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ADVANCING PROFESSIONAL FARMER ORGANIZATIONS

An overview of  
**ISO 18716:2024**  
**PROFESSIONAL  
FARMER  
ORGANIZATION  
Guidelines**



# PURPOSE

This document provides an overview of ISO 18716:2024 Professional farmer organization – Guidance. The process to develop an international standard 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 ISO 18716:2024 may be obtained through the [ISO Online Browsing Platform](#) or through your [ISO National Standards Body](#).

ISO 18716:2024 gives guidance on the characteristics and best practices of a professional farmer organization. It is intended for commercially oriented farmer organizations, and so does not apply to purely socially oriented farmer organizations or individual farmers. The standard is applicable to large and small farmer organizations, without regard to the number of members, volume of business, output or capital investment, nor to the specific crop or product. It can also be applicable, when adapted, for very small or nascent organizations, for specific or differentiated products, or for markets with special requirements.

The guidance can be used to develop more harmonized and efficient farmer organizations. This facilitates different stakeholders to more effectively align in their support for farmer organizations and for farmer organizations to demonstrate professionalism in a universally understood way. The guidance is based on the premise that the more professionally a farmer organization operates, the better it will engage with its stakeholders (e.g. members, clients, business partners) and the more likely it is to have better business opportunities and greater sustainability.

Organizational development is a continuous process. It is not expected that all farmer organizations must meet every criterion described in this document and it is not expected that this Standard will be used to certify farmer organizations. Rather, this guidance is intended to build a common vision of professionalism that can be used as a tool to inform and support different actors, including farmer organizations and the business development service providers, investors, funders, partners and others that work with them, to increase the professionalism of farmer organizations, leading to improved performance and value for members. ISO 18716:2024 can:



**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 and guide staff on day-to-day activities.

**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

ISO 18716 SUPPORTS THE ACHIEVEMENT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)



The ISO 18716 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.

# GUIDANCE FOR A PROFESSIONAL FARMER ORGANISATION

ISO 18716:2024 is organized by six key performance areas.

Professional farmer organizations seeking to improve their professionalism to expand their access to markets and capital should exhibit the characteristics described for each area. The standard also provides a list of recommended records and documentation.

Below, we have listed a few examples:

## 1. ORGANIZATION PURPOSE & GOVERNANCE

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

- Documented legal status and rules/policies
- Documented mission or purpose statement to guide organizational planning, priorities and decision making
- Open and voluntary membership
- Defined and documented structure, roles and responsibilities for governance, leadership, and members
- Documented and periodically updated member eligibility criteria, rights, shareholding mechanisms and process for termination
- Documented capital structure with process for allocating reserves and shareholding mechanisms.
- 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 of the farmer organization, and 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

## 2. BUSINESS MANAGEMENT

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

- Transparently 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, forms, and internal control systems
- 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 & PROPERTY MANAGEMENT

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

- Organization should document and follow internal control and 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
- Maintains 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 appropriate to the business model
- 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



## 5. COMMUNITY & 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

## 6. MEMBER SERVICES & BUSINESS ACTIVITIES

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

- Sustainably 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 income generating activities, literacy programs, training, child care or youth engagement
- Carefully evaluates opportunities before investing, carrying out risk management and obtaining member approval
- Prepares and manages to a production and quality management plan
- Ensures services offered, such as land preparation, irrigation, input supply, product collection, post-harvest handling, processing, storage, sales/marketing, and/or financial services are of high quality, meet relevant standards and requirements, are properly monitored and documented, and are provided equitably and transparently



### HOW CAN YOU USE ISO18716:2024?

- Governments can adopt ISO 18716 nationally, and 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 tools and approaches for supporting agribusiness development
- Private sector can seek out partners who are able to meet or exceed ISO 18716:2024 guidance

