

Council Profile

Mission

The mission of **NECC** is to stimulate the overall effectiveness of member organizations by increasing the understanding and power of the dynamic cooperative business model among directors, members, employees, advisors, future leaders, and educators through a working partnership of cooperative leaders and faculty at Cornell University. To provide leadership to members in leveraging their own educational resources through collaboration, and providing an ongoing forum fostering the exchange of ideas among cooperatives here and around the world.

Member Services

Cooperatives operate for the benefit of their member-owners. The Northeast Cooperative Council (**NECC**) operates for the benefit of member cooperatives and associate members. **NECC** is a regional membership organization serving cooperatives in New York and New England. Council members represent a variety of cooperatives including: rural electric, insurance, service, supply, credit and marketing. Associate members include legal, accounting, consulting and international development professionals working with cooperatives in the region.

NECC was incorporated in New York State in 1949 as the New York State Council of Farmer Cooperatives. As the service area of the member cooperatives expanded across the Northeast and the number of state councils in the region declined, the Council

began to accept members from outside of New York State. In 1991 the name was changed to the Northeast Cooperative

Council. In 1997, the Council instituted an associate membership open to professionals working with cooperatives in the Northeast.

The Council is guided by the board of directors composed of representatives from member organizations. The board is comprised of a mix of producers and managers. The Council, along with the faculty and staff in the Department of Applied Economics and Management in the College of Agriculture and Life Sciences at Cornell University, strives to provide members with the highest quality educational programs.

A key relationship for the Council is a partnership between **NECC** and the Cornell Cooperative Enterprise Program (**CEP**). **NECC** and **CEP** jointly sponsor workshops, seminars and conferences.

The Council sponsors annual conferences and workshops for directors, senior management, and future leaders as well as special programs for members.

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President's Report

A great deal has changed since we were together at this time last year. Many things have occurred that have had both a direct and indirect impact on all of us. The recession, the bursting of the housing bubble, a crisis in the financial services industry, auto manufacturers in trouble, commodity prices spiking before falling back, a new administration in Washington, and so on. The list is long and varied. In many respects, the past year has been both a very trying time and a great learning experience for all of us.

With this as a backdrop, your NECC Board of Directors is pleased to welcome you to our 60th Annual Meeting and Leaders Forum. The theme for this year's meeting is "Cooperating in Turbulent Times". As the Board discussed the theme for last year's meeting, one of the ideas mentioned was "Managing in Turbulent Times". As it turns out, we were a little ahead of the times a year ago and fortunately didn't choose that theme. With all the turmoil we are now facing the theme is much more appropriate this year. Hopefully next year our meeting theme can be managing in a safe and stable economy.

Our speakers this year will discuss turning around organizations, the role of Directors in setting the direction for a company, a report on a Canadian dairy cooperative, and what to expect from the new administration in Washington. All of these are very relevant and important topics in today's world. As always, our forum will conclude with the Director and Manager Roundtables, which many find to be a very beneficial part of the program.

In addition to our normal activities, some of the things the Board has been working on over the last year have included.

- 1) *Revitalization of the Cooperative Future Leaders Conference.* We took 2008 off from this program, but under the direction of NECC Board member Jay Hardenburg, we will reintroduce the program in 2009. The meeting will be sponsored by National Grape and will be held in Geneva, NY on July 15th – 17th. We have put together a strong agenda and with your support, hope to have a well attended program.
- 2) *Increased emphasis on new membership:* Led by the efforts of Board member Craig Pollock, we have been actively soliciting both full and associate members. This is probably the most emphasis on new membership that I've seen since my involvement with NECC.
- 3) *Discussions with Mid-Atlantic Alliance of Cooperatives:* We have met with and have had ongoing communications with the leadership of MAAC regarding ways in which we can collaborate to the mutual benefit of our members. We expect that these discussions will continue during 2009.

Thank you for taking the time out of your busy schedules to attend this year's meeting. Our hope is that you will continue to find the forum very worthwhile and continue to share your thoughts and ideas on how we can make this meeting something you find valuable

and look forward to attending each year. I'd like to thank our Cornell contingent of Executive Secretary Brian Henehan, Carol Thomson, and Todd Schmit for all they do on behalf of NECC and for their help in making this meeting a success each year. Finally, thanks to the board members for taking the time out of their schedules to attend meetings, and participate in conference calls and the various other activities that we have throughout the year.

Executive Secretary's Report

This year's theme for our Annual Meeting was developed last summer - "Cooperating in Turbulent Times" - when the downturn in the economy, and issues in the financial services sector were starting to surface. Who could have predicted then, that the Fall would bring the level of financial failures, government bail-outs, erosion of trust in financial institutions, and stock market turmoil that we have seen. We are certainly experiencing - "Turbulent Times".

On the more positive side of the equation, cooperative businesses can offer some effective counter weight to an otherwise dismal picture of corporate decision making and governance. Cooperatives provide a number of approaches that other types of firms could learn from. A clear focus on business activities that directly benefit member-shareholders, working democratic control that provides a check on boards and managements decisions, a link to communities that they operate in all add to the potential success of cooperatives. Cooperatives have an underlying mission that encourages "sticking to your knitting" versus entering into complex, convoluted, high risk business activities that might reap short term profits but could create longer term financial disaster. And so, cooperatives may have a firmer foundation to operate from during these "Turbulent Times".

I continue to consider serving as your Secretary as an honor, and hope to continue the productive relationship that we have had over the years. Cornell and our College are not exempt from "Turbulent Times". We are hoping for a more positive economic environment and continued support for higher education as well as for Cooperative Extension and outreach efforts.

In Memoriam

We lost two impressive figures in the world of Northeast cooperatives over the past few months - Irene Sorensen and Chuck Dickson. Irene who was manager of grower communications at Ocean Spray, departed this world on December 5, 2008. She also served on the NECC board since 2005, but many of us got to know her years before as she was active in various cooperative member relations and communicator conferences as well as other educational events. She was honored by Ocean Spray with the following words:

Irene Sorensen was a rare person indeed. She was one of those unusual people who could pop a fresh cranberry in her mouth and smile pleasantly while she chewed it. To Irene, there was no bitter-sour taste. In fact, she loved it. Nothing ever soured Irene's taste for life. Whether celebrating a

co-worker's success, chatting "bogside" with a grower-owner, babysitting her grandchildren, walking for a cure for cancer, or mourning a loss with a friend, Irene always found room in her heart for others.

During difficult times, Irene often was the first person people would call - not just because she had the answer, but because of her genuine concern and her ability to relate to each person's unique situations. She listened and she spoke with no filters or reserve, just pure passion.

"Irene was a true professional with a very large heart," said Randy Papadellis. "She has deeply touched the lives of all who have known her. I will miss her 'straight talk' and boundless passion. She was literally the face of Ocean Spray."

Charles Elmer Dickson departed this world on January 15, 2009. Chuck shared his extensive management experience and commitment to agriculture with fellow directors on the Farm Credit boards that he served on. He joined the New York State Gas and Electric Co. in 1968 as an electric heating specialist and over the years worked his way up to a senior executive position as Vice-President of gas operations in 1992. He retired in 1995 but continued to stay active on numerous boards including United Health Services, Key Bank Advisory, Boys Club, Binghamton Rotary as well as Farm Credit. Following retirement he served as Director of Alumni and Parent Relations for SUNY Binghamton for seven more years.

He had a lifelong interest and advocacy for agriculture and the outdoors, never missing opening day of deer season for fifty years. He joined the Oneonta Farm Credit Board in 1987, appointed as the first "outside" director. He served on the board through the merger that created First Pioneer Farm Credit and then served on that board until the Fall of 2008. He received various local and National recognition for his service to the Farm Credit System

Cornell Report

Congratulations to the Northeast Cooperative Council (NECC) for another productive year working with cooperative leaders, executive management, future leaders, and educators in increasing the understanding and power of the dynamic cooperative business model! Cornell University and the Department of Applied Economics and Management (AEM) are proud of the collaborative working partnership we have developed with the NECC and look forward to continued interaction in the future.

Over the past year, I have been busy working as the Cornell liaison to the NECC, as well as continuing my other research and extension activities. It has been a pleasure to get to know many of you and in working with the NECC to develop effective research and outreach products. In addition, Brian Henehan and I continue to work closely together to

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develop new discoveries and educational opportunities related to agricultural cooperative development and growth.

My activities with the NECC are a key component of my extension program in *Agribusiness and Economic Development*. The program serves to encourage the growth, competitiveness, and viability of agribusiness firms by improving the understanding and application of agricultural marketing, business management, and industry development skills. A variety of communication methods are employed to effectively and strategically interact with program stakeholders, including program websites, list-serves, written communications (bulletins, fact sheets, and trade and industry publications), conferences, workshops, and other face-to-face meetings. For more information please check out our new website at: <http://agribusiness.aem.cornell.edu>.

As it is the purpose of this report, we follow now with a brief description of this past year's educational and research efforts, particularly in relation to agricultural cooperatives and associated farmer members of the NECC. As always, we welcome and seek your input and feedback so as to develop effective, useful, and timely research and outreach products. We look forward to another productive year together!

Todd M. Schmit, Assistant Professor
Program Leader, Cornell Program on Agribusiness and Economic Development
Department of Applied Economics and Management

Educational Activities

Agricultural Cooperative Education: Brian Henahan presented a seminar in Geneva to horticultural faculty on "Serving Member Interests in changing Markets: the Case of Pro-Fac Cooperative". He was a guest lecturer for the undergraduate course on Vegetable Production (HORT 4500) on "Group Action in Marketing and Distribution". With increasing attention towards local and regional food systems, as well as other market developments, the cooperative business model is being considered by groups of producers and other firms.

NECC Strategic Planning: The NECC Board of Directors approved the organization's first Strategic Plan in 2001 to articulate the Council's vision, mission, and goals; and strategies to achieve and support them. While recognizing that much of the plan remains valid today, the Board understands the need to periodically review the plan and conducted a strategic planning session in December of 2007. Brian and Todd both worked as facilitators in that discussion to help guide the development and planning of future programs and services. The consensus of the planning discussion was that future leaders should be receiving the Council's highest priority, followed closely by directors, particularly in terms of training and development needs. The Council's primary focus moving forward is in how to better deliver and market current programs to stakeholders to convince them of their value, highlight the incentives to participate.

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Advanced Director Workshops: Henehan worked with a number of boards during the year including new and emerging cooperatives, producer trade associations, and an emerging livestock cooperative. Topics covered included: strategic planning, evaluating board performance and group action in marketing. He was invited give as presentation on group action in renewable energy development at the NE Renewable Energy Conference held at Penn State University. Henehan along with several NECC member cooperative leaders, participated as presenters in the 11th Annual Farmer Cooperatives conference on “Cooperative Strategy, Structure and Finance”.

International Visitors: Henehan developed a two-day program for a delegation visiting from China under the Scientific Cooperation Exchange Program studying the U.S. food and agricultural system. Dr. Xiangyu Guo, Dean of the College of Agriculture at NE Agricultural University in Harbin, China ended his year of study at Cornell focusing on agricultural cooperatives. He along with Henehan and Schmit co-authored several papers and reports in English and Chinese.

Cornell Strategic Marketing Conference: Todd Schmit currently serves as the faculty chair of the Agricultural Marketing and Management Program Work Team (PWT), whose mission is to give New York food and agriculturally related businesses a competitive advantage by improving the knowledge of marketing and management capacities and skills. Each fall, the PWT sponsors the Cornell Strategic Marketing Conference and the theme of this past years’ conference was *Turning Lemons into Lemonade: Tuning Your Marketing Practices for Today’s Food Safety System*. The 2008 Conference, held in October in Wappingers Falls, brought together over one dozen experts, producers, and industry leaders who provided important information on current safety standards, traceability, and product audit, as well as new and innovative marketing models and merchandising techniques that highlight consumer needs for safe, quality, and sustainable products. Over 50 registrants from industry, production, service, and government also participated in multiple commodity track sessions that focused on production responses and marketing opportunities for fruits and vegetables, meat products, and value-added dairy products; along with tools to develop efficient and traceable transportation logistics. More information can be found at: <http://marketingpwt.aem.cornell.edu>.

Local and Regional Food Systems: Todd Schmit supervised a graduate student conducting research focusing on marketing channel selection for small-scale fruit and vegetable producers. The thesis, completed in December 2008, involved in-depth case study analyses and interactions with four local producers that utilized a variety of wholesale and retail market channels. An extension bulletin will be completed shortly to communicate the results to extension audiences, along with an on-farm market channel assessment tool for producers that will be distributed to CCE educators. Schmit also served as the faculty supervisor for an undergraduate student intern in 2008 on a project with

Cornell Report (cont'd.)

CCE county associations in the North Country assessing success and performance at local farmers' markets. Preliminary results have been presented at the CCE In-Service program and further publications and presentations are planned for 2009.

Other Educational Outreach Efforts: Both Schmit and Henehan presented the results of their research and educational efforts at numerous extension, industry, and educational events, including the Agribusiness Economic Outlook Conference, Cornell Cooperative Extension's Agricultural and Food Systems In-Service, New York Farm Bureau's Commodity Committee Summit, and the Agricultural Finance and Management Retreat. Schmit also serves on the New York Dairy Industry Task Force of the New York Center for Dairy Excellence, and is a faculty advisory member for the Community & Rural Development Institute (CaRDI).

Research Efforts

Food and Beverage Manufacturing: In the second of our three-year project, we are conducting an economic analysis of the food manufacturing industry in NYS and developing recommendations for manufacturing firms and public policy makers to improve firm competitiveness. A unique regional-level dataset has been developed to estimate the current economic contributions and to identify regional areas of specialization and competitiveness. A 19-member project Advisory Council has been formed, including farmer cooperative and private manufacturing firms, and state and university economic development agency personnel. The Council provides critical feedback on project objectives and programming activities, and has assisted in the development and pre-testing of a firm-level survey that will be administered in February 2009 to all food and beverage manufacturing firms in New York. Further feedback on the results of the survey will be received through regional focus groups with manufacturing firm leaders later in 2009. Additional information on the project can be found at <http://agribusiness.aem.cornell.edu/foodmanuf.html>.

Agricultural Cooperative Conversions: Since the inception of Pro-Fac Cooperative in 1960, the cooperative has undergone significant structural and organizational change up to the current situation in 2008. The Pro-Fac case presents a unique opportunity to examine the changes in the processed fruit and vegetable industry and the strategies adopted by a producer-owned cooperative to best represent member economic and marketing interests over that time period. As part of a larger collaborative research effort on cooperative conversions, failures, and restructuring in U.S. and Canadian agriculture, Henehan and Schmit have written a case study that provides an in-depth analysis of the transitions and operational changes of Pro-Fac over its storied history. The work has been also accepted for publication in the Journal of Cooperatives and is expected to be out later in 2009. A current version of the paper is available at: <http://aem.cornell.edu/research/researchpdf/wp0909.pdf>.

Local Wine Access to Large Consumer Markets: Recent research has evaluated increasing market access for upstate New York wines into the large New York City (NYC)

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market. An important implication of the research revealed that being local is not enough, and New York winery stakeholders could establish a more prominent presence in NYC by emphasizing their collective reputation for particular grape varieties. It is worth noting that recent efforts by the New York Wine and Grape Foundation have been addressing this tactic directly. More information is available at: http://www.wine-economics.org/workingpapers/AAWE_WP29.pdf.

Bioenergy Development: High oil prices in the recent past resulted in renewed interest in biofuels and renewable energy. The expanding US biofuels industry has affected the structure of agricultural commodity markets and these changes have substantially different implications for crop and livestock producers across the country. We have recently published in this area by evaluating the differential impacts of biofuels-induced changes in agricultural markets across livestock sectors. Given an uncertain future, such information can serve as a useful tool for planning production and feeding decisions, as well as the adoption of strategies and tools to control input costs. We are also currently evaluating optimal dairy farm management adjustments to these types of market changes using a whole-farm systems approach. While we were able to derive the expected utilization of corn distillers (a by-product of corn-based ethanol production) based on alternative prices and farm system factors, we also show that N and P levels in dairy waste increases significantly. Given the importance of monitoring nitrogen losses to water bodies and soil phosphorus loadings across the state, continuing research in this area is of high priority in determining appropriate nutrient management considerations and effective waste management. Additional research has examined the investment behavior in corn-based ethanol production under uncertainty. Ethanol production over the past few years has been both a haven and heartache for investors in corn-based ethanol facilities. Record-high returns in 2006 and 2007 have vanished in the face of precipitous drops in gross margins in 2008. In this work, we analyze investment and operating decisions of ethanol facilities, identifying trigger prices that signal the optimal times in which to change the status of plant operations. Whether or not ethanol will be the preferred renewable energy source in the future, the development and reformation of this sizable industry remains an important issue across the US agricultural and energy sectors..

Agribusiness Development: Understanding the economic contributions and evolving linkages between agriculture-based industry markets is essential in defining appropriate firm, industry, and public policy strategies. The competitiveness of agribusiness firms in NYS relative to other regional or national firms is of growing concern. With a graduate student, we have developed a unique regional level dataset on New York agribusiness industry activity that will be analyzed to identify agribusiness cluster contributions, regional areas of specialization and competitiveness, and to assess inter-industry linkages important to development. As part of the student's MS thesis, he is developing a general model of firm location and production to examine the spatial structure of agribusiness cluster production and competitiveness in NYS.

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Recent Publications

Journal Articles:

- Henehan, B.M. and T.M. Schmit. 2009. "Serving Member Interests in Changing Markets: A Case Study of Pro-Fac Cooperative." forthcoming, *Journal of Cooperatives*
- Schmit, T.M., L. Verteramo, and W.G. Tomek. 2009. "Implications of Growing Biofuels Demands on Northeast Livestock Feed Costs." forthcoming, *Agricultural and Resource Economics Review*.
- Guo, X., T.M. Schmit, and B.M. Henehan. 2008. "Rural Supply and Marketing Cooperatives in China: Historical Development, Problems, and Reform." *Journal of Rural Cooperation*, 36(2):157-174.
- Schmit, T.M., J. Luo, and L.W. Tauer. 2008. "Ethanol Plant Investment using Net Present Value and Real Options Analyses," submitted to *Biomass and Bioenergy*, Aug. 2008.
- Guo, X., Z. Yu, T.M. Schmit, B.M. Henehan, and D. Li. "An Empirical Evaluation of New Socialist Countryside Development in China," Submitted to *Applied Economics*, Sept. 2008.
- Chang, H-H, T.M. Schmit, R.N. Boisvert, and L.W. Tauer. "Quantifying Sources of Dairy Farm Business Risk and Implications for Risk Management Strategies," Submitted to *Journal of Dairy Research*, Mar. 2008
- Preszler, T. and T.M. Schmit. "Modeling Perceptions of Locally Produced Wine among Restaurateurs in New York City." Submitted to *International Journal of Wine Business Research*, Nov. 2008.
- Schmit, T.M., R.N. Boisvert, D. Enahoro, and L. Chase. "Dairy Farm Management Adjustments to Biofuels-Induced Changes in Agricultural Markets." Submitted to *Journal of Dairy Science*, Feb. 2009.

Extension Bulletins and Staff Papers:

- LeRoux, M.N., T.M. Schmit, M. Roth, and D.H. Streeter. 2009. "Evaluating Marketing Channel Options for Small-Scale Fruit and Vegetable Producers: Case Study Evidence from Central New York." EB 2009-XX, Department of Applied Economics and Management, Cornell University. Forthcoming.
- Tomek, W. and T.M. Schmit, T.M. 2008. "Chapter 5: Grain and Feed." in New York Economic Handbook 2009, EB 2008-25, Department of Applied Economics and Management, Cornell University. December, pp. 5-1 – 5-8.
- Henehan, B.M. and T.M. Schmit. 2008. "Chapter 3: Cooperatives." in New York Economic Handbook 2009, EB 2008-25, Department of Applied Economics and Management, Cornell University. December, pp. 3-1 – 3-6.
- Schmit, T.M., L. Verteramo, and W.G. Tomek. 2008. "Implications of Growing Biofuels Demands on Northeast Livestock Feed Costs – Understanding the Technical Relationships between Ingredient Prices and Feed Costs." EB 2008-15, Department of Applied Economics and Management, Cornell University. August.

Henehan, B.M. and T.M. Schmit. 2008. "An Inventory of Educational Resources for Directors of U.S. Agricultural Cooperatives." EB 2008-08, Department of Applied Economics and Management, Cornell University. May.

Trade and Industry:

Henehan, B.M. Editor. "Cooperative Notes," Newsletter of the Northeast Cooperative Council, (NECC). Volume 22, issues 1-4. January, May, and October, 2008.

<http://aem.cooperatives.cornell.edu>

Dunn, J., B. Tomek, and T. Schmit. "Corn Price Ride Levels Off." *American Agriculturist*, 206(2), February 2009, P. 24.

Schmit, T.M., J. Luo, and L.W. Tauer. "Real Option Investment Analysis for Biofuel Plants." *Bioenergy Business*, Environmental Finance Publications, September 2008, pp. 14-16.

Year In Review

Forum Focused on "Stimulating Innovation"

The Northeast Cooperative Council held its Cooperative Leaders Forum and 59th Annual Meeting on March 11-12 at the Marriott Hotel in Albany, NY. The Forum was co-sponsored by CoBANK and Cornell Cooperative Extension. There was also be a pre-conference tour of the RAILEX produce, unit train warehouse operation in Rotterdam, NY.

Richard Lewis kicked off the Forum with an address on "**Global Market Strategies**".

Lewis is the Chief Executive Officer of DairyAmerica, Inc (DA). headquartered in Fresno, CA is a federated marketing association of nine producer-owned dairy cooperatives. DA supplies quality dairy products regionally, nationally, and internationally to its ever expanding and diverse customer base. Members include: Agri-Mark, Inc., California Dairies, Inc., Land of Lakes, Inc., Maryland & Virginia Milk Producers Association, O-AT-KA Milk Products, Inc., United Dairywomen of Arizona, Dairy Farmers of America, and Lone Star Milk Producers. DA markets 100% of the milk powder produced by members. Products include: nonfat dry milk, buttermilk, and whole milk powders.

Dr. Arthur DeGaetano discussed "**Changing Weather for the Northeast**". **DeGaetano** is an Associate Professor and Director of the Northeast Regional Climate Center at Cornell University <http://www.nrcc.cornell.edu/>. He is a faculty member in the Dept. of Earth and Atmospheric Sciences in Cornell. His research and scholarship focus on: enhancing the use and utility of climate data and information in weather sensitive decisions, development of methods by which the existing climatological record can be used as a problem-solving tool or to enhance decision making.

Dr. Robert Thompson presented an "**Economic Outlook**". Professor Thompson holds the Gardner Chair in Agricultural Policy at the University of Illinois in Urbana-Champaign, where he carries on an active program of classroom and extension education in public

Year In Review, Cont'd.

policy. He serves on the USDA-USTR Agricultural Policy Advisory Committee for Trade and as Chairman of the International Food and Agricultural Trade Policy Council. He has held previous positions as Director of Rural Development and Senior Advisor for Agricultural Trade Policy at the World Bank; President and CEO of Winrock International Institute for Agricultural Development, and Dean of Agriculture at Purdue University.

Andrew Razeghi addressed the subject of “**Where Innovative Ideas Come From**”. Andrew Razeghi works with organizations seeking growth through the creation and introduction of new ideas. His work spans industries – from consumer packaged goods to healthcare, tourism to media, and non-profit organizations to professional sports teams.

Moreover, Andrew speaks to thousands of people each year at trade association and organization events on topics related to leadership and innovation. He is the founder of The Andrew Razeghi Companies, LLC, He is also an Adjunct Associate Professor at The Kellogg School of Management at Northwestern University and has taught the capstone MBA course on strategy and organization at The Graduate School of Business at Loyola University Chicago.

The afternoon program was followed by a reception hosted by CoBANK directors. At the annual banquet, **Roy Orton**, who retired as Chairman of CoBANK, was honored for his many years of service to cooperatives in the Northeast and across the U.S. Speakers who praised Roy for his efforts included, Patrick Hooker the Commissioner of Agriculture for New York State, Tom Davenport with National Grape Cooperatives and Sheldon Brown, a farmer-director from New York who served with Roy on the CoBANK board.

The Forum continued on Wednesday morning with two presentations on “**The Decision to Merge**” by **Dan Wolf** and **Dudley Chaffee**. Wolf reviewed the merger between Upstate Farms Cooperative and Niagara Milk Producers. He also participated on the panel discussion on **Cooperative Governance**. He and his wife, Nancy, and their oldest son, John operate a 300-cow dairy farm and farm over 1,000 acres. Dan has been a delegate of Upstate Niagara Cooperative, Inc., and its predecessors since 1980. He was first elected as a director of the Cooperative in 1984. He was elected President of Upstate Farms Cooperative, Inc. in 2001, and is now President of the merged Upstate Niagara Cooperative, Inc. He also is a past president of NECC.

Dudley Chaffee also reviewed the merger between Niagara Milk Producers and Upstate Farms Cooperative. Chaffee with his wife, Ruth, own and operate Chaffee Farms in picturesque Barker, NY. He is currently serving as Councilman for the Town of Somerset, is a past President of Niagara Milk Cooperative, Inc. and is currently Vice President of Upstate Niagara Cooperative, Inc. Dudley also is a Director for O-AT-KA Milk Products, and serves as Treasurer.

Roy Orton, Dan Wolf and **Brian Henehan** shared their “**Observations on Cooperative Governance**”. **Roy** is owner of Orton farms, a fruit farm in Ripley, NY He has been a

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member of National Grape Cooperative for almost 50 years. He has over 35 years of extensive experience as a cooperative board member serving on the various boards including: the National Grape Cooperative, Welch Foods, Springfield Bank for Cooperatives, as well as CoBANK. He has served as Chairman of Welch Foods and most recently, CoBANK. He has also served on the boards of several National organizations including the National Council of Farmer Cooperatives and the Farm Credit Council. **Henehan** serves as director of the Cooperative Enterprise Program in the Dept. of Applied Economics at Cornell University. He is a Senior Extension Associate in the Dept. of Applied Economics where he conducts applied research and develops educational programs on cooperative business administration and governance. He has studied cooperative decision making, marketing and finance as well as engaged in Extension and outreach programming for over 25 years. He also serves as Secretary of the Northeast Cooperative Council. The forum wrapped up with round table discussions for directors and managers. In these sessions leaders from across the Northeast discussed current issues and shared strategies.

RAILEX Tour

NECC sponsored a pre-conference tour of Railex, LLC before the Annual Meeting and Leaders Forum. The New York Railex distribution center and warehouse is located in the Rotterdam Industrial Park in Rotterdam, NY. Railex operates the only express perishable, produce unit trains in North America. The train is comprised of specially designed cars with state of the art GPS and temperature monitoring technology.

Twenty individuals attended the tour. A number of NECC member cooperatives were represented on the tour including: Dairylea Cooperative, Dairy Farmers of America, First Pioneer Farm Credit, Upstate Niagara Cooperative, O-AT-KA Milk Products Cooperative, and National Grape Cooperative. Other organizations, businesses or agencies that were in the tour group included: Cornell University, Blue Hill at Stone Barns, Northeast Milk Marketing Order Administrator, NYS Dept. of Agriculture & Markets, Cornell Cooperative Extension of Oneida County, and Finger Lakes Organic Growers Cooperative. The group was hosted by Railex management and staff including: Andrew M. Pollak, CEO; Debbie Trock, Human Resources, Jonathon Trock, Paul Esposito, Senior VP of Sales and Logistics and William L. Collins, General Manager.

NECC Directors & Officers for 2008

The Council held the election of directors at the Council's annual meeting held in Albany, NY on March 11. Three directors were re-elected to serve on the 13 member board. Kevin Murphy Senior Vice-President was re-elected to represent Pro-Fac Cooperative. Eric Zuber a dairy farmer and director of Upstate Farms and O-AT-KA Milk Products was re-elected to represent O-AT-KA on the board. Will Baildon, vice-president CoBANK was re-elected to represent CoBANK.

Year In Review, Cont'd.

Officers were elected at the reorganization meeting of the board. Will Baildon, vice-president, CoBANK was elected to serve as President to the Council. Eric Zuber a dairy farmer and director of Upstate Farms and O-AT-KA Milk Products was elected Vice-President. Theron Kibbe, director of marketing for Farm Credit of Western New York, ACA continues to serve as Treasurer. Brian Henahan, senior extension associate at Cornell University, was re-appointed Secretary.

NECC Directors Meet at Cornell University

The December board meeting was held in Warren Hall on the Cornell campus. Directors were joined for lunch by Dr. Loren Tauer, Chairman of the Dept. of Applied Economics and Management. Following lunch the board toured the Experimental Economics and Decision Research Lab. and participated an experimental economics exercise led by Prof. Bill Schulze. For more information on his work and the lab, visit his website at <http://aem.cornell.edu/profiles/schulze.htm>.

The board also received a demonstration of “iclickers” software and interactive technology. Henahan demonstrated how individual participants can respond to questions presented with PowerPoint. A program and receiving hardware allows for recording and presenting individual participant’s responses to questions or discussion issues. For more information on the technology see <http://www.iclicker.com/dnn/>

NECC MEMBERS ON THE "TOP 100" LIST

The National Cooperative Bank has released its 2008 "Co-op 100" list of the largest U.S. business cooperatives. Six NECC members are included in this elite group which includes cooperatives operating in various business sectors. The NECC cooperatives are:

Rank	Cooperative	2007 Total Revenue (million \$)
2	Dairy Farmers of America	11,115
12	CoBANK, ACB	3,085
32	Ocean Spray Cooperative	1,332
45	Dairylea Cooperative, Inc.	1,006
58	Agri-Mark	836
72	National Grape Cooperative	654

For more information on the list and on cooperative businesses visit
www.ncb.coop/publications

Leaders and Members

Board of Directors (2008)

Will Baildon
COBANK, ACB

Paul Doton
Yankee Farm Credit, ACA

Jay Hardenburg
National Grape Cooperative

Theron Kibbe
Farm Credit of Western NY, ACA

John Majkut
Agri-Mark

Kevin Murphy
Pro-Fac Cooperative

Craig Pollock
First Pioneer Farm Credit, ACA

Edwin Schoen
Dairy Farmers of America

Irene Sorensen (deceased)
Ocean Spray Cranberries, Inc.

Sandy Stauffer
Dairylea Cooperative Inc.

Cynthia VanLieshout
Upstate Niagara Cooperative

Eric Zuber
O-AT-KA Milk Products Cooperative

Officers

Will Baildon, President
COBANK, ACB

Eric Zuber, Vice-President
O-AT-KA Milk Products Cooperative

Theron Kibbe, Treasurer
Farm Credit of WNY, ACA

Staff and Associates

Brian Henehan, *Executive Secretary*
Carol Thomson,
Administrative Assistant
Dr. Todd Schmit,
Cornell Liaison

For more information about the Council contact:

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