

HOW TO FORM A CO-OPERATIVE



This paper describes the procedure that should be followed to form a co-operative

Hold a meeting

- To find out whether there is enough interest in the proposed project (to form a co-operative), it is suggested that you ask friends and other people who may be interested to a meeting and discuss the co-operative.
- If there are enough people who are interested, you should discuss the following:
 - Exactly what you want the co-operative to do.
 - How you are going to get the equipment, stock, etc. to get the co-operative started.
 - How you are going to get the money needed, and how much each person should pay to start the co-operative.
 - The place where the co-operative will be situated.
- More meetings may be necessary to discuss all matters and to make sure that there are still enough interested people.



agriculture

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Choose a steering committee

- Choose a chairperson and a secretary.
- The steering committee will hold all other meetings that may be necessary.
- The steering committee will be responsible for the project.
- The steering committee will make sure that the co-operative works well and
- that the formation meeting is held.

Contact the company and intellectual property registration office (in short “CIPRO”)

Contact CIPRO by:

- Visiting the CIPRO offices at the ground floor, block F, DTI campus, corner Esselen and Meintjies Streets, Sunnyside, Pretoria;

or

Sending a letter. The postal address is: Registrar of Co-operatives, Co-operatives Unit, Private Bag X237, Pretoria Main Post Office, 0001;

or

Phoning CIPRO, at the Customer Contact Centre telephone number 0861-843-384;

or

Visiting the CIPRO Website: www.cipro.gov.za/home

- When visiting the offices, or sending a letter or phoning, explain that you want to register a co-operative.
- An official of the Co-operatives Unit will give you the necessary application forms and a model constitution, and will answer any questions you may have. The constitution is the set of rules which set out the rights and responsibilities of the members and board of directors, as well as what business the co-operative will do.
- The official will tell you what the present application fee is and how it should be paid.
- The official will ask for the following information:
 - What business (products and services) the co-operative will do.
 - Number of persons who want to form the co-operative (a minimum of 5 persons is required to form a primary co-operative).

Describe the aims of the co-operative

- The steering committee must now draw up a paper which describes the aims of the co-operative and the kind of business it plans to do. For the sake of good business, the steering committee should compile a business plan. Keep in mind that a co-operative is a business and should therefore be sustainable. The business plan must state how the co-operative will meet its goals with the means available and must also contain at least the following information:
 - The volume of business the co-operative expects to do.
 - What funds are required to buy the assets needed to manage the business.
 - Whether experienced people (staff) are available to manage a business of the expected volume.
- The information given must convince people who plan to join the co-operative that it is an economically sound and sustainable undertaking.
- Make copies of the application form for membership.

Hold a founding meeting

- The steering committee must hold a founding meeting.
- Choose a Chairperson and Secretary for the founding meeting.
- The Chairperson should state why the meeting is being held and must read out the paper prepared by the steering committee which sets out the aims and business of the co-operative as well as how it is going to achieve these aims and objectives.
- The steering committee should answer all questions about the co-operative.
- The chairperson should invite the people present to join the co-operative. Those interested should be given an application form for membership to complete.
- The applicants should now choose the board of directors (management committee) of the co-operative.
- The co-operative is now legally formed, but not registered yet. It should now be registered by the Registrar of Co-operatives, of CIPRO (See: How to register the co-operative on page 4).

First meeting of the board of directors

- After the formation meeting has been held, a meeting of the members who were chosen as directors should be held to select a chairperson and a vice-chairperson.

- This meeting should also appoint a person who will be responsible for submitting the application for registration of the co-operative to the Registrar.

How to register the co-operative

- After the founding meeting has been held post the completed application forms and model constitution for registration to: Registrar of Co-operatives, Co-operatives Unit, CIPRO, Private Bag X237, Pretoria Main Post Office, 0001.
- Remember to include the necessary application fee.

Registration process

- On average it takes 2 to 4 weeks for the registration process to be completed, if all forms and the constitution is completed correctly.
- When the co-operative is registered, the Secretary will receive the certificate of registration and the registered constitution, through the post.
- The co-operative can now start operating.

Remember to acknowledge receipt of the registered documents

2007 Second revision
2001 Revised
1998 First print

Compiled by Directorate Agricultural Information Services, Department of Agriculture
in cooperation with the Co-operatives Unit of CIPRO

Printed and published by
Department of Agriculture

Otainable from
Resource Centre, Directorate Agricultural Information Services
Private Bag X144, Pretoria 0001, South Africa

This publication is available on the web at: www.nda.agric.za/publications