

Agricultural leaders and college students from across the Northeastern United States came together in Albany, NY to enhance leadership skills and expand knowledge of issues confronting today's cooperative enterprises. Lee Rubin, former Penn State football player was the featured speaker at the Upcoming Leaders breakfast. He encouraged students to set goals and reach a little higher to achieve personal and professional success. Following breakfast Rubin presented the "Five Components of Extraordinary Teams." He mentioned, "Teams exist because there is a challenge or opportunity too big for one person to handle alone." He identified the components as the "glue" that moves a group of highly talented individuals to greater success. The components include a competitive spirit, agreement on common goals, communication skills, chemistry (trust/respect), and consistent performance. He demonstrated how each of us can see the same thing but interpret it differently and that in spite of our differences, complete strangers share commonalities.



Mary Nowak, Director of Government Affairs, National Council of Farmer Cooperatives provided a "Washington Update." She noted that the President's use of Twitter is a tool to circumvent "fake" news and that both the Executive and Legislative branches have low approval ratings. Usually the party in power loses seats during mid-term elections but it is unlikely that the Democrats would pick up all the "toss up" seats in the House and most likely would maintain the edge in the Senate. She suggested that, "In a time of disruption and polarization, if progress on a range of issues is going to be made, we need to reinforce relationships with key allies and spur grassroots engagement to enlarge our coalition." Key positions at USDA remain unfilled with many without named nominations. The President is especially proud of the tax reform legislation that was passed and signed into law. She noted that Section 199A in the new law would most likely be amended. Immigration reform is stymied by DACA and funding for the proposed wall between the U.S. and Mexico. Regarding NAFTA, the U.S., Canada, and Mexico had worked through many of the least controversial issues through the first 6 rounds of negotiations but talks are now more difficult with the thornier issues. There is urgency to move forward as all three countries have important upcoming elections in 2018. Infrastructure investment is needed but the success of the President's plan relies heavily on state and local funding. Congressional support for infrastructure spending is split along party lines. A working draft of the Farm Bill has been submitted to the Congressional Budget Office. As midterm elections approach it will be more difficult to bring it to the floor for a vote. A coalition of agricultural groups, nutrition advocates and conservation groups will be necessary to secure passage of the Farm Bill.



Fred Tamarkin, Hunter Rawlings III, Research Scholar, Cornell University, presented recent work on the Economic Contribution of Agricultural and Rural Electric Cooperatives in New York State. The project analyzes the impact of business transactions before the dollars 'leak' from a local economy. The research examined the supply chain of cooperatives and their member-owners. Direct effects are the transactions of the cooperatives, e.g. wages paid, cost of materials. Indirect effects are the backward-linked supply chain transactions, e.g. farmer purchasing fertilizer to produce the fruit or milk sold through the cooperative. Induced effects are labor income spending from both the direct and indirect effects, e.g. dollars spent by employees for an oil change or local health care. Primary data was collected from cooperatives completing surveys and annual reports. Secondary data included USDA Rural Development Service Reports. Input-Output models are used to describe economic activity. IMPLAN economic modeling software is a tool used to conduct input-output analysis. A customized NY input-output model was developed within IMPLAN. Six of 49 cooperatives completed surveys, however it is estimated they accounted for 92 percent of net business volume of all cooperatives within NYS. The table above shows that for every \$1 of direct output an additional \$2.10 in backward-linked industry output is generated and that each direct job generates an additional 4.5 jobs from related business activity within the state.

| Economic Contribution of Agricultural Cooperatives in NYS (2016 dollars) | | | | | |
|--|----------------|-----------------|----------------|-----------------|-------------------------|
| Cooperative Type | Direct Effect | Indirect Effect | Induced Effect | Total Effect | Contribution Multiplier |
| Output (\$ Million) | | | | | |
| Rural Electric | 28.0 | 12.8 | 9.2 | 50.0 | 1.78 |
| Farm Credit | 176.2 | 35.9 | 47.1 | 259.2 | 1.47 |
| Supply and Service | 358.4 | 306.1 | 196.3 | 860.9 | 2.40 |
| Marketing | 3,286.5 | 2,996.6 | 645.6 | 6,928.7 | 2.11 |
| Total | 3,849.1 | 3,351.4 | 898.2 | 8,098.8 | 2.10 |
| Employment (jobs) | | | | | |
| Rural Electric | 84 | 34 | 58 | 176 | 2.09 |
| Farm Credit | 289 | 205 | 295 | 789 | 2.73 |
| Supply and Service | 3,430 | 1,498 | 1,231 | 6,159 | 1.80 |
| Marketing | 1,942 | 12,450 | 4,058 | 18,450 | 9.50 |
| Total | 5,745.0 | 14,186.7 | 5,641.9 | 25,573.6 | 4.45 |

Source: Cooperative surveys, IMPLAN (2016), USDA Rural Development (2017), author calculations

Rob Smith, NECC President presented the Cooperative Internship Recognition Awards to 3 students. Casey Branstetter, Penn State senior and Agribusiness Management major, interned with Farm Credit East. At Farm Credit East her work focused on completing several projects and building understanding of financial services. Gretchen Seigworth, Penn State senior and Agribusiness Management major interned with Dairy Farmers of America with a focus on risk management and forward milk pricing. University of Connecticut senior and Agriculture and Resource Economics major, Brian Thomas interned with Farm Credit East. He has accepted a position with Farm Credit East, post-graduation and will move into the field of real estate appraisal.



What can you take back to your cooperative after attending this event?

- ◆ "Teamwork, diversity, and values are essential to be shared and encouraged."
- ◆ "Five components of extraordinary teams was well presented. Reinforced my view of the value of co-ops. The first part of the Washington update was spectacular. The rest was quite good."
- ◆ "Need to keep directors as an effective team, and be able to compliment the cooperative focus."
- ◆ "A new look at teams and the best way to rally a group of people, regardless of culture, conflicts, or ability of the members."
- ◆ "Good discussion about the co-op value research."
- ◆ "Great conference."