Building Opportunity Through Change

Northeast Cooperative Council

2012 Annual Report

Information  Education  Collaboration
Northeast Cooperative Council Members

AgChoice Farm Credit, ACA
Agri-Mark, Inc.
CHS, Inc.
CoBank, ACB
Dairy Farmers of America
Dairylea Cooperative Inc.
Dairy One
Farm Credit of Maine, ACA
Farm Credit East, ACA
Genex Cooperative, Inc.
Land O’Lakes
Lowville Farmers Cooperative, Inc.
National Grape Cooperative Association, Inc.
New York State Rural Electric Association
Ocean Spray Cranberries, Inc.
O-AT-KA Milk Products Cooperative Inc.
St. Albans Cooperative Creamery
Stamford Farmers Cooperative
Upstate Niagara Cooperative
Yankee Farm Credit, ACA

Northeast Cooperative Council Associate Members

Scolaro, Shulman, Cohen, Fetter, & Burstein PC—Jeffrey Fetter
Cooperative Development Institute—Lynda Brushett
Bond Schoeneck and King, PLLC—David Hayes and Charles Sullivan
Hale Group—Bob Ludwig
Dopkins and Co., LLP—Jay McWatters
FCC Services—Bill Wilson
Herbein + Company, Inc.—Robert F. Firely, Jr.
Council Profile

The Northeast Cooperative Council is a professional organization of cooperative-owned businesses and their advisors headquartered or doing business throughout the Northeast and Mid-Atlantic United States. Member organizations represent a variety of cooperative businesses associated with the farm and food sector including: rural electric, supply, service, marketing, finance, purchasing and processing. Associate members include legal, accounting, consulting, and international development professionals working with cooperatives throughout the region. The Council operates for the benefit of member cooperatives and associate members.

The Northeast Cooperative Council was incorporated in New York State in 1949 as the New York State Council of Farmer Cooperatives. Through time the service area has expanded as the number of state cooperative councils decreased and cooperative businesses consolidated. In 1991, the name was changed to the Northeast Cooperative Council and in 1997 the Council instituted an associate membership program open to professionals working with cooperatives. The Council is guided by a board of directors composed of representatives from member organizations. The board is a blend of producers and managers.

A key relationship for the Council is a partnership between NECC and the Cooperative Enterprise Program (CEP) at Cornell University, Charles H. Dyson School of Applied Economics and Management. The Council along with faculty and staff in the Department of Applied Economics and Management at the Dyson School endeavors to provide the highest quality educational programs to benefit cooperative businesses, members, management, and employees. The Council sponsors conferences and workshops for directors and senior management and programs for future cooperative leaders.

**The mission** of the Northeast Cooperative Council 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 as well as offer leadership to members in leveraging their own educational resources through collaboration; and to provide an ongoing forum fostering the exchange of ideas among cooperatives here and round the world.

**Northeast Cooperative Council Officers**

President:
Craig Pollock
Farm Credit East, Sangerfield, NY

Vice President:
Cynthia Van Lieshout
Upstate Niagara Cooperative, Rochester, NY

Treasurer:
Stephen Tudhope
Farm Credit East, Batavia, NY

Executive Secretary:
Roberta Severson
Cornell University, Ithaca, NY
Maybe I am biased, but the cooperative model seems to have gained in favor recently. Have you ever watched the Nationwide Insurance commercials? They say during the commercial “We put members first because we do not have shareholders”. Cooperatives can focus on the returns to their members for the long term whereas a company owned by shareholders needs to demonstrate short term gains in order to keep the owners satisfied today which could be at the expense of future, sustained gains. Opportunities are presenting themselves here in the Northeast and cooperatives can leverage those opportunities for the long term benefit of their members, especially by working together. Fortunately, we are blessed with strong cooperative directors and management in our corner of this great nation to make it happen. Please do not hesitate to reach out to us if you feel the NECC can help assist your cooperative to capitalize. Moreover, we want to hear from our member cooperatives what you feel are new issues we should address and/or additional ways we can help you via our mission........“to enhance the performance of existing cooperative businesses and facilitate the development of emerging cooperative enterprise through teaching, research, and outreach.”

The Northeast Cooperative Council (NECC) experienced a great deal of change in 2012. First of all, our longtime pilot, Brian Henehan, retired and we welcomed a new Executive Secretary for the future, Bobbie Severson. Bobbie has only been on board for about 8 months; we are very pleased to discover that we hired a self-starter who is bringing new energy to our mission. I would be remiss if I did not thank Brian for giving his time to assist with the transition. In addition, we raised over $60,000 with respect to our Leadership Fund donation drive in recognition of Brian’s fine work over the years. We added to our educational offering.....The Board of Directors’ takes pride in helping re-establish a Cooperative Management course at Cornell University during the current spring semester which is being taught by Todd Schmit. Our geographic footprint expanded with the addition of new members located in Pennsylvania. Finally, we renewed our Memorandum of Understanding with Cornell through June 2015.

Also, during 2012, we discussed various items that the Board will focus upon in 2013. Some of these include a cataloging of youth programs offered by our member cooperatives, a revamping of our website, deployment of the Leadership Fund, recruiting additional Associate Members so that they can increase their understanding of the cooperative model and the delivery of our traditional Future Leaders Conference. During our Board meeting in December, Bobbie Severson and Todd Schmit shared with us their plans for delivering additional value to our member cooperatives in 2013 including efforts aimed at getting college students involved with your cooperatives, governance research and teaching. We look forward to developing these various initiatives in 2013 for your benefit.

In closing, I want to extend a big thank you to Todd Schmit for his support of the NECC, especially with the transition to a new Executive Secretary. Next, I want to express our appreciation to Cornell University, specifically Dean Kathryn Boor, Loren Tauer and Wayne Knoblauch; without the affiliation and their steady, unwavering support we could not deliver on our value proposition. A special thank you goes to Carol Thomson for being the person behind the scenes that makes sure the details get taken care of. Foremost, I thank our member cooperatives for their loyalty and endorsement--we look forward to delivering benefits to you in 2013 and beyond.

Craig Pollock, President
Welcome to the 64th Northeast Cooperative Council’s Annual Meeting and Leaders Forum and to the CoBank Northeast Customer Meeting. Thank you for providing me with the opportunity to serve as the Executive Secretary of the NECC. The past several months have been filled with learning more about the NECC and its members, meeting people and building networks, and reviewing the strategic plan to identify future program opportunities to fulfill the mission of the organization.

Many of my life experiences have intersected with cooperatives. Following graduation from SUNY Alfred I worked as a Dairy One technician recording herd data and sampling milk on 25 farms in southern Onondaga Co., New York. The salary saved allowed me to attend Cornell University were I received a Bachelor’s Degree with specialization in Farm Business Management and Finance. Following graduation I became a co-managing partner on our family dairy farm in Marcellus, NY. Our farm business was a member of Dairylea, Agway, Dairy One, Genex CRI, and Farm Credit. In 1999 I began working for Cornell Cooperative Extension, Onondaga County specializing in agricultural programming and land use issues along with working towards my Masters at Cornell. Prior to becoming the Extension Associate for the Cornell University Cooperative Enterprise Program I worked at Cornell Cooperative Extension, Seneca County, NY in agriculture economic development.

This year the Council expanded its service area to include the Mid-Atlantic States. The organization welcomes members AgChoice Farm Credit, ACA, Land O’Lakes, and CHS, Inc. and Associate member Herbein + Company.

The NECC has a strong relationship with Cornell University. I thank the individuals and businesses who have generously contributed to the Cooperative Leadership Fund. The NECC is currently evaluating a plan to utilize some of the funds for cooperative education programs. The funds are to be used specifically for education purposes such as director training, expand the knowledge of the cooperative business model, and build the knowledge and skill sets of future cooperative leaders.

At the request of the NECC Board of Directors I represented the organization at the Empire State Council of Agricultural Organizations annual meeting. The NECC is one of 28 members of the CAO. The CAO has identified three priorities that they will support this year. They include immigration reform, agriculture economic development and support for on-farm renewable energy technologies.

The NECC also had the opportunity to name individuals to the National Council of Farmer Cooperative Government Affairs Committee. Bill Banker will serve on the GAC Animal Agriculture sub-committee and Sandy Stauffer will serve on the International Affairs sub-committee.

I am excited about the coming year. Plans are underway for the NECC Future Leaders Conference to be held in Batavia, NY July 17-19. Upstate Niagara and Farm Credit East (Batavia office) will co-host the event. Themes for the conference include basic and advanced cooperative education, roadmap to cooperative leadership, brand equity, and farm business succession planning. There will be a farm and processing facility tour and time for networking. I invite you to attend this event and to identify and sponsor your future cooperative leaders.

I look forward to building and expanding the education opportunities of the Cornell University Cooperative Enterprise Program. I am appreciative of the patience of the NECC Board, guidance of Todd Schmit, and the insight provided by my predecessor, Brian Henehan and Carol Thomson through this transition. I look forward to working with all of you in the future.

Roberta M. Severson, Executive Secretary
Congratulations to the NECC for another productive year in increasing the understanding and power of the cooperative business model! Cornell University, the College of Agriculture and Life Sciences (CALS), Cornell Cooperative Extension (CCE), the Charles H. Dyson School of Applied Economics and Management (DYSON), and the Cornell Cooperative Enterprise Program (CEP) are all proud of the collaborative relationships we have with the NECC.

We’ve entered a new era in cooperative education at Cornell University. I’m thrilled to introduce Roberta (Bobbie) Severson as our newest Extension Associate in Cooperative and Agribusiness Enterprise and Program Leader for CEP in DYSON. Bobbie came on board in August and has been very active in establishing and renewing connections with the cooperative community in the Northeast, and in better understanding the research, extension, and educational needs of stakeholders. I look forward to collaborating with Bobbie on many interesting projects and activities. Bobbie has also taken on the role of Executive Secretary of the NECC, as you will no doubt witness in her activities as part of the Annual Leaders Forum. Bobbie and the NECC have also been hard at work in developing an outstanding program this summer for the Future Leaders Conference sponsored by the NECC and Cornell University Cooperative Enterprise Program.

Also, as part of the new three-year Memorandum of Understanding (MOU) between NECC, DYSON, and CALS, a new undergraduate course on Cooperative Management is back at Cornell. The course provides an introduction to the cooperative business model with evaluation of the fundamental principles, objectives, structure, finance, and management associated with the cooperative organization. With a focus on agricultural cooperatives, topics surrounding management, governance, and new cooperative development are emphasized. Several guest speakers from NECC member organizations are scheduled throughout the semester. A hearty thanks to those members and their cooperatives! The course is offered for the first time during the Spring 2013 semester, with students from several majors in CALS. Thanks to funding support provided by CoBank, these students are in attendance at this year’s Leaders Forum. Please look for them as they are very interested in interacting with cooperative leaders from throughout the Northeast.

In case you haven’t been on campus lately, Warren Hall (DYSON’s home) continues its remodeling with the first half of the construction plan expected to be completed this summer. At that time, all of the DYSON folks will move into the newly renovated half of Warren Hall, and the next 3-year phase of construction on the remaining half of Warren Hall will commence. Come on by and check out our progress.

(See next page.)
Cornell Report cont.

I’m also pleased to announce that a newly established DYSON Agribusiness Advisory Council convened its first meeting in January 2013. The Council’s mission is to provide support, advice, and counsel to the faculty students, and staff of DYSON on issues central to the agribusiness teaching, research, and extension program’s strategic mission. A 12-member council has been established, with representation from a variety of agricultural production and agribusiness related enterprises. I’ll update you as Council activities are established.

Last but not least, I want congratulate and celebrate the retirement in 2012 of Brian Henehan, Senior Extension Associate in DYSON, Program Director for CEP, and long-time Executive Secretary of the NECC. I have had the great pleasure of collaborating with Brian during my time in DYSON and I have learned so much from his outstanding leadership of the CEP and his dedicated coordination with the NECC. I know Brian will keep busy in his retirement and I wish him all the best as he enters the next stage of his productive and rewarding career.

Finally, as always, we include below a brief description of some of this past year’s and planned educational and research accomplishments, with particular relevance to agricultural cooperatives. Numerous developments are on the horizon in 2013, and I look forward to seeing how we can work together ... cooperatively!

Thanks!

Todd M. Schmit, PhD
Faculty Liaison to the NECC

Cornell University Educational Activities

Recent Publications


**Recent Presentations**


Schmit, T. M. *Developing Cooperative Strategy to Create and Improve Member Value*, Invited Lecture, Ag Sciences Seminar (AGSCI 4010), Cornell University, Ithaca, NY. 16 April 2012.


Recent Presentations cont.


Severson, R. M. People, Profitability, Passion and Pragmatism, CCE Agriculture and Food Systems In-Service, Ithaca, NY, 13 November 2012.

Cooperative Leadership Fund

The purpose of the Cooperative Leadership Fund is to create knowledge about the cooperative business model and to build cooperative leaders through:

- Offering quality educational opportunities for undergraduate and graduate students to study and conduct research on cooperative businesses,
- Developing world-class outreach programs that deliver a high level of expertise to further the growth and performance of cooperative businesses, and
- Creating a superior learning environment that inspires the development of cooperative leaders.

The Cooperative Leadership Fund is a donor-advised fund with the Cornell University Foundation, that is, it is managed as part of Cornell’s endowment. Contributions are tax deductible.

The Northeast Cooperative Council invites you to make a contribution to the fund in honor of a cooperative leader.

The Northeast Cooperative Council takes this opportunity to thank generous supporters for their contributions to the fund in honor of Brian Henehan since the previous annual meeting.

Ocean Spray Cranberries, Inc.
  John McCulley
  J. Roy Orton
  Michael Levine
  Robert Ludwig
  John E. Shelford
  Todd Schmit

Cooperative Resources International
  Thomas Davenport
  R. Brian How
  Craig Buckout

O-AT-KA Milk Products Cooperative, Inc.
  Farm Credit of Maine, ACA
  Dairylea Cooperative, Inc.
  Dairy Farmers of America
Northeast Cooperative Council
Board Of Directors

Bill Banker
Agri-Mark, Inc.

Judy Joy
Ocean Spray Cranberries, Inc.

Michael Oleksak
CoBank, ACB

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Craig Pollock
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Sanford Stauffer
Dairylea Cooperative, Inc.

Stephen Tudhope
Farm Credit East, ACA

Cynthia Van Lieshout
Upstate Niagara Cooperative

Eric Zuber
O-AT-KA Milk Products Cooperative
NECC Committees & Members

Annual Meeting Planning & Director Development Committee
Cynthia Van Lieshout, Chair
Michael Oleksak
Gary Heckman
Judy Joy
Edwin Schoen
Sanford Stauffer
Eric Zuber
Robert Ludwig

Membership
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Judy Joy
Gary Heckman
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Stephen Tudhope
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Wayne Knoblauch
Todd Schmit
Chris Watkins

Cooperative Leadership Fund Committee
Eric Zuber, Chair
Craig Pollock
Edwin Schoen
Robert Ludwig
Todd Schmit

Future Leaders Conference Committee
Cynthia Van Lieshout, Chair
Paul Saenger
Rob Smith
Stephen Tudhope
Mike Davis
Jen Huson
Charles Sullivan

Director and Officer Nominating Committee
Eric Zuber, Chair
Cynthia Van Lieshout
Jacques Parent

Staff and Associates
- Roberta Severson, Executive Secretary
- Carol Thomson, Administrative Assistant
- Dr. Todd Schmit, Cornell Liaison
The Cooperative Enterprise Program

A recent report from the U. S. Department of Agriculture (2011) indicates there are 143 agriculture related cooperatives with headquarters in New England, New York, and Pennsylvania with 27,900 memberships, gross sales volume of $7.86 billion and net sales volume of $6.51 billion. Over 1,200 people set policies and manage cooperative businesses to efficiently market and process products produced by their members along with providing necessary financing, services and supplies in a complex, fast-paced, and ever changing global economy.

The mission of the Cooperative Enterprise Program is to enhance the performance of existing Northeast Cooperatives and facilitate the successful development of emerging cooperative ventures, networks, and alliances. This is accomplished through:

- Leadership training focused on governance, decision making and fiduciary responsibilities for current and future cooperative leaders and management.
- Succession planning for cooperative boards to attract and retain qualified people to serve as directors and managers.
- Facilitation between cooperative businesses and students, which allows students to experience the cooperative business model through job shadowing and internships.
- Enhance cooperative network opportunities through conferences and meetings that bring cooperative leaders together. An important component of the Cooperative Enterprise Program is the partnership and support of the Northeast Cooperative Council.
- Research-based information that will allow cooperatives businesses to make more informed decisions.
- Support and guidance to groups seeking to organize a new cooperative, create a collaborative agreement, or form a strategic alliance.

For more information about the Northeast Cooperative Council or the Cornell University Cooperative Enterprise Program, contact: Roberta Severson

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