

The Northeast Cooperative Council



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cooperative notes

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Farm Credit of Maine, ACA Auburn, Maine	St. Albans Cooperative St. Albans, VT
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To learn more about NECC or read past issues of *Cooperative Notes*, visit the NECC Web pages at: www.cooperatives.aem.cornell.edu/



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FORUM FOCUSES ON "COOPERATING IN TURBULENT TIMES"

The Northeast Cooperative Council will hold its 60th Annual Meeting and Leaders Forum on February 25-26 at the Marriott Hotel in Albany, N.Y. The Forum is held in conjunction with CoBank's Northeast Customer meeting.

On Wednesday morning, Steve Patterson, Vice-President, Corporate Marketing and Communications will kick off the Forum with a presentation on "The Turnaround at Southern States Cooperative" Southern States



Cooperative, Inc. (SS) is a farmer-owned cooperative that purchases, manufactures or processes feed, seed, fertilizer and other farm inputs. In addition, the cooperative provides animal health, pet food, farm and home supplies, agronomic services and petroleum products to its more than 300,000 producer-owners and other customers through a retail system in 23 states stretching from the Canadian border to the Gulf of Mexico. With annual sales of over \$1.4 billion, Southern States is one of the largest agricultural cooperatives in the nation. Patterson's experience includes 25 years in the business world ranging from whole-sale, retail, distribution, marketing, sales, information systems and senior management.

Steve has served as Vice-President of Marketing and Communications for SS since September 2001 and was part of the management team that led SS through some of the "tough years." Michael Toelle, Chairman of CHS,

Inc. will present "The Role of a Board of Directors in Setting Strategic Direction." CHS Inc. (NASDAQ: CHSCP) is a



producer-owned cooperative that is a leading energy, grains and foods company reporting record net income of \$803 million for fiscal 2008. Revenues were \$32.2 billion, also a record, and were up 87 percent over \$17.2 billion for fiscal 2007. The fiscal 2008 results mark a fifth consecutive year of record income and revenues for CHS, the nation's largest cooperatively owned business. Based on 2008 earnings, CHS is expected to return about \$340 million to owners during fiscal 2009 as cash patronage, equity redemptions, preferred stock and dividends.

Toelle was elected to the CHS Board of Directors in 1992 and since 2002, has been the chairman. He has been involved in cooperatives and agricultural business for nearly two decades. He served more than 15 years as a director and chairman of Country Partners Cooperative of Browns Valley, Minn., and its predecessor companies. Beyond CHS, his involvement includes serving as director and chairman of the Agriculture Council of America, a member of the 25 X 25 renewable fuels coalition and a variety of cooperative and commodity organizations.

CoBANK Regional Customer Meeting
Following lunch, Bob Engel, President and Chief Executive Officer of CoBank,

will offer the welcome to the CoBank Regional Customer meeting. As CoBank's president and chief executive officer, he is responsible for implementing the bank's strategic, business and financial plans as set by the bank's Board of Directors. Previously, he served as CoBank's president and chief operating officer for six years. Prior to joining CoBank in 2000, Mr. Engel was chief banking officer at HSBC Bank USA in New York.

He has 23 years of banking experience, primarily with HSBC Bank USA, and eight years of accounting experience, including an agribusiness specialization, with the firms of KPMG and Deloitte and Touche.

CoBank will sponsor speakers for the rest of the afternoon and evening. Todd Buchholz, former White House Economic Policy Director will offer an "Economic Outlook." He is a managing director of the \$15 billion Tiger hedge



fund, and an award-winning economics teacher at Harvard, Buchholz targets his entertaining remarks to the cutting edge of economics, finance and business strategy. He is a frequent commentator on ABC News, PBS, CBS and recently hosted his own special on CNBC. Buchholz voice is regularly heard on National Public Radio's popular *Marketplace* show. He has debated such luminaries as Robert Reich and Nobel Laureate Joseph Stiglitz. He is Managing Director of Two Oceans Fund, a real estate fund and a

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founder of Wetamorph, LLC. He has authored numerous books that have been translated into a dozen languages and are used in universities nationwide.

Dr. Philip Abbott will present “What’s Driving Food Prices.” Abbott is Professor of Agricultural Economics at Purdue University and is co-author of the recent Issues Report of the same title published by the Farm Foundation. He has been on the



Abbott

faculty and working on agricultural trade at Purdue since 1981. Professor Abbott conducts research on both international trade and international agricultural development. He has taught courses on mathematical programming, international trade, agricultural development, macro economics and trade policy. Professor Abbott has consulted for several domestic and foreign government agencies, the United Nations Food and Agriculture Organization, commissions on food policy issues, and private agencies. He has published extensively in a number of journals including: *Food Policy*, *American Journal of Agricultural Economics*, and *Journal of Industrial Economics*.

The Wednesday afternoon program will be followed by a reception hosted by CoBank directors. At the **NECC Annual Banquet**, **Bob Danzig** will present “The Leader Within You.” Danzig is a former CEO of Hearst Newspapers, Philanthropist, Author and Speaker. He grew from a childhood spent in several foster homes to serving for two decades as the head of the Hearst newspaper group. After graduating from high school with no family support, he took a job as an office boy at his local newspaper, the *Albany Times Union*. Nineteen years later, he became the publisher of the *Times Union* before heading to the helm of the Hearst newspaper group. Now an author and motivational speaker, he is a member of the teaching faculty of the New School University and the guiding hand of the

Hearst Management Institute. His goal is to be an instrument for renewed affirmation that every person is worthwhile.

The Thursday program will start with **Patrick Hooker, Commissioner, New York State Dept. of Ag. and Markets** as a breakfast speaker. Patrick Hooker became New York State’s 26th Agriculture Commissioner on January 11, 2007. As Commissioner, Pat oversees the New York State Department of Agriculture and Markets, addressing agricultural economic development, environmental stewardship, and food safety issues to ensure agriculture remains a significant contributor to New York’s economy and quality of life. Pat previously worked for New York Farm Bureau for 16 years as the farm advocacy organization’s top lobbyist, serving as Director of the Public Policy Division. He has also worked in the State Legislature – first as the Rural Affairs Advisor for the State Assembly Minority Leader, and later as the Director of the New York State Senate Agriculture Committee.

Following breakfast, **Ken Hume** will present a “Report from a Canadian Dairy Cooperative.” Hume is Vice-President of Business Development and W. Canada for Agropur Cooperative. Agropur Cooperative has over 3,700 dairy farmer members who rely on this organization to enhance the fruit of their labor. Agropur generates sales of 2.8 billion (Canadian dollars), and processes over 2.5 billion liters of milk annually in 26 plants spread throughout Canada, the U.S. and Argentina. Hume joined Agropur in 1998 as Vice-President of sales for the Ontario market at Division Natrel. He has held different positions, always in the business development sphere and was appointed in September 2006 as Vice-President Business Development and Western Canada, a key position within Division Natrel, where his current role is to evaluate possible acquisitions and business development opportunities.



Hume

Dr. Terry Barr will discuss “What to Expect From the New Administration.”

Barr is Chief Economist for the National Council of Farmer Cooperatives (NCFC). Since 1929, NCFC has been the voice of America’s farmer cooperatives whose members are regional and national farmer cooperatives, which are in turn comprised of nearly 3,000 local farmer cooperatives across the country. The majority of America’s two million farmers and ranchers belong to one or more farmer cooperatives. NCFC members also include 26 state and regional councils of cooperatives.

Prior to joining NCFC in 1985, Terry held several positions during his 14 years at the USDA. He served as Chairman of the World Agricultural Outlook Board, which was responsible for coordinating the commodity forecasts of USDA and publishing the monthly *World Agricultural Supply and Demand Estimates*. He also served in the Office of the Secretary of Agriculture as director of the Economics Analysis staff, which prepared economic analysis and assessments of alternative farm policy options and decisions. Terry has spoken to audiences throughout the world with an emphasis on the interrelationships in the outlook for the U.S. and global economy and the implications for agriculture and agribusiness.

The forum will wrap up with round table discussions for directors and managers. These sessions remain very popular and allow leaders from across the Northeast to discuss current issues and share strategies.

For more information on the meeting schedule and registration for the conference, visit the following Web site: <http://cooperatives.aem.cornell.edu> or contact Brian Henehan by calling: 607/255-8800 or e-mailing: bmh5@cornell.edu.

President’s Column

What a year it’s been! Early on we were talking about the downturn in the real estate market, sub-prime mortgages, collateral debt obligations, mortgage backed securities, and Fannie and Freddie. Then it turned into the \$700 billion bailout of the ailing financial services industry and the AIG mess. Now it’s the Citibank crisis, more bailouts of banks, and the domestic car manufacturers pleading to Congress for financial support. Add in an historical Presidential election and the daily drama of the stock market and we certainly have had an interesting year.

These are economic times like most of us have never experienced before and hopefully will never be seen again. The economists now tell us that we have been in a recession since last December and many predict it will continue well into late 2009. Much of the world is experiencing a similar set of problems and none of us are immune to the impact whether it’s a

higher cost of doing business, shrinking investments in the stock market, or simply just tightening up our belts until we start reading and hearing more positive news.

As those involved in the cooperative world, either as members or managers, we can feel good about our cooperatives and their performance through this financial turmoil. We have been affected by the mess, but not afflicted with the problems. As a whole, our cooperatives share a number of things – strong management, strong levels of capital, good liquidity, and solid long term business strategies. Characteristics that appear to be lacking in many of the businesses now facing financial difficulties. The strength of our cooperatives is a result of strong leadership from our Boards and Management teams over a long period of time and is a testament to the cooperative business model.

Our 2009 Annual Customer

Meeting is being held on February 25 and 26 at the Marriott Hotel in Albany, N.Y. As you will see elsewhere in this newsletter, we have put together another interesting and educational agenda with the focus on Cooperating in Turbulent Times. Please plan on attending and supporting your Northeast Cooperative Council.

As we head into the holidays, here are some of my wishes for the upcoming year — that we can pick up a newspaper without reading about a new crisis or an escalation of an old crisis, the recession is short, oil prices stay low, and the stock market doesn’t drop more than 1 percent on any given day. Of course, wishing you and your loved ones good health, safety, and happiness.



Will

Will Baildon

EVENTS

2008 Economic Outlook Conference Dec. 9 at 10:00 a.m. Kennedy Auditorium, Cornell University, Ithaca, N.Y. Sponsored by the Dept. of Applied Economics and Management. For more information, contact Linda Putnam at 607-255-8429 or to: ldp2@cornell.edu or on the Web at: www.aem.cornell.edu/outreach/conferences/economic_outlook.htm

National Council of Farmer Cooperatives Annual Meeting Feb. 4 - 6, 2009 at the Westin Resort in Maui, Hawaii. For more information, contact NCFC at 202-626-8700 or at their Web site: www.ncfc.com

NECC Future Leaders Conference Planning Committee Feb. 24, 2009 at 7:30 p.m. at the Marriott in Albany, N.Y.

NECC Board of Directors Breakfast meeting on Feb. 25, 2009 at 7:00 a.m. at the Marriott in Albany, N.Y.

NECC Annual Meeting, Leaders Forum and CoBank Northeast Customer Meeting – Feb. 25-26, 2009 co-sponsored by CoBank and Cornell Cooperative Extension at the Marriott in Albany, N.Y. For more information and registration, see www.cooperatives.aem.cornell.edu/events.htm or contact Brian Henehan at 607-255-8800 or bmh5@cornell.edu

Happy Holidays!