Santa Ana Dairy Producers Association (Asolesan) Business Case, An example of economics and local development

Caso empresarial Asociación de productos lacteos de Santa Ana (Asolesan), un ejemplo de economía y desarrollo local

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Abstract:

This article describes the investigation results applying the case of study method executed on the Solidarity organization Asolesan, which was born in the Vereda of Santa Ana and carries the same name on the municipality of Guasca in Cundinamarca department of Colombia. Asolesan organization was born in 2008 and since its creation has important accomplishments in difficult situations, specifically; crisis of dairy field in Colombia during the years 2011-2013, problems of accessibility to the farms and issues to link to the cooperative system for lack of knowledge. In the executed process methodological process an initial diagnosis was taken into consideration, identifying and analyzing strategies, success factors, decisions and needs among others implemented by the entity to overcome the moments of crisis and need to move along through the path of growth until get recognition on its region and its economical field. Those goals with the intention of concluded with proposals and offer viable alternatives to the organization that can allow them to obtain benefits, wellness and productivity for the associates as results of the work and investigation.

Keywords:

Solidarity Organizations, Growth, Dairy field, Local economy, Asolesan.

Resumen:

Este artículo describe los resultados obtenidos de la investigación aplicando el método de estudio de caso, llevado a cabo a la organización solidaria Asolesan, la cual nació en la vereda Santa Ana y lleva su mismo nombre en el municipio de Guasca del departamento de Cundinamarca, Colombia. La organización nació en el año 2008 y desde su surgimiento ha sorteado con importantes logros situaciones de dificultades, en particular, la crisis del sector lechero en Colombia en los años 2011-2013, problemas de accesibilidad a las fincas e inconvenientes para vincularse al sistema cooperativo por desconocimiento. En el proceso metodológico llevado a cabo se tuvo en cuenta un diagnóstico inicial, en el cual se identifican y analizan las estrategias, factores de éxito, decisiones, necesidades, entre otras, implementadas por la entidad, para superar los momentos de crisis-necesidad y avanzar por el camino del crecimiento, hasta alcanzar reconocimiento en la región y en su sector económico. Lo anterior con ánimo de concluir con propuestas u/o ofrecer alternativas viables a la organización, que les permitan obtener beneficios, bienestar y productividad a sus asociados como resultados del trabajo de Investigación.

Palabras Clave:

Organizaciones solidarias, Crecimiento, Sector lechero, Economía local, Asolesan.

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Introducción

The solidarity economy is an alternative of production, consumption and distribution of economic resources, through the valorization of the human being as the central axis for the activities that are developed, leaving aside economic capital and focusing efforts in the community members of cooperatives, where according to Arango Jaramillo (2005) "thanks to the concurrence of factors such as a tradition of social struggles, a culture of participation", the members of a community share similar characteristics, as mean of production or specific needs, and hope to meet a common goal that benefit them as a collectivity, with the aim to realize, according to Valdez (2007) "associativity as a strategy to compete", generating business dynamics that contribute to improve their productivity, within their production processes and somehow breaking down barriers to inequality or lack of support from government entities.\[1,2\]

With the objective to generate value to the participant members, values as association, self-gesture, solidarity, cooperation, reciprocity, and mutual support are privileged inside different paths of existing cooperatives in Colombia and the world; In our country solidarity economy starts in organized way on the middle of third decade of twentieth century, where according to Supersolidaria (2011) “The formalization of solidary model in Colombia has a recent history that starts on 1931 with the law 134 expedite”, but where until end of 1988, structures of cooperatives are organized and divided in two branches as shown in the following figure:3

Hence the importance of describing and considering the solidarity economy, and the specific business case of the Santa Ana Dairy Farmers Association (ASOLESAN), since it is involve on a direct way in the sector economy, because of this in the social well-being of the community and members that conform it, where according to Ponce (2002) "the valorization of local productive potentials, through the integration of productive chains", which generates an added value to the zone itself", generate that through associativity of its members results in productivity and benefits to the members; this being the only non-profit milk production organization in the municipality of Guasca-Cundinamarca of the 205 registered entities that make up the region according to data from the Bogota's chamber of commerce and of which 28 are in the solidarity model:5

![Figure 1: Branches of the organizations in the solidarity economy](image)

Source: Own elaboration from Orgsolidarias data (2018) 4

Directly and indirectly Asolesan influences the integration of small milk producers, encouraging the productivity of each individual in the association, allowing partners be able to generate profits such as obtaining a fair price for sales of their product to large dairy industries, receiving comprehensive support (technical, social, environmental and commercial) from the entity and providing support through the accompaniment of health certifications for the commerciality of products. In this way, the entity seeks to contribute to the well-being of their families and at the same time to the social, economic and cultural development in its region.

Due to mention aspects for need to study the success of this association is shown, its characteristics or errors that may have been presented from its born to the present day showed that the entity has been immersed in problematics that have affected the dairy sector in general, as the crisis experienced in the years 2011-2013 with the forced entry into the FTAs with the United States and the European Union where according to El Espectador (2012) "At least 70% of the population Colombia (1.36 million households) will be affected by a 16% decrease in its income with the forced entry into Free Trade Agreement (FTA)", other than that National pricing experienced due to the trades that came into force and moments of difficulty, tension and entity internal panic because of the same problem and increasing affectation of its income; all of the above with the aim of documenting through this article how non-profit entities contribute not only to a region but a society in general, applying alternative productive models to

![Figure 2: Production associations of the municipality of Guasca, Cundinamarca](image)

Source: Own elaboration from data recorded in the CCB(2018)6
traditional ones in favor of the community, through traditions and customs that allow them to generate resources/income by contributing support and development of their community. [7]

According to this article development, the methodological process to be carried was "descriptive cut with qualitative approach", so it was supported by the theory, in which an approach is made to what the economy is taking it to the application and knowing the business case of the Asolesan solidarity organization, describing what the needs were from the community context for the creation and recognize of the sequence of events occurred in the entity, with the intention of knowing what the factors were that incentivized the milk producers of the municipality and its surroundings to associate within its production process (Stake, 2005); during the research an inductive judgment was used (Ogliastri, 2009), where through knowledge and approach to the organization, through the previous diagnosis process through observation strategies, survey and interviews implemented within it and in its community-environment, we obtain first-hand information that allows to carry out interpretations and conclusions in order to respond to the research objective and to generate an added value to the development of this project, with the in order to provide not only to the entity but to the associated proposals for improvement or implement in both administrative and productive processes that contribute to the productivity and development of the solidarity entity. [8,9]

Theoretical foundation

Associativity

Economic and traditional business models through company creation, which seek to obtain economic profits are being overshadowed by alternate models emerging solidarity economy, where according to Duarte Castañeda, (2017) "A new trend in emerging businesses, is base business models or their proposal value in a collaborative economy, some companies are trying to apply this model at the business level", this is due to ties generated by these economies in spite of the seeking a "monetary profit", it is also sought to control and favor the associate in the case of the associative solidarity model, with benefits of integral way, where according to Becerra (2008) "In productive systems, the observation and analysis of phenomena associated with the emergence and development of companies is becoming increasingly important", this has been given due to relying on supporting and guiding among its members in order to gain productivity and promote themselves in a way that is reflected in the benefits, and where the solidarity organization today plays a role still lacking of contribute according to Peña Alvarez (2009) "greatest knowledge and understanding of a movement of solidarity economy that has as much to manifest on the purpose of the times we are living in", and where the history of the solidarity model is of recent use. [10,11,12]

In our country, the model of associativity is not very visible even more in the solidarity sector, where takes little less than 50 years to formalize in a real way, where according to Pardo Martínez & Huertas de Mora (2014) "Cooperative and solidarity institutions (the concept is adopted by Law 454 of 1998 on economic regulation to the crisis) integrate the economic into the social", and where even the stipulation of the law is given the integration model between the two aspects. [13]

Within the framework of the solidarity economy in Colombia are the solidarity organizations in development and in the specific case, the associations that are the topic to be addressed, where according to Henao, Agudelo, Palacio, & Palacios (2006) "Those are non-profit organizations with common interests, do not have a minimum or maximum number of affiliates, are freely acceded and are fully regulated by their statutes", in addition to them, are entities with different purposes, activities and interests, regulated according to their statutes", according to Raúl Poliak in an article published in idea's May 2001 journal said "When we talk about associativity, we include a number of concepts, such as agreements, strategic alliances, articulation between large companies and SMEs, productive relationships; networks", and where the primary objective relies in the collaboration generated by organizations and individuals on it in favor of the collective and the productivity of its members, in addition to this, according to Riera (2013) "Its integration and a joint effort with the other p common objectives, some of which may be conjunctural", allowing and incentivizing organizational dynamics alternate to traditional business models, favoring the union of individuals who share characteristics and models of production; In addition to this according to Alvarez, Saiz, Díaz, & Herrera (2012) "Through solidarity companies, farmers become more competitive, since they can offer large volumes to the end markets; better prices or more decent living conditions that exceed the overall poverty indices", thus contributing directly to the collective well-being of their families. [14,15,16]

Colombia's dairy sector crisis

With the signing of international free trade agreements between nations in particular with the United States in 2011, the transit of goods and services was allowed, where
Van Den Berghe Romero (2014) “the purpose of regional integration through supporting the creation of a large trade-free area in the Americas, the ALCA”, this because of globalization and entry of new products that have tariff barriers with the encouragement to protect the domestic market and where according to Rocha Beltran (2013) “A negative point for the country is that the main products that would benefit from the FTA would not greatly increase employment, as they are products that already had tariff priorities granted by ATPDEA”, for which it would be more harmful than profitable to the nation; and where the proceeds of the entry for these products in the specific case of milk, might affect the dairy sector in Colombia given the low purchase price to local producers and where according to Alvarez, Saiz, Castillo & Diaz (2012) “the increase in supermarket bargaining power causes a gradual reduction in the profit margins of dairy farmers such as the processing industry”, which shows a direct impact on the domestic product, receiving less than the expected value for the delivery, marketing and distribution of the dairy. [17, 18, 19] This, in addition to the national crisis experienced not only by the Colombian dairy sector but for agricultural in general, given that production chains are related in direct way, according to the Ministry of Agriculture and Rural Development (2004) “the chains are made up of all the actors involved in the production, marketing transformation and distribution of a product”, what ratified the problems that emerged through the free trade agreements and in which the Colombian farmer industry was not taken into account, and where farmers economy, according to Mondragón & Valderrama (1993), is characterized by the abundant work factor, while the limited factors are capital and land, and where the technological factors for production are minimum due to technology that contributes to our country is also reduced because of the low investment that goes into this area of the economy and where the truly affected are the producing families. [20]

Local diagnosis and economy

In the development of the research and as a first approach with the entity, information was obtained concerning to the activities carried and organized within the Association, where was founded through a work of observation, survey and interviews with managers, together with the support of some of the partners who kindly provided and told their story within the association, they stated that even though about 10 years of their foundation have elapsed, six of the initial 18 associates had left the entity, but for the organization’s fortunes other sub-farmers and ranchers in the sector had arrived, in addition to that, membership fees for the current year varied according to the amount of liters of milk they provide to the entity which fluctuate from $200,000 Colombian pesos up to $1,000,000 pesos, this being a radical change since its foundation (Obando, personal communication March 17, 2018). [21]

It has been reviewed how the associates are tracked and has been shown that they do not have an enabling identification system such as a card or an additional document for their respective recognition in the entity. It has been found also that to be a regular partner must meet the criteria stipulated in the statutes of creation of the entity as they are:

![Diagram](image)

Figure 3: Requirements to be a regular associate
Source: Own elaboration from data recorded in the Asolesan statutes.

All the above in order to meet the standards of health required by the Ministry of Health, the Ica, Ruv, and the requirements for the handling and sale of milk. It could be noted that the organization needs the support for the consolidation and construction of a place for the storage of agricultural sinks with which can directly support the farmer, in addition to this, it does not have paved roads to the transport of the product from the sidewalk to the municipality of Guasca, since the roads are still on land and in times of rain, makes it even more difficult to access from the farms to the company. Even though, today it has the support of veterinarian doctors, zootechnists and agronomists engineers in the area, they are not enough to attend the almost 70 farms when their professional services are required, given that the number of cattle and the number of farms would require greater supervision by them.

The economy of the region in which the Asolesan solidarity organization is located, is mostly with an agricultural vocation, towards strawberry and potato crops because of the climate that ranges from 12 to 13 degrees, where according to El Tiempo (2002) “in livestock are presented countless specimens of cattle and milk. These two economic sources, together with floriculture and fish farming, are the most important lines in the Guasca economy”, with the dairy industry being a fundamental pillar for the livelihood of the families in the sector and the social economy of the region. [22]
Historic Review

The origin of Asolesan is located on the Santa Ana sidewalk to the south-west of the municipality of Guasca, Cundinamarca, a town located just 56 km from the city of Bogotá, where on May 10, 2008, Mr. William Humberto Delgado, delegate of the municipality’s mayor, carried a recount of the purpose of bringing together the inhabitants and producers of the sector, with the encouragement of organizing the association of producers of Santa Ana’s Dairy, under the acronym (Asolesan) in order to proceed to its foundation which would bear the same name; allowing the inhabitants of the region to partner, by developing the same economic activity and providing a response through an alternative to the traditional model, which would allow them to generate greater benefits and meet the needs they had around his work.

On the same day, the management in conjunction with the Government of Cundinamarca marked the donation of a milk cooling tank to the association and promotes support by the local alkali for the economic and social development of the region.

In addition, it is proposed to elect the board of directors, in which Mr. Carlos Humberto Obando Espitia is appointed president and Mrs Etelvina Aguilera as treasurer of the entity, and who were unanimously elected by the associate founders for the development of the activities of the organization.

In that assembly it was determined that the economic contribution of each of the associates was fifty thousand pesos, which means that at that time the association with an initial capital of nine hundred thousand Colombian pesos began ($900,000) the fruit of its 18 founding associates and the solid entity that we know today as ASOLESAN was formed.

In its beginnings, the entity emerged slowly, but always looking after the interests and benefits of its partners, managers and collaborators. For the year 2009, the agreement with the local mayor No.365 for the granting of the cold tank by the Governorate of Cundinamarca was formalized and the linkage was made through the University of Cundinamarca for the planning, installation and management of this.

For the same period, the agreement with Parmalat for the collection of milk is officiated, and emphasis is made to the objective of the Government which is to provide benefits to the community, in support of small producers for whom the dairy production as it main family support.

In 8 years, the solidarity organization went from owning an initial capital of $900,000 Colombian pesos to an increase of more than 6,333% to $57,000,000 million pesos for its last balance sheet of 2017, which in terms of Mexican currency represents approximately $356,250 pesos.

By 2013, the entity had 27 associates and 15 ranchers who supplied the milk to Asolesan for a total of 42 farms with an average amount of 3,296 liters per day; for the same year the sale began with the company Parmalat who in the form of loan, supply a tank of 2,000 liters to increase the installed capacity of collection and cooling of this.

For the year 2016, after not reaching an agreement with the company Parmalat, they started the sale of milk to the Arboleda, showing an increase in the production and sale of this as shown below Asolesan (2018):23

<table>
<thead>
<tr>
<th>Year</th>
<th>Liters of milk</th>
<th>Billing (in millions of Colombian pesos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>845,565</td>
<td>$29,908,177</td>
</tr>
<tr>
<td>2016</td>
<td>990,767</td>
<td>$38,893,830</td>
</tr>
<tr>
<td>2017</td>
<td>857,026 (summer effect)</td>
<td>$69,607,803</td>
</tr>
</tbody>
</table>

Thanks to the management of the planning office in the municipality of Guasca, Cundinamarca, the Government delivered a tank of 2,500 liters and a second electric generation plant; equipment that has a value of $87,220,000 pesos, which directly benefit the partners allowing to have the necessary tools for the development of their productive activity; strengthening their capacity to 8,500 liters of storage.
At present, Asolesan is equipped with technology for the fulfillment of its production process, supported by agreements, public alliances and private initiative.

It is hoped that the entity will be able to close the year with more than 40 affiliated farms and 30 farms as suppliers, in order to reach a volume of 10,000 liters per day increasing its installed capacity from its start; Expect to be able to offer better prices for the purchase and sale of milk, with the animosity of giving increased benefits to its partners generating productivity to its activities.

Applied survey data sheet
Target group: Asolesan men and women associates and sub-steer farmers of the entity.
Technique: Structured questionnaire application applied in a personal way.
Coverage: Associates and livestock suppliers of the solidarity organization Asolesan.
Sample: It was taken as a reference to the 27 partners and the 15 supplying livestock and being a small sample, it was determined to make it to all, since when replacing in the formula, it throws to apply only to 2 people.
Margin of error: With the total sample, 5 percent was taken with 95 percent confidence.
Field dates: March 17, 2018 to March 18, 2018.
Performed by: Manuel Antonio Ramos /Carlos David Espriella Cardoso.
Sampling: Simple Random.

Sampling formula:

\[ n = \frac{n' \cdot N}{1 + \frac{n'}{N}} \]

\[ n = \frac{2 \cdot 42}{1 + \frac{2}{42}} = 2.04761 \]

The following aspects were considered in the preparation of the survey:
Association services to members.
Accompaniment and advice.
Benefits and growth.
Partner Maintenance Fees.

The diagnostic survey is distributed as follows:
1. Do you know and take advantage of the different services (technical, social, environmental, commercial) offered by Asolesan?
2. Does the organization provide you opportunities for accompaniment and advice when carrying out your productive activity (certifications, vaccines, diseases)?
3. Does the entity offer you the information and training necessary to carry out the production process in compliance with current health standards?
4. Are you satisfied with the benefits (milk purchase value, tracking, bonuses) offered by the association?
5. How do you feel about Asolesan is constantly growing for its partners?
6. Are you satisfied with the value paid for annual partner maintenance fees?

The previous survey was answered by 38 of the 42 people who had as an objective sample among them associates and livestock suppliers.

1. **Do you know and take advantage of the different services (technical, social, environmental, commercial) offered by Asolesan?**

   ![Survey Question 1](image1.png)

2. **Does the organization provide you opportunities for accompaniment and advice when carrying out your productive activity (certifications, vaccines, diseases)?**

   ![Survey Question 2](image2.png)

3. **Does the entity offer you the information and training necessary to carry out the production process in compliance with current health standards?**

   ![Survey Question 3](image3.png)
4. Are you satisfied with the benefits (milk purchase value, tracking, bonuses) offered by the association?

5. How do you feel about Asolesan is constantly growing for its partners?

6. Are you satisfied with the value paid for annual partner maintenance fees?

This diagnosis shows that some of the partners and ranchers supplying the charitable organization Asolesan do not know the benefits that can be accessed by being members of it, meanwhile others are mostly satisfied with the payments they must do for the partner, maintenance fees, the growth of the organization and the accompaniment that it provides them, showing that there is a gap of information by the entity and its partners which reach a provision of almost 30% of the members, being a small organization in terms of the members and where there should be no gaps on the information.

Entity moments of crisis

After almost 10 years of its existence, in the years 2011-2013 the agricultural sector in Colombia and therefore the dairy industry, passed through times of crisis, given the importance of dairy products that was carried out by the national government as affirmed by the Century (2013) "the previous year 28,594 tons of milk entered the country, of which 20,259 tons correspond to milk powder", directly affecting the Colombian countryside and families who depend directly on milk production; added with a series of competitiveness failures in the dairy sector that allowed or gave way to foreign industries being able to see Colombia as a potential market. [24]

In addition to the entry into force of the FTA in 2012 with the United States, farmers received a lower payment for milk, affecting the entire sector, where the entity suffered its worst time by relying on small local producers of the region, and as Money (2015) affirms "In the United States 96% of milk producers have access to technologies to increase productivity. In Colombia the percentage reaches 12%, thus analyzing that the dairy production in our country does not have the necessary guarantees to compete with a foreign producer, even though the dairy sector is the main contributor to the agricultural economy according to Portfolio (2018) says "Represents 24.3% of agricultural Gross Domestic Product (GDP), is the livelihood of about 40,000 producing units and generates more than 700,000 jobs," which should be encouraged and promoted with greater benefits and incentives by the national government. [25,26]

Despite the crisis experienced in the belonging sector, it is identified and analyzed that Asolesan organization was able to overcome the difficult times and was able to rely through local and departmental government to continue with its projects and consolidate as we know it today, reaching the growth and consolidation of its activities through the support and endorsement of its partners.

Asolesan Key Factors of Success

For the directors of the entity, the sense of belonging of each of the partners has been of vital importance in the moments of difficulty and crisis, since they have remained in spite of it, as it explained to us Mr. Carlos Obando
Members feel Asolesan as part of their lives, and this has become an essential and differentiating element, at the same time a commitment of the managers of the organization, who are in the interests of offering new alternatives and programs to their partners in the same provision of their interests.

In one of the moments of difficulty such as the crisis of the dairy sector of 2011-2013, the company experienced moments of economic inconvenience and operability, with losses in the sale of milk because of the turbulence that is experienced by the entry of foreign product and with the low marketing prices of the product, even though most came from milk powder; however, in those moments of tension when problems and panic, Asolesan’s associates were the pillars for minimize and overcome difficulties.

Despite the complex situation in most partners, they did not withdraw their contributions or their commitment to the entity, on the contrary, it was an early time in which the company sought to strengthen itself and find new markets, the interest in stability and permanence of the entity in the dairy sector of the region.

By 2017 the entity had 27 associates and 15 supplying farmers, a figure that reflects a slight increase to the initial one since 2008, when the entity officialized its opening in Guasca, Cundinamarca.

The push has been a primary pillar when it comes to seeking new horizons and exploring changes for the company, as it has been to lead the organization to have a direct agreement with Parmalat to exchange for better prices to La Arboleda, directly benefiting and substantial to its partners.

Over the years the trust of the organization will pass generations and the children of those founders will inherit the love for the company that feeds and makes the organization seek to grow.

Improvement Proposals

Search for new markets and allies

Dairy sector of the region is been increasing due to the suppliers ranchers involve and the affiliation of new associates, which allow the entity to obtain and increasing of liters per day, other than that, it counts with an installed capacity to store 10,000 liters of mil daily, affirms Fedegan (2018) “The production growth of raw milk to 2018 is estimated on 9% that is equal to 600 million of liters, reaching a total production of 7,000 million of liters in the year”, allow that a path might be open to search new closed markets on the municipalities of Cajica, Chia, Sopo, Bogotá, where largest dairy industries of the country are found and which could be interested on buying milk from the entity.

This will allow having a higher volume to be able to negotiate to obtain a higher price for the purchase and sale of it, offering the associates benefits through bonuses or economic supports for the production and optimization of the resources with which they have, this as a measure of being able to offer the producer a higher price given to the news of the dairy scene in Colombia where according to El Universal (2018) “according to the estimates of the Colombian Federation of Livestock, Fedegán, is a whole that it will land with a higher production and in turn, a lower price to the producer”, which would directly affect the producer by having greater production but receiving a lower compensation for his product.

Other measures that may have viability would be to sell milk by using trucks to populations far from the urban area, by cold selling, at a lower price than people would pay in a supermarket or in a local store for a liter of it, offering quality in the product supplied by complying with the sanitary regulations for the consumption of the same.

At last, it might be search the link trough acknowledge of honor members in the company statutes to last semester students of careers as zootechnic, veterinarian, agricultural engineering, food engineering, to receive support, training and guidance in prevention and vaccination programs as the development of new products regarding milk industry, which can allow the development through the mutual help being a pillar of solitary economy between institutions of higher education and Asolesan association.

New products

The purpose of Asolesan is the growth and improvement of conditions for its partners, who can find in the organization the support and confidence in the productive work they develop, that is why creation is proposed through a program pilot and with an investment supported by food and industrial engineers, alternative product lines to the marketing of raw milk, through the use of marmite and with the optimization of milk storage tanks, through the consecution of cheeses, yogurt, curds, butter, sour cream; supported by the use of artisanal techniques that do not require a large initial investment, by linking relatives of the partners who want to participate in the project, with the encouragement of testing and measuring the acceptance by consumers of the company’s products, which would be mostly the local population of the Santa Ana and the Guasqueños sidewalk.
In addition to this, can be supported by the local mayoralty for the hiring of school snacks that can be produced and marketed by the organization, in order to support it in its activities, looking for the best alternative for comply with the regulatory conditions required by local governments for incursion into these activities.

**Increase benefits to partners**

Creation of the storage room to store agricultural products that can be ease through credit to associates, with the animosity to fulfill the development of suppliers activities where the solidarity organization Asolesan trough the supplying selling companies can be bought in separate payments in a long term, being as intermediate to the associate, charging a minor interest percentage and being used as a fee for the provided service and as a way to finance the entity activities.

It is recommended to carry out the process of issuing the owners where they can carry their badge and which makes them active members of the company by means of the reforestation of the same on an annual basis, after the payment of the fee for the administration of renewal of membership to the organization.

In addition to the above, the creation of cash discounts is proposed, as a way to incentivize and promote in the partners the culture of payment of their management fees to the entity and as a savings for them, which could range from 5% to 10% d and discount, directly serving the company to have economic resources for its operation.

Additionally, the implementation of incentives, such as bonds for the low prices of milk, is exposed, which even though the entity has them stipulated as resources to be offered to the partners, the above as a way of giving back to the themselves, which should be increased and applied with the creation of the following, through bonds, recognitions or aids for complying with the rules of vaccination, compensation and payment of their fees in advance to the entity.

In addition to the above, the creation of a common fund, with the aim of allocating resources from the annual budget, is intended to offer the possibility for partners to apply for economic loans, which are directly related to the operation and leverage of their productive activities for the development of their farms, by charging a minimum fee of compensator to the organization and where they do not have to look for third parties to finance themselves.

**Conclusions**

It has been found that Asolesan solidarity organization contributes in direct and indirect way to local economy of the region, to favor through individual association in productive processes, in this matter, the milk, that contributes to the families producer well-being and to generate an alternative proposal as solidarity model, that is supported by the same community, receives guarantees at the time that serve their work and their product; an study conducted in Mexico about this investigation matter in Los Altos Sur of Jalisco found relevant information about interaction productive webs as affirm Vazquez & Aguilar (2010) "Milk groups generate forms of cooperation and competition, used by the members to face force conditions by the industry and take advantage of benefits provide by support institutions", which allow them to support themselves satisfying and receiving an income. [29]

The course of the research has been highlighted aspects that have been significant for the growth, stability, sustainability and solidity of Asolesan in its almost 10 years of existence since its foundation, where according to its foundation a study conducted by Cegueñas Rozo (2016) "An associativity program for small livestock producers should aim to improve the sustainability of these organizations, primarily, facilitating the conditions for more and better businesses to be generated", generating confidence and commitment to associative models that respond efficiently in the local economic development of the regions where they are established. [30]

However, it should be noted that we show other crucial factors that are important for the entity to enjoy participation in the regional economy of the dairy sector and to optimal health in business areas, an example of local economy:

**Financial strengthening:** We cannot be oblivious that in the years of crisis that affect the entity, lived or financial difficulties, by receiving a lower income from the sale of milk. In addition to the above, there was a production capacity of about 3,296 liters of milk per day, but the counter-treatment by the sale and the decrease in the capture of this by the dairy industries, left the entity with lack of borrowing from the area of finance, which despite the defiance of the situation was able to get around without the need to resort to loans with third parties to solve and continue with its operations, which is evidenced and is part of the past as shown by its statements of the exercise of the immediately preceding year.
Currently as commented by Mr. Carlos Obando chairman of the board of directors, in the current year the operations have shown beneficial performance for the organization, expecting to close the year with a storage capacity of 10,000 liters of milk per day and have a direct agreement with La Arboleda for sale to them, who represent 85% of the direct market for the organization with an income higher than those obtained since its creation.

Growth: As observed and proposed, it is hoped that the expansion of the entity can be considered as an alternative to encompass other places where the market can be opened, is the case of cities or municipalities close to the entity. It maintain the desire to grow and consolidate as it has been doing.

Development and technology: We found that the growth of the entity has involved updates, improvements and modifications to the equipment and machinery used for the optimal care of the product, by using milk storage stations in which it can be adequately preserved, complying with the provisions required by the regulatory frameworks for the distribution and sale of milk; allowing the entity to generate development through an administrative structure, in order to have modern and agile processes when carrying out productive work.

We would like to say that the Asolesan solidarity organization, without a doubt, is one of the most important significant pillars of the region, on which economic development is based, of the Guasqueña society. It is an entity that is projected to grow, with the encouragement to offer and serve as an alternative to get ahead and leave the moments of difficulty in the past given the situation of the industry that the government itself has forced them to get around.

References


