The Northeast Cooperative Council

MEMBERS

AgChoice Farm Credit, ACA ........................................... Mechanicsburg, Pa.
Agri-Mark Inc .......................................................... Methuen, Mass.
CHS, Inc. .................................................................. Inver Grove Heights, Minn.
CoBank, ACB ............................................................. Enfield, Conn.
Dairy Farmers of America ........................................... East Syracuse, N.Y.
Dairy Lea Cooperative Inc ............................................. East Syracuse, N.Y.
Dairy One .................................................................. Ithaca, N.Y.
Farm Credit of Maine, ACA .......................................... Auburn, Maine
Farm Credit East .................................................................. Enfield, Conn.
Genes Cooperative, Inc. .................................................. Ithaca, N.Y.
Land O’ Lakes ................................................................ St. Paul, Minn.
Lowville Farmers Cooperative, Inc. ............................... Lowville, N.Y.
National Grape Cooperative Association, Inc. ............... Westfield, N.Y.
New York State Rural Electric Association ..................... Hartwick, N.Y.
OAT-KA Milk Products Cooperative Inc ......................... Batavia, N.Y.
St. Albans Cooperative ................................................... St. Albans, Vt.
Stamford Farmers Cooperative ....................................... Stamford, N.Y.
Upstate Niagara Cooperative ......................................... Buffalo, N.Y.
Upstate Farm Credit, ACA .............................................. Williston, Vt.

ASSOCIATE MEMBERS

Jeffrey Fetter ......................................................... Solaris, Shulman, Cohen, Fetter & Burstein PC .......................... Syracuse, N.Y.
Noemi Giszpencz ......................................................... Cooperative Development Institute ..................................... Greenfield, Mass.
David Hayes .............................................................. Bond, Schoeneck and King, PLLC ............................................ Syracuse, N.Y.
Bob Ludwig ................................................................. Hale Group ........................................................................... Danvers, Mass.
Jay McWatters .......................................................... Hopkins and Co, LLP ............................................................... Williamsville, N.Y.
Charles Sullivan ........................................................ Bond, Schoeneck and King, PLLC ............................................. Syracuse, N.Y.
Bill Wilson ................................................................. FCC Services ................................................................. Denver, Colo.

To learn more about NECC or read past issues of Cooperative Notes, visit the NECC web pages at: www.cooperatives.dyson.cornell.edu/

The 35th Future Cooperative Leaders Conference was held in Batavia, N.Y., July 17-19, 2013. The event was cosponsored by the Northeast Cooperative Council and the Cornell University Cooperative Enterprise Program and was cohosted by Upstate Niagara Cooperative, Inc. and Farm Credit East, ACA. Forty-one young farmers and employees sponsored by 12 cooperatives including three Farm Credit Associations attended the event. Attendees met with key leaders of cooperatives doing business in New York, New England and Pennsylvania. NECC President Craig Pollock encouraged attendees to gain a better understanding of the cooperative business model, meet some new folks, and ‘steal’ some ideas to take home. He shared his list of internal and external issues and opportunities facing cooperatives. Some of those issues included changing farm and consumer demographics and needs, industrialization of the farm and food sector, the global economy, structural changes in food processing, consumer demographics and needs, home. He shared his list of internal and external issues and opportunities facing cooperatives.

COOPERATIVE FINANCE & THE CAPPER VOLSTEAD ACT

- Michael Oleksak, CoBank, ACB explained cooperative financial statements and the ratios desired by CoBank when assessing the creditworthiness of a cooperative loan application.

- Charles Sullivan, Attorney, Bond, Schoeneck & King, Syracuse, N.Y. shared the history and protections provided through Capper Volstead in allowing collective processing and marketing. He went on to discuss the cooperative rebuttal to the Anitrust Modernization Commission’s perspective that Capper Volstead was no longer necessary or relevant. He shared examples of recent and pending litigation against cooperatives that challenge the antrust immunity.

BRAND EQUITY

- Ted Sorens, Dairy Farmers of America, defined brand equity as a combination of brand awareness (recognition by potential customers), brand personality (consumer’s emotional response), and brand loyalty (what the consumer feels and expresses with their purchase). Consumer loyalty is what drives brand equity. He discussed how DFA tracks volume trends, consumption patterns and loyalty rates of their brands using consumer panels.

- Karen Murphy, Farm Credit East, ACA, mentioned the organization’s promise to serve their members everyday. ‘As a cooperative, it’s what you do, how you do it and where you do it.’

- Rob Smith, National Grape Cooperative, showcased the evolution of the Welch’s brand. He shared some of the tag lines of Welch’s – Real. Grape. Goodness. “Grape a fruit, not a flavor.” The presentation showed how Welch’s had adapted their product to reflect changing societal norms.

- Ken Voeller, Upstate Niagara Cooperative, Inc. provided information about the “Return to Values, Welcome Back to the Farm” campaign. The campaign connects Upstate Niagara members to their customers through specialty made labels on products, new fleet graphics, Internet, print and radio ads.

FARM ESTATE PLANNING & BUSINESS SUCCESSION

- Successful estate planning from one generation to the next is critical to the future of cooperative businesses. Ed Neal, Poverty Hill Farm, Rob Noble, Noblehurst Farms, Bob Brown, Brown’s Berry Patch, Steven Walker, Attorney with Scolaro, Fetter, Grisanti, McGough, & King, P.C. stressed the importance of getting along, respecting one another, and organizational structures that they had created.

Cooperative Notes

35th Future Cooperative Leaders Conference

The Northeast Cooperative Council
to minimize risk, provide income to a Senior generation family and its owners."

**LEADERSHIP & GOVERNANCE**

– Farm Credit East, ACA Directors Laurie Griffen and Richard Janiga, ACA for cohosting the 35th Future Cooperative Leaders Conference and thanks to the 12 cooperatives that sponsored their members and their employees. It was a great event!

Future Leaders were put to work as soon as they walked into the meeting room. Each were given 4 stickers and allowed to vote once on 4 questions put before them. The questions remained on the wall for the entire conference, which provided insight and food for thought for some of the presenters. The attitudes held by Future Leaders today will shape their cooperatives through time. Cooperatives continue to strive for ways to provide value to their members. Following are the four questions and choice of responses. Thirty-four people responded to the survey. The number at the end of each statement reflects the percent of people who selected that particular statement.

**Question 1**

A cooperative is important to me because:

- a. The functions provided by my cooperative (finance, marketing, supplies, services) are critical to my business. (60%)
- b. Membership provides a buffer to my business from threats I have little control over. (2%)  
- c. Cooperative values (member-user, member-benefits, supplies, services) are critical to my business. (33%)

**Question 2**

Historically cooperatives were formed to overcome a market failure or secure a needed service, some have coined a “self-help” organization. I believe:

- a. Cooperatives should continue in their current capacity. (8%)
- b. Cooperatives should become more aggressive/entrepreneurial in pursuing new, innovative business opportunities. (28%)

**Question 3**

Effective member relations and communication between member-owners and the cooperative is essential to the cooperative or any other “group action based” association. The most important relationship between me and my cooperative is through:

- a. Conversation with staff and local managers. (69%)
- b. Conversations with the Senior Management Team. (7%)
- c. Conversations with elected directors. (14%)

**Question 4**

In 2018 (5 years), the most important way I will receive information from my cooperative is:

- a. Monthly (periodic) cooperative publications (hard copy). (9%)
- b. Communications with field staff, local managers, elected directors. (27%)
- c. Attending the cooperative’s annual meeting. (6%)
- d. Attending the cooperative’s regional member meetings. (4%)
- e. Cooperative website (12%)
- f. Social media (in whatever form it might take) (32%)

One of the components of the Future Cooperative Leaders Conference was the “Pathway to Leadership.” Directors from Farm Credit East, ACA and Upstate Niagara Milk Cooperative, Inc. talked about why they are leaders in their cooperative and the roles and responsibilities of delegates and committee members. A few of the Future Leaders currently serve as delegates or committee members. Following the conference there was almost a threefold desire of Future Leaders to serve as delegates and the desire to serve on committees doubled.

CoBank, ACB NORTHWEST CUSTOMER MEETING
March 28, 2014 – Albany, N.Y.

Details available December 1, 2013.
to minimize risk, provide income to a Senior generation family member, and develop knowledge of off-farm ears.

**LEADERSHIP & GOVERNANCE**

– Farm Credit East, ACA Directors Laurie Griffin and Richard Janiga, and retired director Hal Adams spoke about serving in a leadership capacity in a cooperative business. People get involved in leadership because there is a stake in the cooperative as a member-owner. “Being elected by one’s peers is an honor as they respect and recognize your good judgment and trust you, as a director, to deal with governance and fiduciary issues facing the cooperative and to balance decisions made in the best interests of the cooperative business and its owners.”

– Roy Orton, former CollBank, ACB Chairman and Past Chairman of National Grape Cooperative and Bob Hall, CEO, O-AT-KA Milk Products, Inc. presented their perspective on the leading a cooperative as the chairman or chief executive officer. Respect of one another is key to this relationship. There has to be mutual agreement to talk frankly. The board sets measurable goals to be accomplished by the CEO. The CEO needs to have a competitive compensation package. Unlike the board chairman who is elected, the CEO is hired by the board of directors to fulfill the duties in a position description created by the board. The CEO works for the board and is guided by the board. Boards have a tendency to be more passive in nature while management is more forward thinking, seeking solutions. The relationship between the board and the manager should be dynamic in nature, with both seeking out new opportunities and excellence. Ethics and integrity are important in leading a cooperative business. Honesty in business benefits customers and customer service, which is key to the sustainability of the business.

– Upstate Niagara President Dan Wolf closed out the event. He said, “A cooperative serves to face the challenges that we can’t solve by ourselves. We have to work together.” He stressed the importance to go home, get involved, move forward in leadership positions, and get on a first name basis with board members and senior management. And when you go home, ask, “What can I do to help? The business at home has to be going well, or you will not be an effective director”.

Continued

**FROM THE EXECUTIVE SECRETARY** by Roberta Severson

On behalf of the Northeast Cooperative Council, I thank Upstate Niagara Cooperative Inc. and Farm Credit East, ACA for cohosting the 35th Future Cooperative Leaders Conference and thanks to the 12 cooperatives that sponsored their members and their employees. It was a great event!

Future Leaders were put to work as soon as they walked into the meeting room. Each were given 4 stickers and allowed to vote once on 4 questions put before them. The questions remained on the wall for the entire conference, which provided insight and food for thought for some of the presenters. The attitudes held by Future Leaders today will shape their cooperative practices through time. Cooperatives continue to strive for ways to provide value to their members. Following are the four questions and choice of responses. Thirty-four people responded to the survey. The number at the end of each statement reflects the percent of people who selected that particular statement.

**Question 1**

A cooperative is important to me because:

a. The functions provided by my cooperative (finance, marketing, supplies, services) are critical to my business. (25%)

b. Membership provides a buffer to my business from threats I have little control over. (20%)

c. Cooperative values (member-user, member-benefits, member-control) are important to me. (22%)

**Question 2**

Historically cooperatives were formed to overcome a market failure or secure a needed service, some have coined them a “self-help” organization. I believe:

a. Cooperatives should continue in their current capacity. (8%)

b. Cooperatives should become more aggressive/entrepreneurial in pursuing new, innovative business opportunities. (23%)

c. Cooperatives should consider innovative partnerships with other cooperative businesses through supply and marketing channels. (83%)

**Question 3**

Effective member relations and communication between member-owners and the cooperative is essential to the cooperative or any other “group action based” association. The most important relationship between me and my cooperative is through:

a. Conversation with field staff and local managers. (60%)

b. Conversations with the Senior Management Team. (7%)

c. Conversations with elected directors. (14%)

**Question 4**

In 2016 (5 years), the most important way I will receive information from my cooperative is:

a. Monthly (periodic) cooperative publications (hard copy). (9%)

b. Communications with field staff, local managers, elected directors. (27%)

c. Attending the cooperative’s annual meeting. (8%)

d. Attending the cooperative’s regional member meetings. (8%)

e. Cooperative website (20%)

f. Social media (in whatever form it might take) (52%)

One of the components of the Future Cooperative Leaders Conference was the “Pathway to Leadership” Directors from Farm Credit East, ACA and Upstate Niagara Milk Cooperative, Inc. talked about why they are leaders in their cooperative and the roles of the director and the role of delegate and committee members. A few of the Future Leaders currently serve as delegates or committee members. Following the conference there was almost a threefold desire of Future Leaders to serve as delegates and the desire to serve on committees doubled.

The NECC is working towards some new initiatives and we want you to make sure you will be notified of upcoming events and projects. Please share your email with Executive Secretary Bobbie Severson at mbh27@cornell.edu
The 35th Future Cooperative Leaders Conference was held in Batavia, N.Y., July 17-19, 2013. The event was cosponsored by the Northeast Cooperative Council and the Cornell University Cooperative Enterprise Program and was cohosted by Upstate Niagara Cooperative, Inc. and Farm Credit East, ACA. Forty-young farmers and employees sponsored by 12 cooperatives including three Farm Credit Associations attended the event. Attendees met with key leaders of cooperatives doing business in New York, New England and Pennsylvania. NECC President Craig Pollock encouraged attendees to gain a better understanding of the cooperative business model, meet some new folks, and “steal” some ideas to take home. He shared his list of internal and external issues and opportunities facing cooperatives. Some of those issues included changing farm and consumer demographics and needs, industrialization of the farm and business model, meet some new folks, and ‘steal’ some ideas to take home. He shared his list of internal and external issues and opportunities facing cooperatives.

Other key presentations included:

- **COOPERATIVE FINANCE & THE CAPPER VOLSTEAD ACT**
  - Michael Oleksak, CoBank, ACB explained cooperative financial statements and the ratios desired by CoBank when assessing the creditworthiness of a cooperative loan application.
  - Charles Sullivan, Attorney, Bond, Schoeneck & King, Syracuse, N.Y., shared the history and protections provided through Capper Volstead in allowing collective processing and marketing. He went on to discuss the cooperative rebuttal to the Anitrust Modernization Commission’s perspective that Capper Volstead was no longer necessary or relevant. He shared examples of recent and pending litigation against cooperatives that challenge the anitrust immunity.

- **BRAND EQUITY**
  - Ted Sosile, Dairy Farmers of America, defined brand equity as a combination of brand awareness (recognition by potential customers), brand personality (consumer’s emotional response), consumer loyalty (what the consumer feels and expresses with repeat purchases), and brand loyalty (what the consumer expresses with repeat purchases). Consumer loyalty is what drives brand equity. He discussed how DFA tracks volume trends, consumption patterns and loyalty rates of their brands using consumer panels.
  - Karen Murphy, Farm Credit East, ACA, mentioned the organization’s promise to serve their members every day. “As a cooperative, it’s what you do, how you do it and where you do it.”
  - Rob Smith, National Grape Cooperative, showcased the evolution of the Welch’s brand. He shared some of the tag lines of Welch’s – “Real. Grape. Goodness.” “Grape a fruit, not a flavor.” The presentation showed how Welch’s had adapted their product to reflect changing societal norms.
  - Ken Voeller, Upstate Niagara Cooperative, Inc. provided information about the “Return to Values, Welcome Back to the Farm” campaign. The campaign connects Upstate Niagara members to their customers through specialty made labels on products, new fleet graphics, Internet, print and radio ads.

- **FARM ESTATE PLANNING & BUSINESS SUCCESION**
  - Successful estate planning from one generation to the next is critical to the future of cooperative businesses. Ed Neal, Poverty Hill Farm, Albion, NY., stressed the importance of getting along, respecting one another, and organizational structures that they had created.

To learn more about NECC or read past issues of Cooperative Notes, visit the NECC web pages at: www.cooperatives.dyno.com/