The Northeast Cooperative Council

GOING GLOBAL: PRACTICAL CONSIDERATIONS AND RISK MITIGATION OPTIONS FOR U.S. COOPERATIVES

Jay Waldvogel, Sr. Vice President, Strategy and International Development, Dairy Farmers of America, will provide an overview of the key issues and considerations facing cooperative boards and senior management that are pursuing global expansion. His talk will delve into how to identify and evaluate global events and trends and their impacts in board and management decision making. The examples will focus on the dairy sector but are largely applicable to other business categories.

CRITICAL DECISION MAKING: LESSONS LEARNED FROM THE SASKATCHEWAN WHEAT POOL

Murray Fulton, Professor, University of Saskatchewan, and a Fellow in Agricultural Co-operation with the Centre for the Study of Co-operatives, University of Saskatchewan campus. His research and teaching focus on the global dairy industry and spent more than a decade living and working overseas with leading dairy companies including Campina in Europe and Fonterra Co-operative Group in New Zealand. Jay led the Workforce Management Consulting practice for Farm Credit Foundations/AgriBank in St. Paul, Minnesota.

TARGETING MESSAGES: FOR COOPERATIVE MEMBERS

Robert Wellington, Sr. Vice President of Economics, Communications, and Legislative Affairs, Agri-Mark, Inc., will speak to messages and communication strategies that resonate with the diverse population of cooperative members. The presentation will focus on effective messaging across assorted communication platforms and how to evaluate which messages to send, how they should be sent, and if the message was accurately received. Wellington will share some ideas on who the messengers are and how they should be trained to be effective communicators in the future.

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

MARCH 28, 2014

ROBERT ENGEL CHIEF EXECUTIVE OFFICER, COBANK

As CoBank’s chief executive officer, Rob Engel is responsible for implementing the bank’s strategic and business direction as set by the Board of Directors. Previously, he served as CoBank’s president and chief executive officer for eight years. Mr. Engel is the chairman of Collin’s Management Executive Committee. Prior to joining CoBank in 2000, Mr. Engel was chief banking officer at HSBC Bank USA in New York. He has more than 25 years of banking experience, primarily with HSBC Bank USA, and eight years of accounting experience, including an auditing speciality, with the firms of KPMG and Deloitte & Touche. During his 14-year tenure at HSBC, he served in a variety of management and credit positions, including chief credit officer, Deloitte & Touche. Ms. Rossell earned a doctorate in economics from Southern Methodist University, where she was also named Young Alumnus of the Year in 2002.

TERRY JONES FOUNDER OF TRAVELOCTY

Terry Jones helped found Travelocity.com in 1996 and served as its chief commerce officer in 2002. Travelocity.com is now the world’s largest travel agent. Terry is celebrated as an entrepreneur and business innovator. Prior to founding Travelocity.com, Mr. Jones spent 25 years in a variety of executive positions at Sabre Inc., a company operating airline reservation systems. Prior to Sabre, he was president of product development for American Airlines.

You’ve Got 15 Minutes … An Hour At Best!

Crisis planning is like insurance – investment is needed to be made but in a perfect world one hopes to never file a claim. Surveys show that 66% of all companies have a crisis plan but less than half have practiced the plan. Experience shows that with cellphone technology, everyone becomes a reporter or expert; no matter what the facts or the quality of the video. If your cooperative has not addressed the crisis via the web, you will lose the trust of your members, lives, families and careers. Ms. Rossell is best known for her unique ability to take complex financial issues and make them relevant to people’s lives.

End of your annual meeting.

Anna Redmond is a senior consultant at ACG/USA. She has 23 years of experience in strategy, management and program management in the financial services industry. She leads business strategy and development programs for a variety of clients in the financial services space and currently works with a global corporation on technology strategy and program management.

MEMBER INVITATION

Genex Cooperative, Inc. is a subsidiary of Cooperative Resources International (CRI). Genex, headquartered in Shawano, Wis., was originally formed as the cattle genetics and artificial insemination (AI) subsidiary. In addition to becoming an industry leader in this arena, the cooperative diversified its operations to also offer farmstead and mill equipment and livestock marketing services.

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In all product and service areas, Genex is dedicated to meeting the needs of agricultural members and customers. That commitment is demonstrated through Genex’s mission statement – “Provide products and services so effectively as possible to maximize the profitability of members and customers worldwide while maintaining a strong cooperative.”

The cooperative’s primary operations provide bovine semen and AID service to members and customers throughout the United States. The cooperative has a deep history in this industry as today’s Genex was formed over time through the consolidation and merger of nearly 50 different organizations: Eastern A.I., 21st Century Genetics, Federated Genetics and Noba, Inc. helped to form Genex.

Genex has 16 facilities in the U.S., including a production facility in Ithaca, N.Y. Currently, more than 15,000 dairy and beef producers are members of Genex. These members participate in the grassroots governance of the cooperative by exercising voting privileges, participating in member appreciation meetings and delegate elections and making equity in the cooperative.

During 2013, Genex revolved over $2.5 million in cash and credit to the cooperative’s membership.

Genex members are encouraged to provide input into the governance of the cooperative. Opportunities are scheduled for membership meetings and through the election of cooperative representatives. Each year, members elect delegates for their district. These delegates, who each represent 100 members, attend an annual meeting and make cooperative’s annual meeting. Delegates also elect a Genex board member to represent their membership region.

Board members from 13 regions comprise the Genex board of directors. Paul Jones, President of the Genex board since 2011. Ron and his family own Mapledale Farm outside of Berlin, N.Y. Serving as Secretary of the Genex board is Ron Totten. Ron and his family operate Hy Hope Farms, Inc., located near Stafford, N.Y.

A crisis communication plan should consider all the groups who need a targeted message and what they need to know. Communication with employees, directors, and members is critical as they will take cues from the media.

Train employees and members for how they should respond if approached by the media or engage in an Internet exchange.

For example, “I am concerned about situation as you are, but it would be best to contact (name of spokesperson) at (phone number/email) for additional information.” Messages should be sent to suppliers, lenders, and customers to maintain confidence.

When crafting or revising your plan – do a vulnerability audit. Be creative, prepare for a worst case scenario will build resources for all scenarios. A crisis team includes members of management, legal, marketing, public relations, human resources and information technology.

Have regional, and in some cases, impressive business plans, in place in anticipation of a crisis. Ms. Rossell was in charge of planning and directions of the board of directors of the H.J. Heinz Company. She currently serves on the boards of Fluor Corporation, Hershey Entertainment and Resorts and Caesars’ Entertainment. He also serves as a board member of the Travelocity website. Mr. Jones started an online travel company's president and chief executive officer until 2002. Travelocity.com served as the online travel company's president and chief executive officer until 2002. Travelocity.com was the first online travel agent or broker.  Mr. Jones started an online travel company's president and chief executive officer until 2002. Travelocity.com served as the online travel company's president and chief executive officer until 2002. Travelocity.com served as the online travel company's president and chief executive officer until 2002.

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MARCI ROSELL ECONOMIST

Economist Marcia Rossell has a unique ability to take complex messages from her research, such as the lives, families and careers. Ms. Rossell is best known for her presentations in broadcast television as chief economist for CNBC. She has also served as a corporate economist and investment spokesperson for Oppenheimer Funds, one of the nation's largest mutual fund companies. She began her career as an economist for the Federal Reserve Bank of Dallas. Ms. Rossell earned a doctorate in economics from Southern Methodist University, where she was also named Young Alumnus of the Year in 2002.

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JANUARY 20, 2014

We Need Your Email Address

To continue to receive the newsletter and other updates from the Council.

MARCH 28, 2014

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Someone in the cooperative should be assigned the duty to listen to what is being said and not said through the Internet and other media channels. Messages can then be crafted appropriately.

Lessons can be learned from former NFL player Rudy Giuliani following the September 11th attacks. Giuliani was critical in the recovery and rebuilding efforts. He was instrumental in the emotional recovery of New York City.

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**GOING GLOBAL:** PRACTICAL CONSIDERATIONS AND RISK MITIGATION OPTIONS FOR U.S. COOPERATIVES

Jay Waldvogel, Sr. Vice President, Strategy and International Development. Dairy Farmers of America, will provide an overview of the key issues and considerations facing cooperative boards and senior management teams that are pursuing global expansion. His talk will delve into how to identify and evaluate global events and trends and their impacts in board and management decision making. The examples will focus on the dairy sector but are largely applicable to other business categories.

Jay Waldvogel is responsible for leading DFA’s strategy planning process and supporting DFA’s business strategy in implementing those strategies. He also is charged with guiding the organization’s complex and dynamic activities. Jay has more than 20 years of experience in the global dairy industry and spent more than a decade living and working overseas with leading dairy companies including Campina in Europe and Fonterra Co-operative Group in New Zealand. At Fonterra, Jay led various positions in finance, operations, marketing, strategy, mergers and acquisitions, sales and general management including serving in Fonterra’s chief operating officer and acting chief executive officer.

**CRITICAL DECISION MAKING:** LESSONS LEARNED FROM THE SASKATCHEWAN WHEAT POOL

Murray Fulton, Professor, University of Saskatchewan, and a Fellow in Agricultural Co-operation with the Centre for the Study of Co-operatives, will examine factors that lead to decision making at the Saskatchewan Wheat Pool (SWP) in the 1990s. During this period, the Pool’s dramatic loss of market share and accumulation of debt placed it on a trajectory that resulted in its eventually losing its cooperative structure. His presentation will concentrate on two key factors: (1) recognition – in this case the hubris and over-confidence of senior management; and (2) agency – a lack of effective oversight by the board of directors. Both of these factors represent governance issues that must be addressed as cooperatives adapt to rapidly changing economic environments and adapt increasingly complex forms of financing.

Murray Fulton is a Professor at the University of Saskatchewan and an authority on cooperative governance. He has authored many books and papers on cooperative governance, and serves as a board member and advisor to commercial cooperatives in a number of sectors.

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Robert Wellington is involved with all aspects of National and Northeast farm milk policy. He regularly provides point forecasts for the cooperative's 3,300 dairy farm families in addition toblend production research and policy for the co-op's billet manufacturing operations. He has represented Agri-Mark at federal Milk Marketing Order hearings since joining the cooperative in 1989 and has served on several National Milk Producers Federation Committees.