Steve Kyle, Associate Professor, Cornell University, qualified his economic outlook early on by noting that, "Economic projections and forecasts should be treated with skepticism. Generally speaking, economists can be good at projecting the future as long as current trends continue. However, we can be very bad at projecting turning points, which is exactly when and what you really want to know." He went on to mention that inflation will remain less than 2% as long as the dollar remains strong and oil prices remain low. The unemployment rate is a good indicator of the overall economy and anticipated to be between 5.0 and 5.5%; however 11% of people continue to be under-employed, indicating that there is still slack in the labor market. Once the slack is out, wages will increase and inflation will rise. When examining leading economic indicator statistics, the Industrial Production Index is higher than pre 2008 but the Capacity Utilization Index indicates that business is less than 80% capacity. He expects the overall economy will continue at its current pace, with an anticipated GDP growth of 3%.

Cindy Taccini, Director of Cooperative Communications, Ocean Spray Cranberries, Inc., reviewed the crisis response cycle and suggested the need for each business to define "crisis" as a means to trigger response to a specific event by a pre-identified team. A response plan needs to be created and practiced with key messages crafted and shared with various constituents (suppliers, customers, members, consumers, regulators, etc.) in the global marketplace. The cooperative’s media spokespersons need to be properly trained. Taccini noted, "How we act, react and communicate in a crisis situation will have a lasting impact on our corporate reputation." From The Company Behind the Brand: In Reputation We Trust (2012), by public relations firm, Weber Shandwick, 87% of corporate executives completely or mostly agree that, "A strong corporate brand is just as important as strong product brands, not the other way around." Seventy percent of consumers will "avoid buying the product if they don’t like the company behind the product."

Steve Franklin, Director of Learning and Development, CoBank, ACB, shared generation values and team building strategies across the generations in the workplace. Boomers believe ‘face time’ at work to be important while millennials desire flexible work schedules. Boomers believe that one has “to pay their dues.” Some of millennial “heroes” are young people who became millionaires from “.coms” seemingly without “producing anything.” Millennial employees become easily bored, thus it is important that they understand how their individual efforts are important to the success of the cooperative business. Participating in a variety of projects and problems to be solved keeps them engaged. Through school they learned to work together and expect more leniency, being graduates from “no child left behind.” They expect feedback for their efforts and desire to be rewarded for their work through praise and wages. Coaching is one way to enhance performance.

Michael Doyle, Foremost Farms USA suggested that consumers have changed in their understanding of the farm and food system and that as an industry, producers, processors, and marketers need to be prepared when confronted with negative publicity such as undercover videos. It is important to have protocols in place such as tracking mechanisms to understand the source and destination of product, ability to segregate the product, utilize 3rd party auditors to document compliance, and contact industry-wide crisis communication networks and affected customers early on when dealing with video investigations.

The Northeast Cooperative Council is appreciative of support provided by CoBank, ACB and CHS Inc. for the 65th Leaders Forum.
The Upcoming Leaders Breakfast, geared towards early-career employees, was a new event at the 65th NECC Leaders Forum and Annual Meeting. The event provided the opportunity for early-career employees and students to engage with senior level managers and the NECC board of directors to identify steps that foster their career.

Kristina McAllister, Loan Officer, AgChoice Farm Credit, ACA suggested to the audience that early-career employees identify informal leadership opportunities or request to work with other employees on complex projects. For her, this meant making a presentation to Senior AgChoice leadership following her attendance at the 64th NECC Leaders Forum. As a result, AgChoice moved forward to develop an Executive Leadership Program for early-career employees.

Rich Stammer, CEO, Agri-Mark, Inc. encouraged the audience to work hard. He said, “Extra effort will be noticed. It can be something as easy as showing up on the early side of work time. Become an expert at your job, but look for ways that would make it better. Learn about your area and seek out opportunities to learn about other functions in the business as well. Look outside of your comfort zone.”

Celeste Kane-Stebbins, Yankee Farm Credit board member shared that “Life takes twists. If you have the opportunity to do something totally different, do it. Absorb all the knowledge you gain from these experiences. Be a life-long learner. Ask questions if you don’t understand.”

"Managing you Membership" was the title of the 36th bi-annual Future Cooperative Leaders Forum in Gettysburg, PA. A enormous thank you to AgChoice Farm Credit and Land O’Lakes, Inc. for spearheading the event, to Andy and Katie Flinchbaugh for serving as the host couple, and to Bobbie Severson for coordinating the conference. This Future Leaders conference was the best I have ever attended. Special thanks go to Gary Heckman, AgChoice Farm Credit and Gordon Hoo-ver, Land O’Lakes for assistance in planning the event.

Future leaders strengthened their knowledge of cooperative business structure and expanded leadership skills. The presenters spoke on balancing confidentiality and the members right to know. They formed a board of directors and named a chairman. Then proceeded to work though 2 case studies to share how they would have handled the situations that board members periodically grapple with. President Abe Lincoln joined us for dinner the first evening and set the stage for the Gettysburg leadership training that took place the next day. When considering choices to be made, Darrell Curtis, Ag Choice CEO said “If a member was sitting on your shoulder would they approve of your decision.” Board members from Ag Choice and Land O’Lakes also gave excellent presentations. The reviews by the future leaders rated the event to the highest standards. A very smart man said once “We have not arrived yet”, but I feel we are close to the top of the hill.” Eisenhower said “You don’t push a rope up a hill you pull and lead.” Thank you for your continuing support of the NECC as we strive to build the skills of cooperative leaders.

Sincerely,
Cyndy Van Lieshout
Cyndy Van Lieshout, President

Suggested reading:
SMART MOVES
- Price Pritchett & Ron Pound
LINCOLN ON LEADERSHIP
- Donald T. Phillips
THE KILLER ANGELS
- Michael Shaara
(The movie Gettysburg is based on The Killer Angels.)
Cooperative Hall of Fame Inducts
NECC Board Member, William Nelson

Raised on a central Minnesota farm, William Nelson cultivated a deep dedication for agriculture and education. He earned degrees in Sociology and Political Science from the University of Minnesota-Morris and master’s degrees in Studies of the Future from the University of Houston and Community Education from the University of St. Thomas. Over the next 13 years he taught classes in cooperative education with additional efforts channeled towards education around agriculture, cooperatives, entrepreneurship and rural leadership at the University of Minnesota—Waseca. He worked to connect the university and its students to real-world knowledge and experiences.

In 1992, Cenex, Inc. (which later merged to form CHS Inc.) contacted him to develop an education grants program. For the next 20 years, Nelson guided the CHS Foundation to a leadership role in cooperative education, encouraging collaborations between universities, businesses and cooperative leaders to build the knowledge and skill sets of the next generation of agricultural leaders. William joined the Northeast Cooperative Council board of directors in 2014. He currently serves as President of the CHS Foundation and Vice President, CHS Corporate Citizenship. He also serves as Vice Chair of the Ralph K. Morris Foundation, a non-profit organization that supports development opportunities for emerging leaders expressing interest in applying and advancing principles of cooperation, and in promoting farmland preservation, land stewardship and sustainability.

FUTURE COOPERATIVE LEADERS SAY.......

I value my cooperative because.......
NECC hosts 36th Future Cooperative Leaders Conference

Over 25 young farmers representing 8 cooperatives from 5 states converged at Gettysburg, PA to learn more about the cooperative business structure and build leadership skills. Communication was one of the important threads throughout the event. Gordon Hoover, Director of Member Relations for co-host cooperative Land O’Lakes, Inc. shared characteristics of an informed membership. Members participate constructively when the support and promote the importance of the services provided by the cooperative. Members drive accountability by electing board members and through those directors hold the staff responsible for the performance of the cooperative. He reminded the group that cooperatives are a democracy and ‘majority rules.’ Member information is guided by director’s responsibilities—their fiduciary obligations, confidentiality, ethics, and cooperative, employee, and member need for privacy. He noted the importance to build a relationships with board members and when necessary a member can request an audience with the board. He cautioned the group that they should be knowledgeable about the cooperative and events outside of the cooperative that impact the decisions made by the board when speaking with leadership.

Building understanding of young leaders about the roles and responsibilities of cooperative boards of directors is an important goal of the Northeast Cooperative Council. Brandon Weary, Director of co-host cooperative AgChoice Farm Credit, ACA mentioned that the directors are responsible to their members, that they need to focus on the long-term success of the cooperative as they set policy to guide the direction of the cooperative. One of the benefits of serving on a board is to learn and grow with your peers. He noted that the personal qualities needed by a board member include honesty, integrity, respect, and confidentiality. Darrell Curtis, President and CEO, AgChoice Farm Credit talked about the unique nature of cooperative-structured businesses. He mentioned the success of AgChoice Farm Credit is vested in the success of its customer-owners. Understanding customer needs is critical to the success of AgChoice. Focus groups and customer appreciation events are one means to learn about emerging needs. In addition the board of directors and employees are attuned to evolving needs of the cooperative’s members.

Change is a driving force for cooperative businesses. Craig Hinkle, Vice President and Treasurer, Knouse Foods Cooperative, Inc. shared one example of change—pictures of the early, seasonal outdoor apple storage facilities and employees hand-peeling apples contrasted against present-day, state-of-the-art controlled-atmosphere storage and automated peelers processing fresh apples year round. Knouse foods has made additional investments at the Peach Glen facility, building a 19-acre solar array, which supplies 30% of the energy to the processing facility and cooperative headquarters (equal to energy requirements of 400 homes). He listed external factors that influence the cooperative, i.e. competition, laws and regulations, labor market, business cycle, and social change. Internally the cooperative grapples with building and implementing a strategic plan that allows the cooperative to remain competitive as it invests in new equipment and processes, restructures job responsibilities, and adapts to the changing needs of employee compensation and attitudes.

Always popular, the Cooperative Round Table discussions provide a means for future leaders to learn about cooperatives doing business in the Northeast. Cooperative leaders from AgChoice Farm Credit, Cumberland Valley Cooperative, Adams Electric Cooperative, Upstate Niagara Cooperative Inc., Genex CRI, and Dairy Farmers of America lead round table discussions.

I was surprised by the drastic difference between cooperatives.
- Future Cooperative Leader

Cooperative Round Table Discussions with Cyndy Van Lieshout, Upstate Niagara Cooperative and Al Wanner, Genex CRI.