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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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NORTHEAST COOPERATIVE COUNCIL

Volume 25 • Issue 1 • SPRING 2011

cooperative notes

COOPERATIVE LEADERS FORUM FOCUSED ON CONTEMPORARY ISSUES

The sixty-second NECC Annual Meeting and Leaders Forum was held at the Doubletree Hotel in Syracuse, N.Y. on Tuesday March 29 and Wednesday March 30. The meeting was held in conjunction with the CoBank customer meeting and was co-sponsored by Cornell Cooperative Extension and the Charles H. Dyson School of Applied Economics and Management at Cornell University. Over 180 cooperative leaders attended.



Dr. Brian Wansink kicked off the Forum on Tuesday morning addressing the topic of **"Marketing Nutrition."** Wansink, the John Dyson Professor of Consumer Behavior at Cornell University, directs the Cornell Food and Brand Laboratory. He is author of over 100 academic articles and books, including the best-selling *Mindless Eating: Why We Eat More Than We Think* (2006) along with *Marketing Nutrition* (2005), *Asking Questions* (2004), and *Consumer Panels* (2002).

He compared the marketing of commodities and differentiated products for instance, beef vs. Black Angus Beef. He presented the rationale for branding and reviewed various strategies for successful branding. Key success factors include:

- Creation of value that translates into a price premium
- Value that is communicated accurately and consistently to consumers
- Value should be endorsed by a formal infrastructure that guarantees consistency

He discussed his leave-of-absence from Cornell during 2007-2009 to accept a Presidential appointment as Executive Director of USDA's Center for Nutrition Policy and Promotion, the Federal agency in charge of developing the 2010 Dietary Guidelines and promoting the Food Guide Pyramid (MyPyramid.gov).

Thomas Carter discussed **"Opportunities for U.S. Cooperatives in Emerging Markets."** Carter, coordinator of USAID's Cooperative Development Program which is a grant activity managed by the Agency's Office of Private and Voluntary Cooperation in the Office of Development Partners. He emphasized that the views he presented were his own and did not reflect the official policy of the USAID.

He began with a review of the lessons learned from the 'Commission on Country Life' that was formed under the Theodore Roosevelt administration. The Commission chaired by Liberty Hyde Bailey of Cornell University emphasized advantages of cooperative organizations in improving the rural economy and well-being of rural communities.

He suggested that given the economic growth and increased prosperity in emerging market countries, that U. S. based cooperatives should be thinking about global business opportunities in these developing economies. He encouraged U.S. cooperatives to give more thought to how they might become more involved in economic development such as joint ventures, sourcing or selling goods and services or forming alliances. He offered the resources of USAID for possible assistance in these efforts targeted at priority countries.

Following lunch on Tuesday, **Bob Engel, President** and CEO of CoBank offered remarks on the bank's performance as well as on the proposed merger with U.S. AgBank. CoBank recruited several nationally recognized speakers to address the group during the rest of the afternoon and evening.

Carlos Gutierrez, former CEO Kellogg Company and Secretary of the U.S. Department of Commerce under the Bush administration gave a presentation on **"Driving America's Business Agenda."** He encouraged U.S. firms to give more thought to exporting products and services. There are both long distance and closer to home opportunities such as doing more business with Canada or Mexico. He commented on the challenges of addressing immigration reform as it is very difficult to achieve bi-partisan agreement on this controversial subject.

Marci Rossell, former chief economist for CNBC, offered an **"Economic Update."** She was one of the most popular speakers from last year. She takes complex economic issues, often dull in the button-down business press, and makes them relevant to people's lives, families and careers.

She presented a useful analogy on how interest rates are set and change. Her forecast is for rising U.S. interest rates as the



economy recovers.

The dinner speaker was **Mike Eruzione**, the former captain of the 1980 Winter Olympics U.S. national hockey team that upset the Soviet Union in the famous "Miracle on Ice" game. He played forward, scoring the winning goal against the Soviets helping the Americans win the Gold medal. He translated inspiring lessons learned from his champion hockey experience to suggestions for enhancing work and professional performance.

The NECC program continued on Wednesday morning with **Paul Stajduhar**, Ocean Spray's Vice president of Corporate Strategy and Business Development explaining how Ocean Spray is "**Aligning Cooperative Demand and Supply Strategies.**" At Ocean Spray, he helped to develop a long-range plan that increased demand for products as well as better managed raw product supply. He described the two basic operational sides of Ocean Spray – as a consumer products company developing demand strategies and as a farmer cooperative developing supply strategies. A primary challenge is to balance both the demand and supply dimensions of the cooperative.

There are four general areas that are involved in enhancing demand: innovation, brand development, international expansion, and increased scale via alliances. He reviewed the strategies adopted in each of these general areas. He reviewed the supply strategy design principles that included: creating a branded product pool for member cranberries (A-pool), a commodity pool (B-pool) for non-patronage cranberry concentrate, and a land reserve as insurance if needed for additional cranberry supply. Some of the keys to success are:

- Start with a sound, growth-oriented business plan
- Incorporate Board direction regarding a balance between returns and utilization
- Use a supply strategy to align grower value with brand growth

Dr. Gregory McKee reviewed "**Innovative Online Education About Cooperatives.**" As an assistant professor and Director of the Quentin Burdick Center for Cooperatives at North Dakota State University, his teaching and research interests address inter-firm relationships in food and agri-cultural business economics. He teaches courses in cooperative business management and in agribusiness industrial strategy. He is a member of the leadership team for the Community of Practice on Cooperatives for eXtension (see www.extension.org/cooperatives).

He presented a description of his use of online technology and resources to teach undergraduate courses across the geography of North Dakota. He also has developed online content for the eXtension Website on cooperatives.

The forum wrapped up with round table discussions for directors and managers. These sessions have become very popular and allow leaders from across the Northeast to discuss current issues and share strategies. For more information on the meeting and presentations by several speakers visit the following Website: <http://cooperatives.dyson.cornell.edu/partners.htm>

Directors and Officers

The Council announces the election of directors for 2011. Four directors were elected or re-elected to serve on the 12 member board. Eric Zuber was re-elected to represent O-AT-KA Cooperative. Stephen Tudhope was elected from Farm Credit East. Michael Oleksak was elected to represent CoBank. And Jacques Parent was elected to represent St. Albans Cooperative.

Officers were elected at the Council board's reorganization meeting. Eric Zuber, a dairy farmer from Western New York as well as a director of Upstate-Niagara Cooperative and O-AT-KA Milk Products was re-elected to serve as President of the Council. Craig Pollack, loan officer with Farm Credit East, was re-elected Vice-President. Stephen Tudhope with Farm Credit East was elected to serve as Treasurer. Brian Henehan, Senior Extension Associate at Cornell University, was re-appointed Secretary.



(Left to right) Stephen Tudhope–Treasurer, Brian Henehan–Secretary, Eric Zuber–President and Craig Pollock–Vice-President.

EVENTS

National Council of Farmer Cooperatives, NCFC

Washington Conference on June 15-20 at the Hyatt Regency in Washington D.C. for more information see www.ncfc.org

Mid-Atlantic Alliance of Cooperatives, MAAC

Summer Youth Institute on June 23, 24, 25 to be held at the Lancaster Mennonite High School, Lancaster, Penn. For more information contact Tammy Perkins, Executive Director, MAAC e-mail: taperkins10@yahoo.com cell: 814-380-1340

NECC Future Leaders Conference will be held on July 13-15 at the Doubletree Hotel in Burlington, Vt. hosted by Agri-Mark for more information see <http://cooperatives.dyson.cornell.edu/>

NECC Board of Directors

Tour/dinner on July 14 and board meeting on Friday, July 15 at 7:00 a.m. at the Doubletree Hotel in Burlington, Vt.

National Society for Accountants of Cooperatives, NSAC will hold its Annual Meeting and conference on August 8-10 in Traverse City, Mich. for more information, see <http://www.nsacoop.org>

FUTURE LEADERS CONFERENCE SLATED FOR JULY 13-15, 2011

Cooperative members of the Council and the board of directors have identified the development of future leaders as an educational priority. And so, the Northeast Cooperative Council will be offering the 34th Cooperative Future Leaders Conference in 2011.

The Conference will be held at the Doubletree Hotel in Burlington, Vt. on July 13-15. The Conference formerly called the Young Couples Conference is cosponsored by the Northeast Cooperative Council (NECC), the Charles H. Dyson School of Applied Economics and Management, and Cornell Cooperative Extension. Additional financial support for the conference is being provided by the Warren Teaching Fund at Cornell University, as well as the Douglas Sims Fund.

The Conference has, over the years, provided past participants with a solid foundation for becoming today's cooperative leaders. Additional funding will allow us to offer a lower registration rate that includes all overnight accommodations, meals and educational materials as well utilize new teaching technology and upgrade the curriculum.

We are pleased to announce that Agri-Mark will be the host for this year's conference. The Conference provides an excellent opportunity for members and staff who are interested in leadership positions in their cooperatives to learn more about the unique operating features of cooperatives in the challenging marketplace of today.

Topics to be addressed during the conference include:

- Are Cooperatives Still Relevant?
- How Cooperatives Create Economic Value for Members
- Cultivating Leadership Skills
- Unique Principles and Operations of Cooperatives
- Responsibilities of Members and Directors
- Understanding Cooperative Financial Statements
- Cooperative Strategy
- Collaborative Marketing
- Group Discussion with Cooperative Management and Directors

The Conference will allow free time to meet and enjoy other members and staff of cooperatives. A special tour will be offered to visit Agri-Mark's Cabot Vermont manufacturing plant. The tour will include a BBQ cookout at an area dairy farm.



President's Column



As your president, my primary focus is to support programs as we have had in the past continuing on with our young leadership program and our annual meeting which has been held in conjunction with CoBank's regional meeting. The relationship with CoBank has enabled us to bring in some great speakers and we look forward to growing our relationship to an even higher level. The evaluations we got back from the March meeting revealed that the conference was very well accepted. The record turnout is a strong indicator of interest in the NECC and CoBank presenters and the overall conference.

It amazes me how well the people in our network can perform when called upon. Dr. Brian Wansink from Cornell and Paul Stajduhar from Ocean Spray did great jobs with their presentations. I think they gave insight on the role cooperatives will play in the future. Marci Rossell has proved to be as entertaining as always, her insight on interest rates and where they go from here will have a large effect on our economic growth, unemployment rate, and the 2012 political race. The director round table always amazes me in where the conversation goes. In all I would like to thank Brian Henehan, Carol Thomson, and CoBank for putting together a great conference.

This year, directors wanted to concentrate on NECC's future itself. We got an overwhelming positive response on our organization and how we should go forward. We will continue in developing the agreement with Cornell and try to grow on the foundation that we have built, largely with Brian's help.

The board has elected to hold the young leadership conference every other year. This is the year we will be holding the Future Leaders Conference scheduled for July 13-15 to be held in Burlington, Vermont. Agri-Mark, Inc. will be the host cooperative and is assisting in putting together a great program and tour. So, line up your young cooperators and future leaders to attend.

We continue to work with the Mid-Atlantic Alliance of Cooperatives (MAAC) to the south of us to help bolster both programs. Their program is more youth orientated but as the world gets smaller there is room for interaction for both organizations.

In closing we are already doing the planning for the 2012 March annual meeting. We urge you to stay in touch and/or if you have ideas or concerns for improving the Council then please contact me at tzuber@rochester.rr.com.

Sincerely, Eric Zuber