



IWA 29: PROFESSIONAL FARMER ORGANIZATION - GUIDELINES OVERVIEW

PURPOSE

This document provides an overview of IWA 29: Professional Farmer Organization—Guidelines. The IWA process was initiated by AMEA and facilitated by NEN/ISO, with extensive, global participation from a wide range of stakeholders including farmer organizations, service providers, buyers, financial institutions, NGOs, academia, and donors. The complete IWA 29 may be obtained through the [ISO Online Browsing Platform](#) or through your [ISO National Standards Body](#).

IWA 29 provides guidelines describing the characteristics of a professional farmer organization seeking better business performance. As such, the guidelines focus on the requirements and standards posed to farmer organizations when closing deals with buyers, financial institutions and input suppliers. It is intended to be relevant for large and small professional farmer organizations, without regard to the specific crop or product. The implementation and interpretation of this document can be adapted for small or nascent organizations, for specific or differentiated products, or for markets with special requirements.

IWA 29 is based on the premise that more professional farmer organizations are more likely to have better business opportunities and to perform better for their members and staff, within markets and to have greater sustainability. The guidelines are intended to:



Provide guidance to FOs to improve their professionalism, leading to improved performance and access to finance and markets

Support members of FOs to supervise their organization and hold its leadership accountable

Increase the understanding and confidence of buyers, suppliers, investors and others doing business with FOs

Give direction to providers of training, assessment and other organizational and business development services

Align interventions of stakeholders in their efforts to support professional FOs

Encourage active engagement with broader stakeholders

IWA 29 SUPPORTS THE ACHIEVEMENT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)



The IWA 29 is not intended to replace or compete with existing or future certification standards, address every capacity or aspect of professionalism that can be of importance to a specific customer or market, or imply the need for uniformity in organizational type or structure.

DEFINITION OF A PROFESSIONAL FARMER ORGANIZATION

IWA 29 is organized by six key performance areas. Professional farmer organizations seeking to expand their access to markets and capital should exhibit the characteristics described for each area. IWA 29 also provides a list of recommended records and documentation.

2 BUSINESS MANAGEMENT

Addresses how the farmer organization operates and manages its business, including:

- Prepares and manages against an annual business plan with targets and budgets
- Processes for quality management and continuous improvement
- Adequately staffed to achieve business obligations
- Properly maintained policies, records and forms
- Consistently fulfills business obligations and commitments
- Annual membership plan that includes communications, engagement, training, services, recruiting, and retention
- Transparent operational planning
- Members have adequate knowledge of good practices for relevant crops/products, post-harvest handling and farm business management

4 FINANCIAL MANAGEMENT

Addresses how the farmer organization manages and accounts for financial resources, including:

- Organization should document and follow financial management policies that ensure accountability, proper use of resources, and support good financial performance
- Produces periodic financial statements, including operating statement, balance sheet, and statement of cash flows

1 ORGANIZATION PURPOSE AND GOVERNANCE

Addresses the farmer organization's mission and how it is governed, including:

- Documented mission or purpose statement to guide organizational planning, priorities and decision making
- Documented legal status and rules
- Open and voluntary membership
- Defined and documented roles and responsibilities for leadership and members
- Documented and periodically updated member eligibility criteria, rights, shareholding mechanisms and process for termination
- Competitive, representative election processes
- Documented and followed meeting and other governing procedures, processes, and protocols
- Mechanisms to ensure ethical behavior and prevent/address conflicts of interest, corruption, and discrimination

3 HUMAN RESOURCES MANAGEMENT

Addresses how the farmer organization manages human resources, including:

- Policies, procedures and accountability mechanisms that clearly communicate the roles, responsibilities and authorities vested in the farmer organization as well as human resource policies, including benefits
- Job descriptions, annual plans, performance evaluations and opportunity for professional development
- Attracts and retains qualified, professional and business-oriented staff



- Has a bank account or similar traceable account in the organization's name
- Conducts an annual external audit or financial review and shares with members
- Conducts long-term financial planning (3-5 years)
- Maintains member equity accounts, with equity proportional to patronage
- Able to perform cost analysis and breakeven analysis by business line
- Actively manages risk through proper insurance coverage and a risk management plan
- Has capital plan and adequate capitalization
- Produces relevant and accurate financial information to monitor operations and set performance indicators
- Demonstrates good financial performance, indicated by gross profit, positive cash flow, return on assets, and member business ratio

6 MEMBER SERVICES AND BUSINESS ACTIVITIES

Addresses the benefits and services the farmer organization provides to members, including:

- Adds value for members, such as offering business services, identifying market opportunities, and negotiating beneficial contract terms, and may also offer support services such as literacy programs, training, child care or youth engagement
- Carefully evaluates opportunities before investing, carrying out risk management and obtaining member approval
- Enables/trains membership to be active, informed owners
- Adequate logistics and facilities to ensure proper storage and handling of inputs and outputs
- Meets product quality and relevant hygienic and safety standards
- Prepares production and quality management plan
- Collects and maintains records of products sold and provided on credit
- Executes a marketing plan that includes an a market analysis, sales channels, promotion and branding, price-setting terms and conditions, and supply logistics
- Consistently fulfills contract requirements and maintains good relationship with buyers
- Meets product quality and labor requirements for any processed products, meet hygienic and
- Understands and responds to consumer requirements and follows proper grading and quality management practices
- Engages with financial institutions and value chain actors to obtain investment or working capital

5 COMMUNITY AND STAKEHOLDER ENGAGEMENT

Addresses how the organization engages with external stakeholders, including:

- Actively engages with, benefits from, and is viewed favorably by external stakeholders relevant to business goals (e.g. local community, government, business partners, unions, associations, NGOs)
- Engages with similar organizations through associations or unions to share best practices, representation within a sector, or to pursue common needs
- Operates and makes decisions independently based on governance processes and bylaws, not being dictated by stakeholders from outside



HOW CAN YOU USE THE IWA 29?

- Governments can incorporate into their cooperative and agribusiness development policies
- Donors can incorporate into their policies and calls for proposals
- Cooperative Development Agencies and Training Institutes can benchmark and improve their approaches for supporting agribusiness development
- Private sector can seek out partners who are able to meet and exceed IWA guidelines