005-2006). The reorganisation of the agro-supplies division and implementation of the policy to provide the partner cooperatives with good economic returns, severely reduced InVivo's own economic performance.

Despite this temporary weakness, the changes in all areas were marked. Changes in strategy of course, but also changes of style. While remaining faithful to its cooperative model, InVivo was adopting working methods that had proved their worth in the business world, and got in tune with the major regional cooperatives around it. Adaptability was the order of the day and a project management methodology was deployed on the regional delegations in the field, starting with agro-supplies and Gamm vert, to enable them to set up operations with and for the cooperatives, but always with the aim of providing them with economic benefits.

To improve risk management, the markets division, which had suffered from the sudden volatility in grain prices, reviewed its internal procedures and made them secure. Sigma

Terme, a trader and clearer on Matif-Euronext commodities contracts (contracts and options on wheat, maize and rape) developed its offering in services and training, especially in price risk management. In that difficult context, the markets division became even more strategic for the Group and its cooperatives, which needed an operator like InVivo more than ever, because of its marketing strength and ability to work in all the European and third-country markets, as well as its advisory capacity.

The dynamics of change were also at work at Gamm vert, which began to turn into a far stronger franchise under Jean-Pierre Dassieu. To develop in a mature market, Gamm vert needed to reinforce its network cohesion. Each store had to learn to act fast and according to a national action plan to attract customers and concentrate procurement. The goal of "Objective 2010", the new strategy and action plan presented in October 2007, was to make the Group better known and increase the profitability of the stores. The network segmentation around the two brands, Gamm vert for gardening, and Comptoir du Village for agricultural self-service stores, was part of the strategy, along with the training "campus" for sales and advisory staff in the franchise stores, to increase their skills.



Agrial, Axérial, Terrena, Triskalia, Vivescia: the new dimension of multi-purpose cooperatives

The merger trend among French cooperatives continued into the early 21st century, and formed large regional collection and transformation groups, some of which had a solid agrifood and/or agro-industrial dimension as well.

Agrial	2000	merger with Elle & Vire in November 2011	2011 revenue = €2.72 bn 7,500 employees
Terrena	2004	Cana + Caval + GCA	2011 revenue = € 4.3 bn 11,820 employees
Axérial	2008	Agralys + Épis-Centre by acquiring Boortmalt in 2010 it became the 5th world malt preparer	2011 revenue = €3.4 bn 3,390 employees
Triskalia	2010	Coopagri Bretagne + CAM 56 + Eolys	2011 revenue = €2.2 bn 4,200 employees
Vivescia	2012	Champagne Céréales + Nouricia	2011 revenue = €3.5 bn 8,000 employees

IN 2005 AND 2006, THE PRICE OF AGRICULTURAL COMMODITIES AND FOOD ROSE SHARPLY LEADING TO SOARING SHARE PRICES FROM JANUARY TO JUNE 2008. FROM JULY THAT YEAR, PRICES STARTED TO FALL JUST AS SPECTACULARLY, JUST AFTER THE ONSET OF THE INTERNATIONAL FINANCIAL CRISIS.



concentration

The merger trend in agricultural cooperatives accelerated in 2012.
Despite considerable consolidation over a decade, French cooperative groups remained smaller than their foreign counterparts.

Chapter 14

Portrait of a cooperative group on the move

History is written in the present (2008-2012)

After the 2006-2007 transition, and despite a very difficult economic context, InVivo improved performance across its businesses, in part by price rises in cereals and oil crops. Group revenue rose above the 5 billion euro mark at 30 June 2008, with net income (Group share) of 34.5 million euros. The 45% rise in revenue owed 25% to the acquisition of Evialis and 20% to Group business, on a like-for-like basis. With this new size, the InVivo group carried out an in-depth renewal of its structures and internal procedures. Its four major business areas now enjoyed a strong momentum and in July 2011, when InVivo and Coop de France joined up to create ACOOA, the goal was to channel their combined energy and expertise to meet the challenges facing French agriculture, namely productivity and quality, respect for the environment, and regional development.

Structuring a new company to face the major agricultural and food challenges

2008-2010 A PERIOD OF RESTRUCTURING FOR THE INVIVO GROUP. A new organisation structure was introduced in 2009 consisting of four operational divisions instead of seven. The Group's four activities were now clearly identified:

- **InVivo Agro**, grouping all the plant agro-supplies, and seeds businesses, as well as the sustainable agriculture and development division created in 2007;
- **InVivo NSA**, formed on 1 January 2010 as a result of the merger of all InVivo and Evialis animal nutrition and health divisions, after which Evialis was delisted from the stock exchange on 4 June 2009;
- **InVivo Grain Trading** (now InVivo Grains), which also includes storage;
- **InVivo General Public**, the consumer branch previously called "distribution and services", which includes Gamm Vert, Néodis and Sepco.

The executive committee was increased to five members: the chief executive officer, the deputy chief executive officer in charge of functional divisions, and the directors of the first three above-mentioned activities.

At the same time, new functions emerged with the new strategies. For instance the strategic marketing and innovation department was set up in September 2010 and placed under Hélène Guido-Halphen. The department reports to the general management and manages cross-functional projects, innovation processes and strategic marketing for the entire group.

To make the R&D division stronger, the French department researching plant products and environmental science was merged with InVivo AgroSolutions in July 2011, and dedicated to finding solutions and technical itineraries that can respond to economic and ecological issues in agriculture.

In the back office, the transformations were just as far-reaching. In the course of 2008, the accounts department was reorganised into three departments: head office, agro-supplies, and distribution. The repayment scheduling, central billing, customer accounts and typing pool departments, were replaced by three new ones, purchasing accounts, auxiliary accounts and banking accounts. The information systems division (DSI) was entirely overhauled to become InVivo Computing and immediately started the software convergence process between the former Evialis and InVivo.

Environmental responsibility taken on board

InVivo is positioned as a vector of sustainable development in agriculture. The union provides its member cooperatives with methods that contribute to their own environmental performance. InVivo AgroSolutions, which specialises in life cycle analyses in agricultural crops, has perfected agro-environmental indicators. It has also identified the services rendered by ecosystems in areas such as greenhouse gas reduction and the preservation of water quality in catchment/supply areas. The Group's methodology, which promotes the integration of pulse plants in crop rotation to qualify for carbon credits, has been approved by the Ministry of Ecology. Since July 2011, InVivo has taken part in national experiments on environmental information labelling.



“We have an extraordinary opportunity within our grasp. Today, agriculture has acquired a new strategic value, and the InVivo group will see new business lines and services develop in the future. We will adapt our organisation to this new configuration. ,,

Patrice Gollier, 18 March 2008.

The HR project places people at the core of the Group's strategy

IN 2007 AND 2008, INVIVO INTEGRATES STAFF FROM ITS ANIMAL NUTRITION ACQUISITIONS: Evalis (+ 4,700 employees), MaltaCleyton (+ 750 employees in Mexico) and Cargill (+ 423 employees in Brazil).

If that were not enough, the post-war generation was retiring and needed to be replaced. The financial year 2008-2009 was a turning point in the Group's human resources policy. No fewer than 205 people were hired to bring the new skills so vital to the future development of the Group's businesses. They included young agricultural and agrifood engineers, sustainable development specialists, IT specialists, managers, administrative staff, and so on.

It was during this period that the human resources division expanded, gradually deployed its HR IT system (SIRH) and built its HR Vision 2009-2011 project to take into account the specificities, issues and perspectives of the various operational divisions, and promote employee talent over the long term.

Faced with new trends in agriculture and distribution, the InVivo group needed to adapt and anticipate changes in its businesses. The acquisition and transfer of know-how were vital to maintaining its competitiveness. The HR division worked to match employee skills development with the company's strategic objectives, hence the commitment "Develop individuals to help InVivo develop". Central to the training programmes was the development of managerial skills in departmental heads.

STRUC TURING

2009, the "InOui" year

Innovation means everyone working together! Spurred on by Patrice Gollier, InVivo launched a participative innovation approach in the shape of the "InOui" challenge. The initiative mobilises



the entire staff, and especially the younger members, which is a source of great satisfaction. It is disseminated via a web platform on which employees contribute projects and vote. A network of around 60 "information points" encourages and facilitates the process, and ideas are springing up everywhere! At the end of 2009, 30 proposals out of 150 posted on the site were selected for study, some to an advanced or even operational stage. Since then the concept has spread throughout the Group. InVivo employees in all parts of the world received prizes at the second "InOui" awards held in 2012.

InVivo Agro

combines productivity with responsibility

InVivo Agro covers ten businesses: seed production and marketing (Semences de France), agronomy, sustainable agriculture, R&D, fertilizers, plant health, agricultural equipment, parks and gardens, services (decision-making and management tools) and biological control (Biotop). All these businesses changed between 2008 and 2012 as they became better structured and grew. Their main objective is to help cooperative members improve productivity while limiting the environmental impact of agricultural practices.

To conquer new territories through innovation and by developing solutions that integrate agronomy, ecology and economics, InVivo Agro has focused all its research resources in InVivo AgroSolutions. A player in the *Ecophyto 2018* project, InVivo Agro works with its cooperatives to create sustainable agriculture.

Biotop expands to Livron

In January 2009 a second Biotop production unit went into production at Livron (*Drôme département*, southern France) in addition to the one in Valbonne (*Alpes-Maritimes département*). Biotop, InVivo's company specialised in the development of alternative plant protection methods, is organised around three divisions: production, marketing/sales, and innovation/strategy. It develops specific product ranges and marketing approaches to conquer the agricultural and general public markets. The creation of a range of beneficial insects for greenhouse market gardening was a rapid success. The partnership with Néodis in 2011 enabled Biotop to sell biological control products to garden centres and retail stores. A pioneer in biological pest control since 1991, Biotop is now developing micro-organisms.



InVivo AgroSolutions provides novel solutions for the agricultural environment



In late 2010 InVivo brought together all the divisions working on plant product innovation to form a new subsidiary called InVivo AgroSolutions. The subsidiary comprises the former sustainable agriculture and development division, R&D for alternative plant protection solutions, the agronomy department and the agro-livestock breeding IT division. These became more coherent and stronger in a single unit, whose goal is to become a reference in innovative solutions for European agriculture. The agronomy branch of InVivo AgroSolutions conducts approximately 800 trials per year with some 100 cooperatives.

Agro-supplies: InVivo promotes European dialogue

In 2009 InVivo set up the European Agriculture Marketing Alliance (EAMA), a grouping of leading agro-supplies distributors from northern European countries. The initiative enabled partners facing the same challenges to share good agronomic solutions (such as resistance to herbicides and fungicides) as well as environmental ones (water management and biodiversity), and to devise new ones. EAMA also helped to increase the negotiating power of InVivo Agro's network to benefit its partner cooperatives.



An agro-environmental operator: a new line for InVivo



One of InVivo Agro's major objectives was to preserve farmers' rights to farm in priority water catchment areas. Agro-environmental operations is a new business that was gradually endorsed by the cooperatives, after consultation with the local authorities and the utility companies concerned. InVivo's engineers and hydro-geologists provide the methodological and technical support. Thus in September 2011, in just two years, InVivo cooperatives won contracts to manage some 60 water supply and catchment areas, including some priority ones as defined by France's Grenelle environmental initiative.

High-tech decision-making tools for increasingly responsible agricultural practices

In 2008 InVivo Agro launched an upgrade of its decision-making tools. The new-generation tools for managing fertilizers and crop protection (such as *Epiclès* and *Phytènes*) were technically enhanced and integrated the latest regulatory data. Using these tools, farmers can optimise product use according to the agro-climatic situation of their plots, for instance by combining the *Epiclès* manure planning software with Farmstar satellite observation. InVivo Agro wants tools like these to spread sustainable farming concepts and put an end to existing practices that are not only unprofitable but often harmful to the environment.



Producing better, producing more



In 2011 the government launched a plan for a national network of farms with a "DEPHY Ecophyto" label (demonstration, experimentation and production of references on farming systems that reduce the use of phytosanitary products). As part of this national approach, InVivo set up its own network in April 2012 together with its technical institutes and Coop de France. Called *FermEcophyto*, it comprises 21 cooperatives and 155 farms, with the goal of promoting new crop practices that are just as efficient but more economical in their use of pesticides, and significantly reduce environmental impact. The first results of a study of more than 3,000 plots showed that the environmental performance of a productive and profitable farm does not depend solely on the reduced use of fertilizers and pesticides. To be continued...

Guaranteeing safe access to genetic progress

In the autumn of 2010, InVivo and RAGT Semences entered into a strategic partnership in seed variety creation, giving rise to an advanced research unit working on a European scale. The partnership was the result of strategic discussions held in 2009 about the future of the seed business in the InVivo group, since performance in this sector requires considerable resources in molecular markers and bio-computing. InVivo's plant breeding subsidiary, Serasem, was merged with RAGT's research division, R2n, the two groups consolidating their research potential and re-asserting the strategic importance of seeds in the agricultural sector. In June 2011, Semences de France, InVivo's multi-variety seed marketing subsidiary, celebrated its 20th anniversary. The following year it came second among the 2012 prizewinning seed firms selected by *Agro Distribution* magazine in France.



InVivo Animal Nutrition and Health

structures its French business and pursues an active international acquisitions and development policy

Since its creation on 1 January 2010, InVivo Animal Nutrition and Health (InVivo NSA) has ranked among the world leaders in its market. It accounts for 24% of the Group's revenue, up from 7% previously. Its strategic objective, based on a multi-business, multi-species and multi-zone approach, is to cater to the anticipated sharp increase in global demand for animal protein between now and 2040, as well as to be known and recognised as a world reference in innovative animal-breeding solutions.

InVivo NSA's economic model is focused on four geographic zones: France, EMEA (Europe, Middle East and Africa), Asia and Latin America, and five businesses: complete feed, premixes, analytical laboratories, additives and animal health. This combination brings the Group closer to local markets and provides them with a wide range of solutions. It enables InVivo NSA to meet the expectations of cooperatives and animal breeders while consolidating its position in growth areas abroad to finance its own investments and development. In 2012, 56% of its revenue was generated internationally.

A targeted and sustainable growth strategy abroad



A result of the difficult situation in the French animal nutrition market in 2008-2009, InVivo identified new areas of growth and accelerated its international development, especially in Brazil and Mexico, two high-potential markets, and the world's 3rd and 4th largest complete feed manufacturers respectively.

In Mexico in April 2008, Evalis acquired a majority shareholding in MaltaCleyton, the leader in the Mexican non-integrated feed market (160 million euros in revenue, 13 industrial sites), and fully acquired the company in November 2011 when it bought the remainder of the shares.

In the same year, InVivo NSA strengthened its position on the premix and complete feed markets in Brazil by creating a leading group on its markets when Evalis acquired Cargill Nutrition Ltda's complete feed plants while Inzo° acquired 50% of the capital of the Brazilian service firm, Vitagri (13.4 million euros in revenue), and the remaining 50% four years later.

In 2012 the Group also developed in Asia with the acquisition of the Vietnamese company Star Asia, adding to InVivo NSA's expertise in shrimp feed. In Europe, the Group made targeted investments including the acquisition of a minority holding in Vetagri in Portugal.

The merger of Evalis with InVivo's animal nutrition and health division gives rise to InVivo NSA

The *Société Financière Evalis*, Evalis' finance company, acquired by InVivo in 2007, successfully launched a simplified takeover bid for the remaining 15.5% of Evalis' floating capital, which led to Evalis being delisted from the French stock market on 4 June 2009. This resulted in the official creation of InVivo NSA on 1 January 2010 and the merger of the InVivo and Evalis animal nutrition and health divisions. The new entity immediately became a world leader in animal nutrition and health, with 60 years of combined experience and unparalleled R&D potential in the sector.

InVivo NSA plays a key role in structuring the French complete feed sector



In France, the animal feed market entered a downward spiral in 2000, leading InVivo NSA to restructure the market via Evalis France and gradually form strong regional entities throughout France through partnerships with animal feed manufacturing cooperatives.

This approach was launched in November 2009 in the Somme *département* with the creation of Novial with Ucalpi, for the purpose of constructing permanent regional industrial units and supporting the deployment of the Evalis franchise brand nationwide. The strategy continued with the creation of Lorial (in eastern France) with the Lorca and CAL cooperatives in December 2010; Querial (southeast France) with the Capel cooperative in April 2011; and Soal, Atrial, Seal and Lorial 2 in 2011-2012.

“Innovation is vital and guarantees our future success”

These words from Patrice Gollier depict the state of mind that reigned in InVivo NSA and explain why the Group invested in a top-level R&D facility consisting of 160 experts worldwide, 2 research and scientific monitoring centres, 13 experimental research stations, and numerous high-level public/private/university partnerships. They also explain the merger of InVivo NSA's analytical laboratories (Lareal, Laboratoire Inzo° and Laboragro) to form a single entity called InVivo Labs in July 2011. In an increasingly demanding market, anticipation, agility, cross-functionality and innovation are prerequisites for meeting customer demand, and require investments in areas where increasingly innovative and differentiated tools make a difference, such as the additives business under the Néovia brand, or the new Saint-Nolff laboratory (*Morbihan département*) inaugurated in March 2013.



A federating corporate project



In September 2011 InVivo NSA organised its first international convention to explain its corporate project. The key event followed a March 2011 seminar during which 30 of the Group's senior executives were asked to imagine tomorrow's InVivo NSA and define its strategic goals. This exercise helped the Group to promote a corporate vision and corporate values, by organising its global business into four geographic zones and five major strategic goals: being a federating identity, becoming a benchmark in France, growing internationally, purchasing raw materials, being innovative and launching new products on the market.

Five plants around the world

InVivo NSA is continually strengthening and modernising its industrial plants in France and abroad to meet the growing need for expertise and strong demand from the Asian and South American markets. In a single financial year (2011-2012) five animal feed plants were built, one in Vietnam, one in Indonesia (fish and poultry feed), two extrusion plants in Brazil, and one pet food plant in Mexico. In addition, the new Saint-Nolff laboratory (*Morbihan département*) was opened in 2013, and has efficiently responded to growing health and traceability requirements in France and abroad.



A new health and hygiene unit

Several companies form the animal health and hygiene division of InVivo NSA: Qalian, Sanicoopa, Mériel, Safe, Santamix Iberica (Madrid) and Qalian Portugal (Lisbon). The creation of the Qalian brand in September 2011, from the merger of the Franvet veterinary laboratories and NOÉ, enabled the Group to fulfil another ambition, namely to become a global reference in the livestock hygiene sector. This strategic position was vital to prepare for the gradual de-medicalisation trend in France and in Europe and has led to major investments in hygiene, immunology, parasitism, and aquaculture innovations. The Group's international marketing organisation was also reinforced and ties strengthened with InVivo NSA's international subsidiaries.

InVivo Grains

Technical progress contributes to global food security

Over the years InVivo Grains has established a reputation as a leading operator on the global stage, a major exporter known for its reliability and expert knowledge of markets. Its role is to secure long-term outlets for the crop production of partner cooperatives outside their customer catchment area and to develop innovative methods to help them manage volatility risk in farm commodity markets.

With its subsidiary Sigma Terme, InVivo Grains works alongside “its” cooperatives to reduce uncertainty over the long term, using its logistical and financial expertise to lock in these outlets. On the market side, InVivo Grains forges relationships of trust with customers who are looking for products and solutions to ensure regular supplies.

The No. 1 French exporter in this sector, InVivo Grains accounted for 34% of French wheat exports to all countries and 20% to countries in the European Union in 2010-2011.

Silos: a well-structured, countrywide network

At the beginning of 2010 InVivo owned or co-owned with regional cooperatives nine silos having a total capacity of 1.25 million tonnes and located along grain export routes. The acquisition of Sodistock in September added three more silos, strategically positioned along the Atlantic coast to handle growing exports to Algeria, Egypt and West Africa. The capacity under management thus increased to 1.5 million tonnes. The watchwords in the day-to-day operations are quality, traceability and security. In February 2008 Bassens became the first French silo with Sagess certification, a safety standard for personnel and facilities developed by Coop de France. The certification process then got under way at the Metz, Ottmarsheim and Huingue silos (eastern France). In 2012 InVivo began setting up facilities abroad, assisting longstanding customers to develop grain terminals in North Africa (Morocco) and in regions of production (Hungary) complementary to those in France.



Market Clubs

In 2008 Sigma Terme began developing the “Market Clubs”, which quickly became very popular with the cooperatives and their members. The Market Clubs provide information and analyses to farmers who want to know more about market trends. They also organise meetings conducted by InVivo experts. At the end of 2012, 70 Market Clubs had been set up in 20 cooperatives of all sizes and in all regions.

2009: the shock

Grain markets became extremely turbulent in 2009. Price volatility intensified, greatly reducing the efficiency of the usual marketing methods. New financial players, both investors and speculators, were exerting strong pressure on markets and introducing new trading methods. The physical flows of production had to be separated from the financial transactions, which obliged cooperatives to alter their contracting methods and in particular the advance price. In response to this situation, InVivo Grains went to work creating management solutions to pool price risk and secure long-term outlets for the member cooperatives' production.

InVivo stakes out a position in Hungary

In late 2009 InVivo Grains created a company for the collection, storage and marketing of grain in Hungary. Dabas-based InVivo Trading exports to markets in northern Europe and northern Italy and to countries outside the EU through ports on the Black Sea and the Adriatic. The objective in setting up this company was to strengthen the Union's position in export markets around the Mediterranean basin while gaining better knowledge of grain producers competing with those in France. In spring 2012 InVivo added to its storage facilities by buying the Baja silo on the Danube. With a capacity of 6,000 tonnes, the silo handles an annual volume of about 140,000 tonnes.



InVivo further strengthens its strategic partnership with Toepfer



On 2 December 2010 InVivo increased its shareholding to 20% in Alfred C. Toepfer International (ACTI), one of the major players in international raw materials trading. Patrice Gollier succeeded Bruno Catton as chairman of the ACTI supervisory board. InVivo thus broadened its grasp of global markets and improved its ability to target the best opportunities for selling French grain in foreign markets.

Export: looking south

The role of InVivo Grains is to sell French grain in export markets, where the cooperatives cannot or have not wanted to venture alone. Already solidly positioned in Morocco and Algeria, both traditional markets for French wheat, InVivo expanded its presence in West Africa and the Middle East. At the same time, the Union demonstrated that it was a reliable partner for importers. Egypt provides a good example. At the height of the food riots in February 2011, InVivo continued its deliveries of horse beans and wheat when the banking system was no longer keeping up. It then proposed a customised solution in the form of a five-year contract that included a system for managing price volatility.



InVivo Grains conferences

Information and data analysis are more strategic than ever to managing markets and controlling risks. To help cooperative managers sharpen their strategic vision, InVivo Grains organises daylong conferences on specific subjects in which top-level international experts are invited to participate. On 30 June 2011 the themes were: "Wheat prices have gone up 20%, 40%, and 60%. So what's next?" and "The geopolitics of grains: comparing visions along the Atlantic and the Mediterranean". On 7 December 2012: "Finance - Agriculture: who governs the world of grains?" And on 7 June 2012: "Agricultural markets and economics: choosing a strategy for the next crop".

InVivo General Public, tapping the growth in leisure gardening

The transformation of Gamm vert has been a success. Initially a chain of self-service stores selling farming products in rural areas, the brand is now based on a garden centre concept that attracts a more diverse clientele, including a growing number of women. The stores' image enhances their appeal and their profitability.

Consistent with the cooperative spirit, Gamm vert is a participative franchise, which makes for efficient governance. The chain is attracting more and more franchisees because of its strong performance, and it expects to do even better. The national product allocation plan is smart, promotion of the distributor brand is accelerating, the sustainable development offer is expanding, the franchisees are provided with efficient management tools... the list goes on and on. The leader in sales and in the number of garden centres in France and ranked second in name recognition, Gamm vert is aiming to become the top brand.

Marketing expert Néodis is adapting its organisation to meet social responsibility requirements and thus contribute more to sustainable development. It is also taking steps to implement the ISO 26000 standard.

Sepco is successfully developing as an agricultural and "green leisure" consultancy.

2008

Gardening and plants represented more than 50% of Gamm vert's revenues for the first time

It was a crucial step forward for the brand's image and profitability. The added momentum from the network was already reflected in the results: individual store sales were up an average of 5%, consolidated sales for the network increased by 7%, the selection of products became more uniform from store to store, and more products were offered in strategic and representative departments.

Seventeen new stores were opened, raising the total to 793, and 56 stores were renovated and expanded. The quality of the Gamm vert franchise became more even, and its performance and visibility improved.



2009

Gamm vert diversified its offer and developed a stronger local focus with a new department called "Les Sens du Terroir" [Flavours of the Land], which offered



- products with a "local country" flavour, with a selection for national, regional and local markets that also highlighted local producers;
- a complete grocery counter;
- an additional fresh produce line in some stores, also based on an allocation plan drawn up with local producers;
- cooking utensils for everyday use;
- products to preserve fruits and vegetables from one's garden; and
- a range of products under the brand "Les Sens du Terroir".

2010 Gamm vert became the French garden centre chain with the highest sales

and the most outlets: the segmentation strategy differentiating the 635 local Gamm vert garden centres and the 220 rural **Comptoir du village** Gamm vert garden centres was a success.



2010 The new architectural concept was introduced

in the Gamm vert garden centres for both the exteriors and interiors. The four types of merchandise are prominently indicated on the front of the stores.

2013 Gamm vert opened its 1,000th store,

after passing the mark of one million square metres of floor space in 2011. The No. 1 garden centre chain in France offers customers over 13,000 references from the national allocation plan to cultivate “a taste for gardening”, including more than 1,000 with the Gamm vert label. The brand has set out to win customers in towns and cities with a new garden centre concept, Gamm vert nature, featuring an extensive selection of plants, exterior fixtures and decorative articles as well as a pet department. The first one opened at Biganos in southwest France on 28 February 2012.



2010 Néodis returned to growth and profitability

after experiencing difficulties in 2008-2009. The subsidiary reasserted its positioning as an expert marketer in its four core businesses: pet products; hygiene, protection and insecticide products; livestock rearing; and plant markers. Fine-tuning its environmental presence, Néodis launched a new home-and-garden hygiene range in 2011, Hesperia, and launched the Biotop general public range. Neodis started the process in 2010 with the launch of pet food range with a sustainable development focus, Exigence.

June 2012 Sepco had sales of 5 million euros, an increase of 27%,

with growth in its four activities: research, training, communication and event management. Over the years Sepco has established a reputation as one of the leading French consultancies in the agricultural and plant marketing sectors. Since 2007 Sepco has designed and conducted training in the programmes of the Campus Gamm vert and the Gamm vert Management Institute.



Chapter 14 - Portrait of a cooperative group on the move

Markets test the Union's solidity

BY MID-2008 THE UNION WAS PAYING BACK SUBSTANTIAL AMOUNTS TO ITS MEMBER COOPERATIVES. In the central purchasing and referencing of crop supplies and consumer marketing, for example, rebates to partner cooperatives rose by 11.5 million euros between 2005 and 2008, an increase of more than 52%. The rebates continued to go up thereafter, reaching 72.3 million euros in 2012.

This policy was all the more remarkable given that the Union's activities were hurt by the crisis affecting the near-totality of agricultural production and by the losses at Evialis, whose performance was seriously undermined by currency fluctuations and provisions for its shareholding in Nutr ea. The results in 2009-2010 bore the mark of the same depressed economic climate, with revenues falling by 12.8% to 4.4 billion euros. The Union nevertheless pulled off the feat of maintaining its net income Group share at the same level as in the previous financial year, i.e. 27.7 million euros.

The diversity of InVivo's activities proved important in compensating for the poor economic conditions hindering some of its businesses. This was especially true as the sudden upturn in agricultural markets led to a change in the business model: the money was now to be made in production rather than processing, which had become less interesting. With the recovery in 2010-2011, InVivo had an outstanding financial year, giving it the room to engineer its expansion. The performance of the Animal Nutrition and Health business also significantly improved.



The logo for InVivo, featuring the word 'inVivo' in a stylized, lowercase font. The 'i' and 'n' are grey, while 'Vivo' is green. A thin grey line is positioned below the text.

D veloppeur de solutions pour l'agriculture

The signature that defined InVivo at the start, "The heart of our business is growing", was replaced in 2012 by another baseline stressing the research and service abilities of a large cooperative group: "Developing solutions for agriculture".

Uniting to build the future of agricultural cooperation

BY PARTICIPATING IN THE CREATION OF THE AGRICULTURAL COOPERATIVE ALLIANCE, ACOOA, InVivo managed to create through multiple mergers a new synthesis of business and trade union interests. The idea took shape in the minds of a few people, one of the first being Michel Fosseprez. The InVivo chairman thought about his replacement, considered the issues in agricultural cooperation, the existing structures, the people with experience, and decided to call on Philippe Mangin, chairman of Coop de France since 2000. The two already knew each other, having worked together in creating Coop de France, and shared the same vision of agricultural cooperation. A working group was set up to figure out how an alliance of InVivo and Coop de France could be formed and what kind of unified governance structure could be set up. The project's promoters saw it as a new way of structuring agricultural cooperation in France, where agricultural cooperation, agrifood and agri-industries were entering a new era.



On 30 June 2011 Philippe Mangin was elected chairman of InVivo. On the same day, a non-profit association under the Act of 1901 was created. A little later on, it would be given the name Agricultural Cooperative Alliance, or ACOOA. It would combine the economic know-how of Union InVivo and the political skills of Coop de France, a confederation of cooperatives that had a trade union role. The ACOOA board of directors was made up of the directors of these two organisations. At ACOOA's head was Philippe Mangin, as chairman, and Patrice Gollier, as managing director. Coop de France and InVivo kept their own prerogatives and their own governance bodies.

The aim of the new structure has been to strengthen the cohesion, the operational resources and the representation of French agricultural cooperation. Its success will come from combining its two founders' complementary capabilities. As Philippe Mangin puts it: "ACOOA gives agricultural cooperation a capacity for political expression and greater credibility in the eyes of public authorities, European governing bodies and, more generally, stakeholders. We want to rally cooperative forces around a new model, one that creates economic and social value for the future of agriculture, farmers and the land.

The cooperative system has to enhance its ability to create value added". In November 2011, ACOOA brought out its Manifesto 2012, titled "The Cooperative revolution", to get its messages across to the candidates in the upcoming presidential and legislative elections. Among its major projects were training for

cooperative managers, export strategies, international lobbying, and communication. To symbolise their alliance, InVivo and Coop de France held their respective general meetings and ACOOA's first congress at the Palais des Congrès in Paris on 19 and 20 December 2012.

Philippe Mangin: strong commitment to agricultural cooperation

Philippe Mangin was born on 2 March 1957 in northeast France. A son of farmers, he chose to go into farming himself on the family's 250-hectare property at Riaville in a joint agricultural operating group (GAEC) with his brother, after studying at the university school of science at Nancy. He became involved in agricultural syndicalism at an early age, first at the cantonal level, and was eventually elected chairman of the National Centre of Young Farmers (CNJA) in 1990. In 1992 he was named chairman of the regional cooperative group EMC2, of which he was a member. From that point on, he devoted all his energy to the promotion of the cooperative economic and social model for agriculture.

Two years later, he was appointed secretary general of the French confederation of agriculture cooperatives, CFCA, which he chaired from 2000 onwards. By bringing together talented individuals from a range of fields and a number of cooperative sectors, he was the key figure behind CFCA's transformation into Coop de France in 2003.

Highly involved in the life of his region – with mandates including the chairmanship of the Chamber of Agriculture of the La Meuse *département* from 1995 to 2003 – he was a fierce defender of farming and the cooperative cause, which he represented at the Economic and Social Council (from 1988 to 1993 and 1998 to 2004), at CNMCCA (chairman then vice-chairman from 2009) and the board of directors of INRA (2002-2010).

Since June 2011 he has been chairman of Coop de France, InVivo and the new association, Agricultural Cooperative Alliance, or ACOOA, a consolidated skills "platform" that combines the political action and economic know-how of the two entities. Philippe Mangin is a Chevalier of the Legion of Honour, Chevalier of the National Order of Merit, and Officer of Agricultural Merit.



ACOOA, Coop de France, InVivo: unified governance.

Left to right: Jérôme Calleau, vice-chairman of the InVivo board; Patrice Gollier, chief executive officer of InVivo, Coop de France and ACOOA; Philippe Mangin, chairman of Coop de France, InVivo and ACOOA; Yves Le Morvan, deputy chief executive officer of Coop de France.



Chapter 14 - Portrait of a cooperative group on the move

Jérôme Calleau: a pragmatic and optimistic approach to collective action



Jérôme Calleau, a dairy and grain farmer in the Vendée, was born on 9 June 1962 in Aizenay. His father was a lifelong cooperative member and his grandfather a pioneer in mutualism in the Vendée. On graduating from agricultural school, he set up a joint agricultural operating group (GAEC) at the age of 19 and quickly assumed a number of local responsibilities. In 1992 he joined the board of his farming cooperative Cavac, active in the Vendée and Deux-Sèvres départements. He was appointed Cavac vice-chairman responsible for animal nutrition and health at the age of 34, and chairman in 2000. He worked to structure the cooperative's activity sectors, as much as possible using progress groups.

A man of strong convictions, known for his pragmatic approach, he joined the InVivo board in February 2008. He joined the bureau in 2009 and became vice-chairman of InVivo in January 2010. In parallel he served as vice-chairman of the Vendée chamber of agriculture from 2007 to 2012, and played a role in the management bodies of national organisations including Arvalis, France AgriMer, AGPB, Coop de France, ORAMA and FOP (the French federation of oilseed and protein producers). He was a strong advocate of the InVivo/Coop de France alliance that led to the creation of ACOOA. He was named deputy chairman of InVivo on 30 June 2011, alongside Philippe Mangin.

Innovative, stimulating and structuring projects

IN 2012 INVIVO SOUGHT OUT TOP-LEVEL PERFORMANCE AND STRUCTURAL CONSOLIDATION, with innovative and promising initiatives exploring a range of new business sectors. InVivo Grains worked more closely with its customers in southern Europe and Africa, bringing them not just its commercial strength but its expertise in logistics and storage. Investments were

made in silos overseas, in Hungary, for example, and initial bonds were formed with processing companies, downstream from grain shipments.

The agreement signed with Solar Ener Jade, a company specialised in the installation of energy-production systems for consumers and professionals, took InVivo into the field of renewable energies. With an initial minority holding of 40%, InVivo will in 2014 be the majority shareholder of the company, which has a 200-strong workforce and posted revenue of 20 million euros in 2011. Solar Ener Jade sells photovoltaic and solar thermal panels, as well as heating systems powered by wood and methanisation. The firm's expertise will enable InVivo, through its member cooperatives, to bring farmers energy-production solutions aimed at energy autonomy on agricultural holdings.

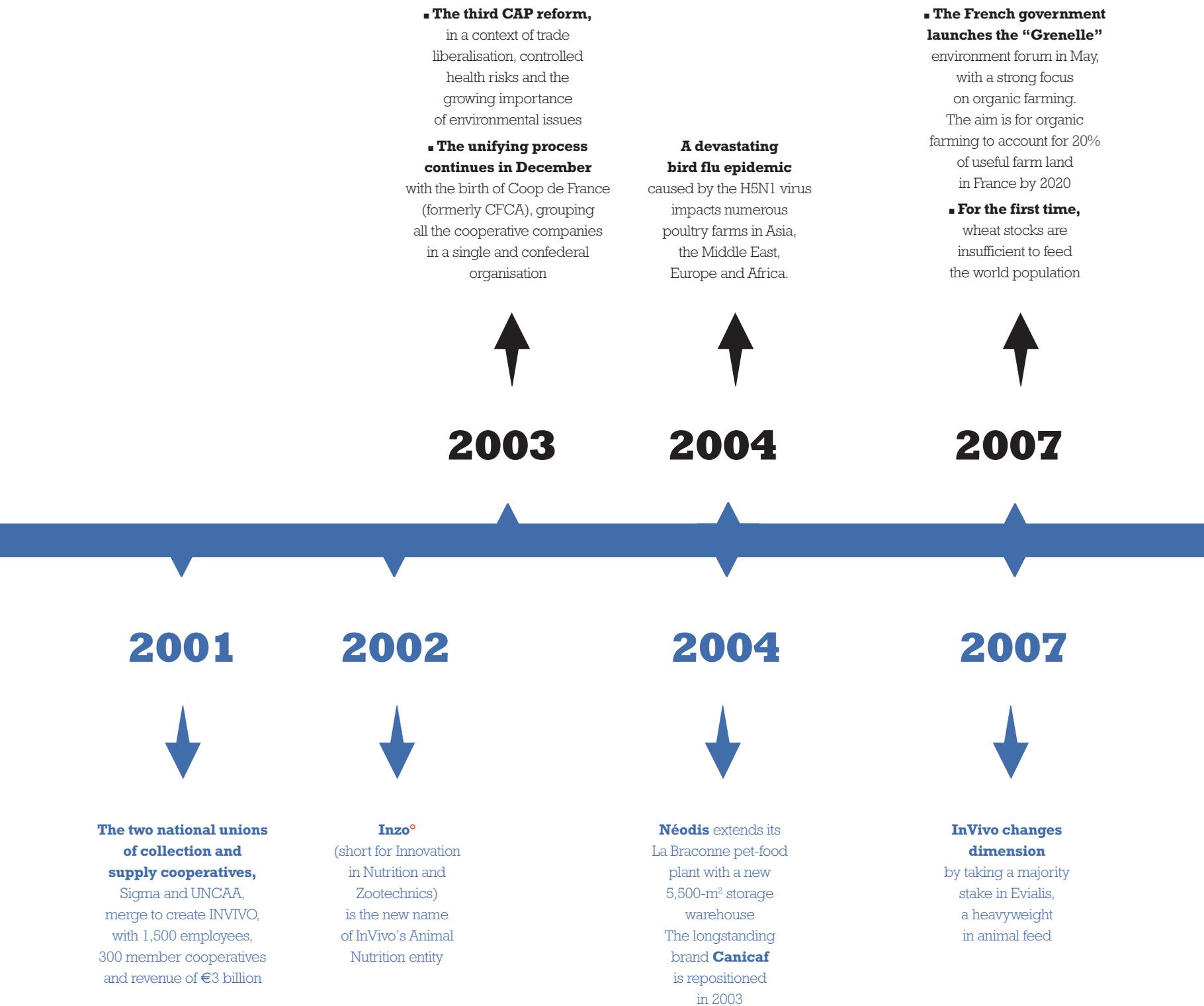
Gamm vert, now the French garden-centre leader, is developing on the web with the acquisition of 100% of the www.plantes-et-jardins.com website, a new breed of online gardening site with one million visitors a month and revenue of 12.5 million euros in 2011. The leading gardening sales site also promotes the magazine *Plantes et Jardins*, which has a strong reputation with novice and experienced gardeners alike, and a web leader in its field. In addition to increased visibility, Gamm vert is looking to attract new customers and develop both customer relations and retail store traffic.

In parallel with this momentum, which is opening up new possibilities for the future, the InVivo group continues to make headway at structural and organisational level, the aim being to further improve the profitable performance of its member cooperatives and its customers.



AS 2013 BEGINS AND AGRICULTURE RETURNS TO ITS CENTRAL STRATEGIC POSITION,
THE INVIVO GROUP IS REASSERTING ITS AMBITION TO BUILD A PRODUCTIVE AND
HIGH-QUALITY AGRICULTURE THAT RESPECTS NATURAL BALANCES AND CONTRIBUTES
TO TERRITORIAL DEVELOPMENT.

AMBI TION



Agricultural markets spike between January and June
before dropping sharply from July onwards



2008

International Year of Cooperatives.
The first international summit is held in Quebec from 6 to 12 October under the authority of the UN



2012

2008



Evalis (InVivo group) buys the Mexican company **MaltaCleyton** and the animal nutrition businesses of **Cargill in Brazil**

2010



InVivo increases its holding in **Toepfer International**

2011



■ **Coop de France** (federal activities) and **InVivo** (economic activities) merge on 30 June to form the **Agricultural Cooperative Alliance, ACOOA**
■ On 7 July, the analysis laboratories of InVivo NSA (Lareal, Laboratoire Inzo° and Laboragro) merge to create **InVivo Labs**

2012



■ **InVivo commits** to renewable energies
■ On 5 September in Paris, InVivo's "Managériales 2012" meeting is attended by 350 French and international managers
■ The first **ACOOA conference**, held at Palais des Congrès in Paris on 19 and 20 December, brings together the general assemblies of **InVivo** and **Coop de France**

POSTSCRIPT

The future of InVivo is intimately and inextricably linked to the future of its member cooperatives. This is true in two senses:

- The economic performance the Union brings to its members, as well as the expertise and innovation provided by each of its business lines, must be exemplary and seen as such;
- The strategic vision of the member cooperatives must be clearly thought out, shared, upheld by its representative directors, and focused on the collective interest.

After all, what is mutualism if not a choice, a carefully deliberated choice, made collectively and in particular by the strongest?

Our essential role going forward will be to improve the balance between a cooperative-as-business approach, led by company chiefs focused on winning new business and equipped with competitive instincts and rigorous management techniques, and a more socially-accountable approach that places greater emphasis on what we could call the “cooperative ecosystem”, with a strong regional policy that is community-oriented and mindful of the common good.

Is that a dream?

As always, it will be about placing “cursors” at the interfaces of different priorities – namely, economic, environmental and social performance – that need to form a more complementary fit.

Tomorrow’s leaders will be those companies able to strike the best balance between these three priorities as part of a sustainable approach to development. That last term is overused, but there isn’t a better one.

We are fortunate in France to have built a strong national union of farming cooperatives that energetically and efficiently carries out the tasks entrusted to it by its members.

We owe this union to our predecessors, who worked, and battled even, to get us where we are today. They can be proud of that achievement because we have a national and international lever that is envied by many cooperatives in Europe and worldwide.

And going forward?

Our four main strategic activities today have a robust future ahead of them, though most of them will need to radically change their operating procedures, priorities and size.

Additional activities may arise in response to issues in renewable energy issues, non-feed biomass use and short-cycle energy production, at a number of agricultural holdings.

Possibilities are also opening up in food retail with short circuits between producers and consumers. Who better than InVivo to rebuild this connection, through a store concept and franchise for which we already have a significant part of the skills?

In the procurement of goods and services, cooperative power will be able to express itself better, with a sizeable economic issue at stake.

Further activities may come into being simply because numerous agricultural sectors, concerning hundreds of cooperatives, do not have a “cooperative of cooperatives” as Union InVivo has. This is true for the dairy sector, fruit and vegetable producers and wine-growers, among others.

ACOOA, an association between Coop de France and InVivo, has shown the way by exploring a project to export wine from cooperative wineries to third countries. This is one of many possible fields of experimentation that shows that initiative is king.

In the future, we will also have to focus on our cooperative model and how it is managed. Above all this concerns governance – in other words, how we balance powers and prerogatives among decision-making bodies such as the general assembly, board of directors (and where applicable, its bureau) and senior management. The balance of power between elected and salaried players, as expressed in the tandem of chairman and chief executive, is a key component here.

Another crucial point, and in much the same spirit, is the organisational structure of local cooperatives, regional unions, regional cooperative unions focused on a single activity (agro-supplies, grain, cattle feed), and multiregional inter-cooperative companies.

In our thinking about the future we need to ensure the harmony and efficiency of the whole, so as to not reinvent here what exists and works elsewhere.

Once that is in place, we will have saved considerable time and energy.

A company of people – and a cooperative is a company of people rather than capital – has a number of virtues. But it can also express the problems and limits of human nature in terms of power, representation, profit and human relations.

With cooperatives growing in size as part of the trend toward concentration predominant in today's economy, we have to strengthen our vigilance on these points. But we should certainly not conclude that the cooperative model works at small structures but not at large ones, where it is corrupted. Though currently prevalent, that opinion can be countered by a long list of examples proving the contrary.

In all modesty, let us hope that the way Union InVivo works today is one example among others that shows the compatibility between large structures and respect for the cooperative model.

Luck is with us as we head into 2013.

- The strategic value of agriculture has grown stronger every year since 2007, driven by excessively volatile raw materials prices, which have now plateaued at a high level (but beware of brutal turnarounds ahead).

What we need to avoid now is that this value cannot be passed on to the consumer – who must nevertheless pay for this value – by livestock sectors and initial processing industries unable to pass on the reality of their costs to an oligopoly of overly powerful retailers.

- France has singular expertise and a unique image around the world in the agri-food sector. While the value of this expertise and image has been fully converted in the wines and spirits industry and a few luxury product niches, a great deal still needs to be done in other sectors. Happily our minister for foreign trade has put agriculture and agri-food industry at the top of the list of priorities to be worked on to improve France's balance of trade.

- The cooperative model is demonstrating unprecedented modernity, playing a centre-stage role at the International Summit of Cooperatives in Quebec in October 2012. It is the model that best meets the needs of the population today in terms of meaning, fairness, transparency and the equitable distribution of results.

Union InVivo will grow stronger in the future through the determination of its members and through the skill and commitment of its employees.

It will be more international, while ensuring on a day-to-day basis that its actions are consistent with its responsibilities.

It will, I sincerely hope at least, stand as a benchmark on the values it upholds and on the consistency of its operating procedures.

History shows us that the life of a national union is not a bed of roses. This is the case today and will be the case tomorrow for our successors. Our strength comes from collective intelligence, a respect for commitments, an understanding of the strategic issues of the cooperatives and the Union alike, as well as from our ability to innovate, anticipate and adapt.

The needs and expectations of cooperatives regarding their union differ considerably according to their size and activity sector. This will be even more pronounced in the future, calling for approaches that are needs-adapted and, vitally, transparent and fair.

This, then, is the work that lies ahead of us.

What makes our work fascinating is the range of expression it offers, the meaning it brings, and the immense interest of the challenges to be taken on.

Patrice Gollier
Chief Executive Officer of InVivo

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of a major cooperative player
in French agriculture

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