

BENEFITS OF THE COOPERATIVE BUSINESS MODEL FOR SMALL BUSINESSES

How can the company Medotava benefit from staying in a cooperative business model
within 5 years?



Bachelor's thesis

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The cooperative model nowadays is very progressive. It reduces the risk of poverty, it helps the economy and social well-being. The cooperative business model can be found in every business sector as well as in the beekeeping sector. To understand the benefits of the cooperative business model this work will provide research into one of the most successful small business owners in Latvia.

Andis is a beekeeper from Latvia who owns a cooperative business called “Medotava”. Medotava is a beekeeping company that was founded in 2017. Even though the company is small, it has grown radically in the business field within these years. Andis is also one of the members of the Latvian beekeeping association and he is one of the members of beekeeping cooperation. The reason why Andis and his cooperation is intriguing is that his love and passion for his work are truly admirable. Besides the work with bees and production, the owner of Medotava has also written European projects, where he got machinery for making the honey. Unfortunately, there is a barrier for the new entrepreneurs who would want to start their beekeeping business in Latvia, because of the little resources they have, and not all the entrepreneurs can get help from European projects.

For this thesis, it was very important to find a valid and correct source as well as, to choose the most accurate qualitative method. To achieve better results, the author of the thesis used both a SWOT analysis and a Cost-benefit analysis. Besides these two analyses, the author had an interview with the Medotava owner and a survey that was sent to Latvian beekeepers for a better understanding of the research question.

By the end of this paper, the main conclusion answering the CRQ will present all the benefits of the cooperative business model for small businesses. Therefore cooperative business model would be the perfect solution not only for beginners but also for existing entrepreneurs. The cooperative business model can be beneficial in many ways, for example, it can influence a company’s sales, logistics system, marketing companies, as well as reduce overall costs. This research will focus on these four aspects which will be proven through field and desk research.

Keywords Cooperative, entrepreneurship, beekeeping

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1 INTRODUCTION

The main purpose of this thesis is to provide in-depth research for company Medotava regarding the problem statement. The company problem states the need for a constructive, evidence-based decision, whether to stay within the cooperative business model or not. This thesis project aims to present the findings based on literature review and further carry out the methods and knowledge gathered into the field and desk research.

Based on the problem stated above there was a central research question formulated. The answer to the CRQ question aims to provide necessary insights into why should or should not Medotava continue operating within the cooperative business model. The research question “How can the company Medotava benefit from staying in a cooperative business model within 5 years?” will help to better analyze the cooperative business model itself and how it can be beneficial for smaller businesses like Medotava.

This research will touch upon such aspects as 1. Cooperative business model, 2. Journey to the cooperative business model, 3. The agricultural sector (inclusive case study), 4. SWOT analysis & Cost and benefit analysis. These and other aspects were researched to gain in-depth insights on the necessary steps that need to be taken in favor of quality decisions based on evidence and findings.

1.1 Research methods and questions

The purpose of this section is to present the aspects studied and the results achieved in regards to the problem statement of this research. The topic for this thesis was assigned by the company Medotava. The problem presented by the company stated when questioning the benefits of being in the cooperative.

The main issue is whether the company Medotava should stay within the cooperative business model after weighing the possible benefits so as looking into the cons of operating within such a business model. Medotava requested not to specifically focus only on the profitability side of the cooperative business model, but also on the opportunities side with

the possible future growth, especially because of as previously mentioned cos and pros staying in this business model within five years.

The company strives to achieve higher standards in the work environment, not only more educated beekeepers as the company's members, but also using higher quality machinery for more production while producing high-quality products. Therefore, the research aims to provide an analysis of the cooperative business model by collecting all the data and using cost-benefit analysis and SWOT analysis as desk research to effectively answer with the focus on CRQ providing in-depth analysis. To dig even deeper and have an understanding of the current situation, there were conducted surveys with as many as possible Latvian beekeepers and interviewed the owner of cooperative Medotava as field research. This research focuses on the main research question, which is: "How can the company Medotava benefit from staying in a cooperative business model within 5 years?"

A target of improvement is to confirm whether the company Medotava should or should not stay in the cooperative business model, also taking into account the company aims for their set targets, for instance, to maintain the quality within the products. The timeframe of 5 years was taken because of the depth of the changes in the company. Medotava is an agricultural service cooperative society in the beekeeping industry, which currently employs up to fifteen beekeepers throughout Latvia. Five years was a realistic breakdown of the timeframe in which Medotava could either succeed by staying within a cooperative business model or potentially lose opportunities that come with the independence of choosing a different business model.

After the definition of the main research question, there were several sub-questions discussed. The importance of those questions can be seen within the answers that got provided during this research. The sub-questions are as such:

1. How to measure benefit within cooperation business model?
2. What methods can be used to improve the quality inside of the company Medotava as being cooperative?

3. What are the overall benefits of the cooperative business model in the beekeeping industry?

These questions were chosen because of the weight and importance of the aspects enclosed.

1.2 Commissioning company Medotava



Figure 1. The Company's Medotava logo.

Medotava is a beekeeping company that was founded in the year 2017 by its owner Andis Titorenko. Medotava is an agricultural service cooperative society, which currently employs up to fifteen beekeepers throughout Latvia. They are growing so fast and maintaining the quality of the brand. They have grown from selling to small shops to selling on eBay their products and as well as, large retail grocery stores. Medotava is a cooperative company that provides several services: honey extraction and packaging, honey cream, bee crushing, excursions in the beehive, and consultations on beekeeping issues. Besides honey, Medotava is providing also wine. (Zied Zeme n.d.)

Combining the various experiences and wider knowledge of beekeepers, Medotava improves the existing and new solutions to make the production of honey products more productive and a little more favorable. At Medotava you can purchase creamy different types of monofloral honey, organic honey, honey of different flowers, as well as honey mixtures. Besides different types of honey that are categorized by texture and used nectar,

there is honey's that are categorized by harvesting. They also offer services related to the production and sale of bee products, as well as bee welfare. (Medotava n.d.)

1.3 Beekeeping cooperative

Currently, there are up to 15 Latvian beekeepers that are working in the agricultural company "Medotava". They all have the same mission and vision: to make high-quality bee products. Combining the diverse experience and extensive knowledge of beekeepers, "Medotava" improves the existing and new solutions to make the production of honey more productive and even more favorable for bees. The company also provides both the production and sale of bee products and bee welfare services. The specifics of their work are very different from other beekeepers. Although they also bring bees to the heather, buckwheat, and linden fields, but to process honey, they use BIO-certified raw materials. At present, they are the only ones in Latvia that produce beebread in chocolate and honey marmalade. Although the cooperative was founded in 2017, it was already awarded first place as a "beekeeper of the year in society" in 2018 and 2019. (LLKC n.d.)

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Figure 2. Award for company Medotava.

One of the examples of how cooperatives can work together is when one beekeeper has the machinery, another beekeeper has transport to deliver the honey, the other has beehives and another has queen bees. Each of them can buy, for example, queen bees from the beekeeper that especially grows them, and other beekeepers can rent transport to deliver honey from the one who has it. In that way, the cooperative model is very effective and helps new entrepreneurs start their businesses. (Profesiju Pasaule n.d.)

1.4 Honey types

Besides different types of honey that are categorized by texture and used nectar, there is honey's that are categorized by harvesting which Medotava are producing. One of the most popular is creamy honey- presumably, everyone has encountered honey that has hardened so that the spoon can be folded. Hardening or crystallization is one of the properties of honey. Depending on the type of nectar used by the bees to make the honey, the honey may even harden in a couple of weeks. Although, there is a way of how to save the honey easy to use long after the honey has been obtained. Medotava's creamy honey's structure is made by stirring a special technology, adding additives, and not subjecting to heating. In this way, the biological activity of the honey is preserved and it will no longer harden. (Medotava n.d.)

Medotava's creamy honey has a softened, but pronounced taste, which you can eat often with a spoon, adding to tee or just spreading to bread. The second most popular honey is linden honey- it is mostly chanted, although it is very rare. Even though in summers lindens

are full of flowers, not always bees are capable of collecting nectar from these trees. Usually, the reasons are adverse weather conditions, no nectar is released in the flowers nearly blooms something else- an obstacle to bees. Besides creamy honey and linden honey, there are buckwheat honey, gold leaf honey, rapeseed honey, and heather honey, with beebread, propolis, cinnamon, and coffee. Medotava is also producing beebread chocolate, wine, spirit drinks, and honey marmalade with raspberries, sea buckthorn, and blackberries. (Medotava n.d.)

All in all, this thesis determination is to solve the problem regarding the research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?" as well as providing constructive evidence towards the benefits within the cooperation business model. The main findings and recommendations will be presented in further paragraphs within this research.

2 LITERATURE REVIEW

2.1 Introduction

To examine and solve the problem of the research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?" it is necessary to find both qualitative and quantitative data." The cooperative business model is relatively new compared to the LLC model. Nowadays, a lot of beekeepers are more interested in cooperating with others, but is it beneficial for them? Regardless of Medotavas's company problem statement, the need for a constructive, evidence-based decision, whether to stay within the cooperative business model or not, is not only common for this company, but as well as to other beekeepers, who are now trying to gain more information of this revolutionary business model, that could change their working habits. The main inquiry is to understand- is cooperative business model beneficial not only in the company Medotava but as well in the beekeeping industry or not.

The literature review will be focused on researching the main aspects of the cooperative model as beneficial or not beneficial in the beekeeping industry, especially in-depth

cooperative Medotava. A five-year gap gives a specific time limit to whether succeed or not to succeed as being a cooperative. Such aspects as to how it can be measured, what methods can be used to improve the beekeeping industry itself. To collect more and qualitative data and to better understand, what are the cons and pros of being a cooperative for Medotava company as well as studying the beekeeping industry as a case study, it is important to use relevant analyzing methods. To have subjective analysis, the author chose SWOT analysis and Cost-benefit analysis for better and more advanced results. Further paragraphs in this section will provide an insight into the literature review that needs to be used to conduct further research on the improvement of the beekeeping industry (in dept Medotava).

The main keywords and aspects that closely relates to this research project are such as:

1. Cooperative business model
2. Journey to the cooperative business model
3. Beekeeping industry (case study),
4. SWOT analysis
5. Cost-Benefit analysis

These aspects will be analyzed and researched to create the most successful strategy to respond to the main research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?"

2.2 Cooperative business model

Cooperative is providing jobs and vital services to people. Also, it is a great way of having a flexible job. If people would support more cooperatives, then cooperatives would support people and also the community. This chain of the network would deeply help the economy,

poverty, and well-being. The truth is that cooperatives exist in every working sector and every country. (TedxTalks 2018)

Unfortunately, it is not that well known to others, for example, in Latvia, the government is not welcoming cooperatives as they could be. This is one of the examples of cooperatives in beekeeping in Latvia.

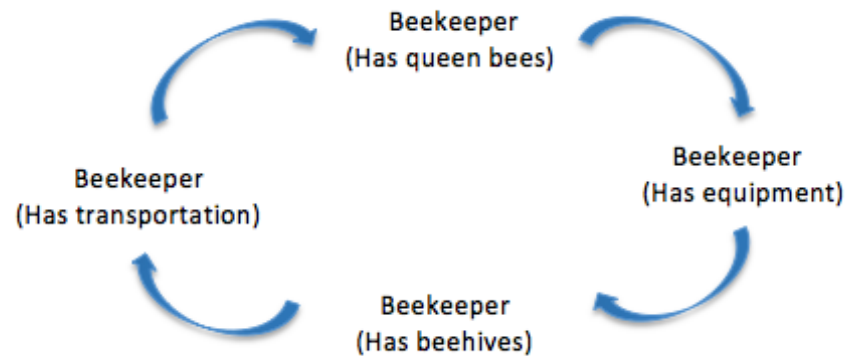


Figure 3. Beekeeping cooperation model example.

2.2.1 History of the cooperative business model

As one of the first cooperatives started in England with Rochdale pioneers in 1844. This group of 28 men created a new business form a new market system, that changed history. It first started with a shop where they sold goods. The main idea behind this new market system was a time when mass production took over everything. It was not a good and sustainable production, high-quality goods were replaced with less expensive, poorly made, long working hours, low pay, unsanitary work environment, and children were suffering the most. They needed to work long hours- up to sixteen per day. Smaller producers changed the cruelty in the work environment, by producing high-quality products and using the finest materials. They supported only the old way techniques. Individual workers needed to be valued. Cooperatives started to rise over the world and in 1895 International Co-operative Alliance (ICA) was formed as support. (Wilhoit 2005.)

The definition of cooperation is that a group of people are gathering together to solve or to improve any social, economical, and cultural needs by setting up a business voluntarily. In cooperative members joins voluntarily as mentioned previously, but they have common goals to achieve. It is stunning to see how only a small group of dedicated producers changed the market system in 19's century up till today. (Wilson, Webster, Vorberg 2013.,2)

2.3. Limited Liability company

2.3.1. Share or equity capital

One of the most common business forms that are used in Latvia is a Limited liability company and the minimum share capital is 2800,00 EUR. The ways of paying this capital are either contributed in property or paid in cash. Within one year before applying for the registration at least half of the share capital needs to be paid. Micro-capital companies and reduced-capital company are the companies that you can register with smaller capital of at least 1 EUR. (Register Company n.d.)

2.3.2. Legal address

The legal address of the company needs to be located in the Republic of Latvia. (Register Company n.d.)

2.3.3. Liabilities

The company owns only its property and is liable for its obligations. (Register Company n.d.)

2.3.4. Company registration in Latvia process

The whole composition of the company establishment and registration process consists of

1. Founding document, submitted to the Register of Enterprises of the Republic of Latvia,
2. Company registration in the Enterprise Register of the Republic of Latvia and receipt of documents,

3. Payment of the state fee for the establishment of a company and the publication of an official newspaper,
4. If necessary - open a temporary bank account where to deposit share capital,
5. Signing of founding documents, also with a notary,
6. Preparation of founding documents for company registration,
7. Compilation of the necessary information for the registration of the company.
(Register Company n.d.)

2.3.5. Necessary information for company registration in Latvia

To establish a company in Latvia and prepare company registration documents, we need the following information:

1. Company name in Latvia,
2. Legal address of the company,
3. Information about the founders of the company,
4. Information about the members of the company's board,
5. Information about the company's share capital,
6. Type of company's activity,
7. Any other important information you want to display. (Register Company n.d.)

2.4. Journey to the cooperative business model

2.4.1. Member assessment of value

In order to be fully successful in the cooperative firm, its members have to anticipate the needs of their members. It will also help with current and future demands. As in regular cooperatives, member-driven organizations, it is already challenging with differing time horizons for active participation, in beekeeping cooperatives, it is even more demanding, because of its specific time of honey collection. On the other hand, it is beneficial for them, because they have long- term horizon. (Reynolds 2013)

2.4.2. Value of Aggregating and Aligning Members' Needs

For farmers in Spain, the main focus is on the development in the technology sector as it will be their main competitive advantage to remain their positions within the market. Not only in Spain farmers has to adapt to new technologies, but also it is all over the world, including Latvia. In the beekeeping business, beekeepers will always try to work with new technologies, especially younger beekeepers. "Medotava" is interested to try new things, new technologies, because in this way the process of work might get faster and the quality of the product might get much higher. Unfortunately, it is not possible for a lot of beekeepers in Latvia, because of the high age range, and for elderly people, it might seem a very hard and long process of learning to adapt to new technologies. (Reynolds 2013)

It is a huge bonus for cooperatives that they are consisting of several members. It means that there are multiple connections, the work can be done faster and more qualitatively to fulfill the needs. (Reynolds 2013)

2.4.3. The Value of Trust and Loyalty

The aspects that create the most value for a consumer are as such: 1. Quality, 2. Price. However, the deeper outlook on what value is for a customer presents both tangible and non-tangible factors of what perception of value is. The non-tangible factors can be seen as the relationship and bond created with the product/service of the company and tangible value can be seen as the feel ad touch of the product. (Reynolds 2013)

Within this topic, there comes trust in the company. Unfortunately, not so many workers trust their managers. Luckily, cooperatives are far away from this issue, because they consist of a group of members where need to be trusted in each other, otherwise the work cannot be done. If the cooperative firm is successful, it is a key to the cooperative's loyalty and trust. (Reynolds 2013)

2.4.4. The Value of Member Participation in Decision-Making

There are a lot of values and advantages to being cooperative. One of them is that in charge are members of the group that aim for the same mission and vision. Leaders of cooperatives can collective the knowledge of members. There are a lot of values and advantages to being cooperative. (Reynolds 2013)

2.5. Agriculture sector

As the beekeeping industry is one of the agricultural's fields, the need for the study of the agricultural field was important. Agriculture includes various industries such as crop production, beekeeping, harvesting fish and other animals from the farm. (EPA n.d.)

This sector includes the growth of plants and animal origin for further use. Because of agriculture, most foods and fabrics, such as leather, cotton, meat, honey, etc. are provided. Besides, fabrics and foods, agriculture also provides construction products, such as paper products, woods, etc. The beginning of agriculture started 11,500 years ago when people started to look for food and started to hunt and grow plants. When people started to grow crops, they immediately learned how to herd and breed wild animals. Since the first agriculture rise was such a long time ago it is uncertain what exactly was the first grown food, but most likely it was corn or rice. (National Geographic n.d.)

2.5.1. Beekeeping industry

The very beginning of honeybees is almost 9,000 years ago when beekeepers as the first prehistoric farmers. It has already been shown from the beginning that bees can interact with humans and be able to obey them. It is amazing how such small animals can do so much- provide the bee wax and honey. One of the amazing aspects is that although, they are so small, however, they are so smart, for instance, if the queen bee dies, they immediately will find a new queen bee. The queen bee is a leader. (Briggs 2015.)

In the United States 20 years ago there was quite a big change within the beekeeping industry. Within several farms decreasing, colony inventory was also decreasing.

Unfortunately, it means that a lot of beekeepers have to leave their businesses, because of the instability of incomes. The activity of producing the products was down to <03050,000 which is down to 87% of sales in 2002. Sadly, this agricultural sector was not stable at that time of the year. (Daberkow, Korb & Hoff 2009.)

Compared to 2002 and 2021 in the U.S. the bee production has been growing and has been much better. Although this agricultural sector has been growing, there are still some aspects that are disturbing the quality of bee production, for instance, diseases, the weather, etc. (IBIS World 2021)

2.5.2. Winemaking cooperatives (case study)

The same as in the beekeeping industry a lot of beekeepers takes the advantage of cooperatives, winemaking cooperatives do that too. There have been assumptions most likely in Europe, that the wine from cooperatives might not be so qualitative or because of other reasons. However, even the most knowledgeable wine drinkers should know that cooperative is so important in the whole wine-making process. In winemaking, the co-op consists of likely-minded people with the same set goal and a vineyard. The shared goal is the creation and sales of wine so there is a need for cooperation between multiple vineyard owners that can share their materials for the common goal to the end product. (Warren 2015)

Compared to beekeeping cooperatives with winemaking cooperatives, smaller winemakers could not exist without larger winemaker cooperatives, because of their production. Without them, they could not possibly sell their product. It is marvelous how just one cooperation can make such a big difference in both fields. The same as in beekeeping cooperations, winemaking cooperations also can do so much more with their marketing, logistics, HR, etc. One of the most interesting facts, why a lot of wine drinkers did not acknowledge cooperations is because at the beginning they did poor quality plonk sold en-mass production. The reason was that they needed to use only the grapes that were presented to them by their colleagues, however, the colleagues kept the best grapes for themselves and gave away the worst. Because of these past failures, the cooperations are

trying to get back their image by selling one of the best wines. Nowadays, they are producing a massive amount of wine by using the newest technologies. The same as in beekeeping, winemaker cooperatives are also welcoming always new members in their cooperative. Another benefit of being cooperative is that they are constantly finding a solution for any problem. (Warren 2015)

2.6. SWOT analysis

To understand better strategic planning in any form or organization, SWOT analysis is a great tool for that. The SWOT analysis includes Strengths, Weaknesses, Opportunities, Threats and the framework is proposed by many companies and organizations, to better define their cos and pros. One of the greatest benefits of this analysis is that it is so simple, yet it gives you a great finding to solve any problem statement. (Pickton & Wright 1988, 101.)

In order to successfully find a solution for the research question problem statement "How can the company Medotava benefit from staying in a cooperative business model within 5 years?", it is needed to conduct a SWOT analysis. SWOT analysis is a great tool that can provide an overview of internal strengths and weaknesses and as well as external opportunities and threats. (Pickton & Wright 1988, 101.)

After conducting such an analysis, it becomes clear if the cooperative business model is beneficial or not beneficial. However, SWOT analysis does not provide specific answers to several questions that need to be answered in order to understand the need for a cooperative business model. (Pickton & Wright 1988, 101.)

However, SWOT analysis works as a base platform to further decision-making. SWOT looks into four different sections which cover important aspects that need to be considered whenever major decisions are being made. With this said it is important to not overlook the importance of the application of the SWOT analysis within the decision-making process. It serves a great purpose to further investigate the processes included in the weighting of multiple options and comparison of them. (Pickton & Wright 1988, 101.)

2.7. Cost-Benefit analysis

The name of the analysis consists of two main words- "costs" and "benefits". Most of the time cost-benefit analysis is used for non-economic values into the framework. (Pearce 1983, 2.)

Whenever there is a need for any deeper and numerical information of a specific policy proposal, Cost-benefit analysis is a great tool for that. (VI) To better make a collective choice decision, the CBA is the analysis that will provide a good proposal. The reason why CBA is a reliable analysis source is that it is not only measuring costs and benefits itself but also measures benefits more in dept, for instance, the intensity of values. (Pearce 1983, 2.)

With CBA applied it gives a wider outlook on the long-term benefits. Investments that are needed to be made today will bring a certain benefit either in the long term or short term. Benefits can vary in different sections such as 1. Monetary benefit. Benefits where investments are being doubled, tripled, or generally returned the investment 2. Non-monetary benefit. This type of benefit can be categorized into multiple selections based on the industry, situation, activity, etc. However, overall the non-monetary benefits can be company image, connections, popularity. Important to mention that mostly every non-monetary benefit (not in the case of a non-profit organization) will result in a monetary benefit. Therefore, the importance of investigating the costs that will occur today and the value it will bring in the future is a baseline of a successful organizational plan. (Keating B.P. & Keating O.M. 2013, 6.)

3 METHODOLOGY

3.1 SWOT analysis



Figure 4. SWOT Analysis template. (Aha! n.d.)

When investigating the table above it can be seen that the Cooperative business model includes such **Strengths** as :

1. Cooperation. With this, it can be understood that each member of the cooperative business model is being granted the benefits of cooperation with others within the industry. This can be beneficial both financially and physically.
2. Fast-growing member amount. The aspect of the cooperative business model becoming more and more popular between young entrepreneurs and small businesses secure the fast-growing amount of new members. New members bring in fresh ideas, new value streams, and more advantages.

3. Maintenance of quality standards. Whenever entering the cooperative business model it requires a certain quality control within the outputs of the production. This is seen as a strength because of the value it brings to the company.

4. Constant improvement. When operating within the CBM it can be secured that your company will face many improvements along the way as the members of the cooperative brings great value with the R&D improvement within the industry the company is categorizing into.

Weaknesses:

1. Low responsibility. This is seen as a weakness for a cooperative business model because of the shared responsibility between the members of it. Therefore, it results in very low responsibility of the individual that influences the control a business has within the processes.

2. Trust issues within the cooperation. This weakness occurs whenever the communication between beekeepers is being injured due to obstacles met along the way. This, therefore, creates trust issues between beekeepers as they share responsibilities and is not existing independently.

3. Entry standards. This can be seen both as a strength and a weakness at the same time. For the overall cooperative image, it is very beneficial to have an entry standard, however to a new entrant that is willing to grow their business and requires cooperation these entry standards might be hard to achieve with low investment availability and knowledge in the industry.

Opportunities:

1. Collaboration. This can be seen as an opportunity whenever entering the CBM as collaboration is a security that can open many opportunities that as an individual entrepreneur is very hard to reach.

2. Possibilities for growth. A cooperative business model secures growth opportunities.

Whenever joining within the cooperative it can motivate and elevate a business owner into expansion and growth whether in the number of outputs, quality, employees, etc.

3. Product line expansion. Whenever entering a cooperative business model in a specific

industry it can be taken as an opportunity to expand your business portfolio and add

products to your product line. For example, within the beekeeping industry, a company that aims to produce only honey decides to produce also bread made from honey. Therefore it is an opportunity that a cooperative business model can present.

Threats:

1. High tax rates. This is a threat to many business owners as the taxation system in Latvia is gradually becoming more and more pressuring this treat can be demotivating, however by joining a cooperative business model several tax relaxations are being provided by the government and it can be turned into an opportunity easily.

2. Machinery improvements. The technology field has been the fast-growing development sector for the past 5 years. The improvements of machinery can be seen as a threat for many beekeepers within the cooperative as their competitors might present more developed machinery that produces honey faster or has higher quality standards. However, by being in the cooperative business models there are more funds available that can be invested into buying new machinery that will benefit all members of the cooperative as the machinery is being shared.

3.2 Cost- benefit analysis

To examine the better financial part of this thesis (what are the costs of starting beekeeping entrepreneurship, what is needed for start-up, the benefits of investment, etc.), cost-benefit analysis is used as a tool to succeed with more accurate figures and information for a beginner in the beekeeping industry. The costs that are used for cost-benefit analysis are establishing costs.

Activity	Costs	Benefits
Buying machinery	<p>3000 euro – includes such machines as:</p> <ol style="list-style-type: none"> 1. Honey processing machine 2. Honey thickening and filtering machine 	<p>Investing in the machinery will benefit in the long-term collaboration with other beekeepers and will provide a more effective working process.</p>
Logistics	<p>200 euro – Includes gas whenever transporting raw materials to other beekeepers in order to cooperate</p>	<p>By investing a low amount of money into the gas of the transportation it will benefit in such ways as the beekeeper does not have to fully invest in the multiple types of machinery, but it can be arranged that beekeepers between each other would exchange and share the available machinery.</p>
Accounting	<p>180 euro- includes full accounting service with the cooperative discount rates</p>	<p>With this investment, the main benefit is the discount rate of what accounting service can be received, by</p>

		<p>being in the cooperative business model the beekeepers do not have to have an individual accountant that they would need to pay salary to. The cooperation takes care of the accounting side of the business.</p>
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Figure 5. Cost- benefit analysis table.

When investigating the CBA it can be seen that the total amount of costs that would be carried outreaches approximately around 3380 euros. When looking at these costs what needs to be focused on are the benefits these costs would bring to Medotava in the long term so as in the short term. For a deeper understanding, a comparison needs to be made. For example, whenever looking at the accounting activity the costs that would be invested are 180 euros of monthly repeated costs. Whenever comparing the costs of hiring an accountant in a different business model where Medotava would not have the discounts of being in a cooperative it can reach up to 2000 euro of monthly salary payments to an accountant. Whenever investigating further into CBA it can be seen that a lot of costs would be saved by investing a small portion when it comes to machinery expenses.

As mentioned in previous sections of this research the main purpose of cooperative is to cooperate, therefore cutting costs of operating individually. Medotava by investing a small amount of money into transportation and machinery will have an overall gain of approximately 30 000 euros saved. Such an amount will save the investments Medotava would need to be making in the next five years if the decision of leaving the cooperative business model would be made. The costs would occur in the exportation of the final

product, of investments and maintenance of machinery, hiring more staff, these and many more costs would take place if Medotava decides for leaving the cooperative business model.

Taking into account the analysis that was done in the paragraphs above it can be concluded based on the CBA it is beneficial for Medotava to stay within the cooperative business model that requires minimal costs but major benefits. Not only in the short term but also the long term security.

4 PRACTICAL RESEARCH

For the practical research, the author used both interview and survey research. The purpose of doing the interview research was to go into the dept of the thesis case company Medotava- to understand better how everything started, what is needed to become an entrepreneur, how to become a member of cooperation, what knowledge is needed and financially what is needed at the beginning, etc. The survey was made for understanding better a beekeeper's point of view in this agricultural field, what are the cons and pros of the cooperation in their opinion, etc.

Even though using both of these research methods was very time-consuming, it was needed for qualitative and good research. In the following chapters, the author will explain and analyze the results of both of these methods.

4.1 Interview

The interview was conducted as a face-to-face interview on the 5th of November 2021, at the interviewee's home. The interview questions were delivered to the interviewee beforehand and it was explained that the interview will be utilized in the bachelor thesis. The interview took three hours.

It was important for the author of the thesis to interview gathering more accurate information about the Medotava Company and it was great that it was possible to interview the owner of Medotava Andis Titorenko from the place where the company was started. Not

only a lot of detailed information about the company was gained, but also a lot of good suggestions and tips for new entrepreneurs were heard. As well, the process of making all the products- the honey, wine, candles, sweets, etc. was shown. All of the information that the author got was used not only in the interview part of the thesis but also in the thesis process itself, for instance, a better understanding of beekeeping as an agricultural sector, what it takes to become a good beekeeper, etc.

The interview summarizes some of the main key points for qualitative data analysis. For the interview, the writer decided to examine the CEO of the company Medotava Andis Titorenko. It is a beekeeping company which works in cooperation field. The cooperation consists of a minimum of ten employees and is up to fifteen. The number is uneven, because of fluctuations with cooperation members. Medotava was founded in the year 2017 and was recognizable very fast. Andis and his team are very passionate about the beekeeping industry, even though before Medotava's realization, Andis graduated from two universities with a Master's degree and one of them was a law degree, he has given his everything to realize what Medotava is about.

At the beginning of the interview, the author of the Thesis asked to tell Andis about himself and how company Medotava became real. Before asking this question, the author was confident about the answer to this question, that the idea of starting a beekeeping company would be income and creativity. Andis confirmed that some part of creativity in this working field is, but what was more unexpected was that the main idea of becoming the beekeeper is how to reduce the risk of a product so that it would not go bad and can be stored for a long time. Nowadays, a lot of people are talking about an eco-friendly environment, but unfortunately, not everyone keeps their word. While some of us are only thinking about this idea itself, Andis and his team are already one-step closers dealing with environmental waste.

The third question was asked if there were any difficulties before opening a company, the owner of Medotava answered that working in the agricultural field, especially when the work is very seasonal, a lot depends on the weather outside. For example, if there are heatwaves or rain floods, it can damage the inventory or bee hives. For example, in north-

eastern The United States, a specific bee breed called *Apis mellifera* (Western honey bee) winter survival depends on what were the summer conditions. (Calovi, Grozinger, Miller, & Goslee 2021.)

During the analysis process of the cooperative business model, the fourth question in the interview was, whether it is easy for a new entrepreneur to start a cooperative business and would Andis suggest doing it. This question was very important to include because to improve the studies of various business models, especially the cooperative business model, the need for real-life examples is very necessary to the author. The answer to this question was unexpected. The owner of Medotava explained that the main key point is, whether people know how to cooperate and can cooperate and whether they have a common goal. Unfortunately, most of us don't know how to cooperate or even can't.

Explaining the answer to the question, Andis is saying that most of the time, modern human has trust issues and a lot of times the question is if they have a common goal. This statement appears to be accurate according to survey analysis that was answered by Latvian beekeepers. In the survey that the author made, altogether 252 beekeepers participated in it and 173 respondents answered the question "Why are you not involved in a beekeeping cooperative? What would encourage you to rethink and get involved?". Twelve people responded that they had a bad experience being in cooperation, for instance, one of them said "I was involved in the cooperation. The project was designed to increase the welfare of the initiator. A cooperative can be made up of 3-4 people who trust each other." Finally, to summarize the answer to this question, it seems to be very clear for the author that it does not matter if it is easy to start a cooperative business as much as the trustfulness in each other when you are cooperating.

The fifth question was "what are the pros and cons of being cooperative?" The owner of Medotava explains that one of the main cons is that being in cooperation there has to be set rules yet still some people want to ignore them and that is where the problem of cooperating starts. If a person is not capable of working in a team, then it means he must quit. Furthermore, Andis is explaining the meaning of willingness to work together- it is the key to success. He says" the more people become actively engaged and involved, the more

success there is. It is very important how actively they are involved.” In addition, working together, cooperating, does not mean that one person from the group can or has to do all the work by himself or opposite, not do anything at all while meanwhile others would do everything. That is the beauty of cooperation- work has to be divided equally. Indeed, not everyone can work in teams, some people are better working alone because then they can follow every process of the work, as Andis later on, is conforming that.

Having a dialogue with the CEO of Medotava, the interviewer was curious and had a question that came up spontaneously and asked “if is it easier to have more people than three actively engaged people?” Andis answer was that it is not definitely easier with more people that might not be that actively evolved as three evolved beekeeper. The professionalism of the beekeeper very much depends, whether he is doing the work at a professional level or as a hobby. Nevertheless, he is explaining that “the cooperative must be seen as a form of business, where one of the key principles is a basic economic capacity for each beekeeper individually and for the cooperative.” Currently, 3,362 beekeepers are actively working, but approximately 50 of them are working at a professional level, which leaves 3,312 beekeepers working at a hobby level.

According to the sources that the author of the Thesis gained by the interview and survey, there are not enough beekeepers who would work professionally and respondents to the survey also prove it. Twenty-seven beekeepers are doing beekeeping as a hobby, which is the highest number in the variety of given possible answers. Analyzing the high number of beekeepers at the hobby level maintains one and a common reason for all of them- they are doing it only because it needs a lot of working hours to be successful and because of that, beekeepers choose to provide with goods only themselves and their family. In this way, they can do their regular job on a daily basis and also do beekeeping in their free time. This is also the reason why people rather buy the equipment only for themselves, rather than sharing or borrowing it. Unfortunately, this is where the economical point of view is reached. As Andis is confused and mentions “why every beekeeper should buy separate equipment when they can just easily divide who is going to buy specific equipment. You can borrow from another and that other can borrow from you for the moment when they need your equipment.”

The next question that was asked was about the number of cooperation members. The beekeeping cooperation contains approximately fifteen people. Andis continued explaining that the number is uneven, because of the production that beekeepers provide. For instance, if honey extraction has been productive in a particular season, then the product will be enough to make for various offers that Medotava provides to their customers. On the other hand, if a season has not been good, because of numerous problems, such as cold winter, diseases, etc. the cooperation is forced to find products from other beekeepers that have enough to sell. Since the cooperation consists of several members, they all can help each other not only materially, but also with knowledge. This is also another reason why it is very beneficial to work in cooperation.

Under every success, there is always something that keeps us motivated to be better and better and therefore the motivation for Andis is a challenge. It might seem strange, that motivation for him is not a specific goal or a person, for example, family. On the other hand, it is quite fascinating, that as long as there is an interest, there is a challenge in everything he does. Later on, Andis is explaining that one of the main reasons why he chose beekeeping is because of the numerous challenges that he has to deal with constantly. One of the biggest challenges is nature because it is so unpredictable.

Analyzing the question of motivation, it seems to be very clear that the beekeeper's role is very diverse from the positive aspect of view. Each year they can set their goal- whether they want to set more bee colonies or honey within a one-year gap or they can stay at the current level they are. The profession of beekeeper requires a great deal of input both into and after the work process. Even if a person has decided to start working with bees, due to the investment of long hours and energy, most times a beekeeper will practice the profession for more than 10 years, and if this happens, the profession will be passed down from generation to generation. The beauty of beekeepers' profession is that they can go in any direction they want with the product. For instance, Andis and his team started by only collecting honey and beebread. Later on, they started to make a product such as beebread chocolate, wine, spirit drinks, and honey marmalade with raspberries, sea buckthorn, and blackberries. They are constantly upgrading their assortment with different types of honey, drinks marmalades, etc. Besides making new products, they are also expanding their

production in more stores, websites and doing excursions, planning on opening a cafeteria where customers could buy an ice cream that would consist only of natural sweetener honey.

In the conclusion, the last question that was asked was “Are there any suggestions or recommendations to new entrepreneurs who would like to become a part of the cooperation”. This question was significant to ask because it consists of all the main bullet points that need to be analyzed while answering the research question. Previously describing beekeeper’s job, Andis is again confirming that it takes a lot of input to the work, even if it is only a hobby. He is explaining that it takes a minimum of five years to even understand whether it will be the main job or just a hobby. The time is so wide, because of the extraordinary duties. It takes a lot of patience, accuracy, working a lot of hours outside and inside the doors, the capability of lifting heavy weights, knowledge about the plants and insects. (The Good Universities Guide n.d.)

The study at University and outside it, always have taught that before opening a business it is always beneficial to have a business plan. It gives you the potential to be successful, plenty of resources, a good marketing element, etc. (Gaille 2016)

Nevertheless, the owner of Medotava shares his experience with having a business plan before becoming an entrepreneur and his describing that you need to set high standards before becoming one and most of the time it ends with collapse. Even if most of the entrepreneurs started with business plans successfully, Andis has not had a good experience with them. He says that whenever he started a new project, even beekeeping cooperation, it always had a lot of risks and if something goes wrong, it is hard to be “back on the track”. It is all depending on each individual’s inner motivation. From his experience, it all started when he understood that he has to take all the risks by himself and to set goals. Whenever he sets the goals, afterward he can figure out if he needs help or he can do the work by himself.

Cooperation is a revolution from a business point of view. One of the benefits is that even if a person is not satisfied with working together, but they would be glad if the work could be

done much faster and more productive. There is a solution and therefore joining or opening cooperation can help. A beekeeper can do his work from home, but the ready product he gives to the cooperation. For instance, Andis has members who do the honey collecting, others make candles from bee wax and Andis is controlling the process and also collecting the honey. Another great perspective is that when you are cooperating, you do not need to do a job that you do not like. The work is divvied always equally and fair so that everyone can do what they love to do and what they don't like, other members can do it.

The owner of Medotava compares cooperation with a team sport. There are people who like to do work alone so therefore they should choose the individual sport, but if a person enjoys working in a team, they should choose team sport. The same happens with beekeepers. If they enjoy working with someone, they will most likely choose cooperation, but if not, they will continue working alone. In Andi's opinion, if a beekeeper sees his colleague as a competitor, he or she won't choose to work in cooperation. However, beekeepers who work alone eventually start to change their mind and wants to work in a team, because they realize how production can be done much faster if they only have help. One of the reasons, why people can't take the pressure of working in Medotava or even cooperation in general, is because of strategic and critical thinking. If a worker does not have it, they are not willing to take any risk and they don't want to be responsible for any action, especially if it is bad.

It is so important that everyone working in a team is following the process and are engaged in it, so even if they make together any decision that could or is failed, all members take responsibility. In Andi's experience, he had to release some members, because all of these actions were not taken seriously. Unfortunately, that is the case if the work is not one of the priorities. Analyzing the survey answers, why a lot of beekeepers are not in cooperation, there seem to be few members that tried to work in cooperation, but unfortunately, it was not successful. Some of the respondents answered, "I was involved in the Honey Agency. The project was intended to increase the welfare of the initiator. A cooperative can be made up of 3-4 people who trust each other." Other respondents said they had a negative experience on the part of the leader of the cooperative Medotava, who clearly did not want him to join the cooperative. All of the 12 answers were very similar and all of them had the same subtext- it is all about trust. Before seeing the answers, it seems that might be that

Andis, the owner of cooperation Medotava were not eager to have new members in his cooperation, but now analyzing all the facts, it is clear that the only reason why all of them had a negative experience is only because of the trust in each other. It won't be possible for both sides to work together if they cannot co-operate.

When the question of how many members in the cooperation Medotava are was asked, the answer was up to fifteen. Yes, there are numerous reasons, why the number is uneven and one of them includes the production of what beekeeper is making. As previous questions were analyzed, it depends on how productive the honey season has been. However, there might be some years when a customer offers a beekeeper a higher price than cooperation. The reason for that is that it is not possible for cooperation to have the same price within five years in a row. Since the fixed price is based on the constant interest rate, the cooperation may lose members, because they see a higher probability of selling their product to a customer rather than go to cooperation. It is understandable from both sides, that a member wants to have a better profit when there is a solution (selling straight to a customer), on the other hand, Andis, as a CEO of cooperation is forced to lay off an employee, because of the uncertainty. The reason why he repeated himself multiple times of how important is trust in the work environment is that whenever any kind of team is going through together, bad and good times, they still are together and it helps a lot. Success cannot be possible without failure and therefore it is important to stick together. This is how Andis and his team succeeded a lot- by staying together and working hard. Trust in the process and in each other is important.

In cooperation, all members are equal. There are no hobby-level employees. "At some point, deprived of liberty is taken away from a beekeeper, but on the other hand, they have given a sense of security," Andis is explaining. The difference between smaller and larger beekeepers is that a smaller one will have a question is how to clean up your inventory for next year, for instance how to melt the wax. On the other hand, the larger beekeeper is already past that stage and his question might be how to grow more than 100 bee colonies. To become a part of cooperation means that not only do you need to have a minimum capacity of production that you can give as your part in cooperation but also, you most likely will need to buy some kind of machinery, for instance, a beebread harvester machinery that

costs approximately 3,000 euros. In this way, a beekeeper does not need to buy full equipment to work. He can buy specific machinery and use it himself or lend it to others. Although to use this machinery, a beekeeper needs to have at least 200 bee colonies, which is quite a lot. The reason for buying the machinery is to increase the capacity and to grow bigger as a company. It is also understandable, that not every member can afford right away machinery that costs a lot and for this reason, there is another possibility- to find a person who provides their service. It is not only beneficial for a new member, but it is also economically better for them to join cooperation because, in either way, they do not need to invest a lot of money to become a beekeeper.

Analyzing the research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?", Andis is giving an example, that if, for instance, two or three beekeepers want to get into the market chain, it would be only beneficial for them to cooperate. Even if a larger beekeeper would be aiming to be in the market chain, it still would not be possible to get into, because of the huge amount of honey that is needed, and for one person it is impossible. Therefore, more people with the same goal can cooperate together and can accomplish this mission. In this way, one beekeeper does not need to buy extra honey to achieve the goal, because he can rather do it together with another beekeeper/beekeeper by putting together the honey.

Cooperation and LLC can be found in quite similar business models, but they have very different inside aspects. For example, in LLC there is one main person- the CEO who is working either alone or he has a team. Any member of the public in LLC cannot own a private company. (Register Company n.d.)

Therefore, in cooperation are three components: user-controlled, user-owned, and benefits the user. (BCOOP n.d.)

Working with LLC model members has one common business plan, but in cooperation, members are working inside the cooperation. For instance, 5 employees working in LLC company, will do different jobs. One is responsible for making the candles, the other is responsible for finance, the other is responsible for honey collecting, etc. On the contrary, in

the cooperation, these five employees will all collect the honey, while each of them can do extra other work. Andis is giving an example of Medotava, where five employees are collecting honey. Two of them are only collecting the honey, the third is collecting honey and making the candles, the fourth is collecting honey and harvesting bee bread and the fifth is also collecting honey, as well as growing bee queens. Collecting honey is their main job, but each of them can choose whether it will be their main job or they also will do a different extra work, which gives them more income. The benefit of working in cooperation is that as a beekeeper, it is possible to do the work that you love and to avoid the job that you do not like, besides that, working as a team, all of the group members are fully engaged in the process. Everyone knows how everything works, what needs to be taken more into circumstances, and what can be upgraded. (Register Company n.d.)

Whit the Thesis research question, the author is not only trying to find a solution for small businesses using the cooperation business model but also hopes for a change within the Latvian beekeeping association. There are so many aspects that need to be taken seriously. For example, those who are doing beekeeping as a hobby should help each other and team up by sharing the equipment and doing it as cooperation. In that way, it would be sustainable and economical.

Analyzing the research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?", it seems that a lot of answers can be found in this interview. It is understandable, that not everyone feels working in cooperation with people you do not know as a person, do not know their intentions, their goals, or their capabilities. It is hard in human nature to even trust someone that is barely known, but therefore, trust is one of the main goals to success. Trust in yourself, trust in the process, and trust in your team. Being a part of cooperation opens so many great aspects, such as financial growth- the goals can be achieved more productively, economically- sharing with equipment and duties, etc. The cooperation business model is a revolution not only for businesses as themselves but also for employees. It is prodigious that employee can do its work from home or cooperation place, a beekeeper can do the work what he/she loves the most. All in all, not only for beekeepers but also for small and large businesses employee cooperation is more beneficial than LLC form.

4.2. Survey

The survey was conducted 12th of December 2021. The author of the thesis contacted the Chairman of the Board of the Latvian beekeeping association and asked if it would be possible to send a survey to the members of the Latvian beekeeping association and he confirmed. Even though the survey was made carefully and the right words were used, the association did not approve the survey immediately, because some changes needed to be done. After everything was clear and the association approved, they sent out the survey to the beekeepers in Latvia. In total the author got 257 responses.

It was explained that the survey will be utilized in the bachelor thesis and that all the responses will be anonymous and all the information is saved in a safe way which the Chairman of the Board agreed and was flattered that exactly this topic was made and their help was needed. Additionally, the Latvian beekeeping association asked the author of the thesis to send later on all the responses to them, so that they can use the information furthermore.

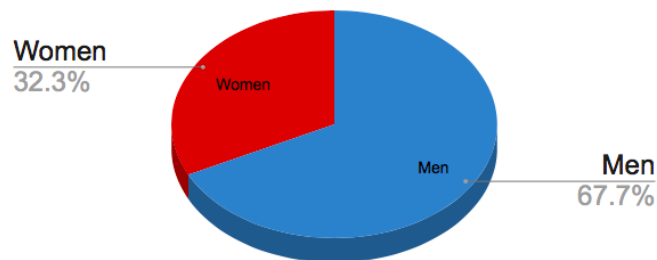
The main purpose of conducting the survey was to analyze the research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?" in dept and to understand how the beekeeping industry can benefit from cooperation. Also, to collect data as much as possible to evaluate the percentage of beekeepers that are currently in the cooperation and those who are not. With this analysis, it will be more understanding what is the actual situation in Latvia in the beekeeping industry. It was important to choose for this survey questions with possible multiple varieties, but also, to have a question with short answers. The beekeeping association currently is working 3,362 beekeepers in 27 regional offices.(Latvijas Biškopības Biedrība 2021)

A total of 257 respondents participated in the survey. The numbers of respondents were unexpectedly lot.

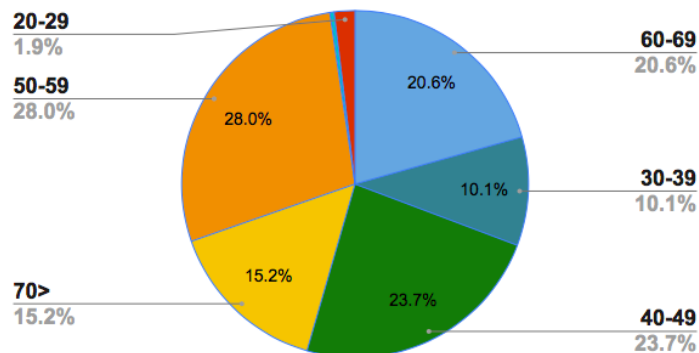
As one of the first questions that were asked was what is their gender and age. The need for these questions was to understand how big is the percentage of women and men who are

working as beekeepers and how old are they doing this job. The number of women beekeepers was quite unusually a lot- 32.3% which is 83 women working in the beekeeping industry. The number was unusually a lot because the work takes a lot of working hours outside and inside the doors and capability of lifting heavyweights. It is very hard work. The majority of working beekeepers are men, taking 67.7%. It was curious to see how many young people are working in this industry and unfortunately, there is a very little number of working beekeepers at a young age- only one person is under the age of 20 and five people are from age 21-29. The majority is the age from 50-59 with exact 28%.

Your gender



Your age

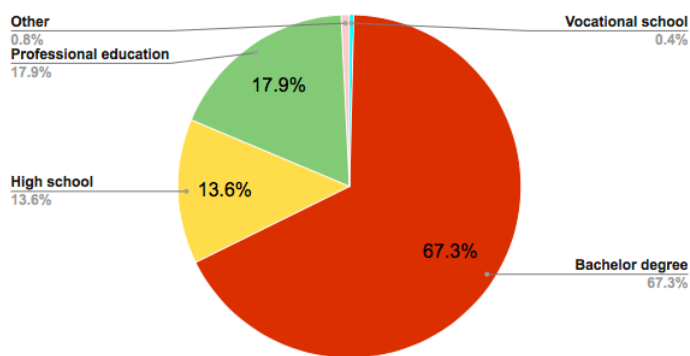


The next two questions were asked was about their education- where did they study and in what way they learned beekeeping. These two questions were important for better understanding what is the most common education system to learn beekeeping in Latvia. Also, by this number, it is better to understand why the number of young beekeepers is so low if the education of beekeeping is only actual and possible by passing to the next generation or by studying in school. The highest percentage was 67.3% answering that their education is Bachelor degree and 39.3% have learned beekeeping by taking courses. The first

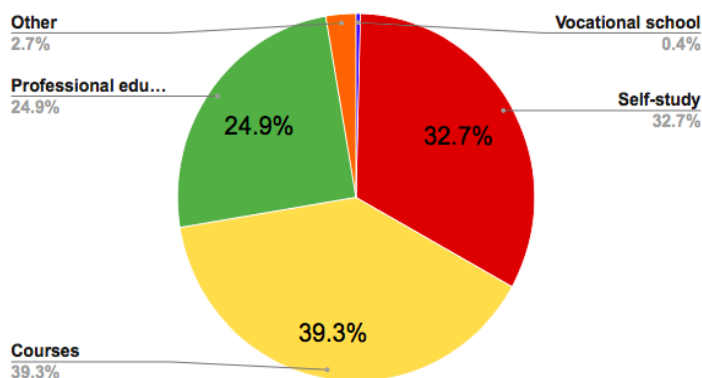
lowest rate is other education and knowledge of beekeeping, for instance, it could be bypassing the generation. The second-lowest rate is High school education, which is 13.6%, and learning beekeeping by going to vocational school- 24.9%. Analyzing the low rate of beekeepers learning this industry in school and the high rate by taking courses, is because in the year 1922 Beaver beekeeping-horticulture school was founded and it was a great vocational school for those who wanted to learn beekeeping or other agricultural specialties. (LNB n.d.)

Unfortunately, in the year 2016, the school was close to closing, because of the low budget that was for school. Nowadays, the students can still learn and get an education, but there are not so many programs, including beekeeping. (LTV Ziņu dienests 2016.)

Your education

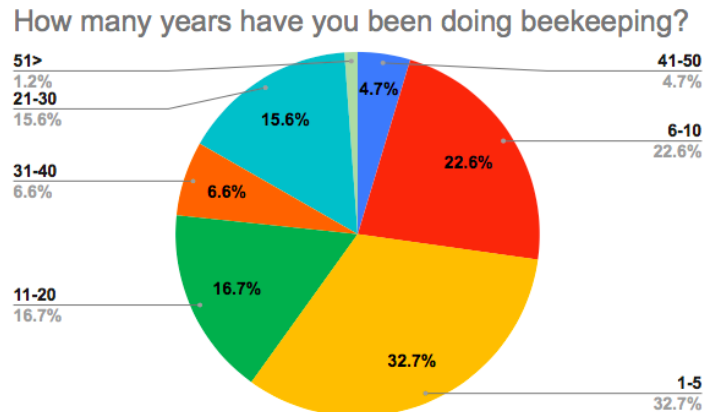


How did you learn beekeeping?



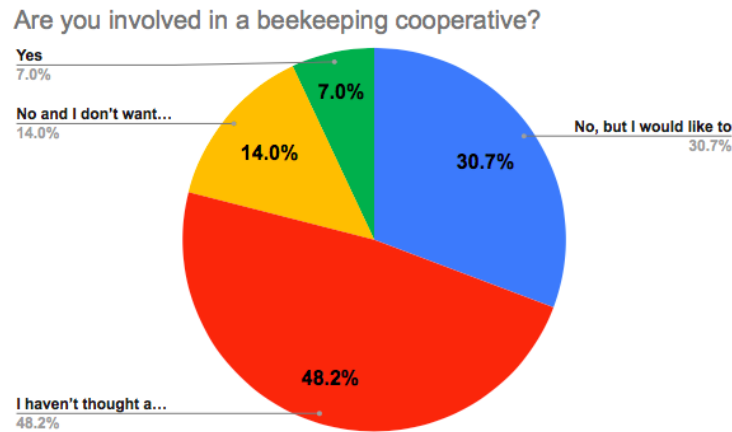
As the next question in the survey was how many years have they been doing beekeeping. The highest percentage 32.7% has been working in the beekeeping industry for 1-5 years.

The second-highest rate has worked for 6-10 years, 16.7 % worked for 11-20 years, 15.6% worked for 21-30 years, 6.6% been doing beekeeping for 31-40 years, penultimate lowest is 4.7% worked for 41-50 years and least rate, but the most working years are 3 people who been doing this for more than 51 years. The numbers of working years in the beekeeping industry are fascinating. It means that once they have started working in this field, they have continued, either by themselves or by the whole generation.



One of the most important questions that needed to be asked in the survey was if a respondent is involved in a beekeeping cooperative. The importance of this question is the content of this Thesis. It gives an answer not only to the question itself but also, gives an answer to possible solutions whether being in the cooperation is necessary or not. Eighteen respondents from 257 said that they are in the cooperation, 36 people said that they are not and they do not want to be in the cooperation, 79 answered that they are not, but they would like to be involved, 18 said that they are in the cooperation and the majority- 124 said that they have not thought about it. This is very significant for the beekeeping industry.

Even if the majority answered that they have not thought about it, still it gives a good chance for a hypothesis to be confirmed. Taking a deeper look into beekeeping cooperatives opens up a question- why there are only two well-known cooperatives- Medotava and Kurland honey, even if there is a quite big percentage- 30,7% that are not in the cooperation, but they would like to cooperate. As well as, the percentage of those who have not thought about it gives a question, why it is so, because a lot of them do not even have that kind of information, what is cooperation, where it exists and what it is good for.



Furthermore, taking a deeper look into members who are in cooperation and what is the reason why they are taking a part of it, a question was asked. In addition, when the previous question was asked if a respondent is in the cooperation, only 18 respondents answered that they are, but on the other hand, asking this question- what is the reason for them being in the cooperation, confirming that they are in it already, 37 beekeepers answered. Since there is more than a half difference between these numbers, it is unclear what is the exact number of members who are working in cooperation. Nevertheless, 5.4% said that they are in cooperating for the possibility to share the cooperative's production resources (technology, equipment, facilities, warehouses, trans - stations, etc.) The same percentage goes to having better access and investment in EU and state aid funding. Somewhat more percentage is for those who are because of acquisition of production resources - cost reduction- 8.1%. Only 10.8% are cooperating because of other reasons. More successful product sales are the reason for 29.7% to be in the cooperation. The highest rate 40.5% of beekeepers are choosing to be in the cooperation for the acquisition of new knowledge and experience.

Analyzing the survey answers, it is clear that those who are in the cooperation because of new knowledge and experience are also beekeepers that have been doing beekeeping for 1-10 years, which is not so long. However, by these numbers, can be implied that only those who are more or less new in this agricultural field and those who most likely will be younger by age, will choose to join cooperation to get more knowledge, experience, and connections. The only question is- why do older members avoid joining cooperation. Since there are 35.8% beekeepers who are from age 60 and more, it won't bother them to joint cooperation and the reasons can be multiple, such as a little number of bee colonies or hard to work such

a heavy job, which is understandable, yet there are 64.2% out of 100% who are aged from less than 20 up to 59.

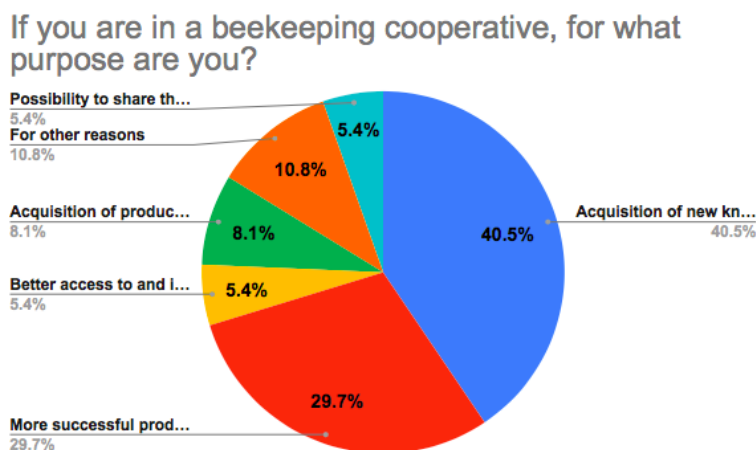
The demographic burden is expressed per 1000 working-age population and law determines the working age. At present in Latvia, it is between 15 and 62 years old. (CSB n.d.)

Darbspējas vecums pilnos gados

	Līdz darbspējas	Darbspējas		Virs darbspējas (pensijas vecums)	
		sievietes	vīrieši	sievietes	vīrieši
1990 - 1992	0-15	16-54	16-59	55+	60+
1993 - 1995	0-14	15-54	15-59	55+	60+
1996 - 1998	0-14	15-55	15-59	56+	60+
1999 - 2000	0-14	15-56	15-59	57+	60+
2001 - 2002	0-14	15-57	15-60	58+	61+
2003 - 2004	0-14	15-58	15-61	59+	62+
2005 - 2006	0-14	15-59	15-61	60+	62+
2007 - 2008	0-14	15-60	15-61	61+	62+
2009 - 2016	0-14	15-61	15-61	62+	62+
2017 - 2018	0-14	15-62	15-62	63+	63+

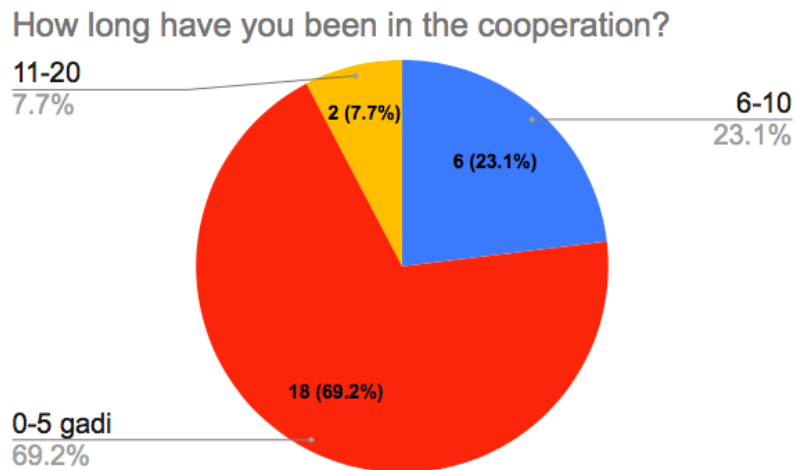
Figure 6. Table of the demographic burden in Latvia.

This means that there are some factors that are keeping other beekeepers from joining cooperation. It is known that in the interview, Andis said that there are varieties why do people avoid cooperating together and rather work alone, as well as, next questions that were asked in the survey, proves that the most common aspect why beekeepers try to stay alone in this industry is trust issues in other co-workers. For some it might be their bad experience working with someone else, for others, it might be just hard in general to trust someone. Moreover, one of the respondents answered one of the questions, that it is hard to trust someone and it is in Latvian nature. Since there are many beekeepers that joined this survey and were pleased to answer questions, hopefully, by full Thesis research, there will be changes within this position.

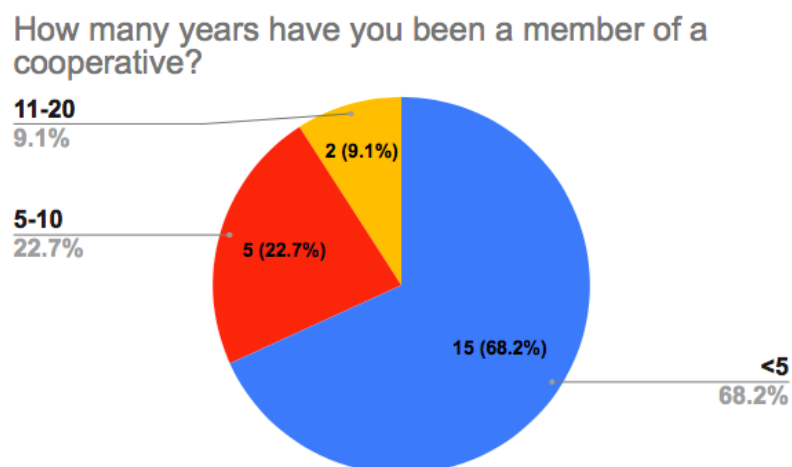


The next question that was asked in the survey is how long have you been in the cooperation. In total 26 responses were gotten. It is a good indicator, that 26 beekeepers are in the cooperation, on the other hand, is it unknown what is the actual number of members who work in cooperation, because in the two previous questions, 18 and 37 said that they are in the cooperation. To this question, the majority 69.2% answered that they are up to 5 years in the cooperation, 23.1% are working from 6-10 years and the minority 7.7% have worked from 11-20 years in the cooperation. Analyzing the percentages, it is understandable that the popularity of the cooperative business model has grown over the past five years. It is inspiring that this model has started to be more common in Latvia and that more and more people are choosing it. Nevertheless, it is wonderful that there are also members who have worked from 11-20 years in a cooperative, even if there are only two of them. Studying cooperative business model in Latvia, the information is very little history beginning of this field, although it is known that there are only two known beekeeping cooperations. One of them is Medotava, which started its journey in the year 2016 and the other one is Kurland Honey, which is a quite new organization, founded in the year 2020. (LLKA 2021)

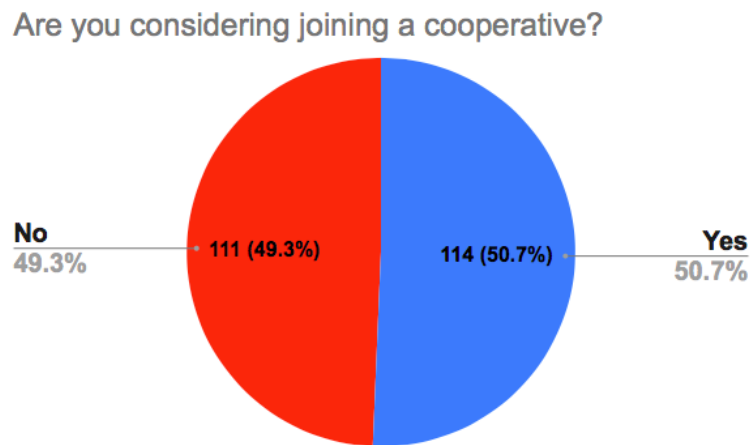
By these allegations, it seems that there is only two cooperation, and since there were two respondents that said that they have been in cooperation for 11-20 years, none of these cooperations exists for that long period of time. The only assumption is that these two beekeepers might not know what exactly is cooperation and are mistaken it with Latvian beekeeping association, since there were respondents in the previous surveys that were made in the Latvian beekeeping association. (Latvijas Biškopības Biedrība 2019)



Vey similar question, but yet with a different meaning was asked the next question was how many years a respondent has been a member of cooperation. This question differentiates from the previous one in a way that this was more focused on Medotava cooperation. In this question, 22 respondents took part and 2 people said that they are from 11-20 years in it, but unfortunately, this number is not correct according to Medotavas existence, which is from the year 2017. Furthermore, 5 people answered that they are in the cooperation for 5-10 years. Even so, Medoata exists only 5 years, yet it is possible that these respondents have been cooperating for more than 5 years because the company has been officially founded in the year 2017, but some members have worked even before that. Presently, 15 people, the majority, said that they have worked in cooperation for up to 5 years. This means that some of these respondents might have been members for some time previously or for an indefinite period.



As the next question that needed to be asked in the survey was “are you considering joining a cooperative?” giving respondents “yes” or “no” options. Out of 225 people, 111 of them which is 49.3% said that they do not consider joining cooperation, on the other hand, more than a half 114 beekeepers which are 50.7% answered with “yes” as they do want to join the cooperation. These results are positive according to the beekeeping industry. It means that there is a future for this innovative business model not only in the beekeeping industry but also in an agricultural field in general.



Another important question that needed to be asked was why the respondent is not involved in a beekeeping cooperative and what would encourage them to rethink and get involved. This question was not required, yet 173 people answered, who is more than a half. This question contained a respondent’s short answer. It was hard to analyze this question because there were so many different answers, so many suggestions, and opinions. Within this survey, the quantitative research execution was supplemented with very important outcomings. To obtain the answers to this question and to gather the information better, the answers got selected in 20 different sections, to have a better and clear look at the outcome. The first section with answers is “There hasn't been made a cooperative near me”, which 11 people wrote as a reason why they are not in the cooperation.

The second section is that a beekeeper does beekeeping as a hobby. The majority of 27 people wrote this answer. Gathering the information from an interview with the CEO of Medotava and the survey, it is now clear, that there is a lot of beekeepers who do this job as a hobby and most likely are not planning it doing professionally. Although, the findings say

that it requires for a new member in cooperation invest some kind of resources, either it is an investment in new machinery, growing more bee colonies and working a lot of hours. However, if there were quite many beekeepers that do this job as a hobby, it would still be more beneficial for them to open new cooperation, whether it is four or five or even twenty member cooperation. If a larger beekeeper's obstacle is how to fulfill five trucks of honey, then for a smaller beekeeper the issue is how to fulfill one truck with honey. By working as cooperation, not only this issue would be easily solved, because of the big amount of honey, but also they can lend each other the machinery, etc.

Only a few people wrote that they have not heard about what is cooperation, but they would like to join one. The number of respondents who wrote this short answer was only 4 of them. By these results, it is confirmed that there is so little information on where cooperations are located and what it even is, why it would be so beneficial for them to join one or open one. Also, these results can be equated to those who do not have enough information or any at all about cooperation in general and the number of such respondents is 19 people. Furthermore, there are 7 out of 173 respondents wrote that there is no cooperation. It means that the whole 20 beekeepers either do not know what is cooperation at all or they do not have enough information about that. Since the survey was sent out through the Latvian Beekeeping Association, all of these respondents are officially included in the association. Statutes of the Latvian Beekeeping Association are quite many, but some of them were very meaningful towards the cooperation business model aspect. One of the goals that were specified in the Association website was "To promote the economic development of the beekeeping sector, the production and sale of beekeeping products, as well as to ensure the successful operation of Latvian beekeepers in the conditions of economic relations of the common market of the European Union." (Latvijas Biškopības Biedrība 2014)

Beekeepers who have joined the association, have been promised that the organization promotes development economically. However, it does not seem that the Latvian beekeeping association is interested in popularizing cooperative business models as an option for collaborating by gaining so many benefits. Summarizing these facts it is not understandable, why they would association keep that kind of information and not share

with members that there is also another way of working as a beekeeper and which is more sustainable and economical for both parties.

Analyzing the survey answers to the question of why the respondent is not involved in a beekeeping cooperative and what would encourage rethinking and getting involved, some quite many-21 people wrote that they like to work alone and working together is a big responsibility as their reason. It is absorbing that Andis was mentioning a question “does modern humans can trust and cooperate with others and whether they share a common goal.” Furthermore, very intriguing is the fact that an experienced entrepreneur of a Medotava cooperative sees the criticism and has a solution for that, yet, people are somehow avoiding it, not even knowing what benefits can be obtained. Unfortunately, it is very unlikely to happen, that a lot of beekeepers would open a cooperative. The reason for that is not trusting others. For instance, in the LLC model, there is most likely one or two owners, who control the process of the business and the rest are workers, who are engaged in the working process, but not so much because they have only specific duties that need to be done at the end of the day. Therefore, in cooperation, everyone is equal and everyone bears the risk in case if something happens and not many are ready for that. As Andis and one of the respondents who said their opinion, also mentioned, that it is very rare to meet like-minded entrepreneurs in Latvia with similar goals and views. Surely, sometimes it is going to change, that people can be trusted and cooperating is more beneficial in beekeeping industry rather than working alone.

Furthermore, 4 respondents have not thought about this question in general, 3 more said that they are only beginners in this field, another 3 respondents answered as their reason the age, that they are too old for joining or doing any other new activities, 1 person is planning on leaving the country, because of the current situation in Latvia and other 1 person said that there is not enough time for cooperation. All of these statements are different, but on the other hand, very similar to each other. Even if some of them are only beginners as a beekeeper, or some do not have time cooperating, yet there is a high possibility that these members might change their working style, their habits and would look to this agricultural field differently, once they would have more information of how beneficial it would be for them to cooperate.

There is no need to find an argument that there are people who are willing to cooperate with other beekeepers. Because of this survey analysis, there is actual proof. A lot of people said that they do not have enough bee colonies, but they would like to join and 21 out of 173 said that. With these statistics, it is understandable, that there are quite many people who would like to cooperate, but can not only because of their little amount bee colonies. This is an example, where after interviewing Andis he said that even if there were beekeepers that are working at a hobby level, why would they not cooperate. "To unite is necessary because one cannot rationally or economically do what can be done together."

Since cooperating with the Latvian Beekeeping Association to gain more data and with their help, having more access to what is the situation in the beekeeping field in Latvia, the association was pleased to help and to work together. However, they were glad to help, yet they wanted to know what will be the results of this survey analysis. Gathering the data and the information that is known, it is clear, but not understandable, why the association is reserved talking of cooperation in this field as a better economical solution to its members. It seems that there is not only one fact that Andis has mentioned- trustfulness in each other is the issue, but also the possible misleading into the information what could actually be more sustainable not only for the environment but also for beekeepers. It is important to let know the Latvian beekeeping Association, that there are more beekeepers that they know who would likely join cooperation, even being a smaller beekeeper.

Supplementing previous answers, 2 respondents said that they do not have any partners to do the cooperation with, 6 more responded that they do not know any cooperation that would welcome new members. Furthermore, 16 people said that there are no offers from cooperation's and 3 beekeepers wrote their argument, as it is not financially viable, because of the high taxes. However, 3 wrote a question what is even cooperation. Analyzing all of these answers, only proves that there are beekeepers that would like to open cooperation, but they do not have enough information. Within this Thesis, the author is positive of having an inspiration for all the beekeepers not only to those who would like to cooperate but also for those who are sure of staying and working alone. When the question in the survey was asked whether a respondent would consider joining in cooperation, there were 50.7% who said that they would like to, but 49.3% said no. Furthermore, collecting the data together, it

turns out that even those who said no for considering joining cooperation answered that they are already in the cooperation. With this information, it is understandable, that there are even more of those who would like to join in cooperation because many of them are already cooperating.

In addition, 5 people have written that they already are in the cooperation. By these numbers, it is understandable that in this question a lot of members from cooperation have not participated. Furthermore, 4 respondents wrote as their reason for not being a part of the cooperation as preferring being in beekeeping association. However, one of the last answers that were written by 12 people was that they, unfortunately, have had a bad experience with being in cooperation. Also, a part of these people added, that they did not feel welcomed as a new member.

As the last question that was asked in the survey was which of the beekeepers' cooperatives do you know? a) Medotava, b) Kurland Honey or c) other. The need of this question was to go in dept into the knowledge of cooperations in Latvia. Moreover, as the research question is "How can the company Medotava benefit from staying in a cooperative business model within 5 years?", it was important to understand, how many beekeepers know Medoatava, is there any other cooperation that respondents know, and how many of them are do not know any and are not interested in the business model. There were 3 respondents who mentioned the Latvian Beekeeping Association as cooperation. Unfortunately, these 3 members do not know or either is mistaken cooperation with the association because the association is an organization where all of the beekeepers are welcome to join and to work together. On the other hand, cooperation is usually a smaller group with members who are working together with the same goals and are growing together with their company. Furthermore, 57 people who are the highest number of respondents said that they know Medotava Company.

Since it is the highest number of respondents it is good to know that Medotava has gained their attention to other beekeepers in this agricultural field. Kurland Honey cooperation knows only 37 people, which is also quite many, but compared to the knowledge of Medotava, it is not that much. One of the reasons why this cooperation might not be so well

known is because it is located in the western part of Latvia in the city that is called Kurzeme. Besides the location of Kurland Honey cooperation, it is funded very recently, in the year 2020, meanwhile, Medotava was founded in the year 2017. With almost the same number as the previous answer, 35 people said that they do not know any of them and part of them mentioned, that they are not even interested in knowing any organization. As the last answer was 1 respondent whose answer was Honey Agency. Finding the data and all the possible resources that can be found, there are only two known cooperation's in Latvia- Medotava and Kurland Honey. Since only one person has mentioned this Honey Agency as another beekeeping cooperation it seems that this respondent either has mistaken with organization types or the respondent thought as one of these two cooperations.

Doing the survey, the beekeeping association asked the author for survey analysis and results. The reason is that they would like to know how many beekeepers are working in cooperation, how big is the percentage that are not in the cooperation but would like to be in one, and how many of them are not interested in being in the cooperation at all. The Latvian beekeeping association also asked the author would it be possible to write an article about the research recording for the survey analysis. As previously mentioned, it seems that the association has not given information to a lot of beekeepers about what is cooperation and how it can be beneficial for them. With this research, the author hopes that it would help a lot to understand what is the current situation in this field, why there is more than a half saying that they would like to be a part of the cooperation, and those who asked what cooperation even means. As one of the reasons why beekeeping associations might be worried to talk about cooperation as another option and cooperating with others is because there might not be any more than many beekeepers who would work in the association. All of the association members are not only working in the office, but all of them are beekeepers themselves. The same is with members of cooperation- those who are in the association, are also working as cooperative members. There is no specific rule to work either in association or cooperation, it is possible to work in both.

All in all, the results of the survey analysis were unexpected. Solving a problem for the research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?" was incredible that so many beekeepers took part in this

survey. It was necessary to understand how many of them are actively working currently, how many of them are working in cooperation, what are their reasons for being a member, and with more respondents help in participation it is better summarized.

Limitations

The main limitation to executing the thesis perfectly is limited literature specifically on the agricultural sector's, as well as beekeeping cooperatives. However, despite the limitations research sufficiently provides a solution to the CRQ.

Further, there was a limitation faced regarding an overall, general outline of steps that need to be taken to analyze the benefits of cooperation. The structuring of possible solutions was challenging, however, it allowed researching each aspect in-depth and therefore, seeing the purpose of each activity recommended. Overall, in the 21st century, such topic was rather not limited as desk research provides a large spectrum of researches, reports, and articles online.

Another limitation that was faced was the existence of COVID-19, the restrictions of safety measures made it challenging to do on-site visitations and in-depth interviews, therefore the outcomes and results were incredibly time-consuming to gather.

5 CONCLUSION

After conducting desk and field research it can be concluded that company Medotava should stay as a cooperative within 5 years. The findings prove that staying in the cooperative business model is beneficial. There were several methods used to answer the main research question "How can the company Medotava benefit from staying in a cooperative business model within 5 years?" and sub-questions: How to measure benefit within cooperation business model? What methods can be used to improve the quality inside of the company Medotava as being cooperative? What are the overall benefits of the cooperative business model in the beekeeping industry? Sub-questions were more focused on deeper analysis of the real proof of beneficially within the cooperative. Besides, understanding in dept the

company's Medotavas potential with being cooperation, but as well as, in the beekeeping industry. After conducting desk research several ideas rose to the surface as well as many opportunities.

Even though there were multiple threats found that Medotava could face throughout 5 years, these threats can be very effectively turned into opportunities that if taken advantage of could bring more success to the company's overall improvement.

Focusing on desk research, it was also found that within staying for five more years in the cooperative business model, the company would have to invest costs, although as a cooperative they can save more within staying the cooperative rather than leaving. Even so, there is fragility, for instance, when working as a team, there have to be rules set. From time to time, there can be a miscommunication between members or a new member is welcomed in the organization, they can have a lack of trustfulness in colleagues. One of the good parts is that whenever a member with trust issues is found, within the time, he adopts and sees the work environment. The main point is to set common goals, that cooperation can achieve. Therefore, analysing the weight of the weaknesses and threats within the cooperative business model it can be seen that these threats potentially can be taken as a learning and adjustment point for this specific cooperation.

All in all, it can be concluded that Medotava can achieve great success by staying within the cooperative. In five years time frame, an insignificant amount of costs needs to be invested in favor to achieve greater overall results. Therefore, the main conclusion in regards to the main problem statement is that staying in the cooperative business model will result in a positive outcome for the company Medotava.

Addressing the main research problem is it beneficial for company Medotava to stay into the cooperative business model for 5 more years, the main recommendation for the company has been made. According to the analysis that has been conducted although this thesis report, it is beneficial for the Medotava cooperative to stay for more than 5 years as a cooperative business model.

Conducting all the data, it was understood, that even though a company has to invest approximately 3380 euros, the cooperative is still benefiting from all the investments. Since cooperation conducts from several members- up to fifteen, it is more efficient and profitable for Medotava to operate within this business model. Each of the members of the cooperative can share their machinery, share all the profits, as well as costs. As a beekeeper, there can be different threats that can acquire the company's business, such as weather conditions or bee diseases. In these types of situations, any member can share their knowledge and help each other. Another benefit is that even if the company has to make investments, they can succeed in their goals that have been set much faster and in a more qualitative way, because of the numerous team members and benefits it comes with.

To conclude, the name itself of the cooperation consists and explains the key definition – the “co-operating.” The main idea of cooperation is to work together as a team and cut costs by cooperating rather than working individually. Therefore, the final recommendation based on the findings presented within this research is to stay within the cooperative business model as it will result in greater success for company Medotava rather than exiting this model and joining an independently operating business model.

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Figure 2. Award for Medotava. (Medotava n.d.)



Figure 5. Table of the demographic burden in Latvia. (CSB n.d.)

Darbspējas vecums pilnos gados

	Līdz darbspējas	Darbspējas		Virs darbspējas (pensijas vecums)	
		sievietes	vīrieši	sievietes	vīrieši
1990 - 1992	0-15	16-54	16-59	55+	60+
1993 - 1995	0-14	15-54	15-59	55+	60+
1996 - 1998	0-14	15-55	15-59	56+	60+
1999 - 2000	0-14	15-56	15-59	57+	60+
2001 - 2002	0-14	15-57	15-60	58+	61+
2003 - 2004	0-14	15-58	15-61	59+	62+
2005 - 2006	0-14	15-59	15-61	60+	62+
2007 - 2008	0-14	15-60	15-61	61+	62+
2009 - 2016	0-14	15-61	15-61	62+	62+
2017 - 2018	0-14	15-62	15-62	63+	63+

Interview

1. Please tell me a little bit about yourself- what is your name, where are you coming from, what are you doing?

My name is Andis Titorenko. I am from Latvia. I am a beekeeper and that is my main job, as well as beekeeping cooperative manager.

2. How company “Medotava” become real?

Medotava’s company was founded in the year 2017 on an ideological basis that together we can more likely compete better than individually and also because of economical circumstances. If we gather together our knowledge and resources, we can aim higher and compete better. I decided to become a beekeeper because in other fields I felt that I have succeeded the maximum. I did not become a beekeeper because of my parents or someone else. The idea of beekeeping came from the question: “If I live in the countryside, what will I do there? What could keep me busy?” I remember eating canned food in my countryside and it was tasty and it last for a long, so the main idea was how to reduce the risk to the product so that it would not go bad and can be stored for a long time. I chose beekeeping because it does not require post-processing such as grains or berries.

3. Were there any difficulties when you were opening your company?

To start a business or farming, you must have a previous generation of planted fields, for example funding. Unfortunately, agriculture is one of the fields, where financially it will start growing only after five years approximately, which means that to start a business, first five years you need to have your funding that has to be invested. When you are in the agricultural business, you need to be prepared for the good seasons and the bad seasons, the bad seasons can cause rain, hail, due to heat and cold weather, etc. The farmer is so dependent on nature and it is so unpredictable.

4. Being the CEO of a cooperative business company, do you think it is easy for a new entrepreneur to start a cooperative business and would you suggest doing it, if yes then why? (What are the benefits of becoming a cooperative business company)

The main question is not if it is easy to start the cooperative as whether people know how to cooperate and can cooperate. The major question is whether they have a common goal. It does not matter that much in which form people are working, whether it is LLC form or cooperation. What matters more is, does modern humans can trust and cooperate with others and whether they share a common goal. The activity of each beekeeper must integrate into the overall activity. This is an ideological or critical thinking question, not a

complication question. For example, large berry growers have at least 20 years of experience before setting up a cooperative, which means that they had a common goal to build a factory or export together.

To sum up, it means that if everyone could realize it individually, they would do it individually. But why unite? To unite is necessary because one cannot rationally or economically do what can be done together. Besides, if a person can find more people with a common goal and higher expectations, working hardly and actively, they will aim the goal faster and get better results.

5. What are the pros and cons of being cooperative?

It is very hard to answer this kind of question because what for me are pros, for others will be cons. Cons more likely are that being a part of a cooperative, there have to be rules as in every form of business and if one beekeeper from the cooperative decides to do something differently or he does not follow the basic principles, then he must quit.

Pros are many, but one of them is that the more people become actively engaged and involved, the more success there is. It is very important how actively they are involved. For example, there can be 100 members, but only 2 of them are actively engaged. Another example is a division of labor- if someone will be willing to do all the work by himself, he won't be able to integrate into the cooperation, because he is used to doing all the work by himself and does not want to trust others. The best position is when the labor is shared by everyone equally. It does not matter that much, what exactly is he's work, as far as everyone is doing something different and the work is shared with others. For instance, in Medotava we have approximately 10 beekeepers. All of them are collecting honey, but some of them are doing different extra work.

6. Talking about the number of the cooperation, is it easier to have more people than three actively engaged people?

Not at all, because every level of the business field consists of some kind of challenge. If there will be 100 beekeepers with 100 bee colonies, then it should be seen more as a group

of like-minded people. The question is more about how big is the cooperative and how actively involved they are, likewise is the beekeeper working professionally whether he works at a hobby level. However, the cooperative must be seen as a form of business, where one of the key principles is a basic economic capacity for each beekeeper individually and for the cooperative. There are 3,362 beekeepers and approximately 50 of them are working at a professional level.

If the beekeeper is individual, they probably will own personal equipment, but if they are in the cooperative, they can help each other by borrowing equipment. Here is the economical point of view, why every beekeeper should buy separate equipment when they can just easily divide who is going to buy specific equipment. You can borrow from another and that another can borrow from you for the moment when they need your equipment.

7. How big is your cooperative? How many members are there?

We have up to fifteen people.

8. Who is motivating you to become better and better?

There is no specific motivation for me. As long as there is an interest or challenge, it needs to be addressed. Might be that for someone it can be for one or five years, for someone else it can last forever. Rather the question is whether a person has an interest in their field what they are doing or they have a specific goal that they have reached. In this case, for the beekeeper each year is different, so he has no routine. Nature is changing, the season is changing so he is never bored.

As in every workplace, there are things that can be disturbed, but the question is- will the worker be able to solve the problem. In beekeeping, it is very important whether the beekeeper likes unpredictability. For example, beekeepers can set a goal to produce 100 bee colonies in a year. When he aims the goal, he can go in any other direction he wants, whether the next goal is to produce 200 bee colonies in a year or to produce more bee honey. Most of the time if a beekeeper is more than 10 years, he will stay as a beekeeper, and most likely the next generation will continue in the same field.

9. Any suggestions or recommendations to new entrepreneurs who would like to become a part of the cooperation?

Agriculture is a long-term sector. In order to understand how everything is happening, it takes at least 5 years. After these 5 years he understands the process as itself, he learns how to grow a specific product and learns how to work with it, and at that moment, he can understand whether it will be his main job or as a hobby. There are also some people that before starting the job set a goal that it would be his main job. Unfortunately, those who want to start the job immediately as their main job, use a business plan, and with a business plan, you must set high standards and goals, which most likely lead to collapse.

Making the business plan, there are so many aspects of risk and if something goes wrong and is not going by plan, a person will no longer have the inner motivation to continue something. Basically, it depends a lot on inner motivation and if a person has it, he is ready to stumble and fall, but still do it because of his inner motivation. Afterward, a person is already beginning to mature as a knower of a particular profession, and then he starts to look to the goal, whether he can do it alone or with someone's help. Further, it depends on the nature or character of each person. If he is an individualist and wants to do everything on his own, then he will do it alone, but if there is something he wants to do by himself and he does not want to do something specific, then he will start to look for a team. For instance, a lot of beekeepers start to make beebread, and later on, they understand that it is not for them or it fails or it is expensive or it is time-consuming. Later on, it turns out that someone else likes to do it.

In any case, he will receive it as outsourcing, but the question is whether he will receive it through cooperation, through its members, or outside it. If a beekeeper does it through cooperation, he encourages another beekeeper on its field to develop their area and develops his own. It all starts with thinking. If we consider another beekeeper as a competitor of our profession, then we most likely won't cooperate with him. However, if we do not see him as a competitor, we most likely will cooperate with our professional brother.

For instance, it is the same as in sport. There is a team player and there is an individual player and who is a team player, he should better choose a team sport and the same with an individual player.

Most of the time, those who work individually, at some point they start to change their thinking and understands that he could do more or better collapsing with someone else. This is where the importance of critical and strategic thinking comes in and it is important that a beekeeper who is in cooperation is responsible for his work. If he has not done his work, for example, made a bee bread, not only does he suffer, but so do others.

Every year we set a goal of how much approximately everyone should collect honey and how much others should collect bee bread and make candles from bee wax. At some point, deprived of liberty is taken away from a beekeeper, but on the other hand, they have given a sense of security. Just as it will always be easier to solve any kind of problem together than individually. There is no logical explanation for why a person does not want to cooperate. It is a matter of that person's thinking way.

From an economic point of view, there may be a year when a customer approaches a member where the customer offers a higher price than the cooperative. It is not possible that for five years in a row, the cooperative will have a lower price than the market. The bigger the organization, the less flexible it is. A situation may arise that in some years it is more profitable for the member to transfer the product to the representative and sell his product than through cooperative. That means that the leader of the cooperation is losing not only profit but also members of the cooperation. Unfortunately, it leads that the cooperative is unable to meet its obligations to the stores due to the withdrawal of members. Further, it depends on each beekeeper, either he chooses stability or independence. If a beekeeper is working at a hobby level, he will most likely choose to work independently rather than working in cooperation.

One of the main factor is that in the cooperative members are of the same calibre. This means that in the cooperative there won't be hobby-level beekeepers and professional-level beekeepers. For instance, there won't be a question for larger beekeepers how to complete

five big trucks of honey, but for smaller beekeepers, it is not a topical issue, because since they are such small beekeepers, they cannot even get that amount of honey. Their issue will be how to complete one big truck of honey.

Another example is when for smaller beekeepers a problematic issue is how to melt the wax, which basically means how to clean up your inventory for next year. For a large beekeeper on his farm, this is not an issue, because he has already passed this stage by developing. For a small beekeeper, there are two options possible- either buying his own inventory or finding someone who provides their service. This is the reason why it is so beneficial for smaller beekeepers to be in the cooperative because in the cooperative there is already all the equipment that is divided by the number of members. It is not only financially beneficial but also economically. Of course, if a smaller beekeeper wants to join the cooperative, they need to buy some kind of equipment to increase capacity and to grow bigger. For example, beebread harvester machinery costs approximately 3,000 euros. This sort of machinery is only beneficial for those beekeepers that have more than 200 bee colonies. Not every beekeeper has that much, but still, they want to make beebread, so this beekeeper will start to find how to get 1 kilogram of bee bread to make it. Also, if a beekeeper would want to get into the market, it wouldn't be an actual question for a smaller beekeeper, because it is not profitable and even possible for him.

For instance, if there are beekeepers who have the same goal- to get into the market chain, it would be very beneficial for them to make cooperation, because for one beekeeper, even if he is large, it would not be profitable to get in the market chain alone rather than with someone else because he would still need to buy honey, but if there is someone else with the same goal, they put together honey and can get into the market chain. The same is with a farm, whether they choose to have a farm together or have it individual. Unfortunately, the beekeeping industry is an ungrateful form for cooperation, because there are only a few common goals.

The difference between LLC is that in LLC you have one common business plan. There can be people from different specialties. However, people in cooperation are working themselves inside the cooperation. For example, one LTLC Company can consist of 5 people and each of

them is doing a different job, such as marketing specialist, logistics specialist, beekeeper, etc. Nonetheless, in cooperation workers will all do one job that will be the same for everyone and might be that someone from the group will be doing different extra work, but still, be doing that one specific job with others. An example is Medotava. We have five people in our cooperation that been with us from the very beginning. All five of them are collecting honey, which is our main job, but one of our group members is not only collecting honey but also harvesting beebread. Then another group member is collecting honey, but also growing bee queens. Other our member is collecting honey too but also collecting bee wax. Anyway, in LLC and in cooperation there will be workers that will do all the work that needs to be done, either hiring someone as it is in the LLC field or either one of the group members will do it as it is in cooperation. Both business fields are good, but one of the benefits of working in cooperation is that all of the group members will have the same goal and will be more interested in work. Another benefit is that in cooperation, everyone can share their work.

All in all, a person cooperates under the pressure of circumstances. If everyone could do without each other, then a person would be working alone. At some point, there is the principle of survival.

Survey Questions:

1. Your gender

a) Male

b) Female

2. Your age

a) <20

b) 20-29

c) 30-39

d) 40- 49

e) 50- 59

f) 60-69

g) 71>

3. Your education

a) Bachelor degree

b) High school

c) Vocational school

d) Vocational education

e) Other

4. How did you learn beekeeping?

a) Self-study

b) In vocational school

c) Courses

d) Other

5. How many years have you been doing beekeeping?

a) 1-5

b) 6-10

c) 11-20

d) 21-30

e) 31-30

f) 41-50

g) 51>

6. Are you involved in a beekeeping cooperative?

a) Yes

b) No and I don't want to be

c) No, but I would like to

d) I haven't thought about it

7. If you are in a beekeeping cooperative, for what purpose are you?

a) Acquisition of production resources - cost reduction

- b) Possibility to share the cooperative 's production resources (technology, equipment, facilities, warehouses, trans - stations, etc.)
- c) More successful product sales
- d) Better access to and investment in EU and state aid funding
- e) Acquisition of new knowledge and experience
- f) Improving product quality
- g) For other reasons

8. How long have you been in the cooperation?

- a) 0-5 years
- b) 6-10
- c) 11-20
- d) 21-29
- e) 30-39
- f) 41>

9. How many years have you been a member of a cooperative?

- a) <5

b) 5-10

c) 11-20

d) 21-30

e) 30>

10. Are you considering joining a cooperative?

a) Yes

b) No

11. Why are you not involved in a beekeeping cooperative? What would encourage you to rethink and get involved?

a) Your answer: _____

12. Which of the beekeepers' cooperatives do you know?

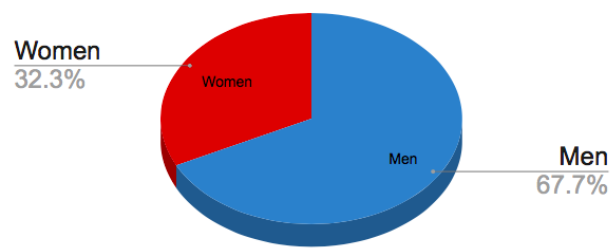
a) Medotava

b) Kurland Honey

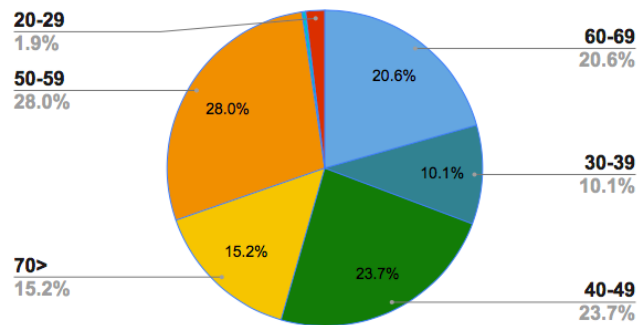
c) Other _____

Survey Data:

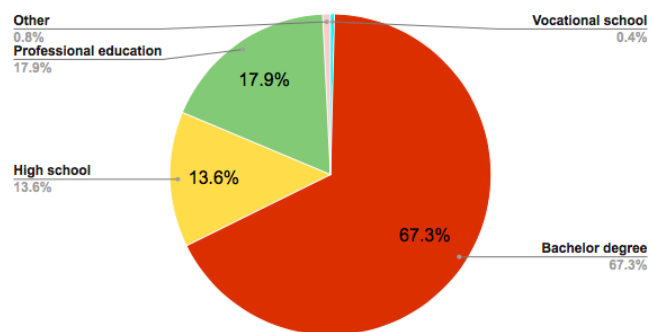
Your gender



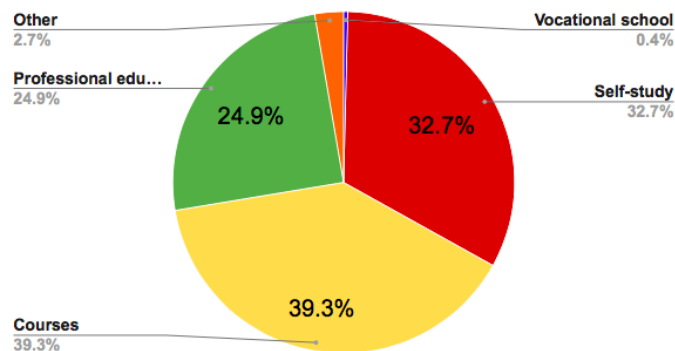
Your age



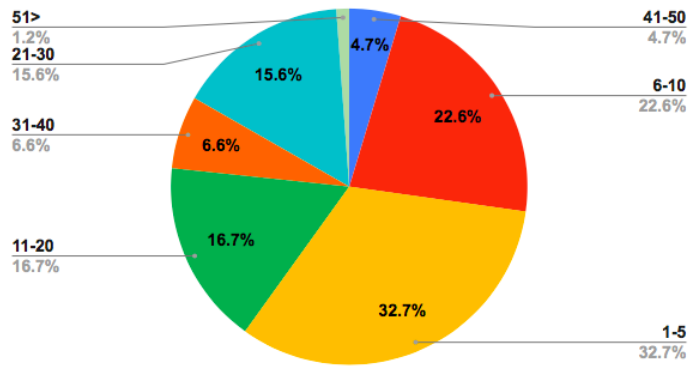
Your education



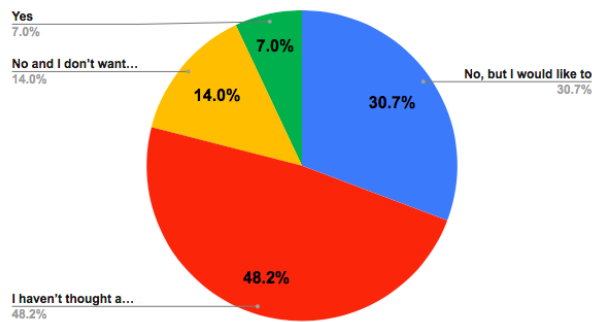
How did you learn beekeeping?



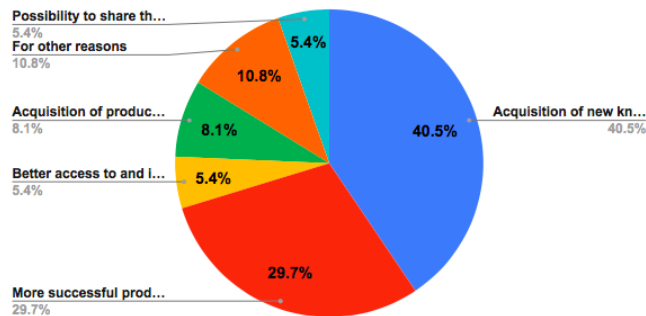
How many years have you been doing beekeeping?



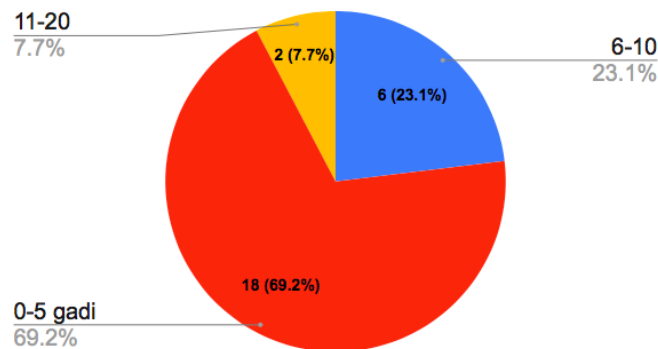
Are you involved in a beekeeping cooperative?



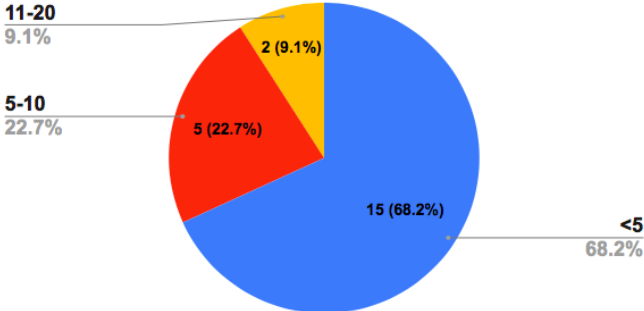
If you are in a beekeeping cooperative, for what purpose are you?



How long have you been in the cooperation?



How many years have you been a member of a cooperative?



Are you considering joining a cooperative?

