Northeast Cooperative Council

2013 Annual Report

Strategic Decision Making Through Tactical Leadership

Information  Education  Collaboration

35th Future Cooperative Leaders Conference, Batavia, New York
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.

NECC 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 the Cornell University, Charles H. Dyson School of Applied Economics and Management. The Council along with faculty and staff at the Department of Applied Economics and Management in 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 around the world.
President’s Report

I am happy to report that the cooperative structure is alive and well. First of all, the NECC’s member cooperatives continue to post very good operating results. More importantly, they continue to serve their customers in an excellent fashion. Nationwide, overall cooperative membership and co-op numbers decreased. However, non-traditional entrants to agriculture, ranging from the local food movement to groups of farmers seeking market clout for their product to food hubs, are resulting in the formation of new cooperatives. The power of cooperative principles is even becoming valued in urban areas with cooperative food stores popping up.

The mission of the Northeast Cooperative Council is …”to enhance the performance of existing cooperative businesses and facilitate the development of emerging cooperative enterprise through teaching, research, and outreach.” Our efforts in 2013 included:

- A group of students successfully completed the Cooperative Management course at Cornell University which was re-established after a long hiatus.
- Deployment of the Cooperative Leadership Fund. A new initiative to recognize and award outstanding students who successfully complete an internship with a NECC member cooperative. We feel this program will enhance the overall quality of our respective member cooperatives’ intern programs while at the same time assisting students with their cooperative learning efforts.
- The Future Leaders Conference held in Batavia, NY this past summer. Participants gave the program very high ratings and we are confident that the conference sparked interest among the participants to serve our member cooperatives in the future.
- Our Annual Meeting and Leaders Forum held in conjunction with the CoBank Northeast Customer Meeting.
- A complete makeover of our website resulting in additional informational resources for you.
- Established an Executive Secretary Page which is a regular, ongoing informational piece from our Executive Secretary that is separate from the newsletter. The initial Executive Secretary Page did a nice job of capturing the attitudes and viewpoints of the participants attending the Future Leaders Conference earlier this year. We hope you find these additional electronic communications of value. You can anticipate at least three offerings of the Executive Secretary Page during 2014.
- Continued outreach to exploratory cooperative organizations involving various enterprise types.
- Development of new marketing materials: The materials were updated for both the Member and Associate Member designations. Please contact us if you would like a supply of the new marketing materials.
- Integration of new NECC members. During the past couple years, we have expanded our geographic footprint and added new members such as AgChoice Farm Credit, Land O’ Lakes and CHS, Inc. Our new members have given us excellent input and fresh ideas. Moreover, they have added diversity to our Board which will result in us being stronger for the long haul.

We hope you find we are achieving our mission. Current efforts include:

- Developing a strategy to increase the number of Associate Members
- Forming a separate entity to manage the deployment of the Cooperative Leadership Fund
- Guest lectures at various colleges and universities in the Northeast and Pennsylvania
- A research project in collaboration with the Cooperative Development Institute and the Keystone Cooperative Development Center to explore the use of the cooperative business model to aggregate, market and distribute food in intermediary food channels.

In closing, I thank our member cooperatives for their loyalty and endorsement. I want to extend a big thank you to Todd Schmit for his support of the NECC. 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 making sure all the details are handled behind the scenes. Bobbie Severson completed her first full year in 2013 as NECC’s Executive Secretary and we are extremely pleased with her efforts and results. We look forward to delivering benefits to our members and the cooperative community in 2014 and beyond.

Craig Pollock, President
Executive Secretary’s Report

Last year a tag line for the organization was created....Information....Education....Collaboration. These three words summarize the activities and accomplishments of the Northeast Cooperative Council since we last met.

Through education, the Future Cooperative Leaders Conference brought together 41 farm operators, employees and Cornell Cooperative Extension educators from 12 cooperatives and 4 states. Focus of the event was information on leadership pathways in cooperative businesses, branding the cooperative, and estate planning for farmers. Participants learned more about the co-ops doing business in the Northeast through round table discussions lead by NECC board members. Education is about applying information received to make a calculated change and evaluate the change. Surveys showed a definite desire on the part of those attending to return home and take a more active role in leading their cooperatives. The Council would like to extend its appreciation to the host cooperatives—Upstate Niagara Cooperative, Inc. and Farm Credit East, ACA, Batavia. Thanks to cooperatives who sponsored future leaders and to the volunteers who made presentations and facilitated discussions.

One of the goals of the Council this past year was to reach out to college students in classes focused on farm management and finance, agri-business management, and marketing. Presentations were made before 200 students in classes at SUNY Morrisville, SUNY Cobleskill, and Cornell University. Basic components of the presentations included the scale of cooperative businesses in the United States and the world; the differences between a cooperative-structured business and a stockholder-owned corporation; and the circumstances under which one might join with others to form a cooperative. Presentations were then customized to showcase NECC cooperatives and their role in providing services and financing to their members, marketing and processing of products from member-farms, and international trade and development.

Collaboration is critical to the success of cooperatives doing business now and into the future. For the past several years the Council contracted with an online company called Acteva to provide registration services for the NECC Annual Meeting and Leaders Forum. Unfortunately Acteva suffered some financial challenges and as a result currently owes the Council approximately $10,000 in registration fees from last year’s Leader’s Forum. The NECC board of directors consulted with Associate member Charlie Sullivan, Bond Schoeneck, and King, PLLC. A letter was sent to Acteva demanding payment. Little satisfaction has been received to date. The registration process for the Leaders Forum changed this year. I thank CoBank for their assistance in working through an online registration process and for supporting this year’s Leaders Forum with facilities rental, A-V technical support, and sponsorship of our evening banquet speaker. The Council is also appreciative of CHS, Inc. for sponsoring the luncheon this year. The Council also worked with the DYSON school webmaster to upgrade the organization’s website. Check it out.

What does the future hold in terms of information, education, and collaboration in the coming year? Our newsletter will change. I thank Genex for the staff time and resources devoted to formatting, printing, and mailing the Council’s newsletter. We are moving to an electronic format for the newsletter. Please share your email address so that we might send the newsletter to you. Outreach to students will continue. We hope to take a more active role in supporting internship opportunities between students enrolled in colleges and universities in the NECC service area and member cooperatives. We will continue to promote membership to the organization by other cooperatives and their advisors. We will start the planning process for the 2015 Future Leaders Conference later this year. It is my privilege to serve as your Executive Secretary. Please contact me or any of our board members if you have suggestions for the organization.

Roberta M. Stevenson

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.

It has been a pleasure this past year to work with Roberta (Bobbie) Severson, Extension Program Leader for the Cornell Cooperative Enterprise Program and Executive Secretary of your NECC. We thank you for your continued support for this position in DYSON. In addition to her many duties with NECC, Bobbie has been working hard in establishing and renewing connections with the cooperative community in the Northeast and MidAtlantic regions and extending our educational outreach to other colleges and universities in the region, supported, in part, by the Cornell Cooperative Leadership Fund. More educational activities are in the works in the future, particularly in bringing additional college students to NECC-sponsored events and in promoting college internships through cooperative organizations. We look forward to working with the NECC in helping make that happen.

We are also happy to report that this past year, the Cooperative Enterprise Program was successful in securing outside grants dedicated to the evaluating collaborative marketing arrangements, and cooperatives in particular, in addressing growing demands for local and regional foods. In one project, we will use the experiences of four farmer marketing cooperatives in the Northeast and Mid-Atlantic regions to develop best management practices and the targeting strategies they employ to identify, secure, and satisfy new and existing marketing channel demand. Additionally, we are teaming up with the Keystone Development Center and the Cooperative Development Institute to provide specialized training programs in new cooperative development. In a related project, we will be working with Cornell Cooperative Extension Associations in Northern New York conducting surveys with agricultural producers, handlers, and buyers of local foods to provide detailed information on existing product marketing conditions, the potential for expanded marketings through collaborative producer marketing arrangements, and the scalability of operations in Northern New York. Regional stakeholder meetings and training workshops will focus the development of collaborative business structures related to aggregation, distribution, and marketing of local food products.

We are in the second year of the new undergraduate course at Cornell on Cooperative Business Management. The course provides an introduction to the cooperative business model with evaluation of the fundamental principles, structure, finance, and management associated with the cooperative organization, and it attracts a variety of students from various majors. As with last year, several guest speakers from NECC member organizations are scheduled throughout the semester. A hearty thanks to those members and their cooperatives! Thanks to funding support provided by the NECC, CoBank, and CHS, some of these students are in attendance at the 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. We’ve moved back into the original Warren Hall while the second phase of construction continues on the second half of the building. With an expected time to completion by the end of the year, we are looking forward to our final move. Come on by and check out our new digs!

Finally, as always, we include below a brief description of some of this past year’s and planned educational and research accomplishments. Numerous developments are on the horizon in 2014, and I look forward to seeing how we can work together … cooperatively!

Thanks!

Todd M. Schmit, PhD
Faculty Liaison to the NECC
Agricultural Cooperative Leadership Education: The 36th Annual Future Cooperative Leaders Conference was held July 13-15, 2013 in Batavia, NY and co-hosted by Farm Credit East, Upstate-Niagara, and O-AT-KA cooperatives. The NECC is developing an exciting new program for the next generation of cooperative leaders.

Emerging Cooperatives and Farmer-owned Enterprises: Bobbie has worked with several groups of people considering the cooperative business model, including dairy processing, fruit and vegetable marketing and broadband access.

Agricultural Markets and Community Development Program Work Team: Todd serves as faculty co-chair of the PWT. The goal of the PWT is to develop a coordinated effort aimed at strengthening communities and regions through agriculture and food systems-based development; this effort will include research, outreach, public discussion and education, and professional development – all aimed at increasing awareness and opportunities related to the role vibrant agriculture and food systems can play in achieving broader development goals.

Cooperative Management (AEM 3260): We are well into our Spring 2014 class. 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.

eXtension Community of Practice for Cooperatives: Faculty of Land Grant universities throughout the United States are working to develop web-based training materials useful for cooperative leaders. Webinars focused on improving cooperative annual meetings, worker-owned cooperatives, and the use of non-qualified distributions by agricultural cooperatives. For more information see http://www.extension.org/cooperatives

International Agribusiness Study Trip (AEM 3290): In 2013, the trip focused on agricultural and food systems in Israel, with assistance provided by the Robert H. Smith Faculty of Agriculture, Food, and Environment at the Hebrew University of Jerusalem. The trip occurred during Cornell’s Spring Break involving 15 students in CALS. A demanding and intensive study program included both university lectures and day trips to various agricultural production, processing, and research development stations.

National Committee Participation Schmit is a member of a national committee of University and industry participants titled NCERA-210. The NCERA-210 committee is a regional research project focusing on cooperatives. A primary objective of the committee is to promote and coordinate research and educational activities focusing on cooperatively owned businesses. For more information see ncera.aae.wisc.edu.

Other Educational Outreach Efforts: Both Schmit and Severson presented results of their research and educational efforts at numerous extension, national, and educational events, including the Agribusiness Economic Outlook Conference, CCE’s Agricultural and Food Systems In-Service, County CCE events, and the New York Farm Viability Institute Partner’s Summit. Schmit also serves Community & Rural Development Institute (CaRDI) Faculty Advisory Committee.

Cornell Report—Recent Publications


Cornell Report—Recent Presentations

Schmit, T.M. Evaluating the Economic Impacts of Regional Food Hubs: Implications for Extension Programming, Building Campus-County Connections Webinar Series, Cornell University, 5 March 2014.

Schmit, T.M. Economic Impacts of Agriculture to the New York State Economy, NYFVI Partners Summit, East Syracuse, 26 November 2013.


Severson, R.M. Agricultural Businesses, The Cooperative and the Corporation, Presentation before AgBs 100 Agriculture Economics class, State University of New York, Morrisville, 22 October 2013.

Severson, R.M. Cooperatives: Building Value for Your Farm Business, Presentation before AgBs210 Farm Management class, State University of New York, Morrisville, 22 October 2013.


Severson, R.M. Cooperatives: Building Value for Your Farm Business, Presentation before AGBU 241 Farm Management class, State University of New York, Cobleskill, 30 October 2013.


Northeast Cooperative Council

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CHS, Inc.
CoBANK, ACB
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Dairylea Cooperative Inc.
Dairy One
Farm Credit of Maine, ACA
Farm Credit East, ACA
Genex Cooperative, Inc.
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Lowville Farmers Cooperative, Inc.
National Grape Cooperative Association, Inc.
Ocean Spray Cranberries, Inc.
O-AT-KA Milk Products Cooperative, Inc.
St. Albans Cooperative Creamery
Stamford Farmers Cooperative
Steuben Rural Electric
Upstate Niagara Cooperative, Inc.
Yankee Farm Credit

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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.

Efforts supported by the fund this past year included presentations to over 200 students at SUNY Morrisville and SUNY Cobleskill about the importance of cooperative businesses in the farm and food sector along with the important role that students will play in the future as members, employees and leaders.

The Cooperative Leadership Fund is a donor-advised fund through the Cornell University Foundation, which is managed as part of Cornell University’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.

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A recent report from the U.S. Department of Agriculture (2012) indicates there are 146 cooperatives doing business in New England, New York and Pennsylvania with 37,400 memberships, gross sales volume of $8 billion and net business volume of $6.6 billion. In addition, the Farm Credit system has over 21,000 members with over $6.75 billion in loan volume in a similar geographical area. Over 1,200 people set policies and manage the day to day operations of these complex 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 Cornell University 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 cooperative 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.

To learn more about how the Cornell University Cooperative Enterprise Program could benefit you or more about the Northeast Cooperative Council, please contact:

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