



# Cooperative Notes

## Northeast Cooperative Council

Information Education Collaboration

VOLUME 30—ISSUE 2—SPRING

### HIGHLIGHTS OF THE 66TH NECC ANNUAL MEETING AND LEADERS FORUM

The 66th NECC Leaders Forum focused on “Cooperatives Bridging the Gap Between Science and Society.” Bob Ludwig of The Hale Group assured everyone that, “Agriculture will thrive in the future. Food is essential for life. The global population is growing as is the global middle class.”



Bob Ludwig  
The Hale Group

He then delved into some of the challenges that lay ahead. He noted the major drivers of change—technology (digital agriculture), competition, regulation (weakening political support), and consumer preferences (conflicting consumer expectations). Digital agriculture includes precision agriculture used on the farm. Examples include auto-steer, yield monitors, and weather stations. Prescription agriculture makes recommendations to maximize yield and profit per acre using computer algorithms. Data will inform complex decision. Enterprise agriculture will integrate functions that include planning, agronomy, labor, work orders, purchasing, risk, marketing, etc. Digital agriculture is in its early stages. Data will inform complex decisions. Problems will be detected earlier to allow for a management response. Customized solutions will be identified to minimize inputs and maximize yields.



Ludwig addressed 40 early-career cooperative employees and students at the NECC Upcoming Leaders Breakfast.

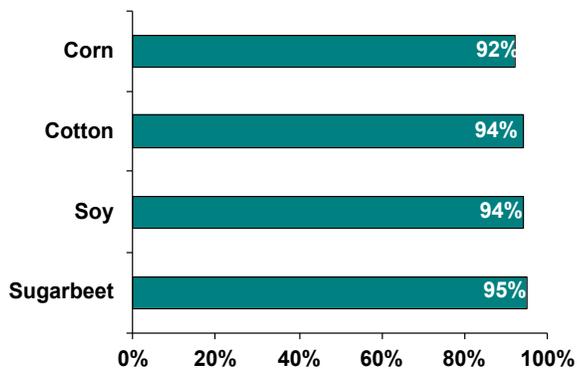
Farm operators can expect input production innovation that addresses unique conditions. Digital ag is new and evolving technology. Ludwig suggests that in 7 to 10 years the technology will become significantly improved and have impacts in the ag sector similar to the widespread adoption of the tractor and hybrid seeds. In addition, “Standards compliance by food companies protecting their brand will almost certainly use this technology to monitor adherence to their specs after the technology is perfected.” Digital agriculture can provide new service opportunities by cooperatives delivered to their members. Education and understanding of the technology and how it improves decision making on individual farms will be critical to its successful adoption.



Greg Jaffe  
Director of Biotechnology

Greg Jaffe spoke to “Understanding the Food Fight Around Genetically Modified Foods. Jaffe is Director of the Biotechnology Project for the Center for Science in the Public Interest (CSPI). The Center is a food and nutrition consumer organization with 40 years experience in advocacy and education based on the best scientific evidence available. The Center’s position on biotechnology is: 1) Current crops in the U.S. are safe to eat, 2) The technology provides benefits to crops that are grown, 3) Products need to be assessed on a case by case basis, and 4) Functional biosafety regulatory systems that ensure safety and allow safe products to be marketed are essential. The genetic make up of a living organism can be influenced by crossing two varieties with useful characteristics through processes such as hybridization, tissue culture, cloning, chemical mutagenesis, irradiation, in vitro fertilization, and artificial insemination.

Chart 1. Percent of U.S. major crops from genetically engineered seeds.\*



\*Sugar beet data from 2010. All other data 2015. Sources: USDA, NASS, "Acreage" June 2015. Sugar and Sweeteners Outlook, USDA ERS July 2010.

Worldwide genetically engineered crops are grown on 448 million acres by 18 million farmers in 28 countries with the largest acreage (181 million ac.) grown in the U.S. Of the 18 million farmers growing GMO crops, over 14 million are located in China or India. Significant crops grown include corn, soybeans, canola, sugar beets, alfalfa, squash, papaya, sweet peppers (China), poplar (China), tomatoes (China) and eggplant (Bangladesh). Over 90% of U. S. acres are devoted to corn, cotton, soy, and sugar beets.

The Center notes that farmers and biotech companies have benefited from the technology. There has been no direct benefit to consumers and food safety is a critical concern. The current policy of 'voluntary consultation' is not sufficient and the reviews conducted by regulatory bodies are not comprehensive. In the Center's view, the response of "no questions at this time" is not adequate. There is a need for FDA safety determination and a need for an updated to mandatory pre-market approval process.

Rod Hawkes, Sr. Extension Associate with the Cornell University Food Industry Management Program said that the Internet and social media along with multi-media coverage of food and the food industry have raised awareness and increased concerns of food related issues. "Information and misinformation abound. Confusion conflates issues for many people." The consumer packaged goods food manufacturers are fighting for food dollars and retail competition continues to intensify. Most retailers have moved from being sellers agents on behalf of suppliers to buying agents for consumers. Each retailer works to position themselves in the market place to be the brand you can trust. Food safety dominates their concerns and the supply chain must become more transparent and provide the necessary traceability mechanisms. Consumers have a plethora of products from which to choose and are becoming increasingly challenged by labeling claims.



Rod Hawkes  
Cornell University



He shared the example of the *How Good* product rating label that measures the sustainability of the product taking into account sourcing from environmentally positive farming, sustainable fishing, fair trade, local or seasonal, ethical animal handling, water saving, energy efficiency, waste management, community engagement, treating people fairly, healthy eating and responsible marketing. Manufacturers and retailers are changing policies and practices to avoid controversies, which leads to growing pressure for farmers and suppliers to change practices.

Roberta MacDonald, Sr. Vice President, Agri-Mark Cooperative, Inc. spoke about the cooperative's decision to seek B Corp certification. Over the past 3 decades the Cabot brand was strengthened through connections between farmers and consumers, award winning products and numerous community events. Marketing costs continued to rise requiring changes in how and where the product was marketed. She noted that, "Increasingly American consumers care about the company from which they purchase the product not just the product. Not only must it be a good product, it must be a good company. This is especially true for people 18 to 35 years old." B Corps certified companies "use business as a force for good." They can verify high levels of social and environmental performance, transparency and accountability. Product labels can include the B Corp logo. B



Roberta MacDonald, Sr. VP  
Agri-Mark Cooperative, Inc.



Corp Certification involves an assessment and rating of a company's overall social and environmental performance. The assessment is conferred through the non-profit B Lab. Achieving B Corp Certification strengthens the company's brand. It incorporates what the cooperative found through their brand audit—sincerity, uncorrupted by time, natural, and delicious.

## Agri-Mark's Richard Stammer Recognized at CoBank Northeast Customer Meeting



CoBank President Mary McBride recognized Executive Senior Vice President Rich Stammer for his dedication and leadership of Agri-Mark Cooperative Inc. Before coming to Agri-Mark in 1982 as the SVP of Economics and Communication, Stammer was a tenured professor in Agricultural Economics at Rutgers University. He provided leadership for the merger between Agri-Mark and Cabot Cooperative Creamery. For a time he was the President of Cabot Cooperative Creamery and COO of Agri-Mark before being named CEO of the farmers' and brand side of the business. Under his leadership, Cabot branded cheese sales grew by 600%. He and his leadership team are credited with being one of the first to use future's markets to hedge price risks as well as being one of the first dairy companies to institute a "farm to consumer" sustainability program.

He served as President of both the American Dairy Products Institute (ADPI) and American Butter Institute as well and as a Director of the Federal Reserve Bank of New England. Most recently he received the Award of Merit from ADPI.

In honor of Stammer's leadership, Agri-Mark Cooperative Inc. made a donation to the NECC Cooperative Leadership Fund.



## PRESIDENT'S COLUMN

As incoming president of the NECC, I would like recognize all of the hard work that the board of directors does and thank them for the opportunity to serve the council in this capacity. Also, on behalf of the board, I would like to extend a thank you to Cindy VanLieshout for her leadership over the last two years as President.

Under her leadership the Council entered into a new memorandum of understanding with Cornell University and undertook a strategic planning discussion which we can build off from and continue to offer value to the council membership. Special thanks to William Nelson and Gary Heckman for their many years of service and dedication to the Council.

I currently serve as a Region Manager with National Grape Cooperative where I handle member relations with our Pennsylvania and Ohio membership. Also, I represent National Grape Cooperative on the New York Wine and Grape Foundation Board of Directors and am a LEAD NY program graduate.

We hope that you found the Cooperative Leaders Forum and the CoBank customer meeting valuable and informative. We were pleased to present the first Cooperative Internship Recognition Award and I thank Agri-Mark Cooperative Inc. for their support of the Cooperative Leadership Fund. I want to recognize the hard work by NECC Executive Secretary Bobbie Severson and the Annual meeting planning committee to make this meeting such a success. We very much appreciate our relationship with CoBank and their contributions to this event along with the support from the CHS Foundation and product donations of our member organizations. Please mark your calendar for next year's meeting on March 2-3, 2017 in Syracuse, NY.

In closing, the council will continue to implement its strategic plan so that it can continue to remain relevant and add value to its membership. Feel free to contact your board member with any comments or suggestions.

*Rob Smith, President*

## Dairy Farmers of America Sponsors Supply Chain Management Business Case Competition

Five Cornell University students participated in a supply chain management business case competition hosted by the Buckeye Operations Management Society at The Ohio State University. Students from Miami University and The Ohio State University also participated in the overnight "express" case. The case required students to analyze quantitative and qualitative factors necessary to appropriately redesign the company's export logistics from a production facility in Nevada to service contracts with buyers in East Asia and South America. Following the analysis, the teams presented proposed solutions to a group of supply chain professionals from DFA. The first place team included Cornell CALS Dyson School junior, Joyce Wang.



## NECC presents first Cooperative Internship Recognition Award

Internships provide a means for students to have a real-life work experience and apply the knowledge they gain from the classroom. They can be a life-changing experience. The Cooperative Internship Recognition Award was created by the



Miriam Lipschutz, UVM congratulated by NECC President, Cyndy Van Lieshout

NECC as a means to raise the awareness of internships with our member cooperatives and reward the efforts of outstanding students. The first Cooperative Internship Recognition Award (CIRA) was presented to Miriam Lipschutz, University of Vermont.

At Cabot Creamery, Miriam worked with the Quality Assurance team learning and conducting quality control testing. She assisted with the development of the Copack quality control testing program, ingredient verification audit program and cut and wrap cheese testing and grading program.

*"As a co-worker she was highly complimented by the employees and Cabot Management team. She has shown a great deal of initiative in ensuring that she develops the skills necessary to collect, analyze and present information to peers as well as senior members of the team. She demonstrates a high level of effort towards self-improvement as well as a desire for the company's success."* Sharee Harms, Quality Assurance Manager, Agri-Mark, Inc., Cabot Plant

At the University, Miriam is part of the 2015 Cooperative for Real Education in Agricultural Management (CREAM), an experiential learning course where she and a select group of classmates are responsible for all of the decisions and chores of a milking herd. She will utilize knowledge from her coursework and internship to complete her undergraduate thesis with the Honors College in the Dept. of Animal Science focused on pathogen shedding on organic dairy farms and impact on artisan cheese production.

*"It is obvious that the internship has had a great effect on the way Miriam thinks about our enterprise and the way cooperatives run. We have benefited from her experiences and in the future I plan to encourage more students to take on internships in the local area."* Dr. Norman Purdie, Dept. of Animal and Veterinary Sciences, University of Vermont

## On hubris...

Confident leadership is critical for any organization to move forward. How does one separate confidence from hubris? Hubris indicates a loss of contact with reality, an over-estimation of one's own accomplishments, capabilities, and builds arrogance. Hubristic leaders tend to overestimate their own problem solving capabilities and the resources of the companies that they lead. A track record of "success breeds success" may lead to simplistic perspectives of intricate situations and complicated decisions. They perceive themselves to be infallible. Because of their position, high ranking leaders do not have the same 'social correctives' as others and tend to be or become somewhat isolated.

Examining industry trends and economic analysis of any given decision and business opportunity are important. Intuition and personal experience also play into the final decision that is made. Intuition can tell a leader "something doesn't feel right" or "I need to know more" in order to make a decision. For hubristic leaders, they say, "My gut is telling me to move forward..." with little to no analysis of the situation before a decision is made.

When making decisions, overconfidence and risk taking are not always disastrous. Good things can happen through quick decisions made by one or a few people. Hubristic leaders tend to believe they can "beat the odds" to the extent that they may under-estimate the risk. Praise from the media and celebrity status can create a "larger than life" aura of invincibility that hubristic leaders come to embrace. They are more likely to engage in non-inclusive, fast and centralized decision making. They acquire inflated egos and a view of extreme self-importance to the point of delusions of grandeur.

Confidence by boards of directors and the management team is important when making decisions. Issues properly vetted reduce the chances of hubris creeping in. Be diligent to the elements of hubris—decisions made by 'insiders only,' significant risk taking beyond industry standards, or choices made by 'gut instinct' only. The 'devil's advocate' in the room is an important component of the decision making process.

Companies will succumb to the hubris of their leader. Many times hubris was not identified as a problem until a company was in crisis. It is important that leaders stay grounded. Humility, gratitude and appreciation to others will avoid the overconfidence that leads to hubris. Building confidence in others is a mark of a great leader. Hubris is not.

From:

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